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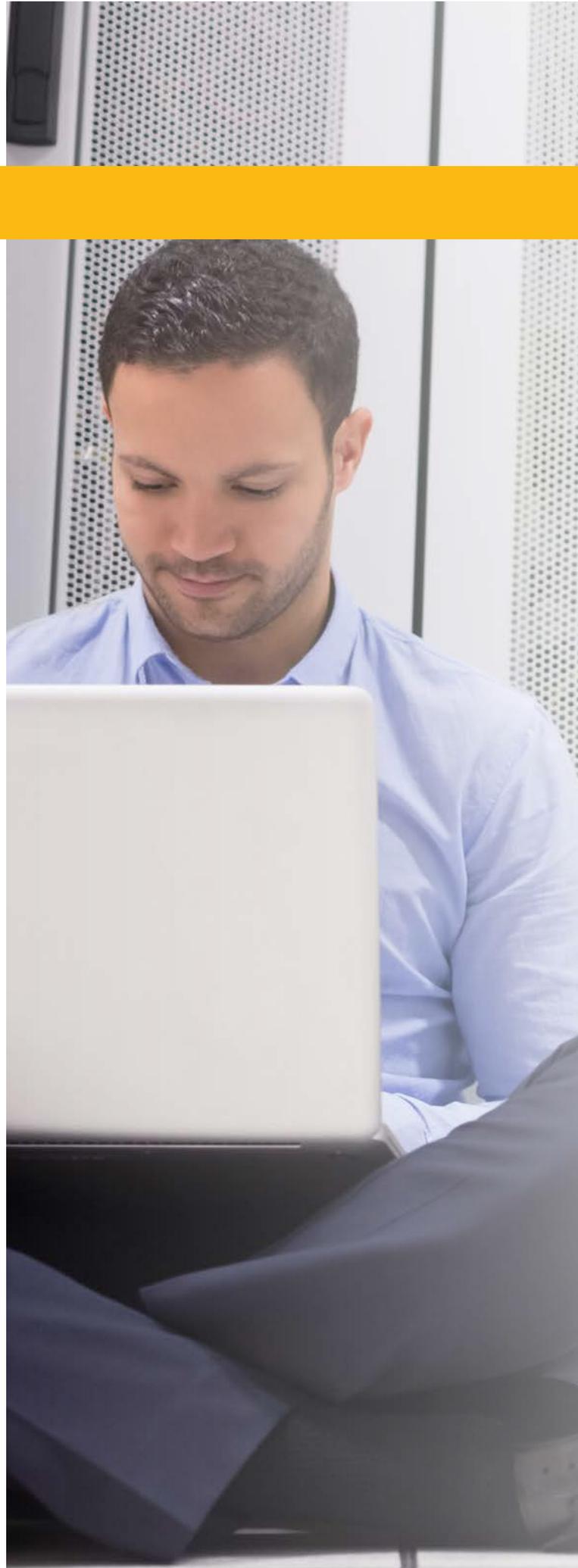
IN THIS ISSUE: PREDICTIVE ANALYTICS IS CHANGING THE WORLD OF MARKETING –
HOW CAN IT HELP YOUR COMPANY REACH MORE VALUABLE CUSTOMERS?

SAP

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Welcome to the latest issue **Simplify.IT**

In this issue, **Pierre Leroux**, director of product marketing, analytics solutions at SAP discusses how predictive analytics is redefining marketing strategies, and how your company can take advantage of it to get ahead of the game.

Sven Denecken, global vice president of co-innovation for SAP® S/4HANA at SAP, explains how the digital revolution is affecting business and the value it might unlock for your company. **Ingrid-Helen Arnold**, member of the SAP Global Managing Board and chief information officer and chief process officer for SAP SE, shares insight on how CIOs can work as collaborators within their companies to create sustainable businesses. CIOs also need to take the lead on digital transformation for the future, and **Dinesh Sharma**, vice president of marketing and digital economy at SAP, wants to know if you're ready. The future is looking more and more mobile and **Rick Costanzo**, executive vice president and general manager for telco industry and global mobility solutions at SAP SE, shares ways that your company can gain value with mobile solutions. **Tina Tang**, director of product marketing and EIM solutions at SAP, discusses what might be one of the most important C-level positions at your company – the CDO, or chief data officer. How does your company attract and keep new employees? **Manik Narayan Saha**, chief information officer for Asia Pacific and Japan at SAP, believes the key to succeeding at recruitment could be collaboration between HR and IT. And finally, **Neil McGovern**, senior director of marketing at SAP, talks about the barriers that are keeping some companies from adopting cloud solutions, and how they can be overcome to move toward the cloud-based future.

Disrupt or Be Disrupted
Get More Value from Your Data and Deliver Tailored Customer Experiences

Pierre Leroux

Director of Product Marketing, Analytics Solutions, SAP

CMOs are now turning to new technologies to sharpen their marketing focus and optimize their spend. Predictive analytics is one of these technologies. It's not new, but a growing number of CMOs and CIOs see predictive analytics as a way of delivering the tailored experience consumers and younger generations demand.

So what is predictive analytics? Predictive analytics is a blend of mathematics and technology learning from experience (that is, the data companies are already collecting) to predict a future behavior or outcome within an acceptable level of reliability.

Companies are creating and collecting data at an accelerated rate, and more and more they are connecting data sources together. Data that could only be integrated by an IT-sanctioned team a few years ago can now be accessed and combined in minutes using self-service tools. With a complete digital picture of customers and by using predictive analytics, CMOs are in a position to redefine several key marketing activities and put their companies in the lead.

Let's explore three of the most popular cases where predictive analytics can play a substantial role in redefining marketing activities.

INCREASE CROSS-SELL AND UP-SELL

Predictive analytics is used in campaign optimization to identify the best potential customers. Instead of sending an offer to everyone, you let predictive models analyze the customer data you've collected in order to determine the best target customers. This data could include demographics (age, gender, and zip code) and behaviors (purchases, Web site clicks, spending for each of the past 12 months).

In the case of cross-selling and up-selling, predictive analytics allows you to focus on a small group of customers that represent the large majority of your potential buyers for a specific offer. Consider the example chart below. You can focus your campaign on a target of 200,000 prospects or customers, which includes the large majority (40,000) of your buyers for a specific offer. You can also optimize your spend by spending a fraction of the budget to reach a smaller group (in the example, only 20%) instead of saturating your entire customer base.

Predictive analytics allows you to avoid overreaching. Digital marketers know that overreaching and flooding customers with offers may lead to the customers rescinding the consent to be reached or worse – customers seeking alternatives from competitors.

REDUCE CUSTOMER CHURN

Many business leaders and marketers live and die by the churn rate. Churn rate is a measure of the number of individuals leaving your service or product. In any industry where you have customers subscribing to a digital service (like LinkedIn Premium) or a traditional product packaged as a service (like Dollar Shave Club),
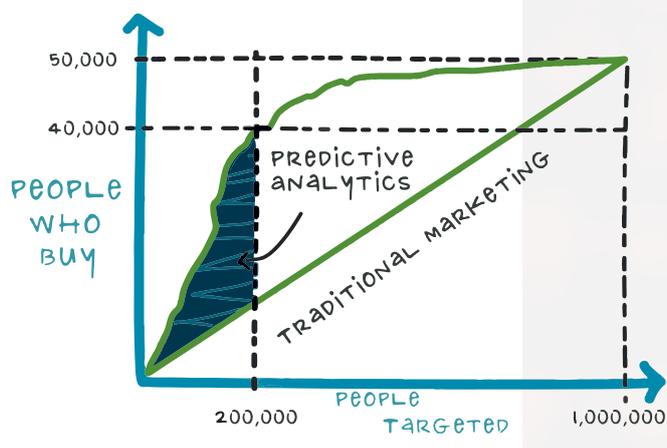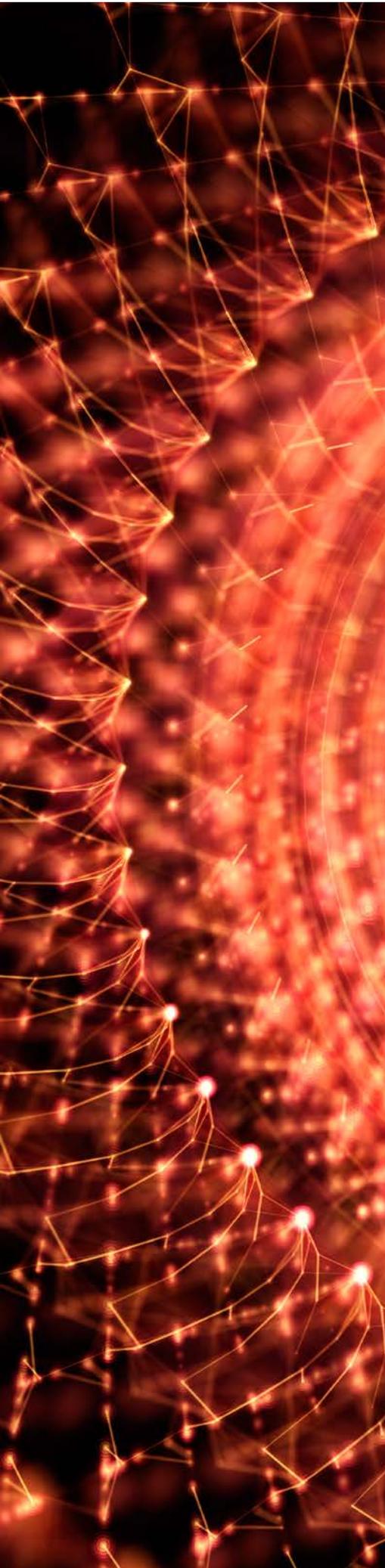
churn rate is a key performance metric. From an annual churn rate, you can derive the customer lifetime value (CLV). For example, if the churn rate is 20%, it implies that customers, on average, will be with you for five years. A customer consuming US$1,000 of your services per year would be worth roughly US$5,000.

Predictive analytics is used to create models that anticipate if a specific customer is at risk of churning and counter quickly with the appropriate retention programs and offers. Predictive models take into consideration a variety of data – demographics, purchase history, products and services consumed, and customer service interactions – and score each customer's likelihood of leaving or canceling service. This allows you to understand why customers leave – what the triggers are and their relative importance. You can also anticipate customers who are likely to leave and act quickly to keep them during interactions. Plus, you can focus retention programs on customers more likely to respond positively to retention activity.

GENERATE TAILORED PRODUCT RECOMMENDATION

Any business-to-consumer company needs to understand product associations for better campaigns, ad placements, and inventory planning. Product recommendation can be a significant sales driver. According to Forrester Research, product recommendations are responsible for an average of 10%–30% of online retailers' sales. Predictive analytics is used to analyze customer behaviors like transactions, page views, and clicks by comparing them against the same data from other customers. This results in a product recommendation or a set of recommendations for each customer to provide personalized offers or campaigns.

Predictive analytics allows you to increase basket size with real-time, personalized product recommendations that have a higher probability of generating sales. It also simplifies the customer experience, especially when customers search for categories or products. Plus you can understand shopping trends and the importance of specific products and brands in the customers' purchasing decisions.

INNOVATION THROUGH COLLABORATION

Predictive analytics provides an excellent opportunity for CMOs and CIOs to share a common IT vision. Technologies like predictive analytics can be used to extract high value from existing data assets and ultimately shape the tailored experience customers are now demanding. Whether applied to cross-selling, reducing churn, recommending products, or other marketing initiatives, predictive analytics has the power to get your company ahead of the game.

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How to Transform Digital Innovation into Business Value

Sven Denecken

Global Vice President of Co-Innovation for SAP S/4HANA, SAP

Today's digital revolution is rocking the rafters of businesses around the world. Just how radical are the changes? According to IT researcher and author Andrew McAffee, "Digital technologies are doing for human brainpower what the steam engine and related technologies did for human muscle power during the Industrial Revolution."

In other words, the repercussions are nothing short of jaw-dropping.

No market sector is immune to the upheaval as the digital economy takes hold. And the pace of digital innovation shows no signs of slowing down as each new breakthrough multiplies the potential for more.

There's no time to hit the snooze button. The digital revolution is moving at breakneck speed as it reinvents how we do business. And while it brings disruption, it also promises business transformation that can unlock the value of the digital economy. Who's in?

The answer is quite a wake-up call. Based on a recent survey by Altimeter Group, 88% of companies believe they are already reinventing their businesses through digital transformation. Yet 75% admitted major strategy gaps, such as leaving the role of the customer out of their digital transformation strategy. Uh-oh. Big oops.

NO ESCAPING THE INEVITABLE

It's time to take digital transformation seriously. If companies don't disrupt themselves, they'll be disrupted by entirely new competition.

The signs are all around us. If you want to stay connected to your market and your customers, digital transformation is a "must-have" that's driven by four inescapable trends.

The empowered customer
Whether Generation Z consumers or multi-national conglomerates, each customer now demands to be treated as a unique "segment of one." You have no choice but to meet that expectation. Your competition is just one tap away. To succeed, you must deliver real-time interactions and personalized products to each customer, and do so efficiently at scale.

Competitive and regulatory pressures
Staying ahead of your competition while complying with rigorous regulations takes more than sheer energy; it requires the power of digital innovation. Today's competitive landscape demands an arsenal of digital-driven, low-touch processes that make it easy for stakeholders to make intelligent decisions based on real-time customer demand and market conditions. Meanwhile, burgeoning digital data calls for innovative solutions that support compliance across the information management lifecycle.

Globalization
Being a true player today means going global. Expanding into new markets can no longer be done effectively with infrastructure-heavy international build-outs. Digital innovations offer far more cost-effective alternatives – supporting a pay-as-you-go strategy with scalability that lets you adjust rapidly to meet market conditions.

Technological progress
The tide of innovations is unrelenting. The trick lies in sorting winning inventions from dead-end novelties – and quickly adopting innovations that deliver the greatest value.

TRANSFORM AT THE CORE

How can you tackle the complexities of digital transformation and drive innovation in your business? The answer is simple: start at the core.

To lead in the digital economy, your company needs a digital core that lets you achieve the following goals:
- Deliver real-time insight into all the information that moves in and out of your company
- Reinvent business processes not just every generation, but every day if necessary
- Provide a digital experience to customers, partners, stakeholders, and employees

A business core that's ready for the disruptions of today's digital revolution has three key characteristics:

Efficiency – A digital core automates processes and delivers insights across an intelligent business network. Consider how 3D printing is reinventing the concept of inventory. Similarly, the digital core can move manufacturing much closer to the time and place of purchase.

Effectiveness – The digital core converts signals in business data into action. That can mean anything from real-time demand forecasting that sends new production orders automatically, to intelligent financing that takes full advantage of global capital markets.

Visibility – A digital core enhances everyone's understanding of the entire business and elevates their view of the organization. This can empower sales to close higher-margin deals and guide R&D to focus on projects with the greatest market potential.

IT'S GAME TIME

Agility is key in the lightning-fast digital economy. This means taking advantage of digital opportunities at every turn. A flexible, scalable digital core is the surest way to adapt to this reality.

If you're looking to create greater business value through digital transformation, consider starting at the core with SAP S/4HANA. It's our next-generation business suite designed to help you Run Simple in the digital world. As your digital core, it can connect people, devices, information, and business networks in real time to deliver new value in the digital economy.

The time to act is now. Even competing on the edges of the digital economy will no longer be an option for those whose processes are too inflexible to adapt. But for those who embark on the digital transformation journey, opportunities abound.

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CIOs: Integrators and Innovators in an Evolving Digital World

Ingrid-Helen Arnold

Member of the SAP Global Managing Board, Chief Information Officer, and Chief Process Officer, SAP SE

Thanks to the cloud and the digital economy, today's CIOs have strong strategic leadership roles in their organizations, and technology topics are becoming mainstream in any boardroom discussion. IT is shifting from being a support function to a core component of business strategy, with three key aspects driving this change:

- Cloud solutions are comparatively easy and fast to deploy, allowing businesses to spend less time and fewer resources on implementation and more on improving business results.
- Cloud solutions remove complexity around maintenance and updates through vendor solutions that are specialized in a particular area, allowing companies to focus on their core business.
- The digital economy means business is evolving at a pace and speed never before imagined.

With these advances in technology, CIOs can now focus on preparing their businesses for an ever-changing digital future while delivering rock-solid results today. No longer merely implementation managers, these CIOs are advising their organizations on how to use technology to unlock innovation, enable new types of engagement, and spark disruptive business models.

COLLABORATION AND THE CIO

When I speak with other CIOs, I share with them that I believe we need to be in close collaboration with the business leaders in our organization as we drive our companies' IT strategies. Only by collaborating can we ensure that our IT platforms will provide the high performance, secure transactions, and reliable connectivity needed for sustained business success – both today and in the future.

The role of the CIO already requires us to be both the integrator and the innovator as we bring together all key aspects of the business in a more effective and efficient way than before. And in today's digital economy, that means enabling collaboration not only within our own enterprises but also with our partners, suppliers, external agents, and customers.

According a report from McKinsey & Company, more than 60% of CEOs expect 15% to 50% of their earnings growth in the next five years to come from technology-enabled business innovations. Similarly, IDC says that 57% of CIOs expect to be defined in terms of delivering business innovation to increase revenue, margins, and new products. The question then is, how can we innovate in a way that best serves the business?

DRIVING INNOVATION THROUGH BUSINESS NETWORKS

One answer to the question lies in business networks. By connecting business networks with a company's back-end systems on one side and its partners on the other, CIOs can open up tremendous opportunities to innovate key business processes and drive efficiency. Not only do business networks make connecting and collaborating with a global network of partners easier than ever, they also enable new processes that help companies drive innovation across their operations.

These networks can automate purchase orders and invoices and help create self-service supplier catalogs that are executed electronically. Processes like dynamic discounting can allow companies to secure discounts that can be reinvested in research, development, and funding to expand the business.
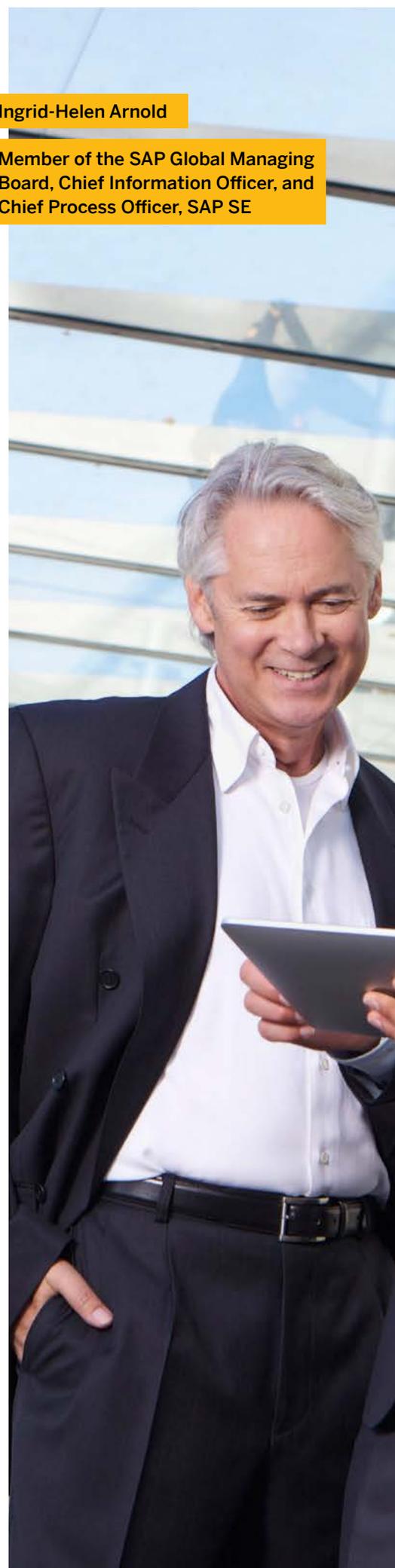
Collaborative supply chain solutions can also increase inventory and forecasting visibility, and they instantly generate audit trails that ensure tax, legal, and security compliance.

Ardent Partners predicts that adoption of business networks is expected to grow by 40% over the next two years. This is no surprise given that networked enterprises, according to this McKinsey report, are 50% more likely than their peers to have higher sales and profit margins, gain market share, and be market leaders.

If CIOs want to build a modern IT platform, business networks are a critical consideration.

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- 🐦 You can follow Helen on Twitter @Arnold_IH

ADOPTING OUR OWN BUSINESS NETWORK

Within SAP, we knew that to continue providing high-quality service and mitigating risk across our supply chain, it was important to have a simpler and more standardized source-to-settle process. That's why we decided to adopt a leading business network from Ariba, now an SAP company. The Ariba® Network has helped us increase invoice automation, reduce paper, and achieve rapid, high-quality transparent sourcing through knowledge sharing. Using the Ariba Network we have also improved the usability of sourcing tools for buyers and suppliers and implemented self-service requisitioning for employees. The network also helps us ensure greater supplier compliance and minimized supplier risk.

THE KEY TO SUCCESS

Effective collaboration was absolutely key to this successful transformation. From the beginning, we worked closely with our chief procurement officer, chief financial officer, product teams, and suppliers to identify needs, set expectations, and align our approach.

Our source-to-pay organization achieved significant benefits in record time by understanding our technology options and advising our purchasing and finance business units on the most effective rollout. And the value we're getting from using a business network is growing all the time as more of our suppliers get onboarded, and we manage more of our resources through it.

We now have a platform that is secure, reliable, and high performing, and it has increased the productivity of the procurement team by 20% and lowered procurement costs by 42%. This effort is a great example of our corporate mantra, Run Simple, in action.

The Digital Transformation: Are You Ready – and Able?

Dinesh Sharma

Vice President of Marketing, Digital Economy, SAP

The digital economy is being called the next economic revolution, as it has the potential to drive $90 trillion in gross world product by 2020 according a report from Bain & Company. As with any evolutionary surge like this, there is a double-edged sword, where there are opportunities and, of course, challenges.

This is especially true for CIOs and IT departments, as they are being called into higher levels of service, and for a digital transformation to succeed, they must become the transformative leaders. As a CIO from Hewlett-Packard says, "It's a very cool time to be a CIO. We've moved from the back office to the front lines."

CIOS AND IT BACK IN CHARGE

This is a bit of switch from past trends, where business units often had their own IT budgets and could go off and acquire a software-as-a-solution (SaaS) application to run a departmental process. But this no longer will work in the digital economy. Business departments now expect IT to lead the way in fully digitizing their enter- prises. In fact, according Crisp Research, only 12% of respondents in a recent sur- vey consider their business departments to be a driving force in digital transfor- mation, while 69% think IT should lead the charge.

These are prime conditions for allowing CIOs and IT to take over more important strategic and operative roles. In fact, two-thirds of respondents in the Crisp study think of IT as innovators, strategists, and implementers.

It's time for IT to step up and build a strong digital core that unifies and inter- connects organizations internally and externally. The question is: Are CIOs

ready to lead this charge? Can they deliver on the value that the digital econ- omy promises? For many, maybe soon, and for others . . . well, not quite yet.

READY, BUT NOT QUITE YET ABLE?

While this might be an exciting time for companies to capitalize on the digital economy, a digital transformation may not be an easy one. A 2015 report from the Economist Intelligence Unit says that 60% of senior-level executives believe that failing to adapt to hyperconnectivity – the interconnections between people, organizations, and objects – is the big- gest challenge they face. Inertia and complacency are driving these execu- tives to recognize that there is a deep need for fundamental organizational change.

When top executives were asked to rank their digital maturity against potential digitization opportunities in a study by strategy consultancy Roland Berger, there were significant gaps between these two qualifiers. In fact, depending on the indus- try segment, there was a 12% to 28% gap between maturity and opportunity. The largest gap (28%) was in energy systems, with a 36% ranking of digital maturity and a 64% ranking of opportunities.

The above report also noted that the digital transformation could have an especially strong or even disruptive impact on industries such as automobile and logistics. But to take advantage of what the report says is potentially a $400 billion opportunity by 2025 for these industries, companies would need to expand their information and commu- nications technology (ICT) by 17% on average. While this kind of investment may seem minimal, it can be monumen- tal and quite limiting in companies that still have constrained IT budgets.

Readiness is one thing, but ability is clearly another, which is highlighted by Crisp Research. Even though 93% of respondents in the Crisp study consider themselves well prepared for the coming digital era, only 39% think of themselves as avant-garde, or as this study calls them, **profiteers** or **innovators**. Another revealing fact is that only 42% of the respondents have been involved in successful digital projects.

Without a doubt, many CIOs and their IT departments have some catching up to do across the board.

WHERE TO START? GET A NEXT-GENERATION IT PLATFORM

To fully take advantage of the opportunities of the digital economy, companies will need a next-generation IT platform upon which they can build a digital core. This platform will need modern technology, such as the SAP HANA® Cloud Platform and the SAP S/4HANA suite.

Together, this technology provides a business foundation that is essential for building an end-to-end digital business. It can help organizations combine the opportunities of the digital economy with the process simplification and capabilities necessary to achieve true, sustainable digital transformation at a time where there are billions of connected devices.

With the SAP S/4HANA suite, companies get instant insight coupled with contextual information and personalized experiences. And with scalable, real-time, predictive, and simulation capabilities, they can unlock the power of data to become a business that is primed for success in the digital economy.

It's technology like this that will make transformation possible.

Clearly, there are abundant opportunities for companies around the globe that are willing to embrace digital transformation. And it's equally apparent that wise investments in the digital core will provide a concrete foundation to best capture these opportunities.

How can a digital core help you succeed in the digital economy? Check out this video and find out.

SEE AND FOLLOW

See how a digital core can help you succeed in the digital economy

You can follow Dinesh on Twitter **@sharmad**

Striking Gold in the Mobile Mountain

Even though mobile devices – our constant companions – have penetrated nearly every aspect of daily life, the mobile mountain keeps on rising. While worldwide mobile subscriptions (both smartphones and traditional cellular connections) have surpassed 7 billion, according to the International Telecommunication Union, the 2015 Ericsson Mobility Report predicts big changes over the next five years. Besides a doubling of smartphone subscriptions to 6.1 billion, this report projects a staggering 26 billion connected devices – including cars, utility meters, and other machines – as the Internet of Things (IoT) begins to take hold.

THE HEART OF THE DIGITAL ECONOMY

This extreme connectivity has resulted in a deluge of data. In fact, some estimate that 90% of the world's data has been produced just over the past few years. It doesn't take a genius to figure out that much of that information comes from smartphones, which track the interests, whereabouts, and online interactions of users.

Affordable storage, processing, and transmission costs have allowed businesses to stockpile huge amounts of information, but figuring out what to do with that data is another story. The research firm IDC describes 90% of this data as "dark," meaning it's information businesses are not using. Now imagine what will happen once the IoT brings more traditionally unconnected machines and appliances online. The changes could make what seems like a tsunami of data today look like just a ripple in a few years.

Companies need to adapt to take full advantage of the unique opportunities ahead. At SAP, we consider mobile the heart of the new digital economy. We help companies reimagine their mobile busi-

nesses by delivering industry-specific and context-aware mobile applications, and providing an open and flexible mobile platform. Not only do we enable secure, on-the-go access, but we also embed mobile services into our SAP HANA Cloud Platform. That gives our customers a streamlined, intuitive, comprehensive product. When all of these technologies work together – whether mobile, analytics, core database, or the IoT – it is incredibly easy for our customers to innovate.

THE TRANSFORMATIVE POWER OF MOBILE

Mobile enables deep personalization. Companies can push user-specific offers if they know their customers' histories and can tie that information to real-time data, such as when customers enter specific stores. Instead of targeting a group such as working moms or millennials, businesses can now reach a market of one. Hallmark, for example, launched a new specialty retail concept called HMK using SAP Mobile Platform. This technology allows the card company to gain real-time visibility into inventory and service activities as customers create unique, personalized gifts. SAP is also developing the Barcelona for You Tourist Network, which is designed to deliver customized recommendations, location-aware special offers, and sightseeing information (wait times at attractions, for instance). The network uses SAP City Connect, a new solution designed to simplify the way people experience cities.

How transformative is mobile technology? Utilities now use sensors and predictive analytics to monitor expensive enterprise assets in remote areas, such as wind turbines in oceans. These capabilities provide a warning function, allowing utilities to dispatch the right technicians to fix a machine before it actually fails.

Mobile technology also can improve efficiency and save money. Hydro Tasmania used the SAP Work Manager mobile app to enable a mobile workforce, eliminating paperwork and improving decision making throughout the organization.

Mobile technology can even provide new revenue sources. For instance, an SAP client, a tire company, is experimenting with putting real-time sensors in tires to monitor wear and tear. The sensors could help the company shift from its traditional low-margin products-oriented economic model to a more lucrative service-oriented one.

With the right tools, businesses can strike gold in the mountain of mobile data now available. The hugely valuable insights to be mined in this data can help them optimize their operations, discover new revenue streams, and delight their customers with superior experiences.
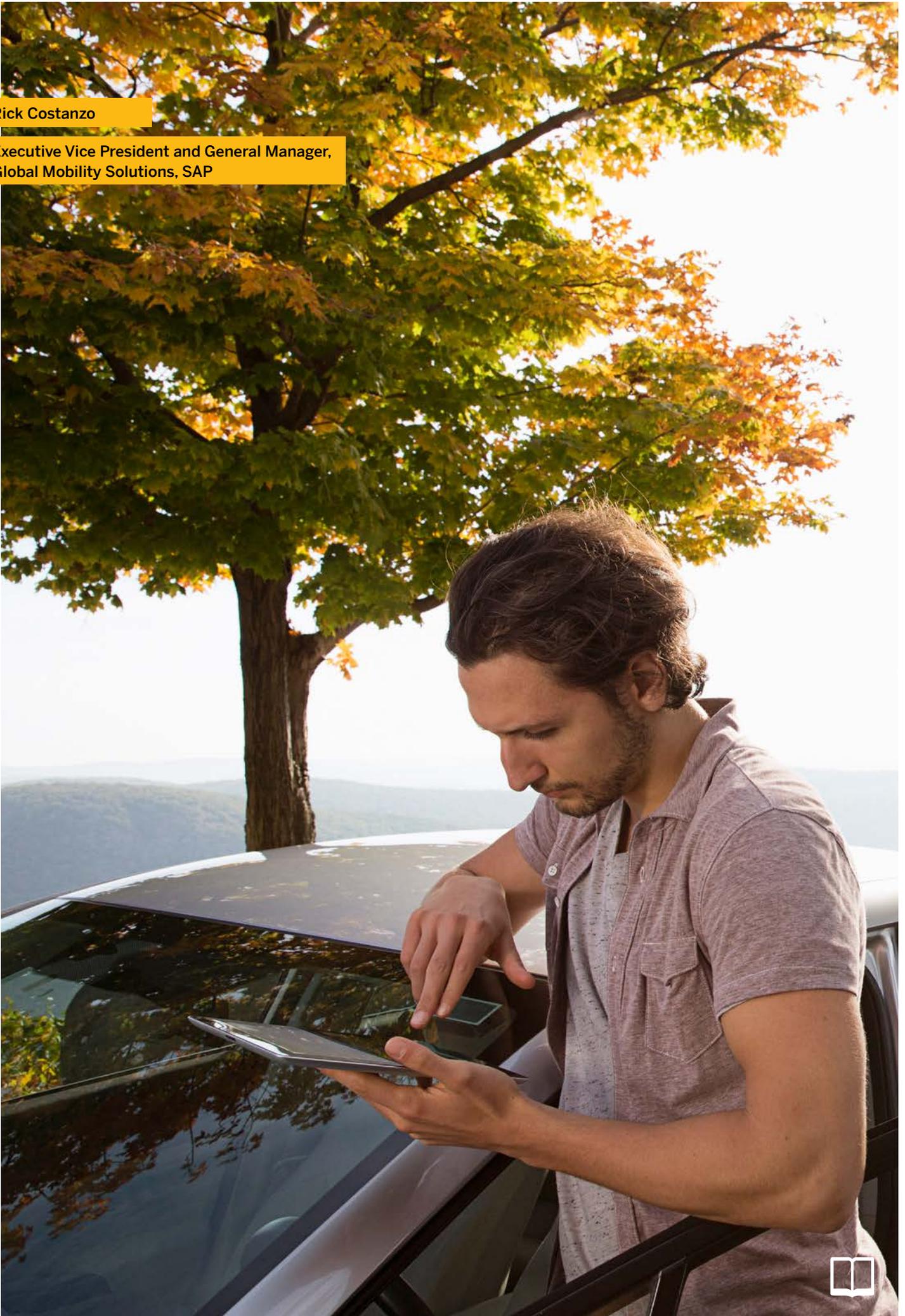

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💡 Learn more about mobile solutions from SAP and how we can help your business succeed on its enterprise mobility journey

👁 See how running simple has provided organizations with a competitive advantage

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Rick Costanzo

Executive Vice President and General Manager, Global Mobility Solutions, SAP

The Chief Data Officer: More Than a Data Minder

Tina Tang

Director, Product Marketing, EIM Solutions, SAP

Effective data stewardship is undoubtedly a key aspect of the chief data officer (CDO) role. But these top executives are more than just data minders. Increasingly, they are seen as innovative, achievement-oriented leaders. Their task: to convert one of today's most precious commodities into new sources of revenue and growth.

Data is the lifeblood of the modern enterprise. In a healthy organization, it flows freely and enriches all of the functions, processes, organs, and limbs of a business. Indeed, data has become so essential that the CDO is emerging as one of the most important executives in the new C-level suite.

DATA AS AN ASSET

In every kind of organization – large or small, from public sector to retail, data is now regarded as an asset. And because any asset needs more than reactive management of day-to-day issues to deliver maximum value, businesses are recognizing the need for proactive and visionary data leadership.

To provide this, the CDO position was first introduced as a key strategic role in the highly regulated government and finance sectors. The last couple of years have also seen CDOs appointed across multiple other industries.

The CDO role is still not widespread – there were only 250 people with this job title at the end of 2014, according to David Mathison, the founder and CEO of a professional association known as the Chief Digital Officer Club. However, the chief data officer position has been identified as one of the top emerging executive posts.

MORE THAN DATA MANAGEMENT

While chief information officers (CIOs) own an organization's IT systems, CDOs oversee all of the data that flows through those systems. Data policies, procedures, and governance are normally part of their remit. In addition, CDOs are increasingly spearheading data monetization and value creation efforts.

Building a strong data foundation is just the beginning of a CDO's responsibilities. By ensuring the free flow of sophisticated data and healthy analysis behind the scenes, the CDO can help the rest of the business simplify processes.

A top-notch CDO is one who has a deep understanding of how data yields growth, and how new data flows can lead directly to new sources of revenue and cost control. Well-thought-out data strategies can make complex transactions look routine and unlock hidden insights that identify a company's best customers and its least valuable suppliers.

MAXIMIZING POTENTIAL RETURNS

As CDOs are hired in industries beyond finance and government, we see their potential to protect and enhance return on large investments. For example, a first-class CDO is essential to successful mergers and acquisitions.

Too many of these projects suffer delays and diminished returns because the newly combined organizations simply do not speak the same language. Parallel systems limp along for months or even years.

CDOs can change that, because they are masters of rationalizing and translating data. They can accelerate the timeline of a postmerger transition on every dimension, from delivering a comprehensive view of joint customers to ensuring that sales teams are properly compensated.

WORKING WITH THE CIO

In the early days of enterprise computing as a discipline, data leadership was typically associated with the CIO. Without question, CIOs have been essential to creating, implementing, and maintaining the automation that has helped business realize massive economies of scale.

Today, however, data is such a rich discipline that understanding and leveraging it requires the specialization and focus that a CDO offers. At the same time, the demands on a CIO's time have expanded exponentially, due to the rapid pace of digital transformation.

CDOs bring with them an intimate understanding of how data impacts the business. This means they can help the CIO to choose the most appropriate and targeted solutions to support the sheer volume and variety of data that this digital revolution is generating.

Because data has traditionally been part of the IT fabric, the CIO/CDO relationship can become contentious. There is no one-size-fits-all approach to defining the right mix of responsibilities and duties of the two technology leaders. However, whether the CIO and CDO are peers, have a reporting relationship, or are managed in completely separate departments, there is ample room for harmony and joint endeavors.

TRANSFORMATION AND INNOVATION

Because most organizations are still introducing the CDO into the hierarchy, the CIO has a unique opportunity to take a proactive role and lead the discussion about the creation and definition of the new role. One common approach is to allow the CIO to focus on responsibilities that emphasize risk management, excellence in execution, and enterprise-wide security and stability. The CDO, in turn, can focus on transformation and innovation, identifying new opportunities to spin enterprise data into gold.

LET'S CONNECT

Connect with me on Twitter @etalors1 to talk further about the bright future for chief data officers.

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Attract Top Talent with HR-IT Collaboration

Manik Narayan Saha

CIO, Asia Pacific and Japan, SAP

Tech-savvy millennials expect to have access to the same technology in their professional lives that they enjoy in their personal lives. To attract and retain today's top talent, companies must continually push to adopt the latest technology that will empower employees to do their jobs more efficiently, while simultaneously facilitating professional development and identifying new career opportunities. Otherwise they risk losing talent to the competition.

To meet these demands, IT and HR leadership must forge a tighter collaborative bond. Without that bond, companies will be left scrambling for a competitive advantage on the recruiting trail, particularly in ultracompetitive sectors like software and technology.

At SAP, our approach to the modern workforce is to embrace their way of working, rather than resist it. To hire the best team, IT and HR work in alignment to identify and implement the best tools. We believe that people and technology are the strategic pillars for any modern company.

We strive for employee excellence at SAP and make significant investments in five areas along the employee lifecycle that signal our commitment to exceeding the expectations of the modern workforce.

SIMPLIFICATION

On one hand, employees want to use increasingly advanced tools; on the other, they want increasingly simpler interfaces that reduce the steps required to make decisions and complete tasks. At SAP, we use SAP Fiori® apps to feed both of those appetites at the same time.

Complexities are kept behind the scenes, allowing end users to focus on their core tasks. Users enjoy the fact that the interface is clean and intuitive and transfers well to whatever size device they are using.

COLLABORATION

Collaborative work is the new way of the workplace, so it's critical to provide tools that allow collaboration not just in physical environments, but also in virtual environments, across geographical boundaries. SuccessFactors, an SAP company, offers a modern way to successfully manage interactions between teams. The SAP Jam™ social software platform, our key internal collaboration platform, allows groups of employees to discuss projects and share solutions with peers around the globe.

CONTINUOUS LEARNING

At SAP, based on feedback and results from the past several years, we've moved away from extended courses that stretch over multiple days or even weeks, in favor of shorter courses and online e-learning.

We use the openSAP platform to deliver massive open online courses, or MOOCs, which are available on a variety of cutting-edge technology subjects and empower professionals to learn and grow at their own pace. The MOOCs are also available through the openSAP mobile app, so employees can access them from various devices. The e-learning solutions from SAP can be used as a part of an employee's talent-development path as a result of a continuous dialogue between an employee and a manager.

A successful e-learning program is a perfect example of a shared initiative between the CIO and chief human resources officer (CHRO). As the HR team gains a better understanding of the specific programs and courses that provide value to employees, the IT team works to ensure that the best tools and platforms are in place.

PERFORMANCE MONITORING AND IMPROVEMENT

For employees of a modern, successful company, the traditional annual review is becoming only a small part of tracking performance and development.

At SAP, HR policies and strategies are now fused with IT tools and automation, like with the SAP SuccessFactors® Performance & Goals solution. The solution provides an easy way for managers and employees to interact regularly and document achievements and progress, while at the same time managing long-term progression in a transparent way.

CAREER ADVANCEMENT

It is important to support your employee's career path if you expect them to stay with your company. The SAP SuccessFactors Recruiting solution provides a transparent way of posting jobs and recruiting staff. Any SAP employee can easily explore opportunities for career advancement. A transparent and open platform provides the employees greater choice and flexibility when it comes to new options within SAP, while accelerating their career plans.

DISCOVER AND FOLLOW

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Why Cloud-Based Analytics Solutions Are Essential for Tomorrow's Business

Neil McGovern

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As cloud adoption spreads, the demand for cloud-based analytics is following suit. But the cloud is still viewed with suspicion by some IT leaders. Here, we look at some of the findings of our recent white paper, "Moving to the Cloud," to see what your organization stands to gain.

In a recent EMA study, 56% of businesses cited cloud-based analytical strategies as "essential" or "important" to their corporate strategies. However, not everyone is convinced. A number of perceived barriers are still preventing some business leaders from taking their crucial first steps into the cloud.

THE CIO: AN ENDANGERED SPECIES?

Some chief information officers (CIOs) fear that the cloud spells doom – or, less dramatically, marginalization – for their departments. However, rather than anticipating their imminent demise, many now believe that the CIO role is simply evolving. IT leaders must rethink their priorities in line with changing business requirements.

In 1990, IT's role was to create applications. In 2015, it is to provision applications and manage the immense complexity of the infrastructure necessary for those applications. Instead of being hardware jockeys, IT leaders must now focus on being data scientists.

KEEPING YOUR DATA SAFE

Another barrier to cloud adoption is a perceived risk in keeping data off-premise and entrusting it to a third party. However, storing data in an on-premise data center is no longer any safer than transitioning your data warehouse into the cloud.

Target's credit card breach in 2013 and Sony's hacked e-mail fiasco earlier this year demonstrate the difficulty of keeping one's own data secure. Although security is still one of the most frequently cited objections to cloud deployment, the risks associated with the cloud are no greater than those associated with operating on-premise. They are merely different.

SAFETY IN NUMBERS

For vendors like SAP who are supplying cloud-based services to thousands of businesses, security is even more critical than it would be for an individual organization. A successful attack on one would be an attack on the peace of mind of all.

Hackers target neglected and outdated systems. Large companies typically have thousands of these in place, and at least one of them is likely to lack the latest security patch. In the cloud, security updates are applied universally and immediately. Simply put, there are fewer doors for intruders to enter, and those doors are better guarded.

FASTER, MORE AFFORDABLE SOLUTIONS

More and more unstructured data is flooding into organizations. The good news is that this data has more value than previously assumed. The bad news is that making sense of the data can be an onerous task with a prohibitive price tag.

Previously, line-of-business leaders anxious for actionable business intelligence traditionally had two options. Firstly, they could wait for IT to provide an internally built solution, taking months or even years, depending on other priorities assigned to IT. Secondly, they could

cobble together a Frankenstein solution of Excel spreadsheets and other applications – frequently proving to be an error-prone and unreliable fix.

In contrast, a cloud-based solution is instantaneous, high quality, and affordable. So, business leaders get the information they need when they need it, without breaking the budget.

BOLDER EXPERIMENTATION

By taking a cloud-based approach to data analytics, companies also provide their staff with the opportunity to try out new ideas and experiment in a cost-effective way. When relying on on-premise solutions for analysis, it is difficult to test hypotheses, due to the high overhead associated with building a new report or analyzing a new data set.

However, the cloud offers access to instant provisioning and the analytical power of solutions like the SAP HANA platform. So, businesses can more easily test and prototype, driving innovation and enabling performance improvements.

REAPING THE BENEFITS

In the cloud, new solutions can be delivered faster than ever before to meet the needs of your organization more precisely. Improving agility, reducing costs, and taking advantage of instantaneous provisioning remain leading drivers of cloud adoption. But expect data security – once considered a risk factor – to increasingly inspire organizations to look beyond their own four walls.

To learn more, read the "Moving to the Cloud" white paper or take a look at specific use cases to see how SAP is helping customers reap the benefits of cloud-based analytics.

When a European sports club experienced significant growth, it leveraged SAP HANA and the SAP HANA Enterprise Cloud service to optimize performance. This gave the organization's IT department the power to focus on core processes – and the confidence to know that it could support the business through daily operations and future growth .

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TO FIND OUT MORE ABOUT HOW SAP SOLUTIONS CAN HELP YOU TO SIMPLIFY YOUR IT SO YOUR COMPANY CAN BE MORE AGILE, PLEASE VISIT OUR WEB PAGE TO EXPLORE CUSTOMER STORIES AND THOUGHT LEADERSHIP.

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