A man with grey hair, wearing a dark suit, white shirt, and purple tie, is speaking at a conference. He is gesturing with his right hand. The background is dark with out-of-focus lights in shades of purple and blue.

“ Today, if you want to build a sustainable workforce with a clear succession plan, release people from the prison that many corporate workplaces have become. ”



DAVID KIDD

Q&A

SAP Co-CEO Bill McDermott discusses his goals for the company as he prepares to become its sole CEO, the disruptive technologies he sees impacting the industry, and how companies can harness the power of the millennial generation in the workforce.

By Allison Gilmore

nvtc *Later this year, you will take the helm of SAP as sole CEO. Can you share some of your philosophy on leadership, particularly across cultures and generations?*

The great thing about SAP is that our leadership culture is already very strong and engrained in our heritage. This is a tribute to our founder and chairman, Hasso Plattner, and the many individuals like Jim Hagemann Snabe who have built their careers in our company.

Moving forward, I would say that three pillars will really drive the culture I'd like to see furthered at SAP. For starters, we have to take our focus on customer success even further. This has always been a point of pride for SAP—the idea that our entire company is driven by the business challenges and opportunities confronting our customers. We'll do more than ever to put the customer at the center of everything we do—including things normally thought of as “internal functions,” like procurement and HR.

Second, we're going to take on this idea of simplifying everything so we and our customers can do anything. This is a major cultural shift for any company that gets to be a certain size—complexity is very much in standard corporate DNA. My personal belief is that people want simplicity, both in how they work and what they deliver to the enduser of technology.

Finally, the overriding theme across our business strategy and company operations will be people. During my recent talk at the NVTc annual banquet, I focused on this very topic because there is a talent crisis in our industry. We need to invest more in advancing the people in our workforce today, but also to create a new generation of leaders that is ready to drive our success in this period of disruptive innovation. The secret sauce that all companies in our industry

Two of Technology's Top Names to Headline NVTC's 2014 Titans Series



January 30, 2014

Featuring

Linda Hudson
President & CEO
BAE Systems



March 25, 2014

Featuring

Phebe Novakovic
Chairman and CEO
General Dynamics

Register Today! www.nvtc.org/events

need to find is unleashing the next generation by empowering the current generation. SAP has an amazing global workforce, but everyone in our company, including me, can and must learn about the largest purchasing class in the world (millennials), which will drive a period of economic growth unlike any we've yet seen.

nvtc You've talked a lot recently about the millennial generation's place in the business world. How should companies be engaging this up-and-coming group?

I see the millennial generation as the catalyst for some of the most significant economic and social changes the world has experienced. This is a factor not only of their digital upbringing, but also of their interconnectivity. Borders and divisions that mattered in the last century won't matter in this century.

My advice to every company is to harness this generation now — they're ready! Embrace the concept of reverse mentorships, where young professionals teach established leaders to embrace social media and other disruptive technologies. Find ways to better internalize their consumer behavior — however they spend money outside of work represents priceless market intelligence.

The biggest challenge might well be enlisting them to help build the workplace they want. This goes against conventional wisdom: "employees need to learn and accept a culture for whatever it is." Maybe 25 years ago that was true. Today, if you want to build a sustainable workforce with a clear succession plan, release people from the prison that many corporate workplaces have become. Millennials can and should be your internal architects to help you design a new way.

nvtc What are some of the disruptive innovations you see impacting SAP and the technology sector in general?

There are the obvious disruptions — like mobility and the cloud. One very significant disruption for the legacy database market is the shift to in-memory computing, led by our own breakthrough SAP HANA, which is now the industry standard and the fastest selling product in the history of business software. Combine these technologies with the decentralization of IT purchasing, whereby chief market-



nvtc
VETERANS
EMPLOYMENT INITIATIVE
★ ★ ★ ★

March 5, 2014
Northern Virginia Community
College Annandale Campus

Tap Into the Highly-Skilled Veteran Talent Pool

Does your company want to hire, train and retain the best America has to offer? NVTC is partnering with the Virginia Values Veterans (V3) program for a training event designed to help companies in the region's technology community learn how to find the best employees available on the job market:
America's veterans.

Register Today!
www.nvtc.org/events

ing officers and heads of sales now procure as regularly as chief information officers.

You also have the incredible influence of social collaboration, not only in personal networks, but also business-to-business networks. Today businesses can procure goods and services in a virtual marketplace just like consumers can on eBay. With over 1 million connected companies, the world's largest business network (the Ariba Business Network) already transacts nearly ½ trillion dollars in commerce annually.

More broadly we have the concepts of dematerialization and demonetization. Products that used to occupy physical space and market share have now become totally digital. This is upending and demonetizing entire business models, with technology as the central theme to this transformation. The music industry is the obvious example, with a \$20 billion loss in market value between 2000-2009 accompanying the rise of digital alternatives like Napster and iTunes. We're also seeing it with cameras, GPS units and even flashlights.

Another example of disruption is the explosive growth of wearable technology from pioneers like Under Armour and Fitbit. Big data is a powerful resource for personal health and physical performance, which is why so many professional athletes and health-conscious consumers now monitor their own data on their mobile devices.

Ultimately the right answer to any question about disruption has nothing to do with what we already know. The very nature of disruption is that right now, faster than at any point in history, innovation is happening somewhere in the world that we know nothing about. This is fundamentally exciting and challenging at the same time. I find this uncertainty exhilarating!

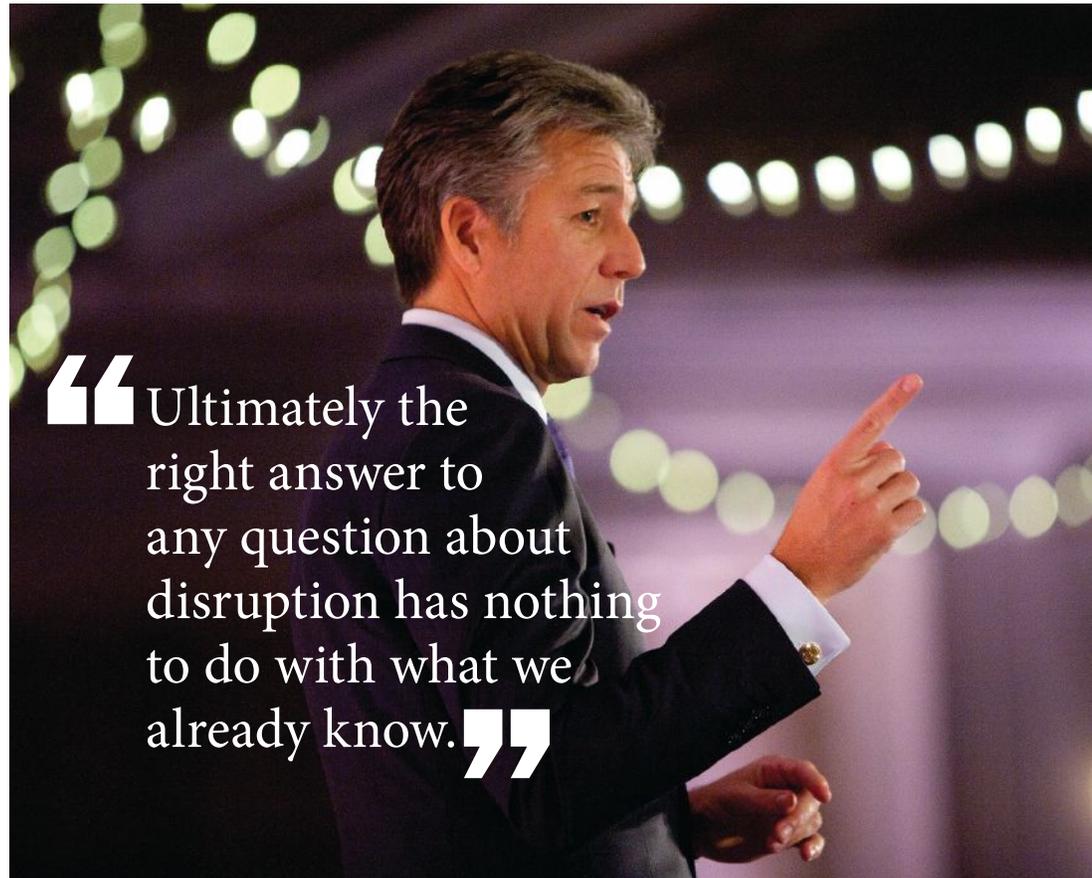
nvtc [How are big data and cloud technologies changing the technology and business landscape?](#)

Several weeks ago I attended a conference of global CEOs. The consensus among the group was that big data was the number one opportunity to create new business value.

If you think about the internet of things, we're talking about a future with 50 billion connected devices communicating with each other about what's happening in real time. Imagine the data created in this environment. Beyond the data itself, imagine the intelligent decisions that can be made in real-time

in response to what's actually happening. Today, those decisions are either made manually (based on countless hours of research) or aren't made at all (because we don't know enough to see the decision point).

As for the cloud, it shouldn't surprise anyone that consuming innovation quickly is a top priority for individuals and



“Ultimately the right answer to any question about disruption has nothing to do with what we already know.”

businesses alike. Of the many significant changes that will result from the cloud transition, the biggest might be the speed with which businesses can now deploy new technology across complex global organizations. What used to take months can now happen in weeks, even days in some cases.

nvtc [Are there any other topics you'd like to discuss with our readers?](#)

I would respectfully pay tribute to what the NVTC is doing and to the entire national capital region technology community. This is fundamentally a moment when the world's greatest challenges also represent the biggest opportunities. The public sector is a unique proving ground for what technology will do to defeat many of those legacy challenges, make the world run better and improve people's lives. **nvtc**

Allison Gilmore is NVTC's vice president of communications and strategic initiatives.