

Co-Innovation

Envision the Future, Crossroads to Innovation

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The SAP logo is located in the bottom left corner of the slide. It consists of the letters 'SAP' in a bold, white, sans-serif font, set against a blue square background with a white diagonal line running from the top-left to the bottom-right. A small registered trademark symbol (®) is positioned at the bottom right of the blue square.

SAP

A key enabler to the global economy for over 40 years, SAP is uniquely positioned to **help the world run better**



At the global level

Helping customers optimize resources and protect the environment



74% of the world's transaction revenue touches an SAP system.



At the business level

Helping companies harness data to stay ahead of change and innovate for growth



SAP customers represent **98%** of the top 100 most valued brands in the world.



At the personal level

Helping people have a greater voice and live better lives by personalizing engagement



SAP mobile solutions reach **97%** of the world's mobile subscribers via text messaging.

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Profound changes are leading to an unprecedented **empowerment of people** everywhere

An emerging middle class growing to 5 billion

will strain already diminishing resources

1 billion people in social networks

will rewire business and personal boundaries

15 billion Web-enabled devices by 2013

will create a universe of intelligence everywhere

Data doubling every 18 months

will create new opportunities and risks for value creation

More mobile devices than people

will require fresh thinking designed for an "always-on" world

Optimize resources

1

Use Big Data to your advantage

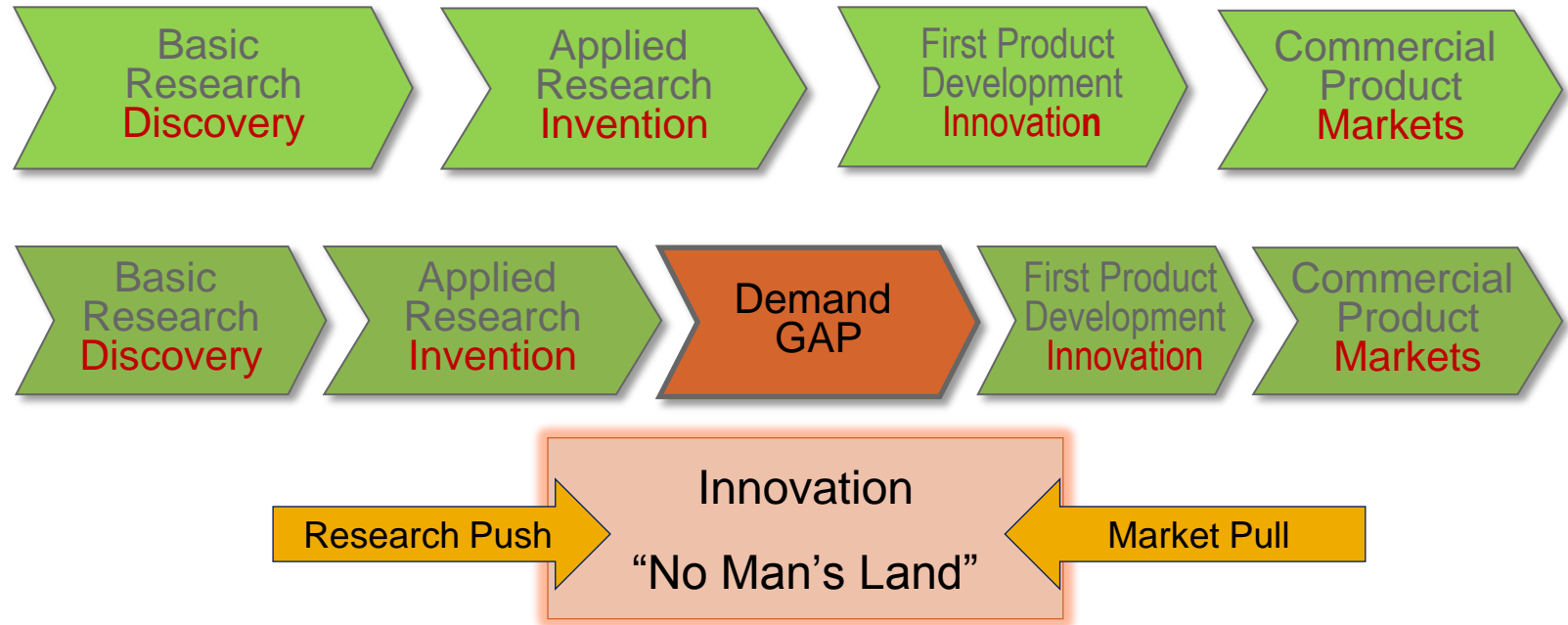
2

Run business in real time

3

We need to rethink the future.

Technology Innovation Cycle from Basic Research to the Market



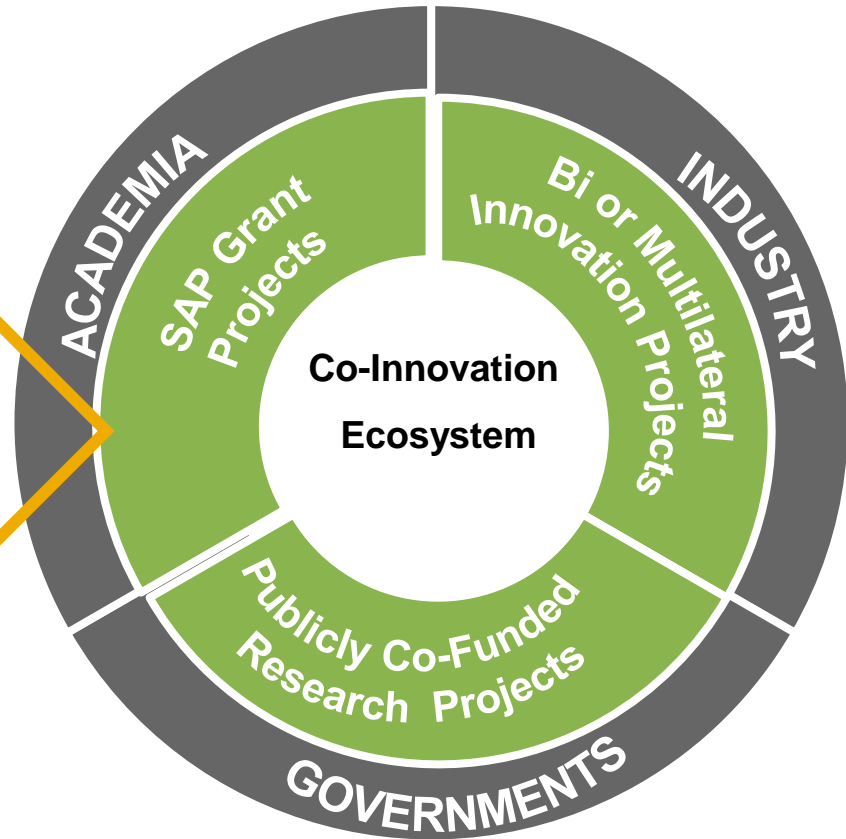
Innovation Happens When Invention is Transformed into a Commercial Application

How can **Co-Innovation** Eco-System Enable Successful Transfer of **Research Results** into **Breakthrough Innovations**?

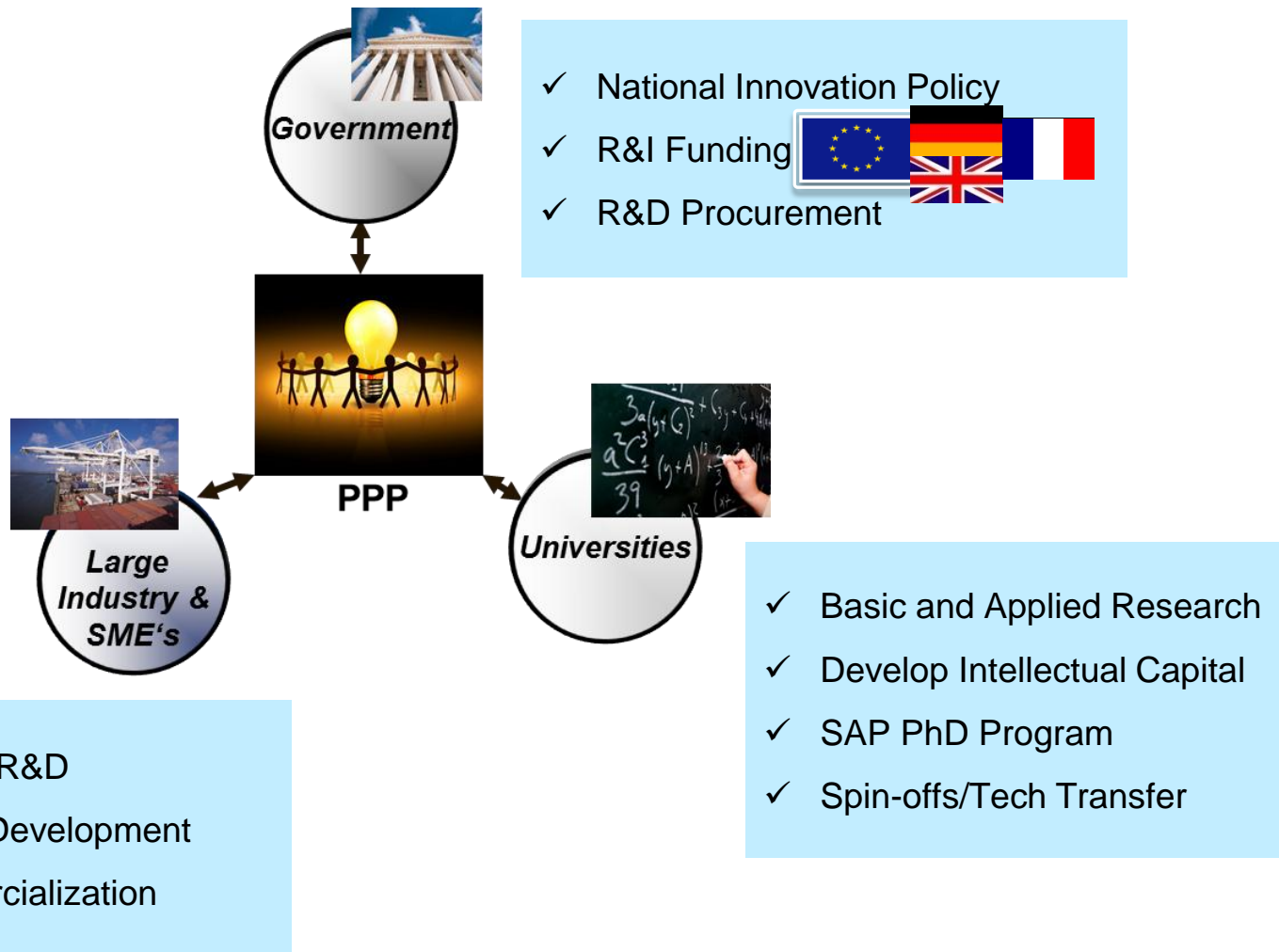
Open Co-Innovation Ecosystem at SAP

Companies are increasingly challenged by how to incorporate a global network of R&D partners into their innovation process.

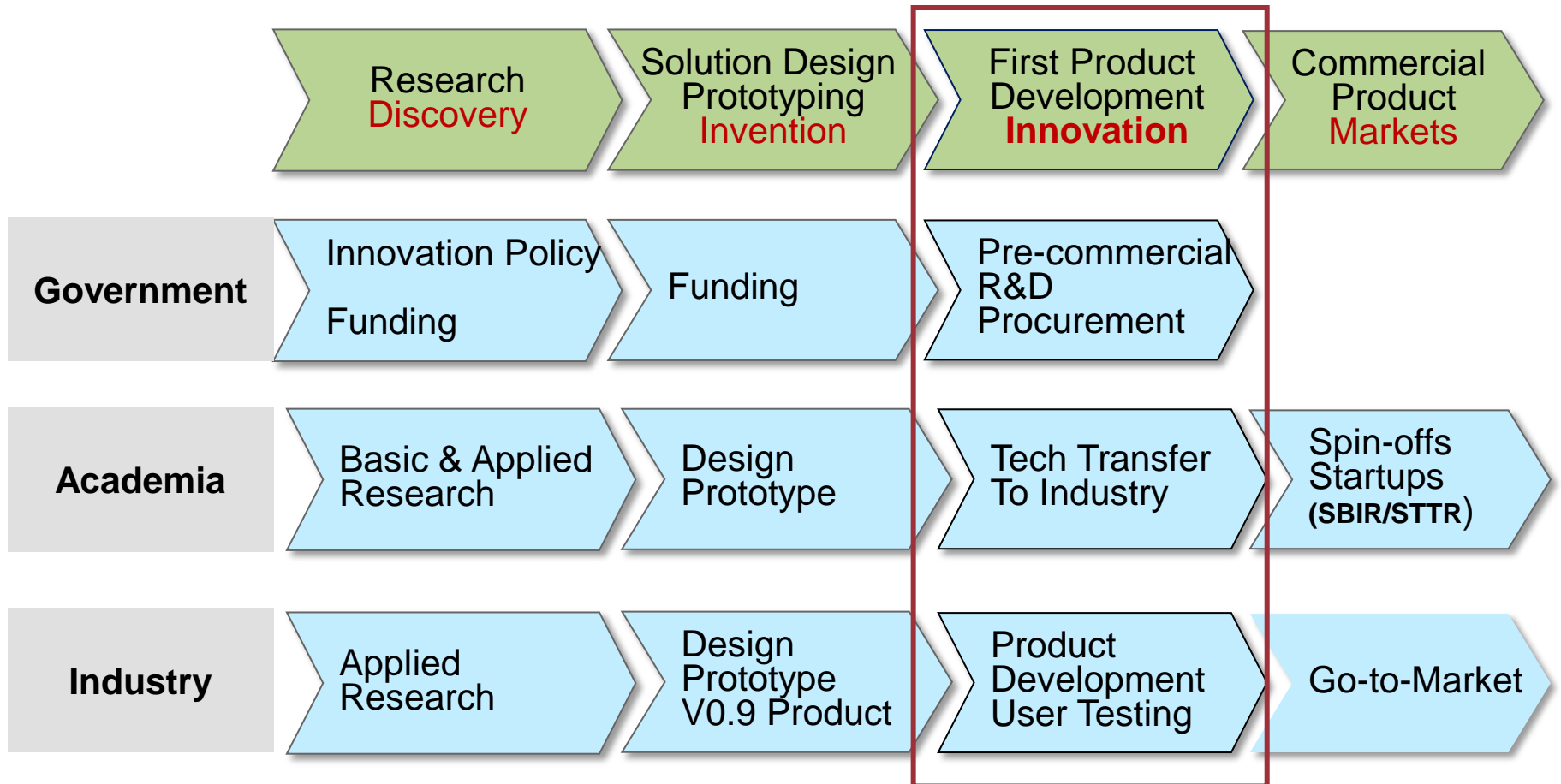
The strategy how to manage co-innovation partnerships with *universities*, *government research organizations*, *technology platforms* and initiatives, but also with *start-ups*, *suppliers*, *customers* will **decide on the sustainable competitive advantage of a company**



Co-Innovation at SAP via Public Private Partnerships



Roles of Co-Innovation Partners: R&I Cycle



Role of Public Sector to Stimulate Innovation

- Acquisition of solutions, which are technologically demanding, by Public Entities when NO commercially stable alternatives exist on the market
- Technology Procurement (Pre-Commercial Procurement) is one particular approach of procuring R&D services by Public Entities based on:
 - Risk-benefit sharing according to market condition
 - Competitive development in phases
 - Separation of the R&D phase from deployment of commercial volumes of end-products
 - IPR – Retained by the supplier

- stimulate industrial product development from early R&D stages to test series
- address the missing link in innovation Go-to-market
- influence the pace of technology development according to govt needs, (compared to grants, tax incentives)
- Improves Public services – better serve citizens

Public Entities can create demand for Innovation for the benefit of Society as Early Adopters, whereas Industry can bring research results into market.

R&D Procurement - Practices in the US

- US Agencies/Departments funding R&D Procurement projects are also beneficiaries of the results and they become *Early Adopters*
 - Department of Health
 - Department of Defense (DARPA)
 - Department of Energy (ARPA-e,)
 - Department of Homeland Security (HSARPA,...)
 - Department of Transportation (RITA,...)
 - Office of the Director of National Intelligence's Director of Science and Technology (IARPA,...)
- R&D Procurement programs have been in place in the US since 60's (Technology Procurement, Pre-Competitive R&D Procurement)

Examples of Innovative Solutions Emerged from US R&D Procurements

- Internet Protocol Technology
- Global Positioning System
- High Performance Super Computing
- Semiconductor Technology

In Europe at the European Commission and EU Members Sates, There is a Big Push on Pre-Commercial Procurement and Procurement of Innovation

- It is Becoming a Key Driver of Innovation in Horizon 2020 and Overall Digital Agenda

Co-Innovation With Universities at SAP

➤ Existing research relations with leading German, US, UK, French, Swiss S. African and Australian universities, SAP offers to:

➤ **Professors**

- to engage in research proposals for public funding
- to join SAP during their sabbatical

➤ **Students**


- an internship during their studies
- to prepare their thesis

➤ **Graduates**


- to apply as a Full Time Employee at SAP Research
- to prepare their PhD (over 100 PhD's)
- to do Post-Doc after completion of PhD

➤ **Universities**

- Strategic long-term engagement (framework contracts)
- Campus-based Engineering Centre



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This is your chance to gather industry experience in a real-life project, work with top-researchers and have the opportunity to develop your own research network. SAP offers challenging research topics in the areas of IT and business trends and the deployment of new technologies for future business value of SAP and SAP's customers. As SAP Research is a consortium member in various EU research projects, it forms an ideal platform for doctoral theses in conjunction with universities. Contact address: research@sap.com

SAP RESEARCH

The ABC of Product Innovation at SAP

Acquire



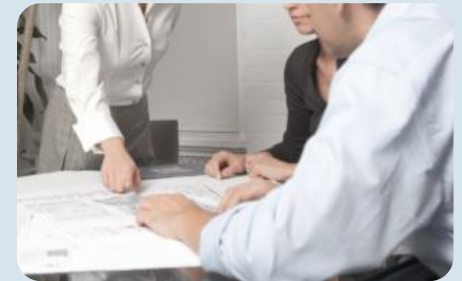
Buy external solutions complementing the existing SAP solution portfolio

Build



Create solutions internally to build on the core and strength of SAP and its principals

Co-Innovate



Build joint solutions together with partners to target specific challenges

Co-Innovation with Industrial Partners

SAP Co-Innovation Lab (COIL)

Creating Value Through Open Innovation

Mission: The SAP Co-Innovation Lab Mission is to bring value to SAP customers through enabling open innovation projects and initiatives that serve to extend SAP's solution coverage and enhance our solution infrastructure efficiency

The result is an accelerated *solution time to market*

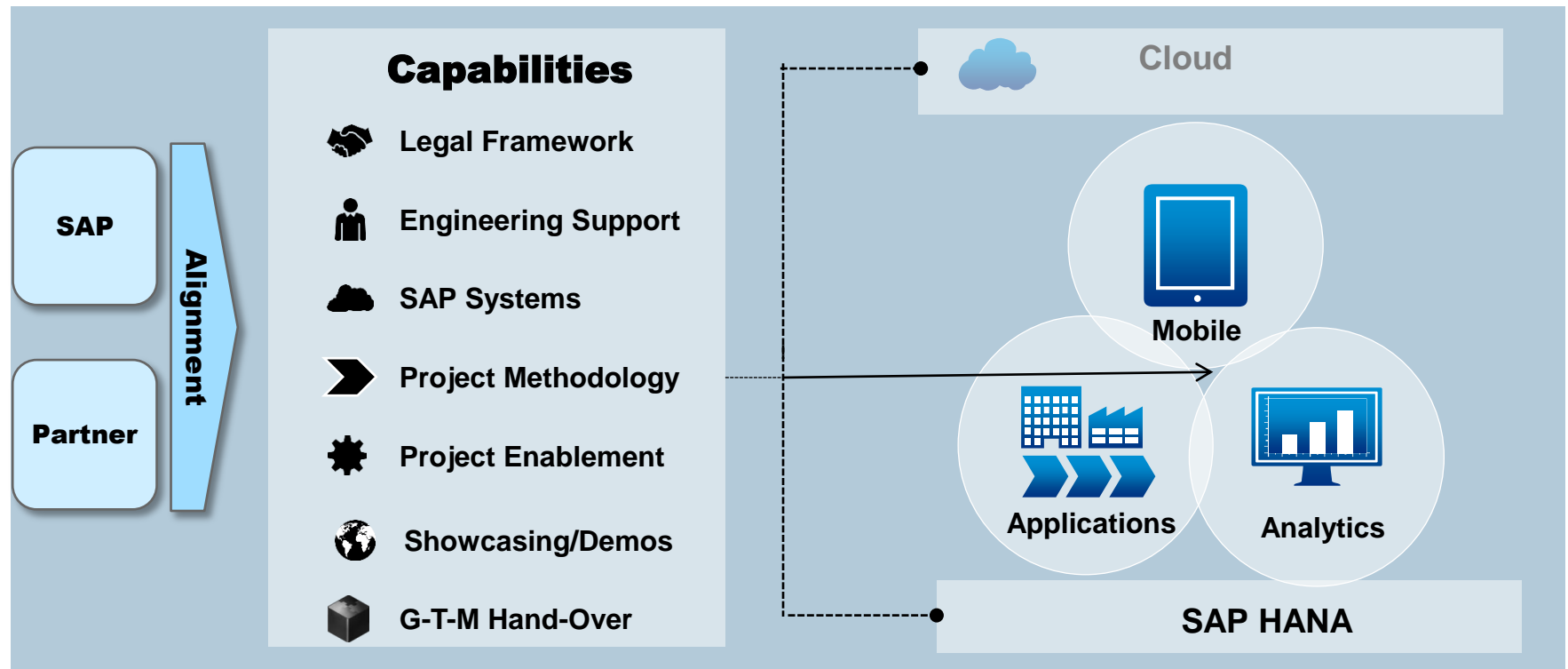


SAP Co-Innovation Labs (COIL)

Global network of labs for end-to-end collaboration between partners & SAP

Enable selected companies from the SAP partner ecosystem to accelerate their innovation and delivery of solutions in a **structured** and **guided** approach with faster G-T-M at reduced risk, that:

- *complement the SAP portfolio*
 - *increase the market penetration of SAP solutions*
 - *improve infrastructure efficiency*



One Global Network

SAP Co-Innovation Lab Locations Worldwide



Palo Alto Brazil Walldorf Zürich Moscow Bangalore Singapore Shanghai Tokyo

Showroom



Engineering



Computing Center



Project Facility



From Research to Innovation and to Commercialization

Collaborative Research – Integrated Innovation Lifecycle

Discovery – Basic Research

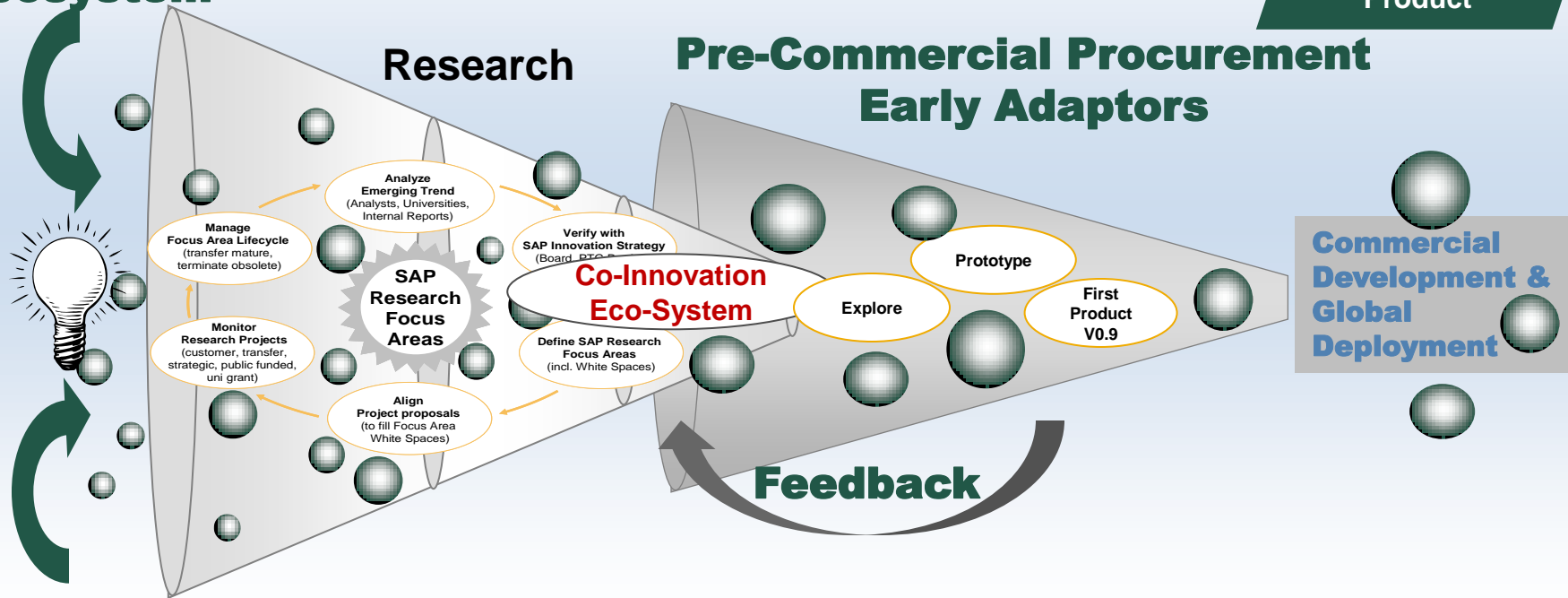
Invention – Applied Research

Innovation – Early Adaptor

Product

Research Ecosystem

Academia, Government R&D Inst.
Industrial & Public Partners





Thank You!

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