

SAP IMPLEMENTS IDEA MANAGEMENT SOFTWARE FROM TARGET SOFTWARE SOLUTION

SAP is the world's leading provider of e-business software solutions that integrate business processes within and across traditional enterprise boundaries.

Founded in 1972 by five IBM software engineers, SAP currently employs more than 22,000, with a total of 5,400 involved in software development worldwide. In addition to the company's development center at its headquarters in Walldorf, Germany, SAP Labs research and development facilities are located across the globe in Palo Alto, California (USA), Tokyo, Bangalore (India), and Sophia Antipolis (France) as well as in the German cities of Berlin, Karlsruhe, and Saarbrücken. Today, more than 17,000 companies in over 120 countries run more than 44,500 installations of SAP software. In fact, over half of the world's largest companies run SAP software.

SAP's tightly coupled distribution and service network – with subsidiaries in more than 50 countries – demonstrates the close relationship the company enjoys with its customers and its success in the market.

To ensure a fast and efficient global implementation of an automated employee suggestion process, SAP AG decided to install "Idea Management for mySAP.com™" software from target software solution GmbH. Stimulating and fostering innovation and ideas in the most non-bureaucratic fashion – that was the impetus behind the introduction of SAP Idea Management, according to SAP Supervisory Board member Bernhard Koller in the following interview. The idea management system went live in Germany at the end of January 2001.

Bernhard, what were the objectives SAP had for implementing an idea management system?

Bernhard: Companies are only as innovative as their employees. Recent surveys and analyses attest to the fact that SAP is one of the most innovative companies in the world. This applies not only to our products, solutions, and services, but the way our company communicates internally and externally, and how it is organized and managed. On the one hand, it demonstrates both the creativity of SAP's employees and the wealth of ideas available at the company, and how SAP is able to productively implement new ideas even as it grows in size exponentially. On the other hand, it is essential to find additional opportunities to promote creativity.

Implementing a global idea management program at SAP enables employees from all corners of the globe to submit ideas and improvement suggestions. It gives them the assurance that their ideas will have the same degree of potential penetration, regardless of where they are physically located or in which area of the company they work. This is not only a factor for motivating employees to think of ways in which their own personal work environment could be improved but it can also foster suggestions for improvement that may ultimately benefit the company as a whole.

What are the reasons for selecting the software "Idea Management for mySAP.com™" from target software solution GmbH?

Bernhard: Essentially, we selected target's idea management software for the following reasons:

- We had no previous experience with an idea management process and therefore wanted to acquire an organizational framework along with an automated system

- We wanted a system that used technology familiar to us and target software is based on existing SAP technology
- We wanted a system that would eventually be able to be implemented worldwide in multiple languages
- And finally, we wanted a system that would support processes via our company intranet and use workflow – because a large number of our existing internal processes are carried out in this environ-



ment. It was absolutely clear to us that our employees would expect similar functionality from any idea management system.

What processes does the idea management software cover?

Bernhard: At first, we concentrated exclusively on our internal processes. In other words, we first addressed questions such as:

- How can we improve our administrative processes – from purchasing to mechanisms for product distribution?
- How can we improve our development processes; how can we increase the quality of our products?
- How can we improve internal and external communications? We're not just talking about cost here; we want to be more efficient, faster, better, more cost-effective.

We will continue to use our own products to collect and process ideas that deal with the further development of our software.

WORLDWIDE IMPLEMENTATION

Why did SAP choose to implement the decentralized idea management process accessible via the company intranet?

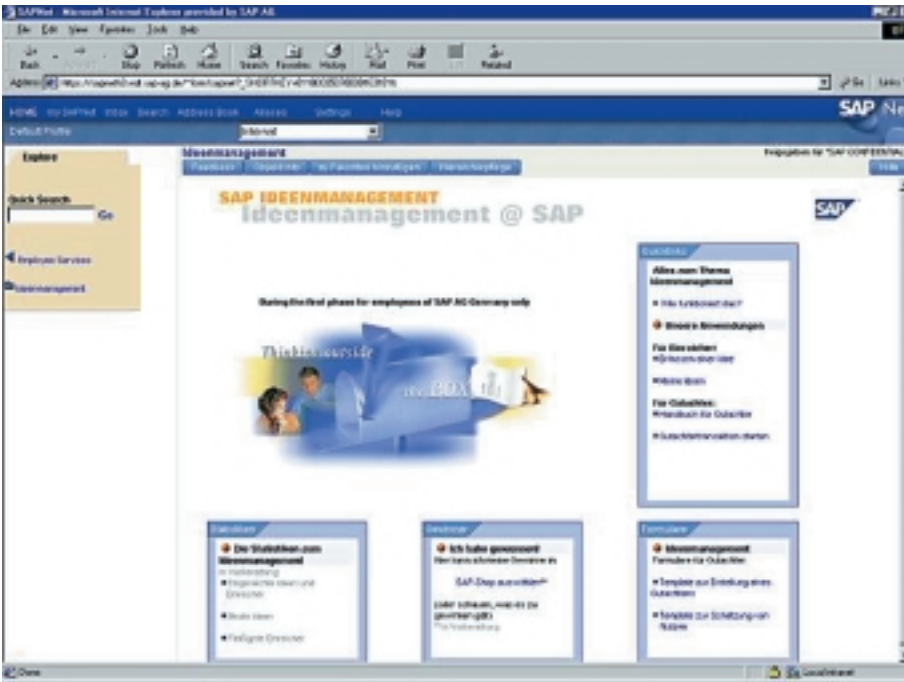
Bernhard: We wanted to implement the most streamlined way to process ideas and be able to make immediate decisions on submitted ideas. Using decentralized idea management, the submitter enters an idea online in the idea management system, and the idea is directly assigned to a reviewer.

The reviewer evaluates the idea, decides on its calculated use, which then determines the amount of the premium to be awarded. These steps are all supported

target software solution GmbH. Within a period of two months, we selected the software and defined our specifications, which concerned additional requirements we had for the target software. In the last three months of 2000, we customized the software and installed additional enhancements. We brought in an additional person to the project team at this point, along with support from intranet and marketing specialists on an hourly basis. And, fortunately for us, target software solution GmbH could be counted on to deliver according to schedule. We were therefore able to go live with SAP Idea Management in January 2001.

“We wanted to implement the most streamlined way to process ideas and be able to make immediate decisions on submitted ideas.”

Bernhard Koller, member of SAP Supervisory Board



What savings, improvements, or use does a software provider such as SAP expect to incur from the implementation of this application?

Bernhard: Above all, we are interested in process effectiveness. This, we believe, will provide two critical results: 1) Elimination of “non-productive” steps in a process (those that waste time and effort), resulting in cost savings; and 2) Relieving employees from tasks that are found to be unproductive (and therefore superfluous). We believe that motivating employees and creating an enjoyable environment at work are equally important. Up until now, we have not set any budget for estimating cost reduction; we will periodically check to see what has been achieved and at what cost. We are naturally convinced that the outcome will be significant.

What are your plans for SAP Idea Management in the future?

Bernhard: The SAP Executive Board has already announced its intention to implement SAP Idea Management globally. During the course of the year, we will be rolling out the program to our country organizations and subsidiaries. In 2002, we plan to make SAP Idea Management available to our customers and partners.

However, there remain some points to clear up regarding data protection and determination of premiums before this intention can be realized.

by workflow and automatically created e-mail messages. As I said before, this corresponds to SAP’s longstanding processing methods.

Describe the nature of the implementation project and the established time frame for productive operation?

Bernhard: We received a project charter in mid-2000. The project team first consisted of only one person, with occasional support from other employees at SAP and from

Where – in what office locations – have you instituted SAP Idea Management?

Bernhard: We first rolled out SAP Idea Management to our colleagues in Germany in January 2001 (approximately 8,000 users). This included SAP headquarters in Walldorf as well as other office locations throughout Germany. It was, of course, naturally to our benefit that we could use an existing and proven infrastructure in this phase of the rollout.