



THE FUTURE AWAITS

Charting the Next Steps of Your Cloud Journey

SAP Austria Partner Day, Vienna

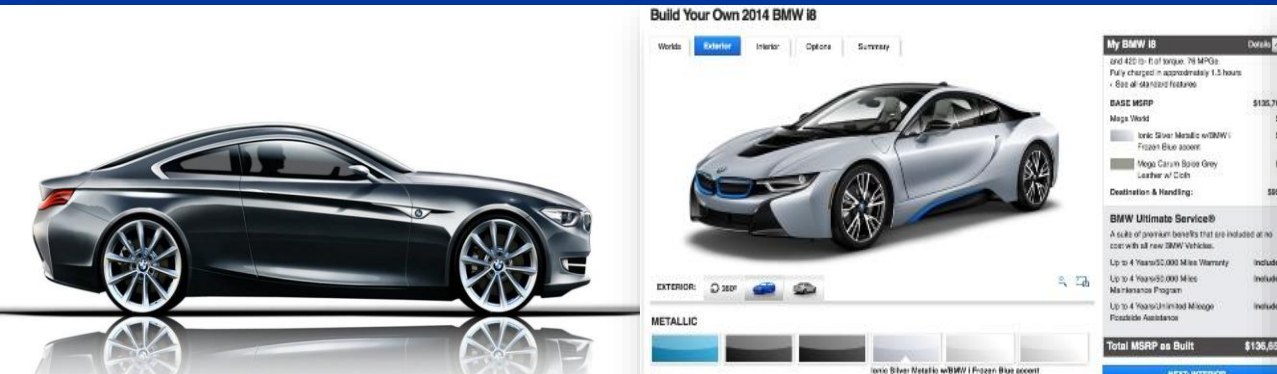
30th January, 2018

Philip Carter, Chief Analyst, IDC Europe

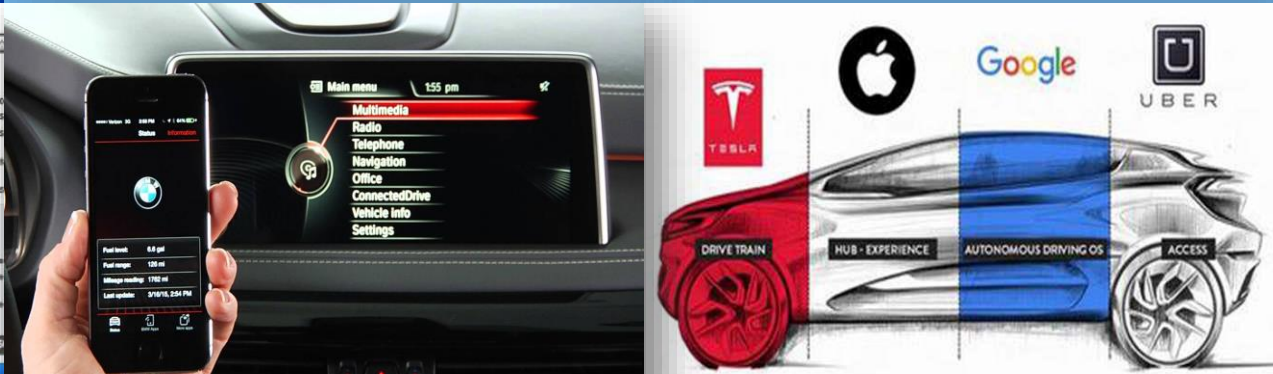
90% of European organizations
see Digital Transformation as a
key part of their **corporate**
strategy...

The Digital Transformation of Your Customers

Traditional Business



Digital Transformation



IT-enabled
Business Processes

Automating Business Processes

IT-enabled
Services

Transforming Business Processes

IT is the product
Creating Digitally-
enabled Products
and Services

Ecosystem
Platform Offerings
Creating new
connections and
revenue streams

‘We intend to be the leaders
for digital transformation of
the automotive industry,’

Harald Krüger, CEO BMW



Sheer
Driving Pleasure



“

We have 2100 applications running on our Enterprise IT platform, and we have 300 new ‘digital services’ being spun up every year’

— VP of Platforms, German Automotive

“

**The question is no longer ‘if’ cloud,
it is whether you go ‘all in’ or not’**

— Digital Director, European Food and Beverage Enterprise

A dark, atmospheric photograph of a mountain landscape. In the foreground, two hikers with large backpacks and trekking poles are seen from behind, walking along a rocky path. They are looking towards a massive, craggy mountain peak that dominates the background. The scene is dimly lit, with the mountain's ridges and valleys creating a complex pattern of light and shadow. The overall mood is one of adventure and challenge.

The Opportunity!

US\$ 1 B

2018 Addressable Market in 2018 in Austria





$$\$864\text{M} + \$127\text{M} = \$1\text{B}$$

2018
Forecast
Growth Rates

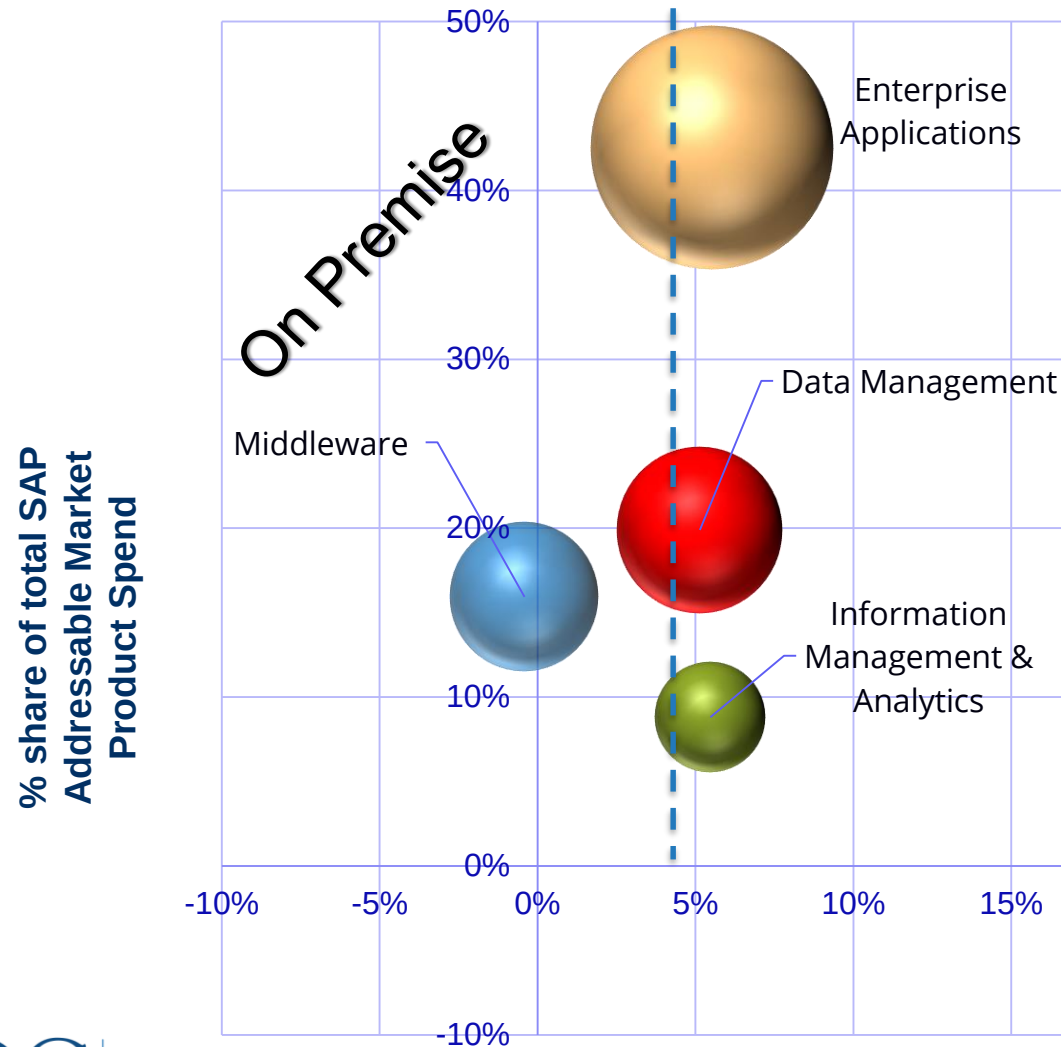
4%

26%

6%

The Underlying Opportunity

SAP Addressable Market in Austria (2018)



A person in a dark suit and tie is shown from the chest down, pointing their right index finger towards a cityscape. The background is a blue-tinted image of a city with various buildings. Overlaid on the image are several glowing white circles, each containing a white silhouette of a person. These circles are connected by thin white lines, forming a network. A bright, glowing white circle is also visible in the upper center. The overall aesthetic is futuristic and technological.

Last year, we predicted that by **2021**, at least **30%** of the **partner ecosystem** will not exist in the format we know them today

The Partner of the Future:

The Seven Transformations to Confront

Defining the Partner of the Future

*By 2021, at least
30% of the
Partner
Ecosystem will
not exist in the
format we know
them today*

	Past	Future
TECHNOLOGY	Applications	Platform & Apps
CUSTOMER	IT	Business and IT
SALES MOTION	Deal	Relationship
TIME HORIZON	Short-term	Long-term
MARKETING	Traditional	Digital
ACTIVITIES	Resale Prof Services Services	Services Managed Services Creating IP
FOCUS	Broad	Specialized

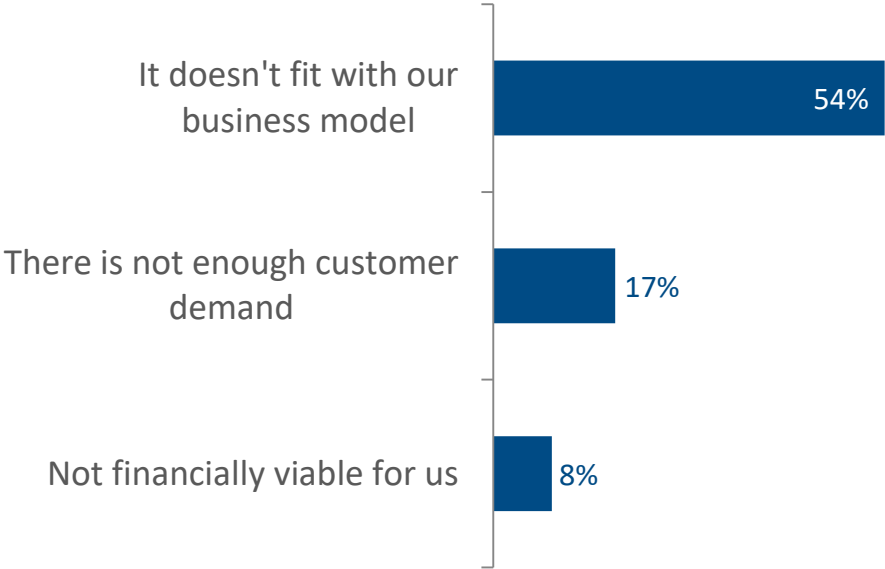
Partner Transformation: **Technology**

	FROM	TO
Technology	Applications 	Platform & Apps
Customer		
Sales Motion		
Time Horizon		
Marketing		
Activities		
Focus		



Not everyone
can nor **will**
offer these
new
capabilities

Reasons for Not Offering Cloud



Source: IDC Software Channels Survey N=138

Partner Transformation: **Customer**

	FROM	TO
Technology	Applications 	Platform & Apps
Customer	IT 	Business & IT
Sales Motion		
Time Horizon		
Marketing		
Activities		
Focus		

**By 2019, 62% of
technology spending
will be funded by the
Line of Business (LoB)**

New Decision Makers

Increasing your Share of Wallet

TECH

DIGITAL

CFO & CIO



Chief Executive Officer
Chief Digital Officer
Chief Innovation Officer
Chief Data Officer
Head of CX



Partner Transformation: **Sales Motion**

	FROM		TO
Technology	Applications	➡	Platform & Apps
Customer	IT	➡	Business & IT
Sales Motion	Deal	➡	Relationship
Time Horizon			
Marketing			
Activities			
Focus			

Partner Transformation

Sales Motion



PAST

Transactional Model
Short Term Focus
Buy
Build
Run
Risk Management Contracts

FUTURE

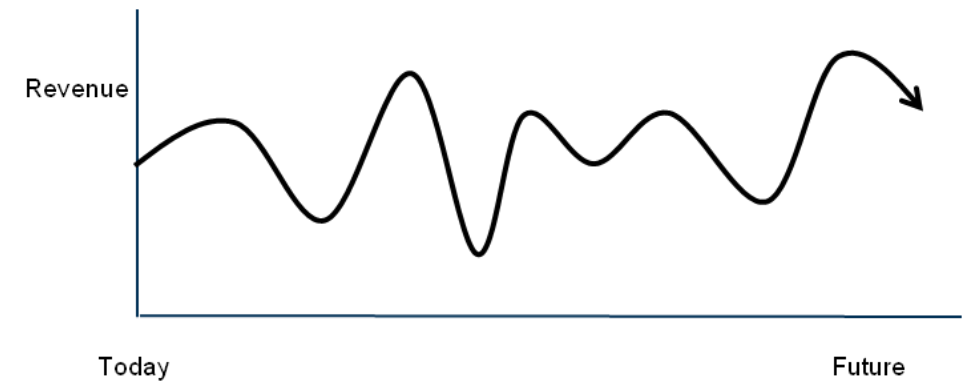
Relationship Model
Long Term Outlook
Acquire Capability
Integrate
Data Driven Management
Trusted Relationship Contracts

Sales compensation models to reward recurring revenue

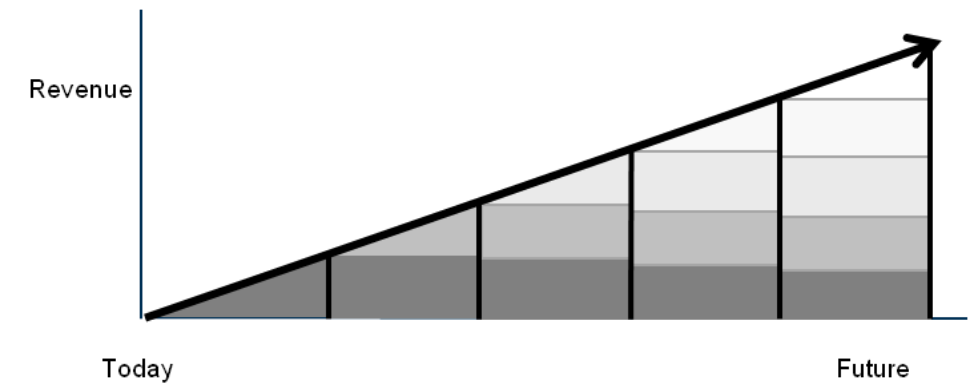
Partner Transformation: **Time Horizon**

	FROM		TO
Technology	Applications	➡	Platform & Apps
Customer	IT	➡	Business & IT
Sales Motion	Deal	➡	Relationship
Time Horizon	Short Term	➡	Long Term
Marketing			
Activities			
Focus			

Typical Project Based Business

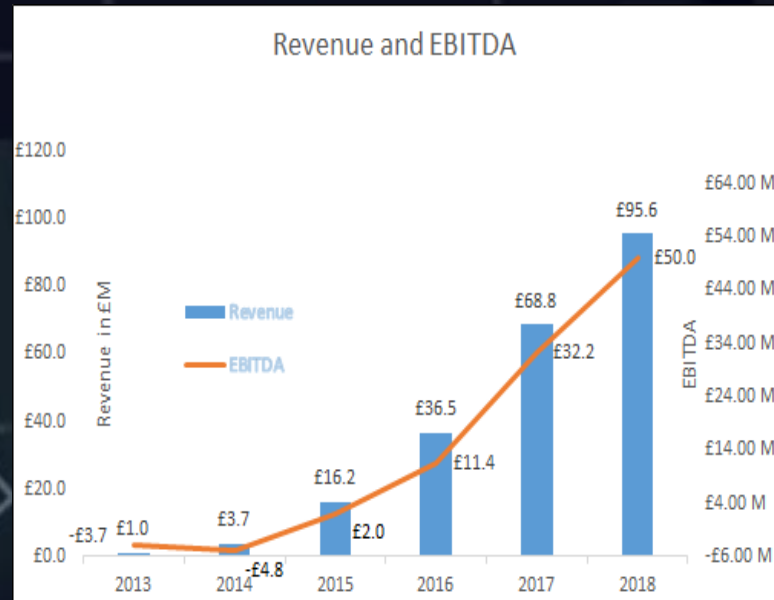


Typical Recurring Revenue Business



Partner Transformation

Time Horizon



Customers choosing opex vs capex offer predictable, recurring revenue streams

Potential positive impact on valuation of your company

Important to "keep customer for life"

Change your approach to timeframes

Partner Transformation: **Marketing**

	FROM		TO
Technology	Applications	➡	Platform & Apps
Customer	IT	➡	Business & IT
Sales Motion	Deal	➡	Relationship
Time Horizon	Short Term	➡	Long Term
Marketing	Traditional	➡	Digital
Activities			
Focus			



65% of B2B buyers usually engage a **sales rep** only after they've **already made a purchase decision**

Partner Transformation Marketing



No longer about educating the prospect at an event

Enterprises go to social media first

How often do you update your websites and social content?

Where does your vendor fit in?

Digital should be front and center of your marketing

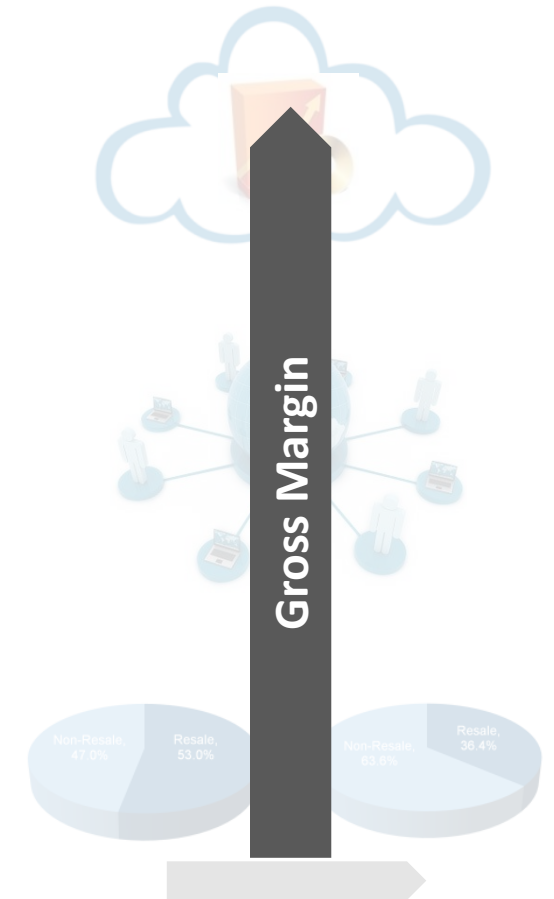
Partner Transformation: **Activities**

	FROM		TO
Technology	Applications	➡	Platform & Apps
Customer	IT	➡	Business & IT
Sales Motion	Deal	➡	Relationship
Time Horizon	Short Term	➡	Long Term
Marketing	Traditional	➡	Digital
Activities	Resale	➡	Services
	Pro Services	➡	Mgd Services
	Services	➡	Creating IP
Focus			

Services to
Creating IP

Professional to
Managed Services

Resale to
Services



Partner Transformation: **Focus**

	FROM		TO
Technology	Applications	➡	Platform & Apps
Customer	IT	➡	Business & IT
Sales Motion	Deal	➡	Relationship
Time Horizon	Short Term	➡	Long Term
Marketing	Traditional	➡	Digital
Activities	Resale	➡	Services
	Pro Services	➡	Mgd Services
	Services	➡	Creating IP
Focus	Broad	➡	Specialized

"It used to be "be niche, or get big"now it is **specialize** and **deliver a service**"

Head of Portfolio Management
Large UK-based VAR

Partner of the Future

Past → Future

	Past → Future	
TECHNOLOGY	2 nd Platform	3 rd Platform
CUSTOMER	IT	Business and IT
SALES MOTION	Deal	Relationship
TIME HORIZON	Short-term	Long-term
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Culture



**"Culture eats strategy
for breakfast."**

Peter Drucker

“It is about **culturally changing** how your business operates. It’s not about a dress code, it’s not about office hours, it’s about your **entire team** and **organization** culturally aligning around **delivering value to a customer**”

CMO, Mid-Size European SI

“If you don't like change, you're going to like irrelevance even less.”

General Eric Shinseki

THANK YOU!

