



Intellectual Capital for Communities in the Knowledge Economy Nations, Regions, Cities and Emerging Communities





INNOVATION THROUGH ENTREPRENEURSHIP

How SAP manage its intellectual Capital ?

Dr Maher CHEBBO
maher.chebbo@sap.com

Vice President Power industry
Europe Middle East and Africa
SAP AG
(former Director & co-founder of SAP Corporate Venturing & Innovation)

A review of 1,000 projects by the UK Office of Government Commerce (OGC) found that technology was one of the least likely reasons for a project to fail. The most common reasons were lack of knowledge, practices and know how

❑ **The Concorde aircraft programme was budgeted at £175m and came in at £800m**



❑ **the Channel Tunnel costs more than doubled from £4.8bn to £10.9bn**



❑ **and the Scottish Parliament building costs rose from £40m to £374m**





Innovation pain points

Product definition process

Innovation channels

Research and People tools

Intellectual Capital Management

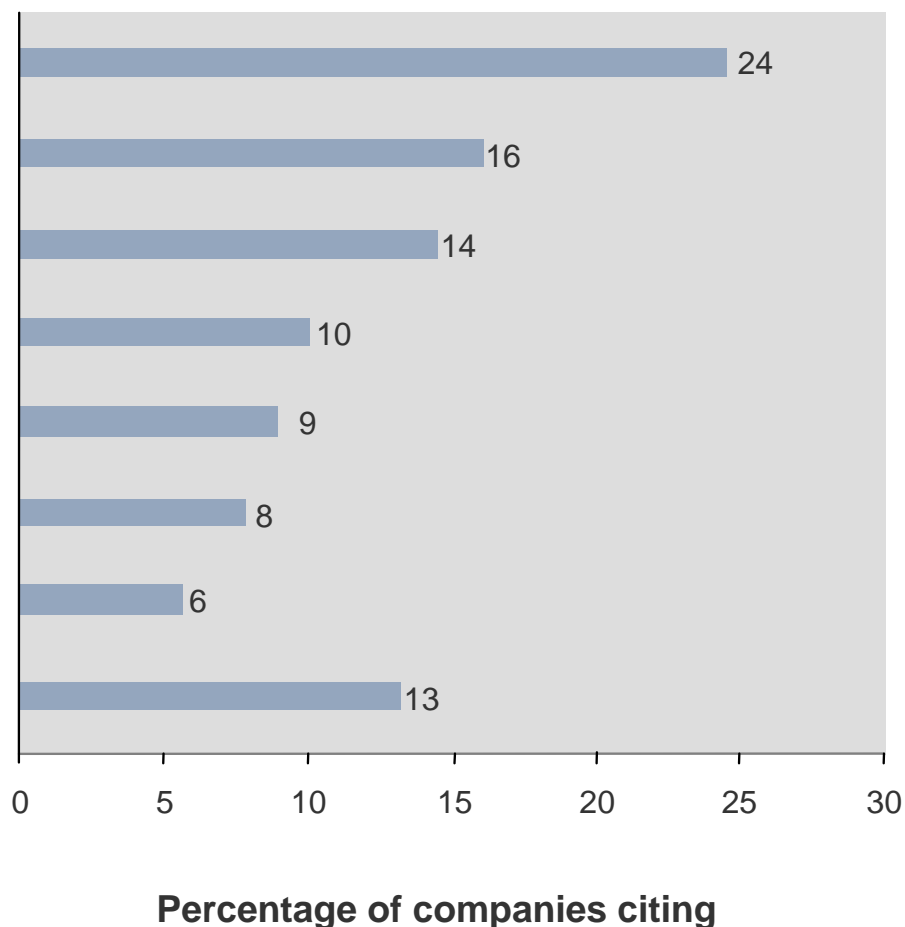
Corporate culture



Main Causes of Product Failure

Inadequate Market Analysis & Product Definition

- Product Problems or Defects
- Lack of Effective Marketing Effort
- Higher Costs than Anticipated
- Competitive Strength or Reaction
- Poor Timing of Introduction
- Technical or Production Problems
- All Other Causes



Source: R.G. Cooper & E.J. Kleinschmidt



Innovation pain points

Product definition process

Innovation channels

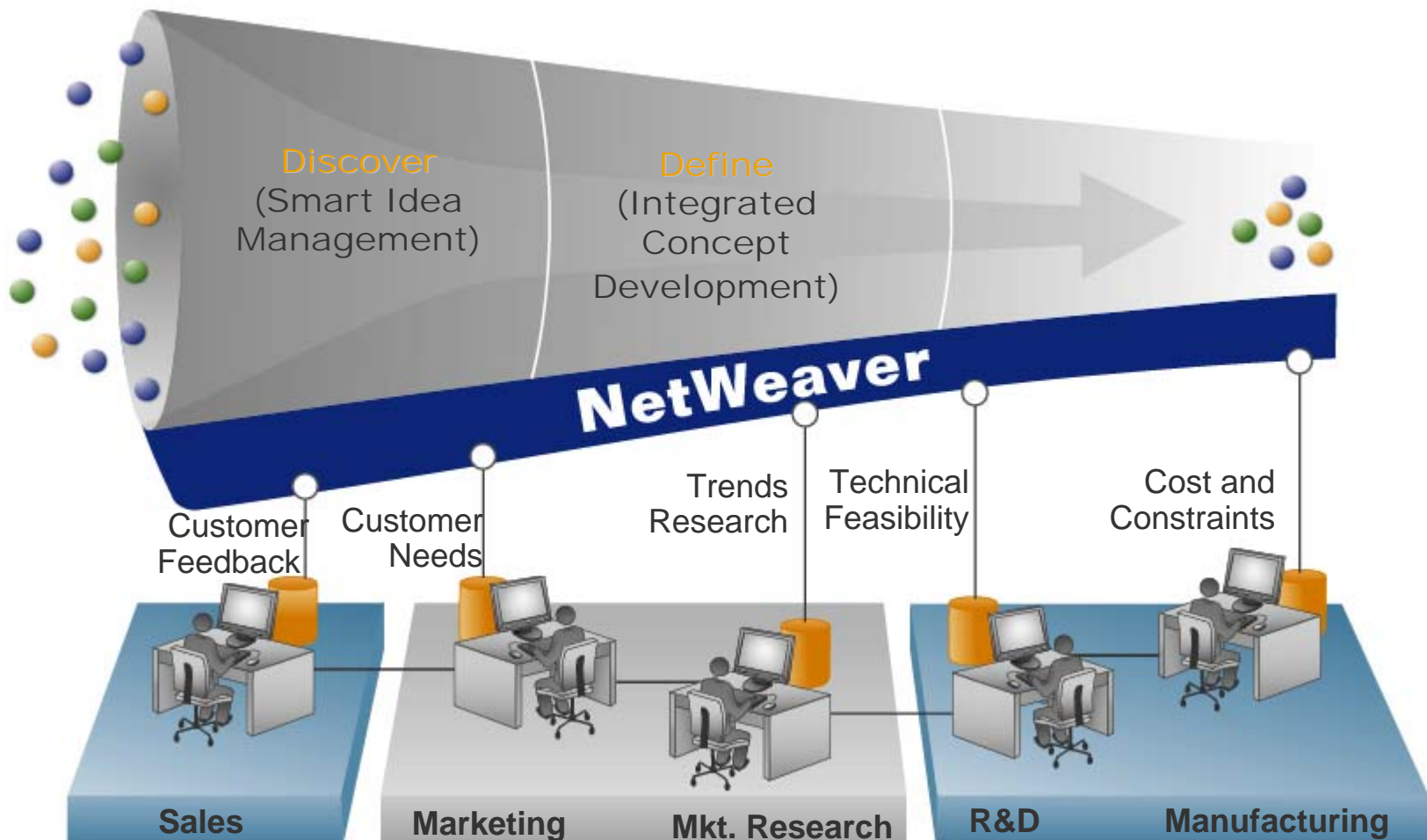
Research and People tools

Intellectual Capital Management

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From Sales to Manufacturing filtering the Smart ideas





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Innovation channels Description

Product innovation (enhancements)

1



Improve



Product innovation
Product improvement
Added features and services

Research & Breakthrough Innovation

2



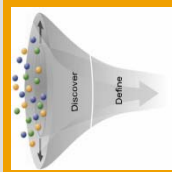
Research



Research Long term Programs
National and regional co-funding
Research industry and academia partners
Breakthrough technology

Corporate internal venturing (inventuring)

3



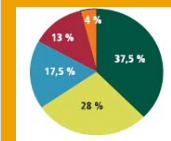
Venture



Internal venturing
Idea sourcing
Internal incubator
Due diligence, prototyping and handover

Corporate external venturing (Venture Capital & M&A)

4



Buy



External venturing
VC investment in early stage companies
Acquisition of strategic technologies (M&A)

2



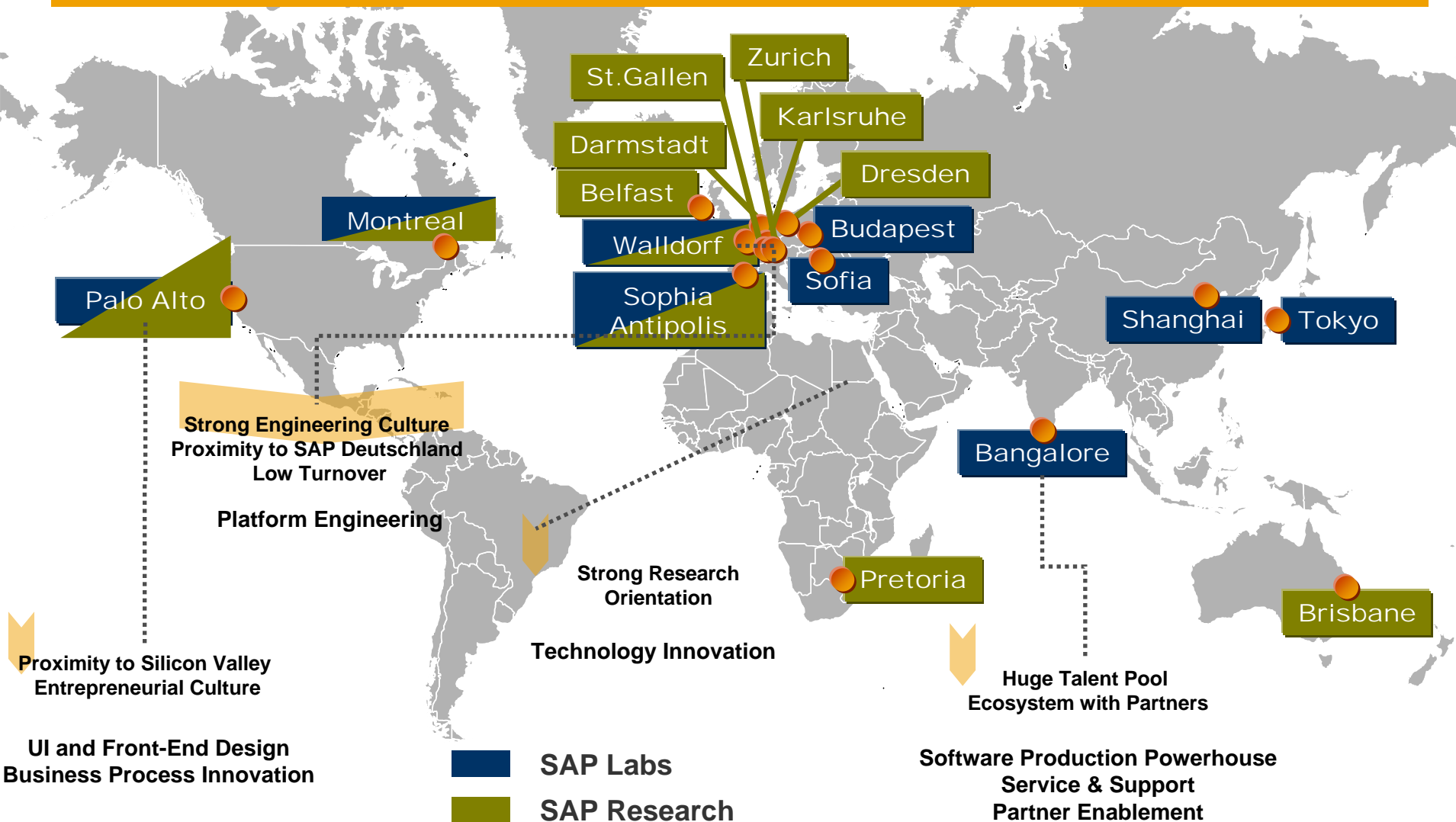
Research



Research Long term Programs (3-5 years)
National and regional co-funding
Research industry and academia partners
Breakthrough technology

Research & Breakthrough Innovation

Global R&D processes – Regional and local research cooperation



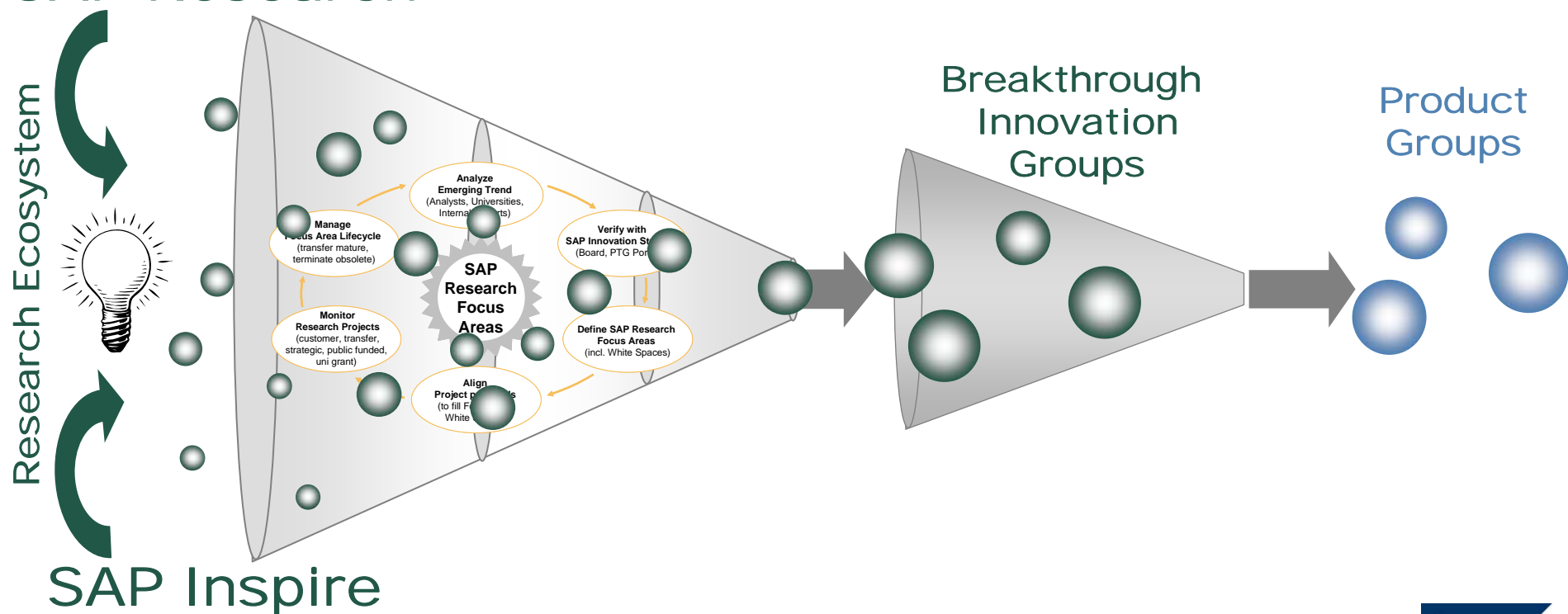
From Focus Areas to Breakthrough Innovations (e.g. SAP Research)



Research & Breakthrough Innovation

Product

SAP Research

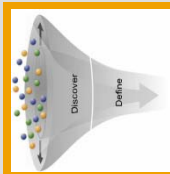


22-23 May 2008

World Conference on Intellectual Capital for Communities
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Corporate internal venturing (inventuring)

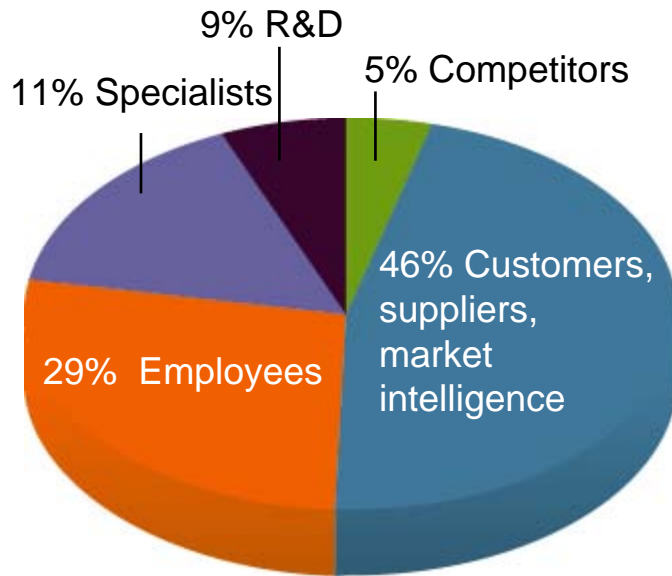
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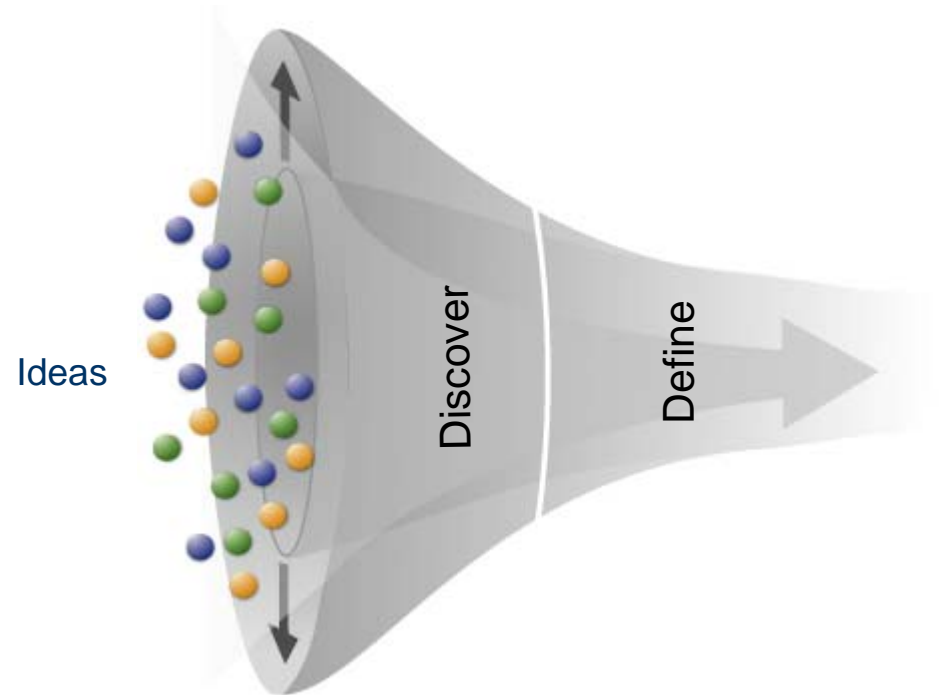
Venture



Internal venturing (18 months)
Idea sourcing
Internal incubator
Due diligence, prototyping and handover



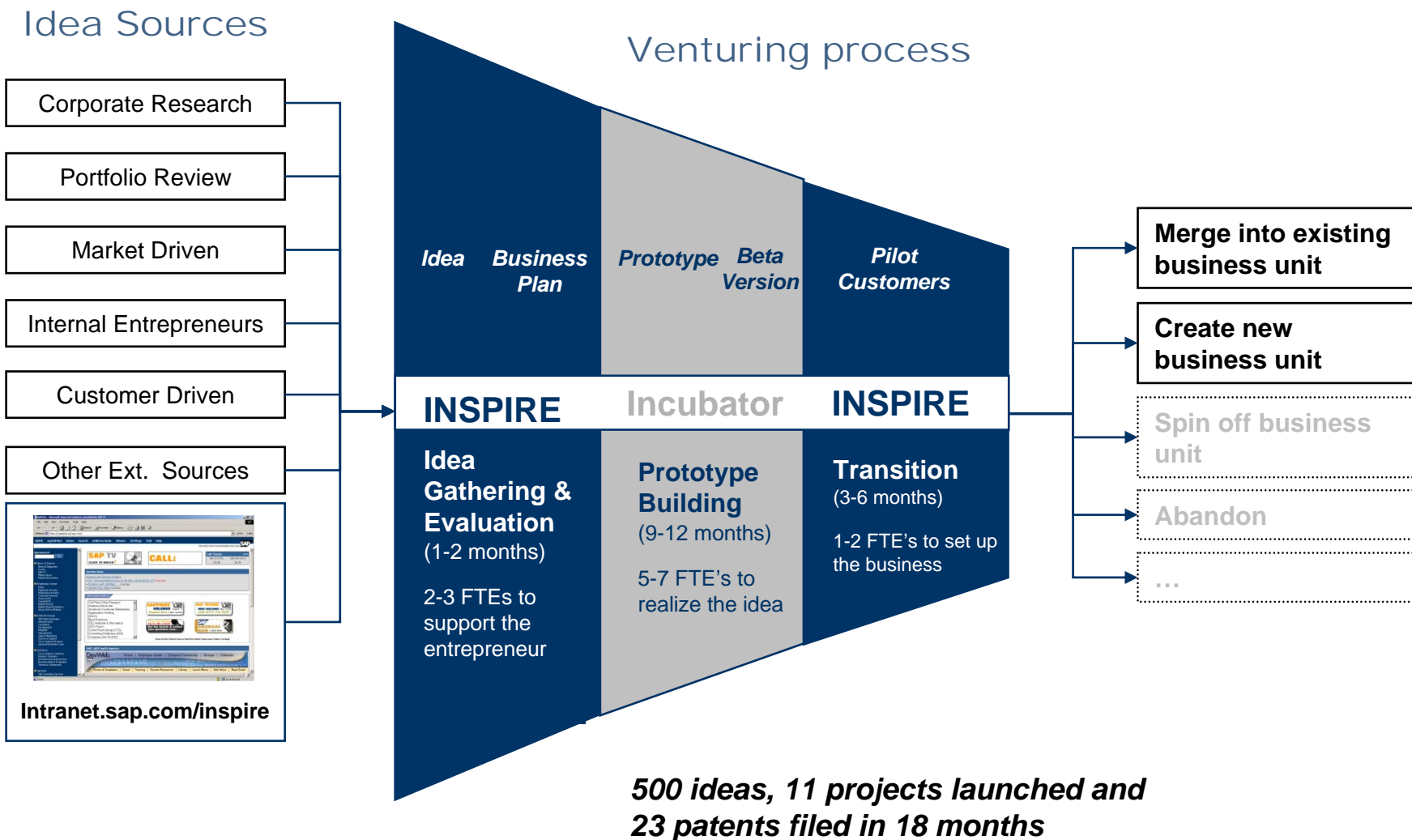
Source: PWC

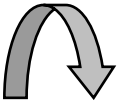


Systematic capture of ideas from various sources (employees, customers, partners), increasing the idea pool

Effective utilization of ideas through intelligent classification and appropriate assessment

Internal and external sourcing of idea – innovation through measurable risk







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Research & People tools

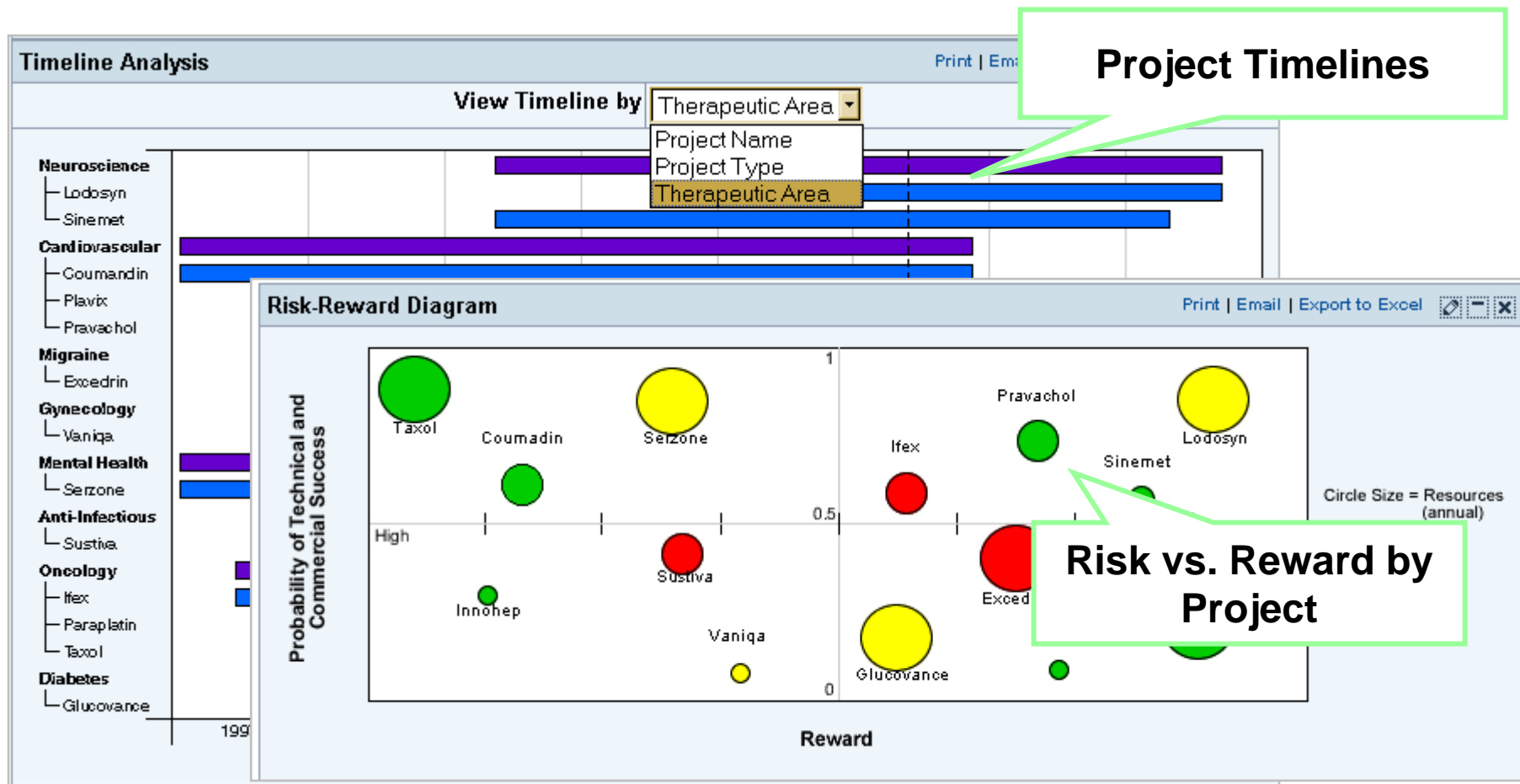
Intellectual Capital Management

Corporate culture



❖ RPM helps executives develop a balanced portfolio of:

- Low-budget and high-budget projects
- Short and long-term projects
- High-risk “long shots” and low-risk “sure bets”





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1. Top Talent Program
2. Mentoring and fellowship mobility
3. Performance Review Management
4. Personal Development
5. Entrepreneurship and Corporate Venturing
6. Patents Incentives
7. R&D and Customers Global Best Practices sharing

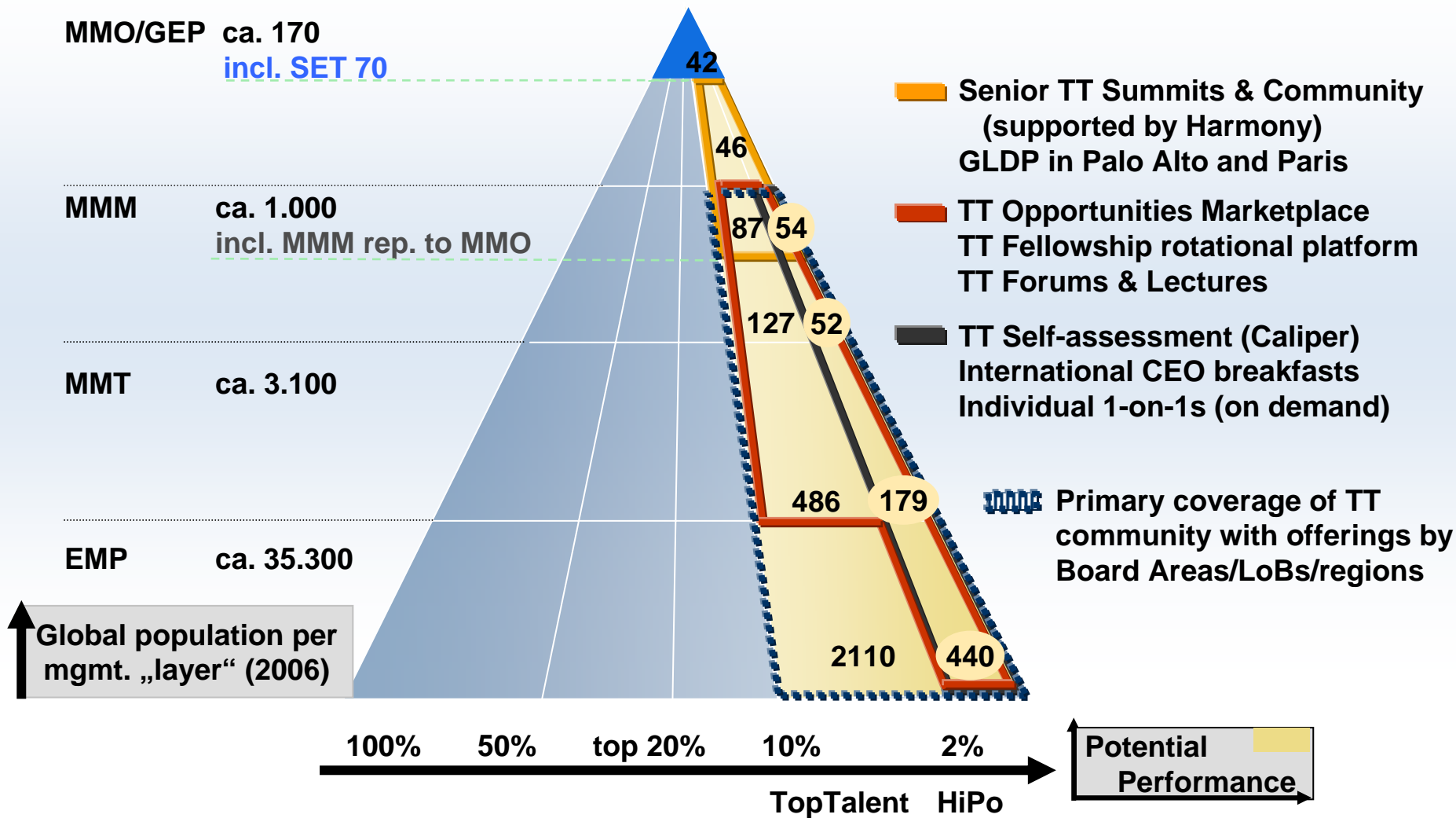
Community/Network building
(e.g. regional forums/workshops)

Senior Executive Exposure
(e.g. Lunch/Breakfast sessions; other meetings with senior executives)

Mentoring/Coaching

Individual Career Development (e.g. self assessments, 360° feedback, additional projects, rotations, trainings)



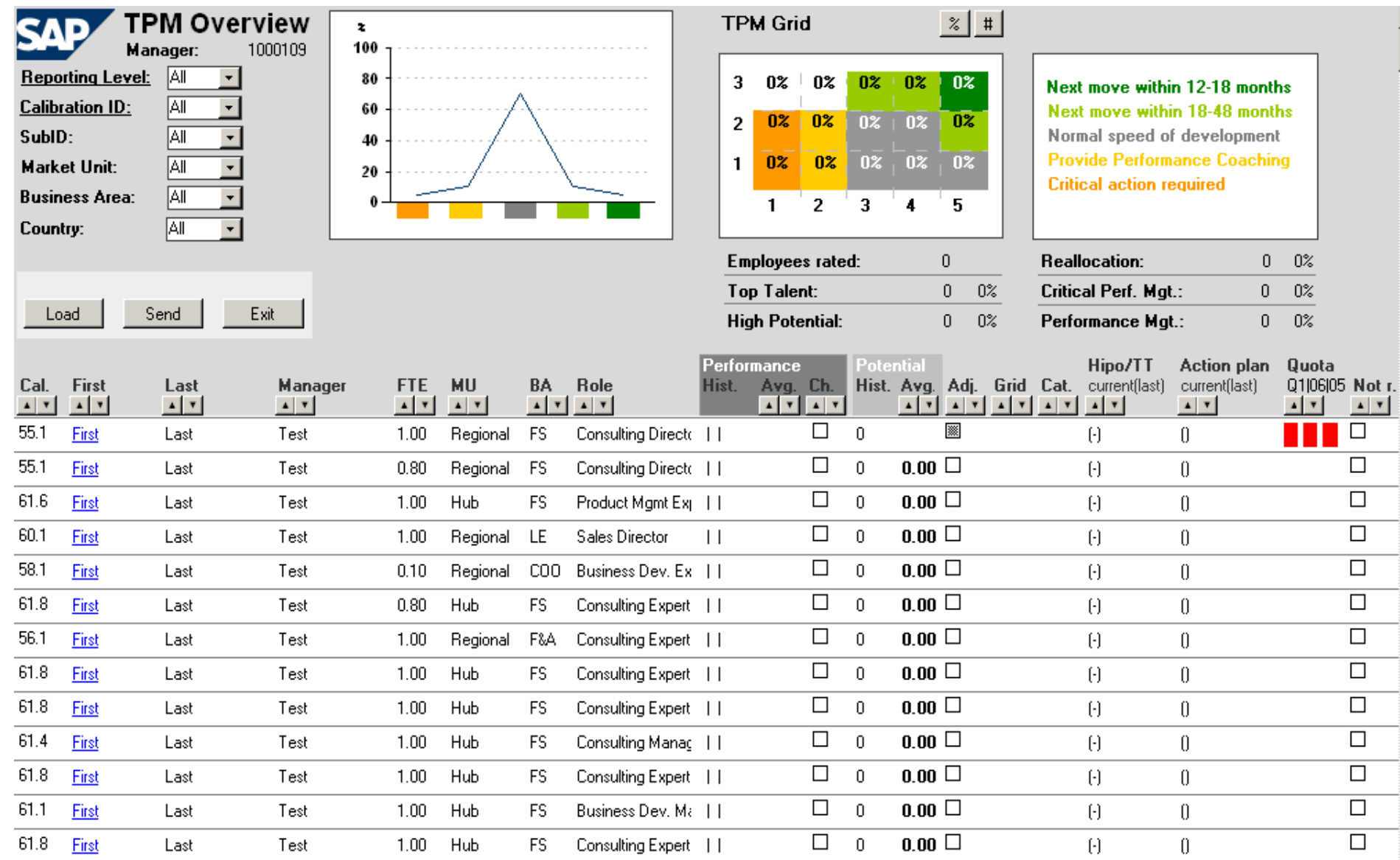


Source: GTTM analysis based on IPP data 16.11.2006, headcount figures based on F&A HC Reporting; 39600 actual heads per 31.10.2006

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TPM Tool – Overview screen





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How did the German SAP become a worldwide leader in Business Applications with 63% market-share ?



1. SAP Executives think Products, Processes and People
2. Ability to Change and adapt Organizations
3. Forward thinking
4. Organic growth, acquisition as an exception
5. Global open player
6. Partner eco-system
7. Act Glocal
8. Iterative Plan, Design and Execute
9. People Top expertize
10. Empowered Top Talent People



MAKES THE EARTH MOVE



maher.chebbo@sap.com

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