



Driving the innovation agenda

These are interesting times for Small and Medium Sized Enterprises (SMEs).

Global economic realignment, the rise of emerging markets and technological advances are transforming the global marketplace for SMEs—from changing customer behaviour to growing supply chain complexity to greater competitive pressures.

Technology is driving global market shifts which have the power to make long-established business models obsolete within the space of a year, and to spook management teams. The new rules of business mean that agility, flexibility and responsiveness are key to survival and growth.

To succeed in a rapidly-changing marketplace SMEs need above all to embrace innovation and to foster corporate cultures in which innovation can spring from any part of the business.

"SMEs account for 51% of the UK's GDP, and many people see them as key to the economy's future success.

In the June 2013 SAP survey 'Thinking Bigger: The SME Growth Imperative' 24% of SMEs cited innovation as the most important factor for their business to achieve growth.

A large proportion of SAP's customer base is in the SME space and SAP is committed to helping them accelerate ambition and drive innovation"

- John Antunes, Regional Director: General Business & Channels, UKI and Netherlands, SAP

What are the main challenges facing SMEs?



Money

Without the deep pockets and long-established financial profile of very large companies, SMEs are more sensitive to issues around cost, cashflow, and proving ROI. This sometimes translates into a wariness over the costs of procuring and managing new technology.



Time

Time is a very precious resource for SMEs: time is money, and lost time can't be regained. For SMEs losing time all too often means losing competitive advantage.



Resources

It's inevitable in many SMEs that the IT department's time is largely taken up with support and 'firefighting'. With a growing recognition of IT's transformative mandate, IT needs to be in a position where it is helping to strategically drive the business.



Agility

Current, ongoing global economic conditions are squeezing margins, leaving SMEs more vulnerable than large companies. Such conditions put a premium on business agility, and on doing things quicker than competitors. SMEs need to be speedy and agile to survive and thrive.



Change

Very large companies have by definition proven their adaptability and ability to manage change over time. For SMEs, managing change is vital but more precarious. Change puts pressure on people, processes and technology, but without the pain there is limited gain.



Growth

For SMEs, building, safeguarding and sustaining growth is their primary mandate, and finding the best-fit technology to achieve these strategic goals is key. While growth is the prize, it comes with its own challenges – not least around physical issues of space and hardware.

The four pillars of innovation

While ongoing global economic realignment has favoured very large companies and put the squeeze on SMEs, the trick for SMEs is to play the large companies at their own game while leveraging the advantages they do possess.

First and foremost among these is SME's ability to act more nimbly, innovatively and entrepreneurially than their larger competitors.

The perception is that large companies have in recent years been able to consolidate their advantage largely through the smart use of technology platforms and trends – such as cloud computing and advanced analytics – which are in practice out of the reach of SMEs.

In fact, this isn't the case.

Such technologies are accessible by all, and are key to unlocking the innovation to take SMEs to their next level.

In this ebook we are exploring four convergent megatrends which are rethinking business and reshaping the future.

These are not discreet and independent, but rather inherently interlinked and re-inforce one another, driving ever greater capabilities, forging new business models, and transforming SMEs.



The four pillars of innovation

Mobility



Cloud



Social Media



Big Data



You can't move for hearing about the consumer side of mobile technology - how smartphones, tablets, e-book readers are altering lifestyles. Less heralded is the enormous impact mobile technology is having on business, and on B2B solutions: nothing less than a paradigm shift, changing not only the way people work but – especially when combined with Cloud - driving entirely new business models.

Cloud computing isn't about reducing the number of PCs, servers or datacentres a company owns and runs, or about cutting costs. It's about unlocking change at a fundamental level, driving new thinking within the business that enables agility, flexibility and collaboration to become realities. It's about nothing less than reinventing business.

Social media already feels like a given, and such platforms as Facebook part of the grain of 21st century global society. Most consumer-facing businesses were quick to adopt social channels of communication. But the wider implications for how social media can empower business – through widespread social collaboration, through interactive rich media – are only now starting to be felt.

No-one needs to be told that the amount of data in the world is growing rapidly. But what's not always taken on board is that this is an exponential rather than incremental growth – the volume, variety and velocity of this data is increasing unprecedentedly. How we analyse Big data will change the way we think, and the way we work, and the way we think about how we work.

Over the following pages we will look at these four areas in more detail and explore how SMEs can and should be using them for growth and gain.



Mobility

It has revolutionised retail, maximised manufacturing, energised energy, and helped healthcare. Mobility's time has come, and it is changing the DNA of business.

It's banal to note that mobile technology has altered society – whole generations are living who literally never knew a time when it wasn't possible to connect with anyone, anytime you wanted, via mobile phone.

But the seismic changes that mobility is bringing to business are perhaps less widely profiled.

At the heart of this is information: the right information, up to date and accurate. Everyone needs information, wherever they are, from CEOs and IT directors through to ops managers, accountants and field sales.

Accelerate everything

Mobility is providing companies with greater agility and responsiveness; liberating their workforces, driving growth, productivity and engagement. Mobility is how the enterprise of the future is meeting the challenges of a connected customer environment. It's a wireless-enabled business ecosystem that accelerates expectations from your customers, your supply chain, your partners, and your workforce – and delivers on them.



50 YEARS THAT CHANGED THE WORLD OF TECHNOLOGY

Mainframe computing Client server Internet Mobile computing



Mobile provides a new way of doing business

Mobility is more than the devices which deliver it. It is a platform for innovation; a combination of tools and skills that bring control and agility directly into the hands of workers and senior executives alike.

In retail, organisations are using mobility to create richer shopper experiences for their customers. Store associates are equipped with tablets to answer any question, any time; their applications are linked into backend systems so they can confirm real-time availability and delivery information.

They impress their customers.

In transportation and logistics, companies are implementing end-to-end tracking systems that follow the fulfilment process from order-picking to loading, to transit and delivery.

IN THE NEXT THREE YEARS...

 $\mathbf{1}_{\mathsf{BN}}$

consumers using smartphones by 2016.

350м

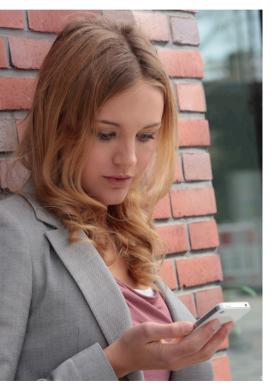
employees using smartphones by 2016.

200_M

employees bringing their own device to work by 2016.

- Source: Forrester report -

'Mobile is the new face of engagement' (2013)



In every sector, mobile apps are driving change and stimulating engagement between businesses and their stakeholders – at much higher levels and at much lower costs than traditional, methodologies of contact, communication and control.

Unwiring your business is the new imperative for the successful enterprise

SAP can help your business to compete better. If your enterprise is still reliant on its PCs then you need to consider unchaining it from the past and realigning your operations for a faster, more agile, more relevant business model. Your employees, partners and customers are all mobile. Bring your own device (BYOD) is no longer a trend, it's a major force impacting how businesses will progress from here on in.

The challenges

- Support employee devices
- · Control costs/ manage TCO
- Mobilise business processes and provide ready access to back-end systems
- · Safeguard security

WHAT'S DRIVING MOBILE INVESTMENT

IDG Research asked: "How important are the following trends as drivers of investments in mobile technology and services at your organisation?"

- Executives need to access critical business information 54%
- Workforce becoming increasingly virtual and mobile - 51%
- Employees and/or customers increasingly demand real-time information - 49%

-Source: IDG Research Services (2012)



To run better is to run mobile

A common mobility platform is manageable and scalable.

SAP provides an end-to-end solution that supports all popular devices and provides apps that we've developed with our partners to address the mobility requirements of the enterprise.

We can help you mobilise your business.

The SAP Mobile Platform

Create engaging, easy-to-use apps with our mobile application development platform. You can build and deploy mobile apps that keep your workforce and customers connected and engaged.

You can do it fast.

Our industry-leading mobile application development platform can help make your mobile strategy a reality through packaged and custom-developed apps for any device.

BRING YOUR OWN DEVICE (BYOD)

One consequence of mobility is that employees increasingly possess more up to date and powerful mobile devices – whether smartphones or tablets – than the business provides for them, and these employees want to bring their own devices for use in the workplace. This should be good news for employers: encouraging this helps increase employee job satisfaction and business productivity. But it is not without its own set of challenges, for example around security, device failure and updates.

- A proven, future-proof mobile application development platform
- Deliver innovative business and consumer apps built with existing developer skills and tools
- Tap into a community of resources and connections to speed app development

If you'd like to know more about how SAP can help businesses like yours harness the power of mobility you can see more here.

Cloud

Cloud isn't about IT – it's about vision. And an investment in cloud is an investment in innovation, not in infrastructure.

Cloud is often perceived as a potential means of cutting costs – or at least greatly minimsing financial risks involved in new projects or undertakings – by moving IT consumption to a service level that scales, perhaps moving spend from Capex to Opex.

While this is certainly something that cloud can do, it's important not just to see cloud as a cost-lever, but as something that unlocks new thinking and makes new business models and service lines possible.

Cloud complements the use of big data to empower decision makers, and social media to drive relevance, loyalty and business growth. It makes convergence truly possible. It is transforming business, and business thinking.

Cloud enables companies to:

- Reduce the cost of infrastructure
- Accelerate business agility
- Empower service delivery
- Collaborate across teams and geographies

And it's not just something for very large global companies: inherent in the idea of cloud is the concept of **scalability**. Putting this into practice, it means that cloud is as accessible and useful for SMEs as it is for big business.





Demand Everything

Cloud is empowering SMEs to drive global expansion, stimulate innovation and gain efficiencies.

SAP offers the most comprehensive portfolio of cloud solutions in the industry, dealing with some of the world's largest companies — tens of millions of users — to some of its smallest, with fewer than ten.

The SAP cloud portfolio is designed to user and mobile-first principles. Users adopt the technology intuitively; for them it represents simply greater capabilities they can access on the move.

Scalability

Agility

Power



Scalability

SAP cloud solutions enable your business to run better – securely and reliably. To find a more cost-effective way of driving your business growth – one that's more efficient than inventing every system from scratch and spending valuable time and money in development – all you have to decide is what it is you want to do via cloud computing. You never pay for assets that are lying idle when they're not directly needed, and you never have long delays when you need to scale up quickly due to an upturn in demand.

Agility

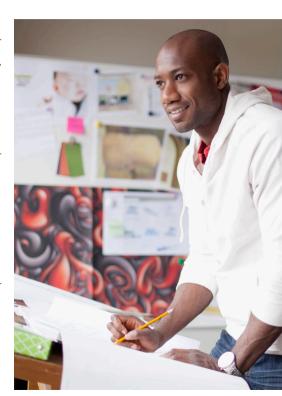
Cloud computing changes the way you acquire and use computing resources. By paying only for the capabilities that an enterprise requires, as it requires them, cloud computing drives significant cost savings. SAP cloud computing solutions are designed for rapid deployment so you can adapt to changing business needs and run better, faster. Agile solutions get agile results.

- · Minimise upfront capital investments and benefit from more flexible operating expenses
- Reduce costs by eliminating expensive IT infrastructure and reducing specialised staff
- Accommodate business growth through scalable solutions that let you adapt quickly

Power

Whether you want to find a solution to run your entire business, extend the capabilities of your departments or subsidiaries, or gain greater insight into your business performance, SAP has innovative solutions that deliver rapid time to value. They're all available to your dynamic, mobility-empowered workforce, anytime and anywhere.

If you'd like to know more about how SAP can help businesses like yours use cloud for profit and advantage you can $\underline{\text{see more here}}$.





Social Media

Customers have expected business to use social media for a while now. Today, the workforce expects to use it too.

- Facebook has over 1 billion active users.
- YouTube "is killing live television".
- Twitter posts 10,000+ tweets every minute.
- LinkedIn is connecting business globally.

Social or business life in the 21st century without social media is unthinkable, its ascendancy appears unstoppable.

Whatever the future may hold, it seems almost certain that the ground rules, assumptions and precedents that social media laid down in its first decade will form the foundation of whatever comes next.

As well as refining their engagement with customers through social media channels, businesses are getting in on the act on a micro-level to implement social business communication platforms, revolutionising collaboration across companies.

Workforces will come to expect these platforms, and companies not providing them will fall behind in staff satisfaction and productivity levels.





Connect Everyone

In a customer-centric world businesses are not just listening to their customers more attentively than ever, they're also engaging with them through social media – a way of getting personal when you need to; delivering positive user experiences and protecting and enhancing your brand reputation.

Social media management solutions effectively listen to and engage with your customers

The enterprise needs to take a total view across all social media to understand net sentiment and better connect with customers, both in the consumer and business-to-business spheres.

Companies use SAP's on-demand social media management solutions to:

- Listen to what your customers are saying about your product, services, and brand
- Understand who your customers are and the context for their comments
- Better engage with your customers through your social media channels

- Collaborate internally about any issues or comments that require escalation
- Integrate customer feedback into your product development process
- Analyse the results of your social media interactions and track trends

Know your customers

Every business in every sector needs to be aware of what people are talking about.

It's by no means a defensive strategy, although if your customers or users are going public on the internet with negative reviews, blogs, comments or other digital soap-box opportunities you need to be aware. Opinions multiply virally online.



Know their needs

Social media activity sets up dialogues with customers, creates cost-effective market research opportunities, particularly where specialist products or services are concerned.

Involved users will react well to inclusive strategies that seek their feedback, opinions and ideas. Communities will arise, where collaborative inputs drive product improvements or, at the very least, enable an enterprise to gauge how its stakeholders perceive its actions and product iterations.

Social media strategies are not about losing control, they're about benefitting from your customers

SAP Social Solutions provide the capabilities you need to bring it all together. **Social ondemand** is a cloud-based solution from SAP that delivers prioritised lists of what your customers are saying by detecting sentiment and keywords. It offers real-time Facebook and Twitter message response by giving you the ability to share the insights with multiple team members.

Complete Social Profile and History

- Understand the full context of your customers by leveraging social and enterprise data.
- Capture a complete history of customers' social interactions
- View customer's social media public profile and a timeline of messages
- Determine level of influence customers' messages have in the world of social media
- Combine consumer data with social and enterprise data for an extended 360° view

Analytics

Gain real-time insight into key trends and topics being discussed by your customers.

- Use embedded charts and dashboards to obtain critical information
- Measure your team's performance and impact with built-in KPIs
- Explore messages and your audience by applying tag clouds

If you'd like to know more about how SAP can help companies like yours innovate in the use of Social Media see more here

Big Data

The amount of data in the world is growing faster than our ability to quantify breathless statistics about how fast it all is.

- 90% of all the data in the world has been created in the last 2 years
- Facebook sees more than 10 million photos uploaded every hour
- By the end of 2013 there will be more mobile devices in the world than humans

The jaw-dropping statistics just keep on coming – and keep getting out of date, as reality exceeds expectations.

But it's not just the volume of data that is increasing exponentially, it's the speed of processing (and the speed of response expected to deal with it) and the evergrowing number of sources feeding data into the digital mix.

The ability to understand and tame Big Data will make all the difference between

companies that soar in the coming years and those that hover. Dealing with Big Data is an enormous challenge. With enormous rewards.

"Not only is the world awash with more information than ever before, but that information is growing faster. The change of scale has lead to a change of state. The quantative change has led to a qualitative one."

- From 'Big Data: A Revolution that will Transform how we Live, Work and Think' by Viktor Mayer Schönberger and Kenneth Cukier, 2013.





Understand Everything

Big Data helps you make intelligent decisions if you know how to identify the real insights in real-time. When you make the data accessible and actionable, you make better decisions; you find instant answers, improve governance and increase efficiencies. And you do even more.

Maximising the Big Data opportunity will stem from your ability to capture, store, manage, analyse and distribute data in volumes previously unthinkable. But it's easier than it might sound.

Smart companies are using database solutions, enterprise information management (EIM) and analytics software to turn data into decisions.

Instant answers, lower costs, better results

Convergence of technologies enables you to synchronise mobile devices with all the major databases in your enterprise and minimise your costs by managing your data in the cloud.

Your people can deliver answers when and where they need to without having to wait for someone to answer the phone, find the information, locate the specific detail and, even then, "get back to you".

Unlock the full value of your information

Unwired enterprises become more efficient, productive and nimble because information becomes a highly effective tool, rather than an ineffective, inaccessible by-product of other business processes.

The SAP Sybase data management and Analytics solutions power all the top 100 global banks and securities firms. Customers like these need rock-solid reliability and availability, and that's what we give them.

But you don't have to be a leading financial institution to leverage the advantages of SAP database solutions. If you've got data, SAP helps you get to its insights.



Harness Big Data and improve governance – SAP's enterprise information management solutions for the growing enterprise

Once you make the decision that you really do want to take advantage of Big Data to help improve your business you need then to think about the sort of data you have and how you plan to use it.

You'll have structured data that is more formalised both in how it has been stored and how it is presented. But there will be ways of making it more user friendly.

When your decision makers can tell – at a glance – where there might be issues for resolution, they can act on them faster. You'll need to synchronise the data for compatibility with the devices being used. Then you'll need to make sure that you aren't missing any critical insights by not having harnessed the unstructured data.

For the journey to better data use and better business and operational outcome, SAP can help:

- Gain complete and accurate information by managing data of any size from any source
- Establish trust in information by cleansing and enriching structured and unstructured data
- Empower users to own, manage, and govern data definitions, metadata, and data quality rules
- Govern master data from creation to delivery to ensure consistent data across enterprise
- Unlock the power of unstructured content to support processes and increase efficiency
- Improve end-to-end content management with data archival and retention functionality

THE INTERNET OF THINGS

In the same way that the internet and social media has connected people, many foresee a future in which *everything* is interconnected and uniquely identifiable, the so-called "Internet of Things". This isn't just about tracking and managing assets, it's about freeing ourselves from geographical and physical constraints. Mobility and Big Data are at the heart of the Internet of Things, and such technologies as GPS and Radio Frequency Identification (RFID) will be key to making it a reality.



Analytics: the brains behind big data.

To make Big Data work for you, you need brains and brawn.

You need big storage space and serious processing muscle to capture, transform, store and manage those huge volumes of raw data. Then you need to make sense of it all.

The brains of the operation is the analytics layer, finding meaning, patterns, trends, exceptions – in short, actionable information.

Responsive, robust, sophisticated analysis benefits all areas of the business, and will help you to measure and improve performance, assess and mitigate risk, predict outcomes, and identify opportunities.

The right insights for the right decision makers at the right time

SAP's comprehensive suite of analytics solutions will help you out-think the competition and extract maximum value from your data, regardless of industry, job role or business size.

Applied Analysis

Uncover answers to specific industry and line of business questions, with scenario driven, role-based solutions available out of the box.

Business Intelligence

Explore, report and share information across business networks with versatile reporting, ad hoc query and analysis tools, dashboards and visualisation solutions.

Data Warehousing

Capture, store, and consolidate your vital information with secure, scalable data warehouse and high-performance data marts.

Mobile Analytics

Access the business intelligence you need to make critical decisions – anytime, anywhere, and on any device.

Governance, Risk & Compliance

Gain real-time insight into your risk position, automate your GRC processes, and embed risk and compliance programs into your strategy, planning, and operational execution.

Enterprise Performance Management

Translate your corporate goals into department-specific metrics that everyone can understand for increased accountability and control and streamlined processes.

Predictive Analytics

Respond to hidden opportunities and risks; adapt your business strategy in real-time and solve problems before they happen.

Learn more

If you'd like to know more about how SAP can help companies like yours harness the power of Big Data see more here

The SAP advantage: Facing SME's main challenges

SAP is helping SMEs ensure they can make the four pillars of innovation work for them. Mobility, cloud, social media and big data are not the sole preserve of the very large. SAP enables SMEs to use these to drive innovation and tackle their main challenges.



Money



Time

Resources



Agility



Change







Where margins are squeezed and budgets cut, SAP helps SMEs make cost-savings, work more efficiently and embrace new business models (for example, moving from Capex to Opex).

SAP provides mobility and social collaboration solutions that improve workforce efficiencies, increase responsiveness, and help save time through better process and communication.

By providing scalable and flexible IT, SAP helps SMEs to reduce dependence on specialist IT staff internally, and to remain flexible and move quickly.

When market conditions are volatile, agility and speed are critical to remain competitive. The flexibility and scalability that SAP cloud offers can make this happen for SMEs.

Change is the lifeblood of SMEs – big data analytics and cloud services from SAP can help with the planning and the risk management to drive strategic change and growth.

In order to grow, and to keep on growing, companies need to drive innovation with confidence and clarity. SAP helps SMEs globally use the power of mobility, cloud, social media and big data to help them change the business world, and to meet the future.

Making innovation work for you

SAP is helping SMEs compete on an ever-bigger stage, through grasping the advantages that fearless technological ambition offers to increase competitive advantage and drive innovation.

Mobility



Cloud



Social Media



Big Data



A huge number of businesses can benefit from mobility – every day there are new companies realising they can maximise efficiencies and increase profits through smarter, mobile working.

Learn More about SAP Mobility

The scalability that cloud provides enables companies to grow at their own pace, and to accelerate this pace while minimising risk, which in turn empowers braver and more

Learn more about SAP Cloud

innovative business thinking.

Social Media appears to present a huge challenge through its ever-growing waves of unstructured data, but the prize of deepened customer engagement and understanding is one worth aiming for.

Learn more about SAP Social Media

Understanding data in real-time helps you make better decisions and to make true business agility a reality. Bigger shouldn't mean less manageable: bigger should mean better.

Learn more about SAP Big Data

Download "The Guide to innovation"

http://www.sap.com/uk/solutions/sme/index.epx

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