

The Human Centered Approach to Innovation, what you could learn from SAP's proven Innovation methodology

Tobias Gollwitzer, Engagement Lead, SAP AppHaus, SAP SE

April 2021

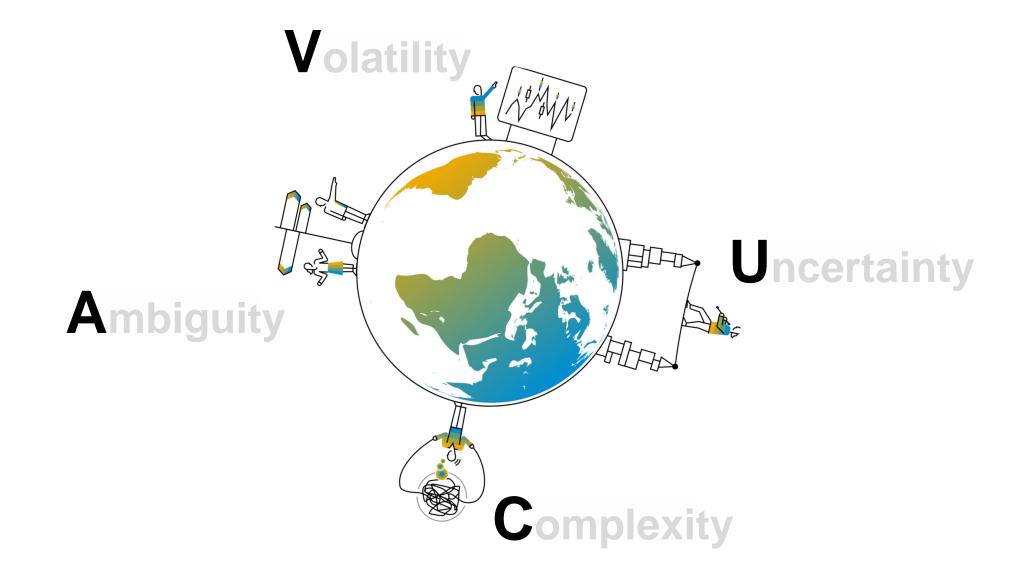


Disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. This presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation and SAP's strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason with-out notice. The information in this document is not a commitment, promise or legal obligation to deliver any material, code or functionality. This document is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This document is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this document, except if such damages were caused by SAP's willful misconduct or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

What is our new reality



Volatility

- 321%

Oil plunges into negative territory for the first time ever

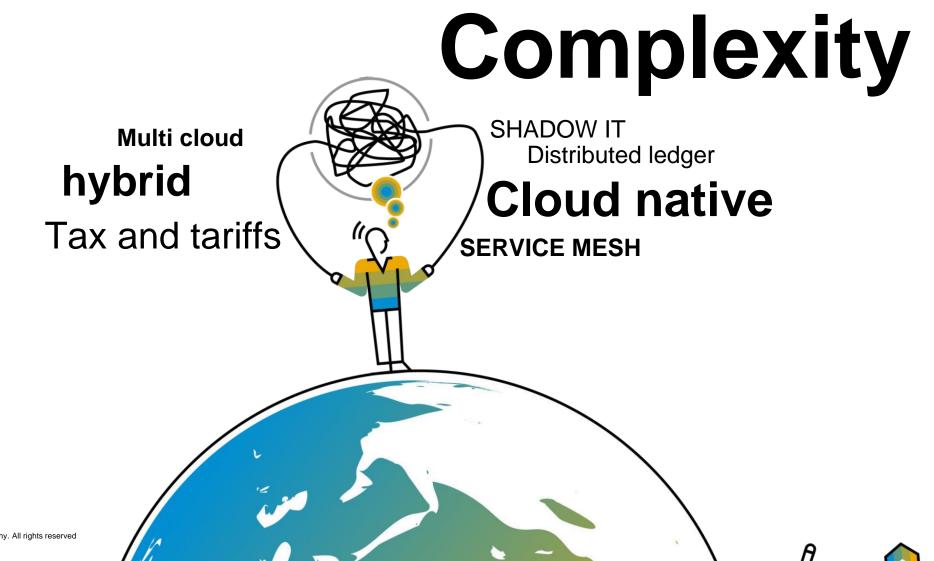
[businessinsider, April 20, 2020]

Uncertainty

94% of Fortune 1000 companies seeing supply chain disruptions from COVID-19

[Fortune, Feb. 21, 2020]

© 2021 SAP SE or an SAP affiliate company. All rights reserved

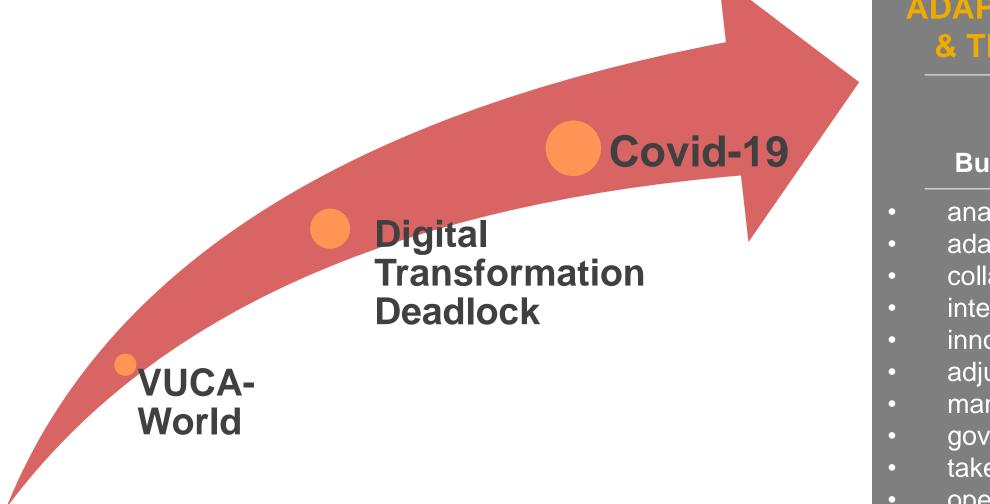


7

© 2021 SAP SE or an SAP affiliate company. All rights reserved



Dramatically Increased Pressure to Change



ADAPT, INNOVATE & TRANSFORM

Agility Insight **Business Value**

- analyze
- adapt processes
- collaborate
- integrate
- innovate
- adjust business model
- manage experience
- govern

. . .

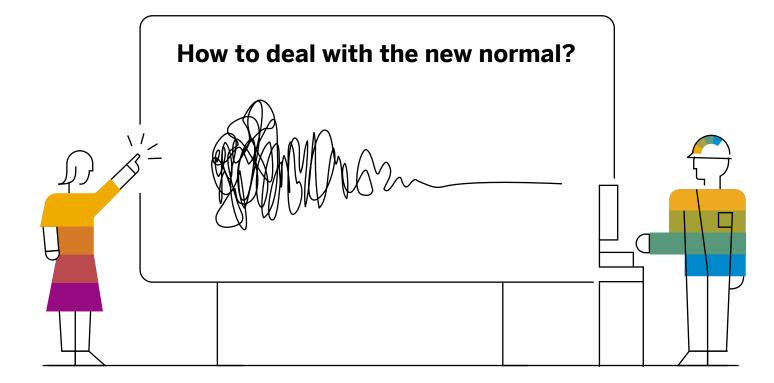
- take strategic steps
- operate in eco-system

6.2

Fine Technology is the driver of Digital Transformation

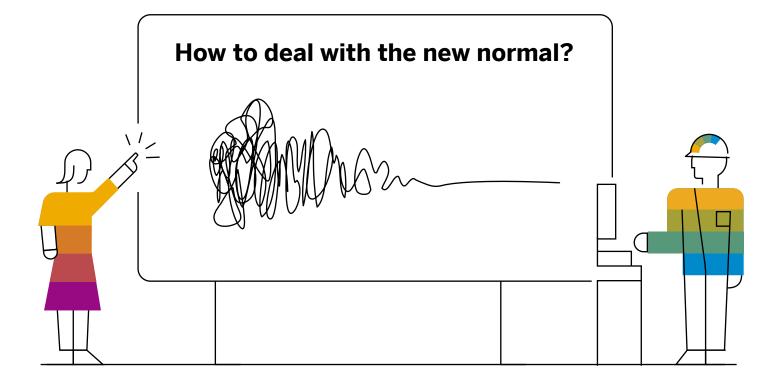
Innovation Culture is the enabler of Digital Transformation

Dramatically Increased Pressure to Change in Challenging Times



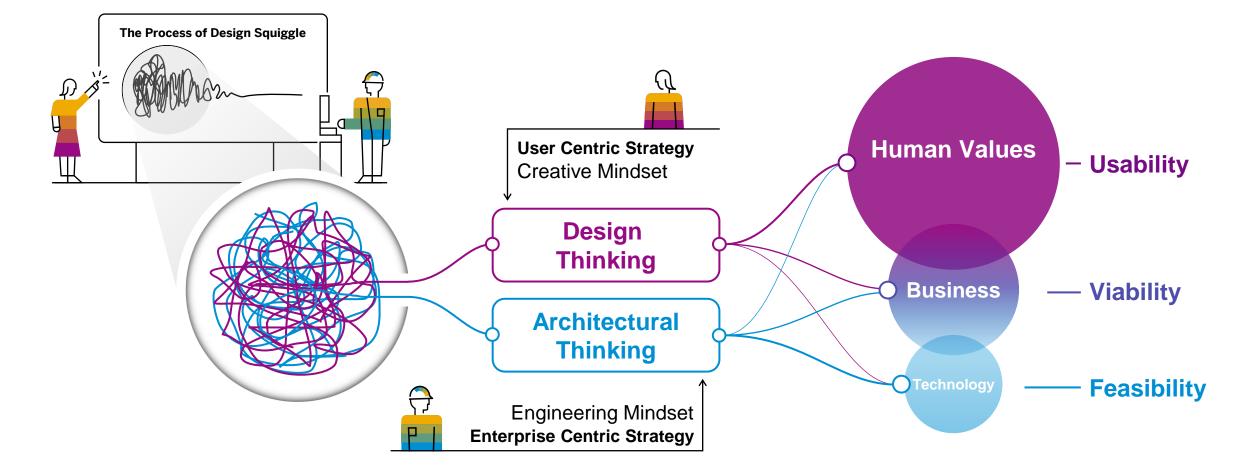
Human-Centered Innovation Approach

Combining Design Thinking & Architectural Thinking



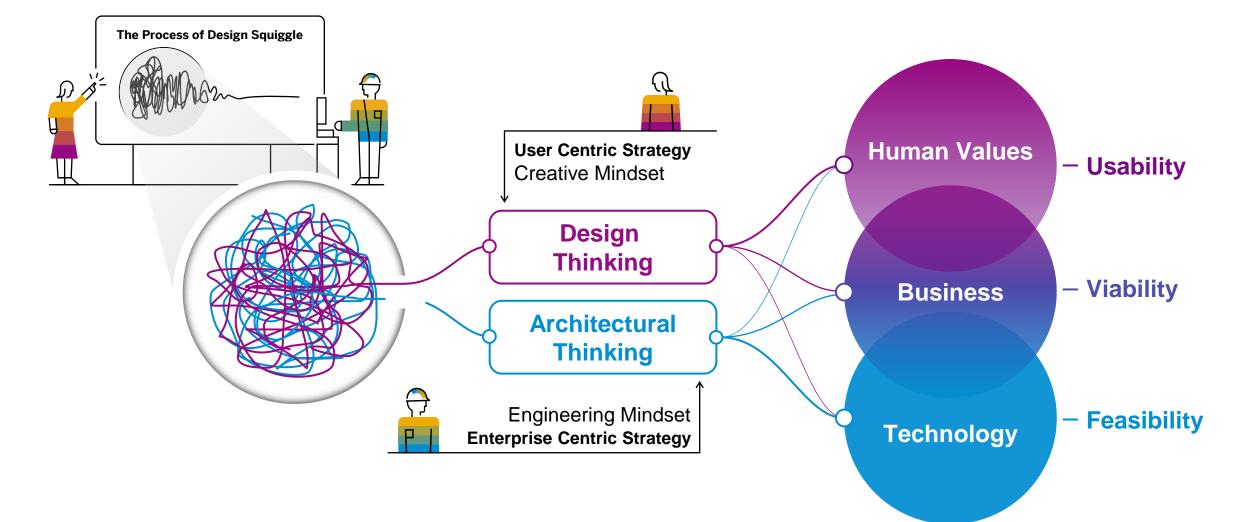
Human-Centered Innovation Approach

Combining Design Thinking & Enterprise Architecture



Human-Centered Innovation Approach

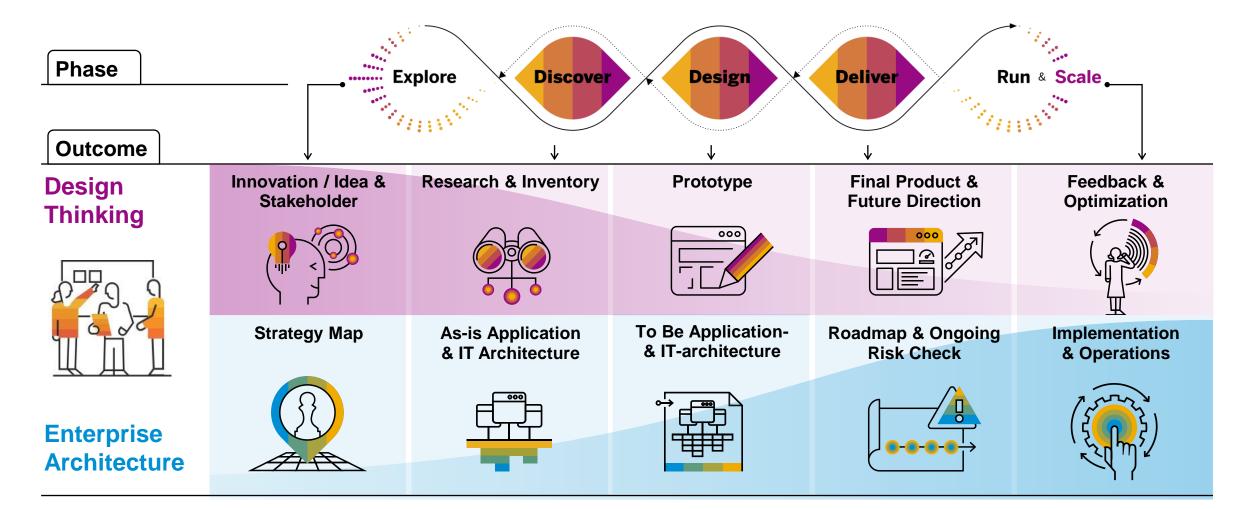
Combining Design Thinking & Enterprise Architecture



How we deliver

151

SAP's Human-Centered Approach to Innovation Innovation and Agility From Start to End



Putting Innovation into Practice Principles for innovation work







User-centricity

Understand the user needs and the context

Making and experimenting

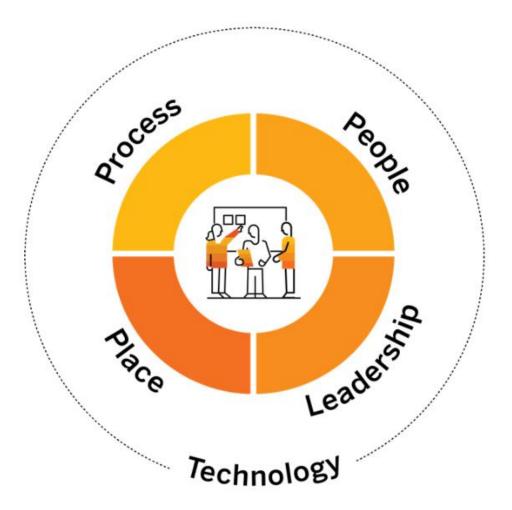
Visualize and protoype your ideas

Fail early and often

Learn from failure and iterate your ideas

What else to consider?

Innovation culture is the key driver for digital transformation



People

Build up skills, competencies, and teams to continuously innovate

Place

Create spaces and work environments that foster creativity

Process

Apply a human-centered approach to make innovation real

Technology

Leverage digital platform to quickly implement ideas and run and scale them

Leadership

Transform organizations through humanizing leadership

AppHaus

An SAP internal innovation team sharing its best practices



SAP AppHaus Heidelberg

since November 2013



Protected old tobaco factory

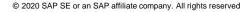
"Landfried"

1.200 sqm

2-3 Workshop rooms

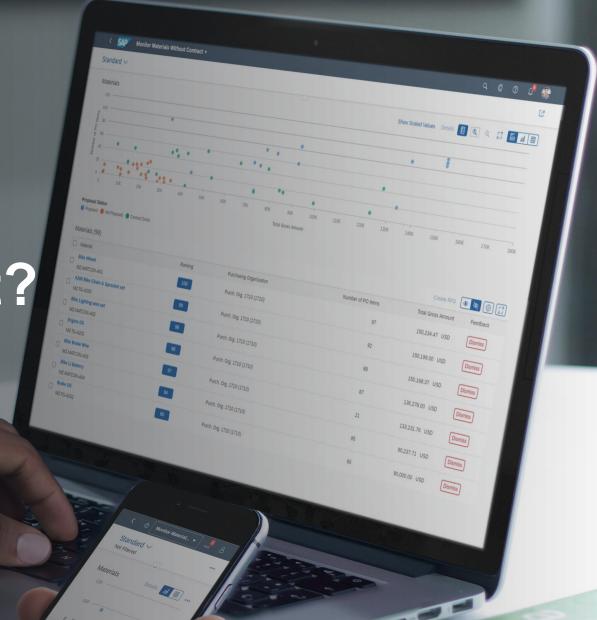
3-4 Project spaces

20 Employees





What's the Value of it?



Human-Centered Innovation Approach The Value of doing it different

Monetary Value



In scenario "Purchase Order Creation" you could annually save an estimated \$863,922		
> Modify UX impact		
Commission \$205101 Enternated Storings \$72,786 Enternated Cons \$333,315 UX Impact on Productivity	Corrent Costs \$17,539 Estimated Savings \$9,636 Estimated Costs \$7,883 UX Impact on Training	

UX Value Calculator

http://experience.sap.com/designservices



I am exceptionally supportive and passionate of human centered design since I've seen the customer engagement increase 10X. Especially when the SAP AppHaus brand is involved.

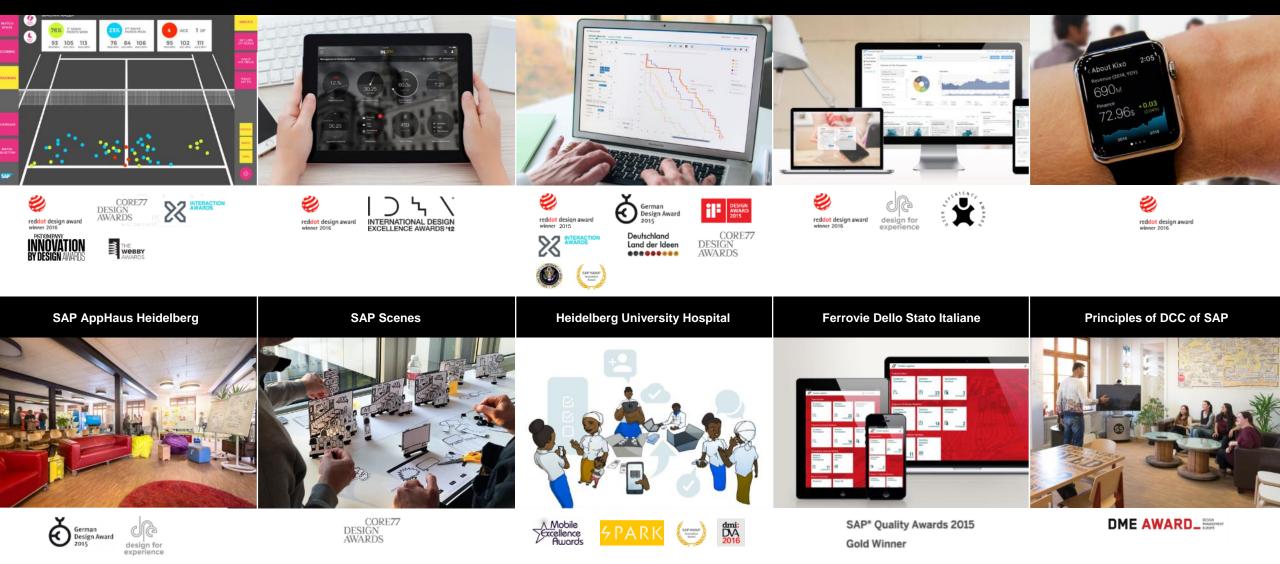
Dr. Nicholas John Nicoloudis Machine Learning Principal (APJ) Innovation Factory | SAP Australia Pty Ltd SAP Tennis Analytics for Coaches

Citizen-Centric State Government Portal

SAP Medical Research Insights

SAP Consumer Insights 365

SAP Perfect Meeting with Customers



Recognition + Design prices

2021 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

Some Real Live Examples

COSTCO Wholesale

Bakery production forecasting

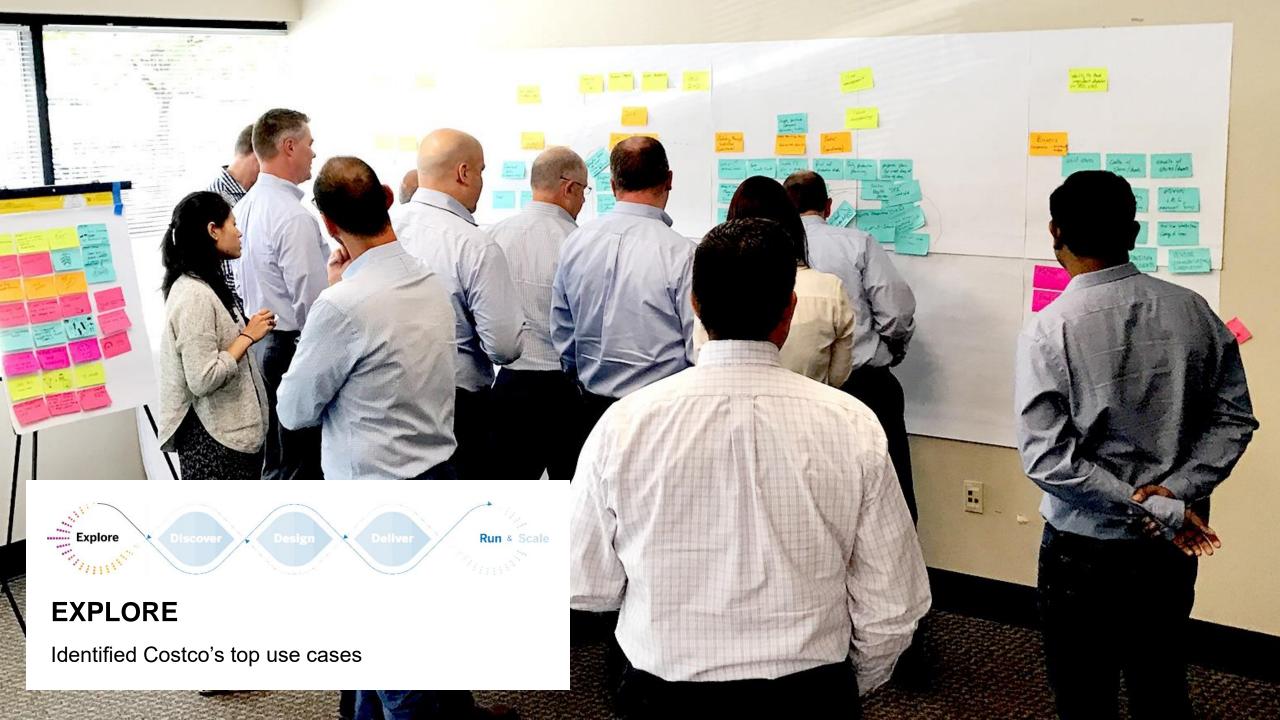
\bigcirc	5
	/

Reduce waste while continuing to increase sales.

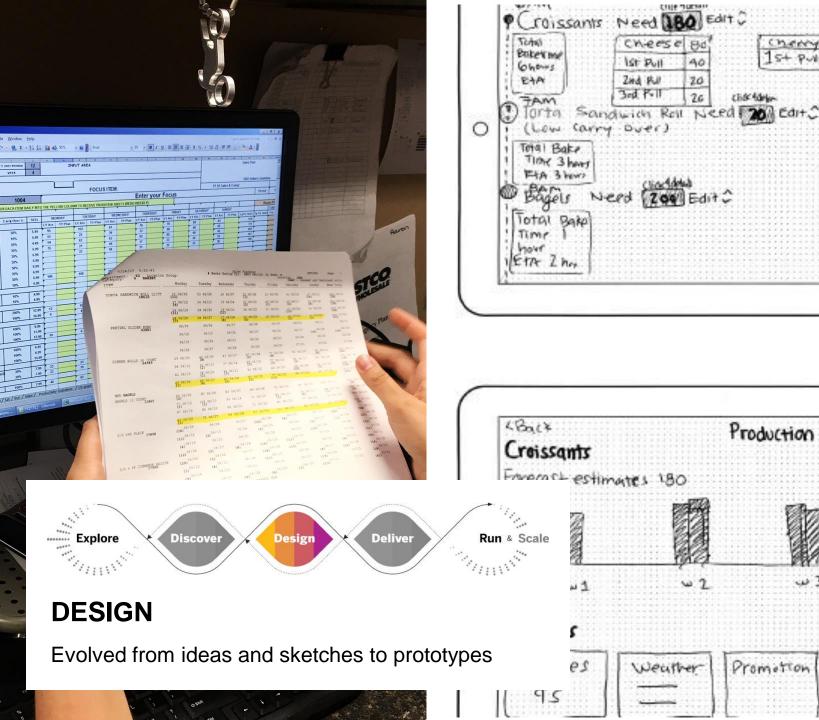


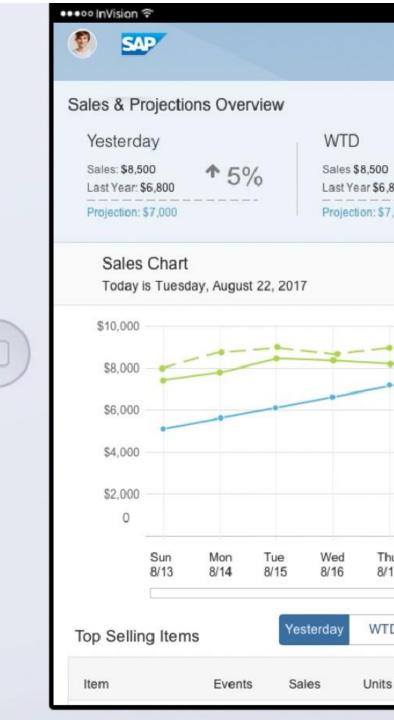
Automate a paper-based planning process, supported by a machine learning forecast.







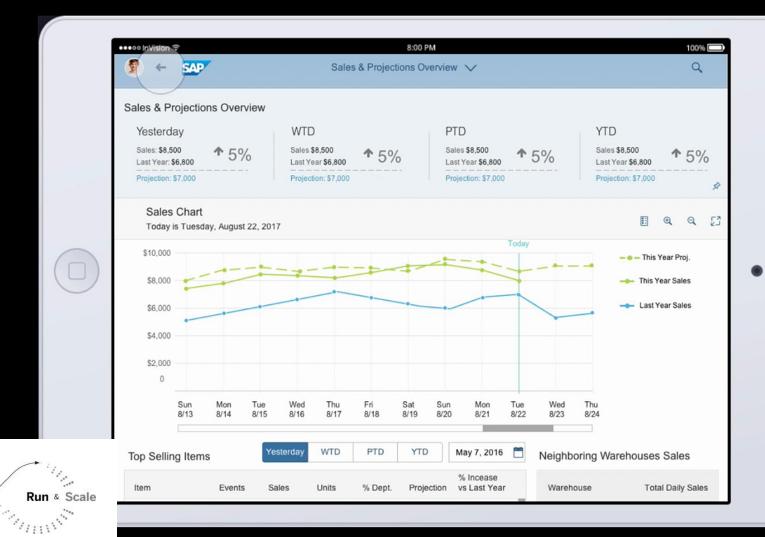




Cherry 60 St PM

3

60



DELIVER

Explore

Created a technical proof of concept and went live

Design

Deliver

Discover

COSTCO's Feedback and Benefits



Simplification of processes for entire bakery team by automating most of the error-prone daily calculations with a digital solution



The machine learning forecast outperformed a top performing bakery manager by 5%.

RRPS (MTU) Machinery Component Manufacturer

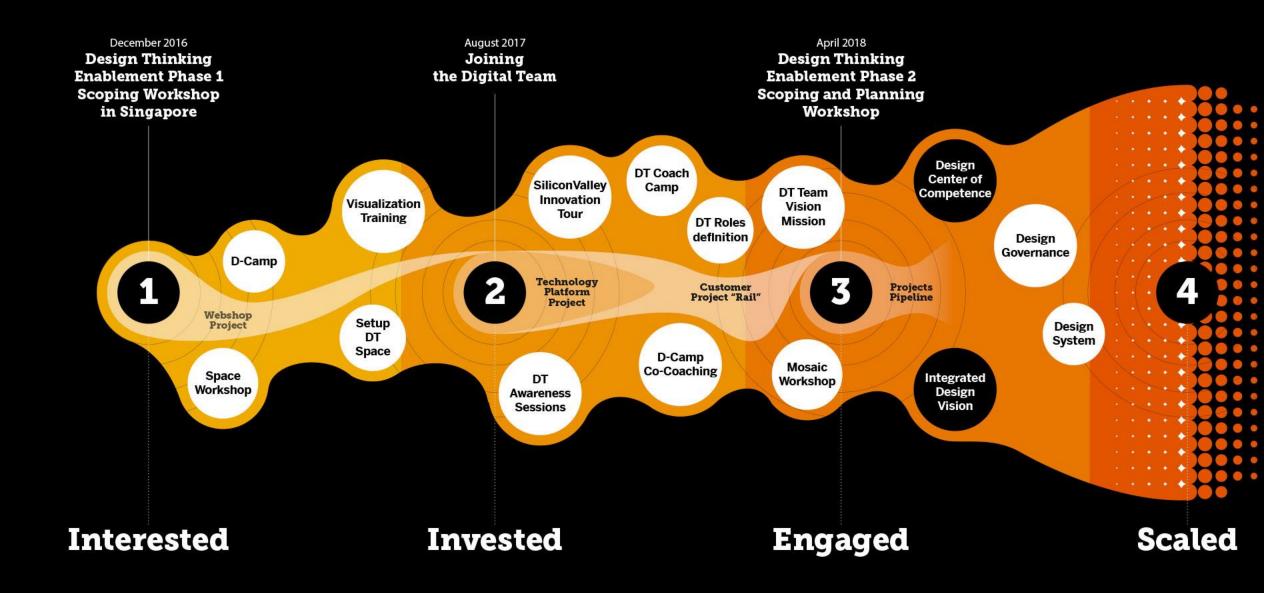
Innovate IT and implement Design Thinking



Innovate new Business Models beyond combustion engines

Train team in DT, implement innovation process and governance







How to identify where to start? The Explore Phase



How to Start

Agenda Explore Workshops

The purpose of the workshop is to identify concrete business challenges, risks and barriers to select the one most important one technology could solve.

Collect business challenges, risks and barriers

Get inspired by industry trends and tech. examples

Map technology to overcome selected risks and challenges

Create high level solution vision

Prioritize based on business impact and time to marked

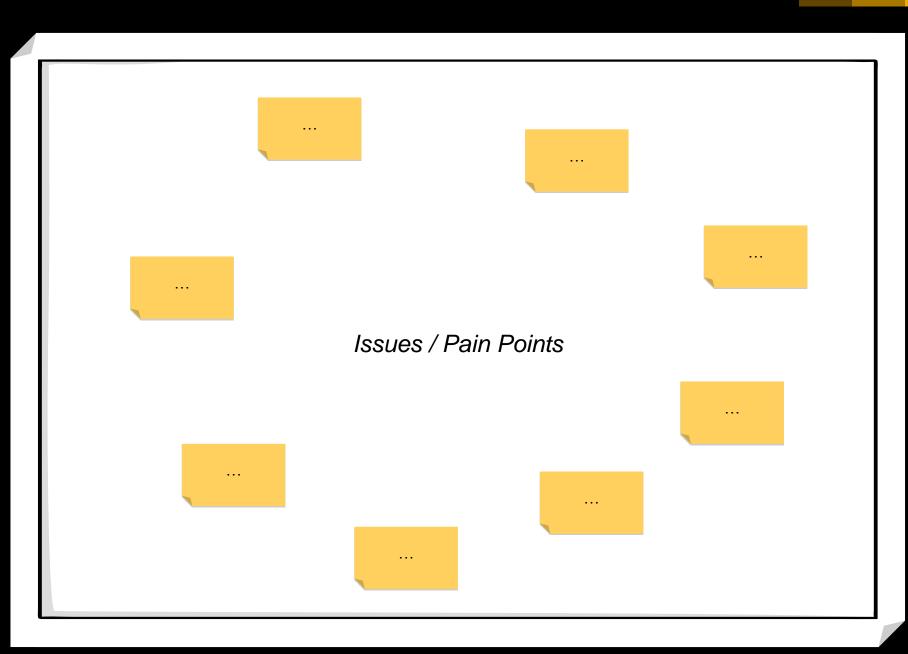
Select one solution idea and define next steps



Current business challenges from customer's point of view

Use the same color coding for the issues/pain points post-it's.





Threats / market disruption

Use the same color coding for the threats/market disruption post-it's.

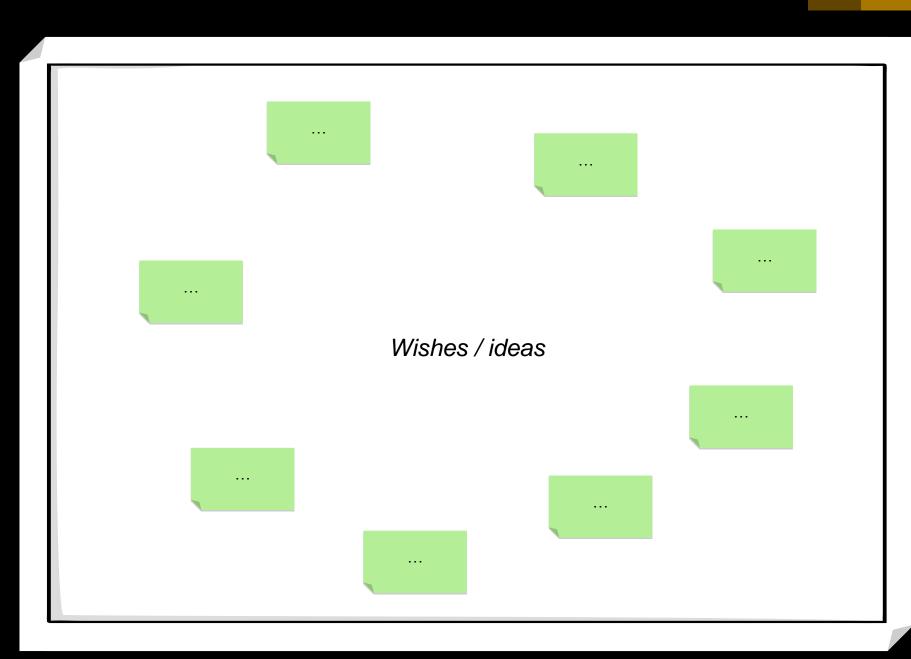




Wishes / ideas

Use the same color coding for the Wishes / ideas post-it's.





Willingness to invest with voting dots



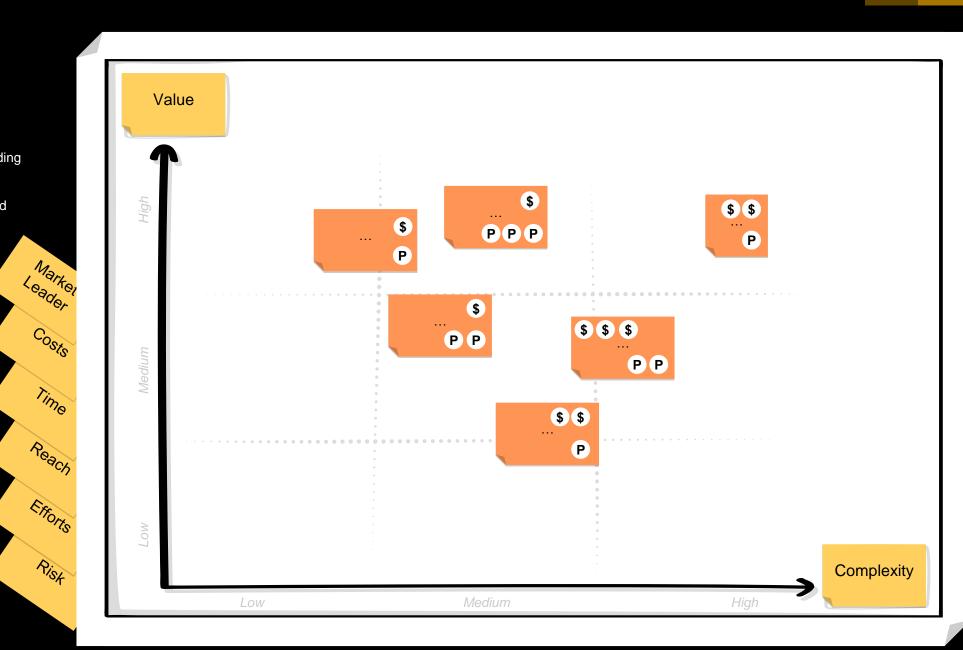
Priorization Heat Map

Get a deeper understanding regarding e.g. success factors, challenges, resources and phases to get the workshop results validated, realized and productive

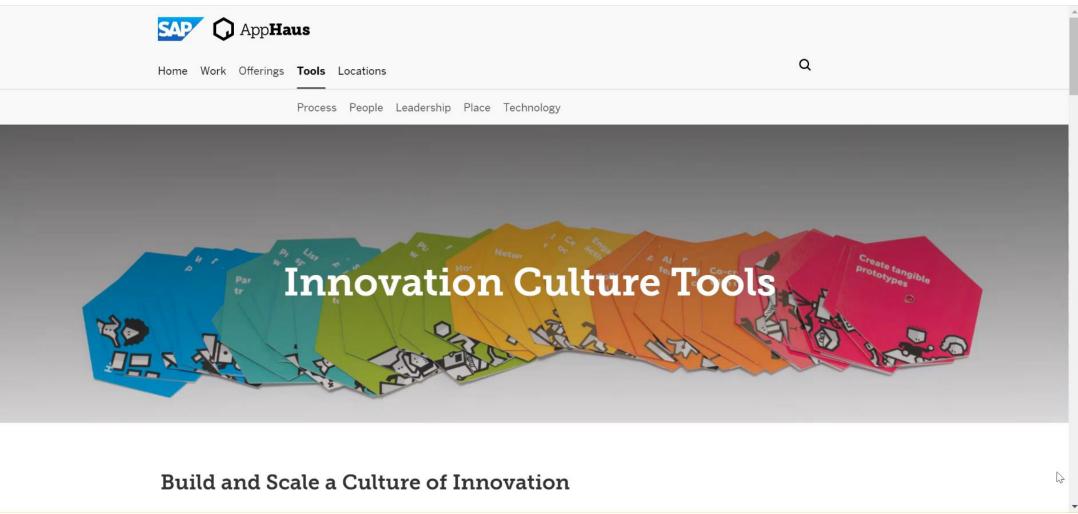
Required Investments:

\$ MonetaryP People

30min



Check out our new INNOVATION CULTURE TOOLKIT



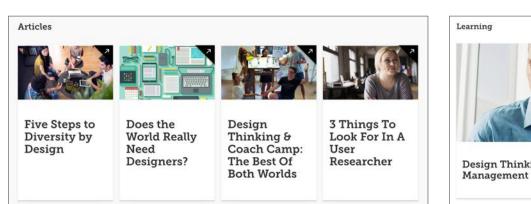
Find out more on: https://experience.sap.com/designservices/tools

Where can you learn more? Innovation Culture Tools and Info's

Tools, tips, and techniques across People, Place, Process, Technology, and Leadership to enable anyone to start practicing innovation on a daily basis

AppHaus Tools

	Senes	Dat Dot Bot if your business could talk
Innovation Culture Assessment	Scenes	Dot Dot Bot
An tool to asses your organization's innovation readiness. Identify barriers for innovation and develop strategies to overcome them.	A tool to create visual stories about product and service ideas fast, collaboratively and iteratively, no drawing skills required.	A collaborative tool for anyone who wants to build a chatbot to solve a challenge but doesn't know where to begin.



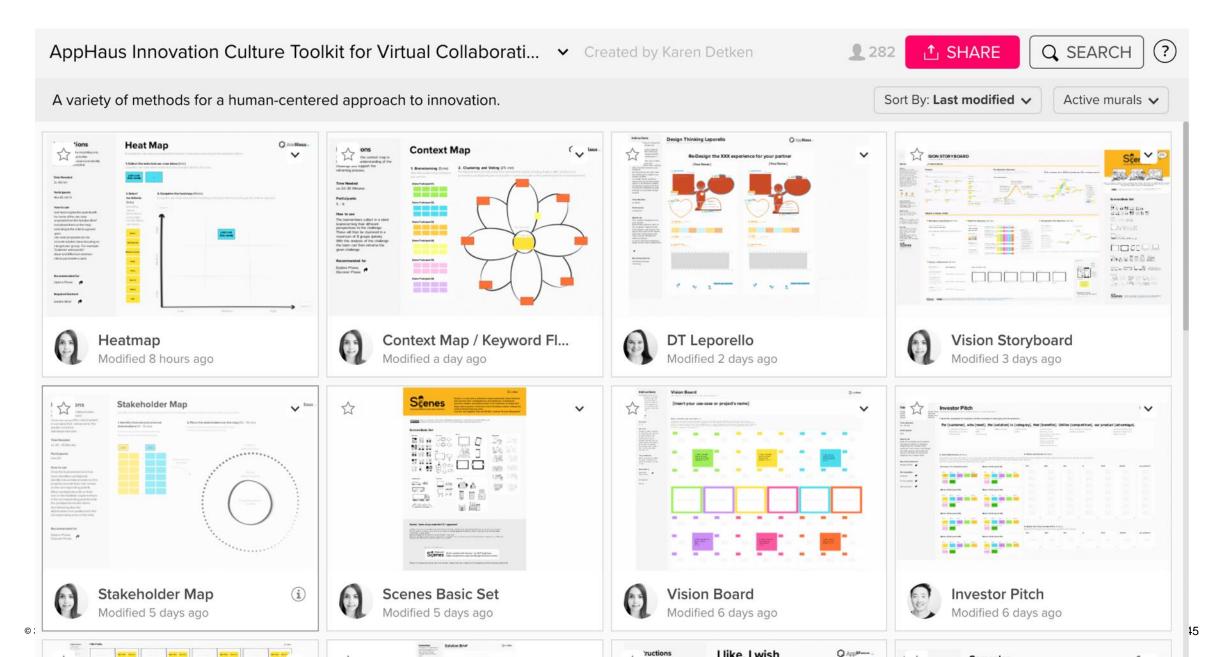
Articles



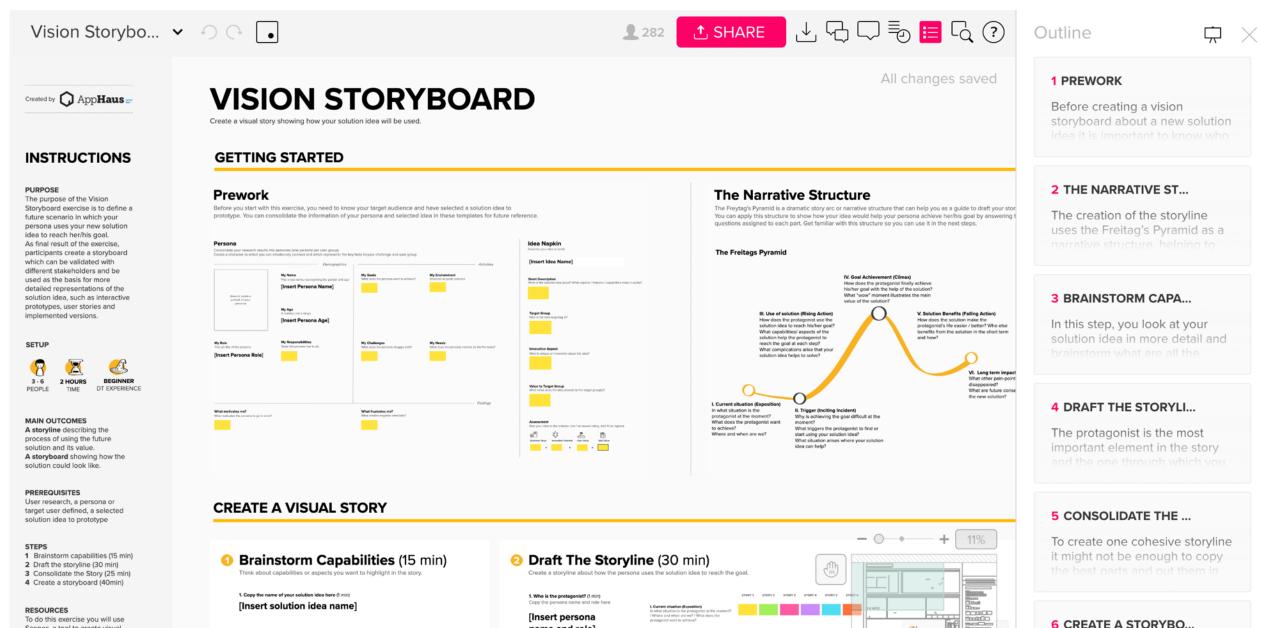


Design Thinking and Challenge Software Design for Non-Designers

All relevant ICT Templates available as MURAL Templates

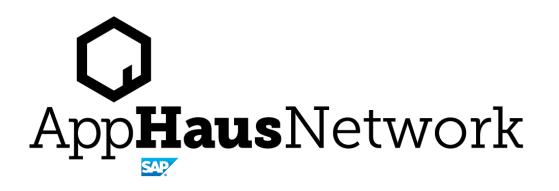


Each Template includes how-to's, timing information and relevant pre requisites



Tobias Gollwitzer

Customer Design Engagement Lead SAP AppHaus Heidelberg SAP SE T&I



Thank you!





www.sap.com/contactsap

© 2020 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.



See <u>www.sap.com/copyright</u> for additional trademark information and notices.