



## SAP Factors Heavily in Blueprint to a Billion

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In an excerpt from “Seven Essentials to Achieve Exponential Growth: Blueprint to a Billion” (recently published in SAP Info), renowned business author David Thompson makes an assertion about the business value of IT that flies in the face of Nicholas Carr’s infamous “IT Doesn’t Matter” article, originally published by the Harvard Business Review in May 2003.

Contrary to Carr’s controversial IT-as-a-commodity thesis, Thompson maintains that “investing in information technology and infrastructure is not a commodity; it is fundamental to enable continued growth.” Thompson draws this conclusion from close study of what he terms “Blueprint Companies,” an elite group of high-growth companies that rapidly achieved billion-

dollar revenue status. As part of his research findings, Thompson notes that “over 30 percent of Blueprint Companies – including Andrew Corporation, Autodesk, Gardner Denver, and OM Group – have leveraged solutions from SAP to achieve \$1 billion in revenue and beyond.”

A common characteristic shared by Blueprint Company management, Thompson maintains, is the ability to plan for success, a trait Thompson labels “leaning forward.” Thompson directly equates ‘leaning forward’ to an executive-level understanding and appreciation of technology and infrastructure as key enablers of growth. Blueprint Company execs know that strategic technology investments more than pay for themselves by driving down costs and improving the performance of core enterprise operations such as finance, procurement, supply chain, and HR, among others.

So how does SAP help Blueprint Companies achieve billion-dollar status? Thompson’s “leaning forward” metaphor can help to answer this question.

## SAP leans forward with BPX community

For many years now, SAP has preached the value of directly aligning business goals with IT initiatives; more pointedly, of making certain that all technology and infrastructure decisions are business driven and measured not strictly by technical metrics such as capacity, uptime and system performance, but also in terms of tangible business results such as reduced operating costs, faster time to market, increased productivity, etc.

To achieve Blueprint Company status, business and technology must be tightly coupled, and the SAP Business Process Expert (SAP BPX) community embodies this objective. Launched in mid-2006, the SAP BPX community is presently 100,000 members strong. Business process experts play a critical role in bridging business and IT to accelerate business process innovation. By driving the continuing convergence of business and IT, the growing SAP BPX community ensures that a pool of knowledgeable, tech-savvy business process professionals is available to help prevent Blueprint Company execs from

stumbling as they 'lean forward' for success.

### **SAP leans forward with SOA**

Leveraging the SAP NetWeaver platform, SAP has refined its release strategy to drive adoption of enterprise SOA. In 2005, SAP delivered the market's first enterprise resource planning (ERP) application that was service enabled. In 2006, SAP made this application the go-to release for SAP ERP customers, with a commitment to keep the core of SAP ERP stable for five years. SAP's new policy for upgrading via smaller releases of tightly focused functional enhancement packages also is inherently geared toward enterprise services.

By the end of 2007, SAP plans to have all SAP Business Suite applications service-enabled - customer relationship management, supplier relationship management, supply chain management, and product life-cycle management, etc. By rendering the functional capabilities of these applications accessible through enterprise services, SAP is transforming the promise of SOA into a business reality, enabling forward leaning businesses to accelerate business

process innovation while concurrently increasing ROI and reducing TCO of their technology investments.

### **SAP leans forward with mid-market offering**

In "Seven Essentials to Achieve Exponential Growth: Blueprint to a Billion," Thompson points out that SAP is also "fueling the growth of up-and-coming Blueprint Companies approaching the billion-dollar revenue threshold." Sixty-five percent of SAP's total customer count is small to midsize businesses (SMBs). This translates to roughly 26,000 of its 39,000 total customers. SAP draws the SMB line at companies under \$1B in revenue.

Many SMBs face the same critical IT challenges as their Fortune 500 counterparts, and they need a cost-effective technology platform that can scale and grow with them. SAP's mid-market products-from the new, hosted A1S product to Business One and All-in-One-are specifically designed to help SMBs meet these challenges. Moreover, as smaller companies get larger, SAP provides a pathway for migrating from the hosted product to an on-premise product such as All-in-One or mySAP ERP.

Collectively, SAP's mid-market offerings represent a technology roadmap for enabling SMEs to lean forward to billion-dollar growth.