



INTERVIEW

GROWING TOGETHER WITH CUSTOMERS AND PARTNERS, A LONG-TERM PLAN FOR SAP ROMANIA

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1. SAP has been in Romania for 20 years and has also celebrated in 2022, its first half-century of existence. How were the first 20 years in Romania? What were the main industries that took advantage of being SAP's clients? How is Romania positioned in SAP's world?

For almost 50 years worldwide and 20 years in Romania, we have enabled innovation and differentiation. We have helped businesses lead the change at every major inflection point in the global economy, supporting customers through each transition non-disruptively. Over the past two decades, the Romanian market has changed, and is now described by having higher performance and more resilient supply chains. There is also a sustainable approach, which is a priority these days. We have worked with some of our customers for decades, evolving with them, and we are always there for them as partners in their digital journey to the cloud.

We take advantage of having 20 years of experience

in Romania and half a century worldwide in helping companies to be agile and resilient, not only through future-facing and business-oriented technologies, but also by relying on the expertise of our people – SAP experts.

Over the past 50 years globally, we have guided ourselves based on the idea there is no one-size-fits-all approach for our customers. Therefore, we have developed solutions that cover 25 industries, areas in which every customer has a different size, ranging from small to medium and large enterprises. This is why I cannot name specific industries that benefitted from our solutions more than others, as we learned to address our customers' needs in an individualized and customized way.

Romania represents the biggest contributor to SAP's success in the Eastern Cluster – Southeast Europe and Ukraine, being a country with tremendous potential on the tech market. Therefore, SAP will continue to invest further in this strategic market that has all the elements for sustaining the upcoming trends. SAP Romania

We work side by side with our customers in their digitalization process. Our purpose is to design the future – together.

opened its doors to 5 employees in 2002, and now, two decades later, we are happy to have more than 750 colleagues working in our 3 offices in Bucharest, Timișoara, and Cluj-Napoca.

2. Can you summarize the journey from the past to the present and future for our readers?

I believe that before understanding the past of SAP Romania, it's important to firstly understand the past of SAP at a global level. Back in 1972, a group of five former IBM employees came together and founded SAP. Ever since, we have focused on helping our customers take care of their business, while we did the rest.

However, a common misconception is that the digital transformation journey has made our work less complex over time. I believe it has made it easier, but not less complex. As we move in time, the nature of the problems our customers encounter changes, and we have to immediately adapt to changing markets, new challenges and new situations. Moving to the cloud, as we do today, removes some of the present times challenges. So, whilst we are helping customers in the present to be more agile and to process data in real time in order to create actionable insights – we are tackling increasing complexity in our tasks.

Today, entire industries face labor shortages, the change of hardware as it was, the need for agile business processes, for openness to other systems, the need to think outside the box and to be resilient. And sometimes they face it all at once.

Therefore, when we look into the future and consider the quickly changing circumstances, we know that we will continue to partner up with our customers and help their business thrive by taking the complexity off their shoulders. This is what we have always done – we acted in the present while keeping our focus on the future.

3. How were the last two years for you and your clients? How do you see the exit from the pandemic time?

I believe that everyone has been affected by the pandemic and later, by the war, one way or the other. Regarding the business markets, and the

need to support our customers, we tried making the process of digital transformation as smooth as possible.

Firstly, in the past two and a half years, our customers worldwide started focusing on the business transformation in the cloud. SAP goes way beyond a simple technical migration. We enable our customers to adjust their businesses to today's challenging environment, adopt new business models and increase automation through intelligent technologies. We also provide benchmarks and best practices for each of the 25 industries we cover.

Secondly, our clients worked and are still in the process of building resilient supply chains. With SAP's Business Network – the largest B2B network in the cloud – we are scaling the power of our enterprises. We can say that SAP is creating the LinkedIn of the business-to-business world, as we are connecting Intelligent Enterprises across supply chains so everyone can respond to any disruptions in real-time.

Thirdly, creating sustainable enterprises has also become a priority. 9 out of 10 warehouses globally are running on SAP solutions. We are powering the world's most mission-critical and energy-intense processes. SAP truly provides the end-to-end transparency and solution portfolio to turn all customers into sustainable enterprises.

4. What are some examples of SAP Romania's clients and how did you support them on their digitalization journey?

As I've previously mentioned, the clients we represent at the local level operate in a wide range of industries, from retail, to banking and to public utilities.

PROFI was one of the clients that benefitted from SAP SuccessFactors, for example. Their digital transformation process aimed to accomplish two things. The first one was to develop and improve the relation with its more than 15.000 employees. The second was increasing efficiency of the HR department's administrative tasks. Following the implementation of SAP SuccessFactors, PROFI noted a significant increase in efficiency of already

existing tasks, such as HR management (including document generation), recruiting or onboarding. Next there would be Rompetrol, that began using SAP Ariba for procurement, e-procurement, and supplier management. Moreover, Rompetrol also uses the SAP Business Network in order to digitally communicate with suppliers.

Another example is that of Azomureș, company that implemented RISE with SAP in order to improve its current business activities. The largest Romanian producer of agricultural fertilizers makes use of integrated business processes, production optimization, improved agility in the supply chain and transport execution, almost in real time. All of these contribute to less workload for employees, who can instead focus on coming up with new, innovative ideas, or on more rapid testing of new products and services.

These are just some of the companies that have trusted SAP when implementing solutions for their businesses. We also support other significant names in the local market, such as Obsentum, Carrefour, HABAU, BCR, eMAG, and Hidroelectrica, among others.

5. What is your main message to your clients regarding challenges and opportunities for the short and medium term?

We can help. Our most important goal of all is and remains transforming our customers into intelligent and sustainable companies. We make their processes smarter, more agile and more flexible – especially with the help of cutting-edge technologies such as artificial intelligence, blockchain and sentiment analysis – and we automate them to a greater extent.

We are aware that this process often proves to be a complex one, but this is our role exactly – to take the weight off their shoulders and move it on to ours. We don't see the implementation of our solutions as something to be done by the client, but as something to be done together as a team – an approach that has proven to us over the years that things really well done happen when there is collaboration and support. What we have already started and will continue to do is to adapt our solutions according to the needs of the market, our customers and our partners. This is also highlighted by the fact that we offer solutions in different deployment modes, all of which are dedicated to large, medium and small companies. Hence, all our

customers have to do is focus on their customers, their partners, their stakeholders, while we focus on the rest.

6. How did Romanian companies continue their digital transformation process? What more must be done?

We will continue to maintain our focus on cloud solutions as they have become a pure necessity in today's ever-changing circumstances. What we noticed on the market is that Romanian companies tend to agree with us. A study conducted together with Kantar revealed that 75% of the surveyed Romanian companies are using cloud solutions for at least one business area. In the same study – 7 out of 10 Romanian respondents said that they expect a rise in cloud investments in the next two years. This sentiment was most often declared by experts from Romania (76%) – in comparison to other CEE countries.

Let's take our solution RISE with SAP as an example: there is a clear openness in the market towards RISE with SAP and we are happy to see positive reactions to the implementations already completed. We noticed that for an effective digital transformation process, companies need a single package that addresses all the challenges they face, thus simplifying their digitalization journey. RISE with SAP is exactly that: a holistic business transformation-as-a-service offering that enables customers to set the course of their evolution to an intelligent enterprise and achieve operational transformation independently and at their own pace, no matter where they are at the moment. Together with our network of partners, we provide our customers with everything they need – from business process redesign, technical migration services and cloud infrastructure to the Business Technology Platform, access to the Business Network and our market-leading intelligent ERP solution, SAP S/4HANA Cloud.

7. One of the problems after the pandemic crisis and during war times is the supply chain bottlenecks. How can you help?

The past 2.5 years have revealed that resilient supply chains are more important than ever to bring the needed goods and services to end consumers in a predictable and consistent manner. SAP helps make the supply chains resilient, while focusing on four important pillars: agility, productivity, connectivity, and sustainability. We support companies in becoming agile to sense,

Globally, 79% of all SAP employees would like to use the provided workplace flexibility and consider working up to only two days a week in an SAP office.

predict, and respond to potential threats that might lead to supply chain disruptions. Connections need to be established not just across departments within an organization, but with the ecosystem of customers, suppliers, contract manufacturers, logistics service providers and other partners. We support at all stages in the supply chain: from the design of new, smarter products to the manufacturing and delivery and ultimately, to the full lifecycle of the product in the field.

Our customers manage to stay productive by moving the digitalization from small, factory-focused IoT initiatives to company-wide business strategies. Therefore, they can combine manufacturing automation with enterprise business execution, and stay connected digitally to their customers, integrated with their partners to deliver on customer demands. SAP delivers all processes and data with embedded innovations such as 3D printing, IoT, ML, and blockchain for everyday operations.

We also make sure our clients collaborate and provide visibility across the network of partners. To be more specific, we remove silos across company boundaries, replace disconnected, one-to-one integrations with individual trading partners that end up in complex processes, and improve customer satisfaction by leveraging the strength and reach of the business network. And as running sustainable business practices today is more relevant than ever, our aim is to support our clients in understanding and minimizing their carbon footprint, protecting the health and safety of employees, and maximizing reuse while minimizing the waste of materials across all business areas.

8. You mentioned the labor shortage before. What is your opinion on the labor shortage in the Romanian IT market? Do you think it will reduce in time?

I believe this is an issue that should be taken very seriously, while also actively participating into reducing it. With this in mind, let's make sure we create the best context and environment for those who already work in the industry, in order to retain

them. This is up to us. If we as employers do not undertake everything in our power to offer the benefits and growth opportunities that candidates are looking for, someone else will for sure. We are talking about a very active job market, on a local and international level.

Secondly, we need to contribute to increasing the volume and quality of the specialists in the field so that we can also stimulate a further growth in the pool of talents. Therefore, SAP invests heavily in the partner ecosystem – like universities – to support and cover the need for tech specialists. One example is our partnership with Red Point Software Solutions to prepare a state-of-the-art research lab at Al. I. Cuza in Iași. We also partner with Meet & Code Romania, a series of events aimed at introducing children and teenagers to the world of coding, and have extended this initiative to the Republic of Moldova this year.

9. Does the public sector represent an industry of focus for SAP Romania?

SAP has a wide experience in helping governments in Europe and around the globe run better by successfully implementing digital technologies to provide excellent citizen experience and to simplify administrative processes. Our software solutions are supporting the digital transformation of the public services in the US, Canada, Germany, Austria, Israel, Croatia, and many other countries. SAP is also a strategic partner and trusted advisor of the Western Defense Forces, as for example most of the NATO countries are running SAP systems. The Defense Interest Group (DEIG) is institutionalized by SAP as a voluntary group of SAP product users from defense organizations consisting out of not only NATO members, but also Israel, Singapore, Australia, and New Zealand. The DEIG is the main innovation engine of producing Defense-grade ERP software.

In the local market, SAP has been active in all the public consultations recently held by the government to establish a solid framework for the Governmental Cloud and to support requests from public institutions and ministries for innovative viewpoints and ideas to drive an accelerated digital

transformation progress. We strongly believe SAP can provide Romania with the full building blocks needed to touch digital transformation initiatives across all areas of the government's interest.

10. What can you tell us about SAP's "Pledge to Flex" model?

The global shift to working from home has led to new employee preferences and better understanding of how productivity and collaboration can successfully continue despite working remotely. In mid-2021, a dedicated HR Future of Work organization was founded with the aim to further evolve leading-edge workplace transformation in line with SAP's business and people strategy. Pledge to Flex is SAP's global commitment to a flexible and trust-based work schedule. SAP's hybrid working model empowers employees to balance when, how, and where they work best, considering business requirements and local legislation.

SAP has embraced a location-agnostic work style for decades. By doing this, we have built a truly

global workforce and supported employees with mobile technology to enable work to happen from anywhere, anytime. Our recent employee surveys on work style post-COVID-19 show that this continued work flexibility is desired. Globally, 79% of all employees would like to use the provided workplace flexibility and consider working up to only two days a week in an SAP office.

Today, and in the future, SAP pledges to provide a setup that fits every role, style, and task with: a flexible and trust-based workplace as the norm, not the exception, an inclusive environment in which people can work from home, at the office, or remotely, flexible work schedules, so employees can decide when they work aligned with our business needs, inspiring office designs tailored for creativity, collaboration, community, and focused work, office buildings that prioritize sustainability and health, and an approach that meets local regulations across the many regions where our employees work.