

# The Cloud for non-Cloud people

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# Unprecedented pace of change...

**An emerging middle class growing to 5 billion**

will strain already diminishing resources

**Millennial Class**

will transform customer demands and the workplace

**15 billion Web-enabled devices by 2013**

will create a universe of intelligence everywhere

**1 billion people in social networks**

will rewire business and personal boundaries

**75%+ of new enterprise IT spend**

will be Cloud-based or Hybrid by 2016

**Data doubling every 18 months**

will create new opportunities and risks for value creation

**New, disruptive business models**

will accelerate change and innovation



**Achieve business velocity**  
Run in the right direction,  
at the right speed, to win

The most pressing topic facing global businesses is dealing with the accelerating rate of change. Corporate Darwinism is increasing, and threats and opportunities are multiplying. The convergence of social, mobile, cloud, big data analytics, and business networks that connect employees, partners, and customers has forced companies to be quick on their feet and adapt to industry forces on the turn of a dime – or risk extinction.

**50%**

of Fortune 500 companies have  
dropped off the list in the last 12 years

**96%**

of the companies on the FTSE 100  
when it was created in 1984 are no  
longer there

# Cloud all around us...



# What is Cloud Computing?

Simply put, cloud computing provides a variety of computing resources , from servers and storage to enterprise applications such as email, security, backup/DR, voice, all delivered over the Internet. The Cloud delivers a hosting environment that is immediate, flexible, scalable, secure, and available – while saving corporations money, time and resources.

***The Next Frontier*** - On Demand Solutions For Your Business

Cloud

Web

Client-Server Computing

Personal Computers

Mainframe

# Cloud Flavors?

SaaS – Software as a Service

IaaS – Infrastructure as a Service

PaaS – Platform as a Service

# What is Software as a Service? (SaaS)

SaaS is a software delivery methodology that provides licensed multi-tenant access to software and its functions remotely as a Web-based service.

- Usually billed based on usage
- Usually multi tenant environment
- Highly scalable architecture

# Infrastructure as a Service (IaaS)

IaaS is the delivery of technology infrastructure as an on demand scalable service

- Usually billed based on usage
- Usually multi tenant virtualized environment
- Can be coupled with Managed Services for OS and application support



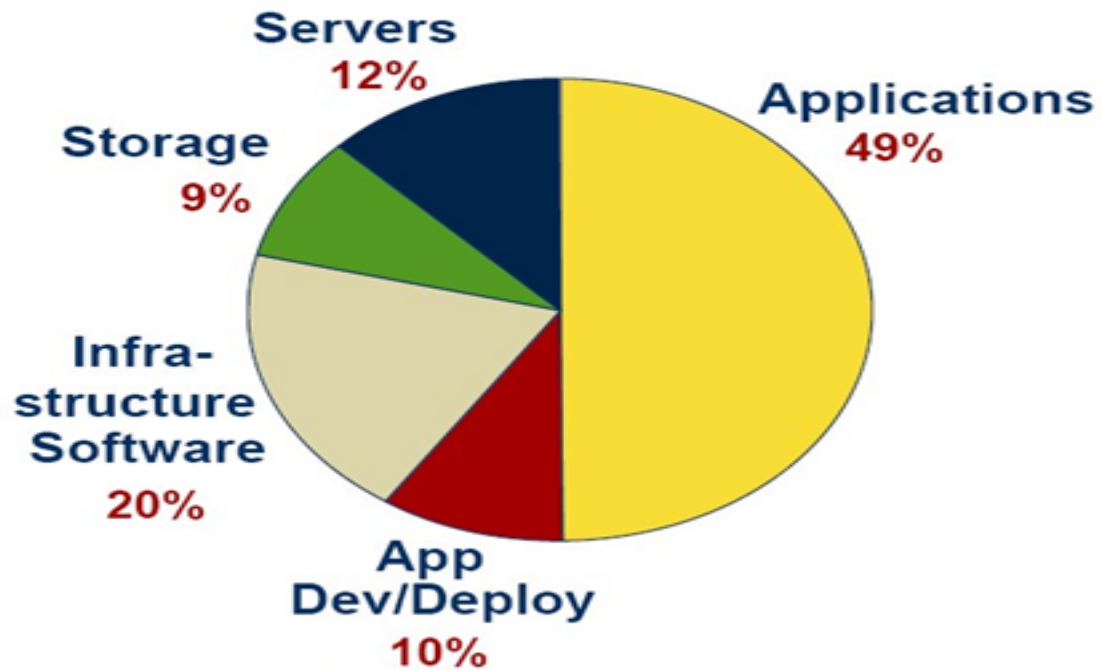
# Platform as a Service (PaaS)

PaaS provides all of the facilities required to support the complete life cycle of building and delivering web applications and services entirely from the Internet.

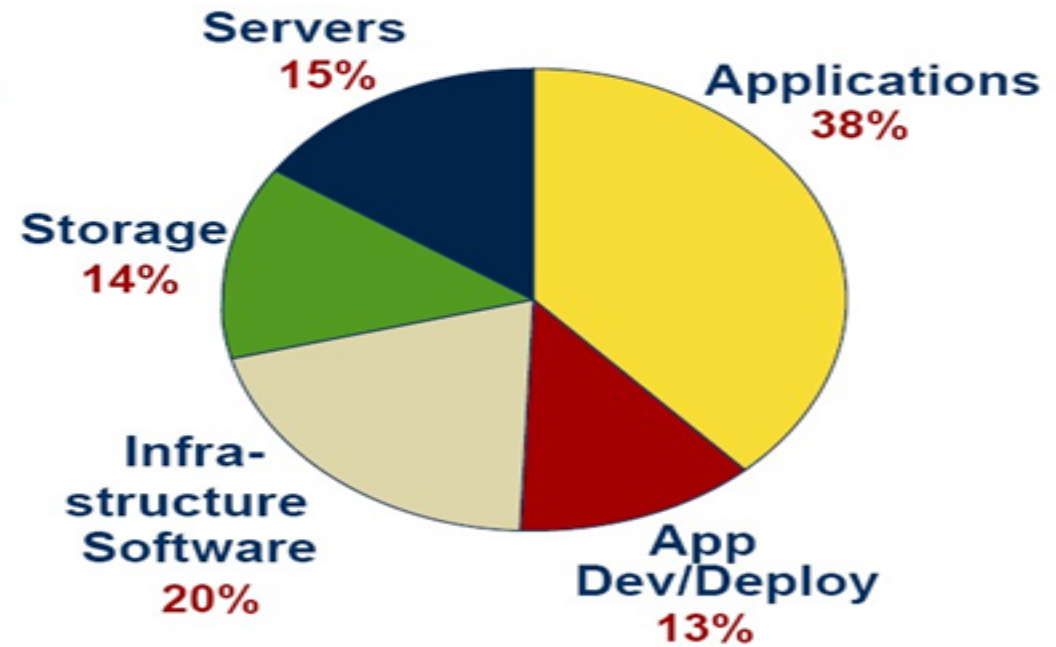
- Typically applications must be developed with a particular platform in mind
- Multi tenant environments
- Highly scalable multi tier architecture

# Cloud Distribution Examined

## Worldwide IT Cloud Services Revenue\* by Product/Service Type



2009  
**\$17.4 billion**



2013  
**\$44.2 billion**

Source: IDC, September 2009

\* Includes revenue from delivery of Applications, App Development/Deployment SW, Systems Infrastructure SW, and Server and Disk Storage capacity via Cloud Services model; AD&D excludes online B2B messaging providers/exchanges

# Deployment Models

## Public cloud

*Public cloud* (off-site and remote) describes cloud computing where resources are dynamically provisioned on an on-demand, self-service basis over the Internet, via web applications/web services, open API, from a third-party provider who bills on a utility computing basis

## Private cloud

A *private cloud* environment is often the first step for a corporation prior to adopting a public cloud initiative. Corporations have discovered the benefits of consolidating shared services on virtualized hardware deployed from a primary datacenter to serve local and remote users.

## Hybrid cloud

A *hybrid cloud* environment consists of some portion of computing resources on-site (on premise) and off-site (*public cloud*). By integrating public cloud services, users can leverage cloud solutions for specific functions that are too costly to maintain on-premise such as virtual server disaster recovery, backups and test/development environments.

## Community cloud

A *community cloud* is formed when several organizations with similar requirements share common infrastructure. Costs are spread over fewer users than a *public cloud* but more than a single tenant.

# Why Now?

- The acceptance and proliferation of hardware virtualization and multi-tenant applications
- The Internet has become ubiquitous and an accepted method of connecting providers with consumers
- ISPs/Telcos are offering robust, redundant and managed corporate internet service enabling service consolidation efficiencies.
- The cost verses risk equation has tipped toward shared solutions
- Computing capabilities are being seen as a ongoing service rather than an internal capital expense

# Cloud delivers the **agility** and **innovation** your business needs

Faster deployment

More frequent  
innovation updates

Agile deployment,  
configuration and  
integration

Lower TCO & faster  
Time to Value



- Full deployment in weeks
- Mobile grade user experience = less training

- Multiple innovation releases per year
- Customer feedback a cornerstone of updates

- Rapid process configuration
- Faster adoption
- No lengthy upgrade cycles
- Packaged integration

- Lower initial solution and deployment fees
- No maintenance or upgrade costs
- Prepackaged integrations

# The Reality

Enterprises will be dragged kicking and screaming through the gates of cloud computing by the economy, consumers, SMBs and emerging markets.

# ...Is Creating Pressures Across All Functions and Industries...

Increased pressure on decision makers across the enterprise



## Sales & Marketing

Time to market

- On-boarding new customers
- Lack of visibility into customer base
- New non-traditional competitors



## Service

Demanding Clients

- High collaboration and social requirements
- Pressure for greater returns on cash and investments



## HR

Changing Workforce

- Aging workforce experienced but out of touch with new tech requirements
- Tech-savvy Millennials work differently
- Increased use of contingent workers



## Procurement & Operations

Cost & Complexity

- Erosion of margins
- High levels of IT spend; complex system landscapes
- Pressure on internal costs to serve and operate



## Finance

Risk & Regulation

- Capital holding requirements
- Regulatory rules & auditing requirements
- Increasing liquidity and cash return requirements



## IT

Changing Workforce

- Complex systems landscapes
- New technology adoption, management
- Integration and cost efficiency challenges

# The workforce increasingly looks like this





# But When Employees Get to the Office . . .

Work Location Job Information Job Labor Payroll Salary Plan Compensation

Moore, Catherine J Employee ID: KC0005 Empl Rcd#: 0

Work Location View All First 1 of 1 Last

Employee Status: Active Date Created: 04/27/2000

\*Effective Date: 03/22/1985 Effective Sequence: 0 \*Job Indicator: Primary Job

Action / Reason: Hire

---

Position Number: 19000088 Payroll Clerk Position Entry Date: 03/22/1985

Position Data Override  Position Management Record

\*Regulatory Region: CAN Canada

\*Company: GBI Global Business Institute

\*Business Unit: CAN01 GBI BU for Canada

\*Department: KC005 Finance Department Entry Date: 03/22/1985

Location: KCON00 Cdn HQ

Reports To: 19000603 Manager Payroll Services

ID: KC0006 Jubinville, Pierre

France

Establishment ID:

2000

Work Location Job Information Job Labor Payroll Salary Plan Compensation

Jan Aafjes EMP ID: KN0004 Empl Rcd #: 0

Work Location Find First 1 of 1 Last

HR Status: Active Payroll Status: Active Go To Row

\*Effective Date: 07/04/2006 Sequence: 0 \*Job Indicator: Primary Job

\*Action: Rehire Reason: Rehire

---

Last Start Date: 07/04/2006 Termination Date:

Expected Job End Date:

Position Number: 19220005 Sales Manager Position Entry Date: 06/20/1995

Use Position Data  Position Management Record

\*Regulatory Region: NLD Netherlands

Company: KN1 Business Institute Netherlands

\*Business Unit: NLD01 Netherlands Business Unit Department Entry Date: 06/20/1995

\*Department: 21600 Sales & Services - Netherlands

Location: KN01 Amsterdam

Establishment ID:

Spain Date Created: 08/25/2006

2010

# Transformation: Changing Consumer Expectations



By 2013, 47% of employees will be those born after 1977

# If It's Easy (and Adds Value) They Will Come

The image displays three sequential screens from the Chipotle mobile application. The first screen, titled "What Looks Good?", features the Chipotle logo and a list of menu categories: Burrito, Bowl, Soft Tacos, Crispy Tacos, Salad, and Sides and Drinks. A "Back" button is on the left, and a "Bag" button with a "2" notification is on the right. The second screen shows a detailed view of a Burrito, including a photo of the burrito, the Chipotle logo, and a description: "Burrito: Flour tortilla, choice of cilantro-lime rice, pinto or vegetarian black beans, meat (braised carnitas or barbacoa, adobo marinated and grilled chicken or beef) or guacamole, salsa and cheese or sour cream." The third screen, titled "Fill It", allows for customization with options: Steak (\$6.25), Chicken (\$5.95), 1/2x Barbacoa (\$0.00), 1/2x Carnitas (\$6.25), Veggie (\$5.85), and Extra Meat (\$2.15). A "Clear Selection" button is at the bottom left, and a "Continue" button is at the bottom right. A common bottom navigation bar includes icons for Order, Find, Food, and About.

To Do ▾



- TODAY Approve Rehire , Joseph Selinger
- TODAY Approve Salary Increase , Darlene Sharp
- TODAY Approve Salary Increase , Richard Maxx
- NOV 15 Manager Assessment  
0 of 8 Completed
- NOV 30 Talent Evaluation

My Team

2 2  
Sales Director

2  
Anita Burns

1

My Info

Carla Grant  
VP, Sales

Recent Badges  
[View All \(5\)](#)



Analytics ▾

Voluntary Termination Rate  
**14.2%**



Goal Status



Careers ▾

Search From  
**17**  
Open Jobs

You Have  
**2**  
Job Alerts  
[View/Edit Alerts](#)

0 Saved Jobs    0 Saved Applications    2 Jobs Applied



**Carla Grant** ▾ **Public Profile** ▾  
VP, Sales, Sales (SALES), Industries (IND)  
[San Mateo \(US\\_SFO\)](#). My local time: Sunday,  
3:25:19 PM

+1-404 665 3421  
+1-565-335-8989  
CGrant@ACECompany.com

Edit Profile



Badges



**Amazing**

Carla did a fantastic Job at the annual conference. On a difficult environment, she can stay calm and drive her project smoothly. I think of her like an experience captain when the storm is approaching. Well done.



Org Chart

Full size



# One Click Access to People, Processes and Data

My Employee File ▾ Carla Grant (cgrant) ▾ 45 People ▾ successfactors™ An SAP Company

Employee Files Help & Tutorials

Carla Grant ▾ Public Profile ▾

VP, Sales, Sales (SAL San Mateo (US\_SFO), M 3:27:20 PM

+1-404 665 3421  
+1-565-335-8989  
CGrant@ACECompa

Edit Profile

Managers

- Alexander Thompson

Peers

- Ashley N Brooks
- Wilson Gale
- Shirley Neilson
- Darlene Sharp
- Steven Thomas

Direct Reports

- Anita Burns
- Marcus Hoff
- Jennifer Lo
- Richard Maxx
- Sid Mormony
- Wilma Sown
- Vic Stokes

Badges

Org Chart Full size

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Edit Profile

Employee Records

Public Profile

Personal Information

Employment Information

Pending Requests

Time Off

Manage Time Off

Talent Profile

Personal Info

Compensation Statement

Benefits

Scorecard

Payroll

Jump To

- Org Chart
- Goal Plan
- Performance Review
- Career Worksheet
- Development Plan

Badges

Amazing

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Org Chart Full size

# MORE BUSINESSES TAPPING INTO THE CLOUD...

75%+

New IT expenditures will be for Cloud or hybrid systems by 2016

70%+

CIOs will embrace a “cloud first” strategy by 2016

80%

Of new IT decisions will involve LoB execs; 53% of IT decisions will be led by LoB execs



# Cloud: Enabling New Business Processes and Insights



Mine social media activity for instant insights to turn customer interest into sales



Empower your workforce with improved training and regulatory compliance



Improve liquidity and reduce risk with more dynamic and flexible finance and payments



Extend your purchasing systems with a global network of connected buyers and sellers



Create your own process extensions and new applications with an agile cloud platform



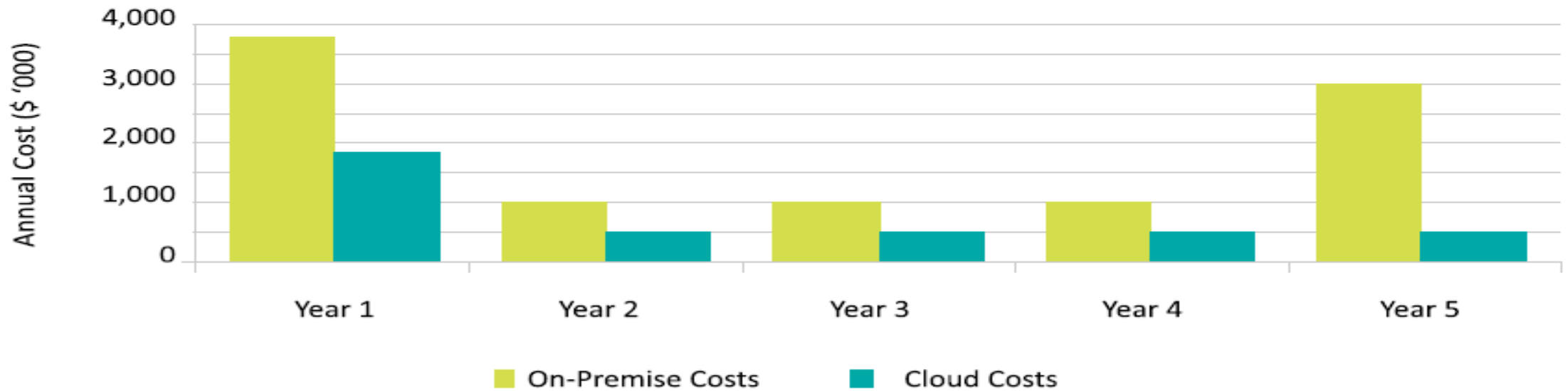
**MONEY**

# Simpler and at lower cost

## On-Premise vs. Cloud: The TCO Comparison

The cost structure for a Cloud solution is not only much simpler than that for an on-premise solution. More importantly, the total cost of ownership is significantly lower, as the graph below for a typical 10,000 employee company illustrates.

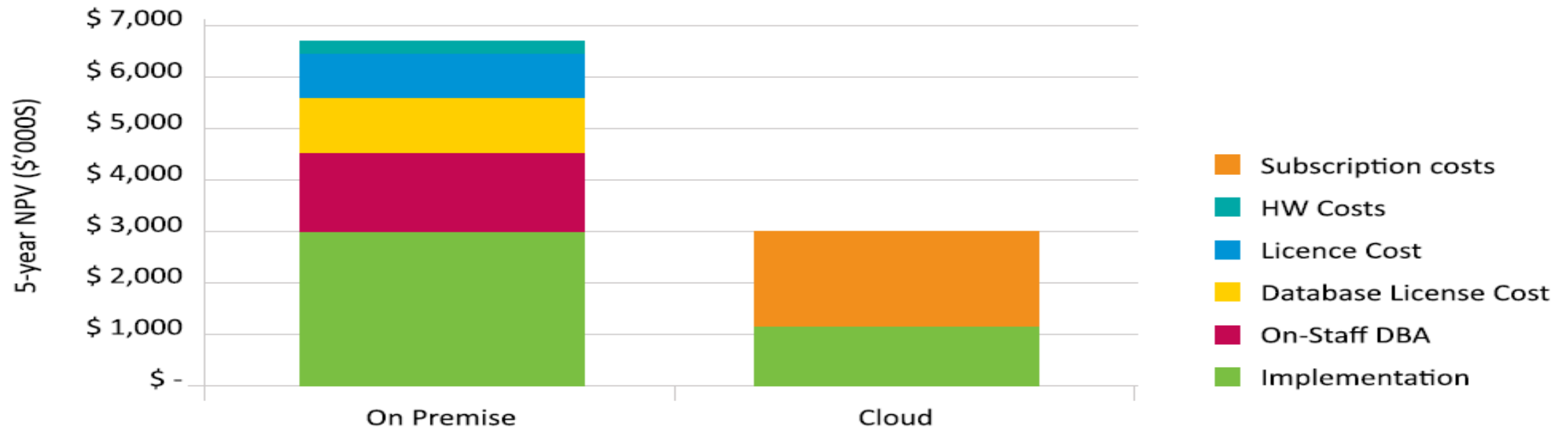
**Graph 3: Typical Costs for a 10,000 Employee Company.**



# More high value advisory consulting in lieu of extended system integration

## Understanding the Cost Differences

Graph 4: 5-year Total Cost of Ownership Comparison by Category at 13% Discount Rate

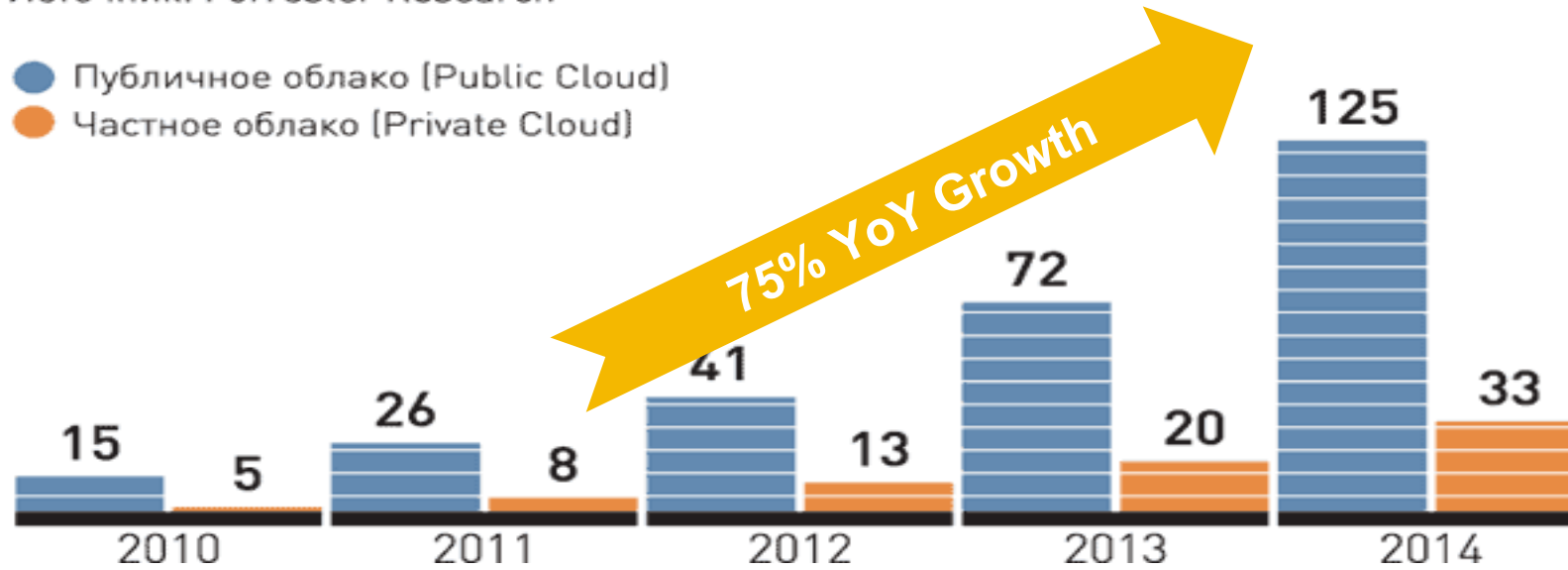


# Cloud Market in Russia?

## ОБЪЕМ РЫНКА «ОБЛАЧНЫХ» УСЛУГ В РОССИИ, МЛН ДОЛЛ.

Источник: Forrester Research

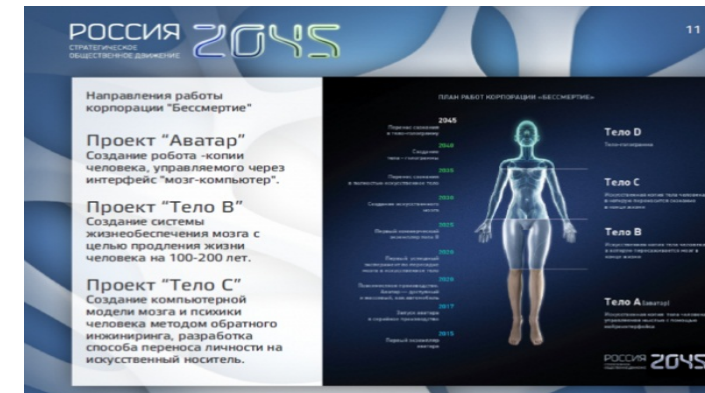
- Публичное облако (Public Cloud)
- Частное облако (Private Cloud)



+ new  
**SAP Cloud**  
**2013**

**RUSSIA:**

*Big Investments into innovative Strategies and Programs*



# SAP Customers Run Better with the SAP Cloud



**7,000+** companies

run SAP cloud successfully,  
integrated with existing APIs



**1,000+** customers

globally use our out-of-the-box  
integrations & APIs to integrate  
and extend SAP on-premise  
with SAP Cloud



**Dozens new hybrid**  
implementations launched  
every month



Allstate  
You're in good hands.



SIEMENS NEC

T-Mobile

adidas

Wir besiegen Blutkrebs.



PIAGGIO

PEPSICO

Atos  
Origin

P&G

VARIAN  
medical systems

Allianz

VEOLIA  
TRANSPORTATION

SUNCOR  
ENERGY



amdocs

# Welcome to the cloud

## Discussion

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[achudnovsky@successfactors.com](mailto:achudnovsky@successfactors.com)

The SAP logo is located in the bottom left corner of the slide. It consists of the letters 'SAP' in a bold, white, sans-serif font, set against a blue rectangular background that is slightly tilted to the right.