Co-Innovation
Envision the Future, Crossroads to Innovation

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A key enabler to the global economy for over 40 years, SAP is uniquely positioned to help the world run better.

At the global level
Helping customers optimize resources and protect the environment

74% of the world’s transaction revenue touches an SAP system.

At the business level
Helping companies harness data to stay ahead of change and innovate for growth

SAP customers represent 98% of the top 100 most valued brands in the world.

At the personal level
Helping people have a greater voice and live better lives by personalizing engagement

SAP mobile solutions reach 97% of the world’s mobile subscribers via text messaging.
Profound changes are leading to an unprecedented empowerment of people everywhere.

- An emerging middle class growing to 5 billion will strain already diminishing resources.
- 1 billion people in social networks will rewire business and personal boundaries.
- 15 billion Web-enabled devices by 2013 will create a universe of intelligence everywhere.
- Data doubling every 18 months will create new opportunities and risks for value creation.
- More mobile devices than people will require fresh thinking designed for an “always-on” world.

Optimize resources
Use Big Data to your advantage
Run business in real time

We need to rethink the future.
Technology Innovation Cycle from Basic Research to the Market

Basic Research Discovery → Applied Research Invention → First Product Development Innovation → Commercial Product Markets

Basic Research Discovery → Applied Research Invention → Demand GAP → First Product Development Innovation → Commercial Product Markets

Innovation Happens When Invention is Transformed into a Commercial Application

How can Co-Innovation Eco-System Enable Successful Transfer of Research Results into Breakthrough Innovations?
Companies are increasingly challenged by how to incorporate a global network of R&D partners into their innovation process.

The strategy how to manage co-innovation partnerships with *universities*, *government research organizations*, *technology platforms* and initiatives, but also with *start-ups*, *suppliers*, *customers* will decide on the sustainable competitive advantage of a company.
Co-Innovation at SAP via Public Private Partnerships

- National Innovation Policy
- R&I Funding
- R&D Procurement

- Basic and Applied Research
- Develop Intellectual Capital
- SAP PhD Program
- Spin-offs/Tech Transfer

- Applied R&D
- Market Development
- Commercialization
Roles of Co-Innovation Partners: R&I Cycle

**Government**
- Innovation Policy Funding
- Funding
- Pre-commercial R&D Procurement
- Spin-offs Startups (SBIR/STTR)

**Academia**
- Basic & Applied Research
- Design Prototype
- Tech Transfer To Industry
- Go-to-Market

**Industry**
- Applied Research
- Design Prototype V0.9 Product
- Product Development User Testing
- Go-to-Market
Role of Public Sector to Stimulate Innovation

- Acquisition of solutions, which are technologically demanding, by Public Entities when NO commercially stable alternatives exist on the market

- Technology Procurement (Pre-Commercial Procurement) is one particular approach of procuring R&D services by Public Entities based on:
  - Risk-benefit sharing according to market condition
  - Competitive development in phases
  - Separation of the R&D phase from deployment of commercial volumes of end-products
  - IPR – Retained by the supplier

- Stimulate industrial product development from early R&D stages to test series
- Address the missing link in innovation Go-to-market
- Influence the pace of technology development according to govt needs, (compared to grants, tax incentives)
- Improves Public services – better serve citizens

Public Entities can create demand for Innovation for the benefit of Society as Early Adopters, whereas Industry can bring research results into market.
R&D Procurement - Practices in the US

- US Agencies/Departments funding R&D Procurement projects are also beneficiaries of the results and they become *Early Adopters*
  - Department of Health
  - Department of Defense (DARPA)
  - Department of Energy (ARPA-e, ...)
  - Department of Homeland Security (HSARPA,...)
  - Department of Transportation (RITA,...)
  - Office of the Director of National Intelligence's Director of Science and Technology (IARPA,...)

- R&D Procurement programs have been in place in the US since 60’s (Technology Procurement, Pre-Competitive R&D Procurement)

  **Examples of Innovative Solutions Emerged from US R&D Procurements**
  - Internet Protocol Technology
  - Global Positioning System
  - High Performance Super Computing
  - Semiconductor Technology

In Europe at the European Commission and EU Member States, there is a Big Push on Pre-Commercial Procurement and Procurement of Innovation
- It is Becoming a Key Driver of Innovation in Horizon 2020 and Overall Digital Agenda
Co-Innovation With Universities at SAP

- Existing research relations with leading German, US, UK, French, Swiss S. African and Australian universities, SAP offers to:
  - Professors
    - to engage in research proposals for public funding
    - to join SAP during their sabbatical
  - Students
    - an internship during their studies
    - to prepare their thesis
  - Graduates
    - to apply as a Full Time Employee at SAP Research
    - to prepare their PhD (over 100 PhD’s)
    - to do Post-Doc after completion of PhD
  - Universities
    - Strategic long-term engagement (framework contracts)
    - Campus-based Engineering Centre

DO YOUR PhD @ SAP!

This is your chance to gather industry experience on a real-life project, work with top researchers and have the opportunity to develop your own research network. SAP offers challenging research topics on the issues of IT and business trends and the deployment of new technologies for future business value at SAP and SAP’s customers. As SAP Research is a consortium member in various EU research projects, it forms an ideal platform for doctoral thesis in conjunction with universities. Contact address: research@sap.com
The ABC of Product Innovation at SAP

**Acquire**
Buy external solutions complementing the existing SAP solution portfolio

**Build**
Create solutions internally to build on the core and strength of SAP and its principals

**Co-Innovate**
Build joint solutions together with partners to target specific challenges
Co-Innovation with Industrial Partners
SAP Co-Innovation Lab (COIL)

Creating Value Through Open Innovation

**Mission:** The SAP Co-Innovation Lab Mission is to bring value to SAP customers through enabling open innovation projects and initiatives that serve to extend SAP’s solution coverage and enhance our solution infrastructure efficiency.

*The result is an accelerated solution time to market*
SAP Co-Innovation Labs (COIL)
Global network of labs for end-to-end collaboration between partners & SAP

Enable selected companies from the SAP partner ecosystem to accelerate their innovation and delivery of solutions in a **structured** and **guided** approach with faster G-T-M at reduced risk, that:

- **complement the SAP portfolio**
  - **increase the market penetration of SAP solutions**
    - **improve infrastructure efficiency**

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**Capabilities**
- Legal Framework
- Engineering Support
- SAP Systems
- Project Methodology
- Project Enablement
- Showcasing/Demos
- G-T-M Hand-Over

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**Alignment**

**SAP**

**Partner**

**Cloud**

**Mobile**

**Applications**

**Analytics**

**SAP HANA**
One Global Network
SAP Co-Innovation Lab Locations Worldwide
From Research to Innovation and to Commercialization

Collaborative Research – Integrated Innovation Lifecycle

Discovery – Basic Research

Invention – Applied Research

Innovation – Early Adaptor

Product

Research Ecosystem

Academia, Government R&D Inst.

Industr.

& Public Partners

Research

Pre-Commercial Procurement

Early Adaptors

Co-Innovation Eco-System

SAP Research Focus Areas

Analyze Emerging Trend (Analysts, Universities, Internal Reports)

Monitor Research Projects (customer, transfer, strategic, public funded, uni grant)

Align Project proposals (to fill Focus Area White Spaces)

Define SAP Research Focus Areas (incl. White Spaces)

Verify with SAP Innovation Strategy (Board, PTG Portfolio)

Manage Focus Area Lifecycle (transfer mature, terminate obsolete)

SAP Research Focus Areas

Explore

Prototype

First Product V0.9

Commercial Development & Global Deployment

Feedback

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Thank You!

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