

SAP's Business Technology Platform is a major milestone in the Intelligent Enterprise story from SAP

A faster way to transform data into business value

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Jeremy Cox



Summary

Catalyst

As more digital technologies emerge, no company can avoid the clamor to work out how to take advantage of new digital capabilities and master digital disruption. Three critical challenges must be addressed:

- Create an environment that delivers a level of experience that at least meets customer expectations however they choose to engage with the enterprise and its brands.
- Develop the ability to innovate and create new forms of value that will encourage customers to keep coming back.
- Develop the ability to adapt rapidly to take advantage of new opportunities and to counter competitive threats.

Operational excellence provides a basis by delivering a reliable, consistent, and – to some extent – predictable outcome for customers, but more is required to create differentiated value for customers.

Classic enterprise applications that map to the value chain provide the foundation for operational excellence and a degree of stability, but, as external change accelerates and customer expectations continue to rise, some form of transformational hub is necessary. SAP calls it SAP's Business Technology Platform, MIT refers to it as a Digital Platform, or it can be called a digital innovation platform. Irrespective of its name, the purpose is to create new capabilities or digital offerings built on re-usable building blocks and technologies in a wide variety of forms, that can be shared and configured to fit emerging business requirements, and in an agile way.

In this report we examine SAP's Business Technology Platform and how it can help businesses turn their data into business value, meet the challenge of accelerating change and act as an accelerant to customer-focused digital transformation. Both business and IT need to understand the significance of the platform and its potential to create a more innovative and adaptable environment for the enterprise.

Ovum view

The Business Technology Platform from SAP is a portfolio of integrated solutions that gives enterprises the ability to adapt rapidly to change irrespective of their enterprise applications landscape and provide them a faster way to turn their data into business value. SAP's enterprise applications leadership, deep insights into the semantic understanding of business data, familiarity and co-innovation of processes in a broad array of industries, allied to a business centric approach, gives it a competitive advantage over hyperscalers like AWS, for example. The unified platform approach combines and harnesses data from any source, provides out of the box content and business APIs, advanced analytics to make sense out of the data, support for rapid application development and integration into a hybrid or cloud-only IT landscape. It also utilizes intelligent technologies such as artificial intelligence (AI), intelligent robotic process automation (iRPA), and supports the use of IoT and blockchain technologies. By providing a single unified portfolio, it makes it much easier for developers to add new capabilities and to speed up digital business transformation. It allows

enterprises to innovate much faster without the friction and complexity associated with integrating multiple technologies.

From SAP's perspective, it provides more opportunity to attract new customers that might not have considered SAP apart from back-office systems such as ERP or SCM. As SAP's Business Technology Platform comes with out-of-the-box APIs for a multitude of common enterprise applications, it can be used as a digital innovation platform to help businesses differentiate and adapt much faster.

Since 2012, Ovum has argued that to survive and thrive any business must adapt at the right pace to remain persistently relevant to its customers. Ovum's Global ICT Enterprise Insights annual surveys over the last 3 years indicates that around three quarters are at serious risk of irrelevance held back by glacial transformation progress. This matters more today where change is happening at an accelerated pace. The Business Technology Platform from SAP helps businesses derive value from their data, intelligence, emerging technologies, and rapid application development to keep up with change.

Key messages

- SAP's Business Technology Platform combines four technology categories differentiated by business-centric capabilities to enable the intelligent enterprise.
- Rapid adaptation, continuous innovation, and a rewarding customer experience – the signature of an intelligent enterprise.
- Achieving operational excellence, delivering a rewarding customer experience and continuous innovation is a platform combination play.

Recommendations

Recommendations for enterprises

Operational excellence provides a necessary foundation for continued relevance, but it must be complemented by a customer engagement platform to yield a positive customer experience. Digital transformation must be continuous and operate at a much faster pace than most enterprises have so far been capable of. Enterprises that can adapt at the right pace need a digital platform that allows for rapid development and introduction of reusable building blocks, slices of code that can be tested and deployed to extend or adapt capabilities. This is what SAP's Business Technology Platform integrated solutions are all about and why they should be examined in some detail.

Recommendations for SAP

SAP has taken a lead in the development of an open digital platform that leverages its heritage of detailed business applications in 25 industries. While it is often perceived as a process and function centric enterprise applications expert, SAP's new vision of "The Experience Company powered by the Intelligent Enterprise," is worth repeating. Enterprises that have been co-innovating with SAP will be an important source of proof points. SAP should create case studies that reflect the early successes based on in-depth interviews and communicate these to encourage enterprises that are serious about transforming their capabilities to meet today's increased demands. This represents an opportunity for SAP to win mindshare, knowing that its arch-rivals will be travelling along a similar path.

SAP combines four technology categories differentiated by business-centric capabilities enabling intelligent enterprise

SAP's Business Technology Platform enables the intelligent enterprise in mixed and SAP applications landscapes

Four core areas have been developed to enable businesses to convert big data – X and O – (see Figure 1) into business advantage and business outcomes:

- Data and data management
- Analytics and business intelligence
- Rapid application development and integration and extensions to existing enterprise applications
- Embed intelligent technologies and automation to convert insight into action

Figure 1: SAP Business Technology Platform



Source: SAP

SAP Cloud Platform provides the unified platform-as-a-service (PaaS) environment and portfolio of services that is open and runs on any hyperscalers cloud infrastructure-as-a-service (IaaS) preferred by the enterprise.

At the recent SAP TechEd conference in Barcelona October 2019, SAP's CTO Juergen Mueller described it as a business technology platform that unites SAP Cloud Platform, SAP HANA in-memory database, analytics, and business services into a cohesive "orchestra" of technologies. He sees it as a natural evolution of the company's digital platform, designed to be unified and open so that developers can easily embed intelligence across integrated and modular applications, whether on premise, in the cloud, or using SAP or non-SAP technology.

From an enterprise customer perspective, it will close the gap between what businesses need in the near term and IT traditionally has been too slow to deliver, constrained by annual budget cycles and a lack of resources or the means to connect data and applications across heterogeneous IT landscapes.

Big data management across heterogeneous and SAP application landscapes

A common challenge and roadblock to transformation is the inability to unify data from multiple sources and systems, especially in heterogeneous environments. The platform can connect to any

database or data store including data lakes and data warehouses. From SPS12 version onwards, HANA, as well as support for database types, such as the common RDBMS, Hadoop, NoSQL databases, can also be used as a graph database to manage the increasingly complex network of relationships that we see emerging especially in the customer engagement and fraud detection fields. Graph databases are growing in importance as a basis for complex pattern detection and to feed ML algorithms and intelligent RPA to trigger the most relevant response or to create real-time alerts.

Data virtualization means that while the data from disparate sources can be unified, it stays in situ but can be analyzed in near real-time to create insights and to trigger the relevant response. Modern data pipelining provides the real-time access to X data as customers interact throughout their varied journeys.

Data governance and security mechanisms ensure that data is used in a compliant way, essential for trust building and enterprise reputation. Data quality is also monitored so that any resulting AI algorithm feeds on good data to generate accurate and trustworthy outputs to automatically trigger a response, or to provide trustworthy insights for the business user.

Integration and Open APIs connect the enterprise

SAP has a growing library of open APIs that enable inter-application connectivity and data sharing, across the entire value chain and integration with non-SAP as well as the entire SAP portfolio. This is essential to enable the intelligent enterprise. The SAP API Business Hub contains a catalog of SAP and partner APIs.

SAP's Business Technology Platform brings analytics to business users in ways they can understand and consume

If enterprises are using the SAP C/4HANA platform in its entirety, it will already include a vast range of analytics, machine learning (ML) and neuro-linguistic programming (NLP) capabilities. Those operating with front-office systems from multiple vendors, for example: Salesforce for SFA or ServiceNow for service and SAP C/4HANA for commerce, will find it difficult to create views and analyze customer journey traffic across multiple systems. The Intelligent Technologies in the Business Technology Platform solves this challenge, first by creating a unified view of all customer data including interaction data, and the wealth of analytical, AI, and automation tools available in the portfolio.

Back office systems can also be connected, and intelligence applied to create a transparent demand-chain or network, to boost operational capabilities and to meet customer demand more reliably and at lower cost.

There are speech recognition and elastic search capabilities to help businesspeople get at the data analyses they need as easily as possible. Data scientists can use these technologies to help train new algorithms before deploying them at scale.

Intelligent robotic process automation (RPA), IoT cloud, and edge computing are also supported enabling businesses to monitor the health of assets and take pre-emptive action so that customers do not suffer any lack of service from an IoT enabled product, and to provide usage feeds back to R&D engineers to inform new product improvements. This has enabled Trenitalia the Italian train company not only to make substantial operating savings but also to improve the customer experience through the avoidance of untimely failures – see Ovum report: *Trenitalia and SAP's IoT rail initiative on track to deliver cost savings and improved customer experience*, October 2016.

Support for rapid application development and extensions on an open platform enables businesses to adapt and engage an ecosystem of partners

The SAP Cloud Platform Rapid Application Development by Mendix provides a low code environment to enable rapid development of extensions to enterprise applications. Mobile applications can be rapidly developed, tested, and deployed. Self-paced tutorials are available to help developers get up to speed quickly. SAP Intelligent BPM enables businesses to create frictionless end-to-end processes or develop new processes that can be dynamically triggered via ML. New digital experiences can be developed to augment the customer and employee experiences. We anticipate that virtual reality (VR)/ mixed reality (MR) will become more prominent in 2020 as commerce companies and retailers seek (like the Otto Group and Zara – discussed below) to augment the customer experience. SAP's partnerships with Adobe and Microsoft are likely to lead to mixed reality services.

SAP sharpens its messaging by making it more purposeful

Over the last few years SAP has significantly evolved its messaging. At the launch of SAP S/4HANA, its new generation ERP solution in February 2015, the main message was about simplifying and using the new solution to optimize processes based on best in class standards. This spoke to the need for operational excellence and the removal of unwanted complexity as a result of too many customizations, the reasons for which may be redundant or lost in time.

Migrating to S/4HANA whether on premise or in the cloud provided an opportunity to streamline operations and take advantage of the underlying HANA in-memory database, to gain deeper insight into operational flows in real-time. The SAP Boardroom draws on this data enabling team leaders or the C-Suite to monitor the health of the business in real-time. This level of operational transparency is a major advance.

SAP's services organization Digital Business Services (DBS) brought to bear best in class model companies and its end-to-end process expertise to help customers take advantage of this new operational "backbone."

At SapphireNow in June 2018, the next step up in messaging was the idea of the Intelligent Enterprise. This coincided with the launch of SAP C/4HANA, positioned as a modular suite of enterprise applications covering marketing, commerce (formerly Hybris), sales, and service, with the ability to handle subscription models. It also brought us SAP Leonardo tools and technologies to drive innovation. The concept of the intelligent enterprise provided a glimpse into what a successful digital transformation ought to achieve, creating a coherent and frictionless operational and customer engagement environment, supported by real-time analysis on the fly and AI (in the form of ML and NLP).

From an internal development perspective, the intelligent enterprise has given all product teams a coherent vision and common purpose that is accelerating development across the entire portfolio, in a more coherent and coordinated manner, (see Ovum report: *SAP has a new moonshot – the Intelligent Enterprise – and SAP C/4HANA is the catalyst*, June 2018).

SAP has raised its game and emerged from its functional process-centric heritage to become an open innovation enabler

The messaging from SAP has evolved even further and with a clearer sense of purpose.

The acquisition of Qualtrics in November 2018 made explicit the idea of experience data (X) that could be extracted from customer feedback and interactions, while all the other systems generated operational data (O). Synthesizing the two data types offers the potential for deeper understanding into customer motivations, behaviors and even emotions, providing contextual intelligence and insight.

While SAP C/4HANA already has substantial functionality and the ability to draw on X and O data, with its embedded ML and NLP capabilities, enterprises that use operational and CRM systems from a variety of vendors may not be so well connected. SAP's Business Technology Platform can support both heterogenous environments and organizations that have gone all-in with SAP applications and technologies.

The experience company powered by the intelligent enterprise

With this latest platform launch, SAP now offers a new position as "the experience company powered by the intelligent enterprise," providing an even more purposeful message. SAP is also using the platform to develop the next generation of applications in an open environment that allows third-party developers and partners to contribute. It is actively using the platform to develop the next generation of increasingly modular enterprise applications. These will act like building blocks for rapid adaptation, but at a higher level of abstraction than discrete microservices. They will encompass complete end-to-end processes, that can be configured and combined/recombined to create new capabilities unique to each business or to address new opportunities.

Figure 1 provides an outline of SAP's Business Technology Platform and how it enables businesses to harness X and O data from across their systems landscapes, generate insights, and act on them irrespective of where the data is held.

The introduction of SAP's Business Technology Platform is a major milestone in SAP's history. It provides the necessary environment to connect the new value disciplines of operational excellence, a superior customer experience and continuous innovation. Collectively they provide the foundation for rapid adaptation directly linked to the customer. In short, to be customer-adaptive. By combining advanced data management, analytics, application development, and intelligent technologies for customers to deploy in a hybrid or cloud scenario, SAP ensures that they work together seamlessly and accelerates development and deployment in a frictionless manner. It also simplifies the contracting process under a single license.

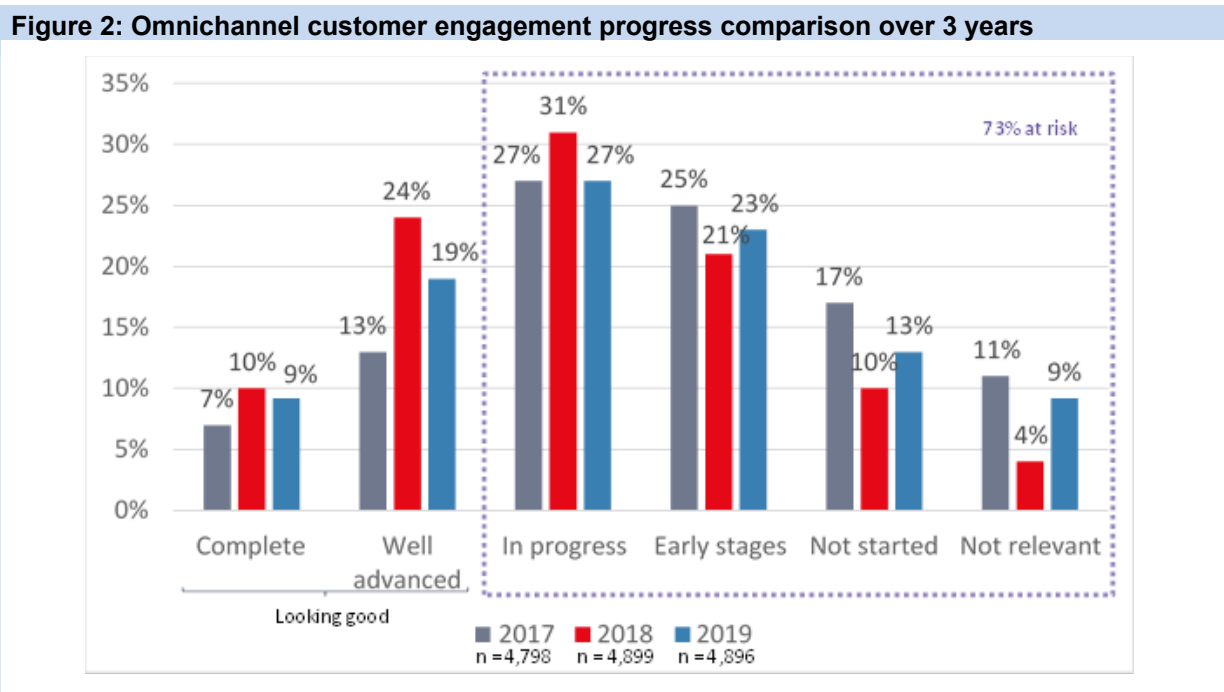
In the next two sections, we explore the business context for the Business Technology Platform from SAP and why it is such a significant new product set.

Rapid adaptation, continuous innovation and a rewarding customer experience – the signature of an intelligent enterprise

Most enterprises across every sector are struggling with digital transformation initiatives – their futures are at risk

To provide some business context, while 96% of enterprises have some form of digital transformation initiative on the go or in plan, Ovum research over the last three years reveals little progress. Of the nine digital transformation initiatives examined, the most critical for survival, let alone the ability to

thrive, is in support of omnichannel customer engagement. The ability to deliver a positive experience for customers irrespective of channels they traverse, or departments touched throughout their many and varied journeys (see Figure 2 comparison over the last three years).



Source: Ovum Global ICT Enterprise surveys 2017-19

While it seems odd that enterprises appear to have reversed progress in 2019 compared with 2018 and 2017, the most likely explanation is the realization of the enormity and complexity of the challenge. Customer engagement has a constantly shifting horizon. Customer expectations continue to rise, and their behaviors are constantly evolving. By our calculations, this puts at least 73% of enterprises at risk of failing to meet customer expectations and from the threat of more competent competitors or new entrants. Of the many barriers to progress, one that appears consistently across multiple surveys is a failure to develop a streamlined and transparent operational environment spanning the entire value chain. Brand promises made fail to be kept. What is required is an operational foundation, or as Dr. Jeanne Ross of MIT calls it: an operational backbone.

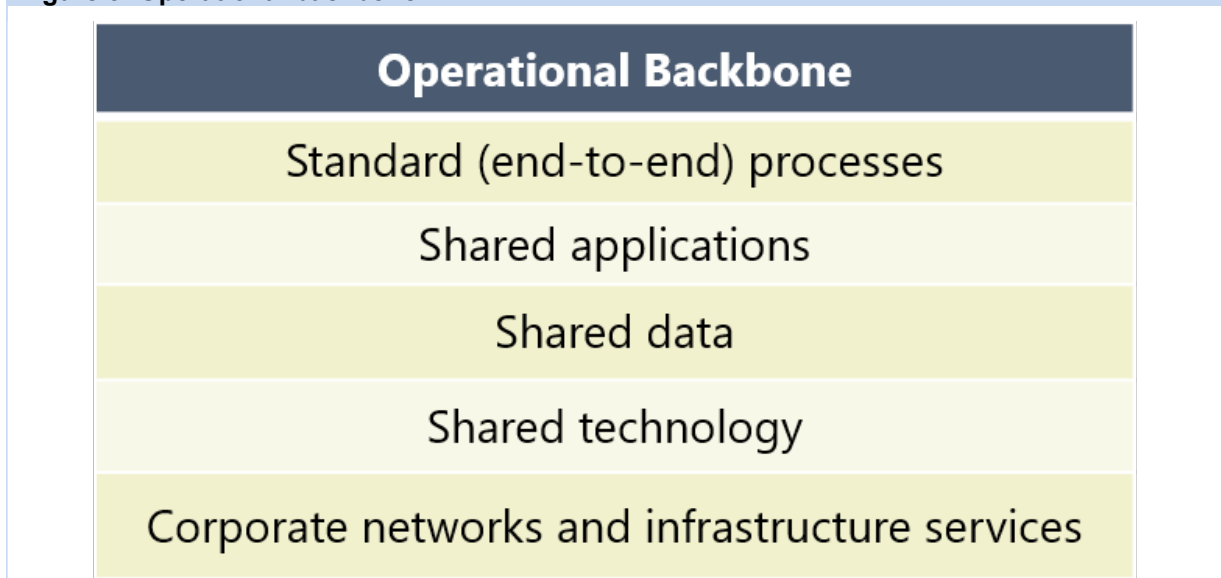
Operational excellence is an improvement but insufficient to ensure ultimate safety

Dr. Jeanne Ross has researched digital transformation for several years, and recently collaborated on a book published by MIT Press in 2019, *Designed for Digital: How to Architect Your Business for Sustained Success* (Ross et al., 2019). The basic premise of the book is that successful digital transformation follows a common path that starts with operational excellence as the first goal. Nordstrom is cited as an example of a successful customer-focused company that has embraced omnichannel customer engagement and created a harmonized environment for both offline and online customer experiences. As Nordstrom already had an effective operational backbone, consisting of interconnected applications and good data management, it was in a strong position to move developments towards a more harmonized environment for its customers. Transparency across operations enables Nordstrom staff to advise customers about the availability of stock in nearby

stores, or to place orders and give customers choice about home delivery or in-store collection, whatever is most convenient.

Figure 3 highlights the main elements of an operational backbone. End-to-end processes supported by shared applications, data, technology and network and infrastructure services create a frictionless operational environment.

Figure 3: Operational backbone



Source: Adapted from *Designed for Digital: How to Architect Your Business for Sustained Success* (Ross et al., 2019)

Every process from demand through to supply is connected and can be interrogated (depending on role and entitlement) by employees who can then back up brand promises with delivery details, for example.

According to Ross's research, enterprises with an operational backbone are 2.5 times more agile than those without one. They are also more innovative based on the percentage of revenue from new offerings. While clearly a major step forward for any enterprise, achieving a high degree of operational excellence does not go far enough. It only partially addresses the needs of customers and at what today is a basic foundational level – products turn up when expected, or simple queries on orders placed can be resolved quickly. Efficiency lowers costs, but it doesn't necessarily lead to growth.

The reality for most established enterprises is that they will have a mixed bag of monolithic systems, sometimes heavily customized to fit what might have been best practice processes long ago. Hard decisions must be made on what to keep or replace. Many ERP, SCM, CRM, and other application suites may be on premise or deployed as a hybrid mix of cloud and on-premise applications. Irrespective of the existing systems and applications landscape, if data is to flow unobstructed and be used to drive decision making, obstacles, and constraints to fluid operations must be removed.

This requires a longitudinal view of the business as a coherent system of value creation and delivery, not a patchwork of operational silos. This concept of an operational backbone helps to focus attention on core processes that occur across the value chain. A demand driven view with the customer as the starting point not the endpoint must be taken. Processes must be simplified and standardized. Tools such as process mining can help to uncover the inherent weaknesses in existing processes and

quantify the impact of any deviations from standards. The operational backbone provides the base for higher value add but it is a foundation on which more adaptive and time-critical capabilities must be developed.

Translating this into SAP applications, the operational backbone has S/4HANA at its core with (depending on the nature of the business) integration with SAP Digital Supply Chain, SAP Ariba, SAP Fieldglass and C/4HANA which goes beyond traditional CRM as a system of record, to provide intelligent engagement capabilities across any channel. SAP SuccessFactors then oils the talent wheels in support of an aligned and engaged workforce.

Innovation, operational excellence, and delivering a rewarding customer experience are a platform combination play

The purpose and context of a digital platform as a mechanism for rapid adaptation and innovation

Before we explore the platform component in SAP's Business Technology Platform, it is worth understanding the context and background for such platforms.

Back in 1997, Fred Wiersema and Michael Treacy in their book, *The Discipline of Market Leaders*, maintained that any business must choose to be excellent and one of three critical disciplines:

- Operational excellence
- Customer intimacy
- Product leadership

Ross claims that operational excellence will become table-stakes, but even so, she cautions not to attempt all three simultaneously, as that might dilute efforts and create unacceptable delay.

While there is merit in a focused approach to digital transformation, no enterprise can ignore the importance of customer intimacy, not least as a driver for product and experience innovation. Back in 1997, operational excellence was a winning strategy, but then bargaining power lay with the supply-side of the economy, not the customer. Now all that has changed, and power lies on the demand-side with the customer. Ross is right that operational excellence, while not yet commoditized, is not a key differentiator. It is an essential hygiene factor, and businesses that don't have it are increasingly exposed by those that do, particularly when it comes to pricing and margins, or reliability and predictability which provide a foundation for trust.

The starting point and emphasis may change business by business, but no company can afford to sacrifice customer engagement for product innovation, or vice versa. Nor can they rely wholly on operational excellence to keep customers coming back. The time to adapt is getting shorter as change accelerates and customer expectations continue to rise. It therefore makes sense to develop a platform and repository of re-usable parts that can be intelligently applied and rapidly absorbed by the business, whether that be in delivering rewarding and engaging experiences or new offerings, or both. The platform must support both business demands.

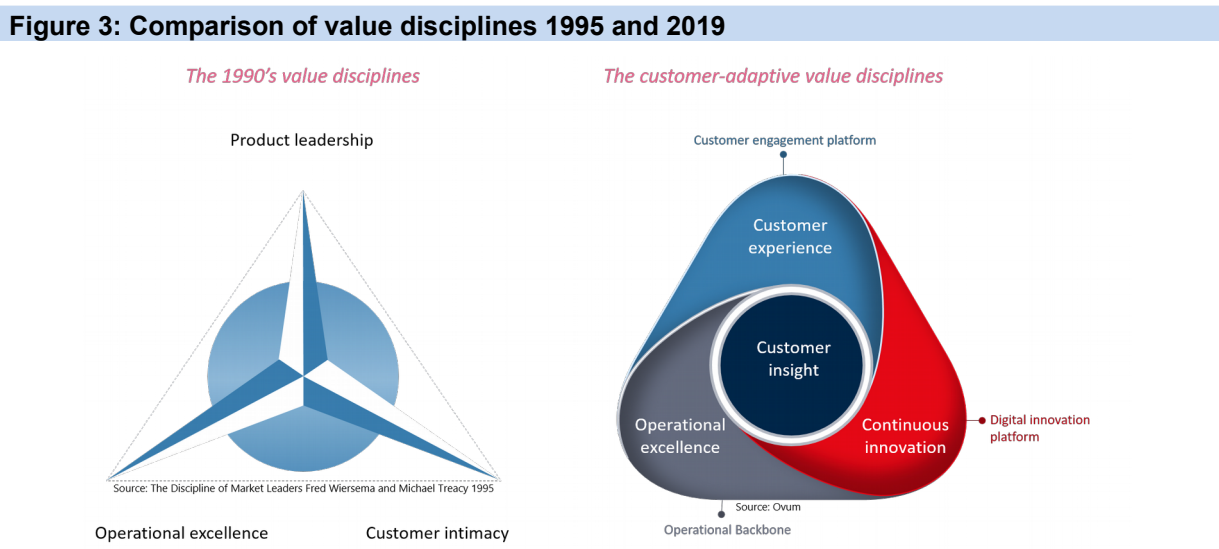
The digital platform described by Ross doesn't quite go far enough as its purpose is limited to digital offerings, though it could just as readily be applied to digital experiences. In *Designed for Digital*, Ross et al., identify the purpose and basic requirements of a digital platform. Its purpose is defined by the authors as "a repository of business, data and infrastructure components used to rapidly configure digital offerings." These digital components are described as "slices of code" that can be invoked via APIs to perform a limited task. As the portfolio of components increases, more slices of code become available to be invoked via APIs to deliver new offerings or experiences, or new business models. If the platform is open, it can also be extended to a firm's ecosystem of co-innovation partners.

Time for an updated set of value disciplines

Treacy and Wiersema's trio of value disciplines made sense before the advent of the internet, cloud, smartphones, AI, modern application development tools, and APIs. It would be tough to argue that internet natives like Amazon and Google owe their success to a relentless focus on a single discipline. It would be more accurate to say that their ability to harness (and develop), modern technologies gives them the ability to synthesize the disciplines, something that was simply not possible in the 1990s. With the technology available back then, the idea of a mutually reinforcing synthesis of the three value disciplines would have been a near impossibility. However, the idea of focusing on one at the expense of the others in today's technology environment is a recipe for customer irrelevance.

To survive and thrive in evermore compressed timescales for change, every enterprise must learn to adapt at pace, so adaptability is a critical value discipline, overlooked by Wiersema and Treacy, but it is now critical to survival. To paraphrase the former CEO of GE, Jack Welch: if change is happening faster outside the company than inside, the end is near. Ovum has argued since 2012, that adaptation must be driven by external forces that impact the ability of any company to remain relevant to its customers and others it hopes to attract – to be customer-adaptive.

In Figure 3 we contrast the value disciplines of Wiersema and Treacy with the modern equivalent, highlighting the supporting platforms for each revised discipline.



Source: Ovum

Tightly integrated and mutually reinforcing value disciplines are required to make rapid adaptation a core competence.

The major update to the three disciplines outlined by Wiersema and Treacy (see the diagram on the right), is that customer insight acts as the catalyst for change, whether that be for operational improvements, the creation of new products and services, or to greatly enhance the customer experience. Operational excellence provides the delivery capabilities from supply to production and distribution to customers, but the two key growth engines and differentiators are the customer experience and creation of new forms of value through continuous innovation. Fail in one of these and the outcome will be a reduction in growth, or worse, higher levels of customer defection as they seek better experiences or better products elsewhere.

In the diagram on the right each value discipline reinforces the other two. For example, to deliver a positive and rewarding customer experience, changes may be necessary to operations, for example to remove friction or to offer greater choice in product delivery. If the customer experience is negative because the product is unnecessarily complex, product development needs to know. Equally innovation comes in many guises. It could be an entirely new business model grafted onto the existing model, for example in a B2B setting creating direct to consumer experiences or like Kaeser Kompressoren (an SAP customer) that now offers compressed air as a service on a subscription basis.

Innovation may also be focused on augmenting the customer experience, such as providing AR/VR try-before-you-buy commerce experiences, allowing customers to see what an item of furniture might look like in their own dining room.

By embracing the three value disciplines of operational excellence, delivery of a superlative customer experience and continuous innovation, all driven by customer insight, rapid and relevant adaptation, and therefore the future viability of the business, are assured.

A customer-adaptive synthesis of value disciplines is a platform play

Ross recommends the creation of two platforms, the operational backbone and the digital platform for rapid adaptation and innovation. CRM is subsumed within the operational backbone, but now advanced CRM applications such as SAP C/4HANA go much further and have evolved into hybrid systems of record and engagement – what Ovum calls, customer engagement platforms (CEPs).

Our view is that the critical role for a CEP is to provide a platform to enable customers to interact with a firm or its brands across any channel, digital or physical. It must be connected to the operational backbone (typically via APIs), as a first step. It must also be connected to the digital innovation platform, to allow for rapid enhancement and delivery of innovative new experiences.

Modern modular but highly integrated CEPs, like SAP C/4HANA, in addition to the usual CRM triumvirate of marketing, sales, and service automation, include ecommerce, subscription management, and field service.

AI is also embedded and is evolving from localized departmental use cases to cross-functional use cases, and ultimately dynamic orchestration of offers, content, advice, and more through a network of connected ML and NLP algorithms supported by automation, and often with employees in the loop to handle the more complex customer needs. Ultimately this will lead to dynamic orchestration of the customer experience and more reliably deliver the outcomes customers seek through every customer

journey they make. A CEP is therefore essential in addition to the operational backbone and digital innovation platform. To describe SAP C/4HANA as a suite undersells this more impactful purpose.

A digital innovation platform offers reusable components for continuous innovation in products, services and customer experiences

The Otto Group (a €13bn international footwear retail, commerce, logistics and financial services conglomerate) and Inditex (a €26bn fashion and home furnishings company with major brands, including Zara) share a common approach to innovation. Both companies have embraced technology to enhance operations and deliver a differentiated customer experience.

The Otto Group started experimenting with AI back in 2012 and its most recent innovations can be found at some of its stores where customers can use an app to scan a barcode on an item of clothing, enter their size and find it delivered to a changing room where they can try it on and select 4 different lighting options to see how the item suits them. A VR app on iPhone or Android can also be used to select furniture online and to see how it might look in their own homes, before buying.

Inditex from the outset in 1963, designed the entire business around customers. Judicious use of technology and in-store feedback has enabled them to collapse the entire cycle from design to delivery within a two-week period. They also use VR/AR capabilities within many of their flagship stores to enhance the experience.

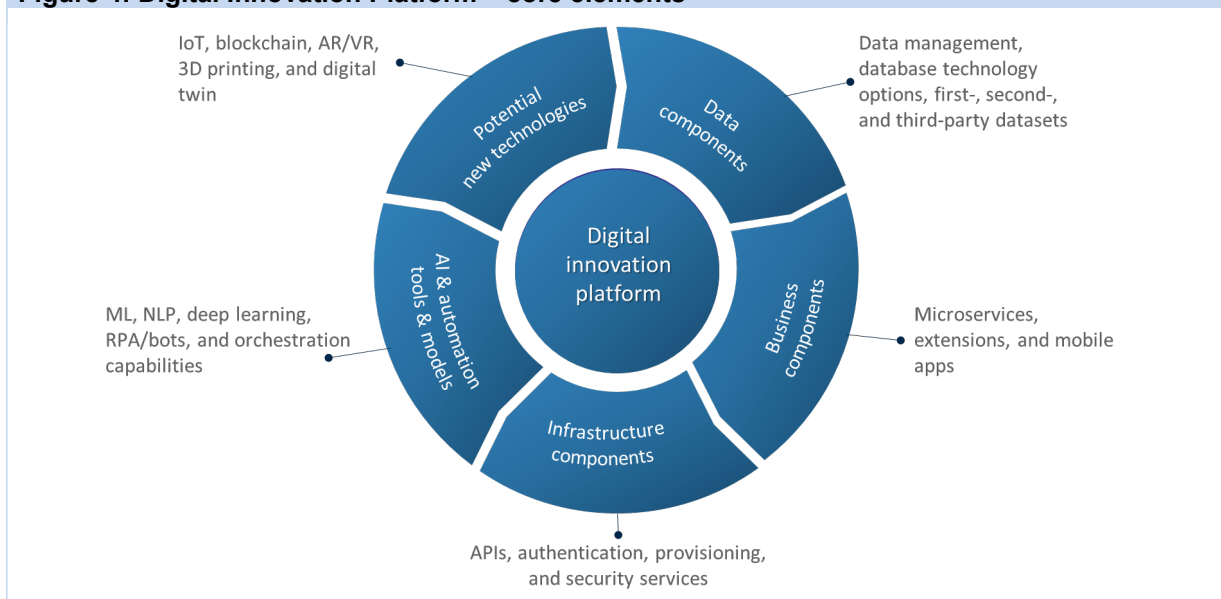
Both companies have embraced ecommerce which is growing even faster than their traditional stores' business, although both the physical and digital shopping continue to be successful. Inditex stores and commerce provide a highly connected and harmonized environment for customers. New capabilities are developed and shared across their respective businesses, eliminating reinvention and fostering re-use. The Otto Group and Inditex have addressed operational excellence and by continually innovating both firms have enhanced the customer experience. The other thing they have in common is a culture that embraces change and encourages diversity, collaboration and getting to grips with digital.

A digital innovation platform can be used to enhance experiences and create digital offerings

Figure 4 outlines the essential elements of a digital innovation platform. The data, business and infrastructure components outlined in the digital platform above, should also include AI and automation tools and potentially technologies that offer the most promise for the near-term or future. The platform must be Open so that the wider ecosystem of partners and developers can be leveraged, subject to quality and security controls.

The digital innovation platform builds on the digital platform concept outlined in the book *Designed for Digital* but adds additional elements of AI and automation tools, models and frameworks, and an element of experimentation around emerging technologies or those that are new to the enterprise such as IoT, blockchain, AR/VR, and others that might add new value in the form of new products or services or augmented customer experiences.

Figure 4: Digital Innovation Platform – core elements



Source: Ovum – building on the Digital Platform concept outlined in *Designed for Digital: How to Architect Your Business for Sustained Success*(Ross et al., 2019)

SAP's Business Technology Platform in context is a major milestone for SAP

As we have seen, SAP's Business Technology Platform has many elements in common with the digital innovation platform outlined above and fulfills the same purpose as an innovation engine for the enterprise. Therefore the launch of SAP's Business Technology platform is a significant and major milestone for the vendor.

Appendix

Methodology

A combination of primary and secondary research resources was used to support the conclusions and guidance in this report. This included vendor briefings, Ovum's ICT Enterprise Insights survey data from 2017 to 2019, and third-party reports and articles.

Further reading

Ovum publications

Advances in Customer Engagement Platforms: 2019–20, INT001-000158 (September 2019)

ICT Enterprise Insights 2019/20 – Global: ICT Drivers and Technology Priorities, PT0155-000002 (October 2019)

A Customer-Adaptive Architectural Approach for Digital Business Transformation, INT001-000040 (April 2018)

SAP has a new moonshot – the Intelligent Enterprise – and SAP C/4HANA is the catalyst, INT001-000072 (June 2018)

Others

Treacy, M and Wiersema, F D (1997) *The Discipline of Market Leaders: Choose Your Customers, Narrow Your Focus, Dominate Your Market*. New York, New York: Basic Books.

Ross, J, Beath, C, and Mocker, M (2019). *Designed for Digital: How to Architect Your Business for Sustained Success*. Cambridge, MA: MIT Press Ltd.

Author

Jeremy Cox, Principal Analyst

Ovum Consulting

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