



Julia White:

Hey everyone. I'm Julia White, Executive Board Member at SAP. It's great to be part of the Six Five Summit this year. It's a fantastic group of technology leaders discussing really relevant innovations that are very much shaping our future. Now, when I joined SAP a little over a year ago, it was a pivotal moment for me both personally and professionally, and I was really ready to bring everything I had experienced over the course of my career so far to shape this next chapter at SAP.

In many ways, this mirrors SAP's journey itself as it celebrates its 50th anniversary this year. Today at SAP, we have more than 400,000 customers across the globe with solutions spanning ERPs, supply chain, procurement, travel and expense, human capital management, and customer experience. And while we've grown quite a bit over these past five decades, our purpose to help the world run better and improve people's lives remains the same, and it continuously drives us to deliver solutions that solve the world's most pressing issues.

Now, when I spend my time talking with customers as much as possible, I consistently hear three top issues that they're facing today. So I'm going to walk through each of these. First, their industry is changing at an unprecedented pace. What used to be sufficient in terms of agility and innovation is no longer tenable, and they're literally at risk of falling behind their competition on a regular basis. The second is around supply chain disruption. It's probably no surprise there. Starting with COVID, furthered by the war in Ukraine, and now more recent lockdowns in China are just making things more dramatic. Supply chains have spent the past 20 years becoming globally efficient, and now quickly they have to shift to becoming more resilient, and even on a more regional level as well.

Now, the third challenge is sustainability, and this is without question the most pressing issue of our time. Every business leader I've spoken with and I've worked with in this past year has placed sustainability as a top-three business priority. And many companies have made public sustainability commitments, which is great, but they don't know how they're going to reach them. And as governments and financial regulations arise, many of our customers lack a clear plan of action to meet and report on those regulations.

Now, fundamentally shifting your pace of business requires meaningful business transformation. Organizations have kind of cobbled their way through the initial COVID shocks and transitions, but ultimately real business transformation is needed to compete effectively today. And digital transformation goes beyond just migrating existing solutions to the cloud. That's necessary, but not sufficient. Instead it's really about creating a robust digital foundation of connected data and AI processes, to bring new business innovations and new ideas to life by embedding AI and ready-to-use robotic process automation onto a scalable platform. That's when customers can quickly transform their core business processes. Things like lead to cash, design to operate, source to pay, recruit to retire.

In early 2021, we introduced RISE with SAP, and that's our business innovation solution that includes cloud ERP, analytics, business process automation, intelligence, and then outcome-driven services from both SAP and our partners. It's actually with RISE that we're helping our customers benchmark their business processes against the best practices we've gathered from working with over 100,000 customers across 25 industries. So you literally can see how do your



business processes compare to your peers and your competitors in the industry, so you know where to focus and where you can get the greatest improvements as well. And then also, moving to a more modular, agile approach, you can connect those latest innovations with industry-specific tailoring, which of course is important for any innovation area.

A great example of this is Moderna. They run their business processes with SAP using our cloud ERP and many other solutions, and this is key to them being able to quickly manage their transition from a small startup in biotech to becoming a leader in the vaccine market, particularly during COVID-19. Now today, Moderna is using a number of SAP cloud solutions to address the specific needs of the big growing pharma business that they are now. Things like the advanced track-and-trace for pharmaceuticals solution that helps Moderna comply with international legislation that's intended to prevent counterfeit drugs from reaching patients, which is obviously very important.

Moderna also leverages the Collaboration Hub for Life Sciences. That's actually a network that enables a collaboration of the pharmaceutical supply chain across all of their trading partners. Remarkably, in the US alone this hub is already processing more than 70% of the drug volume for verification, which is amazing. Moderna's growth also illustrates the speed, the scale, the innovation, and the productivity benefits that not only the cloud makes possible, but the innovation that goes with that. And they aren't the only organization realizing these kinds of outcomes. Nearly 2000 customers, including Accenture, Revlon, NBA, Cannon, Microsoft, and Citizen Watch have selected RISE with SAP to enable their business innovation so they can move with greater agility and stay competitive in their respective industries.

Now, switching to supply chain. Over the past year, supply chain log jams, resource optimization, and demand shifts have become a daily conversation. Literally a dinnertime conversation, and really a regular struggle for the businesses that are trying to manage through all of this. I was recently talking with a CEO of a global medical device manufacturer, and he said, "Julia, however bad you think the supply chain is, it's actually two times worse," just to keep it real on that front. We're past the point of being able to solve this alone, and the solution is about having a more agile and resilient supply chain that has to go beyond technology as well. This is about cooperation.

That's why at SAP, we're focusing so much on our business network that connects millions of companies with the largest network of buyers, suppliers, manufacturers, and logistic providers on the planet, that enables our customers to respond to supply chain disruptions in real time with much greater agility. Today, there's over \$3 trillion worth of goods and services that are sourced and procured on the business network, making more agile supply chains, but also more resilient and transparent in doing that. Also with the data-rich connections, and by embedding AI directly into the supply chain, things like the source to pay process. Our customers can leverage intelligent screening to quickly discover quality suppliers. It also can optimize purchasing with real-time insights that easily classify and pay invoices with things like automatic document processing.

A great example is Lenovo. They're a long time customer working with SAP to power their world-class supply chain that delivers 130 million products a year at 96% on-time delivery, which



is amazing. Lenovo is also building their new smart factory. Very cutting edge, world-class, that's going to be run with SAP solutions, providing them end-to-end order to delivery capabilities and connecting over 2000 suppliers to their millions of customers.

As we continue to work with customers like Lenovo to solve their unique supply chain challenges, we're also innovating with partners. We recently worked hand-in-hand with Apple to introduce a new set of applications for the people working in the warehouse floor that optimizes key tasks like picking, and packing, and putting away. So all with the state-of-the-art innovation and experiences, using an iOS device in this case. So empowering everything from the supply chain start, to the people on the manufacturing floor, into the warehouse as well. Trying to get, again, that agility, the resiliency, and the transparency across the supply chain where we need it.

But finally, and by far and away the most important area, sustainability. It's the greatest challenge of our time. We also believe it's the greatest economic opportunity of our time. And I believe the businesses globally will be the force to deliver sustainability development changes for the planet. Business leaders across the globe are passionate about finding solutions to sustainability challenges, but they just aren't clear. Nearly 70% of CEOs actually find it difficult to measure even the basic ESG data across their value chain today. And we know better than anyone, you can't manage what you can't measure. So getting that transparency is so important.

According to the recent World Economic Forum, over 200 of the world's largest firms estimate that not taking action towards climate change would actually cost them nearly \$1 trillion US in risk, lost businesses, and issues around their overall value chain. That means it's no longer sufficient for organizations to optimize just the top line and bottom line. Our future actually rests on our ability to help customers manage their green line as well, getting that ESG capability like any other business metric that they run.

Of course SAP, with 50 years of resource management experience and the most comprehensive set of sustainability solutions, we're uniquely positioned to help our customers on their sustainability journey and report their progress. In fact, I see this as very much a responsibility that SAP holds for our customers, and to help our customers power organization-wide sustainability practices and reporting. We recently announced a portfolio of solutions under the Cloud for Sustainable Enterprise offering. Essentially this solution automates data collection and harmonization, it provides advanced analytics to detect patterns across locations, units, provide actionable insights around that. And things like sustainability performance benchmarking, and simplified reporting to basically have visibility into those key sustainability KPIs.

Because of course using that "green line" data, as we call it, you can optimize sustainability performance and you can see what's possible. So whether you're detecting anomalies, or you're forecasting environmental impacts on your strategies, or even thinking about adjusting hiring and sourcing practices to meet and exceed those ESG commitments that have been made. Again, a great example is Palmolive. They're working with us on their sustainability solutions to reduce carbon emissions from the nine billion tubes of toothpaste that they produce each year. This is critical for them to fulfill their commitment to reduce virgin plastic use and be 100% recyclable, reusable, or compostable by 2025. Which is a big goal, but an important one.



Companies like Palmolive, Unilever, Natura, Allbirds, and many others are embedding sustainability into the core of their business processes. This isn't something to bolt on afterwards. It's a part of the core business process. In doing this, they're demonstrating that they can also outperform their peers in the industry. Again, we see this as a huge economic capability and growth lever, as well as helping with the overall ESG requirements.

Now, SAP of course has end-to-end transparency and a solution portfolio that can turn all of our customers into sustainable enterprises, which is really our goal and going back to our purpose of helping the world run better and improve people's lives. But we also recognize that sustainability is of course a team sport, and cooperation is required for designing, manufacturing, developing, and maintaining products in ways that minimize carbon footprints, decrease waste, and ensure social equality. And it certainly requires a company's entire value chain to help solve for sustainability issues that have accumulated over years, and sometimes generations. I really think the future of enterprise software and the future of business is truly intelligent, networked, and sustainable, so that we together can create a much more resilient and sustainable world. Thank you so much for joining me today, and I hope you enjoy the rest of The Six Five Summit.