

# SAP and Social Business

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## Background

Within SAP, we have been engaged in the concept of Social Business for quite some time. One could argue that our ERP systems themselves were an early form of social business in that they enabled workflow activity streams in a collaborative fashion throughout the enterprise. As one of the early members of the OpenSocial Foundation, we clearly saw the potential of, and the need for standards for, social sharing of information for web based applications. Our StreamWork deliverable has been enabling social business for ourselves and our customers for several years using OpenSocial as a key component. Our partnership with LinkedIn back in 2009 to provide SAP partners with Web 2.0 recruiting capabilities was an early example of how we saw the market potential. That same year, our agreement with Jive to integrate our BusinessObjects BI OnDemand software with Jive's community and collaboration platform was another step. Our use of Facebook for our SAP PartnerEdge program and more recently our Facebook SAP-Microsoft Unite Partner Connection are yet other examples of how we see the value of social business for ourselves, our partners, and our customers.

## The SAP Social Business Solution

Despite our early efforts via OpenSocial Foundation, StreamWork, Facebook, LinkedIn et. al.; it was not until our acquisition of SuccessFactors that we truly began to move forward with a full scale approach to Social Business. That acquisition, and the subsequent release of SAPJAM, has moved us to the forefront of the Social Business Arena.



Our approach to social business can be summarized as one that is focused on bringing together the concepts of social media

and enterprise processes in a social solution that infuse social networking into every aspect of an enterprise's business processes. Social Media analytics and engagement create intelligent social engagement with an Enterprise's customers. Clear cut collaboration channels around Customers/Partners, Employees, and Partners/Suppliers collectively constitute each Enterprise's Social Network (ESN). We support the ESN through our current platform mix of SAP Business Suite, SAP Cloud, SAP Analytics and 3<sup>rd</sup> Party Applications, all of which ride on our HANA in memory solution and mobile offerings. However, we also recognize that customers will in many cases prefer heterogeneous environments, and it is here that the need for a comprehensive high level agreed upon architecture and set of supporting standards exists.

### *Topic Use Cases*

With our SAPJAM solution, we address a number of use cases that are common across enterprises and that should be used as a baseline for consideration in developing a W3C Social Business Notional Framework. These include

- Informal Learning – simple video and screen captures for employee on demand training and education.
- Internal Communities – a variety of content and collaborative communities to improve multiple structured and unstructured processes to include – employee development, learning, information sharing, problem solving.
- Talent Process Alignment – collaboration around recruiting, onboarding, and performance.
- Social onboarding – welcome, inspire, and engage new hires
- Knowledge sharing – polling, activity feeds, and groups connecting employees with each other and with customers, vendors, and partners
- Mobile support – real time engagement and contribution via mobile devices
- Sales – Social opportunity management and deal rooms to facilitate negotiation and closure through collaborative customer engagement
- Customer Service – shorten time to resolution and contact center metrics through collaborative case management with resultant customer engagement and satisfaction
- Supply Chain – engage cross company teams in collaborative vendor or bid selection and enable alignment between sales planning and inventory forecasts through collaborative sales and operations planning
- IT – break down social silos through social collaboration foundation across the business that provides seamless, aggregated experience.

## *A new Paradigm*

Studies have shown that adoption of Social Networking in the business environment has heretofore been slower than anticipated. According to a Forrester Research report in 2012, 77% of employees never use their enterprise social network and only 3% use it once each day. Why is this? Many believe it is because Executives don't get the metrics associated with Social Business – productivity, collaboration, transparency, sharing, comments, engagement, and connections and ask "Where's the Business in Social Business?"

The question is – going forward, how can we break down the current resistance to adopting Social Business as the way to conduct everyday activities? The answer lies in understanding that traditional transactional systems are excellent at repeatable processes, but these repeatable processes only account for 20 – 30% of all work in an enterprise and almost all business activities have unstructured gaps to fill. This unstructured work is typically ad hoc, not very repeatable, requires a considerable amount of contextualization and domain knowledge and is associated with both documented and worker knowledge in the enterprise. The transformational opportunity with Social Business comes from closing Business Loops by merging transactional systems and functions with these unstructured processes and leveraging that worker knowledge through a Social Business Network. Here are some examples where Social Business can pay huge dividends –

- **Customer Performance.** Traditional CRM is focused on managing customer records and interactions and analyzing trends. Closing the loop means using Social Business to merge traditional CRM with Customer Networks to build strong customer communities to delight customers and lower acquisition costs. That's closing the loop.
- **Talent Performance.** Traditional talent management is about managing goals and learning objectives. Closing the loop means using Social Business to merge traditional Talent Management with Talent Networks to leverage knowledge as a strategic asset. That's closing the loop.
- **Financial Performance & Risk Mitigation.** Traditional Financial Management is focused on executing order to cash, identifying risk, and managing compliance. Closing the loop means using Social Business to merge traditional Financial Management with Performance Networks that manage exceptions and drive decisions. That's closing the loop.
- **Supply Chain Performance.** Traditional Supply Chain Management is all about efficiently executing procedure to pay and focusing on transactions. Closing the loop means Using Social Business to merge Supply Chain Management with Business Networks that galvanize your supply chains to become strategic partners. That's closing the loop.

## *Moving Forward*

The next chapter will occur when social collaboration surfaces at the point of decision making, action and business execution. This requires social networks that link together people, content, applications,

processes and data. Most enterprises already have 4 of these components – content, applications, processes and data. With the introduction of Social Business offerings such as those of SAPJAM and others, the linkage with people is not only occurring but accelerating, and we are already beginning to see a corresponding acceleration in business performance. To keep this momentum going and expanding, we need the W3C, OpenSocial and others to ensure that standards that support a well-defined heterogeneous Social Business environment are developed and delivered.

Two key areas for consideration of Social Business standards are semantic based content comprehension and contextualization. Much has been done within the W3C around the Semantic Web with OWL and RDF. Although these standards have significant value, an ontology is only as good as the ontologist who understands it. Ontologies offer little in the way of deep semantic understanding of the underlying meaning of information and the corresponding data that represents it – particularly unstructured information. This severely limits the ability for this information/data to be consumed in, or reused in, any context but its own. RDF triples have much the same issue. In short, the deficiency in both OWL and RDF can be summarized as a lack of a formal mechanism for semantic understanding across informational boundaries.

What is required, and what will greatly aid the expansion of social business, is a widely recognized and adopted methodology for both the semantic expression of, and semantic contextualization of information and data. Significant work has been done in this area by ISO JTC1/SC32 with its ISO 11179 specifications and by UN/CEFACT with its Core Component Technical Specification. Both of these focus on Semantic metadata for data. Additionally, UN/CEFACT has done work around developing a concept for a semantic context mechanism. However, these standards lack a web based tie-in to the Social Web and the fundamental paradigm shift taking place with the advent of Social Business. The cause of Social Business would be well served for W3C to take these specifications as the baseline for a new set of semantic data modeling and contextualization specifications.