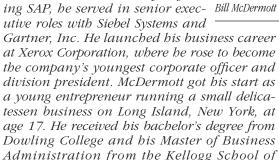# Solving the Biggest Challenges in the World

An Interview with
Bill McDermott, Chief Executive Officer, SAP

EDITORS' NOTE *Bill McDermott is Chief Executive Officer and a member of the Executive Board of SAP. McDermott is credited with leading the reinvention of SAP in the era of mobility, cloud computing, advanced analytics, next-generation business applications, and in-memory technology. He joined SAP in 2002 to lead the business in North America and has steadily risen to his current role. Before joining SAP, he served in senior executive roles with Siebel Systems and Gartner, Inc. He launched his business career at Xerox Corporation, where he rose to become the company's youngest corporate officer and division president. McDermott got his start as a young entrepreneur running a small delicatessen business on Long Island, New York, at age 17. He received his bachelor's degree from Dowling College and his Master of Business Administration from the Kellogg School of Management at Northwestern University.*

Bill McDermott

COMPANY BRIEF *As market leader in enterprise application software, SAP (sap.com) helps companies of all sizes and industries run better. From back office to boardroom, warehouse to storefront, and desktop to mobile device, SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP applications and services enable more than 300,000 customers to operate profitably, adapt continuously, and grow sustainably. SAP is listed on several exchanges, including the Frankfurt Stock Exchange and NYSE.*

SAP is consistently recognized as the industry leader. What have been the keys to SAP's consistent success and how do you define the SAP advantage?

We learned that the soft stuff is the real stuff. When you think back to 2010 when I became CEO, one of the first things we did for the company was to set a purpose-driven vision to help the world run better and improve people's lives. This has become the soul of the company. This is also the essence of our culture. We must see things that never were and do them. We look to invent solutions that people don't know they need, but once they have them, they don't know how they ever lived without them. Think about SAP HANA, as one example, which represents the intellectual renewal of our entire industry. This mindset has delivered all-time high employee engagement scores – so it's clear how inspired our people are to build great products, tell a great story, deliver a great service, and build great teams. The other thing I would point to is our consistent focus on engineering excellence. SAP's developers are the best in the world at what they do. Even the best vision has to be enabled by the highest quality products.

SAP is known for a culture of innovation. How critical is it to maintain the innovative edge and is this more challenging to do at SAP's size and scale?

The most innovative companies in the world will be the winners. For SAP, it all starts at a cultural level. We are constantly empowering our teams to take risks, to fail, and to learn from these experiences. The result is that we see much more disruptive thinking across the company. One method is Design Thinking, which actively forces us to start with empathy for the end user. Another aspect here is data transparency. With SAP HANA powering our digital boardroom, our management team is consuming real-time data about SAP's performance. When you can show employees a transparent analysis of what's happening in the business, they feel more empowerment to innovate. We're a company that strives to stay curious. We inherited this DNA from icons like Hasso Plattner, who founded the company nearly five decades ago. We aspire to solve the biggest challenges in the world because we see those as our greatest opportunities.

SAP places a major emphasis on diversity and inclusion. How critical is it to build a diverse and inclusive workforce and would you highlight your efforts in this regard?

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The business community is moving beyond bias as a mass movement. This is an exciting time because so many leaders understand the moral obligation to own this priority personally. SAP is taking the most inclusive approach we can possibly take. We want every person to recognize their own unique magic. Age, gender, race, religion, or lifestyle – these things should not factor into someone's chances for professional success. They should be a powerful asset to show people that our differences are the ultimate fuel for a shared purpose. SAP's Autism at Work program is a powerful example. Yes, we have new colleagues joining our company who happen to be on the spectrum. We aren't excited about these colleagues because they have Autism. We are excited about them because they are outstanding individuals who bring a wealth of new perspective to SAP. Their contributions make us a better company. We always rise on the basis of a common belief in the concept of TEAM – together everyone achieves more. This is the power of inclusion.

Corporate responsibility and community engagement are a major focus for SAP. What are the key areas that SAP supports and do these areas need to align with SAP's business?

When you take our vision to help the world run better and improve people's lives, citizenship is unquestionably connected to our ability to live up to this promise. Think about the people in the world who are struggling to see a future when many jobs are being changed through automation. A company like SAP must step up as a leader in moments like this. The true measure of leaders is not what we take, it's what we give. We have to know more, care more, and do more to help every person see a bright future. That's one reason we support programs like Code Weeks, where we teach young people in Europe, Africa, and Latin America to code. We also offer programs like Open.SAP.Com – any person can register to take courses to learn more about software and technology for free. We also have to show tremendous agility. When tragedy strikes in the world, we can't wait for the annual planning process before we react. We must be willing to step into the tough situations, to do whatever we can to ease suffering. This is not a calculation of reputation or business strategy. It's a calculation of doing what we know is the right thing to do.

SAP made a major investment in New York with its new office located at Hudson Yards. Would you highlight SAP's presence in New York and what excited you about being located in the new Hudson Yards development?

One of the enduring qualities of New York is its constant reinvention. I give all the credit in the world to Steve Ross – the ultimate visionary – who saw the opportunity to add this new masterpiece to New York's majestic skyline. Hudson Yards is a breathtaking, innovative development in every way. For SAP, we have created a flagship innovation showcase that we believe is one of the most immersive experiences in the world. I am constantly getting notes from colleagues, customers, and partners who are telling me how impressed they are by SAP's presence in Hudson Yards. One of the great things about SAP is that we are a truly global software market leader. We believe the Hudson Yards innovation center is a tribute to our global footprint, one of its crown jewels, in fact.

How do you define the role of the chief executive and what do you feel are the key aspects to being an effective business leader?

Leaders lead causes. Their purpose in life is to bring the best out in other people. My first priority is always to attract, retain, and empower the very best team. Leadership is a service mindset in which we show people that working together is a force that can change economies, society, and the environment. Businesses cannot succeed without this unity mindset. The leader must role model this behavior as the first in line for a "we, not me" culture. When enough people care about the mission, its success never stands in doubt. In this way leaders build a legacy for a culture that endures the test of time, one whose footprints live in the hearts and minds of all winners who dream. ●

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