IBM Newsroom

IBM and SAP Announce New Offerings to Help Companies' Journey to the Intelligent Enterprise

The Evolution Partnership initiative intends to deliver new intelligent industry solutions to enable end-to-end processes that help companies accelerate the modernization of systems and workflows

ARMONK, N.Y. and WALLDORF, Germany, June 23, 2020 /PRNewswire/ -- IBM (NYSE: IBM) and SAP SE (NYSE: SAP) today announced their partnership's next evolution, with plans to develop several new offerings designed to create a more predictable journey for businesses to become data-driven intelligent enterprises.

Over 400 businesses have modernized their enterprise systems and business processes through IBM and SAP's digital transformation partnership. As the COVID-19 pandemic continues to significantly impact many industries across the globe, organizations are realizing they need the agility to seamlessly adapt to changing market conditions and customer demand.

"Organizations' short- and long-term futures are being defined by their ability to proactively respond to today's challenging, unprecedented market conditions," said Adaire Fox-Martin, Member of the Executive Board of SAP SE. "Companies gain competitive advantage by unlocking data up and down their value chain, uncovering new revenue opportunities and creating exceptional experiences for their customers and employees, while also demanding faster time to value. SAP's partnership with IBM brings together the power of world-leading intelligent applications and technology expertise to realize value more quickly, which in turn fuels the transformations that will support businesses today and into the future. This partnership will serve our customers in the marketplace and on their balance sheets."

The next evolution of the IBM and SAP partnership aims to help drive faster business transformation time to value, accelerate industry innovation through industry-specific data value offerings, turbocharge customer and employee experiences and provide ultimate flexibility and choice to run their workloads in hybrid cloud environments.

"To compete in a highly disruptive and rapidly evolving world, companies require the ability to rewire their organizations to create efficient, automated business processes – applying advanced technologies to transform static, siloed processes into agile, intelligent workflows," said Mark Foster, IBM Services senior vice president. "The new solutions unveiled today are another milestone in IBM's 48-year partnership with SAP as we help fast-track our clients' journey to becoming cognitive enterprises. Our collaboration with SAP is designed to help clients increase the speed of how decisions are made and create more meaningful experiences for their customers and employees."

This new IBM and SAP collaboration plans to deliver solutions designed to unlock new value for clients:

Reinvent Workflows with Intelligent Industry End-to-End Processes
Announced last week, SAP's industry cloud delivers innovative, vertical solutions to drive cost-effective transformation and sustainable growth. To further address market demand for industry-specific innovation, IBM and SAP have started to jointly define and have delivered cloud-based solutions with intelligent end-to-end industry workflows to enable clients to make business decisions based on data-

driven insights. The first offering will focus on lead-to-order and plan-to-manufacture business processes for the industrial machinery and components (IM&C) industry, to help industrial manufacturers reinvent workflow processes to increase productivity and customer satisfaction. IBM and SAP teamed up with leading IM&C companies to design and build out future capabilities. As a development partner for the SAP® Model Company service, IBM is also working with SAP to develop an SAP Model Company service for Telecommunications that will help telecom providers transform their customer-facing and back-office processes – as well as helping to maximize the return of their 5G investments.

Flexibility with Hybrid Cloud Solutions

According to a recent survey of the Americas' SAP Users' Group (ASUG), a majority of respondents said that they are running or planning to run SAP S/4HANA® in a hybrid cloud model. Companies continue to rapidly evolve business models and reconfigure processes to better support their customers and meet new market demands. Many are turning to a hybrid cloud strategy to drive intelligent enterprises. To help empower clients with the flexibility to run workloads in the most optimal cloud environment, IBM, Red Hat and SAP will collaborate to bring managed services from SAP on premise by validating private deployments of SAP Cloud Platform and related backing services on Red Hat OpenShift. Currently with select early adopter clients, this solution, when available, is planned to enable customers to build side-by-side extensions with the desired security – a critical requirement for customers in regulated industries.

Reimagine Customer and Employee Experiences

With the internet, smartphones and social media, it has never been easier for customers and employees to share their feedback on the quality of experiences they have with companies, products, managers or shared services. IBM's Global C-Suite Study found that 82 percent of business leaders strongly believe that data helps create a strategic advantage, strengthening customer trust and increasing bottom lines. To help companies increase value from data, IBM and SAP plan to provide technology and services leveraging the SAP Customer Experience portfolio and Experience Management solutions from SAP (Qualtrics) to enable clients to deliver a next-generation omnichannel experience and measure and improve the effectiveness of stakeholder experiences. This collaboration is designed to help drive customer loyalty, customer and employee engagement and brand and product quality across multiple industries. IBM plans to incorporate the use of Experience Management solutions from SAP in project delivery as part of IBM's organizational change management framework to deliver a differentiated and optimized project experience for clients.

Automating Processes to Accelerate Transformation

IBM and SAP are working together to establish the IBM Accelerated Move Center, a next-generation migration factory designed to further automate and accelerate the journey to the intelligent enterprise and give clients more predictability on their path to SAP S/4HANA. This new offering will be a prepackaged integration approach that utilizes preconfigured baseline industry templates and leverages automation and configuration tools built in conjunction with IBM Research.

These new offerings will be based on SAP's intelligent suite and SAP's industry cloud solutions and will enable clients to benefit from SAP and IBM technologies, such as AI, machine learning, automation and analytics. These offerings will be built on IBM's new evolution platform, which provides a single view of IBM solutions, including preconfigured Industry Impact Solutions, and interoperates with SAP's Business Technology Platform, allowing enterprises to create advanced insights, integrate capabilities and build, extend and enhance SAP applications. This combination aims to help clients more efficiently benefit from SAP's intelligent suite, migrate to the cloud,

transform data into business value and utilize emerging technologies to support intelligent workflows.

Terms and details of definitive agreements to be finalized.

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About SAP
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SAP Forward-looking Statement
Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "may," "plan," "project," "predict," "should" and "will" and similar expressions as they relate to SAP are intended to identify such forward-looking statements. SAP undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations The factors that could affect SAP's future financial results are discussed more fully in SAP's filings with the U.S. Securities and Exchange Commission ("SEC"), including SAP's most recent Annual Report on Form 20-F filed with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

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