

*Welcome to the Ready. Set. Transform. Podcast where you have a seat at the table with CEOs, industry leaders and tech experts. The topic business transformation. No sales pitches or marketing talk. Just real stories from companies of all sizes and industries. You'll hear business executives inside view of their company's transformation journey. They'll share examples and concepts that can help you and your business thrive. Get unique perspectives on how leading companies tackle the biggest challenges facing businesses today? Ready. Set. Transform. is brought to you by RISE with SAP.*

**Bonnie:** Welcome to Ready. Set. Transform presented by RISE with SAP. I'm producer host Bonnie D. Graham. Happy to be here. We got an interesting topic for you today. Business Transformation Success Priorities and I want you to remember that word priorities. Agile, continuous and fast. Let me tell you about a couple of headlines I found when I was looking up background information on this topic. Found the following. As the pace of change continues to accelerate organizations are searching for new routes to grow. Some you might say routes. That's okay successful. Transformation journeys will be critical to leading businesses into a better future and we will let you all define what better future is for your company.

Now a couple more headlines. To lead a digital transformation CEOs must prioritize, there's that word, it's another one, to avoid digital transformation overload. Prioritize the right company initiatives and one more. Because digital transformation strategy involves so many moving parts leaders sometimes struggle to prioritize the key issues and projects. We've established what we're going to be talking about today.

Let me give you a little more background before I ask my two esteemed guests to introduce themselves. As companies like yours in our global listening audience in every industry navigated through the global pandemic we hope we're at the end of that tunnel. From shops and restaurants that had to adapt to changing consumer behaviors, you know what we're talking about to large multinational organizations adjusting to working remotely across continents, across time zones from homes, from kitchens and wherever they were. They came to recognize that the path to success required business transformation. While each company's transformation journey is unique they all require agile processes to meet the challenges of dynamic markets and still evolving business needs. How do they get there? Here's the word I introduced in the beginning. The top three priorities, count them, for business transformation need to include one, leadership alignment on long-term strategic objectives. Okay, I hope you wrote that down. Moving from on-premise software to the cloud.

We've talked on previous episodes of the series about what is cloud. What does it mean to your company? The third one and this is very, very important. Consistently achieving A plus delightful customer experiences across all customer touch points whether you're B2B, B2C, all touch points. We are videotaping this on Zoom so I get to see my guests. You're going to hear them

on Voice America business channel but I get to see them so if I say I'm looking at you, you know what I'm talking about.

Angela Massey at SAP. Angela, wave hello please. Angela, they can hear you waving. They will hear you on the on the audio I promise you. Jesse Rothermel at EY. Jesse, welcome. I'm going to ask them for their insights on Business Transformation Success Priorities: Agile, Continuous and Fast. Welcome to a new episode of Ready. Set. Transform. Presented by RISE with SAP. In case you're wondering RISE is all caps because it's that important. Let's go to our panelists. Angela Massey, we're so honored to have you here today. You're the global leader in SAP's RISE with SAP Business. Angela, please take a couple minutes. Introduce yourself, tell us what you do and what's your passion for being here today. What kind of priorities are really prioritized for you? Angela, welcome.

**Angela:** Hey Bonnie. It's nice to be here. Thanks for having me. Well business transformation is just one of those fascinating topics. I'm really passionate about it and I think in my 25 year plus history with one very large organization SAP. I have had the privilege of working with so many different organizations wanting to transform their business. Today, I run a global team and we are responsible for looking at customer experience, customer adoption. As SAP and the globe undergoes one of the biggest transformations I think caused by the pandemic but certainly these are trends that were happening prior to the pandemic. It's a very, very interesting topic. Intriguing because you get to see inside how so many different businesses operate and of course the one thing that I've found in my career is there is no silver bullet that addresses every single problem. It's all unique.

**Bonnie:** Thank you very much Angela. It is exciting and just let me ask you a question before we introduce Jesse. Pandemic happened. Businesses were caught by surprise. Some of them were more ready than others. The ones who already said ah digital, transformation, let's get on board that train. Let's talk about something called the cloud. Let's move our business in different directions. Let's become more agile. Are you seeing less surprise in the companies today that we're talking to today Angela around the world that we're already on board that moving train to digital transformation? What are you seeing?

**Angela:** Well I think any large organization that has a grip on its business processes is more likely to be able to transform in a more agile way. For me of course where I'm focused it's important that you continue to serve your customers well. How many large companies really had difficulties grappling with their supply chain, with how they would get goods and services to their customers and continuously taking care of their customers? Yes, the pandemic certainly sparked a lot of organizational change. A lot of it was to the cloud by necessity. These are trends that were anyway happening. The pandemic

accelerated them but I think really the secret source for me is any company that understands its own business processes can transform more readily.

**Bonnie:** Thank you. Very good point and that was included in some of the headlines I read at the beginning Angela. Thank you. Jesse Rothermel, you've been so patient. I just wanted to chat with Angela a little bit. Jesse at EY, we are honored to have you here. Would you kindly introduce yourself and what's your passion for our topic? Jesse, welcome.

**Jesse:** Thanks Bonnie for having me here. Good to have both here and see you as you mentioned we're on video. Hey everyone. Jesse Rothermel and I work for Ernst and Young focused on transformation. I mean there's rarely a conversation I go through the business transformation of some way, shape or form doesn't come up. I focus on technology enabled transformation primarily working with ERP solutions, SAP being the prime one. Happy to be here with Angela today.

I think you said it well Bonnie. The transformation that's occurring today especially post Covid and post pandemic is something we've never seen before. I think what's amazing to me is this term that companies used for the past honestly decade around digital transformation. We're doing digital transformation and our ERP solutions and technology solutions need to help enable that. A lot of people had trouble envisioning what that really was until we got to the pandemic. All of a sudden this need for visibility and ease of integration and working with other clients etc. all of a sudden was at the forefront.

To your point Angela, the companies that actually understood their processes and the technology that's behind those processes and where things were breaking down because of that visibility had a huge advantage where others who just hadn't taken the time to even look at it, hadn't taken the time to simplify, move to the cloud have more visibility in their interactions with their customers. They have seen a lot of pain. As simple as understanding where inventory is moving through their supply chain. Things that they took for granted. New issues occurred because of the pandemic and I think they finally saw hey, this is why we need to have better visibility.

**Bonnie:** Thank you very much Jesse. Appreciate that. Now this is the part of our conversation where I have asked Angela and Jesse to pick a quote from a fictional character in a movie or TV show hopefully something we know. If not we're going to learn together or from a song lyric that has absolutely nothing to do with our topic. They're going to relate the quote in their own words to our topic so let's have a little bit of fun with this.

Angela, you have picked an iconic line. It is five words. It was stated by the actor Roy Scheider in the 1975 movie, does anybody remember that. It's Jaws. He played Chief Martin Brody but actually it was ad-libbed by Roy Scheider

and became part of the film because he kept inserting it into the dialogue. It was a troubled production and apparently the producers were cheap and they needed more of everything. People started saying you're going to need a bigger boat. Roy Scheider kept popping that in and the editor kept it in. It became one of the most 100 top movie quotes of all time. Angela, you're going to need a bigger boat. Please tell us how this relates to our topic today. Angela Massey, go ahead.

**Angela:** Oh thank you Bonnie. Well firstly the Jaws movie itself has a lot of sentimental memories for me as a child. I know that sounds very strange but it was one of the first movies I was allowed to see as a young teenager. I absolutely loved it but of course there were several iconic lines from that movie. My favorite is we're going to need a bigger boat. I don't think I've worked on a project no matter how small or large in the last 25, 30 years where somebody hasn't said that line in a project meeting, in a boardroom. It's come to me in everything from we're going to need more coffee all the way through to going to need a bigger budget.

It's just one of those remarks that is so into the vernacular now. Human beings take it to mean it is synonymous with I'm going to need more. We're going to have to give more. We're going to do more. We're going to need a bigger boat. It just means everything. It's also got some funny connotations particularly in the context of project budget discussions.

**Bonnie:** Very interesting. I hadn't realized how important it was to meetings and discussions in businesses. Thank you for that and thank you for the personal history on that movie. I appreciate that Angela. Very interesting. I don't know how often an actor gets to say a line that's being "bandied" around and just dropped in as you said vernacular or in the chat, in the production itself. They say hey, let's put that on the movie. A credit goes to there was a female editor who said let's leave it in in a few places so thank you Angela. Now we get to use it whenever we want.

Jesse Rothermel has sent us another iconic line, 1969 song by the Rolling Stones. The album Let It Bleed. Song written by Mick Jagger and Keith Richards named the 100th greatest song of all time by Rolling Stones Magazine back in 2004. Jesse, I don't know how it's fared over the past 17 years but here's the line. Jesse, I'm not going to sing it but you can. You can't always get what you want but if you try sometimes well you just might find you get what you need. Jesse, love these Stones quotes. Obviously when I said have fun picking a quote you took me seriously and I appreciate that. Jesse, what does this have to do with our topic today? Go ahead.

Jess: Thank you. Number 100 is way too low. It should be higher than that in my opinion. I can tell you everyone's always got these quotes that kind of relate back to family and where you came from and all that. Angela's as well. I can remember my mom singing that song to me anytime I was kind of reaching for

something that wasn't really in our family budget etc. relating back to Angela's comment around we need a bigger boat. I think this comments around hey, you better find the things that actually fit in the boat before you set sail.

You mentioned earlier in the discussion Bonnie prioritization as one of the keys to business transformation. I mean that's why that quote comes to mind for me. We work with so many companies who want to go through massive transformation. First, it takes them a long time to get aligned to that transformation and want to do it. There's resistance. Then all of a sudden once the transformation looks like it's going to happen everybody wants to get what they've got onto the boat to Angela's point. I think the quote is sometimes you're not going to get it. You're just not going to get what you want but if you try a little harder and try to prioritize the right things into the transformation, into the implementation etc. you just might find you'll get what you need. See, I won't sing it. If I had a quote from my mom I would have played her singing it to me but that's where that one comes from. There's so many more good lyrics to that song.

**Bonnie:** Thank you very much. I appreciate the joy both of you put into picking your quotes. It really pops the energy here. Thank you very much. Now we're going to get to the very serious part of our conversation. Angela Massey, I'm looking at you sent me six wonderfully detailed statements as did you Jesse Rothermel. We're going to use these as conversation starters. I'm going to read Angela's first statement which I put in the chat for you Angela here on Zoom. I'm going to read it very interesting. Why don't you take about three minutes or so to expand it, unpack it as they say it's newsworthy. Then Jesse I'm going to put you on the spot a little bit. I'm going to put you on speaker view here on the video. I'm going to say Jesse, agree or disagree with Angela. Now Angela told me you can disagree with her on three statements.

**Jesse:** That's it.

**Bonnie:** That's it. I'm only testing. Sorry. I had to say that. Maybe I didn't. Angela told me the following. Here's the statement number one. The pace of transformation is increasing, project timelines are shortening. Ten years ago transformation programs could be expected to take upwards of five years with value being delivered in major phases and sometimes with the value not being delivered until the very end. Today, similar programs have to develop value and deliver it much more quickly with payback expected. Wait for it, wait for it, one or two years. Wow, that's an expedited timeline. Angela Massey, please unpack for us. Go ahead.

**Angela:** Well actually one or two years is still considered these days quite a long transformation project particularly in the digital world. The expectation is that you'll be able to transform a single process, a group of combined processes but I think when you look at the pace of change that we're experiencing today. I know a lot of it is informed by the global pandemic but as I said these are

trends that were occurring previously. We were going in this direction. You could see new methodologies sparking up everywhere to accelerate the pace of business transformation.

A lot of organizations also became very tired. The pace of business changed. The pace of the change just in the normal business world was so fast that it became impossible really to wait five years or even longer for a business transformation program to conclude. Organizations needed this payback more quickly so that they could remain competitive in the face of fast-moving change. They didn't have the opportunity to just wait around. There's all new ways coming out for how to deliver that business change. Something that I'm sure Jesse encounters every day in his day-to-day world dealing with some big organizations.

The other thing I think Bonnie I'd like to mention here is that both large and small organizations go through this rapid change. It isn't the province of large companies. Small companies do have to transform themselves as well. We've seen multiple different ways in which they've done. I think everyone in the industry that we work in which is like a technology based industry understands an agile methodology is meant to also mean faster change or faster ability to change.

**Bonnie:** Thank you Angela. Very, very interesting. I'm wondering if there was shock and amazement about companies saying well remember companies used to have a 10-year plan Angela. Am I dating myself here? Jesse, a 10-year plan, a five-year plan, a three-year plan. Now it's well 12 to 24 months. Get on board. We're going fast. Agile, come on. This is a fast-moving bullet here. You mentioned there's no silver bullet.

Angela, I'm so happy you mentioned for our global listening audience that it's not just the province of large companies, small companies and might even apply to planning for startups. They thought they were going to do something and then bingo, they've got to shift as well. Jesse, love to get your POV on this. Join us please.

**Jesse:** I think Angela's spot on with companies we work with saying we want to transform at speed. At speed, at speed, make it as fast as possible. It's still fine to have a 10-year plan but that 10-year plan better be in some increments that actually show value. Those increments can't be much longer than a year or even less than a year like Angela talked about but I would say that we've gotten to a point where technology allows us to make those changes at a pace like we didn't see before. The change is on the organizational side. The organization's got to be ready for that transformational speed.

The two biggest things that stick out for me is one, are organization's ready to make the decisions required to transform quickly and stick to them especially with some of the companies I work with that are globally, very globally diverse

have run different processes in different regions forever. Decision making allows you to change quickly and then the ability of your people to actually absorb that change. If you can hit those two things I typically tell the companies we work with then we can talk about how fast we can go.

**Bonnie:** Very, very interesting and it always comes down to people doesn't it Jesse. We call it change management. You said how fast can your people go and that brings up an interesting part. We're seeing now the era of resignation. Oh my. We're seeing people reevaluating their jobs right? Oh my and the remote workforce who wants to go back to the office, who wants to go back to work at all? Who are those people who will come on board that fast-moving train and help the company? Angela, anything you want to say before I move on to one of Jesse's statements?

**Angela:** No, let's go to Jesse Bonnie.

**Bonnie:** Let's go to Jesse. Well the word agile has been popping up and popping up and popping up. Jesse, I picked your statement number two because let's do a little bit of a dive. Everybody's probably here tired of you hearing oh you got to be nimble. You got to be agile. You got to be able to change on a dime. Well you want that dime. Jesse says agile means different things to different people. Agile from a transformation perspective is to be able to evolve in a nimble fashion. I want you to define nimble. Agile from a technology perspective is a new way to work with the business on implementations and here's the caveat. Jesse says they don't always jive. Okay Jesse, talk us through this. Agile, nimble, what are we talking about?

**Jesse:** I mean agile is one of those terms that you can use for just about anything in the technology and business transformation world these days. This is one that you know as an implementer of technology solutions. EY gets caught in the middle of and I'm sure Angela SAP does as well. There's a very firm technology term around agile development that came out of the development of a lot of I'll say user-focused solutions that are out there that companies use to do digital transformation whether it was implementation of sales and marketing tools or online tools to order product, etc. there was a design mentality that said hey, let's get the business in here right away. We'll talk more and unpack that later. Let's get them in here right away to see the solution as we build it, touch it, feel it.

Essentially only focus on the things that they really want. That agile methodology became a big thing. That agile methodology everyone said hey, we got to use that more in ERP because when we do ERP implementations and back office solutions the business goes away for six months and all of a sudden we've put a solution in front of them and they may or may not like it. Everyone said let's use agile in that sense because agile in that sense must mean we could transform faster. To some extent it does. Some of the concepts of agile are great. Getting the business users and the process owners and everybody

else back in front of the solution as quickly as possible works really well. Especially in the SAP space these ERP solutions you're talking about a big integrated solution.

You need to be very thoughtful about Angela's point earlier what those value drops look like that you're going to put together that create an integrated solution that actually brings value to the client. I think we're getting there. I think agile is a term relative to ERP implementations has been around much shorter amount of time but I think we're starting to understand from both directions what those two terms mean.

**Bonnie:** Thank you very much Jesse. Angela, dare I ask you agree or disagree with Mr. Rothermel. What do you think?

**Angela:** I wouldn't dare to disagree with Jesse. On a serious note he's absolutely nailed it. One of the big differentiators between who can use agile well and who can't is the organization that understands to make it work. They need to bring their business people in multiple times into the project cycle or the development cycle or the business process cycle. Organizations can be very, very successful if they can do that. Getting those organizations to change is also another big barrier. You can be full of good intent to go agile and then find that the company actually isn't ready for agile.

This is an important point to firstly educate your customer about what is agile. Most organizations do want to go faster but they also want a quality result. There's a balance in there. It's a phenomenal methodology but as Jesse said it means different things to different people and you've got to bring the business in multiple times. They need to be ready to step up, lean in and do that.

**Bonnie:** Thank you. I'd be interested to see what hiring notices look like these days for a company that is on this path. Can you see them saying it's not business as usual anymore. Come in and expect to be part of an agile team that is moving forward, that is dealing with supply chain disruption, that is dealing with the need to speed up ERP, that is dealing with a lot of internal culture change management. Can you imagine that? It probably would be an exciting job offering. Don't you think Jesse?

**Jesse:** I mean I think that's not just the offering for the companies I work with. That's the offerings that we have out there for to hire employees at EY. You need to understand how to do that and you need to understand the process and the processes that companies use to train. Where do they want to be? What are they trying to get to? What's their corporate strategy? Once you have that strategy what processes work best for them. What is best out of the box and what's their secret sauce? Where are they going to differentiate? Those are the kind of people we want that understand those nuances.

**Bonnie:** Thank you very much. Very interesting. I want to jump to one of Angela's favorite topics here because Angela when you and I met before we started recording the show today. It's November 1st so everybody knows where we are on the human timeline on the historical timeline. You want to talk about customer experience and we'll get to a little more about cloud later. Angela, I'm looking at your statement number four you sent me and this is interesting. You say customer experience has recently moved to the forefront in business transformation for many companies. Customer experience is not a soft topic. I'm going to stop there and let you take that and unpack it for us. Angela Massey, go ahead. Jesse likes this.

**Angela:** I think that this is something that we're all very aware of in our industry and we're seeing a lot of global organizations really come to grips with that. Firstly I think customer experience meant different things ten years ago, five years ago and last year. We all like to talk about the digital age as giving us some real advancements. One of the real advancements it's given is many organizations who operate in a pure B2B model so that is business to business model. They're now reaching directly into their customers' inboxes and beginning to or wanting to have a B2C, a business to consumer relationship. This is really changing the shape of how customer experience works these days. We're getting to the point where if you buy a car you can personalize that car online. You can see what that personalization looks like. You can change the color, the alloys. You can option it up. You can option it down and you can press a button and the car arrives.

I mean this is just phenomenal. I think this is one of the most exciting parts about the whole customer experience journey. It's the good side. The downside of that is that with the internet, with social media poor reviews one more, hundreds, they can break a business. They can kill an album. They can kill a movie. They can kill your business reputation. It's suddenly becoming incredibly important to make sure that wherever your organization touches your customers you have a reasonable level of customer service that customers understand what you're providing to them. Every organization needs to face that.

There are big organizations such as let's take a good example. Haute Couture, who would have believed before the pandemic that you could buy haute couture online. Who would have believed until the last couple of years with the onset of vaping for example that there was more ways of getting nicotine and now there's multiple ways. You can go online and order a new vape machine or whatever they're called with all the inserts for exactly. Customer experience is changing in a vast number of ways. You're seeing large organizations of all types across all segments including public sector. Public sector is now very interested in citizen experience. All of this needs to come into your touch points with the customer or the citizen, how you're recording that information, how you're improving continuously and what kind of experience is your company

providing to your customers. It better be a good one because these days if it isn't it's out there for everyone see.

**Bonnie:** So well put. I'm glad you brought in social media Angela. Very, very interesting. I once was when I was in New York on Long Island going out to dinner with a few couples. There were three couples and I had selected a restaurant. One of the women and the other couple said oh, I read the Yelp reviews and they were terrible. I don't want to go there. I said well, I was just there last week. I had a wonderful experience, the food was delicious, the price is reasonable, the waiters were charming and efficient, the restaurant is clean. It's only a block from where I lived. There's plenty of parking and she said no. I read 25 negative reviews on Yelp. We're not going there. I said but you know me. You're going out to dinner with me. She said no, I believe the people on Yelp. So much for that we went somewhere else. Jesse, rescue me here. Jesse, thoughts on oh, customer experience. What does it mean to you? Go ahead.

**Jesse:** I can't save you Bonnie. I'm not going to offend Angela at all who's got customer adoption in her name because I think customer experience overall is huge and much bigger than it was in the past but I do think at the same time as we go through these transformations there's a difference between what we kind of call user experience and user interface. User interfaces have gotten much nicer and looked better than what they ever did in the past and that's great. The user experience part is what we need to narrow down when we implement technology to do business transformation. Who are the on any project there's a lot of people who work, I work a lot with manufacturing companies Bonnie. A lot of people in the plants who could care less if the solution ever changes, at the shop floor level who want to scan things the way they always did and really don't need a battery GUI or screen or anything else.

What you need to do is focus on the people who are in your supply chain including end users and customers that you sell to but also people you work with from a supply chain partnership perspective and figure out what are the top I'll say five customer experiences you want to change while you do your business transformation. Hone in on those, understand what those people's interactions are day-to-day with your system. What does it look like? What do they want to get out of it? What's the most painful part of their experience and if you can impact those top five this is what I tell a lot of the organizations I work with. You're going to see some serious results. It's a focus and prioritization thing.

**Bonnie:** Serious results are what we're all looking for. Angela, anything you want to say back to Jesse before we move on?

**Angela:** I think Jesse's articulated it pretty well. Maybe just one comment. I think as you go through business transformation these days if you're not thinking about customer experience as you embed it all the way along the value chain this is Jesse's point about what are the five top things you want

your customer to experience when they're interacting with your organization. This is becoming increasingly a deep part of business transformation. What is my customer going to see? How are they going to benefit from that? Most global organizations and local organizations understand that and they are looking for ways in which they can embed that customer experience now all the time. It needs to be routine. It's a big topic and booming.

**Bonnie:** Thank you and very important to our conversation. Thank you Angela. Jesse, I'm looking at your statement number five. Let me read it. It's brief and to the point which I appreciate. Then have you unpack it. We'll see what Angela has to say. Angela, you are allowed to disagree with him on this one he told me. This is your third. Okay, Jesse says business transformation as a service. I'm not accustomed to seeing that put together in the same sentence Jesse has become a focal point for many companies. This requires a different way of thinking about how to produce, how to modularize the components of an organization's selected enterprise platforms. Are we talking cloud here Jesse? Talk to me.

**Jesse:** Oh. As a service is another one of my favorites. It's just become to mean so many different things. Bonnie, there is some crossover with the cloud space when you talk about platform as a service, infrastructure as a service. What does that all mean? I think a lot of that for the last 10 years we've spent as implementation partners, etc. are trying to unpack that. We all kind of align on what that means right now but now we're getting into bigger concepts as a service. This is not even just with our customers who are a lot of them changing their business models to operate as a service themselves so business transformation to selling things as a service. The software companies and consulting partners are thinking the same thing. We have customers who they want to pay per the drink instead of for full plumbing and everything else.

They're saying hey, with all these software packages I invest in. I've got enterprise platforms. I've got people who want to do business transformation. How do I interact with my partners to sell things as a service? I think what's become interesting is various vendors offer to our companies that we work with various things as a service. What's become the most difficult part is orchestrating those services across each other. What I mean by that is I bought application A to do this, application B to do this, application C to do this and it's great they all sell me different things that help me get to an objective but how do I pull them together. How do I get the end to end story? I think that's where we spend a lot of time as EY helping to kind of uncover that. I know Angela spends a lot of her time with our customers trying to figure that out as well but I think that's becoming the more complex nature right now of the beast.

It's just we have so many things sold to us as a service. It's now up to us to kind of meld them all together and make them work. That's my viewpoint. We'll see what Angela says.

**Bonnie:** Well Angela Massey, you're up. What do you think? Join us.

**Angela:** I mean does that mean that ERP can now be provided like Netflix subscription services. That's nirvana right? I mean Jesse's quite right. Again, I'm sorry I can't disagree with Jesse. This is exactly what we're seeing today. Any large global organization and we're talking a lot about large global organizations but this is true for medium size and small organizations as well. They all want to subscribe to a service. These as a services do make life very convenient for customers. This is not just from the enterprise themselves, the organizations themselves but also in the way that they serve their customers.

The knock-on effect and positive knock-on effect hopefully of cost savings, easier to do business and so on but I mean at the end of the day if you have Netflix and Disney and several other subscription services you ideally don't want to have multiple different remote controls to operate them all. You would like to have one interface that brings them all together and one remote that allows them to work well. That's really a focus of our work today trying to help organizations cut seamlessly through that. Walk the fine line between getting the absolute best of both worlds. I can bring in all of these subscription services but then I can also govern them, orchestrate them and deliver them out to my business and to my customers in the way that I want. That's the big challenge.

**Bonnie:** Thank you. As far as remotes go if only. I'm down to two Angela but if I want my cable box I have to use the, I won't tell you what the name of the provider is, the big clunky one but I first have to select their channel, their cable channel with a little streamlined one that comes with the cloud, with Netflix and the other services, the skinny one. I have to select that and then I go to the big clunky one but I can only increase the volume on the little one even though I'm using the big one. Does that make any sense? One controls the volume and the other controls the cable channels. Don't even ask. I don't want to go there. Jesse, anything you want to add. I want to move on. We have time for I think one or two more.

**Jesse:** That's perfect. I cut the cord on cable a while ago. I still never saw a remote that solves everything else.

**Bonnie:** Thank you very much. I feel inspired. Angela, you sent me a very provocative statement. I know we've been talking a little bit about moving to the cloud and subscriptions but I have to read this one because I just want you to talk about it. Jesse, Angela told me renewals is the new black. She said as increasing numbers of organizations move to the cloud they're moving into subscription contracts of typically three to five years, option to move to another supplier at the end of the contract are becoming easier which means the customer experience takes on a more serious mantle for suppliers such as

software providers and consulting firms. Angela, let's talk about the new whatever it is. Go ahead.

**Angela:** Well, I mean let's go back to something that most of us Jesse obviously has cut ties with cable but most of us have some sort of cable service and that we pay a monthly subscription fee for that. Jesse referred earlier to the business transformation as a service or the infrastructure as a service or the platform as a service. These are simply subscription based models in the business world. They are proliferating everywhere. I think the interesting thing about that is that once upon a time if organizations such as SAP or EY had a relationship with a big organization over many, many years it would be on a completely different basis.

Now there are three-year contracts which are fairly short-term contracts. You can get five-year contracts. It's all about making your customer happy so that they want to renew with you. A lot of organizations are moving away from their old business models and over to these subscription based models. A subscription based model is like anything. A customer can vote with their feet at the end of the contract. It might be inconvenient. Think about changing telephone providers or utility providers. That's annoying but you do it because you don't like the service you're getting from a particular organization. The same is true now in the business world and particularly in the world that Jesse and I are living in, the ERP world where ERP can be provided as a subscription and that subscription can be renewed which is why that's what we all want or can be moved to another organization.

Increasingly as consulting organizations and software organizations offer these subscription services to their customers they must make sure to secure the renewal which might be three years away from the day that they sign the contract until the end. The service is good, the customer experience is good otherwise no renewal at the end. Renewals becoming pretty important in our world.

**Bonnie:** Very interesting. We've heard for years Angela and Jesse that keeping an existing customer is far less costly to an organization than having to go out and buy a new customer. Are we still talking about that? Jesse, you want to comment on renewals.

**Jesse:** I mean we may be crushing the concept of paralleling this to cable and new services, etc. but I think it's a pretty accurate comparison. I think the big thing that I see is I'll just come back to it. Angela's got the right mindset. Customers are moving in that direction. The biggest thing for us right now is the companies that we work with who are making that shift helping them understand and the people that work for those organizations understand what that shift means. What do they have the ability to change now? What can they put together? What do they need to kind of take I'll call it out of the box? How does that change their day-to-day jobs? It's much better for a company to be on

something that's renewable like Angela talked about subscription based and much smaller chunks versus long-term capital investments. That's great but then you got to figure out what it means to the people as you implement it. I think that's what we're seeing a lot of in my area in my neck of the woods right now so that's great.

**Bonnie:** Thank you very much. Angela, anything you want to say back. I'm going to squeeze in one more topic here before we finish. Angela?

**Angela:** I mean no Jesse's nailed it. We need and by way I mean SAP. We need our business partners such as EY and their tremendous experience around business transformation and orchestration to help organizations make those difficult decisions. They're critical. No, totally agree. Let's get to the last topic Bonnie.

**Bonnie:** Last topic. This is interesting. Jesse says ERP transformation business cases have typically been built on operating efficiency. They are evolving to align with long-term corporate strategy M and A, mergers and acquisitions, global diversification, tax benefits. Oh my. Jesse says this requires a different top-down approach. I was a programmer analyst for years Jesse. We did a top-down structuring to business case construction. Jesse, briefly what are we talking about here. How many elements?

**Jesse:** This is straightforward. I think in the past we've seen from a business case perspective when you're trying to build a business case or business transformation and the technology behind it. For years a lot of it was around operating efficiency and building from the bottom up. It was basically saying hey, the lowest levels and finance and supply chain, etc. what are we not good at? Why do we have 50 people doing something that could be five people and how do we quantify those benefits. Once we quantify those benefits we put them out in front of the technology costs and the people costs and the other business benefits and said hey, this is going to look okay. Everyone said yes, that's going to look fine.

Well everyone's gone through a lot of that efficiency. I'm sure most organizations you talk to could still tell you where they've got some back office deficiencies or where they could improve, etc. but a lot of that's been rationalized down. It's been outsourced. It's been turned into share service centers, etc. on the back of ERP platforms. What we're seeing now is let's look at what the corporate strategy is that's 10 years out. That doesn't mean the implementation plan needs to be 10 years out but where are you trying to go as a company? Are you going to be an acquirer? Are you going to divest companies? Are you going to globally diversify into areas you never did before? Are you going to move like we just talked about from concrete products to subscription-based services?

Then take that. What are the business benefits of that and then look to solutions like SAP to say how can I get there faster? That's the business case. Those business benefits you're going to hit at with the ultimate transformation. How do you tie that back to the implementation and that's how we're seeing a lot of companies that we work with now build their business case. I think it's the right way to do it.

**Bonnie:** Thank you. Angela, thoughts?

**Angela:** Absolutely. I think necessity is the mother of invention in many of these cases. Our dear friend, the pandemic has driven a lot of this necessity to move to stay away from let's say more of a cost based models where you have to put in a lot of Capex investment to an operating based model. It's given a lot of flexibility to organizations. It's enabled them to move more flexibly, start to transform more flexibly but at the end of the day they need to have their business transformation, their business processes well understood so that they can move in the most efficient direction for their priorities.

I do believe that it's also had a lasting impact. It wasn't that long ago and I'm sure Jesse will have experienced this as well that I was working anyway with a large global chemical company that owned a portfolio of organizations that was very, very broad spread. Was that really the main thing of their business? Why would they have a lavender farm in Tasmania when they were a chemical company but they did? It's given a lot of organizations the opportunity to stop, think about what kind of footprint they want to have. What's their main thing and target towards that instead of diversifying and broadening their base in directions that are really not fundamental to their business?

**Bonnie:** Thank you Angela. Thank you Jesse. I have one quick question for each of you a yes or no answer. If we met again one year from today in beginning of November 2022. I like the ring of that. Will we still be talking about helping companies understand business transformation, success, priorities? Angela, will we still be talking about it? Yes or no and one sentence I'll give you. What do you think?

**Angela:** Yes, I think so. I hope by then though that we are talking about the value of doing that rather than the process of doing that.

**Bonnie:** Oh interesting. Jesse, wrap up. What do you think? Yes or no and why.

**Jesse:** Yes, absolutely. The priorities that we try to weigh though to get there are going to be completely different. It changed all the time.

**Bonnie:** Interesting. Thank you very much. Angela Massey, it has been an honor getting to know you. Thank you for your thought leadership, for your energy, for your passion, for articulating so many important factors for our

audience to understand. Jesse Rothermel, I'm going to repeat everything to you that I said to Angela and you heard it there. Thank you so much for your time, for bringing your expertise and your passion. The energy both of you have shared with us today is so important for our listeners to know that this is real, that they need to care, that this is not a dry topic in a webinar somewhere that real people have real insights about this to help them move through their business transformation.

Shout out to series sponsor, let's have a round of applause for Lucas Escudo. Thank you very much Lucas for putting this together and Brian Duffy, president of RISE with SAP. I hope to meet you at some point in the future. Thank you to our engineer at Voice America. I'm Bonnie D. Graham signing off for another very interesting episode of Ready. Set. Transform. Presented by RISE with SAP. Angela, Jesse for the video wave goodbye. Bye bye.

*Thanks again for tuning in to Ready. Set. Transform. Presented by RISE with SAP. To keep the conversation going tweet your questions and comments using the #risewithsap or email [bonnie.d.graham@voiceamerica.com](mailto:bonnie.d.graham@voiceamerica.com). Join host Bonnie D. Graham again on the business channel. We wish you a great week.*