SAP BRASIL
LEADING A SUCCESSFUL COMPANY TURN-AROUND WITH SAP® BusinessObjects™ STRATEGY MANAGEMENT

"To guarantee full alignment between individual and organizational objectives, the management team needed full visibility of our most important indicators. SAP BusinessObjects Strategy Management enables that alignment and helps prioritize our efforts toward a better SAP Brasil."

Luís César Verdi, President, SAP Brasil

QUICK FACTS

Company
- Name: SAP Brasil
- Location: São Paulo, Brazil
- Industry: High tech
- Products and services: Software and IT professional services
- Employees: 900
- Web site: www.sap.com.br

Challenges and Opportunities
- Connect strategy and initiatives across all organizational levels
- Centralize information so it can be shared at the corporate level rather than segregated by department
- Make decisions based on complete information and context
- Meet aggressive growth goals
- Drive accountability for initiatives
- Monitor and track progress on execution from multiple perspectives

Objectives
- Guarantee business sustainability in terms of competitive advantage, risk and compliance, business model, and productivity
- Implement a strategy management solution that enables executive management to communicate strategic objectives and initiatives across the business and manage proactively to drive results

SAP® Solutions and Services
SAP® BusinessObjects™ Strategy Management application

Implementation Highlights
- Reduced implementation costs and saved time by leveraging content from SAP's corporate strategy group
- Established an ongoing employee communications plan

Why SAP
Proven strategy management solution already being used by the corporate office

Benefits
- Improved visibility into progress on strategic goals and initiatives, enabling more effective, proactive management at all levels of the business
- Vastly improved employee communications, helping ensure all employees have a shared understanding of company strategy and how it links to their daily activities
- More productive operational reviews based on trusted performance data that's easily interpreted using color-coded reporting interfaces
- Increased worker focus on the right priorities and actions by linking strategic goals to employee compensation plans
- Clear accountability for initiatives, tactics, and their outcomes, so nothing falls through the cracks
- Tight alignment between strategy of SAP Brasil and SAP corporate, to support common goals
- Formal monitoring of business transformation project portfolio for increased ability to deliver value

SAP Customer Success Story
High Tech

When SAP's executive team appointed a new president to oversee operations of SAP Brasil, this began a business transformation that would set the company on the path to sustainable, profitable growth. "Brazil had been identified as a major growth market for SAP," states Fabio Feijó, enterprise project management officer at SAP Brasil. "Our new president needed to implement a major turnaround strategy – and to operationalize this strategy, we implemented the SAP BusinessObjects Strategy Management application."

A New Leader with a Vision for Change

Luís César Verdi, the new president, had an aggressive strategy for accelerating profitable growth. It involved adopting a new management system to pull together and align all line-of-business directors toward achieving this common goal. States Feijó, "It was clear that executing this strategy would require everyone in the company – from C-level executives to frontline employees – to stay focused on the essential activities to achieving business objectives and sustain this focus."

A quick assessment of prior executive communication and management tools revealed that SAP Brasil needed a new way to communicate and cascade objectives, key performance indicators (KPIs), initiatives, tasks, and accountability across the business. "Up until now, executives had used slide presentations and spreadsheets to communicate strategies," explains Feijó. "And to

understand progress toward goals, they were limited to financial reports and a few manually maintained reporting tools. While our financial reporting was strong, we had no balanced scorecard approach to help us look beyond financials to fully understand progress and make informed management decisions."

Initiating a New Era of Management

To facilitate this company-wide turnaround, SAP Brasil needed a better way to communicate and manage execution of the new strategy. So the management team reached out to the SAP corporate strategy team for recommendations. States Feijó, "Rather than reinvent the wheel, Verdi wanted to leverage what SAP's corporate strategy team was already doing – and extend it all the way down to our employees in Brazil."
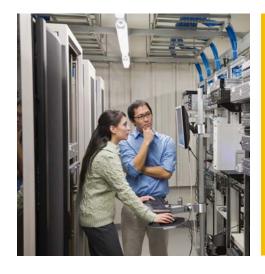
Since SAP® BusinessObjects™ Strategy Management was already the SAP corporate strategy group's software of

choice, Verdi chose to deploy it across SAP Brasil as well. Feijó explains, "SAP BusinessObjects Strategy Management would enable the management team to communicate plans and objectives, align business units and allocate resources to key priorities, monitor and report on progress, and proactively take action when issues arise."

Implementation to Support Country-Specific Needs and Goals

To accelerate the deployment, SAP Brasil requested detailed deployment content from the SAP corporate strategy group. Leveraging work done by corporate, the management team hoped to save time and effort, as well as help ensure tight alignment between SAP Brasil and SAP corporate strategy initiatives.

Their first step was to arrange off-site workshops with the executives managing the various lines of business – all of whom were represented at the table. "We reviewed the content from corporate for two days and identified what we could leverage to support our strategic objectives," says Feijó.

The management team also defined a balanced scorecard for SAP Brasil and determined the various perspectives from which they needed to understand SAP Brasil's progress on strategy execution. "We identified these perspectives as financial, customer, internal processes, talent management, market leadership, and ecosystem," comments

Feijó. The team then determined goals specific to SAP Brasil for each of the six perspectives. Ultimately, they agreed on nine strategic goals and mapped these to each of the six perspectives. By meeting these goals, SAP Brasil would meet the overall sales, profitability, and other objectives handed down by SAP corporate.

Tracking Progress by Monitoring the Right KPIs

To gain greater visibility into progress made on executing SAP Brasil's strategy, the team determined which KPIs to track using SAP BusinessObjects Strategy Management. States Feijó,

Finally, the management team determined the specific initiatives that SAP Brasil would use to accomplish its strategy and meet its goals. "For example, to grow revenues and profitability, we designed a 'Full SAP Value' initiative that aims to transform how we approach the market from a sales perspective," explains Feijó. "Using SAP BusinessObjects Strategy Management, we could drive the rollout and execution of a training program that would transform our salespeople into more effective, value-based sellers."

Other KPIs were essential to engage the company in specific projects such as growing the capabilities of the

Experiencing the Power of Proactive Strategy Management

Feijó's team input all of the goals, KPIs, initiatives, and other content defined by the executive team into SAP BusinessObjects Strategy Management and launched the software company-wide. SAP's IT organization provided the solution platform and supported the system configuration.

In conjunction with the launch, management initiated an aggressive, ongoing communications plan to all employees. "Internal communications have improved dramatically," notes Feijó. "For example, every six months, we gather all employees for a one-day event called One SAP. The results for all lines of business are shared as well as what needs to be improved and the importance of our initiatives and meeting KPI targets. Perhaps most important, all employees know about the scorecard and understand how their activities relate to our strategy and goals." These meetings are complemented by monthly newsletters that publish the latest news regarding strategy execution.

SAP Brasil is also measuring and monitoring business performance more accurately, enabling more proactive, effective management. For example, Verdi finds that he has more productive operational review meetings. "Before, line-of-business managers spent their time challenging performance metrics calculated manually in spreadsheets," explains Feijó. "Now they trust the

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> **Fabio Feijó,** Enterprise Project Management Officer, SAP Brasil

"We chose to include many of the same metrics as the SAP corporate strategy team, but we also added some country-specific ones as well, such as 'geographic expansion,' because one of our goals was to diversify into other geographic areas across the country." In the end, they chose to track 25 KPIs using the company's scorecard. These KPIs were then tied to the individual compensation plans of specific roles.

consulting partners – entitled "Ecosystem Expansion" – and improving customer satisfaction in all lines of business – entitled "Voice of the Customer." Many other initiatives are being derived from observing the KPIs as they evolve. This helps keep SAP Brasil focused on taking the right actions to exceed customers' expectations.

scorecard metrics because we have a formal workflow for providing data and getting it approved." As a result, when executives discuss performance, they focus on understanding problems and figuring out how to solve them." Discussions are supported by a unique operations review interface that summarizes all key information on one page, complete with color coding so everyone can quickly see where the problems are.

At the same time, line-of-business managers have up-to-date insight into progress on key initiatives and goals for which they are responsible. "There's clear leadership defined for each initiative," notes Feijó. "Managers can view the status of initiatives in real time, instantly see what's behind schedule, and drill down into the details to determine who is responsible for different aspects of an initiative."

Looking Forward with Confidence

SAP Brasil exceeded its targets for sales and profitability in 2010, and SAP BusinessObjects Strategy Management played a role in this success, according to Feijó. Pleased with the results of the strategic initiative thus far, the management team is now leading the charge to take scorecards down to the next level – for example, by creating one for each line of business. "We're currently developing scorecards for our sales team and partners," adds Feijó. "They'll include KPIs unique to these management contexts so that director-level managers have even better management and control."