



SAP

A Company Transforms Itself Through Social Media

Summary

This case study was written to demonstrate how a company can create a social networking platform that not only achieves its tactical goals of pushing company content to its target audience, but also broader, strategic purposes aligned with the company's corporate profile and brand. The study will look at technologies used to develop the SDN and the BPX networks, the quality of the user experience, and metrics achieved, as well as issues related to maintaining and growing the network. Finally, the author speculates on how the success of the combined networks could lead to further revenue growth and enhancement of current corporate communications.

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SAP: A Company Transforms Itself Through Social Media

In 2002, the world's third largest software company, SAP, faced a new challenge. No longer was it content simply to be a developer of much of the world's most successful business software. Instead, it wished to become a "platform" company, on its own Web-based platform solution: NetWeaver. That meant it had to open its platform to developers outside its own walls, who would drive innovative ways for businesses to use this platform to solve their business problems.

It meant it had to "talk" to a huge, new audience that had not been part of its prior focus: developers across the globe who may or may not be SAP employees. Shai Agassi, SAP's former President of the Product and Technology Group, had a vision: to create an online developer network that would open the company's content, NetWeaver strategy, and technical information to a global audience. NetWeaver would achieve ubiquity by breaking down its walls and embracing a larger, interactive community: the technologists inside and outside the company who recognized that a business solution is the ever-changing product of global collaboration.

Additional objectives included a desire to increase adoption of SAP products and to provide a platform of innovation for SAP and its partners. Also, the SAP Developer Network (SDN) was seen as a way of providing a learning platform for new customers that would be facilitated by existing customers, and to accelerate the learning curve and adoption of new SAP products.

Measures of Success

SDN MEMBERSHIP:

From 340,000 members YE 2005 to 750,000 members April 2007.

BPX MEMBERSHIP:

From zero members Q3 2006 to 100,000 members April 2007.

PAGE VIEWS:

From 20M page views YE 2005 to 75M page views YE 2006, projecting 150M YE 2007.

ACTIVE CONTRIBUTORS:

From 740 most active contributors YE 2005 to 1,600 active YE 2006, projecting 3,000 by YE 2007.

ACTIVE CONTRIBUTORS:

60% are not SAP employees (customers, partners, independents)

DISCUSSION FORUMS:

4,000 posts daily.

UNIQUE MONTHLY VISITORS:

From 200,000 YE 2005 to 450,000 YE 2006 to 550,000 April 2007.

MEMBER SATISFACTION:

1-5 scale: From 4.11 YE 2005 to 4.19 YE 2006 to 4.24 Feb. 2007.

Solution Deployment: SAP Eats Its Own Dog Food

As noted above, Agassi's plan for making the NetWeaver platform ubiquitous was to use the platform itself to enable the proliferation of the technology. NetWeaver is the SAP foundation for Enterprise SOA (Services Oriented Architecture) – the development paradigm that creates technology “services” on an as-needed basis, and that is wholly Web-centric. The platform is its own demonstration for building large-scale media, and creating a content-and-technology ecosystem for the additional tools that refine the information available to users and make it more interactive.

NetWeaver supports change by allowing flexibility in the IT infrastructure. The platform is designed for flexibility so that you can put out different pieces, applications, or content, and you can make changes over time – allowing you to use tools today that may be superseded or complemented by new ones tomorrow. The enterprise architecture is one that matches the pace of accelerated business change.

For the database, [MaxDB](#) was incorporated. SAP has added blogger, wiki, discussion forum, and portal solutions from outside the SAP suite, but the ease with which NetWeaver can accommodate these third-party technologies is testament to its flexibility.

Content Came from Internal Sources

Mark Yolton, Vice President, SAP Community Networks, notes that from the beginning, “We wanted the community to influence the company as much as the company influences the community.”

The content for SDN was initially unleashed on the SAP developers, and came from internal sources: case studies, demos, other downloads, e-learning, etc. An SAP manager was put in charge of “marketing” the network, which is now an integral part of the sales engagement with customers. Discussion forums, which now are published at a rate of about 4,000 posts per day, were opened up in Web page format. These were followed by blogs, initially contributed by employees, and quickly opened to outsiders, so that now 60% of “active contributors,” as bloggers are called, are non-employees. Active contributors include customers, consultants, and other opinion leaders, and the blogs feature everything from long-form essays on relevant topics to shorter bursts about future trends or interesting innovations.

Is SAP Naked?

“Transparency” and “conversation” are to the Web 2.0 culture what “productivity” and “innovation” are to corporate culture, and with SDN and BPX, SAP is attempting to bridge these worlds.

Can any corporation be completely transparent? Should it be? And is that without exception a good thing? To some extent, academics, bloggers, and other buzz-makers apply an exceedingly high standard to what it takes to achieve transparency, to relinquish corporate control, and incorporate conversation into engagements with customers and other stakeholders. But their free speech is not burdened by a legal department or the SEC.

The [recent discussion](#) on the tech blogs about SAP's partner, Microsoft, and its attempts to open up to “conversation” on its Channel 9 social media site, are illustrative of the dilemma that SAP has so far avoided. By all accounts, SDN and now BPX have not suffered from the kind of conflict that the Microsoft user networks have caused internally. Clear and consistent leadership and support for the network has been key for SAP. And a moderate amount of moderation, in the form of strategic rewards and banishments, has made for a user experience that is substantial, occasionally lively, and, more important, not embarrassing.

“Moderation in all things”: Cicero wrote about it as a basic tenet for responsible citizenship and ended up having his hands nailed to the doors of the Forum. Yet he lived a good, long life and produced “content” that remains and pertains today.

In the fall of 2006, a second network was launched, BPX, which targets business process management. BPX was a natural extension of the [Industry Value Networks \(IVN\)](#) ecosystems initiative spearheaded by SAP, which creates communities to integrate solutions and addresses problems concurrently with SAP partners and ISVs in real time. Again, as with the SAP networks, NetWeaver is the integration platform. But the IVN community is allowed open access to the platform and to SAP applications. This not only makes for a more efficient and timely solution, but also validates Agassi's belief that community creation improves overall customer satisfaction. (IVNs have now been incorporated as "hubs" within the BPX community.)

Building on the success of the IVN ecosystems and using current databases, BPX was launched with 50,000 members, and, as of this writing, had expanded to 100,000. Topics for BPX are less technical, such as "I want to architect a new business process" or "how do I outsource this, how do I do order-to-cash, or procure-to-pay in a more deliberate or more orderly manner?"

Both networks are transparent, anyone can sign up, and both are searchable. Users can subscribe and obtain RSS feeds from the most popular bloggers, and all the content is accessible to social book-marking sites, as well as from Google and other search sites. Currently SDN and BPX are offered in four languages: English, Chinese, Japanese, and Korean.

To launch wikis, SAP determined the initial topics, which have grown to dozens of major topics and hundreds of sub-topics. According to Yolton, they form the "loosest" part of the site; new wikis are viewed internally and can be rolled back if necessary. Wikis are used for a variety of purposes, including member cultivation on "Contributor Corner," where contributors can introduce themselves and network with other contributors, in "classic" social media style.

Because of bandwidth burdens on the existing infrastructure, and bandwidth limitations for some users, online meetings and flash video are not currently part of the network experience, but are being evaluated, particularly as these newer formats begin to deliver a richer and more interactive experience. Widgets are being developed internally, by customer and partner members of the community – and [blogged](#) about – for introduction later this year.

User Experience

[Susan West and Michael Gold](#) teach at the annual Stanford Publishing Seminar and have developed a 10-point scoring system (each "point" topic is shown here in bold) for effective Website communications. I used their methodology to evaluate the user experience of the SAP sites.

Clear identity? Yes, definitely, the initial "community" interstitial page immediately defines the SDN and BPX sites and is the gateway to both. I found [sign-up](#) to be easy, requiring only nine fields to register and immediately access all non-premium material. Labeling is not only straightforward, and additional navigational areas, i.e., areas of interest, are provided as easy-scroll down choices.

While both sites clearly "**show off the treasure**," the documents, blog postings, archived Web events, and podcasts that pertain to one's interest are easy to find. There are premium areas that are unavailable to some users, but in spending time with the free areas, I've found there is plenty of content available. I was able to upgrade quickly to the premium areas as well, which afforded me the chance to get more complex downloads and presentations, indicating that "premium" is defined as much by the format as by the actual information.
—RFC

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Community Management: Maintaining and Enriching the User Experience, Growing the Network Through Active Policies

Blogging is voluntary, and the casual relationship between blogger and the network is monitored by SAP Community Networks staff. When users indicate a desire to blog, they're asked by the network manager what he or she wants to blog about. Then they are inducted into the "junior blogger program," where they are monitored for the first four to five posts. After their initiation, they "graduate" to full blogger status. There are even "star bloggers," whose recognition on the network can earn them tangible rewards and external recognition.

Key to the success and growth of SDN has been a novel awards program. Users can obtain points by providing answers to network questions, by publishing blogs, and by conducting online demos. Accumulation of points brings rewards, in the form of online recognition, recognition at TechED conferences, regional TechEDs, and SAPPHIRE. (SAP TechEDs are annual technical conferences, held on four continents, which attract 20,000 attendees. SAPPHIRE is SAP's annual business conference, held on two continents.) Rules of the program are posted on the site and have achieved a considerable level of detail and even a sense of humor. Here's an example of a frequently asked question ("FAQ") with its response:

Question: The point values of Weblogs, code samples, and tutorials seem somewhat subjective. Who decides how many points I get? And can I appeal?

Response: You're right, it is subjective. And, until we have an artificial intelligence engine that can judge the quality of your content submissions with unfailing accuracy, we're going to leave it up to the esteemed community and forums managers. And their decisions are final. Unless, of course, you know where they live.

User Experience

These are not news sites, strictly speaking, and as a corporate sites, SDN and BPX do present "**good stuff above the fold**," such as a free online event, or new training classes, very clearly and boldly presented. Uninformative "hogs" such as graphics and pictures are kept to a minimum.

Channeling and Navigation are very sophisticated, differentiated graphically, intuitive, and easy to use. Considering the breadth of both information and format, finding what you want to know and being able to access that data requires at most five clicks. Navigation is handled at both the top and the left-hand navigational areas and offer searches by several different topic areas, with scroll-down categories, as well as by particular media type.

Subject choices are easy to choose, but extensive – more than West Gold's ideal "rule of seven." Given the breadth of available content, "**overload**" of choices is somewhat unavoidable.

—RFC

Revenue Generation through Premium Content and “Presence Packs”

With its Premium Access Zone (PAZ) program, SAP offers premium content, such as conference video downloads or Powerpoint presentations, to end users for an additional fee, using a model that is increasingly popular with both consumer and business-to-business sites.

Exhibiting more creative use of its online network assets is the “Presence Pack,” a customizable package of what Yolton calls “tasteful” banner advertising and other integrated opportunities: virtual and actual events, white papers in the online library, targeted banners in areas of key member activity, or “hubs,” as well as restricted content such as downloads of Web or actual events for key members of the network who are “Premium Access” users. These packages are developed with the help of business development managers who are part of the Community Networks team.

There are no plans to syndicate ad sales, banners, or links to third parties like Google AdSense.

User Growth Exceeds Expectations and Other Measurements of Impact

When SDN was first launched, in 2003, the expectation for eventual audience size was 500,000 members. (Additional user measurements below.) Now that the benchmark has been exceeded, it is clear that the full potential for these networks could include new expectations for success. In fact, SAP expects to claim one million members by the end of this year.

SAP’s success — and the value derived from using an expanded intelligence and skill network to improve the platform and the applications that are built on top of it — would seem to be successful by any measure, and measuring that success could be as simple as having a customer solve his problem within the network without having to engage SAP’s support team.

Significantly, the network itself has transformed the “brand” that SAP carries in the world. Yolton states:

“SAP was formerly viewed as rigid, monolithic, overly process-oriented. Our SDN and BPX communities have dramatically shifted that view, to the surprise and delight of many....if you look at the blog posts or the media coverage, it’s been very good.... We are now viewed as open and collaborative”

User Experience

By definition, using the unusually (for most websites) powerful Net-Weaver platform and [MaxDB](#) database truly **exploits the Web’s capabilities**. I like the fact that with all the standardization offered by the navigational choices, there is built-in capability to add areas of interest and growth, as with the “Business Lounge” area of BPX, a free-form area of interest, which will presumably form the basis of new topic areas. Newsletters, RSS feeds, and a variety of alerts by subject area, are all available, but there are no embedded social bookmarking capabilities; [one-click rss](#) subscriptions are available in some areas but not others, like executive blogs, for example.

Wikis are extensive, amazingly detailed, and adaptive to many media. It’s interesting to compare a wiki-in-progress, like the BPX wiki launched March 21, with more developed wikis: you can see how the SAP managers have set up a supportive framework, but are leaving the members to develop the detail. Wikis are part of “my” site, enabling the wikis to more closely mesh with the members’ interests, and to encourage participation.

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A survey of posts and articles on the following page confirms Yolton's comments:

- Ross Mayfield, founder of SocialText: http://ross.typepad.com/blog/2006/05/shai_agassi_on_.html
- On SDN and Open Source: <http://blogs.the451group.com/opensource/2006/05/17/saps-sdn-has-all-the-benefits-of-open-sourc-communities/>
- On SDN and widgets: <http://craig.cmehil.com/2007/01/james-governors-monkchips-guess-which.html>
- Shai Agassi, Community, IVN's: <http://www.automationworld.com/view-2259>

Another potential benefit for SAP can be derived from a greater understanding of how the software of social media can be used and developed. This has great value for incorporating more enterprise Web tools – content management, enterprise wikis, search – into existing solutions.

Could this also mean that SAP is targeting the low-margin publishing industry segment? Not apparently, but an expanded network using social media tools might become a great platform for the crucial [small-to-midsize market](#). Those firms will otherwise be looking to [Google](#) or Yahoo for many of their business marketing or process objectives. But particularly for small businesses that support large enterprises, the SAP community networks could provide not only an opportunity to access business applications within the ecosystem, they could also provide a marketing platform for companies selling products and services to larger companies in the network. In other words, an embedded IVN kind of “hub” for SMB could be both a great way for small firms to collaborate as well as to market their services.

SAP Sets Aggressive Goals for the Future

With 750,000 users of both networks, one would think that SAP would rest on its laurels. But the current goal is for one million users, and perhaps more importantly, for the networks to become completely self-funded.

There are also plans and programs underway to extend the conversation to an even larger audience of many of the same people who are engaged with the company in other media currently, i.e., financial analysts, the media, online buzz-makers and bloggers, and other opinion leaders. SAP would like to see more “hubs” formed around topics of interest to this broader group, in the same way that self-selected communities have formed hubs around topics like NetWeaver components in the SDN network and “strategy to execution” in the BPX network.

User Experience

“**Webified text**,” or the re-formatting of text into bite-size pieces that satisfy [Jacob Nielsen's](#) observation that Web users are “selfish, lazy and ruthless,” is satisfactory, but it would be useful if there were internal hyper-links within the site to point out important information as well as to take you quickly to related areas.

Search on the sites is simply terrific, with one huge exception. While [results](#) are displayed in a variety of media formats and can be easily changed by language, a particular result will not be displayed or highlighted within the topic listing, so that the user will have to search within that document or Web-cast for the search topic. While topic titles are extensive, summaries and excerpts are not provided.

Advertising, in the form of partner “Presence Packs,” is so “tasteful” as to be practically indistinguishable. West and Gold have a traditional media bias that preaches that users should be told explicitly about content that is paid for, but SDN and BPX, as business-to-business sites, have, I believe, some justification in not making useful information explicitly labeled as “advertising.”

— RFC

This represents an intriguing possibility: with such a large audience, and with such a high level of engagement, will SAP become a major business-to-business publisher, rivaling Thomson, VNU, McGraw-Hill, or others? Online advertising of all kinds is expanding at a rate of more than 30% per year, and business-to-business online advertising, which has lagged behind business-to-consumer, should grow at an even faster rate. SAP's ability to not only capture and engage an audience, but also to create content segmentation, will prove increasingly attractive to its technology partners — but why not also to non-partners in a given industry segment, as well as to consumer marketers who are seeking the professional/managerial audience delivered, particularly as the number of hubs and business topics expands?

Also, will the same methods of network management, rewards, and recognition work as well as the audience grows and changes? And will the current rules of engagement, not to mention the very open use of the platform, continue to enhance SAP's brand? It is unlikely that a technology analyst using the platform will see the value of an online point system, but why not motivate that analyst in ways that are meaningful, such as a membership in a "private" community open only to top SAP and partner executives? It may also make sense to further reinforce the private community with specific events that provide a "high touch" element to the engagement. SAP is doing something similar with its external bloggers at SAPPHIRE, "Blogger's Corner," which puts leading technology bloggers together with SAP's communications team.

Currently, the company spends millions of dollars to reach specific target audiences — customers, analysts, the financial markets, and investors — through traditional media. While it is unlikely that budgets would be reallocated overnight, and it will continue to be valuable to the company to use outside media to expand SDN and BPX and whatever evolves next, it is conceivable that its own network could replace and improve some of the current traditional allocations.

"We are still very much in the early stage," says Yolton. Indeed, but even SAP has been surprised by its own success. May the later stages continue to reward the company, and to expand our own understanding of the value of social media in corporate communication.

Social Media Today

Social Media Today is a collection of the best writing from the Social Media Collective, a diverse group of bloggers, consultants, entrepreneurs, investors, journalists, and analysts who represent the Web's best thinking on social media, marketing, and Web 2.0. For information, contact [Jerry Bowles](#).

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