

SAP Academy for Early Talent Focuses on Innovation

SAP

Best Sales Onboarding

September 2018



Company Background



Company-at-a-Glance	SAP is the world leader in enterprise applications in terms of software and software-related service revenue. Based on market capitalization, SAP is the world's third-largest independent software manufacturer.
Headquarters	Walldorf, Germany
Year Founded	1972
Revenue	€22.06 billion (Total revenue (IFRS) in FY 2016 [preliminary])
Employees	88,500-plus in 130-plus countries.
Global Scale (Regions that you operate in or provide services to)	Worldwide operations in all regions (North America, South America, Asia Pacific and Japan, Australia and Europe).
Customers/Output, etc. (Key customers and services offered)	378,000-plus in more than 180 countries. From pioneering ERP software to new offerings like the SAP HANA in-memory computing platform, SAP innovation goes beyond software — it's developing breakthrough technologies that shape IT and business trends.
Industry	Software
Stock Symbol	SAP SE (XETRA – Frankfurt Stock Exchange)
Website	www.sap.com



Budget and Timeframe

Number of (HR, Learning, Talent) employees involved with the implementation?	The core SAP Academy for Early Talent program team includes 25 employees with functions ranging from program and project management to faculty.
Number of Operations or Subject Matter Expert employees involved with the implementation?	Regular SME or executive stakeholder involvement in curriculum development, rotational experiences, on-site learning opportunities, fellowship experiences and role-specific training events. Engagements are voluntary with a duration of one to two days on average. More than 300 stakeholders supported the Academy throughout 2016.
Number of contractors involved with implementation	2
Timeframe to implement	4 months from program approval to execution,
Start date of the program	January 2014

Business Conditions and Business Needs

Over the past several years there has been a tremendous shift within the application software industry from “on-premise” to cloud software deployment — more commonly known in the industry as the “digital transformation.”

To succeed in this new environment, SAP has had to find new ways to transform its sales force, enabling them to guide customers to the cloud and help digitize their businesses.

During this time, the workforce and the consumer landscape also has undergone significant changes. By the year 2025, Millennials will form 75 percent of the global workforce. For these digital natives raised on the Internet and mobile devices, innovating and thinking outside the box are normal endeavors.

As a result of the digital transformation and the dramatic shift in workforce demographics, entire industries are being disrupted. Digitization has enabled companies to be global with a few clicks of the mouse and the entire concept of “work” has changed — from the times and places it occurs to the tools people use to manage it. Put simply, businesses are facing an era in which simplification and innovation will mean the difference between continued growth and failure.

As learning professionals with an eye to the future, SAP knew that capitalizing on these changes meant building a sales training program that would meet all of these challenges head-on.

In 2013, it founded SAP Academy for Early Talent (a 2017 Brandon Hall Bronze Award Winner for Best Sales Onboarding) with a charter to create SAP's next-generation digital salesforce comprised of Millennials trained in the most current skills, techniques and methodologies and strategically integrated into customer-facing roles.

Overview

The SAP Academy for Early Talent is a global sales training program that was launched four years ago with the goal of creating SAP's next-generation digital sales force. As with many high-tech companies, SAP's business model was rapidly changing, as were the needs and expectations of its customers. It was imperative that the company's sales force not only reflect its customer base but be able to help them innovate their businesses in the digital era.

The Academy training program takes early talent with little to no work experience and develops them to be part of a global enterprise sales organization in a dynamic marketplace. With a nine- and 12-month timeline for sales and presales associates to move into customer facing roles, respectively, SAP knew it had to deliver a closely integrated development and onboarding experience to accelerate their field readiness.

SAP had never hired early talent into its sales force before and never had a sales training program, particularly one on a global scale.

There was a multitude of diversity challenges that needed to be addressed, including age, gender and thought. The Academy program put an intense effort into hiring the best-fit diverse talent the market had to offer: early talent with zero to three years of experience, 50% of whom were female across 50-plus market units; many of the market units had little to no existing SAP brand. This was a significant departure from the traditional sales force demographics, where 79% of hires were male, most were considered experienced and few believed that inexperienced professionals could succeed.

Associates also needed to be trained in the most current skills, techniques and innovations to be able to effectively engage with and build confidence in customers faced with the challenges of digitizing their businesses.

Because this was a net new endeavor, SAP had no track record nor credibility with the business. Therefore the company established a rigorous learning framework and performance management strategy centering on:

- Building critical professional and sales competencies.
- Acceleration of the learning curve through real-world situations.
- 360-degree evaluations with robust feedback loop.
- Frequent, direct and proactive feedback and coaching.
- Continuous improvement mindset.

By following this strategy, SAP aims to maximize the associates' sales readiness, thereby accelerating their time to productivity in the field. Additionally, the focus on growth and development has been intended to increase overall retention rates, which serves to support the diversification of the company's sales force.

To date, SAP has achieved the following:

- Its associates have achieved three consecutive years of sustained performance that is on par or exceeds that of experienced sales professionals across more than 13 lines of business and seven regions. Performance metrics includes: quota attainment, participation rates (i.e., those who have closed a deal) and attendance at "Winners Circle."
- SAP has sustained 90% retention since program inception.
- In 60 countries SAP has sustained 50% female diversity and in four years has reduced the average QC age by five years.

Design and Delivery of the Program

The Academy for Early Talent program is designed and delivered in two tracks (sales and presales) which combine experiential classroom learning with on-the-job training "in the field" at the new hires' home office, paired alongside a seasoned sales mentor.



Program Track Details:

- **Sales:** Participants in the sales program participate in a nine-month program, consisting of an initial six-week “Academy Discovery” period in their home “market unit,” followed by two six-week classroom trainings at SAP’s world-class facility in San Ramon, California, and two rotations practicing in the field in their home “market unit” alongside a seasoned sales mentor.
- **Presales:** Those in the Presales program participate in a 12-month program, with six months in the classroom and six months in the field practicing in their regional market unit.

Framework and Strategy:

Competency Framework

As a first critical step, SAP focused on building a competency framework that aligned with the skills and behaviors associates would need to develop to be “field ready.” The company collaborated closely with leaders across the sales organization to ensure we captured the fundamental competencies required to be a successful sales person. SAP also looked at future skills that would be required in the digital era, including a shift in the way it engages with customers and the increasing importance of global intelligence. Additionally, SAP researched learning strategies that have been proven to be most relevant and impactful for the Millennial generation.

Based on the collective intelligence of our leaders and internal and external learning experts, the company created a competency framework that includes the foundational business, sales and human skills (such as teamwork, empathy and critical thinking) to prepare associates for a successful career at SAP and beyond as it moves into the digital era, where change is the only constant. This competency framework anchors all of the learning, development and performance management throughout the program.

Real-World Situations

Next, SAP needed to accelerate the learning curve of the associates by building a rich learning environment that is relevant to today's enterprise software environment where everyone needs to develop business models in a global way. The company nurtures a laboratory-like setting that provides a safe space for associates to explore new ways of thinking, challenge ideas and perspectives, and importantly, to fail.

There is a strong emphasis on “learn-apply,” where curriculum is followed by real-world situations to practice applying what they learned. As the program progresses, the curriculum is reinforced and builds upon previous learnings. Learning scenarios and assignments are relevant, impactful and true to life. Teams are purposefully organized with colleagues from different geographies, genders and backgrounds.

As in life, you don't always get to select your team, and must find ways to work effectively together despite language and cultural barriers. This principle is reinforced throughout the program and, along with cultural awareness training, serves to build an exceptional level of global intelligence. Additionally, sales and presales associates are partnered together to present solutions to prospective customers in a real-life virtual account team (VAT) situations, training associates to leverage the skills and expertise of a broader network of complementary roles.

Associates are given the opportunity to work directly with customers to solve real business challenges (i.e., participating in design thinking workshops). Following the classroom, they engage in hands-on learning while on field rotation in their home market units with structured field activities and shadowing and supporting experienced sales professionals who serve as mentors. They also must prepare and deliver a sales presentation to sales leaders whose organization they will ultimately move into upon successful program completion.

The tight integration of curriculum with field assignments ensures associates get ample opportunity to apply what they have learned and are focused on the right things to maximize their sales readiness.

360-Degree Evaluations to Assess Fit For Sales

Associate performance is evaluated frequently throughout the program at key points, including classroom presentations and group activities and following each field rotation. By closely connecting learning with formal assignments and field activities, SAP is able to measure learning and their application of it in different settings and across many evaluators. Associates are evaluated across 20-plus scored assignments throughout the program by many roles, including full-time faculty, their direct managers, mentors, sales leaders and peers. SAP very intentionally uses experts and leaders from the field to evaluate associates performance and fit for sales. It is fundamental to the associates’

success that these stakeholders have skin in the game, contribute to their growth and development and can assess their level of readiness.

In addition to the technical or subject matter knowledge associates demonstrate, skills such as coachability, attitude and team work also are observed by faculty and direct managers. This provides insight into not only what they are learning but how they operate.

To ensure the highest level of inter-rater reliability across different evaluators, they are all debriefed on our competency and performance framework and uniform evaluation techniques that include evaluation rubrics aligned to the competencies SAP measures. Following completion of the evaluations, the company is diligent in holding calibrations to ensure evaluators applied similar standards in their assessments.

Additionally, closed-loop feedback sessions are organized among the faculty and managers of the associates at the end of classroom periods and end of field rotations to ensure visibility into the associates' development and areas where they need more support.

Frequent, Direct and Proactive Feedback

Associates have many interactions throughout the program where they can discuss their progress and areas for development. There are also established checkpoints to ensure they receive targeted feedback, such as:

- One-on-one meetings with their designated faculty lead during classroom periods.
- Regular one-on-one interactions with their direct managers.
- They have “dry runs” for some of the more critical assignments where evaluators provided structured feedback they can use to further prepare for their final presentations.
- They receive structured feedback at the close of presentations.
- Assigned sales mentors provide formal feedback at the close of field rotation.

Additionally, SAP knows some of the most powerful feedback associates can obtain is from their peers. Therefore SAP leverages “pod coaching,” where groups of three to four associates, facilitated by one of the company's trained staff members, engage to support each other in tackling challenges they are dealing with. This approach allows associates to learn from and be coached by their peers while also gaining a greater sense of empowerment, increased engagement and accountability. This approach to peer

coaching has been so invaluable to the associates' development — they continue to practice it beyond the Academy program.

The continual measurement of associates and closed-loop feedback among those responsible for their growth and development provides holistic insight into their progress. It allows us to attune our teaching tactics and provide the proactive, frequent and direct feedback and coaching associates need to focus their efforts.

Continuous Improvement Mindset

SAP has been able to continually improve its methods by measuring both quantitative and qualitative data on program effectiveness such as: associate surveys that measure their overall experience and support they receive, analysis of Academy performance scores compared to actual field performance and informal stakeholder feedback.

Through an intense focus on taking the feedback and identifying key levers to improve the overall program experience, give associates more targeted performance coaching and increase the level of readiness of our associates, SAP has been able to gain a greater return on investment.

Engagement

The SAP Academy for Early Talent uses a variety of methods to engage new employees and help them efficiently acclimate to SAP and their new sales role, including:

Peer Learning and Collaboration

Peer sharing and learning is a core part of the program from day one. In the first weeks, associates get to know each other, exchange ideas and collaborate during the lively “virtual engagement series” before they travel to California to meet in person. In the classroom portion, as mentioned above, teams are very intentionally organized with colleagues from different geographies, genders and backgrounds.

This includes partnering those across both the sales and presales tracks together on assignments. SAP also uses peer coaching with small groups of three to five associates so they can work together to solve real-life challenges.

SAP continually reinforces the need to move outside of one's comfort zone, encourage cross-cultural exchanges, getting to know each of the associates in the program and



learning to work effectively with the different personalities, disciplines, cultures and work styles inherent in the program. The company also has an online social platform that is integral to engagement and collaboration from Day One of the program.

Networking

Two of most critical competencies SAP develops in associates throughout the program are team work and collaboration. Associates are evaluated on their ability to work effectively in teams, inspire collaboration and engage with a leadership mindset. “Hiding” can be easy in a large group, so the faculty and managers of the associates monitor this closely to ensure high levels of engagement across program participants. The need to build internal and external networks is highlighted continually throughout the program as well. SAP often uses the phrase “networking is like oxygen” and works with associates to build this muscle each and every day.

Close Connection to the Sales Organization

Associates have a very close integration with and exposure to the field throughout the program. From Day One, they are aligned to their future sales teams and paired with a seasoned sales professional from that team who serves as a mentor. They work closely with both the future manager and sales mentor during the program, assisting in the sales cycle, attending customer meetings and building their network within and outside of the organization. They have formal touchpoints with their future sales leadership and have the opportunity to present sales assignments to them during field rotations.

Robust Support Structure

As mentioned above, associates have a robust support structure that exposes them to different roles and perspectives within the organization. Support roles include:

- Direct manager.
- Academy faculty.
- Sales mentor.
- Future sales manager.
- An Academy graduate “buddy.”

Measurable Benefits

Business Impact

In the last four years the SAP Academy has developed and integrated into the business more than 800 sales and presales associates. To date, these associates have achieved three consecutive years of sustained performance that is on par or exceeds that of experienced sales professionals, across more than 12 lines of business and seven regions. For sales associates specifically, where quantifiable data is much more accessible, SAP has demonstrated that first-year graduates of the program achieve results on par with experienced new hires (13 years their senior on average) in key metrics such as:

- Quota attainment.
- Time to revenue.
- Participation (i.e., percentage who have closed a deal).
- Attendance at Winners Circle (i.e., sales club for those who overachieve quota).
- Ownership of their opportunities.

These results are unprecedented and have served to debunk the myth that early talent cannot be successful in a complex, global sales environment.

Participant Satisfaction

In addition to this material impact on business results, associates of the program also highly rate the overall experience. Associates in both the sales and presales academies provide anonymous survey feedback on key program aspects, on a 5-point scale. The goal was to achieve a score of at least 4.0 for each category. 2017 results are:

- **The Academy for Sales:**
 - Overall program experience: 4.5.
 - Sales Mentor support: 4.0.
 - Faculty satisfaction: 4.3.
 - Classroom satisfaction: 4.3.
- **The Academy for Presales:**
 - Overall program experience: 4.7.
 - Faculty Satisfaction: 4.5.
 - Classroom satisfaction: 4.2.



Diversification of Workforce

The Academy has also been a driving force in the diversification of the sales force. There has been a remarkable shift in both age and gender diversity in the last four years, due in large part to SAP's recruiting and development efforts:

- In 60 countries, its sustained 50% female diversity.
- In four years have reduced the average QC age by five years.
- The average age of SAP's hires is 13 years younger than the average sales person.
- SAP has sustained 90% retention since program inception.

Next-Generation Workforce:

The Millennial generation possesses many of the qualities that will be critical for leaders moving forward. First and foremost, they are digital natives and mirror the company's increasingly digital-native customer base. They are also highly collaborative and team-focused and globally, culturally aware. It is the charter of the Academy program to unleash and hone these skills to give the organization, and ultimately its customers, a competitive advantage.

SAP believes Millennials embody what the future of work looks like and this is increasingly being recognized internally. Many of the company's associates, after demonstrating a track record of success in the field, are now being promoted into roles of increasing influence and responsibility such as sales leadership and chiefs of staff for executive leaders across the business.

These early talent are driving strategic initiatives and providing their unique perspectives to influence business decisions. The global intelligence of this cohort is evident in their international mobility — just under 10% have relocated to sales roles in different countries, showing they can be successful in variety of different geographies, cultures and roles.

Additionally, year over year, the demand from the business for these associates has increased by 200%. SAP has developed a strong partnership and credibility with its business leaders and today its Academy program is the sole recruiting engine for some of the company's fast-growth markets. Today, the Academy program is viewed as a "lighthouse" organization-wide.

Overall

Lessons Learned:

Accountability of business stakeholders in the growth and success of the associates is highly critical. To gain this commitment, SAP first needed to develop a track record of success and its three years of sustained performance has put the company in a position where it can more deeply involve and hold business stakeholders accountable. Transparency with the business and openly sharing both successes and lessons learned have gone a long way to build trust and credibility.

SAP established a quarterly cadence with its key stakeholders in sales and the supporting functions to openly discuss and collaborate on Academy topics that impact the business. Three years into this cadence and participants are highly engaged and invested in these meetings.

SAP also has spent much time and effort in assessing against the competency model it established. While it is still a cornerstone of the development program, the company learned that the biggest differentiator of those who will succeed and those who will not is whether they have a growth mindset. SAP has come to learn that if someone lacks this mindset, it is highly difficult to develop and integrate them into a highly performance-focused organization. It has become a key criterion that SAP evaluates during the recruiting process, as well as throughout the program.

Future Outlook

Greater Ownership:

Today, graduates of the Academy program comprise approximately 18% of the sales force and SAP knows it needs to get to 50%. Greater ownership from sales leadership will be essential to achieve this target. Next, the company will enhance its ongoing collaboration with business stakeholders and touchpoints throughout the Academy program.

SAP will strengthen the “bridge” from program to the field to increase associates’ ability to internalize and apply what they have learned in the program once they are in their field roles. This combined with greater stakeholder engagement will facilitate a more seamless integration and further accelerate associates’ time to readiness.



Deeper Analytics to Drive Performance:

All key performance metrics are currently tracked in a database and SAP is in the process of building in powerful analytics to gain insights into opportunities where we can further accelerate field readiness. For example:

- Evaluating scores across competencies will allow SAP to tailor learning opportunities based on relative areas of strength and weakness. Team assignments and pod coaching can be organized accordingly.
- Introducing the skill/will paradigm where individuals relative level of skill or aptitude and will or level of engagement are assessed. This provides a baseline to understand an associate's starting point and where they may need more support or coaching. Stretch assignments can be designed or peer mentors designed based on this, with the goal of shifting each associate as close to "high skill/high will" as possible by the end of the program.

Continued Focus on Innovation:

SAP Academy is a main pillar of innovation at SAP — innovation that is both game-changing and culture-shifting. As businesses grapple with what it means to be a cloud business and how to bring value to customers, the Academy will continue to be a pioneer in teaching associates how to innovate and engage with customers to drive meaningful business outcomes. SAP will do this by continuing to stay close to shifts in the marketplace, emerging technology trends and a focus on bringing the human element to the digital world.



About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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