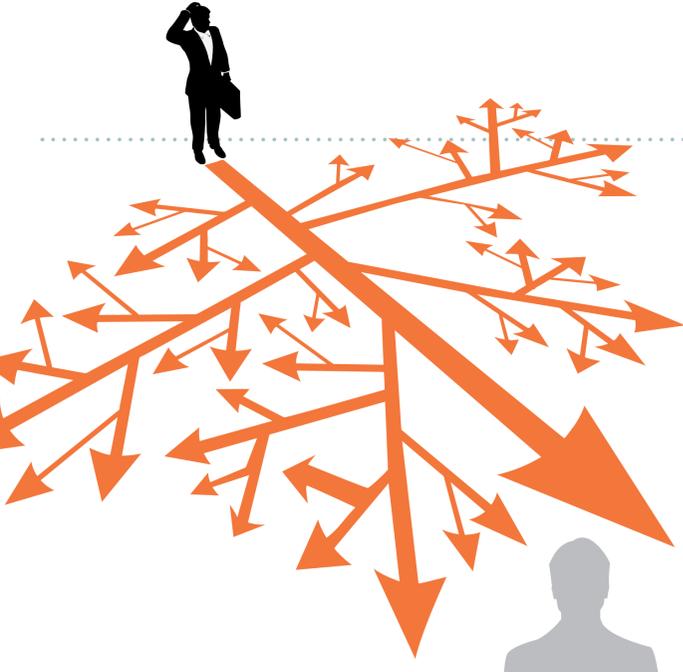


BUSINESS SIMPLIFICATION IN SMALL AND MIDSIZE ENTERPRISES

Based on the 'Simplifying the Future of Work Survey'

As layers of processes, decision-making and IT systems introduce complexity into their operations, business simplification is increasingly a strategic focus. To understand the challenge, SAP and Knowledge@Wharton polled 433 leaders and team members worldwide about their views on business simplification today — and in the future.



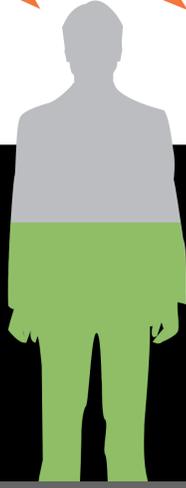
HERE IS WHAT RESPONDENTS TOLD US ABOUT THEIR COMPANIES:

Business Complexity Hinders Performance

72% business complexity has hurt efforts to meet process and decision-making goals.

58% technology complexity adds barriers to achieving goals.

It Does Not Have To Be That Way



63%

reducing complexity with **simplification** boosts **productivity** across all business lines.

The Importance of Simplification Is Growing

NOW

49% senior leaders believe that business simplification is of **significant strategic importance** today



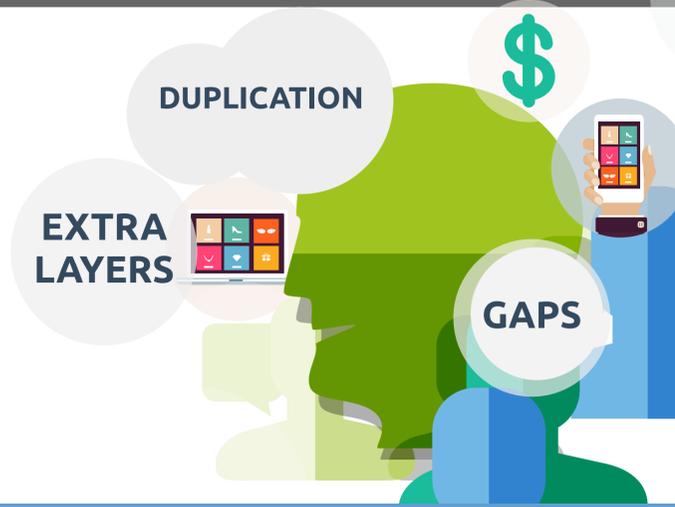
IN THE FUTURE

65% senior leaders believe that business simplification is of **significant strategic importance** in next 3 years



THE PROBLEM: Simplification Efforts Are Not Aligned with the Importance of Daily Simplification Goals

- **Only 26%** say senior leaders are strongly aligned
- **Only 33%** say teams are strongly aligned



Simplified Leadership Capabilities

Leaders have access to all information needed to lead and simplify their businesses through **self-service** IT tools for quicker **decision making**

TODAY
only
19%

IN 3 YEARS
that grows to
47%

**A
147%
JUMP**

Respondents Cite "Must-have" Capabilities for Leadership Development and Retention



"Complexity just creates inertia and a sense of powerlessness."

"Simplification is fast, simple is smooth."

"Reduce barriers to change and reward efforts to simplify."

Respondents' Simplification Efforts

- **83%** Simplified a business process within my team
- **72%** Simplified the way my team communicates
- **50%** Led simplification efforts that affected more than my team
- **38%** Simplified technology within my team



"As firms have become more global, outsourced and technology driven, the complexity of their operations has increased. Thus the need for simplification has become greater."

— **Morris Cohen**, Wharton professor of operations and information management