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Plattner moves SAP into age of integration

By John S. McCright, eWEEK
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ORLANDO, Fla. -- Hasso Plattner still wants the company he heads, enterprise applications giant SAP AG, to be the center of the universe. He just doesn't demand that SAP be the entire universe.

"We at SAP never achieved our dream of providing all the applications so you can run your entire business on SAP," Plattner said in a keynote address at the company's SAPphire 2001 user conference here Wednesday. "We have to face the situation that there is a heterogeneous landscape [of systems and applications] within a company."

To address this world, Plattner laid out a vision that pulls together many of the threads that SAP has been dribbling out over the last year. The Internet was a key theme.

SAP's answer to a heterogeneous IT environment is characteristically multipronged. The Walldorf, Germany, company is staking its future on five "pillars": exchanges and portal-building software for bringing heterogeneous systems together, plus three types of application software to improve company-to-company collaboration: supply chain management, customer relationship management and product life-cycle management.

SAP's integration message is direct: Use an exchange or a portal to act as an independent layer that doesn't crawl into the run-time systems of the applications it taps but transforms their data so that it can be viewed and used by people using other systems.

"I hope that people will work all the time on portals run transactions through exchanges," Plattner said. "We'll try to sell you as many applications as possible. Our advantage will be that our applications are good for portals."

Plattner tacitly acknowledged in a joint presentation with Compaq Computer Corp. CEO Michael Capellas that it is difficult to run a business in a heterogeneous environment. He said that one reason SAP did not distribute Compaq iPaq devices in addition to the more than 8,000 Palm VII handheld computing devices it gave to every SAPphire attendee was that offering more than one device would require double the resources.

Take that, Larry

Several times Plattner contrasted his vision with that of Oracle Corp. and Larry Ellison, its CEO. Ellison claims that companies installing only Oracle applications may not get the "best of breed" in every instance, but they will get a faster return on their investments because Oracle applications are so well integrated. That message should sound familiar to SAP users, who heard similar claims for SAP in the not-too-distant past.

Plattner wasn't alone in expressing a belief that one company could not supply all the applications necessary to run an e-business. Ray Lane, a partner at Silicon Valley venture capital titan Kleiner-Perkins, made an appearance at the keynote via a video hookup. Lane was the No. 2 executive at Oracle until he left last summer.

"A basic disagreement between Ellison and me was that one vendor can integrate it all," Lane said. "SAP maybe didn't develop fast enough in the Internet and CRM, but they have the right pillars."

One battle Plattner doesn't want to fight is the one between Microsoft Corp. and Sun Microsystems Inc. He said SAP would make its systems compatible with both companies' strategies for providing software as Web services -- even if that means developing along two tracks in some cases.

Plattner also touched on one place where SAP's e-business efforts have not been a success -- Pandesic, the e-commerce hosting business it had run with Intel Corp. and closed last year.

"Our business model with Pandesic did not work," he said. "Retail will happen on the Internet, but it will ramp up slowly. I hope we learned a lot of lessons."

But SAP is ready with its five pillars for integration and collaboration, Plattner maintained.

"This credo for an open world, it is the lesson we learned in the last three years. Concentrating on [SAP's massive enterprise system] R3, we missed what is going on outside the system," he said. "We probably did not realize how much more opportunity we could have if we had reached out and worked with other systems. The idea to have all of these things in one single system does not make sense. It is the pinnacle of inflexibility."