

## A '30-year headstart' connecting people

By [Victoria Ho](#), ZDNet Asia

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**newsmaker** Geraldine McBride's eyes light up as she talks about the *Leiopelma* frog genus, a primitive frog found exclusively in her home country of New Zealand.



Although she started out as a frog expert, McBride today is SAP's President and CEO of Asia-Pacific and Japan--the company's fastest growing arm globally, seeing over 30 percent compound annual growth per annum.

Reaching across the table, she scribbles the scientific names of the frog specie for me. "*Archeyi* lives on land, and *hochstetteri* lives in water," she said.

McBride is clearly a people person--a trait that pushed her into IT, as well. Armed with a Zoology degree as a young graduate and an "interest in people", she enrolled in a training program at IBM, and found herself 10 years later in 1994 at SAP.

ZDNet Asia talks to McBride about the power of people, the role she sees Asia playing, and the impending threat of new, Web 2.0 players in the ERP (enterprise resource planning) space.

**You described the skills shortage problem as a big challenge for you. Asia has one of the largest growing populations. Is this going to go away eventually?**

Unfortunately, the [skills shortage](#) issue will never go away. This has been true globally for years, but what's unique for Asia is that it's been going through unprecedented growth, and that's been driving demand.

If you look at SAP, we've been seeing double digit growth, which creates the demand for resources and people. Across the APJ region, we will have 15 times more people coming to market purely from population growth. You have economies like India growing at 9 percent and 11 percent in China. Even with the [subprime crisis](#) bringing economies a back a percentage point or two, the region is still growing.

With our customers and partners wanting more skilled people, all of that conspires to create the perfect storm. The war for talent has been going on for a long time, but I think it's much greater in the region.

**You said you joined IBM because you were interested in people. It's interesting that you didn't say it was because you were interested in IT.**

That's because I see technology as a means to an end, but not the end itself. Technology keeps changing--it's transient; while technology will always change, but people are always people.

Today, technology is becoming more people-friendly. And IT people need to speak the language of other people, and of businesses.

The people coming out of schools now need people skills and to be able to lead, not just IT skills. We've invested an enormous amount into retraining the people at SAP into speaking the language of business, speaking about value in ROI (return on investment) terms.

**Are IT people expected to bridge the gap between IT and the business?**

No, increasingly as CEOs are pressured to maintain top and bottom lines and yet strive for better transparency and governance, suddenly technology is critically strategic. It is also no longer good enough for CEOs to say "I don't understand IT".

I've seen so many CEOs in India who understand IT. On the other hand, I can walk into meetings with other CEOs in Australia and New Zealand, and they can be so scared of IT because they don't understand it.

But the point stands, if you have IT divorced from business, you don't get the real value of your IT investment.

**How do you view the ERP landscape changing due to newer Web 2.0 entrants?**

While IT buzzwords keep changing, underneath that you still have to run robust business processes, none of which can run in a silo. If you run your business in silos, the CEO can't leverage processes across those.

What SAP's done very effectively, which the [Web 2.0](#) vendors aspire to do--and perhaps they will over time--is network businesses together, to connect them beyond the four walls of the enterprise.

We help businesses connect to the rest of the world, because we live in a connected world. That's what SAP's done, and we've had a 30 year headstart. With all due respect--I love Google, and I use it everyday--but it will be a long time before the hazy ideas of Web 2.0 get to that point.

Customers are also looking for stability. If you're making an IT investment on a mission critical system, you can't just throw it away.

Customers need to know they have a long-term roadmap where they can

see the path of your services--not just a bunch of ideas and PowerPoint [presentations].

With consolidation disrupting the market now, we may be left with a handful of companies standing at the end. But the difference between those left and those who got swallowed is that those who are left have managed to reinvent themselves, or had the scale to put capital in to R&D (research and development).

**Is success about having the capital to invest in things, such as in R&D?**

Yes, but it's also what you do with it. It's about strategic bets: we can't always get it right, but you have to keep the company flexible to listen to the people within, and not to have one person at the top squashing ideas coming from the bottom.