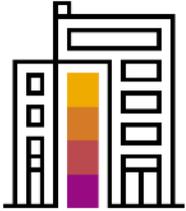


SAP Innovation Awards 2021 Entry Pitch Deck

Teaching New Skills to Help Employees Keep Pace with Technological Change

Telefónica S.A.

PUBLIC



Company Information

Headquarters	Madrid, Spain
Industry	Telecommunications
Web site	www.telefonica.com

Whether enabling people to make a call, send a text, or reach out to friends through social media, services from Telefónica S.A. help make our world more human by connecting lives. With more than 356 million customers in 24 countries, we are one of the world's largest telecommunications companies and have achieved a leading market position by investing in the most advanced technologies.

As well as offering our customers highly innovative telecommunications solutions, we have also embraced cutting-edge solutions to support our own internal processes. To this end, an enterprise-wide HR digitalization project has involved extensive deployment of the SAP® SuccessFactors® solutions portfolio to replace 175 separate HR systems with a single, integrated human experience management solution.

We live in an era of permanent technological disruption, which transforms the entire ecosystem of the world of work. At Telefónica, artificial intelligence, the simplification and software-defined wide area network of the new networks (5G and fiber) and the automation of tasks lead us to a scenario in which fewer jobs are needed but more people are in critical and future-oriented profiles. To transform the business, you must transform people first, so the objective of Telefónica is to strategically generate the skills to meet the needs and demand for critical profiles internally.

Helping People Adapt to a New World of Work

Telefónica S.A.



With SAP Business Technology Platform and SAP AI Business Services, we have been able to extend the functionality in SAP SuccessFactors solutions to create an innovative solution that helps employees identify and develop the skills and capabilities that will be necessary in the digital world and in our future company.

Gabriel de Diego, Director of People Strategy and Platforms, Telefónica S.A.

Challenge

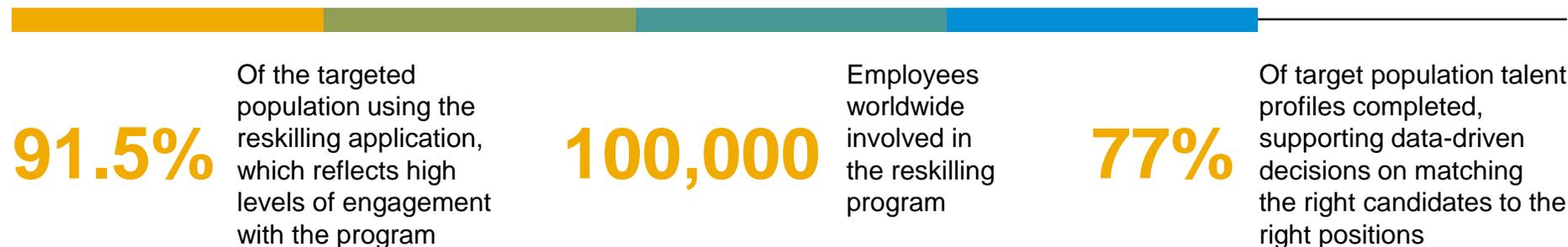
To ensure we have people with the right critical and future-oriented profiles, we wanted to introduce a reskilling program. We recognize that boosting professional and personal skills is critical to maximizing the talent we already have. As well as empowering our staff to take charge of their careers, we wanted to establish a source of high-quality data on which to base resourcing decisions.

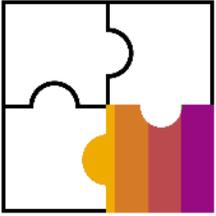
Solution

We built a reskilling application on SAP Business Technology Platform that enables staff to identify existing skills and explore areas for development. Partnering with Stratesys Technology Solutions S.L., we collaboratively built a bespoke solution to perfectly meet those business needs. An AI chatbot guides users, creating engagement, and the application benefits from SAP AI Business Services, which provides machine learning-based recommendations.

Outcome

An intuitive and engaging user experience has resulted in high adoption rates for the reskilling app, providing us with the insights we need to efficiently provide the training interventions required to help employees adjust to rapid technological change. The program also improves the employee experience and increases workforce loyalty.





Participating Partner Information

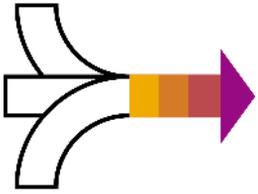
Stratesys Technology Solutions S.L.

Working in collaboration with Telefónica Global Technology, Stratesys Technology Solutions S.L. provided support for defining the project scope, developing the reskilling app, and implementing the technology in Spain, Germany, the United Kingdom, and Brazil.



“Stratesys presented us with innovative approaches to help deliver our objectives. They are a highly collaborative partner, and their expertise and commitment helped us implement the project on time and within budget.”

Javier Martínez Llaguno, IT Director, Telefónica Global Technology



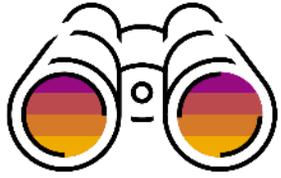
Business Challenges and Objectives

With rapid technological change transforming our business models and enabling new ways of working, we needed our talent to be ready for the new business challenges and to have the right skills to help lead our business forward. This meant identifying the strengths we have and recognizing where it was necessary for employees to acquire new skills. Our aim was to drive employee engagement and business efficiency and enable data-driven business decisions.

To achieve this, we wanted to establish an enterprise-wide reskilling program that would enable us to profile skill levels within our workforce. In addition, the program would help us provide employees with guidance on appropriate training opportunities and enable us to gain insights that would help us match individuals with newly emerging roles.

To support our reskilling program, we decided to create an application that would help us gather information about the skill sets of our employees. Based on SAP Business Technology Platform, this would draw on functionality within the SAP SuccessFactors Performance & Goals, SAP SuccessFactors Learning, SAP SuccessFactors Succession & Development, and SAP SuccessFactors Recruiting solutions.

A smooth user experience was crucial to help ensure widespread participation in the program, so we decided to create an AI chatbot that would provide help and guidance about the reskilling process. We also harnessed machine learning functionality provided by SAP AI Business Services and augmented by Microsoft Azure Cognitive Services, to enable intelligent recommendations on training and to match employee profiles to vacant positions.

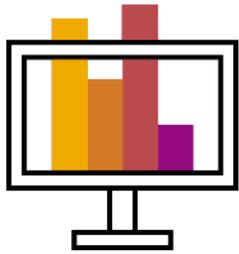


Project or Use Case Details

We started by creating a single agile team that included IT, HR, and Stratesys. The team also engaged other stakeholders to help ensure that the reskilling program met the needs of the business. We ran design thinking workshops to identify key requirements, including the need to make the employee experience as smooth as possible.

The team developed an application on SAP Business Technology Platform that integrates with the existing SAP SuccessFactors solutions and supports our reskilling program. First, employees use the app to quickly and easily fill in a skills profile form. Using machine learning technology provided by SAP AI Business Services, this information is then analyzed to provide personalized training recommendations to the employee. Machine learning also helps intelligently match employee skills with individual job requirements to support internal recruitment decision-making.

One of the most innovative aspects of the project was the development of an AI chatbot to provide advice and guidance to people using the reskilling app. Our young talent team was tasked with finding a gender-neutral name for the chatbot that would appeal to employees around the globe, finally settling on “Chip.” Available in our four main business languages, Chip played an important role in helping us achieve high adoption rates by making life easier for users.



Benefits and Outcomes

Business or Social

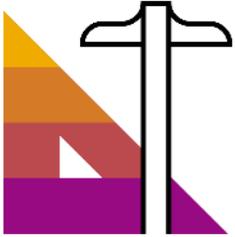
- Reduction of rework in the HR area using new, high-quality data and information that allows us at every level to analyze our activity and improve our processes and costs
- Gathering of detailed data on the current skills of individual members of staff to strategically close the skills gap and lead the market
- Insights into key areas where skills development is required, enabling us to provide appropriate training courses
- Rapid time to value for the project, with an estimated 70% reduction in HR effort through the delivery of a minimum viable product by April 2020
- Efficient matching of internal candidates to job vacancies, based on their skill profile

IT

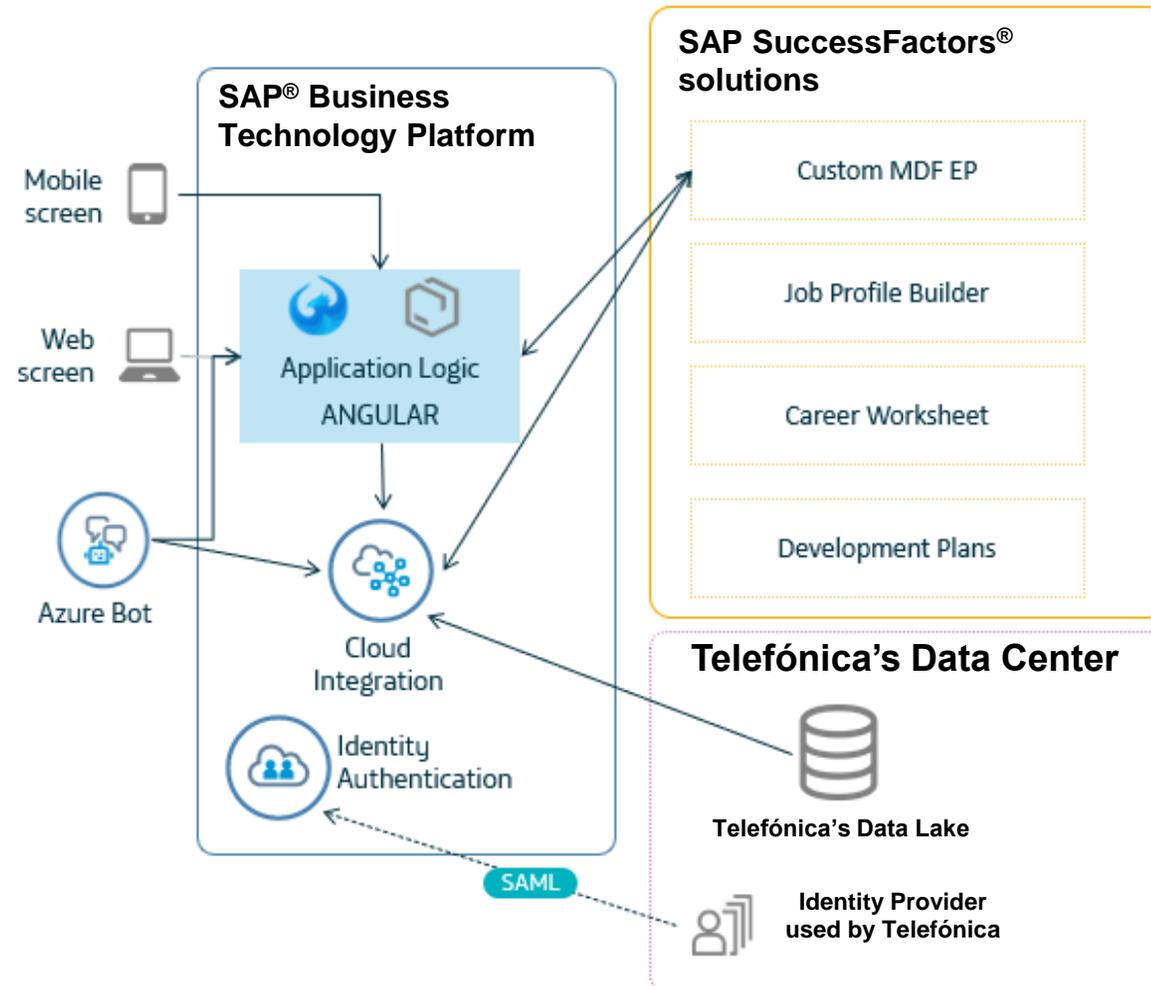
- Rapid development of an application that integrates with SAP SuccessFactors solutions using SAP Business Technology Platform
- Preconfigured functionality that enables the incorporation of intelligent features into the app, such as automated course recommendations
- Creation of a data model that enables us to harness workforce planning based on skills
- Investment in SAP technologies already maximized

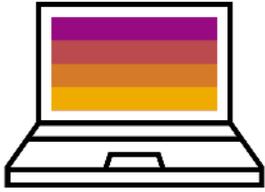
Human Empowerment

- Easy access to information on available training courses for employees – at any point in time and from any device
- Skills development advice that helps people take charge of their own development and shape their future careers
- Smooth user experience, with guidance from an AI bot providing support in completing skills profile forms
- Empowerment of our people through technology, connecting their professional careers with the objectives of our business
- Investment in our people by filling upcoming skills gaps by training internal staff rather than hiring external candidates, where possible



Architecture





Deployment

Deployment status Live

Date 2020

Number of users 100,000

SAP® technologies used:

SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1 SAP SuccessFactors solutions	Live	Functionality for performance and learning management, succession and development management, and recruiting
2 SAP Business Technology Platform	Live	Platform for development of the reskilling app
3 SAP AI Business Services	Live	Machine learning technology used to make intelligent training and role-matching recommendations

If you have used one or more of the services or support offerings from SAP Services and Support during the implementation or deployment phase, please indicate which one(s) below with an

SAP MaxAttention™

SAP ActiveAttention™

SAP Advanced Deployment

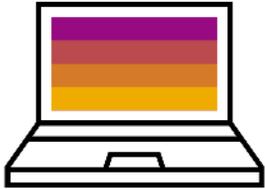
SAP Value Assurance

SAP Model Company

Others: SAP Preferred Success

SAP Innovation Services

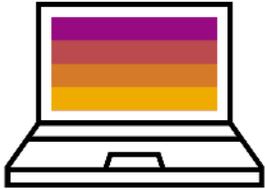
SAP Innovative Business Solutions



Advanced Technologies (1 of 2)

The following **advanced technologies** were part of the project.

Technology or use case	Product used*	Contribution to project and how product used integrates with SAP products
1 Machine learning or artificial intelligence Robotic process automation, conversational AI, AI-based knowledge graph	SAP AI Business Services	Machine learning technology that enabled intelligent recommendations on training courses and role matching, as well as integration with Microsoft Cognitive Services to leverage preconfigured functionality for creating an AI chatbot
2 Intelligent data management Multi-cloud, data virtualization and governance, smart data tiering, persistent memory, data privacy		
3 Advanced and augmented analytics <ul style="list-style-type: none">Real-time and streaming analytics, spatial analyticsNatural language query and generationAutoML to identify trends, patterns, outliersPredictive analytics (time series analysis and forecasting, regression, classification)		
4 Data and analytics solutions in the cloud <ul style="list-style-type: none">Unified data and analytics cloud platforms by SAPModern/self-service data to analytics		



Advanced Technologies (2 of 2)

The following **advanced technologies** were part of the project.

Technology or use case	Product used*	Contribution to project and how product used integrates with SAP products
5 Advanced cloud integration <ul style="list-style-type: none">• API economy (monetization and API marketplaces)• AI-based or crowdsourced integration• High throughput, low-latency digital integration hub		
6 Industry cloud platform		
7 Blockchain		
8 Internet of Things		
9 3D printing		