

The Amazing Case of RIM and SAP

Despite the clear business opportunities, niche mobile applications are not likely to emerge and succeed under today's business models and dogmas. One could also blame the complexity of the organizations that makes it difficult to orchestrate a sound strategy.

But that's before Leapfactor.



About Leapfactor

Leapfactor's mission is to provide enterprises with a vehicle to deliver actionable data to mobile users regardless of the backend systems landscape and to any mobile device in a secure manner with no need to own operational infrastructure.

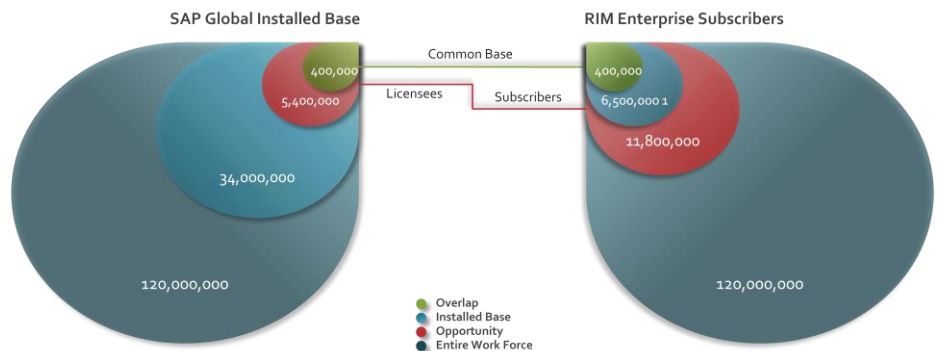
SAP and RIM

SAP is clearly the leader in what the industry calls Business Suites that go beyond ERP. This includes SCM and CRM among other software categories. According to many sources, including AMR, SAP has 41% of the market, followed by Oracle with 21% and four other vendors hold 18%.

Before the Business Objects acquisition in 2008, SAP boasted 43,000 customers with 34 million users on a global install base of 120 million information workers.

RIM had over 6.5 million Enterprise Users by the end of Q2 08 with 50% overlap on SAP customers and 3% on users,

What these numbers tell us is that only 20% of information workers in SAP's install base are SAP users and that only 10% of the same population has an RIM phone. Only 3% or 400 thousand of the SAP users have a BlackBerry device. SAP has more than 5.4M new potential SAP users and RIM could up-sale 11.8M potential new device activations.



In a similar case, the results of the joint effort from Microsoft and SAP to build Duet (software to make SAP HR and CRM content accessible from MS Outlook) resulted in about 800,000 users in 3 years.

Why So Few Mobile Applications?

The problem has many angles as every industry has different processes, and even within the same industry, each company is a world in itself.

For example, in the transportation industry there are 20 million trucks in the U.S. alone, but less than 2 million drivers have handheld devices with a GPS to perform basic applications with fulfillment visibility functions. The reason for such low penetration of mobile applications is not the absence of a compelling business case or business need; but in order to fulfill such numerous and distinct needs, vendors would have to consider multiple applications and numerous backend systems across a fragmented and disconnected supply chain for each and every prospect.

RIM, Motorola, and all others, have legions of software firms building industry specific applications that only a few customers can afford. Wouldn't it make more sense for vendors to focus on more readily adaptable and universal applications such as CRM for Sales Force Automation?

Who Will Deliver Mobile Niche Apps?

This year, RIM is expected to release a version of its popular mail client enabled with SAP CRM functionality, with very convenient features for road warriors. It seems like SAP decided to leave the mobile applications for mobile experts, but here are some questions:

- a) Will corporate sales teams from RIM or Carriers be able to sell CRM?
- b) How will the client react to the idea of installing and configuring the software if every CRM implementation is unique?
- c) Will SAP Partners be willing to engage on projects with low numbers of consulting hours?

In all likelihood, the end product will limit the functionality to contact lookups, calls recording and basic records access that are common across all implementations. If this is the case, then will it really lead to millions of new licensees and subscribers?

Enter Leapfactor

We believe that there is no killer app beyond email for the corporate market. We also believe that:

- Niche mobile vendors will be forced to abandon ERP functional duplication in favor of data and process integration.
- Business Suites like SAP will continue to open their platforms allowing niche experts to enable mobile users.
- Most industry/process specific mobile applications will be tightly coupled with certain mobile device categories.
- Mobile customers will demand the same easy access to mobile apps as they do to email and the web as part of their subscription plans.

The confluence of niche applications, mobile workers and consumer behavior is the inspiration for Leapfactor. We clearly don't have enough energy and to build all possible mobile applications for all industries and possible business process scenarios; but our case should prove the model and, more importantly, will provide the infrastructure to the app developers of the world and the IT departments to finally free information workers from their cubicles.

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