

# News and Press Release

## **SAP Labs China Focusing on Solutions for SMEs: Quality Wins Through**

In China, demand is rising for IT solutions to support the rapid rate of growth and to help companies prepare for the future. The presence of SAP Labs China in Shanghai reflects the growing importance which SAP of Germany attaches to this economic giant of the East. The ethos is to develop software in China for China and the rest of the world.

China's companies are set to continue growing - a fact which bears many positive implications for SAP business. Among the market economies of Asia, China now occupies second place behind Japan. These positive conditions prompted SAP to set up a dedicated SAP development lab in China.

### **Young - but not new**

SAP has not only just started developing software in China. SAP China set up its own development department with a regional focus back in 1995. SAP Labs China was officially launched in November 2003. Since then, it has developed into one of SAP's largest research centers with a focus on product development.

Today, in mid-2005, there are over 300 developers working in Shanghai - an impressive 200 percent more than at the outset. Shang-Ling Jui, Managing Director of SAP Labs China, is aiming to increase this number to 400 by the end of the year, and 95 percent of his team is Chinese. "Our workforce comprises a healthy mix of people new to the profession and developers with 2-3 years of experience. We have found this to be an ideal combination," he says. With an average age of less than 30, the workforce at SAP Labs China is one of the youngest teams of SAP developers in the world.

### **Focusing on solutions for SMEs**

The Chinese economy is dominated by small and midsize enterprises (SMEs), which means that SAP has 15 million potential customers in China. Developing solutions for SAP SME has naturally also become a key focus area for SAP Labs China. These include SAP Business One and mySAP All-in-One, plus associated sector-specific SAP Best Practices solutions for more than ten industry vertical solutions including the chemicals, pharmaceuticals, automotive, and high-tech industries. It is interesting to note that SAP Labs China has led the development of the SAP Best Practices solutions for Japan and some of the solutions for the United States. SAP Labs China also boasts development expertise in supply chain management, finance, and campus and human capital management. And, of course, SAP Labs also handles SAP localization work for the Chinese market. It's no coincidence, then, that SAP was the first overseas software provider to obtain official state certification from the Chinese government under what is known as the "Golden Tax" system.

### **On a par with Germany**

SAP Labs China is far more than just an "extended workbench" of the Group's head office in Walldorf. Instead, it is very much on a par with the developers in Germany. It's no surprise, then, that the SAP Labs in Shanghai have the largest team of developers for SAP SME solutions outside of Germany. SAP Labs China is now developing all the regional SME solutions for Asia, including India. And its performance leaves nothing to be desired in terms of quality, innovation, and competitive strength. "When it comes to software development, the "Made in China" brand name now ranks just as highly as the "Made in Germany" label," explains Shang-Ling Jui proudly.

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This strength is apparent from the fact that 90 percent of the Labs' developments are now aimed at global markets. Solutions for the Chinese market alone now account for 10 percent of output - a small proportion, but by no means an indication that China is not important. On the contrary, thanks to the output of the SAP Labs in Shanghai, China is becoming an exporter of SAP software. Shang-Ling Jui also sees development potential on the Chinese market. "China's needs represent a challenge for us, particularly in the area of user interfaces," he explains.

"For the customer" means "with the customer"

SAP Labs China develops products not just for its customers, but in close cooperation with its customers. Even during the roll-out of SAP solutions, staff from the Labs are in close contact with SAP Sales, local SAP business partners, and customers' project managers to ensure they keep their finger on the business pulse to see where demand for future solutions lies and where there is a need for improvement. They feed their findings directly into their solution development work. One forum which clearly demonstrates the close links between SAP Labs, SAP Sales, and users is the SLC Innovator Club. This brings together SAP developers, sales staff, and customer representatives, providing an opportunity for a relaxed exchange of ideas and views. Even companies not currently using SAP software are welcome to join in. As a result of this involvement, SAP Labs China moves in a circle of customers, sales staff, and developers who are constantly sharing their expertise, thereby creating the ideal basis for the ongoing development of SAP solutions. All in all, SAP Labs China boasts a complete value-added chain for all aspects of SAP SME solutions.

### **SAP Labs China continues to grow**

SAP's ambitious plans for the coming years show just how much importance it attaches to the development of SAP Labs China. By 2009, the workforce at SAP Labs in Shanghai is to grow to 1,500. To make room for this expansion, the Labs are moving onto their own campus. This is being constructed at the Pudong Software Park near Shanghai International Airport and the first phase is due to be completed by February 2006. The new location will also house all the SAP development teams, which are currently spread across the Beijing and Shanghai sites.

Source: [www.SAP.com](http://www.SAP.com)

(February 27, 2006)

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