

SAP CEO resigns, replaced by 2 co-chief executives

February 8 2010, By MATT MOORE , AP Business Writer

(AP) -- The chief executive of German software company SAP AG, Leo Apotheker, has resigned after his contract was not renewed and will be succeeded by two co-CEOs, the company said Sunday.

Apotheker, who has been with the company since 1988, became co-CEO in April 2008 and took the helm alone less than a year ago. In a brief statement, SAP, based in Walldorf, said its "supervisory board has reached a mutual agreement" not to extend the contract.

Neither Apotheker nor the company elaborated on the decision.

The supervisory board, the German equivalent to a U.S. board of directors, has appointed two co-CEOs: Bill McDermott, head of field organization; and Jim Hagemann Snabe, head of product development. Both men are on the company's executive board.

McDermott joined SAP in 2002 and oversees global field operations for the company. He joined its executive board in 2008. Hagemann Snabe joined SAP in 1990.

Last month, SAP, whose programs help companies do back-office work such as payroll, inventory management and accounting, said its fourth-quarter net income fell 12 percent to euro727 million (\$995.3 million) because of difficult market conditions, but said it expected an improvement this year.

SAP said Vishal Sikka, its [chief technology officer](#), has been appointed to the company's executive board and its co-founder, Hasso Plattner, who chairs the supervisory board, "will continue to play a strong role in advising the new leaders on technology and product development."

Plattner said the executive board's new setup would let the company "better align product innovation with customer needs."

Apotheker is a casualty of SAP's recent struggles, Cowen & Co. analyst Peter Goldmacher said Sunday.

"When companies have rough years, somebody has to take the bullet," he said.

But Goldmacher said he believes SAP's structure is "impaired," and doesn't think anyone can pull it out of its "tailspin." He thinks the company isn't able to compete on its own and needs to seek a buyer who can "really leverage the business."

Shares of SAP closed Friday at euro33.38, down 1.2 percent.

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