50 years of Software AG

Half a century of innovation

How many software companies manage to turn 50, and are still in robust health? And how many do it on their own terms, actively promoting independence and interoperability with software from any vendor, anywhere—deliberately promoting customer choice?

→ www.softwareag.com/50years

Six young employees of the Institute of Applied Information Processing founded Software AG in Darmstadt, Germany. One of them is Peter Schnell, who later becomes the longtime CEO of the company and founder of the Software AG Foundation.

Peter Schnell installs the first version of the database system he developed, Adabas (adaptable database system), which becomes the bedrock of Software AG’s success. Adabas is one of the world’s fastest commercial databases to this day.

1969

Natural is launched on the market, a complete 4GL application development environment that supports both procedural and event-driven programming.

1971

Software AG co-founder Peter Schnell retires from the company and focuses his full attention on the Software AG Foundation, which he founded in 1992.

1979

Software AG moves into its new premises for 500 employees in Darmstadt, Germany. The extraordinary architectural design of the building creates an extremely employee-friendly work environment. The building is expanded in the late 1980s.

1984

Software AG is listed on the Frankfurt stock exchange on April 26 in what was at the time the world’s biggest-ever software industry IPO. The total issue volume is more than DM 850 million. After only six months, Software AG’s shares are listed in the MDAX stock index.

1996

1999

1999
We are a software company that does things differently; not clamoring to be the latest headline, but quietly running the world with precision for 50 years. That is in itself unusual. That is the Software AG way and has been since the company was founded in Darmstadt, Germany (hence the precision software engineering) in 1969—a garage start-up like, well, you know who.

Software AG was founded on adaptability and independence—adaptability to customer requirements for the company’s software and independence from vendor lock-in to preserve customer choice. But why the name Software AG? Back in the sixties, you bought the hardware, operating system and software applications from one single company: IBM, ICL, Honeywell, Burroughs, Olivetti or Bull. Software AG was one of the first software-only vendors, hence the name and the spirit of independence.

Just three years after being founded, the company expanded to North America—Software AG of North America was launched in Reston, Virginia in 1972—and enjoyed its initial successes. The company’s first customers in the US included the New York City Council. Now Software AG is represented in more than 70 countries and earns around 85 percent of its revenue outside of Germany.

50 years after being founded, Software AG is the world’s largest independent integration software provider. Integration software is fundamental for success in the “Internet of Things world” we now live in. The enterprise boundaries have moved from being solely on-premises, to the cloud and from there to the (mobile) edge— wherever a company has an asset or digital sensor is now the boundary of that company. Extend that to include partners, clients and clients’ customers, as well as data sources that need to be integrated to provide a full business and operational picture of what is happening inside and outside the enterprise.

And this is where Software AG is kicking off its next 50 years—building on the collective experiences and knowledge of half a century of adaptable and independent software. We reimagine integration, spark business transformation and enable fast innovation on the Internet of Things so enterprises can pioneer differentiating business models. We give them the freedom to connect and integrate any technology—from app to edge. We help free data from silos so it’s shareable, usable and powerful—enabling our customers to make the best decisions and unlock entirely new possibilities for growth.
Looking back over 50 years of business growth and how we actually got started, you feel either nostalgic or proud, or even frustrated about everything you did wrong. People use today’s yardsticks to measure their actions, but they really don’t apply to those days.

1969 was the year the software industry was born, because the American government had decided that hardware and software needed to be invoiced separately. Back in the early days, everything had to be invented from scratch: Licensing agreements, testing procedures for software, sales methodologies, the idea of software itself. We were bold and naïve. We didn’t start Software AG with money, because we didn’t have it, but with contributions in kind in the form of small finished programs. I had already started working on the Adabas database software at that time. In the early 70s we were doing business not only in central Europe, but in the US, England and Japan as well. Naturally no one could foresee that the majority of the systems would compete successfully on the market for 50 years.
Sanjay Brahmawar,
CEO

It’s fifty years since the birth of Software AG and the creation of an entire industry. That’s half a century of believing in the power of data—of building a heritage committed to customer success and to the independence that ensures customer choice. We look to the next 50 with optimism and clear ambition. We will build on our heritage and our spirit of innovation to empower customers to turn their data into value, for a better future.
Maria Breuing & Hardy Dreesen

Working at Software AG hasn’t lost its appeal for us, despite all the highs and lows. It is not and never has been about going solely by the book. Everyone has a certain leeway and contributes to the company’s success.

Over the years, we’ve taken the opportunity to grow our expertise in different areas within the company. Implementing new technologies and customer requirements in solutions is always a challenge. We never get bored!
The IT world is currently growing at lightning speed. It can easily happen that we focus intently on a product that no one will be talking about five years from now. With the Adabas & Natural 2050+ promise, we know that we’ll be able to apply the things we learn today in the future as well.

50 years really is a long time, especially in the software industry! These days no one can even imagine naming a company Software AG. That’s like naming an automotive company Car AG. The company is established and yet visionary at the same time—just like it was back then.
Reinhard Springer, Manager, Mainframe Infrastructure

It all started out with an interesting job posting: They were looking for a “reliable system programmer.” I decided on Software AG because the company offered me so many opportunities to learn and get involved. There was also a bit of chaos, of course, but I really had the feeling that I could make an impact here. The high degree of autonomy appealed to me.
After my time as a student trainee at Software AG, I initially wanted to see something else, but I realized pretty quickly that I wanted to start my career here, so I came back. I learned a great deal during my first year in Consulting. I was able to contribute right from the start. My work helped me become more confident and self-assured. It means a great deal that I was able to take on a lot of responsibility early and that my supervisors trusted in my abilities.
The 90s were really heady times. I was heavily involved in onboarding new colleagues and opening new locations. It was a real pleasure for me. It was culturally and personally enriching to travel all over the world to meet people, to coordinate their integration and to work with them. I have been to over 50 countries for the company. The friends from Software AG Canada that I made are still my best friends. I go fishing with them in northern Canada for a week every year. So overall it has led to a lifestyle of long-term friendships as well as relationships with long-term customers and partners that I have known for decades.
The mixture of the international and the regional makes working here so special. You focus on the region you’re responsible for, but are embedded in a global company. And you feel it almost every day when you collaborate with your colleagues: The rest of the world is just a mouse click or a Skype call away. I also see a lot of opportunities for me personally to go abroad, either temporarily or perhaps for a longer time.
The Management Board’s Outlook

In 2019 Software AG not only celebrates its 50th anniversary, but also starts out on a new pathway toward sustainable, profitable growth.

Sanjay Brahmawar  
Chief Executive Officer (CEO)

Arnd Zinnhardt  
Chief Financial Officer (CFO)

In our 50th year, Software AG is taking bold steps along a new path. We have tremendous opportunities and great strengths that we can capitalize on. Through our new strategy, HELIX, we are going to bring focus, execution and the true power of our team to everything we do; and drive our business toward sustainable, profitable growth. Our growth opportunity lies in a truly exciting space where the powerful forces of digital transformation and real-time data intersect. We have the expertise and ability to reimagine integration for this new era. We will be the go-to partner for our customers: a team that helps organizations bring together apps, clouds, IoT devices and data to unlock the true power of their operations in an age where change is constant and adaptability is key.

Software AG is optimistic about a strong financial year ahead. Our acquisitions in the area of IoT including Cumulocity, TrendMiner, as well as Built.io have strengthened our position in the digital transformation market and are already generating returns. We remain focused on operational excellence to drive continued high performance through the business cycles. The HELIX strategy is geared toward profitable growth. We will make targeted investments to support organic growth, but at the same time focus on efficiency gains across the business. We will maintain our robust financial position with a strong cash flow that gives us the power to take bold steps if and when we want.
2019 will see us building on our customer engagement and operational excellence philosophies to ensure they reside everywhere in the business. We will take time to understand why our customers trust and buy from us and, as a result, focus on high-value outcomes with them. We will deliver customer-driven innovation and exceed expectations through existing as well as exciting new and innovative partnerships. At the same time, we won’t go after every opportunity—choosing instead to deliver strong in the markets we can best serve and on our existing commitments, such as modernizing Adabas & Natural and delivering digital transformation outcomes for our customers.

Software AG has made a long-term commitment to investing into Research and Development. In 2019, our primary focus remains in the areas of cloud computing, edge technologies, machine learning and the Internet of Things. These are four pivotal technologies that will guide organizations into the world of new data-driven business models. We also understand that breakthroughs happen within a culture of collaboration. So while we will continue to work with leading research institutes and universities, we are also excited to be working with our own customers and partners to create the innovations that make businesses around the world future-proof.