

# SUGEN Strategic Questions Walldorf April 2015

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## License

### Question 1:

*It should be possible to unsubscribe to a module that is no longer being used. (AUSAPE)*

This possibility is covered by the SAP Extension Policies:

**SAP's cloud extension model** allows customers to reallocate elements of their installed on-premise solutions to the respective cloud solutions from SAP, replacing on-premise license and maintenance with a cloud subscription. SAP Cloud solutions under this policy include the recently announced subscription models for SAP HANA, SAP HANA Applications and the SAP Business Suite on SAP HANA deployed in a private managed cloud environment via SAP HANA Enterprise Cloud. Also included are public cloud offerings such as solutions from SAP companies Ariba and SuccessFactors.

**SAP's on-premise extension model** allows customers to replace their on-premise licenses and maintenance with selected solutions from SAP's innovative on-premise portfolio. For customers that are not looking to realize the opportunities from cloud and on-premise extension models SAP is prepared to handle requests outside these two models, which may involve maintenance termination without purchasing new SAP solutions. Such a request will lead to a rediscounting of the customers' individual maintenance base for the product family in which the reduction is requested. It is already possible. See "SAP extension policy".

### **SAP Extension Policies:**

<https://support.sap.com/support-programs-services/programs/extension-policies.html>



**Question 2:**

***How do SAP plan to manage the shift in license and maintenance revenue from a traditional Perpetual License On Premise model to a Subscription model? (SAUG)***

At this stage SAP offers customers to move to the cloud by using the SAP extension policy. (See Question 1)

**Question 3:**

***How does SAP envision the process of merging, converging or migrating the contracts for on-premise solutions and the contracts for cloud offerings into one new contract model? How can customers have clear transparency on the possibilities to exchange components of overlapping functionality in both type of contracts? For example what can/will happen with already purchased ESS/MSS or other SAP HCM licenses when moving to SuccessFactors? (VSNG)***

The SAP cloud strategy follows the principal of “start anywhere go everywhere”. So depending on customer situation (prerequisites and business case) SAP offers respective solutions.

As well the following points should be considered:

- a) SAP Extension Policies (see Question 1)
- b) HANA Enterprise Cloud  
The HANA Enterprise Cloud (HEC) should be addressed, which is a private managed Cloud that allows to combine already licensed On Premise Software and add if desired new Subscription Licenses, all put together with Infrastructure and Managed Services costs in one only integrated price quoted to the customer.  
<http://hana.sap.com/deployment/sap-hana-enterprise-cloud.html>
- c) S4HANA  
another possibility is move to S4HANA, either On Premise or Cloud. S4HANA is a new simplified code-line that replaces traditional ERP code-line with new functionality leveraging SAP Fiori UI and running on HANA.  
<http://www.sapserviceshub.com/h/i/75000567-run-simple-with-sap-s-4hana>
- d) Cloud Services  
SAP offers various services to customers to support their cloud transformation strategy, e.g. Cloud Advisory Service, Business Transformation Services, etc.  
<http://www.sapserviceshub.com/h/i/73506417-run-simple-with-sap-hcm-cloud>

Customers can ask the Account Executive for more details

**Question 4:**

***Is it possible for SAP to allow customers that already have an Enterprise User License Agreement to license SAP B1 under the same contract rather than having to sign a separate contract via another value added reseller? (INDUS)***

There is the possibility of selling B1 in a direct channel (in exceptional cases). But as the contractual Terms and Conditions are not the same, the B1 deals require a separate Agreement.

The customer can ask the Account Executive for B1 Direct.



**Question 5:**

***Some Customers get confused when SAP changes the name of the licenses, which makes it difficult to identify which licenses they have. (AUSAPE)***

Usually the material number stays the same if there is “only” a renaming of a SAP product. If there is a change, i.e. in functionality, there will be a new name and material number. So it’s necessary from time to time to change something.

**Question 6:**

***Will SAP consider trade off existing license with cloud license? (SUGMENA)***

See Question 1, SAP Extension Policies

**Question 7:**

***How might the recent increase in the cost of Oracle licenses through SAP affect Microsoft, or even DB2? (UKISUG)***

SAP is “only” reseller for 3<sup>rd</sup> party licenses, therefore the prices are depending on the 3<sup>rd</sup> party vendors.

**Question 8:**

***Given the on-going discussions concerning simplifying licensing arrangements, pricing models and discounts can we expect a more consistent SAP view on pricing of products from new acquisitions, especially in the Cloud areas? Is it SAP policy to bring consistency/simplicity to bear over new acquisitions? At what point does flexibility/continuity aimed at maximizing role and staff retention cease to outweigh the advantages of one-face-to-the customer? (SAPSA)***

For business stability and continuity, SAP ensures that the operations of any acquired company remains stable.

In the meantime, SAP sets up a post-acquisition integration team that is tasked with a smooth transition and integration with SAP’s standard processes, systems and business models. Typically, integration happens within a 1-2 year time frame after the company’s acquisition.

From a pricing and license context, this means that the pricing and license model of the products or services from the acquired company is maintained during this transition period.

However, on a medium to long term, SAP makes all efforts possible to standardize license model with SAP’s own products / services portfolio for simplicity and ease in doing business with customers and business partners.



## **Service & Support**

### **Question 9:**

***There are a number of complaints with regard to the release of OSS notes to cover new legal changes: the quality of the response doesn't fit customer needs and sometimes it comes too late. (AUSAPE)***

There is an overview of the legal changes to be delivered available in service market place (<http://service.sap.com/legalchanges>), and corresponding deliveries are announced with a sufficient lead time. So far, we have been receiving good feedback for our legal change deliveries, e.g. just recently from DSAG. We are happy to be informed if there was an example where we have not delivered to the satisfaction of our customers and we will analyze the reasons for that.

With respect to the mentioned examples in Spain, respective solutions can be found in note 2008573 (e-invoice) and 2008017 (Cret@).

## **SAP Product Strategy**

### **Question 10:**

***Cloud adoption in our region is extremely slow. The focus is highly on sale but technical challenges are still far from resolution. (SUGMENA)***

This is a fair comment and SAP follows exactly the suggested way. As per SAP strategy, Hana Cloud Platform – HCP is the foundation and Hana Cloud Integration will be the basis of integration (as cloud middleware) between SAP Cloud solutions and any other extension or industry specific development as well as integration with the back end systems. Foundation has to be laid and be right so going forward the landscape will be robust.

In specific to SF example, it is important to note there that SAP S4HANA suite adopts SuccessFactors as the HCM pillar.

Cost of connectivity was an observed challenge in the region and it was a supporting argument to bring HEC DC to the region.

Cloud provisioning systems are open for certified SAP partners currently as the best practice. In any case, there are several admin tasks that can be covered by Admin users from customers.

### **Question 11:**

***When can we see local cloud which will allow public listed company to host their data? Will SAP consider trade off existing license with cloud license? (SUGMENA)***

Local cloud is already being offered as PaaS – Platform as a service thru our HEC partnerships. This will provide the PaaS platform for the future suite version for S4/HANA

For certain solutions where customers strictly prefer to retain their data inside the country, i.e. payroll, SAP has partnership models to host applications inside the country. (previously called MCaaS as SAP term).



For other mainstream public cloud solutions, local DC are a consideration for future.

For shifting from on premise license to cloud services, SAP already has a framework called cloud extension.

This possibility is covered by the SAP Extension Policies:

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#### **SAP Extension Policies:**

<https://support.sap.com/support-programs-services/programs/extension-policies.html>

#### **Question 12:**

***SAP offers a confusingly wide range of products to spread data between its own solutions and to others. E.g. HANA SLT (Mass replication), MDx products (MDG/MDM/MDGEE for Contextual replication), PI Orchestration (Process-centric replication to/from Cloud), ALE, IDOCS, PI, BAPIs etc. We need clarity about which of these will remain 'core' and strategic, in the new worlds of S/4HANA and HEC, so that our members know which technologies are future-proof. (SAPSA)***

As for now none of the mentioned traditional integration technologies are deprecated within SAP S/4HANA and (technically removed) from the S/4HANA technology stack. In addition to this technical availability the working assumption of the S/4HANA integration workstream is that all released application interfaces are still available (or adapted in a compatible way to comply with S/4HANA scope and data structure).

Accordingly the assumption is that all the mentioned traditional integration technologies ((IDOC, ALE, BAPI, RFC enabled function modules, XI infrastructure, SOA Web-services, SAP JAVA Connector ....) are still supported after the upgrade to S/4HANA On-Premise

- For the move into the SAP S/4HANA Cloud editions the cloud system will be newly implemented and data are migrated from source system into cloud target system. Technically the data migration into the cloud is based on the **SAP Landscape Transformation (SLT)** technology.
- The move into the SAP S/4HANA, on-premise edition is for current SAP Business Suite customer based on an upgrade-like procedure based on lifecycle management architecture. For new



customer the currently offered migration services (for SAP Business Suite) are based **SAP Data Services** technology.

- For SAP S/4HANA on-premise edition, the customer data (transformed and validated) are loaded into the SAP S/4HANA system via IDocs and WebServices, but can also be done with files & BAPIs.
- In S/4HANA the central integration platform is the HANA Cloud Integrator (HCI) - see sap help: <http://help.sap.de/cloudintegration>.  
Based on pre-defined integration content S/4HANA systems can be integrated with SAP cloud solutions like SFSF, ARIBA, C4C, Hypris ...  
Based on the HCI capabilities the integration with 3rd party systems can be done on project-specific basis.

**Question 13:**  
**SAP's strategy on HANA? (USF)**

SAP customers and partners can access the **detailed** roadmap on the SAP Service Marketplace: [here](#)

<https://service.sap.com/~sapidb/012002523100006634812015E.pdf>

The **SAP Business Suite** is optimized to run on traditional relational disc-based databases and to be database agnostics, which obviously created quite some overhead in the Business Application to cater for all the different database vendors as well to all the different database versions of these vendors.

SAP continues to provide enhancements via Enhancement packages for the years to come.

**SAP Business Suite on HANA** is optimized for SAP HANA database to the maximum extend of what is possible using a single code line which SAP Business Suite on HANA shares with the SAP Business Suite. Some of the optimizations are:

- Real-time OLAP capabilities inside the ERP system allows you to run all your operational reports directly in the source data using SAP HANA Live
- Fiori Smart Business Cockpits using SAP HANA Live providing real-time insights in real-time Business Processes
- Free Text searches – google-like experience in ERP improving for example customer service by reducing customer response times w regards to sales orders
- Eliminate batch processes and enable real-time operations like in Plant Maintenance

**SAP Business Suite 4 HANA - S/4HANA** is an ERP innovation based on a new and radically simplified data model design concept which is only possible with an in-memory database like SAP HANA. Please review this [Video on YouTube](#) for more details.

Based on the new data model, S/4HANA replaces successively the old code line with a new code line which is unconstrained from the confinements of the traditional databases and which allows SAP,



partner and customer developers to maximize the benefits of the modern in memory database technology to the fullest extent.

Modern in-memory technology as in SAP HANA we define as in-memory first processing instead of replicating a subset of data from disc to memory.

The first innovation delivered with S/4HANA is sFIN, available for cloud and on premise editions. Next lining up is a new project services module **Video**, currently only available in the cloud edition, and sLog, which will massively simplify the Inventory Management data model for all transactions using Inventory balances.

SAP is leading the S/4HANA innovation with the S/4HANA cloud edition, releasing 4 upgrades every year, which are available as a bundle once a year for on premise customers. This year's sFIN release was an exception, as this release was available on premise and in the cloud at the same time.

sFin is mandatory for all additional, future innovations, as S/4HANA is a fully integrated system. A customer can choose if and which innovations to be switched on and when. Means a customer could decide to run sFin now, and sLog later or not at all.

As S/4HANA is based on a new code line, does this mean we need to migrate our data?

Because S/4HANA is using the new data model optimized for the new code line, yes, the data will be migrated from the old data model to the new data model during the activation of the new code line within the innovation exchange processes. This also includes the deletion of data from the now obsolete auxiliary tables like aggregates and secondary indices, which is the basis for the extensive footprint reduction from the SAP Business Suite to S/4Hana.

**Question 14:**

***Why SAP is not putting focus on the Industry Solutions? The perception is that there is more focus on technology, cloud, and mobile. The existing Industry Solutions require attention and new Industry Solutions are needed. The investment in the market and specifically business solution should be diversified. (SUGMENA)***

SAP's marketing activities appear to be centered around Cloud and Hana as the company continues to transform its offerings. However, Industry remains at the core of SAP through its Industry Cloud organization. Innovations to leverage in-memory continue in all industries such as Customer Activity Repository in Retail, Fraud Management in Public Sector, Predictive Maintenance in ENR. SAP's CEC solutions are also being "industrialized" such as Omni Channel for FSI or Public Sector.

Additional information will be provided in SUGEN member Call in June 2015

**Question 15:**

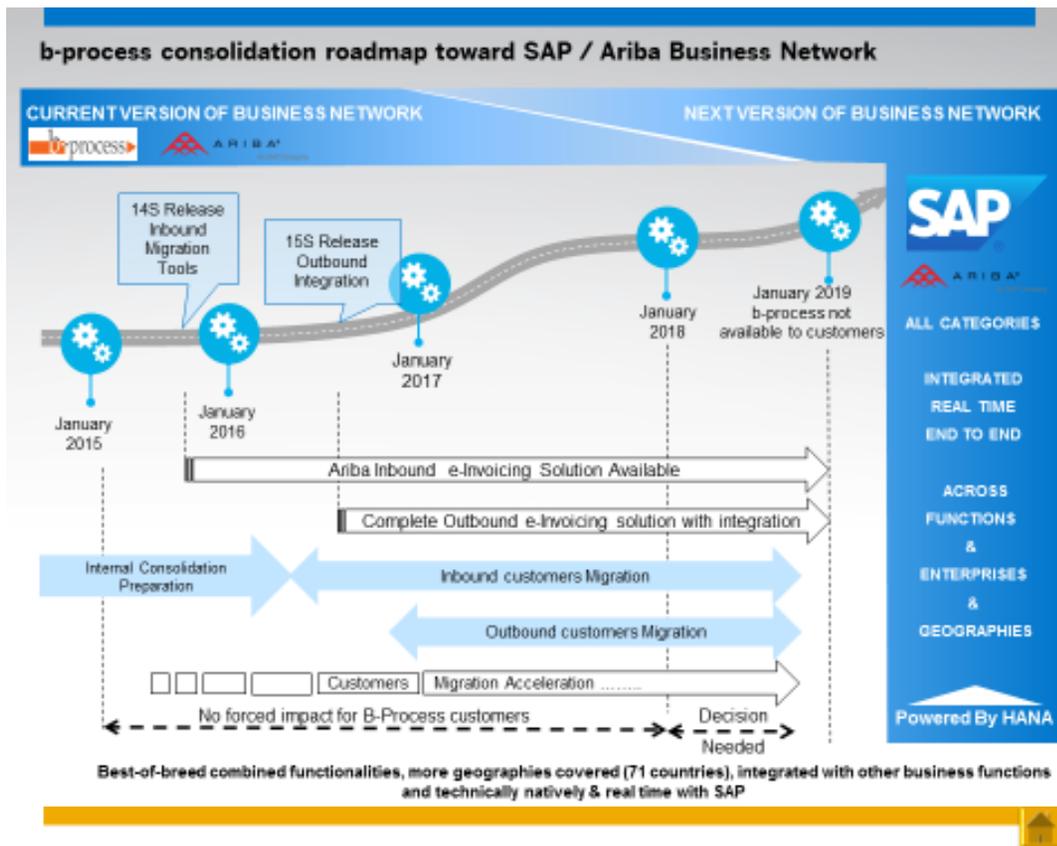
***What are SAP's plans to ensure the consistency of Data Models between the traditional non-HANA Business Suite products and the new products that are being introduced as part of recent acquisitions? (SAUG)***

open



**Question 16:**

**SAP's strategy on Ariba and what is the impact for customers? (USF)**



## eArchiving impact on b-process customers

### eInvoices on b-process

- B-process customers today can archive their eInvoices for the period of time required by law
- B-process uses a partner service from CDC Arkhinéo
- Even after migration to Ariba, b-process customers would continue to have access to their archived invoices that are stored on CDC

### eInvoices on Ariba

- Once b-process customers migrate to Ariba, then the new eInvoices would be archived on the Ariba business network for the period of time required by law
- Access to the eInvoices archived on Ariba would be available through the Ariba Network user interface.

**Question 17:**

***What is SAP's strategy on User Interfaces : SAPGUI, WebGui, Webdynpro, Business Client, Screen Personas, Fiori, ... ?***

***What will be the solution with Fiori for connections with a low band-width or with latency? (USF)***

Information will be provided in SUGEN Member Call in June 2015

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