# Licensing Overview SAP S/4HANA on-premise

**Michael Deller, Dirk Kaestner**

**Global S/4HANA Solution Management**

**Session ID #82650**

We want to hear from you! Be sure to complete the session evaluation on the SAPPHIRE NOW and ASUG Annual Conference mobile app.

# Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

http://info.asug.com/2019-ac-slides

# Let's Be Social.

Stay connected. Share your SAP experiences anytime, anywhere. Join the ASUG conversation on social media: **@ASUG365 #ASUG**

# Q&A

For questions after this session, contact us:

at our SAPPHIRE booth in the **Digital Core / S/4HANA** area

or here:

Michael Deller

https://twitter.com/MichaelKDeller

https://www.linkedin.com/in/michael-deller/

https://www.xing.com/profile/Michael_Deller

mailto:michael.deller@sap.com

Dirk Kaestner

https://www.linkedin.com/in/dirk-kaestner-48695611

https://www.xing.com/profile/Dirk_Kaestner

mailto:dirk.kaestner@sap.com

# Topics: SAP S/4HANA On-premise Licensing Overview

Introduction


SAP S/4HANA On-premise Licensing

- Licensing model for new customers
- Licensing model for existing customers
- Core versus extended scope – Licensing of Industry & LoB solutions
- Compatibility Packs


Safeguarding our customers' investments

- S/4HANA Product and S/4HANA Contract Conversion
- Cloud extension policy


Indirect Use / Digital Access
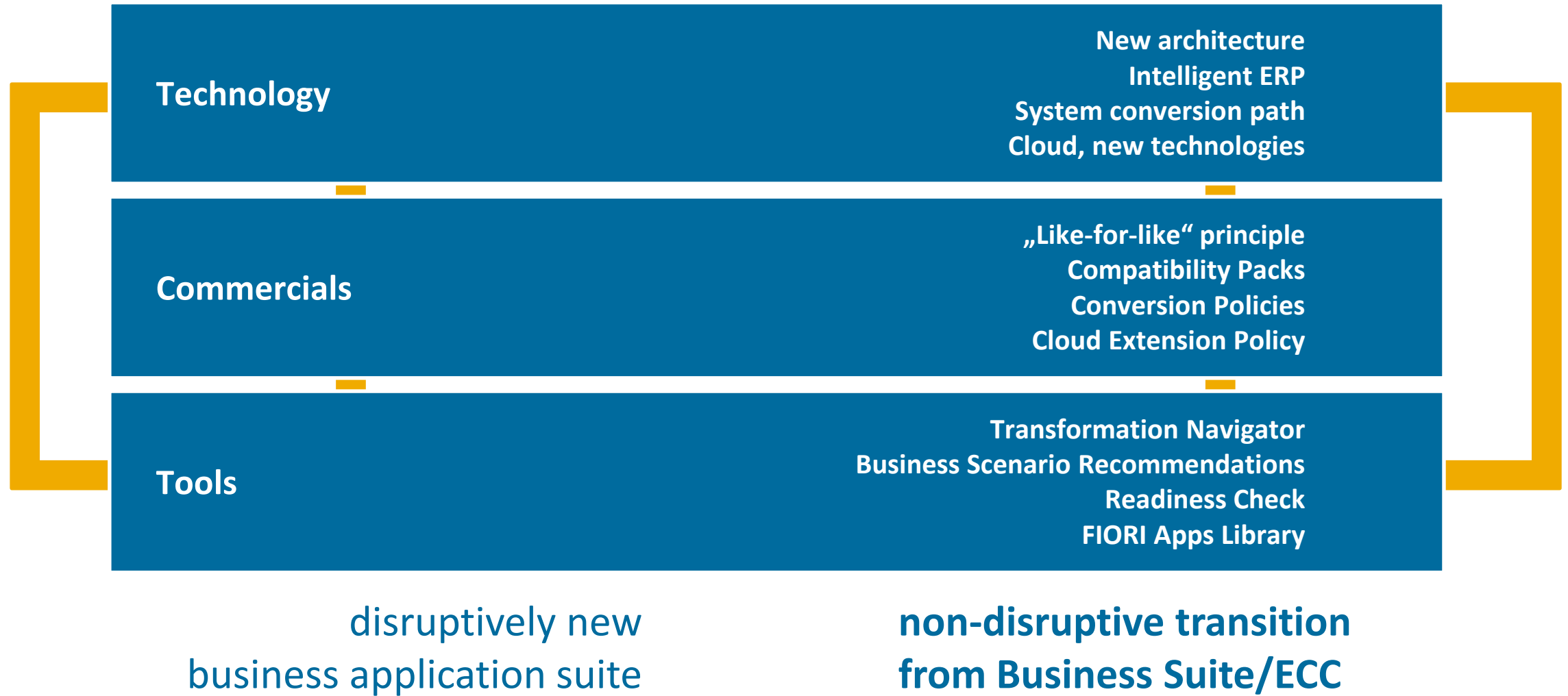
# SAP S/4HANA – Our Goals



disruptively new
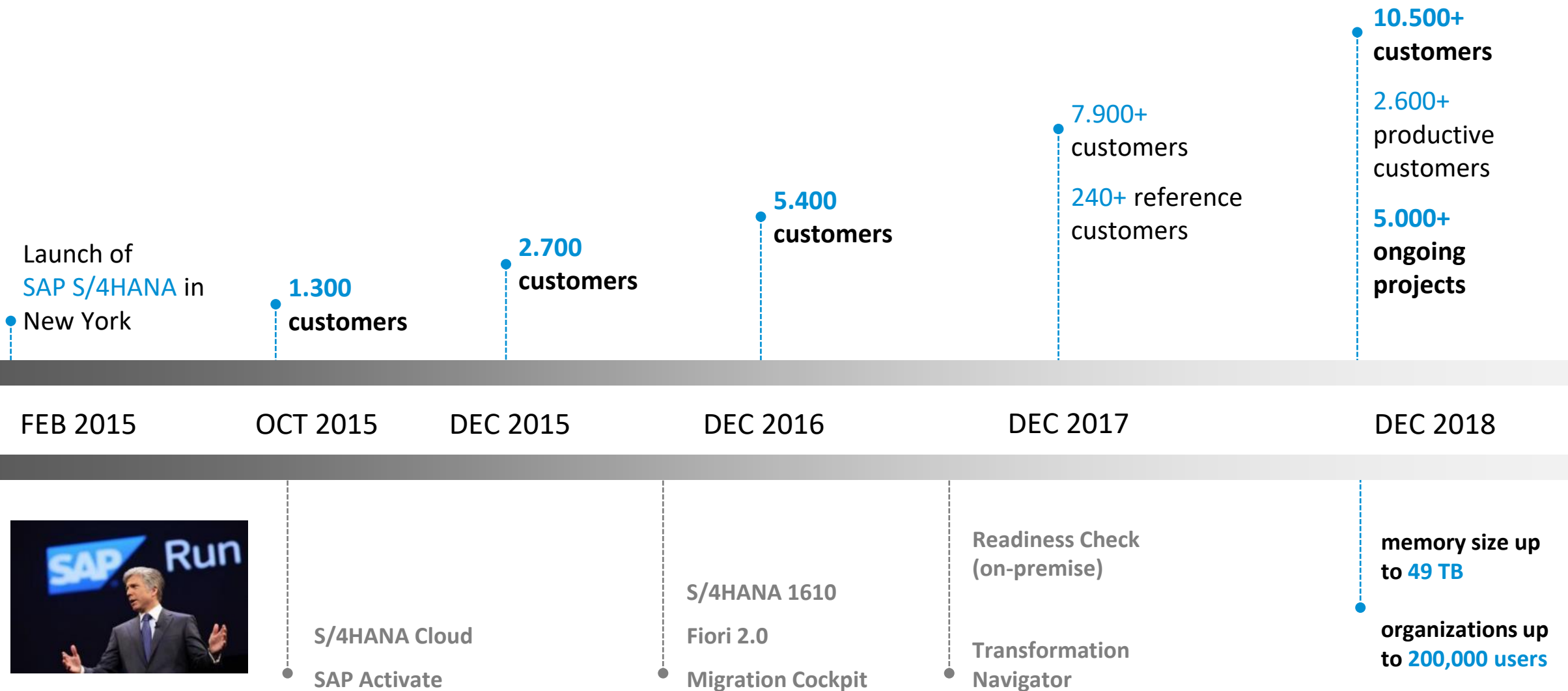business application suite

**&**



**non-disruptive transition
from Business Suite/ECC**

# SAP S/4HANA – Implementing The Goals

| | |
|---|---|
| **Technology** | **New architecture**<br>**Intelligent ERP**<br>**System conversion path**<br>**Cloud, new technologies** |
| **Commercials** | **„Like-for-like" principle**<br>**Compatibility Packs**<br>**Conversion Policies**<br>**Cloud Extension Policy** |
| **Tools** | **Transformation Navigator**<br>**Business Scenario Recommendations**<br>**Readiness Check**<br>**FIORI Apps Library** |

disruptively new
business application suite

**non-disruptive transition
from Business Suite/ECC**

# SAP S/4HANA: Where We Are Now

**10.500+**
**customers**

2.600+
productive
customers

**7.900+**
customers

5.000+
**ongoing projects**

**5.400**
**customers**

240+ reference
customers

Launch of
SAP S/4HANA in
New York

**2.700**
**customers**

**1.300**
**customers**

| FEB 2015 | OCT 2015 | DEC 2015 | DEC 2016 | DEC 2017 | DEC 2018 |
|---|---|---|---|---|---|



**Readiness Check
(on-premise)**

**memory size up
to 49 TB**

**S/4HANA 1610**

**Fiori 2.0**

**S/4HANA Cloud**

**SAP Activate**

**Migration Cockpit**

**Transformation
Navigator**

**organizations up
to 200,000 users**

# SAP S/4HANA – Suite 1809

## Sales & Marketing
- SAP digital payments add-on
- SAP CRM

**SAP C/4HANA**
- SAP Sales Cloud
- SAP Commerce Cloud
- SAP Marketing Cloud

- Sales performance management

- Order and contract management
- Sales force support

## Finance
- Governance, risk, and compliance
- SAP Multi-Bank Connectivity
- SAP digital payments add-on
- SAP Cash Application
- Financial planning & analysis

**SAP Ariba** / **SAP Concur** C

- Advanced accounting & financial close
- Advanced financial operations
- Treasury management
- Commodity management
- Subscription billing and revenue management

- Accounting and financial close
- Financial operations
- Cost management & profitability analysis
- Enterprise risk and compliance

## Manufacturing
- Responsive manufacturing (ME, MII, QIM, VE)
- Production operations (MII, QIM)
- Digital operations for manufacturing
- Production Engineering

- Extended production planning & scheduling
- Complex manufacturing

**Demand-driven MRP**

- Production planning
- Production operations
- Quality management
- Manufacturing insights

**New MRP**

## Supply Chain
- Integrated business planning
- Global batch traceability
- Extended warehouse management
- Transportation management

- warehousing
- transportation
- order promising

- ing
- and transportation
- Order promising

---

**SAP S/4HANA**
Enterprise Management

---

## Service
- Service master data and agreement management
- Service operations and processes
- Service parts management

**Service and SFA**

**SAP C/4HANA**
- SAP Service Cloud

## Asset Management
- Maintenance management

- Asset operations and maintenance
- Environment, health, and safety

**Asset Central integration**

- Framework
- SAP Intelligent Asset Management

## R&D / Engineering
- Project control
- Product engineering

**Variant configuration**

management

**Product compliance**

- Digital operations for R&D
- Requirement management (IPD)

## Sourcing & Procurement
- Operational procurement
- Sourcing and contract management
- Supplier management
- Procurement analytics
- Invoice management

- Central procurement

- Supplier collaboration
- Business network
- Guided end-user buying
- External workforce management

**SAP Ariba** / **SAP Concur** C **SAP Fieldglass**

## Human Resources
- Core HR and time recording

- Core human resources and payroll
- Talent management
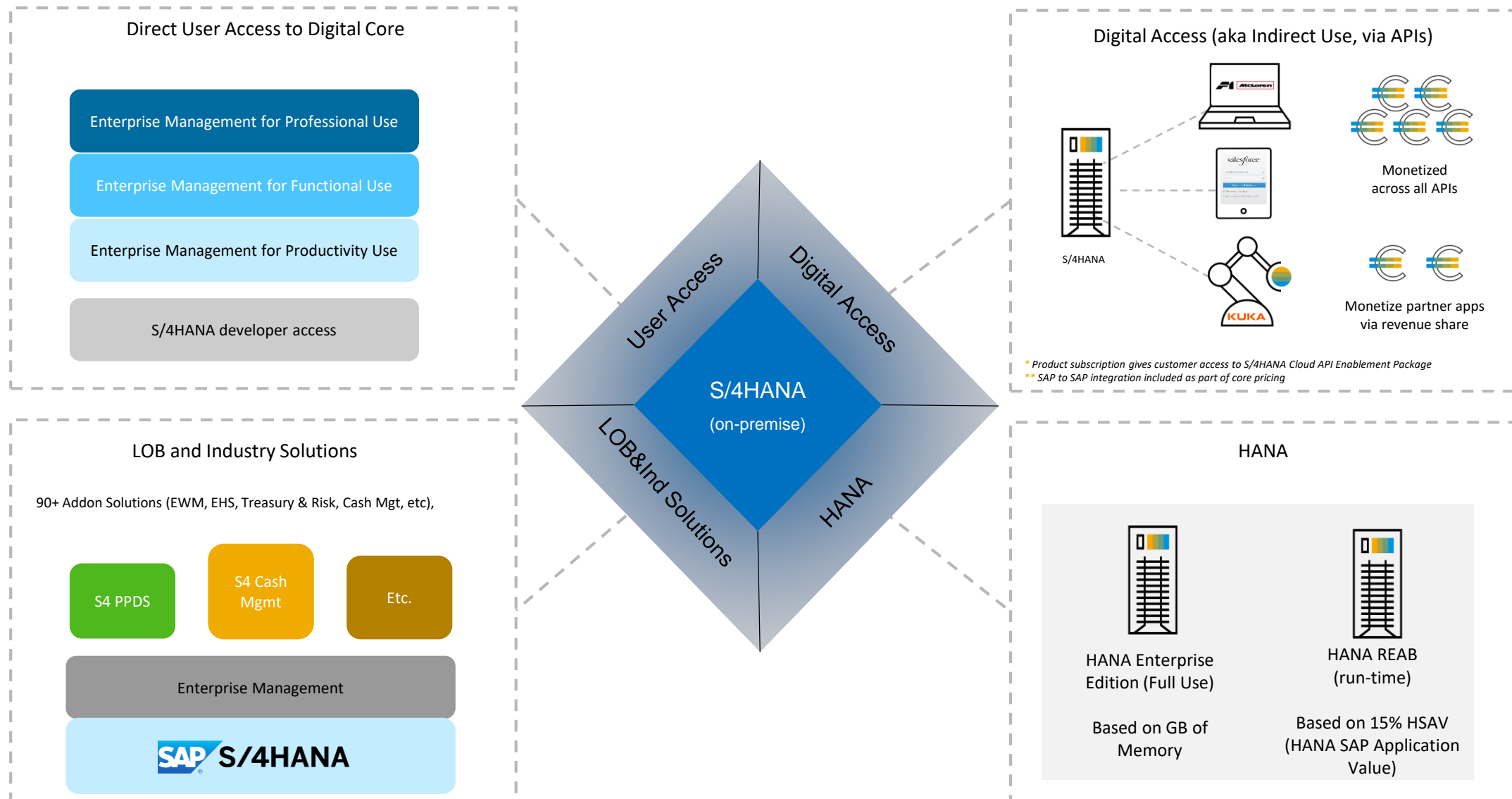- Time and attendance management
- Human capital analytics

**SAP SuccessFactors** ♡ **SAP Fieldglass**

---

**Suite LoB Solutions****

**S/4HANA LoB Solutions***

**S/4HANA LoB Solutions***

**Suite LoB Solutions****
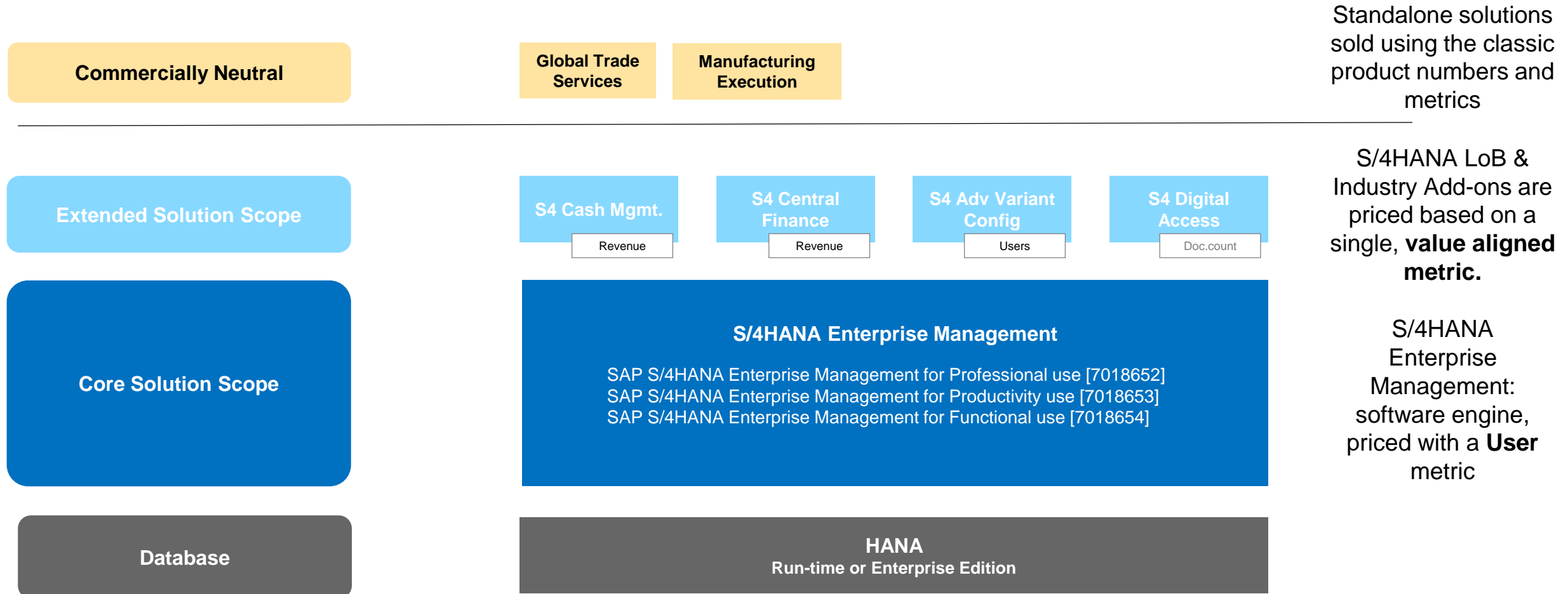
# SAP S/4HANA On-premise Licensing Model

- Licensing model for new customers
- Licensing model for existing customers
- Core versus extended scope – Licensing of Industry & LoB solutions
- Compatibility Packs

# The 4 Dimensions of S/4HANA On-Premise Licensing (perpetual)

## Direct User Access to Digital Core

Enterprise Management for Professional Use

Enterprise Management for Functional Use

Enterprise Management for Productivity Use

S/4HANA developer access

## Digital Access (aka Indirect Use, via APIs)

S/4HANA

Monetized across all APIs

Monetize partner apps via revenue share

*Product subscription gives customer access to S/4HANA Cloud API Enablement Package*
** SAP to SAP integration included as part of core pricing*

## LOB and Industry Solutions

90+ Addon Solutions (EWM, EHS, Treasury & Risk, Cash Mgt, etc),

S4 PPDS

S4 Cash Mgmt

Etc.

Enterprise Management

**SAP S/4HANA**

User Access

Digital Access

LOB&Ind Solutions

HANA

**S/4HANA**
(on-premise)

## HANA

HANA Enterprise Edition (Full Use)

Based on GB of Memory

HANA REAB (run-time)

Based on 15% HSAV (HANA SAP Application Value)

# SAP S/4HANA On-premise Licensing – For New Customers
## Direct User Access to Digital Core and LoB & Industry Solutions

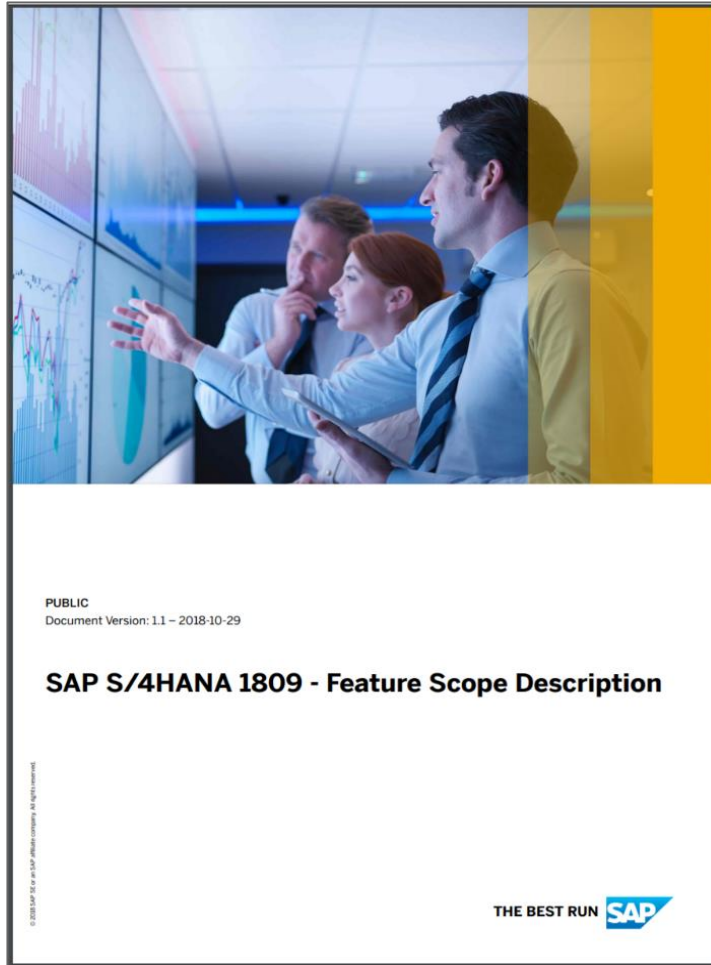Standalone solutions sold using the classic product numbers and metrics

**Commercially Neutral**

| Global Trade Services | Manufacturing Execution |

S/4HANA LoB & Industry Add-ons are priced based on a single, **value aligned metric.**

**Extended Solution Scope**

| S4 Cash Mgmt. | S4 Central Finance | S4 Adv Variant Config | S4 Digital Access |
| Revenue | Revenue | Users | Doc.count |

**Core Solution Scope**

**S/4HANA Enterprise Management**

SAP S/4HANA Enterprise Management for Professional use [7018652]
SAP S/4HANA Enterprise Management for Productivity use [7018653]
SAP S/4HANA Enterprise Management for Functional use [7018654]

S/4HANA Enterprise Management: software engine, priced with a **User** metric

**Database**

**HANA**
**Run-time or Enterprise Edition**

# SAP S/4HANA Licensing – For New Customers
## Details on Direct User Access to Digital Core

**UPDATE**

### 7018652 SAP S/4HANA Enterprise Management for <u>Professional use</u>
This license allows performing all role required operations, including management and system administration tasks.

#### 7018654 SAP S/4HANA Enterprise Management for <u>Functional use</u>

- Inventory Analytics
- Returnable Packaging Logistics
- Transportation Management
- External Processing
- Subcontracting
- Just-in-time Inbound Processing
- Kanban
- Repetitive Manufacturing
- Quality Engineering
- Quality Improvement
- Quality Inspection
- Manufacturing Analytics
- Maintenance Planning & Sched.
- Master Data Maintenance
- Project Financial Control
- Project Logistics Control

- Production BOM Management
- Recipe/Routing Management
- Variant Configuration
- Inspection Planning
- Product Development Foundation
- Warranty Management
- Service Request Management
- Service Order Management
- Service Fulfilment
- Service Billing & Settlement
- Multi-Channel Customer Engagement
- Sales Order Management and Processing
- Opportunity Management
- Sales Lead Management
- Activity Management

#### 7018653 SAP S/4HANA Enterprise Management for <u>Productivity Use</u>

- Goods Movement
- Warehouse Management
- Shipping
- Available to Promise
- Material Requirements Planning
- Production Control
- Production Execution
- Maintenance Execution
- Self-Service Requisitioning
- Organizational Management
- Time Sheet

**7018682 SAP S/4HANA, developer access**

# SAP S/4HANA On-premise Licensing – For Existing ERP Customers

## Direct User Access to Digital Core and LoB & Industry Solutions

| Commercially Neutral | | Global Trade Services | Manufacturing Execution |
|---|---|---|---|

| Extended Solution Scope | S4 Cash Mgmt. | S4 Central Finance | S4 Adv Variant Config | S4 Digital Access | **NO** SAP Named Users required for S/4HANA engines |
|---|---|---|---|---|---|
| | Revenue | Revenue | Users | Metric | |

S/4HANA LoB & Industry Add-ons are priced based on a single, **value aligned metric.**

**Core Solution Scope**

**S/4HANA Enterprise Management for ERP customers  [7018538] - flat fee**

**SAP ERP Named Users**

S4H Flat-fee: SAP Named Users are required when accessing S/4H Enterprise Management

**ERP package**
**Flat fee (includes 5 Prof. named users)**

Already have this

**Database**

**HANA**
**Run-time or Enterprise Edition**

Already have this

# Guiding Principle: No surcharge on like for like functionality

- **Principle of ONE** drives us to deliver only **ONE solution** for **ONE business problem**
- Even if ERP capabilities are realized in a solution that comes with its own license, we do not charge in case solely the functional scope is used, that is described as part of S/4HANA Enterprise Management
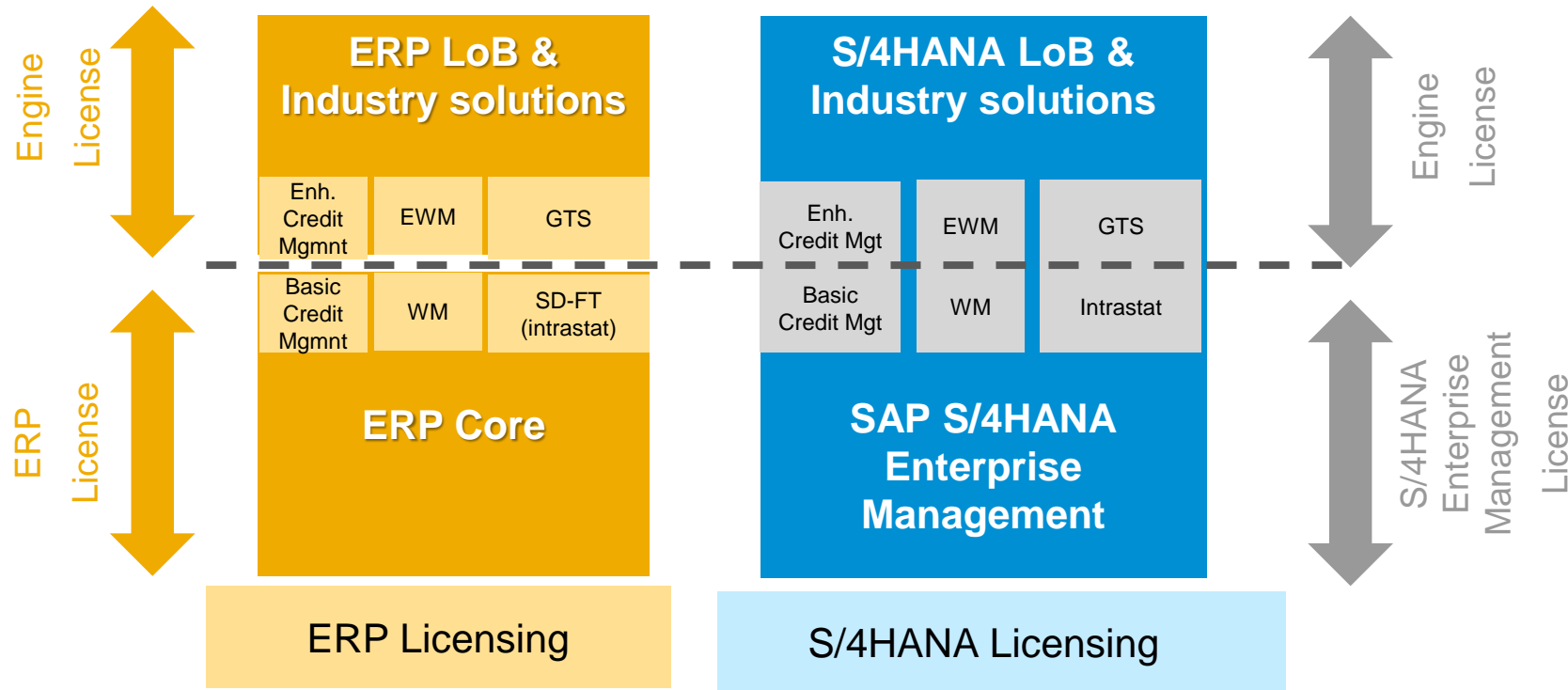
# SAP S/4HANA 1809 – Direct User Access to the Digital Core
Feature Scope Description



**PUBLIC**
Document Version: 1.1 – 2018-10-29

**SAP S/4HANA 1809 - Feature Scope Description**

THE BEST RUN **SAP**



## Content

Publicly available on help.sap.com

Chapter 2: scope of S/4HANA
Enterprise Management

Chapter 3, 4: scope of S/4HANA
LoB- and Industry Solutions

# Compatibility Packs in SAP S/4HANA
## Motivation

Why allow the use of Compatibility Packs on SAP S/4HANA?
- Make transition easier for customers using SAP ERP/Business Suite
- Allow sufficient time for redesign of business processes under S/4HANA

Only SAP S/4HANA solutions are allowed to run on an SAP S/4HANA installation
- SAP S/4HANA is a new product, not the legal successor of SAP ERP/SAP Business Suite products
- Separation of the commercial worlds is essential [via Software Use Rights (SUR)]

✔

**ERP LoB & Industry solutions**

**ERP Core**

ERP Licensing

✔

**S/4HANA LoB & Industry solutions**

**SAP S/4HANA Enterprise Management**

S/4HANA Licensing

**ERP LoB & Industry solutions**

❌

**SAP S/4HANA Enterprise Management**

**ERP Core functionality**

❌

**SAP S/4HANA Enterprise Management**

S/4HANA Licensing

*unless explicitly permitted*
*via „Compatibility Packs"*

# Compatibility Packs in SAP S/4HANA

Overview

SAP grants a timely restricted[1] use right for specific classic SAP solution functionality[2]
to S/4HANA customers, at no extra cost[3]

    (1) restricted until the end of 2025

    (2) whitelist: compatibility packs as documented in note 2269324 and in the Software Use Rights (SUR)

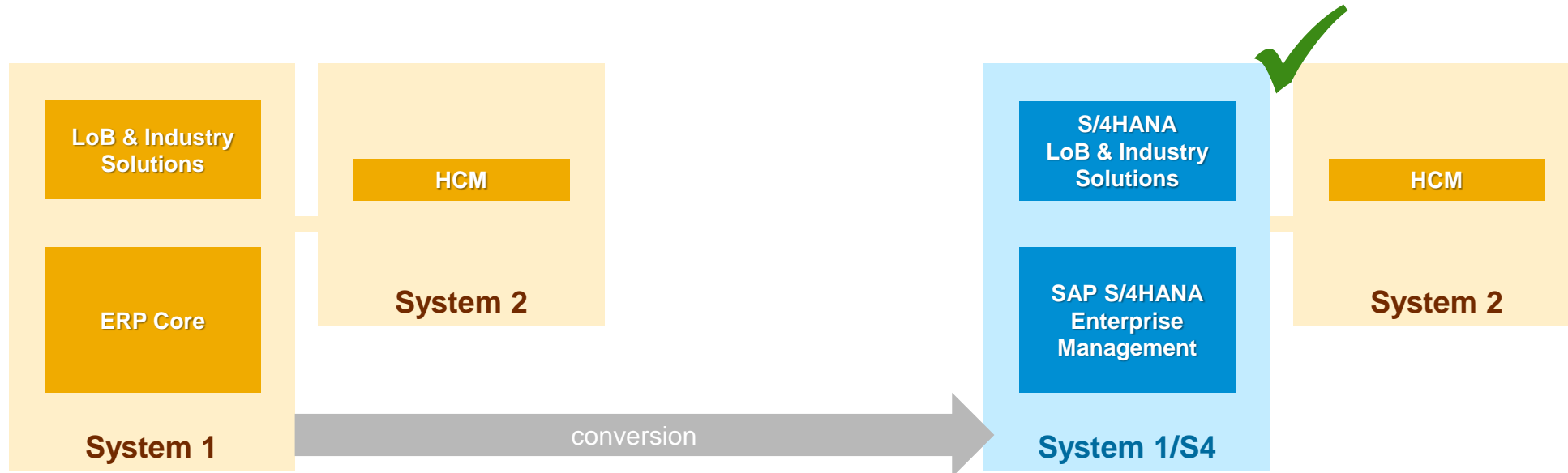    (3) condition: customer has licensed SAP S/4HANA and the classic solution

Compatibility Packs are only required for solutions which are installed on the SAP S/4HANA
instance – not for side-by-side installations.

SAP aims to replace these classic solutions by the end of 2025
with a genuine S/4HANA solution.

# Compatibility Packs in SAP S/4HANA

Overview

SAP grants a timely restricted[1] use right for specific classic SAP solution functionality[2]
to S/4HANA customers, at no extra cost[3]
(1) restricted until the end of 2025
(2) whitelist: compatibility packs as documented in note 2269324 and in the Software Use Rights (SUR)
(3) condition: customer has licensed SAP S/4HANA and the classic solution

Compatibility Packs are only required for solutions which are installed on the SAP S/4HANA instance – not for side-by-side installations.

SAP aims to replace these classic solutions by the end of 2025
with a genuine S/4HANA solution.

# Compatibility Packs in SAP S/4HANA

A Bridge Into the New World – Side-by-side versus On-stack Installation

Running a classic SAP ERP solution side-by-side with SAP S/4HANA does not require a Compatibility Pack.

# Compatibility Packs in SAP S/4HANA
A Bridge Into the New World – Side-by-side versus On-stack Installation

Example: HCM as on-stack installation
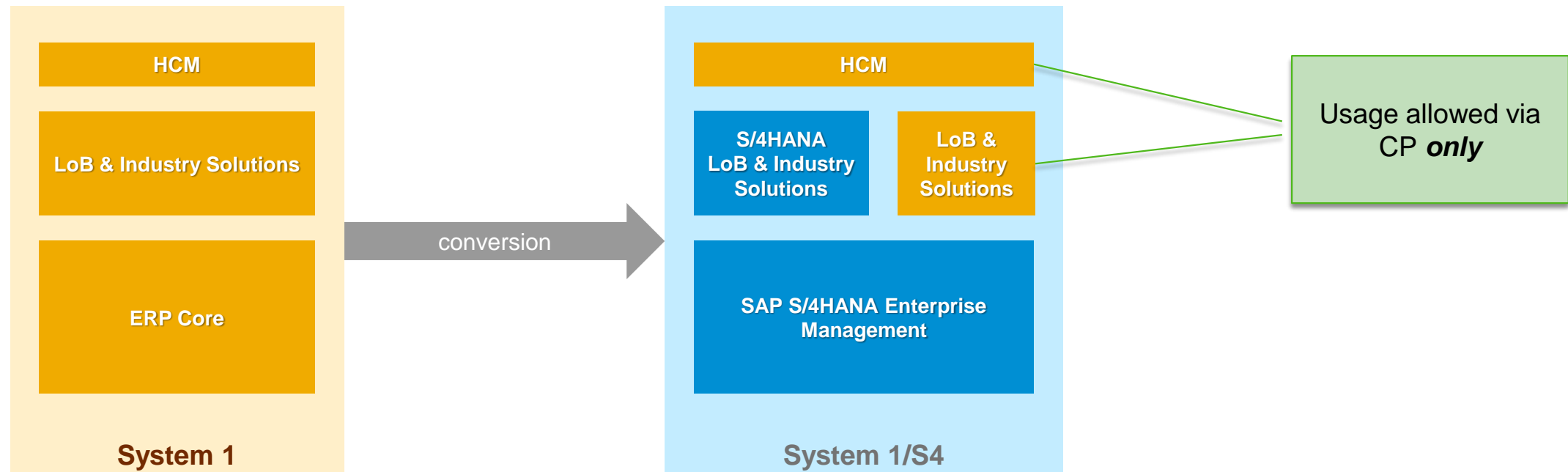
# Compatibility Packs in SAP S/4HANA

## Overview

SAP grants a timely restricted[1] use right for specific classic SAP solution functionality[2]
to S/4HANA customers, at no extra cost[3]
(1) restricted until the end of 2025
(2) whitelist: compatibility packs as documented in note 2269324 and in the Software Use Rights (SUR)
(3) condition: customer has licensed SAP S/4HANA and the classic solution

Compatibility Packs are only required for solutions which are installed on the SAP S/4HANA
instance – not for side-by-side installations.

SAP aims to replace these classic solutions by the end of 2025
with a genuine S/4HANA solution.

# Safeguarding Our Customers' Investments

# The SAP S/4HANA family and transition paths

Technical View

**SAP Business Suite**

**SAP S/4HANA family**



SAP ERP System
(on AnyDB)

**New implementation only**

SAP S/4HANA Cloud

SAP ERP System
(on SAP HANA)

SAP S/4HANA On-premise
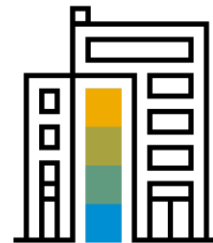
System Conversion
New Implementation
Landscape Transformation

# The SAP S/4HANA family and transition paths
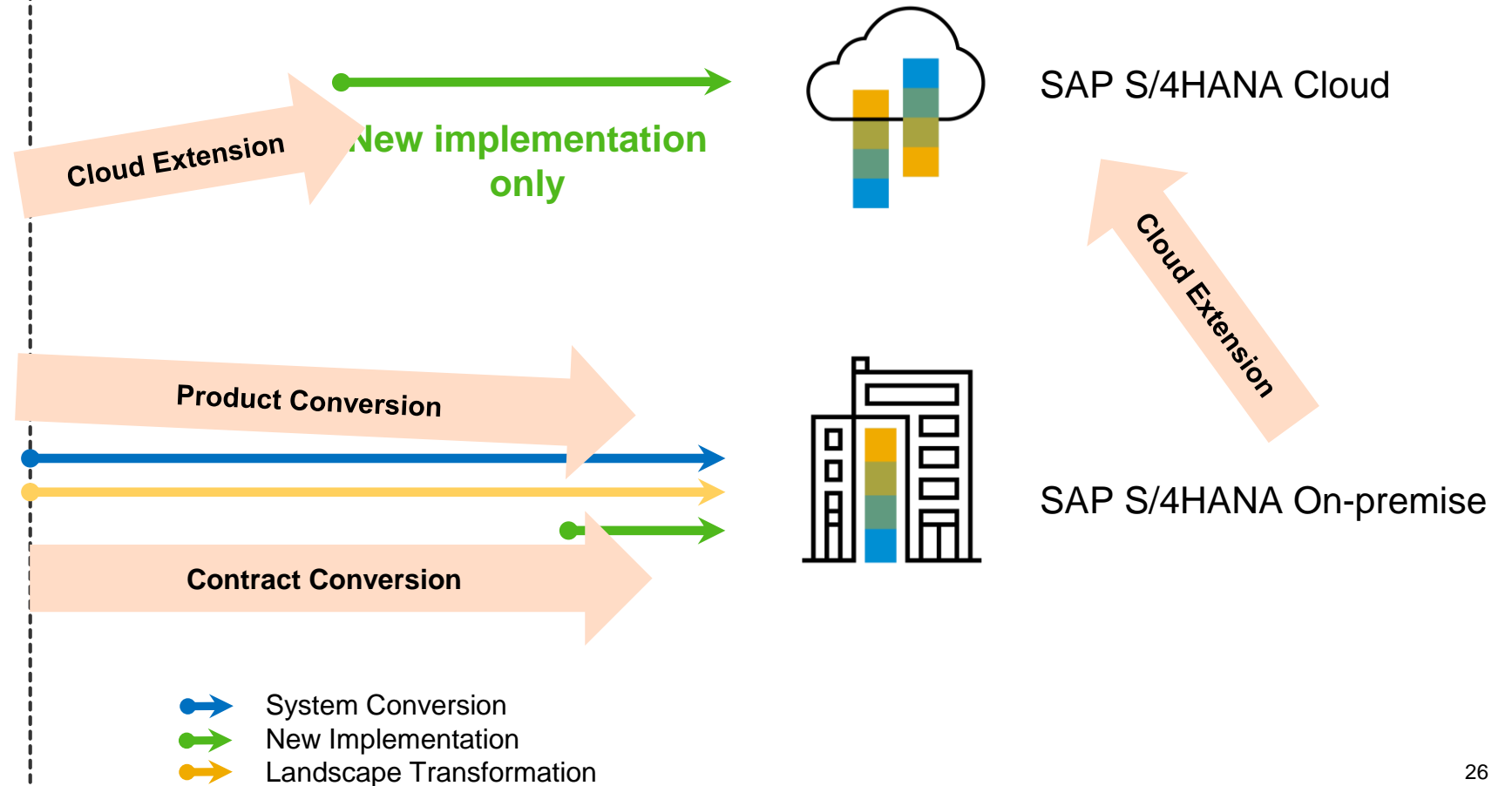
Commercial View

**SAP Business Suite**

**SAP S/4HANA family**

SAP ERP System
(on AnyDB)

Cloud Extension

**New implementation only**

SAP S/4HANA Cloud

Cloud Extension

SAP ERP System
(on SAP HANA)

**Product Conversion**

**Contract Conversion**

SAP S/4HANA On-premise

System Conversion
New Implementation
Landscape Transformation

# SAP S/4HANA Product Conversion

## 1:1 Conversion of classic Industry & LoB Solutions into S/4HANA

**Before Conversion**

**After Conversion**
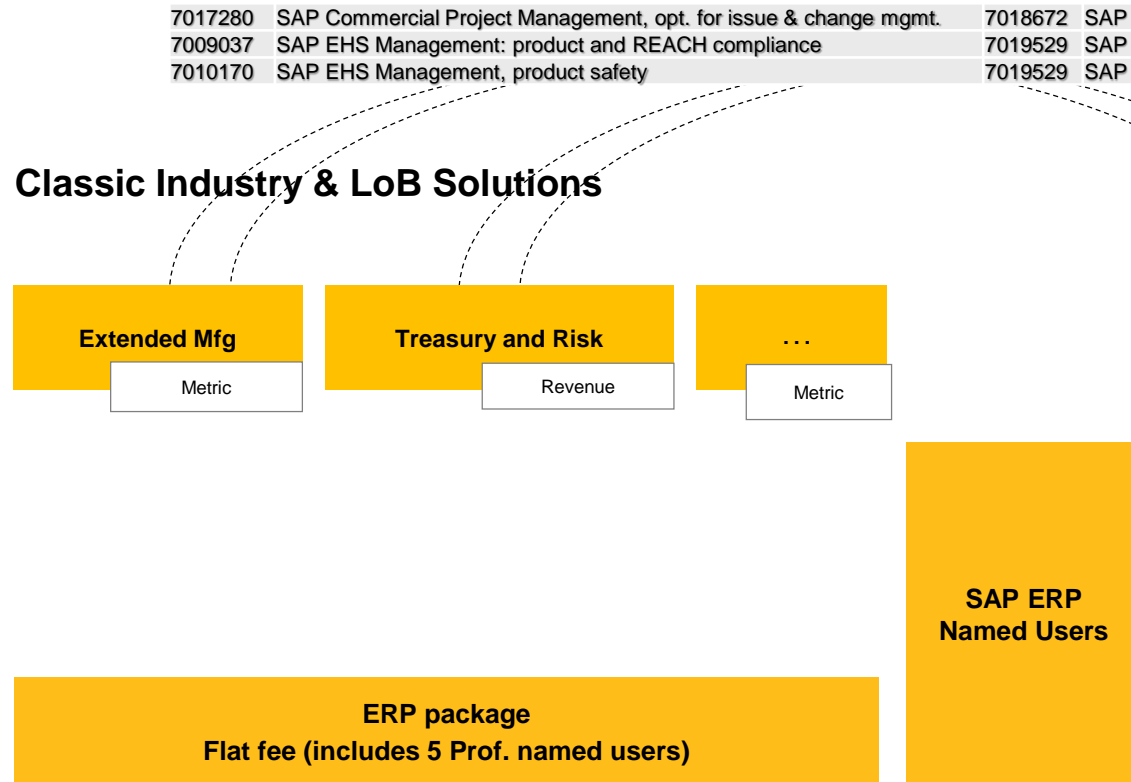
| | |
|---|---|
| 7017280 SAP Commercial Project Management, opt. for issue & change mgmt. | 7018672 SAP S/4HANA for commercial project issue and change management |
| 7009037 SAP EHS Management: product and REACH compliance | 7019529 SAP S/4HANA for product compliance |
| 7010170 SAP EHS Management, product safety | 7019529 SAP S/4HANA for product compliance |

**Classic Industry & LoB Solutions**

**S/4HANA Industry & LoB Solutions**

| Extended Mfg | Treasury and Risk | … |
|---|---|---|
| Metric | Revenue | Metric |

| S/4 Mfg Plan & Sched | S/4 Treasury & Risk | … |
|---|---|---|
| Metric | Revenue | Metric |

**SAP ERP Named Users**

**S/4HANA Enterprise Management for ERP customers [7018538] - flat fee**

**SAP ERP Named Users**

**ERP package**
**Flat fee (includes 5 Prof. named users)**

**ERP package**
**Flat fee (includes 5 Prof. named users)**

# S/4HANA Product Conversion

For customers moving to S/4HANA in a phased approach

## Boundary Conditions

o  Customer keeps **same** contractual agreements / SUR

o  Cannot convert into products they do NOT already own

o  Requires line-item mapping

o  Customer is entitled to **100% credit in 2019,** tbd in 2020

o  Maintenance Base carries forward at 100%, it may never be reduced

o  There are no partial conversions, conversions are always 100%

o  Can be combined with Cloud Extension **AND** On Premise Extension Policy

o  No conversion for SAP Named User – exception: Retail, Banking, Healthcare/Clinical and Industry Named Users convert when the engines convert**.**

## Customer Benefits

o  Permits step-by step conversion

o  **Focusses on engines with S/4 equivalent products only**. No need to re-license entire landscape

o  100% Line-item Credits

o  Customers can STILL leverage their existing **"Classic" applications until 2025 even after converting them into S/4HANA**

# S/4HANA Contract Conversion

Convert many classic licenses into many S/4HANA licenses

**Before Conversion**

**After Conversion**

**S/4HANA Contract Conversion**

## Before Conversion

**Classic Industry & LoB Solutions**

| Extended Mfg | *Shelfware* | GTS | Manufact. Execution |
|---|---|---|---|
| Metric | diverse | Metric | Metric |

**SAP ERP Named Users**

**ERP package**
**Flat fee (includes 5 Prof. named users)**

## After Conversion

| GTS | Manufact. Execution | **S/4HANA** Industry & LoB Solutions |
|---|---|---|
| Metric | Metric | |

| S/4 Mfg Plan & Sched | S/4HANA Receivables Mgmt | ... |
|---|---|---|
| Metric | Revenue | Metric |

**S/4HANA Enterprise Management**

**SAP S/4HANA Enterprise Management for Professional use [7018652]**
**SAP S/4HANA Enterprise Management for Productivity use [7018653]**
**SAP S/4HANA Enterprise Management for Functional use [7018654]**

# S/4HANA Contract Conversion
Typically for customers fully committed to S/4HANA

## Boundary Conditions

- Intended for **full contract "wholesale"** conversions
- One-time event
- Customer migrates to **new S/4HANA Software Use Rights**
- Does NOT require line-item-mapping
- Maximum credit is **lesser** of 100% current maintenance base or **90% of net NEW license fee eligible software***
- Can be combined with Cloud Extension Policy

## Customer Benefits

- Move to next gen ERP and in-memory DB technology
- Represents a potential to **reconfigure their landscape & eliminate shelfware**: "Milkshake concept"
- **Simplify their SAP contract,** potentially re-negotiate commercial terms, adopt simple S4 pricing and SUR
- Customers can STILL leverage their existing **"classic" applications until 2025, even after converting them to S/4HANA**

# SAP Cloud Extension Policy

Replace on premise licenses by cloud subscriptions

**Before Extension**

**After Extension**

**On-premise landscape**
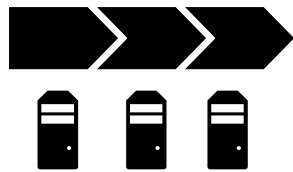
**Hybrid: On-premise/Cloud**
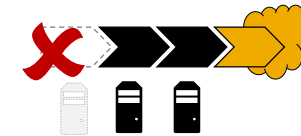
Cloud Extension

**Examples:**

**Extended Mfg**

Metric

**GTS**

Metric

**Named Users**

Per user fee

**ERP package**

Flat fee (includes 5 Prof. named users)

**S/4HANA Cloud**
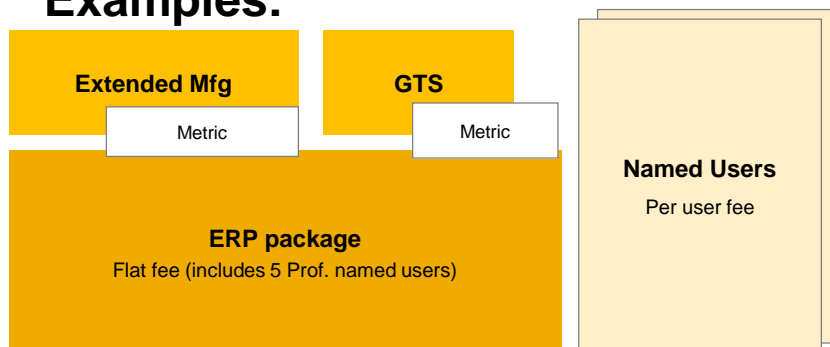
# SAP Cloud Extension

Fast track to innovation via a flexible path to the cloud

## Boundary Conditions

o Subscription of new cloud licenses required
  - Selected SAP Cloud solutions
  - Requires an expanded investment with cloud solutions from SAP, given the substantial added value from this new hybrid scenario.
  - 5 years subscription

o Both the cloud subscription contract and partial termination agreement represent one commercial transaction

o Initial support period of replaced solutions passed

o All invoices must be fully paid up

o License audit current (6 months old at the most)

## Customer Benefits

o Innovation
  - New functionalities available through cloud solutions from SAP
  - Full flexibility to explore new opportunities at own pace

o Simplicity and speed
  - Scalability with the simplicity of cloud for the real-time enterprise
  - Solutions easy to deploy for companies of any size

o Expanded value
  - Hybrid process scenarios allow step-by-step implementation
  - Lower total cost of ownership and reduced cost of implementation with SAP Rapid Deployment solutions and SAP ActiveEmbedded and SAP MaxAttention engagements

o Protection
  - Protected investments in SAP with removed barriers to leverage cloud innovations
  - Seamless delivery and support across hybrid landscape

# Indirect Use / Digital Access

# Use of ERP and types of access

One definition of use and three types of access
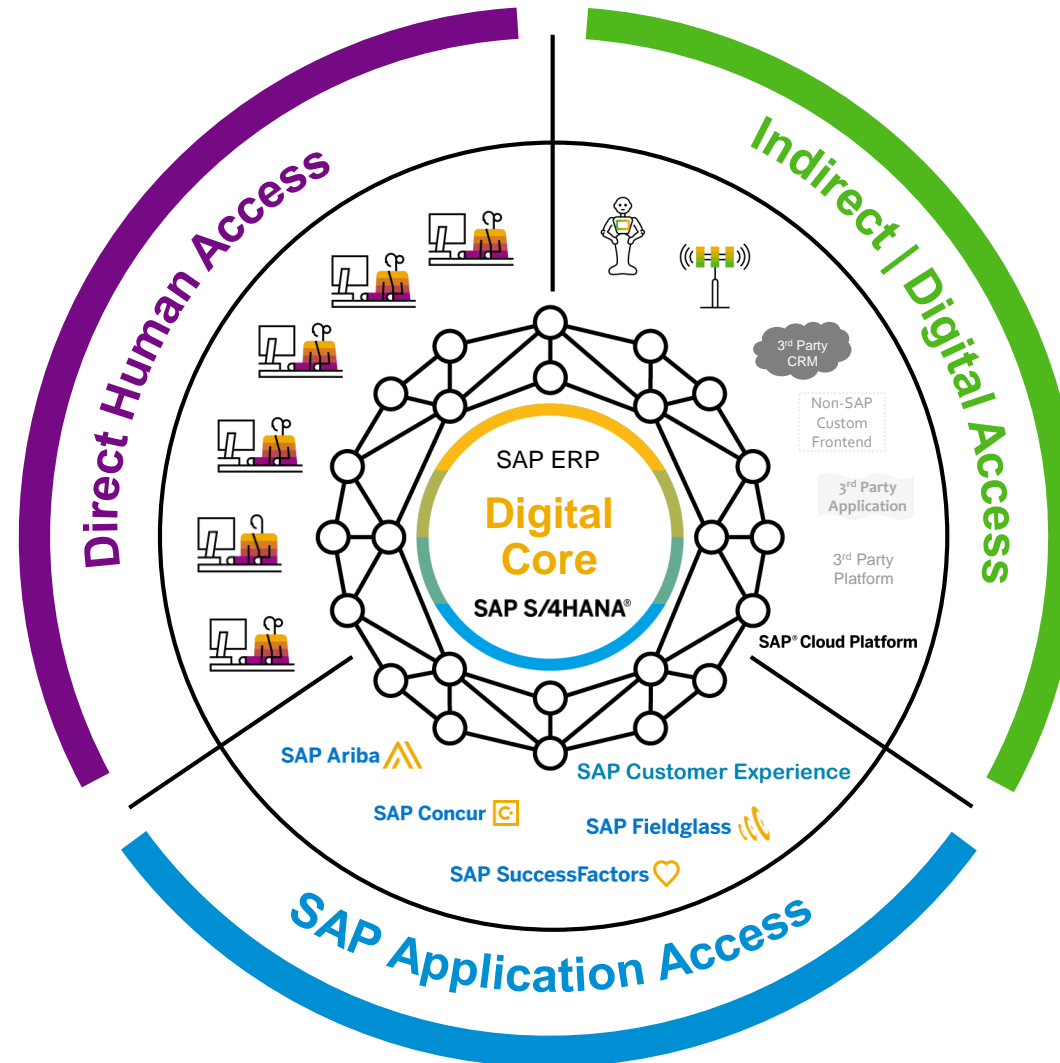
# Technology landscape is evolving and so is the way customers access ERP

Indirect/Digital Access is growing due to proliferation of devices, machine learning, AI, etc.
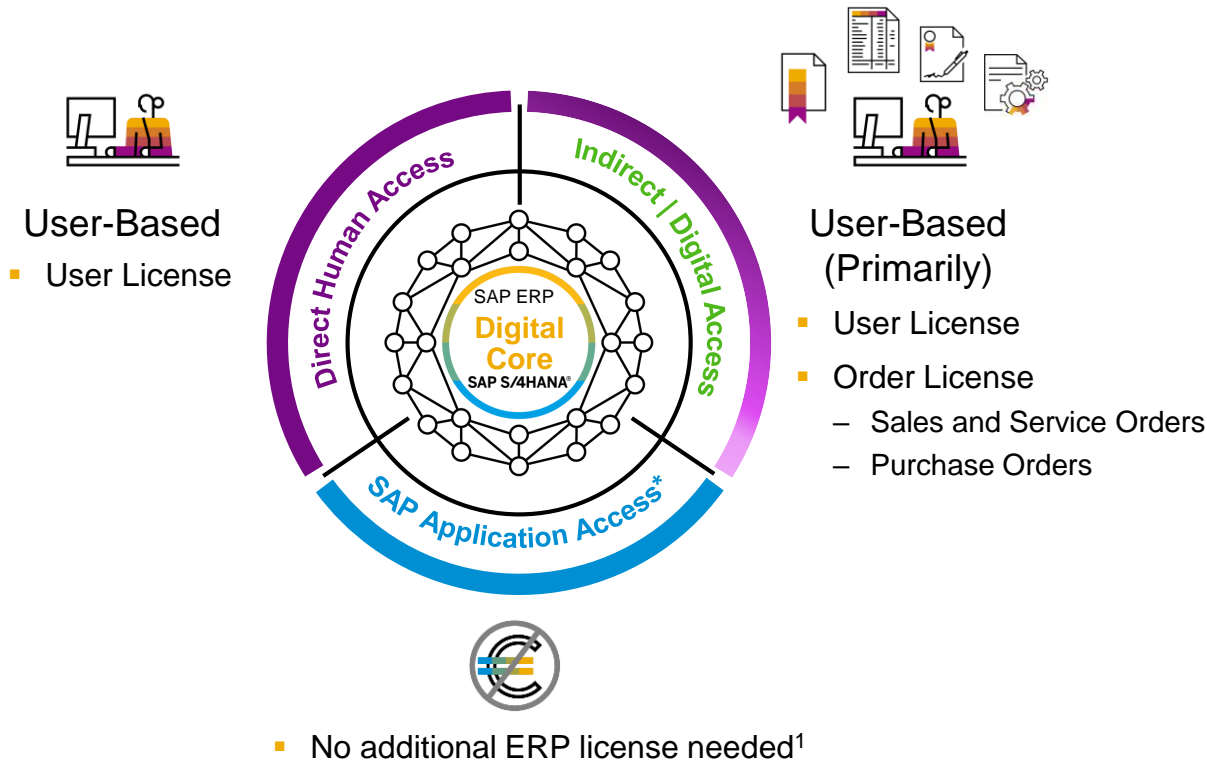
**ERP Use in 20th Century**
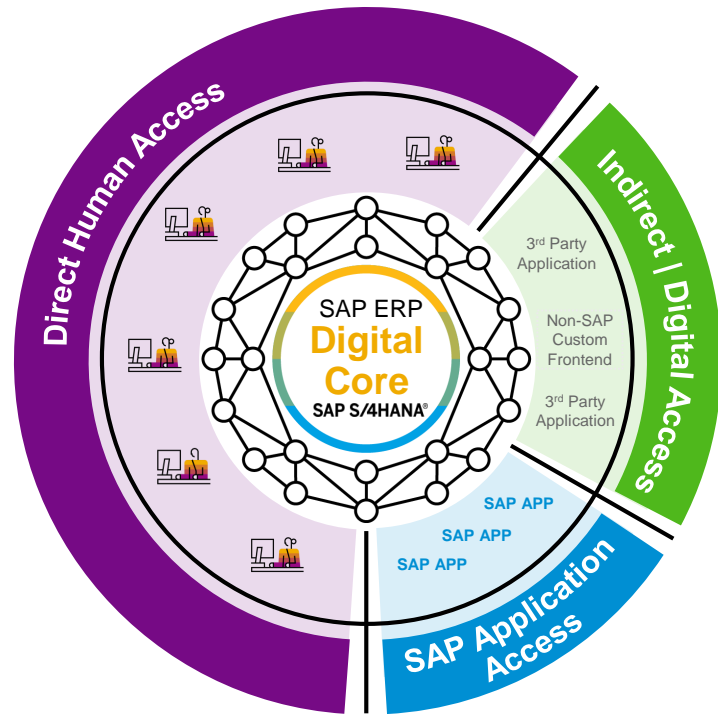
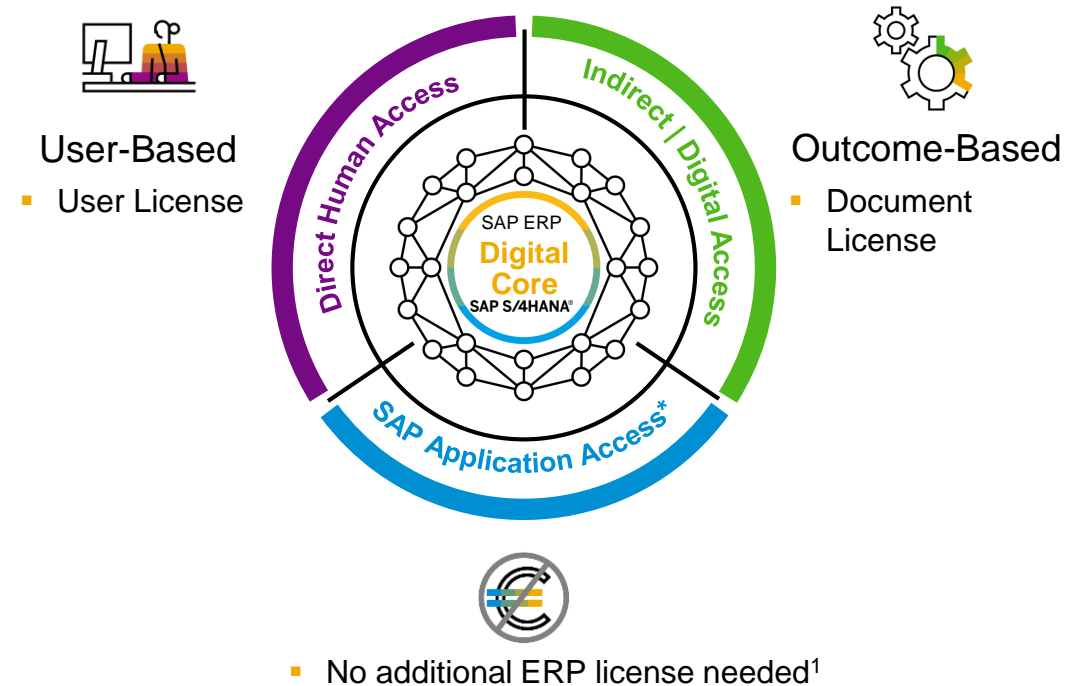**ERP Use in 21st Century**
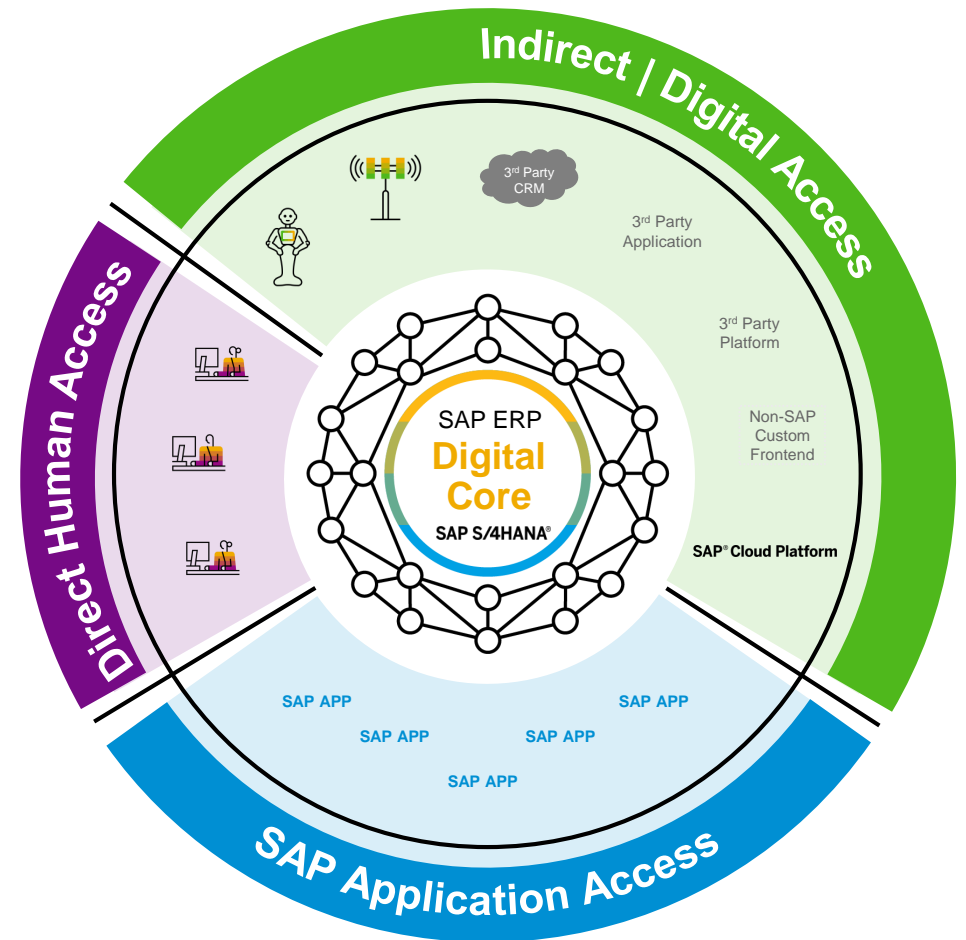
# SAP is modernizing ERP pricing

Direct and SAP Application Access remains unchanged, new pricing model for Indirect/Digital Access

## Legacy Model

**Direct Human Access**

**Indirect / Digital Access**

**SAP Application Access***

SAP ERP
**Digital Core**
SAP S/4HANA®

User-Based
- User License

User-Based (Primarily)
- User License
- Order License
  - Sales and Service Orders
  - Purchase Orders

- No additional ERP license needed[1]

## New Model

*Available April 2018 Onwards*

**Direct Human Access**

**Indirect / Digital Access**

**SAP Application Access***

SAP ERP
**Digital Core**
SAP S/4HANA®

User-Based
- User License

Outcome-Based
- Document License

- No additional ERP license needed[1]

[1]SAP applications refer to line of business and industry applications (cloud and on premise), as well as SAP Solution Extensions containing the required measurement functionality. This does not apply to technology solutions, such as platform, database, middleware integration and Enterprise Information Management. Provided ERP is otherwise licensed, no additional ERP User license is needed for use resulting from access by properly licensed SAP applications.

# NEW Indirect | Digital Access Licensed Using Documents

Nine document types that represent system generated records and cover most valued outcomes from SAP ERP.



## Document Types — Multiplier
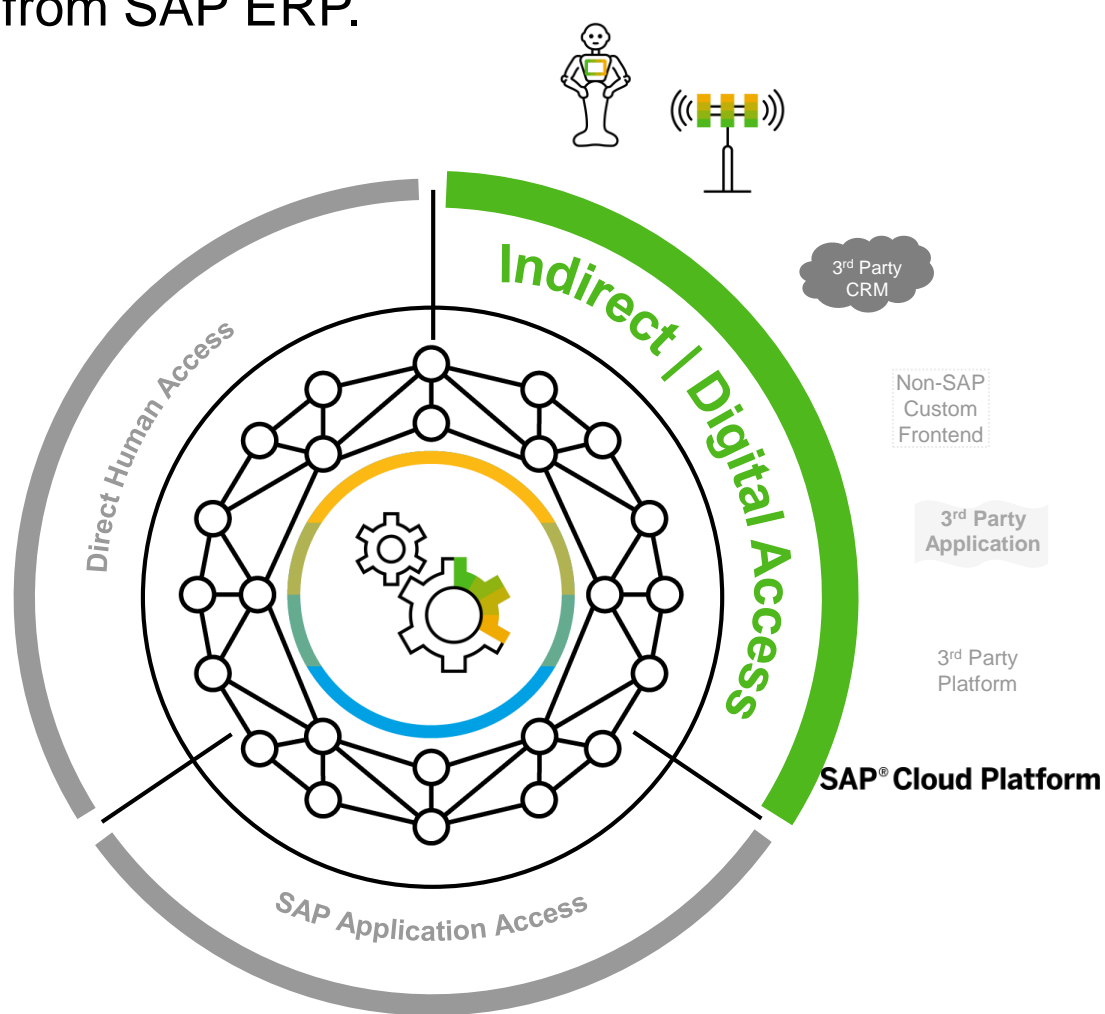
| Document Types | Multiplier |
|---|---|
| ▪ Sales Document (counted at line item level) | |
| ▪ Invoice Document (counted at line item level) | |
| ▪ Purchase Document (counted at line item level) | |
| ▪ Service & Maintenance Document | 1.0 |
| ▪ Manufacturing Document | |
| ▪ Quality Management Document | |
| ▪ Time Management Document | |
| ▪ Financial Document (counted at line item level) | 0.2 |
| ▪ Material Document (counted at line item level) | |

### License Calculation

License calculation based on *initial Document created*
Read, Update, or Delete Documents are not counted

(Document (#) * Multiplier) + … + (Document (#) * Multiplier)

*Where (#) is the Document Type from 1-9*

# Nine documents types cover most valued outcomes from SAP ERP

| | Document Type | Document Item | Remark |
|---|---|---|---|
| 1 | Sales Document | Sales Order Line Item<br>Sales Contract Line Item<br>Sales Quote Line Item<br>Sales Scheduling Agreement Releases | |
| 2 | Purchase Document | Purchase Order Line Item<br>Purchase Requisition Line Item<br>Purchase Scheduling Agreement Releases | |
| 3 | Invoice Document | Billing Document Line Item<br>Billing Document Request Line Item<br>Supplier Invoice Line Item | S/4HANA Cloud and S/4HANA On Premise only, ECC not applicable |
| 4 | Manufacturing Document | Production Order<br>Process Order<br>Repetitive Manufacturing Confirmation | |
| 5 | Material Document | Material Document Line Item | |
| 6 | Quality Management Document | Defect<br>Quality Notification<br>Inspection Result<br>Inspection Point Result | S/4HANA Cloud and S/4HANA On Premise only, ECC not applicable |
| 7 | Service & Maintenance Document | Maintenance Order<br>Maintenance Notification<br>Maintenance Confirmation<br>Service Order<br>Service Notification<br>Service Confirmation<br>Warranty Claim | |
| 8 | Financial Document | Financial Document Item | S/4HANA and ECC implementation different due to different data model |
| 9 | Time Management Document | Time Sheet Record<br>Time Management Record | S/4HANA On Premise and ECC only. S/4HANA Cloud not applicable<br>Time Management Record includes Remuneration, Absence, Attendance, Substitution |

# Digital Access – Measurability and Audit
## Brief Recap of Technical Approach
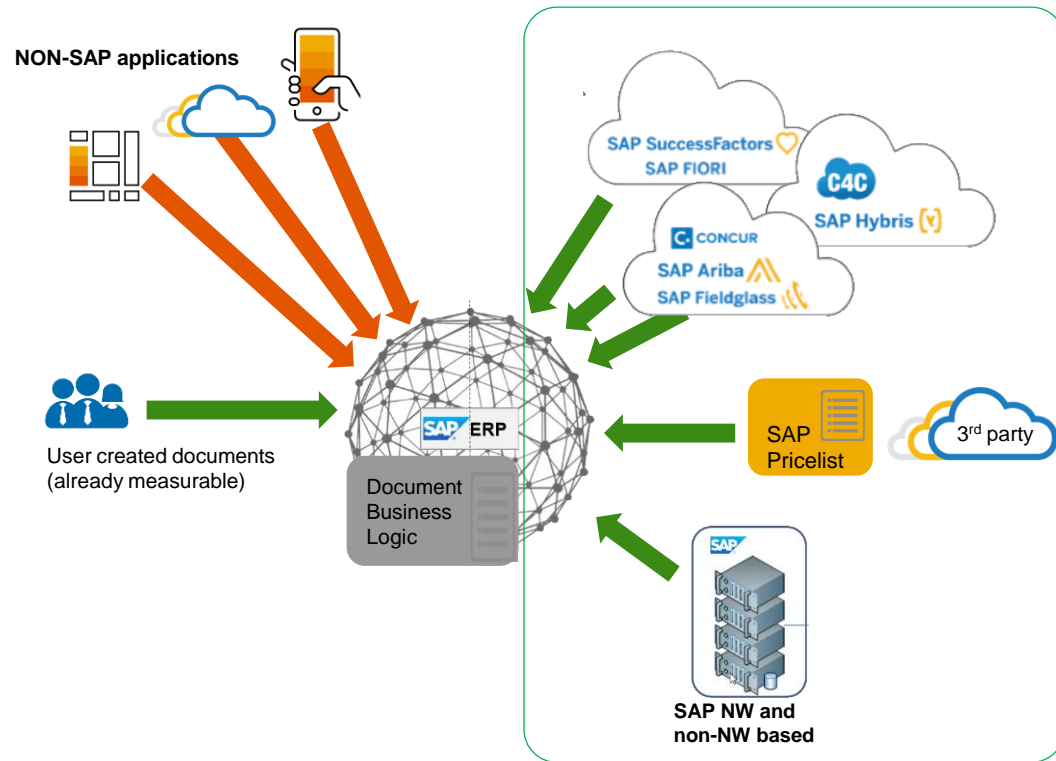


**Built-in Functionality**

- Technical identifier („SAP Passport") is sent to distinguish calls from SAP and non-SAP sender applications

- Within Digital Core (both S/4H and legacy ECC) call is logged and documents are counted in case technical identifier is missing

**Estimation Note**

- Estimation based on how documents have been entered into the system (via technical users)

- In cases of doubt, results will lean higher versus lower to avoid being misleadingly optimistic

# Digital Access – Measurability & Audit
## Readiness Status for Built-in Functionality

Measurability Functionality
planned for
## Q1/2019

### Measurability Functionality Available

**Receiver**

- S/4H Cloud 1808
- S/4H OP 1809
- S/4H OP 1709 (SP03)
- S/4H OP 1610 (SP05)
- S/4H OP 1511 (SP07)

- ECC 6.0 EhP 8 (SP11)
- ECC 6.0 EhP 7 (SP17)
- ECC 6.0 EhP 6 (SP23)
- ECC 6.0 EhP 5 (SP18)
- ECC 6.0 EhP 4 (SP21)

- ECC 6.0 EhP 3 (SP20)
- ECC 6.0 EhP 2 (SP21)
- ECC 6.0 EhP 0 (SP31)

**Sender**

- Ariba
- Fieldglass
- Concur
- SFSF
- Hybris

- SAP MII
- SAP Co-Pilot
- IoT Bridge
- Banking Services from SAP

- S/4H Cust. Paym.
- SAP Customer Checkout
- Business One

- SolEx Partner Products*

**Technical Components**

- CPI
- API Management
- SCP OData Service
- Gateway

- ABAP Core
- ABAP Foundation
- Application Interface Framework
- NW AS Java
- PI (ABAP and Java)

- NW AS Java
- PI (ABAP and Java)

*Close collaboration with partners ongoing
- unfortunately no strict enforcement possible

**Note: Only solutions/components with implementation efforts are considered here**

# Digital Access – Measurability & Audit
## Central Technical Guide Note for Built-in Functionality

**2738406 - Digital Access: Central Technical Guidelines** Version 2 from 14.02.2019 in English

Show Changes

Component: CA-GTF-DA     Category: FAQ

Priority: Recommendations / Additional Info     Release Status: Released for Customer

Corrections: **0**
Manual Activities: **0**
Prerequisites: **0**

SAP Note/KBA Number

Description   Software Components   Attributes   Languages

## Symptom

**From User to Usage Based Pricing – SAP's New Pricing Approach for Digital and Indirect Access**

SAP's initial ERP pricing model was designed in the 20th century and counted customer employees logging directly into the SAP ERP to use it.
Hence, the pricing model was based on users accessing the SAP ERP system and required identification and licensing of every individual using the software as a user.

During the past 20-plus years, the technology landscape and the methods how customers are using SAP software has changed dramatically.
SAP ERP software (both legacy SAP ERP and SAP S/4HANA) has established itself as the Digital Core.
Not only are our customers' employees using the Digital Core, but business partners, consumers, third-party applications, IoT devices, automated systems, and bots are also accessing the Digital Core.

With the Digital Access Licensing Model, SAP has created an answer to tackle aforementioned challenges.

This note summarizes the technical prerequisites for on-premise solutions to enable measurability for Digital Access. SAP's cloud solutions have been enabled via the regular cloud maintenance activities.

## Other Terms

Digital Access; DA; Indirect Use

## Solution

The following list summarizes the technical requirements for SAP's on-premise solutions:

| On-premise Solution | Needed SP/FP/Note |
|---|---|
| S/4H OP 1809 and above | no additional SP |
| S/4H OP 1709 | SP03 |
| S/4H OP 1610 | SP05 |
| S/4H OP 1511 | SP07 |
| ECC 6.0 EhP 8 | SP11 |
| ECC 6.0 EhP 7 | SP17 |

(…)

# Digital Access – Measurability & Audit

## Estimation Notes

## Estimation Notes

- SAP ERP: 2644139
- SAP S/4HANA: 2644172

### Count Document Type Items for ECC Systems

**Selection Criteria**

| | | | |
|---|---|---|---|
| Document Types | | | |
| Creation Date | 01.01.2018 | to | 31.12.2018 |
| Technical Users | ☑ | | |

**Display Options**

☐ Display technical Users

| Document Type | Document Item | Σ WF-BATCH | Σ GSSA |
|---|---|---|---|
| Financial Document | Journal Entry Item | 0 | 443 |
| Financial Document | | **0** | **443** |
| Invoice Document | Billing Document Line Item | 0 | 0 |
| | Supplier Invoice Line Item | 1 | 55 |
| Invoice Document | | **1** | **55** |
| Manufacturing Document | Production Order | 0 | 0 |
| | Process Order | 0 | 0 |
| | Repetitive Manufacturing Confirmations | 0 | 0 |
| Manufacturing Document | | **0** | **0** |
| Material Document | Material Document Line Item | 4 | 170 |
| Material Document | | **4** | **170** |
| Purchase Document | Purchase Order Line Item | 0 | 279 |
| | Purchase Scheduling Agreement Releases | 0 | 0 |
| | Purchase Requisition Line Item | 0 | 116 |
| Purchase Document | | **0** | **395** |
| Quality Management Document | Quality Notification | 1 | 0 |
| | Inspection Result | | |
| | Inspection Point Result | 0 | 0 |
| Quality Management Docume... | | **1** | **0** |
| Sales Document | Sales Order Line Item | 0 | 0 |
| | Sales Contract Line Item | 0 | 0 |
| | Sales Scheduling Agreement Releases | 0 | 0 |
| | Sales Quote Line Items | 0 | 0 |
| Sales Document | | **0** | **0** |
| Service & Maintenance Docume... | Service Order | 0 | 0 |
| | Maintenance Order | 0 | 2 |
| | Service Notification | 0 | 0 |
| | Maintenance Notification | 0 | 2 |
| | Service Confirmation | 0 | 0 |
| | Maintenance Confirmation | 0 | 0 |
| | Warranty Claim | 0 | 0 |
| Service & Maintenance Docu... | | **0** | **4** |
| Time Management Document | Time Sheet Record | 0 | 0 |
| | Remuneration | 0 | 0 |
| | Absence | 0 | 0 |
| | Attendance | 0 | 0 |
| | Substitution | 0 | 0 |
| Time Management Document | | **0** | **0** |
| | | **6** | **1.067** |

# Digital Access – Measurability & Audit
## Customer Dashboard for Cloud

# Digital Access – Measurability & Audit
## Customer Dashboard for On-premise

- Use transaction RSUVM_DAC to start the report
- Last measurement is displayed
- By starting new measurement old results will be overwritten

- Planned Availabilities in Software Component SAP_BASIS:
  - 7.02 SP22 - RTC Nov 2019
  - 7.31 SP25 - RTC July 2019
  - 7.40 SP22 - RTC July 2019
  - 7.50 SP13 - RTC March 2019
  - 7.51 SP08 - RTC April 2019
  - 7.52 SP04 - RTC April 2019

### Digital Access Report

| Vermessen von | LANGULR | Jobs geplant | 0 | Jobs abgebrochen | 0 |
| Verm. Datum | 06.12.2018 | Jobs aktiv | 0 | Jobs beendet | 9 |
| Vermessungszeit | 15:47:19 | | | | |

| Status Vermessung | Erfolgreich Beendet |

| Appl | Name der Applikation | Einh.. | Name der Metrik | Start Datum | End Datum | Anzahl |
|------|---------------------|--------|-----------------|-------------|-----------|--------|
| 4030 | Potential Sales Documents | 4031 | Sales Order Line Item (in K) | 01.01.2017 | 31.12.2017 | 123 |
| 4030 | Potential Sales Documents | 4032 | Sales Contract Line Item (in K) | 01.01.2017 | 31.12.2017 | 4256 |
| 4030 | Potential Sales Documents | 4034 | Sales Sched. Agreemt Releases (in K) | 01.01.2017 | 31.12.2017 | 555 |
| 4040 | Potential Purchase Documents | 4041 | Purchase Order Line Item (in K) | 01.01.2017 | 31.12.2017 | 3 |
| 4040 | Potential Purchase Documents | 4042 | Purch. Requisition Line Item (in K) | 01.01.2017 | 31.12.2017 | 45 |
| 4050 | Potential Invoice Documents | 4051 | Billing Document Line Item (in K) | 01.01.2017 | 31.12.2017 | 26 |
| 4050 | Potential Invoice Documents | 4052 | Billing Doc. Request Line Item (in K) | 01.01.2017 | 31.12.2017 | 787 |
| 4050 | Potential Invoice Documents | 4053 | Supplier Invoice Line Item (in K) | 01.01.2017 | 31.12.2017 | 8546 |
| 4060 | Potential Manufacturing Documents | 4061 | Production Order (in K) | 01.01.2017 | 31.12.2017 | 255 |
| 4060 | Potential Manufacturing Documents | 4062 | Process Order (in K) | 01.01.2017 | 31.12.2017 | 111 |
| 4060 | Potential Manufacturing Documents | 4063 | Manufacturing Confirmation (in K) | 01.01.2017 | 31.12.2017 | 156 |
| 4070 | Potential Material Documents | 4071 | Material Document Line Item (in K) | 01.01.2017 | 31.12.2017 | 15 |
| 4080 | Potential Quality Management Documents | 4081 | Defect (in K) | 01.01.2017 | 31.12.2017 | 28 |
| 4080 | Potential Quality Management Documents | 4083 | Inspection Result (in K) | 01.01.2017 | 31.12.2017 | 189 |
| 4080 | Potential Quality Management Documents | 4084 | Inspection Point Result (in K) | 01.01.2017 | 31.12.2017 | 354 |
| 4090 | Potential Service & Maintenance Docs | 4091 | Service/Maintenance Order (in K) | 01.01.2017 | 31.12.2017 | 756 |
| 4090 | Potential Service & Maintenance Docs | 4092 | Service/Maint. Notification (in K) | 01.01.2017 | 31.12.2017 | 356 |
| 4090 | Potential Service & Maintenance Docs | 4093 | Service/Maint. Confirmation (in K) | 01.01.2017 | 31.12.2017 | 488 |
| 4100 | Potential Financial Documents | 4101 | Financial Document Item (in K) | 01.01.2017 | 31.12.2017 | 585 |
| 4110 | Potential Time Management Documents | 4111 | Time Sheet Record (in K) | 01.01.2017 | 31.12.2017 | 56 |

# SAP Application Access

SAP Application Access: Summary of Key Points
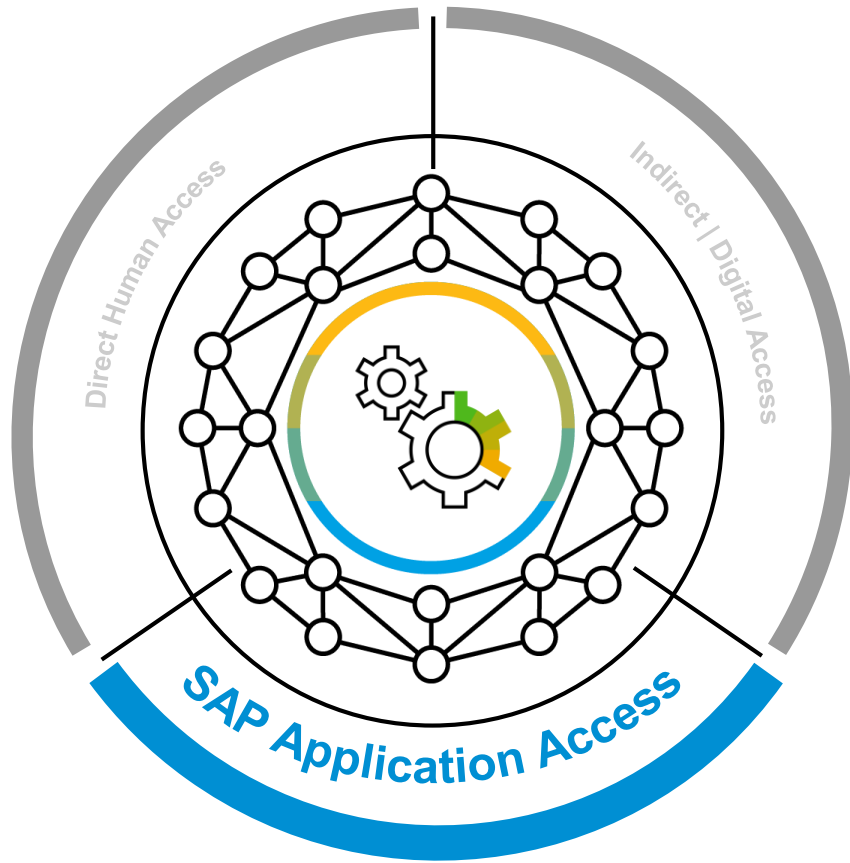


**SAP Application Access** occurs when humans, devices or RPA/bots use the Digital Core via another licensed SAP application.

**SAP Application Access** does not require any additional ERP licenses provided (1) ERP is otherwise licensed, and (2) use of ERP results from access by properly licensed SAP applications.

**"SAP applications"** refers to line of business and industry applications (**cloud and on premise**), as well as SAP Solution Extensions. This **does not** apply to technology solutions such as platform (e.g., **SAP Cloud Platform**), database, middleware integration (e.g., **XI, PI, PO**) and Enterprise Information Management.

# Value of SAP Indirect / Digital Access Outcome Based Pricing



3rd Party CRM

Non-SAP Custom Frontend

3rd Party Application

3rd Party Platform

**SAP® Cloud Platform**
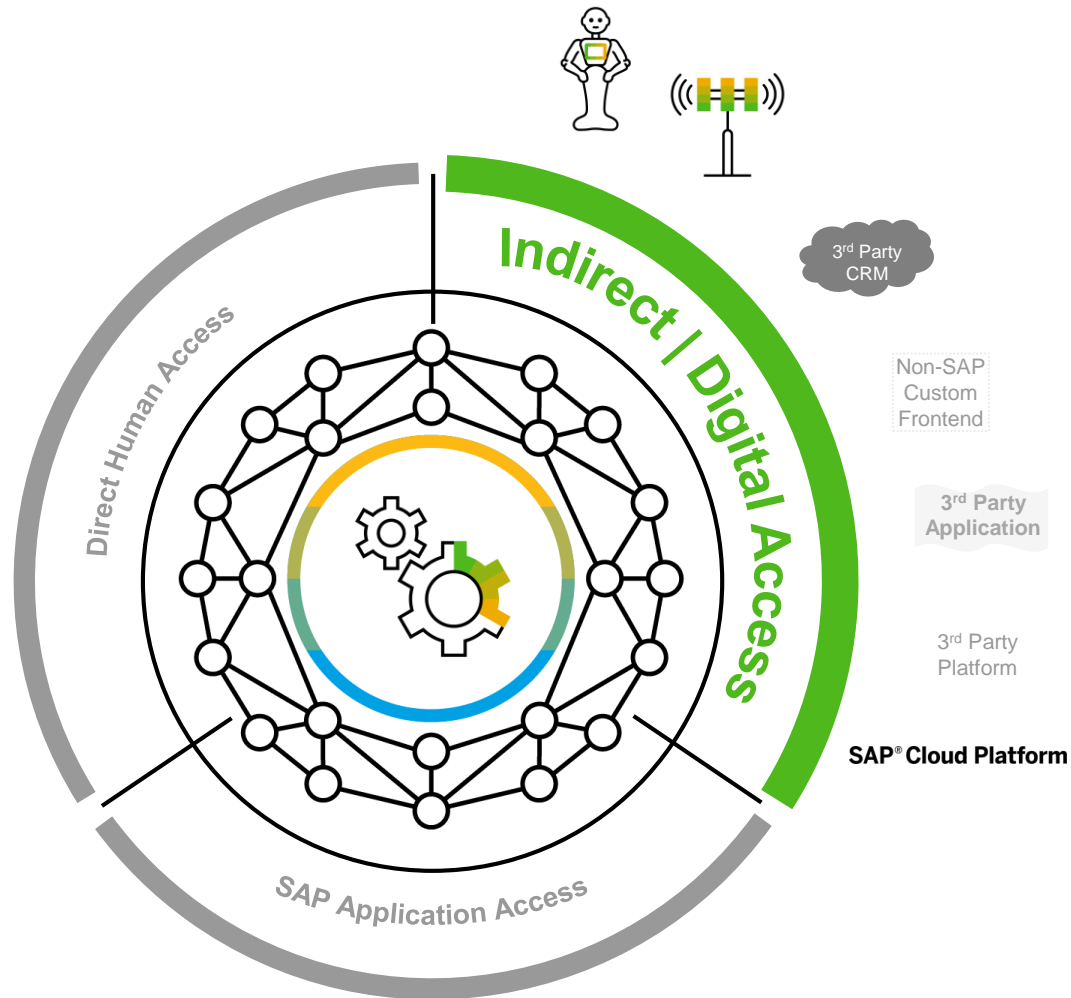
## Value based – pay for system activity

Eliminates the need to count "users" accessing ERP, addresses concerns around IOT (devices, bots, etc. )

## Outcome Focused

9 Document types address most valuable business outcomes
No additional charge for other document types

## Transparent

Counts creation of documents by Indirect/Digital Access

- Cost for read, update, and delete actions via Indirect/Digital Access included in creation
- Subsequent document types created, as a result of the automatic processing of the original document created via Indirect/Digital Access, are not counted

## Flexible - Interchangeable Document Capacity

Counts total documents created - regardless of type

## Built-in volume discounts

Tiered pricing – the more you buy, the less you pay per unit

## Measurable

Entitlement to consumption dashboard planned

# Options for existing SAP ERP customers

## Status Quo – Do Nothing
For customers happy with their contract and who do not want to change

### Option 1

| Current Contract |
|---|
| Solutions |
| Order License* |
| User License |
| DB |
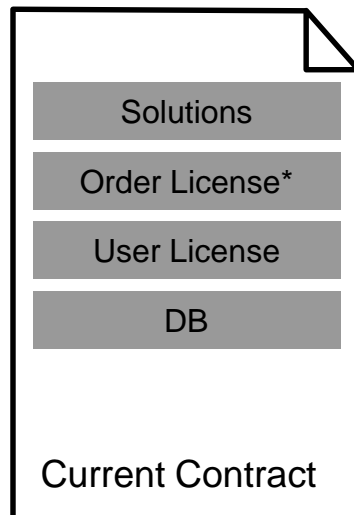
- Continue with current contract. No change.
- Continue to use User and Order* Licenses for all types of use and access
- SAP will waive back-maintenance for indirect access to SAP software for customers who proactively engage with us in good faith

## License Exchange
For customers wanting improved transparency for Indirect/Digital access & remain in existing contract

### Option 2

**Current Contract**
| |
|---|
| Solutions |
| Order License* |
| User License |
| DB |

**License Value $**

**Current Contract with Addendum**
| |
|---|
| Solutions |
| Documents |
| User License |
| DB |
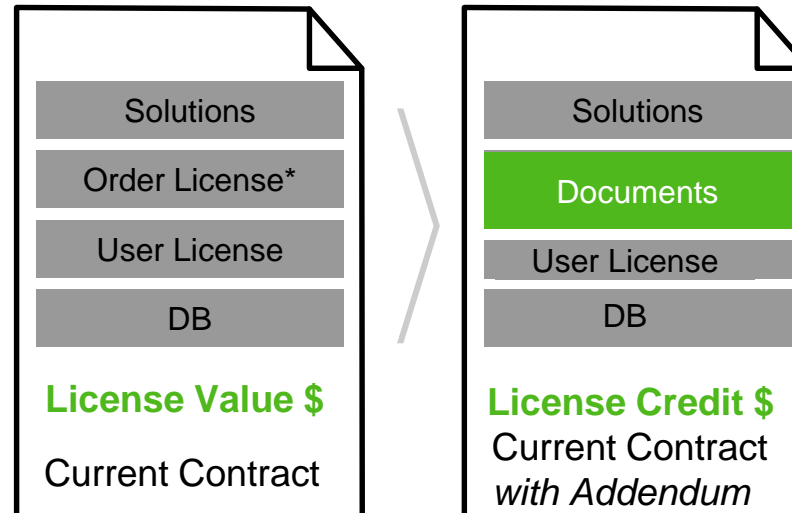
**License Credit $**

- Continue with current contract with addendum
- Up to 100% credit for User and/or Order license value** applied to new Document license value
- 100% of the maintenance base of the converting licenses is carried forward.
- SAP will waive back-maintenance for indirect access to SAP software for customers who proactively engage with us in good faith

## Contract Conversion
For customers licensing SAP S/4HANA and wanting to consolidate / simplify old contracts

### Option 3

**Current Contract**
| |
|---|
| Solutions |
| Order License* |
| User License |
| DB |

**Contract Value $**

**Converted Contract**
| |
|---|
| Solutions |
| Documents |
| User License |
| SAP HANA |
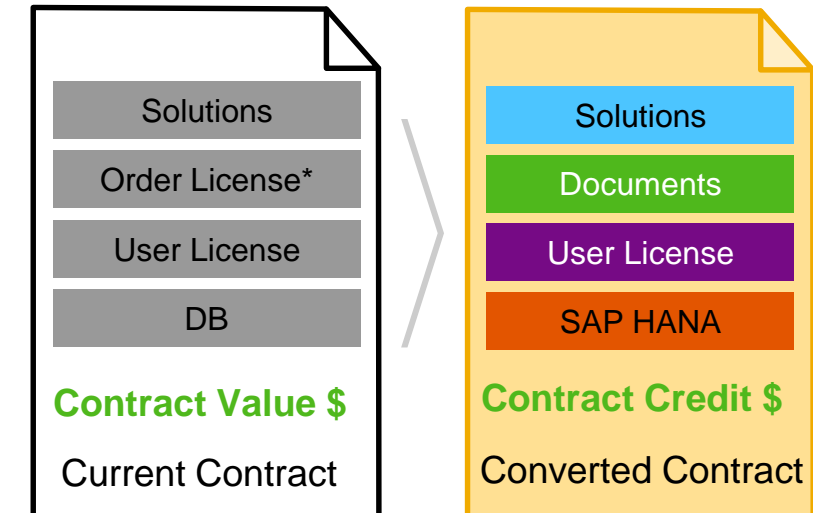
**Contract Credit $**

- Replace current BOM with new BOM that includes a simplified licensing structure
- Opportunity to reconfigure solution landscape (new bill of material)
- Up to 100% credit for old contract value** applied to new S/4HANA contract value
- 100% of the maintenance base of the converting licenses is carried forward
- SAP will waive back-maintenance for indirect access to SAP software for customers who proactively engage with us in good faith

*Sales & Service Order Processing/Execution and Purchase Order Processing/Execution; ** Conditions apply

# Nine documents types cover most valued outcomes from SAP ERP

| Document Type | Description |
|---|---|
| **Sales Document**<br>(counted at line item level) | A record that represents the material or service being sold or quoted (e.g., sales order line item, sales quote line item or a sales scheduling agreement release). |
| **Invoice Document**<br>(counted at line item level) | A record that represents the material or service being billed (e.g., billing document line item or supplier invoice line item). |
| **Purchase Document**<br>(counted at line item level) | A record that represents the material or service being ordered or requested (e.g., purchase order line item, purchase requisition line item or a purchase scheduling agreement release). |
| **Service & Maintenance Document** | A record that represents the details of work to be performed, a reported problem or the status of processing, (e.g., service or maintenance order/notification) or a record that represents a claim (e.g., warranty claim). |
| **Manufacturing Document** | A record which represents the production-related details associated with manufacturing (e.g., production or process order or a manufacturing confirmation). |
| **Quality Management Document** | A record that represents the details of a nonconformance (e.g., defect or quality notification) or the results of an inspection (e.g., inspection result). |
| **Time Management Document** | A record that represents an employee's time worked (e.g., time sheet record) |
| **Financial Document**<br>(counted at line item level) | A record that represents accounting information in a financial journal (e.g., journal entry line item). |
| **Material Document**<br>(counted at line item level) | A record that represents a specific material being received, issued or transferred to, from or within a storage location or plant (e.g., material document line item). |

# Q&A

For questions after this session, contact us:

at our SAPPHIRE booth in the **Digital Core / S/4HANA** area

or here:

## Michael Deller

| | |
|---|---|
| Twitter | https://twitter.com/MichaelKDeller |
| LinkedIn | https://www.linkedin.com/in/michael-deller/ |
| XING | https://www.xing.com/profile/Michael_Deller |
| Email | mailto:michael.deller@sap.com |

## Dirk Kaestner

| | |
|---|---|
| LinkedIn | https://www.linkedin.com/in/dirk-kaestner-48695611 |
| XING | https://www.xing.com/profile/Dirk_Kaestner |
| Email | mailto:dirk.kaestner@sap.com |

Follow us

www.sap.com/contactsap

THE BEST RUN SAP