



ERP Pricing for the Digital Age

June 2019

PUBLIC

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SAP License Management

- Claus Helth (DK) and Christian Andersen (NO), License and Compliance Managers, SAP Nordics
- Part of Global License Audit and Compliance, separate organization in SAP – but working closely w rest of organization
 - App. 100 people in EMEA, 6 in the Nordics,

AUDIT PROCES

Scheduled SSC activities, manage measurement and evaluation process
Follow up on issues

COMPLIANCE

With Sales ad hoc addressing concerns and issues
Solving w partners and customers

LICENSE MANAGEMENT

Facilitate process around contracts, conversions, special terms, linking to Contracts, legal

RIGHTS

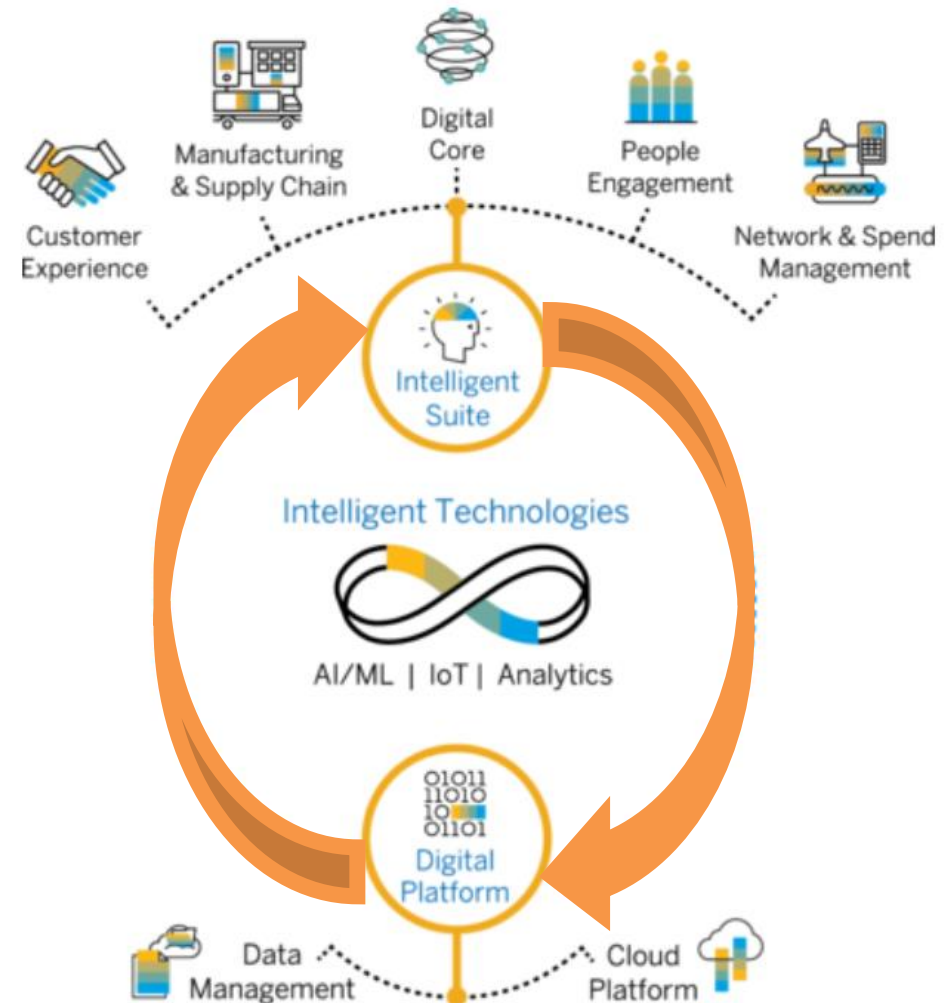
Protect SAP terms and rights
Facilitate response to requests for exceptions

WHY relevant to talk about Indirect Use?

SAP as the Intelligent Suite / Platform

- Automate business processes
- Better interact through applications
- Facilitate the collection, connection, and orchestration of data
- Integration and extension of processes
- Leverage data to detect patterns, predict outcomes, and suggest actions

Licensing of Indirect Use is
licensing of SAP processing capabilities
to manage data streams and processes, creating
insights





SAP Policy on Indirect Use

Solution for Digital Access

INTERNAL

SAP policy on Indirect access – consistent over time

2000 Master Price List

mySAP.com Master Price List 1.0	December 20, 1999	effective from January 1, 2000
Company Confidential	Page 7 of 30	Prices in EURO
		
B. Prices		
B.1. Named User Pricing		
Named User pricing is a one time fee that is subject to country surcharges as described in B.6. It contributes to the SAP Application Value (see D. Glossary and Definitions).		
A Named User is an employee of customer, its Affiliates or an employee of Business Third Parties who has access, directly or indirectly, to the Software and whose name and password have been registered in the Software. Named Users are categorized as follows.		

2019 Software Use Rights (SUR)

1. LICENSING PRINCIPLES / RULES OF USE

1.1 Definitions

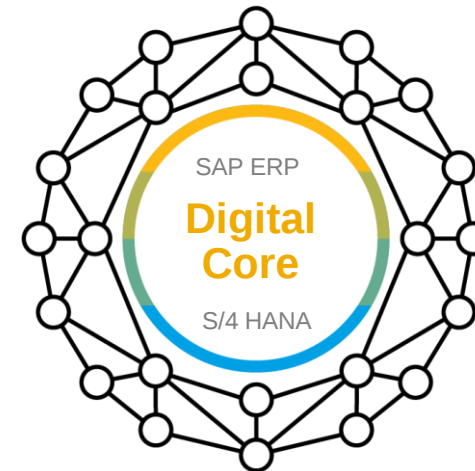
1.1.1 As used in these Use Terms: 1) each Software and/or Third Party Software (as defined in the GTC) product licensed pursuant to the Agreement referencing these Use Terms may be referred to as a "Software Package" (when referencing only Software) or "Third Party Software Package" (when referencing only Third Party Software) or "Package" (when referencing both Software and Third Party Software); 2) "Named User" shall mean any individual authorized by Licensee to Use (in accordance with the terms of the Agreement) a Package, including without limitation employees of its Affiliates or its Business Partners; 3) "Named User License" shall mean the Metric and Licensed Level applicable to each Named User; 4) "Package License" shall mean the Metric and Licensed Level applicable to each Package; a Package License for any Package referenced in Exhibit 3 shall include, and be subject to, the specific terms / Use rules applicable to such Package as outlined in Exhibit 3; 5) "Metric" shall mean a) when referenced in the context of a Named User, the individual Named User category and type (and corresponding Named User definition setting for such Named User's Use rights) as further described in Section 2.1 hereof -and- b) when referenced in the context of a Package, the individual business metric corresponding with each Package as further described in Section 2.2 hereof; 6) "Licensed Level" shall mean a) when referenced in the context of a Named User, the quantity of Metric for which each individual Named User category and type is licensed -and- b) when referenced in the context of a Package, the quantity of Metric for which each individual Package is licensed; 7) "Use" means to activate the processing capabilities of the Software, load, execute, access, employ the Software, or display information resulting from such capabilities. Use may occur by way of an interface delivered with or as a part of the Software, a Licensee or third-party interface, or another intermediary system; and 8) "Order Form" shall mean the order document for the Named Users and Packages licensed under the Agreement, including order documents placed directly with SAP or through an authorized reseller, distributor, OEM or other authorized partner of SAP.

1.2 Standard License Principles / Rules of Use

1.2.1 Named User License & Package License Required. Except as otherwise specifically provided in Sections 1.3.2, 2.1.4 and 3 or stipulated otherwise by the Price List hereof with respect to applicability of Named User Licenses, 1) the Use of any Package requires both a Named User License and a Package License; 2) Licensee needs to hold a Named User License for any individual accessing any Package, and such Named User License shall define the extent to which such individual may Use the Package, such Use of the Package in all cases being further subject to the Package License and otherwise in accordance with the terms of the Agreement, unless otherwise set forth in Exhibit 3. Named User Licenses cannot be assigned to more than one individual.

What triggers the need for a user license?

“Use” means to **activate the processing capabilities** of the Software, load, execute, access, employ the Software, or display information resulting from such capabilities. Use **may occur** by way of an interface delivered with or as a part of the Software, a Licensee or third-party interface, or another intermediary system.”

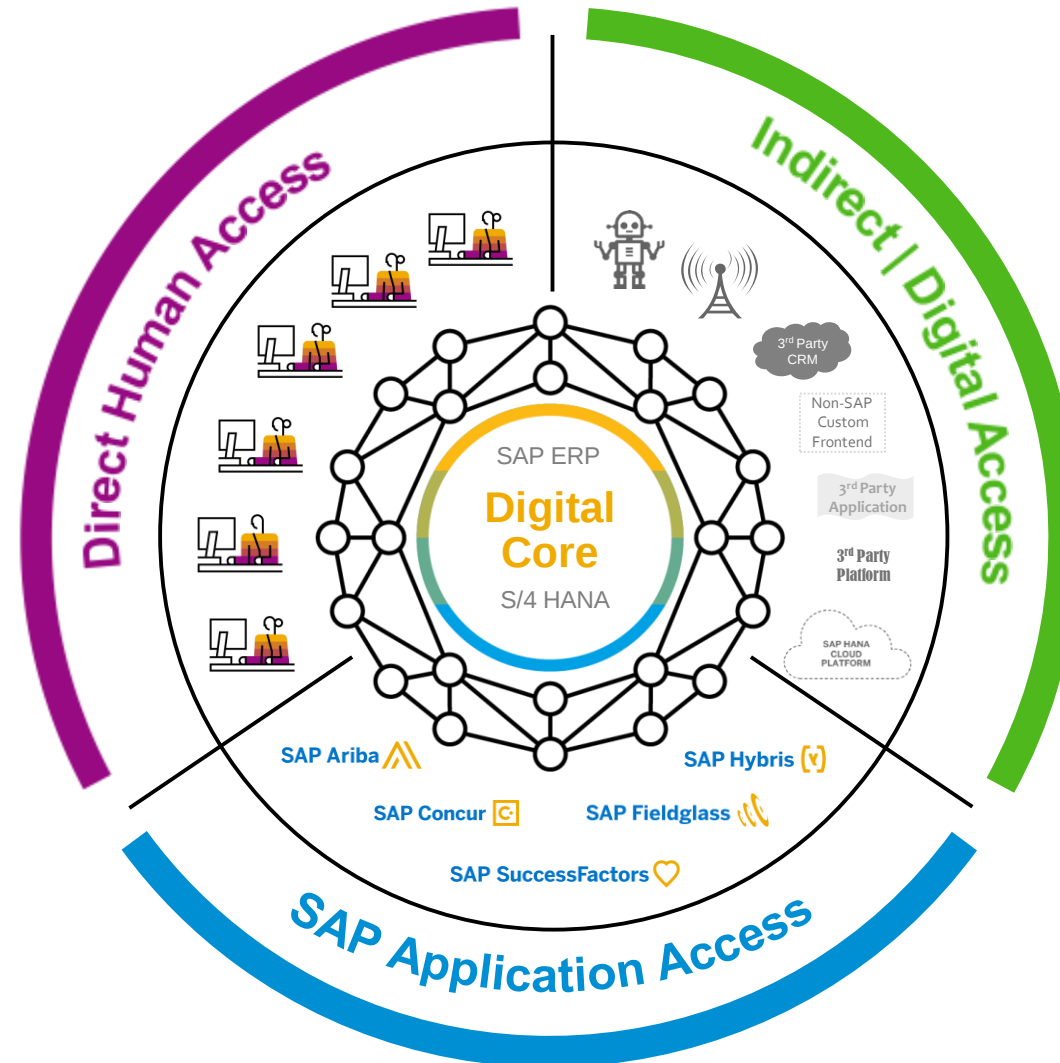


Nøkkelkriterier

- 1) Aktivering av ERP kjernen – uavhengig om det skjer direkte eller indirekte
- 2) Display av data

Use of ERP and types of access

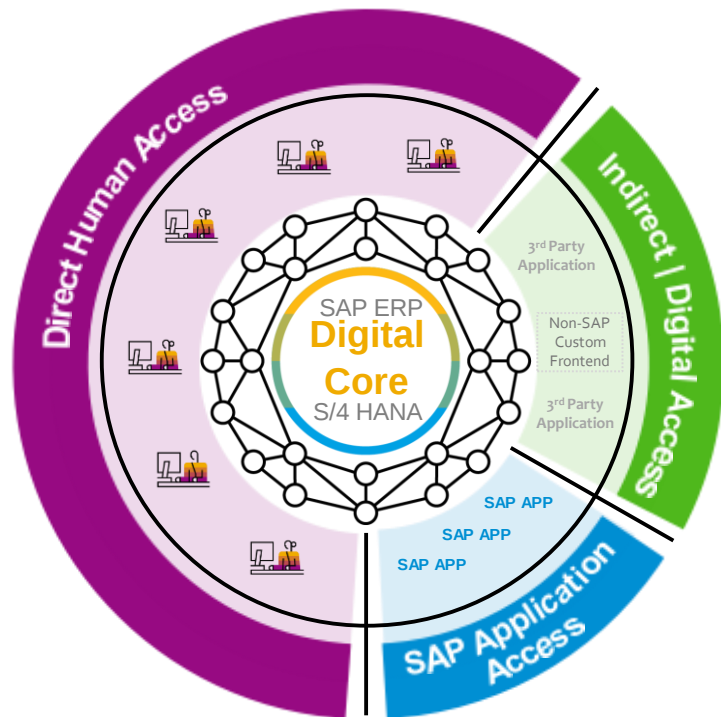
One definition of use and three types of access



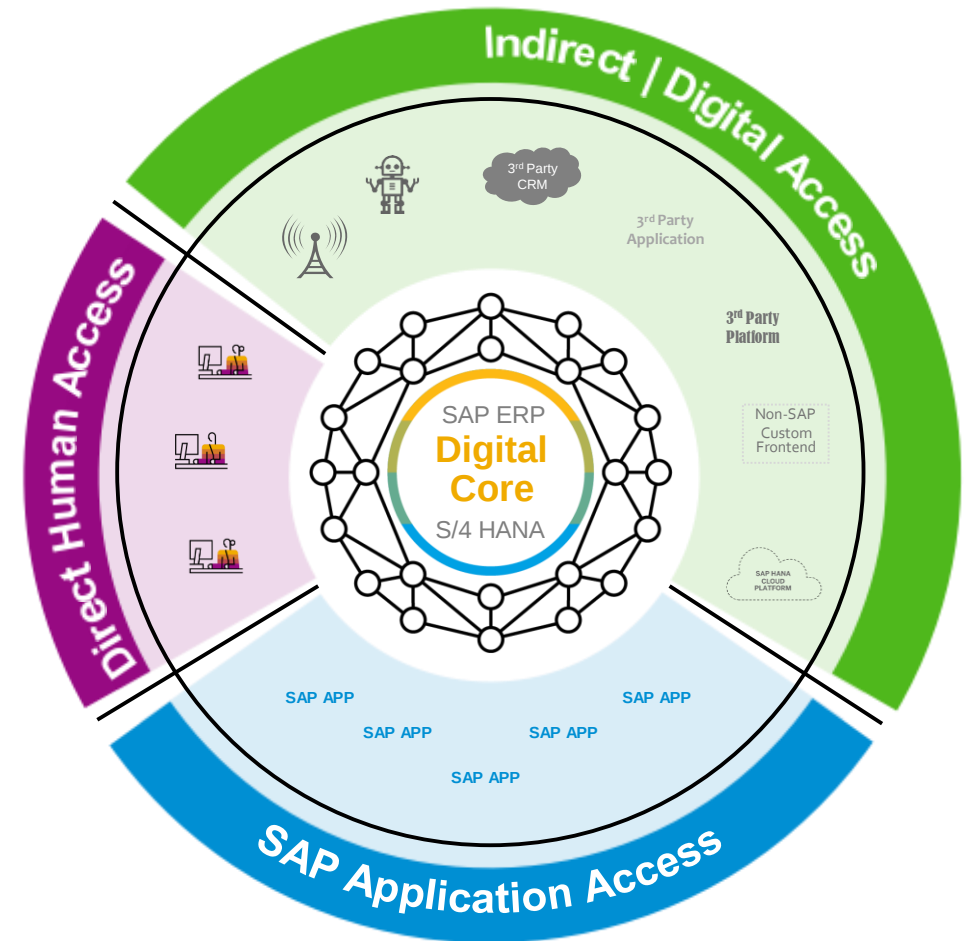
Technology landscape is evolving and so is the way customers access ERP

Indirect | Digital Access is growing due to proliferation of devices, machine learning, AI, etc.

ERP Use in 20th Century



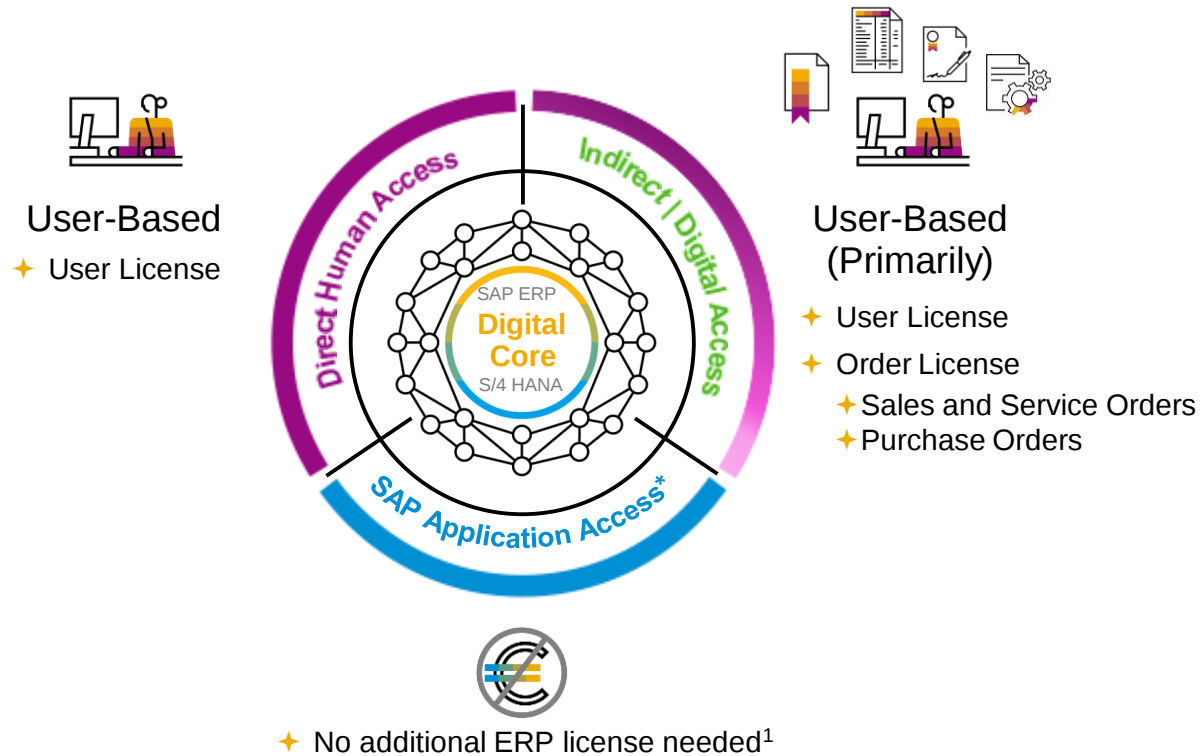
ERP Use in 21st Century



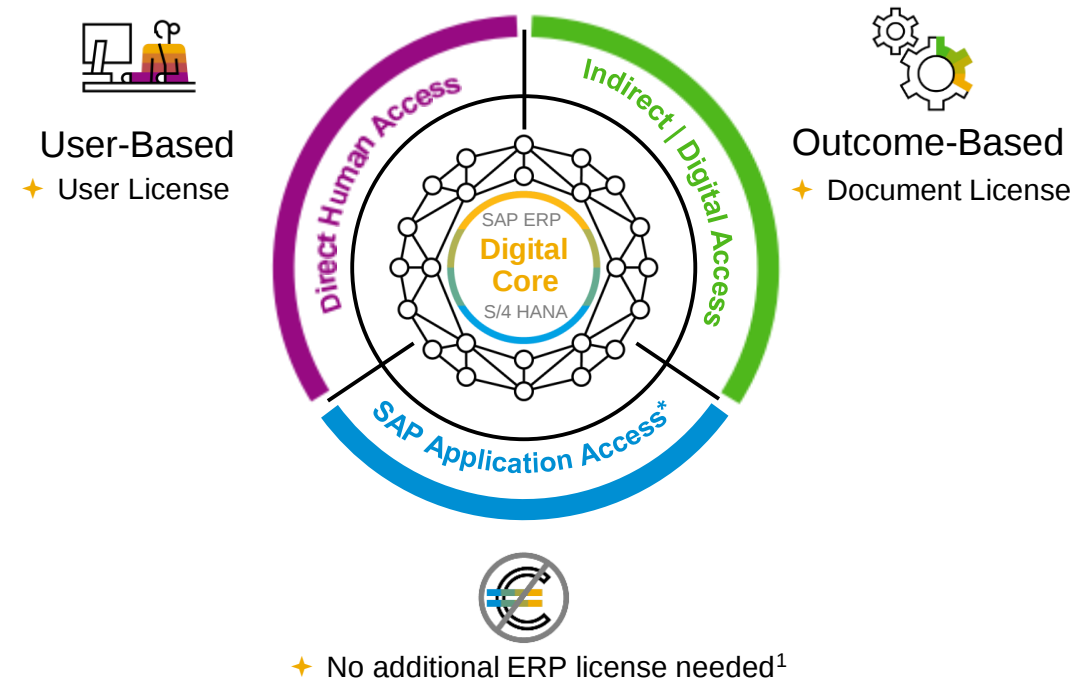
SAP is modernizing ERP pricing

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

Legacy Model



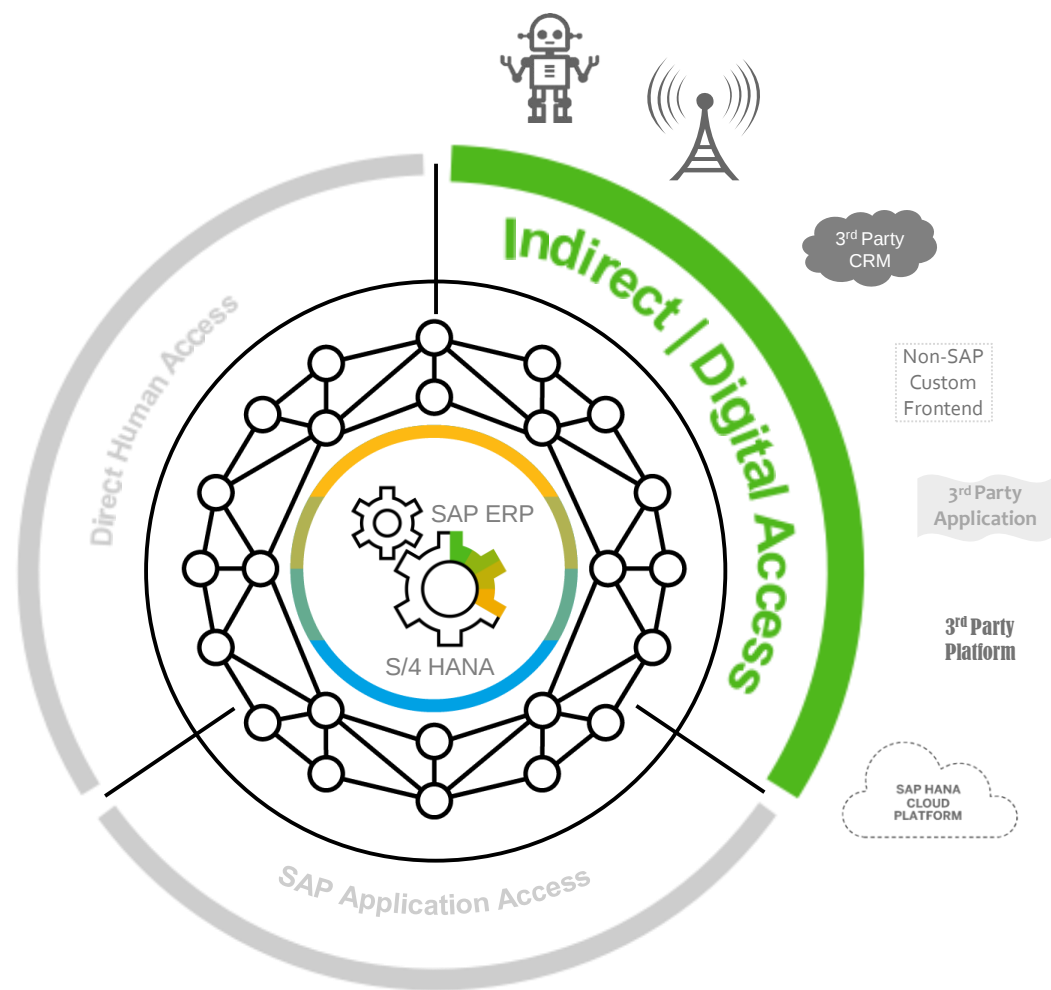
New Model Available April 2018 Onwards



¹SAP 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	
- Sales Document (counted at line item level) - Invoice Document (counted at line item level) - Purchase Document (counted at line item level) - Service & Maintenance Document - Manufacturing Document - Quality Management Document - Time Management Document	1.0	4
- Financial Document (counted at line item level) - Material Document (counted at line item level)	0.2	0,8

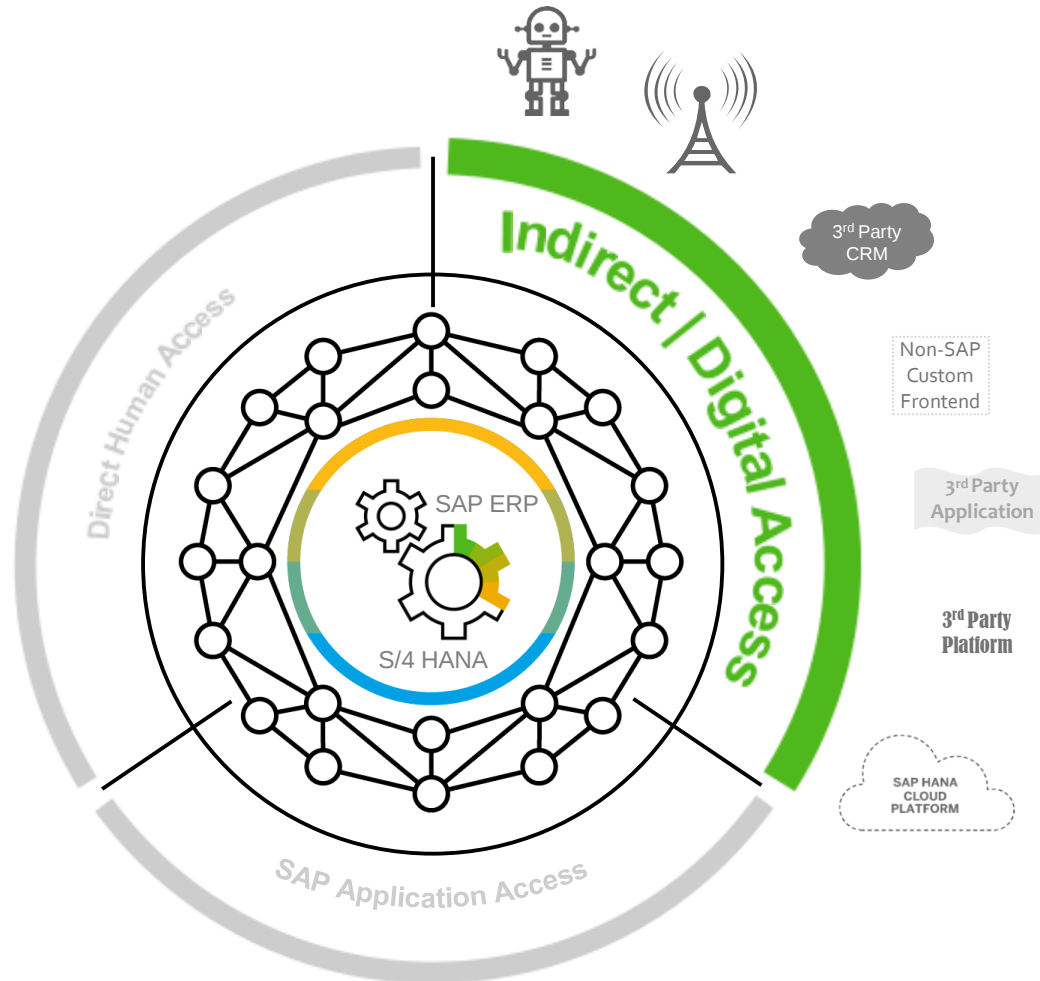
License Calculation

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

$(\text{Document (\#)} * \text{Multiplier}) + \dots + (\text{Document (\#)} * \text{Multiplier})$

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

Value of SAP Indirect / Digital Access Outcome Based Pricing



Value based – pay for system activity

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

Outcome Focused

We charge for the 9 documents created **indirectly** in the ERP Core System
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

We do not charge

- For documents created by Named Users (Direct Human Access)
- For documents created by other SAP applications (SAP Application Access)

Definition of document types

Document Type	Description
Sales Document (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 (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 (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 (counted at line item level)	A record that represents accounting information in a financial journal (e.g., journal entry line item).
Material Document (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).

Analysis tools for a historical view

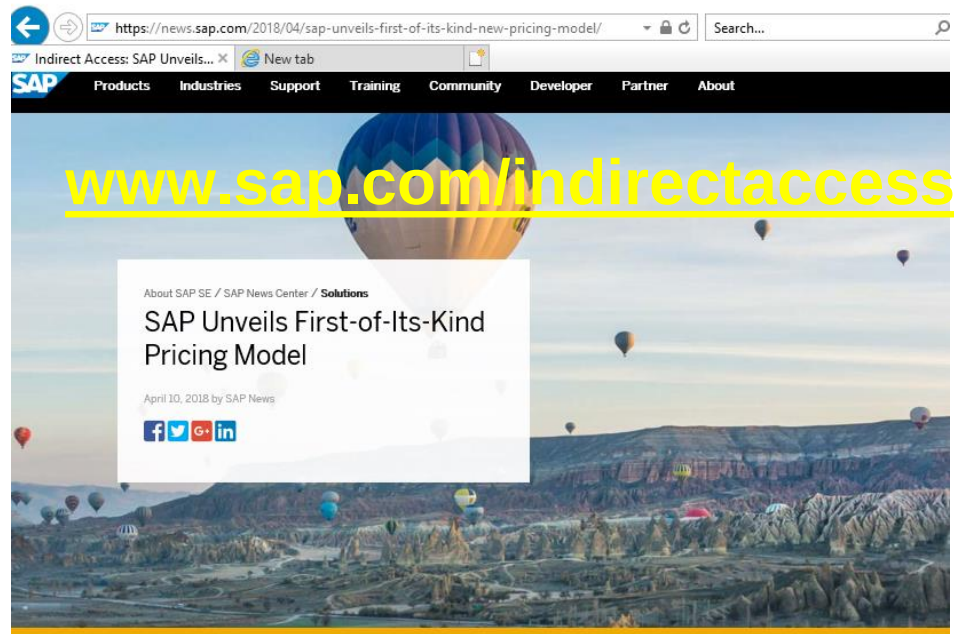
Existing customers can use a report that provides an approximate number of documents to be licensed in Digital Access

Further information is described in notes:

See [Note 2644139](#) - Digital Access: Tool for SAP ERP (ECC)

and [Note 2644172](#) - Digital Access: Tool for SAP S/4HANA

Available information on SAP Digital Access



WALLDORF — Driven by unprecedented collaboration with user groups, customers, partners and industry analysts, **SAP SE** (NYSE: SAP) today announced a new sales, audit and pricing model for its Digital Access licensing policies commonly known as “Indirect Access.”

- New approach, developed in consultation with user groups, focuses on transparency

The new approach makes it easier and more transparent for customers to use and pay for SAP software licenses. It also differentiates between Direct/Human and Indirect/Digital Access*, while clarifying the rules of engagement for licensing, usage and compliance.

New Pricing Model

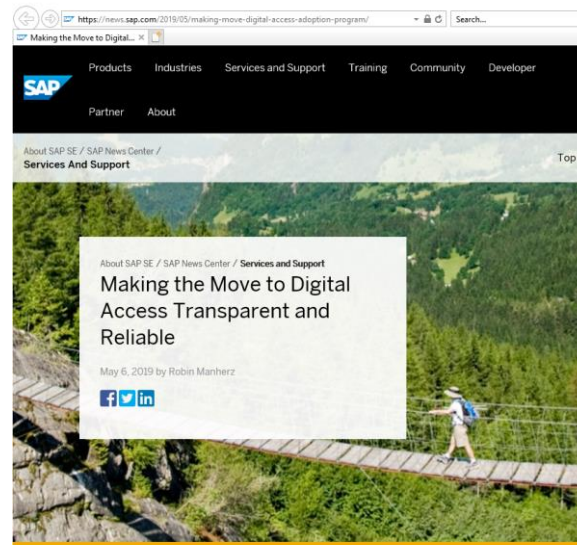
The new model – a first of its kind for the enterprise software industry – addresses challenges faced by some customers when it comes to pricing for Indirect/Digital Access.



SAP ERP Pricing for the Digital Age: Addressing Indirect/Digital Access

Sapphire campaign for existing customers

- Official news <https://news.sap.com/2019/05/making-move-digital-access-adoption-program/>
- PartnerEdge : <https://partneredge.sap.com/en/partnership/sales/pricing.html>



SAP's objective has always been to have a mutually trustful, lifelong relationship with its customers based on the value of its solutions and customer empathy.



The SAP Digital Access Adoption Program (DAAP)

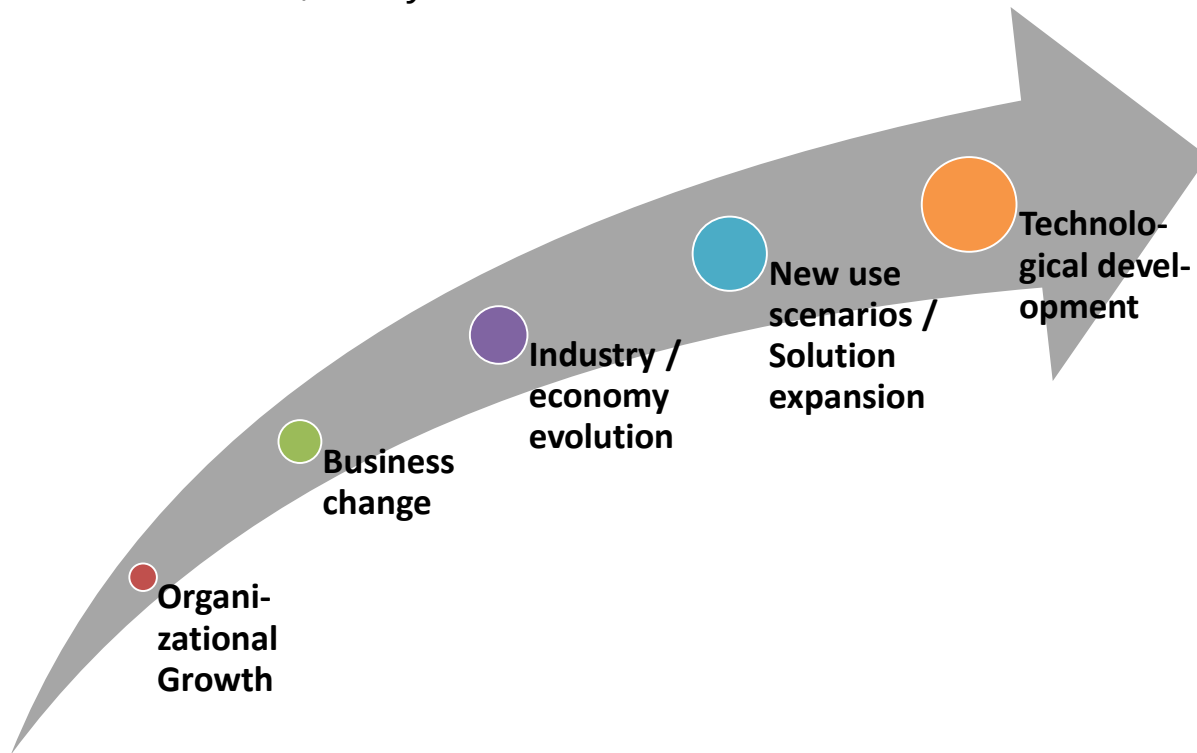
DAAP* is planned to be place for one year and is designed to cover esti

1 Step 1 Customer Chooses Measurability Option	2 Step 2 Customer Chooses Financial Incentive Option
(A) Customer & SAP's Global License Audit and Compliance (GLAC) identify estimated # of documents created by current use	(A) Customer licenses at least 115% (15% growth) of current estimated document use and the license fee charged for this transaction is only for such licensed growth**
OR	OR
(B) Customer implements Support Packages containing SAP Passport tool with support to identify estimated # of documents created by current use	(B) Customer licenses at least 100% of current estimated document use and receives a 90% discount on Digital Access

License Evaluation – make it part of solution life cycle management

WHY

- Licensing can be complicated...
- SAP Offerings evolve, products and models
- Use of solution can change over time, many reasons



HOW

- **Good license management is needed**
- Regularly and before deployment (also as per terms)
- "Catch up" via license evaluation ("audit"), regular yearly process for most customers
- **Make it productive and valuable**
- Be proactive, schedule it - be smart, avoid surprises
- Consider with other perspectives (SAM, License optimization, GCR)
- **Customer – SAP discussions, guidance on license utilization**
- As usage grows and evolves, needs change
- From Onprem to Cloud, Extensions, etc.

Thank you.

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