

SUGEN Strategic Questions April 2021

RISE with SAP / Move to the Cloud

1. How will RISE with SAP impact your current SAP investment?

RISE with SAP will not impact any existing contracts which our customers have with SAP. RISE with SAP is a new offering which we believe will support our customers acceleration to the cloud, as part of their own roadmap and on their own terms. SAP is looking forward to having a dialogue with our customers on where RISE with SAP can help drive their business transformation.

2. How to leverage RISE with SAP?

RISE with SAP is customer-first and partner-centric. Depending on a customer's unique departure point for their move to the Cloud, SAP, and our vast ecosystem can support from initial conversations to supporting a business transformation journey. You can initiate a conversation with your SAP AE or integration partner at any point.

3. How will RISE with SAP impact your license fee structure? / What are Licensing conditions for RISE?

As part of the transformation journey, RISE provides a pathway for our customers to modernize their license structure by converting their existing on-premise entitlements to cloud subscriptions. As a cloud offering, RISE will eliminate the need for significant upfront capital expenditures and rely primarily on annual subscription fees. To facilitate the cloud journey, RISE maintains most of our familiar licensing metrics adapted to a cloud subscription model.

4. Is this currently something for the large SIs (Accenture, etc)

RISE with SAP is customer first and partner centric, there is no RISE with SAP without the support of all our partners, from VARs to resellers all the way up to our global SIs. Adjacent to the RISE with SAP offer are the world class services such as business advisory, implementation services, and applications management services our partners offer separately. We rely on our ecosystem to provide solution extensions, add-ons and packages which can be contracted directly by the customer.

5. What level of interest are SAP seeing from customers?

RISE with SAP is built according to the direct feedback and engagement of our customers and therefore its appeal has been broad, and the response, extremely positive since its launch in January 2021.

The initial RISE with SAP offerings concepts were piloted with more than 100 customers throughout 2020 and through this process, RISE with SAP evolved into the offer you see today, and will continue to evolve, aligned with customer needs.

Throughout Q1 we have seen great levels of engagement from our customer base in exploring a RISE with SAP journey.

You can also view some of our customer and partner testimonials from our launch in January here: <https://www.sap.com/products/rise.html>

6. When will we have the first use cases that can be communicated and will SAP work with us to have customers speak to our members?

We are working with our early RISE with SAP adopters and look forward to communicating these first use cases shortly.

7. It is perceived that SAP is not considering all SAP solutions within the RISE concept and that it is limited to S / 4 and other platforms, but we understand that it does not include cloud solutions such as SAP Ariba or SAP SSFF?

The initial RISE with SAP offerings concepts were piloted with more than 100 customers throughout 2020 and through this process, RISE with SAP evolved into the offer you see today, and will continue to evolve, aligned with customer needs.

RISE with SAP bundles will soon be available specific to industry and line of business.

We encourage our customers to talk directly to their SAP AE or partner team about how these solutions can be built into their RISE with SAP journey.

8. We would like to know more details about this program and what kind of values it will bring to the users, how it affects our existing contract with SAP, and how it works for our further collaboration with SAP.

Please see response to Question 1

9. We also would like to know the future vision of SAP by bringing this program now and what the expectable future relationship between SAP and the users is.

We are committed to working with every customer to find the right pathway to the intelligent enterprise and supporting their departure points and readiness.

We fully believe that the cloud is the future for our business and for our customers, even though not every business is ready to embrace cloud solutions for their business in the foreseeable future.

Our goal to ensure that every customer has a future with SAP – and a path to the cloud when the time is right for them. The customers that will benefit the most from RISE are those that have the desire to transform their business and we look forward to working with them to achieve this vision.

10. What does Cloud mean for your licensing structure?

Please see response to question 3

11. Understanding the migration path from on-premise to cloud – how to prepare to move to the Cloud? What to move and when?

RISE with SAP has been created to best support your priorities and challenges today, and in the future. We have reframed the move to the cloud from a technical lift and shift to a broader conversation about business goals. Moving well beyond a mere lift and shift to uncover the real value that only comes when you lift, shift and transform.

We are here to help you to truly transform your business at your speed and on your terms, through RISE with SAP, providing you a clear and flexible pathway for every organisation, even yours, to become an intelligent enterprise.

We recognise that each organisation is different so RISE with SAP has been designed to enable you to accelerate your cloud journey with confidence, regardless of your company's size, industry, cloud readiness (e.g. ECC or S/4 On premise) or departure point.

Integration

1. What is the current status of integrations?

In 2020, we increased the number of integrations by more than 160 percent compared to 2019. For this year, we have over 200 transformative integrations planned with even more to come. We are fully committed to deliver on our promise to help every customer run as an intelligent enterprise.

2. What is the latest update to the integration paper in the cloud / current status of integrations?

The update [Integration Strategy Paper](#) (as of March 2020) highlights the latest integration deliveries and transformative business outcomes and gives an outlook on the road ahead in 2021. On this topic also see the SAP News announcement by Juergen Mueller and Thomas Saueressig: [Integration: Delivering on Our Promise](#)

3. What is the most challenging/ complex issue around integration at the moment?

Aligned domain models across SAP applications is for sure one of the more complex integration topics that we are currently tackling. Harmonized and aligned domain models build the foundation for an integrated, Intelligent Suite, as SAP applications can synchronize business objects with common attributes and use common semantics, thereby reducing SAP-to-SAP integration efforts and simplifying further extension and non-SAP integration use cases.

In 2020 several business objects, like e.g. WorkforcePerson (employee) or CostCenter were defined and implemented across the solutions of the Intelligent Suite. For those objects customers no longer need to integrate the solutions accordingly so that those objects can be exchanged between SAP applications. Customers get this integration out-of-the-box and only need to activate the synchronization with the SAP Master Data Integration service in their solution of the Intelligent Suite. In 2021 we are continuously increasing the number of aligned domain models across the leading end-to-end processes.

Further information on this topic:

- [SAP One Domain Model – the lingua franca of the integrated intelligent suite | SAP Blogs](#)
- [SAP One Domain Model – December 2020 Update | SAP Blogs](#)
- [SAP Domain Model Explorer](#) on SAP API Business Hub
- TechEd Session: [One Domain Model and SAP Cloud Platform Master Data Integration | SAP TechEd in 2020 - YouTube](#)

4. What is the integration roadmap for the upcoming months?

See end-to-end process road map at [SAP Road Map Explorer](#)

Security

1. The potentially devastating impact of cybersecurity attacks has resulted in system security becoming one of the big focus areas for business leaders and technical teams and is considered to be one of the top five concerns of boards of companies globally. As a result, we are seeing a trend in organisations appointing Chief Information Security Officers (CISO) to ensure their organisation's digital security is elevated to C-suite accountability.

- We here at SAP recognize this as well, and have taken similar steps – organizationally, technically and process-wise – to help bring a more holistic view of Cybersecurity to how we build our products, protect our infrastructure and secure our customers.
- As for top five Board topics, Cyber is certainly among them, and is taken very seriously by the Executive Board as well as the Supervisory Audit Committee.
- A Security Transformation office was even established in 2019, to help drive 15 major Enterprise Security programs across the company, with direct authority from the Executive Board. Further, Cyber metrics – for our Product and our Platforms – are now a regular review item for SAP's Board.
- Lastly, and probably the most important, is that the office of the CSO was elevated last year to report directly to the CEO, to ensure Cybersecurity had the right level of organizational accountability, execution and visibility within the company.

2. How do you manage security vulnerabilities in hybrid landscape?

- While seemingly a simple question, this is actually very complex across a company the size and structure of SAP. To answer, I will provide a quick overview of what SAP is doing in this area.
- **The first is structural**, SAP has worked very diligently to centralize Infrastructure scanning from the core of our environments globally, all the way out to our Cloud footprints across five hyperscaler ecosystems. This is critical for us, as each vulnerability represents a potential opportunity for a threat actor to exploit. Additionally, all application vulnerability scanning is being standardized across the various product teams within SAP, to help ensure we can drive the right consistency of testing for possible defects. To augment this, SAP has even implemented several bug bounty programs, to also enlist the assistance of the research community, as often times they can be a very effective group in uncovering gaps in our armor.
- **The second is process-based**. As you know, scanning all of these very diverse ecosystems and product environments is incredibly difficult, but what can even be more challenging is creating the right “views” – through metrics and reporting – to ensure we’re also driving the right corrective actions with the appropriate teams. This is so crucial, as it is one thing to identify what might be vulnerable, and another to ensure all of the appropriate actions are taken to correct it, including risk & mitigation management practices, impacts to product release cycles and even time-bound exception controls.
- **Lastly – and most important – is a culture of accountability**. From Christian Klein and all of the Executive Board, the tone has been set from the top of the house that vulnerability and defect management must be viewed as a quality issue for our software and our services. With this in mind, the Board has also mandated that each L1 within the organization must be held accountable for the vulnerabilities that appear in their areas of responsibility, as well as misses to SLAs.
- All in all, this is like a highly orchestrated dance, and it never stops here at SAP. Our goal is not only to make our products and platforms as defect free as possible, but also to reduce our overall cycle times for detecting vulnerabilities, as well as correcting them.

Licensing

1. Consumption based pricing: What is the timeline? Is still only SCP/BTP considered?

SAP is happy to announce that SAP’s BTP Platform on a PAYG commercial model is now generally available globally in 115 countries since March 2021. Customers can sign up directly online for it via the [SAP Digital Store](#).

Business Process Intelligence

1. How can customers quickly reap benefits from BPI?

- Customers can request [Process Discovery](#) already now: tailored insights and recommendations into their processes
- Process Discovery is also part of the RISE with SAP offering (BPI kickstart)
- also free for all partners with a maintenance contract

2. How is Signavio complementing SAP's portfolio?

SAP:

- Lightweight (fast time to value) process analysis tool to get first insights into processes and recommendations
- User Behavior Mining
- Process KPIs and PPIs
- Benchmarking from 3.000 customers
- Process Improvement solutions: RPA and other automation plays like LCNC

Signavio:

- State of the art process mining capabilities (also of non-SAP processes)
- process design and simulation
- collaboration capabilities, that also allow process governance
- customer journey mapping