

## SAP S/4HANA on-premise

## **Licensing Overview**

Michael Deller, Bernd Hartmann, SAP SE October, 07, 2020

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#### **Licensing Overview: SAP S/4HANA on-premise**

#### **Topics**

#### SAP S/4HANA on-premise Licensing Model

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

#### Safeguarding our customers' investments

- SAP S/4HANA Product Conversion
- SAP S/4HANA Contract Conversion

Optional: BoM Examples

Q&A

# SAP S/4HANA on-premise licensing model

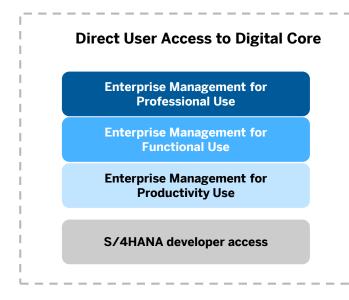
Licensing model for existing customers

Core versus extended scope – licensing of Industry & LoB solutions

Licensing model for new customers

Compatibility Packs

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

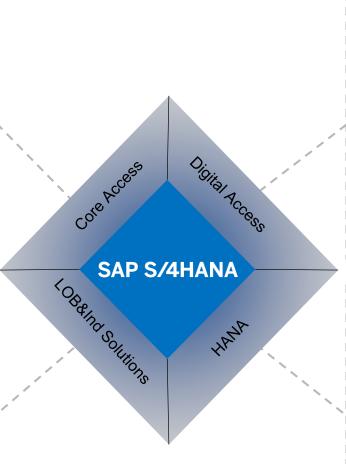


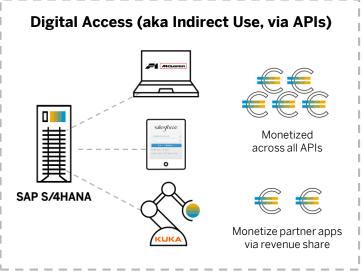


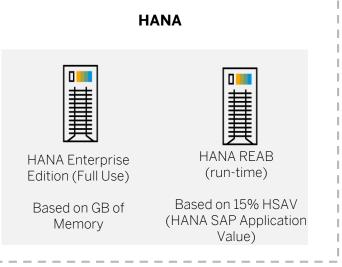
90+ Addon Solutions (EWM, EHS, Treasury & Risk, Cash Mgt, etc),

SAP S/4HANA Central Procurement SAP S/4HANA Cash Management

SAP S/4HANA Production Planning and Detailed Scheduling SAP S/4HANA Product Compliance



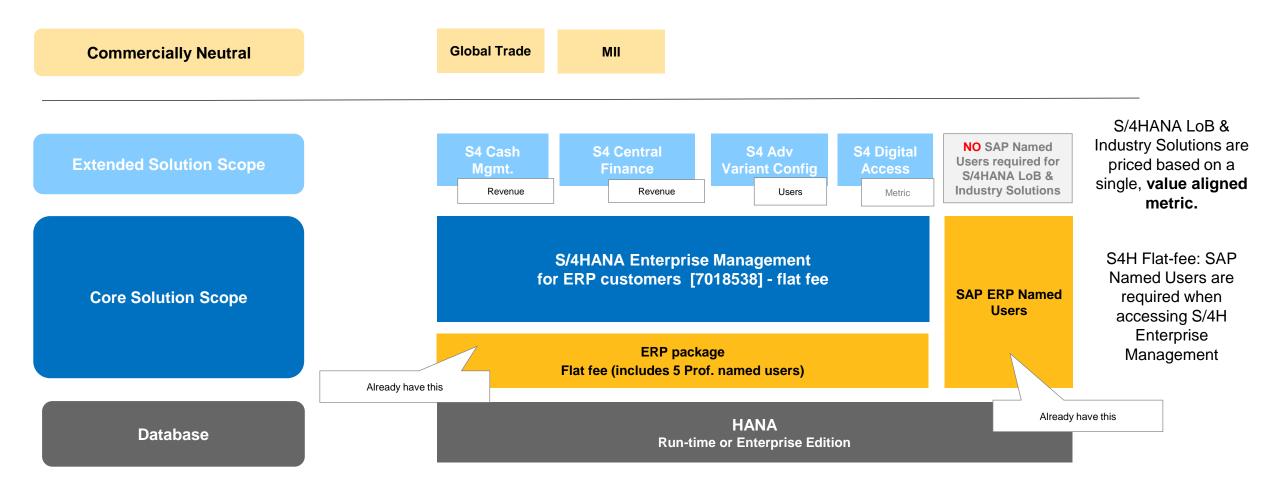




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#### SAP S/4HANA OnPrem Licensing – For Existing ERP Customers

Direct User Access to Digital Core and LoB & Industry Solutions



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#### SAP S/4HANA 1909 – Direct User Access to the Digital Core – Level 1

Overview Business Areas, Solution Capabilities of S/4HANA Enterprise Management

#### Sales & Marketing **Supply Chain** Finance Manufacturing Order and contract management Accounting and financial close Production engineering Inventory · Financial Accounting Production BOM Management Goods Movement Sales Billing Recipe/Routing Management Sales Contract Management Entity Close Inventory Analytics and Control Sales Master Data Management Financial Reporting · Returnable Packaging Logistics Production planning Sales Monitoring and Analytics Revenue and Cost Accounting Physical Inventory Material Requirements Planning Sales Quotation Management Financial operations · Production Scheduling Warehousing Sales Order Management and Processing Accounts Payable · Warehouse Management Production operations Sales Rebates Management Accounts Receivable Delivery and transportation External Processing Claims, Returns and Refund Management Cash Management · Production Execution Delivery Management Solution Billing Electronic Billing and Payment Transportation Management Subcontracting Price Management · Settlement Management Just-in-time Processing Order promising Sales Quotation Management Cost management & profitability analysis Kanban Incentive and Commission Management · Available to Promise Overhead Cost Management · Production Control Product Costing · Repetitive Manufacturing Sales force support Profitability Analysis Quality management Account and Contact Management Enterprise Risk and Compliance · Quality Engineering; Quality · Activity Management International Trade Management Improvement; Quality Inspection Opportunity Management Public Sector: Funds Management: Manufacturing insights Sales Lead Management SAP S/4HANA Grants Management for Grantee Manufacturing Analytics **Enterprise Management** Core HR and time recording Service master data and Enterprise Portfolio and Project Operational procurement Maintenance management Maintenance Planning and · Purchase Order Collaboration · Organizational Management agreement management Management Time Sheet Scheduling Purchase Order Processing · Warranty Management · Project Financial Control Maintenance Execution Purchasing Rebate Management Business Solution Contract Mamt Project Logistics Control · Requirements Processing

#### Service operations and processes

- Service Request Management
- · Service Order Management
- · Service Fulfilment
- Service Billing
- Customer Engagement
- Packaged Service Offerings

#### Product engineering

- Variant Configuration
- Product Development Foundation
- Service Purchasing and Recording
- · Self-Service Requisitioning

#### Sourcing and contract

#### management

- Source Assignment
- Purchase Contract Management

#### Supplier management

- · Classification and Segmentation
- Supplier Evaluation

#### Procurement analytics

- Spend Visibility
- · Real-Time Reporting and Monitoring

#### Invoice management

- Invoice Processing
- Invoice Collaboration

Service

**Asset Management** 

R&D / Engineering

**Sourcing & Procurement** 

**Human Resources** 

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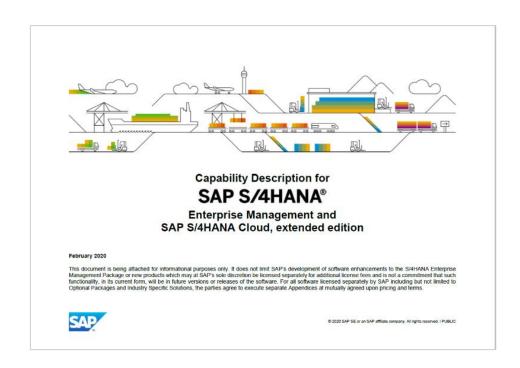
#### SAP S/4HANA 1909 – Direct User Access to the Digital Core – Level 2

#### Capability Description for SAP S/4HANA

#### Purposes:

- support in defining required amounts of S/4HANA Enterprise Management use type licenses (productivity / functional / professional use)
- document the scope of Enterprise Management based on structure
  - LoB Business Area Solution Capability
- 3. provide detailed information of solution capabilites; online on solutionportfolio.net
   also extended capabilities, not only core (Ent.Mgmt)
   → license material number lookup!

Also available on PartnerEdge (link)

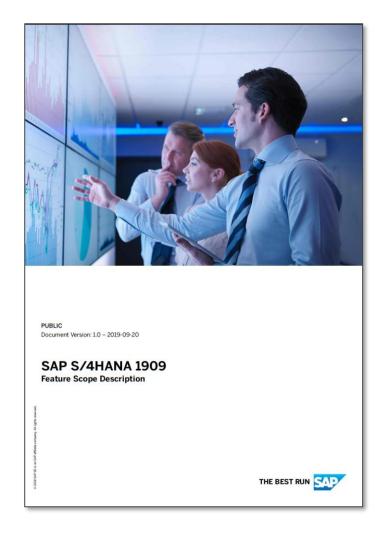




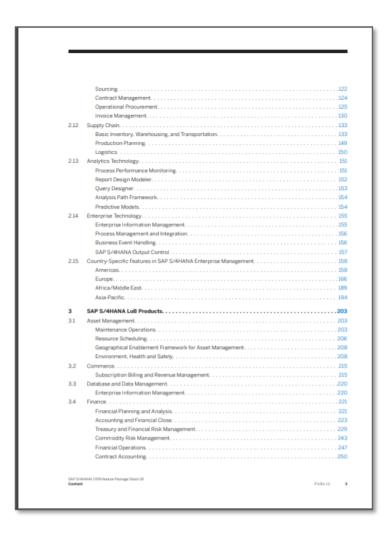
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#### SAP S/4HANA 1909 – Direct User Access to the Digital Core – Level 3

#### Feature Scope Description







Publicly available on <a href="help.sap.com">help.sap.com</a>

Chapter 2: scope of S/4HANA Enterprise Management

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

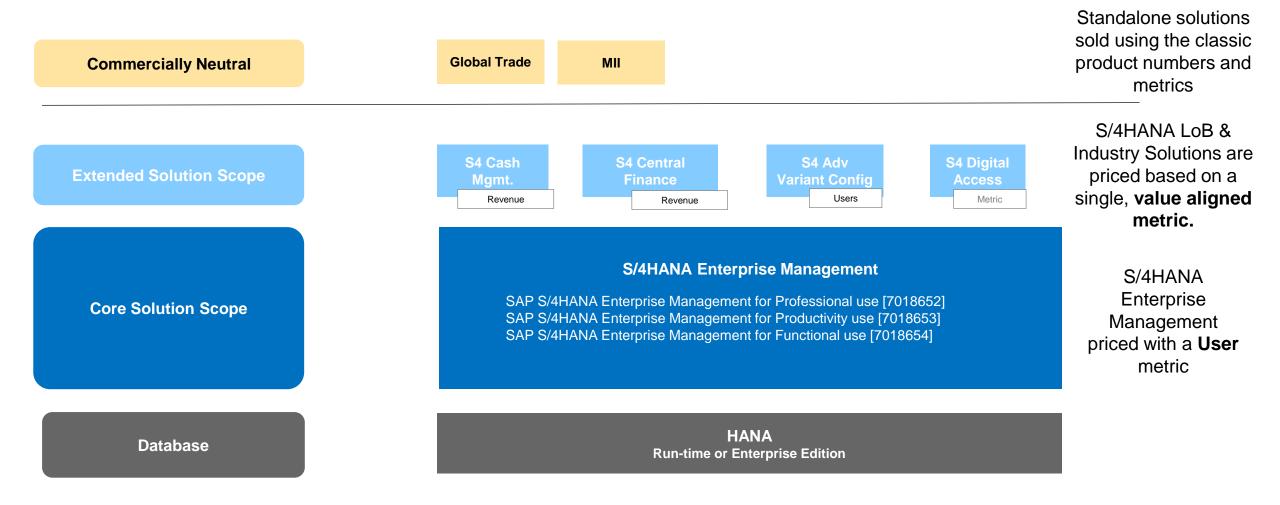
#### SAP S/4HANA 1909 - Digital Core and LoB Solutions

#### Overview Business Areas, Solution Capabilities beyond Digital Core

	Sales & Marketing	Finance		Ma	nufacturing	Supply Chain
Suite LoB Solutions**	SAP digital payments add-on SAP CRM  SAP C/4HANA SAP Sales Cloud SAP Commerce Cloud SAP Marketing Cloud	Governance, risk, and con SAP Multi-Bank Connectiv SAP digital payments add- SAP Cash Application Financial planning & analy SAP Ariba \( \) S	vity -on	QIM, VE) • Production of	manufacturing (ME, MII, perations (MII, QIM) tions for manufacturing	<ul> <li>Integrated business planning</li> <li>Global batch traceability</li> <li>Extended warehouse management</li> <li>Transportation management</li> </ul>
S/4HANA LoB Solutions*	Sales performance management	<ul> <li>Advanced accounting &amp; fir</li> <li>Advanced financial operati</li> <li>Treasury management</li> <li>Commodity management</li> <li>Subscription billing and rev</li> </ul>	ions	scheduling	duction planning and	<ul><li>Advanced warehousing</li><li>Advanced transportation</li><li>Advanced order promising</li></ul>
SAP S/4HANA	Order and contract management Sales force support	Accounting and financial c     Financial operations     Cost management & profit     Enterprise risk and compli	ability analysis	<ul><li>Production p</li><li>Production o</li><li>Quality mana</li><li>Manufacturin</li></ul>	perations gement	Inventory     Warehousing     Shipping and transportation     Order promising
Enterprise Management	Service master data and agreement management     Service operations and processes     Service parts management	Maintenance management	Enterprise portfolio management     Product engineering		Operational procurement     Sourcing and contract management     Supplier management     Procurement analytics     Invoice management	• Core HR and time recording
S/4HANA LoB Solutions*		Asset operations and maintenance     Environment, health, and safety	<ul> <li>Extended Enterprise project managemer</li> <li>Product lifecycle materials</li> <li>Product compliance</li> </ul>	nt anagement	Central procurement	
Suite LoB Solutions**	• SAP CRM  SAP C/4HANA • SAP Service Cloud	SAP Geographical Enablement Framework     SAP Intelligent Asset Management	Digital operations f     Requirement mana		Supplier collaboration Business network Guided end-user buying External workforce managem SAP Ariba N SAP Concur S SAP Fi	,     · · · · · · · · · · · · · · · · ·
					//	

#### SAP S/4HANA OnPrem Licensing – For New Customers

Direct User Access to Digital Core and LoB & Industry Solutions



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# 7018682 SAP S/4HANA, developer access

#### **SAP S/4HANA Licensing – For New Customers**

#### Details on Direct User Access to Digital Core

#### 7018652 SAP S/4HANA Enterprise Management for Professional use

This license allows performing all role required operations, including management and system administration tasks.

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

- Inventory Analytics & Control
- Returnable Packaging Logistics
- External Processing
- Subcontracting
- Just-in-time Inbound Processing
- Kanban
- Repetitive Manufacturing
- Quality Improvement
- Quality Inspection
- Production BOM Management
- Recipe/Routing Management
- Manufacturing Analytics
- · Maintenance Planning & Sched.
- Master Data Maintenance
- Project Financial Control
- Project Logistics Control
- Product Development Foundation

- Warranty Management
- · Service Request Management
- Service Order Management
- Service Fulfilment
- · Service Billing & Settlement
- · Customer Engagement
- Packaged Service Offerings
- Business Solution Contract Management
- Service Contract Management
- Service Parts Fulfillment
- · Sales Quotation Management
- Sales Contract Management
- Sales Order Management and Processing
- Price Management
- Incentives and Commissions Management
- Opportunity Management
- · Sales Lead Management
- Activity Management
- Account and Contract Management
- · Sales Master Data Management
- Sales Billing
- Solution Billing
- Sales Rebates Management
- · Claims Return and Refund Management
- Sales monitoring and Analytics

+ capabilities of SAP S/4HANA Enterprise Management for Productivity Use

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

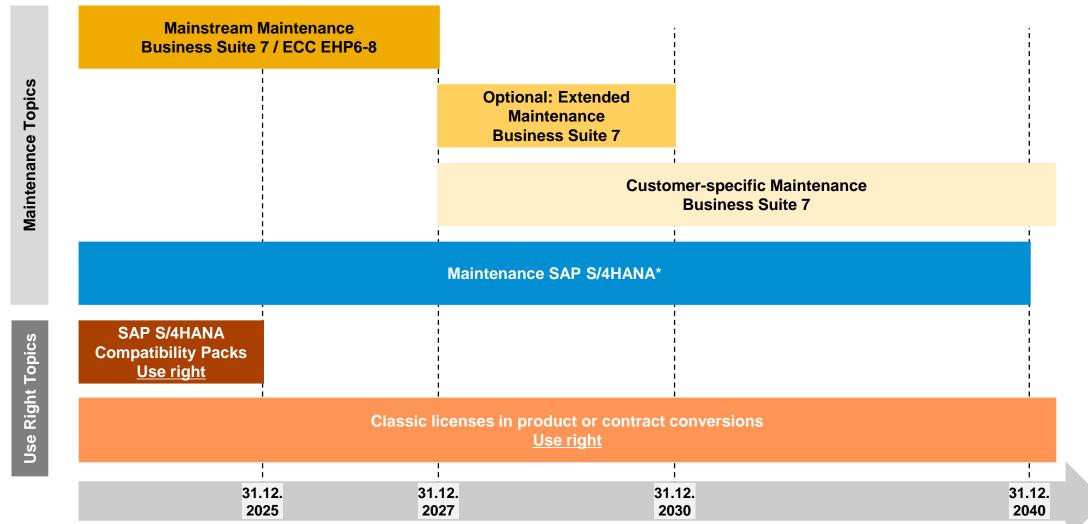
- Goods Movement
- Warehouse Management
- · Delivery Management
- · Available to Promise
- Transportation Management
- Physical Inventory
- Batch Management
- Serial Number Management
- · Handling Unit Management
- Material Requirements Planning
- Production Execution
- · Production Control
- Maintenance Execution
- Self-Service Requisitioning
- Organizational Management
- · Time Sheet
- · Display use rights\*

# Building a bridge into the new world

Compatibility Packs in SAP S/4HANA

#### **SAP Maintenance Commitment as of Feb 4, 2020 – Simplified Timeline**





#### Overview

SAP grants a timely restricted<sup>(1)</sup> use right for specific classic SAP solution functionality<sup>(2)</sup> to S/4HANA customers, at no extra cost<sup>(3)</sup>

- (1) restricted until the end of 2025
- (2) whitelist: compatibility packs as documented in note <a href="2269324">2269324</a> and referenced 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 2023 with a genuine S/4HANA solution.

# Compatibility Packs in SAP S/4HANA CP Matrix and Licensing

A CP is an S/4HANA compatible copy of a "classic" = Business Suite software product.

All CPs are listed on the Compatibility Scope Matrix. It contains:

- complete or partial solutions
- LoB/Industry- and ERP Core solutions
- Additional information to better identify the scope and cross-link information (as applicable – application component, link to Simplification Item, ID)

SAP S/4HANA Compatibility Scope Matrix (Expiration Date: December 31, 2025)

Item ID	Material	Classical Solutions Name	SAP S/4HANA Compatibility Pack Solutions*	Type***	Subcomponent
Part 1: U	niversal Compa	atibility Packs			
101	7002928	SAP Payroll Processing for Non-profit Organizations	CP-SAP Payroll Processing for Non-profit Organizations	U	complete solution
102	7009037	SAP EHS Management: product and REACH compliance	CP-SAP EHS Management: product and REACH compliance	U	complete solution - does not contain SAP REACH Compliance, cf. note 2267423
103	7009233	SAP Remote Logistics Management for Oil&Gas	CP-SAP Remote Logistics Management for O&G	U	complete solution
104	7009240a, b	SAP Merchandising for Retail	CP-SAP Merchandising for Retail-U**	U	AFS Integration; Power Lists; Additionals
					POS Outbound; Sales Forecasting; Replenishment
					Retail Demand Management Integration; Closed loop BW scenarios  Markdown Plan
					Bonus Buv
105	7009814	SAP Financial Closing cockpit	CP-SAP Financial Closing cockpit	U	complete solution
106	7010164	SAP Payment Engine	CP-SAP Payment Engine	U	complete solution
107	7010170	SAP EHS Management, product safety	CP-SAP EHS Management, product safety	U	complete solution
108	7011057	SAP Bank Communication Management, option for multisystem payment consolidation	CP-SAP Bank Communication Management, option for multisystem payment consolidation	U	complete solution
.09	7011091	SAP Common Area Maintenance Expense Recovery	CP-SAP Common Area Maintenance Expense Recovery	U	complete solution
110	7012023	SAP Service Station Retailing for O&G	CP-SAP Service Station Retailing for O&G	U	complete solution
111	7015835	SAP SAP Enterprise Integration for Work Manager mobile app	CP-SAP Enterprise Integration for Work Manager mobile app **	U	"Mobile AddOn for ERP 6.2"
112	7016033	SAP Tax Classification and Reporting	CP-SAP Tax Classification and Reporting	U	complete solution
113	7016118	SAP Enterprise Integration for Inventory Manager mobile app	CP-SAP Enterprise Integration for Inventory Manager mobile app **	U	"Mobile AddOn for ERP 6.2"
114	7016733	Asset management for oil & gas	CP-Asset management for oil & gas	U	complete solution
115	7017275	SAP Multiresource Scheduling	CP-SAP Multiresource Scheduling	U	complete solution
116	7017276	SAP Multiresource Scheduling with Optimizer	Cr-SAF Waltiresource scrieduling	U	complete solution
117	7017373	SAP Payroll Processing	CP-SAP Payroll Processing	U	complete solution
18	7017375	SAP Shared Service Framework, Human Resources	CP-SAP Shared Service Framework, Human Resources	U	complete solution
119	7017517	SAP Equipment and Tools Management for EC&O	CP-SAP Equipment and Tools Management for EC&O	U	complete solution
120	7017524	SAP Educational Services for HER	CP-SAP Educational Services for HER **	U	Student Lifecycle Management (SLcM)
121	7017545	SAP Capital Yield Tax Mgmt, international version	CP-SAP Capital Yield Tax Mgmt, international version	U	complete solution
122	7017546	SAP Capital Yield Tax Mgmt, version for Germany / Switzerland	CP-SAP Capital Yield Tax Mgmt, version for Germany / Switzerland	U	complete solution
123	7017755	SAP Force Organization & Personnel for D&S	CP-SAP Force Organization & Personnel for D&S	U	complete solution
124	7017756	SAP Force Sustainment for D&S	CP-SAP Force Sustainment for D&S	U	complete solution
125	7018102	budget-based benefits selection	CP-budget-based benefits selection	U	complete solution
126	7018354	SAP Hydrocarbon Supply & Primary Distribution for O&G	CP-SAP Hydrocarbon Supply & Primary Distribution	1	د الله على المحاسطة & Schedulers على المحاسطة & Schedulers على المحاسطة & Schedulers على المحاسطة & Schedulers
127	7018355	SAP Hydrocarbon Management for O&G	CP-SAD I		
128	7018508	SAP Receivables Management			

The CP Matrix is release-independent and static. CPs only exist in the on-premise world.

Licensing example: Net new customer from the Chemicals Industry:

- Customer licenses:
  - SAP S/4HANA Enterprise Management users [7018652, 7018653, 7018654]
  - SAP EHS Management, Product Safety [7010170] -> on CP matrix
- Customer may install EHS-Product Safety (a) on-stack on his S/4HANA system or (b) side-by-side

#### Overview

SAP grants a timely restricted<sup>(1)</sup> use right for specific classic SAP solution functionality<sup>(2)</sup> to S/4HANA customers, at no extra cost<sup>(3)</sup>

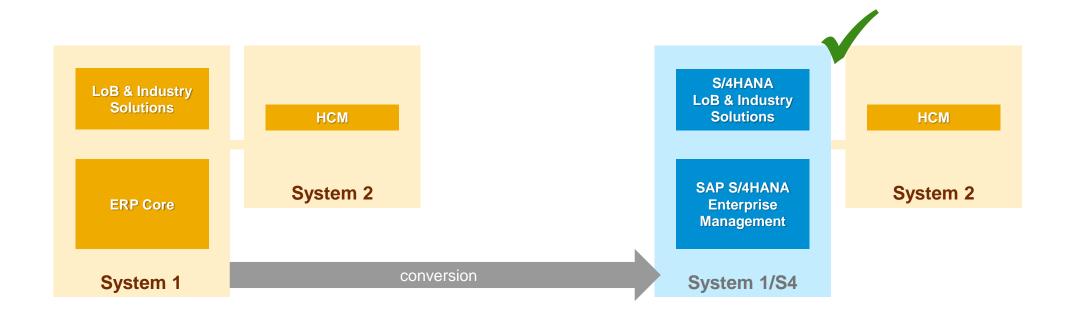
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SAP aims to replace these classic solutions by the end of 2023 with a genuine S/4HANA solution.

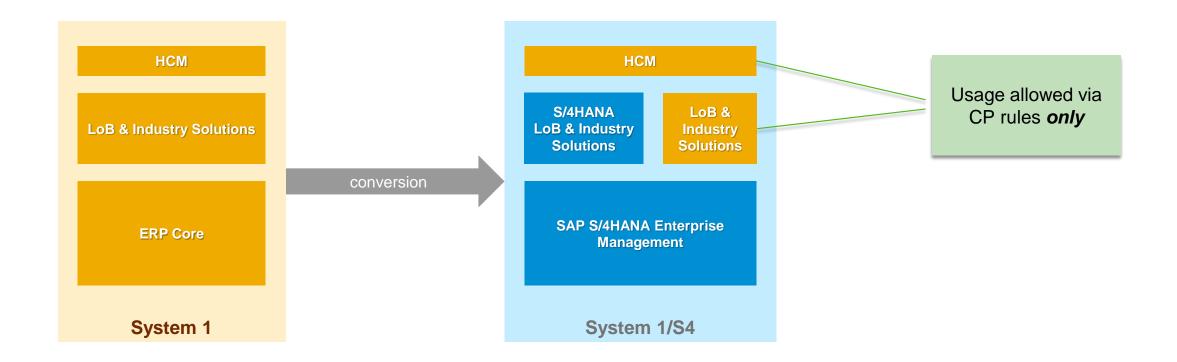
Side-by-side versus On-stack Installation

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



Side-by-side versus On-stack Installation

Example: HCM as on-stack installation



#### Overview

SAP grants a timely restricted<sup>(1)</sup> use right for specific classic SAP solution functionality<sup>(2)</sup> to S/4HANA customers, at no extra cost<sup>(3)</sup>

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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 **2023** with a genuine S/4HANA solution.

#### SAP S/4HANA Compatibility Packs – Way Forward

Link: Blog by Jan Gilg

#### **Objectives**

Accelerate the development schedule for outstanding alternatives for SAP S/4HANA compatibility packs and provide timely communication to customers.

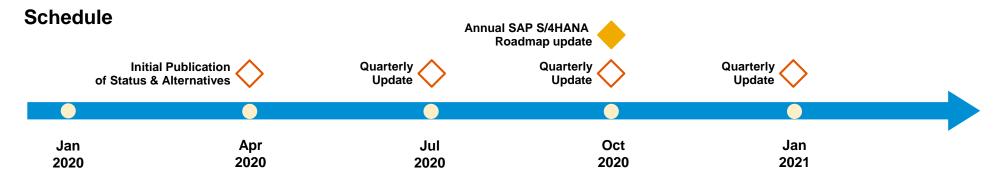
#### **Approach**

Assess strategic alternatives considering common and sophisticated customer requirements

Clarify status for all items and prioritize, taking into account time to adopt before the usage rights expire

Accelerate product strategy clarifications and roadmaps

Publish status and plans in one place, with links to further information



Planned quarterly updates regarding strategic alternatives

- Status (see next slide)
- Roadmap (planned scope in time)
- Delta Info (comparison of alternative solutions with Compatibility Pack)
- Transition Info (How to get there)

#### SAP S/4HANA Compatibility Packs – Way Forward

#### **Status information**

The status indicates whether SAP is providing or plans to provide a strategic alternative for a Compatibility Package.

Status	Explanation
Alternative Exists	Alternative exists
Alternative Exists With Roadmap	Alternative exists providing core functionality; comprehensive coverage is on roadmap
Alternative Planned	Planning of development scope and timeline is work in progress
No Alternative Planned	No intention or plan to provide an alternative beyond 2025
Clarification	Clarification of strategy in progress

#### Disclaimer:

SAP S/4HANA is a different product than SAP ERP. Therefore, status 'Alternative Exists', 'Alternative Exists With Roadmap', and 'Alternative Planned' do not mean that feature parity is achieved nor that it is planned.

The forward-looking statements provided in the attachments to SAP Note <u>2269324</u> are for informational purposes only for your convenience. Please consult <u>SAP Product Road Maps</u> and SAP Innovation Discovery as official information sources for SAP's product strategy. They will hold the truth going forward as they are being regularly updated.

#### Compatibility Scope Matrix: Description of Attachment to SAP Note 2269324

A Item ID	B Part	C Item Title	D Status	E Status Comments	F Alternative	G Alternative - Info	H Alternative - FSD Entry	I Alternative - (prime) Product Version	J Simplification Item	K Business Impact Note	L CompPack - FSD Entry	M Alternative - Roadmap Info	N Delta Info	O Transition Info
 441	 4 - ERP- Package	Engineering Record -	alternative exists with roadmap	integrate CR with further business	of SAP S/4HANA "Extended Production Engineering and	Changes (Extended	Engineering Change Management	 SAP S/4HANA 1909	S4TWL - Engineering Change Management ECR/ECO	 2267918	 Engineering Record			

#### **Explanation of columns**

A Item ID	ID for stable and simple cross-referencing
B Part	Sections of the compatibility scope matrix; there exist 4 parts
C Item Title	Name of the compatibility scope matrix entry; for part 1-3 item title refers to 'classical solutions name', for part 4 to 'subcomponent'
D Status	Indicates availability of strategic alternative for a compatibility package; see previous slide for status definition and explanation
E Status Comments	Additional information about availability of strategic alternative
F Alternative	Name of the alternative, can be own product or business object / functionality in larger product
G Alternative - Info	Further information regarding the alternative, preference SAP Help (link)
H Alternative - FSD entry	Section in Feature Scope Description (FSD) referring to alternative (link)
I Alternative - (prime) product version	Product version (in Product Availability Matrix) which delivers the alternative; if multiple product versions are required, only the leading one is shown (prime) (link)
J Simplification Item	Related SAP S/4HANA simplification item in Simplification Item Catalogue (link)
K Business Impact Note	Business impact note related to simplification item (link)
L CompPack- FSD Entry	Section in Feature Scope Description referring to compatibility package (link)
M Alternative - Roadmap Info	Link to SAP product roadmap for alternative solution (to be filled over time)
N Functional Delta Info	Description of differences between compatibility scope functionality and alternative in SAP S/4HANA (to be filled over time)
O Transition Info	Best practices from implementation projects of alternative solutions (how to get there) (to be filled over time)

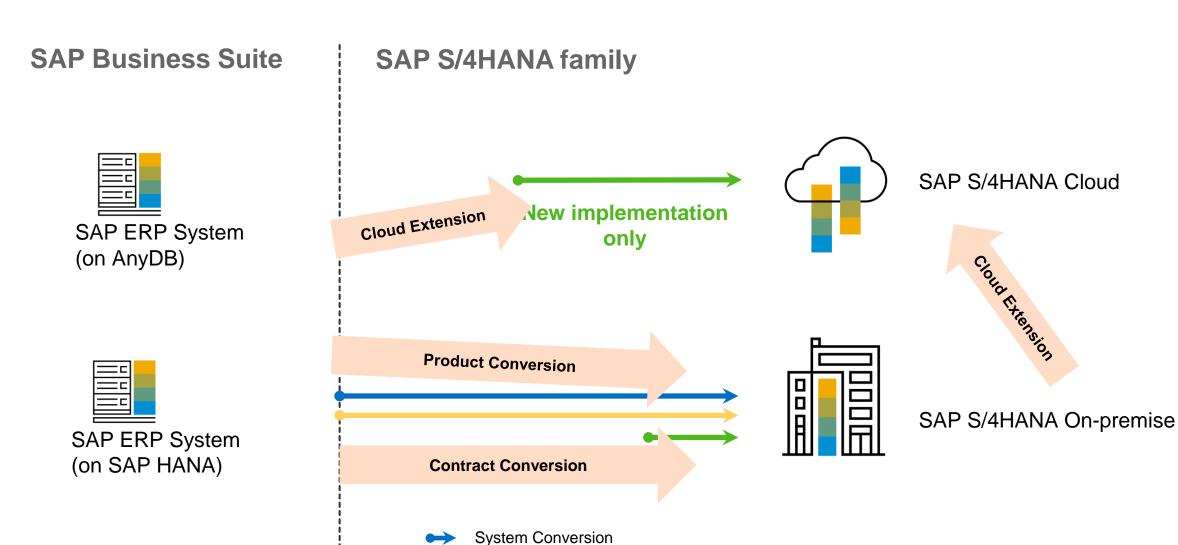
In case of questions, please open a customer message on component XX-SER-REL with prefix 'CompScope'

# Safeguarding our customers' investments

SAP S/4HANA Product Conversion SAP S/4HANA Contract Conversion

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

**Commercial View** 

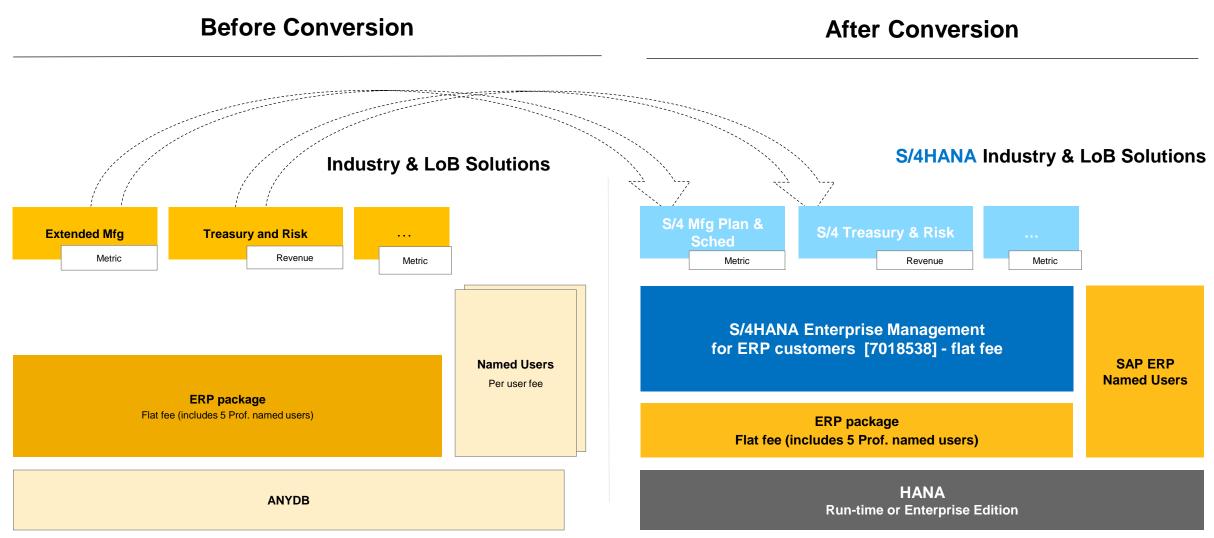


**New Implementation** 

Landscape Transformation

#### **SAP S/4HANA Product Conversion**

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



#### S/4HANA Product Conversion

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

#### **Boundary Conditions**

- Customer keeps same contractual agreements / SUR
- Cannot convert into products they do NOT already own
- Requires line-item mapping
- Customer is entitled to 100% credit in 2020, tbd in 2021
- Maintenance Base carries forward at 100%, it may never be reduce
- There are no partial conversions, conversions are always 100%
- Can be combined with Cloud Extension AND On Premise Extension Policy
- No conversion for SAP Named User exception: Retail, Banking, Healthcare/Clinical and Industry Named Users convert when the engines convert.

#### **Customer Benefits**

- Permits step-by step conversion
- Focusses on engines with S/4 equivalent products only. No need to re-license entire landscape
- o 100% line-item credits
- Customers can leverage their existing "Classic" applications <u>until the customer completes their</u> <u>transition to SAP S/4HANA</u>.

#### **SAP S/4HANA Contract Conversion**

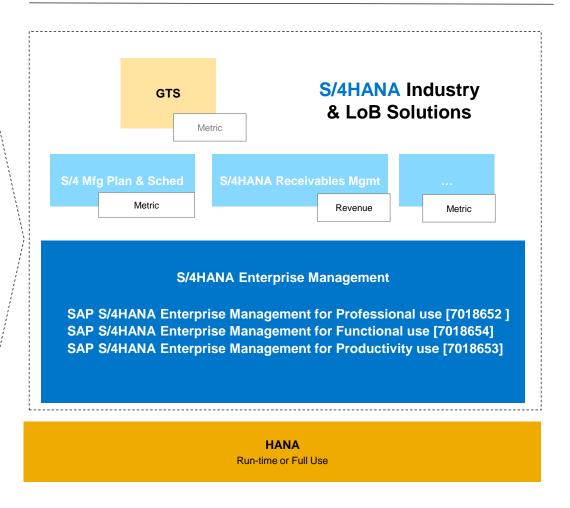
Convert many classic licenses into many S/4HANA licenses

S/4HANA

Contract Conversion

### **Before Conversion Industry & LoB Solutions Extended Mfg** Shelfware GTS Metric Revenue Metric **Named Users** Per user fee **ERP** package Flat fee (includes 5 Prof. named users) **ANYDB**

#### **After Conversion**



#### 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 renegotiate commercial terms, adopt simple S4 pricing and SUR
- Customers can leverage their existing "Classic" applications <u>until the customer completes their</u> transition to SAP S/4HANA.

#### SAP S/4HANA contract conversions – conversion types

SAP offers existing customers (who have a current support agreement) two primary ways to take advantage of their past investments to convert their SAP Business Suite 7 licenses to SAP S/4HANA Enterprise Management:



- Intended for piece-meal 1:1 conversions to SAP S/4HANA over time
- Customer is entitled to credit equal to 100% of prior maintenance base, limited to net payable of new SAP S/4HANA licenses





- Intended for full contract wholesale conversions
- Customer can reconfigure their landscape ('milkshake concept': re-allocate shelf ware and apply credit to new, unrelated software licenses)
- Conversion credit equal to the lesser of 100% of prior maintenance base or 90% of net payable of the new transaction

#### Clarifying SAP S/4HANA licensing path, options for existing customers

#### How can an existing SAP ERP Central Component customer license SAP S/4HANA?

Option A: license SAP S/4HANA Enterprise Management for ERP customers via flat fee

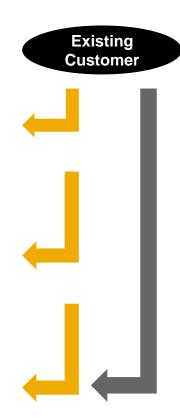
 Fast access to SAP S/4HANA Enterprise Management – rights to use it are via their classic SAP Named Users

#### Option A+: license additional SAP S/4HANA LOB and industry add-on engines

- After utilizing option A, license SAP S/4HANA LOB and industry add-on software engines
- Leverage the product conversion program if applicable
- SAP Named Users are not required to access the SAP S/4HANA LOB and industry add-on software engines
- SAP Named Users <u>are</u> required to access any remaining classic software engines, and SAP S/4HANA Enterprise Management

Option B: license **SAP S/4HANA Enterprise Management for professional use,** via a full SAP S/4HANA contract conversion

- Jump to SAP S/4HANA via the SAP S/4HANA contract conversion program
- Allows customer to reconfigure and simplify existing license landscape
- SAP Named Users are <u>not</u> required to access licensed SAP S/4HANA Enterprise Management, SAP S/4HANA LOB / industry add-on engines, or any licensed classic engines



<u>Important Note</u>: Option B can be utilized with or without utilizing options A or A+. These are not mutually exclusive scenarios.

# **BoM Examples (optional)**

- S/4HANA on premise BoM after an S/4HANA product conversion
- S/4HANA on premise BoM after an S/4HANA contract conversion
- S/4HANA enterprise management licenses after an S/4HANA contract conversion

#### **Example: Existing ERP Customer**

#### Customer Scenario – with 3<sup>rd</sup> party DB

Material	Price List Item
7003012	SAP Professional User
7017377	SAP Project User
7017378	SAP Worker User
7003016	SAP Employee Self-Service User
ERP_PACKAGE	SAP ERP Foundation Starter
7016968	SAP Treasury and Risk Management
7018508	SAP Receivables Management
7019231	SAP Sales and Service Order Execution for B2B & B2C
xxx	3 party DB runtime (purchased from SAP)

SmartManu is a manufacturing company - highly specialized with customers in multiple countries with 8 b€ revenue and 9500 employees. Although the majority of the employees work in production SmartManu has a strong R&D unit. Their employees in finance ensure proper accounting and management of financial risks.

As a happy SAP customer they now want to prepare for the digital age by converting their classic ECC on any database system to S/4HANA.

They plan to move to a hybrid landscape where their main S/4HANA system still runs on premise, but they plan to move several of their subsidiaries to the cloud.

Please see their current existing BoM on the left side of this slide.

In the subsequent slides we will show how a corresponding S/4HANA BoM will look in different scenarios:

- 1. S/4HANA on premise BoM after an S/4HANA product conversion
- 2. S/4HANA on premise BoM after an S/4HANA contract conversion
- 3. S/4HANA enterprise management licenses after an S/4HANA contract conversion

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#### **SAP S/4HANA Product Conversion**

#### Example of an SAP S/4HANA on premise Bill of Materials

#### **Existing Bill of Materials**

Material	Price List Item
7003012	SAP Professional User
7017377	SAP Project User
7017378	SAP Worker User
7003015	SAP Employee User
ERP_PACKAGE	SAP ERP Foundation Starter

#### **New Bill of Materials**

Material	Price List Item
7003012	SAP Professional User
7017377	SAP Project User
7017378	SAP Worker User
7003015	SAP Employee User
ERP_PACKAGE	SAP ERP Foundation Starter
7018538	SAP S/4HANA Enterprise Management for ERP customers

#### Comment

In a product conversion customers can keep classic named user licenses for core scope (until contract conversion).

In this case customers need to license the flat fee license material 7018538 "S/4HANA enterprise management for ERP customers" to get use rights for core scope.

7016968	SAP Treasury and Risk Management
7018508	SAP Receivables Management



/11/1130h	SAP S/4HANA Treasury and Risk Management
7018508	SAP Receivables Management

In order to get use rights for S/4HANA Industry and LoB solutions the corresponding classic licenses for Industry and LoB solutions need to be converted (i.e., there is no flat fee license material like the one that is used for the core).

Conversion only into <u>corresponding</u> S/4HANA license material possible.

<u>Piece-meal</u> conversions possible, i.e. not all Industry and LoB solutions need to be converted at the same time. In this example SAP Receivables Management will be converted later.

7019231 SAP Sales and Service Order Executi for B2B & B2C	on
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7020280 SAP S/4HANA Digital Access
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The new license model for Digital Access is highly recommended but not mandatory in a product conversion scenario.

xxx	3 <sup>rd</sup> party DB runtime	
-----	----------------------------------	--



IV V V	3 party DB runtime (purchased from SAP)
7020046	SAP HANA, Runtime edition for Applications & SAP BW - Install Base

3rd party DB licensed from SAP cannot be terminated during technical transition. Usage of 3<sup>rd</sup> party DB must not exceed licensed level during transition.\*

HANA database runtime or full-use license needs to be purchased to run S/4HANA.

<sup>\*</sup> In case the 3<sup>rd</sup> party database has been purchased directly from the vendor the specific terms and conditions of this vendor apply.

#### **SAP S/4HANA Contract Conversion**

#### Example of an SAP S/4HANA on premise Bill of Materials

#### **Existing Bill of Materials**

# MaterialPrice List Item7003012SAP Professional User7017377SAP Project User7017378SAP Worker User7003015SAP Employee UserERP\_PACKAGESAP ERP Foundation Starter

#### **New Bill of Materials**

Material	Price List Item
7018652	SAP S/4HANA Enterprise
7010032	Management for Professional use
70406F4	SAP S/4HANA Enterprise
7018654	Management for Functional use
7040050	SAP S/4HANA Enterprise
7018653	Management for Productivity use

#### Comment

In a contract conversion classic named user licenses must be converted into S/4HANA Enterprise Management licenses\*.

S/4HANA Enterprise Management has a single metric, User-based pricing model.

7016968	SAP Treasury and Risk Management
7018508	SAP Receivables Management



/UZU3UD	SAP S/4HANA Treasury and Risk Management
7020297	SAP S/4HANA Extended Warehouse Management

In order to get use rights for S/4HANA Industry and LoB solutions the corresponding classic licenses for Industry and LoB solutions need to be converted.

Re-allocation of shelf-ware possible. <u>Flexible conversion</u> into <u>any S/4HANA</u> license material possible. In this example SAP Receivables Management is terminated and SAP S/4HANA Extended Warehouse Management is licensed.

No piece-meal conversions possible. All Industry and LoB solution need to be converted at the same time.

1//110/2/31	SAP Sales and Service Order Execution
7019231	for B2B & B2C



7020280 SAP S/4HANA Digital Access	
------------------------------------	--

The new license model for Digital Access is highly recommended but not mandatory in a contract conversion scenario.

xxx	3 <sup>rd</sup> party DB runtime	
-----	----------------------------------	--



	3 party DB runtime (purchased from SAP)
7020046	SAP HANA, Runtime edition for Applications & SAP BW - Install Base

3rd party DB licensed from SAP cannot be terminated during technical transition. Usage of 3<sup>rd</sup> party DB must not exceed licensed level during transition.\*\*

HANA database runtime or full-use license needs to be purchased to run S/4HANA.

<sup>\*</sup> ECC Customers converting their contract to S/4HANA can include HCM / travel component licenses in new BoM to use HCM / travel functionality thru end of 2025 to 10 to 2025 t

#### **SAP S/4HANA Contract Conversion**

#### Example of SAP S/4HANA on premise Enterprise Management licenses

LoB	Role	Capabilities	Classic named user license
Finance	Chief accountant	General ledger Financial close	7003012 SAP Professional User
Finance	Receivables accountant	Accounts receivables	7003012 SAP Professional User
Finance	IRIEK MISNSHAF	Liquidity management Finance Risk Management	7003012 SAP Professional User
Manufacturing		Production execution Production control	7017378 SAP Worker User
Manufacturing	Scheduler	Material Requirements Planning Repetitive Manufacturing Kanban	7003012 SAP Professional User
Sales	Sales representative	Sales Quotation Management Sales Contract Management	7003012 SAP Professional User
R&D	Designing engineer	Product structure management Engineering change management	7003012 SAP Professional User
R&D		Project financial control Project logistics control	7017377 SAP Project User
Cross	Employee	Time sheet Self-service requisitioning	7003015 SAP Employee User



S/4HANA license	Comment
7018652 SAP S/4HANA Enterprise Management for Professional use	Users in LoB Finance typically need Professional use
7018652 SAP S/4HANA Enterprise Management for Professional use	Users in LoB Finance typically need Professional use
none	Users who solely use an LoB Solution do not need an Enterprise Management license
7018653 SAP S/4HANA Enterprise Management for Productivity use	Workers in Manufacturing typically need Productivity use
7018654 SAP S/4HANA Enterprise Management for Functional use	Planners in Manufacturing typically need Functional use
7018654 SAP S/4HANA Enterprise Management for Functional use	Users in LoB Sales typically need Functional use
7018654 SAP S/4HANA Enterprise Management for Functional use	Users in LoB R&D typically need Functional use
7018654 SAP S/4HANA Enterprise Management for Functional use	Users in LoB R&D typically need Functional use
7018653 SAP S/4HANA Enterprise Management for Productivity use	Employee role is typically covered by Productivity use

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#### **Your Questions?**



# Thank you!

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#### Bernd Hartmann

https://www.linkedin.com/in/bernd-hartmann-3a990869/

Linked in

mailto:b.hartmann@sap.com

#### Michael Deller

https://twitter.com/MichaelKDeller



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



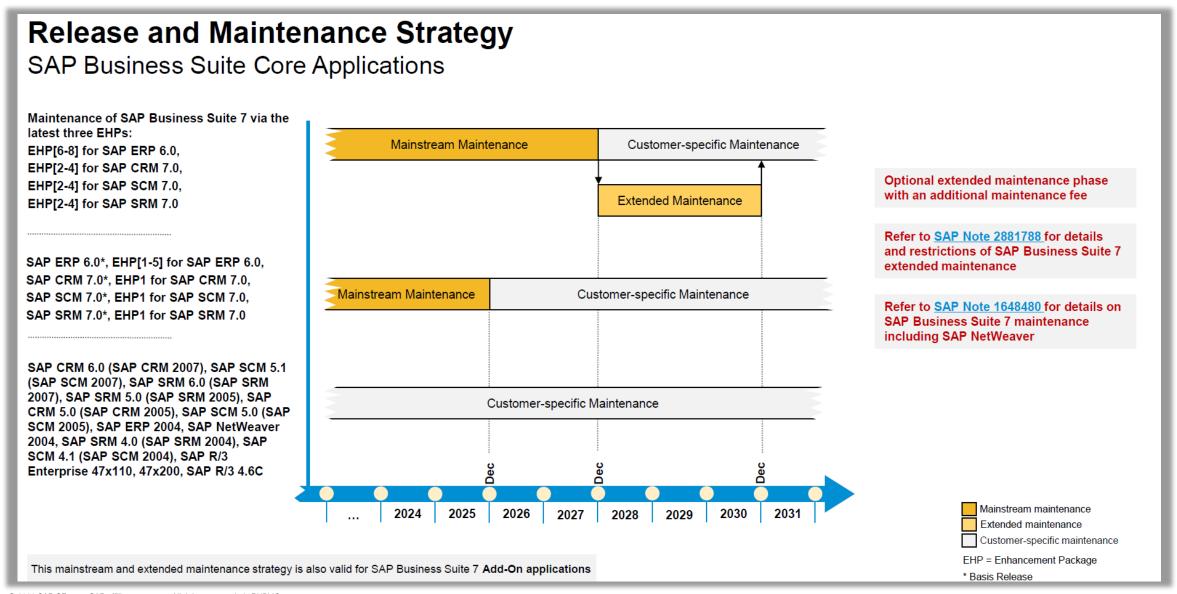
mailto:michael.deller@sap.com





# **Backhand**

#### More detailed, as stated always in the Product Availability Matrix



# Extended use rights for installed-base customers converting to SAP S/4HANA

Customers executing an SAP S/4HANA conversion will now have dual use rights for both SAP Business Suite 7 and SAP S/4HANA until completion of their transition to SAP S/4HANA.

Previously: until end of 2025. Applies to product and contract conversions.

More information: external SAP.com announcement – English | German

<u>Example</u>: Customer uses ECC with APO, has multiple productive ECC systems. He can now convert APO to the respective S/4HANA license, either as product or contract conversion, **and** use his classic APO instance without a limitation.

#### **External Links for Customers**

Press release from February 4th, 2020 on extended maintenance commitments	[Link]
SAP executive interview "[] Story Behind Extending [] Maintenance []"	[Link]
SAP Support Portal (public update on release & maintenance strategy)	[Link]
SAP Release & Maintenance Strategy (brochure)	[Link]
Product Availability Matrix	[Link]
SAP Note 2881788 "End of SAP Business Suite 7 mainstream maintenance"	[ <u>Link</u> ]
SAP Note 1648480 "Maintenance for SAP Business Suite 7 Software []"	[ <u>Link</u> ]
SAP Note 52505 "Support after end of mainstream maintenance or extended []"	[Link]
SAP road maps	[Link]

#### SAP Human Capital Management for SAP S/4HANA on-premise edition

A new on-premise option for customers leveraging SAP ERP HCM



Continuity and investment protection for HCM on-premise customers

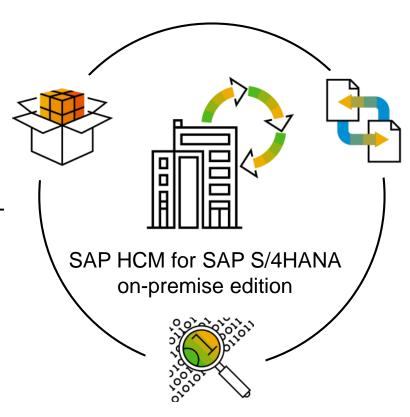
Solution will be based on SAP ERP HCM with optimizations and selected innovations to leverage SAP HANA

We see this option as a **bridge to give additional time** to those customers who are not yet ready to fully move to SAP SuccessFactors.

#### SAP Human Capital Management for SAP S/4HANA on-premise edition Key capabilities

#### **Product**

- Scope comparable to S/4HANA Compatibility Pack and key functionality of SAP ERP HCM
- Based on ERP HCM (EhP 8), to be supplemented with some HANAbased capabilities.
- No major additional functional additions or re-architectures are planned
- Only available for on-premise deployment
- Available in 2022



#### **Transition**

- Customers can run HCM embedded or on a separate SAP S/4HANA instance
- Customers will need to migrate to SAP HANA.
- Migration tools and services will be provided to help facilitate a non-disruptive migration from SAP HCM or SAP S/4HANA compatibility pack
- A license conversion will be offered

#### SAP Human Capital Management for SAP S/4HANA on-premise edition

#### Planned Solution Scope

#### **Personnel Management**

- Personnel Management (PA-PA)
- Organization Management (PA-OS, BC-BMT-OM)
- Personnel Development (PA-PD-xx)
- Benefits (PA-BN)
- Compensation (PA-CM)
- Personnel Cost Planning (PA-CM-CP)
- Pension scheme (PA-PF-DE)
- MSS / ESS (CA-ESS/MSS)

This <u>blog</u> will be continuously updated to reflect the planned solution scope and details on commercial aspects.

#### **Talent Management**

SAP Learning Solution (PE-LSO-xx\*)

#### **Payroll**

Payroll (PY-xx)

#### **Time Management**

- Time (PT-xx)
- Shift Planning (PT-SP)

#### **Public Sector**

- Public Sector (PY-DE-PS, PY-DE-PS-VA)
- Position Budgeting and Control (PA-PM-PB)
- HR Funds & Position Management (PA-PM)
- Shift Planning for Public Sector (PT-SP-PS)



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#### **Summary**

SAP Human Capital Management for SAP S/4HANA on-premise edition

- We encourage all our 15,000 ERP HCM customers to move to SAP SuccessFactors to accelerate their digital HR transformations
- We also recognize that a subset of our SAP ERP HCM customers will desire to run their on-premise environment for the foreseeable future
- In order to continue to support these customers' needs, we have taken the decision to offer a new HCM on-premise option, SAP Human Capital Management for SAP S/4HANA on-premise edition
- This new solution is planned to be available in 2022
- We see this new solution as a bridge to give additional time to those customers who are not ready to fully move to SAP SuccessFactors
- Customers' investments will be protected: We will provide migration tools and services to enable an "upgrade-like" migration

