

# Licensing Overview SAP S/4HANA Cloud

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**Global S/4HANA Solution Management** 

**Session ID #82651** 

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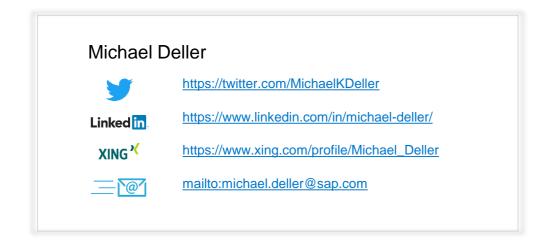


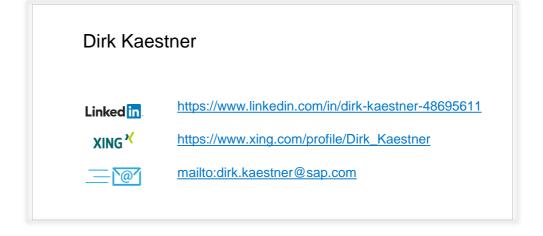


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## **Topics: SAP S/4HANA Cloud Licensing Overview**

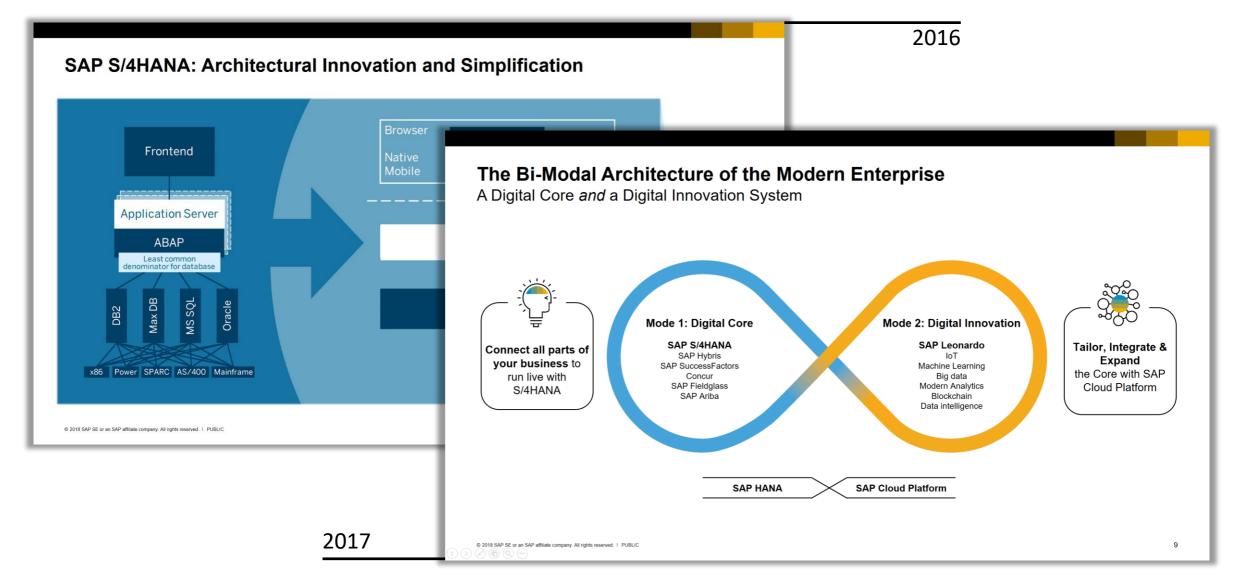
#### Introduction

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

- Direct User Access
- Industry & LoB Solutions
- Infrastructure Services

#### **Indirect Use / Digital Access**

## SAP's Key SAPPHIRE Messages 2016/2017



# SAP SAPPHIRENOW

Intelligent ERP

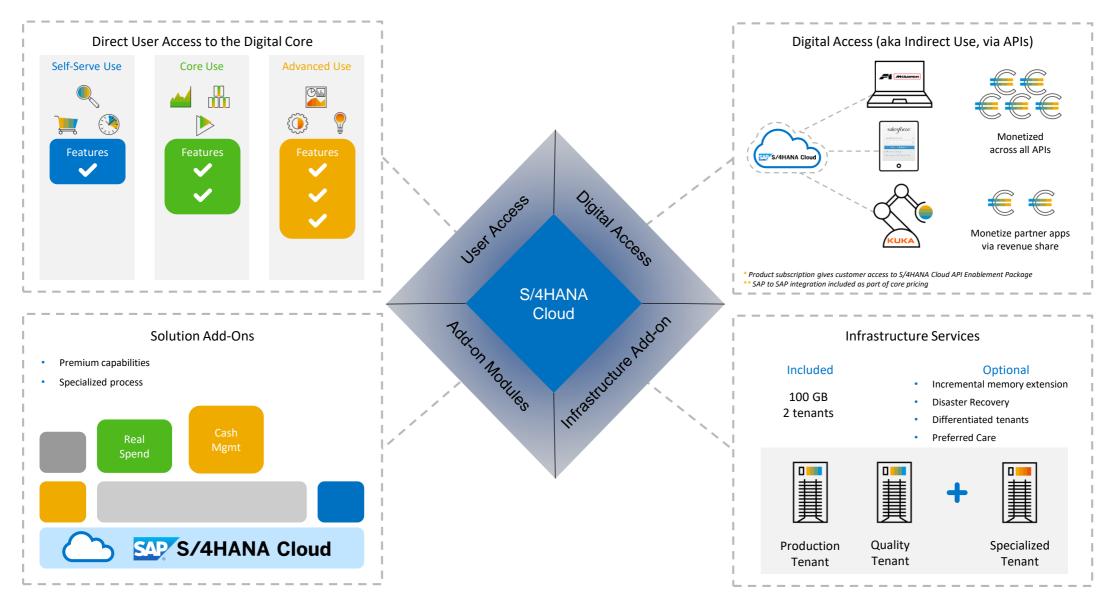
C/4HANA

SAP HANA Data Management Suite

# SAP S/4HANA Cloud Licensing

- Direct User Access
- Industry & LoB Solutions
- Digital Access
- Infrastructure Services

## The 4 Dimensions of S/4HANA Cloud Licensing (subscription)



## One SAP S/4HANA: the right solution for each customer cloud journey

\*according to Gartner Cloud (SaaS) Definition

**Cloud ERP\*** 

**ERP** in the Cloud

**ERP OP** 







SAP S/4HANA Cloud

SAP S/4HANA Cloud, single tenant edition

**SAP S/4HANA** 

(Private cloud managed by SAP)

**SAP S/4HANA** 

(On-premise managed by cloud providers or customers)

Highly standardized, multi-tenant cloud services covering selected LoB- and industry scenarios and a comprehensive ERP scope Standardization, TCO and scalability of the cloud combined with the full functional scope, extensibility and reach of the S/4HANA solution

Individually sized infrastructure and application management services moving your system to the next generation

Standardized next generation ERP solution that can be run and extended according to customer preferences

Rapid innovation at the lowest TCO

Cloud standardization at attractive TCO

Your SAP guided elevation to the public cloud

Next generation ERP system for on premise use

## One SAP S/4HANA: the right solution for each customer cloud journey

#### **Cloud ERP\***

\*according to Gartner Cloud (SaaS) Definition

**ERP** in the Cloud

Runs on SAP HANA Enterprise Cloud



NA Cloud, SAP S/4HANA

**SAP S/4HANA Cloud** 

SAP S/4HANA Cloud, single tenant edition

infrastructure

Implementation	Greenfield with data migration	Greenfield with data and configuration migration	Greenfield or conversion of existing implementations
Functional Scope	Business configuration of standardized core ERP and select LOB processes	Full functional S/4HANA scope of core ERP and extended LOB and industry processes	Full functional S/4HANA scope of core ERP and extended LOB and industry processes
Industries Supported	In-depth support for professional services and component manufacturing; more industries on roadmap	omponent manufacturing; All industries supported All industries supported	
Extensibility	S/4HANA Extensibility Framework and extensions via SCP, using whitelisted APIs	S/4HANA Extensibility Framework and extensions via SCP, with full extensibility option	Customization, modification, and extensibility possible
Innovation Cycle	byment Multi-tenant environment, Single-tenant environment		Annual; speed of adoption on customers' schedule
Deployment Benefits			Customer controlled deployment and implementation efforts
Licensing	Subscription licensing	Subscription licensing	BYOL + infrastructure subscription
Infrastructure	Shared public cloud	Dedicated system landscape on cloud	Customer specific system landscape

## SAP S/4HANA Cloud Licensing – Multi Tenant Edition

### Details on Direct User Access to Digital Core



#### SAP S/4HANA Cloud for advanced use

This license allows performing all role required operations including self-service configuration tasks.

#### SAP S/4HANA Cloud for core use

- External Processing
- Inspection Planning
- Inventory Analytics and Control
- Just-in-time Inbound Processing
- Kanban
- Maintenance Planning & Scheduling
- Product Development Foundation
- Production Control
- Production Execution
- Project Financial Control
- Quality Engineering
- · Quality Improvement
- Quality Inspection
- Sales Order Management and Processing
- Service Order Management
- Subcontracting

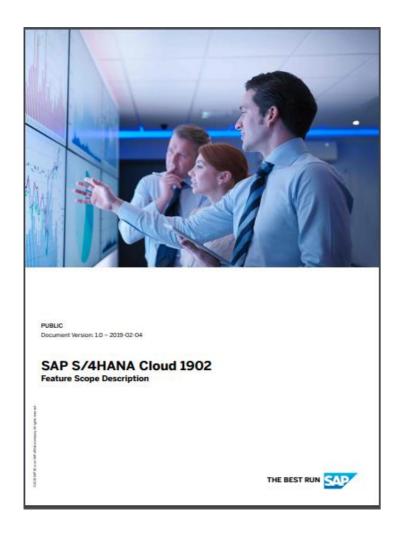
+ capabilities of S/4HANA Cloud for self-service use

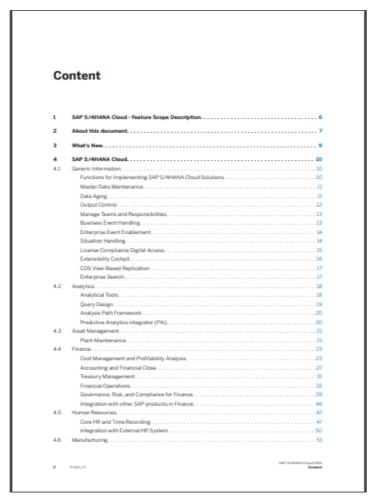
# SAP S/4HANA Cloud for <u>self-service</u> use

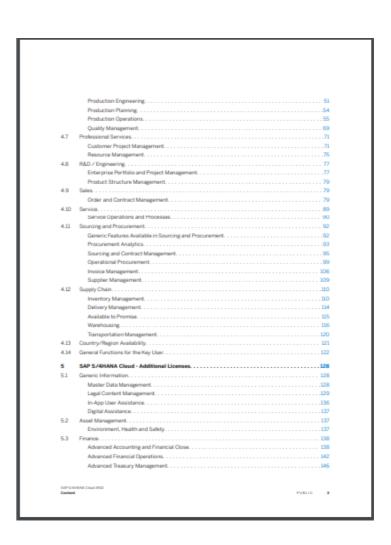
- · Available to Promise
- Delivery Management
- Goods Movement
- · Maintenance Execution
- Material Requirements Planning
- Production Control
- Production Execution
- Self-Service Requisitioning
- Time Sheet
- Transportation Management
- · Warehouse Management

## SAP S/4HANA Cloud 1902 – User Capabilities for Multi Tenant Edition

#### Feature Scope Description







Publicly available on help.sap.com

Chapter 4: scope of S/4HANA Cloud for Enterprise Management

Chapter 5: scope of S/4HANA Cloud LoB- and Industry Solutions

## SAP S/4HANA Cloud Licensing – Single Tenant Edition

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

#### SAP S/4HANA Cloud for advanced use

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

#### SAP S/4HANA Cloud for core use

- External Processing
- Inspection Planning
- Inventory Analytics and Control
- Just-in-time Inbound Processing
- Kanhar
- Maintenance Planning & Scheduling
- Multi-Channel Customer Engagement
- Opportunity Management
- Product Development Foundation
- Production BOM Management
- Production Control
- Project Financial Control
- Project Logistics Control
- Quality Engineering
- Quality Improvement
- Quality Inspection
- Recipe/Routing Management
- Repetitive Manufacturing

- Returnable Packaging Logistics
- Sales Lead Management
- Sales Order Management and Processing
- Service Billing & Settlement
- Service Fulfilment
- Service Request Management
- Service Order Management
- Subcontracting
- Variant Configuration
- Warranty Management

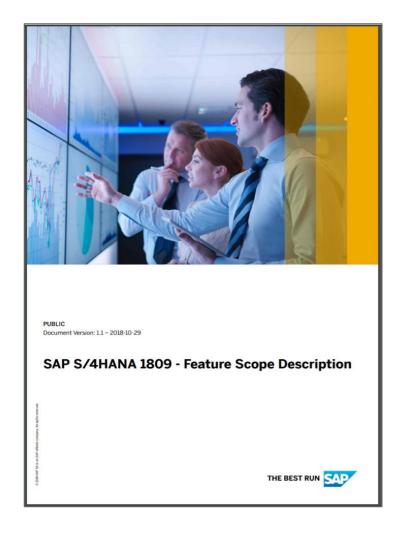
# SAP S/4HANA Cloud for self-serve use

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

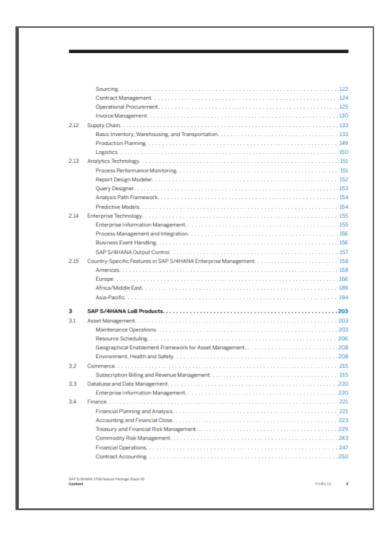
+ capabilities of S/4HANA Cloud for self-service use

## SAP S/4HANA 1809 – Solution Capabilities for Single Tenant Edition

#### Feature Scope Description







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

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





### **Full Usage Equivalents**

- Full Usage Equivalent is a kind of flexible user and can be used for all type of users
- Different user types can be converted with specific ratio in FUE
- Concept of Full Usage Equivalents currently available for S/4HANA Cloud, single tenant edition
- SAP plans to extend this concept also to S/4HANA Cloud

## S/4HANA Cloud user types

0,5	SAP Developer User
1	S/4HANA for advanced use
3	S/4HANA for core use
30	S/4HANA for self-service use

#### **Example – how to use the FUE for different user types**

40 Prof Users	= 40 FUE
75 Functional Users	= 25 FUE
270 Productivity Users	= 9 FUE
SUM	= 74 FUF

#### Customers benefit from the FUE model

FUE can be seen as flexible users



#### By adding up all user types customers can reach a higher tier and a better price

Example: 2018 Licensing Model

License Material	# users	FUE ratio	# FUEs	Tier
S/4HANA Cloud Advanced Use	70	1:1	70	1
S/4HANA Cloud Core Use	210	1:3	70	2
S/4HANA Cloud Self-Serve Use	600	1:30	20	2

#### 2019 Licensing Model

License Material	# FUEs	Tier
S/4HANA Cloud for Enterprise Management	160	2

#### Customer can re-allocate their users to avoid shelf-ware during their lifecycle

Example: Before re-allocation

User type	# users	FUE ratio	# FUEs	Swap FUEs	Swap Users
Advanced Use	70	1:1	70	-10	-10
Core Use	210	1:3	70	+10	+30
Self-Serve Use	600	1:30	20		

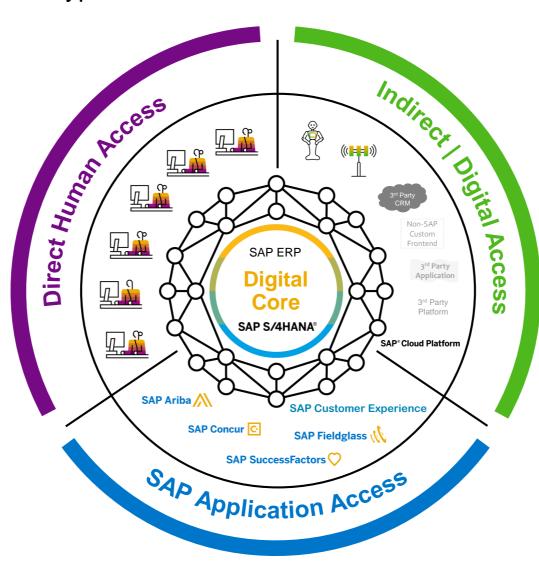
#### After re-allocation

User type	# users	FUE ratio	# FUEs
Advanced Use	60	1:1	60
Core Use	240	1:3	80
Self-Serve Use	600	1:30	20

# Indirect Use / Digital Access

## **Use of ERP and types of access**

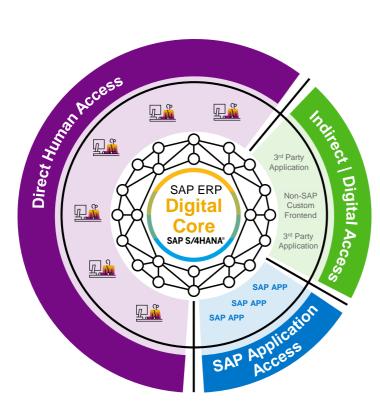
One definition of use and three types of access



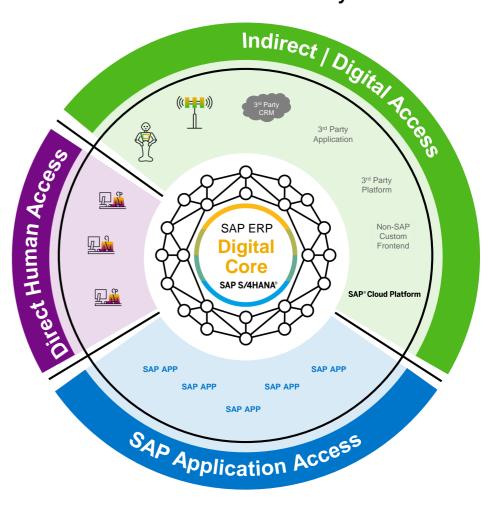
## Technology landscape is evolving and so is the way customers access ERP

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

#### **ERP Use in 20th Century**



#### **ERP Use in 21st Century**



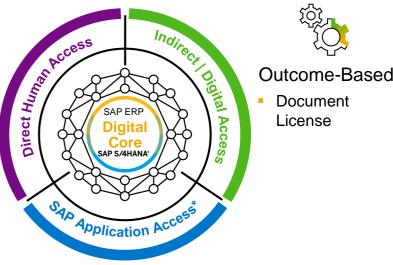
## SAP is modernizing ERP pricing

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

### **Legacy Model** Direct Humany Digital Access User-Based **User-Based User-Based** (Primarily) User License User License User License Order License Sales and Service Orders - Purchase Orders Application Acce No additional ERP license needed

#### **New Model**

Available April 2018 Onwards



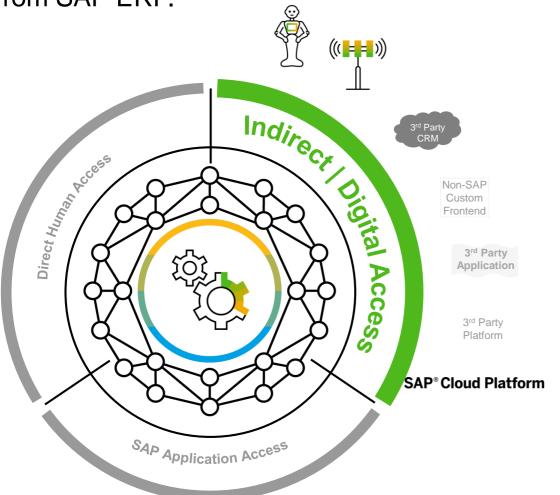
No additional ERP license needed¹

<sup>&</sup>lt;sup>1</sup>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
<ul> <li>Sales Document (counted at line item level)</li> </ul>	
<ul> <li>Invoice Document (counted at line item level)</li> </ul>	
<ul> <li>Purchase Document (counted at line item level)</li> </ul>	
<ul> <li>Service &amp; Maintenance Document</li> </ul>	1.0
<ul> <li>Manufacturing Document</li> </ul>	
<ul> <li>Quality Management Document</li> </ul>	
Time Management Document	
Financial Document (counted at line item level)	0.2
<ul> <li>Material Document (counted at line item level)</li> </ul>	0.2

#### **License Calculation**

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

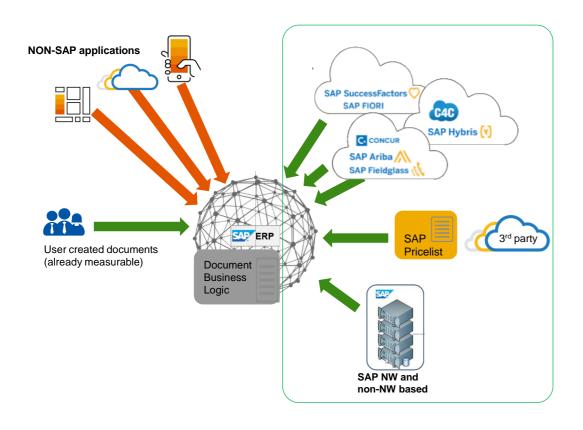
(Document (#) \* Multiplier) + ... + (Document (#) \* Multiplier)

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 Sales Contract Line Item Sales Quote Line Item Sales Scheduling Agreement Releases	
2	Purchase Document	Purchase Order Line Item Purchase Requisition Line Item Purchase Scheduling Agreement Releases	
3	Invoice Document	Billing Document Line Item Billing Document Request Line Item Supplier Invoice Line Item	S/4HANA Cloud and S/4HANA On Premise only, ECC not applicable
4	Manufacturing Document	Production Order Process Order Repetitive Manufacturing Confirmation	
5	Material Document	Material Document Line Item	
6	Quality Management Document	Defect Quality Notification Inspection Result Inspection Point Result	S/4HANA Cloud and S/4HANA On Premise only, ECC not applicable
7	Service & Maintenance Document	Maintenance Order Maintenance Notification Maintenance Confirmation Service Order Service Notification Service Confirmation 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 Time Management Record	S/4HANA On Premise and ECC only. S/4HANA Cloud not applicable Time Management Record includes Remuneration, Absence, Attendance, Substitution

#### **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

## Readiness Status for Built-in Functionality

				Measurability Functionality planned for
	Measu	rability Functionality	Available	Q1/2019
	❖ S/4H Cloud 1808	❖ ECC 6.0 EhP 8 (SP11)	♦ ECC 6.0 EhP 3 (SP20)	
/er	❖ S/4H OP 1809	<ul> <li>ECC 6.0 EhP 7 (SP17)</li> </ul>	<ul> <li>ECC 6.0 EhP 2 (SP21)</li> </ul>	
Receiver	❖ S/4H OP 1709 (SP03)	❖ ECC 6.0 EhP 6 (SP23)	<ul> <li>ECC 6.0 EhP 0 (SP31)</li> </ul>	
Re	❖ S/4H OP 1610 (SP05)	❖ ECC 6.0 EhP 5 (SP18)		
	❖ S/4H OP 1511 (SP07)	<ul> <li>ECC 6.0 EhP 4 (SP21)</li> </ul>		
	<ul> <li>Ariba</li> </ul>	❖ SAP MII	❖ S/4H Cust. Paym.	❖ SolEx Partner Products*
Jer	<ul> <li>Fieldglass</li> </ul>	<ul> <li>SAP Co-Pilot</li> </ul>	<ul> <li>SAP Customer</li> </ul>	
Sender	<ul> <li>Concur</li> </ul>	<ul><li>IoT Bridge</li></ul>	Checkout	
S	❖ SFSF	<ul> <li>Banking Services</li> </ul>	<ul> <li>Business One</li> </ul>	
	<ul> <li>Hybris</li> </ul>	from SAP		
Ø	❖ CPI	<ul> <li>ABAP Core</li> </ul>	<ul> <li>NW AS Java</li> </ul>	
Technical omponents	<ul> <li>API Management</li> </ul>	<ul> <li>ABAP Foundation</li> </ul>	<ul><li>PI (ABAP and Java)</li></ul>	
Technical	<ul> <li>SCP OData Service</li> </ul>	Application Interface Frame	vork	
Tec	<ul><li>Gateway</li></ul>	<ul><li>NW AS Java</li></ul>		
O		<ul><li>PI (ABAP and Java)</li></ul>		

<sup>\*</sup>Close collaboration with partners ongoing

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

<sup>-</sup> unfortunately no strict enforcement possible

## Central Technical Guide Note for Built-in Functionality

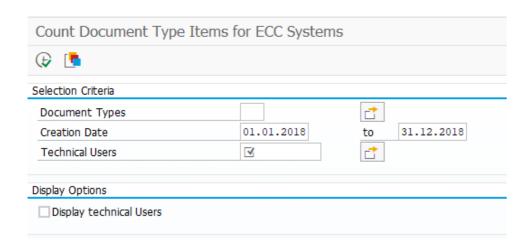
2738406 - Digital Access: Central Technical Guidelines Version 2 from 14.02.2019 in English Show Changes				
ons: 0 SAP Note/KBA Number ნბ				
sites: 0				
g directly into the SAP ERP to use it. and licensing of every individual using the software as a user.				
oftware has changed dramatically.				
ty applications, IoT devices, automated systems, and bots are also accessing the Digital Core.				
al Access. SAP's cloud solutions have been enabled via the regular cloud maintenance activities.				
Other Terms				
Digital Access; DA; Indirect Use				
Solution				
Needed SP/FP/Note				
no additional SP				
SP03				
SP05				
SP07				
SP11				
SP17				

#### **Estimation Notes**

#### **Estimation Notes**

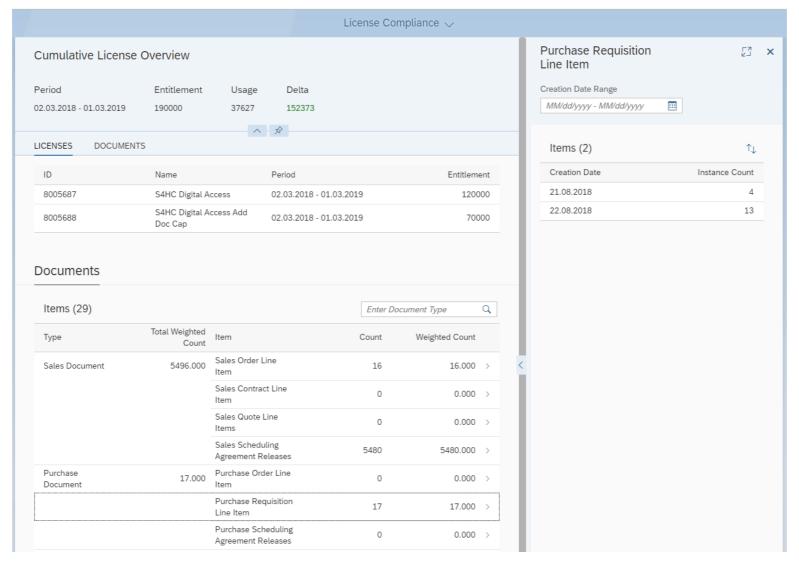
SAP ERP: 2644139

SAP S/4HANA: 2644172



Document Type	Document Item	Σ WF-BATCH	Σ GSSA
Financial Document	Journal Entry Item	0	443
Financial Document 😃		- 0	<ul><li>443</li></ul>
Invoice Document	Billing Document Line Item	0	0
	Supplier Invoice Line Item	1	55
Invoice Document 🚨		• 1	<b>55</b>
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 🚨		<b>-</b> 4	<b>170</b>
Purchase Document	Purchase Order Line Item	0	279
	Purchase Scheduling Agreement Releases	0	0
	Purchase Requisition Line Item	0	116
Purchase Document 🕮		• 0	<b>395</b>
Quality Management Document	Quality Notification	1	0
	Inspection Result	0	0
	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	<b>4</b>
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
<u> </u>		• • 6	1.067

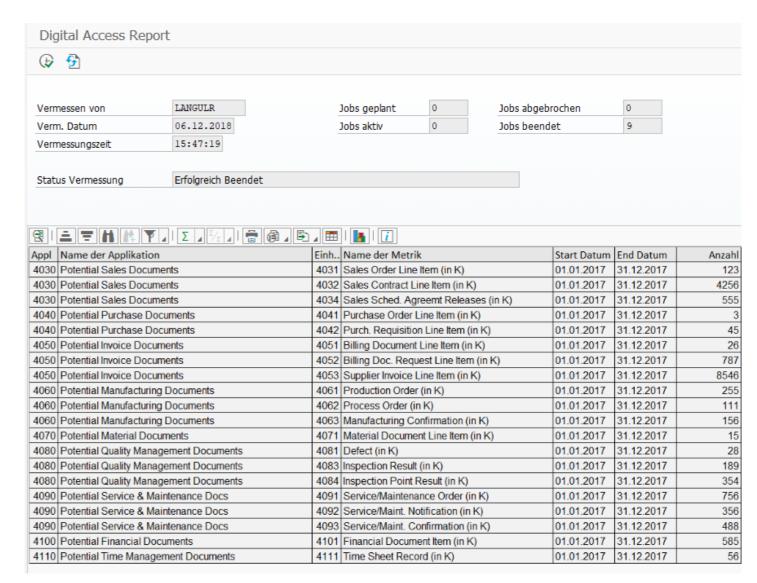
#### **Customer Dashboard for Cloud**



#### 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



## **SAP Application Access**

SAP Application Access: Summary of Key Points

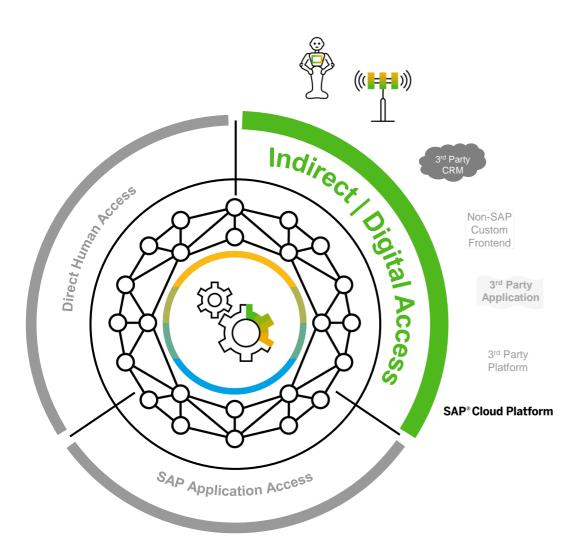


**SAP Application Access** occurs when humans, devices or RPA/bots use the Digital Core via another licensed SAP application.

**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



#### 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

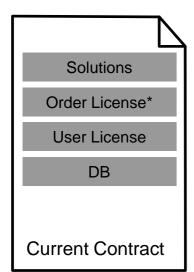
Entitlement to consumption dashboard planned

## **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

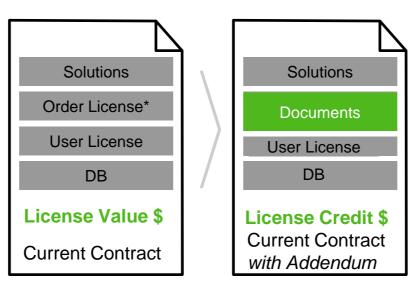


- Continue with current contract. No change.
- Continue to use User and Order\* Licenses for all types of use and access
- SAP will waive back-maintenance for indirect access to SAP software for customers who proactively engage with us in good faith

#### License Exchange

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

Option 2

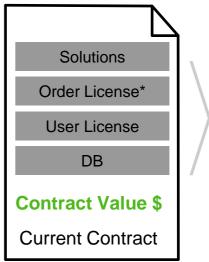


- Continue with current contract with addendum
- Up to 100% credit for User and/or Order license value\*\* applied to new Document license value
- 100% of the maintenance base of the converting licenses is carried forward.
- SAP will waive back-maintenance for indirect access to SAP software for customers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

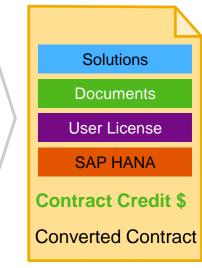
#### **Contract Conversion**

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

Option 3



contract value



- 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
- 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
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## Nine documents types cover most valued outcomes from SAP ERP

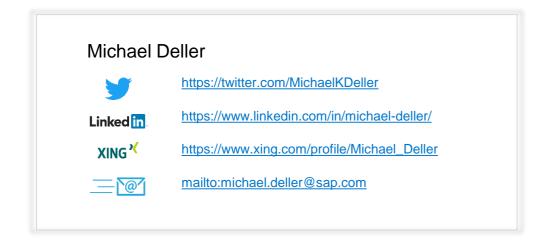
Document Type	Description
Sales Document (counted at line item level)	A record that represents the material or service being sold or quoted (e.g., sales order line item, sales quote line item or a sales scheduling agreement release).
Invoice Document (counted at line item level)	A record that represents 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).

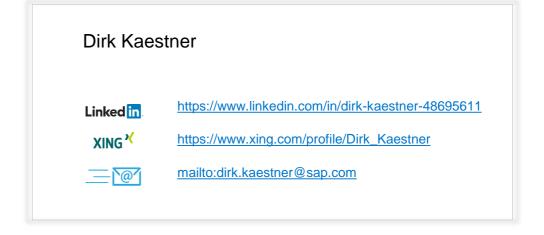


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