



SAP Unveils First-of-Its-Kind Pricing Model

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

WALLDORF, Germany — April 10, 2018 — 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.” 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 Access¹, 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.

- Historically, for most use cases, customers primarily had the option to pay for the SAP ERP application based on the number of users. As more systems began to access SAP software systems, this created a challenge for customers, who asked for an alternative pricing approach.
- SAP’s new model pertains to the digital core – SAP S/4HANA® and SAP S/4HANA Cloud – as well as the SAP ERP application.
- Existing customers can choose to remain on the current model or move to the new document-based pricing model – whichever best fits their SAP solutions and digital transformation initiatives.
- Conversion offerings are available to help customers who choose to move from current pricing to the new model.

Clear Separation of License Sales from Audit and Compliance

SAP also introduced new organizational changes that separate license sales departments and procedures from auditing departments and procedures.

- Customers and SAP have sometimes struggled to reconcile older commercial agreements with the requirements and outputs of modern digital activity levels. Combined with ongoing discussions regarding the procurement of new software, this can sometimes cause frustration.
- Moving forward, the organizational change will allow the two conversations to develop independently of one another, empowering customers and SAP customer-facing professionals to collaborate more freely.
- SAP plans to introduce features that will enable customers to measure their own usage and license consumption in a self-service manner.

Timeline and Additional Information

SAP began rollout of the new licensing, sales and audit policies in April 2018. SAP will continue to provide educational resources and tools for customers in the coming months to help them fully understand the new licensing approach and decide on the right model for them.

For more information click <http://www.sap.com/indirectaccess>.

¹ **Direct/Human Access** occurs when people log on to use the SAP Digital Core by way of an interface delivered with or as a part of the SAP software. **Indirect/Digital Access** occurs when devices, bots, automated systems, etc. directly access the Digital Core. It also occurs when humans, or any device or systems indirectly use the Digital Core via a non-SAP intermediary software, such as a non-SAP front-end, a custom-solution, or a third-party application.

Perspective: SAP**Adaire Fox-Martin, Member of the Executive Board of SAP SE, Global Customer Operations**

"SAP has been built on a legacy of trust, empathy and transparency with our customers. As the industry and customer requirements change, our legacy does not. Therefore, after thoroughly reviewing our processes and practices around Indirect Access – and based on extensive feedback from all stakeholders – we are rolling out a new and modern engagement model with our sales personnel that delivers industry-leading clarity. We are set on building lifelong relationships with our customers and we will continue to relentlessly innovate to ensure best business outcomes for each one of them."

Christian Klein, COO and Member of the Executive Board of SAP SE, Global Business Operations

"We believe that especially in the age of digital transformation, an adjustment was necessary after listening to our customers. By offering a new pricing and licensing model, we provide enhanced transparency, predictability and consistency to our customers. I trust that these three aspects will encourage our customers to continue to invest in digital business models."

Perspective: User Groups**Geoff Scott, CEO, Americas' SAP Users' Group (ASUG)**

"I commend SAP for entering into an open and thoughtful dialog with its customers regarding licensing. We have made tremendous progress on many important topics that we are announcing today and providing additional details and insight in the coming days. I am looking forward to hearing the feedback from the community as we continue this important journey with SAP."

Andreas Oczko; Board Member Operations, Service & Support; Deputy Chairman of the Management Board; German-speaking SAP User Group (DSAG)

"The reorganization of pricing model, sales, license audits and compliance announced by SAP is the remarkable consequence of intensive workshops and discussions with DSAG. With the help of the SAP Executive Board, we developed a vision for indirect use in the future and formulated the key data for a new licensing model. This is an important first step toward removing stumbling blocks and obstacles from the path of digital transformation. More will follow. SAP and DSAG continue to work together on an unprecedented pricing model for the Internet of Things."

Gianmaria Perancin, Chairman of SAP User Group Executive Network (SUGEN) and the French-speaking SAP User Group (USF)

"We applaud SAP for bringing to market this new model that should bring transparency and simplicity to customers for future SAP software use cases. There is further work to do to demonstrate to customers that the new model will be cost-neutral for their existing use cases. Customers need reassurance that if they believed they were correctly licensed, due to factors such as discussions or communication with SAP or ambiguous contract clauses, they will not face new license costs."

Perspective: Industry Analysts**R "Ray" Wang, CEO, Constellation Research**

"Digital transformation has driven every organization to rethink how they create business value for their customers. As enterprises transform their business models from selling products to services, services to experiences, and experiences to outcomes, they evolve their pricing models. Enterprise software vendors not only seek to modernize their pricing to meet the shifts to outcomes-based pricing, but also must find models to allow customers to stay the course, receive value for their existing investments and convert to new business models in a fair and equitable manner to their customers."

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