

SUGEN Digest, Q2 2018

Welcome to this issue of the SUGEN Digest, our communication to all SAP user groups around the world, designed to keep you informed of SUGEN's progress and provide you with information to share with your membership.



SAP User-Group Executive Network Collaboration Workspace

SAP User Groups Around the World

Strategic Topics

Programs & Projects

Foreword by Chairman Gianmaria Perancin

SUGEN & SAP Executive Exchange

with Adaire Fox-Martin

SAP Expert Sessions

- Pricing - exchange with Sonya Swann
- Security - Ralph Salomon
- C/4HANA - Manfred Gaertner
- S/4HANA - Sven Denecken / Rudi Hois
- Portfolio & Commercialisation Strategy - Intelligent company - Mani Pirouz
- IoT/Leonardo - Oliver Schuck
- Fiori Makers Community – Join-in! - Christian Geldmacher
- Next Generation Support for the Digital Enterprise - Andreas Heckmann

Update on GUGO

- Overview on the Global User Groups achievements - Yasmin Awad

SUGEN Best Practice Sessions

- Influencing SAP - Andreas Tziouvaridis
- Growing our User Groups in the area of SAP Leonardo - Craig Dale

Foreword by Chairman Gianmaria Perancin

[→ table of contents](#)



Gianmaria Perancin
Chairman of SAP User
Groups Executive
Network (SUGEN)

SUGEN meeting offers important, precious moments for exchanging with our peers, in other countries, and for building up a network of contacts, knowledge and experience. This helps each one of us in our everyday life around SAP, because we can learn from our colleagues their practices and test and eventually successfully apply their solutions in our own contexts: this allows each of us to finally create more value for the companies or the User Groups we represent.

Last May, in Walldorf, we have lived these experiences and we have to continue to work together, as a group, in order to benefit as good as possible from our “collaborative intelligence”. We progress because we are together.

This meeting in Walldorf has been also a fundamental one, because for the first time in SUGEN history, we had an executive exchange with the SAP Executive Board Member in charge of Global Customer Operations, Mrs Aaire Fox-Martin. For the first time in SUGEN history, we had the possibility to speak about empathy for the customers, sales behaviours and “Customer for Life”, with the highest sponsor in SAP: this is a huge step forward for our global network, because we are recognised as fundamental stakeholder in the SAP global ecosystem also for commercial aspects.

Another point has to be mentioned: we spoke about Security, Pricing, S/4HANA roadmaps, Intelligent Company, etc. but especially SAP accepted to share with us the announcement then done at SAPPHIRE, about C/4HANA. Also, this pre-announcement was a clear sign about how SAP considers SUGEN.

These results are there to support us.

I would like to thank all of you because we are doing a great job, for our members and for our network. Let’s keep the momentum. Other important goals are out there to be achieved by SUGEN, all together.

SUGEN & SAP Executive Exchange

Executive Exchange with Aaire Fox-Martin

May 7, 2018

by Philip Adams (UKISUG)

[→ table of contents](#)

Aaire Fox-Martin spoke with us one year into her role on the Executive Board of SAP. Our discussion started with Aaire stressing how important it was to her that the word ‘customer’ was in her title. Leading Global Customer Operations, along with Jennifer Morgan, Aaire outlined some of the initiatives that her team has been rolling out, including:

- Customer First programme, which has been changing the corporate DNA from ‘lead to sale’ to ‘lead to reference’ customer engagement model. From how the customer engagement teams are structured to how sales people are incentivised and how customer engagement is orchestrated, the programme puts business priorities and success of customers at the center.

- An initiative has been kicked off to identify customers who may not be achieving the success and outcomes as expected - for example, those on the S/4 Hana migration path, and to engage with these customers at a market unit level.
- Understanding that the SAP acquisition strategy has led to hybrid landscapes, a closer look will be paid to customers with on-premise and 2 or more cloud products.

The pricing policy has also been on Adaire’s agenda and she has been working closely with Hala Zeine on pricing. The feedback and dialogue with SUGEN on this topic was of immense value, according to Adaire, and she pointed out that such dialogues should be held more frequently. On this note, Adaire suggested that we brainstorm on how SAP could help User Groups grow and become more successful.

The mission is clearly to enhance customer engagement and while this is a process, she has already received positive feedback that the message resonates well with SAP teams on the ground. Adaire further described that a good governance structure is a ‘three-legged stool’ or, the one that includes SAP, system implementers (SI) and the customers, and that is great to see many SI partners increasing their SAP consultancy resources. This is a good indication that the ecosystem is healthy and growing.

During our exchange with Adaire, we also agreed that SUGEN will come up with proposals to facilitate the SAP User Group Membership growth and will work on these proposals with someone appointed by Adaire’s office and the SAP Global User Group Organisation.

Contributed by Philip Adams (UKISUG)

SAP Expert Sessions

Pricing – feedback SUGEN and exchange with SAP / Sony Swann

Date May 8, 2018

By SUGEN CLT Members

[→ table of contents](#)

SUGEN has been instrumental in the discussion of Indirect Access with SAP since 2016.

On the 10th of April 2018, SAP announced the [new license model](#) for what is now called Digital Access. The session in Walldorf was not meant to explain the new model, because this has been done extensively in various ways since the announcement.

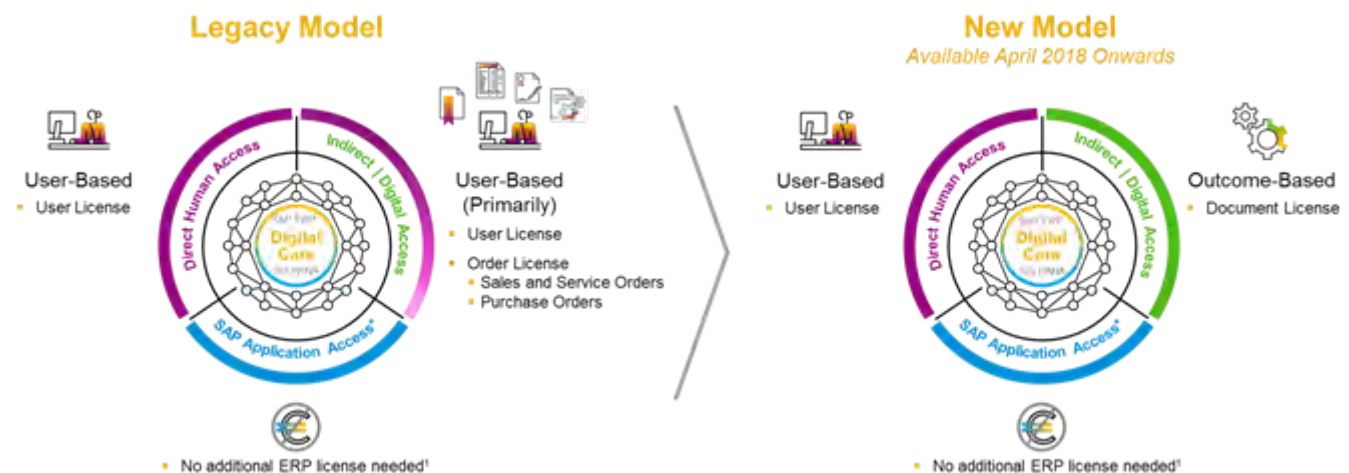


Figure: Legacy vs. new pricing model

In the SUGEN meeting, it was the first time we had the opportunity to discuss the topic again with Sonya Swann, Global Head of Pricing and Commercialization at SAP. The purpose of the session was to discuss the first feedback from user groups and their members. In summary, this feedback is as follows:

1. The new license model in itself is clear, transparent and predictable. This is in the first place the case for new customers.
2. SAP confirms that “do nothing” (i.e. stick to the old license model) is a perfectly fine option; SUGEN will then monitor the ecosystems in order to raise to SAP any behavior that could be seen as a potential pressure in order to have customers adopting the new license model when not justified by value creation and solid business cases.
3. The following topics are the one SUGEN wants to continue collaboration with SAP:
 1. SAP confirms that if an existing ERP customer is appropriately licensed, no additional charges will be requested; still SUGEN considers that customers could not be sufficiently able to understand on their own, if they are properly licensed or not. This point must be then more worked out. SAP is working on tools and services for customers to have a better understanding how and what customers have licensed.
 2. SUGEN and SAP will continue working on EDI, as there are still open questions.
 3. SUGEN is still targeting a greater flexibility in SAP contracts and will continue the discussion with SAP on that.
 4. SUGEN and SAP will continue working together in order to give evidence to the cost neutrality of the new model, in respect of the confidentiality of the contracts and agreements between SAP and customers.
 5. The measurement tooling is very important for customers in their decision to convert or not. SUGEN would like to have a better understanding about the specifications to learn how it will help our members getting better insight into their licensing.
4. SUGEN wants to start a global survey to get broader feedback from their members about the new license model.

SUGEN CLT has spoken again with Sonya Swann (pricing) and Matthias Medert (license management) at SAPHIRE to continue the dialogue on behalf of SUGEN members.

Contributed by SUGEN CLT Members

Security - Ralph Salomon
By Paulo Moraes (ASUG Brazil)

[→ table of contents](#)

Security is such a vast and an important subject it is always a good idea to receive more and more information about that. So, it was when SUGEN received Mr. Ralph Salomon, CRISC, Vice President Enterprise Security from SAP to present “Security @ SAP”.

Personally, I was an ISO – Information Security Officer – a long time ago when I worked at Mannesmann VDO and since then I know how a lack of good information security may impact our lives on a highly negative way. Our colleague Ralph started explaining today’s security problem and included an interesting timeline of the historical threats the most used technology in parallel. At the 80’s we still were at the “mainframe” age and the computer viruses first appeared at that moment. At 90’s the web sites solutions grew exponentially and the hackers started to invade them. From 2000 and ahead more and more threats raised like Advanced worms, Trojans, Identity Theft (Phishing), Organized Crime (data theft) and the volume of attacks is increasing. In parallel the attacks are evolving to specifically crafted and company targeted attacks.

This evolution on the threat side drives an increased number of successful attacks. He presented a chart reflecting the situation of the biggest data breaches in a comparison 2004 to today. In the past this was only a few. Today we have a lot of services being affected with a much higher number of breached data records.

To be able to fight these threats SAP has a holistic security approach to cover and protect customer and SAP data. This approach consists of three pillars: Prevent, Detect and React. Here some sample measures per pillar: On the Prevention pillar we have Threat & Risk Monitoring, Security Governance, Security Framework, Risk Management, various Security Tools and Security Awareness & Training. The prevention tools are setup multilayered. In case first layer of protection is penetrated next layer is there to prevent.

In addition, there further services and tools in place for Detection, SAP runs a 7 by 24 Security Event Management, Security Deviation Management, Threat & Vulnerability Detection, Hacking Simulations / Penetration Testing and several others. In that regard Ralph outlined the concept of SAP's Security Event Management leveraged for end-2-end infrastructure and application monitoring. The solution leverages SAP HANA analytical capabilities including machine learning & predictive analytics to identify potential attacks and incidents. Therefor up to 500.000 messages and events per second are analyzed in real time.

Of course, Prevention is the best but as we all are aware something might happen we need to be prepared because then every second counts: in the React pillar SAP established Security Response & Mitigation, Forensic Analysis and Business Continuity Management to guarantee fast response to incidents.

He also outlined the difference between two important concepts: Cybersecurity and Data Privacy, where Cybersecurity is the protection of information against unauthorized access through computing environments and Data privacy is the protection of individuals with regard to the processing of personal data so in a very innovative company the two concepts are managed by two different roles: the Information Security Officer and the Data Privacy Officer. Nevertheless with all the differences there is an overlap resulting in the so called Technical and Organizational Measures – Security measures to protect data privacy.

Mr. Salomon also presented the compliance management system and the used standards and best practices to ensure secure operations of SAP Cloud services. SAP is providing certifications by 3rd party auditors to proof secure operations practices. In 2017 we provided 40 certifications in 2018 this will be doubled.

A deep dive into SAP's Security Strategy followed. The strategy is based on three cornerstones:

Secure operations: End-to-end secure cloud operations, defense of customer data and business operations

Secure company: Security-aware staff, end-to-end physical security of SAP's assets, and a comprehensive business continuity framework

Secure products: Security incorporated into applications, delivering ultimate protection for content and transactions. This corner stone breaks down into the following strategic goals: Security by default:

One essential part of IT strategy is security by default, which refers to the embedding of security in all apps delivered to customers. When security is switched on, apps are provided with access control capabilities and encryption in transit and at rest. In the future, companies will offer applications that automatically have the security switched on, and if customers choose to opt-out they can do so. Application security will become table-stakes – no longer just an optional add-on or afterthought.

Defendable applications:

Self-defending applications are also increasingly popular. This technique provides applications with the ability to detect anomalies themselves and react automatically to malicious sources, without requiring human intervention or approval (within certain parameters), which can slow the process down to a point where it's too late to defend the threat.

Zero Vulnerabilities:

Many successful cyber-attacks start by exploiting a vulnerability somewhere in an infrastructure component or an application. SAP Global Security is driving a zero vulnerability program to identify and prevent vulnerabilities in SAP's products before they are provided to customers.

Zero Knowledge:

Per default SAP products and services must aim to deny unauthorized access to information and data. Therefore, we envision zero knowledge systems allowing our customers to decide when and to whom access to business data is granted.

We thank Mr. Salomon for the interesting presentation and wish all to have success on information security.

Contributed by Paulo Moraes (ASUG Brazil)

C/4HANA - Manfred Gaertner

[→ table of contents](#)

By Gianmaria Perancin

How much of your CRM is focused on sales? Probably a lot, as this is the general approach of the various CRM software available on the market.

The problem is that a CRM focused on sales tends to forget that sales exist because there is someone who buys what our company sells on the market: this "someone" is the customer, and this customer, should it be a man, a woman, a company or an association or whatever you can think of, has his own proper requirements. His own feelings. His own satisfaction (or dissatisfaction). His own loyalty (or lack of loyalty) towards the supplier that has implemented a CRM system.

SAP considers that actual CRM systems are too much sales-oriented, while they should be customer-centric. This means that customers' behaviors should be analysed, in order to predict what they are going to do: nothing? buy more? or getting away?

C/4HANA intends to be SAP's answer for that, by revamping CRM softwares through a real 360° overview of the customer. SAP C/4HANA will be the unique offer, putting together SAP Hybris, Gigya and CallidusCloud softwares, in order to span from marketing to sales, and from e-commerce to customer services.



This solution will leverage customer data, machine learning technologies and microservices, as well as a unified user experience, and deliver a global solution able to analyse customers' behaviors in real-time. This will pass by a convenient alignment between SAP C/4HANA and SAP S/4HANA.

Through this alignment, customers will be offered really tailored solutions, that fit their requirement at best.

As User Groups, we need now to work with SAP and unveil the roadmaps able to blend the different components and technologies together and bridge them conveniently.

Contributed by Gianmaria Perancin (USF)

S/4HANA - Sven Denecken / Rudi Hois
By Matthew Perry (SAUG)

[→ table of contents](#)

The flavours of S/4HANA.

It is completely ready and it is almost ready. SAP's S4/HANA comes in two flavours; and both could be, or are, ready for commercial adoption, depending upon what industry you are in and how ready you are to adopt SAP's range of best practices.

This week Mr Sven Denecken and Mr Rudi Hois discussed with SUGEN members S4/HANA's architecture, functionality, and the readiness of the S/4HANA Public and Private Cloud models. There was no one better to here from as Sven and Rudi are responsible for the development of S4/HANA.

Sven discussed the relevance of the Public Cloud offering to various markets (consulting services and subsidiary units, for example) and the increasing number of Industry Verticals ready on the Private Cloud platform. Also mentioned was the average nine month (Private Cloud) implementation, with some very rapid installations also described. We heard of the architectural approach to commodity (in-built) and differentiating (build it yourself) services and, from Adaire Fox-Martin earlier in the week, the role of third party providers in the new landscape (that being the third pillar in the partnership, alongside us/the customer and SAP).

It was clear that the two options are designed to service significantly different demands, and there was no objective expressed to ultimately align the functionality of the two, beyond the most core, or generic, processes. During the interactive session the SUGEN members also heard about the significant progress made in integrating the complete SAP portfolio into HANA and the inclusion of the "co-pilot" support solution into S/4HANA. In conclusion, it is obvious that the S4/HANA solution is maturing and the Value Proposition crystallising.

Contributed by Matthew Perry (SAUG)

Portfolio & Commercialisation Strategy - Intelligent company - Mani Pirouz
By Åsa Jonsson (SAPSA)

[→ table of contents](#)

From Digital to Intelligent Enterprise

Mani Pirouz, Vice President for SAP Portfolio Strategy, stated that the customer imperative is Accelerating Value Creation and SAP's answer is the strategic imperative: Delivering the Intelligent Enterprise.

SAP's portfolio predications are that the way we work changes as well as the role of information/data:

1. The rise of the intelligent enterprise
2. Intelligent and connected things change human interaction
3. Cross company collaboration becomes seamless and secure with Blockchain
4. Industries organize around digital
5. Self-organizing teams in/across organizations
6. Maintain information integrity in a world of fake vs. real. Security to be redefined
7. Date for sale. Where is the data? What about privacy?

SAP foresees that the Digital Transformation with cloud, mobile and Big Data (2000s-2010s) has evolved into Intelligent Technologies with:

- Machine Learning & Artificial Intelligence
- IoT & Distributed Computing
- Blockchain

...where the value (buzz word) is Intelligent Enterprise.

Intelligent enterprises elevate employees to focus on higher-value tasks, as the repetitive tasks decrease and the level of automation increases, with the outcome of a higher productivity.

SAP's strategy is to deliver the Intelligent Enterprise to its customers with the key components:

1. Intelligent Enterprise Suite (embedded and integrated)
2. Intelligent Technologies
3. Digital Platform (built on data Management and cloud platform)

Strategy Guiding Principles & SAP Technology Strategy

1. Best in Class Cloud
2. Integration
3. Open SAP
4. Breakthrough Innovation
5. Business Data Ownership
6. Customer Experience

Ten integration qualities are guiding SAP's investments, which are defined with customers. One example is Integration Robustness, where the customers' expectations are that integration works seamlessly after update, upgrade and conversion. Another example is Configuration Alignment.

Defined focus areas for integration related deliveries are:

- API Business Hub
- Technology Guidance
- Application Level Progress

Contributed by Åsa Jonsson (SAPSA)

IoT/Leonardo - Oliver Schuck
By Martin Brownsword (SBN)

[→ table of contents](#)

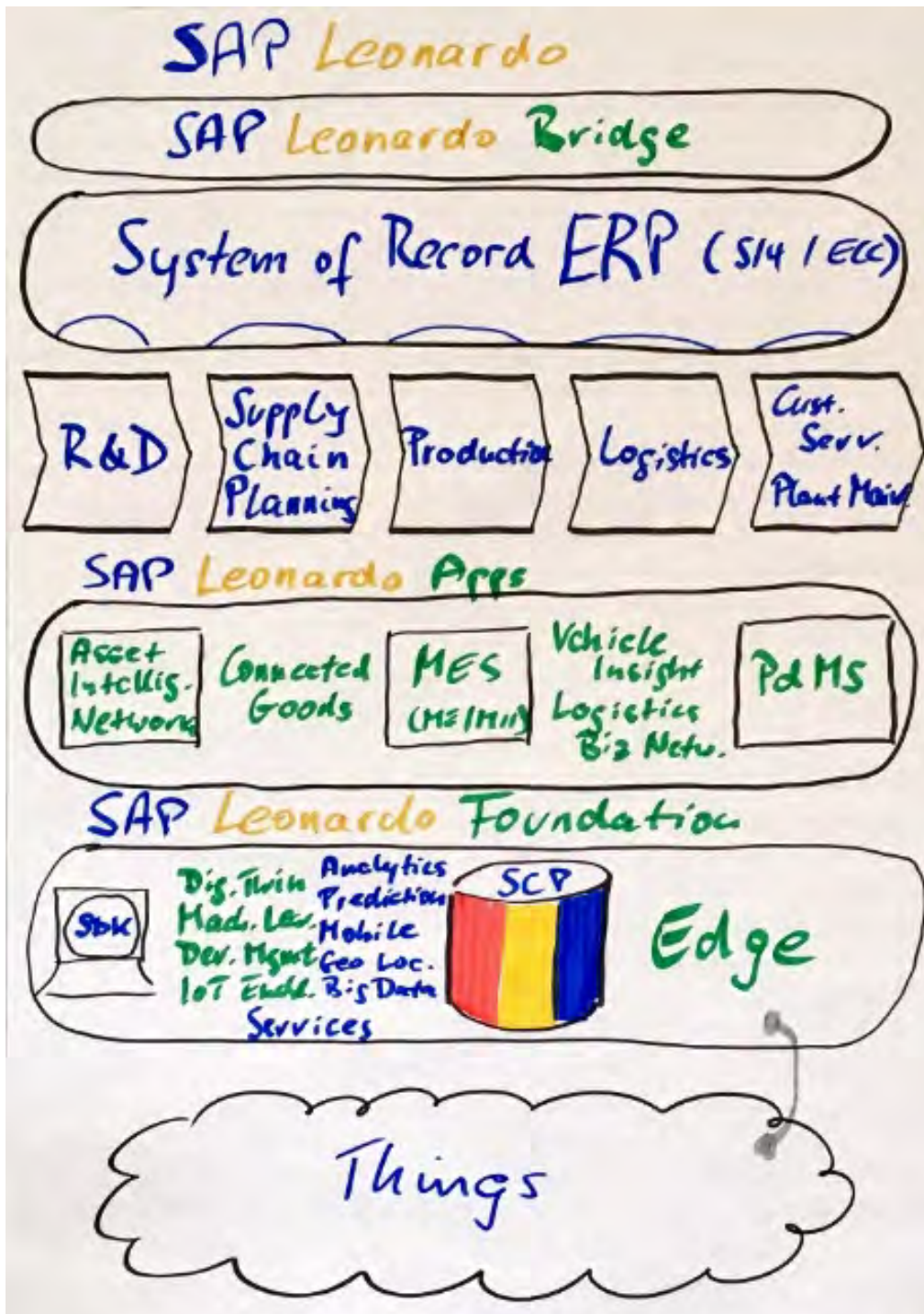
IoT/Leonardo – Expert Session

Even SAP would agree that it is has been a challenge to position and clarify for customers and partners, what SAP Leonardo really is and how to fully promote the benefits. Oliver Schuck has discovered a novel way of attempting to do these things by drawing by hand the various components of SAP Leonardo while explaining their connection and roles in the bigger picture.

He starts with a blank page and then draws the main processes that Leonardo cuts across, followed by the system of record either S/4 or ECC sitting on top. He then moves on to the "things" at the bottom of the page, which the processes via the system of record want to connect to, to collect and exchange data. After that, he draws the SAP Leonardo Foundation, which uses the Edge to communicate with the "things". The Foundation is on the SAP Cloud Platform and contains various forms of storage ranging from high-end, hot storage to the cheapest possible and a whole range of services such as Geographical Location, Analytics, Mobile and so on. The Leonardo Applications are then added, sitting between the business processes and the SAP Leonardo Foundation.

Finally, Oliver adds the Leonardo Bridge at the top and this combines the real-time data from connected devices (things) with the applications and services to implement an intelligent end-to-end process. Below is the end-result of Oliver's artistic exploits.

Oliver provided us with a range of examples of applications from the SAP Leonardo connected solution categories from tank manoeuvres, positioning products in fridges to insurance companies tracking customer driving habits and many more are on the way using the design thinking methodology. While, it is possible to continue to implement these solutions from various providers a compelling argument for SAP users must be as Oliver pointed out, "Just how many point solutions do you need?" If not, use SAP Leonardo. A final message from him was the possibility to use the Knowledge2Go SAP Leonardo tool where SAP have collected webinars, expert sessions, use cases and much more on SAP Leonardo.



Contributed by Martin Brownsword (SBN)

**Fiori Makers Community – Join-in! - Christian Geldmacher
(presented during SUGEN F2F in Berlin November 2017)
By Grahame Reynolds (SAUG)**

[→ table of contents](#)

At the SUGEN meeting held at the Apphaus in Heidelberg we were introduced to the SAP Fiori Makers Community by Michael Geldmacher. This Community has been started by SAP in an effort to foster quality design in a real world environment using SAP Fiori.

The Community offers the ability to connect with other Fiori Designers and see what they are doing and discuss best practices and pick up ideas. You can find out more details and register for the Community by following this link. <https://experience.sap.com/news/sap-fiori-makers/>

One of the features of the SAP Fiori Makers Community is that you can join monthly calls and speak to real people about what they are doing. So get involved and happy designing.

Contributed by Grahame Reynolds (SAUG)

**SAP Next Generation Support for the Digital Enterprise - Andreas Heckmann
(presented during SUGEN F2F in Walldorf May 2017)
By Grahame Reynolds**

[→ table of contents](#)

Andreas Heckmann spoke to the recent SUGEN meeting on the topic of "Next Generation Support". Andreas is the Global Head of Support Delivery and is working to provide a "live" support experience to SAP Customers.

SAP are enhancing their current support offering by making the systems and procedures that Customers use to access support services more "real time". The goal is to provide an environment that helps to prevent support issues and faults by predicting what may go wrong and acting in a pre-emptive way. When faults do arise, the way that they are managed and corrected is becoming much more "real time". The goal is to remove the delays associated with the to and fro between SAP and the Customer.

This is being done by providing Customers with enhanced Knowledge Base Articles and features like Real Time Chat and Chat with an Expert. Real Time Chat will enable a Customer to chat directly with a Support Analyst and will enable problems to be defined quicker. Activities like opening a support connection can happen without delay. SAP claims that this feature alone will shorten the time to resolution. If the problem proves more difficult to resolve, the Chat with an Expert service is available where Customers can book an on-line session with an SAP subject matter or technical expert.

SAP's plans to continually improve the delivery of Support Services will continue to unfold as SAP employes some of the Leonardo Technology for internal purposes.

Andreas believes that now is an exciting time for the support side of the SAP business and invites User Group members to start a dialogue with him through the regular SUGEN channels.

Contributed by Grahame Reynolds

Update on GUGO

Overview on the Global User Groups achievements

[→ table of contents](#)

By Yasmin Awad

These achievements were strengthening the relationships between SAP Board, SAP Executives and the User Groups, sponsoring activities like the SIG Leads Meet SAP Experts Meeting or SAP Select and SAPPHIRE NOW participation, influencing and strategic collaboration on the new SAP licensing model, various Pre-Briefings, Webinar Series on key topics and Innovation Adoption Services and Reports to name some of them.

One of the biggest focus topics in the next years for User Groups is to further ensure growth and relevance. The strategic approach to be taken is focusing on the digital transformation and ensure sustainable growth in the member base. Focusing on the digital transformation ensures a huge value-add for the members: Using the networking capabilities the SAP User Groups have for communication and collaboration on innovative topics is a real differentiator in the market. Representing the actual and future SAP customer base is essential for the User Groups sustainability. Therefore, attracting new members from lines of business, SAP Cloud customers, as well as increasing the diversity in membership (Gender/Millennials) should be a strategic goal of all User Groups.

The Global User Group Organization promises to further strengthen the trust in SAP and its products through open, strong collaboration with the User Groups, driving innovation adoption and influencing and increasing the executive exchange in each region.

Contributed by Yasmin Awad - Head of Global Customer Value Services

SUGEN Best Practice Sessions

Influencing SAP - Andreas Tziovaridis

By Maria Elena Gutierrez

[→ table of contents](#)

Influencing SAP

We had the opportunity to hear from Andreas Tziovaridis (Head of Customer Connection @SAP), Gerhard Spoor (SVP Market Introduction @SAP) and Daniel-Alexander Heller, sharing the latest news about the Customer Influence Program and we discussed its importance for SAP, for its clients and for the User Groups.

What is the Customer Influence Program?

It gives customers the opportunity to influence SAP software development decisions and adopt new innovations in the early stages.

It has 4 Service Areas covering the full Product Life Cycle, activities before release to customers and activities after released to customers, for the full SAP portfolio, independently for cloud or on-premise product.

Some figures:

- One Global team covering key geographies – from Australia to Japan (1 resource), a full team of 50 in the USA, big team for Europe with that covering all regions bringing closer to the customer the resources to support them.
- Increased from 59% to 63% NPS Customer Satisfaction in 2017
- 3,000 customer projects in 2017 and an estimated same number during 2018, which includes the 4 areas of the program:

The main customer influence programs are:

1. **The SAP Customer Engagement Initiative (CEI)** asks for customer ideas during the development process. The objective is to discuss planned functionality to gain valuable input during development phase. Before the whole idea is finished, developers have contact with customers (~600 per year) preferably via **User Groups**.

2. **SAP Beta Testing Program** lets customers weigh-in on a new product before its release.

Offered in different flavors:

SAP Customer Testing Services - with the possibility to install software on own machines and invites customers to SAP Headquarter to test the software.

Since the product is not yet in the final stage, there is plenty space to make improvements based on customer suggestions. That is why it's called "testing" and not "beta".

Standard BETA - where all users enter one system and check the processes and how the system works.

Guided BETA - offsite, working directly with the customers. A reduced copy of the production system of the customer is taken and upgraded or add the new SW and the customer can see how the processes run in their own system environment.

3. **SAP Early Adopter Care** (formerly known as "ramp-up"), helps customers deploy new SAP innovations ahead of the competition. The objective is to engage in customer implementation projects to minimize project risk to support successful deployments of new SAP products.

Some basic things have changed as a result of feedback from User Groups. By instance, the processes needed between the ramp-up customer and SAP has been simplified. Customer can choose any partner they want for the implementation (or do it by themselves), a colleague from the SAP digital business services is assigned to support (ramp-up coach), no involvement from the legal areas is needed, and the resources assigned by SAP stay with the customer the whole life of the project until they are live.

A *Development Angel* and an *Executive sponsor* are assigned to each project.

4. **Customer Connection Program** gives customers a way to request enhancements post-go live. Delivered improvements can be found in the newly re-launched SAP Improvement Finder (www.sapimprovementfinder.com)

Created many years ago to improve the on-premise products and solutions you are using today without requiring an upgrade or waiting for a new release.

In several cases, running a request via the Influence Program avoids the need of a local development which represents costs and risk as it will not be part of the "standard" functionality.

+300000 downloads of these improvements until now which shows the interest of customers in this program.

SAP Continuous Influence (new), to continuously suggest improvements to newer SAP products and cloud solutions.

With these 4 services, SAP is looking to balance the risk the customers face when implementing new software.

1700 live S/4HANA customers (90% done by partners) on premise and none of those who participated in the program faced any escalation.

SAP is executing Best Practices workshops for User Groups to discuss further how to improve and make the most of these programs. Initially with UKISUG, VNSG, USF, SAPSA. The next one took place July 5th, in Paris.

Some of the topics in these workshops are: Getting SIGs (Special Interest Groups) involved to promote influence opportunities, influence reporting for User Groups, continuous sessions to create a solid best practice for SUGEN User Groups, User Groups and Early Adopter Care, the new Customer Influence site, User groups feedback and ideas for future improvement.

Why are these programs important for SAP?

Bringing to their customers clear tools and processes to fix issues they may be facing in the use of SAP solutions, improves the satisfaction of these customers.

Why are these programs important for SAP customers?

They bring opportunities to improve the SAP products you - as an SAP customer - are already using, without disruption and without the need of waiting for the next release to be available, improving your investment. And, also offer the opportunity to influence the development of new solutions to better reflect your business needs.

Why are these programs important for SAP User Groups around the world?

Influencing SAP is a key priority for all User Groups. One of the means we have to ensure the delivery of added value to our members is driving and supporting them through the use of these influencing tools and processes to ensure they get the best from them, ensuring at the same time their needs are heard and known by SAP joining their voices with the voices of other users in the world. User Groups have unique channels to deliver these benefits.

International relationships, international forums as SUGEN increase the potential of unifying the voices and opinions of the SAP users to magnify their influence over the improvement of present and future solutions.

A happy member is a happy User Group!

To know the products currently covered by these programs and more details, please review the presentations published on the webpages of your local SAP User Group.

Some useful links:

www.influence.sap.com

<https://influence.sap.com/IMPROVE>

<https://influence.sap.com/CC>

<https://influence.sap.com/CIS>

Sapimprovementfinder.com

Contributed by Maria Elena Gutierrez (ASUG Mexico)

Growing Your User Group in area of SAP Leonardo

Workshop conducted by Craig Dale (UKISUG)

[→ table of contents](#)

UKISUG introduced the topic and started the discussion by sharing their status in the area of SAP Leonardo, IoT, machine learning, AI etc. Following the initial presentation, the session continued with each User Group sharing their views on the subject matter.

Main talking points and comments were:

- On the whole, everyone agreed that SAP customers, in the main, are not ready for Leonardo yet. We see that most are still grappling with S/4HANA and where they are on their specific roadmap/journey and are focusing on how to get there.
- Some early adopters are looking at the new technology, but they are in the few rather than the many.
- ASUG do not use “Leonardo” in communications, they focus messaging on innovation and look to leverage the business outcomes and customer stories. They have a large programme, with sessions on innovation at each Executive Exchange
- Most user groups are focusing on the awareness of their members of Leonardo, however, all agree that it is better to not use SAP Leonardo in their marketing communications and to focus the messaging on innovation. Leonardo seems to be turning members off, almost in the same way as HANA did several years ago.
- Another point made was that customers are innovating, but they are not always doing it with SAP so sharing wider experiences of innovation can also be valuable.
- In Norway, SBN have been running a number of events featuring the latest and future technologies, however, they don't expect a large number of delegates. Others agreed with this and a successful event could see 15-20 attendees.
- One area of concern was how this topic area would increase our membership. When running and promoting events on SAP Leonardo etc., the programmes cost money and to be pushing a specific area of

information/technology etc, we also need to offset those costs with a growth in membership, so the question was raised, in pushing Leonardo, where are the new members to come from? How will this drive membership?

- In saying that, it was also agreed that we have to remain relevant and have to find some balance.
- This is a very new technology set and it was felt that customer stories around successful implementations were few and far between. It was agreed that the customer experience of Leonardo and other new technologies isn't always about successful implementations, it is about INSPIRATION sharing of ideas and use cases that inspire others to open their minds to a new business model or process.

Contributed by Craig Dale (UKISUG)

[back to Pricing article](#)

[→ table of contents](#)

New license model



ERP Pricing for the Digital Age

April 2018

PUBLIC

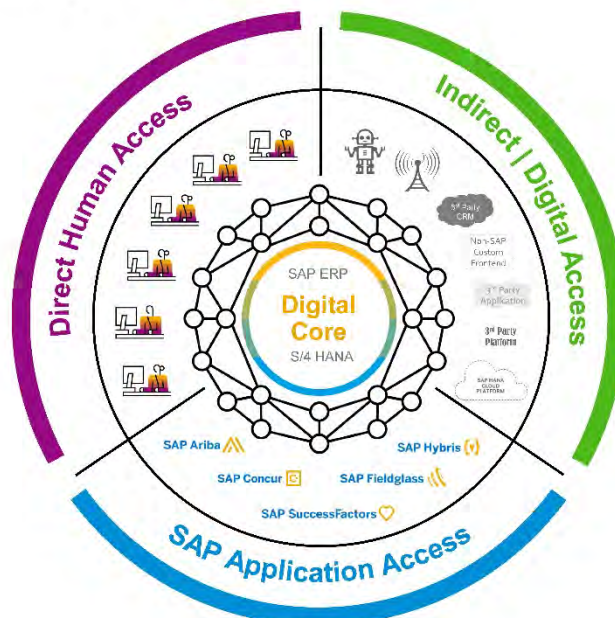


This document is for informational purposes only, and provides general guidelines regarding SAP's pricing models and policies as of April 2018. It is provided without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. This document shall not be incorporated into any contract and does not constitute a contract, an agreement or commitment to any specific terms, or an amendment or supplement to a customer's contract. Policies and this document are subject to change without notice. Should a customer have questions, they should engage their SAP Account Executive. Pricing models and policies, and changes thereto, and any referenced contract terms are intended to provide a consistent, globally-applied filter to the licensing discussion. However, a customer's situation and contract language may be different and must be evaluated under their specific SAP contract. SAP reserves the right to revise its policies from time to time.

This document may not be reproduced in any manner without the express written permission of SAP SE. All Rights Reserved

Use of ERP and types of access

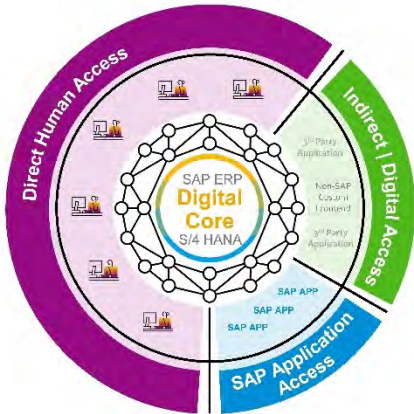
One definition of use and three types of access



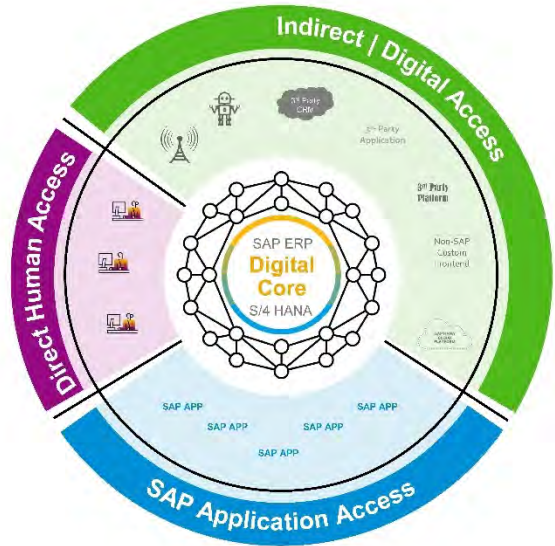
Technology landscape is evolving and so is the way customers access ERP

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

ERP Use in 20th Century



ERP Use in 21st Century



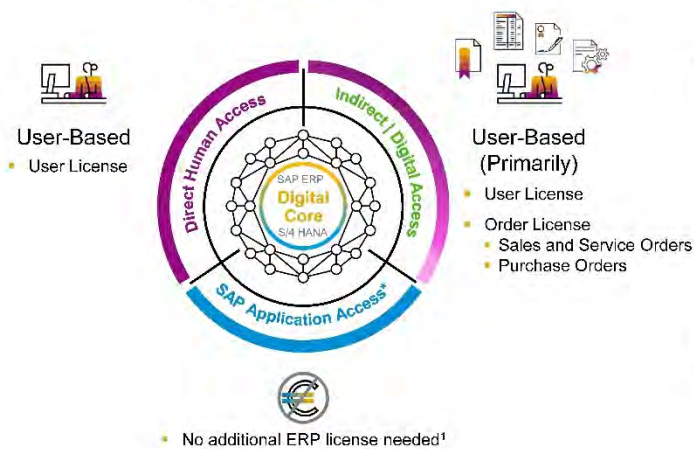
© 2018 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

3

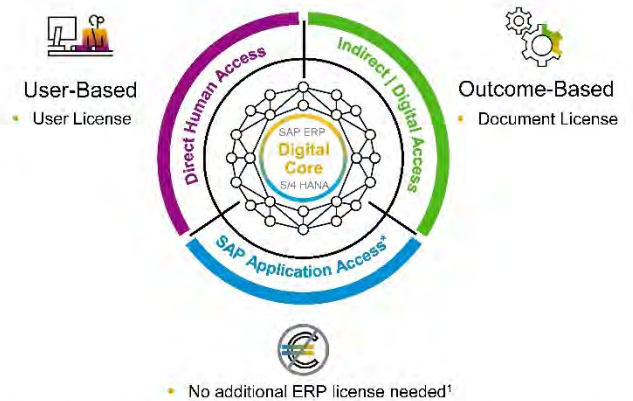
SAP is modernizing ERP pricing

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.

© 2018 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

4

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 1.0
 - Manufacturing Document
 - Quality Management Document
 - Time Management Document
-
- Financial Document (counted at line item level) 0.2
 - Material Document (counted at line item level)

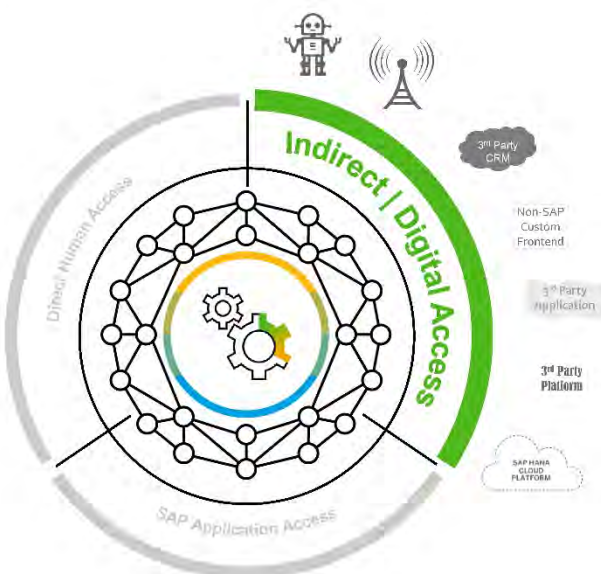
License Calculation

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

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



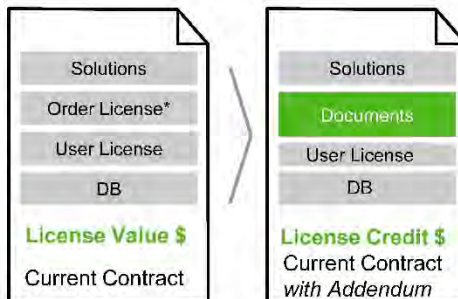
- Continue with current contract. No change.
- Continue to use User and Order* Licenses for all types of use and access
- SAP will waive back-maintenance for indirect access to SAP software for customers who proactively engage with us in good faith

*Sales & Service Order Processing/Execution and Purchase Order Processing/Execution; ** Conditions apply © 2018 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

License Exchange

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

Option 2

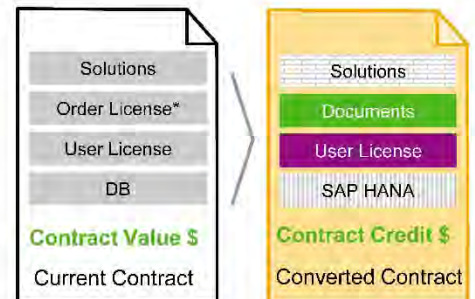


- Continue with current contract with addendum
- Up to 100% credit for User and/or Order license value** applied to new Document license value
- 100% of the maintenance base of the converting licenses is carried forward.
- SAP will waive back-maintenance for indirect access to SAP software for customers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

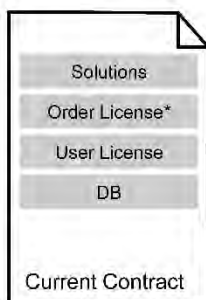


- Replace current BOM with new BOM that includes a simplified licensing structure
- Opportunity to reconfigure solution landscape (new bill of material)
- Up to 100% credit for old contract value** applied to new S/4HANA contract value
- 100% of the maintenance base of the converting licenses is carried forward
- SAP will waive back-maintenance for indirect access to SAP software for customers who proactively engage with us in good faith

7

Option 1 – Do Nothing

For customers happy with their contract and who do not want to change



Original SAP Contract

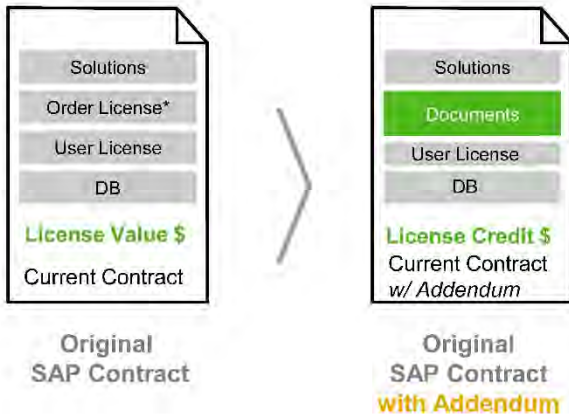
- Continue with current contract. No change.
- Continue to use User and Order* Licenses for all types of use and access
- Audit for Indirect Access focused on transactional data
- SAP will waive back-maintenance for indirect access to SAP software for customers who proactively engage with us in good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

*Sales & Service Order Processing/Execution and Purchase Order Processing/Execution; © 2018 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

8

Option 2 - License Exchange

For customers wanting transparency for Indirect / Digital access and wish to remain in existing contract



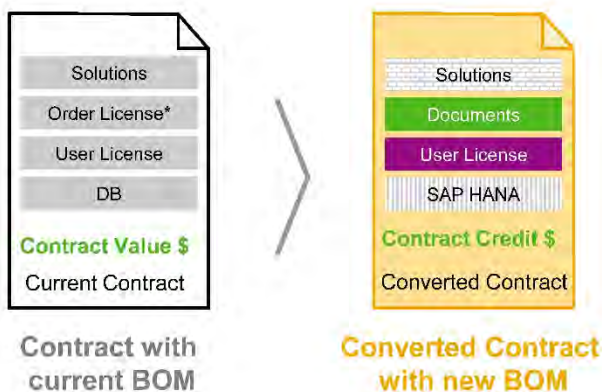
- Continue with current contract with addendum
- Exchange existing user or order licenses* (e.g., Sales & Service Order Processing or Purchase Order Processing) for Document licenses. Or purchase Document licenses under existing contract terms.
- Receive a credit of up to 100%** of the fees paid for the user and order licenses being exchanged
- Maintenance base does not go down
- Audit for Indirect/Digital Access focused on *Create* transactions for the nine document types
- 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 © 2018 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

9

Option 3: Contract Conversion

For customers licensing SAP S4/HANA



- Replace current licensing structure with new simplified licensing structure
- Full flexibility to reconfigure solution landscape based on current and future needs
- Up to 100% credit for old contract value** applied to new contract value
- Maintenance base does not go down
- Customers can continue using converted legacy ERP software during defined transition period**
- Audit for Indirect Access to Digital Core focused on *Create* transactions for the nine document types
- 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 © 2018 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

10

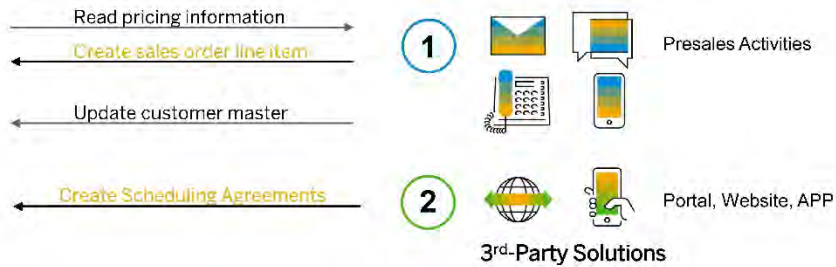
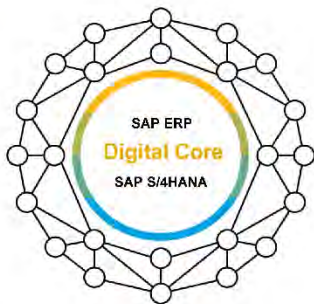
APPENDIX

Use Scenarios

Application of New Policy for Common Indirect/Digital Access Scenarios Illustrative Examples

Each scenario below is licensed by the number of documents created in the Digital Core. The specific document in each scenario is displayed in *highlighted type*. The subsequent automatic processing of these documents in the Digital Core may result in the creation of additional document types (e.g., material document or financial document) which are NOT counted towards the SAP customer's total licensed document level. Statements of "no additional licensing needed" in the following examples apply to licensing for Indirect/Digital Access, and assumes proper licenses are in place for any use via SAP Applications or Humans directly logging onto the Digital Core.

Sales document



- The SAP customer is using a 3rd party external solution managing the presales activities (lead, quote, etc), and the following occurs as a result of such use:

 - In this process, customer is reading pricing information from the Digital core - **no additional licensing needed**
 - Updates customer master records within the Digital Core via the 3rd party solution - **no additional licensing needed**
 - Creates Sales orders within the Digital Core, triggered by the external system - **sales order line items counted as a Documents which must be licensed**
 - The sales order line item is automatically processed within Digital Core resulting in the creation of subsequent document (e.g., customer invoice line items, financial document line items) – **no additional licensing needed for such subsequent Document types triggered within the Digital Core**
- The SAP customer is using a 3rd party external solution managing customer portal /website/ APP, where the end customer or business partner can enter scheduling agreement details. These scheduling agreements are processed in SAP S/4HANA –**scheduling agreement** counted as a Document which must be licensed

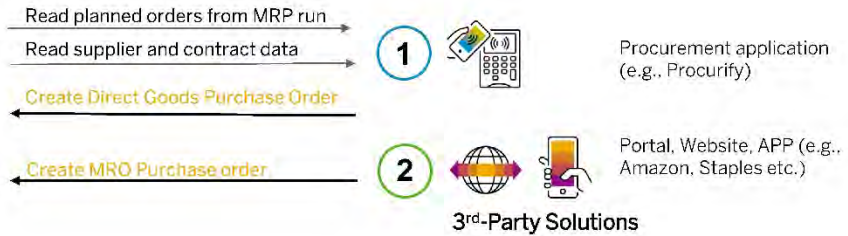
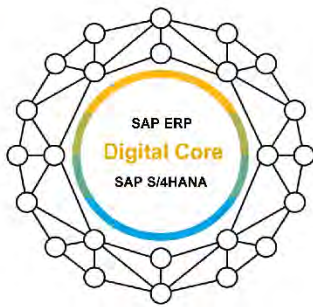
Invoice document



- The SAP customer is using a 3rd party external party system to do logistics of finished goods inventory, and the following occurs as a result of such use

 - In this process, customer is reading the sales orders booked in ERP - **no additional licensing is needed**
 - Once the goods on the sales order are shipped to the end consumer, the the third party solution triggers the creation of an invoice in the Digital core - **the invoice line items created by such Indirect/Digital Access counted as a Document which must be licensed**
 - The invoice is further automatically processed within Digital Core resulting in the creation of subsequent Document types (e.g., accounts receivable and GL posting) to complete the transaction – **no additional licensing needed for such subsequent Document types triggered within the Digital Core**
- Ecommerce sites may directly post both the sales order and invoices into the Digital Core. – **here the customer must license Documents for both the sales order line items and invoice line items created by Indirect/Digital Access.** Note that in this example both these documents are being received from 3rd party ecommerce site. So, both are countable.
 - No additional licenses are required for subsequent Document types created within the Digital Core as a result of the automatic processing in the Digital Core of the original sales orders and invoices document.
- Supplier invoices are received via EDI interface - **the supplier invoice line item created are counted as a Document which must be licensed.**
 - No additional licenses are required for subsequent Document types created within the Digital Core as a result of the automatic processing in the Digital Core of the original supplier invoice line item.

Purchase document

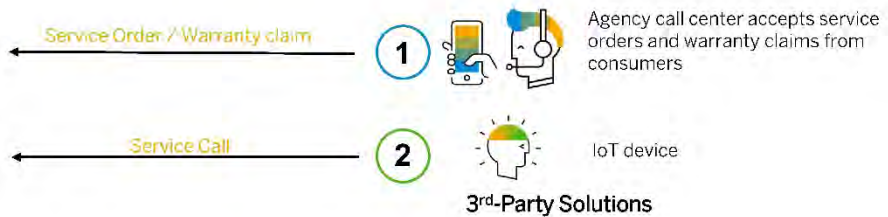


- 1** The SAP customer is using a 3rd party external solution to conduct the procurement process outside of the SAP ERP, and the following occurs as a result of such use

 - In this process, customer is reading planned order from the MRP run and possibly the supplier and contract data from the Digital Core - **no additional licensing is needed**
 - Once the procurement process is complete the external application posts the Purchase Orders back into the digital core – **the purchase order line items created are counted as a Document which must be licensed**
 - The purchase orders are automatically processed within Digital Core, resulting in the creation of subsequent Document types (e.g., goods receipt, quality control, vendor payment and post to GL) – **no additional licensing needed for such subsequent Document types triggered within the Digital Core**
- 2**

 - For MRO orders, SAP customer can place an order on a web site (e.g., Amazon, Staples; etc.) and a PO can be created in the digital core. – **here the MRO purchase order line items created are counted as Documents which must be licensed**
 - No additional licenses are required for subsequent Document types created within the Digital Core as a result of the automatic processing in the Digital Core of the MRO purchase order line item.

Service & Maintenance document – example 1

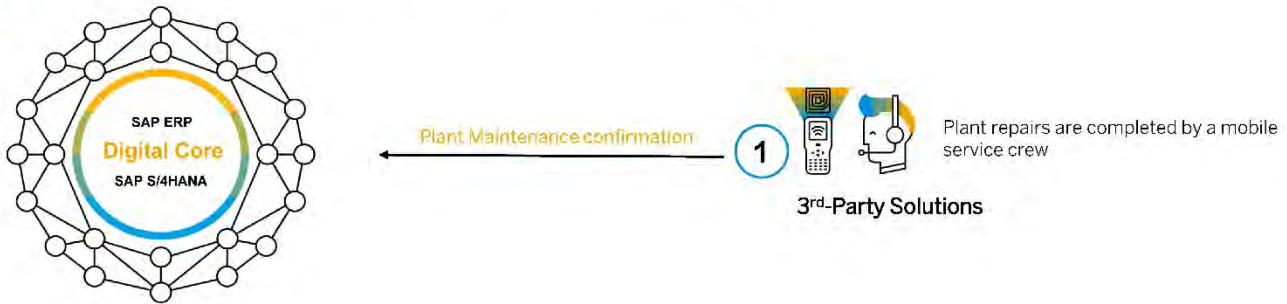


- 1** Customer contracts with a call center to accept all service and warranty claims, and the call center submits the claims to customer's SAP Digital Core through a third party system, and the following occurs as a result of such use

 - Service Order / Warranty Claims are created by this Indirect/Digital Access – **the service order documents created are counted as a Document which must be licensed**
 - The Service Orders are automatically processed within Digital Core, resulting in the creation of subsequent Document types (e.g., generate invoice and perform financial transactions) – **no additional licensing needed for such subsequent Document types triggered within the Digital Core**
- 2**

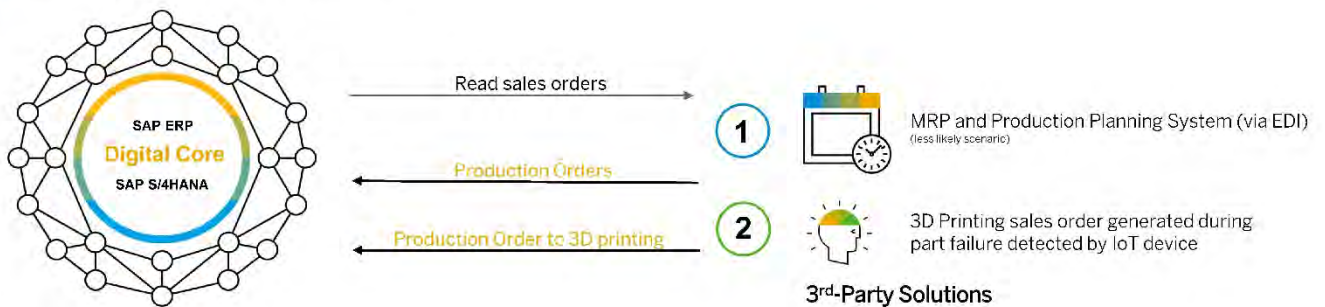
 - An IoT device might detect a failure and automatically request a service call creating a record – **the Service Orders created are counted as a Document which must be licensed**
 - No additional licenses are required for subsequent document types created within the Digital Core as a result of the automatic processing in the Digital Core of the original service order document.

Service & maintenance document - example 2



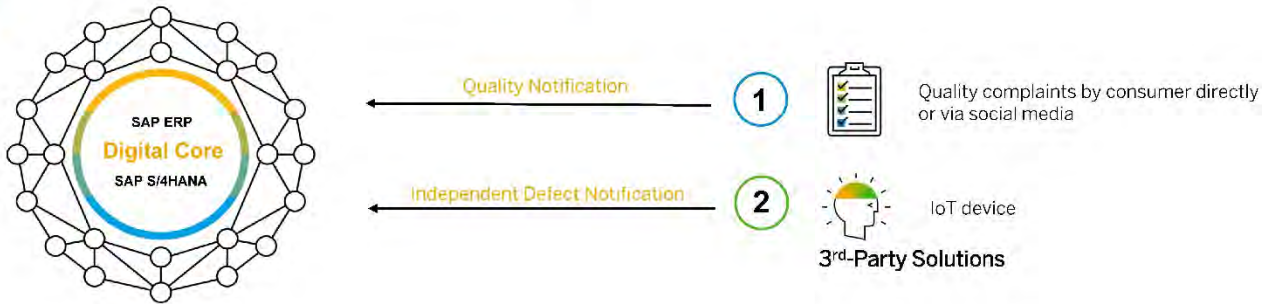
- 1 Customer contracts with a third party to maintain their production equipment, and the third party submits confirmations via a device to service the customer's SAP Digital Core, and the following occurs as a result of such use
- Once the service / repairs are completed then a plant maintenance confirmation is sent to the Digital Core – **the Plant Maintenance documents created are counted as a Document which must be licensed**
 - The Plant Maintenance confirmations are automatically processed within Digital Core resulting in the creation of subsequent Document types (e.g., regulatory reporting and financial transactions) – **no additional licensing needed for such subsequent Document types triggered within the Digital Core**

Manufacturing document



- 1 The SAP customer is using a 3rd party external solution to run their MRP only and the following occurs as a result of such use.
- In this process, 3rd party solution reads the sale order - **no additional licensing is needed**
 - After the third party MRP solution runs the production order, creation is triggered within the Digital Core for manufacturing – **the production orders created are counted as a Document which must be licensed**
 - The Production orders are automatically processed within Digital Core, resulting in the creation of subsequent Document types (e.g., quality management, good delivery and other financial transactions) – **no additional licensing needed for such subsequent Document types triggered within the Digital Core**
- 2
- A IoT Device detects a parts failure and places a production order to print the part on a 3D printer – **the production order created is counted as a Document and must be licensed**
 - No additional licenses are required for subsequent Document types created within the Digital Core as a result of the automatic processing in the Digital Core of the original production order documents.

Quality management documents

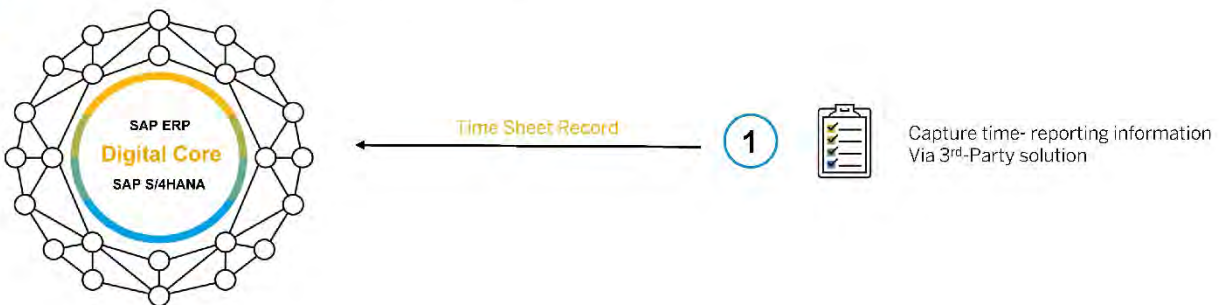


- 1** Quality Complaints gathered directly from customer interaction or aggregated via social media and the following occurs as a result of such use

 - Quality Notifications are created in the Digital Core – **the quality management documents created are counted as a Document which must be licensed**
 - The Quality management notice are automatically processed within Digital Core, resulting in the creation of subsequent Document types (e.g., production orders, quality checks and financial transactions) – **no additional licensing needed for such subsequent Document types created within the Digital Core**
- 2** An IoT device might detect a defect in one product and creates independent Defect Notification – **the independent defect documents created are counted as a Document which must be licensed.**

 - No additional licenses are required for subsequent document types created within the Digital Core as a result of the automatic processing in the Digital Core of the original Defect Notification document .

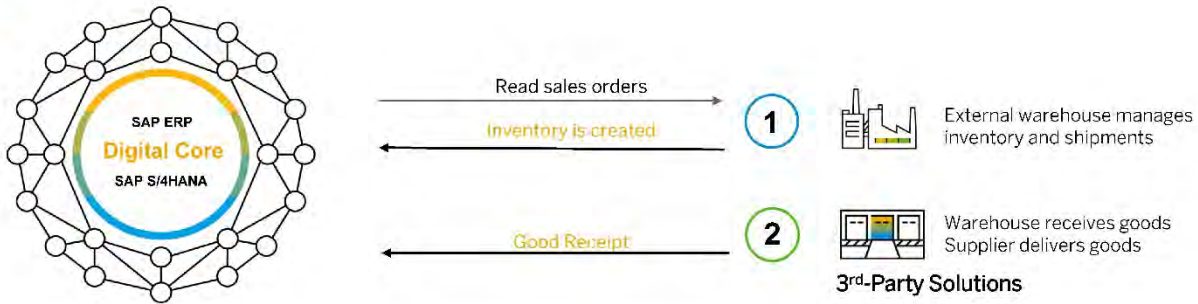
Time management document



- 1** SAP customer uses a third party external solution to capture time-reporting information and the following occurs as a result of such use

 - Time sheet Records are created in the Digital Core - **the Time Sheet Records created are counted as a Document which must be licensed.**
 - The Time Sheet Records are automatically processed within Digital Core, resulting in the creation of subsequent Document types (e.g., Financial Documents) – **no additional licensing needed for such subsequent Document types triggered within the Digital Core**

Material document



- 1 The SAP customer is using a 3rd party warehouse that manages inventory and does shipments and the following occurs as a result of such use
 - In this process, 3rd party solution reads the sales order - **no additional licensing is needed**
 - Post shipment the third party solution triggers the creation of an inventory record in the Digital Core – **the material document line items created are counted as Documents which must be licensed.**
 - The inventory updates are automatically processed within Digital Core, resulting in the creation of subsequent Document types (e.g., invoice generation and financial transactions) – **no additional licensing needed for such subsequent Document types triggered within the Digital Core**
- 2
 - Physical goods are delivered to the external warehouse by suppliers; good receipt information is created in Digital Core – **the Goods receipt line items created are counted as Documents which must be licensed.**
 - No additional licenses are required for subsequent Document types created within the Digital Core as a result of the automatic processing in the Digital Core of the original goods receipt line items.

Financial document



- 1 Third party ecommerce sites, ePay solutions and even production systems need to post to the digital core and the following occurs as a result of such use.
 - Financial and Costing transactions are created in the Digital core– **the financial line items created are counted as Documents which must be licensed.**
 - **No additional licensing needed for subsequent document types triggered within the Digital Core** as a result of the automatic processing in the Digital Core of the original Financial and Costing transactions line items.
- 2
 - Consolidation systems posts reconciliation account postings into the Digital core – **the financial line items created are counted as a Document which must be licensed.**
 - **No additional licensing needed for subsequent documents triggered within the Digital Core** as a result of the automatic processing in the Digital Core of the original reconciliation account postings line items.