



Digital Access Adoption Program Overview

May 2019

PUBLIC

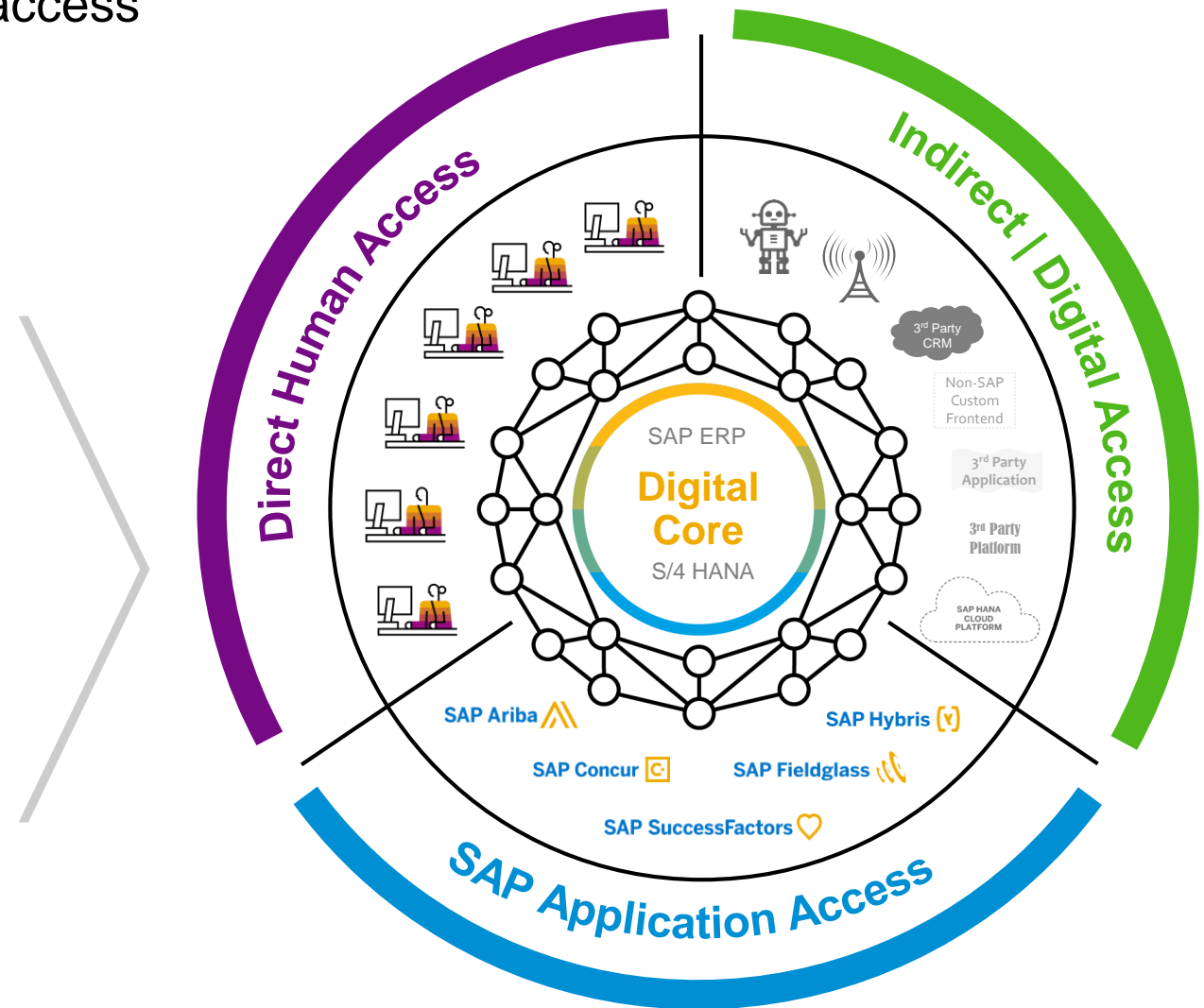
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Use of ERP and types of access

One definition of Use and three types of access


“Use” is defined as: “to activate the processing capabilities of the Software, load, execute, access, employ the Software, or display information resulting from such capabilities”.

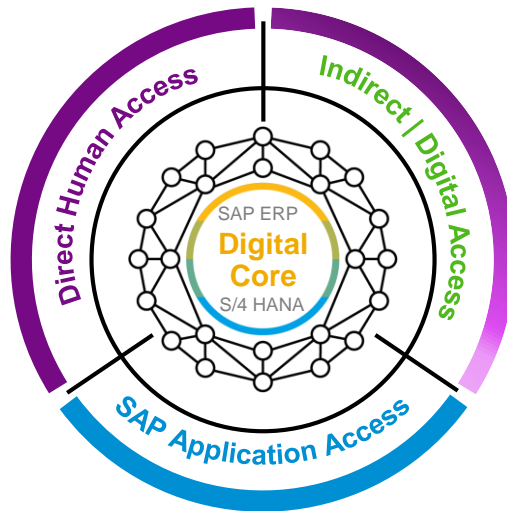


SAP modernized ERP Pricing for 21st Century Use

New model for **Indirect | Digital Access** was introduced in April 2018

Legacy Model

- 
- User-Based
 ■ User License




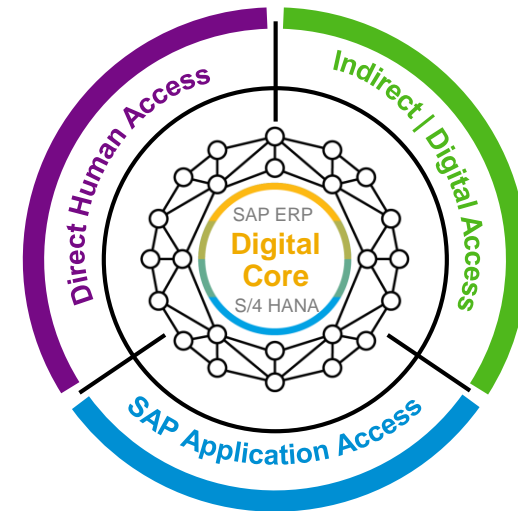
- User-Based (Primarily)
- User License
 - Order License
 - Sales and Service Orders
 - Purchase Orders



- No additional ERP license needed¹

New Model Available April 2018 Onwards

- 
- User-Based
 ■ User License



- Outcome-Based
 ■ Document License

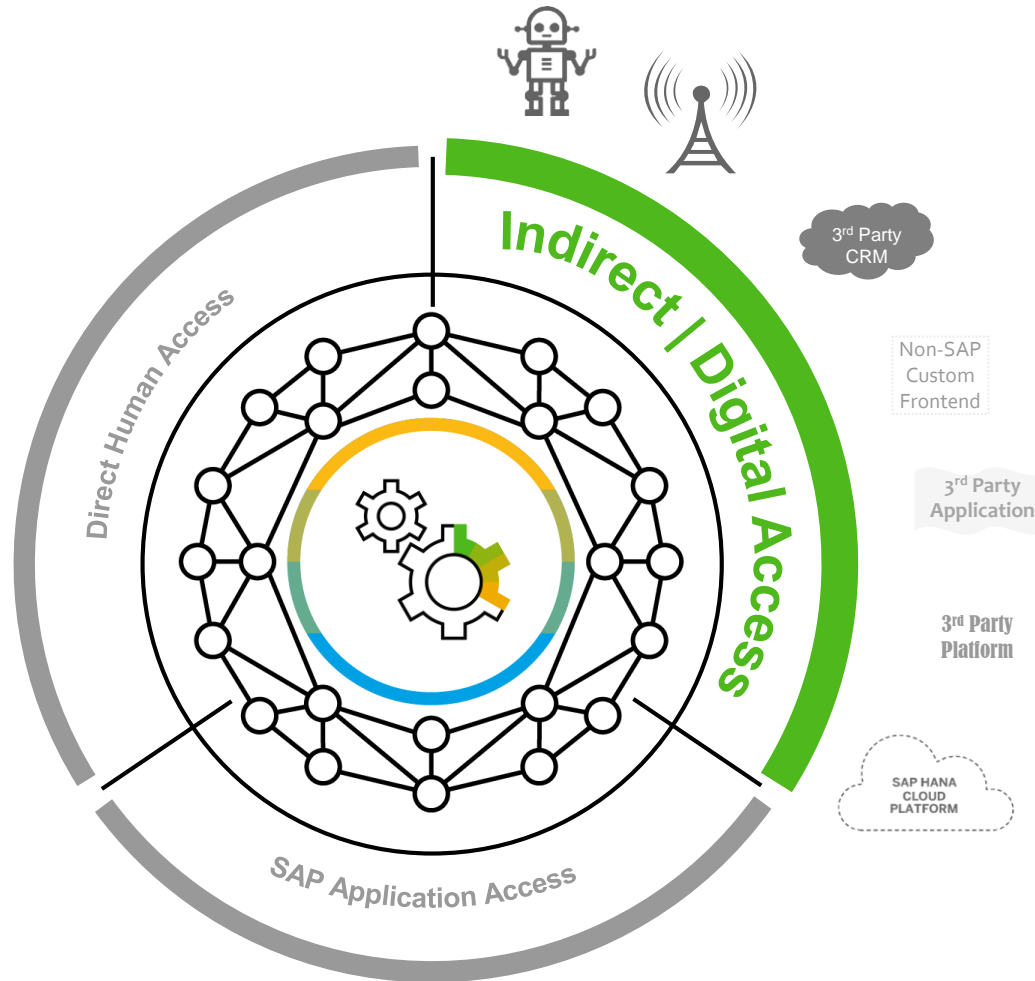


- No additional ERP license needed¹

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.

Digital Access

Based on six core principles to best serve the needs of both SAP and our Customers



Simple

No need to estimate the number of “users”

Value-Based – pay for system activity

Eliminates the need to count “users” accessing ERP; Addresses IoT cases (devices, bots, etc.)

Outcome-Focused

Counts 9 Document Types that address most valuable business outcomes from ERP; No additional charge for other document types

Transparent

Counts creation of documents by Indirect/Digital Access

Flexible - Interchangeable Document Capacity

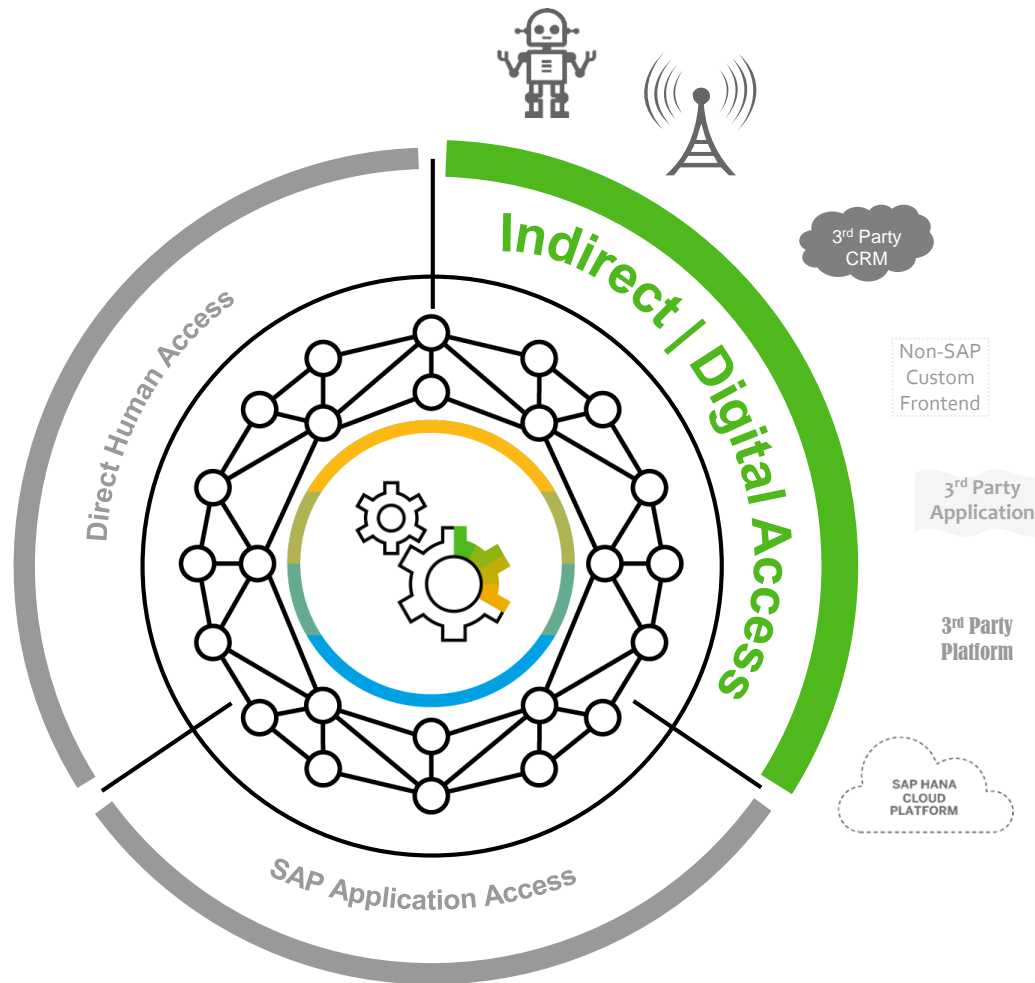
Counts total documents created - regardless of which of 9 types

Measurable

License Utilization Dashboard coming soon

The Digital Access model is outcome-focused

Counts nine system-generated Document Types that address the most valuable business outcomes from 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
 - Manufacturing Document
 - Quality Management Document
 - Time Management Document
-
- Financial Document (counted at line item level)
 - Material Document (counted at line item level)

1.0x

0.2x

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

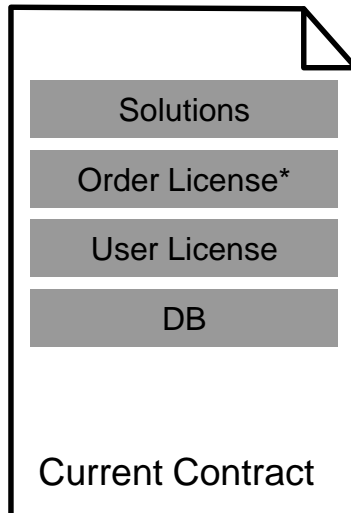
The Digital Access model is optional

There are multiple indirect access 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

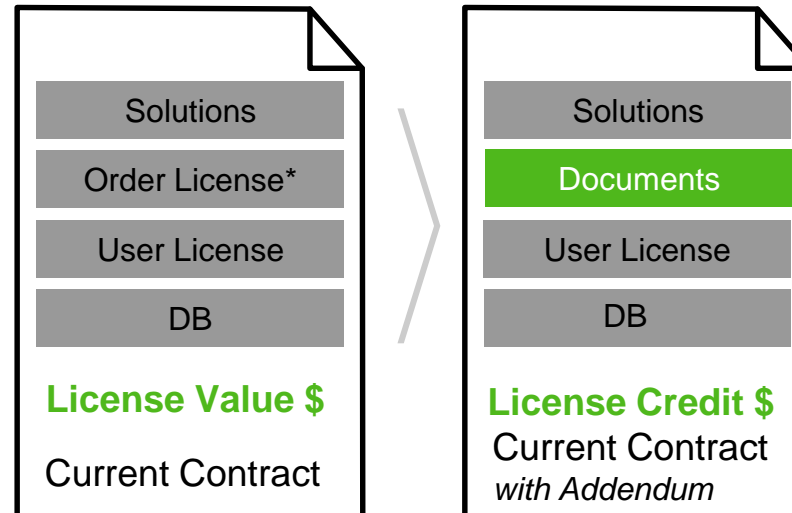


- Continue with current contract. No change.
- Continue to use User and Order* Licenses for all types of use and access
- SAP will waive back-maintenance for indirect access to SAP software for customers who proactively engage with us in good faith

License Conversion

For customers wanting improved transparency for Indirect/Digital access while remaining in existing contract

Option 2

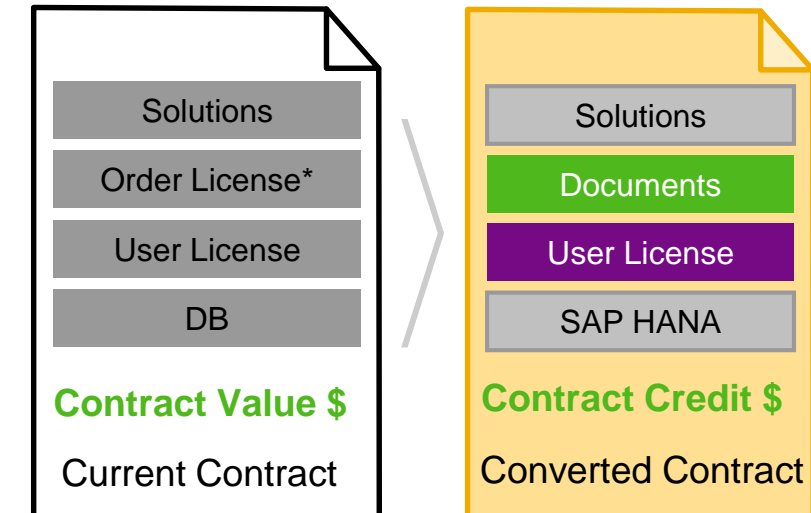


- Continue with current contract with addendum
- Up to 100% credit for User and/or Order license value** applied to new Document license value
- 100% of the maintenance base of the converting licenses is carried forward.
- SAP will waive back-maintenance for indirect access to SAP software for customers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

The Digital Access model is transformative

Document-based licensing is an important innovation for SAP's customers

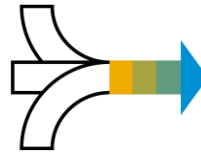
Market Momentum

Solid Customer Adoption

- >800 customers have adopted Digital Access
- Wide adoption amongst both new and existing
- Customers in all regions

Third Party Validation

- “Digital Access shows good fit by addressing customer requirements.”
– *Simon Kucher & Partners*
- “SAP has chosen to take the lead in a way that challenges the industry and sets SAP on a course to change the game for customer success across the enterprise software industry.”
– *Josh Greenbaum, EAC*



Additional Opportunity for Customer Success

Digital Access Adoption Program Available May 2019

More Clarity Needed

- How do I measure the potential impact of document-based licensing?
- Can I leverage the value of licenses I have purchased in the past to move to the Digital Access model?
- How much will Digital Access cost my organization?

SUGEN
SAP User-Group Executive Network

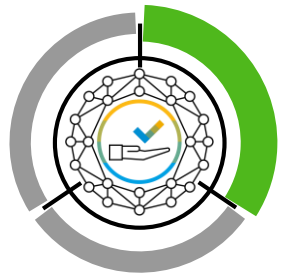
ASUG
Americas' SAP Users' Group

DSAG Deutschsprachige
SAP® Anwendergruppe

Endorsed by our User Groups, the Digital Access Adoption Program provides greater clarity to our Customers

The SAP Digital Access Adoption Program (DAAP)

DAAP* is planned to be place for one year and is designed to cover estimated “current use”



1

Step 1
Customer Chooses
Measurability Option

(A) Customer & SAP’s Global License Audit and Compliance (GLAC) identify estimated # of documents created by current use

OR

(B) Customer implements Support Packages containing SAP Passport tool with support to identify estimated # of documents created by current use

2

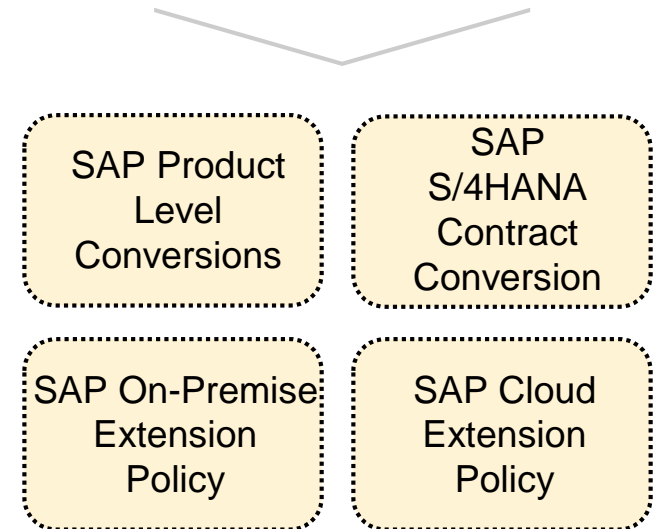
Step 2
Customer Chooses
Financial Incentive Option

(A) Customer licenses at least 115% (15% growth) of current estimated document use and the license fee charged for this transaction is only for such licensed growth**

OR

(B) Customer licenses at least 100% of current estimated document use and receives a 90% discount on Digital Access

SAP provides programs to help protect past investments in perpetual licenses when transitioning to Digital Access

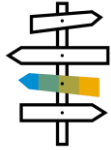
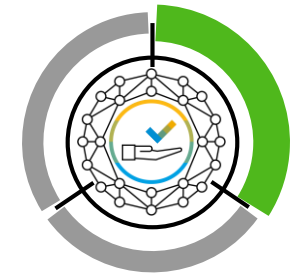


*The DAAP is applicable to SAP ERP and SAP S/4HANA, but it is **Not applicable** to SAP S/4HANA Cloud

** Only eligible for Standard Volume Discount. Special Discounts may not be applied.

The SAP Digital Access Adoption Program (DAAP)

Step 1 – Measurability*



Customer Chooses Measurability Option

* Customer must have a maintenance agreement to be eligible for Step 1 – Measurement

(A) Customer & GLAC identify estimated # of documents created by current use

- OR -

(B) Customer implements Support Packages containing SAP Passport tool with support (see [next slide](#)) to identify estimated # of documents created by current use


- Digital Core customers can leverage an Evaluation Note which allows them to identify the approximate # of documents created by current use.
- GLAC, as trusted advisor, will guide customer through complete process of document estimation.
- This digital access evaluation service is not required, but is optional at customer request.
- Digital Core customers can leverage a functionality called “SAP Passport.”
- SAP Passport is available for all SAP Applications. In some cases customers will need to implement Support Packages to activate this functionality.
- SAP will provide limited support to assist with the implementation of the Support Packages.

Creation of documents by SAP applications and or non-human use may result in variance between estimates in A and B and actual use. Customer is advised that any measurements produced by A or B are estimates only, and the number of Documents customer licenses is their sole decision and customer will be required to remain compliant with their license level pursuant to its agreement(s) with SAP.

Implementing support packages containing SAP Passport tool

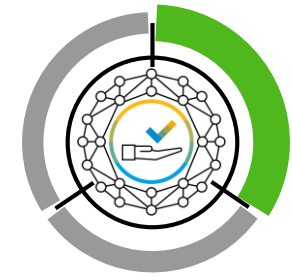
Details of support available

The following offerings are currently available to customers paying for and receiving support irrespective of whether or not they are part of the conversion program

Offerings	Details	Standard Support	Enterprise Support	PSLE
1 Product Support	<p>For issues with SAP Passport tool:</p> <ul style="list-style-type: none"> ➤ Report an incident through the SAP One Support Launchpad, using component <ul style="list-style-type: none"> ▪ CA-GTF-DA for technical implementation issues <p>For licensing, legal and compliance questions approach your SAP Account Executive</p>	✓	✓	✓
2 SAP Support Portal	<ul style="list-style-type: none"> ➤ Product documentation with accompanying SAP Notes ➤ SAP Knowledge Base Articles (KBAs) for self-guidance ➤ Links to SAP help portals 	✓	✓	✓
3 Tools to plan and manage	<p>SAP tools designed to help plan and manage changes associated with the implementation of Support Packages for the SAP Passport tool:</p> <ul style="list-style-type: none"> ➤ <u>Maintenance Planner</u>: Enables easy and efficient planning of all changes in the SAP system landscape. ➤ <u>Scope and Effort Analyzer</u>: Evaluate the impact of changes and analyze the scope of activities and effort before starting deployment 	 <i>Maintenance Planner only</i>	✓	✓
4 SAP Enterprise Support Value Maps	<p>Leverage the prescriptive journeys from the Enterprise Support Lifecycle Management value map for Support Package deployment</p> <ul style="list-style-type: none"> ➤ Managed and staffed by topic experts, the value maps, provide deep guidance and Q&A on tools, methodologies and knowledge transfer for managing application changes. 	✗	✓	✓

The SAP Digital Access Adoption Program (DAAP)

Step 2 – Financial Incentive



Customer Chooses a Financial Incentive Option

(A) Customer licenses at least 115% (15% growth) of current estimated document use and the license fee charged on this initial license transaction is only for such licensed growth

- OR -

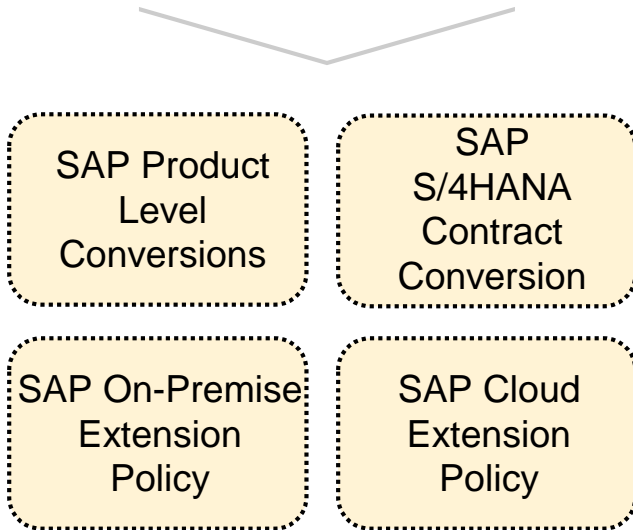
(B) Customer licenses at least 100% of current estimated document use and receives a 90% discount on Digital Access

- Customer can choose to license **>15%** growth
- Customer benefits from the per unit price and standard volume discount based upon the **entire 115% document volume**
- Standard Volume Discount is **NOT** negotiable, and this offer is ineligible for Special Discounts
- Digital Access must be licensed under a **standalone** order form

- Customer must license at least **100%** of current document volume
- Customer can **combine** purchase of other solutions with Digital Access under the same order form
- The 90% discount will **ONLY** apply to Digital Access

Conversion & Extension Policies

SAP provides programs to help protect past investments in perpetual licenses when transitioning to Digital Access



It is not SAP's intention to assess a fee when transitioning from older licensing programs....

The following perpetual licenses may convert to perpetual licenses of Digital Access:

- Sales & Service Order Processing / Execution; Purchase Order Processing / Execution; S/4HANA Enterprise Management user licenses; SAP Named User licenses
- S/4HANA Enterprise Management Users and SAP Named Users should only be considered for conversion to Digital Access if they are either 1) users only indirectly accessing the SAP Digital Core, or 2) user licenses that are considered shelfware.
- Additionally, certain software licenses convert to Digital Access via being mapped to SAP Named Users: SAP Screen Personas, SAP Mobility Apps, SAP Gateway, SAP Catch Weight Management, SAP Recipe Management

In all license conversion scenarios, 100% of the previous maintenance base must be carried forward and the new annual support fee must equal or exceed old annual support fee.

Any shelfware which does not have a valid conversion mapping to Digital Access can be leveraged via one of the remaining current commercial flexibility options:

SAP On Premise Extension Policy – If the customer is interested in a new SAP on-premise innovation

- Annual support fee on terminated software repurposed against the annual support fee of the new license; New annual support fee must equal or exceed old annual support fee

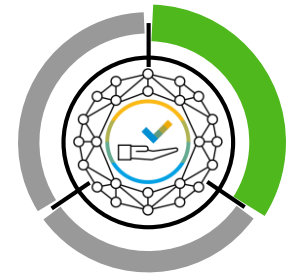
SAP Cloud Extension Policy – If the customer is interested in a new SAP cloud innovation

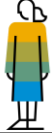
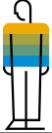
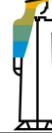
- Annual support fee on terminated software repurposed against the new cloud service

Partial terminations are only allowed when completed in conjunction with an SAP Conversion or Extension policy and require an up-to-date license audit report, at maximum twelve months prior to the termination request ("exit audit"). All conversions and extensions shall be subject to SAP's standard policies and are subject to change at any time by SAP.

The Digital Access model is optional for all customers scenarios

Customers should evaluate options according to their specific needs



Step		 Customer A	 Customer B	 Customer C
1	Customer assess Indirect Access Starting Position	All indirect use already covered by existing licenses	Customer unsure of Indirect Access licensing position >> Consider Digital Access Model	
2	Customer chooses their measurability option	No Action Required		
3	Customer chooses their Digital Access Adoption Program option			
4	Customer identifies any licenses purchased for Indirect use + any eligible shelfware*	Customer works with SAP AE to calculate conversion credit, if applicable		
5	Customer assess the Costs vs Benefits of adopting the Digital Access Model	Possible Zero net cost (if enough credit) to adopt Digital Access Model		Reasonable Cost to adopt Digital Access Model
Recommended Customer Action		Adopt Digital Access Model		Adopt Digital Access Model

APPENDIX

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).