RISE with SAP S/4HANA Cloud
Licensing Overview

Michael Deller, Bernd Hartmann, SAP SE
March 2021

THE BEST RUN SAP

Agenda

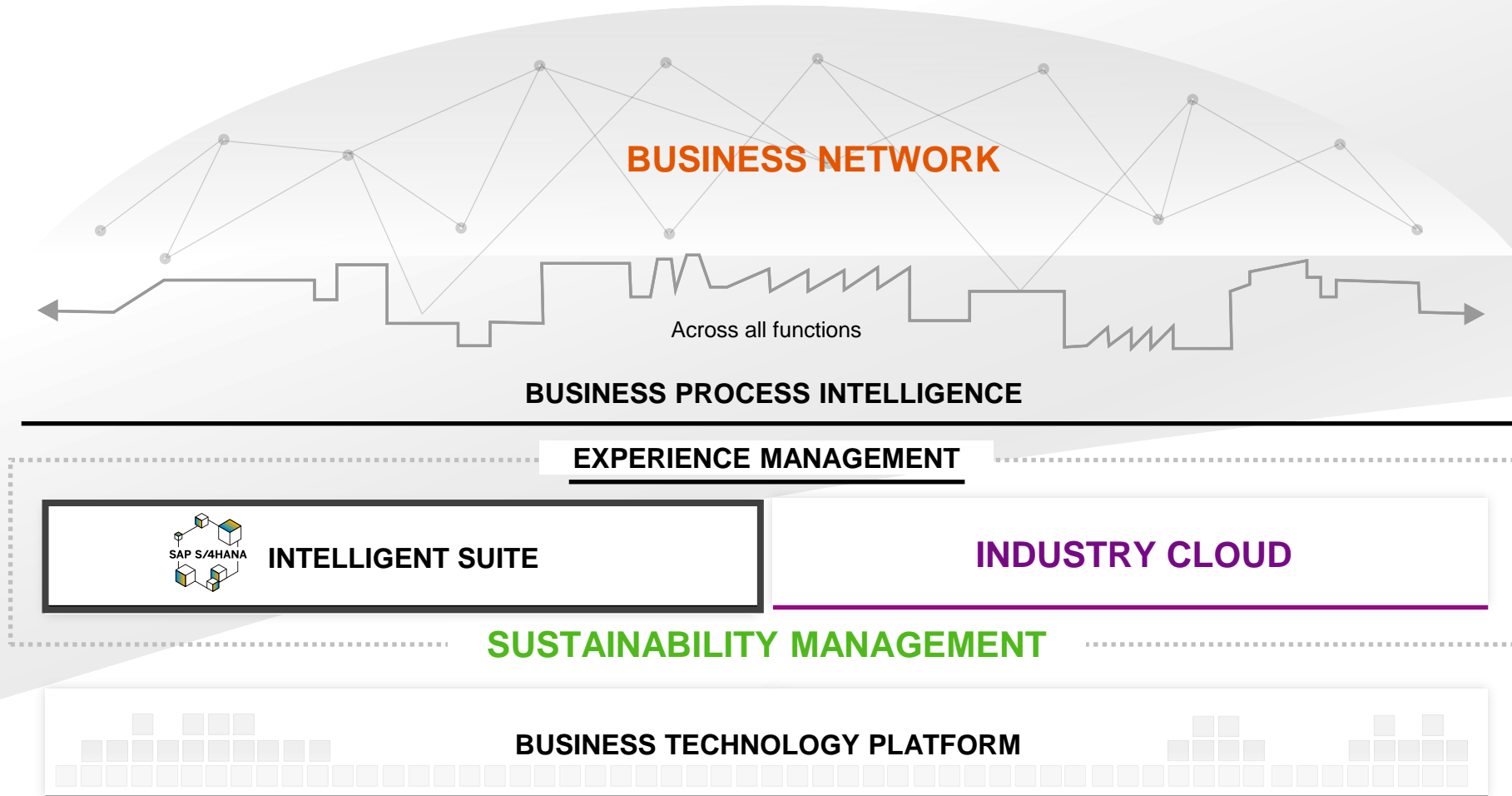## RISE with SAP S/4HANA Cloud Licensing Model

- RISE with SAP
- Direct User Access
- Industry & LoB Solutions

Safeguarding our customers' investments

- SAP Cloud Extension Policy

Example

SAP's Vision for Our Customers: Run as an Intelligent Enterprise

BUSINESS NETWORK

Across all functions

BUSINESS PROCESS INTELLIGENCE

EXPERIENCE MANAGEMENT

INTELLIGENT SUITE

INDUSTRY CLOUD

SAP S/4HANA

SUSTAINABILITY MANAGEMENT

BUSINESS TECHNOLOGY PLATFORM
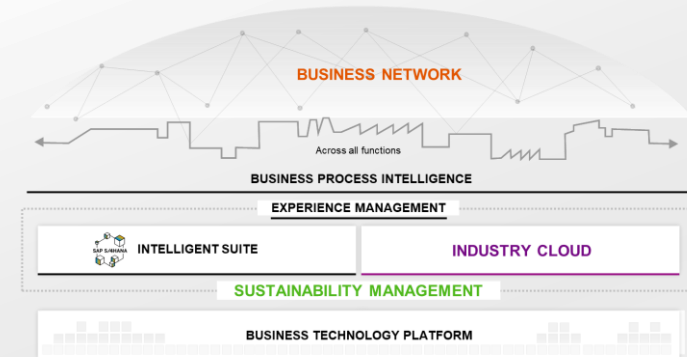
SAP's Concierge Service to the Intelligent Enterprise

ECC Customers

SAP S/4HANA Customers
(incl. shelfware and live)

New Customers

RISE WITH SAP | Business Transformation as a Service

BUSINESS NETWORK

Across all functions

BUSINESS PROCESS INTELLIGENCE

EXPERIENCE MANAGEMENT

INTELLIGENT SUITE   INDUSTRY CLOUD

SUSTAINABILITY MANAGEMENT

BUSINESS TECHNOLOGY PLATFORM

RISE with SAP brings together everything you need to transform your business in the way that works best for you – regardless of your point of departure or how fast you want to move.

Building YOUR Intelligent Enterprise

RISE WITH SAP | Business Transformation as a Service

Comprehensive, intelligent, customer-specific offering

Offering components

- •SAP Business Process Intelligence Discovery Reports

- •SAP Business Technology Platform CPEA Credits

- •SAP Business Network Starter Package

- •Custom Code Analyzer, Readiness Check, Learning Hub

- •SAP S/4 HANA with Deployment Model of Choice (Public or Private)

- On Infrastructure Provider of Choice

Optional components

- •Additional services provided by SAP Partners

Analyze how processes perform, get tailored recommendations, and benchmark against industry standards.

Complement, extend and integrate with SAP, partner, or third-party solutions using the same data model and business services as SAP applications.

Digitize collaboration with all of your trading partners.

Tools and services from SAP to support your whole journey that can be augmented by SAP's strong ecosystem
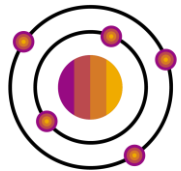
ONE Offer

ONE Contract**

Unmatched TCO

** One Contract refers to RISE with SAP offer. Second Contract with Partner for Services or Add On Packages if applicable

RISE with SAP: What's really included?

All components included in RISE with SAP offering

SAP S/4HANA CLOUD
Deployment of choice

SAP S/4HANA Public Cloud

Or

SAP S/4HANA Private Cloud

+

TOOLS & SERVICES

Embedded Services & Tools:

- Readiness Check
- Custom Code Migration App
- Learning Hub (optional)

SAP BUSINESS PROCESS INTELLIGENCE
Discovery Reports

- Identify and implement business process improvements through process analysis
- **Process Discovery** opportunities through Free Online One Time Report
- Receive tailored Recommendation

SAP BUSINESS TECHNOLOGY PLATFORM
Platform Services

Cloud Platform Enterprise Agreement Credits (CPEA)

- **For Public Cloud:**
  min 2k annual credit value, max cap 16K, computed as 1% of annual net public cloud value

- **For Private Cloud:**
  min 4k annual credit value, max cap 16K, computed as 1% of annual net private cloud value

SAP BUSINESS NETWORK
Starter Pack*

Ariba Network

- Included: 2,000 documents

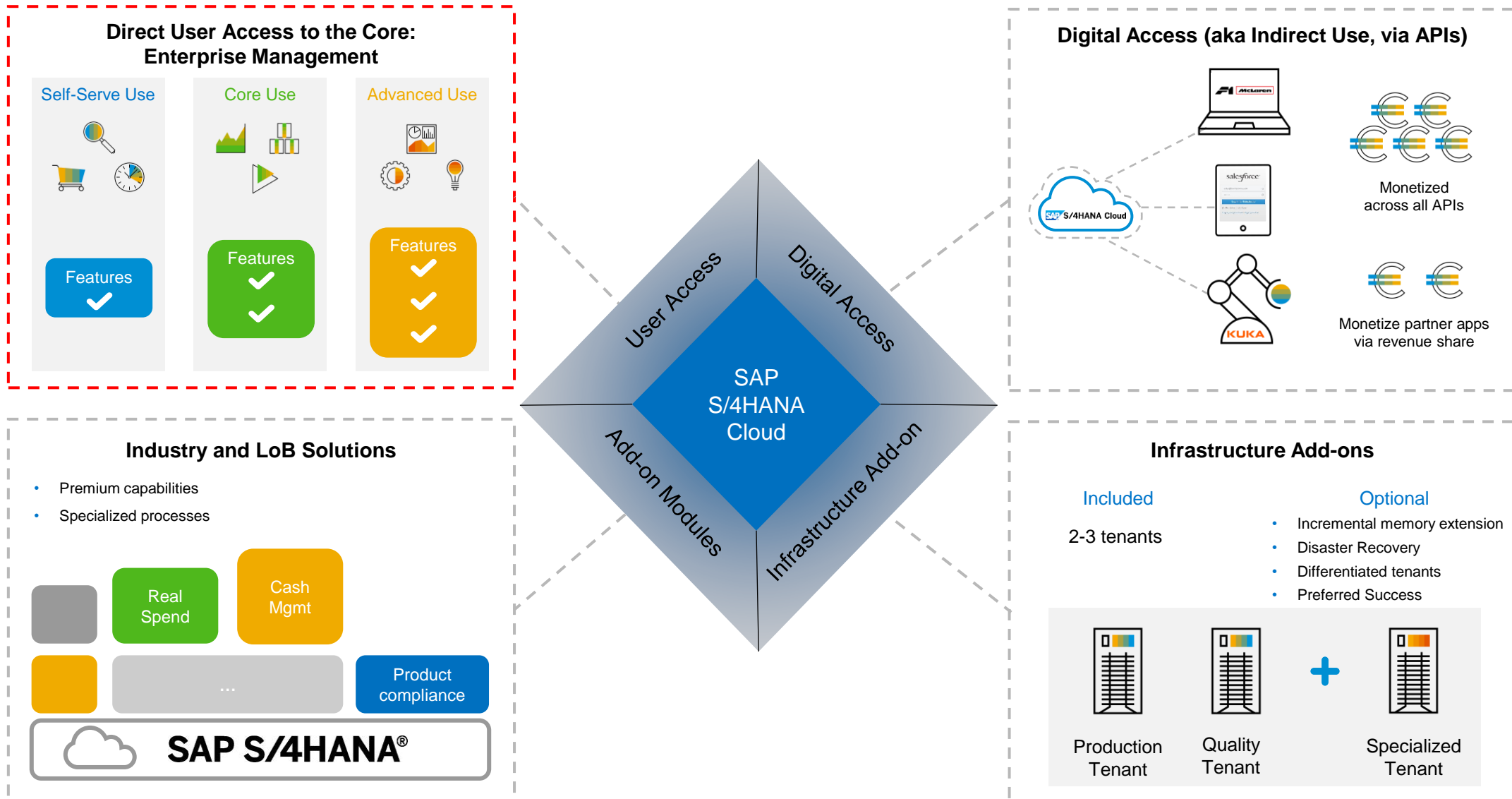**Asset Intelligence Network**:

- Included: 200 equipment, 2 connections, and 10 partner portal invitees

Logistics Business Network:

- Included: 1000 documents and either (a) 1 Logistics Service Provider and one digital forwarder or (b) 2 Logistics Service Providers

*SAP BTP and Network Starter Pack Accelerator packages are delivered provided customers do not already have the same already licensed

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

Direct User Access to the Core: Enterprise Management

Self-Serve Use

Features ✓

Core Use

Features ✓ ✓

Advanced Use

Features ✓ ✓ ✓

Digital Access (aka Indirect Use, via APIs)

SAP S/4HANA Cloud

Monetized across all APIs

Monetize partner apps via revenue share

Industry and LoB Solutions

- Premium capabilities
- Specialized processes

Real Spend

Cash Mgmt

...

Product compliance

SAP S/4HANA®

Infrastructure Add-ons

Included

2-3 tenants

Optional

- Incremental memory extension
- Disaster Recovery
- Differentiated tenants
- Preferred Success

Production Tenant

Quality Tenant

+

Specialized Tenant

Center diamond

User Access

Digital Access

Add-on Modules

Infrastructure Add-on

SAP S/4HANA Cloud

SAP S/4HANA Cloud Licensing
Licensing user access to digital core via full usage equivalents

Full Usage Equivalents

- All SAP S/4HANA Cloud use types can be purchased by one license material: SAP S/4HANA Cloud for Enterprise Management

- This license material has the metric Full Usage Equivalents (FUE)

- One unit of SAP S/4HANA Cloud for Enterprise Management i.e. one FUE can be allocated to different use types with a specific weighting factor

- Customer can re-allocate their users to avoid shelf-ware during their life-cycle

=
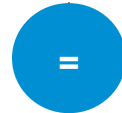
Rise with SAP S/4HANA Cloud use types

Weighting factor	Use Type
0,5	SAP S/4HANA Cloud, Developer Access
1	SAP S/4HANA Cloud for advanced use
5	SAP S/4HANA Cloud for core use
30	SAP S/4HANA Cloud for self-service use

Minimum Purchase

- RISE with SAP S/4HANA Cloud: **35 FUEs**

- RISE with SAP S/4HANA Cloud + Experience Management : **500 FUEs**

- RISE with SAP S/4HANA Cloud, private edition: **40 FUEs**

- SAP ERP Private Cloud: **40 FUEs**

Example

How to allocate the FUEs to different use types:

40 SAP S/4HANA Cloud for advanced use = **40 FUE**

75 SAP S/4HANA Cloud for core use = **15 FUE**

270 SAP S/4HANA Cloud for self-service use = **9 FUE**

SUM = **64 FUE**

Customers benefit from the FUE model

Flexibility of the Full Usage Equivalents (FUEs)

Customer can re-allocate their users to avoid shelf-ware during their life-cycle

Example: **Before re-allocation**

User type	# users	FUE ratio	# FUEs	Swap FUEs	Swap Users
S/4HANA Cloud for advanced use	70	1:1	70	-10	-10
S/4HANA Cloud for core use	350	1:5	70	+10	+50
S/4HANA Cloud self-service use	600	1:30	20		

After re-allocation

User type	# users	FUE ratio	# FUEs
S/4HANA Cloud for advanced use	60	1:1	60
S/4HANA Cloud for core use	400	1:5	80
S/4HANA Cloud self-service use	600	1:30	20

Rise with SAP S/4HANA Cloud Licensing
Direct User Access to Digital Core

Color Code
Minimum use type for capability in this LoB

> The more expensive use type always **includes the capabilities of the cheaper use type:** the use type SAP S/4HANA Cloud for advanced use includes the capabilities SAP S/4HANA Cloud for core use; the use type license SAP S/4HANA Cloud for core use includes the capabilities of SAP S/4HANA Cloud for self-service use.
>
> Each license includes **Display Rights** i.e. the right to display/view all transactional data and all master data in the S/4HANA system.
>
> **Master Data Maintenance** for all areas is covered by **SAP S/4HANA Cloud for core use** and by SAP S/4HANA Cloud for advanced use.
>
> Legally binding use type definition in: SAP S/4HANA Cloud Service Use Description

	SAP S/4HANA Cloud for self-service use	SAP S/4HANA Cloud for core use	SAP S/4HANA Cloud for advanced use
Asset Management	Maintenance Execution	All	All
Finance	None	None	All
HR	Organizational Management* Time Sheet	Organizational Management* Time Sheet	All
Manufacturing	Material Requirements Planning Production Control Production Execution	All	All
R&D / Engineering	None	All	All
Sales	None	All	All
Service	None	All	All
Sourcing & Procurement	Self-Service Requisitioning	Self-Service Requisitioning	All
Supply Chain	Available to Promise Batch Management Delivery Management Goods Movements Handling Unit Management Physical Inventory Serial Number Management Transportation Management Warehouse Management Empties Management	All	All

* Only available for S/4HANA Cloud, private edition

How can I find details on the capabilities of one use type?

Solution Capabilities of Use Types

	SAP S/4HANA Cloud for self-service use
Asset Management	Maintenance Execution
Finance	None
HR	Organizational Management* Time Sheet
Manufacturing	Material Requirements Planning Production Control Production Execution
R&D / Engineering	None
Sales	None
Service	None
Sourcing & Procurement	Self-Service Requisitioning
Supply Chain	Available to Promise Delivery Management Goods Movements Physical Inventory* Transportation Management Warehouse Management

Solution Capabilities in Feature Scope Description

3.12.4 Operational Procurement

3.12.4.1 Self-Service Requisitioning

Business Background

Self-service requisitioning allows you to create, manage, and track your orders efficiently. You can create items from external catalogs and free-text items. After ordering the products you require, an item or header-based approval process is triggered. Once your purchase requisition has been approved, a purchase order is created.

SAP S/4HANA Cloud 2002
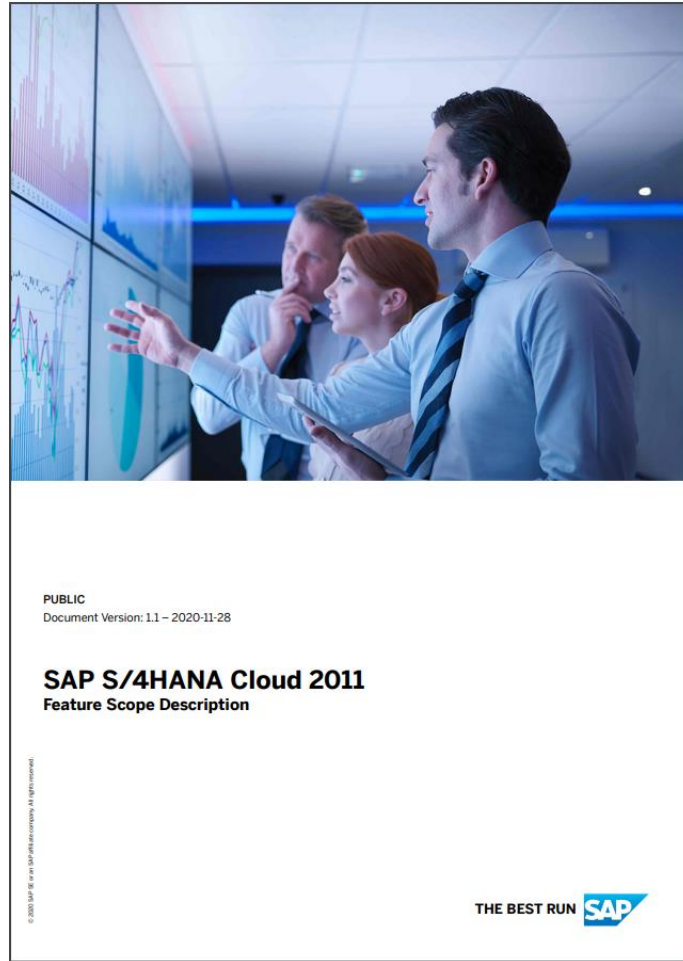**SAP S/4HANA Cloud**   PUBLIC   123

Key Features

The following table explains the key features available:

Key Feature	Use
Defining default settings for users	For each user, you can maintain default values for fields that are used when the user creates a purchase requisition.

Solution Capabilities of SAP S/4HANA Cloud 2011
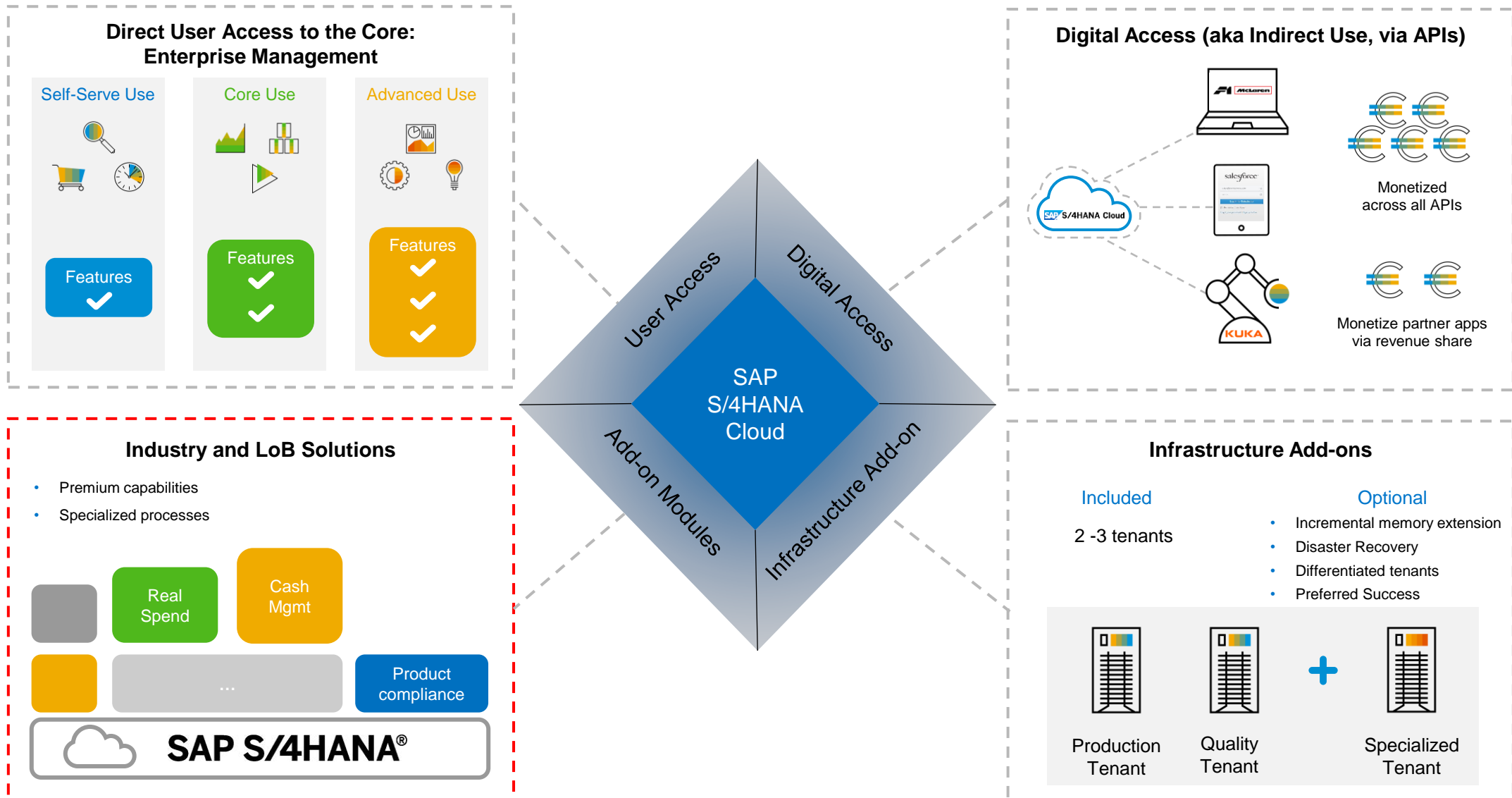Feature Scope Description

Publicly available on help.sap.com

Chapter 3: scope of S/4HANA Cloud for Enterprise Management

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

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

Direct User Access to the Core: Enterprise Management

Self-Serve Use

Features ✔

Core Use

Features ✔ ✔

Advanced Use

Features ✔ ✔ ✔

Digital Access (aka Indirect Use, via APIs)

SAP S/4HANA Cloud

Monetized across all APIs

Monetize partner apps via revenue share

Industry and LoB Solutions

- Premium capabilities
- Specialized processes

Real Spend

Cash Mgmt

…

Product compliance

SAP S/4HANA®

Infrastructure Add-ons

Included

2 -3 tenants

Optional

- Incremental memory extension
- Disaster Recovery
- Differentiated tenants
- Preferred Success

Production Tenant

Quality Tenant

+

Specialized Tenant

Center diamond
User Access

Digital Access

Add-on Modules

Infrastructure Add-on

SAP S/4HANA Cloud

SAP S/4HANA Cloud - Business Area Overview

Sales & Marketing

Suite LoB Solutions**
- SAP Sales Cloud
- SAP CPQ
- SAP Commerce Cloud
- SAP Marketing Cloud
- SAP Qualtrics
- SAP Customer Data Cloud
- **SAP Customer Experience**

SAP S/4HANA LoB Solutions*
- Sales performance management

- Order and contract management
- Sales force support

Finance

Suite LoB Solutions**
- Governance, risk, and compliance
- Financial services network
- SAP Cash Application
- Financial planning & analysis

SAP Ariba · **SAP Concur**

SAP S/4HANA LoB Solutions*
- Advanced accounting & financial close
- Advanced financial operations
- Treasury management
- Commodity management
- Real estate management
- Subscription billing & revenue management

- Accounting and financial close
- Financial operations
- Cost management & profitability analysis
- Enterprise risk and compliance

Manufacturing

Suite LoB Solutions**
- SAP Digital Manufacturing Cloud
- SAP Manufacturing Suite (SAP ME, SAP MII, Plant Connectivity)

SAP S/4HANA LoB Solutions*
- Extended production planning and scheduling
- Extended Production Engineering and Operations

- Production engineering
- Production planning
- Production operations
- Quality management
- Manufacturing insights

Supply Chain

Suite LoB Solutions**
- SAP Integrated Business Planning
- SAP Global Batch Traceability
- SAP Logistics Business Network
- SAP Transportation Management
- SAP Extended Warehouse Management
- SAP Warehouse Insights

SAP S/4HANA LoB Solutions*
- Advanced warehousing
- Advanced transportation
- Advanced order promising
- Extended service parts management

- Inventory
- Warehousing
- Delivery and transportation
- Order promising

SAP S/4HANA
Enterprise Management

Service

- Service master data and agreement management
- Service operations and processes
- Service parts management

Suite LoB Solutions**
- SAP Field Service Management
- SAP Service Cloud
- SAP CRM

Asset Management

- Maintenance management

SAP S/4HANA LoB Solutions*
- Asset operations and maintenance
- Environment, health, and safety

Suite LoB Solutions**
- SAP Intelligent Asset Management
- SAP Geo Enablement Framework

R&D / Engineering

- Enterprise portfolio and project management
- Product engineering

SAP S/4HANA LoB Solutions*
- Extended enterprise portfolio and project management
- Product lifecycle management
- Product compliance

Suite LoB Solutions**
- SAP Enterprise Product Development (EPD)

Sourcing & Procurement

- Operational procurement
- Sourcing and contract management
- Supplier management
- Procurement analytics
- Invoice management

- Central procurement

Suite LoB Solutions**
- Services Procurement
- Supplier management
- Collaborative Network
- Guided Buying
- Augmented Decision Making

SAP Ariba · **SAP Concur** · **SAP Fieldglass**

Human Resources

- Core HR and time recording

Suite LoB Solutions**
- Core human resources and payroll
- Talent management
- Time and attendance management
- Human capital analytics

SAP SuccessFactors · **SAP Fieldglass**

* Additional License -** Additional Installation and license – c(Partially) Compatibility Scope
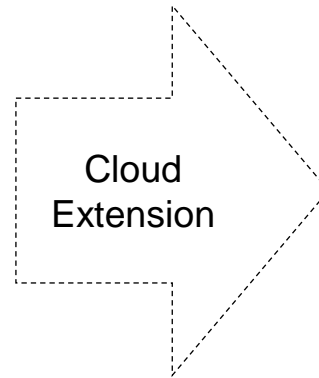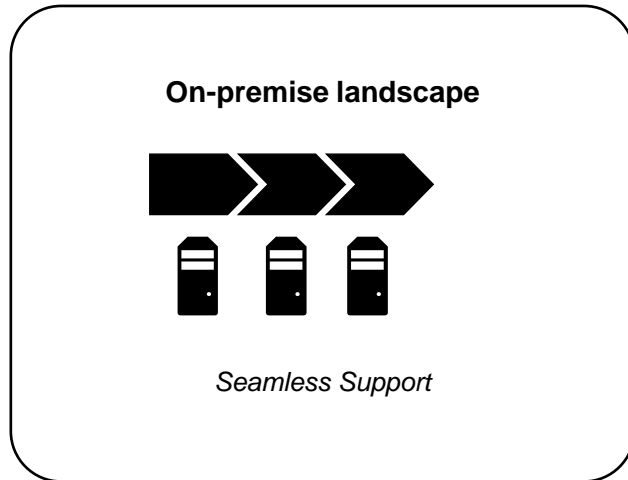
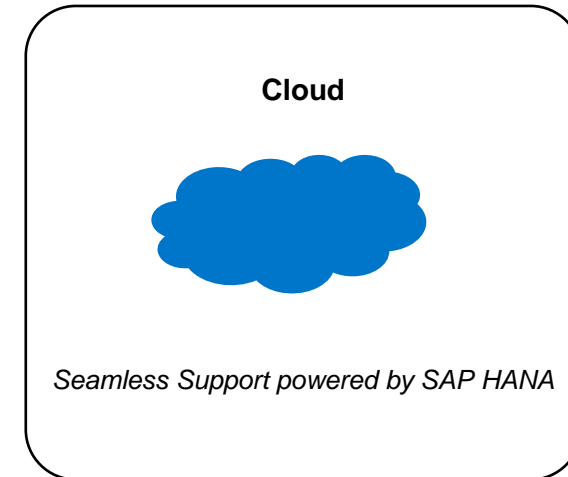# Safeguarding our
customers' investments

- SAP Cloud Extension Policy

SAP Cloud Extension Policy

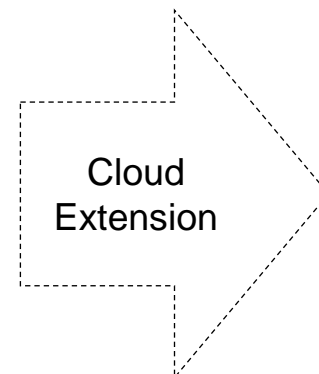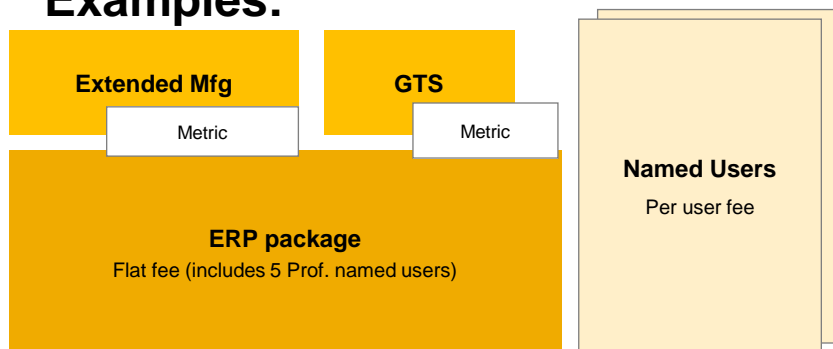Replace on premise licenses by cloud subscription licenses

Before Extension

After Extension

On-premise landscape

Seamless Support

Cloud
Extension

Cloud

Seamless Support powered by SAP HANA

Examples:

Extended Mfg

Metric

GTS

Metric

Named Users

Per user fee

ERP package

Flat fee (includes 5 Prof. named users)

Cloud
Extension

S/4HANA Cloud

SAP Cloud Extension Policy

Fast track to innovation via a flexible path to the cloud

Boundary Conditions

- **Subscription of new cloud licenses required**
  - Requires an expanded investment with cloud solutions from SAP, given the substantial added value from this new hybrid scenario.
  - 3 or 5 years subscription

- Both the **cloud subscription contract** and **partial termination agreement** represent **one commercial transaction**

- After the termination date **the on premise use rights and the maintenance payments end** (please make sure that you allow for enough time for the transition)

- Initial support period of replaced solutions passed

- All invoices must be fully paid up

- License audit current (6 months old at the most)

Customer Benefits

- **Innovation**
  - New functionalities available through cloud solutions from SAP
  - Full flexibility to explore new opportunities at own pace

- **Simplicity and speed**
  - Scalability with the simplicity of cloud for the real-time enterprise
  - Solutions easy to deploy for companies of any size

- **Expanded value**
  - Lower total cost of ownership and reduced cost of implementation with SAP Rapid Deployment solutions and SAP ActiveEmbedded and SAP MaxAttention engagements

- **Protection**
  - Protected investments in SAP with removed barriers to leverage cloud innovations
  - Seamless delivery and support across hybrid landscape

Example

1. Converting a Business Suite customer to SAP S/4HANA Cloud
2. Classify the users into the SAP S/4HANA Cloud use types

Installed Base ERP Customer Conversion
Customer Scenario

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

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

As a happy SAP customer they now want to prepare for the digital age by converting their classic ECC on any database system to S/4HANA Cloud.
Please see their current existing BoM on the left side of this slide.

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

Cloud Extension

- S/4HANA Cloud, BoM after a Cloud extension
- S/4HANA Cloud, private edition BoM after a Cloud extension
- S/4HANA Cloud use types after a Cloud extension

Cloud Extension into RISE with SAP S/4HANA Cloud
Example Bill of Materials*

Existing Bill of Materials

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

New Bill of Materials

Material	Price List Item
8010836	Rise with SAP S/4HANA Cloud

Comment

Rise with S/4HANA Cloud licenses for core scope.

Metric is Full Usage Equivalents.

HANA Database use rights are included.

Material	Price List Item
7016968	SAP Treasury and Risk Management
7018508	SAP Receivables Management

Material	Price List Item
8008181	SAP S/4HANA Cloud for treasury and risk management
8004951	SAP S/4HANA Finance Cloud for receivables management

S/4HANA Cloud licenses for Industry and LoB solutions.

Material	Price List Item
7019231	SAP Sales and Service Order Execution for B2B & B2C

Material	Price List Item
8008360	SAP S/4HANA Cloud, Digital Access

No Sales and Service Order Execution available for S/4HANA Cloud. Licenses need to be extended into Digital Access.

Material	Price List Item
xxx	3rd party DB runtime

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

* on-premise licenses will be terminated as per standard SAP Cloud Extension policy.
** In case the 3rd party database has been purchased directly from the vendor the specific terms and conditions of this vendor apply.

Cloud Extension into RISE SAP S/4HANA Cloud, private edition

Example Bill of Materials*

Existing Bill of Materials

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

New Bill of Materials

Material	Price List Item
8010833	Rise with SAP S/4HANA Cloud, private edition

Comment

Rise with SAP S/4HANA Cloud, private edition for core scope.

Metric Full Usage Equivalents

HANA Database use rights are included.

Material	Price List Item
7016968	SAP Treasury and Risk Management
7018508	SAP Receivables Management

Material	Price List Item
8008768	SAP S/4HANA Cloud for treasury and risk management, private edition
8008769	SAP S/4HANA Finance Cloud for receivables management, private edition

S/4HANA Cloud licenses for Industry and LoB solutions.

Material	Price List Item
7019231	SAP Sales and Service Order Execution for B2B & B2C

Material	Price List Item
8008678	SAP S/4HANA Cloud, Digital Access, private edition

No Sales and Service Order Execution available for S/4HANA Cloud. Licenses need to be extended into Digital Access.

Material	Price List Item
xxx	3rd party DB runtime

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

* on-premise licenses will be terminated as per standard SAP Cloud Extension policy.
** In case the 3rd party database has been purchased directly from the vendor the specific terms and conditions of this vendor apply.

SAP S/4HANA Cloud Use Types

Translation of Classic Named User Licenses into Full Usage Equivalents (FUE)

LoB	Role	Capabilities	Classic named user license		S/4HANA Cloud use type*	Comment	FUE
Finance	Chief accountant	General ledger Financial close	7003012 SAP Professional User		SAP S/4HANA for advanced use*	Users in LoB Finance typically need SAP S/4HANA for advanced use	1
Finance	Receivables accountant	Accounts receivables	7003012 SAP Professional User		SAP S/4HANA for advanced use*	Users in LoB Finance typically need SAP S/4HANA for advanced use	1
Finance	Risk Manager	Liquidity management Finance Risk Management	7003012 SAP Professional User		none	Users who solely use an LoB Solution do not need an Enterprise Management license	n.a.
Manufacturing	Production Worker	Production execution Production control	7017378 SAP Worker User		SAP S/4HANA for self service use*	Workers in Manufacturing typically need SAP S/4HANA for self-service use	1/30
Manufacturing	Production Scheduler	Material Requirements Planning Repetitive Manufacturing Kanban	7003012 SAP Professional User		SAP S/4HANA for core use*	Planners in Manufacturing typically need SAP S/4HANA for core use	1/5
Sales	Sales representative	Sales Quotation Management Sales Contract Management	7003012 SAP Professional User		SAP S/4HANA for core use*	Users in LoB Sales typically need core use	1/5
R&D	Designing engineer	Product structure management Engineering change management	7003012 SAP Professional User		SAP S/4HANA for core use*	Users in LoB R&D typically need SAP S/4HANA for core use	1/5
R&D	R&D project manager	Project financial control Project logistics control	7017377 SAP Project User		SAP S/4HANA for core use*	Users in LoB R&D typically SAP S/4HANA for core use	1/5
Cross	Employee	Time sheet Self-service requisitioning	7003015 SAP Employee User		SAP S/4HANA for self service use*	Employee role is typically covered by SAP S/4HANA for self service use	1/30
Cross	Developer	Development use rights	7003013 SAP Developer User		SAP S/4HANA developer access	SAP developer user translates into SAP S/4HANA developer access	2

* Licensed through 8010836 Rise with SAP S/4HANA Cloud or 8010833 Rise with SAP S/4HANA Cloud, private edition