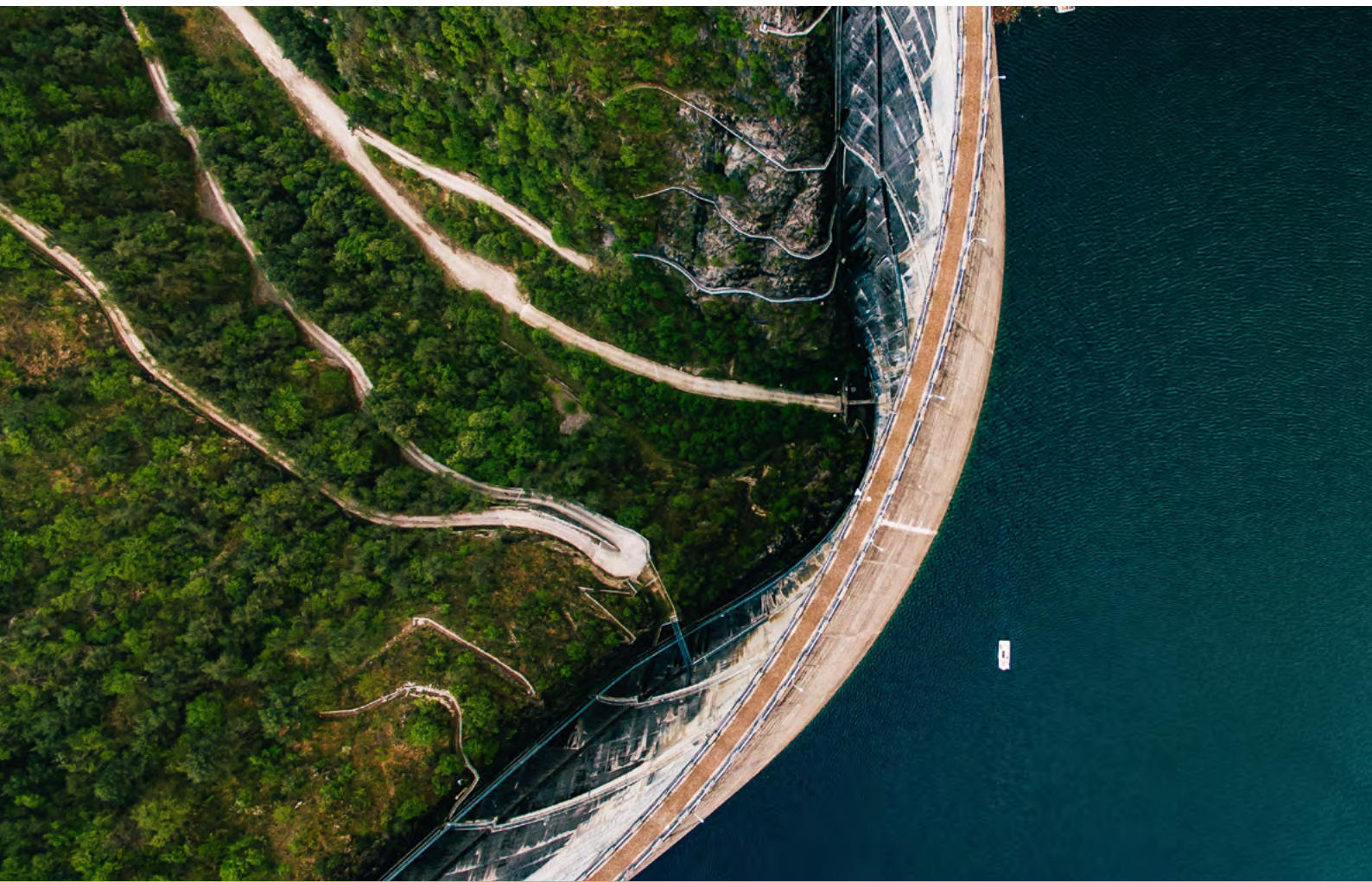


# Four Steps to Reduce SAP® Indirect Access Risk



# AN ESSENTIAL GUIDE FOR PROACTIVE PRACTITIONERS

A guide to help you make the right business choice between the available licensing options.

## The risk is real

**Global drinks company Anheuser-Busch InBev (AB Inbev) publicly disclosed that SAP pursued an arbitration process of up to \$600 million in compensation for unlicensed use (direct and indirect) of its software.**

**In 2018, SAP introduced a new way of measuring indirect access, known as Digital Access licensing, and is letting existing customers choose which model to use for indirect licensing.**

**SAP are keen for customers to adopt Digital Access licensing and are offering incentives for them to do so.**

Keeping on top of SAP licensing is an increasingly time-consuming and complex task for all SAP customers. The correlation between licenses defined in a contract versus technical entitlement to use the SAP system has always been open to interpretation. This was brought sharply into focus in the Diageo court case, where a UK court ruled in favor of SAP and agreed that user licenses were required for all users who were able to access SAP data indirectly. This decision means that customers could potentially face huge indirect access licensing fees.

In 2018, SAP, having worked with customers and user groups announced an alternative license metric, where indirect access could be assessed based on the number of digital documents created, and customers could choose whether to move to the new licensing mode or stay on the legacy model.

So how do you know whether to stay on your current model or switch to the new one?

**This guide reveals four steps to help you:**

- **Optimize your direct usage**
- **Gain insight into your indirect usage**
- **Make the right decision on which license model to use**
- **Ensure ongoing compliance and minimize risk**

**A UK court ruled in favour of SAP against Diageo for £54 million in determining the right of software vendors to charge license fees for users indirectly accessing SAP generated data.**

# Step one

Get your named user licensing right.

Assign / reassign users to their correct license type.

## What to do

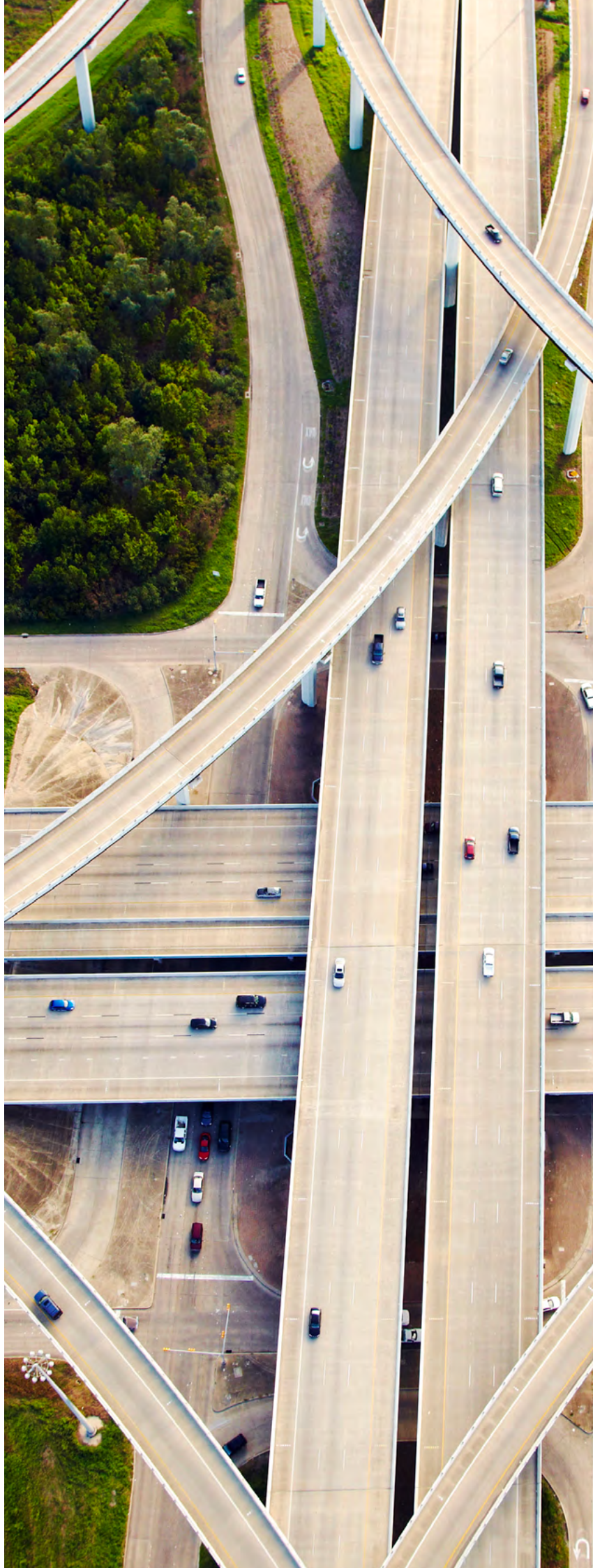
SAP has more than 40 named user license types in its standard definitions, ranging in price from tens to thousands of dollars per license. These license types determine the set of transactions the user is permitted to perform in the SAP environment.

SAP puts the onus on its customers to assign the appropriate named user license type to each user account, and if no user license type is assigned in a production environment, the assumption will be that a professional user license – the most expensive type – is required. Without the right usage information upfront, the only way to allocate licenses is to generalize and attempt a best-fit, ultimately leading to inaccuracies and overspend. A far more efficient and accurate method is to look at precise usage of existing users in the system and map them to their ideal license type.

## How to do it

With a solution like Snow Optimizer for SAP® Software, you can measure transaction activity for every user, aggregated across all systems over time to get an accurate view of real usage. This empowers the SAP team to fit the appropriate license type to each user. Assigning the ideal license ensures the most efficient use of your enterprise investment. In addition, understanding the standard license type for a set of users who perform the same job role enables accurate assignment for new users in that same / similar role.

With all users allocated the right license type for their needs you can move onto the second step and optimize your licenses.





## Step two

### Rightsize the direct user population.

#### What to do

The SAP team should ensure that users with duplicate SAP licenses are corrected so that the organization does not double-pay (or worse) to license an individual user.

The number of users requiring access to the SAP estate can fluctuate over time.

Without the right processes in place, it is easy to end up with a bloated population of users, many of whom do not require a license. The longer the SAP estate is left without checking and rectifying, the greater the percentage of wasted, unnecessary or incorrect licenses there are likely to be.

By putting a process in place, aided by an automated solution, that checks for inactive users on the SAP estate, you can re-harvest and reassign unrequired licenses.

Users who have been inactive for a certain period can have their license revoked and returned to a pool for others to use.

#### How to do it

Use a license optimization solution to monitor usage of all SAP systems across the entire estate to identify inactive users. Users who have been inactive for more than 90 days (or whatever date is deemed appropriate) can have their license returned to a pool for reassignment as and when they are required.

The solution enables the administrator to automatically consolidate duplicates in the environment by aggregating attributes which are unique to the individual. By directly integrating to your HR system, it's possible to deactivate users who have been flagged as having left the organization.

Performing this step alone provides significant financial benefits. You will be able to see whether you have licenses available to allocate to indirect users or potentially to use in contract negotiations with SAP to move to the digital access model.

## Step three

Compare costs of your current indirect licensing model to the new digital access model, optimize your license exposure and make the right choice.

### What to do

To make the right decision for your organization you need to know your best-case license liability under your current contract and predict what those costs would be under SAP's Digital Access model.

Initially, optimize your indirect user licenses. Under your current contract, any individual who accesses SAP-stored data in real-time, directly or indirectly, must have an SAP named user license of the correct type provisioned for them.

Configure third-party systems – When a third-party system interfaces with your SAP system, SAP will count all users of that system as needing indirect licenses, regardless of whether they use them to access SAP data or not. You should configure the third-party system so that access is restricted to only those who require it.

Consider real-time access requirements – If the third-party application / system does not need real time access to SAP data, configure it as such. This might be considered as a static read and not require an SAP license.

Remove duplicate licenses – Where a user has a direct user license, there is no need for an additional license to access SAP via a third-party application.

This will give you the best possible licensing scenario under your legacy model.

Next, predict how many documents your organization will create under the new licensing model.

Collate information on how many of each document type have been created on your system, ignoring those that have been created by a user with a direct license or as an addition to an existing document.

To make the right decision, you need to have a clear understanding at a granular user level of exactly how many digital documents are being created, who is creating them and whether they would count as digital access under the new model.

**Snow Optimizer  
for SAP® Software  
has given us  
unprecedented  
visibility into our  
SAP environment.**

SAM Manager, Bridgestone

### How to do it

To understand your current situation, use an automated solution such as Snow Optimizer for SAP® Software to identify systems and users who are indirectly accessing the SAP environment.

Effective solutions can automate the creation of an architectural diagram of your SAP environment including all connected third-party systems and the reconciliation of direct versus indirect users to those systems.

With Digital Access, organizations need to decide how many digital documents they are going to create and pay for them in advance and it is not then possible to reduce this number in subsequent years.

Snow Optimizer can automatically collect information across the entire estate and show how many documents are being created, which users are creating them and help you predict how many digital documents you need to purchase.

Enter negotiations with SAP from a position of strength to ensure you have the licensing system that's right for your organization, rather than the one that suits SAP best.

## Step four

Decide whether to move to Digital Access Licensing.

### Digital Access Adoption

It's worth noting that Digital Access Licensing is the way SAP is licensing indirect access moving forwards. New purchases of, for example S/4HANA, only offer Digital Access Licensing.

It is similar to engine licensing in that customers buy entitlements upfront with maintenance on top and then as long as entitlements are not exceeded, there are no additional costs. It's important to know how many digital documents you will be creating to avoid purchasing unnecessary entitlements, as these can not easily be reduced later.

However, SAP are currently offering substantial savings if you switch before the end of 2021. There are 2 offers available:

- A. License at 115% (15% growth) of estimated document use and only pay for 15%
- B. License at 100% of estimated document use and receive a 90% discount

If you decide that moving to Digital Access is the right choice for you, then now may well be the best time to do it.

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SAP are offering substantial incentives to move to Digital Access. With clear visibility of your licensing requirements under each option, you could make significant savings through SAP's Digital Access Adoption Program





## Summary

Have a clear overview of how many digital documents are being created, who is creating them and whether they would count as digital access under the new licensing model - all the key elements necessary to compare existing license costs to predicted under SAP's Digital Access license model.

Make sure that you get full visibility of your SAP estate. Understand your contracts, terms and conditions and tie them to your direct users to create an optimized license position. The better you manage your direct estate, the better you can understand the financial liabilities associated with Indirect Access.

Look at your interfaces to see what is connected to SAP. Understand where you are linking high risk 3rd party applications to SAP and establish how many user licenses would be required.

Compare this to the number of digital documents you expect to create.

Make the right decision for your company and significantly reduce financial risks associated with indirect access.

# SAP Optimization Calculator

Calculate Saving

## Contact Snow

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