



WHAT YOU NEED TO KNOW TO MAXIMIZE YOUR SAP LICENSING VALUE

SAP is one of the most powerful enterprise software solutions in the world, offering applications for business operations such as finance, [procurement](#), logistics, and human resources. However, managing your SAP licensing options can be a complex and costly task. This is due to the variety of models available and the need to ensure that companies not only remain compliant but also maximize their SAP licensing value.

The importance of managing SAP licenses effectively cannot be overstated. Poor management can lead to costly audits, errors, penalties, and unused resources, while optimized licensing can drive operational efficiency and reduce costs.

In this eBook, we provide an in-depth look at SAP licensing and how companies can maximize SAP licensing value.



OVERVIEW

The three main licensing models offered by SAP are perpetual licensing, subscription licensing, and consumption-based licensing. With perpetual licensing, companies pay an upfront fee for the license, and then typically pay a recurring maintenance fee for updates and support. For subscription-based licensing, businesses pay a recurring fee, often monthly or yearly, based on their usage and access to specific [SAP modules](#). Finally, for consumption-based licensing, users are charged based on the actual usage of the SAP system. SAP licenses are often further categorized into various types, such as user-based licenses and module-based licenses.

Maximizing the value of your SAP licensing involves understanding which licensing model works best for your organization, ensuring compliance and aligning your SAP environment with your business goals along the way.

KEY CONSIDERATIONS

When it comes to [maximizing the value of your investment](#), businesses should consider the following:

1 Licensing Requirements

It's essential to first fully understand your company's current and future needs. SAP offers different user types, and it's important to ensure you're not over-licensed (paying for licenses you don't need) or under-licensed (risking compliance issues).

2 Regular Audits

Conducting regular internal audits will help ensure that you're optimally using your licenses. This can help identify unused licenses, over-licensed modules, areas where you may need more resources, and so on.

3 Contract Negotiation

When purchasing or renewing licenses, ensure that your contracts are flexible and that you negotiate for terms that reflect your company's growth and usage patterns.

4 Third-Party Tools

Consider using third-party software tools to manage and optimize SAP licenses. These tools can provide real-time insights into your usage and help avoid unnecessary costs.



INDUSTRY-SPECIFIC EXAMPLES

Which SAP licensing option is best suited for your needs may also differ based on your industry. We explore common licensing options for organizations in the retail, consumer products, life sciences, and wholesale distribution industries below.

Retail

Retailers often rely on SAP for solutions such as customer relationship management (CRM) and [point of sale \(POS\) systems](#), and with the right licensing, retailers are able to maintain their margins and reduce operational costs.

Given that retailers often experience peaks in system usage during the holiday season or promotional events, a consumption-based licensing model may be ideal as it allows retailers to pay for increased usage only during busy periods.



Consumer Products

The consumer products industry is faced with managing a [complex supply chain](#), meeting regulatory requirements, adapting to changing consumer preferences, and dealing with volatile consumer demand.

These companies often operate across global supply chains and the [SAP IBP suite](#), for instance, can be helpful – but only when you’re licensed for the modules and regions you need. For example, user-based licensing for IBP may be necessary for key supply chain managers, but broader access might not be required across the entire organization.



Life Sciences

The life sciences industry is set apart by the fact that it faces [stringent regulatory requirements](#). That said, SAP solutions can help life sciences companies navigate compliance, helping to manage clinical trials, for example.

Since many life sciences companies rely on SAP to manage [clinical trials](#) and ensure regulatory approval, only key personnel often need access to these modules. As such, user-based licenses should be carefully allocated to clinical and regulatory staff, ensuring that broader departments aren’t inadvertently included.



Wholesale Distribution

Wholesale distributors typically face challenges around managing vast inventories and optimizing logistics across warehouses.

A solution like [SAP EWM](#), for example, is ideal, but distributors must ensure that the licenses align with actual warehouse operations, meaning that module-based licensing may be more cost-effective if only specific warehouses or regions need access.





FINAL THOUGHTS

Maximizing the value of your SAP licensing involves a combination of understanding your business needs and ensuring that you are using the right licensing models. For each industry—whether it's retail or wholesale distribution—the specific challenges and strategies may vary, but the core principle remains the same: aligning your SAP licenses with your business goals is key.

Looking to maximize the value of your SAP licensing? [Contact Crescense today](#) to get started.

Whether your business is in the life sciences, consumer products, retail, or wholesale distribution industries, SAP has tailor-made solutions for you. No matter where you are on your SAP journey, Crescense is here to help.

Contact [the Crescense team](#) today to learn more.

