SAP SOFTWARE LICENCE SERVICES

SAP licence management is a significant overhead for most organisations due to SAP's relatively vague and complex licence and contract definitions. Most organisations find themselves well into the second decade of using SAP software and have accumulated many appendices on top of their original SAP EULA, having had remixes and changes in usage rights along the way.

Adding to the challenge is uncertainty regarding Indirect Access and the introduction of S/4HANA and migration options. Unless your Vendor Management team, IT leadership and Basis team have a shared understanding of your organisation's SAP licence utilisation and cost optimisation potential, it is easy to simultaneously overspend on unneeded licences while also getting outside of compliance on others.

Under constant pressure to reduce operational costs, a growing number of organisations are moving their Legacy SAP ECC environments to third-party support providers such as Rimini Street. These support savings can then be invested back into the business and innovation projects through cloud solutions from either SAP or other best-of-breed providers. This approach is valid and viable given SAP's direction regarding ECC, however, before moving off support, organisations need to plan well and take the time to undertake a full licence review, including compliance.

Licence Management and Audits

Most organisations are now in a position where they are suffering from licence sprawl and lack of insights into their licensing position, and this can put them at a disadvantage when negotiating new deals with SAP's sales teams or when the SAP auditors come knocking.

Annually, SAP asks its customers to self-audit through the annual SLAW submission. It is important to understand your entitlements and ensure you are using them in the most optimised manner to mitigate any compliance exposure before submitting these reports. A key thing to remember is that SLAW only monitors certain engines and users and is not an optimisation tool to help you better manage and optimise your SAP licences; it is an audit tool for SAP.

SAP environments typically comprise many systems and it is common to have users accessing several of them – often with different usernames. In this situation, they are consuming more than the one licence and this is costly to the organisation.

In order to avoid hidden costs and pay only for what is needed to ensure your existing SAP licences meet your business demands and requirements, Invictus Partners recommends you have a process in place to measure the various metrics on a regular basis. This includes re-aligning users to correct roles, engine metrics and ensuring you adhere to SAP's definitions of use.

Benefits of using Invictus Partners

- **Knowledge and experience** – we know how SAP works during an audit and licence migrations

- **Quality** – years of experience and in-depth knowledge of SAP's products, bundling and tools

- **Cost avoidance** – identify and remediate financial risks before you share information with SAP

- **Cost savings** – we will help you negotiate the best possible deal and clean up redundant licences

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Indirect Access

SAP announced in 2018 that Indirect Access would be assessed on the number of digital documents created and customers could choose whether to move to the new licensing model. While most organisations are familiar with the Direct Human Access and SAP Application Access licence implications, Indirect Access has caught many organisations regarding their exposure to this licence requirement. Indirect use is not a new concept to SAP.

In the past couple of years, SAP has become more assertive in their application and administration of licences and organisations have had to pay hundreds of thousands of dollars following audits. This has resulted in some high-profile cases successfully processed by SAP as well as audits with significant commercial exposure across Australia and New Zealand. This has caused concern for many SAP customers.

SAP has now made two options available to address Indirect Access – the legacy user-based method and the new method based on the number of digital documents created. While SAP is encouraging customers towards Digital Documents, at the moment, customers can still choose which option to select.

To make the right decision, clients need to know the potential costs under both scenarios. Once scoped, it's then possible to choose whether it is more cost-effective to buy user licences, pay a fee depending on the number of digital documents created, a blend of both, or look at potential re-architecture options. Having a good understanding of your Indirect Access exposure and the approaches to remediate it are key to ensuring your organisation is compliant and prepared when SAP auditors call.

Migration to S/4HANA

S/4HANA is a far more complex migration process than the move from SAP R/2 to SAP R/3. When contemplating migration, it's important to remember you don't need to make a complete and immediate change. There are multiple SAP S/4 transition journey options, and the key to a successful migration is to focus on protecting your investment and avoid parallel or double licensing.

Most organisations are taking a phased approach, and purchasing S/4HANA now does not mean you have to migrate your entire SAP environment right away.

There is plenty of time to adopt a phased approach. In fact, very few organisations will be able to do otherwise.

A key advantage of switching to S/4HANA is that it creates an opportunity to potentially renegotiate your licence inventory, transforming any unused licences (shelfware) into valuable assets. The S/4HANA new licensing approach is meant to simplify the process, however, it comes with a cost: the new licensing model removes most of the special licence types SAP customers relied on to reduce licensing costs.

Your migration to S/4HANA is a huge task. Yet, as we have seen, by starting now and optimising your SAP licensing environment, you can smooth your S/4HANA migration path.

How Invictus can help

With the right SAP licensing expertise, you can do everything from scenario analysis on licensing possibilities and risk management through to specific negotiation approaches to ensure you have the best licensing models and terms you need to grow and evolve.

Our Invictus Partners SAP licensing team are experts on the complexities of the SAP software licensing landscape. Our team's experience has been gained from working with the vendor as well as supporting our clients through SAP licence reviews and audit defence and it enables us to provide the best possible advice when migrating to S/4HANA licensing.

Take ownership of your SAP licensing future today!

We know as a business you don't only use SAP. That's why we also have specialist licensing and contract teams for Oracle, Microsoft, IBM, Infor, VMware and Adobe.

Find out how Invictus Partners can deliver a complete organisation-wide solution for all your software licensing and audit needs.