

Read this before buying additional SAP licenses?

Description

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There comes a point in time when an organization discovers it needs additional SAP licenses or that its current licenses are no longer covering its actual needs.

In most cases, a deep analysis of a company's SAP licenses is conducted before the actual SAP audit occurs. The organization receives a letter from SAP regarding self-assessment and the CFO orders an internal inspection. Then the gaps are revealed.

Treat SAP Licensing as hidden cards

Oftentimes, when performing a quick SAP licensing inspection, many organizations find major gaps between their actual needs and what they're currently paying for SAP licenses.

How to Handle Gaps between Required SAP Licenses and Current Licenses?

Imagine for a moment that your company discovers the following situation:

SAP Licenses: Purchased vs. Required

License Type	In stock (purchased)	Required
Professional	1,000	800
Employee	6,000	7,800
?		300*

(* You just found 300 managers that report their tasks in the SAP portal, but who also use SAP to view a specific set of reports. You don't feel they fit the "Professional" or "Employee" license type and you wonder if there's another option.

Theoretically, in the situation above, you should stop paying the maintenance fee for 200 "Professional" licenses, buy an additional 1,800 "Employee" licenses and negotiate with SAP for the most suitable license type from their licensing catalog for the 300 managers. Right? Not necessarily.

Smart organizations consider the entire situation, as well as their relationship with SAP.

SAP might be willing to replace 200 expensive "Professional" licenses with cheap "Employee" licenses and may agree to find a suitable license type or define a new SAP license type for your 300 additional managers.

In order to cover employees who don't fall under pre-defined licenses, you'll need to get creative with your SAP licensing. Never assume that what you currently have is the best option and that it represents all available options. There are numerous license types in the SAP world and multiple options to solve each licensing gap.

SAP's Interests in SAP HANA and the SAP Cloud

With SAP focusing on SAP HANA and the cloud during recent years, useful new options are now available that you may not have known about or considered in the past.

If you're in a challenging situation and have decided to negotiate with SAP regarding your licensing gaps, it's good to remember SAP's interests when approaching the negotiation table. In the SAP world, cloud computing is a game changer and SAP has strong interests in pushing its customers towards these tools. **Use this knowledge for your own benefit.**

Can SAP Custom Tailor Licenses to Unique Situations?

The answer is Yes but only if you have a well-defined situation and a good reason for initiating the negotiation.

SAP Can Tailor New SAP Licenses for You

If a specific group of employees does not match any existing license types and you can distinguish them by a clear definition, you may be able to create your own type. When developing a new license type, be sure to define its terms as best you can. New license types are not standard and SAP will try to avoid creating them as much as possible.

Examples of good definitions are: Employees who only use T-Codes from activity group Inspectors and do not use the system more than 1,500 dialog steps per month in a yearly average or Employees who are in managerial positions in the SAP organizational chart and use SAP only to approve purchase orders directly and indirectly, and access SAP no more than 20 times per month in a yearly average.

Creating your own well-defined license type is a win-win for everyone. The organization feels that its licenses fit its unique situation and no longer wastes money or assigns unsuitable licenses to employees, and SAP gets a happy customer that pays their annual maintenance fees without negotiating frequently.

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