

SAP Support Offering Extends Solution Management Beyond SAP

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Enterprise Support will primarily affect “net-new” SAP customers. Current Standard Support customers can upgrade to Enterprise Support or continue with automatic renewal of their existing support contracts.

NEWS ANALYSIS

Event

On 6 May 2008, SAP announced that its newest support offering, Enterprise Support, launched in February 2008, has achieved growing market adoption. SAP Enterprise Support replaces Standard Support and Premium Support for all net-new clients (that is, clients who have not used SAP software previously in any part of their organizations).

Analysis

After gaining early market feedback on the new support offering, SAP has publicly announced that Enterprise Support is its next-generation support offering. This change will likely have a big impact on the SAP software portfolio and its recurring cost for net-new clients. SAP Standard Support for installed-base clients is priced at 17% of the user's software license and primarily covers break/fix support issues. It also provides software maintenance and support tools including Solution Manager. Customers with contracts in place prior to 1 February 2008 have the option of moving to Enterprise Support. Net-new clients after 1 February 2008 will pay 22% of their software license for the new support offering.

The change was triggered by the reality of large-scale adoption of service-oriented architecture and the risks involved with managing components required for flexible business processes. SAP Enterprise Support is intended to address continuous innovation and investment protection by providing integrated end-to-end solution life cycle management, involving both SAP and non-SAP solutions. SAP has extended its support services and claims it can address the needs of solution management beyond SAP.

SAP Enterprise Support is delivered in three major components:

- **Mission-critical support:** Provides continuous system checks and risk analyses, backed by an enhanced advisory center with clearly defined service-level agreements.
- **Solution Manager enterprise edition:** Provides capabilities to handle the SAP Enhancement Packs, which are incremental upgrades that relieve SAP customers from full-release upgrades.
- **Run SAP methodology:** Designed to complement SAP Enterprise Support and to provide solution operation standards, combining the requirements of service orientation with a proven project management methodology.

SAP Enterprise Support is compulsory for all new and Business Objects customers, but is currently optional for SAP installed base customers. This means that customers with SAP Standard Support will continue to have their contracts renewed automatically.

RECOMMENDATIONS

SAP customers:

- If you are attempting to address the challenges arising from service orientation and require a more flexible solution portfolio to increase your agility, evaluate the new opportunities arising from SAP's new support offering. They can be complemented with the SAP MaxAttention and SAP Safeguarding for critical phases of sophisticated SAP implementations.

- If you currently use SAP Standard Support, evaluate SAP Enterprise Support and weigh the added advantages of Enterprise Support at 22% of software license.
- Continue to have SAP Standard Support agreements automatically renewed if the value is not justified at this time.

Prospective customers:

- SAP's changed support portfolio no longer provides the low-priced SAP Standard Support. Leverage the capabilities of SAP's new Enterprise Support to reduce solution management efforts in your organization.

RECOMMENDED READING

- "SAP R/3 4.6c Customers Search for Third-Party Support Options" — As the 2009 deadline looms for moving from Extended Maintenance to Customer-Specific Maintenance, some SAP R/3 4.6c customers are seeking alternatives to upgrading to SAP ERP 6.0. **By Pat Phelan, Alexa Bona and Bob Igou**
- "2008 Sapphire Conference Shows Incremental Innovation" — The Sapphire 2008 conference suggests that SAP is shifting its marketing focus to its core applications. **By Jeff Comport and Yvonne Genovese**

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