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Toolkit: How to Choose the Right SAP Support Program

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This Toolkit enables SAP user organizations to determine the decision parameters when choosing between SAP Standard Support and Enterprise Support.

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ACTIVITY CYCLE

This Toolkit is related to the following Activity Cycle:

Role: Sourcing & Vendor Relationships

Phase: Plan

Action: Analyze IT spending

When to Use: SAP recently announced that it will allow current and future customers to choose between two support offerings: SAP Enterprise Support and SAP Standard Support. The first opportunity to execute such an option will be in the first quarter of 2010, to potentially reduce cost from January 2010 on. The choice has to be officially communicated to SAP by 15 March (direct sales) or by 30 April (indirect sales). The various aspects of this option are not easy to grasp. This Toolkit will help user organizations collect the data and process it to achieve the required financial insights and associated support services' value.

The Toolkit should be used to understand SAP's options in user organizations' particular environments and history of contractual agreements.

The Microsoft Excel tool contains four worksheets:

Gartner Leader's Toolkit
Contracts
Comparison Calculation
Checklist

Its purpose is the capture of client-licensing-agreement financial data and the computation of cash flow resulting from SAP's two optional support programs: SAP Standard Support and SAP Enterprise Support. For more information about these two programs, see SAP's website at www.sap.com/services/bysubject/support/index.epx.

Instructions on the Excel Tool

Open the Excel tool, and fill in your contract data and assessments to provide decision makers with the financial aspects and the major considerations about the value of the support programs. Completing the last worksheet with pros and cons will put the arguments into perspective and educate decision makers about the impact of the decision. Following are descriptions of the Excel tool's worksheets.

Gartner Leader's Toolkit

This header page contains the introduction, which serves as high-level guidance for immediate application of the tool. There is no need to input data here.

Contracts

The Contracts worksheet allows companies to enter their financial contract data for all license transactions with SAP. Due to the differences in the application of support rates according to the percentage of contract value, the worksheet allows the following to be entered:

Date — Date of the contractual agreement.
Appendix — Appendix number in the history of transactions, which refers to the master agreement.
Net Contract Value — Transaction amount, excluding taxes and maintenance.

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Maintenance and Support (M&S) Fees — Contracted amount of maintenance and support fees.
Comments — Optional remarks. For better readability, we have divided this worksheet into two sections: before 1 July 2008 and after (when SAP Enterprise Support became mandatory for all clients for all transactions, going forward).

The totals for both sections — for the contract values and M&S fees — are calculated and linked to the next worksheet.

Comp Calculation

Once the data is keyed into the Contracts worksheet, this worksheet displays the cash flow situation and creates an accumulated savings figure that reflects the differences in fees for both programs, with the following parameters:

The currency of the calculation can be typed for all data into cell F5. If contracts have differing currencies, they have to be converted to only one leading currency.
The expected average change of the consumer price index (CPI) rate can be entered into cell D7. This rate is assumed in the computation of the fees for SAP Standard Support for the upcoming years in cells G13 to G17 for 2012 to 2016. Consider choosing this rate carefully, to address the potential scenarios of low, medium or high inflation in your region.
The average maintenance and support rate (status quo) of previous transactions is shown in cells I5 and I6 for the corresponding periods.
For customers choosing to remain on Enterprise Support, the respective yearly support totals are displayed in cells H11 through H17 for 2010 to 2016. For this calculation, the light gray ramp-up rates for each year are used.
The accumulated savings figure in cell G19 displays the cash difference accumulated for 2010 to 2016.

Checklist

This worksheet allows user organizations to list the value criteria that will drive their decisions. The list may be extended and addresses the tangible and intangible benefits. For the tangible benefits, monetary values may be used to describe the impact. For intangible benefits, we provide a simple high, medium or low rating that may reflect the feedback based on internal interviews or questionnaires.

In the third section, the overhead of the programs may be contrasted. The associated categories are also rated with the high, medium or low scores, because it is not easy to capture values for overhead efforts. Overhead is mainly derived from the additional services in SAP Enterprise Support; however, it should be carefully understood and typically be less than the total value provided.

The checklist is optional and does not contribute to the computations in the Comp Calculation worksheet.

May Be of Interest to: IT Infrastructure & Operations

TOOLKIT DETAILS

The ZIP file download contains the following documents:

174389_sap_support_option_wizard.xls

Use the decision wizard to choose between SAP Enterprise Support and Standard Support.

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174389_support_programs.ppt

Use this presentation to provide decision makers with a single-view comparison of SAP support service components.

toolkit_how_to_choose_the_ri_174389.pdf

This is the PDF version of this file.

Directions for Use

Download the Toolkit ZIP file by selecting the link under the "Download Toolkit Resource" header at the top-right of this page. A PDF copy of this content is included as part of the ZIP.

RECOMMENDED READING

"SAP Reintroduces Standard Support: Customers Should Choose Carefully"

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