

SAP HANA Enterprise Cloud

Creating a Value Add IT Organization and Optimization of SAP running costs

Ralph van Uden
HEAD of Sales HANA Enterprise Cloud CEE

March 2019



Empower Yourself to Unlock the Full Value of Your Digital Business

Your Business Goals:



Protect revenue streams AND identify new markets



Respond to unexpected AND unfamiliar competitors



Increase speed of action AND decide in real-time

Your IT Goals:



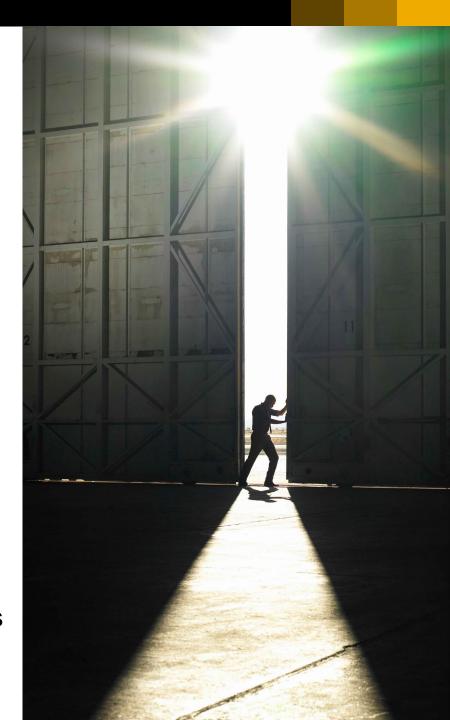
Keep current AND innovate



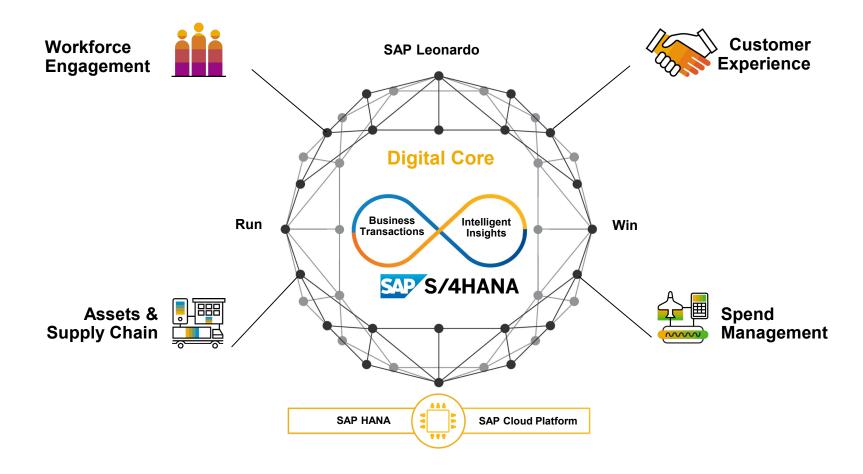
Evolve resources AND align better with LoBs



Focus on core competencies AND support business goals



SAP Cloud is THE Digital Business Platform



You need a solid Foundation for your Digital Business Transformation



Simplified IT landscape



Reduced time to realize business value



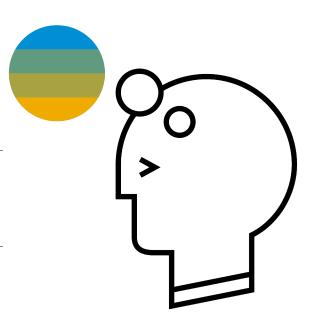
Adaptive and scalable operating model



Ability to innovate at your own pace



Reduced risk



The Challenge; Managing IT Cost & Value Contribution simultaneously

IT Reality

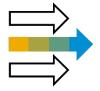
Widespread Operations

- Different locations
- Different countries
- Different languages
- Different time zones
- Central vs. distributed

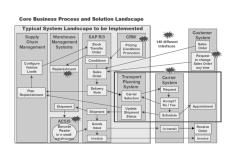
Heterogeneous Solutions

- Different applications
- Different technologies
- Different vendors
- Point-to-point integration
- Custom-made solutions

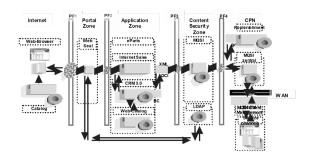
Multiple Suppliers



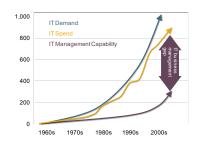
Complex Business Processes



Mixed Technologies



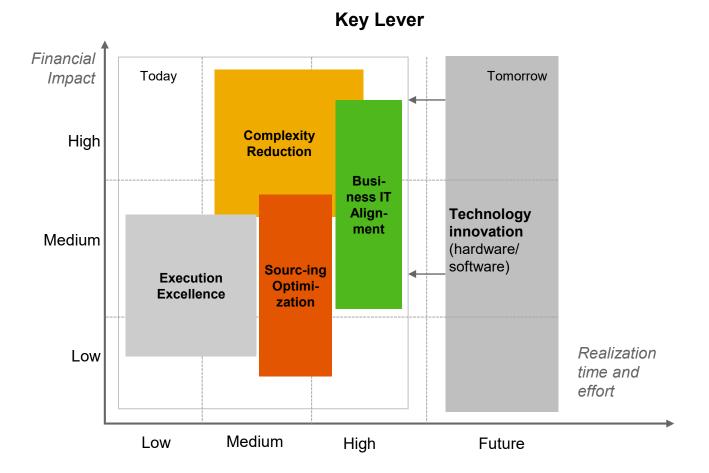
IT Business Management Gap



→ How To Reduce TCO?

TCO Reduction

What are the Key Levers?



A Complexity Reduction

- # Technologies
- # Applications
- # Systems and interfaces
- # Data

B Execution Excellence

- · Improve the things you are already doing
- · Lean IT: reduce waste

C Sourcing Optimization

 Optimize IT supply chain (hardware/ software vendor, service provider)

D Business-IT Alignment

- Run IT as a business
- Establish IT as business partner and value generator

The Value of SAP HEC – In Contrast to Overall IT TCO and/or SAP TCO View

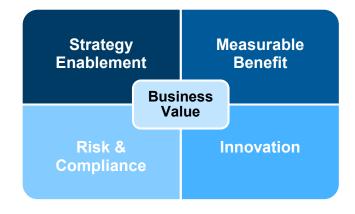
Strategy Enablement

- 1 Rapid deployment of company strategy
- 2 Rapid deployment of strategic infrastructure (e.g. managed service companies)
- 3 Scalability to manage rapid growth, including M&A
- 4 Move investment from Capex to Opex

Risk & Compliance

- 1 Avoid security of infrastructure and data via SAP owned and partner owned datacenters
- 2 Achieve average production system availability of 99.97%

Four Buckets of Value



Measurable Benefits: Cost Reduction/Avoidance

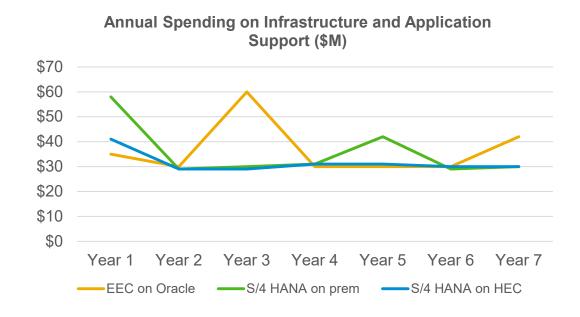
- 1 Reduced infrastructure IT Costs
- 2 Simplified landscape
- 3 Reduce system / application management costs
- 4 Reduce upgrade/migration costs

Innovation

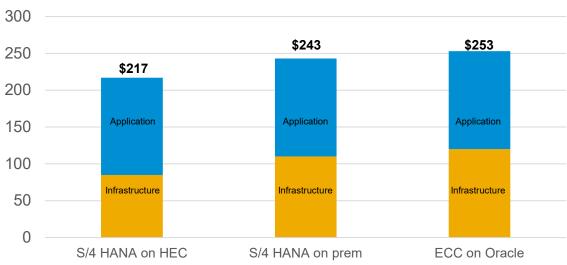
- 1 Scalable infrastructure for innovation
- 2 Faster time to innovation project start
- 3 Flexibility to invest in future, additional solutions

7

Seven Year TCO Comparison



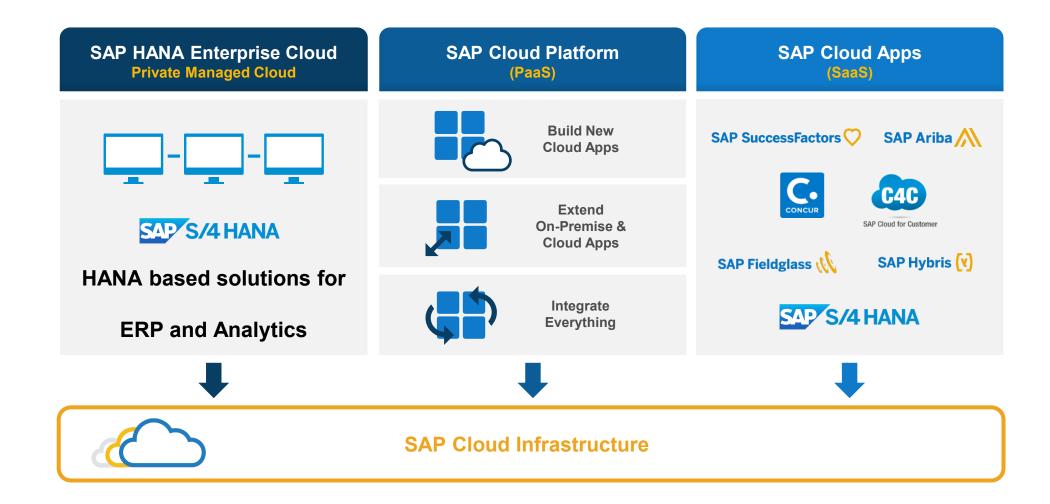
Seven Year Total Spend on Infrastructure and Application Support (\$M)



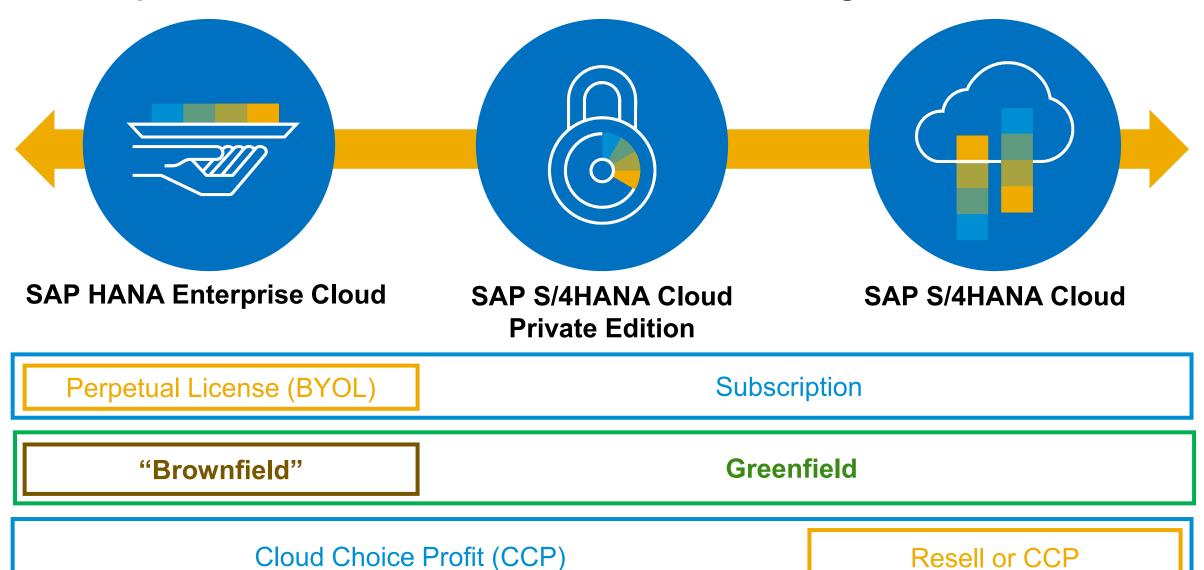
S/4 HANA on HEC will provide you with a predictable cost on an annual basis, simplifying the budgeting and planning processes, and eliminating spikes in spending

- In the absence of detailed data on customer costs, this is based on industry metrics and comparative costs.
- Complete business case pending review of customer's internal TCO model

Simplified IT Landscape



Your requirements – Your Choice – Our flexible offerings for S/4HANA



SAP HANA Enterprise Cloud Multi-Cloud Capability Strategy

SAP HANA Enterprise SAP HANA Enterprise Cloud Cloud infrastructure deployed fully deployed at SAP at hyperscaler Application evolution & change mgmt. **Application Application** Management Management **Functional application support** Services (AMS) Services (AMS) **Private & Secure** Stack SAP application basis support Managed **SAP HANA DB management** services for SAP HANA Solution Infrastructure and Operating system (OS) maintenance **Enterprise** managed Cloud services for **Backup management SAP HANA** Connectivity **Enterprise** amazon Cloud Infrastructure & hardware maintenance Provision of data center facility

Adaptive & Scalable

Best-Practice Services

Reference Architecture

License Subscription

Reference Architecture: 100% best practice.



Developed in conjunction with SAP product development, Engineering and operations. Nobody has more experience.



Designed and built to SAP product roadmap standards. Futureproof as standard.



No compromises architecture principles. Engineered to ensure maximum uptime from hardware to application.



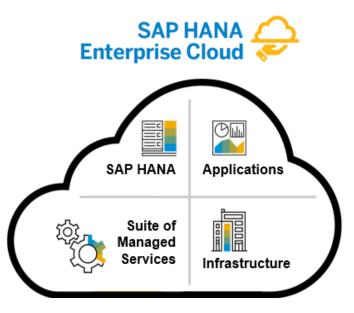
Globally consistent architecture standards enforced and validated into every HEC deal in every delivery model.



New technology release engineered for you: Safely adopt & run new SAP software innovation that has been tested & production ready.



Agile platform – Reference Architecture adopts application best practice across the Multi-Cloud Infrastructure ecosystem



Total Cost Of Ownership analysis MUST include Business Risk Validation

Project delayed:

- · HW purchased, but not utilized
- · Staff hired, but not utilized
- Delayed time to value behind competition

Skills not fully developed and productive



Involve a BTS consultant or IVE to conduct a

realistic and holistic TCO-analysis with your

customer (= CFO or CIO) <u>including</u>

quantified business risks

In-House Deployment

Business Risks

Security & Certifications (HA / DR)

People
(Hiring / Salary /
Training)

SAP Software License & Maintenance

Facilities & Energy

Hardware (incl. maintenance & renewal)

HEC Deployment



Cost Savings

&

Risk Mitigation

HEC Competitive Field Guide – TCO Examples

Customer's costs for similar internal service

Expense	EUR
Hardware	XX
Loan for hardware	XX
Staff (DBA, SAP basis, HW and Infrastructure, Service Desk)	XX
Overhead	xx
Salary growth 7%	XX
Facilities and datacenter costs (part for SAP landscape)	XX
Energy	XX
Maintenance for Oracle database	XX
HW support with 4h parts replacement	XX
Staff training	XX
Other licenses (network, antivirus, backup, monitoring etc.)	XX
Hardware refresh (hardware lifecycle is 3 to 5 years)	XX

5Y TCO - XX EUR

^{*}values mentioned above are indicative and may be changed after discussion and confirmation by the financial specialists of the customer

SAP HANA Enterprise Cloud – White Papers.

Analyst White Papers for customer distribution.

IDC White paper on Jam



Gartner.





SAP HANA Enterprise Cloud: A Managed Approach to Deploying SAP S/4HANA

Sponsored by: SAP

Robert P. Mahowald November 2016 Henry D. Morris

EXECUTIVE SUMMARY

SAP S/4HANA is SAP's next-generation ERP suite, designed to be the digital core for today's enterprises, applying intelligence across the range of strategic business processes. The new suite is built on the high-performance, in-memory HANA platform and leverages SAP Fiori for a personalized user experience. Therefore, the near-term plans of most SAP ERP customers involve evaluating and likely moving to SAP S/4HANA and the SAP HANA platform in the not too distant future. With that move come important choices on how to deploy the new suite.

SAP customers looking to move to SAP S/4HANA face a double switch. Implementing SAP S/4HANA requires changing the database (from another database to HANA) along with changing the application (from another ERP system to S/4HANA). For customers experienced with older versions of SAP software, it is a challenge to take full responsibility for managing the new platform and the new application when the necessary HANA expertise is not present in the IT organization.

To address the challenges of migrating to the new application suite and platform, SAP provides three options to customers. There are two dedicated environments (traditional on-premise implementation and SAP HANA Enterprise Cloud [HEC]) as well as a shared environment (the public cloud option). For customers that seek an implementation that is dedicated to their organization's exclusive use, prefer a subscription mode of payment, and seek to transfer the risk of implementation to SAP, the SAP HANA Enterprise Cloud is the sensible choice.

SITUATION OVERVIEW

The business environment is changing in today's digital environment, with new business models based on leveraging data assets. As a result of these changes, a new generation of enterprise software is emerging that is designed to support a business' digital transformation. For SAP's customers, the road to digital transformation runs through SAP 5/4HANA.

But implementing SIAHANA is not uncharted territory, Hundreds of organizations are live on the new suite today. And that means there is an opportunity to take advantage of lessons learned from these implementations. SAP has packaged these best practices in its private managed cloud service offering — HANA Enterprise Cloud — to help its customers better address the risks and complexity of initial deployment and ongoing application management.

The Impact of SAP Hana on the SAP Infrastructure Utility Services Marketplace

Published: 3 November 2016 ID: G00313580

Analyst(s): David Groombridge, Derek Prior, Neil Barton

The introduction of Hana into the SAP architecture has disrupted SAP hosting services. By using the new models, sourcing and vendor management leaders who are focused on infrastructure technology service sourcing can develop major cost and service benefits for their businesses as they move to Hana.

Impacts

- The new technology required to run SAP Hana will force sourcing executives to reconsider their
 options for hosting SAP systems where Hana-based solutions are needed.
- The advent of competitive new public cloud-based hosting models will create opportunities for sourcing leaders to deliver cost savings for SAP Hana hosting.
- The re-entrance of SAP into the SAP hosting market with its Hana Enterprise Cloud (HEC) managed service offering will require sourcing executives to evaluate all other hosting options against the standard set by HEC.

Recommendations

Sourcing and vendor management leaders seeking to advance their service sourcing strategy:

- Evaluate carefully the new SAP hosting models that have emerged in the past few years. Note
 that the SAP Hana architecture is very different from the traditional SAP architecture, thus
 impacting the underlying infrastructure and resulting in TCO models that vary widely.
- Decide what commercial pricing mechanism you will need from any SAP hosting provider, ranging from fixed monthly billing to full elastic consumption-based monthly billing.
- Source proven Basis operations expertise alongside any public cloud laaS hosting, using skills either in-house or from an experienced managed service provider, since public cloud laaS hosting providers will not supoly this.
- Evaluate SAP HEC when your business has a compelling need to use a new Hana-based solution, such as the on-premises S/4HANA.

SAP HANA Enterprise Cloud By the Numbers

SAP HANA Enterprise Cloud by the Numbers 900+ **Global Customers** (using same Reference Architecture) 3500+ SAP HANA Databases Managed Globally 66TB+ Largest SAP HANA Instance ~99,99% Average Production Availability 1300 S/4HANA Systems (350 customers) 50% Largest Client TCO Savings vs. On Premises



Thank you!

Ralph van Uden

Head of Sales HANA Enterprise Cloud CEE

Ralph.van.uden@sap.com

+36 70 455 7793