

# SAP License Optimisation

## Software Asset Management Business Advisory

The SAP licensing landscape has evolved significantly over the years with SAP's portfolio having grown organically as well as via acquisitions. As organisation's investments in SAP have increased with time, lack of robust SAP license spend management has led to a variety of complex issues

### SAP Licensing

While SAP offers audit tools, its common for them to return false positives or otherwise miss-represent actual use as they won't account for miss-configurations. Unfortunately, a lack of understanding of the SAP audit data means many organisations become exposed to unquantified data risk which can quickly become a large financial liability when SAP interprets the data.

Some of the major considerations in SAP licensing include:

- Legacy terms within long running contracts and with partial migration from legacy metrics to new, run-time, licenses
- Difficulty in differentiating user privileges and assigning appropriate license types,
- Intricate definitions over "engine metrics",
- Transitioning from SAP R/3 to S/4 HANA and modelling new terms

### KPMG SAP License Optimisation

At the heart of our service is the insight provided by our SAP Effective License Position (ELP). Conceptually its simple, what's deployed vs what's entitled, but without the correct expertise and targeted effort, organisations find it very challenging to create this type of analysis and reporting.

The majority of our effort goes into gathering the requisite data needed to prepare your ELP, that means collecting contracts and inventory, analysing that detail, and contextualising though discussions with product owners and supporting systems data.

The ultimate commercial value of our service is found in our License Intervention Plan which outlines the risks and opportunities inherent in your consumption of SAP software, the mechanisms you can apply to limit spend and ensure compliance, and the value attributable to each intervention.

### Day to day Oracle license management is a wide ranging discipline

Contracts	Software	Strategy	Usage
You need to know your contractual obligations and usage cost points. Opportunities to save costs can come through workload management, metric rationalisation, and new agreements.	Native reporting may not identify all of the deployed and used software. Detailed analysis can close gaps and find opportunities to remove redundant products, or support rationalisation of product suites.	Defining an ongoing and future strategy for Oracle will help you save costs in the long run! You need to research, define and evaluate the options available to you and plan accordingly.	Reviewing license usage is paramount to controlling costs and limiting scenarios of non-compliance. You need to have a complete picture across production, development and test environments.

#### Cloud products

Some of the biggest challenges with cloud contracts include right-sizing and right-scaling. These are pertinent across all products such as Ariba, Concur, SuccessFactors etc. We often find organisations struggling to find the balance between base commitment and regular true-up requirements, including an optimal per unit pricing.

We help by bringing a holistic approach around contracts already executed, trend analysis of historical consumption, and anticipation of future business needs, to enable our clients review and re-negotiate their contracts in an informed manner.

#### Other products

While we can leverage self-reporting features such as LAW (License Authorisation Workbench) and USMM (User Measurement), review of additional data such as T-codes and roles, coupled with business use of SAP instances and their integration with non-SAP technology allows an organisation to find opportunities to optimise their consumption, improve governance and right size their SAP licensing needs.

Many additional products such as BusinessObjects, HANA or non-HANA database, middle-ware and engines, require their consumption to be calculated through different methodologies. We bring our extensive experience to capture and review these diligently, while understanding how SAP license requirements are evolving in line with an organisation's business needs

## Previous Engagements

A large UK-based FMCG corporate received a 150m compliance bill from SAP based on their LAW submissions.

KPMG extracted the user data directly from the SAP systems and modelled user license requirements over the term of the relevant agreement. An optimised requirement was modelled to show that the business use of the software was much lower.

Outcome: The bill was settled for 6% of the original claim.

A Europe-wide consumer goods company asked KPMG to provide clarity over their LAW submissions to their parent organisation.

We found that inconsistencies in reporting and incorrect license assignments would mean a \$3m exposure on user licenses alone.

KPMG provided an action plan to help optimise the estate, helping to mitigate this audit risk.

### Data Gathering

We start with workshops to understand your infrastructure and existing data sources, and determine any data risks, we issue product specific data requests, and review your contracts / entitlement records

### Data Analysis

As data is returned to us, we check for quality, completeness, and accuracy, perform follow ups as required, and provide further guidance on incremental data collection where required.

### Reconciliation

We prepare Effective License Position ("ELP") and work through with key stakeholders to ensure that the position is understood and any mitigating details can be factored in to our work ahead of delivery to senior management.

### Reporting

As part of our reporting we combine the ELP with a license intervention plan that proposes strategies for risk mitigation and cost optimisation. This is presented alongside a cost/benefit analysis so you can select the right interventions for you.

### Cost Take-Out

We help communicate to your product owners the interventions that are needed to drive benefit, track progress, and quantify the actual impact of the interventions so you know the final outcome of the work and its true value.

## Things to think about

	Yes	No
Do you regularly check your SAP user counts against your contractual allowances?		
Are you preparing to migrate a SAP R/3 system to S/4 HANA and have you modelled 'As Is' and 'To Be' licensing?		
Have you conducted a further risk assessment over your SAP compliance, including topics such as indirect usage?		
Are your user counts in LAW reporting regularly reviewed and optimised?		
Are processes in place to make sure your LAW reports are collected and submitted consistently?		

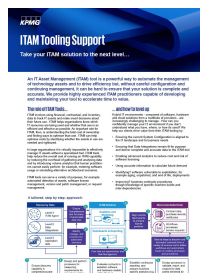
## Did you respond 'no' to any of these questions? Would you like to turn them into 'yes'?

Our SAP support services are just one part of a larger portfolio of services designed to help you connect capabilities across your IT and business functions. Our expert consultants are on hand now to help you achieve and exceed your ambitions. Get in touch to discuss more ways we can support your journey, such as:



### SAM as a service

Software is a major part of IT spend, but it's difficult to track and manage. KPMG has teamed up with Flexera to provide an end to end, SAM managed service. It combines Flexera's market leading tooling for technology asset management and KPMG's expertise in software licencing. We offer a customised service which will evolve with your business.



### ITAM Tooling Support

An IT Asset Management tool (ITAM) is a powerful way to automate the management of technology assets and to drive efficiency but without careful configuration and continuing management it can be hard to ensure that your solution is complete and accurate. We provide highly experienced ITAM practitioners to assist you in developing and maintaining your tool to accelerate time to value



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