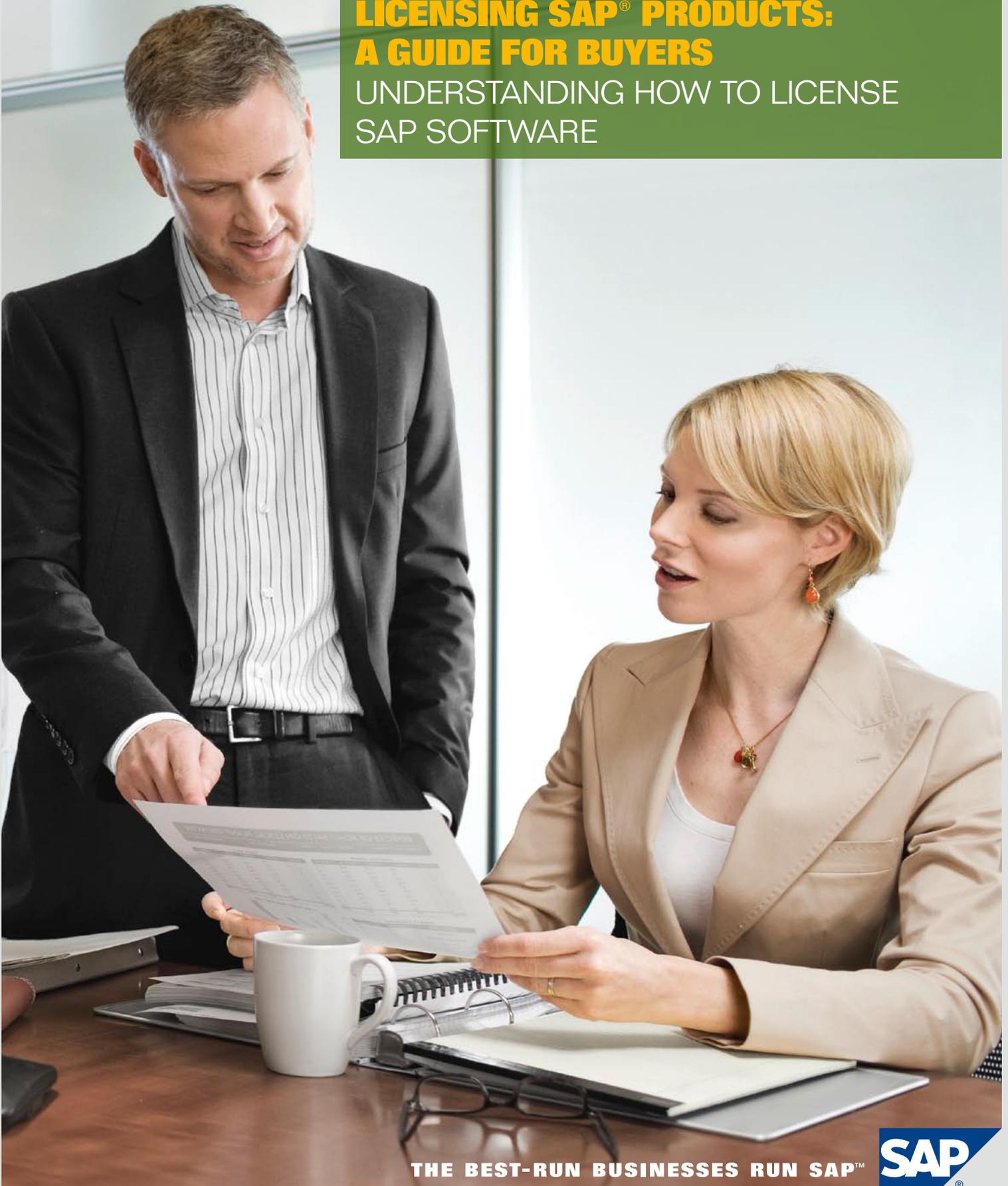


**LICENSING SAP® PRODUCTS:  
A GUIDE FOR BUYERS**

UNDERSTANDING HOW TO LICENSE  
SAP SOFTWARE



THE BEST-RUN BUSINESSES RUN SAP™





# CONTENT

<b>Preface</b>	<b>4</b>
<b>Part I SAP Licensing in a Nutshell</b>	<b>5</b>
<b>1 How to License SAP Software Products: An Overview</b>	<b>5</b>
1.1 Core Elements of the SAP Licensing Model	5
1.2 Modular Structure of SAP Software Licenses	6
1.3 Flexible Payment Through SAP Financing	7
1.4 Alternative Licensing Models	7
<b>2 Customer Examples: Basic Licensing Scenarios</b>	<b>8</b>
2.1 Scenario 1: Need for Reliable, Integrated IT Infrastructure	8
2.2 Scenario 2: Deploying SAP BusinessObjects Software as Stand-Alone Solutions	10
<b>Part II SAP Licensing – The Complete Picture</b>	<b>12</b>
<b>1 The SAP Solution Portfolio</b>	<b>12</b>
<b>2 Key Principles of Licensing and Pricing</b>	<b>14</b>
2.1 Software Licenses and Maintenance Services	14
2.2 Package Licenses and Named User Licenses	16
2.3 Licensing Principles for SAP Business Suite	20
2.4 Licensing Principles for SAP BusinessObjects Software	22
2.5 Licensing Principles for SAP NetWeaver	23
2.6 Licensing Principles for Databases	24
<b>3 Special Licensing Topics</b>	<b>24</b>
3.1 Interfaced Access to SAP Software	24
3.2 CPU-Based Metrics and Virtualization Scenarios	25
3.3 Existing Contract Types	26
3.4 Nonproductive Licenses	31
3.5 SAP Best Practices	31
3.6 Modifications and Add-Ons	31
<b>4 Customer Examples: Advanced Licensing Scenarios</b>	<b>32</b>
4.1 Scenario 3: Extension of Existing SAP Software Footprint	32
4.2 Scenario 4: Integration of Software with SAP NetWeaver	34
4.3 Scenario 5: SAP Functionality for CRM Stand-Alone Solution	38
<b>Glossary</b>	<b>39</b>

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# PREFACE

Thank you for your interest in the important topic of software licensing and pricing at SAP. This document is part of a broader initiative to enhance transparency into how SAP licenses its software. It provides you with a wealth of information designed to help you make more informed investment decisions in line with your specific business requirements.

In the main sections of this guide, you will find information on the standard licensing model for SAP® Business Suite applications, the SAP NetWeaver® technology platform, and the SAP BusinessObjects™ portfolio. Introduced in 2006, this model is an evolution of earlier SAP licensing approaches. The inclusion of SAP BusinessObjects solutions is a recent enhancement. SAP's current licensing model is valid for new and existing customers and, with certain exceptions, those holding contracts signed before 2006.

Businesses' software requirements vary considerably. To help you find the information that best meets your needs, this guide presents a wide variety of licensing scenarios.

It is divided into two main parts. Where you choose to begin reading will depend on how familiar you are with SAP's licensing principles.

If you are a relative newcomer to licensing SAP software, "Part I" is the place to start. In addition to a high-level overview of the licensing principles, it includes basic customer examples that illustrate them.

If you are already acquainted with SAP's licensing model, you can go directly to "Part II." This contains a more detailed view of the principles outlined in part one. It also presents topics of interest to customers who already hold an SAP contract. And it includes advanced licensing scenarios based on real-life customer requirements.

Also included is a glossary. This gives you easy access to brief definitions of key terms.

We hope you will find this guide useful. If you have any questions about licensing, pricing, or related topics, feel free to contact your SAP representative.

# PART I

## SAP LICENSING IN A NUTSHELL

### 1 How to License SAP Software Products: An Overview

Before licensing any software, it's important to understand your vendor's licensing and pricing model. Gaining this insight enables you to make better investment decisions and tailor software solutions to your business needs. SAP bases its licensing on clearly defined principles that benefit both SAP and you – the customer. This section provides you with a high-level introduction to SAP's licensing model, its key elements, and their advantages for you. The principles explained below apply to SAP® Business Suite software, most solutions in the SAP BusinessObjects™ portfolio, and the SAP NetWeaver® technology platform.

#### 1.1 Core Elements of the SAP Licensing Model

SAP's standard licensing model comprises two fundamental elements: **software licenses** and associated **maintenance and support services**. These are offered separately. Most SAP software licenses are perpetual licenses, which entitle you to use the relevant functionality for an unlimited period.

Once your SAP solution is in place, you want to make sure it runs smoothly and keeps pace with changing business and statutory requirements. To meet these needs, SAP offers maintenance and support services for most of its software. By signing a maintenance contract, you gain access to the SAP support infrastructure, important updates, and new releases of your licensed software.

Any investment in enterprise software has to deliver tangible business value. The SAP solution portfolio is designed to do just that. Comprising SAP Business Suite, with its tailored industry functionality, SAP BusinessObjects solutions, and the SAP NetWeaver technology platform, the SAP portfolio helps you automate, harmonize, and streamline business processes. What's more, it helps your employees perform their day-to-day tasks more efficiently. The structure of SAP software licenses is intended to maximize these inherent business benefits by providing **package licenses** and **named user licenses**. Both are required in order to license SAP software. With its firm focus on value, this licensing model allows you to make a persuasive business case for your software license – and helps maximize the return on your IT investments.

#### Package Licenses

Package licenses entitle you to use the precise set of software functionality (the content of the package) that you need to support your company's processes. The price of a package license is based on key business metrics that reflect your use of that functionality. SAP determined these metrics in close collaboration with customers in order to make sure they reflect a business's real-world requirements. Examples include the number of orders processed, number of contracts tracked, gross written premiums, or patients treated. As your business grows, you can scale the functionality as your requirements change.

# SAP LICENSING IN A NUTSHELL

## Named User Licenses

In addition to package licenses, you require a named user license for each user who will access the licensed functionality. A named user is an employee of your organization or one of its affiliates or a business partner who is authorized to access the licensed SAP software directly or indirectly.

One major benefit of the SAP named user licenses is that they can be valid for multiple package licenses. This means that even if your employees handle complex business processes involving a wide range of SAP functionality, you require only one named user license per employee. What's more, when you introduce new packages, existing named users usually have the right to access the associated functionality.

How your employees work with an SAP solution will vary depending on their tasks and roles within your organization. To reflect this, SAP offers different categories of named user licenses. They include "SAP Professional" for users fulfilling operational-related roles supported by the software and "SAP Employee," which includes employee self-services.

## 1.2 Modular Structure of SAP Software Licenses

Business never stands still. So you want to be sure your SAP solution can be scaled in line with your changing needs. The modular structure of SAP software licenses allows you to license and pay for only the functionality and users you require at any given time. This means that you don't have to take a "big-bang" approach, but can start with the package and named user licenses your organization needs today and add more functionality and users as your needs change.

For example, licensing additional functionality is straightforward. To begin, you can establish a solid basis for operations by licensing core functionality for financial management, human capital management, and procurement and logistics. As you extend your organization's IT infrastructure to cover more of your business processes, you can license additional packages to support those further areas of operation, for example, industry-specific processes.

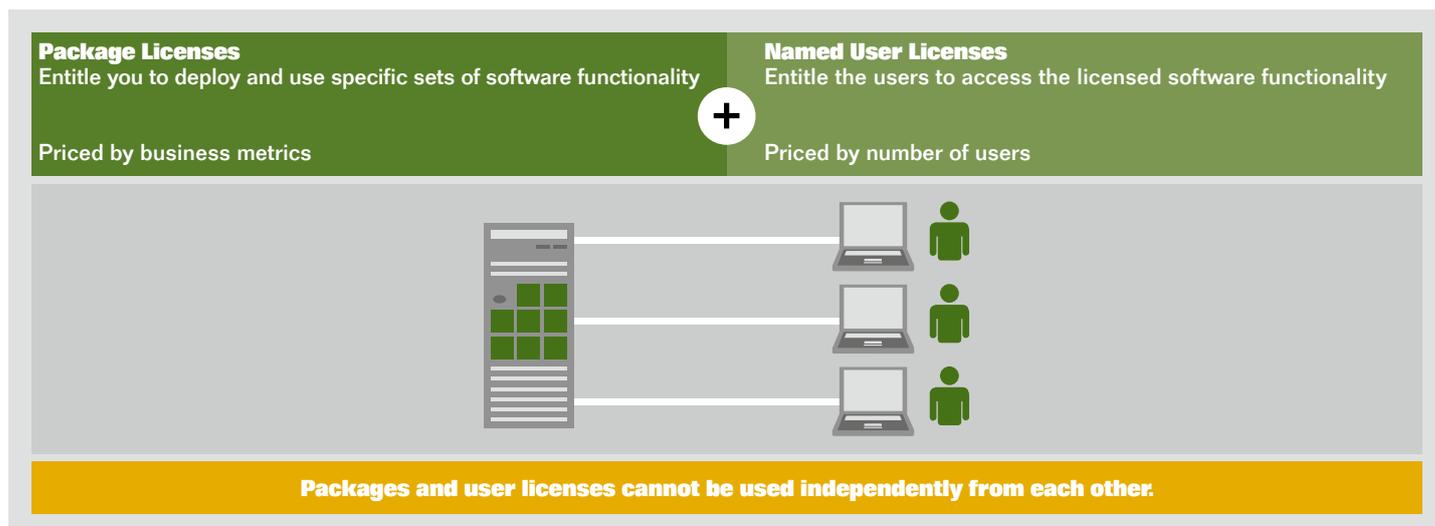


Figure 1: Package Licenses and Named User Licenses

Licensing additional users is every bit as straightforward. For example, you might initially deploy SAP software functionality for financial management, with named user licenses for relevant staff members in your finance department. As your business grows, additional employees may come to play a role in financial processes. Giving them access to the software is simply a matter of adding the required number of named user licenses.

### 1.3 Flexible Payment Through SAP Financing

You generally pay your software license fee when you license your SAP solution. If you prefer not to pay the fee up front, the SAP Financing service is available, which allows you to spread the cost of your one-time license fee over several years. Offered by SAP in cooperation with financing partners, the service is provided in many countries and is available for most products in the price list with the exception of certain third-party products.

### 1.4 Alternative Licensing Models

SAP offers alternative licensing models for certain products. These models include a software rental option and, for on-demand offerings, subscription-based licenses.

You can rent software licenses from SAP for a limited period of time. Available in selected countries, these software rental agreements include maintenance and support. Your monthly fee is calculated as a percentage of what the value of the perpetual license would be and depends on the minimum period for which you rent the software. This model differs from obtaining a perpetual license insofar as you do not possess the software license at the end of the rental period.

Subscription-based licenses give you access to licensed SAP software that is hosted at a remote location and which is offered as on-demand software. Installation, maintenance, and upgrades for your solution are handled by SAP or an SAP partner. SAP software delivered in this way includes the SAP Business ByDesign™ solution and the SAP Customer Relationship Management (SAP CRM) on-demand solution.

The on-demand delivery model is ideal if you lack the IT infrastructure required to run your SAP software in-house, or if you simply prefer to outsource your solution.

With an on-demand solution, you pay a recurring subscription-based licensing fee calculated on a per-user, per-month basis. This gives you remote access to the relevant SAP software for a specified period of time. The license also entitles you to support, maintenance, and managed services as set out in your agreement.

Having read this section, you should now have a sound grasp of the basic principles of the licensing model SAP offers. In the following section, you can see these principles in action in different customer scenarios. For details on SAP licensing and associated topics, you can proceed to “Part II: SAP Licensing – The Complete Picture.”

## The Licensing Model from SAP: Benefits for You

The following features of SAP's licensing model help ensure your SAP® software delivers maximum value for your business:

- **Combination of package and named user licenses**, enabling you to drive business value by purchasing precisely the functionality needed for your processes and making it available for just those employees requiring it
- **Named user licenses that are valid for all SAP functionality**, so you can continue to leverage existing named user licenses with new functionality
- **Modular structure** that allows you to license precisely what you need – and scale your SAP solutions to keep pace with your changing business requirements

# SAP LICENSING IN A NUTSHELL

## 2 Customer Examples: Basic Licensing Scenarios

Having read the preceding section, you will now have a clear understanding of SAP's software licensing model. So what do its principles look like in practice? This section gives you a high-level view of the most important things to consider when licensing SAP software. It presents practical examples outlining the different requirements of two companies:

- An international chemicals group looking to introduce SAP software to support its core business processes
- An Asia-based telecommunications company with non-SAP enterprise resource planning (ERP) applications that aims to enhance and standardize reporting by introducing SAP BusinessObjects solutions

The organizations used in the following scenarios are fictitious, but their needs are closely based on the experiences of real-life SAP customers.

### 2.1 Scenario 1:

#### Need for Reliable, Integrated IT Infrastructure

The customer is a Swiss-based group that produces specialty and intermediate chemicals. Over the past decade, the group has grown rapidly as a result of acquisitions and now has sites throughout Europe and around the globe.

In a fiercely contested international market, this chemical manufacturer has to constantly innovate, streamline business processes, and respond flexibly to changing business imperatives. To meet these requirements, a reliable, integrated IT infrastructure is essential.

#### The Challenge: Fragmented Business Processes and IT

In the wake of multiple acquisitions, the group is currently running a patchwork of legacy solutions. Core processes such as accounting, purchasing, and manufacturing are supported by heterogeneous applications at the various divisions and national subsidiaries. What's more, there is no central data repository. Critical facts and figures are stored locally in unstructured formats, hampering access to the accurate, up-to-date information required to make relevant business decisions in a timely manner.

To remedy this, senior management decides to introduce a central enterprise resource planning solution. In addition to supporting business growth and facilitating the integration of future acquisitions, the new software should help streamline and harmonize processes throughout the group – particularly in finance, sales order processing, and HR administration.

#### The Solution: SAP Software

After evaluating products from a number of vendors, the group's decision makers opt for SAP Business Suite software as it best meets their needs in terms business functionality, integration, and scalability.

Like many first-time SAP customers, the chemical group decides to focus initially on core tasks in finance, HR, and sales. As a first step toward introducing the new software, the customer's IT and business experts take a long hard look at their existing business processes. Next, they identify the functionality in SAP Business Suite necessary to support and enhance those processes.

#### Licenses for Functionality for Specific Business Processes

Now the decision makers have to license this functionality from SAP. SAP licenses its software on the basis of pack-

#### “Enterprise Foundation” and “Enterprise Extensions”

The “**Enterprise Foundation**” package delivers powerful functionality that supports processes in key areas including:

- Financial management
- Human capital management
- Procurement and logistics
- Sales and service

SAP also delivers a broad range of “**Enterprise Extension**” packages that enhance the functionality delivered in the “Enterprise Foundation” package and which are suitable for use in all industries.

age licenses and named user licenses. Most of the relevant SAP functionality is licensed through the “Enterprise Foundation” package. This is offered for a predetermined price that is not based on business metrics. Additional functionality for specialized tasks, such as payroll accounting, is provided through “Enterprise Extension” packages, with prices based on business metrics. In this scenario, the applicable metric is the number of payroll master records. The group needs to consider this figure before purchasing the corresponding package licenses. Purchasing named licenses is discussed next.

**Software Licenses in Line with Employee Roles**

In addition to package licenses, the group needs named user licenses. These are available in different categories that reflect specific user roles. Having selected the appropriate functionality, the customer next looks at the employees who will use that functionality.

All staff members who leverage the software for operational tasks require an “SAP Professional” named user license. This category supports a wide variety of roles, ranging from the head of finance – who needs to access all accounting data sheets, oversee her team’s activities, and supervises closings – to the people in HR administration who use the SAP software to maintain employee master data.

**Additional Considerations**

In addition to functionality and users, the chemical group has to take a number of other factors into account. These include the hardware, database, and software platform for the new SAP application. When it comes to hardware, the customer’s IT department can select the vendor that best meets its specific needs. In terms of databases, the necessary licenses – including those for third-party databases – can be licensed directly from SAP. The runtime foundation for SAP Business Suite applications is the SAP NetWeaver technology platform, which SAP provides at no additional charge.

Once the preceding steps have been completed, the account executive from SAP can calculate the license fees. This is the sum of the group’s package and named user licenses fees, plus database license fees, if applicable.

**Expert Support During Ongoing Operations**

While it is implementing its software, a change occurs in statutory regulations concerning payroll accounting, which the group has to take into account. Thanks to the maintenance and support contract it concluded with SAP, the group rapidly receives the necessary software modification via the SAP support infrastructure. In addition to giving customers access to software updates and enhancements, SAP maintenance and support services provide a 24x7 support framework and other vital resources for in-house IT teams. Under the terms of the agreement, the group pays an annual fee for these services calculated as a percentage of the total SAP license fee.

**Additional SAP Software Licenses to Master New Challenges**

In time, the chemical manufacturer will most likely want additional SAP software licenses – whether to master the challenges of continued growth or deploy further functionality. Because scalability is built into SAP’s licensing philosophy, the group can add new package and named user licenses as its business grows and its needs evolve.



**First Steps with SAP® software**

Industry: Chemicals  
 Location: Switzerland  
 Objectives: Streamline business processes/integrate heterogeneous system landscape  
 Solution: Enterprise resource planning software

**License Overview**

- ✓ **Enterprise Foundation package**  
*Predetermined price*  
*5 SAP Professional Users included*  
*SAP NetWeaver Foundation included*
- ✓ **SAP Payroll Processing package**  
*Metric: Number of master records*  
*For 65,000 master records*
- ✓ **SAP Application Professional User**  
*For 750 users*
- ✓ **Database license**
- ✓ **SAP Enterprise Support**

Figure 2: Scenario 1 License Overview

# SAP LICENSING IN A NUTSHELL

## 2.2 Scenario 2: Deploying SAP BusinessObjects Software as Stand-Alone Solutions

The customer is a leading Asian telecommunications service provider based in Singapore. Following the takeover of a U.S. rival, it recently expanded into the Americas. To stay ahead of the field, the telecommunications firm has to be able to respond rapidly to market changes. It also requires insight into productivity at its individual business units as well as into the progress of specific projects.

### Limited Visibility into Critical Data

The company currently leverages heterogeneous non-SAP enterprise applications at sites in Asia and the United States to support its core processes. However, this means that valuable business data is spread across multiple solutions. As a result, IT specialists have to log on to different applications and painstakingly gather data to generate vital reports for decision makers. Rapid access to accurate, up-to-date figures is further hampered by the use of local databases and spreadsheets.

To resolve these issues, the company decides to introduce a single reporting environment incorporating state-of-the-art business intelligence tools. The goal: to improve decision making and free up IT resources by giving business users 360-degree visibility into critical information throughout the organization.

### Powerful Support for Enterprise-Wide Reporting

After evaluating various applications, senior executives decide to implement SAP BusinessObjects business intelligence (BI) solutions. These include SAP BusinessObjects Web Intelligence® software for Web-based ad hoc reporting and analysis, and SAP BusinessObjects Xcelsius® Enterprise software for the creation of analytics and interactive dashboards. The company opts for SAP BusinessObjects BI solutions because they facilitate information access for decision makers and deliver powerful support for a wide range of reporting tasks.

### Licenses for SAP BusinessObjects BI Solutions

Like other SAP software products, SAP BusinessObjects solutions are licensed through a combination of package licenses and named user licenses. These solutions can be licensed as stand-alone software, independent of other SAP applications. The fact that the company does not yet run SAP software is no obstacle to the introduction of SAP BusinessObjects solutions.

To create an integrated, Web-based reporting solution, the telecommunications company licenses the SAP BusinessObjects BI package. This provides a comprehensive set of business intelligence tools, including SAP BusinessObjects Web Intelligence and SAP BusinessObjects Xcelsius Enterprise. Depending on the company's particular requirements and preferences, the SAP BusinessObjects BI package is priced according to either the number of CPUs the software will run on or on the number of individuals that will be using the licensed software.

### Special Named User Categories

The customer needs named user licenses not only for the employees who create reports and dashboards with the software, but also for people who view and analyze the data displayed through the dashboards. SAP offers special named user categories tailored to the needs of companies that deploy SAP BusinessObjects solutions with no interface to other SAP software products. The appropriate named user categories in this case are “SAP Application Business Analyst User” and “SAP Application Business Information Viewer User.”

To safeguard its new business intelligence solutions during ongoing operations, the company also signs a support and maintenance contract with SAP. These services provide invaluable advice and assistance in the event of technical issues and keep the SAP software in step with the latest updates and enhancements.



**Deploying SAP® BusinessObjects™ Software as Stand-Alone Solutions**

Industry: Telecommunications  
Location: Singapore  
Objectives: Ensure data consistency and reporting flexibility and availability  
Solution: SAP BusinessObjects business intelligence solutions

**License Overview**

- ✓ **SAP BusinessObjects BI package**  
*Metric: Number of CPUs/number of users*  
*For 8 CPUs*
- ✓ **SAP Application Business Analyst User**  
*For 20 users*
- ✓ **SAP Application Business Information Viewer User**  
*For 200 users*
- ✓ **SAP Enterprise Support**

Figure 3: Scenario 2 License Overview

# PART II

## SAP LICENSING – THE COMPLETE PICTURE

The general principles underpinning SAP's licensing model described in the next sections apply to contracts signed after April 2006. Different licensing principles may apply to older contracts. For further details, please refer to "Rules for Existing Contracts."

### 1 The SAP Solution Portfolio

SAP has long been a pioneer in the enterprise applications market, helping organizations of all sizes automate and enhance operations and improve their business performance. As a separate company, Business Objects was a leader in the business intelligence market, helping organizations make smarter decisions and shape better strategies. Combined, software from SAP and Business Objects can help you stay a crucial step ahead of the competition. The SAP portfolio of business software and enterprise applications, including the SAP BusinessObjects portfolio, has the potential to empower every aspect of your business. You can gain the foresight you need to identify new opportunities along with the agility to act on them immediately. The software can help you pinpoint inefficiencies in your business and turn them into competitive advantages.

The SAP portfolio, including the SAP BusinessObjects portfolio, provides the following solutions to help companies of all sizes improve their business and IT performance.

**SAP Business Suite** software is a set of modular applications that provides support for end-to-end business processes, including finance, human resources, and logistics. In addition, it delivers made-to-measure industry portfolios tailored to the needs of companies active in those industries. SAP Business Suite enables you to optimize and execute your business and IT strategies, while reducing IT costs.

Its core applications, and its industry-specific solutions, are powered by the SAP NetWeaver technology platform. This means SAP Business Suite increases your flexibility to address business change, and can be leveraged in combination with non-SAP software.

The **SAP NetWeaver** technology platform facilitates the implementation, integration, and management of business processes in heterogeneous environments comprising SAP and non-SAP applications. It helps you evolve your existing infrastructure into a more cost-effective platform to improve efficiency, insight, and flexibility. As a result, your IT organization can keep mission-critical business processes available, scalable, and reliable throughout their lifecycle.

The **SAP BusinessObjects** portfolio helps you address compliance and business risks, while closing the gap between strategy and execution. SAP BusinessObjects solutions focus on four key areas: business intelligence, enterprise performance management, information management, and governance, risk, and compliance. They help you turn insight into strategy, and strategy into operational decisions ready for execution.

**SAP solutions for small businesses and midsize companies** are designed to meet the unique and changing needs of growing organizations. With SAP solutions for small businesses and midsize companies, you can enjoy the same level of insight into business performance and operations as large corporations – helping you streamline processes and increase your market competitiveness.

These affordable, scalable solutions are often offered through the extensive **SAP partner network**. The SAP Business One application, developed by SAP specifically for small businesses, provides a single, cost-effective solution for managing your entire business. Delivered and supported locally by experienced SAP channel partners, the software helps you manage critical business functions across your sales, distribution, and financials operations.

SAP Business All-in-One solutions meet the needs of midsize companies aiming to enhance their operational excellence, business agility, and customer awareness. The solutions support best practices for companies active in a wide range of industries and are available from qualified partners around the world.

In addition, SAP offers on-demand software tailored to the needs of midsize companies – the SAP Business ByDesign solution.

You can leverage SAP software functionality through the comprehensive business process outsourcing (BPO) services offered by selected providers. SAP works hand in hand with participating partners to integrate in-house and outsourced processes and optimally leverage SAP software functionality. For further details, please visit [www.sap.com/services/bysubject/bpo/index.epx](http://www.sap.com/services/bysubject/bpo/index.epx).

This guide does not include details of how to license SAP solutions for small businesses and midsize companies or how to license SAP partner products. For information on the relevant licensing models and options offered by SAP partners, please visit [www.sap.com/sme](http://www.sap.com/sme) or contact your preferred partner.

You are now familiar with the SAP portfolio of business software and enterprise applications, including the SAP BusinessObjects portfolio. To learn how to license these products, please refer to the sections below. You can find information on the underlying licensing and pricing principles, plus examples of licensing scenarios.

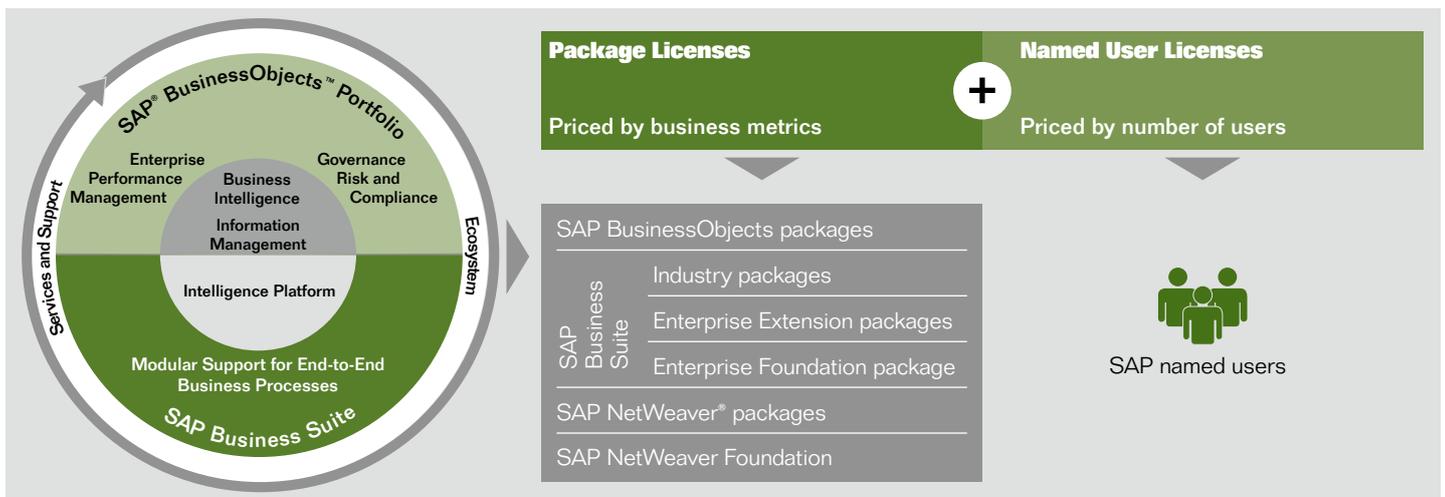


Figure 4: From the SAP Solution Portfolio to the SAP Licensing Portfolio

# SAP LICENSING – THE COMPLETE PICTURE

## 2 Key Principles of Licensing and Pricing

This section focuses on the licensing model for the product portfolios of SAP Business Suite, SAP BusinessObjects, and SAP NetWeaver. Licensing information for other SAP products are provided in separate sections.

### 2.1 Software Licenses and Maintenance Services

SAP's standard licensing model comprises two elements that are offered separately:

- **Software licenses**
- Associated **maintenance and support services**

SAP also offers alternative models such as subscription-based licensing. These are explained in the first part of this guide.

#### Software Licenses

The vast majority of SAP software licenses are perpetual licenses, which entitle you to use the licensed functionality for an unlimited period of time. You pay for the licenses when you license the software.

The software version or release you receive is the one current at the time of license. You can gain access to future releases of the licensed software by signing a maintenance contract with SAP. If you extend the use of your software beyond the limits of your license (for example, by creating additional named users or accessing functionality beyond the contractually agreed scope), you will be charged in accordance with the applicable list of prices and conditions.

#### Maintenance and Support

In addition to your software license, you want to benefit from new and improved functionality for your business. And you want to make sure that your solution delivers maximum business value during ongoing operations. No problem. SAP offers comprehensive maintenance and support services designed specifically to meet these requirements, which are available for most licensed SAP software. A maintenance contract entitles you to access the SAP support infrastructure and to receive software corrections and new releases of the software licensed.\*

Besides the SAP Standard Support option, SAP Enterprise Support services comprise the premier maintenance and support offering from SAP. This offering provides you with:

- Continuous improvement and innovation of your software through enhancement and support packages
- A global support infrastructure supplying streamlined support for implementation, deployment, and improvement of SAP software via the SAP Solution Manager application management solution
- Mission-critical support that includes a 24x7 advisory channel, quality checks, and software analysis
- Methodologies, blueprint tools, and education plus participation in various communities promoted by SAP

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\* Please note: New releases of SAP software may include functionality that requires additional software licenses.

## Maintenance Phases

Maintenance for SAP software begins when the relevant application is released. There are three distinct maintenance phases for most SAP software products: mainstream, extended, and customer-specific maintenance (see the table below). The current maintenance phase for a particular product depends on when the product was released, not on the underlying software license.

The maintenance phases outlined above apply to SAP Business Suite software and to the SAP NetWeaver technology platform. Different maintenance phases may apply for the SAP BusinessObjects portfolio.

For further information on the SAP maintenance and support services, please visit us at [www.sap.com/support](http://www.sap.com/support) or access the SAP Service Marketplace extranet at [www.service.sap.com/supportofferings](http://www.service.sap.com/supportofferings).

## Calculation of Annual Maintenance Fee

For maintenance and support contracts, the annual maintenance fee is calculated as a percentage of the software contract value, which is the total value of all package and named user licenses minus applicable discounts. The annual fee is due from the first month after delivery and is to be paid in advance. Payment terms may differ from country to country.

## Maintenance Phases for SAP Software

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Maintenance Phase	Description
Mainstream	The first maintenance phase for a release. Mainstream maintenance starts on the release-to-customer date. During this phase, the customer receives the full scope of support.
Extended	After the mainstream maintenance phase ends, SAP may offer extended maintenance for selected software releases. The scope of support provided via extended maintenance is usually similar to that of mainstream maintenance, with some restrictions. Extended maintenance is optional and requires a separate additional support contract.
Customer-specific	A release enters customer-specific maintenance when: <ul style="list-style-type: none"><li>■ The mainstream maintenance phase ends and no extended maintenance is offered</li><li>■ Mainstream maintenance ends and you do not sign a contract for extended maintenance</li><li>■ The extended maintenance phase ends</li><li>■ Your extended maintenance contract expires</li></ul>

The scope of support provided for customer-specific maintenance is usually similar to that of mainstream maintenance, with some restrictions.

# SAP LICENSING – THE COMPLETE PICTURE

## 2.2 Package Licenses and Named User Licenses

So how is the fee for your SAP software license calculated? It is the sum of all your **package licenses** obtained to use specific software functionality and **named user licenses** required for each employee working with the functionality.

### Package Licenses

Package licenses entitle you to deploy specific sets of software functionality – referred to as the package – and make them available for use by the named users you licensed. The price of a package license is based on key business metrics that reflect your use of the functionality. Examples include the number of orders processed, number of contracts tracked, gross written premiums, or patients treated. SAP determined these metrics in close collaboration with its

customers. You may use the software functionality only up to the limit for which the respective business metric is licensed. If a business metric exceeds this limit, you can extend the license for an additional fee.

### Named User Licenses

Every user that accesses the licensed functionality directly or indirectly requires the appropriate named user license. A named user is an employee of your organization or one of its affiliates or an employee of a business partner who is authorized by you to directly or indirectly access the licensed software. A named user license is assigned to one individual and is not transferable to other individuals. In general, named user licenses are not restricted to specific software functionality, but are valid for all licensed software functionality.

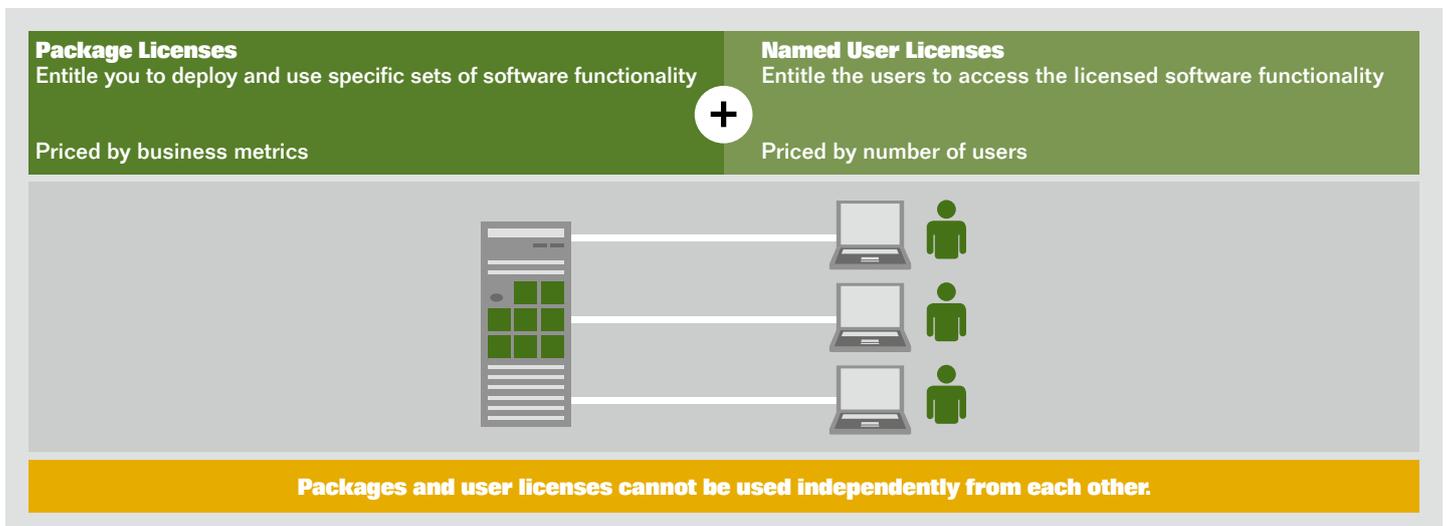


Figure 5: Package and Named User Licenses

### **Categories and Types of Named User Licenses**

SAP provides different categories and types of named user licenses. The category of named user license reflects an employee's role when accessing SAP software. In one role, a user may engage in self-service activities involving limited functionality. In another role, the user may be performing highly complex tasks that require access to the entire breadth of functional areas covered by your SAP software. Because categories are not tied to specific functionality, they can generally be used with all the packages licensed.

In terms of types of named user licenses, "SAP Application" is standard. It is required in all scenarios where your employees access SAP functionality directly through SAP interfaces. Other types of named user licenses, used in exceptional scenarios, are described later in this guide.

A note about naming conventions for named user licenses: A named user license is named according to the type and the category for which it has been created. For example, a named user license created for the type "SAP Application" and category "SAP Business Expert" is referred to as an "SAP Application Business Expert" named user license. The following table offers a full list of the available types and categories of named user licenses and the associated usage rights.

# SAP LICENSING – THE COMPLETE PICTURE

## Named User License Types and Categories

Type	Category	Usage Rights*
SAP Application	SAP Developer User	<ul style="list-style-type: none"> <li>■ Allows access to development tools for modifying the licensed software</li> <li>■ Includes the rights of “SAP Application Employee User” and “SAP NetWeaver Developer User”</li> <li>■ Access to SAP® Business Suite software, SAP NetWeaver® technology platform, and SAP BusinessObjects™ software</li> </ul>
	SAP Business Expert User	<ul style="list-style-type: none"> <li>■ Enables performance of all roles supported by the licenses software</li> <li>■ Includes the rights of “SAP Application Professional User”</li> <li>■ Access to SAP Business Suite, SAP NetWeaver, and SAP BusinessObjects software (excluding modifying rights)</li> </ul>
	SAP Professional User	<ul style="list-style-type: none"> <li>■ Enables performance of operational-related roles supported by the licensed software</li> <li>■ Includes the rights of “SAP Application Limited Professional User”</li> <li>■ Access to SAP Business Suite, SAP NetWeaver, and SAP BusinessObjects software (to the extent of the SAP Application Business Information User use rights)</li> </ul>
	SAP Limited Professional User	<ul style="list-style-type: none"> <li>■ Enables performance of limited operational-related roles (as defined in licensing agreement) supported by the licensed software</li> <li>■ Includes the rights of “SAP Application Business Information User” use rights</li> <li>■ Access to SAP Business Suite, SAP NetWeaver, and SAP BusinessObjects software (to the extent of the SAP Application Business Information User use rights)</li> </ul>
	SAP Business Information User	<ul style="list-style-type: none"> <li>■ Enables use of standard and interactive reports delivered and created using the software solely for customer’s own purposes</li> <li>■ Includes the rights of “SAP Application Employee User”</li> <li>■ Access to SAP Business Suite, SAP NetWeaver, and SAP BusinessObjects software</li> </ul>
	SAP Employee User	<ul style="list-style-type: none"> <li>■ Enables performance of the following roles solely for the customer’s own purposes:                             <ul style="list-style-type: none"> <li>- Standard and interactive reports</li> <li>- Talent management self-services</li> <li>- Travel planning self-services</li> <li>- Desktop procurement self-services</li> <li>- Room reservation self-services</li> </ul> </li> <li>■ Includes the rights of “SAP Application Employee Self-Service User”</li> <li>■ Access to SAP Business Suite, SAP NetWeaver</li> </ul>

\* Please note that the usage rights described in the table are summaries only. They do not represent the full user category definitions and are not used for contractual purposes. Please contact your SAP representative for detailed definitions of usage rights for named user license types and categories.

Type	Category	Usage Rights*
	SAP Employee Self-Service User	<ul style="list-style-type: none"> <li>■ Enables performance of the following roles solely for the customer's own purposes: <ul style="list-style-type: none"> <li>- Employee records maintenance</li> <li>- Employee time and attendance entry</li> <li>- Employee directory</li> <li>- Portal access</li> </ul> </li> <li>■ Access to SAP Business Suite, SAP NetWeaver</li> </ul>
SAP Application (stand-alone)	SAP Business Analyst User	<ul style="list-style-type: none"> <li>■ Enables performance of all roles supported by SAP BusinessObjects solutions that are licensed for stand-alone use</li> <li>■ Includes the rights of "SAP Application Business Information Viewer User"</li> <li>■ Access to SAP BusinessObjects software</li> </ul>
	SAP Business Information Viewer User	<ul style="list-style-type: none"> <li>■ Enables use of standard and interactive reports delivered and created using SAP BusinessObjects solutions licensed for stand-alone use</li> <li>■ Access to SAP BusinessObjects software</li> </ul>
SAP Platform	SAP Extended/Standard User	<ul style="list-style-type: none"> <li>■ Allows access to licensed SAP software exclusively through certified third-party applications</li> <li>■ Access to SAP Business Suite, SAP NetWeaver, and SAP BusinessObjects software</li> </ul>
SAP NetWeaver	SAP Developer User	<ul style="list-style-type: none"> <li>■ Allows access to development tools for developing and modifying the SAP NetWeaver technology platform and third-party and custom-developed applications</li> <li>■ Includes the rights of "SAP NetWeaver Administrator User"</li> <li>■ Access to SAP NetWeaver, third-party, and custom-developed applications</li> </ul>
	SAP Administrator User	<ul style="list-style-type: none"> <li>■ Allows access to development tools for the administration and management of SAP NetWeaver and third-party and custom-developed applications</li> <li>■ Access to SAP NetWeaver, third-party, and custom-developed applications</li> </ul>

Most users need an "SAP Application Professional" named user license, as it is required to access the functionality necessary for day-to-day business tasks. Other types and categories of named user licenses – for example, "SAP Application Employee" or "SAP Application Limited Professional" – are available for activities that involve only limited software functionality.

You have seen the general principles that underpin SAP's licensing model. This model applies to all contracts signed

after April 2006. Different licensing principles may apply to older contracts. For further details, please refer to "Rules for Existing Contracts."

The following subsections explain how these principles are applied in the specific cases of SAP Business Suite, the SAP BusinessObjects portfolio, and SAP NetWeaver. The graphic below shows the relationship between the SAP solution portfolio for large enterprises and the SAP licensing portfolio.

# SAP LICENSING – THE COMPLETE PICTURE

## 2.3 Licensing Principles for SAP Business Suite

The following packages are part of the SAP Business Suite software:

- “Enterprise Foundation”
- “Enterprise Extension”
- Industry packages
- Supplementary products from SAP

### “Enterprise Foundation” Package

In conjunction with the relevant named user licenses, the “Enterprise Foundation” package delivers access to powerful functionality that supports key processes in the areas of:

- Financial management
- Human capital management
- Procurement and logistics
- Asset management
- Product development and manufacturing
- Sales and service

Unlike other packages, the “Enterprise Foundation” package does not have an assigned business metric, but is provided at a predetermined price. In addition to access rights for the

corresponding functionality granted by the “Enterprise Foundation” license, the package includes five “SAP Application Professional” named user licenses. Additional named users can be licensed separately.

### “Enterprise Extension” Packages

SAP delivers a broad range of enterprise extensions that enhance the functionality delivered by the “Enterprise Foundation” package. When you license “Enterprise Extension” packages, you gain additional functions for the core areas already covered by the “Enterprise Foundation” package. The functions delivered by “Enterprise Extension” packages are suitable for all industries. Prices for “Enterprise Extension” packages are based on business metrics.

### Industry Packages

SAP offers a wide range of portfolios, each tailored to the specific needs of a different industry. These portfolios cover consumer products, life sciences, manufacturing, retail, financial, public services, and telecommunications. Each industry portfolio is made up of multiple industry packages. If required, you can obtain licenses for multiple industries. As with “Enterprise Extension” packages, prices for industry packages are based on business metrics.

Industry packages help companies active in any industry improve customer relationships, enhance partner collaboration, and maximize efficiencies across their business operations.

**Supplementary Products**

To complement the SAP Business Suite offering, specific functionality is provided through supplementary packages. In addition to packages developed by SAP (for example, SAP Resource and Portfolio Management, listed in the SAP price list), you can license a wide range of supplementary products developed by third parties through SAP. Third-party products licensed from SAP are generally treated as SAP applications, although special licensing terms and conditions may apply.

For examples of packages and associated named user licenses for SAP Business Suite, see Figure 6.

**SAP® Business Suite at a Glance**

SAP® Business Suite software:

- Is a set of modular applications that provides comprehensive support for the business processes run by large enterprises, including finance, human resources, and logistics
- Comprises core and industry applications
- Is powered by the SAP NetWeaver® technology platform, enabling you to leverage SAP Business Suite applications in conjunction with non-SAP software

Package Licenses		+	Named User Licenses
Packages	Business metrics		
Enterprise Foundation	Predetermined price Includes 5 Professional users		<b>SAP Application Users</b> Developer Professional Limited Professional Employee Employee Self-Service
<b>Enterprise Extension packages</b>			
SAP® Purchase Order Processing	Number of orders per year		
SAP Payroll Processing	Number of master records		
SAP E-Recruiting	Number of positions		
<b>Industry packages</b>			
SAP Extended Sourcing <i>for Industry</i>	Spend volume		
SAP Sales <i>for Industry</i>	Sales opportunity volume		
SAP Demand and Supply Planning <i>for Industry</i>	Number of locations		

Figure 6: Examples from the SAP Business Suite Licensing Portfolio

# SAP LICENSING – THE COMPLETE PICTURE

## 2.4 Licensing Principles for SAP BusinessObjects Software

The functionality of the SAP BusinessObjects portfolio is licensed through various packages. To access the relevant functionality, you generally need named user licenses. However, there are currently exceptions to this rule. The named user licenses required depend on how you deploy your SAP BusinessObjects solutions.

If you use SAP BusinessObjects solutions in conjunction with SAP Business Suite and SAP NetWeaver, the named user licenses are the same as for SAP Business Suite (for example, “SAP Application Business Expert” and “SAP Application Business Information” named users). SAP also offers two named user licenses for scenarios where SAP BusinessObjects solutions are deployed without an interface to SAP Business Suite or SAP NetWeaver:

- “SAP Application Business Analyst”
- “SAP Application Business Information Viewer”

These categories are derived from the “SAP Application Business Expert” and “SAP Application Business Information” named users respectively. They give you access solely to SAP BusinessObjects software.

When SAP NetWeaver is used as the deployment platform for products from the SAP BusinessObjects portfolio, an application-specific runtime license for SAP NetWeaver called “SAP NetWeaver Foundation” is included in the package licenses.

Before its acquisition by SAP, the Business Objects company had its own licensing model. For the convenience of SAP

customers, certain licenses that were sold and valid with Business Objects software remain available. This means that, for certain products, you can obtain licenses that cover both software functionality and user access rights. In these cases, you do not require separate named user licenses. However, if users of these products also access other SAP products – SAP Business Suite or SAP NetWeaver, for example – they will require the appropriate named user licenses.

For examples of packages and associated named user licenses for SAP BusinessObjects, see Figure 7.

For a comprehensive list of all SAP Business Suite, SAP BusinessObjects, and SAP NetWeaver packages, including descriptions of key functionality, please download the corresponding price list item catalogs at [www.sap.com/solutions/licensingmodel/index.epx](http://www.sap.com/solutions/licensingmodel/index.epx).

### SAP® BusinessObjects™ Portfolio at a Glance

The SAP® BusinessObjects™ portfolio of solutions:

- Helps you address compliance and business risks, while closing the gap between strategy and execution
- Focuses on four key areas: business intelligence, enterprise performance management, information management, and governance, risk, and compliance
- Complements the embedded analytical functionality of SAP Business Suite and can be used independently of SAP Business Suite software

Package Licenses		+	Named User Licenses	
Packages	Business metrics		<b>SAP Application Users</b>	
SAP® BusinessObjects™ BI	Number of CPUs		Business Expert	Access all licensed software
SAP BusinessObjects Operational Information Management	Number of CPUs		Business Information	
SAP BusinessObjects Financial Consolidation	Number of employees		Business Analyst	Access SAP BusinessObjects software
			Business Information Viewer	Software deployed stand-alone

Figure 7: Examples from the SAP BusinessObjects Licensing Portfolio

## 2.5 Licensing Principles for SAP NetWeaver

Most packages you license for SAP Business Suite include an application-specific runtime license for SAP NetWeaver, “SAP NetWeaver Foundation,” which entitles you to use a subset of SAP NetWeaver functionality with the licensed SAP software as well as with your modifications to that software. To make use of the “SAP NetWeaver Foundation” license, you require the appropriate named user licenses.

### SAP NetWeaver Packages

SAP NetWeaver functionality – including functions for composition, data management, and data information – can be licensed separately through SAP NetWeaver packages. The package price is based on business metrics. To gain entitlement to use additional SAP NetWeaver functionality in this way, the “SAP NetWeaver Foundation” license or the “SAP NetWeaver Foundation for Third-Party Applications” license is required.

### SAP NetWeaver, Third-Party, and Custom-Developed Software

If you would like to use SAP NetWeaver with a custom-developed or third-party application that is neither your own modification nor a third-party application licensed through SAP, you need the “SAP NetWeaver Foundation for Third-Party Applications” license. This covers the same functional scope as the application-specific “SAP NetWeaver Foundation” license, but can be used with any non-SAP software. It also includes a license for SAP MaxDB™ database.

If you use SAP NetWeaver in conjunction with “SAP NetWeaver Foundation for Third-Party Applications,” you require only two named user licenses for development and administration purposes, specifically:

- “SAP NetWeaver Developer User”
- “SAP NetWeaver Administration User”

However, standard “SAP Application” named user licenses are required to access SAP Business Suite and SAP BusinessObjects applications as well as to access data stored within these applications. For examples of packages and associated named user licenses for SAP NetWeaver, see Figure 8.

### SAP NetWeaver® at a Glance

The SAP NetWeaver® technology platform:

- Facilitates implementation, integration, and management of business processes in environments comprising SAP® and non-SAP applications
- Enables you to evolve your existing infrastructure into a more cost-effective platform that improves efficiency, insight, and flexibility
- Helps your IT organization keep mission-critical business processes available, scalable, and reliable throughout their lifecycle

Package Licenses		+ Named User Licenses	
Packages	Business metrics		
SAP NetWeaver® Foundation	Included in most packages	<b>SAP Application Users</b>	
SAP NetWeaver Foundation for Third Party Applications	Number of users or CPUs	Developer Professional	
<b>SAP NetWeaver packages</b>		<b>SAP NetWeaver Users</b>	
SAP NetWeaver Business Process Management	Number of CPUs	Developer Administrator	
SAP NetWeaver Records Management	Number of records		

Figure 8: Examples from the SAP NetWeaver Licensing Portfolio

# SAP LICENSING – THE COMPLETE PICTURE

## 2.6 Licensing Principles for Databases

SAP offers its own database, SAP MaxDB, which can be licensed for use with SAP software packages. The price for the database is calculated as a percentage of the SAP Application Value (SAV). This is defined as the sum of all package licenses and named user licenses, excluding certain items indicated in the SAP price list.

You can also license third-party databases through SAP, provided you use them exclusively with the licensed SAP software. The database price is then calculated according to the principles outlined above.

Databases for some SAP BusinessObjects solutions are subject to a separate different licensing model. Most SAP BusinessObjects governance, risk, and compliance (GRC) solutions and SAP BusinessObjects enterprise performance management (EPM) solutions require a database. The necessary licenses can be obtained purchased through SAP as described above.

By contrast, SAP BusinessObjects information management (IM) solutions and SAP BusinessObjects business intelligence (BI) solutions can run without a database. If an internal data repository is required, the package licenses include a runtime version of MySQL. However, SAP BusinessObjects IM solutions and SAP BusinessObjects BI solutions are normally used with external data sources. Databases for such external data sources need to be licensed directly from the database vendors. Where the external data source is an SAP application, the database can be licensed through SAP as described above.

## 3 Special Licensing Topics

This section gives you insight into a number of areas beyond SAP's standard licensing principles. You can find out about interfaced access to SAP software functionality, CPU-based metrics and virtual scenarios, and modifications and add-ons.

### 3.1 Interfaced Access to SAP Software

License requirements are based on the utilization of software functionality, independent of the technical interface that is used to access functions and data (for example, a user interface that is based on a non-SAP Web portal or a desktop client). There are some important points to remember when deploying non-SAP software that interfaces with SAP software:

- **Named user licenses** are required for all users of non-SAP software who indirectly access SAP software.
- The relevant **package licenses** are necessary for all SAP functionality accessed via non-SAP software.

The relevant package licenses generally remain the same regardless of the interface. They depend on the functionality that you are accessing and are priced as explained above in "Package Licenses and Named User Licenses."

Some forms of interfaced access to SAP software require the "SAP Net Weaver Foundation for Third-Party Applications" license. You normally need this if you use SAP NetWeaver with a custom-developed or third-party application. (This does not apply to your own modifications and third-party applications licensed from SAP.)

The named user licenses required for employees working with your SAP software depend on the interface used to access the software functionality and data. The scenarios listed below are also outlined in Figure 9:

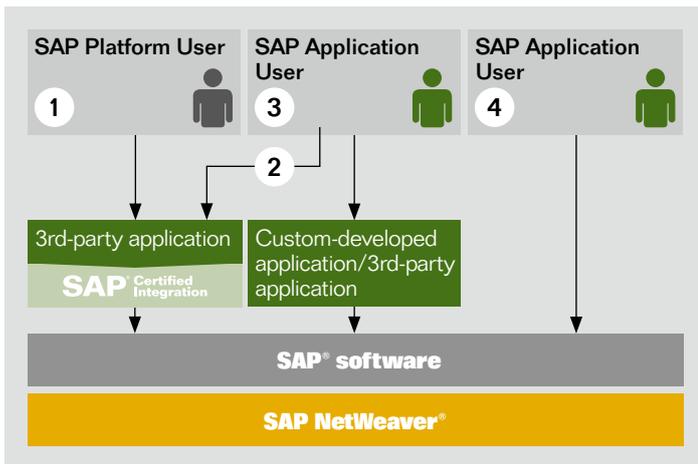


Figure 9: Technical Interface Access to SAP Software

- 1 If your users access SAP software solely through an SAP-certified third-party application, “SAP Platform” named user licenses are necessary. As these licenses include a user and an application-specific runtime license for SAP NetWeaver, you do not require the “SAP NetWeaver Foundation for Third-Party Applications” license for these users in such scenarios.
- 2 Employees who already hold “SAP Application” named user licenses are entitled to access SAP software indirectly through a non-SAP application at no additional charge. In scenarios of this kind, you require the “SAP NetWeaver Foundation for Third-Party Applications” license to deploy the non-SAP application with SAP NetWeaver.
- 3 If your SAP software is accessed through a third-party or custom-developed application that does not bear SAP certification, your employees require “SAP Application” named user licenses. In addition, you require the “SAP NetWeaver Foundation for Third-Party Applications” license. This allows you to develop and deploy through SAP NetWeaver custom-developed and third-party software that has not been certified by SAP.
- 4 Employees who access your SAP software functionality through an SAP interface require “SAP Application” named user licenses in the categories relevant to their roles. You do not need the “SAP NetWeaver Foundation for Third-Party Applications” license, since this scenario does not involve third-party or custom-developed software.

### Certified Solutions and Platform User Categories

SAP-certified third-party applications are non-SAP applications that have been certified and classified as “SAP Platform user licensing compliant” by an SAP Integration and Certification Center (SAP ICC) location. SAP offers two categories of “SAP Platform User” for solutions of this kind: “SAP Platform Standard User” and “SAP Platform Extended User.” SAP ICC determines the relevant category for each specific certified solution.

For a list of all SAP-certified third-party applications, please visit [https://ecohub.sdn.sap.com/irh/ecohub/pul\\_compliant](https://ecohub.sdn.sap.com/irh/ecohub/pul_compliant).

All “SAP Platform” named user licenses include a user-specific and an application-specific runtime license for SAP NetWeaver that entitles those named users to deploy the relevant SAP application and certified third-party application. You do not require an “SAP NetWeaver Foundation for Third-Party Applications” license to integrate non-SAP applications in this case.

If you license supplementary third-party products from SAP, they are considered SAP applications. For this reason, users require “SAP Application” named user licenses to access them.

### 3.2 CPU-Based Metrics and Virtualization Scenarios

Generally, prices for SAP package licenses are based on business metrics, which could be the number of orders processed, number of contracts tracked, or patients treated. In certain cases, technology metrics, such as the number of CPUs in a server environment, are used for license pricing. SAP has straightforward hardware-independent rules for applying CPU-based metrics, which includes multicore CPUs.

In a virtualized environment, only virtual (not physical) CPUs that run all or parts of the licensed software are usually relevant. However, if the number of virtual CPUs running the licensed software is allocated dynamically, then all the physical CPUs are taken into consideration.

# SAP LICENSING – THE COMPLETE PICTURE

## 3.3 Existing Contract Types

The following table provides a simplified overview of the SAP licensing contracts offered over the years. The licensing model for SAP Business Suite software and the SAP NetWeaver technology platform was introduced in 2006 as an extension of the licensing model for mySAP™ applications and has the same underlying licensing principles.

How customers with SAP contracts signed before April 2006 can license SAP products in the current SAP price list are explained in the sections that follow. They include information for customers who signed contracts with the Business Objects company prior to 2008, before it became an SAP company.

### Description of Existing Contract Types

Time Period Type of Contract	Type of User Functionality Delivered	Additional Software Functionality
<b>2006–today</b> SAP Application	<b>SAP Application User</b> No software functionality	<ul style="list-style-type: none"> <li>▪ ERP package (“Enterprise Foundation” package)</li> <li>▪ ERP product options (“Enterprise Extension” package)</li> <li>▪ Industry packages</li> <li>▪ Supplementary products</li> <li>▪ SAP NetWeaver® technology platform</li> <li>▪ SAP® BusinessObjects™ packages (introduced 2008)</li> </ul>
<b>2001–2005</b> <ul style="list-style-type: none"> <li>▪ mySAP individual solutions</li> <li>▪ mySAP solution suite, renamed mySAP™ Business Suite in 2003</li> </ul>	<p><b>mySAP Individual Solutions User</b> Core functionality of licensed solution</p> <p><b>mySAP Solution Suite/ mySAP Business Suite User</b> Core functionality of all individual solutions</p>	<ul style="list-style-type: none"> <li>▪ Optional software engines</li> <li>▪ Industry-specific software engines</li> <li>▪ Pan-industry software engines</li> <li>▪ Supplementary products</li> <li>▪ SAP xApps™ (introduced 2003)</li> <li>▪ SAP NetWeaver (introduced 2004)</li> </ul>
<b>2000</b> mySAP.com	<b>mySAP.com User</b> (categories I to IV) Core software functionality	Optional software engines
<b>Before 1999</b> SAP R/3®	<b>SAP R/3 User</b> General function blocks	<ul style="list-style-type: none"> <li>▪ Special function blocks</li> <li>▪ Supplementary products</li> </ul>

### “SAP Application” Contracts

The “SAP Application” contract is the current licensing contract offered by SAP. It applies to SAP Business Suite software, SAP NetWeaver technology platform, and SAP BusinessObjects software. The underlying licensing model

combines the entitlement granted by the “SAP Application” named user license and the package licenses. The following table lists the conditions that apply and the options available for extending licenses for “SAP Application” contracts.

### Extending Licenses for “SAP Application” Contracts

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License	Conditions and Options for Extending “SAP Application” Contracts
Named Users	<ul style="list-style-type: none"><li>■ You can license additional “SAP Application,” “SAP Platform,” and “SAP NetWeaver” named user licenses.</li><li>■ You can upgrade categories of named user licenses.</li><li>■ You cannot license retired user types, for example, “SAP Business Suite” or “SAP ERP.”</li></ul>
Packages	<ul style="list-style-type: none"><li>■ You can license all packages featured in the current SAP price list.</li><li>■ You can increase the extent to which you use a package you have already licensed.</li><li>■ Prerequisite: All employees must hold an appropriate named user license. Special users are required for packages within the SAP® BusinessObjects™ portfolio of solutions.</li></ul>

# SAP LICENSING – THE COMPLETE PICTURE

## “mySAP Solution Suite” and “mySAP Business Suite” Contracts

“mySAP Solution Suite” and “mySAP Business Suite” contracts were signed between 2001 and 2005. In 2003, mySAP solution suite was renamed mySAP Business Suite. In the following description, mySAP Business Suite refers to both. The major difference from the current licensing model is that the “mySAP Business Suite” user type included core software functionality. If customers required additional functionality that was not included for that user type, they licensed software engines (see “Description of Existing Contract Types” above).

Customers with “mySAP Business Suite” contracts are entitled to license virtually all packages in today’s SAP price list. If you have such a contract, there is no need for you to convert to an “SAP Application” contract. The following table lists the conditions that apply and the options available for extending licenses for “mySAP Business Suite” contracts.

## Extending Licenses with “mySAP Business Suite” Contracts

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License	Conditions and Options for Extending License
Named Users	<ul style="list-style-type: none"><li>■ You can license additional “SAP Business Suite,” “SAP Platform,” and “SAP NetWeaver” named user licenses.</li><li>■ You can upgrade categories of named user licenses.</li><li>■ You cannot license “SAP Application” named user types (a mix of the user types “SAP Application” and “SAP Business Suite” is not permitted within a single contract).</li></ul>
Packages	<ul style="list-style-type: none"><li>■ You can license most of the packages in the current price list.</li><li>■ There is no need to license the “Enterprise Foundation” package because this functionality is already included in “mySAP Business Suite” user licenses.</li><li>■ There is, in general, no need to license specific industry packages because this functionality is mostly included in “mySAP Business Suite” user licenses.</li><li>■ Prerequisite: All employees must hold an appropriate named user license. Special users are required for packages within the SAP® BusinessObjects™ portfolio of solutions.</li></ul>

### “mySAP Individual Solutions” Contracts

Contracts of the type “mySAP Individual Solutions” were available from 2001 to 2005. mySAP individual solutions were bundles of SAP software functionality that were made available separately to the customers. Over time the definitions of the individual solutions changed due to regrouping of functionality. In 2003 software functionality was provided in the individual solutions: mySAP ERP, mySAP CRM, mySAP Supply Chain Management (mySAP SCM), mySAP Supplier Relationship Management (mySAP SRM), and mySAP Product Lifecycle Management (mySAP PLM). If you hold a contract that includes solutions other than these, please contact your sales representative for more details.

At that time, the SAP licensing model differed in important respects from the current model. In particular, named user licenses for the mySAP products also gave customers the right to run the corresponding solutions. In other words,

the named user licenses covered both the users and the relevant software functionality. If customers required additional functionality that was not included in the individual mySAP solutions, they licensed this separately.

By contrast, SAP’s current licensing model makes a clear distinction between package licenses, which covers functionality, and named user licenses, which applies to employee access to functionality. As a result, named user licenses are now valid for all software functionality and not restricted to specific functionality as in the past.

Despite the significant differences between the two models, customers with mySAP individual solutions contracts are entitled to license virtually all packages in today’s SAP price list. The following table lists the conditions and options for extending licenses for contracts for individual mySAP solutions.

### Extending Licenses with “mySAP Individual Solutions” Contracts

License	Conditions and Options for Extending License
Named Users	<ul style="list-style-type: none"> <li>■ You can license additional named user licenses: “mySAP Individual Solutions,” “SAP Platform,” and “SAP NetWeaver.”</li> <li>■ You can upgrade categories of named user licenses.</li> <li>■ You cannot upgrade to a “mySAP Business Suite” named user type.</li> <li>■ You cannot license “SAP Application” named user types (a mix of “SAP Application” and “mySAP Individual Solutions” user types is not permitted within a single contract).</li> </ul>
Packages	<ul style="list-style-type: none"> <li>■ You can license most of the packages in the current price list.</li> <li>■ There is no need to license the “Enterprise Foundation” package because this functionality is included in “mySAP ERP” user licenses.</li> <li>■ Industry packages: <ul style="list-style-type: none"> <li>– Industry packages that extend the functionality accessed by “mySAP Individual Solutions” user types can be licensed.</li> <li>– All users that access the industry packages must have an individual solutions named user (of appropriate type; SAP ERP is appropriate for all industry packages).</li> <li>– If an industry package today requires the “Enterprise Foundation” package as a prerequisite, the named user license must always be “SAP ERP User.”</li> </ul> </li> <li>■ Prerequisite: All employees must hold an appropriate named user license. Special users are required for packages within the SAP® BusinessObjects™ portfolio of solutions.</li> </ul>

# SAP LICENSING – THE COMPLETE PICTURE

## mySAP.com Contracts

mySAP.com contracts were signed in 2000. The major difference from the current SAP licensing model is that the “mySAP.com” user type included most of the software functionality available at that time. Relatively little additional functionality was licensed in addition to these named user licenses.

SAP sales experts can provide advice on how to extend your “mySAP.com” contract and help you align mySAP.com functionality with existing SAP products. Customers with “mySAP.com” contracts also have the option of converting their contracts to “SAP Application” contracts when it is considered more suitable.

## Contracts for SAP R/3® Software

Contracts for SAP R/3® software were signed before 1999. SAP R/3 software functionality and the SAP R/3 licensing model differ in important respects from the current SAP products and licensing model. For this reason, customers with contracts for SAP R/3 functionality are permitted to access only functionality available in SAP R/3 software and may only license additional functionality featured in the SAP R/3 price list.

Customers with SAP R/3 contracts can sign an additional “SAP Application” contract, enabling them to license packages and named users on the basis of the current price list. This is also possible for customers with SAP R/3 contracts who wish to license functionality from the SAP BusinessObjects portfolio. Please note that users working

with both SAP R/3 and more recent SAP software require two named user licenses: “SAP R/3” and “SAP Application.”

Customers can also choose to convert their “SAP R/3” contract into an “SAP Application” contract. Customers receive a 45% conversion credit if the contractual value of the new “SAP Application” contract equals or exceeds their entire license fee for the SAP R/3 license. To make use of this option, customers must have a valid SAP maintenance agreement with SAP and be current on all payments due SAP. “SAP R/3” contracts may only be converted into “SAP Application” contracts in their entirety, not in part.

## Contracts Signed with Business Objects Before 2008

Business Objects was an independent company before it was acquired by SAP in 2008 and employed a completely different licensing model. Customers who signed contracts with Business Objects prior to 2008 have the following options available to them:

- Customers may retain and extend their Business Objects contract. The original terms, conditions, and maintenance agreements apply.
- Customers may sign an additional “SAP Application” contract to license new functionality from the SAP price list. SAP terms, conditions, and maintenance agreements apply.
- Customers may convert their Business Objects contract into an “SAP Application” contract, giving them the advantage of having just one contract to manage. SAP terms, conditions, and maintenance agreements then apply.

If you have any questions or would like more information on the rules and options for existing contracts, please contact your sales representative.

### 3.4 Nonproductive Licenses

All package licenses include unlimited rights to use the relevant nonproductive software (software not deployed in the production environment) for tasks such as development, testing, training, or creating backups. However, users who access the system for such purposes (for example, developers, system administrators, and trainees) require the relevant named user license. There may be exceptions to these rules depending on the terms and conditions of your particular licensing agreement.

### 3.5 SAP Best Practices

SAP software may be delivered with detailed customizing settings and master data preconfigured to meet the requirements of a specific industry or country (included in SAP Best Practices packages). SAP Best Practices is covered by the relevant package license. SAP maintenance and support contracts do not include provision of new versions of SAP Best Practices.

### 3.6 Modifications and Add-Ons

To extend the functionality of your SAP software, you may wish to create modifications or add-ons. You are allowed to develop modifications and add-ons for most SAP software, with any exceptions to this rule clearly set out in your licensing agreement. To make these modifications, you require the appropriate number of "SAP Developer" named user licenses.

The "SAP NetWeaver Foundation" license provided with the package you deploy permits you to operate modifications to your software, but not add-ons. If you wish to use anything beyond a modification (for example, add-ons), you require an additional license for "SAP NetWeaver Foundation for Third-Party Applications" (see "Licensing Principles for SAP NetWeaver" above).

## 4 Customer Examples: Advanced Licensing Scenarios

“Part I: SAP Licensing in a Nutshell” includes two examples illustrating the licensing requirements of customers who are introducing SAP and SAP BusinessObjects software for the first time. This section focuses on more advanced licensing scenarios. Here you will learn how businesses already running SAP software can extend their existing footprint. You will see how companies license the SAP NetWeaver technology platform to integrate SAP and third-party solutions. And you will find out how to run SAP CRM software as a stand-alone application.

### 4.1 Scenario 3:

#### Extension of Existing SAP Software Footprint

The SAP customer is a Canadian supermarket chain that operates more than 150 brick-and-mortar outlets throughout Quebec and Ontario plus franchises, home shopping operations, and manufacturing facilities. One of the company’s key aims is to penetrate the eastern territories of the country and become a market leader in the region. The retailer is also committed to enhancing its product offering and continuously improving customer service.

The company’s operations are extremely complex. Its sizable store network, extensive product assortment, and vast volumes of annual transaction data all pose major challenges, particularly for the IT environment.

### Initial Investment in SAP Software

In 2005 the supermarket chain introduced software from SAP to synchronize business processes and harmonize master data management throughout the enterprise. The SAP functionality has greatly increased the efficiency of core processes such as finance and HR. For example, by centralizing recruiting, the company was able to address larger audiences and hire more highly qualified staff. It also improved its supply chain and enhanced purchasing and sales processes across the organization by licensing SAP merchandising functionality from the industry portfolio for retailers available at that time.

The company is now planning a new business-driven IT investment. The aim: to increase efficiency and achieve further cost savings. In particular, the retailer is looking to introduce a software solution that will optimize communications between in-store equipment and the central SAP software and improve electronic funds-transfer activities such as credit, debit, and check processing.

### The Next Step: SAP for Retail Solutions

As the SAP software introduced in 2005 has already delivered tangible benefits for the company’s core business processes, the CIO decides to take a closer look at the industry-specific functionality of the SAP for Retail solution portfolio. This offering delivers powerful support for a broad range of specialized activities, including the ability to connect stores with central solutions.

### Licenses for Additional Industry-Specific Functionality

After comparing the company's particular requirements with the software functionality of the SAP for Retail solution portfolio, the CIO determines that the SAP Point-of-Sale (SAP POS) for Retail package, available from the SAP price list, is the best business fit. From a licensing point of view, the company can supplement its existing SAP software simply by purchasing the relevant industry-specific package license. The license price for SAP POS for Retail is based on the business metric "device" – in other words, the number of point-of-sale devices supported, such as cash registers.

Since 2005 when the supermarket chain licensed its SAP software, SAP enhanced its licensing by increasing modularity, incorporating more packages of business-driven functionality, and improving the named user model (see "3.3. Existing Contract Types"). The fact that the customer holds an older licensing agreement is no obstacle to its plans to extend its SAP software footprint. On the contrary, the retailer's existing contract allows it to license any product in the current SAP price list. As a result, the company can complement its existing SAP software with the desired industry-specific packages.

### New and Upgraded Named User Licenses

The named user licenses acquired with the 2005 contract ("mySAP Business Suite Users") are valid for packages in the current price list. As a result, the company does not have to obtain new licenses for existing named users. If required, the company can enable those employees to perform more extensive tasks with new industry-specific functionality by upgrading their existing named user licenses to a higher category.

To make sure it continues to receive SAP support for its new software functionality, the company must integrate the new package and named user licenses into its existing support and maintenance agreement for a corresponding fee. For more detailed information relating to customers with existing SAP contracts, please refer to "Existing Contract Types and User Types" above.

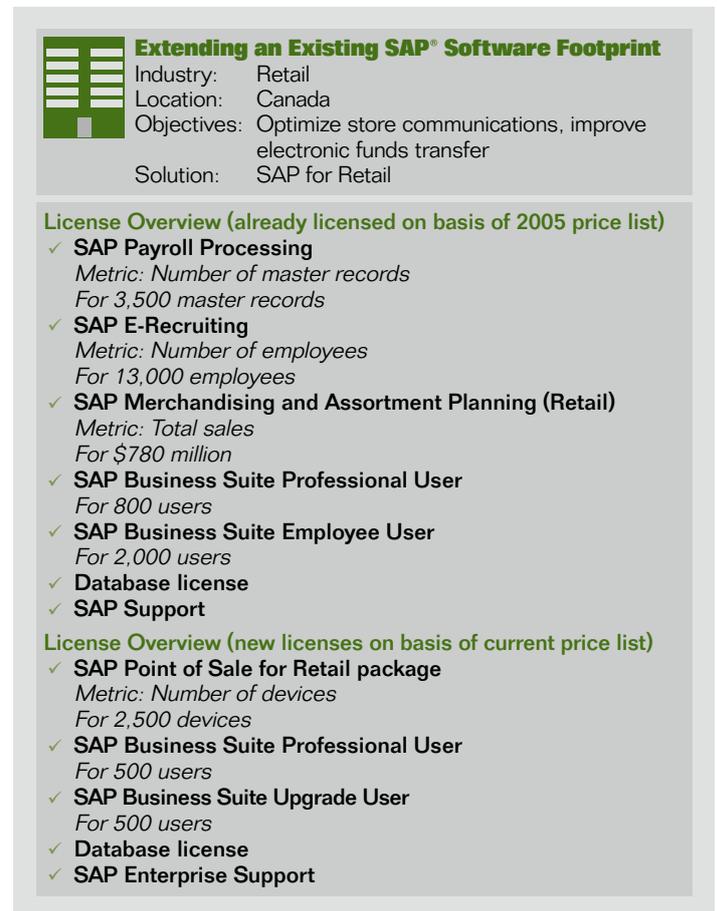


Figure 10: Scenario 3 License Overview

# SAP LICENSING – THE COMPLETE PICTURE

## 4.2 Scenario 4: Integration of Software with SAP NetWeaver

The customer is a UK-based automotive supplier who delivers innovative, quality mechatronic components and systems to leading vehicle manufacturers around the world. It collaborates closely with customers in more than 15 countries. To maintain its position in a highly dynamic industry, the company has to keep pace with rapidly changing technologies and requirements.

### Wanted: A Platform for Agile Operations and Collaboration

Within the scope of a major initiative to enhance enterprise-wide agility, the automotive supplier decides to introduce powerful enterprise software and a state-of-the-art IT platform that will support:

- The company's core business processes
- Communications with software solutions operated by vehicle manufacturers to which it supplies parts
- Development of a custom-built manufacturing execution system, including integration with the automotive supplier's ERP applications
- Product innovation that leverages existing CAD software

The first step in the IT transformation is to optimize business processes for finance and controlling, development, and production. The key goals in this project phase are to centralize accounting solutions, harmonize internal cost-reporting, and streamline development activities and production processes.

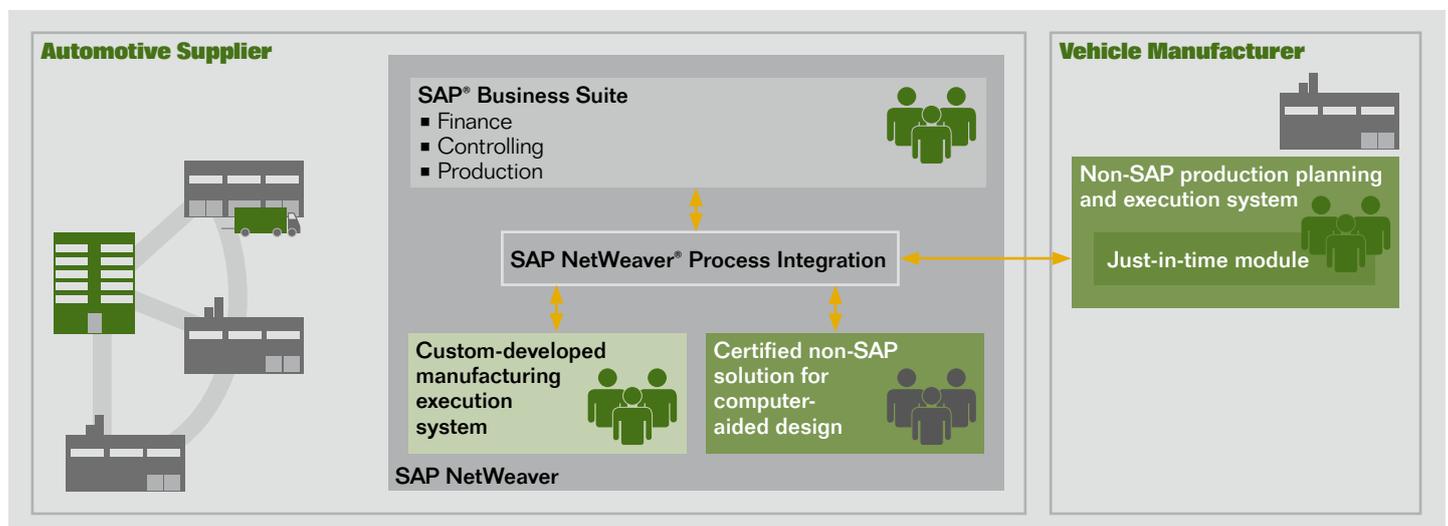


Figure 11: Integrating SAP and Non-SAP Software with SAP NetWeaver

### **SAP Business Suite – A Firm Foundation for Core Processes**

After considering various solutions, the automotive supplier chooses SAP Business Suite software, as it delivers the powerful support required for core processes. To deploy the functionality, the company licenses the “Enterprise Foundation” package. Besides the “Enterprise Foundation” license, the package includes five “SAP Professional” named user licenses as well as the “SAP NetWeaver Foundation” license, which entitles the company to run its new SAP software on the SAP NetWeaver technology platform. The automotive supplier also obtains additional “SAP Professional” named user licenses for all employees who will be working with the SAP functionality.

### **Integration of Third-Party and Customer-Developed Software**

Within the scope of the initiative, the automotive supplier has to integrate a number of non-SAP solutions into its core environment. Although the associated business scenarios are relatively complex, SAP’s licensing model supports the company’s needs.

### **Third-Party Production Planning and Execution System**

The next project phase focuses on integrating the new SAP software with IT solutions operated by the automotive supplier’s customers. For example, to help ensure just-in-time (JIT) delivery of components, the company requires rapid access to the production planning schedules of a Hungary-based vehicle manufacturer. This data resides in the JIT module of the carmaker’s non-SAP production planning and execution system and must be transferred to the automotive supplier’s SAP software at quarterly, weekly, or daily intervals, as appropriate.

Communications between the automotive supplier’s SAP applications and its customer’s production planning and execution software are enabled by SAP NetWeaver Process Integration (SAP NetWeaver PI) technology. As data will be exchanged between SAP and non-SAP software, the automotive supplier obtains the SAP NetWeaver PI package license. This is priced according to the number of CPUs used to run the associated functionality. For communications solely between SAP software licensed by the company, no SAP NetWeaver PI package license is required.

Two of the vehicle manufacturer’s employees will handle data transfer between their organization’s JIT solution and the automotive supplier’s SAP software. These users require indirect access to data in the SAP software, such as advanced shipping notifications. To grant its customer’s employees the necessary rights, the automotive supplier licenses two “Limited Professional” named user licenses. These licenses entitle holders to perform defined operational activities using a small subset of the SAP software functionality. The corresponding licensing agreement must include details of the specific tasks performed by the vehicle manufacturer’s named users.

### **Custom-Developed Manufacturing Execution System**

Another phase of the IT makeover involves integrating the new SAP software with manufacturing equipment on the shop floor. The aim: to control and monitor all work in progress at production facilities. To help ensure made-to-measure support for its specific requirements, the company elects to develop its own manufacturing execution system (MES).

# SAP LICENSING – THE COMPLETE PICTURE

Because SAP NetWeaver includes the middleware needed to create custom applications, in-house IT specialists decide to use the technology platform as the development environment for the new software. To leverage the powerful tools provided by SAP NetWeaver, the company simply has to license the necessary software – in this case, “SAP NetWeaver Foundation for Third-Party Applications.” The automotive supplier already has the “SAP NetWeaver Foundation” license, which is included in the “Enterprise Foundation” package. However, it does not cover the use of SAP NetWeaver to build and run non-SAP applications that communicate with SAP software.

In addition, the company requires an “SAP NetWeaver Developer” named user license for each member of the IT team involved in creating the software, and “SAP NetWeaver Administrator” named user licenses for the people who will manage and monitor the solution. Finally, the automotive supplier obtains “SAP Application Professional” named user licenses for all staff that perform operational tasks with the custom-developed MES. Relevant activities include monitoring the status of shop-floor equipment, issuing notifications in the event of faults, and gaining insight into upcoming production orders.

The MES and SAP Business Suite software are integrated using the SAP NetWeaver PI technology, for which the company already holds package licenses. However, IT managers should make sure that the relevant business metric (number of CPUs) is sufficient to cover the additional communications between the MES and the core SAP software.

## **CAD Solution with Certified Integration with SAP Applications**

To streamline the creation of new and enhanced products, the company introduces a third-party CAD solution. The software runs on the SAP NetWeaver technology platform and is certified by SAP for integration with SAP applications.

The design process entails transferring data on existing products from the SAP software to the CAD solution – and adding CAD drawings to product data in the SAP software. The automotive supplier therefore wants to grant its product developers access to data in SAP Business Suite.

Because SAP certifies the integration of certain third-party products with its software, acquiring the necessary licenses for that software is straightforward. Users who work solely with the certified third-party CAD software and do not access SAP applications directly can be licensed with the “SAP Platform” named user license. These are available in two categories: extended and standard. The more expensive “SAP Application” named user license is not required. Because the “SAP Platform” named user license includes the right to deploy the third-party CAD solution with SAP NetWeaver, there is no need to license the “SAP NetWeaver Foundation for Third-Party Applications” license for these users.

However, additional package licenses will be required if communications between the CAD solution and SAP Business Suite involve SAP software functionality that the company has not yet licensed. Steps should therefore be taken to ensure that the relevant package licenses are in place.

As was the case with the custom-developed MES, the CAD solution and SAP Business Suite are integrated using SAP NetWeaver PI technology. Here, too, IT managers should check that the associated business metric (number of CPUs) covers the additional communication between the CAD solution and SAP software.

## **A Solid Basis for Future Success**

With its new software environment in place, the company is now ideally positioned to drive innovation and agility throughout the organization. By enabling the automotive supplier to integrate SAP and non-SAP solutions in line with specific business needs, SAP NetWeaver provides a solid foundation for future success.

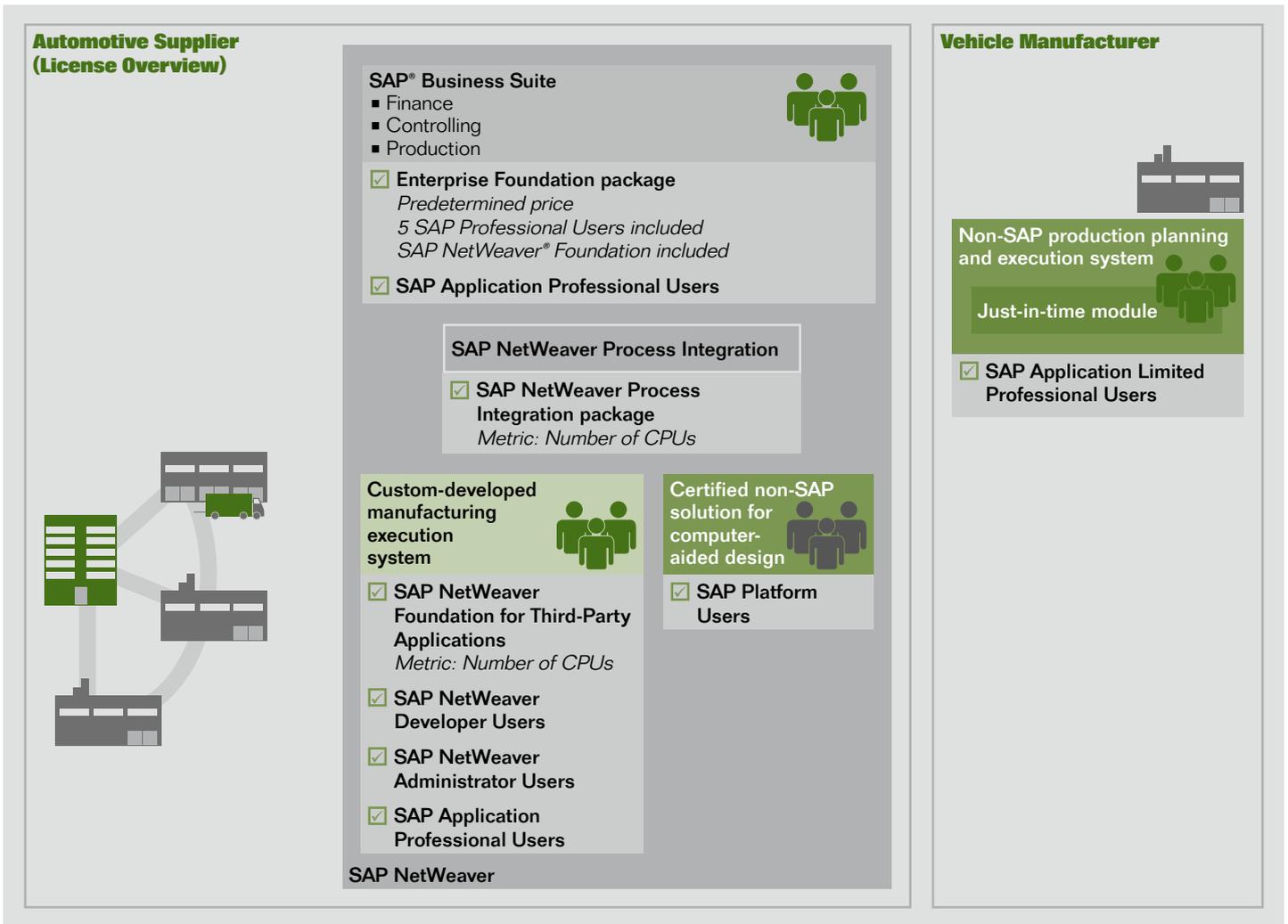


Figure 12: Scenario 4 License Overview

# SAP LICENSING – THE COMPLETE PICTURE

## 4.3 Scenario 5: SAP Functionality for CRM Stand-Alone Solution

The customer is a printer manufacturer headquartered in Mexico City who delivers state-of-the-art solutions and services to customers worldwide. The high-tech player provides quality color printers ranging from basic consumer models to premium devices for the most demanding graphics applications.

In recent years, the high-tech market has become increasingly competitive. To stay ahead of the field, the company wants to improve existing customer relationships and win all-important new business. It aims to achieve this by increasing pipeline visibility, boosting sales efficiency, and centralizing account management activities.

### Better Customer Relationships with SAP Software

To put these plans into action, the printer manufacturer needs a state-of-the-art CRM solution. The high-tech specialist deploys non-SAP software for its ERP activities. However, this application lacks the specialized sales functionality required.

After considering various options, decision makers choose the CRM functionality in the SAP for High Tech solution portfolio. A key argument in favor of the SAP product is its powerful support for reporting. The new software will run alongside the legacy ERP solution. The fact that the company does not currently run SAP solutions presents no obstacle to introducing the new functionality, which can be licensed independently of other SAP applications.

### The Right Functionality for Managing Sales Opportunities

To harness the business benefits of the CRM functionality in SAP software, the customer requires the SAP Sales for High Tech package available from the SAP price list. It includes functionality for opportunity and lead management, planning

and forecasting, and sales activity management. The package license is priced according to the business metric sales opportunity value. Because the software will be operated as a stand-alone solution with no links to other SAP applications, there is no need to obtain any other package licenses.

In addition to the SAP Sales for High Tech package license, the high-tech company purchases “SAP Professional” named user licenses for all sales staff who will work with the new functionality. To help its solution run smoothly and keep pace with the latest updates and regulatory requirements, the company contracts a maintenance and support agreement with SAP.

### Business Benefits

The new functionality has certainly paid dividends. Following implementation of the CRM software, the printer manufacturer was able to significantly increase sales and improve customer loyalty and return rates.

**Deploying SAP® Functionality for Customer Relationship Management as a Stand-Alone Solution**

Industry: High Tech  
Location: Mexico  
Objectives: Improve existing customer relationships/  
win new business  
Solution: SAP for High Tech, customer relationship  
management functionality

**License Overview**

- SAP Sales for High Tech**  
*Metric: Sales opportunity value  
for \$1,800,000*
- SAP Application Professional User**  
*For 70 users*
- Database license**
- SAP Enterprise Support**

Figure 13: Scenario 5 License Overview

# GLOSSARY

## A

### Add-on

Any development that adds new and independent functionality (including any new functionality for business tasks not covered by your existing SAP software) and that connects to and/or communicates through SAP application programming interfaces (APIs) or user exits published by SAP.

### Affiliates of licensee

Any legal entity in which the licensee of the SAP software directly or indirectly holds more than 50% of the shares or voting rights. Any such company shall be considered an affiliate for only as long as such equity interest is maintained.

## B

### Business metrics

Metrics used to determine the price of package licenses. They reflect the value of a specific package for the customer's business. Examples include number of orders processed, contracts, gross written premium, and patients treated.

### Business partner

An entity that requires access to the software in connection with the operation of your business. Business partners include customers, distributors, and suppliers.

### Business process outsourcing (BPO)

BPO services are offered by selected providers. SAP works hand in hand with participating partners to integrate customers' in-house and outsourced processes and help them optimally leverage SAP software functionality and make the most of innovations.

## E

### Enhancement package

An optional package that allows you to incorporate business innovations into your SAP software while keeping core solutions stable. During the mainstream maintenance phase, SAP normally offers one enhancement package per year.

## M

### Maintenance and support services

Services available for most licensed SAP software. A maintenance contract entitles you to access the SAP support infrastructure and to receive software corrections and new releases of the software licensed. The primary SAP maintenance and support offering is SAP Enterprise Support.

### Modification

A change that affects the source code or metadata delivered with your SAP software; or any development that customizes, enhances, or changes existing functionality of the software, including (but not limited to) the creation of any new API or alternative user interfaces, the extension of SAP data structures or other changes utilizing or incorporating SAP materials (any software, programs, tools, systems, data, or other materials made available by SAP to the licensee).

## N

### Named user

An employee of your company or its affiliates or an employee of a business partner, who has been authorized to directly or indirectly access your SAP software.

# GLOSSARY

## Named user license

Grants an individual access to SAP software functionality for a specific set of tasks and is generally valid for all licensed software functionality. A named user license is nontransferable; it is valid for one individual and cannot be transferred to another individual. The tasks a named user license permits a user to perform are specified by the license's type and category.

## Named user license category

SAP offers various named user license categories tailored to the different roles of employees accessing SAP software.

The main categories are:

- Developer
- Business Expert
- Professional
- Limited Professional
- Business Information
- Employee
- Employee Self-Service

The default category for performing operational-related roles with SAP software is "SAP Professional." Other categories are available for specific usage scenarios.

## Named user license type

SAP offers a number of types of named user licenses, which are tailored to different software usage scenarios. The most common type is "SAP Application." Other types, such as "SAP Platform" and "SAP NetWeaver," are required for a relatively small number of scenarios.

## O

### On-demand software

SAP offers an on-demand delivery model for specific software products. This gives companies access to licensed software hosted at a remote location. Installation, maintenance, and upgrades for the licensed solution are handled either by SAP or an SAP partner.

## P

### Package

A defined set of SAP software functionality. Packages are at the heart of SAP's modular licensing model. They enable companies to license precisely the functionality they require at any given time. A company can start with just the functionality its organization needs and add more as business needs change.

### Package license

Licenses of this kind allow you to deploy and use specific sets of software functionality provided that all users accessing that functionality hold named user licenses. The price of a package license is based on key business metrics that reflect the licensee's use of the functionality and hence the value of the SAP software for its business.

### Perpetual software license

The vast majority of SAP software licenses are perpetual licenses. They entitle you to use the relevant functionality for an unlimited period of time.

## S

### SAP application value (SAV)

The sum of all named user licenses and package licenses, excluding certain items defined in the SAP price list. SAV is the basis for calculating database license fees for databases licensed through SAP.

### SAP Best Practices

Delivered with SAP software, SAP Best Practices includes customizing settings and master data preconfigured to align with the requirements of a specific industry or country. SAP Best Practices is covered by the relevant package license.

### Software financing service

When customers prefer not to pay the software license fee up front, they may use the SAP Financing service. Offered in cooperation with financing partners, and available in selected countries, SAP Financing allows businesses to spread the cost of their one-time license fee over several years.

### Software rental

SAP offers companies the option of renting software licenses for a limited period of time. Available in selected countries, agreements of this kind include maintenance and support. The monthly fee is calculated as a percentage of what the value of the perpetual license would be and depends on the minimum period for which the software is rented.

### Subscription-based licenses

Subscription-based licenses are available for certain SAP software products, for example, on-demand solutions. The fees are paid at regular intervals and are calculated on a per-user, per-month basis. They grant the licensee remote access to the relevant SAP software for a specified period of time. Subscription-based licenses include support, maintenance, and managed services as set out in the license agreement.

### Support package

Within the scope of the SAP maintenance and support services, these packages provide corrections to SAP software and reduce associated effort. Support packages may also deliver software adjustments required to adapt existing functionality to new legal and regulatory requirements.

## T

### Third-party applications

Software developed and usually sold by software vendors other than SAP. Some third-party applications that supplement the SAP portfolio and can be licensed directly through SAP are included in the SAP price list.

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