SAP license management as preparation for the cloud journey

# License transformation

SAP license management is dealing with many construction sites at the moment: interpreting the price list, using measurement tools, understanding Cloud Full User Equivalent (FUE), keeping track of license purchases and legacy systems, as well as preparing for the S/4 Hana transformation.

In this exclusive interview, E-3 Magazine spoke to Ayhan Aslan, Senior Manager CIO Advisory and License Management at auditing company KPMG, about the different challenges SAP customers are facing today. The most important topic: license management. Here, CFO and CIO of a company are working together to keep their business safe from long-term risks.

**E-3: Where do you see the most urgent need for action from the perspective of an SAP customer?**

**Ayhan Aslan, KPMG:** SAP customers currently face many challenges and need to take action in SAP license management. First, companies are more than ever aware of digital transformation and the profitable introduction of new technologies. The complexity is not only evident in the practical implementation, but also regarding technical, contractual, and commercial risks that have an impact. SAP offers customers different models for converting their existing contracts and licenses to new technologies. The important thing is to be able to translate your business requirements into a suitable contract. The foundation for this is good preparation of the audit regarding current usage and architecture, current and future requirements, transparency in contract and license rights, and license inventory. Coordinating with SAP right now is favorable due to the current offers as well as the willingness to negotiate. It remains to be seen what RISE with SAP will contribute to digital transformation in the near and long term, but it will definitely be exciting to see how license management will change with Rise with SAP.

**E-3: What does this mean for SAP customers in terms of preparation for a license measurement and audit?**

**Aslan:** Comprehensive preparation for a measurement or an audit is crucial for the subsequent result - starting with scope definition, drawing up the contract and license hierarchy, and deriving the resulting usage rights. Subsequently, the audit can be implemented in accordance with the licensing regulations.

**E-3: The risk of underlicensing always exists if customers do not order new software or move to the SAP cloud, right?**

**Aslan:** Correct, under certain conditions there is always a potential risk for SAP customers to underlicense the software they use. This includes, above all, the fact that issues like audit preparation are often seen as ad-hoc tasks in companies. In addition, moving to the cloud is not risk-free, either. Many customers assume that the risk of underlicensing doesn't exist anymore in the cloud or that it only exists to a small extent, but they are sorely mistaken. The customer is still responsible for ensuring compliance of any software use in the cloud.

**E-3: What mistakes do SAP customers make again and again, and how can they be avoided?**

**Aslan:** From an organizational perspective, as mentioned, the main thing missing is the planning and implementation of a holistic SAM governance model for continuous implementation and improvement of the auditing processes to generate value. Implementing such a model would often lead to proactively eliminating other sources of error. From a technical perspective, it is often details in measurement systems that lead to diverging results. These include the import of current notes, the lack of checking LAW and USMM files regarding user statistics and transaction analysis, multiple logins, high workloads, logon times, unused accounts, duplicates, and potential for indirect use and digital access. Classifying a Developer or Professional User for internal staff and/or external consultants presents organizations with a difficult question. Many of these issues can be resolved through organizational and procedural measures in on-boarding/off-boarding in user management or through thorough authorization management.

**E-3: With these threatening scenarios, how can KPMG help SAP customers?**

**Aslan:** KPMG offers a SAM Professional Service that covers the entire spectrum of tasks from the initial vision and roadmap,



*Ayhan Aslan, Senior Manager CIO Advisory and License Management, KPMG*

through demand and cost planning, measurements and license strategy, to SAP negotiations. Unique to our solution is the option to conclude license and IoT guarantees in addition to the professional service. This is offered exclusively by KPMG in cooperation with Munich RE and covers both internal and external risks in the event of an audit, regardless of the manufacturer. In the event of a claim, KPMG assumes all costs incurred, including all subsequent and penalty payments. This enables companies to focus on their core competencies with complete cost and planning security. KPMG has been active in license management for more than 20 years, both from an auditor's as well as a consultant's perspective, and always guarantees up-to-date solutions for all common software manufacturers.

**E-3: Thank you for the interview.**

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