



**Services Description**

**Business Transformation and Plan Services**

SAP Business Transformation and Plan Services provides consulting and prototyping services to facilitate Licensee innovation and transformation for competitive advantage agenda. SAP will assist Licensee through Business Transformation Services in developing SAP solutions, right from business innovation, strategic business architecture design to implementation and adoption strategies, business performance management and building capabilities.

SAP will provide business and technical expertise to perform the Business Transformation and Plan Services for Licensee's SAP on premise solutions, SAP cloud solutions or integration of non-SAP solutions as may be defined in the Order Form and the Scope Document thereto.

**1 SAP Business Transformation and Plan Services**

SAP Business Transformation and Plan Services currently include:

- SAP Business Strategy and Architecture Services
- SAP Business Performance Management Services
- SAP Business Innovation Services
- SAP Program Management and Project Management Services
- SAP Adoption Services
- SAP Business Process Management (BPM) Services
- SAP Customer Center of Excellence (CCoE) Transformation Services
- SAP Guidance Services
- SAP Value Prototyping Services

**2 Approach**

SAP Business Transformation and Plan Services listed above may be delivered through a SAP Value Partnership engagement or as a standalone service. SAP will deliver the Business Transformation Services per the four phases of the business transformation methodology as given below

- Envision - SAP will diagnose the need for transformation, analyze the capabilities and envision the case for change to drive business and technical innovation and transformation
- Engage – SAP reviews the requirements for change and define how it is going to be achieved and measured. SAP & Licensee will identify joint activities and communication channels. SAP will develop road map, Identify areas for improvement, define key performance indicators (KPI) to measure success
- Transform – SAP will facilitate execution of transformation roadmap, value scenarios etc. towards the mutually agreed target state
- Optimize - SAP together with Licensee will govern and facilitate the institutionalization of innovation and transformation initiatives

SAP Business Transformation Services may be performed either at the Licensee location(s), through an onsite-offsite model or via remote connection, as specified in the Order Form or Scope Document. Services are performed during normal business hours.

**2.1 SAP Business Strategy and Architecture Services**

SAP Business Strategy and Architecture Service facilitate Licensee design of an enterprise-wide environment for their business applications. SAP Business Strategy and Architecture Services will assist Licensee on business and technical advice and guidance in the following topics: (i) business architecture (ii) business transformation (iii) industry best practice and (iv) solution design. SAP Business Strategy and Architecture Services provides guidance and advice for the Licensee in the above mentioned areas and will define a target architecture and transformation roadmap with multi-layer alignment.

SAP Business Strategy and Architecture Services will comprise one or any combination of the following activities. The activities that comprises SAP Business Strategy and Architecture Services specific to the Licensee project may be defined in the Scope Document

<b>Phases</b>	<b>Activities</b>
Envision	<ul style="list-style-type: none"> <li>• SAP analyze as is data for the area under scope</li> <li>• SAP analyze the transformation needs and causes</li> <li>• SAP and Licensee review the as is business architecture</li> <li>• SAP and Licensee review architecture aspects</li> <li>• SAP and Licensee review IT maturity</li> <li>• SAP develop architecture vision</li> <li>• SAP carry out 360° strategic risk assessment</li> </ul>
Engage	<ul style="list-style-type: none"> <li>• SAP plan to-be architecture, operation and services</li> <li>• SAP create transformation roadmap</li> <li>• SAP analyze risk and develop risk mitigation strategy</li> </ul>
Transform	<ul style="list-style-type: none"> <li>• SAP develop architecture design</li> <li>• SAP develop IT Deployment plan</li> <li>• SAP assists Licensee in monitoring risk and execution of risk mitigation plan</li> </ul>
Optimize	<ul style="list-style-type: none"> <li>• SAP assists Licensee manage architecture change requests</li> <li>• SAP assists Licensee to establish continual improvement process</li> <li>• SAP assists Licensee in review of risks and identify new opportunities</li> </ul>

## 2.2 SAP Business Performance Management Services

The objective of the SAP Business Performance Management Service is to align the business value of an IT initiative with the strategic business objectives of the Licensee's organization. SAP will assess and analyze Licensee's current state toward the identified objectives and will identify and prioritize opportunities for business performance management.

In the envision phase the emphasis is on determining what new or additional value the business transformation could create for licensee in relation to its business strategy and factors that determine success. During the engage phase, an approach to benefit realization is developed for the Licensee's consideration. As the transform phase evolves each of those benefits which will be tracked. During Optimize phase, value delivery will be monitored to identify gaps for improvement and to identify further potential.

SAP Business Performance Management Services will comprise one or any combination of the following activities. The activities that comprises SAP Business Performance Management Services specific to the Licensee project may be defined in the Scope Document

Phases	Activities
Envision	<ul style="list-style-type: none"> <li>• SAP and Licensee will analyze the drivers for the transformation</li> <li>• SAP and Licensee will analyze the objectives</li> <li>• SAP identify the benefits that will result by achieving the objectives</li> <li>• SAP analyze base line</li> <li>• SAP collect benchmarking statistics and analyze the results</li> <li>• SAP will develop value maps and conservative estimates</li> <li>• SAP create first business case</li> </ul>
Engage	<ul style="list-style-type: none"> <li>• SAP and Licensee will establish ownership for the benefit realization</li> <li>• SAP and Licensee Identify changes necessary</li> <li>• SAP will validate key performance indicators and define critical success factors for value realization</li> <li>• SAP and Licensee will finalize measurements of benefits and changes</li> <li>• SAP and Licensee will obtain agreement by all stakeholders</li> <li>• SAP will develop benefit realization plan</li> </ul>
Transform	<ul style="list-style-type: none"> <li>• SAP and Licensee will manage change Programs</li> <li>• SAP and Licensee will review progress against the benefits plan</li> <li>• SAP and Licensee will take corrective actions necessary to achieve benefits</li> <li>• SAP and Licensee will formally assess the benefits achieved</li> <li>• SAP and Licensee will initiate action to gain benefits where feasible</li> </ul>
Optimize	<ul style="list-style-type: none"> <li>• SAP assists Licensee to identify additional improvements through business changes</li> <li>• SAP assists Licensee to identify additional benefits from further investments</li> </ul>

## 2.3 SAP Business Innovation Services

SAP Business Innovation Service is a business driven approach to support strategic differentiation, potential competitive advantage, and potential growth leveraging SAP Innovation. SAP Business Innovation Services will act as a catalyst for Licensee enterprise wide transformation.

SAP Business Innovation Services facilitate the business-focused adoption of SAP's innovation portfolio to promote benefits from SAP's innovation offerings. This service may include a digital capability assessment, identification of preliminary list of innovation use-cases, assessment of technical feasibility, prioritization of use cases, and a plan for scale and adoption for enterprise wide transformation.

SAP Business Innovation Services will comprise one or any combination of the following activities. The activities that comprises Business Innovation Services specific to the Licensee project may be defined in the Scope Document

Phases	Activities
Envision	<ul style="list-style-type: none"> <li>• SAP and Licensee will analyze the drivers for innovation</li> <li>• SAP will develop outside-in analysis for Licensee business area under scope</li> <li>• SAP will develop innovation point of view for Licensee business area under scope</li> <li>• SAP and Licensee will develop account specific innovation plan</li> <li>• SAP will analyze as is digital capability situation and develop initial list of potential use cases</li> </ul>
Engage	<ul style="list-style-type: none"> <li>• SAP will carry out digital capability maturity assessment</li> <li>• SAP together with Licensee will finalize the list of digital innovation use cases and map to digital capabilities</li> <li>• SAP will analyze the impact of transformation needs</li> <li>• SAP develop digital transformation roadmap</li> </ul>
Transform	<ul style="list-style-type: none"> <li>• SAP develop scale and adoption plan</li> </ul>
Optimize	<ul style="list-style-type: none"> <li>• SAP assists Licensee to establish innovation management framework for institutionalization</li> </ul>

## 2.4 SAP Program and Project Management Services

SAP will provide program and project management Service to Licensee during their SAP project or program.

This Service provides overall direction, design of project or program structure and content of the project or program that is necessary to implement Licensee's SAP related initiatives.

SAP Program and Project Management Services may assist Licensee in their program or project management activities spanning from project preparation, scope management, resource management, communication, risk management, organization change management, time and cost management to monitoring and control as specified in the Scope Document.

The activities that comprises SAP Program and Project Management Services specific to the project may be defined in the Scope Document

## 2.5 SAP Adoption Services

SAP Adoptions Services is a business driven approach spanning the enterprise and resulting in a more informed, structured, and aligned IT enabled adoption of SAP business networks or SAP solutions.

SAP Adoption Services assists Licensee in determining when, where, and how SAP business networks and solutions should be used. This encompasses analyzing Licensee's as is maturity and consumption of SAP solutions and business networks, defining to be scenarios to assist the Licensee from a business perspective and barriers in implementing the same, and change management plan to overcome the barriers while maintaining the security and performance.

SAP Adoption Services will comprise one or any combination of the following activities. The activities that comprises Adoption Services specific to the Licensee project may be defined in the Scope Document

Phases	Activities
Envision	<ul style="list-style-type: none"> <li>• SAP analyze as is data for the area under scope</li> <li>• SAP and Licensee set up as is consumption and maturity</li> <li>• SAP and Licensee defines the target state</li> </ul>
Engage	<ul style="list-style-type: none"> <li>• SAP define scenarios to improve adoption of solution and business networks</li> <li>• SAP develop change management plan</li> <li>• SAP together with Licensee will establish governance to improve adoption</li> </ul>
Transform	<ul style="list-style-type: none"> <li>• SAP will assist Licensee in monitoring the improvement towards target state</li> </ul>
Optimize	<ul style="list-style-type: none"> <li>• SAP assists Licensee to measure and compare performance regularly for institutionalization across enterprise</li> </ul>

## 2.6 SAP Business Process Management (BPM) Services

SAP Business Process Management Service is a holistic approach to process improvements focusing on industry solutions, leveraging SAP BPM Methodology and technology. These services are offered along various dimensions: industry, cross-industry, line of business, and solutions. Best practices and methods for each of these dimensions help Licensee analyze as-is processes and design to-be processes.

In the Envision phase the emphasis is on determining big picture of process management. Essential steps comprise both designing an enterprise process framework and assessing Licensee process maturity. During Engage phase as is process analysis and design of to be process will be carried out. In addition a governance structure may be put in place to frame the implementation of new processes. Implementation of new process will be carried out during the Transform Phase. This relates to technical implementations comprising the definition of process indicators as part of the process controlling. During Optimize phase, continuous monitoring is carried out to find areas for continuous improvement of processes

SAP Business Process Management Services will comprise one or any combination of the following activities. The activities that comprises Business Process Management Service specific to the Licensee project may be defined in the Scope Document.

Phases	Activities
Envision	<ul style="list-style-type: none"> <li>• SAP analyze as is data for the area under scope</li> <li>• SAP and Licensee decide on an average maturity level that should be reached by all processes</li> <li>• SAP determine maturity level of all processes</li> <li>• SAP derive improvement need for each process per analyzed maturity categories</li> </ul>
Engage	<ul style="list-style-type: none"> <li>• SAP define basics in terms of building blocks for BPM</li> <li>• SAP together with Licensee will establish BPM Governance:</li> <li>• SAP will carry out the process design which involves <ul style="list-style-type: none"> <li>• Calibration</li> <li>• As-Is Analysis</li> <li>• To-Be Process and Organization Design</li> <li>• Solution Transformation</li> </ul> </li> </ul>

Transform	<ul style="list-style-type: none"> <li>• SAP will prepare implementation plan of processes</li> <li>• SAP develop process controlling framework</li> <li>• SAP together with Licensee establishes process controlling</li> </ul>
Optimize	<ul style="list-style-type: none"> <li>• SAP assists Licensee to establish process monitoring, process reporting, process management cockpit etc.</li> <li>• SAP assists Licensee to measure and compare performance regularly</li> </ul>

## 2.7 SAP Customer Center of Excellence (CCoE) Transformation Services

SAP Customer Center of Excellence (CCoE) Transformation Services facilitate 'Best Run Business' capabilities and business value from SAP for the Licensee. SAP CCoE Transformation Services may include advice and guidance in establishing a CCoE. SAP CCoE Transformation Services helps Licensee with CCoE assessments, CCoE staffing benchmarks, CCoE strategy & design, CCoE coaching and CCoE certification. These services support the Licensee through designing and establishing a new CCoE or by re-organizing an existing CCoE.

SAP Customer Center of Excellence (CCoE) Transformation Services will comprise one or any combination of the following activities. The activities that comprises Customer Center of Excellence Transformation Services specific to the Licensee project may be defined in the Scope Document

Phases	Activities
Envision	<ul style="list-style-type: none"> <li>• SAP analyze the transformation needs and causes</li> <li>• SAP review the as is set up and evaluates maturity</li> <li>• SAP and Licensee develop to be vision</li> </ul>
Engage	<ul style="list-style-type: none"> <li>• SAP and Licensee assess and analyze total cost of ownership</li> <li>• SAP develop CCoE strategy</li> <li>• SAP create transformation roadmap</li> </ul>
Transform	<ul style="list-style-type: none"> <li>• SAP develop SAP develop CCoE design</li> <li>• SAP develop Deployment plan</li> <li>• SAP assist licensee in deployment</li> </ul>
Optimize	<ul style="list-style-type: none"> <li>• SAP assists Licensee manage CCoE</li> <li>• SAP assist Licensee in coaching and certification and to establish continual improvement process</li> </ul>

## 2.8 SAP Guidance Services

SAP will provide guidance to Licensee related to SAP solutions, projects or programs. SAP solutions might include SAP on premise solutions, SAP cloud solutions and integration of non-SAP solutions. SAP may assist Licensee with guidance related to business process design based on SAP solutions or SAP solution architecture as specified in the Scope Document.

## 2.9 SAP Value Prototyping Services

SAP Value Prototyping Services are solution engineering services to facilitate the solution finding, decision and realization process by building prototypes and templates for Licensee specific use cases across business processes, predictive business models, architecture & performance, usability and productivity.

Licensee specific prototypes deliver insights on the most critical solutions for a Licensee specific use case. Licensee specific prototypes are delivered as a reference system. Licensee specific templates are clean reference configurations for a Licensee specific use case as a combination of adjusted generic templates and results of a prototype. Prototypes and templates can be used as a design reference for development systems.

SAP Value Prototyping Services to be performed on prototypes and templates that are on SAP's infrastructure shall require Licensee to separately order Managed Services (HANA Enterprise Cloud and Application Management Services) as HEC Cloud Start. Prototypes and templates on SAP's infrastructure cannot be used for productive operation.

SAP Value Prototyping Services can help Licensee create the prototypes and templates. SAP and Licensee will jointly identify and agree in the Scope Document on the scope for prototypes and templates.

## 3 Roles, Responsibilities and Governance

SAP will work according to the estimated effort and duration specified in the Order Form or Scope Document to accomplish the agreed activities.

SAP will assign resources, usually, within six (6) to eight (8) weeks after the signing of the Order Form. Each project will have a unique set of roles and responsibilities that will be agreed once the project has started.

### 3.1 Licensee Roles

The typical Licensee roles are:

- Executive Sponsor: decision maker on scope, priorities, budget and changes issues. Active advocate for the engagement.
- Engagement Manager: overall responsible for the success of the engagement, acts as Licensee's single point of contact for SAP. Must be designated by Licensee before the start of any efforts by SAP.
- Project Manager: responsible for the project management activities
- Business Leads: owns business solution and is the key liaison between the engagement team and the business.

- Value Manager: responsible for establishing and managing the Value Management Office
- Innovation Lead: responsible for innovation topics in their respective areas of leadership
- Organization Change Management Leads: manages stakeholders, assess business impact and readiness, agree organization changes and lead training.
- Functional Leads: responsible for solution configuration information
- Infrastructure Leads: responsible for the technical infrastructure for on premise solutions and cloud integration.

### 3.2 Licensee Responsibilities

Unless stated otherwise in the Scope Document, Licensee is responsible for the following during the project:

#### Overall Licensee Responsibilities

- Licensee will appoint an Engagement Manager.
- Licensee will ensure that Licensee team members are knowledgeable about the issues and available as needed to ensure a successful conclusion
- Licensee with input from SAP will carry out the preparatory steps required to facilitate the efficient execution of the service
- Licensee and SAP will communicate approach, roles and responsibilities, estimated schedule, change request and decision making process
- Nominating clear communication paths and counterparts for each selected topic
- Licensee will develop a list of scope changes to be incorporated into a Change Request or additional Order Form
- Licensee is accountable for all organization change management activities
- Licensee and SAP will verify the estimated timeline by phase
- Establishing proactive and open communication of upcoming project initiatives
- Licensee will Involve SAP in the project portfolio planning
- Providing and coordinating the necessary employees on Licensee's engagement team
- Making and communicating Licensee engagement decisions
- Commitment by Licensee to the success of the engagement.

#### Technical Responsibilities

- Licensee will provide all the on premise servers and software
- Licensee will be fully responsible for the on premise technology infrastructure environment. This includes but is not limited to SAP Basis, transport system, database administration, network administration, server and storage hardware, and software architecture.
- Licensee will be responsible for all software change management
- Licensee will provide SAP remote access to Licensee systems as necessary.
- Licensee will ensure the SAP landscape is accessible via the SAP Service Connection (SAP OSS) network
- Licensee will create user ids for the SAP team as needed.

### 3.3 Governance

Unless otherwise stated in the Scope Document, SAP and Licensee agree to use a four-tier framework for strategic governance at executive and program management levels.

- Sponsorship: vision and sign off on key long-term initiatives towards the agreed upon objectives at Licensee's board level.
- Steering Committee: strategic decisions and engagement progress reviews.
- Program Management: Review progress on program level, business performance management, address engagement risks, escalate issues and define program standards.
- Status: review progress of individual SAP Business Transformation Services and address issues.

## 4 Assumptions and exclusions

Any items or Services not defined as in scope for this Service are deemed out of scope, including, the following out-of-scope-items:

- Deliverables not explicitly described in the Scope Document.
- Modifications to the SAP source code and data dictionary
- Content for end user training
- Programs or content to migrate data
- Procurement of software licenses (SAP and non-SAP licenses)
- System administration tasks for on premise systems including transports between landscapes
- Coordination of work required from Licensee's third party vendors
- Resolution of software defects
- Changes to existing Licensee enhancements (developments, interfaces, modifications, BADIs and add on development)
- Data cleansing
- Creation of test plans and test scripts and execution of testing. No effort is included for verification and validation testing processes which may be required by regulatory, industry or governmental requirements. Such testing is the sole responsibility of Licensee.

The following assumptions apply unless stated otherwise in the Scope Document

- The estimated timelines are based on continuous availability of on premise systems as well as Licensee timely fulfilling their prerequisites and responsibilities.
- All supporting documentation and Work Products will be developed using industry standard personal computers/laptops using Microsoft Office applications (Word, Excel, MS Project, Visio and PowerPoint) or other mutually agreeable documentation tools.
- If any of the SAP Software listed in the Scope Document is included in the SAP Ramp-up program, then Licensee must apply for and be accepted into the SAP Ramp-up program for each such SAP Software.
- Knowledge transfer (key user training workshop) does not replace the necessity for formalized training on the solution(s) which may be available through SAP Education.
- The Service will have sponsorship from Licensee's senior management, who will be available on a timely and regular basis to monitor the progress and to act as a decision maker for policy decisions.
- Licensee will assign all necessary IT and business resources as needed by the Service.
- If Licensee cannot meet the agreed schedule and timeline, this may result in a Change Order in accordance with the Change Order Procedure as defined in Order Form.