



Service Description

SAP Value Partnership Service (“VPS”)

SAP Value Partnership Service (VPS) is key element of the SAP *Service engagement model*. SAP Value Partnership Service (VPS) is a long-term and strategic partnership to facilitate Licensee’s innovation and transformation for competitive advantage agenda by defining step-change business and IT strategies that leverage SAP product innovation and SAP consulting services.

1. SAP Value Partnership Service

SAP provides SAP Value Partnership Service (VPS) as part of engagement foundation and is led by SAP Business Transformation Lead in accordance with the services defined in the Scope Document and Order Form. The SAP Value Partnership Service will be coordinated through a Licensee’s designated Engagement Manager.

Key characteristics of the SAP Value Partnership Service are jointly agreed objectives between SAP and Licensee, strategic transformation road map, value scenarios towards the target state, enterprise architecture, value management and governance of transformation programs towards the target state.

2. Approach

SAP will deliver the SAP Value Partnership Service 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 Value Partnership has three key delivery elements: SAP Value Partnership Foundation Service, SAP Value Partnership Consulting Services and SAP On Demand Services.

2.1 SAP Value Partnership Foundation Service

SAP Value Partnership Foundation Service is a key element of VPS engagement. SAP delivers Value Partnership Foundation Service with a team led by the SAP Business Transformation Lead who will act as the point of contact for all SAP Consulting Services.

As part of the VPS foundation, SAP and Licensee jointly agree on the objectives of engagement and business transformation roadmap towards the target state. SAP Business Transformation Lead together with Licensee will govern transformation programs towards the target state.

Value Partnership Foundation Service consists of the following service components:

Business Transformation Lead

The Business Transformation Lead (BTL) leads the business- and business transformation-focused activities in the engagement model. The role is responsible for value management and business-driven transformation. See section 3.4 for a more detailed description of the BTL activities.

Value and Transformation Management

Value and Transformation Management includes activities to setup and execute a Value Partnership Service as part of the service engagement foundation and under the leadership of the Business Transformation Lead. This includes value management and business transformation management as well as transformation governance and design and execution of a Business Innovation Roadmap derived from the customer’s innovation strategy.

Value and Transformation Management is a business driven, top-down approach spanning the enterprise and resulting in a more informed, structured, and aligned IT-enabled business transformation. The service facilitates Licensee design of an enterprise-wide environment for their business applications, linking IT strategy with business objectives. SAP Value and Transformation Management will assist Licensee in the following topics: (i) enterprise architecture: business, technology and information architecture (ii) business analytics (iii) industry best practices and business processes (iv) system landscape architecture (v) solution design and (vi) solution lifecycle management.

Value and Transformation Management Service provides guidance and advice for the Licensee in the above mentioned areas and will define target architectures and roadmap for the area under scope.

Value and Transformation Management Service will also assist licensee to establish a realistic understanding of what can be achieved and main factors affecting success. SAP will assess and analyze Licensee's current state toward the identified objectives and will identify and prioritize opportunities for value management.

During envision phase, the emphasis of value management 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. In the engage phase, an approach to benefit realization is developed for the Licensee's consideration. SAP together with Licensee will establish Value Management Office onsite. SAP will establish Value Management Dashboard and provide remote value management support via Value Control Center which is integrated in to the SAP Mission Control Center. As the transform phase evolves each of those benefits which will be tracked through Value Management Dashboard. During Optimize phase, Value Management is institutionalized for continuous improvement and to identify further potential.

VPS resources will be available during normal business hours of Value Partnership Service days specified in the Order Form.

2.2 SAP Value Partnership Consulting Services

Within the SAP Value Partnership Service, Licensee will be entitled and required to choose any combination of SAP Consulting Services from SAP's current portfolio to complete the jointly agreed objectives of the Value Partnership. SAP Business Transformation Lead and Licensee together will finalize the portfolio of services

2.3 SAP On Demand Services

SAP On Demand Services are professional services provided under VPS days specified in the Order Form. SAP On Demand Services are used for specific tasks within a Value Partnership. SAP On Demand Service may be used as a contingent to provide business assessment and to develop strategy and roadmaps for new initiatives like Cloud, Big Data etc that are not covered by the Value Partnership Foundation and Value Partnership Consulting Services. SAP On Demand Services also provides SAP resources to fill Licensee's need for short term duration tasks. These tasks target complex or unusual issues that are not covered by other consulting services and price list items.

To engage these Services, Licensee will submit a task request to SAP through the Business Transformation Lead, identifying the task and supporting information for the task for which Licensee is requesting SAP's assistance. SAP Business Transformation Lead will then analyze Licensee's request. Where the task can be realized by SAP, SAP Business Transformation Lead will submit a service charter with an action plan for completion of the task to Licensee.

In the event Licensee and SAP agree to the service charter with action plan and wishes to have SAP commence work, SAP Business Transformation Lead will provide an estimate for service fee. Upon Licensee's confirmation of the estimate, SAP will commence work on completing the SAP On Demand Services in accordance with the action plan.

3. Engagement Management

Each party will designate an Engagement Manager. Licensee's Engagement Manager will be empowered to make necessary decisions for Licensee or bring about such decision without undue delay. SAP Business Transformation Lead and Licensee Engagement Manager will cooperate closely with each other and they are responsible to manage all activities under the umbrella of VPS, to decide about the services delivered within VPS, to release the budget and to take corrective actions.

SAP will provide Services as an onsite-offsite team consisting of the SAP VPS resources in accordance with the Order Form and Scope Document.

The parties will conduct regular Executive Meetings during the Term of the applicable Agreement(s). Such Executive Meetings will occur no less than once per quarter at times and dates mutually agreed to by the parties. The purpose of such Executive Meetings will be to review, discuss and mutually agree on progress against joint business objectives, current risks and mitigation plans, and further measures to achieve the purposes of the applicable VPS based on the then current VPS status.

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 board level.
- Steering Committee: strategic decisions and progress reviews.
- Program & Value Management: Review progress on program level, business performance management, address risks, escalate issues and define program standards.
- Service: review progress of individual SAP Services and address plans to complete delivery.

Each meeting may include a report on the progress in the key focus areas, comprise one or any combination of the following areas to the extent applicable as mutually agreed to by the parties

- Evaluation of progress against the mutually agreed upon joint business objectives
- Progress of the applicable individual Services compared to the agreed transformation roadmap

- Identification of risks and/or delays that may jeopardize the attainment of business objectives from the Licensee's SAP investment and identification of related mitigation recommendations
- Status on the implementation of recommendations
- Discussion of open issues and any change requests from either party
- Relevant details regarding Value Partnership Service planning

Engagement Management between SAP and Licensee include continuous collaboration to:

- Identify joint activities, roles, and responsibilities
- Identify needed resources and services
- Define and manage aligned Business Objectives
- Determine governance structures and communication channels
- Develop Licensee specific strategic roadmaps
- Assist in the Implementation of Value Management Office onsite
- Identify areas for potential improvement related to risk management
- Incorporate end to end business best practices
- Leverage SAP's implementation of the Business Transformation Management Methodology (BTM2) created by the Business Transformation Academy.

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

Licensee is responsible for:

- Executing regular information meetings and inviting the Business Transformation Lead or his designate to executive meetings, steering committee meetings and cadences
- Establishing proactive and open communication of upcoming project initiatives and ideas
- Involving SAP in the project portfolio planning
- Establishing early involvement of the Business Transformation Lead in selected projects and initiatives
- Nominating clear communication paths and counterparts for each selected topic
- Providing and coordinating the necessary employees on Licensee's engagement team
- Commitment by Licensee to the success of the engagement
- Licensee may develop a list of scope changes to be incorporated into a Change Request.
- Licensee is accountable for all organization change management activities
- Licensee will ensure that Licensee team members are knowledgeable about the issues and available as needed to ensure a successful conclusion
- Licensee will appoint an Engagement Manager.
- Licensee and SAP will jointly carry out the preparatory steps required to ensure the efficient execution of the Service
- Licensee and SAP will define and communicate the business objectives, engagement approach, roles and responsibilities, estimated schedule, and decision making process
- Licensee and SAP will verify the estimated timeline by phase
- Licensee will ensure that key stakeholders are available for all workshops, meetings as needed.

Technical Responsibilities

- Licensee will maintain 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 necessary remote access to Licensee systems for SAP resources

- 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 SAP Responsibilities

- SAP works with Licensee to identify joint activities, roles, and responsibilities
- SAP will assign resources, usually, within six (6) to eight (8) weeks after signing of the Order Form.
- SAP works along with Licensee to define the governance structures and communication channels.

3.4 SAP Business Transformation Lead

The activities of the assigned SAP Business Transformation Lead will comprise one or any combination of the following or as may be defined in the Scope Document:

- Acts as the the point of contact and coordinate all SAP service initiatives
- Establishes an executive-level relationships with key Licensee stakeholders of the business transformation
- Facilitates alignment with business stakeholders (Licensee and SAP).
- Works with Licensee to agree upon the business objectives, define and manage aligned business objectives
- Builds the Licensee-SAP strategic roadmap by integrating enterprise, solution and technical architecture to drive desired transformational goals aligned to the business strategy
- Establishes trusted advisor status with Licensee
- Assists in the setup and the execution of governance model
- Co-defines an innovation strategy with the Licensee's stakeholders
- Supports quality and risk management of business transformation initiatives and projects
- Defines the delivery and deployment model
- Prepares and executes strategic planning workshops to identify and document Licensee focus areas
- Manages coordination with other ongoing SAP projects and with other SAP teams
- Organizes and supports business case development
- Operates as customer advocate within SAP for business topics
- Assists Licensee in the development of value roadmap and establishment of Value Management Office

4. Assumptions

-
- Licensee is responsible for making the necessary internal arrangements for the carrying out of the individual SAP Value Partnership Services. Specific responsibilities of Licensee will be detailed in the Order Form or Scope Document. In addition to the Tasks specified in the Order Form or Scope Document, Licensee agrees to provide appropriate resources, including but not limited to equipment, data, information, workspace and appropriate and cooperative personnel, to facilitate the performance of the VPS. Licensee agrees that the scope of the individual SAP Value Partnership Service will be subject to change if the Licensee tasks are not performed in a timely and appropriate manner and/or if the Licensee resources are not provided. SAP may subcontract all or part of the individual SAP Value Partnership Service to a qualified third party.
- To facilitate efficient communication, both parties agree that the language for the delivery of the VPS will be English. Relevant information related to the individual VPS will be provided to the SAP resources in English.
- Licensee agrees and understands that the assigned SAP resources (including the assigned VPS resources) may occasionally perform VPS activities remotely from Licensee's location.
- The selection of SAP resources assigned or deployed to deliver individual VPS is at SAP's sole discretion and SAP reserves the right to replace any SAP resource at any time at its sole discretion with an SAP resource with equivalent skills. In exercising such discretion, SAP will maintain the continuity of the individual VPS to be provided to Licensee under an executed Agreement.
- If at any time Licensee is dissatisfied with the material performance of an assigned SAP resource, Licensee will immediately report such dissatisfaction to SAP in writing and may request SAP to replace such SAP resource. SAP will use its reasonable discretion in accomplishing any such change.
- Licensee must make available, at Licensee's facility, without charge, office space with infrastructure facilities (computers, software, telephones, fax, etc.) and related materials that are required for SAP to provide the services at Licensee's facility.