



5 Simple Ways to Reduce Your SAP License Spending



Although corporations spend millions of dollars on SAP, many do not know which licenses are being consumed or which licenses are required for each user. SAP is one of the most expensive software systems in the market, yet many organizations still treat their SAP licensing like a black box; they see it in terms of input and output without knowing how it works. Surprisingly, many corporations feel their SAP licensing is an invincible force they are powerless against.

For this reason, several SAP customers would rather pay the invoice or negotiate over the bottom line than question if their SAP licensing fits their needs:

- “Who are we to argue with the numbers?”
- “It’s useless. We are small potatoes compared to the Goliath.”
- “We don’t have enough resources to really explore the contract.”

Fortunately, there are ways of reducing the amount of license consumption. Before purchasing additional SAP licenses, every corporation should follow these 5 essential actions to determine if new licenses are needed and to deliver significant savings.

Usage Data is Key

While many consider the current SAP licensing model difficult to understand or calculate, one similarity remains: usage data is key to any license optimization. Many will correctly argue that SAP calculates licenses based on authorizations assigned. However, many corporations tend to assign more authorizations to their users than needed, whether it is due to a lack of knowledge or an inadequate method of assigning authorizations. If they had visibility into the usage of each employee, they could optimize authorizations, thus optimizing their licenses. When you can view how each employee uses the systems, you can assign licenses based on the actual employee usage instead of the theoretical calculation method.

Combine Users Between SAP Systems

Many companies are unaware that SAP licensing is based on “employees” and not “users.” Combining the usernames of employees between different systems can optimize licensing costs. However, do not use email as your only source for combining usernames. Companies that take the extra step in utilizing more sophisticated methods yield better results. In other words, you should invest some time inspecting the results after you’ve combined usernames. For example, look for similar names to confirm there was no error when creating the user. Often, errors occur due to a misspelling of a name or transposing a couple of letters. This small error can cause you thousands of dollars in licensing costs.

How Pathlock License Management Helps

Pathlock License Management automatically identifies duplicate accounts across all your SAP systems. By consolidating usernames and removing duplicates, you free up licenses that can be reassigned to another user or added to the pool of licenses you can grant to new users. Before purchasing additional SAP licenses, confirm that there are no misallocated licenses you can reassign to another user.

1

Do Not Pay Double

A common mistake many organizations make without realizing it is assigning multiple licenses to the same user. Pathlock recommends using a universal method for naming users to avoid duplicates. Most times, a single license is required to access multiple SAP applications. Combining the same user across multiple applications frees up licenses that can be allocated to other users, providing organizations with more savings.

Remove Inactive or Dormant Users

Some users only access the system a few times a year. Yet, they are assigned Professional or Limited Professional license types. Since many corporations lack visibility to the actual usage data, this makes identifying inactive users challenging. Reviewing the last time an employee logs into the system is not recommended, as many users simply log in and out to show activity.

One needs to verify user activity and remove anyone not utilizing the SAP systems. This can be done by setting a threshold, monitoring users against the threshold, and receiving notifications if the user is not meeting the threshold. Closing these accounts will free up a license for someone who needs it.

How Pathlock License Management Helps

Pathlock License Management tracks the actual usage of all users across all SAP systems to identify inactive users. We recommend removing users who have had no actual usage within the last 90 days. Of course, you can set your own parameters. These licenses can be added to your pool of unused licenses to be reassigned to new users in the future.

In addition, you can connect Pathlock License Management to your HR system to identify any employees who are no longer with the organization to automatically free up their licenses.

2

Instant Savings

By removing inactive and dormant users, organizations can reallocate these licenses to new users, producing instant savings. As employees come and go from the organization, it is important to properly manage their licenses to ensure that organizations are not paying for license use for an employee who is no longer there.

Classify All Users

Companies are responsible for classifying all users. Any unclassified users will require a Professional license, the most expensive option. A Professional license type costs about 25X more than an Employee Self Service license.

Also, costly mistakes can be made when using theoretical methods of classification. Some use the organization's structure, which may often prove ineffective. Others use titles or positions, which may not be helpful as different employees with the same position use the systems differently. While most companies use authorizations assigned, most SAP users tend to use only a small fraction of their granted authorizations. The best method is measuring actual usage; this ensures you will never be under or over-licensed.

How Pathlock License Management Helps

Pathlock License Management tracks the actual usage behavior of each SAP user, making it possible to assign licenses based on the utilization of SAP systems. Gain a birds-eye-view of all these classification types to determine which methods best optimize your licensing. Companies can now reclassify users by:

- Amount of Activity - The most suitable license type will be assigned based on how much the user uses SAP. (Counting dialog steps)
- Type of Usage - The most suitable license type will be assigned based on how much the user has utilized. (Counting the number of transactions used)
- Activity Groups - The most suitable license type will be assigned based on how or according to which ways this user used the SAP systems. (Separate all transactions into groups)
- Custom Definitions - Any combination of all of the above or any unique format requested by the customer.

3

Do Not Pay Double

A common mistake many organizations make without realizing it is assigning multiple licenses to the same user. Pathlock recommends using a universal method for naming users to avoid duplicates. Most times, a single license is required to access multiple SAP applications. Combining the same user across multiple applications frees up licenses that can be allocated to other users, providing organizations with more savings.

Identify Indirect Access Before It's Too Late

Although indirect access sounds complex or vague, it poses a significant financial risk if not dealt with immediately. Companies can owe millions of dollars to SAP for not properly licensing indirect usage. Therefore, companies need to either reduce or restrict indirect access as much as possible. Currently, indirect access to the SAP systems is necessary to perform various business functions. If needed, determine the exact access type (read-only or modify). Read-only access does not require any additional licenses, while modify access will require some type of license. In addition, companies should monitor for indirect usage and receive a notification when indirect usage has been detected, allowing them to respond appropriately and quickly.

How Pathlock License Management Helps

Pathlock License Management provides a platform to automatically identify and map different types of indirect access to SAP systems. Companies will be able to identify suspicious user accounts from third-party applications. Our solution will classify and estimate the risk for each case of identified indirect access. Pathlock provides a view of the exact access type (read or modify) of each indirect access to model them correctly using our unique monitoring technology. Management will receive a notification when new suspicious access is identified, enabling a prompt response.

4

Stay on top of indirect access usage by receiving notifications of any possible or suspicious indirect usage from third-party applications through automation with Pathlock License Management.

Pathlock allows companies to properly manage indirect access as they occur, preventing surprises and unwanted costs during their yearly SAP audit.

Take Control Today

In today's complex SAP environment, organizations must find ways to secure their SAP investment and manage SAP licenses effectively. Pathlock License Management controls SAP licensing costs with a fully automated solution. Pathlock enables organizations to utilize their licenses efficiently, understanding which licenses are really needed, which licenses best suit user activities, and which accounts are underused, misclassified, or dormant. Pathlock License Management is especially beneficial before negotiating annual license fees or ordering new SAP licenses. It can save 50%-90% per each classified license.

Take Pathlock for a test drive today and schedule a demo or speak with one of our experts. Join the hundreds of organizations across the globe that have chosen to take control of their SAP licensing costs by exploring Pathlock's capabilities.

About Pathlock

The Pathlock platform protects the leading enterprise business applications and the critical transactions they power. Our application governance solutions help companies enforce GRC controls and take action to prevent loss. Enterprises can manage all aspects of application governance in a single platform, including user provisioning and temporary elevation, ongoing user access reviews, control testing, transaction monitoring, and audit preparation.



8111 Lyndon B Johnson Fwy, Dallas, TX 75251
Phone: +1 469.906.2100
info@pathlock.com

©Pathlock. All Rights Reserved. All logos, company names and product names, mentioned herein, are property of their respective owners.

5

Benefits of Pathlock License Management

- Provides a clear view of current licensing and available licenses
- Compares methods of user classification
- Identifies dormant, underused, misclassified, and duplicate accounts
- Tracks changes in licensing inventory
- Generates detailed reports
- Automatic analysis of usage compared to a license agreement to ensure compliance
- Detailed audit reports for each user with current and optimized license classification