



mySAP ERP

KEY QUESTIONS AND ANSWERS ABOUT UPGRADING TO mySAP™ ERP 2005

Questions and Answers for SAP® R/3® Customers

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PREFACE

This document provides SAP customers with key questions and answers about the evolution of the SAP® enterprise resource planning (ERP) application, the trusted foundation for business excellence and innovation. These questions have been extracted from the document *What You Want to Know About Upgrading to mySAP ERP 2005*, in which you can find more questions and answers about upgrading from SAP R/3® software to the mySAP™ ERP 2005 application (available on the Web site at: www.sap.com/solutions/business-suite/erp/pdf/mySAP_ERP_2005_FAQ_for_SAP_R_3_Customers.pdf).

With unrestricted shipment of its new release, mySAP ERP 2005, SAP is pleased to announce more than 300 functional enhancements that add value to your business: new functions, greater productivity with role-based user interfaces, and integrated analytical insights into business processes. mySAP ERP 2005 also embeds industry-specific functions that are all available in a single solution. The application is powered by the SAP NetWeaver® platform, the foundation for enterprise service-oriented architecture (enterprise SOA) – thus giving your organization the flexibility to design new business processes more quickly to meet changing customer requirements.

In addition, SAP has significantly simplified the process of upgrading your systems – making mySAP ERP the “go-to release” for SAP R/3 software customers. In this document, you will learn how upgrading your current SAP R/3 software to mySAP ERP 2005 provides clear value. It is an excellent opportunity for your organization to create a real competitive advantage now, and stay a best-run business over the long term.

Please note: This document is a preliminary version not subject to your license agreement or any other agreement with SAP. The document contains only intended strategies, developments, and functionalities of mySAP ERP and is not intended to be binding upon SAP to any particular course of business, product strategy, and/or development. Please note that this document is subject to change and may be changed by SAP at any time without notice. SAP assumes no responsibility for errors or omissions in this document.

UPGRADE FROM SAP R/3 TO mySAP ERP

A Simple Upgrade, Clear Value, and a Profound Opportunity

“mySAP ERP provides existing SAP customers with a rock-solid business foundation for future success, enabling organizations to achieve and sustain excellence in core operational areas. This new release delivers on the promise of enterprise SOA: the high levels of flexibility and adaptability needed to innovate and address today’s business challenges, and the capabilities end users require to do their jobs effectively and efficiently.”

Shai Agassi, President of the Product and Technology Group
and Executive Board Member, SAP AG

OVERVIEW

What Is mySAP ERP?

The mySAP ERP application is the follow-up product to SAP R/3 software. mySAP ERP 2005 is the target release for customers considering upgrades of their current SAP R/3 software systems.

The latest enterprise resource planning solution from SAP delivers significant product enhancements for financial management, human capital management, procurement and logistics, product development and manufacturing, sales and service, and other corporate services.

In addition, mySAP ERP is powered by the SAP NetWeaver platform, a composition platform that allows organizations to build new business solutions rapidly while realizing more business value from existing IT investments. SAP NetWeaver supports new cross-functional business processes, helping lower your total cost of ownership by reducing the need for custom integration and offering complete life-cycle management for your applications. As the foundation for enterprise service-oriented architecture, it helps align people, information, and business processes across organizational and technological boundaries.

To find further information on mySAP ERP, please visit www.sap.com/erp. You can also download the *mySAP ERP Overview Brochure* (available on the site).

What Benefits Does mySAP ERP Provide to My Organization?

mySAP ERP is a world-class, integrated ERP application that addresses the core business software requirements of the most demanding midsize and large organizations in all industries and sectors.

With the new release, mySAP ERP 2005, SAP is delivering more than 300 functional enhancements that add the following value to your business:

- **New functionality and improved processes** – Major improvements in financials, human capital management, procurement and logistics, product development and manufacturing, sales and service, corporate services, and analytics, as well as industry-specific functionality that can be adopted as your business needs them
- **Information worker productivity** – A way of connecting people directly to processes and delivering the information and functionality they need to be highly productive and make the right decisions
- **Architecture that adapts to change** – Architecture that's built on SAP NetWeaver and is enterprise service enabled, allowing you to innovate and adapt to changing business requirements with greater speed and at lower cost
- **Proven and low-risk upgrades** – Proven, cost-effective upgrade path with tools honed through years of experience, packaged services to help plan and execute upgrades, and a fully prepared service organization and ecosystem partners

With mySAP ERP, you also have the opportunity to reduce the total cost of ownership by simplifying your IT landscape through systems consolidation, maximizing SAP standard functionalities by replacing custom modifications and homegrown interfaces to legacy applications. For example, you can deploy new functionalities of mySAP ERP incrementally and leverage preset defaults.

Prepackaged versions are available for specific industries to eliminate complexity and simplify the management of your IT landscape. In addition, the latest release of mySAP ERP reduces your reliance on expensive third-party applications to support financial reporting, e-learning, e-procurement, and other emerging business practices.

Your organization can gain the following key benefits from mySAP ERP:

- Better financial management and reporting
- Greater control over managing your employees globally
- Tighter linkage and visibility of business operations
- Superior flexibility to address new business requirements

- Easier access to enterprise information and reports
- Lower cost of deploying industry-based processes
- Confidence in ongoing support and development of enterprise processes
- Lower ERP costs per employee through self-services
- Easier method of integrating add-on functionality

What's New About the Latest Release of mySAP ERP?

mySAP ERP 2005 provides significant innovations compared to previous releases, as follows:

- **Over 300 new and enhanced functions and features** in every functional area compared to SAP R/3 4.6C, including financials, human capital management, procurement and logistics, product development and manufacturing, sales and service, corporate services, and analytics
- **Consolidation with more than 25 industry solution portfolios** that can be delivered through mySAP ERP
- **Dramatically improved user experience and usability** with a rich client, work centers, personalized and reusable role-based access, guided procedures, and interactive forms
- **Integrated corporate performance management**
- **Advanced and embedded analytics** to provide strategic business insight (SAP xApp™ Analytics composite application)
- **Native Microsoft Office integration via Duet™ software, the first joint product of SAP and Microsoft** (option only available with mySAP ERP 2004 and mySAP ERP 2005)
- **Native integration with the SAP xApps™ family of composite applications**, such as the SAP xApp Resource and Portfolio Management, SAP xApp Manufacturing Integration and Intelligence, and SAP xApp Cost and Quotation Management composite applications
- **Enterprise SOA blueprint** with 300 new enterprise services delivered to enable flexible and adaptable business processes available

Where Can I Find More Detailed Information on Delta Functionalities Between Different ERP Releases?

In general, you can find information about mySAP ERP by visiting www.sap.com/erp and SAP Service Marketplace at service.sap.com/erp.

You can find more specific information on delta functionalities between different releases through the use of a new mySAP ERP browser tool. This HTML-based tool lets you easily view the functionality enhancements between two releases of ERP software – for example, your current release, such as SAP R/3 4.6C, and the one you are considering, such as mySAP ERP 2005. You can narrow your search by mySAP ERP solution area or SAP R/3 module, and then export the results directly to Microsoft Word. Please note that a new hosted version is available on SAP Service Marketplace at service.sap.com/upgrade-erp. In addition, you can refer to the release notes for mySAP ERP 2005 at service.sap.com/releasenotes.

What Does mySAP ERP 2005 Include?

mySAP ERP includes the following key components:

- **SAP ERP Central Component** for financials, human capital management, procurement and logistics, product development and manufacturing, and sales and service
- **SAP NetWeaver** – with the following functionality:
 - Business intelligence
 - Portal
 - Process integration
 - Multichannel access
 - Application server
- Self-service procurement functionality, available in the mySAP Supplier Relationship Management application
- SAP Strategic Enterprise Management application
- SAP E-Recruiting application
- SAP Learning Solution
- SAP Financial Supply Chain Management set of applications (including treasury and bank communication solutions)

- SAP Employee Self-Service application
- SAP Manager Self-Service application
- Collaboration Projects (cProjects) application
- SAP E-Commerce application (Web application component)
- SAP Real Estate Management application
- SAP Travel Management application
- Support for industry-specific applications

To find further details about mySAP ERP, please visit www.sap.com/erp and SAP Service Marketplace at service.sap.com/erp.

Is mySAP ERP 2005 Currently Available?

Yes, mySAP ERP 2005 has been available for unrestricted shipment since May 31, 2006.

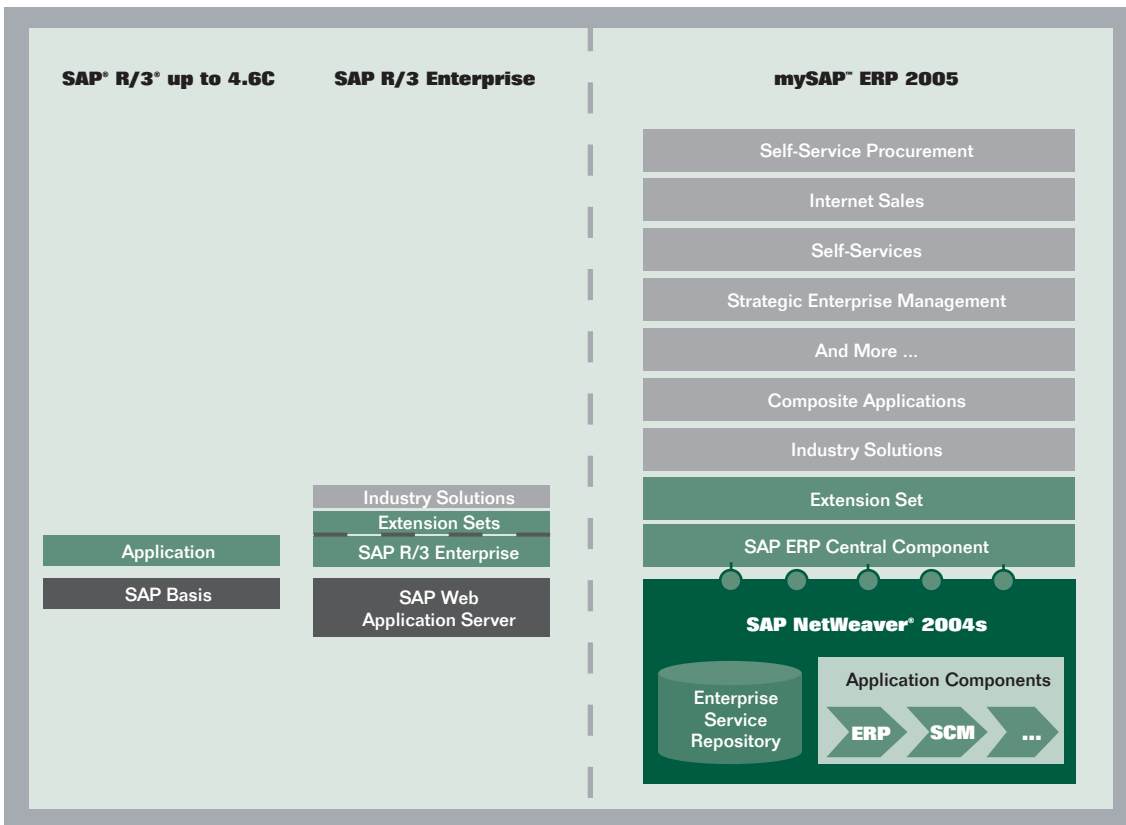


Figure 1: Evolution of SAP ERP Applications

MAINTENANCE OF SAP R/3

Is mySAP ERP the Successor to SAP R/3?

Yes. With mySAP ERP, SAP redefines enterprise resource planning based on more than three decades of experience – delivering role-based access to crucial data, applications, and analytical tools – with more than 300 functional enhancements that add value to your business. It's all powered by the SAP NetWeaver platform, the foundation for enterprise SOA.

Therefore, as communicated publicly early in 2003, SAP is discontinuing its SAP R/3 product. However, SAP provides maintenance for SAP R/3 releases following the SAP maintenance principles. (For more specific details on SAP R/3 maintenance strategy by release, please refer to “What Is the Maintenance Strategy for SAP R/3 Releases?” section below.)

What Is the Maintenance Strategy for SAP R/3 Releases and the mySAP ERP 2005 Release?

Mainstream maintenance for SAP R/3 4.6C ends in December 2006. SAP offers extended maintenance from January to December 2007. After December 2007, customers can benefit from extended maintenance for another two years until December 2009. Beginning in January 2010, SAP will provide customer-specific maintenance for SAP R/3 4.6C.

Mainstream maintenance for SAP R/3 Enterprise ends in March 2009. After this date, SAP will offer extended maintenance until March 2012, subject to additional fees.

By 2012, SAP will have provided SAP R/3 support for 20 years. Beyond 2012, SAP will provide customer-specific maintenance for all SAP R/3 customers.

Following are specific details for each SAP R/3 release:

- **SAP R/3 Enterprise** – Extended maintenance from April 1, 2009, until the end of March 2012 (first 12 months, additional fee of 2% on top of the mainstream maintenance fee of 17%; next 24 months, additional fee of 4%)

- **SAP R/3 4.6C** – Extended maintenance from January 1, 2007, until the end of December 2009 (during 2007, additional fee of 2% on top of the mainstream maintenance fee of 17%; 2008 and 2009, additional fee of 4%)
- **SAP R/3 3.1I–4.6B** – Extended maintenance from January 1, 2004, until the end of December 2006 (during 2004, additional fee of 2% on top of the mainstream maintenance fee of 17%; 2005 and 2006, additional fee of 4%)

Whether you're evaluating the opportunity to upgrade to mySAP ERP this year or have decided to continue running your current release for a time and benefit from extended maintenance, it is important that you start planning your upgrade now. SAP encourages you to move to the latest available release of mySAP ERP. Upgrading is simple, provides clear value, and represents an excellent opportunity to your organization.

With mySAP ERP 2005, SAP provides continuity to your business, including mainstream maintenance through March 2012 and an up-to-date system that enables ongoing legal compliance and system security through the continuous delivery of support packages, patches, and hot fixes. The mySAP ERP 2005 core component inherits all the functionality of previous SAP R/3 versions and supports your business needs with ongoing innovation.

UPGRADING FROM SAP R/3 TO mySAP ERP

What Is the Oldest SAP R/3 Release from Which a Direct Upgrade to a mySAP ERP Release Is Possible?

SAP provides upgrade procedures to the latest release from all former releases that are still in mainstream maintenance or extended maintenance. As long as no technical restrictions apply, SAP R/3 3.1I is the oldest possible release from which customers can directly upgrade to mySAP ERP.

Why Upgrade to mySAP ERP Now?

mySAP ERP software addresses your business needs based on three decades of SAP experience, as follows:

- **Built on the SAP NetWeaver platform** – Reduces IT complexity while supporting scalability and growth through a comprehensive integration and application platform
- **Tightly integrated to optimize cross-functional business processes** – Enables comprehensive collaboration within and beyond your organization
- **Enhanced by industry-specific features and support for best practices** – Enables you to reduce total cost of ownership, achieve a faster return on investment, and benefit from a more flexible IT infrastructure that helps drive innovation
- **Designed to support international operations** – Promotes efficient and successful global operations and competition

In addition, the switch upgrade technology introduced in 2003 is a proven and stable procedure that provides significant improvements (for example, shortening the technical downtime up to 50%).

Here are some of the most compelling reasons to upgrade to mySAP ERP 2005:

- **Clear value** – mySAP ERP encompasses major improvements in financials, human capital management, sales, procurement, and corporate services, as well as industry-specific functionalities that can be adopted as your business needs them.
- **The “go-to release”** – mySAP ERP 2005 is the foundation for the future. It is built on SAP NetWeaver and is enterprise service enabled so any organization can innovate and adapt with greater speed at lower cost.

- **Ready assistance** – SAP and our partners are ready and able to help, with expert guidance, tailored services and tools, and highly skilled consultants to help plan and execute an upgrade considering your situation.
- **Cost-effective, low-risk upgrade** – SAP offers a proven, cost-effective upgrade path with tools, content, and functionality honed through years of experience. The upgrade to mySAP ERP is simpler, with less risk than ever before.

SAP realizes that every company faces a unique set of business challenges, and so has developed a specific set of service offerings to analyze the advantages of mySAP ERP in the specific customer context. Services such as SAP Accelerated Value Assessment for mySAP ERP serve to work out the detailed value proposition and business case of the upgrade.

For further information, please visit SAP Service Marketplace at service.sap.com/upgradeservices.

What Is the Transition Path from SAP R/3 to mySAP ERP?

Thanks to proven standard tools available since 2003, the technical upgrade procedure has been significantly improved. Based on customer and partner experience, upgrading from SAP R/3 to mySAP ERP 2005 is simpler in comparison to earlier SAP R/3 release upgrades. (For example, compared to past migrations of SAP R/2® to SAP R/3, the transition to mySAP ERP 2005 is a simple technical upgrade project.)

For the transition from SAP R/3 to mySAP ERP, you may want to consider the following three major aspects.

Conversion of License Contract

All customers who signed SAP R/3 contracts in the past must convert their contracts in order to use mySAP ERP and the supporting SAP components. Of course, if you have already converted your SAP R/3 contract to a contract for mySAP ERP or mySAP Business Suite applications (formerly called “mySAP.com®” contract), the contract conversion is not required.

To best evaluate your situation, we invite you to contact your SAP representative, who will be pleased to provide you with all relevant information on your contract. (For more specific details on licensing, please also refer to the “Licensing Guidance” section of this document.)

Scope and Procedure of the Upgrade Project(s)

To provide maximum flexibility on the upgrade process and the incremental deployment of new functionalities, SAP has developed a framework of three different upgrade approaches to move from SAP R/3 to mySAP ERP 2005: technical, functional, and strategic upgrades. Each approach can be tailored for your individual situation:

- **The technical upgrade** is a fast upgrade at constant functional perimeter, without additional functionality but with minor user interface changes, to ensure business continuity. This upgrade type includes a clean up of the system without implementing additional functionality, as well as a technology upgrade with the opportunity to eliminate “not used” modifications and custom developments. If you operate a system using SAP R/3, reviewing the technical aspect is a logical place to start as a key step in any upgrade.
- **The functional upgrade** is built on the technical upgrade. The functional upgrade provides in addition the opportunity to implement new functionalities of mySAP ERP 2005 for business processes and usability improvements in the following areas:
 - Financials
 - Human capital management
 - Procurement and logistics execution
 - Product development and manufacturing
 - Sales and service
 - Other corporate services

This upgrade type also represents an opportunity to maximize the use of SAP standard functionalities by replacing custom modifications and consolidate instances or systems.

- **Strategic upgrade** is driven by enterprise SOA to provide more flexibility to business process innovation. This type of upgrade approach represents a significant technology improvement step by leveraging SAP NetWeaver functionality to standardize, adapt, and enable new business processes and optimized scenarios through the use of SAP xApps composite applications, for example.

Of course, each upgrade approach leads to a different total cost of ownership, ROI, and payback period. Based on SAP customer experiences, ROI depends on the extent to which upgrade decisions are driven by business process standardization, improvement, and innovation.

Usually the functional upgrade is managed in subsequent project(s), while the technical upgrade is considered the initial step and key enabler for any additional business processes improvements and innovation. (Please refer to “Scope of Subsequent Projects” below.) Current surveys confirm that more than 70% of SAP R/3 customers who have upgraded begin with the technical upgrade by transferring their existing system at constant functional perimeter to the latest release. They then consider in a subsequent step the opportunities to expand, improve, and change their business by fully leveraging other functionality of mySAP ERP.

Scope of Subsequent Projects

mySAP ERP 2005 offers your organization new functions, greater productivity due to role-based user interfaces, integrated analytical insights into business processes, and the flexibility to design new business processes to meet your changing requirements. It also embeds industry-specific functions, all available in a single solution. The new SAP application offers 300 product enhancements as well as significant service enablement.

As explained above, most of the new opportunities provided with mySAP ERP 2005 are usually implemented in subsequent project(s) after the completion of the technical upgrade. mySAP ERP allows you to deploy incrementally as your business requires new functionalities:

- For example, many customers have already implemented and experienced the value of analytics to enable their information workers to gain credible, clear, and comprehensive business insights.
- Another good example is the self-services functionality delivered by mySAP ERP, which customer experience has proven to be quickly implemented and offering great value.
- mySAP ERP 2005 is also the foundation for SAP industry solutions that can be easily activated with the supporting technology.

To find all relevant information on upgrading, please visit SAP Service Marketplace at service.sap.com/erp-inst, service.sap.com/upgrade, service.sap.com/upgradeservices, and service.sap.com/upgrade-erp.

What Support Do SAP and Its Partners Provide to Existing Customers Who Would Like to Upgrade?

Even though every upgrade is a unique situation, reliable and proven tools exist to ensure a smooth and easy transition.

However, you may encounter special opportunities and challenges with your technical upgrade. Through dedicated market analysis and customer surveys, SAP has identified the typical challenges and constantly evolves its portfolio of upgrade services, tools, and content. SAP launched a global upgrade service portfolio, dedicated to mySAP ERP 2005, which will support customers' upgrade projects by minimizing costs and risks and maximizing the value.

Your organization can tailor the following offerings to your specific needs according to your experience, current landscape, and the scope of the upgrade project. The appropriate engagement level ensures an effective planning and cost-effective execution of your project(s).

Key elements of the portfolio of SAP upgrade offerings, by typical customer challenges, are shown in the table below.

CUSTOMER CHALLENGES	SAP UPGRADE OFFERINGS
Value proposition and business case definition	mySAP™ ERP browser tool SAP® Accelerated Value Assessment for mySAP ERP service
Project planning (for example, cost and effort estimation)	SAP Quick Upgrade Analysis service SAP Quick Upgrade Evaluation service SAP upgrade experience database
Project team skills, coaching, and project review	SAP Upgrade Road Map content SAP Upgrade Coaching service
Cost-efficient project execution and technical risk mitigation	SAP Solution Manager tool SAP Safeguarding for Upgrade portfolio of services

SAP and selected partners are aligning dedicated offerings and upgrade packages for customers who need assistance in their upgrade situation.

To find all relevant upgrade information, please visit SAP Service Marketplace at service.sap.com/upgrade, service.sap.com/upgradeservices, service.sap.com/upgrade-erp, and service.sap.com/ufg.

Why Is SAP Solution Manager a Key Upgrade Tool?

The SAP Solution Manager tool is a centralized solution management platform that provides the tools, integrated content, and gateway to SAP service and support teams that you need to implement, support, operate, and monitor your SAP applications. SAP Solution Manager runs in your SAP software landscape and facilitates the technical support of your distributed systems in all key aspects of software implementations, operations, and continuous improvements to minimize risk and reduce total cost of ownership. SAP Solution Manager at your site can be connected to a large set of back-end applications at SAP, and therefore also provides the basis for collaboration with SAP service and support teams.

To find further information, please visit SAP Service Marketplace at service.sap.com/solutionmanager.

Do Customers Need to Convert to a Unicode-Compliant Environment?

If your company employs truly global business processes, such as managing global master data, or if you open your system to the Web by allowing your customers to enter contact data directly via the Internet, you will likely need to support multiple local-language characters. Various code pages have enabled the display of national characters, but collaboration on the Web has led to a huge number of language-specific, platform-dependent code pages that must interact with each other. And this compliance is only possible through Unicode – an international standard that supports virtually all of the languages and scripts used in the world, ensuring that they work no matter what the language or platform.

The Unicode conversion depends on the customer situation. SAP has encoded the Unicode standard in the latest release so that multiple languages within the ERP system, which required different code pages in the past, can now run on one system.

The need to implement Unicode depends on your use of one or more languages in the current SAP software system:

- If your organization runs a single code page system prior to the upgrade to mySAP ERP 2005, then the use of Unicode is not mandatory. For example, German, English, Spanish, Italian, and French all run on code page 1100 and thus can all live in the same system without Unicode. However, using Unicode is recommended if the system is deployed globally to facilitate interfaces and connections.
- If your organization uses Multidisplay, Multiprocessing (MDMP) or other outdated technology such as blended code pages, which is very common, then the use of Unicode is mandatory for the mySAP ERP 2005 upgrade. These projects always include two steps: the upgrade to the target release and the Unicode conversion of the ERP software. Existing installations of SAP R/3 Enterprise or mySAP ERP 2004 can be converted to Unicode prior to the upgrade to mySAP ERP 2005, resulting in two separate procedures, whereas customers running SAP R/3 4.6 (or below) ideally will execute these steps in one project.

SAP is supporting the conversion into Unicode by offering country-specific services. To find further information on Unicode conversions and the support SAP provides, please visit SAP Service Marketplace at service.sap.com/unicode.

What Production Downtime Should We Expect During the Technical Upgrade?

The production downtime is the period during the technical upgrade when the production system is out of service. The downtime period depends on various factors such as hardware power and size of the tables to be migrated, and is therefore contingent on each individual situation. SAP upgrade technology provides you with two strategy options: **downtime-minimized strategy** and **resource-minimized strategy**.

Characteristics of the downtime-minimized strategy:

- Shorter production downtime
- Parallel operation of production system and shadow system that enables the execution of as many upgrade tasks as possible during the uptime of the production system
- Higher demand on system resources

Characteristics of the resource-minimized strategy:

- No parallel operation of production system and shadow system
- Lower demand on system resources
- Increased production downtime

SAP recommends that you perform the upgrade using the downtime-minimized strategy if a short production downtime is required.

To find further information, please visit SAP Service Marketplace at service.sap.com/upgradeservices.

RELATIONSHIP TO OTHER SAP SOLUTIONS

How Does mySAP ERP Relate to SAP Industry Solutions?

SAP understands that the only industry that matters to you is your industry. That's why there's no such thing as a generic industry business solution from SAP. Our industry solution sets are based on an in-depth knowledge of the processes that drive your business. So you can make better, more informed strategic decisions in the areas most important to you – whether you want to gain greater visibility across your enterprise, get closer to your customers, or reduce inefficiencies. And since SAP has been working with businesses like yours for 30 years, we understand the demands of your industry.

SAP offers a portfolio of applications for more than 25 industries. These support key business scenarios and enable you to implement industry-specific business processes using software tailored to job functions within your organization.

With mySAP ERP 2005, almost all industry solutions are synchronized within the standard release. Business function sets, controlled by the switch framework, provide the mechanism to activate industry and generic functionality in mySAP ERP. This technology offers an industry-ready solution to innovate, extend, and adapt to changing industry requirements with greater speed and at lower cost.

In addition, the deployment of those prepackaged versions available for specific industries provides you with the opportunity to reduce total cost of ownership by consolidating systems, therefore simplifying the management of your enterprise application landscape.

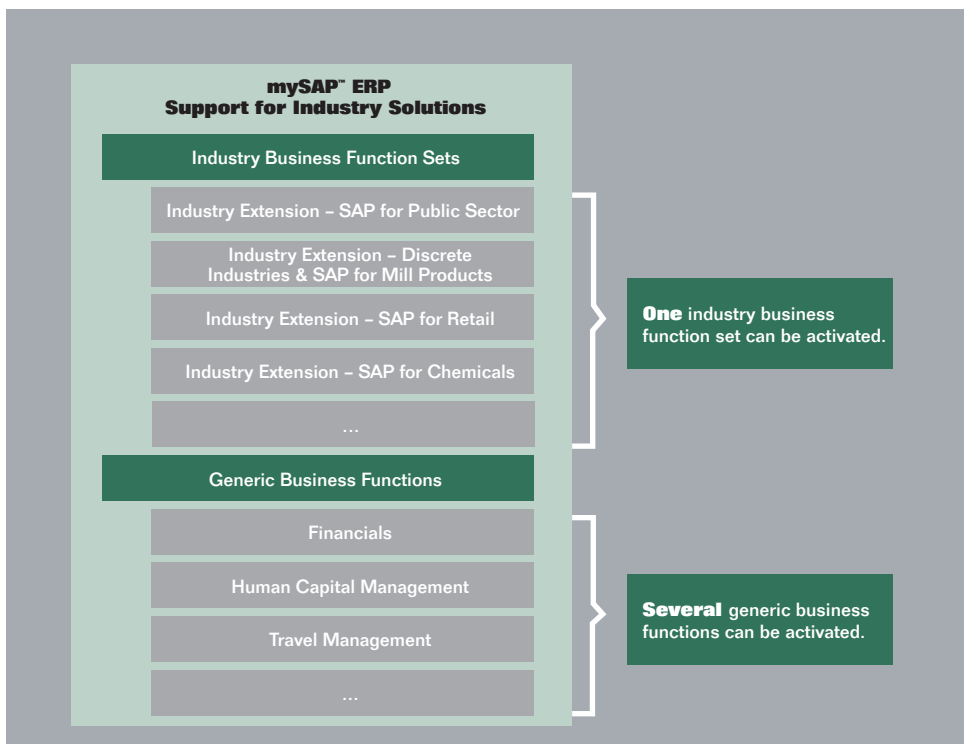


Figure 2: Available Add-Ons – Industry Extensions and Generic Business Functions

mySAP ERP delivers key functionality to support the following industry solution portfolios, which SAP currently offers:

- SAP for Aerospace & Defense
- SAP for Automotive
- SAP for Banking
- SAP for Chemicals
- SAP for Consumer Products
- SAP for Defense & Security
- SAP for Engineering, Construction & Operations
- SAP for Healthcare
- SAP for High Tech
- SAP for Higher Education & Research
- SAP for Hospitality Services
- SAP for Industrial Machinery & Components
- SAP for Insurance
- SAP for Life Sciences
- SAP for Logistics Service Providers
- SAP for Media
- SAP for Mill Products
- SAP for Mining
- SAP for Oil & Gas
- SAP for Postal Services
- SAP for Professional Services
- SAP for Public Sector
- SAP for Railways
- SAP for Retail
- SAP for Telecommunications
- SAP for Utilities
- SAP for Wholesale Distribution

For more information, please refer to the release strategy and the documents on SAP Service Marketplace at service.sap.com/releasestrategy and *Enterprise Management and Support for Industries with mySAP ERP* (available for download at www.sap.com/solutions/business-suite/erp/pdf/BWP_Enterprise_Management_SOD.pdf)

LICENSING GUIDANCE

How Can SAP R/3 Customers Convert Licenses to Upgrade to mySAP ERP?

When considering the upgrade from SAP R/3 to mySAP ERP, the existing SAP R/3 contract and possible contracts for other specific components are to be converted in their entirety to a new contract. Please note that a customer with a “mySAP ERP” or “mySAP Business Suite” contract (formerly called “mySAP.com” contract) does not need an additional contract conversion.

To evaluate your personal situation, we invite you to contact your SAP representative who will be pleased to provide you with all the information relevant to your contract.

How Is mySAP ERP Being Licensed?

Standard SAP software licensing requires that all users accessing SAP applications must be licensed at the appropriate named-user level. Core mySAP ERP functionality are predominantly offered via named-user licensing. SAP offers other software functionality via options and industry packages, which are licensed in addition to named-user licenses via business metrics. Specifically for mySAP ERP, we offer extended functionality for corporate management and compliance, financial management, human capital management, and operations in the form of mySAP ERP options.

ENTERPRISE SOA AND BUSINESS PROCESS PLATFORM

How Does mySAP ERP 2005 Relate to the Business Process Platform?

As the most current version of SAP's family of ERP applications, mySAP ERP 2005 inherits all functionality of SAP R/3 versions. mySAP ERP applications run on SAP NetWeaver 2004s and can take advantage of the enterprise service repository, as well as the development, application integration, business intelligence, and composition platform functionality provided by the platform.

As explained above, mySAP ERP delivers greater flexibility of business processes for accelerated innovation through service enablement on the SAP NetWeaver platform. And of course, customers that have migrated to mySAP ERP 2004 or 2005 will have a smoother transition to the next version of SAP NetWeaver.

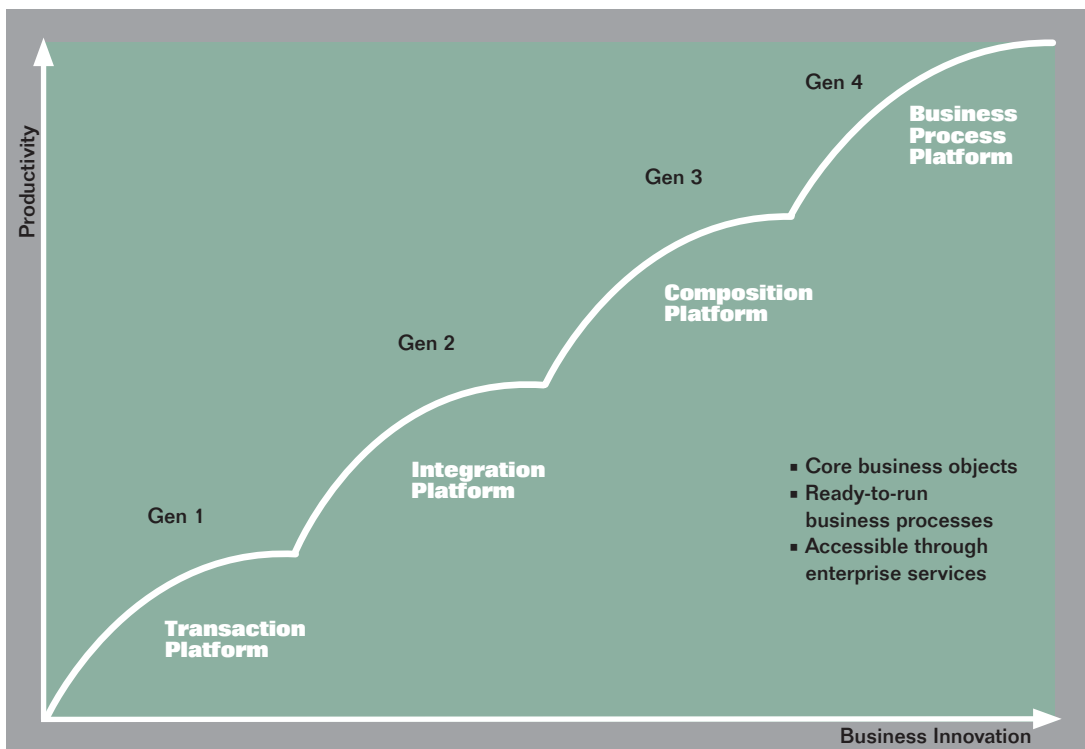


Figure 3: Evolution of the Business Process Platform

In 2005, SAP Said That It Would Deliver a Suite of Applications That Were Business Process Platform Enabled in 2007. What Is the Status Today?

SAP is systematically service enabling its applications suite, making the resulting enterprise services available through an enterprise services repository in SAP NetWeaver. SAP is delivering 500 enterprise services across the entire SAP portfolio, approximately 300 of which are available with mySAP ERP 2005, and will continuously add to those services until the complete suite of applications are compliant with enterprise SOA in 2007.

SAP is also delivering enterprise services packages for mySAP ERP. Enterprise services packages are bundles of enterprise services and related documentation that enable delivery of focused, high-impact business functionality to customers. Enterprise services packages are grouped by main business scenarios and processes to help customers adopt them swiftly. Each enterprise services package includes the following:

- A group of mySAP ERP 2005 enterprise services for a particular business scenario
- The definition of these services in the enterprise service repository
- Applications consuming those services – including composites where available
- All the documentation required for customers to get up and running, delivered via an interactive wiki format

To find further details about enterprise SOA, please visit www.sap.com/platform/index.epx and SAP Service Marketplace at service.sap.com/esa.

For further information about enterprise services packages, visit the Enterprise Services Workplace site on the SAP Developer Network site at www.sdn.sap.com. (Registration is required.)

FUTURE ROAD MAP AND RELEASE STRATEGY

What Is the mySAP ERP Future Road Map and Release Strategy?

SAP is evolving the mySAP ERP major release schedule to a five-year rhythm to better align with the customer adoption cycle. To ensure that customers take advantage of innovations while minimizing the impact to core operational systems, SAP plans to accelerate delivery of new functionality through enhancement packages that customers can optionally implement on top of mySAP ERP 2005. Enhancement packages are intended to contain functional enhancements and enterprise services in areas such as shared services, end-to-end business processes such as order to cash or “hire to retire,” supplier collaboration, and industry-specific functionality. The intent is to deliver more innovation, more quickly, in a more accessible way. SAP is thus ensuring the greatest possible protection of your investments by continuing to deliver high-quality ERP functions. We plan to deliver the next ERP release in 2010.

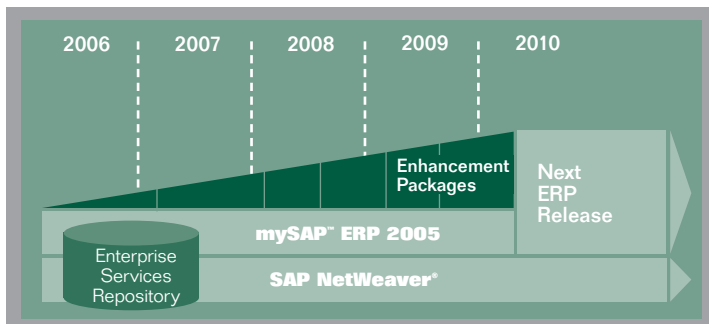


Figure 4: mySAP ERP Application Release Strategy

What Exactly Are Enhancement Packages?

Enhancement packages are an SAP technique to deliver more innovation, more quickly, in a more accessible way to organizations that have implemented or upgraded to mySAP ERP 2005. The packages enable rapid deployment of select new functionality in a way that minimizes disruption on core production systems. SAP intends to deliver enhancement packages several times per year and will include new functionality along with enterprise services. Customers will have the option of applying enhancement packages to their mySAP ERP 2005 environment.

Is 2010 the End of mySAP ERP?

Is There Any Reason Customers Should Hold Off Upgrading to mySAP ERP 2005 Now?

No. As explained above, SAP has decided that mySAP ERP will follow a five-year release cycle to better match our customers' upgrade cycle with the release of mySAP ERP 2005. SAP plans to deliver the next ERP version in 2010.

mySAP ERP 2005 is the go-to release and the foundation for the future for SAP R/3 customers, delivering tremendous value and continuous innovation through the enhancement packages.

FURTHER INFORMATION

SAP Web Site

mySAP ERP:

www.sap.com/solutions/business-suite/erp/index.epx

mySAP ERP Community:

www.sap.com/community/pub/innovation/erp2005/ and
sdn.sap.com

Enterprise SOA: www.sap.com./platform/index.epx

SAP Service Marketplace

mySAP ERP: service.sap.com/erp

SAP Upgrade Info Center: service.sap.com/upgrade

SAP Upgrade Services: service.sap.com/upgradeservices

mySAP ERP Upgrade: service.sap.com/upgrade-erp

Maintenance Strategy and Support Offerings from SAP:
service.sap.com/maintenance

SAP Safeguarding: service.sap.com/safeguardingupgrade

Unicode: service.sap.com/unicode

SAP Solution Manager: service.sap.com/solutionmanager

mySAP ERP Solution Browser: service.sap.com/upgrade-erp

SAP Release Strategy and Release Notes:
service.sap.com/releasestrategy and
service.sap.com/releasenotes

Enterprise SOA: service.sap.com/esa

ASUG Benchmarking Surveys

www.asug.com/benchmarking/bestpractices

CONTACTS

To learn more about how mySAP ERP can help your organization, call your SAP representative today.

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