

Take Control of Your SAP Roadmap with Third-Party Support

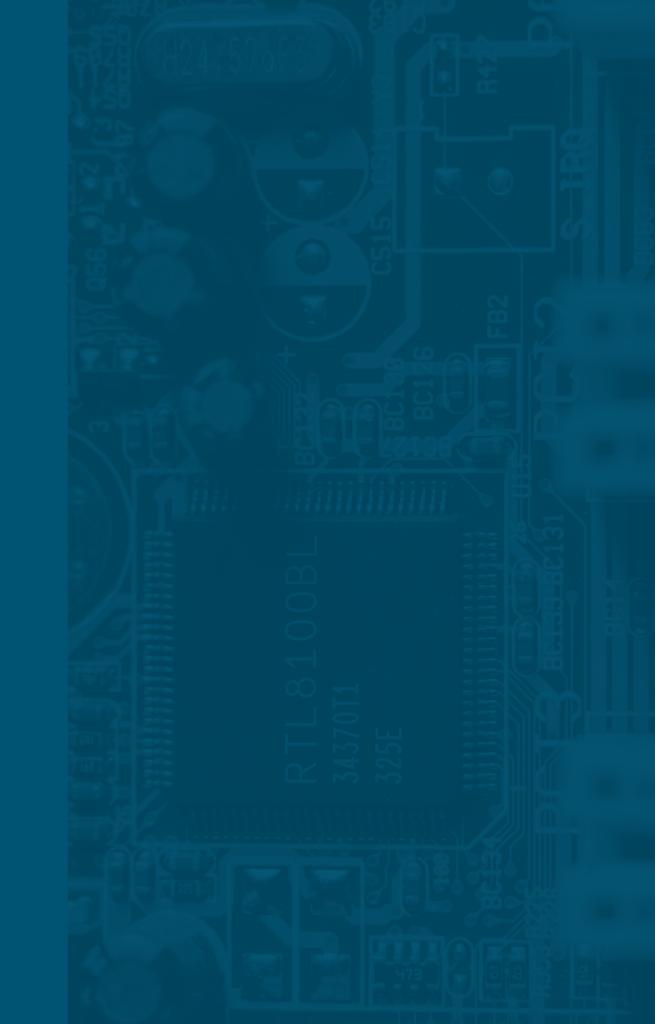
End of support for SAP Business Suite 7 is coming. Are you ready?

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SAP has announced an end of mainstream support for Business Suite 7 in 2027. Customers will be able to purchase an extended support contract through 2030 for an additional fee (and greatly limited scope), and then they will no longer be supported.

This guide will answer key questions SAP customers may have, such as:

- Why is SAP ending support for Business Suite 7?
- Should I migrate to S/4HAHA?
- Is staying on my current system an option?
- How can third-party support for SAP help me?



Ending support is a great business strategy for SAP, **not so much for you**

The last two decades have seen a profound shift toward a subscription SaaS model, with most software companies getting out of the business of offering perpetual licenses for on-premises software. Fortune Business Insights estimated that the value of the global SaaS market was \$251 billion in 2022, and projects it to rise to \$883 billion by 2029.

Make no mistake, while service delivery via the cloud has tangible benefits such as scalability, performance enhancements, and faster delivery of new functionality, this shift has been about maximizing shareholder value through the growth of annual recurring revenue. SAP's decision to end support for Business Suite 7 and heavily promote cloud deployments of S/4HANA is no different.

Cloud customers are easier for SAP to support. In 2023, SAP increased their support costs for the first time in a decade to cover the cost of supporting on-premises customers and give a gentle nudge to push customers toward the cloud. The impending end of support is a not-so-gentle nudge.

Key Facts

- SAP increased the cost of support for on-premises software by 3.3% in 2023
- Support for SAP Business Suite 7will end on December 31, 2027
- Extended support will be available through December 31, 2030 for an additional 2% fee and with limited scope
- After 2030 no support will be available

Applications included in Business Suite 7 ERP Central Component (ECC) 6.0 CRM 7.0 SRM 7.0 PLM 7.0

What an S/4HANA migration means for you

With SAP applying pressure on its customers to move to S/4HANA, businesses are actively evaluating whether they should migrate off their ECC environment or move to the cloud. If you're still unsure of your SAP roadmap, you're not alone. Gartner estimates that, after seven years on the market, less than a third of ECC customers have licensed S/4HANA.

It shouldn't be surprising that migrating your ERP is a time-consuming and resource-intensive project, particularly if you decide to move to the cloud. Whether you elect for a brownfield migration (replicating existing configurations and business processes) or a greenfield migration (starting from a clean slate), the project will require a large team of business process consultants, technical architects, and system administrators, and will span months if not years. Businesses can expect to spend millions of dollars on the migration.

Sample migration cost

9 months (~1500 hours)

× (15 consultants at \$165/hr

\$3.7M to implement

47%

of ERP implementations go over budget

Do you have a business case for S/4HANA?

In order to receive approval for a project of this size, there must be a compelling business case with tangible ROI. That ROI must justify not only the investment in the project, but also the opportunity cost of delaying other IT initiatives that could have been done in the time spent on the migration.

Many IT leaders not only struggle to build the business case, but also hear stories of other companies who have had unsuccessful S/4HANA migrations, and are left in a challenging position where they cannot secure approval for the project, but feel the pressure of the impending end of support date.

RISE with SAP falls flat

With the singular goal of converting legacy onpremises customers to the cloud, SAP has introduced RISE with SAP to deliver "business transformation" services that promise to help customers define the business case and execute a successful migration.

What customers will find is that RISE with SAP pushes them toward SAP-defined business processes that prioritize adoption of SAP's full technology stack, relies on standard solutions that may not be the best fit for your unique business needs, and locks you into a multi-year consulting agreement.

Organizations that have spent years customizing their ECC environment to their specific needs do not need expensive services to "justify" a migration, they need the freedom to choose the technology strategy that works best for them!

Key considerations as you evaluate your options



How customized is your ECC system?

The more customizations you have, the more time and resources you will have to spend redesigning business processes (with potentially no added business value).



What is your broader IT ecosystem?

Moving to S/4HANA effectively locks you into the entire SAP technology stack across applications, middleware, database, and infrastructure.



Does your current system meet your business needs?

If you're happy with ECC and the only reason you'd consider migrating is because of a looming end of support date, that's a sign you should look for other options.



What other IT priorities do you have?

If an S/4HANA migration is low on your list of strategic IT initiatives, you may be best served to tackle higher priority projects with clearer ROI and smaller scope first.

Hoping for another support extension is not the answer

With little appetite to move to S/4HANA, and emboldened by low adoption across the market, many businesses may be wondering if they can simply dig in their heels and refuse to migrate. After all, SAP has pushed the end of maintenance date for Business Suite 7 back before, is it worth betting that they'll push it back again?

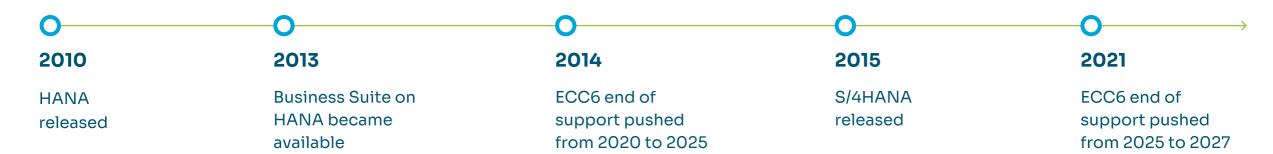
Unfortunately, this approach is simply delaying the inevitable. Whether SAP holds firm to their 2027 end of support date or extends the deadline again, they will eventually cease offering support for ECC6 and the other components of Business Suite 7.

Additionally, by taking the "wait and see" approach, businesses are putting themselves in a risky position. As the end of support date gets closer, SAP consultants will be in high demand, creating a scarcity of resources and driving costs upward. For businesses who are unable to complete their migration in time, they will lose access to SAP support.

Running an unsupported system means:

- You'll have to fix issues yourself
- No access to security patches
- No tax, legal, and regulatory updates
- Interoperability issues will arise

History of ECC6 end of maintenance date



THE SAFE CHOICE

Extend the life of your ECC with third-party support

For organizations who do not see the business justification of migrating to S/4HANA (or who simply aren't ready to commit to the project just yet), third-party support provides a win-win solution. With third-party support, businesses can continue to run their mature and stable ECC environment up to and beyond the SAP end of support date.

What is third-party support?

Third-party support entirely replaces your SAP support contract, enabling you to continue running your legacy on-premises system for the foreseeable future. Third-party support also typically improves the quality of your support and reduces costs by about 60%.

Spinnaker Support has helped over 1300 customers achieve their business goals, whether that's extending the life of enterprise software investments, migrating to the cloud, maintaining customized software, supplementing constrained internal resources, or simply minimizing support costs to free up budget for more strategic initiatives.

Third-party support for SAP provides:

BREAK/FIX SERVICES

Diagnostic services, product fixes, performance management, and/or operational workarounds for software issues for standard/custom code and integrations.

GENERAL INQUIRY

Answers to general inquiries related to the usage and configuration of standard/customized software, tools and applications.

SECURITY AND VULNERABILITY MANAGEMENT

Proactive full-stack security & vulnerability protection that targets weakness categories to harden your system, plus incident response and threat intelligence.

GLOBAL TAX AND REGULATORY COMPLIANCE

Timely, comprehensive, and accurate Global Tax & Regulatory Compliance (GTRC) updates, customized to your geographic and application needs.

TECHNOLOGY ADVISORY SERVICES

Unbiased and proactive technology advisory services for your IT strategy, including interoperability, virtualization, cloud migration, and upgrade support.

Spinnaker delivers premier customer service

Spinnaker customers enjoy top-rated support from an assigned team of experienced engineers. Our customers' success is our #1 priority, and it shows in everything we do.

CUSTOMER SPOTLIGHT



Autodesk is a multinational software corporation serving the architecture, engineering, construction, manufacturing, media, education, and entertainment industries. Despite paying high fees for SAP customer-specific support, Autodesk was not receiving any patches or enhancements for compliance. Autodesk switched to Spinnaker to improve the quality and efficiency of support for SAP.

The support engineers are responsive, efficient, and engaged directly on resolving our issues. They don't respond with stall tactics or try to push unneeded patches to 'try' and resolve issues, like SAP support.

- Ajith Kumar

Senior Manager ERP Applications, Autodesk

READ THEIR STORY

Spinnaker provides a personalized experience

Spinnaker offers a welcome alternative to one-size-fits-all support services that prioritize software roadmaps instead of your requirements. With Spinnaker, support is always tailored to you.

CUSTOMER SPOTLIGHT



CSM Bakery Solutions is a supplier of premium bakery ingredients, finished products, and services to customers in more than 100 countries. CSM was paying a lot for a faceless ticket-based support system with SAP. They switched to Spinnaker for more proactive and personalized support.

What was good about Spinnaker Support, is that right from the start we had continuous communication. We wanted to work with a named person all the time and we got that from Spinnaker Support.

- Danny McCarthy

Senior Manager, CSM Bakery Solutions

READ THEIR STORY

Spinnaker is a better value than SAP support

Spinnaker Support delivers comprehensive support for 50-62% less than original software publishers, while also supporting customizations for no added cost.

CUSTOMER SPOTLIGHT



D+M Group provides wireless audio solutions for consumer, professional and automotive markets. D+M was running a very stable ECC6 environment with moderate customizations and was paying excessively high maintenance fees to SAP to support their overseas locations. By switching to Spinnaker, D+M projected they would save \$3.75M over five years.

The cost of maintaining our SAP system in Japan was excessive. Spinnaker Support was the only organization prepared to handle our requirements in Asia. The ability to redeploy some of the ERP budget to other projects without putting the health of my systems at risk is a huge win for our organization.

Scott StricklandCIO, D+M Group

READ THEIR STORY

Although the looming end of support date for SAP Business Suite 7 will be a major motivation for many companies considering third-party support over the next several years, there are several other reasons businesses may turn to Spinnaker Support.

Support for Heavily
Customized Solutions

Business Continuity During a Cloud Migration

Extend Limited IT Resources

Simplify Complex Hybrid Systems

Organizations who have customized their SAP technology do not receive bug fixes, security patches, and tax & regulatory updates pertaining to their custom code, leaving them to invest significant supplemental resources to maintain their system. Third-party support from Spinnaker is always tailored to your unique environment, so you don't need to do any extra work to ensure your system is working, secure, and compliant.

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Support for Heavily Customized Solutions

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Business Continuity During a Cloud Migration

Extend Limited IT Resources

Simplify Complex Hybrid Systems

While some organizations will choose to stay on SAP ECC for as long as possible or elect to deploy S/4HANA on premises, many others will make the move to the cloud. Whatever path you choose, you will need to continue supporting your legacy system during the migration, and you may have some business units or locations who stay on that legacy software beyond the migration. Spinnaker lets you avoid IT disruption so you can continue delivering a seamless customer experience.

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Support for Heavily Customized Solutions

Business Continuity During a Cloud Migration

Extend Limited IT Resources

Simplify Complex Hybrid Systems

Businesses want to allocate their IT budget and resources to strategic technology initiatives, not exhaust those resources maintaining systems.

Spinnaker enables you to reduce support costs from 50-62% while improving the quality of support, freeing up your budget and resources for more strategic initiatives that will have a business impact. Additional consulting and managed services offerings from Spinnaker can further bolster limited resources with staff augmentation or help drive strategic business transformation.

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Support for Heavily Customized Solutions

Business Continuity During a Cloud Migration

Extend Limited IT Resources

Simplify Complex Hybrid Systems

IT ecosystem with applications, databases, operating systems, and middleware from a number of different vendors. Basic support from Spinnaker ensures that interoperability between your systems remains functional, and additional consulting and managed services can help you build new integrations and transform your IT ecosystem to improve operational efficiency and customer service.

Many SAP customers have stitched together an

Making the switch to third-party support doesn't have to be scary

SAP will try to deter you from terminating your support contract and switching to a third-party support provider. Their ability to move you to S/4HANA is threatened once you have switched to a support option that enables you to stay on ECC indefinitely. But don't let them scare you out of it. This is what onboarding with Spinnaker Support looks like.

TEAM ASSIGNMENT

You will be assigned a team of engineers led by an account manager. This team will lead you through the onboarding process and deliver your support throughout the entire life of our engagement.

ARCHIVING

We will do a full archive of your system, so you won't lose access to any of your licensed updates or security patches, even if you haven't implemented them.

SECURITY ASSESSMENT

We will run a custom security assessment to identify any weakness categories and provide a personalized recommendation to strengthen and harden your system.

SYSTEM REVIEW AND KNOWLEDGE TRANSFER

We will work closely with your team to immerse ourselves in your environment so we can begin delivering top-notch support immediately upon transitioning support from SAP to our team.

"It was a little scary leaving the SAP 'mothership,' but the onboarding process with Spinnaker was extremely easy. We should have done it sooner!"

- Craig McBroom

Business Analyst (SAP products) Exela Technologies



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