



# hp and SAP partnership

**SAP offers hosting solutions  
"powered by HP"**



"There are a growing number of clients in the marketplace who are looking for the hosting alternative SAP offers. With our expanded and flexible model, clients can now focus on their core competencies while allowing us to do what we do best, which is to manage, upgrade, and operate SAP software in much the same way that SAP relies on HP as a Preferred Data Center Provider."  
—Tom Melchiorre, vice president, SAP Hosting  
SAP America





## coming together with SAP

### industry

- Independent software vendor (specializing in collaborative e-business solutions)

### challenge

- Provide SAP with the hosting tools to be a one-stop solution provider for their e-business clients
- Provide SAP with a complete array of HP hosted solutions, offering highly available, smart, secure, easy-to-access e-business solutions without the investment in dedicated staffing, costly consultants, and equipment upgrades

### solution

- HP, as SAP's Preferred Data Center Provider, provided SAP with a world-class, highly available infrastructure on a pay-as-you-grow basis, with no up-front investment and no infrastructure software licensing or set-up fees

### results

- SAP now offers SAP hosted solutions "Powered by HP"
- Clients enjoy a mission-critical infrastructure that can handle their demanding, always-on hosting solutions without the cost of self-implementation

To transcend the boundaries of the traditional Applications Services Provider (ASP) model, two key players have emerged in the e-commerce marketplace, offering a unique and efficient application hosting solution for the new economy. Clients and prospects have come to trust SAP's ability to deliver complete solutions to business challenges in any industry, anywhere. So it's no wonder SAP and HP, long-time partners, have teamed up to create a new generation of e-business success.

### new alliance

SAP and HP have formed a new and unique alliance to expand upon that success: HP now provides data center services to SAP that support its focused, enterprise-wide hosting solutions for e-business applications such as customer relationship management (CRM), supply chain management (SCM), and private and public marketplaces.

According to Tom Melchiorre, vice president of SAP Hosting, "We've seen a growing trend among clients toward considering and deploying the SAP software in a hosted model because the benefits are very compelling – lower cost of ownership over time, higher quality, more flexibility in deployment, and the development of strategic alignments.

"We have moved to answer our clients' call with innovative hosting solutions provided directly by SAP, and called upon HP, as a Preferred Data Center Provider, to help us meet the needs of providing an always-on infrastructure."

Melchiorre explained that, "The impact for our clients is rather dynamic. Now they can get business benefits from SAP software, but without having to operate and manage the software themselves."

This allows clients to quickly and cost-effectively deploy SAP software solutions, each tailored to their business. Clients can get to market faster with secure, innovative solutions without worrying about the day-to-day management of the SAP software.

According to Todd Kemmerly, HP Partner Sales Manager, hosting is clearly where the market is going. "The partnership with SAP represents a great opportunity for HP to establish a leadership role as an infrastructure provider in the emerging ASP solutions delivery model; a market which IDC has predicted could easily grow to over \$24B by 2005, from under \$1B in the year 2000."

By utilizing SAP's hosted solutions "Powered by HP," the client has none of the worries associated with infrastructure ownership, Kemmerly said. "Many companies don't want the inherent headaches and stress that ownership brings with it. These companies may have experienced trouble in hiring/retaining experienced and qualified support resources. They may not have large capital equipment budgets or are unable to afford the costs of a mission-critical data center. Or, increasingly important, they may wish to go live in a very short amount of time. With SAP's hosted solutions "Powered by HP," the client doesn't have to make the big investments in the infrastructure and support – HP owns the infrastructure, and it's the responsibility of SAP and HP to keep the enterprise application up and running efficiently 24x7x365."

### **who is SAP and what are hosted solutions by SAP?**

SAP is the world's leading provider of e-business software solutions. Hosted solutions by SAP encompass a suite of hosting offerings that allow companies to acquire world-class e-business capabilities cost-effectively while providing the performance and reliability for which SAP is known, and the speed, flexibility, and integration that e-business demands.

Through the SAP e-business platform, people in businesses around the globe can improve relationships with their clients and partners, streamline operations, and achieve significant efficiencies throughout their supply chains.

Today, more than 19,000 companies in over 100 countries run more than 55,000 installations of SAP software.

### **benefits of the new hosted solutions offering:**

- Lower cost of ownership – Provides clients with a faster return on their investment (ROI) and lower total cost of ownership (TCO).
- Concentrates on priorities – Focuses critical resources on core competencies and providing value-added services.
- Quick time to market – Eliminates long implementation cycles, creating competitive advantage.
- Quality of service – Backed by SAP, the world's premier service and support provider, and supported by HP's global services program.
- Pay-as-you-grow managed cost structure – Provides for cost predictability, reducing up-front capital investment and ongoing expenses.
- Flexibility and scalability – Allows for business direction changes and quick redeployment of software to adapt as needed.
- Access to experienced applications resources – Provides professional software management. After all, who knows SAP better than SAP?

## **hp technologies and services for SAP hosted solutions**

### **server platforms:**

- HP 9000 family, covering the full range of UNIX®-Servers from Superdome to A-Class
- HP ProLiant server family

### **storage:**

- HP Surestore 1024 disk arrays
- StorageWorks EVA storage
- HP Openview Omniback II
- HP Surestore tape library family – with Ultrium technology

### **mobile appliances:**

- HP iPAQs, Jornada palmtops and handhelds
- HP Compaq and OmniBook Notebooks

### **application and system management— HP OpenView family, including VantagePoint:**

- Smart plug-in for SAP R/3, Oracle, Informix, and SQL Server

### **web hosting services— managed web services include:**

- "URL availability" commitments
- Leveraged networking and security infrastructure
- Highly scalable Internet bandwidth capability
- Flexible networking connectivity (serial, Frame Relay, VPN, ISDN, etc.)
- Data center capacity

### **high-availability solution:**

- HP MC/Serviceguard + extension for SAP
- Microsoft® Cluster Server (MSCS)
- Business Continuity Services (BCS) to provide business continuity capabilities

### **output and information management— hp output management family, including:**

- Dazel Output Server, Dazel for R/3, Dazel Web Delivery
- HP document router
- HP output management system for SAP (OMS)
- Consulting and Implementation services

### **data archival and image management— IXOS product family:**

- Management of the aging and archiving of documents to HP's Surestore archival libraries
- Management of short-term and long-term imaging documents

### **security— hp security family, including:**

- Managed Firewall Service provided
- Security consulting through partnerships with HP Consulting and Integration organization and Internet Security Services (ISS)
- Managed intrusion detection services are also provided



#### SAP solutions that can be “powered by hp” in a hosted environment:

- SCM
- CRM
- HR
- PLM
- Financials
- Business intelligence
- e-Procurement
- Mobile business
- SAP Enterprise Portal

#### a powerful team effort

This new strategic alliance between SAP and HP brings a rich history of experience and leadership to the SAP hosted solutions program. It combines the quality and reliability of SAP with the powerful resources of HP, the number-one SAP R/3 outsourcing provider today. According to Ann Miller, marketing manager for SAP hosted solutions, “SAP can sell SAP hosted solutions with the confidence that the client’s solutions are backed by a company that has world-class standing and recognition. This relationship makes our marketing messages very compelling, particularly when the HP name is included.

“The real message is clear, whether directed to the HP client or the SAP client,” explained Miller. “We can offer end-to-end solutions, supported by the core competencies of both organizations. It’s really seamless and transparent to the client. Clients can take advantage of the power of their SAP solution to a much greater degree in a hosted model, as opposed to managing it themselves.”

#### pay-as-you-grow affordability

The SAP approach to hosting services differs from the traditional ASP model. In fact, Melchior reported that they never fully embraced the ASP model because SAP felt that it was inherently flawed. “We feel SAP has overcome the disadvantages of the ASP model through economies of scale, our financial stability, and our ability to leverage internal resources and core competencies to provide a customized, scalable solution for our clients. It gets back to the financial viability of companies like SAP and HP, who can leverage best practices, along with internal resources and expertise, to deliver services that are already our core competencies.”

He continued, “Clients now have a highly available, flexible, pay-as-you-grow architecture that gives them a tight rein on expenses, eliminating prohibitive entry price, cost overruns, long implementation timeframes, and costly maintenance. All they need is a Web browser, and SAP and HP can do the rest.

“Working with HP to create standardized ‘footprints’ for each of SAP’s product solutions and ranges of users allows us to predict the number and type of resources and hardware, along with the infrastructure requirements, to support a customized solution for each client.

“The end result is that our price points are very attractive while our business model remains profitable. We can help maximize the business benefit while lowering the client’s cost of ownership. And we now have client stories that can demonstrate and prove this.”

## why SAP selected HP

Choosing an infrastructure partner involved a quite extensive six-month selection process. In the end, SAP considered over ten candidates. One of the most crucial elements in the selection process was highly available hardware teamed with experience with, and knowledge of, SAP software.

According to Melchiorre, "We wanted to check everyone's references to see how successful they were at hosting SAP software. Furthermore, the ideal candidate had to be a global company, delivering always-on hosting services on a worldwide basis. Another issue was quality – did the candidate display a dedication toward quality service? Finally, because this was to be a strategic joint venture, we needed to make sure we could work comfortably together. In the end, HP was considered eminently qualified and has proven to be an excellent fit."

## specifics of the SAP/hp relationship

Under the agreement, SAP owns the client relationship, providing the database and applications support services, including the HelpDesk function, which they will promote to their prospective clients.

HP provides top-level infrastructure support services to SAP via a "wholesale" model. These services include the provisioning of computing and networking hardware, data center space, and the management of the O/S and networking environments required to support SAP application services.

HP's solution utilizes its Financial Services division for the billing procurement and financial function, and its Managed Services arm is responsible for all hardware leases. The hardware includes the HP-UX and HP ProLiant servers, storage devices, and networking components. HP Services provides both hardware and software maintenance. Software divisions provide HP's industry-leading infrastructure management tools. The service also utilizes the Networking Implementation Services group to deliver network implementation services, and the Business Continuity Services group for disaster recovery services. HP Consulting group provides business recovery plans as required by SAP's clients.

This wholesale service also includes Managed Web Services as needed, and provides a Storage On Demand service to SAP clients on a \$/GB basis, utilizing HP's Storage Area Networking technology using HP's world-class StorageWorks and Surestore solutions.

In conclusion, Melchiorre stated that, "Together, we have taken SAP and HP into exciting new business opportunities, generating an additional revenue stream for both companies."

## alliance partner at a glance



**company:** SAP

**corporate headquarters:** Walldorf, Germany

**U.S. headquarters:** Newtown Square, PA

**corporate phone number:** 610-661-1000

**primary business:** SAP is the world's leading provider of e-business software solutions

**web site:** [www.SAP.com](http://www.SAP.com)

**If you would like additional information regarding this service offering, please contact:**

**Todd Kemmerly, HP Partner Sales**  
**(770) 795-6283** [todd.kemmerly@hp.com](mailto:todd.kemmerly@hp.com)  
<https://ecardfile.com/id/outsourcing>

**For more information on how working with HP can benefit you, contact your local HP service representative, or visit us at [www.hp.com](http://www.hp.com)**



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04/2003 5981-6531ENUC 7257