

SAP Licenses



Presented to
Joint Legislative Oversight Committee on
Information Technology

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OSC SAP License Inventory

SAP Licenses Currently Owned	Quantity		
	Owned	Used	Available
mySAP Professional (Cat. II) ¹	5,648	1,901	3,747
mySAP Limited Prof. (Cat III) ¹	13,505	11,763	1,742
mySAP Business Suite Developer ¹	25	6	19
mySAP Business Suite ESS User ²	82,002	72,518	9,484
SAP Business Suite - Business Expert ³	8	0	8
Total	101,188	86,188	15,000

¹ Additional licenses for SAP Financials implementation on hold due to funding constraints
² Additional licenses for agencies currently not using ESS
³ Licenses for Business Objects development on hold due to funding constraints

\$9.9M One Time Original License Costs (Original ERP purchase September 2005)

\$1.9M Annual Maintenance Costs (Currently 19% of License Costs and contractually increasing annually to 22% in 2016)

.... Licenses are available; however, further ERP expansion requires significant funding and resources



SAP Financials Implementation Cost Estimates

OSC SAP Financials Deployment Options ^{1, 2, 3}	Implementation Option 1	Implementation Option 2	Implementation Option 3
	Big Bang Roll Out	Phased By Business Function	Phased By Agency
Implementation and Roll Out ⁴	\$261,731,924	\$291,534,748	\$307,134,406
BEST Shared Services Support Requirements	\$21,957,600	\$20,400,000	\$21,200,000
Centralized Support	\$66,599,200	\$47,700,000	\$59,300,000
Total	\$350,288,724	\$359,634,748	\$387,634,406

¹ Source - Deloitte Consulting, LLP November 2008 Study - \$895,000 Cost to State

² Includes Accounts Payable, Accounts Receivable, Asset Management, Cash Deposits / Receipts, Financial Reporting (including CAFR), General Ledger, Grants Management, Inventory Management, Budget, Procurement, and Project Accounting. Treasury functions of investment management and banking not included.

³ Regardless of Implementation option approach, expected duration/implementation of project is 4.5 years

⁴ Includes the following modules: Public Sector Budgeting Development, Supplier Relationship Management (SRM), Finance (FI), Materials Management (MM), Controlling (CO), Grants Management (GM), Grantee/Grantor, Project Systems (PS), Warehouse Management (WM), Funds Management (FM), Bank Accounting (BL), Plant Maintenance, PM), Sales & Distribution (SD), Travel (TV), Document Management (DMS), Production Planning (PP), Customer Relationship Management (CRM)

Summary



- Licenses available are a state asset and are shared as required.
- Original ERP intent → replace and modernize the state's aging, non-consolidated, stand-alone systems such as HR/Payroll/LMS, Budgeting, Financials, Grants, and Data Warehousing with a fully integrated business application.
- Expansion of statewide applications such as NCAS requires a centrally located, consolidated statewide approach to adequately meet agency business needs along with the combined statutory requirements of Treasury, State Budget and the State Controller.
- Any expansion efforts require careful planning and requirements gathering along with dedicated resources and adequate funding for implementation as well as future on-going operations and support after initial implementation.