**Topic**

Contract and License Management play a major role in the CCOE for the interaction with SAP. Deep knowledge of the different license models and the consequent consumption as well as the comprehensive administration of the purchased licenses often are very challenging. Furthermore, the license cost often play an important role in the IT cost structure.

**Customer Suggestion: International standard for Contract and License Management**

Regardless of the international location and the type of software (ERP, BO, B1) all contracts and purchased licenses are consolidated centrally in the SAP CCOE. The supplier manager monitors all licenses.

**Customer Profil**

hannover re
International Reinsurance Company with Head Quarter in Germany/Hannover
Internal Group IT

SAP Customer CCOE Focus:
Stable and secure IT operation, maintenance, support and development for the used SAP software, central contact partner for all questions concerning SAP.

**Management Summary**

The hannover re SAP applications are used by several international locations. Very early in the process it was obvious that internal synergies could have an effect only if the contract and license management is kept together at one place. Concentrating all such information at one place provides transparency over the complex situation and achieves the maximum benefit for the group. This also will result in better contract conditions.
### Initial Situation

Based on the SAP modul for reinsurance (FS-RI) hannover re developed a new core solution for its reinsurance business. Parallel to an already productive SAP system the new solution was implemented and integrated with other self developed systems in a customer specific system landscape. The go-live of the system landscape for the central office in Hannover and a few local offices outside Germany was in August 2008. Since then a global roll-out with corresponding growth of licenses for local subsidiaries is ongoing across the globe.

In parallel hannover re and its subsidiaries also use SAP BO, and in addition since 2013 SAP B1 for one subsidiary.

### Challenge

It is always a challenge to agree upon long-running license contracts because projects often change order-time and number of licenses before go-live. Often the SAP license model is not known accordingly and wrong licenses are purchased (for example “Limited User” instead of “Professional User” or vice versa). In addition it is not always clear that “test” licenses can be ordered and how they can be applied. To be capable of acting and to make the best decisions it is absolutely necessary to have deep knowledge of the SAP price lists and their structure and as well to be in permanent contact with SAP (for example the Account Executive).

In parallel the knowledge about the license types, their functional structure, and where necessary the knowledge about other license components, must be provided to other departments customer internally.

### Need for action

During the yearly conducted license audits it turned out very early that by a centrally organized comprehensive license authorization a better economic success can be achieved than by a decentralised license management of distributed licenses.

Very helpful for a good knowledge of the required functionalities and licenses (type and number) is a good cooperation of all IT departments in close cooperation with the business departments.

### Goal

The goal was to achieve a high competence in the SAP price lists and in the contract structure as well, both necessary to achieve a correct, auditable, complete, and transparent license management concerning the SAP software.

In addition license contracts and changes of licenses should be processable in short time and on the basis of fair conditions.
Our Solution

With go-live of the new core application the CCOE was structured according to competencies. System operation and maintenance is provided by the SAP Basis Team, application oriented development is provided by the Development Department, and the overall contract and licenses management is provided by the role of the CCOE manager, who acts across all IT departments.

The CCOE-Manager focusses on the yearly conducted license audit and the consequential contract negotiations for additional licenses, as well as on the contact to the SAP Account Executive. This also includes the preceding adjustment and planning of the licenses in the company.

Further tasks of the CCOE-Manager are the execution of the (re)certification every second year and also the channelling of (sales) information.

All essential information concerning licenses and contracts are kept together at one place by the CCOE-Manager. A forward-looking monitoring of the planning status for the licenses and at the same time a permanent house keeping are the basis for a correct and informative license audit. Furthermore all license data (number of users and their type and the resulting license and maintenance fee) is completely available at any time. The CCOE-Manager is supported in his role by a completely and correctly maintained SAP Market Place.
**Methodology and Effort**

Setup of the CCOE before go-live of the core application. This was achieved by implementing the role of the CCOE Manager, who initially worked about 1 - 2 PDs/week. With increasing establishment and publicity of the CCOE the effort itself reduced to a maximum of about 0,5 PDs/week.

The structure of the CCOE corresponds to the overall IT organization. In addition it closely works together with the business departments. The IT process framework is aligned to the ITIL systematic. During the implementation of the CCOE it was of major importance to compile a documentation of the work flows, processes, and collaboration, as well as to agree upon several internal service levels in the frame of an operation concept.

The basis of an overall identity management is an authorization concept for the core application which is build upon so-called enterprise roles. The identity management supports the precise compilation and assignment of the licenses to the user.

**Our Benefit**

Transparent licence audits in the SAP systems with reduction of the effort in the ongoing authorization administration.

Centrally in the CCOE stored documentation ensures availability of the necessary information about licences and contracts. This supports fast and clear communication of all CCOE topics. The administration effort in the CCOE is reduced and a long term oriented planning base is achieved as basis for a solid negotiation basis and stable contracts.
We about us

hannover re, with a gross premium of EUR 13.8 billion, is the third-largest reinsurer in the world. It transacts all lines of non-life and life and health reinsurance and is present on all continents with around 2,300 staff. The rating agencies most relevant to the insurance industry have awarded hannover re very strong insurer financial strength ratings (Standard & Poor’s AA- “Very Strong” and A.M. Best A+ “Superior”).

Summary and Forecast

The CCOE will continue in this structure and increasingly will support the international hannover re group. Furthermore the biyearly (re)certification as SAP CCOE is an additional core area besides the license and contract management.

Besides the established CCOE-procedures for SAP ERP software increasingly also the proceders for SAP BO and SAP B1 will be integrated.

Customer Contact

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<th>Contact Person</th>
<th>Dr. Uwe Vehlies</th>
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Remark!

Please note: the solution described here is presented in the program Customer CCOE Best Practices. With this format SAP give Customer CCOEs the possibility to show their own best practices, good working solutions and the way realized to the community of Customer CCOEs.

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Your Customer CCOE Team

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