



Cloud Choice

Cloud Choice, profit option



Briefing for Partners reselling SAP Cloud Solutions
October 2016

Contents



Briefing for Partners reselling SAP Cloud Solutions

- What is Cloud Choice, profit option?
- How does it help you and your customers?
- How can partners join and earn commissions?
- Contractual Differences: Discount Option vs Cloud Choice, profit option
- Where can I find more information?

Cloud Choice, profit option

SAP now pays partners a 20% fee to win more Cloud business



- **New & innovative business model developed to scale cloud in GB by helping SAP partners accelerate sales and profits**
- **No guess work. It's predictable, clear, and simple!**

Program details:

- **Who:** SAP PartnerEdge Sell Partners offering Cloud to General Business customers
- **What:** Partner earns 20% fee on invoiced Annual Contract Value for initial orders & upsells; 15% on renewals
- **How** does it work?
 - Partner markets the offering, generates leads, demos, manages the sales process to close
 - Customer signs SAP paper for the subscription
 - SAP invoices customer annually in advance; partner implements the solution for customer
 - SAP pays partner after customer has paid SAP
- **Where:** Currently available in selected countries; rolling out to all markets
- **When:** From August 1st, 2016
- **Restrictions:** not allowed for government & public sector deals. Available to customers in General Business segment

"Government Customer" or "Government Official" shall mean any officer or employee of a government, immediate family member of these, government owned or controlled entity, or any department, agency, or instrumentality of the government or a public international organization, such as the Red Cross or World Bank. This includes any person or entity acting in an official capacity for or on behalf of any such government, department, agency or instrumentality or organization.

What are the benefits?

How does Cloud Choice, profit option help you and your customers?



FOR PARTNERS

- Cloud best practice – easier for partner to step into or transition to Cloud
- Reduce street discount risk for partner
- Reduce partner liability concerns and exposure – Customer's SLA with SAP
- Participate in subscription revenue stream where customer requires a one-vendor subscription agreement
- Win first Cloud reference customers before going for Cloud top-line revenue
- Easily boost Cloud uptake in your installed base

FOR CUSTOMERS

- Reduce perception of exposure to risk with partner new to Cloud
- Benefit from (often) lower cost base of partners
- Meet purchasing requirements for single vendor subscription agreement; i.e. General Business customer who purchased other solutions previously directly from SAP

How can partners join and earn commissions?

Prerequisites & steps



Cloud Choice

PARTNER

- Partner seeks Sell authorization
- Partner meets SAP due diligence requirements and background check
- Partner signs SAP PartnerEdge Master Partner agreement, with Cloud Sell Schedule and Payback Option* amendment
- Partner obtains PartnerEdge Product Sell Authorization for the SAP Cloud solution

* Please note that the legacy term “payback option” will appear in the amendment.

OPPORTUNITY TO ORDER

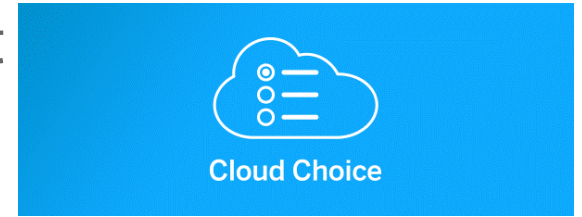
- Partner identifies (initial, upsell, or renewal) opportunity and in the General Business segment
- Partner registers the opportunity with SAP
- Partner selects the **payback** engagement type for this transaction
- Deal is approved, quote to customer is generated, customer signs the SAP order form, and SAP books the deal

INVOICE TO COMMISSION

- SAP invoices customer annually in advance; multi-year contracts are invoiced in annual intervals
- Customer pays SAP annually in advance
- Upon receipt of customer payment SAP pays the standard 20% commission on ACV to the partner in the following month

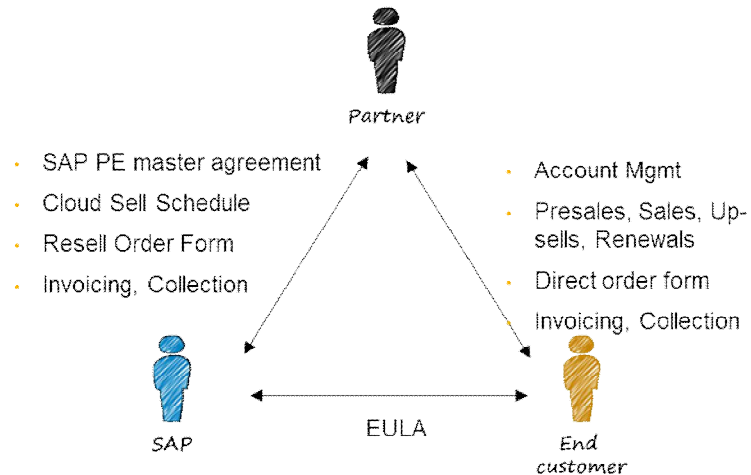
Some differences between Discount Option & Cloud Choice, profit option

Partner chooses best option at transactional level



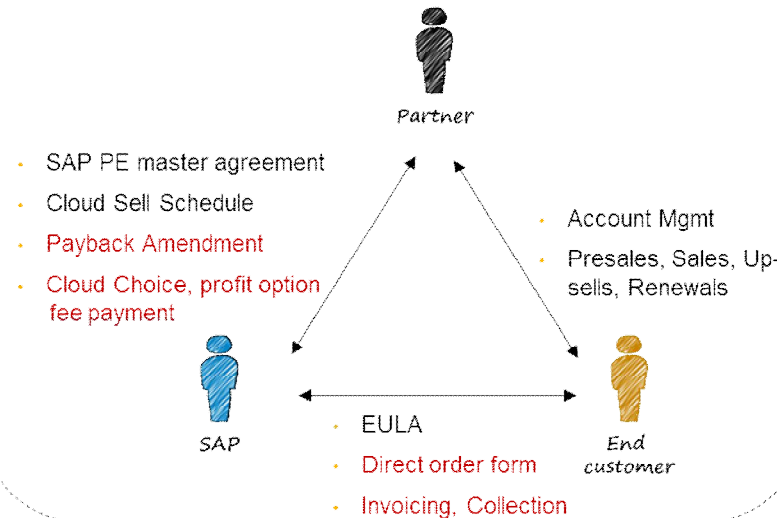
Discount option

On partner paper with 30% discount



Cloud Choice, profit option

On SAP paper with 20% fee payment



All other partner responsibilities remain the same as before

- Partner markets the offering, and generates leads
- Demos and estimates the implementation
- Manages the sales process to close deals
- Implements the solution for customer and provides Key user support (non-SLA)
- Drives upsells and renewals and provides ongoing account management
- SDK add-on development (optional)

Legend

Partner provides

SAP provides

Note:

Cloud Choice, profit option replaces Payback but in some internal SAP systems, it will still appear as "Payback"

Where can I find more information?



SAPPartnerEdge.com

- Cloud Choice, profit option
- FAQ
- How-to guides to help you: [MMP enablement](#)
- [How to register an Opportunity](#)

External Legal Portal

- EULAs, product supplements, etc.

Payback Option Amendment for SAP VARs

- Partner-facing contracts may be obtained through your local PE recruiter or Partner Business Manager

To find out how to get going quickly with Cloud Choice, profit option please contact your local Partner Business Manager (PBM) at SAP