SAP Business One OnDemand

SAP® Business One OnDemand
Solution Overview

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Executive Summary

Cloud computing introduces a new paradigm for the delivery of software applications. In the same way organizations consume utilities like electricity, they now have on-demand access to vast computing resources, centrally managed in data centers, which scale dynamically according to requirements. Multiple organizations can share common hardware and software resources, benefiting from a significantly lower total cost of ownership.

Building on the success of the SAP® Business One application, traditionally installed on premise, SAP delivers a comprehensive cloud deployment solution for small businesses – the **SAP Business One OnDemand** solution. With this offering, SAP delivers the best of both worlds: the power of the SAP Business One client application and the ease of use and affordability of an on-demand deployment.

SAP offers a scalable platform that enables your organization to access SAP Business One that our partners host in the cloud or by building their own private clouds. Your organizations can leverage the power of the core business logic and extensible framework of SAP Business One to deliver extended functionality and customized business processes in the cloud.

This document provides an overview of SAP's cloud computing strategy for small businesses and subsidiaries of large enterprises.

INTRODUCTION

Cloud computing has the following intrinsic characteristics:

- **Elastic scalability** – Available computing resources can effortlessly scale up or down according to business requirements.
- **Measured service** – Utilization of computing resources is precisely monitored on a per-tenant basis, so you pay only for what you use.
- **On-demand resources** – Hosting providers can provision and manage computing resources automatically, thanks to the availability of powerful lifecycle management tools. By leveraging the infrastructure of the hosting partner, you save on capital expenses.
- **Ubiquitous access** – You can run your business anytime and anywhere, using a variety of low-cost devices with network access.
- **Resource pooling** – Multiple tenants can share the usage and cost of common computing resources, centrally hosted in data centers.

Running your business operations in the cloud can offer a number of benefits. The primary advantage is the ability to share common computing resources with others, leading to dramatic decreases in costs. SAP Business One OnDemand is offered with subscription-based pricing, replacing large up-front capital expenses with a low-cost, predictable operational expense.

Instead of system administrators managing their IT landscape, data centers take on this responsibility. With rapid, automated provisioning of preconfigured resources, companies can be up and running in considerably less time than the multiple weeks associated with more traditional enterprise resource planning (ERP) software deployments. Since the cloud essentially contains limitless computing resources, your organization benefits from improved business agility, with your computing landscape scaling effortlessly as your business grows.

SAP BUSINESS ONE TODAY

SAP is the world leader in enterprise applications in terms of software and software-related service revenue and has a rich history of innovation and growth. SAP applications and services enable more than 183,000 customers worldwide to operate profitably, adapt continuously, and grow sustainably.

A Comprehensive Solution

SAP Business One is a total solution designed specifically for small businesses. It offers a full-featured, complete package that is both scalable and affordable. The SAP Business One application integrates all core business functions across a company – including financials, sales, customer relationship management, inventory, and operations (see table below).

SAP Business One currently helps over 34,000 customers run their businesses in more than 80 countries worldwide. With our partners, we use our extensive knowledge of different industries and local markets to offer 40 country-specific localizations in 27 languages to support a variety of industries. SAP Business One has the highest level of enterprise-grade security and is fully compliant with local legal requirements and data protection and privacy laws, so customers can be sure their data is safe in the cloud.

A Solution for Enterprise Mobility
A large number of small businesses and midsize companies are using the technology provided by smartphones and tablets to run their businesses from any location at any time. To help companies stay connected, SAP has created a powerful mobile platform and iOS application. The application provides constant access to important data and key functionality of SAP Business One, no matter whether customers are using the software on premise, on demand, or both. The mobile application also provides real-time access to data so customers can easily navigate, respond to, and trigger remote processes.

An Established Ecosystem
SAP partners play a critical role in helping organizations of all sizes identify, purchase, and implement the ideal SAP Business One application to address their individual business needs. The SAP ecosystem consists of hundreds of partners worldwide using their expertise to deliver and extend SAP Business One to customers.

The benefits of SAP Business One are magnified by industry- and business process–specific functionality developed by SAP partners. SAP works closely with selected partners to offer simple, proven, and affordable solutions. These solutions interoperate with SAP Business One from user-interface and programming perspectives. To meet the needs of small enterprises in their geography or niche business requirements, these solutions are localized to meet additional local legal and best-practice requirements. Each solution is created to optimize company operations and drive a rapid return on investment. They are also designed for an efficient and fast implementation, giving you much more control over project costs and time.

With a choice of more than 550 certified add-ons and 40 country-specific versions on a single platform, you can work with a partner to customize and extend SAP Business One to suit your business needs.

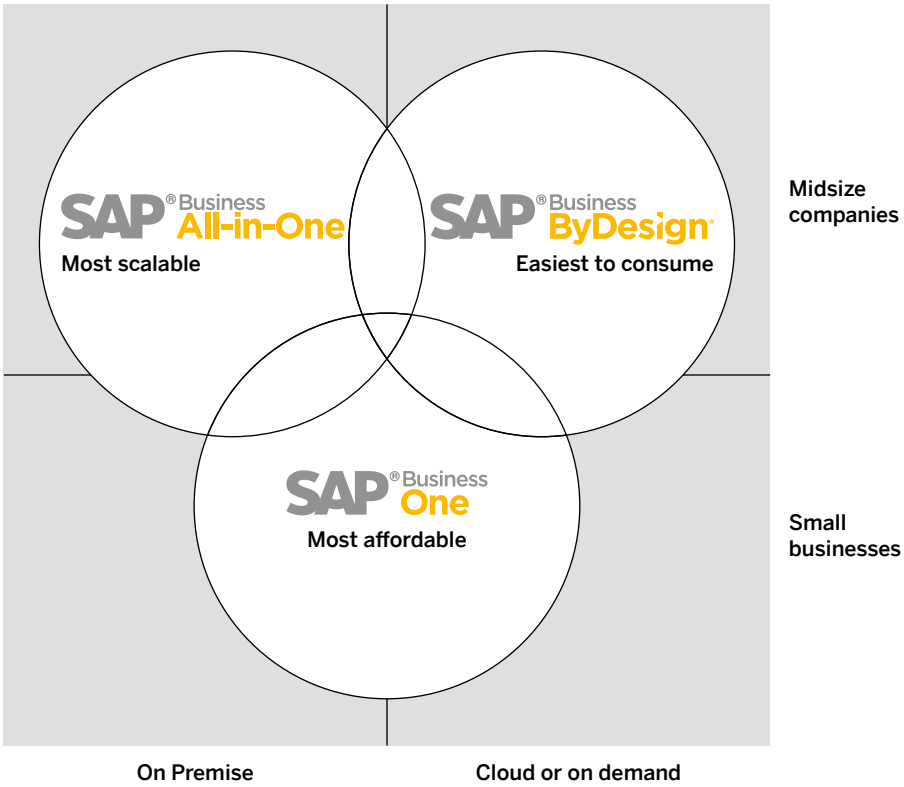
Although designed for small businesses, SAP Business One is an increasingly popular solution for large enterprises that want to deploy a comprehensive business platform in their subsidiaries, distributors, suppliers, and third-party partners. It currently serves more than 1,500 large-enterprise affiliates, offering unparalleled integration with parent organizations' SAP Business Suite applications.

Building on the success of the SAP Business One application, traditionally installed on premise, SAP delivers a comprehensive cloud deployment solution for small businesses – the SAP Business One OnDemand solution.

Comprehensive Choices for Small and Midsize Businesses
SAP Business One is part of a portfolio of integrated software solutions designed for small businesses and midsize companies. You can choose the solution that best fits your unique business needs, now and in the future, without compromise (see the figure). In short:

- **The SAP Business One application** is the recommended business management software solution for small enterprises that want to fully integrate their end-to-end business and grow. With the help of dedicated partners, companies can deploy the software either on premise or on demand.
- **The SAP Business ByDesign® solution** is the most complete and adaptable on-demand solution for midsize enterprises without the need for a large IT infrastructure. SAP Business ByDesign is managed, monitored, and maintained entirely by SAP in our world-class data centers.
- **SAP Business All-in-One solutions** are most suited to midsize companies with specific industry needs that want a scalable foundation. SAP Business All-in-One is typically deployed on premise; however, hosting options are available through channel partners.

Figure: SAP® Solutions for Small Businesses and Midsize Companies



Financials	• Chart of accounts • Account segments • Journal entries • Journal vouchers • Recurrent transactions • Exchange rates in multiple currencies • Financial reports • Budget cost centers	• Sales tax calculations • Multiple financial periods • Deposits • Checks • Credits • Receipts • Deferred payment
Sales	• Opportunities and pipeline management • Contact management • Quotations • Orders • Invoices • Deliveries	• Returns • Price lists in multiple currencies • Client management • Gross profit calculation • Microsoft Office integration
Service	• Service contract management • Service planning • Tracking across multiple customer interactions	• Knowledge database • Service call management
Purchase	• Purchase quotations • Purchase orders • Purchase deliveries	• Purchase returns • Purchase credit notes • Landed costs
Stock	• Item management • Item queries • Price lists • Receipt to stock • Release from stock • Stock transactions	• Warehouse transfers • Serial numbers tracking • Batch management • Pick and pack • Kitting
Manufacturing	• Bill of materials • Production orders • Forecasting	• Materials resource planning wizard • Recommendation reports

A Technical Overview: SAP Business One OnDemand

The SAP Business One OnDemand solution represents a new deployment model for SAP Business One. Customers access SAP Business One remotely, centrally hosted in data centers. You can benefit from the sharing of common resources, lower maintenance requirements, and ability to scale elastically as your organization grows and the number of users increases.

A SMALL FOOTPRINT, AN EXTENSIBLE PLATFORM

Since SAP Business One already has a small footprint, fast deployment time, low total cost of ownership, and extensible platform, it provides the ideal starting point as the foundation for a successful cloud platform. SAP's strategy is to provide a fully featured, integrated, and extensible business management solution for small businesses, regardless of whether they choose an on-premise or on-demand deployment model. SAP will:

- **Reuse existing business logic** – On-demand deployments and on-premise installations share the reliable, industry-proven business logic of SAP Business One.
- **Leverage our extensive ecosystem** – SAP partners provide a wide range of high-performance add-ons to deliver extended functionality and customized business processes. A key element of SAP's on-demand strategy is ensuring that these add-ons continue to work in the cloud, with no disruption.
- **Deliver enterprise-grade security and reliability** – SAP understands that organizations demand best-in-class security and reliability before moving to the cloud, and is committed to continued delivery of enterprise-grade technology.
- **Build on a renovated core architecture** – SAP has embarked on a program of continuous renovation of the core platform architecture, which incorporates the latest UI technology and cutting-edge SAP HANA® platform. Both our on-premise and on-demand solutions benefit from this new architecture, offering increased flexibility and a lower total cost of ownership.

Support for Multiple Tenants

SAP Business One OnDemand delivers further cost reductions with support for multiple tenants. In an SAP Business One OnDemand environment, multiple tenants can share hardware resources and software components. The use of virtualization further consolidates hardware and software resources to deliver additional cost savings.

The SAP Business One application supports multiple tenants, with data and settings stored in separate, secure company databases. In 2012 SAP introduced updates to enhance support for multiple tenants on the application level. You can now access SAP Business One remotely through a Web portal with support for single sign-on. With the introduction of user privileges and improved authorizations settings, users cannot make changes that would affect other companies.

Benefit from the Established Ecosystem for SAP Business One

Streamlined integration of SAP Business One OnDemand with SAP solutions is a key part of the vision for SAP Business One in the cloud. SAP Business One OnDemand integrates with SAP Business Suite applications and, because it has an extensible architecture, can be smoothly integrated with solutions from other software vendors.

Like our on-premise offering, SAP Business One OnDemand is fully integrated with the Microsoft Office suite of products,[1] enabling communication and collaboration across entire organizations and business functions.

Existing add-ons developed by our partners can be certified to run in the cloud, offering the same extensibility and flexibility that you are used to with on-premise environments. SAP takes the security of your data very seriously, and you can be assured that SAP certifies that all add-ons available in the cloud have the highest security standards.

Public or Private Cloud?

SAP partners deploy SAP Business One OnDemand as either a public or a private cloud solution. With public clouds, SAP Business One is available to multiple customers on demand, who share common hardware and software resources. Public clouds therefore offer the best economies of scale, and your organization benefits from lower operating costs.

In contrast, private clouds provide access to SAP Business One OnDemand to only a single customer. Although this may result in higher operating costs, private clouds can meet the demands of companies that have strict security or data compliance requirements, complex business processes requiring a high degree of application customization, or a large number of

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concurrent users. Private clouds are particularly suited to large enterprises that want to provide subsidiaries, branches, distributors, suppliers, or clients with access to separate SAP Business One instances.

Partners can offer a high degree of fault tolerance to customers by utilizing hybrid cloud architectures. With hybrid clouds, your normal operations run in a dedicated private cloud, with the option to leverage the additional computing resources of public clouds during periods of high demand. This technique, known as "cloudbursting," enables partners to securely copy your SAP Business One data to a public cloud should you require the option to consume additional resources for a limited time.

CONCLUSIONS

SAP Business One OnDemand is a new deployment model for SAP Business One, delivering on our vision to provide a comprehensive and flexible cloud solution for small businesses with a lower total cost of ownership. SAP Business One OnDemand is ideal for customers that want to simplify in-house IT requirements and minimize up-front capital expenses. You pay a monthly subscription fee on a per-user basis to access a full SAP Business One implementation, hosted in public or private clouds.

SAP Business One OnDemand is offered to customers by our extensive ecosystem of certified partners. For partners, SAP already provides powerful lifecycle management tools to streamline the provisioning process and ongoing management of on-demand solutions. Add-ons developed by our partners can be certified by SAP to run in the cloud, addressing your specific geographic and business requirements.

Our partners can build on the core business logic developed by SAP to develop new business applications and offer you additional functionality. SAP Business One OnDemand offers a low-cost, cloud-based integration platform that enables our customers and partners to build extensive ecosystems, which integrate our on-demand solution with applications from SAP and third parties.

For more information about SAP Business One OnDemand, please call your SAP representative or visit us online at www.sap.com/solutions/sme.epx.

FOOTNOTE

1. Currently requires Microsoft SPLA licensing. For more information, see Microsoft SPLA.

GLOSSARY

Term	Description
SAP® Business One OnDemand	SAP Business One OnDemand is the SAP cloud solution for small businesses and subsidiaries of large enterprises. SAP Business One is centrally hosted by partners in data centers. Providers license the application to customers for use as a service when they need it, that is, "on demand." It eliminates the need for on-site IT resources to manage infrastructure and thereby reduces operational expenses.
Public cloud	Computing resources and on-demand applications are made available to multiple organizations or the general public over the Internet by a service provider. Organizations pay a subscription fee for application access on a per-usage basis. Public clouds benefit from economies of scale, with computing resources shared between multiple organizations.
Private cloud	Computing resources and on-demand applications are hosted in a private data center solely for a single organization. The organization may manage the infrastructure itself or pay a subscription fee for application access on a per-usage basis to a third-party, which manages the infrastructure on its behalf.
Hybrid cloud	A hybrid cloud is a collection of two or more public or private clouds that are bound together. Organizations can leverage the additional computing resources of other clouds when necessary.
Cloudbursting	Cloudbursting refers to the process of moving business operations from a private cloud to a public cloud temporarily during periods of high demand.
Tenant	A tenant refers to the company database, storage, and licenses allocated to a customer to provide business functionality. A customer may have multiple tenants across different service units, with each tenant having a different application version or purpose, such as productive, demonstration, or testing instances.
Service unit	A service unit is a collection of the software components, servers, and storage required to provide access to a full SAP Business One installation. All SAP Business One components in a single service unit have the same version and add-ons. A single service unit can contain multiple tenants with similar requirements.
SAP Business One user	A licensed SAP Business One user is a member of a customer organization that has purchased a subscription to remotely access SAP Business One OnDemand. An SAP Business One user can belong only to a single customer and cannot be reassigned to other customers.
Company database	A company database stores all business and transaction data.
Total cost of ownership	Total cost of ownership refers to the complete cost of owning a product, including purchase price, maintenance, and service.
Service-level agreement (SLA)	A service-level agreement between two parties is intended to assure delivery of a specific service within a predefined period of time. SLAs define the attributes for service products that have been agreed upon in service contracts. The SLA confirms different parameters, such as response time, availability time, and system availability. The SLA affects the pricing for each contract item and the date calculation in the service order, to which the relevant contract items refer.

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