

# EXECUTIVE SUMMARY



*“The #1 requested thing that we got was not a feature for the product, it was support for Red Hat (in regards to SAP HANA). Our largest financial customers came to us and said that we are not going to buy anything from you unless you support Red Hat.”*

STEVE LUCAS  
PRESIDENT,  
PLATFORM SOLUTIONS, SAP

Businesses today are investing in advanced technologies that help them make and deliver greater business value. Recent studies have shown that most CEOs expect that a significant amount of earnings growth over the next several years will come from technology-enabled business innovations.

At the same time, many companies are also looking for ways to save money, increase return on investment, and increase business agility by:

- Creating modern, flexible hybrid IT infrastructures.
- Using the power and cost-effectiveness of open source.
- Migrating expensive enterprise software licenses to more flexible pay-as-you-go pricing models.
- Moving away from legacy UNIX systems to lower-cost Linux® alternatives.
- Shifting on-premise workloads to managed private and public clouds.

## SAP MARKET TRENDS

Companies are constantly looking for ways to innovate and create areas of efficiency that will help them gain competitive advantages in today's rapidly evolving business climate. For many, SAP solutions are a key factor in their ability to compete effectively. As companies evolve, they need to respond to changes in the marketplace and within their own organizations. Consequently, their SAP applications and the IT infrastructure that support mission-critical business functions must be able to adapt more quickly to these changes.

## FAST FACTS

- 74% of the world's transaction revenue touches a SAP system.
- 87% of the Forbes Global 2000 are SAP customers.
- SAP's global market opportunity is expected to grow from \$110B in 2010 to \$350B in 2020.

All of these factors have created incredible opportunity for service providers today. Those who are able to provide well-matched service offerings will be able to attract and retain customers—and accelerate their business.

## OPPORTUNITIES FOR CERTIFIED CLOUD AND SERVICE PROVIDERS

Both Red Hat and SAP are at the epicenter of what's happening in the IT industry today and are well-positioned to help customers looking for powerful, flexible, and cost-effective SAP business solutions. Cloud and service providers can take advantage of today's opportunities with our combined market leadership and our integrated, enterprise-ready SAP solutions to build profitable new service offerings for their customers.

Cloud and service providers who want to create new offerings based upon Red Hat® solutions can join the Red Hat Certified Cloud & Service Provider (CCSP) program. By doing so, you'll gain access to a wide variety of business and technical assets designed to help our partners:

- Create new service offerings and accelerate revenue streams with Red Hat for SAP solutions.
- Deliver sought-after solutions in sync with SAP strategy and built on modern technology.
- Attract and retain new customers with an expanded portfolio of services.
- Build more strategic, trusting relationships with your customers.
- Take advantage of an extensive library of sales and technical resources available to Red Hat partners.

Later on, you'll learn more about potential new service offerings that cloud and service providers can create using Red Hat for SAP solutions.

## INTRODUCTION TO SAP

For more than 40 years, enterprise customers have been using SAP solutions to solve business problems. Over the years, SAP solutions have continually matured and evolved in order to meet the ever-changing needs of their customers. With close to 300,000 customers worldwide today, SAP is recognized as the global market leader in enterprise application software.

SAP software has come a long way from the early days of a 1-tier mainframe-based architecture, to the UNIX-based distributed architectures that dominated the 1990s and early 2000s, to today's modern, open, Linux-based infrastructures that are used to run high-performance SAP HANA environments. These technological advances along with other market drivers have resulted in more choice for customers, but at the same time have required customers to build reliable, high-performance IT infrastructures that are also flexible enough to keep pace.

For the past several years, SAP customers have been transitioning from expensive, proprietary UNIX environments to more cost-effective, modern, and open Linux-based infrastructures, and **Red Hat is rapidly becoming the default strategic choice for SAP deployments.** That's because it's much more than an operating system – it's an ecosystem for SAP that extends to the entire enterprise, supporting development of all types of application and datacenter initiatives, from private to hybrid cloud.

## SAP MARKET TRENDS

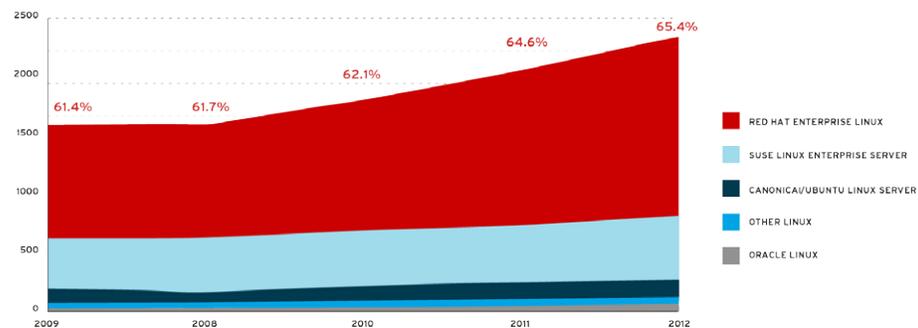
In addition to the infrastructure modernization efforts already underway in many enterprises, there are several important market trends and business drivers affecting new and existing SAP customers today.

## Convergence to HANA

SAP HANA was introduced in 2011 and has been the fastest-growing and arguably the most important product in SAP history. Demand and adoption will only increase with the recent introduction of SAP's next-generation business application suite, SAP S/4 HANA, which opens the door for SAP's huge customer base to begin migrating existing SAP applications to the modern HANA platform.

## UNIX to Linux migrations

While UNIX was the dominant platform for SAP applications in the 1990s and early 2000s, many SAP customers are moving their SAP environments to Linux for cost savings, standardization, flexibility, etc. SAP's strategic push towards S/4/HANA will also increase demand for migrations because Linux is the only supported platform for HANA.



## Shift from appliance to cloud

SAP HANA deployments are currently dominated by appliances, but more companies are choosing to deploy in the cloud. The proliferation of cloud providers and the decreasing cost of cloud services are contributing factors. Companies trying to avoid large, up-front capital expenses are primary candidates for cloud deployments. They tend to be more willing to pay for managed services due to lack of skills/resources and to further reduce operational expenses.

*“Red Hat Enterprise Linux for SAP HANA is going to open up the reporting on SAP. We’ll be able to tell people, ‘Yes, we can build that report for you,’ rather than, ‘No, that will shut our system down.’ It’s positive for IT, and it’s positive for the business.”*

ROBERT MUIRHEAD  
MANAGER OF ERP APPLICATIONS,  
PEAVEY ELECTRONICS

## RED HAT SOLUTIONS FOR SAP

Today, Red Hat Enterprise Linux is the leading Linux platform for SAP deployments worldwide, with more than 61% of annual server shipments in the past four years. Red Hat Enterprise Linux gives organizations flexibility in deploying the SAP stack—whether it’s on bare metal, virtualized, or in the cloud.

### RED HAT ENTERPRISE LINUX FOR SAP HANA

Red Hat Enterprise Linux for SAP HANA is a ready-to-use, fully supported SAP environment for new installations and existing Red Hat Enterprise Linux systems. It combines all the benefits of SAP HANA with Red Hat’s trusted operating system and works across physical, virtual, and cloud environments. SAP HANA addresses the challenges of data system performance by completely re-imagining the data platform. Transactional and analytic workloads run on the same platform, and SAP HANA even handles big data in real time.

When critical business applications are running on SAP HANA, updates to the operating system can be disruptive. Red Hat guarantees compatibility between releases so that real-time business can proceed uninterrupted.

### Benefits

- **Performance.** A certified Red Hat Enterprise Linux configuration that is tuned specifically for SAP HANA provides optimal performance for transactional and analytic workloads.
- **Availability.** The proven high-availability features of Red Hat Enterprise Linux automate SAP HANA replication and failover to help ensure continuous availability of business-critical HANA applications.
- **Quality, security, and stability.** The world's leading open source developer committed to delivering the highest-quality software for enterprise deployments.

### RED HAT ENTERPRISE LINUX FOR SAP APPLICATIONS

Red Hat Enterprise Linux for SAP Applications is an enterprise-class solution that lets SAP applications run on Red Hat Enterprise Linux. The solution includes the entire software stack required for optimal operation of SAP applications and enterprise-class service and support.

Backed by a powerful open source development model, Red Hat Enterprise Linux for SAP Applications provides record-breaking performance and streamlined administration for SAP business applications. Tight integration not only allows significant cost savings, it also frees IT resources to focus on more innovative projects that deliver differentiated business value. This solution is certified by all the leading hardware vendors and delivers unparalleled performance, reliability, scalability, and security for customers on both physical servers and virtualized systems. Red Hat Enterprise Linux for SAP Applications has also completed the most stringent government security certifications, safeguarding your systems and your data.

### Benefits

- **Flexibility.** A fully certified solution for SAP applications and thousands of third-party applications.
- **Choice.** Hundreds of certified hardware systems and peripherals from leading original equipment manufacturer (OEM) vendors.
- **Compatibility.** Full binary compatibility ensures all independent software vendor (ISV) certifications for Red Hat Enterprise Linux are in effect for this SAP-specific solution.

### WHY THE OPERATING SYSTEM MATTERS

A key component of any successful datacenter modernization initiative is standardization of the operating environment. This allows enterprises to reap the benefits of a simplified infrastructure, lower costs, and increased agility across the IT landscape.

#### FAST FACTS

- Red Hat Enterprise Linux has 63% of the paid Linux market.
- 90% of Fortune 500 companies rely on Red Hat Enterprise Linux.
- 95% of all critical security issues in Red Hat Enterprise Linux are fixed within one day.

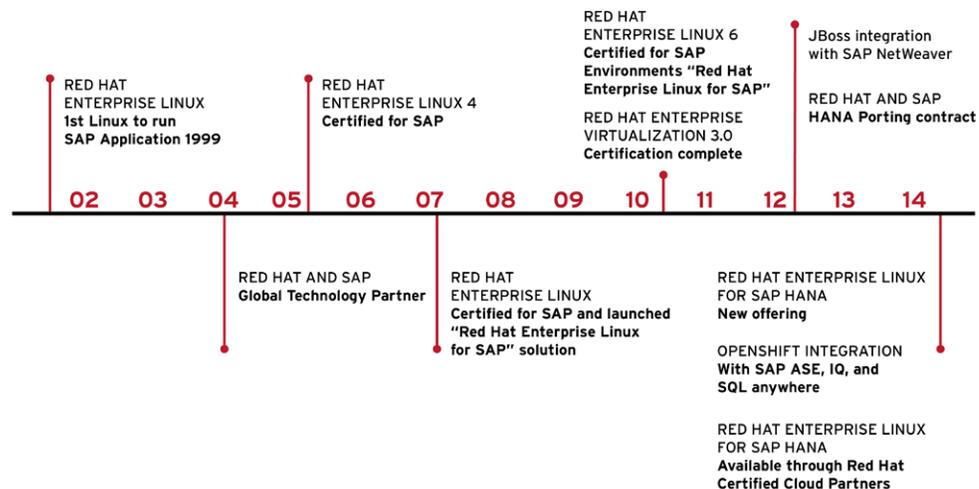
## Red Hat Enterprise Linux

Red Hat Enterprise Linux is the operating system trusted by thousands of enterprises around the world to power their most mission-critical applications, including SAP. Red Hat was the first version of Linux to run SAP applications way back in 1999. Today, Red Hat Enterprise Linux dominates the paid Linux market, and it's the foundation for our jointly developed and supported SAP solutions, which are designed for customers who need an economical, reliable, and flexible platform for their SAP applications.

Many SAP customers are already using Red Hat Enterprise Linux within their IT landscapes, and they can take advantage of cost and operational savings by migrating their legacy SAP applications to a single enterprise operating system.

## RED HAT AND SAP

### A HISTORY OF COLLABORATION



Red Hat and SAP have been working together since 1999 to deliver a simple, powerful IT landscape that offers superior performance, security, and reliability. This shared vision reflects Red Hat's position as the market-leading provider of enterprise Linux platforms and open source solutions, and SAP's global strength in business software solutions.

### COLLABORATIVE SUPPORT

Red Hat and SAP customers can confidently run their business-critical SAP applications knowing they are backed by a tightly integrated support organization that provides 24x7x365 support, a single point of contact, and streamlined incident response and resolution.

Red Hat maintains a full-time engineering presence on-site at SAP to bolster the ongoing working relationship between the SAP Linux Lab and Red Hat product development. SAP has access to pre-release versions of Red Hat software, and Red Hat includes testing of SAP software against development versions of Red Hat Enterprise Linux in a nightly test suite provided by SAP.

Red Hat also offers senior-level Technical Account Managers for those customers with additional support needs or customers who desire a consistent primary technical contact.

## **BUSINESS OPPORTUNITIES FOR CLOUD AND SERVICE PROVIDERS**

A partnership with Red Hat can lead to a variety of new business opportunities for cloud and service providers. Here are just a few examples of new service offerings that can be built using our joint solutions.

### **SAP-AS-A-SERVICE**

Create new multitenant, cloud-based service offerings for SAP applications that are cost-effective with flexible pay-as-you-go pricing models. Increase margins through value-add services such as advanced support, service monitoring, and migration planning.

### **UNIX TO LINUX MIGRATIONS**

Build service offerings designed to help customers migrate their SAP applications from legacy UNIX environments to Red Hat Enterprise Linux.

### **SAP-MANAGED CLOUDS**

Provide fully managed and dedicated SAP application environments in a cloud or hosted environment where customers can run their HANA applications without having to invest in expensive hardware or worry about managing the infrastructure.

### **HYBRID SAP INFRASTRUCTURES**

Build and manage hybrid SAP application environments that span both on-premise and cloud infrastructures.

### **REMOTE MONITORING AND MANAGEMENT**

Ensure customers' business-critical SAP application environments are running properly and meeting service level agreements (SLAs).

### **TRAINING AND CONSULTING SERVICES**

Provide training, mentoring, and consulting expertise for SAP customers.

## **PARTNERING WITH RED HAT**

The Red Hat Certified Cloud and Service Provider program allows cloud providers, hosting companies, system integrators, and managed service providers to host and resell certified Red Hat offerings on demand using multitenant, dedicated, and managed models. A Red Hat certified cloud or managed service is a trusted destination for enterprise IT customers, ISVs, and partners to access and use Red Hat solutions. Certified partners use Red Hat infrastructure and guest offerings to serve customers with secure, scalable, and supported enterprise solutions with specific business and operational models.

By using a Red Hat certified cloud or managed service, end customers and partners using custom-developed or third-party ISV applications certified on Red Hat Enterprise Linux, and other Red Hat solutions, are assured that these applications will function as anticipated on a trusted cloud.

### **RED HAT CERTIFIED CLOUD AND SERVICE PROVIDER PROGRAM PARTNER BENEFITS**

- Flexible pricing aligned to the way a provider charges its customers with:
  - Pay-as-you-go hourly, monthly, and annual models with monthly billing in arrears.
  - Consistency between on-demand and dedicated service models.
  - Streamlined procurement of Red Hat subscriptions.

- Premium (24x7) Red Hat support for all infrastructure components purchased from Red Hat.
- Red Hat-certified offerings for resale with stock keeping units (SKUs) built specifically for Red Hat Certified Cloud and Service Provider program
- Systems management solutions to manage Red Hat cloud offerings, including:
  - Red Hat Update Infrastructure update services built for on-demand consumption.
  - Red Hat Satellite: Full-featured active management solution for managed service environments.
- Joint customer issue resolution with Red Hat Global Support Services.
- A compliant way to offer Red Hat solutions in the cloud or as a managed service.
- Access to thousands of certified Red Hat Enterprise Linux ISV applications for deployment in cloud environments.
- Red Hat branding and promotion as a Red Hat Certified Cloud and Service Provider.

To learn more about the Red Hat Certified Cloud and Service Provider program, visit <http://www.redhat.com/en/partners>.

## RED HAT PARTNER RESOURCES

Red Hat is committed to the success of a vibrant ecosystem of partners around the globe that build, sell, and implement award-winning customer solutions using Red Hat technology.

### Red Hat Partner Center

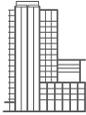
You can learn more about our partner ecosystem by visiting the Red Hat Partner Center, or by contacting your local Red Hat partner help desk for more information, or by visiting <http://www.redhat.com/en/partners>.

### Partner technical training

The **Red Hat Online Partner Enablement Network (Red Hat OPEN)** provides training resources to help partners understand and build skills for Red Hat products. These tools can help you generate more sales, enhance customer satisfaction, and successfully deliver Red Hat-related service offerings. Red Hat OPEN makes it easier for you to master information that's important for you and your customers.

### Partner help desks

- North America: [na-partner-helpdesk@redhat.com](mailto:na-partner-helpdesk@redhat.com)
- Europe, Middle East, and Africa: [emea-partner-team@redhat.com](mailto:emea-partner-team@redhat.com)
- Asia Pacific: [apac-partner-helpdesk@redhat.com](mailto:apac-partner-helpdesk@redhat.com)
- Latin America: [latam-partner-helpdesk@redhat.com](mailto:latam-partner-helpdesk@redhat.com)



## ABOUT RED HAT

Red Hat is the world's leading provider of open source software solutions, using a community-powered approach to provide reliable and high-performing cloud, Linux, middleware, storage, and virtualization technologies. Red Hat also offers award-winning support, training, and consulting services. As a connective hub in a global network of enterprises, partners, and open source communities, Red Hat helps create relevant, innovative technologies that liberate resources for growth and prepare customers for the future of IT.

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## Links and references

[Red Hat and SAP Alliance](#)

[Red Hat on SAP](#)

[SAP HANA](#)

[Red Hat Connect for Technology Partners](#)

[Red Hat Connect for Business Partners](#)

[Red Hat Online Partner Enablement Network \(OPEN\)](#)

[Red Hat Certified Cloud and Service Provider Program](#)

For questions or for more information, contact [SAP@redhat.com](mailto:SAP@redhat.com).

## WHY CHOOSE RED HAT AND SAP

