

# Scope Document for design review services for SAP S/4HANA Sales and SAP S/4HANA Supply Chain

## CONTENTS

<b>1</b>	<b>SCOPE OF SERVICES</b> .....	<b>2</b>
	1.1 Scope.....	2
<b>2</b>	<b>APPROACH AND RACI</b> .....	<b>4</b>
	2.1 Details on Approach .....	4
	2.2 RACI .....	5
<b>3</b>	<b>SCHEDULE</b> .....	<b>5</b>
<b>4</b>	<b>ORGANIZATION</b> .....	<b>6</b>
	4.1 SAP Team.....	6
	4.2 Customer Team.....	6
<b>5</b>	<b>SAP DELIVERABLES AND DELIVERABLE PROCEDURE</b> .....	<b>7</b>
	5.1 SAP Deliverables.....	7
	5.2 Non-Disclosure .....	7
<b>6</b>	<b>CUSTOMER RESPONSIBILITIES</b> .....	<b>7</b>
	6.1 Service-specific Customer responsibilities.....	7
	6.2 General Customer responsibilities.....	7
<b>7</b>	<b>ASSUMPTIONS</b> .....	<b>8</b>
<b>8</b>	<b>EXCLUSIONS</b> .....	<b>9</b>

## 1 SCOPE OF SERVICES

Customer is undertaking a project to implement SAP Software. Customer is the owner of the project, and has overall responsibility for the project and the process, scope, costs, resources and targeted solution.

SAP will provide the following Quality Assurance Services as specified herein: Design review services for SAP S/4HANA Sales and SAP S/4HANA Supply Chain (“QA Services” or “Service(s)”).

SAP will provide the Service as defined herein to provide the Customer with a review of the design of the Customer’s SAP S/4HANA Sales and SAP S/4HANA Supply Chain solution in the **Explore (Business Blueprint) phase**. The Service delivers an impartial analysis of all aspects of the solution design across all relevant design perspectives and leads to an early detection of potential solution risks and offers actionable recommendations for risk mitigation.

### 1.1 Scope

The following scope items form the scope of the Service to be provided by SAP.

Scope Item	Scope Details
Design Review	<p>The Service delivers 1 Design Review in the <b>Explore (Business Blueprint) phase</b>. The Service delivers an impartial analysis of all aspects of the solution design across all relevant design perspectives and leads to an early detection of potential solution risks and offers actionable recommendations for risk mitigation.</p> <p>The solution areas to be covered by the scope of this Service are as mentioned below:</p> <ul style="list-style-type: none"><li>• Sales and Distribution (SD) and Materials Management (MM)</li></ul> <p>The details of the business processes that will be part of scope of these SAP modules are listed below:</p> <p><b>1. Sales and Distribution (SD) and Materials Management (MM)</b></p> <p><b><u>Sales and Distribution</u></b></p> <p><b>a. <u>Order and Contract Management</u></b></p> <ul style="list-style-type: none"><li>○ Sales Rebate Processing</li><li>○ Credit Memo Processing</li><li>○ Debit Memo Processing</li><li>○ Sales Inquiry</li><li>○ Customer Consignment</li><li>○ Delivery Processing without Order Reference</li><li>○ Planning Apps for Sales</li><li>○ Accelerated Third Party Returns</li><li>○ External Billing</li><li>○ Sale of Services</li><li>○ Sales Order Processing for NonStock Material</li><li>○ Analytics for Sales: Central Stock with Returns</li><li>○ Sales Order Processing for Sales Kits</li><li>○ Sales Processing using ThirdParty with Shipping Notification</li></ul>

Scope Item	Scope Details
	<ul style="list-style-type: none"> <li>○ Sell from Stock</li> <li>○ Free of Charge Delivery</li> <li>○ Customer Returns</li> <li>○ Sales Quotation</li> <li>○ Sales Order Entry with One Time Customer</li> <li>○ Sales Processing using Third Party without Shipping Notification</li> <li>○ Sales of Non Stock Item with Order Specific Procurement</li> <li>○ Invoice Correction Process with Debit Memo</li> <li>○ Returnables Processing</li> <li>○ Free Goods Processing</li> <li>○ Sales Order Processing with Customer Down Payment</li> <li>○ Sales Order Fulfillment Monitoring</li> <li>○ Invoice Correction Process with Credit Memo</li> <li>○ Accelerated Customer Returns</li> <li>○ Sales Order Processing with Invoice List and Collective Billing</li> <li>○ Sales Contract Management</li> </ul> <p><b>Materials Management (MM)</b></p> <ul style="list-style-type: none"> <li><b>a. <u>Inventory</u></b> <ul style="list-style-type: none"> <li>○ Core Inventory Management</li> <li>○ Return to Supplier</li> <li>○ Physical Inventory Count and Adjustment</li> </ul> </li> <li><b>b. <u>Invoice Management</u></b> <ul style="list-style-type: none"> <li>○ Requisitioning</li> <li>○ Procurement of Services</li> <li>○ Supplier Consignment</li> <li>○ Complementary Procurement Functions</li> <li>○ Direct Procurement with Inbound Delivery</li> <li>○ Consumable Purchasing</li> <li>○ Procurement of Direct Materials</li> </ul> </li> <li><b>c. <u>Operational Procurement</u></b> <ul style="list-style-type: none"> <li>○ Scheduling Agreement for Subcontracting Procurement</li> <li>○ Scheduling Agreement for Consignment Procurement</li> <li>○ Purchasing Rebate Processing</li> <li>○ Batch Management</li> </ul> </li> </ul>

Scope Item	Scope Details
	<ul style="list-style-type: none"> <li>○ Serial Number Management</li> <li>○ Scheduling Agreements in Procurement</li> <li><b>d. <u>Warehousing</u></b></li> <li>○ Basic Warehouse Inbound Processing from Supplier</li> <li>○ Initial Stock Upload for Warehouse</li> <li>○ Physical Inventory in Warehouse</li> <li>○ Replenishment in Warehouse</li> <li>○ Scrapping in Warehouse</li> <li>○ Basic Warehouse Outbound Processing to Customer</li> <li>○ Warehouse Inbound Processing from Supplier with Batch Management</li> <li>○ Warehouse Outbound Processing to Customer with Batch Management</li> <li>○ Basic Warehouse Inbound Processing from Supplier with Quality Management</li> <li>○ Production Integration Component Consumption and Receipt in Warehouse</li> </ul> <p>The Service includes following:</p> <ol style="list-style-type: none"> <li>1. Study of Explore phase Solution Design Documentation only</li> <li>2. Remote interviews of Customer Subject Matter Experts</li> <li>3. Evaluation of flexibility, completeness and maintainability of solution design.</li> <li>4. Assess alignment of the proposed solution with SAP standards and SAP Best Practices.</li> <li>5. Identification of design risks and presentation of actionable recommendation.</li> </ol> <p>Any changes to the scope will not be allowed for purchases through SAP Store.</p>

### 1.1.1 Functional Scope Details

The following applies to the scope of the Service:

1. The number of company codes (legal entities) in scope for the Service is limited to a maximum of 1.
2. The number of countries in scope for the Service is limited to a maximum of 1.
3. The number of active users shall be less than 1000.

## 2 APPROACH AND RACI

### 2.1 Details on Approach

The Service will follow a 4-phase approach. The table below shows the phases and corresponding activities.

1. **Initiate Phase:** The Service is formally initiated. Customer project information and documentation are gathered. Prepare a draft Service schedule and define resources.
2. **Plan Phase:** Refine and finalize the Service schedule and confirm receipt of all documentation. Perform system checks when applicable.
3. **Execute Phase:** Kick-off meeting and the Service is conducted including interviews and documentation review. After an initial observation meeting, the final Service report is created which will include a list of the findings and recommendations.

4. **Close Phase:** Transmit the final Service report to Customer.

## 2.2 RACI

SAP and Customer agree to the following responsibility matrix of activities.

- Responsible (R): Charged with performing the activities. A mutually agreed project plan may define further details at the work unit level.
- Accountable (A): The Customer has overall accountability for its implementation and all the activities identified below. Hence, Accountable (A) does not appear for the activities below.
- Consulted (C): Provides input on how to perform the activity and supports the execution of the activity.
- Informed (I): Provided with information.

Activity	SAP	Customer
<b>Initiate Phase</b>		
Designate individual manager as Customer quality lead and representative contact	C	R
Assign individuals to the Service roles	R	I
Identify the Customer interviewees needed for the delivery of the Service	C	R
Communicate overview and scheduling of the Service with Customer including project leadership	R	C
Request submission of project information and documentation and the provision of the necessary authorizations for remote access to Customer's systems (if applicable)	R	C
Scheduling and infrastructure needs for the Service meetings and interviews	C	R
<b>Plan Phase</b>		
Conduct review planning meeting	R	C
Refine, finalize and communicate the Service schedule	R	C
Confirm the Service schedule and schedule meeting and interviews	C	R
Submit requested documentation and provide necessary authorizations for remote access to Customer's systems (if applicable)	C	R
Confirm receipt of documentation and system access	R	I
<b>Execute Phase</b>		
Conduct the Service kick-off meeting	R	C
Conduct the Service including review of documentation and conduct interviews	R	C
Communicate preliminary observations	R	I
Develop findings and recommendations	R	I
Prepare the Service report	R	I
Conduct the Service debrief meeting	R	C
<b>Close Phase</b>		
Deliver the Service report as a PDF via email and communicate the completion of Service via email confirmation	R	I

## 3 SCHEDULE

Within 5 business days after Order Confirmation the Customer will be contacted by SAP to schedule the start of the Service.

To the extent reasonable possibly, the Service will be aligned with the Customer's project schedule in consultation with the Customer Project Manager and Review Lead.

## 4 ORGANIZATION

### 4.1 SAP Team

The key SAP roles are as follows.

SAP Team	Level of Involvement	Maximum person days
Design Review Lead (SAP Project Manager)	Single resource. Part-time. Offsite.	2
Design Review Consultants (Business Process Consultants)	Multiple resources. Part-time. Offsite.	14

- The Service will be provided 100% remotely from any location in SAP India.
- In case Customer requires any additional person days, Customer shall execute another Agreement via the SAP Store (i.e. Customer shall place another Order via SAP Store) or may reach out to the Local Country Service Sales representative.
- Any unutilized days shall expire automatically at the end of the Term of the Agreement and there is no refund and no service credits provided towards any unutilized days.
- The Service should be consumed in consecutive days and must be completed within 4 weeks after the Service started.

### 4.2 Customer Team

The Customer team will include the following roles. Customer team is assumed to be available to complete Customer activities. Customer Project Team will be available on an as-needed basis.

Customer Team	Description	Level of Involvement
Project Sponsor	Decision maker on scope, priorities, budget and changes issues. Active advocate for the project.	Single resource. Part-time. Available on call.
Project Manager / Review Lead	Single point of contact for SAP. Overall point of contact responsible for quality for the Customers project and the quality of the process design. Management of resources, resolving issues, project plan, project status and decision-making process through the steering committee.	Single resource. Full-time. Available on call.
Business Lead (Decision Maker)	Responsible for business processes, approves the solution and is the key liaison between the project and the business.	Single resource. Part-time. Available on call.
Business Subject Matter Experts	The subject matter expert represents the business.	Multiple resources. Full-time. Available on call.
Project Workstream Lead	Leads a project workstream either functional or ancillary e.g. technical, testing, OCM, training.	Multiple resources. Part-time. Available on call.
Project Workstream SME	SME assigned to a project workstream either functional or ancillary e.g. technical, testing, OCM, training.	Multiple resources. Part-time. Available on call.

## 5 SAP DELIVERABLES AND DELIVERABLE PROCEDURE

### 5.1 SAP Deliverables

The following table lists the SAP Deliverables.

Deliverable	Deliverable Description	Completion Criteria	Deliverable Procedure
Service report	Documentation of the key findings and recommendations of the Service.	Remote presentation of the Service report and transmitted via e-mail to Customer (PDF document). The final Service report will be delivered to Customer approximately 10 days after the last interview.	Approval upon completion

### 5.2 Non-Disclosure

Customer shall not disclose the Service or Deliverables prepared by SAP under the Agreement to any third-party without prior written consent of SAP, except that Customer shall have the right to disclose such Deliverables for the sole purpose of furthering the Customer's implementation of the SAP Software. Customer agrees and acknowledges that the Deliverables of the Service is SAP Confidential Information.

Customer agrees that the Service and Deliverables hereunder shall not be used as evidence to any claims, disputes, or other legal actions.

## 6 CUSTOMER RESPONSIBILITIES

Customer has, in particular, the following responsibilities. If Customer does not fully meet or fulfil any of the specified responsibilities or requirements in this Agreement, this might result in a delay of the provision of the Service or an increase of the fees.

### 6.1 Service-specific Customer responsibilities

- Customer shall complete the Explore (Business Blueprint) in advance providing sufficient time to SAP for commencing and completing the Service in accordance with this Agreement.

### 6.2 General Customer responsibilities

- Ensure that Customer team members are knowledgeable about the subjects that are in the focus of the Service and define their schedule. Ensure that key users are available for all workshops and activities as needed.
- Ensure attendance of project steering committee and PMO (Project Management Office) representatives to the review's Service report presentation.
- Minimize the change in personnel throughout the duration of the Service.
- If third-parties on Customer side are involved: Manage any Customer's third-party contractors and be responsibility for the acts, omissions and defects of such third-party that Customer contracts or instructs to perform Customer's duties.
- Supply SAP with the names and contact information of key Customer and third party resources assigned to the Service.
- Gather and provide requested documentation/artifacts to SAP for the review at least 1 week prior to the SAP activities.
- Ensure that a consistent, stable, and fast SAP remote support connection/services connection is available between SAP and the Customer at the required times.

- Provide SAP with the necessary authorizations for remote access to Customer's systems at least 1 week prior to the Execute Phase of the Service.
- Allow the use of SAP laptops and mobile devices on Customer's network to SAP's network via SAP's Virtual Private Network (VPN) protocols; otherwise, Customer will provide PCs and/or laptops with the Microsoft Office Suite and e-mail capability for the SAP team. Laptops and/or PCs provided by Customer must have the latest virus protection software.
- Provide technical advice regarding any third-party systems to which the team will have access.
- Sign-off Deliverables in accordance with section 5.
- Ensure Customer compliance with any relevant governmental and regulatory requirements.
- Performance by Customer of its collaborative duties in this contract is a primary contractual duty and is a necessary precondition for the proper performance of SAP's duties. Customer acknowledges and agrees that failure on the part of Customer to meet or fulfil any of the specified Customer responsibilities or requirements in this Agreement might result in a delay of the provision of the Service and/or in the estimated schedule.

## 7 ASSUMPTIONS

The following assumptions apply:

- It is assumed that the Service as per this document **will not exceed 16 person days**.
- It is assumed that the Service as per this Scope Document are valid until 6 months from the date of purchase.
- Please note that the document covers only the Service as defined above and does not take into consideration any additional days for work post completion of review for discussion or providing guidelines for further improvements in the system.
- It is the ownership of the Customer to state all the facts and the status of the engagement and align the appropriate team for discussion with SAP
- The implementation of the Service report recommendations will be the responsibility of the Customer.
- The project language and documentation provided to SAP shall be in English and all documentation will be prepared in English. Project discussions will be held in English and the Service report will be prepared in English.
- All communications between SAP and Customer, via e-mail, on the phone will be in English
- All Service deliverables will be delivered in English.
- Key business user and core team shall be available for interview during the Explore phase.
- All project related documents should be available for review.
- Customer have the required software licenses
- SAP will provide the Service as defined herein only and will not be responsible for any support, implementation or maintenance related services.
- Neither SAP nor Customer will use verification and validation testing processes which may be required by regulatory, industry or governmental requirements.
- SAP may require up to 3 to 4 weeks' lead time for identification and deployment of skillsets. SAP reserves the right not to start the Service until SAP is able to identify suitable skill set.
- Customer will ensure it obtain access for SAP to Customer's environment as required for the provision of the Service.
- The Service will be performed remotely from any SAP locations in India. No onsite work is factored in this document.
- All supporting documentation and Work Products will be developed using industry standard personal computers/laptops using Microsoft Office applications (Word, Excel, MS Project, Visio and PowerPoint) or other mutually agreeable documentation tools.
- Customer will be available on a timely and regular basis to monitor the progress and to act as a decision maker for relevant Service decisions.
- Customer will ensure / assign all necessary IT and business resources including systems access as needed by SAP to perform the Service.
- SAP will submit the Service report to the Customer in English only.
- SAP shall perform the Service based on this Scope Document and will not be responsible for any RFP or any contractual obligations provided by the Customer.

- Final Service report will be delivered to Customer approximately 10 days after the last interview.
- The Service report will not be transmitted to the Customer prior to the Service debrief.
- Specific recommendations made by SAP pursuant to the Service are based on the best information available at the time, and do not bind SAP to any additional actions or liability.
- All supporting documentation will be developed using industry standard personal computers/laptops using Microsoft Office applications (Word, Excel, MS Project, Visio and PowerPoint) or other mutually agreed documentation tools.

## **8 EXCLUSIONS**

Any items or Services not defined as in scope for this Service are deemed out of scope, including, but not limited to the following exclusions:

- Deliverables not explicitly described in this Scope Document.
- Reviews of any program, projects or Customer operations which are beyond the defined scope in the Order Form.
- Review of project management (e.g. timelines, the customer's organization, project resources or business practices).
- A detailed mitigation plan addressing the identified risks and issues.
- Implementation or execution of any type of actions to mitigate the identified risks and issues which are not related to a contracted QA Services.
- Review of any other documents beyond the required quality documents requested by the SAP quality review team.
- Taking over any responsibility regarding the management of the program, to-be-reviewed project, or Customer operations.
- Review of change management plan.
- Review of any Localization requirements
- Reviews of any program, projects or customer operations which are beyond the defined scope in the Agreement.
- SAP will not provide any completion or compliance certification for the work executed by the Customer or System Integrator.
- An analysis of as-is business processes.
- Effort for the use of verification and validation testing processes which may be required by regulatory, industry or governmental requirements.