

**From:** Santosh Choubey [santosh@saharasytems.co.za](mailto:santosh@saharasytems.co.za)  
**Subject:** Fwd: FW: SAP Software offer expiry  
**Date:** 02 March 2016 at 12:54 PM  
**To:** Ashu



----- Forwarded message -----

**From:** Kandaswami, Lawrence <[lawrence.kandaswami@sap.com](mailto:lawrence.kandaswami@sap.com)>  
**Date:** Wednesday, 02 March 2016  
**Subject:** FW: SAP Software offer expiry  
**To:** Santosh Choubey <[santosh@saharasytems.co.za](mailto:santosh@saharasytems.co.za)>

**From:** Kandaswami, Lawrence  
**Sent:** 02 March 2016 10:47 AM  
**To:** 'SinghA3@eskom.co.za'; 'MabelaET@eskom.co.za'  
**Cc:** 'KokoMM@eskom.co.za'  
**Subject:** SAP Software offer expiry

Dear Mr. Singh and Mr. Mabela,

Apologies for the direct mail, I am writing to you regarding a strategic deal we started with ESKOM in 2015 and the expiration of this offer on the 31<sup>st</sup> Mar 2016.

As part of our strategic partnership with ESKOM, in 2015 we worked with the ESKOM ICT - Sean Maritz and his team to propose a commercially viable option for SAP HANA. The total price of the deal was R60m. The offer included a discount of around R50m and further included a maintenance holiday of R11m. In addition to that we offered favourable payment terms.

Initially we received SAP global board approval to propose this offer to ESKOM with a validity expiring 31<sup>st</sup> Dec 2015. This was received as a final condition as this now included a further 19% discount due to exchange rate and annual price increases. After following due process and agreements with CIO's team we gave the final commercial agreement for sign off. But the same was not signed due to unknown reasons given to us.

The process seems stalled with ESKOM ICT and I am concerned that ESKOM may lose approximately R25m ZAR due to a timing issue. We will keep the initial discount but will have to remove the maintenance holiday and take into account exchange rate and price increases. Please can I request your urgent assistance regarding this matter as I value our strategic relationship and would not like to see ESKOM lose this offer, which we believe will benefit the organisation.

The benefits of HANA have been discussed together with ESKOM ICT in 2015, I highlight key points of the solution below:

- Landscape consolidation & simplification – Online transactional processing & online analytical processing together on a single platform.
- Self-service Analytics - Eskom can truly execute operational reporting from within the application instead of via SAP BW thereby removing latency in operational reporting & offloading routine requests from IT users.
- Analytics embedded in operations – predictive analytics, what-if analysis..
- Next Generation ERP – New ERP code line & re-architected applications - i.e. Soft Financial Close - Intra month closing where & when needed. The new data model & process flows eliminates the need to reconcile between Management & Statutory / Financial accounting. Enrichment of MRP with constraint based planning. Self-service requisitioning...

- Data model Simplification – Significantly smaller data & Infrastructure footprint & increased throughput (by factor of 7+)
- Finance – Across accounting and cost management, the BSR showed significant relevance with over 45 transactions that S4/Hana simplifies and accelerates.
- Business processes & the information supporting decisions regarding these business processes on a single modern user interface
- Real time view on Inventory levels and Real time view on supplier capacities, including simulation of delivery capabilities by faster MRP runs
- Reduce cost associated with customisation - Creation of Z-tables for specific non-standard analysis no longer required. Any nonstandard analysis can easily be created as a virtual layer on top of the simplified data model
- Guided configuration – reduce reliance on Basis consulting work
- HANA as the single platform to enable Eskom’s transformation program towards “utility of the future”

Regards,

**Lawrence Kandaswami**

Director Public Services | South Africa

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