

## **SAP Supports Applications on VMware Platform: An Industry Milestone**

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In December 2007, VMware announced that SAP will support its suite of enterprise applications running in VMware production environments. As part of a global technology partner agreement, SAP and VMware have jointly tested and certified major applications such as SAP ERP, CRM and Supply Chain Management for use in VMware ESX Server 3.0 virtual machines hosted on leading server platforms from Dell, Fujitsu-Siemens, HP, IBM and Sun. The applications will be supported on 64-bit versions of Windows and Linux, and later this year on Sun Solaris x64.

This deal is a big step forward for VMware, which has been seeking certification and support from top-tier enterprise software providers. VMware Infrastructure is the first, and so far only, virtualization platform on which SAP applications will be directly supported across all major servers and operating systems. But the news also represents an important milestone for the server virtualization industry, which has been struggling for years to gain respect within the data center. With this announcement, the industry's leading bare metal hypervisor is now on an equal footing with native Microsoft Windows as a platform for hosting applications from SAP, the world's leading enterprise applications vendor.

The SAP-VMware partnership benefits end users in several ways. SAP customers can now run their production applications with confidence in a virtualized environment, reaping the advantages of greater server utilization, increased applications portability, and reduced costs. SAP users also benefit from significantly accelerated application deployment, both for first-time installations as well as migrations and upgrades. For the broader industry, SAP's endorsement of the VMware platform demonstrates that business-critical applications are ready to be virtualized for production use. We expect that other large application providers which have been hold-outs up until now will soon follow SAP's lead by certifying and supporting their applications on VMware and other virtualization platforms.

### **Breaking into the Data Center**

For years, server virtualization platforms from vendors such as VMware have not garnered the same level of respect that more traditional systems have enjoyed in the data center. End users have tended to virtualize their software programs in stages, beginning

in test and development and working their way up to less-critical applications in the data center. While a number of large VMware customers have now virtualized a majority of their applications in the data center, they have hesitated to move their ERP and other mission-critical applications into production in virtual machines. Though these

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applications may have satisfied benchmarks for reliability and performance, users have not felt comfortable running them in production without formal vendor support.

SAP's pledge of support provides the assurance that many SAP customers will need to begin to virtualize the applications that run the backbone of their IT infrastructures. Customers can now contact SAP support for VMware hosted installations just as they do for their other platforms. For its part, VMware has added staffing to SAP support offices to ensure that customers receive high-quality, responsive service.

With this partnership, VMware now has a very strong story for SAP accounts, which stand to reap the considerable advantages that server virtualization will bring to their applications. Given the size of SAP's global customer base, including some 125,000 installations in more than 40,000 accounts, this represents quite a large opportunity for VMware. Perhaps more importantly, this agreement will be a motivator to other software providers who have not yet made the commitment to fully support their products on VMware Virtual Infrastructure. While large partners such as BEA, CA and Cisco are fully supporting their products on VMware platforms, at least two vendors, Microsoft and Oracle, have only half-way committed to supporting their software on ESX Server. Oracle, for example, puts the burden on the end user to demonstrate that the Oracle-related support issue is either known to occur on the native operating system, or not caused by running on VMware Virtual Infrastructure. Microsoft customers that buy Microsoft software directly or

through a reseller, rather than as part of a server purchase, and do not have a premier-level support agreement, must replicate technical issues on a physical machine before they can get support from Microsoft. Though these two companies' support policies are likely driven more by competitive considerations than they are by technical or resource issues, it is unfortunate that Microsoft, Oracle and VMware end users must suffer the consequences.

SAP also benefits from the global technology partnership by opening up a whole new platform on which customers can run its applications in the data center. The deal should enable SAP to better compete in the virtualized enterprise with arch-nemesis Oracle, which recently announced its own Oracle VM virtualization platform for running Oracle applications. While the timing of the SAP-VMware announcement might suggest it was motivated by Oracle's news, the partnership has actually been under development for quite some time, as a result of demand from several joint customers. To pave the way for the support deliverables of the partnership, the two companies needed to complete a months-long effort to test ESX Server-hosted SAP applications on major server hardware, and in the end, succeeded in certifying ESX Server on each of these server platforms.

### **Bringing Virtualization to SAP Users**

While the partnership will allow both SAP and VMware to expand their businesses, the biggest beneficiary will be end users. Existing SAP customers that consolidate

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applications on fewer physical servers should see an immediate boost in server utilization, as well as reduced server maintenance, power and cooling costs. VMware Infrastructure also offers users more dynamic allocation of system resources, along with a wider range of alternatives for backup and disaster recovery. But perhaps the biggest benefit is in speeding up the deployment (or re-deployment) of SAP applications, which given their size and complexity, can be time-consuming to test, configure and provision. Virtualized servers can be provisioned and new SAP environments set up in minutes, versus the hours or even days these tasks can take with physical hardware today.

But besides existing customers, virtualized SAP applications may also hold appeal for a new set of users; specifically, small to medium sized businesses (SMBs) that have not had the IT resources and sophistication required to set up and run SAP on physical servers. The partnership enables SAP and its channel partners to deliver SAP applications as pre-packaged virtual appliances, which SMBs can quickly install and run without the upfront headaches of provisioning and testing on physical hardware. In this sense, virtualization might help SAP to cost-effectively expand its market to a new set of small enterprise users.

### **Taneja Group Opinion**

SAP's commitment to fully support its applications on VMware Infrastructure is a boon both to VMware and SAP. The partnership gives VMware the opportunity to address an additional large segment of the

enterprise market, and enables SAP to sell its products on the industry-leading virtualization platform. The deal also benefits end users, by bringing to SAP customers the benefits of virtualization, including increased server utilization, streamlined applications deployment, and reduced costs.

But beyond that, the arrangement sends a strong signal to the IT industry that the mission-critical applications end users rely on to run their businesses are now ready for virtualization. After all, if SAP's highly sophisticated and performance-sensitive applications can be virtualized against a rigorous set of testing and certification processes, then why not all others?

SAP has expressed a willingness to enable its applications to run across major virtualization platforms, and its commitment to support the market-leading VMware Infrastructure is a big first step. Other leading enterprise application vendors should follow SAP's lead. In particular, Microsoft and Oracle need to look beyond purely selfish interests in promoting their own hypervisors and commit to providing full support for their applications on other popular virtualization platforms.

But based on the past behavior we are not optimistic that Microsoft will come to the table without pressure from the end user community. We encourage end users that have come to learn what VMware can do for them to make it amply clear to Microsoft (and Oracle) that they expect their applications to be supported on VMware. In any case we believe SAP running on VMware will start to put pressure on those two

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vendors, as users start to see the joy of running SAP on VMware.

It is about time mission critical applications became supported on virtualized server

environments. This announcement may appear to be low-key but we think it is the beginning of “chapter 2” of server virtualization.

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