

The Many Shades of SAP Clouds

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SAP makes it easier for solution providers to sell BusinessOne in the cloud

Solution providers and their customers might well be forgiven if they're a little confused these days about SAP's overall cloud computing strategy. After all, first there was [SAP Business ByDesign](#) for the small-to-medium (SMB) market. Now SAP is working towards building [a massive cloud computing ecosystem](#) around its core enterprise application software and the [High-Performance Analytics Appliance \(HANA\) platform](#) that is based on in-memory computing technologies. And now there is word that SAP intends to allow solution providers to host instances of the company's [BusinessOne software](#) for SMB customers in the cloud.

According to Rainer Zinow, senior vice president in charge of strategic solution management for SAP's On Demand Solution unit, SAP is trying to give partners that resell BusinessOne an option that essentially allows them to deliver BusinessOne via a managed hosting service versus requiring customers to deploy their own infrastructure.

That differs from SAP Business by Design, which is more a pure multi-tenant cloud computing offering. Which of those two offerings SMB customers will opt for largely comes down to how fast customers expect their business to grow. SAP Business by Design tends to be favored by fast growing companies that can't really predict their IT requirements, while SAP BusinessOne is favored by more established companies that have more predictable requirements, says Zinow.

There's no doubt that SAP has big cloud computing plans for 2012 and that the company intends to rely heavily on channel partners to accomplish them. It's not entirely clear, however, to what degree customers or SAP channel partners actually understand the company's cloud computing strategy. As a result, the SAP cloud strategy seems to be rife with opportunities for confusion that could easily wind up having SAP and its channel partners working as cross

purposes.

In the meantime, however, SAP credits channel partners with much of the success it is finding of late with SAP Business ByDesign. Once seen as a delayed response to Salesforce.com, SAP Business ByDesign in the last year as emerged as a credible cloud computing application platform that differentiates itself from all others in one crucial respect: [the majority of the sales are being made by SAP channel partners](#) rather than the direct sales model favored by most other software-as-a-service (SaaS) application providers.

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