## **ABSTRACT**

This thesis aims to examine the business model of SAP Managed Services using the perspective of networked business model framework proposed by (Palo & Tähtinen, 2011). Framework networked business model reflects the situation of technology-based service provider organizations is not possible to master all the resources and activities required for the production, marketing and service management. The practical aspect of this study is to provide a business model of SAP Managed Services are solid, precise and feasible to be implemented by the service provider.

The case study method applied in this study. Primary data was collected through interviews, observation and document the company conducted a case study. Secondary data were obtained from the literature. Then, Primary and secondary data processed and analyzed using qualitative data analysis software.

SAP Managed Services business model scenarios that is appropriate and feasible to implement in business practices resulting from this research. Suggestions and proposals related to the business model of SAP Managed Services provided to company where case studies are performed. Proposed Framework networked business model for the SAP Managed Services as modifying the model proposed by (Palo & Tähtinen 2011) also resulted from this research.

Keywords: SAP, managed services, networked business model