



2018 IMPACT STUDY

The real story about third-party support.

An executive summary of 70 Client Case Studies
Validated by Nucleus Research

Rimini Street
Engineered for Support

Independent Analysis Confirms Up to 90% Savings

Third-party support from Rimini Street is a proven, mainstream option to reduce maintenance costs by up to 90% while benefiting from a higher level of service.

This executive summary is derived from the impact study which was validated by independent analyst firm, Nucleus Research confirms the significant savings Oracle and SAP licensees have realized by replacing their software vendor support with Rimini Street support.

When organizations consider the amount of their IT budget that is spent on their yearly maintenance costs, many focus primarily on the annual maintenance fees as a large and already-budgeted expense that must be paid without question.

But until one starts looking deeper at the total price of support and what it really means, it may not be apparent that millions of dollars are often wasted each year due to the outdated support model of software vendors.

“We hear two prevailing themes from CIOs relying on third-party support: **the need to cut costs, and the need to invest limited resources** in systems of engagement. Third-party support enables them to accomplish both.”

Rebecca Wettemann
Vice President, Nucleus Research

Understanding The Value...

The Proven Impact of Third-Party Software Support

What an average savings of 75% looks like for Rimini Street customers:

For the 70 organizations interviewed, that figure represented over \$85 million dollars annually.*

These savings were achieved on total maintenance costs after moving away from vendor support and is derived from four distinct sources:

- Maintenance Fees
- Upgrade Avoidance
- Customization Support
- Self-Support

The following pages break down the savings by each source.

*Combined savings across 70 organizations.

“Get down to some real data and facts around what you’re getting from the vendor for your maintenance fees. **Evaluate your current value proposition in dollar terms. And then go from there.** In our case, there was no value in continuing to pay vendor annual support fees.”

Chief Information Officer
Global Chemical Manufacturing

75%
TOTAL SAVINGS

Save 50% on Annual Maintenance Fees

IT organizations can benefit from Rimini Street savings of 50% more on annual support fees and maintenance costs. That can immediately impact their bottom line. Additionally, clients receive premium support from expert engineers including support for customizations as well as many value-add services at no extra charge.

How much are you paying for vendor support?

It might surprise you to learn that according to a recent Oracle fiscal report, that their operating (profit) margins on software support are as high as 95%.*

SAP, who was charging 18 to 19% in 2013, raised their rates in 2016 to 22%—that's a 20.1% increase! These numbers indicate that SAP's top clients are spending between \$2–\$5 million annually on maintenance and support contracts—which accounts for a quarter of the cost of the original software purchase, according to Constellation Research.

Next: Upgrade Costs

*Oracle, Q4 Fiscal 2017 Financial Results, 2017



“Rimini Street has brought to us a true partnership. **We’re getting a higher level of service, with more experienced engineers, at a price point that’s considerably lower.** It’s a win all across the board for [us].”

Chief Information Officer
Major Charitable Organization

50%

SAVINGS ON ANNUAL MAINTENANCE FEES

Avoid upgrade costs and disruptions

Rimini Street clients have total upgrade flexibility: continue running mature and stable applications and upgrade when it makes good business sense to do so.

Are you paying for upgrades you won't use?

One of the biggest benefits that licensees experienced with Rimini Street third-party support was avoiding the cost and disruption of forced upgrades which may require rebuilding and retesting of customizations and integrations, which could result in significant investment of both internal and external resources.

By eliminating needless upgrades, Rimini Street clients interviewed for this survey have saved hundreds of thousands of dollars per avoided upgrade.

Next: Customization Support



“We believe the value in upgrading to stay supported is just not there. **The reality is that if you want those few capabilities that will add value, you can customize at a fraction of the cost of an upgrade.**”

Chief Information Officer
US Automotive Parts Manufacturer

15+

YEARS OF AVOIDING UPGRADES

Avoid Extra Charges for Customization Support

Rimini Street covers the support of user-modified code at no extra charge. Nearly two-thirds of issues that Rimini Street resolves for its clients are issues that the software vendor's support program would not have otherwise covered.

How much custom code are you running?

The majority of issues in today's mature enterprise software are not in the vanilla code delivered by the software vendor. Most issues are in the code a client has customized to fit its unique business requirements. Of course, standard software vendor support programs do not cover customizations!

Companies interviewed for this survey felt burdened by the amount of time and money spent justifying their technical issues at every step through the support process—and they questioned the amount of support they received. This is a key element of the value equation that often goes unconsidered.

Next: Self Support



“We don't have to spend hours explaining to SAP or waiting for validation of the issue in a non-customized environment. **Rimini Street quickly assesses every issue we bring to them**, and provides just the fixes we need.”

Executive Director of Technology
Independent School District

0%

EXTRA CHARGES FOR CUSTOMIZED SUPPORT

Reduce Costs of Self Support

In general, clients found Rimini Street support to be more proactive, responsive, and personalized than the support provided under traditional software license maintenance contracts. The Rimini Street support offering allows for a Level 3 engineer as point of contact to address general inquiries, troubleshoot issues, assess code to diagnose problems and identify real solutions.

Are your resources tied up on support issues?

Most organizations in this study had to budget for the additional resources and headcount required to deal with the inefficiency of their previous software vendor support, including but not limited to:

1. Ticket resolution time: The cost and time with support teams hunting online for potential issue resolutions on vendor support portals or forums, or being forced to replicate an issue in a vanilla environment can drastically increase support costs.
2. Tax consulting: Nucleus Research found some licensees previously had to employ consultants to help them determine which tax updates were applicable to their business.

Next: 4 Case Studies



“We were able to focus our internal resources on the roll-outs and dramatically decrease implementation costs, while remaining confident that **our PSe and Rimini Street team were providing a stable and supported SAP platform.**”

Chief Information Officer
Southco

\$0

BUDGETING FOR ADDITIONAL RESOURCES

\$1.5B Building Manufacturer



Background:

- \$1.5 billion U.S.-based manufacturing company with more than 5,300 employees
- Dissatisfied with high support costs: \$10–15 million over three years just to continue Oracle Support
- Highly customized: Customer used to spend 50–60% of time working with custom code, logging tickets, trying to get responses back, searching the Web trying to find answers

Impact of Moving to Third-Party Support:

Maintenance Savings

Over \$1.9 million annually
At least \$19 million in 10 years

Reinvested in innovation

“We took the money we saved and created an eCommerce side for estimating, designing, engineering and delivering our metal buildings to customers. Today that business segment is worth about \$100 million a year.”

–Executive Vice President and Chief Information Officer

Total Savings with Rimini Street Support:

75%
Savings*

Category	Annual Oracle Support Costs	Annual Rimini Street Costs	Annual Rimini Street Savings
Annual Support Fees	\$1,282,000	\$641,000	\$641,000
Upgrade and Enhancement	\$524,000	—	\$524,000
Customization Support	\$427,000	—	\$427,000
Maintenance Resources	\$350,000	—	\$350,000
Totals	\$2,583,000	\$641,000	\$1,942,000

\$1.4B Kitchenware Manufacturer



Background:

- \$1.4 billion kitchenware manufacturer based in the U.S. with over 2,900 employees
- Get very little value for high cost of maintenance: approximately \$550K annually
- No useful innovation for the next 3 to 5 years: saved 215K per year on upgrades
- Need to stabilize core SAP applications platform for next 5 years: Cost \$362K per year

Impact of Moving to Third-Party Support:

Maintenance saving

\$886,332 annually
\$8.8 million 10 years

Avoided 2 upgrades and 5 Enhancement Pack deployments

Saved \$215K per year

Custom support savings potential

“We just completed an exhaustive and cost-intensive global roll-out of AP. Optimizing our costs for SAP Business Suite was a top priority.”
–Chief Information Officer

Total Savings with Rimini Street Support:

76%
Savings*

Category	Annual Oracle Support Costs	Annual Rimini Street Costs	Annual Rimini Street Savings
Annual Support Fees	\$546,704	\$273,000	\$273,704
Upgrade and Enhancement	\$215,000	—	\$215,000
Customization Support	\$145,000	—	\$145,000
Maintenance Resources	\$217,000	—	\$217,000
Totals	\$1,123,704	\$273,000	\$850,704

\$11.5B Energy Company



Background:

- \$11.5 billion U.S.-based energy company with more than 13,000 employees
- Suffered critical issue with payroll, could not pinpoint the problem and original vendor response was poor
- Needed to ensure technical and business continuity with experts
- Wanted to rethink long-term IT road map with older applications and complex environment

Impact of Moving to Third-Party Support:

Maintenance Savings

\$3,298,000 annually
\$33 million over 10 years

- Secured premium support service and technical expertise to resolve current and future issues
- “We tried every path possible to replicate and get help. We could never get a resolution from [Oracle]. Our teams spend 30% of their time fixing issues themselves.”
- Chief Information Officer

Total Savings with Rimini Street Support:

78%
Savings*

Category	Annual Oracle Support Costs	Annual Rimini Street Costs	Annual Rimini Street Savings
Annual Support Fees	\$1,896,000	\$948,000	\$948,000
Upgrade and Enhancement	\$1,500,000	—	\$1,500,000
Customization Support	\$500,000	—	\$500,000
Maintenance Resources	\$350,000	—	\$350,000
Totals	\$4,246,000	\$948,000	\$3,298,000

\$8.1B Food Processor



Background:

- \$8.1 billion U.S.-based food processor with more than 17,000 employees.
- Dissatisfied with high maintenance costs
- Wanted to get better service
- Needed to optimize costs in order to invest in growing and supporting business

Impact of Moving to Third-Party Support:

Maintenance Savings

\$555K annually
Over \$5 million in 10 years

- “What the savings from Rimini Street has done for us is allow us to take the money and reinvest in some of our BI and data platforms. They’ve clearly helped us in fixing our bottom line from a cost perspective.”

–Chief Information Officer

Total Savings with Rimini Street Support:

71%
Savings*

Category	Annual Oracle Support Costs	Annual Rimini Street Costs	Annual Rimini Street Savings
Annual Support Fees	\$453,000	\$226,500	\$226,500
Upgrade and Enhancement	\$178,000	—	\$178,000
Customization Support	\$75,000	—	\$75,000
Maintenance Resources	\$75,000	—	\$75,000
Totals	\$781,000	\$226,500	\$554,500

Demand a Change

Executives interviewed as a part of this client study were asked the question, “What advice do you have for other CIOs based on your experience with moving to a third-party support model?”

Their responses overwhelmingly fell into four specific insights and area of advice. These key takeaways will provide peer validation as you build a business case across your organization to consider the Rimini Street third-party support program:

What are the next steps?

1. Determine the true value you receive for your vendor support and maintenance spend.
2. Don't upgrade just to stay supported—and don't upgrade if there is no business case.
3. Ensure your teams and budgets can work on high-value initiatives.
4. Reduce support spend to free up funds for growth and innovation.



“I was able to reallocate 10% of my budget growth initiatives with the stroke of a pen. I want to be clear about this, because this is a big deal. This is 10% of my total IT spend. **We're in a position to literally drive the number-one priority of the CEO with the resources we gained back from the decision to go with Rimini Street.**”

Chief Information Officer
Global Chemical Manufacturing Company

About Rimini Street, Inc.

Rimini Street is a global provider of enterprise software products and services, and the leading independent support provider for Oracle and SAP products. The company has redefined enterprise support services since 2005 with an innovative, award-winning program that enables licensees of IBM, Microsoft, Oracle, SAP and other enterprise software vendors to save up to 90% on total support costs. Clients can remain on their current software release without any required upgrades for a minimum of 15 years. Global Fortune 500, midmarket, public sector and other organizations from the broad range of industries rely on Rimini Street as their trusted, independent support provider.



Additional Reading

[Assessing the ROI of Third-Party Support for Oracle Applications and Databases](#)

[Assessing the ROI of Third-Party Support for SAP Applications](#)