

A Rimini Street White Paper

Why Oracle® E-Business Suite Customers Choose Third-Party Support

Rimini Street®
Redefining Enterprise Software Support™



About Rimini Street, Inc.

Rimini Street is the leading third-party provider of enterprise software support services. The company is redefining enterprise support services with an innovative, award-winning program that enables Oracle and SAP licensees to save 50 percent on annual support fees and save up to 90 percent on total support costs over a decade. Clients can remain on their current software release without any required upgrades or migrations for at least ten years. Hundreds of global, Fortune 500, midmarket, and public sector organizations from virtually all industries have selected Rimini Street as their trusted, independent support provider.

To learn more, please visit www.riministreet.com or call within the USA 888-870-9692 or internationally 702-839-9671.

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LT-US-052412

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Executive Summary

Your Oracle E-Business Suite (EBS) software is mature and stable and more than supports your business requirements. But a significant pain point for many EBS customers is the total cost of ownership of their software – including the high cost of operating, maintaining and upgrading their applications.

In addition to the high total cost of maintenance, E-Business Suite licensees must assess and address several important issues related to their EBS applications, including the uncertainty of future EBS product roadmaps, a potential “forced march” to Fusion applications, and changes in support for some EBS releases. The urgency is growing for EBS licensees to make critical decisions for their EBS strategy:

- To upgrade or not to upgrade?
- To stay with current EBS releases?
- To move towards new Fusion applications as they become available?
- To explore other next-generation ERP and CRM platforms?
- To remain on expensive vendor support that delivers questionable value to the customer but more than 90 percent margins to the software vendor?

This white paper surveys the state of E-Business Suite applications today, analyses the strategic road map ahead for customers using EBS under Oracle annual support, and concludes with actionable recommendations for EBS licensees. Major points:

- Today’s EBS releases can run your business operations for the next decade and beyond.
- There is limited ROI in upgrading today’s feature-rich EBS software releases.
- You can save millions of dollars by leveraging third-party support to avoid expensive upgrades and reduce maintenance fees and related costs.
- Third-party support helps you reduce risk and avoid vendor lock-in – keeping your options open for future next-generation systems.

Third-party support from Rimini Street replaces Oracle annual support for your EBS system, enabling you to save 50 percent on annual support fees and up to 90 percent on your total cost of maintenance, including the avoidance of expensive “forced” upgrades and support for your customized code.

E-Business Suite licensees are choosing third-party support from Rimini Street for substantial cost savings, guaranteed ultra-responsive support, premium features, and reduced risk – and because today, hundreds of world-class organizations have already validated that third-party support is a proven option.

The Current State of Oracle E-Business Suite Applications

Oracle Applications History

The history of the software that we know today as Oracle E-Business Suite falls into four phases:

1. Early Days (1987–1995)

Oracle Corporation (originally named Software Development Laboratories or SDL) was founded in 1977 by Larry Ellison, Bob Miner and Ed Oates. In 1987 Oracle founded its Applications Division and brought to market a general ledger application that was tightly integrated with its flagship Oracle Database product. Over the next few years Oracle added applications for financial accounting, manufacturing, human resources and project management – the core of what Gartner Group in 1990 began calling “enterprise resource planning” or ERP software – and by 1993 most Oracle customers were running Oracle Applications, version 10.

The last major release of this early period was 10.7, sometimes considered by industry analysts to be Oracle’s last “simple” applications release: 10.7 featured text mode display (as opposed to a graphical user interface or GUI) and lacked later complexities such as materialised views, stored procedures and database triggers.

2. Technology Years (1996–1999)

Oracle followed the pattern of other enterprise application software vendors, shifting first from mainframe architecture with text mode display to client/server architecture with networked PCs and a GUI display – and then from client/server to a web-based platform. By the end of the 1990s Oracle had augmented its core ERP application offerings with basic customer relationship management (CRM) functionality and a far more complex technology stack.

3. The Suite (2000–2004)

In 2000 Oracle delivered a complete, integrated, global, multilingual, multicurrency suite of business applications: this was 11i, the E-Business Suite (EBS). Significant quality problems plagued early versions but after a few years and multiple “stability releases” EBS was garnering good reviews and enjoying widespread adoption.

E-Business Suite 11i7, released in late 2002, was a solid technological achievement; customers are still running their businesses on 11i7 today. EBS 11i10, released in 2004, represents a complete and stable ERP/CRM solution that is still at the heart of thousands of Oracle customers’ IT infrastructure.

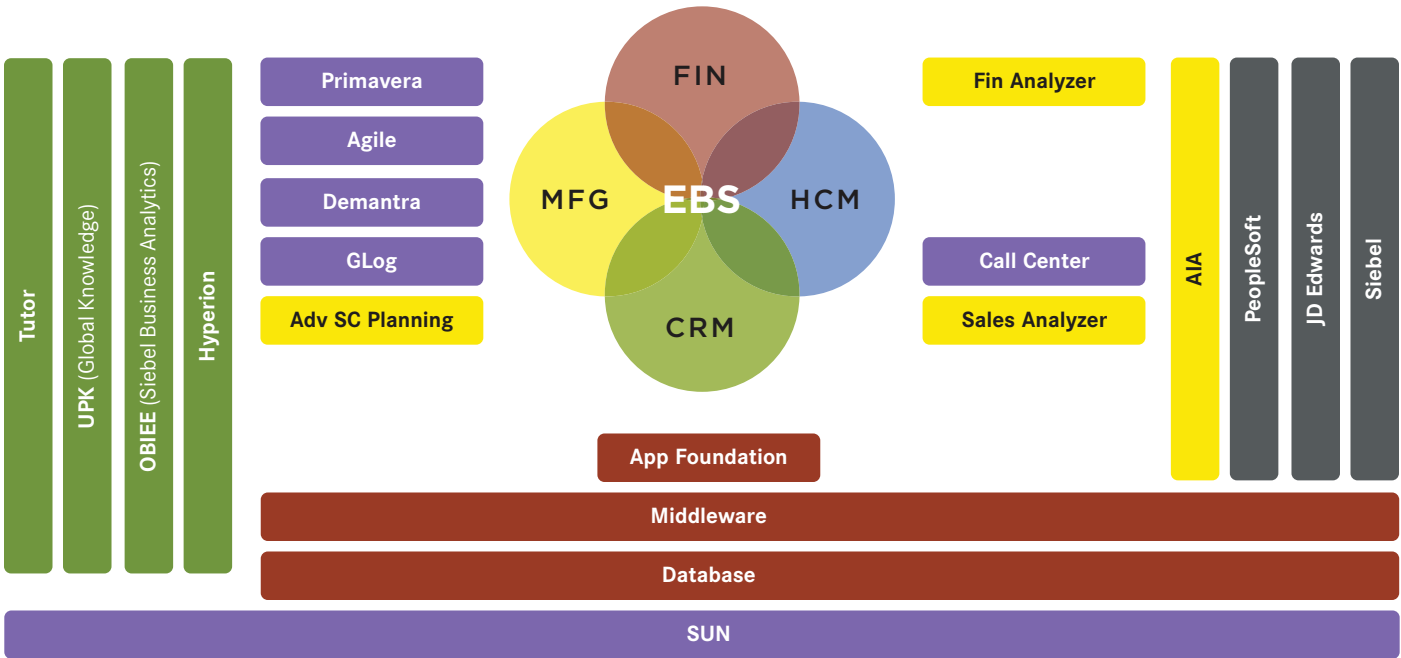
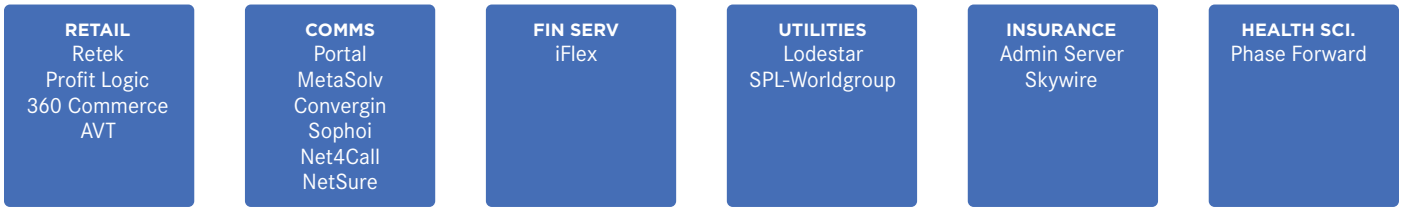
4. Acquisitions (2005–present)

Since the mid-2000s Oracle has pursued an aggressive strategy of acquiring application software companies both large and small, and since then, Oracle's investment in its E-Business Suite has declined in relative terms. Instead of primarily building additional features and capabilities into its own application software, Oracle has been buying them – for example, in early 2005 it acquired HRMS industry leader PeopleSoft, Inc. (along with PeopleSoft's 2004 acquisition, JD Edwards) and later that year acquired CRM industry leader Siebel Systems.

As Oracle grew its revenue and profit margins through M&A activity, it simultaneously invested heavily in Oracle Fusion Applications, the company's ambitious plan to rewrite the functionality from 30+ acquired applications vendors into a single integrated solution (see "The Future: Fusion Applications" below). As a result of these shifts of focus away from Oracle's own organically developed E-Business Suite, the amount of real, tangible business value delivered in subsequent EBS releases (12.0 in 2007 and 12.1 in 2009) was perceived by some customers and industry analysts to be far less than what they had become accustomed to with previous incremental releases. And consequently, adoption of those releases has been sluggish: in the absence of a convincing ROI argument for upgrading to 12.x, many 11.x customers have decided to "stay put" on 11.x and spend their IT dollars elsewhere.

The focus of Oracle E-Business Suite 12.0 was on a number of key architectural components in financials and a new user interface – and, as with most releases from Oracle, on an updated technology stack. It is worth noting that every new "Red Stack" offering potentially requires additional outlays for Oracle middleware licenses as well as additional outlays for updated hardware to support the updated middleware. While there may be some business value in such technical upgrades, customers should carefully weigh that value against the cost of obtaining it.

Expanding Product Landscape



Challenge: How do you manage your business and EBS applications while Oracle spends most of the next decade rewriting all of this for Fusion? Constantly upgrading the many interlocking pieces and technical substrata of this labyrinth based on Oracle’s support timelines might not be the best way to maximize your ROI.

Oracle Lifetime Support Policy

Oracle has standardized its support policies across its many different organically developed as well as acquired application product lines. This policy is known today as the Oracle Lifetime Support Policy, which sets consistent support policies, prices and timelines for most Oracle products. While standardization has its benefits, many Oracle customers report to Rimini Street that Oracle is reluctant to negotiate any exceptions to or deviations from its standard Lifetime Support Policy.

Oracle's standard Lifetime Support Policy has three phases:

- **Premier Support** – Oracle's "standard" support, typically lasting for five years from general availability (GA) at a cost of 22 percent of your license fee, often with annual increases with each renewal.
- **Extended Support** – Increased pricing of an additional 10 percent in Year 1, plus an additional 20 percent in Years 2 and 3; limited bug fixes, with less commitment to interoperability updates and third-party platform certifications; lasts for three years following the end of Premier Support. Extended Support is not always offered.
- **Sustaining Support** – No new fixes and updates; lasts indefinitely. Cost is 22 percent of your license fee; Sustaining Support is not always offered.

The Future: Fusion Applications

Fusion is Oracle's next-generation suite of business applications. Oracle has been making announcements about Fusion and its progress ever since around the time it acquired PeopleSoft in 2005, and Oracle's ever-shifting timelines have been a source of frustration, making it difficult for EBS customers to make concrete plans and choices. The reality is that it could be 3–8 years, or even more, before the full Fusion suite is "complete."

As of this writing, we're just starting to see contents announced for the first version of Fusion, and while we don't have all the details and the future roadmap is unclear, we do know that Fusion covers some, but not all of the main ERP product areas, including CRM. Major points to think about when considering what Fusion means to your organization:

1. **Major cost outlays** – Fusion will not be free just because you have E-Business Suite licenses. Analysts anticipate you may incur additional costs for additional applications functionality and technology components.
2. **"Version 1" is never stable or complete** – Fusion will not fully replicate current software capabilities for years, and it may take years for Fusion to become stable. The initial version is far from complete, with functional gaps, and details of the future roadmap are murky. The combination of Fusion's incompleteness and instability has analysts saying it could be 3–8 years before Fusion will be ready for most customers.

- 3. Deployment – Fusion will essentially be a full reimplementation.**
Everything changes with Fusion: everything is being rewritten with a new technology stack, data models, process flows and so on. Analysts caution that you may need to budget for an entirely new implementation of the suite when it's ready.

“Oracle does not have to adopt a formal strategy of migration in order for customers to feel the effects of informal pressure to migrate, ultimately feeling that they were ‘forced’ to migrate ...”

–Gartner, “Weighing the Decision to Become an Early Adopter of Oracle Fusion Applications,” June 22, 2011, p. 11

Options for Your Strategic Road Map

Oracle has been outlining a set of “co-existence” options for IT leaders looking at Fusion and planning their enterprise application road maps.¹ Translation: in our opinion, Oracle has been outlining a plan for getting you to Fusion. We summarize your options with Oracle here, and introduce a different option: Rimini Street Support. At the end of this white paper we will return to this table with further analysis and commentary:

Oracle Options for You	Description
Minimize Changes	Continue running your current releases for as long as support windows allow. If you don't upgrade your EBS applications you may incur expensive Extended Support fees; or, if your release moves to Sustaining Support, you run the risk of new issues negatively impacting your EBS system.
Stay Current	Upgrade to the latest release of your EBS product. This keeps you in the Premier Support window.
Embrace Fusion	Move forward to Fusion as soon as possible, adopting a co-existence strategy. Implement new Fusion modules and pillars as they become available.

Rimini Street Choice for You	Description
Maximize the Value of Your Current EBS Release via Third-Party Support	With Rimini Street you can remain on your current software release without any required upgrades for the next decade and beyond. Save 50 percent on annual support fees, avoid expensive upgrades and receive more responsive, relevant support for your EBS applications.

¹Alan Joch, “Oracle Fusion Applications: Changing the Game,” <http://www.oracle.com/us/products/applications/fusion/fusion-changing-the-game-185230.pdf>.

E-Business Suite Customers Have Strategic Decisions to Make

Going forward, you need to decide: To upgrade or not to upgrade? To stay with E-Business Suite, move towards Fusion, or explore other next-generation platforms? To remain on expensive vendor support that delivers questionable value, or to keep strategic options open and accrue funds incrementally towards innovative IT initiatives with savings from third-party support?

The remainder of this white paper is designed to give you information you need to help you make the best decisions for your business and derive the maximum possible value from the enormous investment you have already made in your EBS system. Let's look at possible strategic roadmaps for customers running specific EBS 11.x– 12.x releases.

Analysis by E-Business Suite Release

Upgrading May Not Deliver Business Value to Justify the Cost

E-Business Suite Pre-11i10 Customers²

Version	GA Date	Premier Support Ends	Extended Support Ends	Sustaining Support Ends
11.0.3	May 1999	Feb. 2007	None	Jan. 2009
11i1-6	2000-2002	July 2006	None	Indefinite
11i7	May 2002	May 2007	None	Indefinite
11i8	Nov. 2002	Nov. 2007	None	Indefinite
11i9	June 2003	June 2008	None	Indefinite

Some, though not many customers remain on releases that predate EBS 11i10: EBS 11.0.3 and 11i1-9. EBS 11.0.3 is relatively old software from pre-Y2K; Oracle offers nothing here, not even Sustaining Support. Almost no customers remain on 11i1-6. EBS 11.7-9 is somewhat more widely used, but all in all relatively few customers remain on these releases and it's been several years since Oracle issued fixes and tax, legal and regulatory compliance updates.

Important points for customers on EBS 11i9 and earlier:

- This is 8–12 year old software and you are limited to limited to Sustaining Support. Twenty-two percent of your original license fees for a support offering that doesn't provide compliance updates or even attempt to fix your issues is very expensive.
- Your upgrade options involve significant effort and cost:
 - Because the later EBS technology stack is very different, upgrading to EBS 12.1 is at least a two-step process: for example, 11i9 to 12.0 and then 12.0 to 12.1.3.
 - If you upgrade you will most likely lose your customizations.
 - The business value of EBS 12 is probably not compelling for you, or you would have likely already upgraded by now.
 - There is no direct upgrade to Fusion.

Essentially, EBS pre-11i10 customers have these options:

1. **Continue to pay 22 percent for very limited support as you wait for Fusion to be finished** (and when it is “finished,” getting there from where you are now will be a potentially massive effort comparable to a complete reimplementation).
2. **Upgrade to EBS 12 in a complicated, expensive process** that could tie up your IT team for 12–18 months.

²All release and support dates in this white paper are based on Oracle Corporation, “Oracle Information-Driven Support: Oracle Lifetime Support Policy, Oracle Applications,” February, 2012.

- 3. **Switch to third-party support** – Rimini Street Support includes one-off fixes, all compliance updates, and support for your customizations. With Rimini Street you retain the option of upgrading to 11i10 or 12 at a later date – but you’ll upgrade only if and when it makes sense for your business, not just because upgrading is high on Oracle’s agenda for your strategic roadmap.

E-Business Suite 11i10 Customers

Version	GA Date	Premier Support	Extended Support	Sustaining Support
11i10	Nov. 2004	Nov. 2010	Nov. 2013	Indefinite

EBS 11i10 is likely more widely adopted than any other EBS release. Most 11i customers have ended up here due to support timelines and are now considering their options. EBS 11i10 is already into Extended Support, which will end, along with tax, legal and regulatory compliance updates, in less than two years.

Important points for EBS 11i10 customers:

- Upgrading to 12 from 11i10 is a costly, complex process and will probably not deliver the business value to justify the cost.
- If you do choose to upgrade to 12, be aware that:
 - You need to start planning your upgrade now in order to stay compliant.
 - Your resulting 12.1 environment will move to Extended Support with its reduced benefits and more expensive cost structure, depending on support fee waivers, in less than one year.
 - Upgrading to Fusion will be even more complex. Fusion is still not generally available, and likely won’t be ready in time for you to be in production across your entire suite prior to the end of Extended Support.



Upgrading to EBS12? You need to start now. If you are an EBS 11i10 customer wishing to upgrade to EBS 12, you should already have budgeted for the upgrade, and you need to be seriously planning the upgrade **now**.

Essentially, EBS 11i10 customers have these options:

- **Stay on Extended Support and wait for Fusion to be finished** (but be aware that when Fusion is “finished,” getting there from 11i10 will be a massive effort comparable to a complete reimplementation).

- **Upgrade to EBS 12 in a complicated, expensive process** that could tie up your IT team for 12– 18 months.
- **Switch to third-party support** – Save 50 percent on your current annual support fees and remain on 11i10 for as long as you wish – five, ten years or more. Rimini Street Support includes one-off fixes, all compliance updates, and support for your customizations. With Rimini Street you retain the option of upgrading to 12 at a later date – but you’ll upgrade only if and when it makes sense for your business, not just because Oracle has an agenda and timelines it wants you to follow.

If you are running EBS 11i10 you are well suited to take advantage of third-party maintenance. With 11i10 you are enjoying the culmination of 20 years of business application development by Oracle. It’s installed and working for you; in our opinion, an upgrade to EBS 12 is unlikely to give you real business ROI.

E-Business Suite 12.0 Customers

Version	GA Date	Premier Support	Extended Support	Sustaining Support
12.0	Jan. 2007	Jan. 2012	Jan. 2015	Indefinite

Many of the early adopters of EBS 12 remain on 12.0. EBS 12.0 entered Extended Support in January, 2012. If you are on 12.0, you were likely one of the earlier movers to this release and by now you’ve probably been shuffled up to 12.0.6 through a number of “highly recommended” updates in order to get to a more stable version.

Premier Support has ended. You can continue on with Extended Support, or undertake yet another upgrade – to 12.1. Be aware that 12.1 may offer insufficient business value to justify the cost and effort of upgrading.

Essentially, EBS 12.0 customers have these options:

- **Pay for Extended Support and plan to migrate to Fusion** – and remain uncertain whether Fusion will be sufficiently complete and stable for you to be in production on Fusion by the end of Extended Support in January 2015.
- **Upgrade to EBS 12.1** – but be aware that:
 - There may be minimal business value in this upgrade.
 - If you succeed in upgrading to 12.1 by mid-2012 you will still face the expiration of Premier Support in less than two years (May 2014).
- **Switch to third-party support** – Save 50 percent over your current annual support fees, and remain on 12.0 for as long as you wish – five, ten years or more. Rimini Street Support includes one-off fixes, all compliance updates, and support for your customizations. With Rimini Street you retain the option of upgrading to 12.1 at a later date – but you’ll upgrade only if and when it makes sense for your business, not based on Oracle’s agenda and timelines.

E-Business Suite 12.1 Customers

Version	GA Date	Premier Support	Extended Support	Sustaining Support
12.1	May 2009	May 2014	May 2017	Indefinite

Later adopters of EBS 12 tend to be on 12.1. EBS 12.1 has a little over two years before entering Extended Support. Important points for 12.1 customers:

- You have already made a significant investment in getting to your current release level.
- EBS 12.1.3 is a stable release that has been well adopted; it is unclear whether you can expect material enhancements from Oracle on top of 12.1.3, as the focus turns to Fusion.
- EBS 12.2 includes significant adoption of elements of the Fusion technology stack; this is part of Oracle’s strategic plan of getting you to adopt its next-generation platform. Analysts say you can expect to incur significant middleware licensing and/or hardware costs.
- Fusion is unlikely to be sufficiently complete and stable for you to be in production across the entire HCM and financial suites by the end of Premier Support in May 2014.

EBS 12.1 customers have already realized the majority of feature development. You’ve already spent significantly to get to 12.1, moving through upgrade after upgrade, staying current with Oracle’s recommendations. You have a couple more years of Premier Support, but May 2014 will be here very soon, and given that a Fusion upgrade will be a multiyear project for many companies, you don’t have long before the potential lack of a comprehensive finished Fusion product will put that date at risk. If you are planning to upgrade to Fusion by 2014 you should strongly consider starting in 2012.

Essentially, EBS 12.1 customers have these options:

- **Plan to migrate to Fusion** – incur significant costs and remain uncertain whether Fusion will be sufficiently complete and stable for you to be in production on Fusion by the end of Extended Support in May 2017.
- **Upgrade to EBS 12.2** – but be aware that:
 - There may be minimal business value for you in this upgrade.
 - You can expect to incur significant middleware/hardware costs.
- **Switch to third-party support** – save 50 percent over your current annual support fees, and remain on 12.1 for as long as you wish – five, ten years or more. Rimini Street Support includes one-off fixes, all compliance updates, and support for your customizations.

“The most common reason we hear for deferring an upgrade is the lack of a convincing business case.”

–Forrester, Paul Hamerman, “Application Upgrades: How to Make Upgrade Decisions When Business Value Proves Elusive,” June 25, 2010

Let’s step back from specific releases to consider how the current software vendor support model may be putting organizations running any EBS release at risk.

“Vendor-imposed end-of-support deadlines were one of the driving forces for considering an upgrade for 95% of the respondents who are considering upgrades.”

–R “Ray” Wang, “*Enhancement Packages Improve SAP Upgrade Value*,” *Forrester*, May 29, 2008

“We believe ERP software has matured as a product thus delaying the necessity for upgrades and mitigating the need to pay for upgrade rights.”

–Peter Goldmacher, *Cowen & Company*, “*Maintenance Revenue: High Margin or High Risk?*,” September 2009

The Software Vendor Support Model Is Expensive and Outdated

Closing of Support Window Is #1 Motivator for Upgrading — Not ROI or New Functionality

Organizations upgrade their E-Business Suite software for various reasons including perceived ROI, new business functionality, a wish to move to SOA or some other new technology, and a desire to stay on the Oracle-approved path to Fusion applications. But these are all secondary reasons. What’s the main reason? According to analysts and customer surveys, the number-one reason for considering an upgrade is facing the end of support windows.³

To appreciate the absurdity of this situation, imagine you have bought a new car that is now three years old. The automobile dealer’s warranty runs out (“the support window closes”) after three years, and the dealer informs you that you are now required to upgrade to a new car. In the real world, of course, you have the freedom to take your car to your local independent mechanic and receive more value for your dollar as well as more personalised service; third-party enterprise software support can provide a similar value to EBS licensees approaching their Maintenance End Date (MED).

Fairness and Relevance of Vendor Support Model Questioned

The big software vendors have enjoyed a virtual monopoly on support services for their products, and with today’s 90 percent profit margins for the vendor on its support operations, for every 10 support dollars you pay the vendor, the vendor spends only one dollar on actual support. Customers are coming to the conclusion that the vendor support model is at best dated – and at worst obsolete and grossly unfair to the enterprise software licensee.

And industry analysts agree: you may be spending too much on enterprise software annual support and receiving limited value in return. Ongoing maintenance and operational costs typically consume 80 percent of IT budgets, which constrains IT effectiveness and limits innovation.⁴

Software Vendor Support Doesn’t Address Majority of Issues

Yet despite the high cost and outrageous vendor profit margins, the software vendor support model doesn’t address the most important issues impacting your mature E-Business Suite software. For example, standard vendor support

³ Dennis Howlett, “73% Oracle customers upgrade to stay supported, no reported ROI,” ZDNet, March 9, 2012, <http://www.zdnet.com/blog/howlett/73-oracle-customers-upgrade-to-stay-supported-no-reported-roi/3955>, accessed March 15, 2012.

⁴ Gartner, “Gartner’s Top Prediction for IT Organizations and Users, 2012 and Beyond: Control Slips Away,” November 23, 2011.

programs do not support customized code; however, 65 percent of all issues submitted to Rimini Street relate to code modified by the customer. In addition to the risk of not receiving support for the bulk of their issues, EBS licensees are confronted with “forced” upgrades of limited value just to retain support or to avoid increased maintenance fees.

Is Oracle Support Putting Your Business at Risk?

After decades of maturation, the industry is now reassessing the value and fairness of an irrelevant vendor support model that may be putting your business at risk. Consider the real, major financial and business risks you run when you remain with today’s outdated vendor support programs:

Risk: Vendor Lock-In Limits Flexibility

Every upgrade you deploy may further lock you into Oracle’s application and technology stack offerings. Every upgrade may add technology stack components to your infrastructure, and may commit you further to the vendor’s future systems through the adoption of proprietary technology from the vendor. This may severely limit your flexibility down the road in choosing the next-generation system that best fits your needs. In effect, whether you know it or not, you are picking a winner before the race even starts.

Risk: New Platform Development Is Uncertain

Oracle’s suggested upgrade/coexistence path forces expensive upgrades and maintenance fees until you deploy Fusion. But remember there is a significant risk in early adoption or commitment to unproven new platforms: not all ERP vendor development, especially on new platforms, is an instant success. For example, long-term EBS 11i customers will recall the numerous quality and stability issues they faced with the original EBS 11i, released in 2000: these issues were not effectively addressed until EBS 11i7, released in late 2002.

For another example of ambitious vendor plans being overwritten by reality, look at Business ByDesign, the OnDemand offering from SAP: SAP enthusiastically planned to have 10,000 customers and \$1 billion USD in revenue from Business ByDesign by the year 2010. However, ultimately SAP had to go back to the drawing board with Business ByDesign because of intractable cost-per-user and scalability issues. As of today, there are only 500–600 Business ByDesign customers.

Organizations that commit to unproven new platforms by early adoption may be incurring significant risk.

Risk: “Forced” Expensive Upgrades Limit Innovation

Oracle’s suggested path of upgrades and coexistence with Fusion forces expensive upgrades and maintenance fees until you eventually deploy your next-generation system.

ROI comes from real business value, not perceived benefit. As the system owner, you can take control back from the vendor by exploring your support choices and aligning your business to answer the question: What is our future roadmap for our EBS implementation?

Innovation Is Coming from Smaller, More Agile Firms

“Despite hundreds of billions wasted on failed research and development projects, most market influencers would agree that enterprise software vendors have produced a dearth of innovation over the past decade ... Innovations came from the consumer tech side and next-generation solution providers.”

–R. “Ray” Wang, *SoftwareInsider*,
October 4, 2010

Next Steps: You Have a Choice of Annual Support Providers

Your E-Business Suite Release Strategy Options with Oracle

Let's return to Oracle's plan to migrate you to Fusion. In the following table we list your options if you remain with Oracle Support:

Oracle Options for You	Analysis
Minimize Changes	<ul style="list-style-type: none"> • Pay full support pricing but get less support over time just to run your current stable releases for an extended time frame. • Not upgrading to the latest EBS release may introduce extra cost for you in paying for Extended Support. • If your release moves to Sustaining Support, you may be at risk if you encounter new issues, as the vendor does not address new issues at this level of support.
Stay Current	<ul style="list-style-type: none"> • If you do follow Oracle's plan for you and upgrade, this keeps you in the Premier Support window; but you are on a constant upgrade treadmill, and the provable business value of EBS upgrades may get smaller and smaller for many licensees. • Whether you upgrade or not, remaining on vendor support is an extremely high-cost option for you, while giving 90 percent profit margins to Oracle. Why keep paying expensive maintenance fees on an aging platform and funding a future platform you may never use or want?
Embrace Fusion	<ul style="list-style-type: none"> • "Coexistence" with Fusion – adding Fusion apps to your mix as they become available – may involve high cost and risk. New architecture and platform = unknown and unproven. • If you decide to "coexist," you are essentially deciding you want to pay to migrate to Fusion before you have had a chance to assess the completed suite. And you still need to worry about the support timelines for any EBS applications you still run. • Oracle's suggested "coexistence" strategy may be a risky, expensive path to vendor lock-in.

A Better Option: E-Business Suite Licensees Realize Value with Rimini Street

Hundreds of world-class organizations are saying “No” to Oracle’s plans to migrate them to Fusion, and are exercising their right to select the annual support provider that best fits their needs and budget.

“Our decision to go with Rimini Street for our support needs was simple. They offered us a level of care at or above what we were currently seeing with EBS and Oracle at a fraction of the price.”

–*Jesse Mitchell, Wenger Manufacturing*

Third-party support from Rimini Street replaces your annual support program from the software vendor. Rimini Street provides all your needed bug fixes so you can continue to cost-effectively run your E-Business Suite applications for the next decade or longer with no required upgrades. EBS customers choose third-party support from Rimini Street for:

- **Substantial cost savings** – guaranteed savings of 50 percent over vendor annual support fees.
- **Premium, relevant, cutting-edge service model** – guaranteed ultra-responsive support and premium features – such as support for customizations, interoperability and performance tuning – all at no additional cost.
- **Greater strategic flexibility** – Rimini Street can help you avoid costly upgrades, extend the life of your current, stable EBS release, and reduce risk as you position yourself for the next proven technology platform.

Many organizations utilize third-party support as a key aspect of their application strategy, using the savings from third-party support to address real business problems around their EBS systems while evaluating new application platforms at their own measured, deliberate pace – not according to the vendor’s release timeline and agenda.

“The packaged software maintenance model is broken. Don’t reward software vendors for it by staying on their upgrade treadmill at their arbitrary 18 or 22 percent a year of software ‘license value.’ ...”

–*Vinnie Mirchandani, Deal Architect, September 26, 2010*

If you, on the other hand, choose to move down the path of total commitment to the vendor now, you may be putting your future business options at risk. If you simply accept the vendor’s road map for your IT future, you may incur substantial additional costs and lose most of your strategic flexibility, because you may find yourself inextricably enmeshed in the vendor’s technology stack, applications and support programs for the foreseeable future.

“Customers can save millions of dollars if they have a viable third-party alternative to applications support and can postpone the move to Fusion. This is a huge opportunity for Rimini Street and massive problem for Oracle.”

–Peter Goldmacher, Cowen & Company,
“Industry Outlook: What If the HP Board
Isn’t Incompetent?,” October 19, 2010

Recommendations for E-Business Suite Licensees

- **Move to third-party support** – Wait until Fusion is better defined and generally available, defer upgrades for now, save your maintenance fees and upgrade costs, and run your EBS apps with third-party support from Rimini Street.
- **Maximize the value of current releases** – Extend the longevity of your established EBS applications and don’t do an upgrade that has zero business value.
- **Avoid “forced” upgrades due to vendor support timelines** – But know that you can upgrade to EBS 12 under Rimini Street Support if you wish.
- **Use your savings from third-party support** to address real business problems around your EBS system such as ongoing innovation and ever-changing business requirements.
- **Do a thorough ROI study of Fusion when Fusion is available**, compare Fusion to other available solutions, and select the best next-generation system for your business once they have been fully built, deployed and tested.

