Rimini Street®

Getting to the Cloud on Your Terms

3 Things That Get in the Way

Not Ready to Move Your ERP Systems to the Cloud Today? **You're Not Alone.**

Most IT roadmaps today include taking advantage of cloud consumption and deployment models. Many companies we work with at Rimini Street have made the choice to move from a vendor-dictated roadmap to a "Business-Driven Roadmap" strategy designed around their business objectives, not the enterprise software vendors' objectives.

You will move critical systems when your business is ready, based on your roadmap. And you are not alone.

Your organization has undoubtedly migrated many things like desktops, storage, or data warehouses to the cloud, but **if you have invested heavily in your existing ERP solution, now may not be the best time to transition these critical systems.**

Here are three reasons why:

1 **Risk:** Vendors often promise a seamless transition to the cloud, but if you've made mission-critical customizations to your ERP software, your cloud migration could be a rocky one.

2 **Cost:** Migrating your ERP to the cloud or SaaS means handing maintenance over to your ERP vendor, and this often includes many hidden costs. As one analyst recently pointed out, *"Vendors think scale and pricing only work one way — up."*[1]

3 **Vendor support limitations:** ERP vendors are great at supplying software but far less effective when it comes to providing high-quality service tailored to your organization's individual needs.

[1] Brian Sommer, "The SaaS memo most ERP vendors missed," Diginomica, December 18, 2018

Assessing Risk Exposure for ERP Customers Today

Migrating to the cloud prematurely can expose your organization to multiple risks, including:

Data security: If your data protection processes are working effectively, why put them at risk? Handing critical business data off to your vendor means relying on its security policies rather than your own.

Operational disruption: Given that your ERP solution touches nearly every corner of your organization — finance, marketing, HR, supply chain — moving to the cloud can create a complex and costly disruption and require skills you may not have in house.

Customizations: Migrating to the cloud means losing the application customizations that your organization relies on to maintain and use its most valuable data. You may have to rebuild these customizations (if allowed), and you may need to make unanticipated trade-offs along the way. Is it worth the risk? Remember: *"Old ERP vendors charge long-time, maintenance paying customers an all-new subscription to upgrade to their (substantially unchanged) cloud version of their ERP product."*[2]

[2] Brian Sommer, "The SaaS memo most ERP vendors missed," Diginomica, December 18, 2018

Rimini Street Mines Existing Value — No Matter Where You Are on Your Roadmap

You've invested considerably in your ERP solution, and there are likely years of value left in it. Rimini Street can help you maximize the value of your current systems while creating a path to the cloud.

Customizations continue to work: By continuing to operate your internal ERP deployment, you keep all of the valuable customizations you've developed over the years.

Your organization remains compliant: Our Global Tax, Legal and Regulatory Update Services keep your systems current with laws and regulations worldwide, without the need for vendor updates. Tracking and monitoring software usage and maintaining software license compliance is no small task — especially in hybrid IT models. It takes a lot of time, effort, expertise and expense. Rimini Street License Advisory Services provides proactive advice on how to manage application software assets and monitor license usage.

Set a clear path to the cloud: Our functionality roadmap provides a visual assessment of each vendor update in terms of benefit vs. level of effort so you can make data-driven decisions to guide your update path.

Uncovering Costs of a Cloud Deployment

Part of the attraction of cloud-based software as a service (SaaS) is the simplicity of the cost structure. But simpler doesn't always mean less expensive. Cloud migration includes several hidden costs that can come back to bite you.

You're paying for what you already own: You already own all the software that a cloud deployment offers — and many organizations haven't even fully deployed what they've purchased.

You've paid for customizations: While the latest update of your ERP solution might offer additional capabilities, there's no guarantee they'll replace the customizations that are critical to your business.

The latest update might not be worth the expense: Vendors launch multiple upgrades each year, and deploying them can generate significant hidden and unanticipated costs. Our functionality roadmapping service helps you decide which upgrades are worth pursuing for your organization.
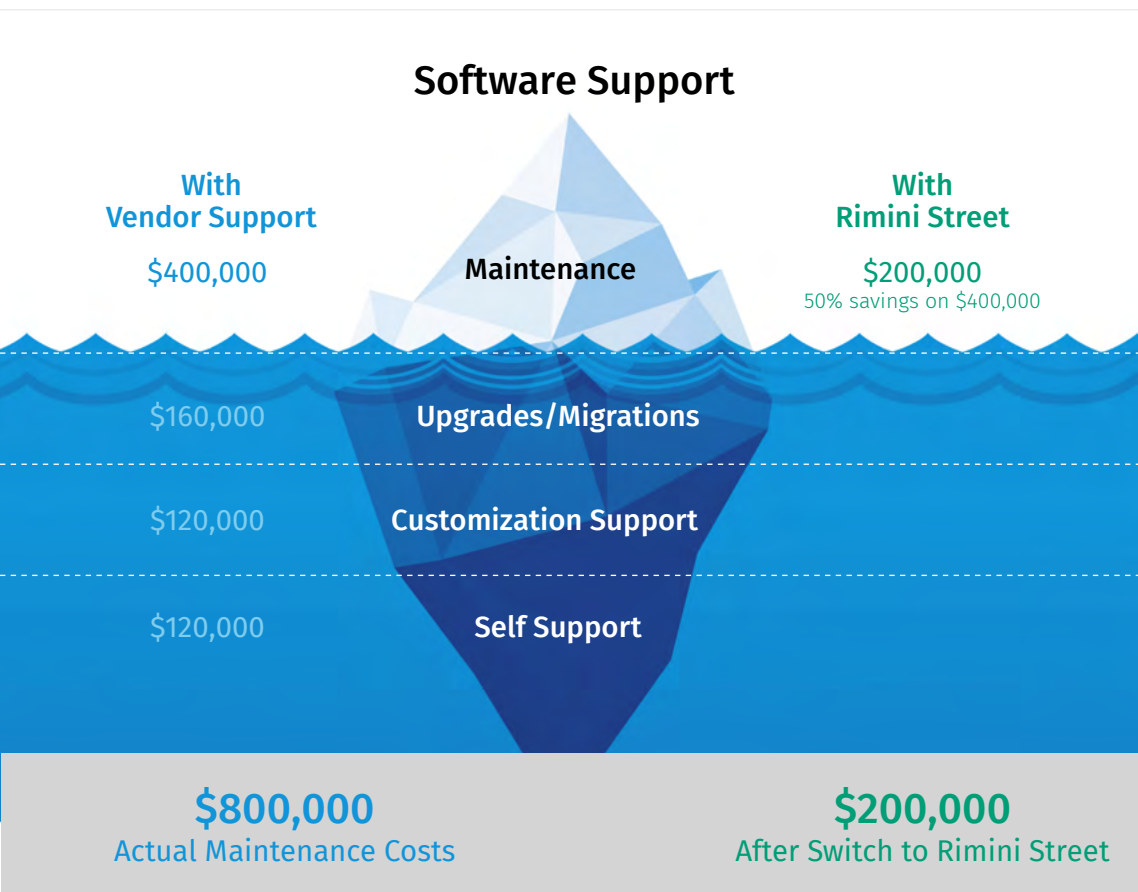
Cloud or Bust?

Pat Phelan, Rimini Street VP of Market Research, explains why SAP's path to the cloud can be riskier than you think, and how you can lower the cost and risk to focus on investments that drive competitive advantage.

Rimini Street Drives Sustained Cost Savings

In addition to the automatic 50% savings that Rimini Street delivers vs. annual vendor maintenance fees, Rimini Street support, services and solutions can also eliminate additional unanticipated costs. The example below illustrates the average cost of support for SAP products moving from USD $800,000 to $200,000 based on a typical organization's annual maintenance fees, forced upgrades (based on frequency), customization support (external or internal resources dedicated to supporting customizations, manual updates or performance tuning) and self support (FTEs saved/redeployed).

Software Support

With
Vendor Support

$400,000

Maintenance

With
Rimini Street

$200,000
50% savings on $400,000

$160,000   **Upgrades/Migrations**

$120,000   **Customization Support**

$120,000   **Self Support**

$800,000
Actual Maintenance Costs

$200,000
After Switch to Rimini Street

Maintenance and support costs go far beyond annual vendor maintenance fees alone and include items like upgrade costs, customization support costs and resource costs due to vendor maintenance inefficiencies.

The software support iceberg represents more than just dollars spent. With those extra dollars come the frustration and the unwelcome surprises that vendor support often entails. Those unseen, uncalculated dangers beneath the surface can sink your organization's ambitions for digital transformation.

Use this calculator to gain an in-depth analysis of your maintenance savings potential with Rimini Street.

Understanding Vendor Support Limitations

The SaaS solutions that ERP vendors have to offer are still limited in their maturity, and vendor support functions offer little in the way of individualized attention. By contrast, systems deployed internally or on IaaS retain full functionality, and Rimini Street supports all your customized code.

One size does not fit all: Cloud solutions must perform for the broadest variety of users with the least variation. Can you work within the limits of a platform with no customizations?

Support for your necessary customizations: Vendors will not support any customizations that veer away from their SaaS out-of-the-box solutions — if such customizations are even possible. Confused? Check out "[Making Sense of SaaS: Critical Questions to Ask Before Signing Software Contracts](#)."

Remain in control of your cloud migration: Since vendors want to migrate their customers to a lucrative cloud business model, they may not be in the best position to help you make the transition on your terms rather than their own.

What Separates Rimini Street from Vendor Support?

Rimini Street enables CIOs to take control of their IT roadmap by moving from a vendor-dictated roadmap to a "Business-Driven Roadmap" strategy designed around their business objectives, not the enterprise software vendors' objectives. A Business-Driven Roadmap mindset shifts the power from the vendor to the CIO/IT team, giving them the flexibility, funding and freedom to focus on initiatives that support growth and competitive advantage for their organization.

Your Unique Cloud Journey

While transitioning to a cloud-based ERP system is almost certainly in your organization's future, how and when you get there is up to you. Rimini Street can help you maximize your investment in your ERP solution while making your path to the cloud smoother. Have more questions? **Check out "[Do You Know Where Your ERP Roadmap Is Taking You](?)?"**

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About Rimini Street, Inc.

Rimini Street is a global provider of enterprise software products and services, and the leading third-party 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 percent on total maintenance 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 a broad range of industries rely on Rimini Street as their trusted, third-party support provider.