ORACLE® E-BUSINESS SUITE CUSTOMERS PREFER CURRENT PROVEN ERP

Hybrid IT Emerges as Top Strategy Over Upgrades and Cloud ERP Replacement
ABOUT THE SURVEY

In early 2017, Rimini Street conducted a survey to understand Oracle E-Business Suite (EBS) licensee perspectives and strategies.

The survey objectives were:
- Evaluate the value of EBS ERP and vendor support
- Explore ERP cloud alternatives and hybrid IT adoption
- Understand EBS upgrade strategies
- Uncover key EBS challenges

Who Responded
This study is based on responses from 175 Oracle EBS licensees, including CIOs, CTOs, and IT VPs, directors and managers. Survey respondents represent a broad range of industries and company sizes in North America, Europe and Asia-Pacific.

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Meets Business Needs: 83%
- continue to use robust EBS as their core ERP

Hybrid IT: 51%
- are using or considering hybrid IT as an ERP strategy

Risks: 39%
- are running EBS releases that are not fully supported but are still paying full annual maintenance fees

Costs: 71%
- consider Oracle’s EBS support and maintenance costs to be too high
RELUCTANCE AND RESISTANCE TO FORCED UPGRADES

More than half (51%) of respondents who are on EBS releases in Oracle Sustaining Support would prefer to remain on their current release if they had the option to be fully supported. But since that’s not possible under Oracle support, many are reluctantly upgrading just to secure full support. Many customers feel forced to upgrade just to stay fully supported even when there may be no compelling business reason to do so.

**Takeaway:**
EBS licensees are constantly pressured to upgrade to stay fully supported, but they know that forced upgrades take time, funding and resources, and are disruptive to the business. Oracle’s investment focus has shifted to their ERP Cloud applications which has resulted in EBS releases with minor incremental enhancements. Without clear value, most licensees would prefer to stay put.

Understand all of your support options, including independent support, to ensure you can avoid unnecessary forced upgrades.

Would you remain on your current release if you had full support?

51% of respondents who are on EBS releases in Sustaining Support would prefer to remain on their current release if they had the option to be fully supported.

- **30%** prefer to remain on the current release because there’s no compelling business reason to upgrade.
- **21%** are upgrading only because they don’t know of alternatives for full support.
- **25%** are upgrading to obtain new functionality.
**INNOVATE TODAY BY AUGMENTING YOUR ROBUST EBS SYSTEM VIA HYBRID IT**

Respondents agree that EBS is their ERP of choice with 83% planning to continue to use this robust system as their core ERP. It meets their business needs and can easily be enhanced with hybrid IT solutions.

More than half (51%) of EBS respondents are using or considering a hybrid IT strategy, augmenting EBS with best-of-breed cloud applications or adding Oracle Cloud components.

Hybrid IT can complement an upgrade-avoidance strategy by introducing new functionality around an EBS core system. This strategy allows companies to innovate more quickly rather than waiting for vendor updates that may provide only a portion of the functionality you need.

Because EBS is a proven solution, just 10% are considering replacing it with another traditional or cloud ERP system.

**Takeaway:**

Hybrid IT is a widespread strategy where companies leverage best-of-breed cloud solutions around their core ERP systems to accelerate achievement of their IT and business objectives. EBS licensees are able to add new functionality around their stable, core, ERP with cloud solutions while avoiding expensive and disruptive upgrades.

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| 20% | will keep running EBS but avoid upgrades |
| 29% | will keep running EBS indefinitely and upgrading |
| 34% | are augmenting EBS with cloud applications for innovation |

\[ \text{Total} = \text{83\% continue to use robust EBS as their core ERP} \]

\[ \text{51\% are using or considering a hybrid IT strategy} \]
CLOUD NOT ON THE HORIZON

More than 90% of respondents are not considering Oracle Cloud ERP as their primary business system. Why? Respondents say it’s not ready or they are only adopting some components or their organization is evaluating other options. Just 9% of respondents have adopted Oracle ERP Cloud as their primary ERP, or are seriously considering it. Twenty-six percent are using or considering using Oracle ERP Cloud components in co-existence with EBS.

The majority of cloud ERP adopters have been small to midsize companies or subsidiaries of big companies, underscoring the fact that large enterprises require the more extensive functionality available in on-premise ERP.

Takeaway:

While Oracle has been investing in cloud ERP for years, even they promote Oracle ERP Cloud not an EBS replacement, but a coexistence strategy where customers run part of their operations on Oracle E-Business Suite, and part on Oracle Cloud ERP. Companies are happy with the rich functionality in their stable EBS applications and plan on remaining with EBS as their core ERP. Many customers clearly don’t want to be forced into the Oracle cloud.

1 The SaaS ERP Applications Landscape, Forrester, Sept 23, 2015
2 https://blogs.oracle.com/EBSandOracleCloud/entry/welcome_ebs_cloud1

Are you moving to Oracle Cloud ERP?

- 26% Partially, we’re using or considering some components in a co-existence strategy
- 9% Yes, we’re using or considering cloud Oracle Cloud as our primary ERP
- 65% No, it’s not ready or we’re considering other options
- 91% are not considering Oracle Cloud ERP as their primary business system.
HIGH COSTS FOR LITTLE VALUE

Nearly three-quarters (71%) of licenses feel Oracle support and maintenance costs are too high, including 16% who call them “way out of control.” This clearly illustrates many licensees don’t feel they’re getting value from their annual maintenance dollars. These wasted funds should be reallocated for strategic initiatives that are critical to your business needs.

Takeaway:
The continued high cost of EBS support is stretching IT budgets and resources. Organizations are looking for better and more cost-effective support, and new ways to fund a strategy of innovation agility.

How do you feel about the cost of Oracle EBS support and maintenance?

71% feel that Oracle EBS support and maintenance costs are too high.

16% Costs are way out of control
55% Paying too much
25% Fees are fair
4% It’s a bargain
MANY CHALLENGES, FEW SOLUTIONS

EBS licensees report their top four challenges as:
1. **Keeping the EBS tech stack current** is difficult with ever-changing technologies, leading to interoperability issues and business disruption.
2. **Forced EBS upgrades** to maintain full support can be costly, disruptive and may provide minimal value to the business.
3. **Lack of customization support** from Oracle, yet 65% of all support cases relate to customization.
4. **Performance tuning** can be a struggle, because although EBS performs well, over time the vendor guidance generally is to pay for additional services or buy new hardware.

**Takeaway:**
These EBS challenges are expensive, drain your resources and are disruptive to your business. Despite paying hefty support fees, many companies are not receiving good value from their EBS maintenance investment to address these top issues.

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3 Based on support cases filed with Rimini Street by Rimini Street customers.
THE HIGH COST AND RISK OF DESUPPORTED RELEASERS

Nearly four in 10 licensees (39%) are running EBS 12.0 or earlier releases, which are no longer fully supported by Oracle. These releases are on Oracle Sustaining Support meaning they no longer receive new updates, fixes, security alerts, data fixes and critical patch updates. They also miss out on tax, legal and regulatory updates. And they’re not entitled to new upgrade scripts, or certification with new Oracle products or new third-party products or versions. Many industry experts refer to these releases in Sustaining Support as “desupported”.

Takeaway:
Many companies prefer their current releases, but are paying full maintenance fees for software that isn’t fully supported — thus increasing the risk of business disruption while still depleting vital IT resources.

5 RECOMMENDATIONS TO AVOID ORACLE EBS RISK AND DRIVE INNOVATION

1. Assess your EBS (and DB) support landscape. Which releases are no longer fully supported — are you at risk and are you receiving value for your support dollars?

2. Consider hybrid IT to augment your solid, feature rich EBS platform. Leverage agile, cost-effective, best-of-breed solutions to meet strategic corporate objectives at a faster pace.

3. Drive innovation more quickly by freeing up support budget costs. Liberate resources to invest in strategies like Digital, Big Data, Social and Mobility. You can’t afford to wait on Oracle to innovate.

4. Avoid upgrading just to stay supported — you have a robust EBS platform that’s working great. Use the budget, resources and time for projects that will move the needle for your business.

5. Leverage independent support — reduce EBS support and maintenance costs by up to 90% — allowing you to run your EBS releases longer with value-added services including customization support, interoperability support, and performance tuning.

WHY PAY TWICE AS MUCH FOR SUPPORT FROM ORACLE?

Use our free calculator and see how much you can save.

CALCULATE MY SAVINGS

LEARN MORE

To learn more about reducing Oracle EBS maintenance costs and redirecting IT resources to more strategic initiatives, let’s talk at www.riministreet.com/contact-us or info@riministreet.com.
ABOUT RIMINI STREET

Rimini Street is the leading global provider of independent enterprise software support services. Replacing Oracle and SAP support, our clients enjoy the most relevant and responsive support, save up to 90% on their total maintenance costs, and free up funds that can be used to drive innovation.