

# Working Capital, Working Harder

How Rimini Street simplifies your  
access to elastic working capital

**The goal of any business is to grow. But growth requires a strategic, concentrated investment in innovation. And, as with any investment, that requires capital.**

In supporting the development of a strategic IT business-driven roadmap and innovation goals, leaders must balance the constraints of current information technology needs and economic scarcity. CIOs and CFOs can work together to free up working capital, which they can use to then drive growth and innovation without sacrificing business performance. As a benefit of working with Rimini Street, these leaders are actually able to reduce operating expenses by [extending the life of their ERP systems](#) and allowing IT staff to focus on tasks with more value for the business.

## Exposing Capacity While Driving Innovation

These days, both the CIO and the CFO are being asked to think beyond traditional scope and to look at the bigger picture of driving business growth.

More and more, the CIO is being tasked with leading the digital business initiatives and IT innovation projects that increasingly account for the company's growth. The CFO, on the other hand, is being asked by the CEO to protect and grow the business by taking the lead in controlling costs, reducing risk and increasing topline growth.

Under a business-as-usual model, a company can spend as much as [90%<sup>1</sup> of its IT budget on ongoing IT operations](#) and routine enhancements — keeping the lights on, as it were. That means that only 10% of the budget is left over for the business growth and digital transformation initiatives that most executives agree should be the top business priority. The bottom line — strategic solutions are paramount to squeeze the necessary value from enterprise software while providing a clear roadmap for innovation.



## Some IT Costs Drain Working Capital

One of the largest drains on the budget can be annual maintenance and support contracts for ERP systems. While the ERP systems themselves are highly valuable, the massive fees spent on maintenance and support contracts can account for approximately 18% to 22% of the software's license cost each year – an expense, not an investment, and one with no particular return. But these contracts can be even more costly than what appears on the yearly bill due to these factors:

<sup>1</sup> Rimini Street, [“The State of IT Innovation: Priorities and Challenges”](#)

- **Forced expensive upgrades:** Despite charging large annual fees for support, an ERP vendor will often start reducing or eliminating support to push you into an expensive new ERP version upgrade you may not need or for which you may not be ready. Portions of a major upgrade project can be capitalized and amortized over the remaining life of the system. But that only makes sense if the upgrade delivers some new business benefit capability with significant ROI potential. Otherwise, it makes more sense to focus on reducing the cost of maintaining your existing ERP as part of the operating budget.
- **Lack of customization support:** Most enterprises require some level of customization to get beyond the out-of-the-box capabilities of their ERP systems. However, ERP vendors don't include support for custom code in their contracts. When customizations and integrations break (often as the result of an upgrade or patch), the enterprise incurs additional costs for specialized support from other vendors.
- **Limited access to experts:** Vendors tend to emphasize self-service through knowledgebase portals as the first tier of access to technical support, followed by contact center help, making expert engineers available only after those first two tiers of support have been exhausted. Enterprises wind up investing substantial resources in self-service support, particularly when issues are too urgent to wait for vendor-provided help.
- **Inability to keep up with change:** Keeping pace with the vendor's technology roadmap can leave an IT team with little time to address more important changes in markets and business priorities. Unnecessary upgrades often lead to a domino effect of expensive hardware and infrastructure upgrades that increase complexity and costs, while adding little value.

## Budgetary Lock-In

Not only does vendor-provided ERP support lock up valuable working capital that could be used to drive business innovation, but it can also lead to additional expense down the road. Forced expensive upgrades due to end-of-support issues, additional fees charged for customized code support, and IT staff providing self-support instead of working on higher-value tasks are just a few of the things that can keep your company from being able to invest in innovation — not to mention the high fees that the original vendor typically charges for basic application support.

With Rimini Street, your ERP support is much more affordable, slashing your support costs by 50% or more, making more money available as working capital. This allows your company to reinvest that money in other IT initiatives that can provide more value and a higher return.





## Capitalizing on Opportunity

In addition to paying less for more comprehensive support, Rimini Street helps you free up working capital in a number of other ways. With Rimini Street, you can:

- **Expand the lifespan of your ERP systems:** Rimini Street helps you future proof your preferred ERP system running and keep it running long after the vendor has ceased support. This saves on unnecessary and expensive upgrades or migrations, not to mention the IT staff time that would be required to manage such significant projects. You can spare employees and customers needless business disruption. While capital expenditures to refresh server hardware still may be required, they will tend to be less than for the latest power-hungry ERP systems — and can be turned into an operating expense if your organization takes advantage of Infrastructure as a Service cloud hosting.
- **Maintain customized features:** An upgrade means remediating issues that crop up when customizations and integrations break. Rimini Street keeps your applications stable so you can maximize ROI on your custom code, while avoiding the expense of retooling customizations.
- **Maintain Tax, Legal and Regulatory Compliance:** Rimini Street provides tax, legal and regulatory changes, which keep your systems in sync with those requirements (taking the place of vendor-provided updates).
- **Reduce application costs:** You shouldn't have to suffer from vendor lock-in or pay for bundled software you don't need just to get a specific feature. Rimini Street can recommend and help implement alternative technologies that provide only the functionality you require. Not only are these alternatives typically less expensive, but they are often faster to implement than the ERP vendor's offerings.
- **Continuously support growth and competitiveness:** Standing still is not an option on the road to digital transformation. Your business can now have a new source of operational capacity, working capital and funding needed to support digital transformation for the long term.

For all these reasons, Rimini Street clients find their total support cost savings far exceed the base 50% discount off the cost of a vendor software maintenance contract, often reaching 75% or more when “below the water line” costs are accounted for. They also find that more of their IT budget is directed to productive activities.



## Unlock More Capital with Rimini Street

CIOs and CFOs both continue to be asked to do more with less. That's why IT and finance leaders at thousands of companies across multiple industries have worked with Rimini Street to reduce their operating expenses, allowing them to invest more capital into the new business initiatives that will drive innovation — and, ultimately, growth. You can keep more of your working capital working harder while future-proofing the ERP systems your business requires.

**Explore our [Maintenance Savings Potential Calculator](#) to discover how much you could save on maintenance and support. What do you have to lose?**

## Rimini Street®

### 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.

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