

Client Success Story

# City Government Skips \$2 Million Upgrade, Raises Value of PeopleSoft HCM & FSCM



## Lexington-Fayette Urban County Government

**Client Profile:** The territory, population and government of Fayette County — located in the heart of Kentucky's Bluegrass Region — are coextensive with the city of Lexington, which also serves as county seat. Lexington-Fayette Urban County Government works in partnership with the community to provide a safe and secure environment, excellent customer service, a vibrant organization and economic opportunity.

**Industry:** Public Sector

**Revenue:** \$250 million USD

**Employees:** 3,200

**Applications:** PeopleSoft FSCM 8.9, HCM 9.0

**Technology Platform:** IBM pSeries/AIX/  
Oracle Database 10g



*"Rimini Street gives us a level of comfort. I know I can get to the person I need to quickly — they're in my contact list, and my team has built a relationship and rapport with the Rimini Street engineers that support them."*

**Chad Cottle**

Director of Enterprise  
IT Solutions & C-CISO

Lexington, the second-largest city in Kentucky known as the "Horse Capital of the World," has been ranked the second best place for families to live in the U.S.

### The LFUGC Challenge

Lexington-Fayette Urban County Government manages its employees and payroll with PeopleSoft HCM 8.9 and balances its books with PeopleSoft FSCM 9.0. For a local government of LFUGC's size, these PeopleSoft releases offer an enormous wealth of functionality.

The city installed PeopleSoft in August, 2005. In accordance with Oracle's Lifetime Support Policy, Premier Support for LFUGC's PeopleSoft HCM applications, including Payroll, ended in August, 2010. The subsequent three-year window of Extended Support was scheduled to end in August, 2013, after which LFUGC's PeopleSoft HCM apps would enter Sustaining Support.

In late 2010, while on Extended Support, with the transition to Sustaining Support still 2–3 years away, LFUGC Director of Enterprise IT Solutions Chad Cottle mulled over the options offered by vendor support: when Extended Support expired, he could either move to Sustaining Support and lose vendor-supplied tax, legal and regulatory updates — or he could upgrade, at considerable expense, to PeopleSoft HCM 9, staying current on the vendor's release schedule and receiving full Premier Support including all compliance updates.

Cottle discussed the situation with LFUGC's CFO, who, as he puts it, "found the whole tax, legal and regulatory issue hard to digest. We couldn't afford to lose those." At the same time, Cottle's estimate of the expense of upgrading was considerable, around \$2 million — \$1.6 million for the PeopleSoft HCM software upgrade plus \$300,000–\$500,000 for the necessary accompanying hardware refresh.

"What could I do?," Cottle recalls asking himself. "Ask the CFO, 'Do you happen to have \$2 million sitting around?' I knew she didn't. It looked like all plans and all signs pointed to this forced migration. What were we going to do? We needed to find the money."

**Benefits**

- **Avoided \$2 Million in Upgrade Costs:** LFUCG avoided a \$1.6 million PeopleSoft upgrade and an accompanying \$300,000–\$500,000 hardware refresh
- **Saved 50 Percent on Annual Maintenance Fees:** LFUCG has cut its annual support fees in half and is using its savings to fill critical budget needs
- **Enjoying Premium Support Services:** Help is only a single phone call away. “It’s a win, knowing there’s a relationship there with real knowledge sharing. It’s like adding another member to my team.” — Chad Cottle, LFUCG Director of Enterprise IT Solutions

*“Your basic human resources and financials applications should be able to do the core business functions of a government on any day of the week, and I think you should run with what you’ve got for as long as that allows you to be financially solvent, allows you to be audited and pay your bills and pay your people and report on what is necessary. You should get as much value out of that as you can before you even think of having to upgrade.”*

**Chad Cottle**  
Director of Enterprise  
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**For More Information**

To read more about Lexington-Fayette Urban County Government or to read other client success stories, visit [www.riministreet.com/clients](http://www.riministreet.com/clients).

**The Rimini Street Solution**

Around that time a technology press article and a folder about Rimini Street’s disruptive support model landed on Cottle’s desk. Rimini Street offers premium support — including all tax, legal and regulatory updates — at half the cost of vendor support, with no required upgrades. Cottle checked references, including Rimini Street client fast food giant Yum! Brands. He recalls, “I figured if Rimini Street could support Yum! Brands — they’re a 24/7, worldwide organization — they could certainly support a smaller, forward-thinking city with tough budget constraints.”

LFUCG switched to Rimini Street Support in 2011, saving 50 percent on annual support fees and saving \$2 million in upgrade costs. “It was the right decision,” says Cottle, “and we’ve been happy with it since.”

**Client Results**

LFUCG had no reason to upgrade aside from needing to receive tax and regulatory updates. Cottle explains that government organizations tend to be inherently conservative with their technology decisions. “Other than the tax and regs issue, there was no incentive for us to go to market and purchase something. Rather, I tend to advocate for riding our existing PeopleSoft systems as long as possible, getting the most bang out of the taxpayer’s money as possible. We should be telling the Toyota ‘200,000 mile car’ story. It’s my hope that we can ride five to seven more years out of our PeopleSoft applications.”

Further savings accrue from not having to devote resources to inefficient support processes such as applying vendor-supplied patches, bundles and maintenance packs. In addition, Cottle explains: “With Rimini Street we don’t have to go and read the whole vendor support website and go through levels of escalation, until finally getting the right person on the phone. It’s a tremendous cost savings — and time savings as well. In addition, there’s the soft cost win of knowing there’s a relationship there; we’re actually talking to somebody, building a relationship, doing some real knowledge-sharing.”

As with all of its clients, Rimini Street provides LFUCG with a named Primary Support Engineer who is charged with learning about the city government’s business, enterprise software landscape and customizations, and who is available 24/7/365 to take LFUCG’s support calls directly. The Primary Support Engineer is part of a Global Service Delivery Team of engineers who respond to every critical support request in 30 minutes or less (actual average response time is less than five minutes).

“Having a named account rep is awesome,” Cottle says flatly. “I want one point of contact — I don’t want to deal with 40 people to get an answer. Rimini Street gives us a level of comfort. I know I can get to the person I need to quickly — they’re in my contact list, and my team has built a relationship and rapport with the Rimini Street engineers that support them.”

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