

# Turning the Page on SAP Support Delivers Good News for Hungarian Media Company

## LAPKER

**Client Profile:** Based in Budapest, Hungary, Lapker Zrt is the country's primary distributor of newspapers and magazines. The company has contracts with over 350 publishers and uses a network of 8,000 retail outlets to deliver almost 150 million printed copies to the citizens of Hungary each year.

**Industry:** Distribution

**Geography:** Headquartered in Budapest, Hungary

**Revenue:** €87 Million

**Employees:** 500

**Supported Products/Applications:**  
SAP

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**István Szentmiklósi**  
CIO and CFO  
Lapker Zrt

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"If we mess up, everyone in the country sees it and knows that we're having problems," stated István Szentmiklósi, CIO and CFO for Hungarian newspaper and magazine distribution company, Lapker. He added, "But since our inception in 1998, we've never had a service interruption."

With an adult literacy rate of over 99%, Hungary's population is educated, well informed, and passionate about current affairs. The country's rich history has cultivated outspoken support from all sides of the political arena. For Lapker, remaining politically neutral is critically important.

"Many of our publications are political dailies — from both the government and the opposition sides — so we need to be sensitive in how we manage the distributions," said Szentmiklósi. "And we're very proud of our track record of objectivity and ensuring that our subscribers can rely on us to unfailingly deliver what they want to read."

### Changing Times

For the last two decades, pundits have predicted the imminent demise of the physical print industry, and while this is a pessimistic forecast, the sector's trajectory does raise concerns. Szentmiklósi commented, "Revenues are dropping 3% annually, but on top of that, the volume of magazines and newspapers sold is halving every five years. The numbers are drastic."

The COVID-19 pandemic potentially meant more bad news for the print media industry. However, for Lapker, promising dynamics emerged. "As people started to look for more information and entertainment outside of their tablets and laptops, access to printed press remained widespread through the food retail chains to which regular attendance never stopped," explained Szentmiklósi.

During the pandemic, business from channels such as airport and subway station kiosks dried up, but Lapker collaborated with publishers in enticing people to buy collectible magazine series. Szentmiklósi was lured by the approach himself. "I'm a huge Star Wars

**Benefits:**

- **Optimized expenditures:** Fifty percent reduction in fees for core application support lessens financial pressures on the company
- **Support aligned with business priorities:** Ability to define support ticket priority levels ensures that critical issues are immediately addressed
- **Long-term commitment:** Ongoing support for critical applications provides business continuity and stability

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**István Szentmiklósi,**  
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fan and couldn't resist starting to collect a multipart 'Build Your Own R2D2' droid instructional series," he confessed. "I'm enthusiastically on the hook for the next two years!"

He added, "The possibilities are endless, and we have many other strategies that we're rolling out. I'm very proud that despite what COVID did to the world, we managed to hold overall sales of printed pieces to the levels we were targeting pre-pandemic."

**Harsh Business Realities**

Along with its workforce physically moving almost 40,000 tons of printed materials annually, Lapker has heavily leveraged technology to manage its business. "The way we run our operations is entirely digital," noted Szentmiklósi. "You're either digital or you are dead."

Lapker implemented SAP in 2000, becoming the first European press and media distribution customer running on the platform; the next closest company is in Argentina. "We did a lot of reference calls for SAP and were treated extremely well," recalled Szentmiklósi.

He continued, "However, very understandably, SAP wanted us to continue buying more products, but I am very happy with what we have implemented. We haven't changed our business sufficiently to justify the cost or risk of moving from SAP R/3 to SAP HANA. There is simply no return. I cannot blame SAP, but I became an abandoned customer."

Even without purchasing new versions or additional modules, the maintenance costs charged by SAP represent a significant portion of Lapker's total IT-related budget. "SAP is a critical application for us, but the ongoing support fees were just brutal," said Szentmiklósi.

Recognizing the untenable situation, Szentmiklósi became aware of a third-party SAP support provider that was getting positive attention. "Wearing my CIO and CFO hats, I did due diligence on the company; insisting on talking to other customers and on speaking to the engineers that would potentially be supporting us, not just the sales guys," he noted.

**Rimini Street: In it for the Long Haul**

"What really closed the deal with Rimini Street was the ability for us to define when an issue is a priority one (P1) problem. We know the impact on our business and being able to set our own priority level is a huge plus," commented Szentmiklósi. "When we looked at the overall value proposition, it was utterly compelling."

Another key point for Szentmiklósi was that Rimini Street can maintain Lapker's SAP instance for at least 15 years. "Having such a long-term commitment in place is very rare in the IT industry, but the stability it gives us is extremely reassuring," he shared.

As with all Rimini Street third-party support for SAP clients, Lapker experienced immediate savings of 50% on SAP's support fee. "The CFO part of me wanted to showcase the savings in our financial statement to demonstrate what a great job we were doing. However, the CIO side of me wanted to reinvest the money into making IT even better," shared Szentmiklósi. "What a great dilemma to have!"