

Survey Report: Licensees' Insights into the Future of Their PeopleSoft Roadmaps

Survey results reveal that current PeopleSoft releases meet business needs and licensees are implementing strategies to maximize value and extend their lifespan

Contents

Executive Summary	3
Background	4
Survey Objectives and Methodology	5
Key Insights	7
Survey Analysis	8
Five Recommendations for the Future of Your PeopleSoft Roadmap	16
References	17

Executive Summary

Overall, 97% of respondent PeopleSoft licensee IT organizations report that their current ERP release meets their business needs.

Does your current Oracle ERP implementation satisfy your business needs?

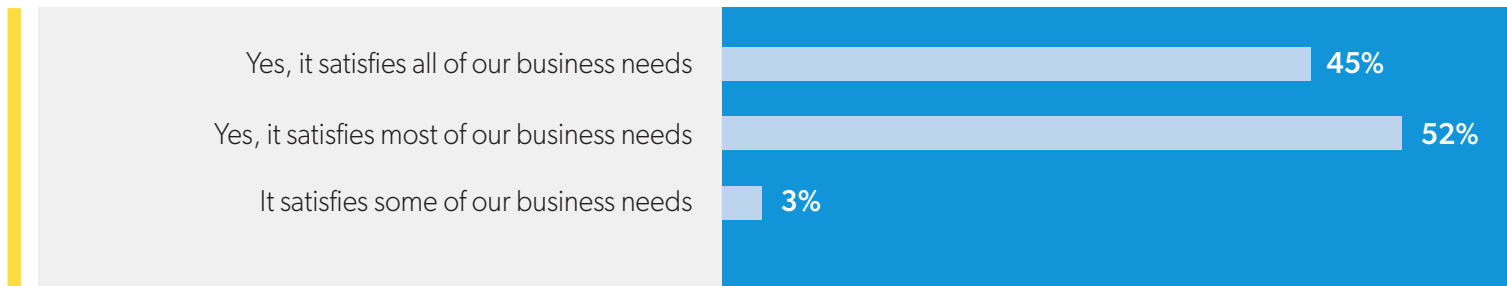


Fig.3

Given the robustness of current PeopleSoft releases, licensees are taking steps to optimize these releases for many years to come as a foundation for critical business processes. In fact, more than 64% of respondent PeopleSoft licensees run some releases no longer fully supported by Oracle.

According to survey respondents, when asked which version of PeopleSoft applications they are running, 9.2 (60%) is the most commonly deployed release, followed by 9.1 (44%). Currently, all PeopleSoft releases 9.1 or earlier are no longer fully supported by Oracle and are receiving no new fixes; critical patch updates; security alerts; or tax, legal, and regulatory updates.²

Which of the following PeopleSoft (FMS, ESA, SCM, HCM etc.) application versions is your organization running today?

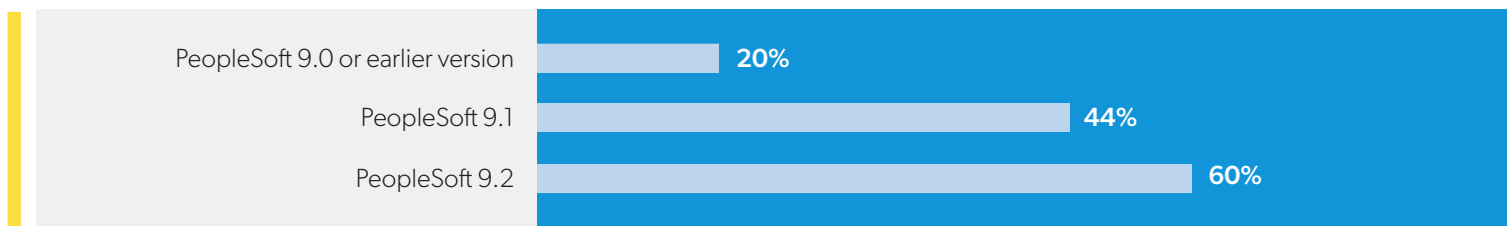


Fig.4

PeopleSoft licensees are implementing strategies to maximize the value and extend the lifespan of current releases.

Instead of investing significant time, resources and capital to perform potentially expensive, low ROI release upgrades or full migrations to Oracle Cloud ERP, many PeopleSoft licensees are taking steps to maximize the value and extend the lifespan of their current, robust and mature releases, including moving their PeopleSoft software to a cloud hosting platform, utilizing Application Management Services and switching their annual support to third-party support providers like Rimini Street.

A sentiment reinforced by a Gartner Predicts 2020 research report cites:

“Each year, support costs for legacy software increase, while the benefits gained from that support decrease, leading to more organizations seeking lower-cost third-party support options ... More buyers are aware of the value-added offerings from third-party support providers, such as custom-code support, interoperability support, and global tax, regulatory and security services.”³

The detailed survey results that follow provide insights into some of the challenges PeopleSoft licensees face from the vendor’s dictated roadmap, including rising costs, increased risk, and less new value, and the steps they are taking to proactively address these challenges.

Background

Many organizations today are spending much of their IT budgets on daily operating costs for ERP applications — as much as 90%.¹ Following the software vendor's dictated roadmap of continuous forced upgrades and software updates just to keep full support rarely enhances competitive advantage.

As a result, many PeopleSoft licensees are taking control and plotting a new course for their IT roadmaps, driven by business needs (versus software vendor timelines). This includes leveraging proven and innovative approaches to optimize and enhance ERP support and daily operations, as well as choosing the cloud model that maximizes new value for the business.

Depending on their specific release, PeopleSoft licensees face slightly different challenges impacting their strategic direction.

- PeopleSoft licensees who have not yet upgraded to the latest release (9.2) are no longer fully supported by Oracle,² receiving no new fixes; critical patch updates; or tax, legal, and regulatory updates. This is forcing the decision about whether or not to upgrade or to seek better alternatives to the software vendor's support and service model.
- PeopleSoft licensees running the 9.2 release see no new major release on the horizon for their Oracle roadmaps and are forced to apply continuous updates to maintain full support. The updates appear to be delivering less meaningful value and take up time that might otherwise be spent on more strategic efforts. This is forcing a decision around how long licensees will continue on this roadmap, if they will weigh other options in the cloud, or if they will potentially consider other vendors.

In partnership with IDG, Rimini Street recently conducted a survey of global PeopleSoft licensees to gather data and insight on the major challenges faced and strategies applied depending on which major release of PeopleSoft they are currently running and their future plans around their PeopleSoft platform.

Survey Objectives

This survey focused on the following issues, specifically with the objective of gathering data on:

- Current satisfaction with licensees’ PeopleSoft software implementation, vendor support, and their future plans regarding the PeopleSoft platform.
- For licensees no longer fully supported by Oracle (those running versions earlier than 9.2): What approaches do they use to get the support their PeopleSoft applications demand, and what are their future plans and rationale around potentially upgrading to 9.2 and/or leveraging Application Management Services (AMS)?
- For those licensees running the latest release (9.2): What are their levels of actual usage, what value are they seeing from Oracle continuous updates, and what resources and approaches are they using to keep pace with Oracle’s roadmap?
- What are the current and future plans of PeopleSoft licensees around cloud computing, specifically regarding infrastructure as a service (IaaS) and software as a service (SaaS)?

Methodology

Survey respondents comprised 200 professionals from a population of PeopleSoft licensees across 18 different industries. Titles include CIO, VP of IT, Director/ Manager of IT, as well as Oracle Application Leads, Oracle Application Managers, and Oracle Administrators.

Respondents were targeted globally, including 100 from the United States, 50 from the United Kingdom, and 50 across Hong Kong, Singapore, Malaysia, and Australia. This survey was fielded in the U.S., U.K., Hong Kong, Singapore, Malaysia, and Australia between March 17, 2020 and March 27, 2020.

Survey Respondents by Job Title

Oracle Administrator	11%
Oracle Application Manager	17%
Oracle Application Lead	4%
Director/Manager of IT	48%
VP of IT	6%
CIO	14%

Fig.1

Survey Respondents by Industry

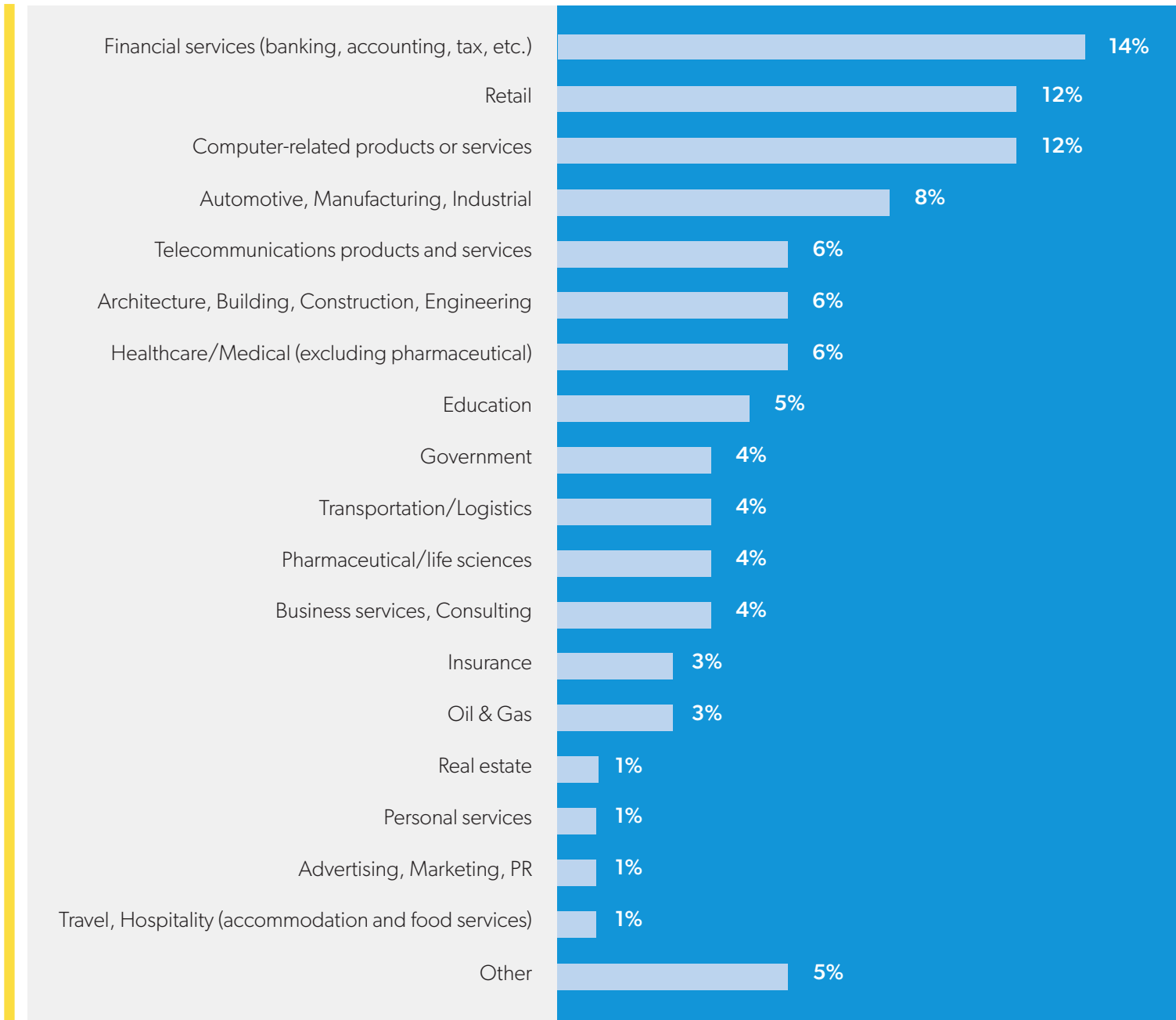


Fig.2

Key Insights

Results from the survey reveal the following five major insights. These insights are covered in more detail in the Survey Analysis.

Insight 01

Respondent PeopleSoft licensee IT organizations remain frustrated with ongoing vendor support costs (**56%**) and quality (**43%**).

Insight 02

74% of respondent PeopleSoft licensees no longer fully supported by Oracle (those running versions earlier than 9.2) are using AMS for some or all of their PeopleSoft applications, with one-third also using or considering third-party support.

Insight 03

With the vast majority (**97%**) stating their current PeopleSoft releases meet their business needs, less than half (**44%**) of respondent licensees have definitive plans to upgrade to 9.2 but the primary driver is maintenance and support, not new features.

Insight 04

The majority of respondent PeopleSoft 9.2 licensees stay current with their updates and do so primarily for maintenance reasons, while less than half (**47%**) see strong new innovation delivered consistently.

Insight 05

87% of respondent licensees are running, moving to, or evaluating cloud hosting platforms for PeopleSoft software and of those choosing some SaaS, nearly **70%** are including non-Oracle, best-of-breed solutions.

Survey Analysis

Insight 01

Respondent PeopleSoft licensee IT organizations remain frustrated with ongoing vendor support costs **(56%)** and quality **(43%)**.

The majority of respondent PeopleSoft licensees are frustrated with vendor support in several areas, including high annual fees, response and escalation challenges and lack of customizations support (figure 5). The majority of respondent PeopleSoft licensees are frustrated with the cost and quality of vendor support in several areas, regardless of what releases they run. Top frustrations cited include high annual maintenance fees, the significant amount of time it takes the vendor to respond to issues, and having to escalate priority tickets to get the right expertise to address service requests. In addition, lack of customization support from the vendor also remains a challenge for respondent PeopleSoft licensees.

What are the biggest challenges with Oracle maintenance and support?

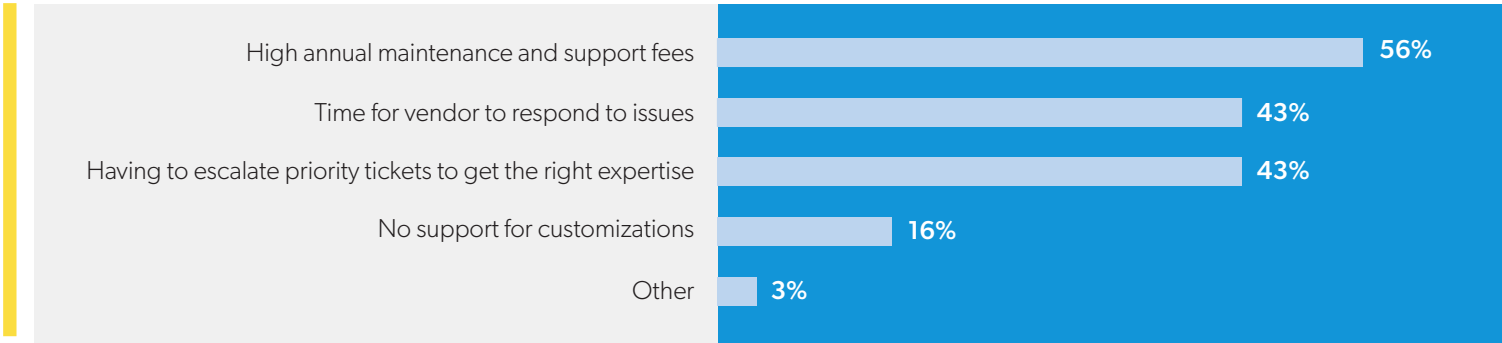


Fig.5

Insight 02

74% of respondent PeopleSoft licensees no longer fully supported by Oracle (those running versions earlier than 9.2) are using Application Management Services (AMS) for some or all of their PeopleSoft applications, with one-third also using or considering third-party support.

Are you currently outsourcing any part of your PeopleSoft ERP environment to a Tier 2 Application Management Services (AMS) Provider?

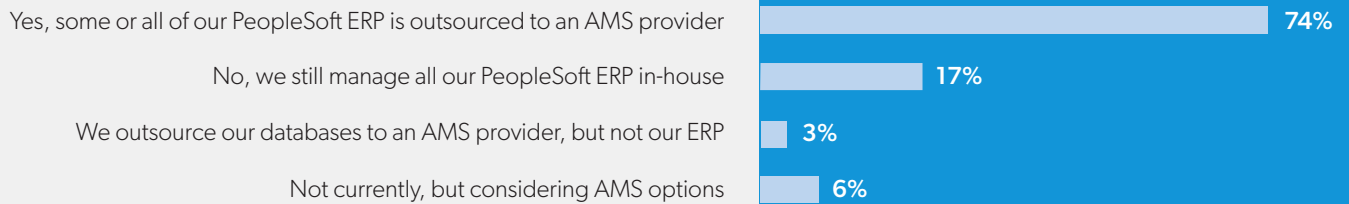


Fig.6

Respondent PeopleSoft licensees running releases 9.1 or earlier are no longer fully supported by Oracle, with 72% still paying the vendor for sustaining support despite the fact that it includes no new fixes; CPUs; security alerts; or tax, legal, and regulatory updates for their PeopleSoft releases.

At the same time, 43% of these respondent PeopleSoft licensees are paying separately for tax, legal, and regulatory updates, while 39% are allocating their own resources to self-support of their PeopleSoft environments, indicating that these PeopleSoft licensees are incurring additional costs across vendor support and other sources to meet their business needs.

33% of these respondents also stated they are currently using or considering third-party support for their PeopleSoft applications. Interestingly, a portion of these survey respondents paying for sustaining support are also currently using third-party support at the same time, but for different PeopleSoft releases. This suggests that many PeopleSoft licensees today still run a combination of 9.1 and earlier releases for their business, rather than a single version.

AMS Vendor Customer Satisfaction is Declining

Gartner cites a 3.03/5.00 rating for “top” AMS companies, and notes that there is a downward trend of AMS vendor customer satisfaction.⁴ IT teams may begin to question the actual value being derived from their current AMS services.

How are you supporting your PeopleSoft environments today? (licensees running versions earlier than 9.2)

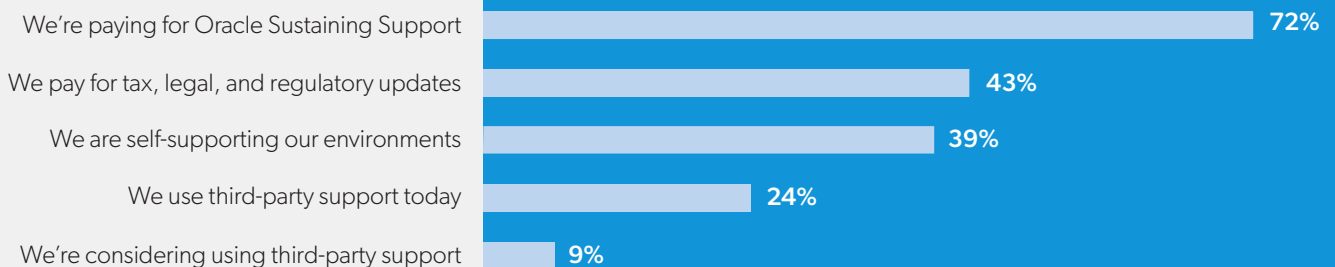


Fig.7

Insight 03

With the vast majority (**97%**) stating their current PeopleSoft releases meet their business needs, less than half (**44%**) of respondent licensees have definitive plans to upgrade to 9.2 but the primary driver is maintenance and support, not new features.

What is the primary driver to upgrade to PeopleSoft 9.2?

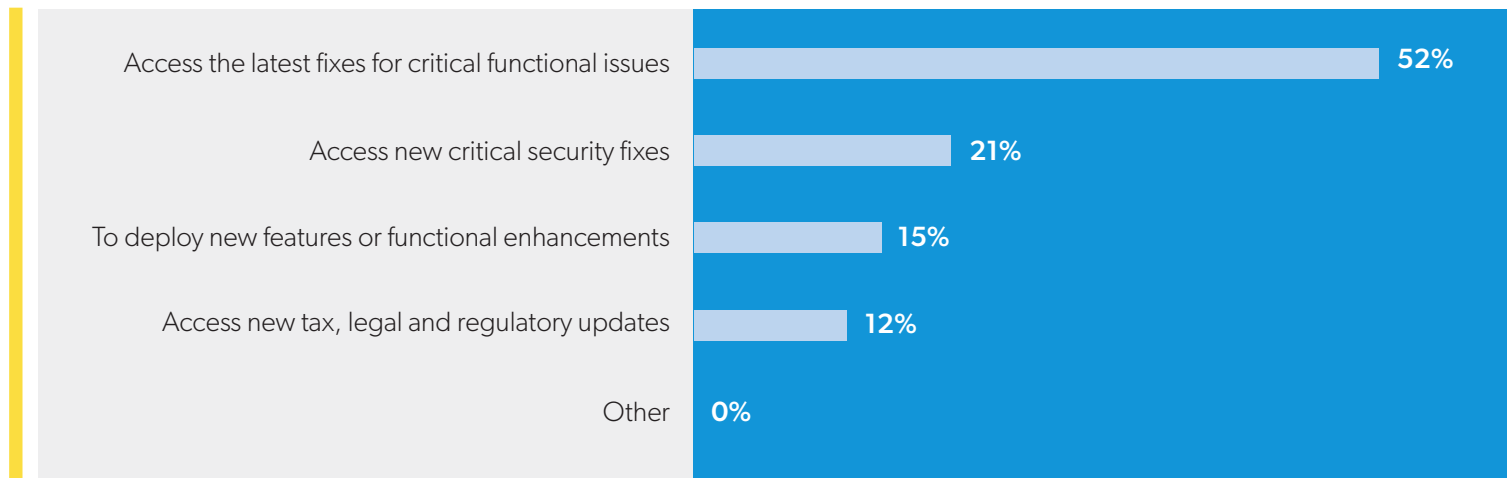


Fig.8

This sentiment is echoed by a 2019 survey of PeopleSoft licensees at the annual Reconnect conference, where nearly 50%⁵ of 9.2 licensees stated that they have not yet rolled out any new features to their end-users as part of their “Selective Adoption” strategy from Oracle.

Rimini Street engineers analyzed 800 separate PeopleSoft 9.2 images across the first 28 updates delivered for FSCM and HCM modules.⁶ The analysis showed several interesting aspects of these Oracle-provided PeopleSoft updates that reinforce how and why licensees are using them today:

- Only 5% (40 out of 800) of updates were deemed significant enhancements to existing modules.
- Nearly 25% of the updates represent existing forms being converted to Fluid pages.
- More than 20% of all updates were tax, legal, and regulatory updates to maintain compliance.

Most interesting was the fact that 87% of the images contained no updates for one or more modules, indicating that not every image will contain updates that apply to every licensee.

Survey Respondents Release Summary

Of those survey respondents who still run PeopleSoft releases 9.1 and earlier, less than half (44%) have definitive plans to upgrade to the latest release.

Is your organization planning to migrate to PeopleSoft 9.2?

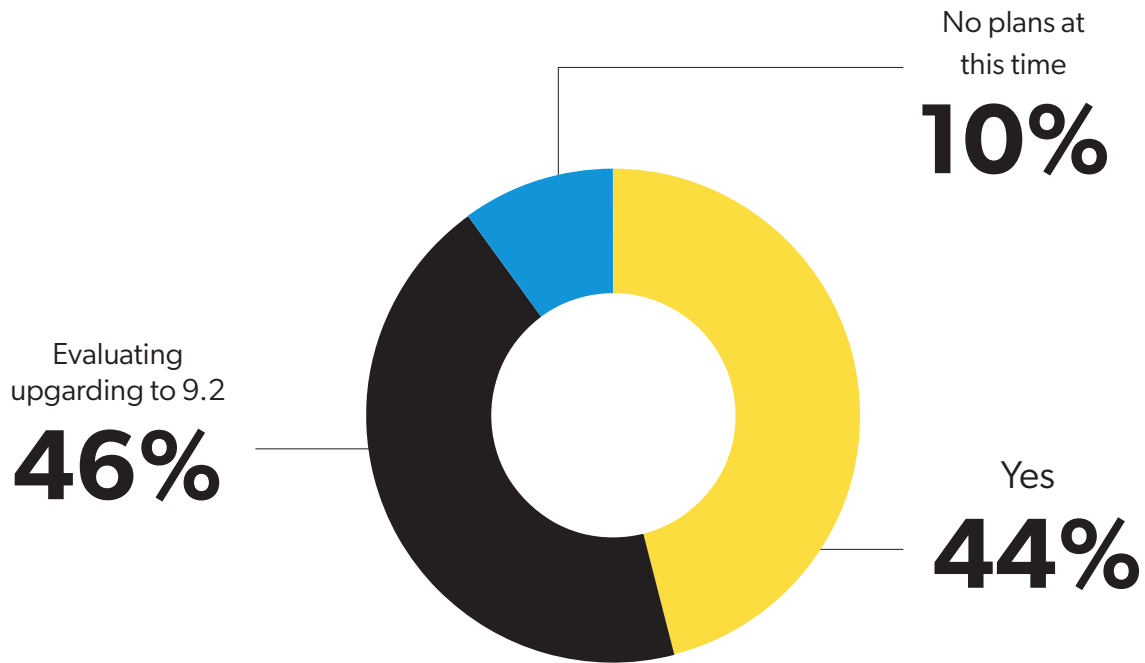


Fig.9

These findings reinforce the trends toward AMS and third-party support, where many PeopleSoft licensees today appear to see upgrades as less of a driver of new value and enhancements and more of a way to keep running and supporting their PeopleSoft systems.

Insight 04

The majority of respondent PeopleSoft 9.2 licensees stay current with their updates, primarily for maintenance reasons, while less than half (**47%**) see strong, new innovation consistently.

Those PeopleSoft licensees running 9.2 are now receiving updates from the vendor multiple times per year, which are required to maintain access to full support. However, given the frequency of the update, associated regression testing, and validation required, the survey aimed at better understanding how often and why licensees apply 9.2 updates and what level of resources are involved.

How often is your organization applying PeopleSoft 9.2 image updates?

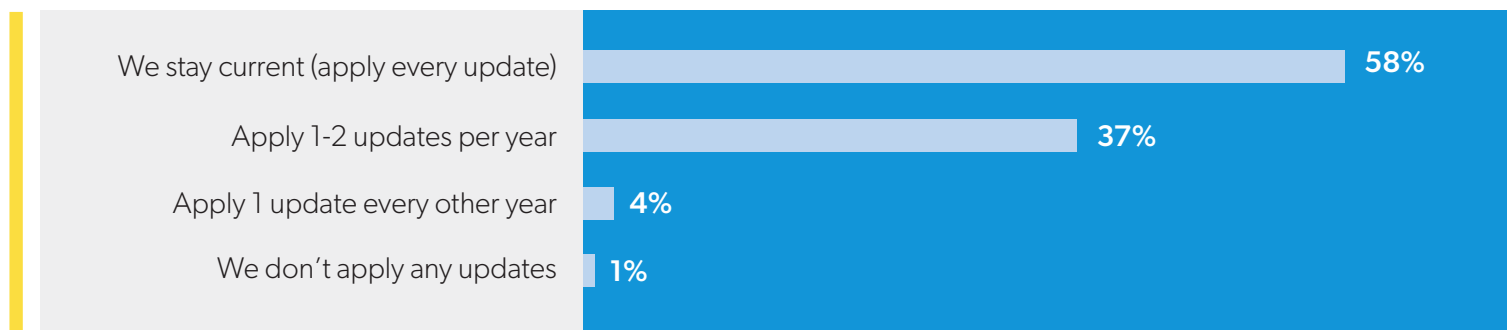


Fig.10

It takes time and resources to apply 9.2 updates. 58% of respondents stated that they stay current by applying every update, while 37% stated that they apply 1-2 updates per year, indicating a need for ongoing resources and processes to support the update cycle.

The average time to test, validate, and apply the 9.2 image update was approximately three weeks, using approximately four resources to perform the work.

On average, how long does it take to test, validate, and apply the 9.2 updates?

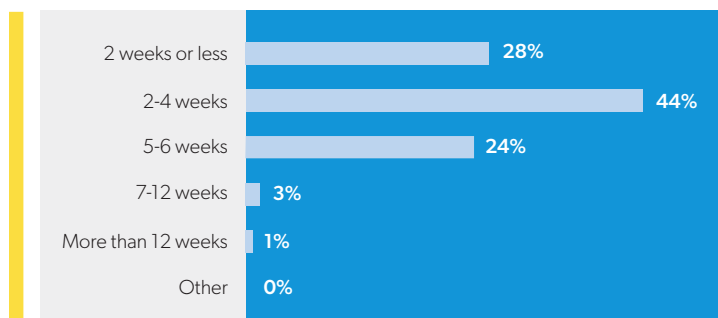


Fig.11

On average, how many people do you have assigned to perform the 9.2 updates?

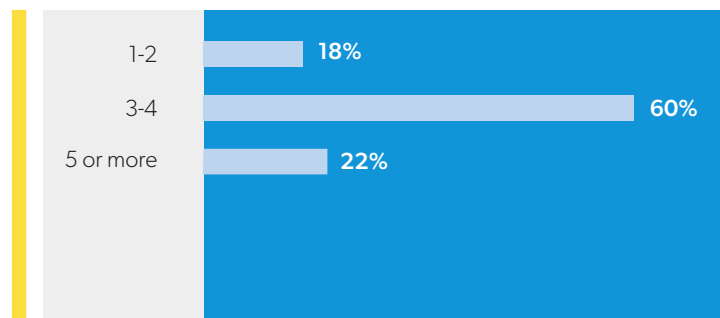


Fig.12

58% of respondents stated that they stay current by applying every update, while 37% stated that they apply 1-2 updates per year, indicating a need for ongoing resources and processes to support the update cycle.

Why are you applying PeopleSoft 9.2 image updates? Select one or more responses.

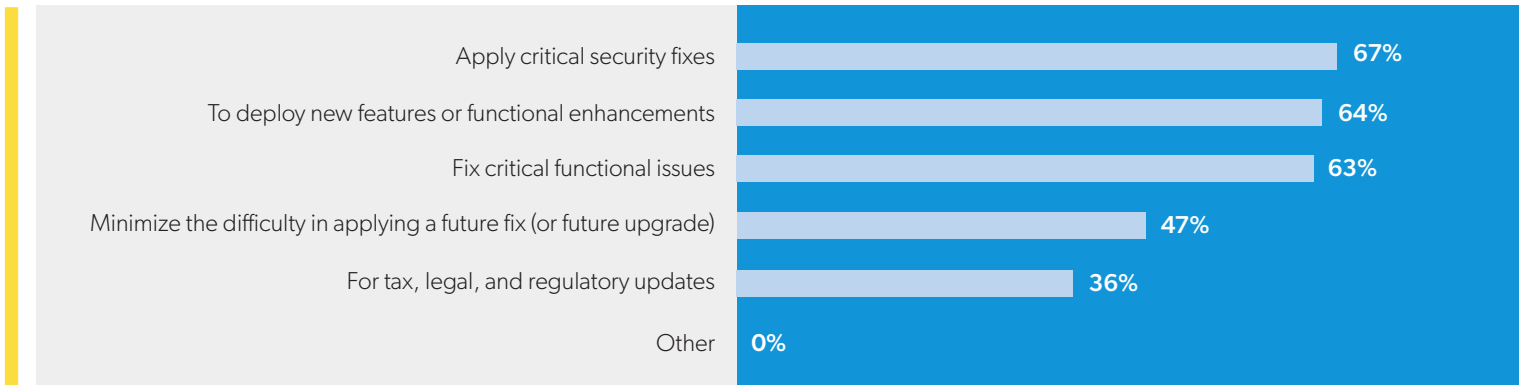


Fig.13

Applying security and functional fixes are among the top reasons listed for applying 9.2 updates, as well as to deploy new features or functional enhancements.

While 9.2 licensee respondents state they apply updates consistently, including deploying new features, less than half state they are leveraging strong new innovation from those features.

How much meaningful innovation are you leveraging from PeopleSoft 9.2 updates?

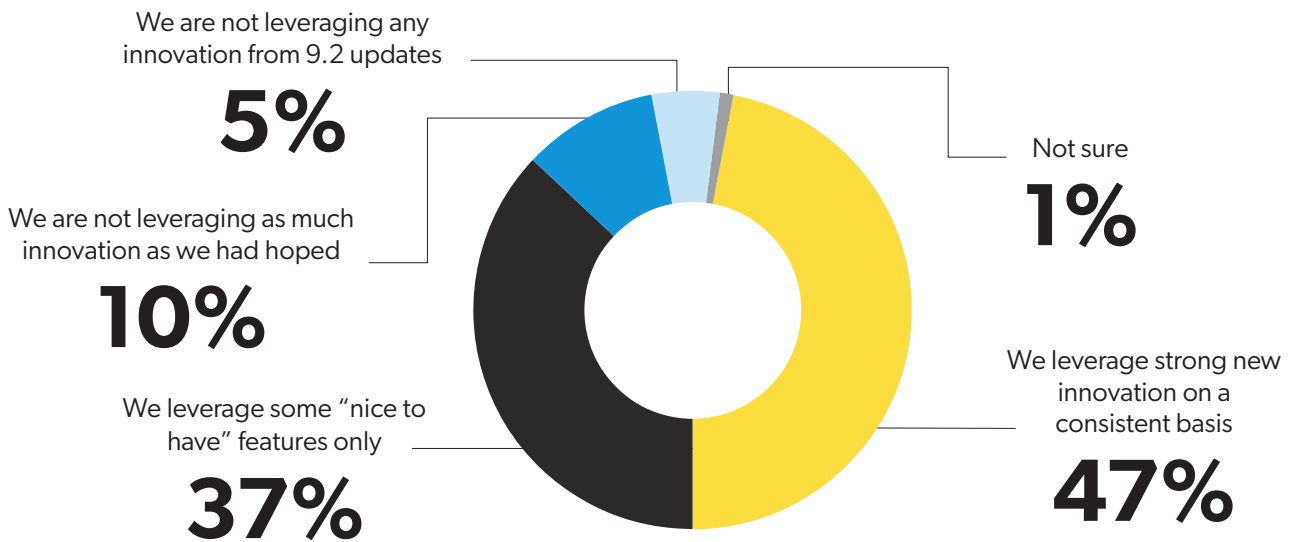


Fig.14

Insight 05

87% of respondent licensees are running, moving to, or evaluating cloud hosting platforms for PeopleSoft software and of those choosing some SaaS, nearly **70%** are including non-Oracle, best-of-breed solutions.

Moving PeopleSoft software to cloud hosting platforms, also known as Infrastructure-as-a-Service (IaaS), continues to gain traction, with 87% of respondents surveyed already running, actively moving, or evaluating running some or all of their PeopleSoft ERP on cloud platforms.

Are you planning to migrate some or all of your Oracle ERP to a cloud hosting platform (IaaS)?

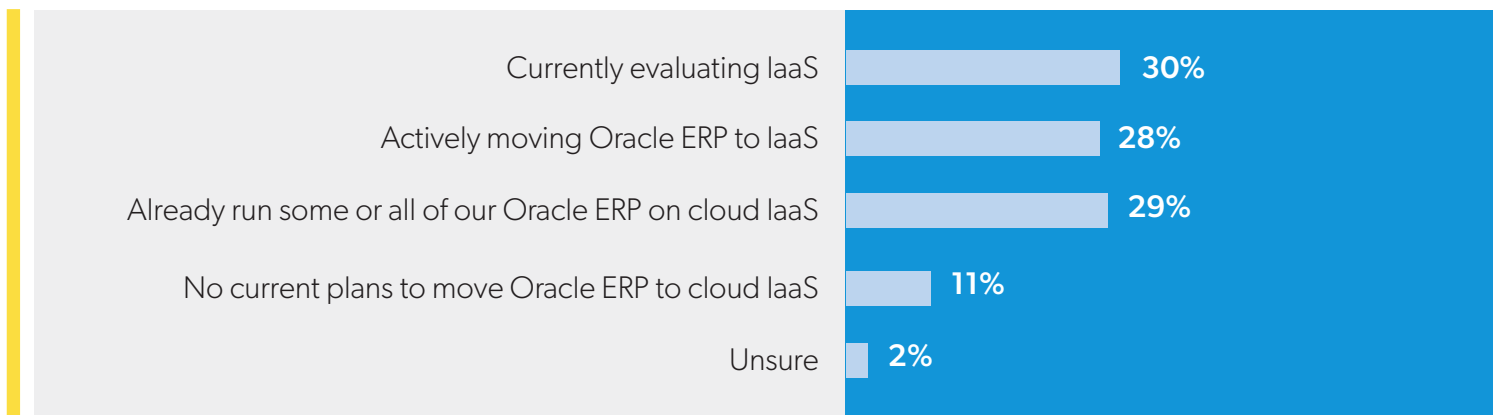


Fig.15

Licensees are supplementing aspects of their PeopleSoft landscape with SaaS applications, with 77% of respondents surveyed evaluating, actively moving, or having already replaced some of their Oracle ERP with SaaS.

Are you planning to replace any or all of your current Oracle ERP with cloud SaaS applications?

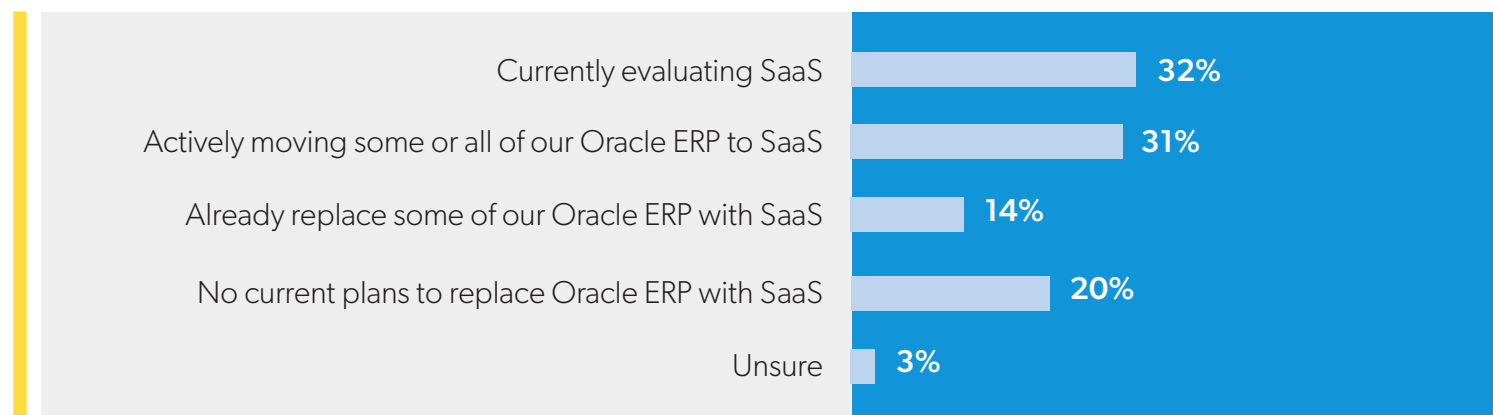


Fig.16

However, of those respondents evaluating, actively moving, or already having replaced some of their Oracle ERP with SaaS, nearly 70% are choosing to include non-Oracle SaaS in their cloud strategy, indicating a preference for a best-of-breed approach rather than a single-vendor approach.

What are your organization's plans with respect to replacing Oracle ERP with SaaS?

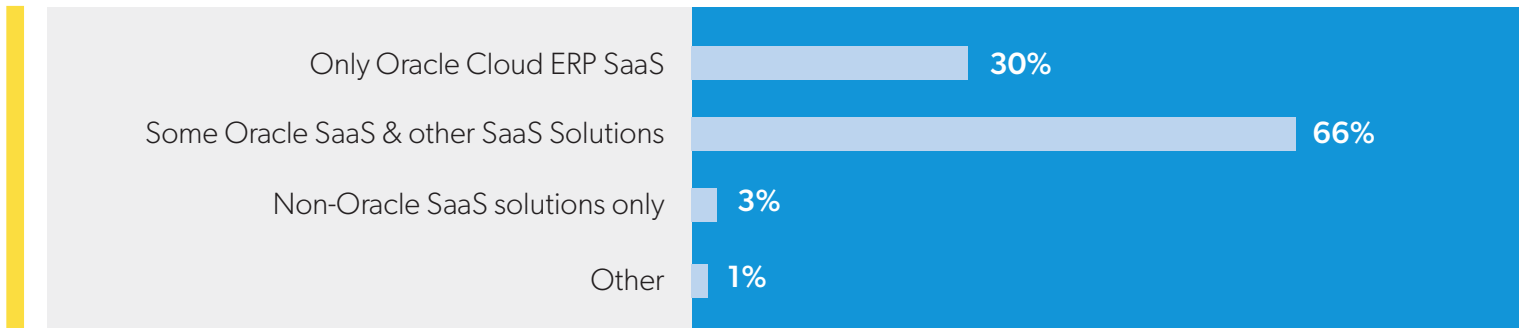
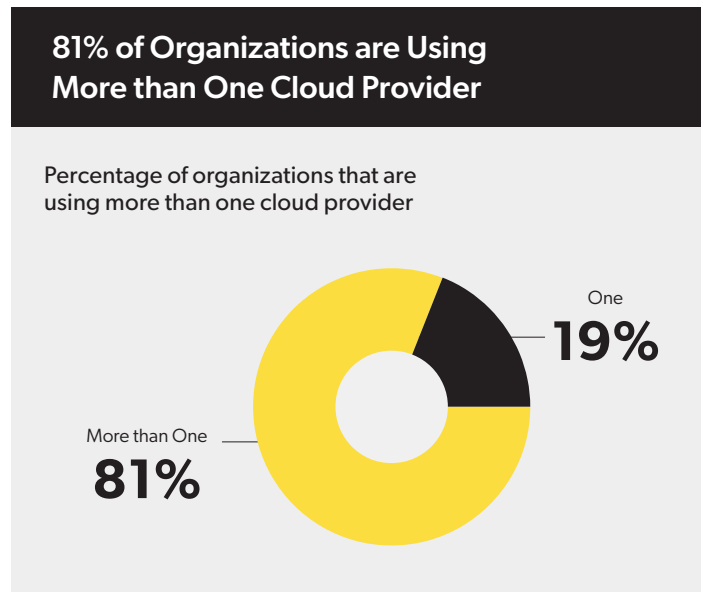


Fig.17

Overall, the trend for PeopleSoft ERP and cloud computing shows twice as many respondents have already opted to “lift and shift” their existing PeopleSoft applications to IaaS cloud (29%) as opposed to “rip and replace” their PeopleSoft ERP with SaaS (14%).

These findings around PeopleSoft and cloud suggest that many PeopleSoft licensees continue to seek ways to extend the useful life of their existing implementation using IaaS cloud rather than replacing their ERP with SaaS where multiple solutions from multiple vendors would likely be required to meet their business needs.



According to a 2020 Gartner survey,⁷ on average, respondents report working with 2-3 public cloud providers and 2 types of cloud.

Five Recommendations for the Future of Your PeopleSoft Roadmap

Assessing strategies to maximize the value and extend the lifespan of current PeopleSoft releases

01

Know the value for your current annual maintenance spend

Assess the value of your annual maintenance and support fees and related costs. You may find you're continuing to spend more while getting less ongoing support and value, with these costs better invested elsewhere for more business impact.

02

Make sure your IT roadmap helps your business first, not the vendor's

When evaluating what the software vendor plans to deliver next for your PeopleSoft roadmap, carefully assess whether these updates will help reduce costs or increase revenue and competitive advantage in any meaningful way for your business, rather than just keeping you supported and paying maintenance fees.

03

Use third-party support for financial strength and control

Regardless of your PeopleSoft release, leveraging independent, third-party support can save up to 90% on total maintenance and support spend, and with no required upgrades or migrations for a minimum of 15 years, all while giving you control of whether and when you decide to upgrade, apply updates, or move to the cloud of your choice.

04

Leverage AMS to further streamline and focus IT

Application Management Services (AMS) for PeopleSoft, when combined with third-party support, can be a powerful change agent to free IT from ongoing day-to-day ERP operations. This allows IT to shift even more focus to pressing strategic priorities with the greatest business impact.

05

Start ERP in the cloud with cloud hosting for the greatest immediate value and lowest risk

When considering moving PeopleSoft to the cloud, assess a "lift and shift" approach as a first choice for tangible and immediate cost savings and efficiency. Evaluate adding best-in-class SaaS applications when needed for strategic business impact.

References

¹Gartner: "IT Key Metrics Data 2020: Executive Summary" December 18, 2019.

²<https://www.oracle.com/us/assets/lifetime-support-applications-069216.pdf>;
<http://www.oracle.com/us/support/library/057419.pdf>

³Gartner Predicts 2020: Negotiate Software and Cloud Contracts to Manage Marketplace Growth and Reduce Legacy Costs, published 18 December 2019 - ID G00463732

⁴Tech Mahindra "Critical Capabilities for Oracle Application Services, Worldwide." February 28, 2018 <https://www.gartner.com/en/documents/3863664/critical-capabilities-for-oracle-application-services-wo0>

⁵<https://questoraclecommunity.org/learn/blogs/peoplesoft-selective-adoption-panel-customer-poll-results/>

⁶<https://www.riministreet.com/white-paper-unpacking-the-hcm-and-fin-pum-images-for-peoplesoft>

⁷Gartner: "IT Leaders' Strategy Deck: Multicloud and Hybrid Cloud" January 15, 2020.



Rimini Street

Worldwide Headquarters

3993 Howard Hughes Parkway, Suite 500
Las Vegas, NV 89169

Toll Free 888-870-9692 | Main 702-839-9671
Fax 702-973-7491

info@riministreet.com www.riministreet.com

Rimini Street, Inc. (Nasdaq: RMNI) is a global provider of enterprise software products and services, the leading third-party support provider for Oracle and SAP software products, and a Salesforce® partner. The company offers premium, ultra-responsive, and integrated application management and support services that enable enterprise software licensees to save significant costs, free up resources for innovation, and achieve better business outcomes. Global Fortune 500, midmarket, public sector, and other organizations from a broad range of industries rely on Rimini Street as their trusted enterprise software products and services provider.

© 2020 Rimini Street, Inc. All rights reserved. "Rimini Street" is a registered trademark of Rimini Street, Inc. in the United States and other countries, and Rimini Street, the Rimini Street logo, and combinations thereof, and other marks marked by TM are trademarks of Rimini Street, Inc. All other trademarks remain the property of their respective owners, and unless otherwise specified, Rimini Street claims no affiliation, endorsement, or association with any such trademark holder or other companies referenced herein. This document was created by Rimini Street, Inc. ("Rimini Street") and is not sponsored by, endorsed by, or affiliated with Oracle Corporation, SAP SE or any other party. Except as otherwise expressly provided in writing, Rimini Street assumes no liability whatsoever and disclaims any express, implied or statutory warranty relating to the information presented, including, without limitation, any implied warranty of merchantability or fitness for a particular purpose. Rimini Street shall not be liable for any direct, indirect, consequential, punitive, special, or incidental damages arising out of the use or inability to use the information. Rimini Street makes no representations or warranties with respect to the accuracy or completeness of the information provided by third parties and reserves the right to make changes to the information, services or products, at any time. LR-68995 | LT-US-102920