



Getting the Most from Your Support for Oracle EBS Software



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Executive Summary

Oracle® E-Business Suite (EBS) software applications are robust and proven, successfully processing hundreds of thousands of transactions daily. A recent Rimini Street survey¹ of global EBS licensees found that 97% feel their current EBS releases meet most or all of their business needs. However, Oracle EBS licensees today find themselves at a crossroads and must assess and address several important issues related to their Oracle EBS applications.

There are several pain points for many Oracle EBS licensees. First is the total cost of ownership of the licensed software — including the high cost of operating, maintaining, and upgrading applications. Second, there continues to be the uncertainty of future Oracle EBS product roadmaps as licensees are strongly encouraged by the vendor to abandon their internally-deployed applications and start over with cloud solutions. Finally, every Oracle EBS software release earlier than 12.1 is no longer fully supported by Oracle,^{2,3} and EBS 12.1 will no longer be fully supported by December 2021, according to Oracle's Lifetime Support Policy Guide. With no EBS 12.3 on Oracle's roadmap, many licensees are seeing the amount of new value they receive from support decrease, while costs continue to increase.

This white paper surveys the state of Oracle EBS software applications today, analyzes the strategic roadmap ahead for licensees using Oracle EBS under Oracle annual support, and concludes with actionable recommendations for Oracle EBS licensees, including the use of independent, third-party support from industry leader Rimini Street.

The Current State of Oracle EBS Software Applications

Oracle Applications History

The history of the software known today as Oracle E-Business Suite consists of four phases:

1. Early Days (1987–1995)

Oracle Corporation (originally named Software Development Laboratories or SDL) was founded in 1977 by Larry Ellison, Bob Miner, and Ed Oates. In 1987, Oracle founded its Applications Division and brought to market a general ledger application that was tightly integrated with its flagship Oracle Database product. Over the next few years, Oracle added applications for financial accounting, manufacturing, human resources, and project management — the core of what Gartner Group in 1990 began calling “enterprise resource planning” or ERP software. By 1993, most Oracle customers were running Oracle Applications, version 10.

The last major release of this early period was 10.7, sometimes considered by industry analysts to be Oracle’s last “simple” applications release: 10.7 featured text mode display (as opposed to a graphical user interface or GUI) yet lacked later complexities such as materialized views, stored procedures, and database triggers.

2. Technology Years (1996–1999)

Oracle followed the pattern of other enterprise application software vendors, shifting first from mainframe architecture with text mode display to client/server architecture with networked PCs and a GUI display and then from client/server to a web-based platform. By the end of the 1990s, Oracle had augmented its ERP application offerings with basic customer relationship management (CRM) functionality and a more complex technology stack.

3. The Suite (2000–2004)

In 2000, Oracle delivered a complete, integrated, global, multilingual, multicurrency suite of business applications. This was 11i, the Oracle E-Business Suite (EBS). Significant quality problems plagued early versions, but after a few years and multiple “stability releases,” EBS was garnering good reviews and enjoying widespread adoption. Oracle E-Business Suite 11i7, released in late 2002, was a solid technological achievement; licensees are still running their businesses on 11i7 today. EBS 11i10, released in 2004, represents a complete and stable ERP/CRM solution that is still at the heart of thousands of Oracle licensees’ IT infrastructure.

4. Acquisitions (2005–present)

Since the mid-2000s, Oracle has pursued an aggressive strategy of acquiring application software companies both large and small, and since then, Oracle’s investment in its E-Business Suite has declined in relative terms. Instead of primarily building additional features and capabilities into its own application software, Oracle has been buying them. For example, in early 2005 it acquired HRMS industry leader, PeopleSoft, Inc. (along with PeopleSoft’s 2004 acquisition, JD Edwards), and later



The savings and quality of support from Rimini Street have enabled us to refocus our talent on new opportunities. We have also reallocated resources to work on a digital catalogue, new IoT-enabled solutions, and mobile apps, which are part of our ESCOiQ™ portfolio that our customers use to manage their critical assets and improve product availability and efficiency.”

— VP of IT,
ESCO

that year acquired CRM industry leader, Siebel Systems. As Oracle grew its revenue and profit margins through M&A activity, it simultaneously invested heavily in Oracle Fusion Applications, the company's ambitious plan to rewrite the functionality of 30+ acquired applications vendors into a single integrated solution.

As a result of these shifts of focus away from Oracle's own organically developed E-Business Suite, the amount of real, tangible business value delivered in subsequent EBS releases (including the last major release 12.2 in 2013) was perceived by some licensees and industry analysts to be far less than what they had become accustomed to with previous incremental releases. Consequently, adoption of those releases has been sluggish. In the absence of a convincing ROI argument for upgrading to 12.2, many Oracle E-Business Suite licensees have decided to "stay put" on their current releases and spend their IT dollars elsewhere.

Future Oracle EBS Software Releases

With the last major release being Oracle EBS 12.2 (in 2013), Oracle has announced that there are no plans for an EBS 12.3.⁴ In terms of frequency of major releases, Oracle has moved to a continual release strategy via annual Release Update Packs (RUPs) for Oracle EBS, provided once a year.⁵

In the 1990s, these systems were maturing, with enormously valuable new functionality being rapidly brought into the mainstream product, fleshing out and completing complex business processes. Over time, application software releases have become more infrequent and filled with less perceived compelling business value.

Today, the Oracle E-Business Suite 12.2 RUPs include some new functionality, plus a roll-up of bundled fixes. However, setting up the required infrastructure, applying multiple images, and conducting test cycles can become a sizable project, especially when underlying changes to the Oracle database infrastructure are required. Over time, applying these continual updates requires resources, time, and money just to keep an Oracle EBS system current. Many Oracle EBS 12.2 customers are opting to selectively apply generic fixes and patches provided in these images and are seeing little benefit to adopting significant user interface changes or released application enhancements.

Oracle Lifetime Support Policy

Oracle has standardized its support policies across many different organically

developed and acquired product lines. This policy is known today as the Oracle Lifetime Support Policy,² and it sets consistent support policies, prices, and timelines for most Oracle products.

It is important to understand what level of support that releases receive today and if and when they receive diminished levels of support. Oracle is seemingly reluctant to negotiate any exceptions to or deviations from its standard Lifetime Support Policy.

Oracle’s standard Lifetime Support Policy has three phases:³

Premier Support: Oracle’s standard support, typically lasting for five years from general availability (GA), typically at a cost of 22% of the license fee, and often accompanied by annual increases with each renewal.

Extended Support: Can require an increase of 10% in Year 1 over the cost of Premier Support, plus an additional 20% in Years 2 and 3; limited bug fixes, with less commitment to interoperability updates and third-party platform certifications.

Extended Support typically lasts for three years following the end of Premier Support and is not always offered.

Sustaining Support: Specifically excludes new updates; fixes, security alerts; data fixes; critical patch updates (CPUs); tax, legal, and regulatory updates; and new product certifications. The cost is typically 22% of the original license fee and lasts indefinitely. Only those support items created during the prior Premium Support phase are included here.

Oracle EBS Release Analysis³

Oracle EBS	Premier End Date	Extended End Date	Sustaining End Date
11.5.7	May 2007	N/A	Indefinite
11.5.8	Nov 2007	N/A	Indefinite
11.5.9	Jun 2008	N/A	Indefinite
11.5.10	Nov 2010	Nov 2013	Indefinite
12	Jan 2012	Jan 2015	Indefinite
12.1	Dec 2021	N/A	Indefinite
12.2	Dec 2031	N/A	Indefinite
12.2.8*	Dec 2031	N/A	Indefinite

Figure 1: Oracle EBS end-of-support dates by release



The upgrade of R12 came at significant cost, including the opportunity cost of allocating significant internal resources toward the upgrade. The decision to move E-Business Suite to third-party support with Rimini Street allowed the possibility of avoiding the forced upgrade march in the future.”

— Financial Applications Manager,
Lifeway Christian Resources

Oracle EBS Customers Still on 12.1 or Earlier Releases

Rimini Street market research shows that 46% of surveyed Oracle EBS licensees run some releases of 12.0 or earlier.¹ As noted in the Oracle EBS Release Analysis section above, these releases are no longer fully supported by Oracle, receiving only Sustaining Support.

Amazingly, many Oracle licensees are still paying ~22% of their license fees basically for old patches and fixes and no new updates or features. Some of these licensees are even paying additional fees just for tax, legal, and regulatory updates.

In addition, Oracle EBS licensees running release 12.1 will no longer be fully supported by Oracle as of December 2021. Rimini Street market research shows that the majority of licensees running release 12.0 and earlier (60%) and 12.1 (62%) said that they had no definitive plans to upgrade.¹

Users of Oracle EBS 12.1 and earlier releases should consider the following important points:

- Licensees have been running Oracle EBS software for many years, have existing EBS expertise and knowledge, and may have high levels of customization and complex integrations. Yet, a licensee could be paying 22% of the original license fees for a support offering that does not support custom code or address new fixes for any issues. This delivers practically no value
- Upgrading the Oracle EBS software application can be painstaking and consumes valuable time, money, and resources that are often not accounted for in internal budgets. Some licensees are considering an upgrade to Oracle EBS 12.2 just to ensure they have a fully vendor-supported product. Upgrading to 12.2 from most of the earlier release levels is a complex, multistep process. However, if a licensee is happy with the functionality of these earlier releases, upgrade options are not particularly compelling if there is no significant business benefit to be derived from the upgrade. Rimini Street recommends postponing an upgrade until the budget is able to support it and business requirements find value in the functionality.
- When an Oracle EBS licensee is ready to upgrade, Rimini Street can support it on the upgrade process, having helped hundreds of Oracle licensees upgrade their software. The difference is that upgrade flexibility is gained, as is the choice to upgrade on the client's own timetable, without feeling forced by vendor support dates.

#1 Rimini Street delivers the industry's Fastest Legislature-to-live™ TL&R Updates

4.8/5.0 client satisfaction rating for Rimini Street Oracle EBS clients

49,500 Oracle EBS cases successfully addressed by Rimini Street



When we make a call to Rimini Support, someone we know answers the phone and starts dealing with the problem immediately. My team would not want to go back to traditional support now. Any one of them would tell you, 'We're really happy we changed support because we're not chasing tickets, applying patches, and doing all the babysitting we used to have to do. Life is a lot better.'

— CIO,
Welch's

Oracle EBS 12.2

Oracle EBS 12.2 is the last major release of the application.

Noted as a continual delivery release,⁵ many EBS 12.2 licensees have found that the application's enhancements and features are nice-to-haves but do not drive a meaningful ROI. In addition, although the licensees who have moved to the last release of Oracle EBS software are not facing a major upgrade requirement, the treadmill continues with a steady stream of images that will most likely be fixes, patches, and very few enhancements that will move the needle for the business.

Users of Oracle EBS 12.2 should consider the following important points:

- Check the tickets for EBS support. Outside of the actual upgrade tickets opened during the 12.2 upgrade, how often is Oracle support actually being used? How long does it take for a response? How often is Oracle support turning away licensees because critical customizations are considered out of scope for support? While Oracle Support may be considered an insurance policy, is the high cost of that policy really worth it?
- Understand how often EBS 12.2 updates are being applied and for what purpose. There is a cost to staying on Oracle support just to pay to wait for these updates. A key question every IT organization should ask is what the tangible new value is that these updates are providing to help the business reduce costs or increase competitive advantage. Rimini Street market research shows that less than half (47%) of EBS 12.2 licensees see strong new innovation being delivered consistently by the vendor.¹
- If time, money, and resources have already been invested in a license to EBS 12.2, a switch to independent, third-party support from Rimini Street means keeping 12.2 software entitlements, including all Release Update Packs, critical patches, and other updates, helping meet the needs of the business today and for the next five years or more. It seems unlikely that Oracle will release new functionality that will be critical and provide an ROI for the business in the short term.

Oracle EBS Software Licensees Are Evolving Their ERP Strategies

Although organizations have made significant investments in their Oracle EBS software applications, business initiatives or strategic decisions may be planned to sunset part or all of their EBS platforms. Whether licensees find themselves migrating to SaaS-based software solutions or experiencing a consolidation project due to acquisition or divestiture activity, Oracle EBS software applications still require care and attention until such a project is complete.

According to Rimini Street research, twice as many surveyed Oracle EBS licensees have opted to lift and shift their existing EBS applications to cloud infrastructure-as-a-service (IaaS) as opposed to reimplementing their ERP with cloud SaaS.¹

The benefits of starting a cloud journey with IaaS can be compelling, especially when combined with independent, third-party support for Oracle E-Business Suite:



It was obvious Oracle wasn't putting much real investment into its legacy products — Oracle clearly seems to be investing mostly in its cloud business models with little in the way of enhancements for our EBS system."

*— Director of
Corporate Systems,
Atkins*

- Save on support and data center CAPEX/OPEX without impacting or forfeiting existing Oracle EBS ERP assets.
- Maintain customizations without sacrificing support or reimplementing ERP that may lack equivalent functionality.
- Preserve the flexibility to migrate to SaaS in the future if the business case justifies the move.

Most importantly, be cautious of what are termed “financially engineered” deals where the vendor may offer a short-term, temporary incentive to make a long-term IT roadmap decision.

A good example is Oracle Universal Credits for Cloud, which can offer savings to offset the initial cost of moving ERP to the cloud, but can result in lock-in to that vendor’s proprietary cloud model.

Users in transition should consider the following important points:

- Oracle EBS software migration projects of any kind can take years and sometimes become delayed due to unforeseen circumstances. Some may consider Oracle Support an insurance policy; but is the high cost of that policy worth it?
- If IT resources are struggling to divide time between future and existing applications, is the business prepared to invest additional resources in an already-tight project budget?
- If cloud ERP is being considered, does the ERP vendor also need to be the cloud vendor? Consider the long-term and strategic costs involved, and ensure the business case benefits the business, not the vendor. Consider starting with an industry-leading cloud IaaS platform first for the greatest immediate benefit and lowest risk.

Rimini Street can help Oracle EBS licensees in transition by maximizing their support and maintenance spend during the transition period, whether it be to another ERP, cloud ERP SaaS, or IaaS. The budget and resource savings can also help fund, plan, and execute other strategic initiatives beyond their Oracle EBS roadmap.



Every year we’ve taken the money that we’ve saved by partnering with Rimini Street and we’ve reinvested it in initiatives that propel our innovation and growth. We’ve been able to evolve Tempel into a company that is truly driven by data.”

*— CIO,
Tempel Steel*

Unified Support and Application Management Services

For other organizations not yet looking to migrate their Oracle EBS software applications, many have turned to application management services (AMS) to offload incidents, service requests, and IT backlogs to a third-party provider, delivered as a service.

The traditional AMS model for Oracle applications has its challenges:

- Time and materials contract structure and a “man-hours” billing system.
- Often leverages low-cost, lower-skilled rotational resources and still relies on ERP vendor support on the back end creating complexity.
- Internal IT teams still spend time overseeing vendors and addressing issue.

In the traditional AMS model, resources are incentivized to reduce costs on the AMS front line by triaging support tickets to the ERP vendor rather than resolving them.

Given the challenges that many organizations have with ERP vendor support, the very same problems they are paying the AMS vendor to solve are instead boomeranged back to the internal IT team.

As a result, it is no surprise that AMS vendors typically have poor service ratings, with Gartner citing a 3.03/5.00 rating for “top” AMS companies and a downward trend in AMS vendor customer satisfaction.⁶

Oracle EBS licensees, especially those running releases no longer fully supported by Oracle, should be wary of AMS providers that may rely upon ERP vendor support on the back end. Rimini Street offers both third-party support services and AMS for Oracle EBS software, unified from a single vendor, for one predictable subscription price. Clients benefit from streamlined handling of ongoing support requests, incident resolution, and new enhancements, from the same level of expertise that is measured on client satisfaction, not number of hours or tickets.

[Read about the hidden tax that comes with traditional AMS systems here.](#)

The Software Vendor Support Model Is Expensive and Dated

Vendor Support Model Questioned:

The big software vendors have provided most of the support services for their products. With today’s 90%⁷ profit margins on vendor support operations, for every \$10 licensees pay, the vendors spend only \$1 on actual support. Many licensees are coming to the conclusion that the vendor support model is, at best, dated — and, at worst, obsolete and grossly unfair to the enterprise software licensee.

Rimini Street research shows that 73% of Oracle EBS licensees running releases 12.1 are currently using AMS for some or all of their Oracle EBS applications.

Rimini Street 2020 Global Oracle EBS Licensee Survey



Switching to Rimini Street from vendor support has been a completely transparent process. It’s been a highly positive experience in the sense that IT is not affected, the business is not affected, and end users are not affected. And this is definitely a case where no impact is good impact.”

*— Joe Charnock,
Director of Application
Development Pittsburgh Public
School District*

And industry analysts agree: Licensees may be spending too much on enterprise software annual support and receiving limited value in return. Ongoing maintenance and operational costs typically consume the majority of all IT budgets, with only 10% available for business transformation initiatives.⁹

High-cost, low-value maintenance expenses can limit innovation.

Next Steps: Choosing an Annual Support Provider

A Better Option: Oracle EBS Software Licensees Realize Value with Rimini Street

Hundreds of world-class organizations are exercising their right to select the annual support provider that best meets their needs and fits their budgets.

Independent third-party support for Oracle E-Business Suite from Rimini Street replaces annual support programs from the vendor. Rimini Street provides premium support so clients can continue to cost-effectively run their Oracle EBS software applications for the next decade or longer with no required upgrades. Many Oracle EBS software licensees choose independent support from Rimini Street for:

- Substantial cost savings: Rimini Street offers guaranteed savings of 50% on annual support fees and up to 90% on the total cost of support.
- Premium, relevant, cutting-edge service model: Rimini Street delivers ultra-responsive support and premium features such as support for customizations; tax, legal, and regulatory services; and interoperability — all at no additional cost.
- Reduced risk and avoiding vendor lock-in: Rimini Street can help clients avoid costly upgrades; extend the life of current, stable EBS releases; and avoid vendor lock-in strategies that gradually infiltrate technology stacks and tend to offer new releases with limited ROI.

Calculate the savings: Save up to 90% on the total cost of support. Rimini Street Support clients accrue savings year over year in four primary categories:

1. savings on annual support fees
2. elimination of forced, potentially expensive upgrades
3. support for customizations
4. more efficient support processes

[Calculate the savings here.](#)



We had given up calling Oracle for technical support because it was such an ordeal, but with Rimini Street we don't have to go through a laundry list of questions that don't have any application to our problem. Now it's immediate, helpful and correct."

— Paul Tymchuk,
VP Information Technology
SFN Group

Can organizations cut annual Oracle support costs in half — plus increase ROI?

[Read how leading enterprises have liberated resources and achieved the agility and control needed to innovate.](#)

For More Information

To learn more about getting the most out of Rimini Street support for Oracle EBS software, visit www.riministreet.com/contact-us or info@riministreet.com

¹ Rimini Street, ["Survey Report: Licensees' Insights into The Future of their Oracle EBS Roadmaps,"](#) Nov 2020

² [Oracle Software Technical Support Policies,](#) Oct 2020

³ [Oracle Lifetime Support Policy](#)

⁴ IT Convergence, ["Exclusive Oracle EBS & Database Updates,"](#) June 2019

⁵ Oracle University, ["Technical Upgrade Overview and Process Flow,"](#) 2020

⁶ Tech Mahindra ["Critical Capabilities for Oracle Application Services, Worldwide."](#) Feb, 2018

⁷ [Early Adopter Research, "Dissecting the Oracle Continuous Innovation Model: Great Deal for You or Oracle?"](#) Feb, 2020

⁸ Gartner, ["IT Key Metrics Data 2020: Executive Summary,"](#) Dec 2019



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