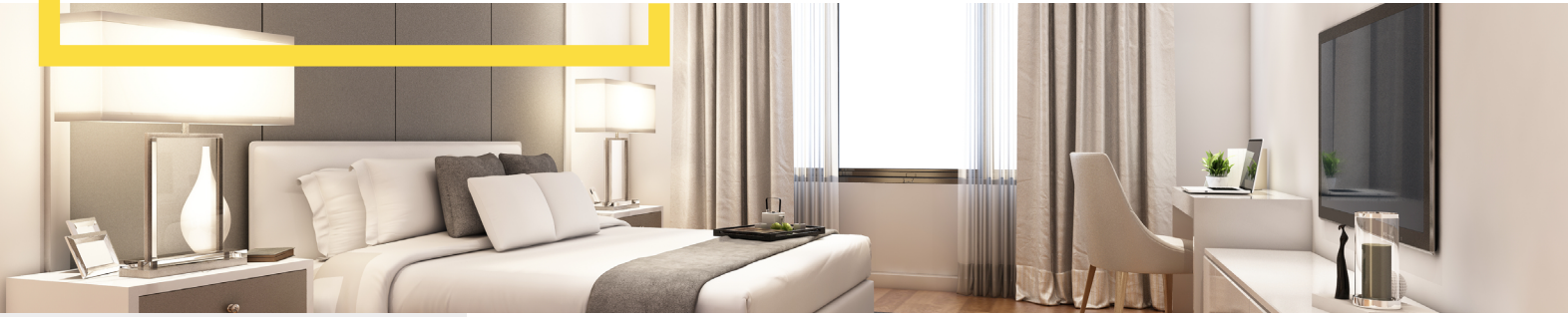


Hospitality Group Shuts Door on Vendor-Mandated Upgrades



Federal Group

Client Profile: Federal Group is a family-owned company that operates a significant portfolio of hotel, casino, and gaming locations across the tourism, hospitality, and retail industries in Tasmania, Australia's southern-most state. In addition to being the oldest continually operating hotel group in Australia, the company is the largest private-sector employer in Tasmania.

Industry: Hospitality and gaming

Geography: Tasmania, Australia

Employees: 2,400+

Supported Products: Oracle E-Business Suite (EBS): financials, purchasing, order management, procurement, and inventory management modules, Oracle Database: 10g, WebLogic

"It became clear that Rimini Street's services gave us the attractive option to not only halve maintenance and support fees but also give us the ability to defer any costly and disruptive system upgrades until they make sense for Federal Group."

Kent Bawden

IT Vendor Manager, Federal Group

"We know we can now do upgrades on our own terms, which has been critical during a tumultuous time in the hospitality sector."

– Kent Bawden, IT Vendor Manager, Federal Group

Just off the coast of southern Australia lies the island state of Tasmania, a sprawling landscape of scenic coastlines, awe-inspiring mountain ranges, ancient rainforests, diverse marine reserves, and more than a million hectares of a designated World Heritage Area. Federal Group's impressive portfolio of resorts, hotels, casinos, shops, and entertainment services provides countless ways for locals and visitors to indulge themselves while on the picturesque island.

Most recently, the company has sought to diversify its luxury hotel offerings with immersive, themed accommodations: Federal Group's "storytelling hotels" draw heavily on local heritage, blending the rich history and natural beauty of the region to offer guests authentic and engaging stays.

The company's legacy ERP platform — Oracle E-Business Suite (EBS) — has reliably supported its diverse operations and was expected to be utilized for the expansion project. However, Federal Group's plans were derailed by the vendor's mandate to overhaul the software suite and upgrade to the newest version to continue receiving full support.

The Choice: Accommodate a Patient Path or Undergo Unnecessary Upgrades?

Kent Bawden, IT vendor manager, explained, "The E-Business Suite is a core platform that supports our staff on a daily basis. Oracle wanted us to upgrade, but as we had never seen any benefit of doing so in the past, we enthusiastically looked for another way to make decisions on our own terms."

Tasked with identifying a solution to maintain the ERP software at its current version, Bawden identified a compelling option to migrate to third-party support for Oracle EBS. With an internal IT team complemented by readily accessible, highly experienced engineers to manage the platform, Federal Group could confidently opt out of the Oracle upgrade and avoid the need to renew its support agreement with the platform vendor.

Bawden mused, "We may have the oldest EBS version in the southern hemisphere, but we're able to maintain our current system beyond the end-of-support deadline mandated by Oracle. Having control of our IT roadmap has been particularly critical during what have been tumultuous times for the hospitality sector."

Benefits

- **Regained control of IT roadmap:** Independent, third-party support for Oracle EBS eliminates need to abide by a vendor-dictated end-of-full-support deadline and provides the flexibility to decide how and when to upgrade IT systems.
- **Optimized IT budget invested in innovative tourism ventures:** 50% reduction in annual support and maintenance costs enables strategic budget allocation to business initiatives, including a new finance platform and expansion efforts.
- **Supplemented operational support with consultative guidance:** Delivering support through a strategic lens helps continuously identify opportunities to optimize expenses.

"It's clear that dollars and cents aren't the driving force in Rimini Street's interactions with Federal Group, which is a stark difference to the experiences we've had with the platform vendor."

Kent Bawden
IT Vendor Manager, Federal Group

Federal Group has leveraged the cost savings — achieved by transitioning away from vendor support — to enhance IT's contributions to the company's bottom line. Resources have been liberated that can be redirected toward developing additional assets once the company is ready to pursue further expansion.

Rimini Street: A Consultative Relationship that Reaps Rewards

Federal Group's search for independent, third-party support for Oracle EBS culminated in a partnership with Rimini Street. At 50% of the cost of Oracle's annual maintenance and support fees, Rimini Street maintains the company's platform beyond the vendor's stipulated end-of-full-support cutoff — creating a precious buffer before an alternative solution must be found.

"It became clear that Rimini Street's services gave us the attractive option to not only halve maintenance and support costs but also gave us the ability to defer any expensive and disruptive system upgrades until they make sense for Federal Group," recounted Bawden.

Rimini Street's consultative approach has delivered a myriad of benefits beyond just the provisioning of support for Oracle EBS, helping Federal Group continually reduce IT expenditures throughout the lifespan of the relationship. Bawden enthused, "My role and that of many people in similar positions in other organizations is geared towards saving expenses and reducing overhead. The Rimini Street team has consistently put themselves in our shoes, always looking for ways to maximize our ROI."

He concluded, "The level of understanding and advice is greatly appreciated. It's clear that dollars and cents aren't the driving force in Rimini Street's interactions with Federal Group, which is a stark difference to the experiences we've had with the platform vendor."

For More Information

To learn more about Federal Group or to read other client stories, visit www.riministreet.com/clients.

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