Getting the Most from Your Support for Oracle Siebel Software

Rimini Street®

Content

Executive Summary

Oracle Siebel applications are robust and proven, used by many of the world's leading organizations to help improve customer engagement and support digital transformation. However, many Oracle Siebel licensees today find themselves at a crossroads and must assess and address several important issues related to their Siebel applications.

There are several pain points for many current Oracle Siebel 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 Siebel product roadmaps as it appears licensees are being strongly encouraged by the vendor to abandon their internally deployed applications and start over with cloud solutions. Finally, every Oracle Siebel software release earlier than 8.1/8.2 is no longer fully supported by Oracle. With no new major releases of Siebel currently planned on Oracle's roadmap, many licensees might be seeing the new value they receive from support decrease, while costs continue to increase.

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

> *Rimini Street has brought to us a true partnership. We're getting a higher level of service, with more experienced engineers, at a price point that's considerably lower. It's a win all across the board for our organization."*
>
> – CIO
>   Public Health Organization

The Current State of Oracle Siebel Software Applications

Oracle Siebel Applications History

The history of Oracle Siebel applications is divided into four phases:

1. Early Days (1993 – 2005)

The company was founded by Thomas Siebel and Patricia House in 1993. At first known mainly for its sales force automation products, the company expanded into the broader CRM market. By the late 1990s, Siebel Systems was the dominant CRM vendor, peaking at 45% market share in 2002. Benefiting from the explosive growth of the CRM market in the late 1990s, Siebel Systems was named the fastest-growing company in the United States in 1999 by Fortune magazine. On September 12, 2005, Oracle Corporation announced it had agreed to buy Siebel Systems for $5.8 billion. "Siebel" is now a brand name owned by Oracle Corporation.

2. The Refinement (2005 – 2015)

In 2007, Oracle released Sibel 8.0, touting 20 enhanced modules, 100+ new features, and more than 3 million lines of code. This was followed by the releases of Siebel 8.1 and 8.2, which Oracle named as "Innovation Packs" — containing a combination of features and maintenance/fix-related updates to the Siebel 8 code line. This continued up to Siebel Innovation Packs 8.1.1.14/8.2.2.1 in 2015.

3. Shift to Continuous Updates Model (2015 – present)

In 2015, Oracle once again shifted naming around Siebel releases, moving away from "dot release" naming and instead referring to annual "Innovation Packs" that are continuations of the 8.1/8.2 release, starting with IP2015. IP2017 can be interpreted as the last terminal release, with patches only released afterward. IP2018-2020 and later are updates to the IP2017 release.

Future Oracle Siebel Software Releases

Oracle currently has no new major Siebel releases planned on its roadmap but will instead continue to deliver annual Innovation Pack updates moving forward from the IP18.4 release in April 2018.[1] With this model, all new functionality is delivered as updates to the existing release; for some updates, the standard upgrade process is not required to gain access to new features and capabilities.

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 and more infrequent and filled with less and less perceived compelling business value.
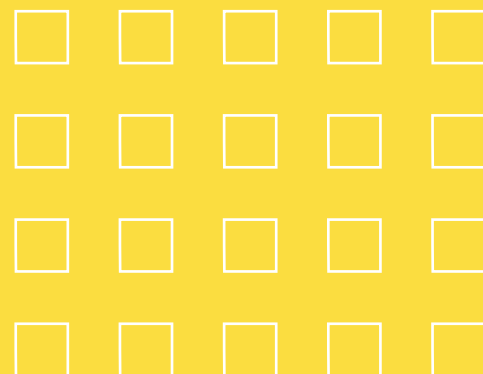
Today, the Innovation Packs include some new functionality, plus a roll-up of bundled fixes. However, setting up the required infrastructure, applying multiple images, and conducting test cycles can become a sizable project. Over time, applying these continual updates requires resources, time, and money — just to keep an Oracle Siebel system current. Many Oracle Siebel licensees 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 your releases receive today and if and when they will 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:

Premier Support: Oracle's standard support, typically lasting for five years from general availability (GA), usually 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.
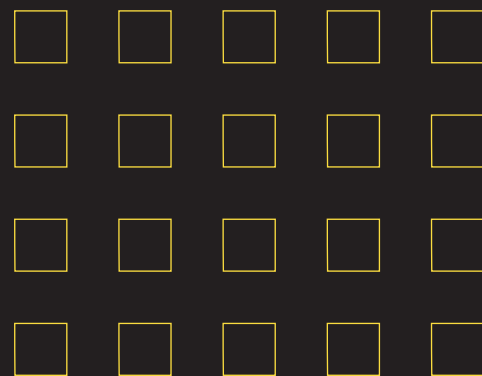
Siebel Release Analysis

Siebel	Premier End Date	Extended End Date	Sustaining End Date
6.x	Jun 2005	Dec 2007	Indefinite
7.0.x	Dec 2008	N/A	Not Applicable
7.5.3	Dec 2008	Dec 2010	Indefinite
7.7.x	Sept 2009	Sept 2012	Indefinite
7.8.x	May 2010	May 2013	Indefinite
8.0.x	Jan 2012	Jan 2015	Indefinite
8.1 / 8.2 Latest release 21.3	Dec 2032	Not Applicable	Indefinite

Figure 1: Oracle Siebel Enterprise One dates by release

Oracle Siebel Licensees Still on 8.0 or Earlier Releases

As noted in the "Oracle Siebel Release Analysis" section, these releases are no longer fully supported by Oracle and receive only Sustaining Support.

Amazingly, many Oracle licensees are still paying approximately 22% of their license fees, essentially for old patches and fixes and no new updates or features.

Users of Oracle Siebel 8.0 and earlier releases should consider the following important points:

- Licensees have been running Oracle Siebel software for many years, have existing Siebel 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 may not support customizations or address new fixes for any issues. This delivers practically no value.

- Upgrading the Oracle Siebel software application can be painstaking and consumes valuable time, money, and resources that are often not accounted for in internal budgets. Some licensees consider a Siebel upgrade just to ensure they have a fully vendor-supported product. Upgrading Siebel from most of the earlier release levels is a complex, multistep process. And, if a licensee is happy with the functionality in these earlier releases, upgrade options are not truly compelling, particularly 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 Siebel licensee is ready to upgrade, Rimini Street can support the upgrade process, having helped hundreds of Oracle users upgrade their software. With Rimini Street support, licensees gain upgrade flexibility and the choice to upgrade on their own timetables without feeling forced by the vendor's timetable.

The concept of independent support is a model that I think CIOs really need to get their head around. It offers a huge advantage in terms of efficiency, cost savings, and premium service levels. It took a little bit of convincing at first, but once our team met the Rimini Street staff, once they understood the opportunities and the economies that we were going to get, the barriers quickly came down."

– CIO
Public Health Organization

Oracle Siebel 8.1/8.2

Siebel 8.1/8.2 are the last major releases of the applications and are noted as continual delivery releases,[3] with IP2018.

Many Siebel licensees have found that the application's enhancements and features are nice-to-haves but do not drive a meaningful ROI. In addition, although those who have moved to the last release of Oracle Siebel software are not facing a major upgrade requirement, the treadmill continues with a steady stream of patch sets that will likely be fixes and very few enhancements that would move the needle for the business.

Users of Oracle Siebel 8.1/8.2 should consider the following important points:

- Check the tickets for Siebel support. Outside of the actual upgrade tickets opened during a Siebel upgrade, how often is Oracle support actually being used? How long does it take to get 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 as an insurance policy, is the high cost of that policy really worth it?

- Understand how often any Siebel updates are being applied and for what purpose. There is a cost to staying on Oracle support simply 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.

- If time, money, and resources have already been invested in a perpetual license for Siebel software, a switch to independent, third-party support for Oracle Siebel software from Rimini Street may mean keeping certain Siebel software entitlements, such as Innovation Packs, to help meet the needs of the business today and for the next five years or more. It seems unlikely that Oracle will release critical new functionality and provide an ROI for the business in the short term.

Oracle Siebel Software Licensees Are Evolving Their CRM Strategies

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

4.9
4.9/5.0 Client satisfaction rating for Rimini Street Siebel support clients

6,300
More than 6,300 Oracle Siebel cases successfully addressed by Rimini Street

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" Customers have to secure tens of servers, tens of operating systems, tens of databases and they tend to be 14 to 18 months behind us in patching"[4]

– Oracle

Read about understanding comprehensive database security here

The benefits of starting a cloud journey with infrastructure as a service (IaaS) can be compelling, especially when combined with independent, third-party support for Oracle Siebel software:

- Save on support and data center CAPEX/OPEX potentially without impacting or forfeiting existing licensed Oracle Siebel software assets

- Maintain customizations without sacrificing support or re-implementing CRM that may lack equivalent functionality

- Preserve the flexibility to move to SaaS in the future if the business case justifies the move

Most important, be cautious about 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 result in lock-in to that vendor's proprietary cloud model.

Users in transition should consider the following important points:

- Oracle Siebel 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 again, 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 is being considered, does the CRM 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 industry-leading cloud IaaS first for the greatest immediate benefit and lowest risk.

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

"

… probably the most important thing to look out for is that the contract in itself looks simple, but so little is actually contained in that order document. The multitude of terms and conditions and URLs it refers to outside of the contract makes it difficult to understand fully, or to know what you're actually really signing up to."[5]

– Palisade Compliance APAC

"

Oracle's IaaS RE: Autonomous Database in the Cloud

– Land and Expand

So we almost prefer selling a $30,000 deal to $100,000 deal because the $30,000 deal we can close in four weeks … you start and you land and expand … I think it's working very, very well because we're seeing just beginning to see the first people coming back and going from $30,000 a month to $600,000 a month."[6]

– Oracle Corporation Q2 2020 Earnings Call

Siebel clients can take back control of their IT budget and roadmaps with help from Rimini Street third-party support.

Application Management Services (AMS) for Salesforce

Many organizations that have migrated their Siebel systems to Salesforce, but really struggle with ongoing support. Sales operations, marketing teams and IT resources face serious challenges, including:

- Growing Backlog of Projects and Requests.
- Unpredictable Support Costs.
- Staying on Top of New Salesforce Releases.
- Skills Gap and Resource Availability.

Siebel licensees moving to Salesforce should be prepared that after the initial implementation goes live, they may find themselves struggling with unrealized ROI.

Rimini Street offers AMS for Salesforce, including unlimited use of a robust service catalog of Salesforce services for one predictable subscription price. Clients benefit from faster development of new reports for customer insight, reduced backlogs, more scalable sales operations, and increased user adoption of key Salesforce features. Bringing your existing Siebel applications to Rimini Street independent, third-party support ensures that your future roadmap is protected even as you transition to Salesforce in the future.

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 dollars licensees pay, the vendor spends only one dollar 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 customer.

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 IT budgets, with only about 10% available for business transformation initiatives.[8]

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

Read about the hidden "tax" that can come with traditional AMS systems here.

Next Steps: You Have a Choice of Annual Support Providers

A Better Option: Oracle Siebel 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 Siebel software from Rimini Street replaces annual support programs from the vendor. Rimini Street provides premium support so licensees can continue to run their Oracle Siebel software applications cost-effectively for the next decade or longer with no required upgrades. Many Oracle Siebel software licensees choose independent support from Rimini Street for the following reasons:

- Substantial cost savings: Rimini Street offers guaranteed savings of 50% on annual support fees and clients can save 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; plus interoperability — all at no additional cost.

- Reduced risk and vendor lock-in avoidance: Rimini Street can help clients avoid costly upgrades; extend the life of current, stable Oracle Siebel 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 potentially expensive upgrades,
3) support for customizations, and
4) more efficient support processes. Calculate the estimated savings.

For More Information

To learn more about getting the most out of Rimini Street support for Oracle Siebel software, let's talk at https://www.riministreet.com/contact-us/ or info@riministreet.com.

Suppose you could cut your annual support fees for Oracle in half — and increase ROI? Leading enterprises have liberated resources and achieved the agility and control needed to innovate.
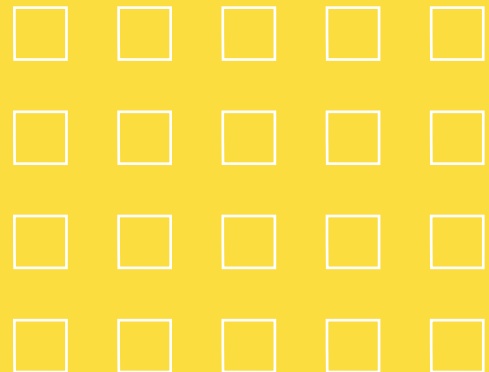
Reference

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