Rimini Street

OSG CORPORATION

Japanese cutting tool manufacturer takes control of its IT roadmap by partnering with Rimini Street, gaining budget and resources to pursue factory automation initiatives.



"By following our own roadmap with Rimini Street support, we've prioritized meaningful digital advancements over unnecessary updates."

– Go Harada, General Manager, Information Technology, OSG Corporation, OSG



8% REDUCTION IN THE ORACLE OPERATIONS PORTION OF THE IT BUDGET



REINVESTED SUPPORT SAVINGS INTO FACTORY AUTOMATION



COMPANY OVERVIEW:

OSG Corporation is a comprehensive cutting tool manufacturer specializing in the production and sales of taps, drills, endmills, indexable tools and rolling dies.



VERTICAL/COUNTRY: MANUFACTURING, WHOLESALE & DISTRIBUTION, JAPAN



SOFTWARE: ORACLE EBS

OSG Accelerates its Smart Factory Roadmap with Rimini Support[™] for Oracle

Since 1938, OSG Corporation has been a name synonymous with precision in the manufacturing of cutting tools, rolling dies and machine parts. Headquartered in Japan, OSG operates globally, supporting industrial production of high-value, high-performance cutting tools in 33 countries. Yet, in a world where digital transformation is reshaping every industry, OSG found itself facing a challenge common to many large, long-established manufacturers: enabling modern digital capabilities into existing on-prem infrastructure.

"We didn't have a culture of relying on digital technology," Go Harada, General Manager, Information Technology at OSG Corporation, explained. "But the power of digital tools has become enormous and we're now using them in areas such as production scheduling and collecting operational data from production equipment."

Charting a digital path based on stable Oracle systems

When OSG chose Oracle E-Business Suite (EBS) in 2010, the goal was to integrate the core functions of sales management, order management, inventory procurement, accounting and production management. However, as Harada recalled, the implementation project didn't go as planned. In the end, they couldn't introduce Oracle EBS in a way that maximized the platform's strengths, and they found that the vendor's roadmap wasn't aligned with their long-term goals.

One of OSG's key goals was to follow a business-driven roadmap that suited its unique manufacturing needs. "Following the vendor's roadmap would have required us to keep upgrading for features we didn't need," Harada explained. By 2017, with a desire to reduce fixed IT costs and increase investment in IoT and factory automation, OSG decided to move away from Oracle support.

After multiple in-person meetings with the Rimini Street team and interviews with other clients regarding Rimini Street's level of service and technical capabilities, Harada chose Rimini Support[®] for Oracle. "Signing with Rimini Street restored our ability to take control of our IT roadmap based on our business needs, and as a result, we achieved significant reduction in our fixed costs for Oracle maintenance and operation. These costs accounted for 86% of our total IT budget. With Rimini Street, we are no longer on the upgrade treadmill and were able to drive our total IT costs down to 78%, giving us the funds and flexibility to invest in creating new value," Harada revealed.

Taking a pragmatic approach to IT innovation

While many Oracle licensees are being pressured to the cloud, the risks, disruption and cost is a heavy consideration for organizations. "We considered migrating to the cloud, but decided against it," Harada said. "Our current EBS is built on an on-premises architecture and replicating that level of availability in the cloud would be extremely costly."



This pragmatism in balancing digital automation with the existing on-premises architecture not only lays the foundation for its smart factory strategy but also helps OSG prepare for potential labor shortages. Taking a hybrid path allows OSG to extend the life of its core Oracle systems as it implements best-fit technologies that drive automation at the edges. And with Rimini Street's experts manning their Oracle systems 24/7/365, Harada and team can concentrate time and resources on implementing technologies that support more efficient operations.

Extraordinary service cements a long-term partnership

Recently, OSG extended its service contract with Rimini Street through February 2029 – a testament to the value OSG sees in this strategic partnership. "Over the years, the relationship hasn't changed and that's rare. Rimini Street has treated us with the same level of care and attention as they did when we first signed on, and we value their expertise and guidance," Harada said. "This stability and continuous follow-up have really allowed us to focus on our internal goals without worrying about support quality slipping over time."

"What I want to do most as an IT strategy department is to contribute to the efficiency of manufacturing operations," Harada explained. "By combining our existing, on-site capabilities with our new digital capabilities, we can push efficiency to the next level." Through strategic cost-saving measures and a commitment to transformational change, OSG is reinforcing its position as a global leader in precision manufacturing while investing in innovative projects that align with its vision for the future. According to Harada, "By following our own roadmap with Rimini Street support, we've prioritized meaningful digital advancements over unnecessary updates."

To learn more about the OSG Corporation or to read other client stories, visit riministreet.com/clients

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