ProcureCon Survey Findings Webinar
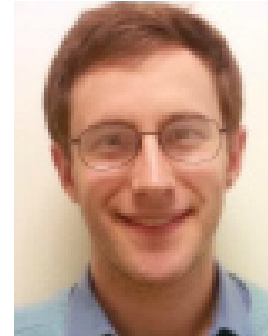
Thursday, December 10

Speakers

Andrew Greissman,

Report Author and Researcher

ProcureCon

Dan Ashton,
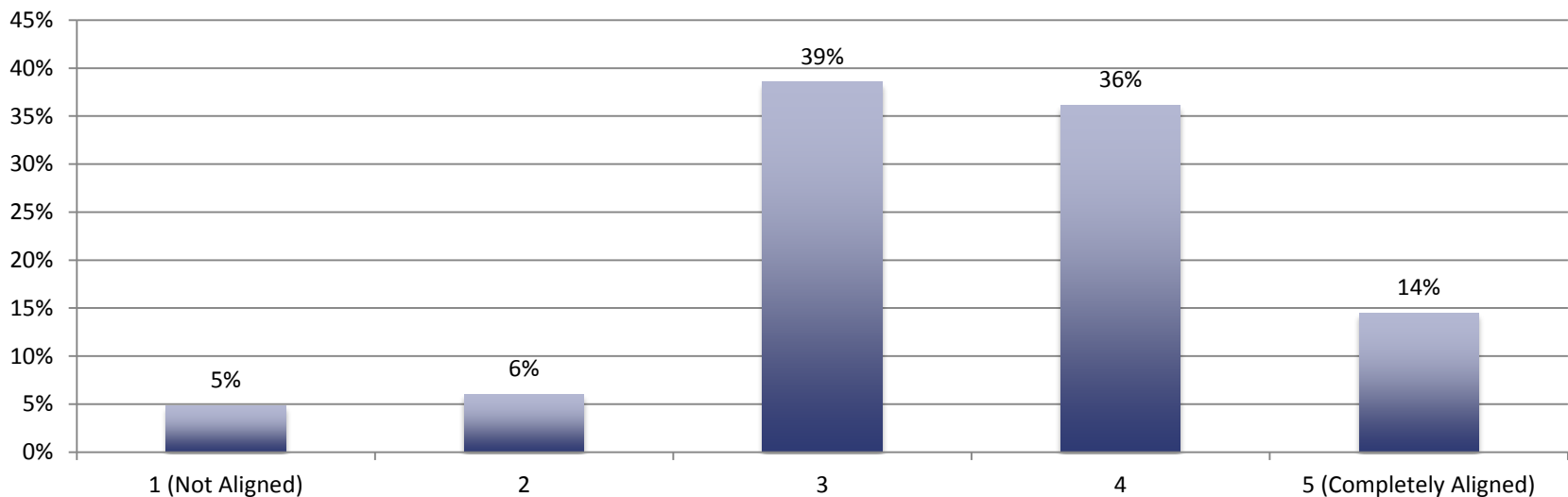
Director, Product Marketing

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The Growing Role of Procurement and Influence With Key Business Partners

- Procurement is increasingly aligned with key business stakeholders

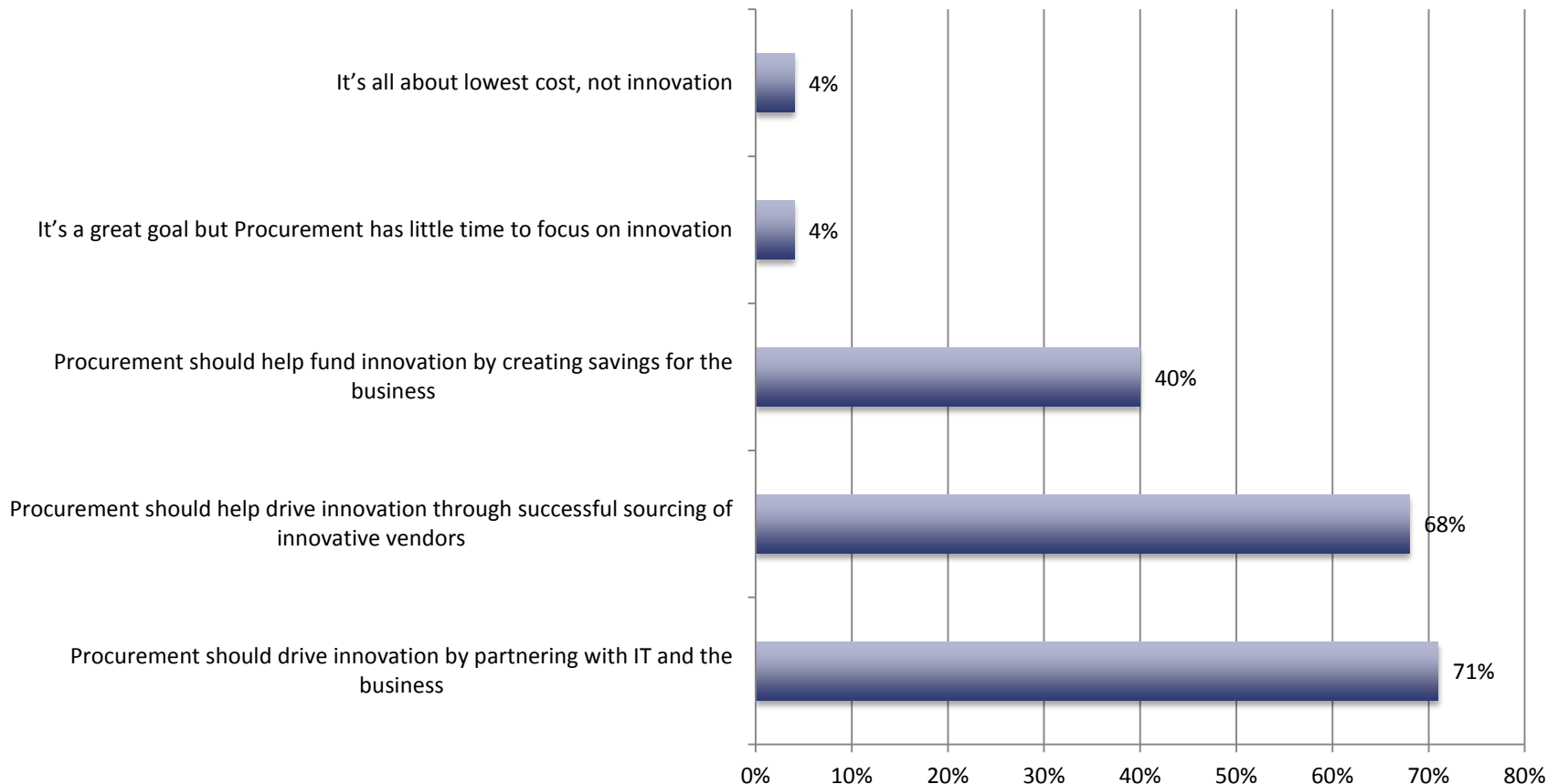**On a scale of 1-5, how aligned are procurement's goals with the business?**

Source: ProcureCon Indirect East Benchmark Data 2015

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Procurement Takes Responsibility

What should be Procurement's role in driving business innovation?
(Please select all that apply)

Response	Percentage
It's all about lowest cost, not innovation	4%
It's a great goal but Procurement has little time to focus on innovation	4%
Procurement should help fund innovation by creating savings for the business	40%
Procurement should help drive innovation through successful sourcing of innovative vendors	68%
Procurement should drive innovation by partnering with IT and the business	71%

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Procurement Focus is Shifting

"By 2018, 25% of technology procurement teams will prioritize risk reduction, innovation and business growth above cost savings metrics."[1]

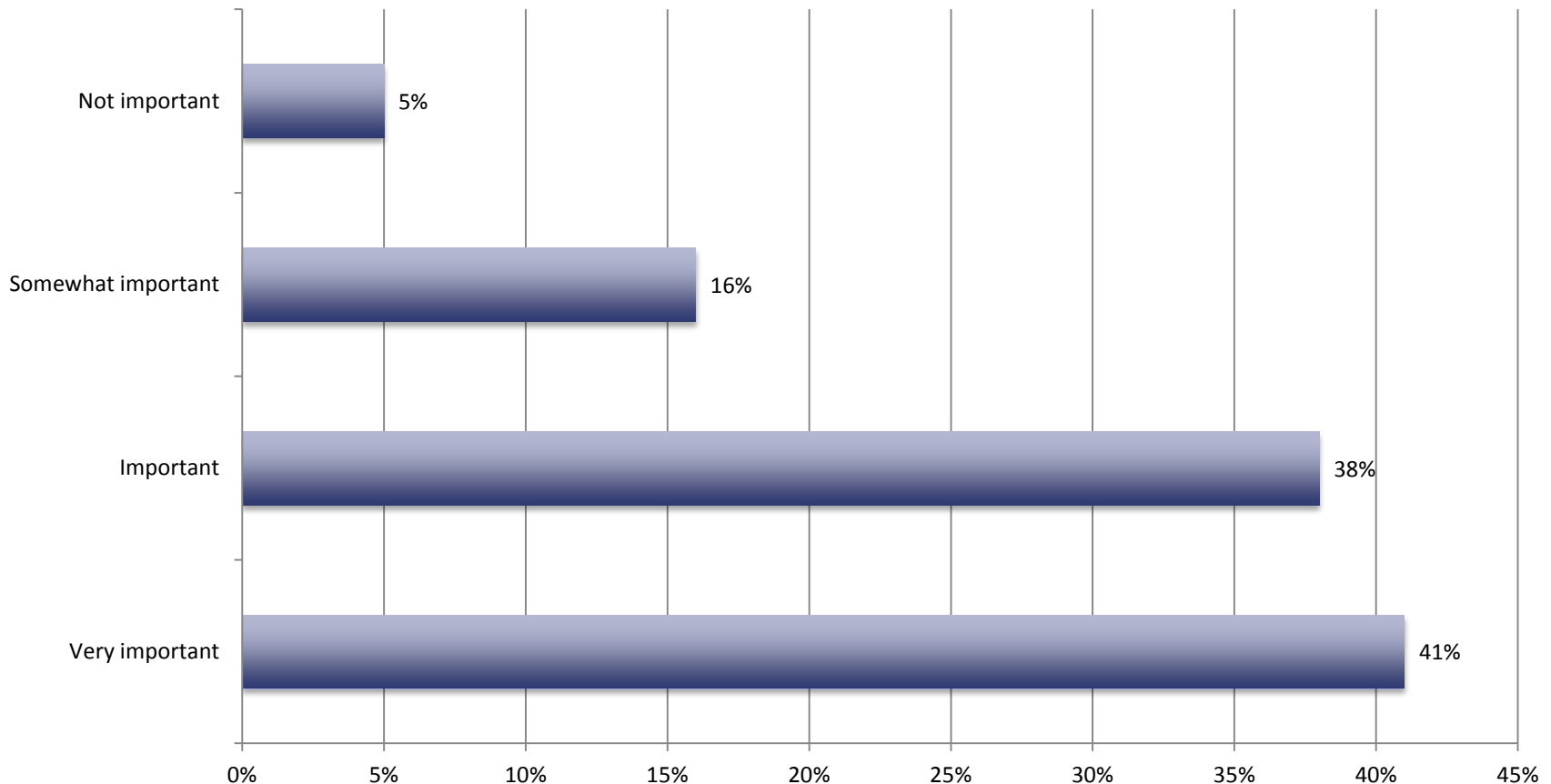*"Explore viable third-party support options."[2]*

Gartner®

[1] Predicts 2016: IT Procurement Will Transform Into Technology Procurement for Digital Success, Dec 2, 2015

[2] Address the Challenges of Oracle Maintenance and Support Policies to Mitigate Cost, Risk and Budget Uncertainties, Gartner, Sep 2, 2015
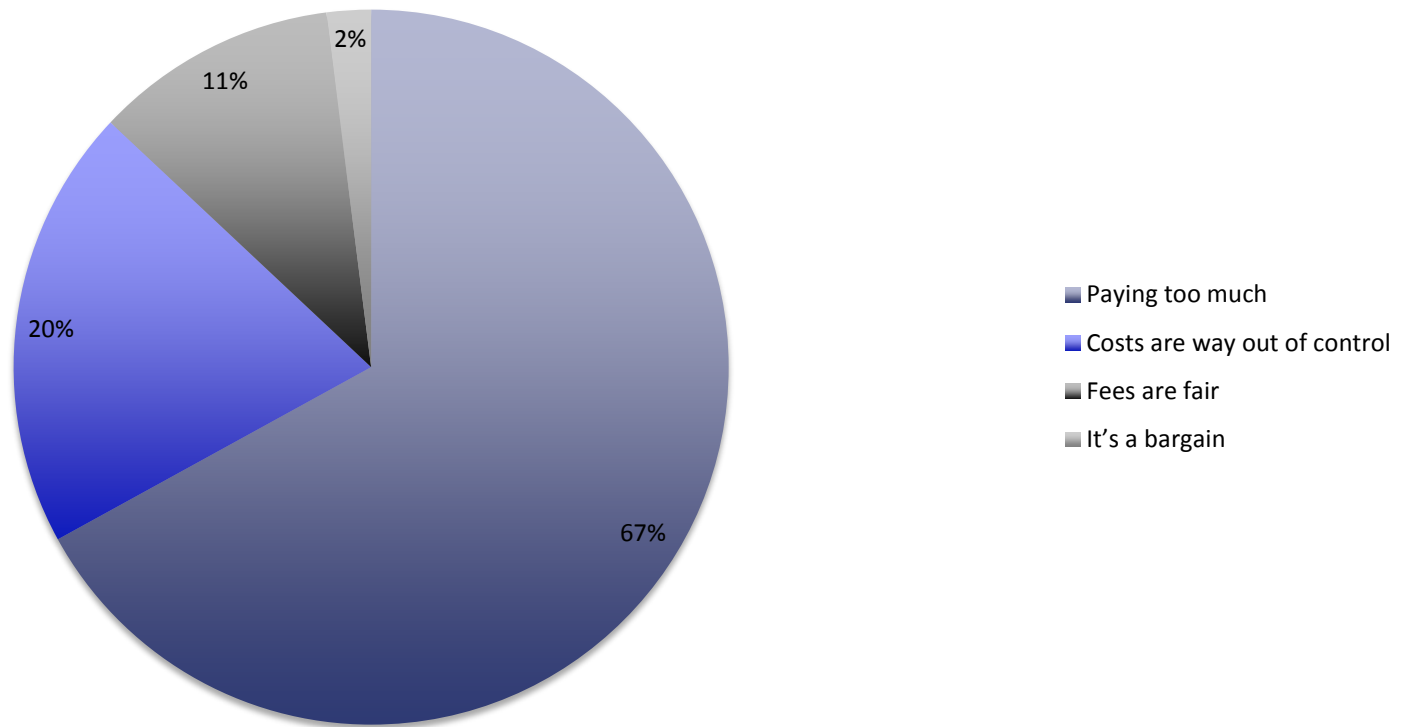
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ERP Support and Maintenance Spend is an Opportunity

How important is actively managing ERP support and maintenance spend in your organization?

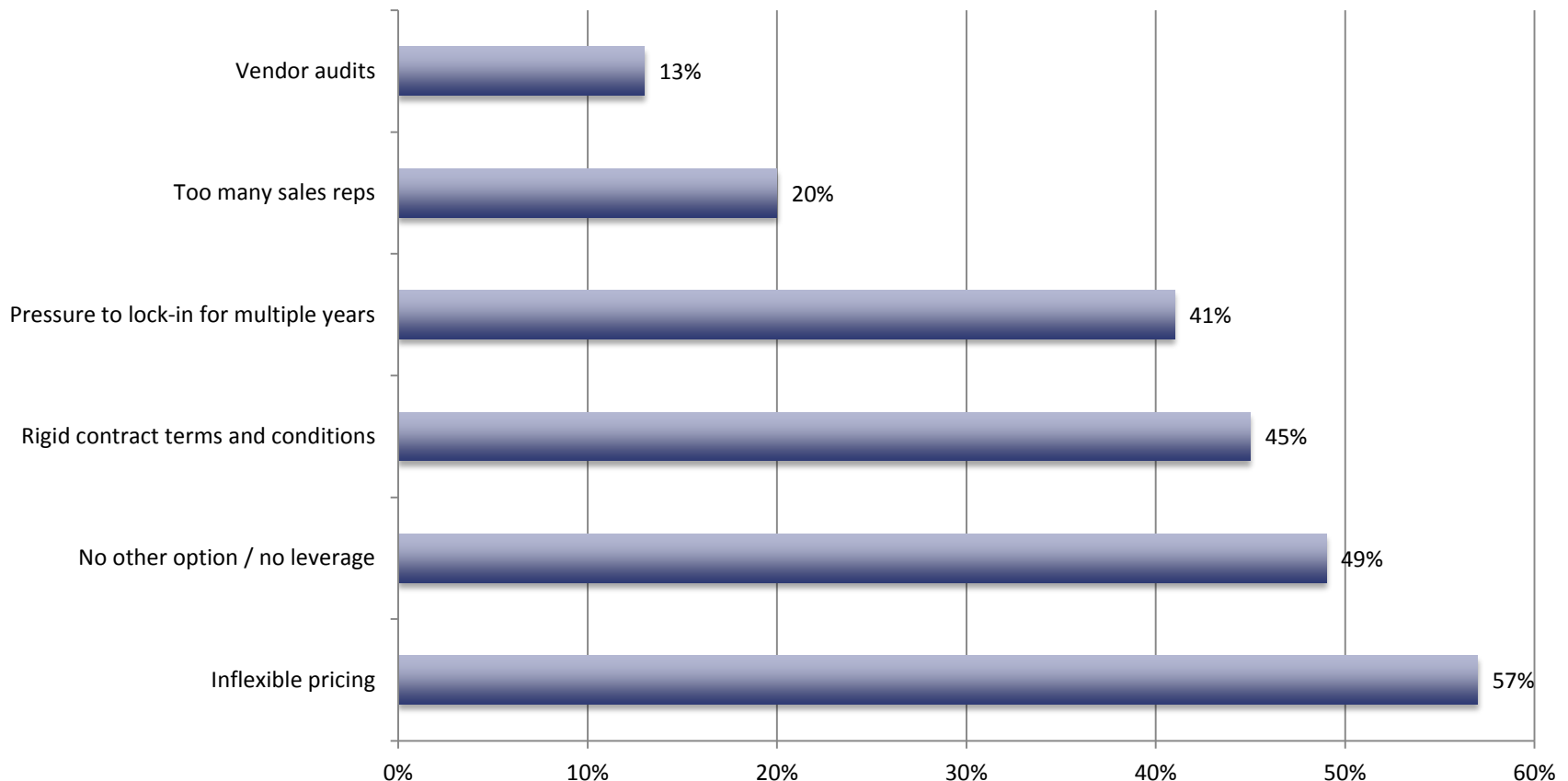|	
Not important	5%
Somewhat important	16%
Important	38%
Very important	41%

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Increasing Awareness of ERP Maintenance, and the Imperative to Control the Spend

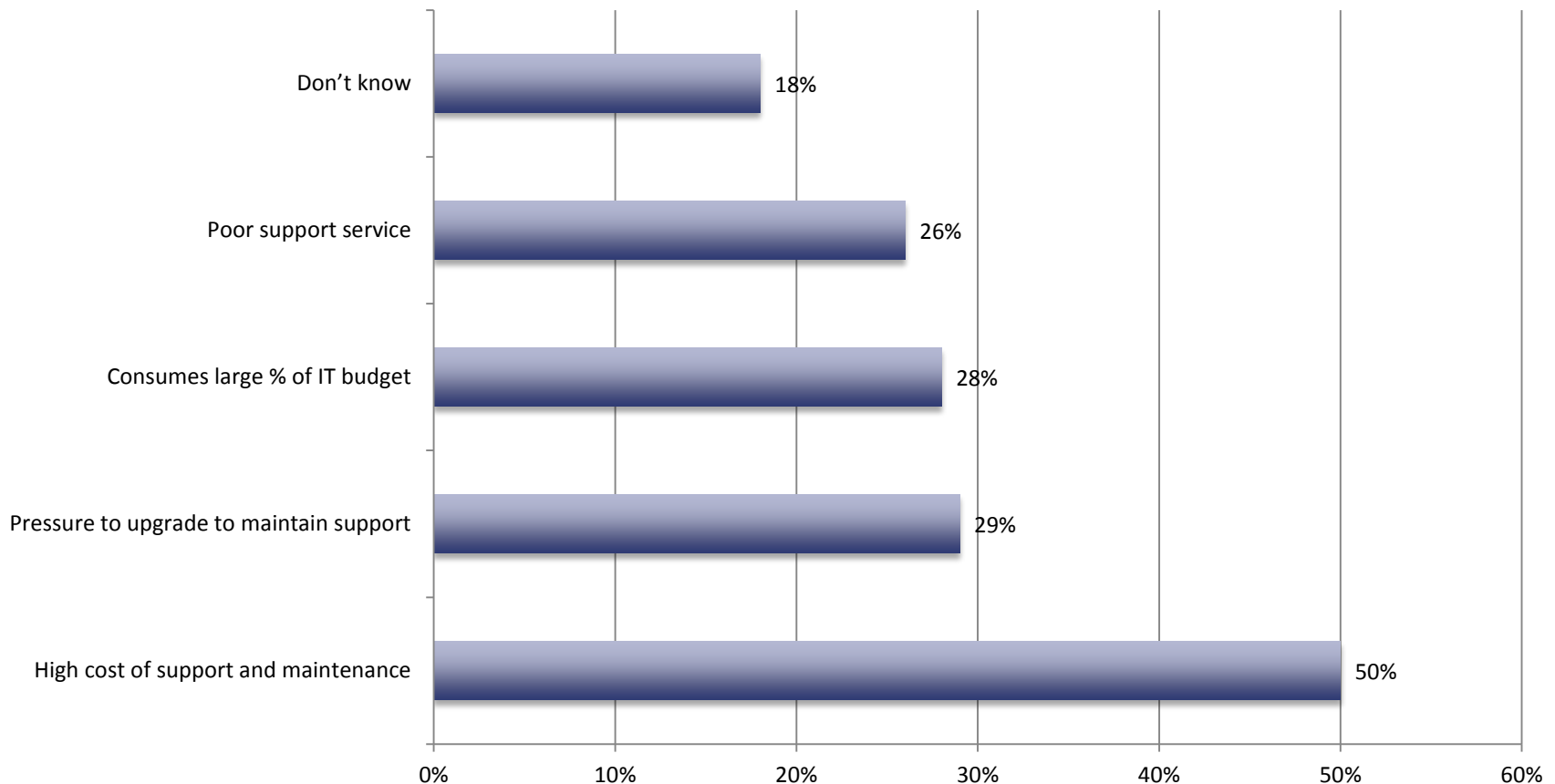**How do you feel about the cost of ERP vendor support and maintenance?**

- Paying too much
- Costs are way out of control
- Fees are fair
- It's a bargain

67%
20%
11%
2%

Challenges Around Negotiating with Mega-vendors

What are your biggest challenges negotiating with software mega-vendors like Oracle and SAP?

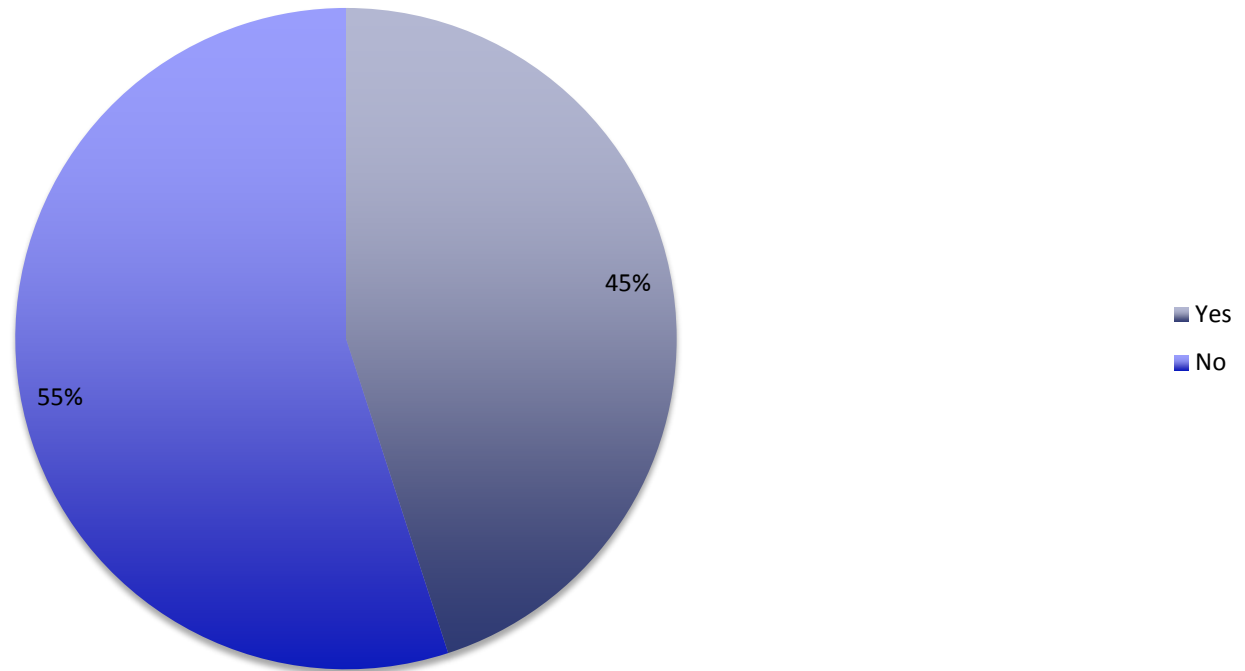| Challenge	Percentage
Vendor audits	13%
Too many sales reps	20%
Pressure to lock-in for multiple years	41%
Rigid contract terms and conditions	45%
No other option / no leverage	49%
Inflexible pricing	57%

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Challenges Around ERP Support and Maintenance

What are your organization's biggest challenges around ERP support and maintenance?

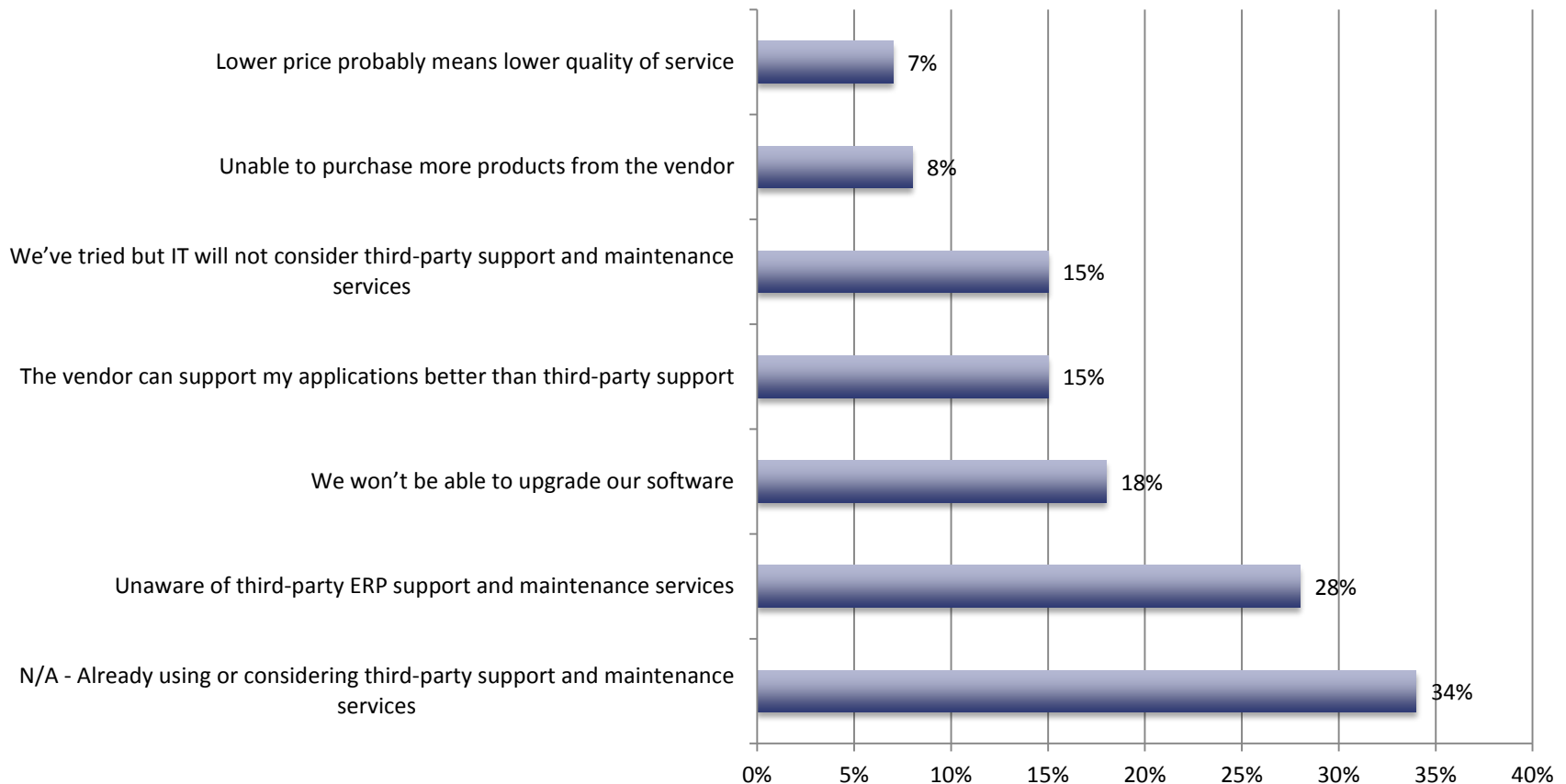| Challenge	Percentage
Don't know	18%
Poor support service	26%
Consumes large % of IT budget	28%
Pressure to upgrade to maintain support	29%
High cost of support and maintenance	50%

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Third-Party ERP Support and Maintenance

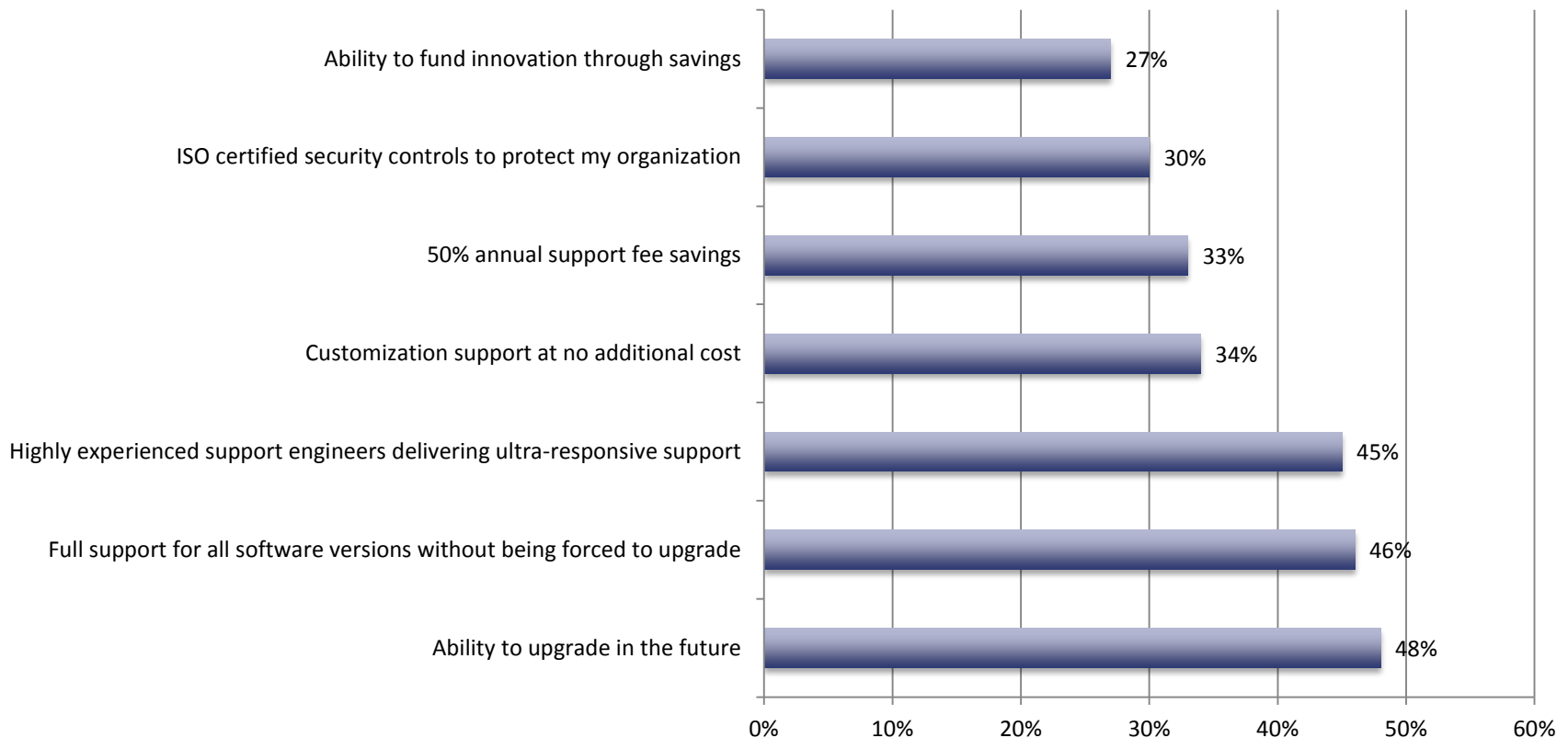**Have you considered third-party support services as a replacement to ERP vendor support and maintenance?**

45%

55%

- Yes
- No

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What's Important Around Third-Party Support and Maintenance

If you are considering, or were to consider third-party ERP support and maintenance, what would be most important? (Please select all that apply)

Category	Percentage
Ability to fund innovation through savings	27%
ISO certified security controls to protect my organization	30%
50% annual support fee savings	33%
Customization support at no additional cost	34%
Highly experienced support engineers delivering ultra-responsive support	45%
Full support for all software versions without being forced to upgrade	46%
Ability to upgrade in the future	48%

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Key Recommendations

1 **Grow the relationship between IT and procurement and conserve budget that can help fund innovation.**

2 **Understand your ERP operational and procurement criteria and be aware of common contract pitfalls.**

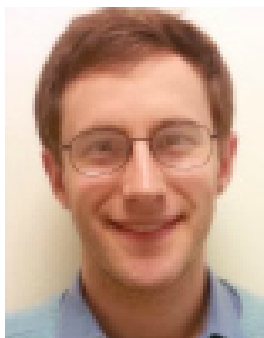**3** **Learn more about third-party support to reduce costs, improve support and fund innovation.**

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Next Steps

- Calculate your estimated savings
  - http://www.riministreet.com/savings-calculator
- Research your software renewal dates
- Contact a third-party software support provider for a proposal

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Q&A

Andrew Greissman

Report Researcher and Author
ProcureCon
Andrew.Greissman@wbresearch.com

Dan Ashton

Director, Product Marketing
Rimini Street

dashton@riministreet.com

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Submit Your Questions Now in the Questions Chat Box

Thank You

All Webinar Attendees Will Receive Complimentary Copies of:

"Benchmarking Procurement's Role in Driving Innovation and Technology Best Practice"

Webcast Recording and Slides:

The webcast recording will be available in 48 hours and you will receive an email with the playback instructions.

To request a copy of today's webcast slides, email: clientservices@riministreet.com

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