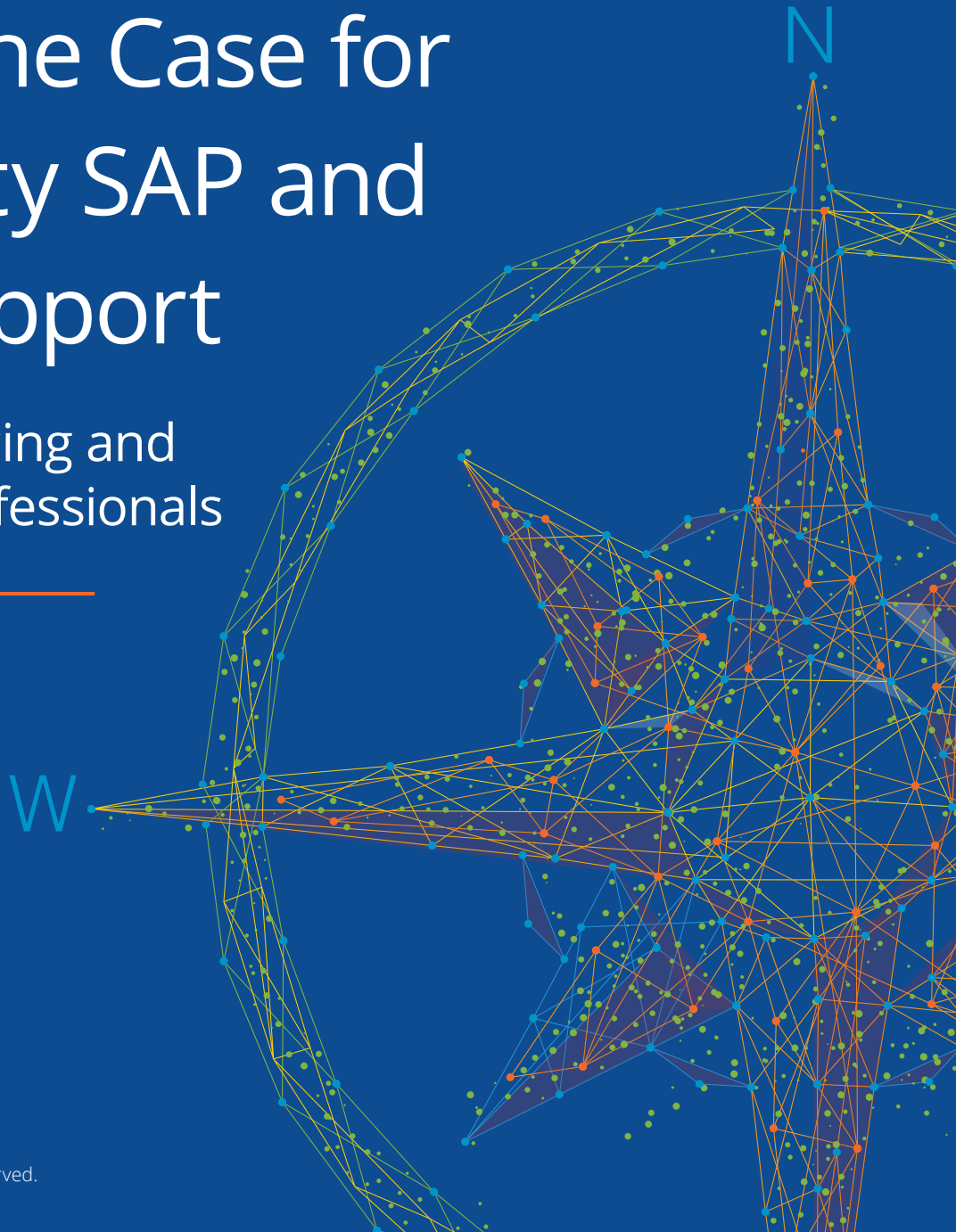SPINNAKER
SUPPORT

Building the Case for Third-Party SAP and Oracle Support

A Guide for Sourcing and Procurement Professionals

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Introduction

It's 2019. Never have procurement, sourcing, and vendor management professionals been under so much pressure to identify solution providers that help their companies innovate, scale, and transform. You are challenged to improve the customer experience and to facilitate the transition to evolving technologies, with an eye on optimizing cost and improving speed to adoption.

The cloud is changing business as we know it. Most on-premise enterprise software that has helped shape today's businesses will inevitably be migrated to the cloud. But not all of it, and not just yet. While edge applications like CRM and HCM are now moving fast to the cloud, the stable, highly customized core ERPs are not. Gartner and other leading authorities predict that these systems of record have another five to ten years of on-premise life.

As companies drive to the cloud, third-party support adoption is skyrocketing. Of the many options in the market place, third-party Oracle or SAP software support has become increasingly adopted due to high service level and value. It is an ideal way to prolong the life of on-premise enterprise software and for dramatic cost savings that can be redirected to fund tomorrow's cloud-based replacement solutions.

This guide is designed to help procurement, sourcing, and vendor management professionals understand and build the internal case for third-party support, while efficiently driving the due diligence and decision-making processes. Third-party support is not for every company, but every company should investigate it. In your role, we hope you will benefit from the tips provided herein.
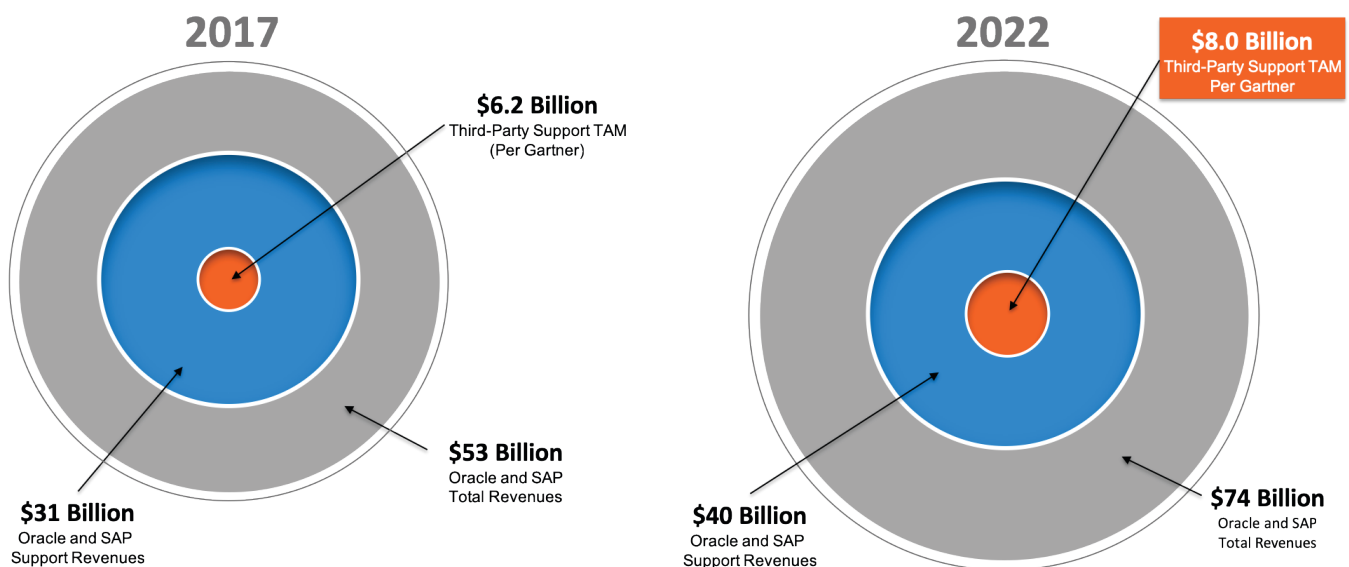
This paper will answer:

1. What is the third-party support market?
2. How can you quickly determine if third-party support is right for your organization?
3. How do you build a business case, compare software vendor support against third-party support, and to compare the leading third-party support vendors?
4. Who are the internal stakeholders to assemble and how can you drive alignment?
5. What are your existing software license, support agreement, and support cancellation rights?
6. How can you counter the inevitable roadblocks from Oracle and SAP?
7. How can you counter the likely internal IT staff concerns?
8. How can third-party support enable and accelerate the best cloud migration paths?
9. How can you smoothly transition to third-party support?

Section 1: Understanding the Third-Party Support Market and Model

Third-party software support has been around for more than fifteen years. While it began with specific Oracle applications (JD Edwards, Peoplesoft, and Siebel), third-party support is now available for virtually any Oracle or SAP on-premise enterprise or infrastructure product set – even up through the newest release versions.

Gartner estimates that the third-party Oracle and SAP market could reach $8 billion by the end of 2022 – an estimated 26% annual growth. The market has gained recent momentum from the push to the cloud. Many of the supported applications, particularly the systems of record, won't be replaced en masse by cloud offerings for 5-10 years. In the meantime, many organizations are switching to – or seriously investigating – third-party support as a means to restore high-quality service for their existing and stable on-premise applications at a surprisingly affordable price point.

2017

$6.2 Billion
Third-Party Support TAM
(Per Gartner)

$53 Billion
Oracle and SAP
Total Revenues

$31 Billion
Oracle and SAP
Support Revenues

2022

$8.0 Billion
Third-Party Support TAM
Per Gartner

$74 Billion
Oracle and SAP
Total Revenues

$40 Billion
Oracle and SAP
Support Revenues

There are currently two clear global leaders for third-party Oracle and SAP support: Spinnaker Support and Rimini Street. Gartner currently recommends that clients engage both providers and find the one that best fits their application environment, global footprint, internal staff skills, risk tolerance, etc. There are important differences between the vendors that will be discussed later in this guide. These two leaders have combined to support approximately 3,000 private and public sector customers of all sizes, from all over the world, and from virtually every industry segment.

You can find an array of information by visiting the websites of the third-party support providers. If you are a Gartner client, you have access to additional, relevant content and to analysts that follow the space.

Section 2: Determining if Your Organization is a Good Candidate for Third-Party Support

Procurement, sourcing, and vendor management professionals can use some standard rules of thumb to determine the fit of third-party support for their organizations. If you operate as a pure SAP or Oracle shop, always stay current with the latest software vendor versions, and intend to ride these same vendors to the cloud, then third-party support is likely not a good fit. Personalized service and short-term cost savings may not provide adequate incentive to justify a switch.

Companies that typically move to third-party support do so to address one or more of three primary circumstances:

MIGRATING   FINANCIAL RELIEF   SUSTAIN OR INNOVATE

1. **Migration:** They are migrating from one on-premise environment, i.e., JD Edwards, to another on-premise environment, i.e., SAP. The third-party support vendor maintains the existing environment until the migration is complete. The customer gets excellent support and saves at least 50% on maintenance fees that can be redirected to fund the migration or another initiative.

2. **Financial Relief:** They need either short-term financial relief or are in deep financial distress. Third-party support is a smart way to achieve immediate cost savings that can be dropped to the bottom line. Interestingly, companies that are newly funded by private equity firms are often mandated to reduce costs fast, thus are also prime candidates for third-party support.

3. **Innovation:** Today's fastest growing driver of third-party support is the desire to innovate, often spearheaded by a journey to the cloud. Companies are adopting third-party support to go in "sustain" mode for their on-premise applications. The money saved and additional time earned enable smarter and faster innovation. These companies are perfectly content with their functional and stable on-premise applications and choose a third-party to maintain performance, security, and interoperability while they redirect the dramatic savings towards hybrid cloud solutions.

If your organization falls within one or more of these categories, you should seriously investigate a switch to third-party support.

Section 3: Educating Yourself and Your Internal Team

As popular as third-party support has become, there is a learning curve required to understand the nuances between enterprise software vendor-provided support and the third-party alternative. One must make a paradigm shift in thinking to grasp the key differences. For some, especially those adverse to change, it can be an intimidating decision-making process. Who could give better support for the software than the vendor who created it? The short answer is that several companies already do, and that business drivers like those above elicit little sympathy or concessions from software vendors like Oracle and SAP.

Luckily, there is an abundance of content and resources available, along with the confirmations of thousands who have already switched. We recommend that you invest time perusing the websites of the two leading third-party support providers to get a high-level appreciation for the market. Additionally, Gartner, and to a lesser extent Forrester, cover the space. Turn to them for guidance on the market, pros and cons, and key decision-making criteria.

Third-party Support Means Immediate Cost Reductions

Most important for you, the procurement, sourcing, or vendor management professional, is understanding the cost model of third-party support. Superior third-party support comes with an immediate savings of an average of 62% on hard savings from Oracle and SAP maintenance fees. You could realize additional soft costs by avoiding unnecessary version upgrades or deducting the cost of your internal staff that provides self-support and customization support. Additional pricing factors can include concessions for multi-year support agreements, discounts for licenses you're not using, and additional managed services and consulting that you may want to add to your maintenance agreement.

To run a simple cost savings calculation, try the online calculator on the Spinnaker Support website: https://spinnakersupport.com/spinnaker-support-savings-calculator/

Spinnaker Support Savings Calculator

Company Name *
Company Name

Annual Maintenance Spend *
Annual Maintenance Spend

Product(s) We Run *
Product(s) We Run*

Shelfware as % of Total Licenses *
0%

Currency Denomination *
$ U.S Dollars

Anticipated Term of Commitment *
1 year

CALCULATE MY SAVINGS

*Required field

SPINNAKER SUPPORT

Five Helpful Points to Educate Your Internal Team

1 **The Oracle and SAP approach to software support is outdated and has not changed in more than 30 years.** You pay 20+% of license fees for annual maintenance. You get software patch fixes and enhancements, security patches, tax and regulatory updates, a knowledge portal, and the right to retain reasonable service if you choose to stay current on new release versions. Should you not stay current, your level of support diminishes while maintenance fees increase. Key service features and access to experts begin to be stripped away as a negative incentive to keep you on the upgrade train. Confirm this by asking your IT colleagues for their experiences.

2 **Although the model has remained constant, the depth of Oracle and SAP support has changed, and not for the better.** Where fast access to seasoned engineers was once the rule, you now have a knowledge portal with content designed to help you diagnose and resolve your own issues. And where you could once expect on-premise upgrades, your software has been placed in "end of life" mode. Any enhancements to this software will rarely, if ever, pass the "meets your business ROI test." This model serves Oracle and SAP far better than their customers and is essentially designed to push customers to follow the cloud roadmap, even if they are not ready.

3 **Oracle and SAP make between 75% and 92% margins on their support revenues, enabled by the cheaper, low-touch self-service portal concept.** The enterprise software vendors are converting these astronomical profit margins into research, development, and acquisition of future cloud offerings that your organization may never adopt given superior, highly competitive, cloud-native offerings that compete in their markets. Many organizations have already determined that a best-of-breed, hybrid cloud approach is better than enterprise software vendor lock-in cloud.

4 **Third-party support is eye-opening.** Looking back, adopters have confessed that they had settled for status quo: an expensive, decades-old service model that increasingly failed to meet their needs. Once they switched, it was obvious that the game has changed. One third-party Oracle support customer stated it best: "I didn't realize that I had been trapped in 2.5-out-of-10 level service until I saw 9.0-out-of-10 level service."

5 **You will need to embrace a paradigm shift to appreciate the differences with a third-party support model.** Imagine the increased productivity of your internal IT staff when they exit self-service mode; when they can just issue a high-priority ticket and get 15-minute response from a seasoned Oracle or SAP software engineer. No coerced upgrades or migrations. Service on your current version for as long as you require. Support for customized code. Proactive application and full technology stack security, not just after-the-fact patches. Unbiased technology advice is a true paradigm shift.

Section 4: Pulling Together the Right Internal Stakeholders

Support for business-critical enterprise software is a necessity, and the decision to switch to a new support vendor requires a team effort. As the sourcing and procurement lead, you will want to engage various department stakeholders through the due diligence and decision-making processes. Here are the top departments you must engage:

Information Technology (IT)

IT professionals are the most impacted stakeholders and must be engaged early. They have a vested interest in the Oracle or SAP enterprise applications that help manage financials, payroll, global tax and regulatory compliance, manufacturing operations, and supply chain.

Many organizations deploy Oracle and SAP software for business intelligence and customer relationship management. On the Infrastructure side, Oracle and SAP databases and middleware products are prolific and essential tools. IT is chartered to ensure the software applications perform well, are always up and running, remain secure and interoperable, and are adapted as business requirements change.

Your IT colleagues will likely view third-party support differently, depending on their role. IT leaders, like the CIO, are more apt to take a business-case approach and embrace the third-party support model. The concept of improved service for less than half the cost is always an intriguing proposition – especially since Oracle and SAP are investing less and less to enhance on-premise software. IT leaders want to squeeze out as much value as possible from established investments, and third-party support maintains the existing systems indefinitely or until a suitable replacement offering (typically cloud) is made available and funded.

IT leaders are also concerned with keeping their staff relevant and able to embrace future conditions. IT staff resources employed today, taking care of on-premise systems, are often not deemed ready to take care of tomorrow's IT landscapes. Third-party support experts, with 15-30 years of pure enterprise software experience, can handle virtually any current on-premise support requirement, allowing CIOs to re-tool their teams for tomorrow's cloud environment.

On the other hand, lower-level IT staffers will more likely view third-party support through a personal lens, and so have job-related reservations. They have been on the front lines, arm in arm with SAP and Oracle engineers. Plus, as access to those engineers has diminished, these workers have likely been forced to fend for themselves using SAP Service Marketplace or the My Oracle Support portal to resolve issues, network, and train as experts. Your IT team might see third-party support as a threat to their job security and so will want the chance to ask tough technical questions to ensure third-parties can handle the heat. You should ensure they get their chance to drill the third-party engineers.
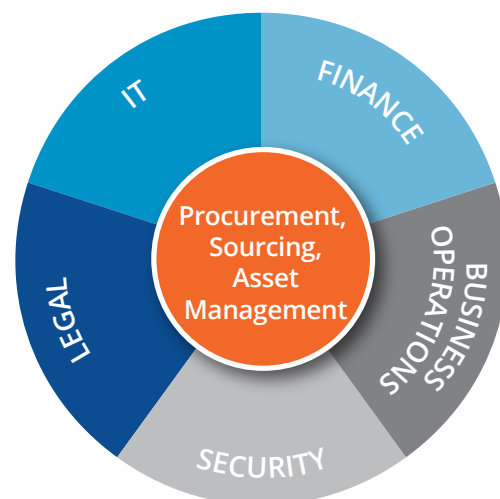
In fact, under third-party support, your internal IT resources will see mostly benefits, including the end of the self-service model. They will no longer need to browse an online knowledgebase to get issues fixed or questions answered. They simply open a ticket using a modern, secure issue tracking system, and a dedicated support analyst will work to ensure fast issue resolution. Response time from ticket initiation occurs within minutes.

Finance

The Office of Finance is interested in any business decision that optimizes investments and reduces cost. CFOs like sure bets. Third-party support has been proven in over 3,000 enterprises. It brings dramatic, immediate savings that can help improve the bottom line (if your organization is in financial distress) or can be redirected (if your organization is funding innovation and cloud migration). Since you are chartered to find and drive smart procurement and sourcing opportunities, you might want to enlist your CFO to help push third-party support through the decision-making process and to help navigate around IT staff.

Business Operations

IT's internal customers include business operators, the end users of enterprise software solutions. You might choose to engage some of these stakeholders at some point in the decision-making process to ensure they are comfortable with a different support model and have the chance to weigh in with their questions.

Security

Ongoing security and vulnerability protection is paramount, and so it is important to pull those chartered to maintain application and technology stack security into the third-party support conversation. Oracle, and to a lesser extent SAP, will make security a big issue (more on this in a later section). Third-party support vendors have developed equal or better solutions, and your security personnel will want to vet the offerings.

Legal

A top challenge for procurement and sourcing professionals is to monitor and mitigate vendor risk. Before making the decision to switch to third-party support, you will want to broker a conversation between your legal staff and the legal resources of the third-party vendor. Key to the decision is a thorough assessment of operational, financial, and legal risks.

Both Oracle and SAP have made public statements that verify the legality of third-party support that is delivered the right way by respecting the intellectual property rights of others. The most significant difference between the two leading third-party Oracle and SAP providers is risk profile. Make sure that your legal advisors are brought in at the right time and made aware of past legal issues and associated risks. More importantly, they should understand the processes and approaches required to avoid litigation in the first place.

Section 5: Understanding Your Software License, Support Agreement, and Support Cancellation Rights

To suggest that Oracle and SAP licensing and support policies and practices are needlessly complex is an understatement. Their principal objective is to lock customers in and make it difficult to cut ties. At all times, it is necessary to understand Oracle and SAP software license and software support agreements.

Your organization has usage rights that cover you should you cancel software vendor support. This section covers the fundamental legal conditions and licensing policies every organization must understand when preparing to transition to a third-party support provider.

License Rights

Review your master software license agreements and understand key terms. For example:

- A **'license set'** refers to all products related to each other via code base, such as Oracle Enterprise Edition, extra-cost options such as partitioning and management packs.

- **'Matching service levels'** refer to Oracle's policy that prohibits canceling support of a subset of products from within a license set. Together, these two policies dictate Oracle's all-or-nothing approach to software support. SAP incorporates its own terms to accomplish the same basis outcomes.

- **'Common license sets'** are sets of licenses for which there is a common foundation of code if you own different versions under separate agreements. SAP and Oracle will argue that the same support terms bind these. However, as long as each one is on a separate ordering document that references unique terms, each is governed differently. Thus, you are allowed to transition pieces of your application footprint in the timing sequence dictated by the maintenance end date.

- **'Common support level'** means that products on an individual ordering document are to be maintained at the same service level, i.e., Platinum, Enterprise, Standard, etc.

Make sure to confirm that license use allows the licensee (you) and authorized representatives to use and modify the code and create inventories of owned licenses currently in and not in use.

Know Your Rights...

LICENSE RIGHTS

Know Your Rights...

SUPPORT AGREEMENT RIGHTS

Know Your Rights...

SUPPORT CANCELLATION RIGHTS

Support Agreement Rights

Review your SAP or Oracle support services agreement(s) and note which "licensed products" are governed by a specific contract. Confirm rights explicitly related to the use of software publisher tools (i.e., SAP's Solution Manager) that are granted per the terms of the support agreement rather than under a perpetual use license agreement.

Support Cancellation Rights

Confirm the terms and conditions related to the cancellation of your existing support contract(s), which vary by the software provider. These include the contract expiration date, cancellation notice period (often 90 days), where and who cancellation is submitted, and the cancellation delivery format, i.e., email, written letter, or other.

It's no secret that Oracle and SAP earn substantial revenue on software license updates and product support. Expensive, inflexible support renewals and complicated contracts garner the loudest complaints about Oracle. Knowing and exercising your rights will help you counter Oracle and SAP sales tactics and enable a smooth transition to third-party support.

Section 6: Countering the Roadblocks from Oracle and SAP

To retain support revenues, Oracle and SAP have been known to create roadblocks to canceling support agreements. In this section, we will identify some of these barriers and provide tips to help you navigate around them.

Roadblock 1: Sales Tactics Designed to Drive Customers to Cloud

Rightfully so, Oracle and SAP are very protective of their massive customer bases. Current customers contribute over $30 billion every year in support fees, earning the software providers more than $25 billion in gross profit margin. Both companies are reinvesting a significant portion of their profits into research, acquisitions, development, and launch of new technologies and cloud offerings designed to replace the existing on-premise systems that are generating the profit in the first place.

These vendors do not hide the fact that they are betting heavily on their next generation cloud offerings. In various ways, they are incentivizing existing customers to migrate sooner rather than later, even though some industry experts feel these solutions are not yet mature or are inferior to best-of-breed offerings. Your IT leadership is best suited to determine readiness, fit, and roadmap strategy.

Attractive discounts and flexible payment options for cloud licenses are favored tactics for pushing unwanted upgrades and migration, regardless of whether or not they lead to unforeseen costs or risks. Software vendors will generally not provide a discount for unused on-premise licenses (shelfware), but in some cases, they will allow a trade-in of shelfware for cloud futures. Such a trade is often not prudent for the customer because they can retain the shelfware (a valuable commodity) instead of trading it in for cloud futures they may or may not use.

If you continue to resist these overtures, the software vendors may reduce your support fees, and you should press them for a deeper discount, citing your knowledge of the cost benefits of third-party support. Note that, in addition to the 60+% cost reduction offered by a third-party support provider, certain third-party vendors will give pricing concessions for shelfware, allowing you to align support fees with licenses in use.

Roadblock 2: The Threat of an Audit

When sales and discounting tactics and incentives don't work, Oracle and SAP may try another tactic: the dreaded audit review. Audits happen. Oracle and SAP customers can expect to be audited every 3-5 years, so it's best to always be prepared to defend.

AUDITS

Several trigger events can push you to the head of the line:

- Your company has just gone through a merger or has failed to renew a Universal Licensing Agreement (ULA).

- You have not purchased new licenses in several years.

- You are not moving to Oracle or SAP cloud fast enough.

- You have sent a letter of intent to cancel vendor-provided software support.

According to Gartner research, of the 15 or so audit triggers, canceling support is ranked 9th. It is imperative to review your existing license contracts (original, renewed, and amended) to understand specific terms and clauses. Watch for language and embedded links that make it easier to fall out of compliance. Should you receive an audit, consider contacting a third-party support vendor for licensing options and advice.

SECURITY

Roadblock 3: Claims of Inadequate Security and Vulnerability Protection

Customers perceive security as one of the top barriers to moving away from Oracle or SAP support. Oracle and SAP would like their customers to believe that they are the only vendor that can keep your enterprise software secure, and their advertising misrepresents third-party support as an inferior security solution. In fact, they may be covering up their own security protection inadequacies.

According to Oracle's published security policy, they monitor for common vulnerabilities and exposures, fix by creating cumulative patches delivered quarterly or one-off fixes for critically deemed updates, and prioritize based on a scoring system related to their ability to address. These security protection measures are entirely reactive, contain no customer-specific security intelligence, block threats only with no proactive threat management solution, and provide a one-to-many solution that lacks transparency.

Make sure you arrange a meeting between your IT and security professionals and the third-party support security experts. The best third-party providers offer a proactive, full technology stack solution that integrates accessible security experts, proven processes, modern detection tools, and continuous monitoring practices. It's a superior approach to software vendor patches, and the third-party support vendor should be able to clearly explain its processes and how they are certified under global standards.

Depending on the size of your company, plus the internal capabilities of your security team, you may already have security covered. If you don't, then carefully evaluate the offerings, ask for references, and decide for yourself.

Roadblock 4: Challenging the Legality of Third-Party Support

It's no secret that Oracle is deep in litigation with Rimini Street, a leading third-party support provider. In 2010, Oracle filed a lawsuit against Rimini Street, alleging software copyright violations. The case went to trial in 2015, culminating into a jury verdict in Oracle's favor for Rimini Street's 93 counts of copyright infringement, as well as violation of state computer fraud statutes. Including assessed legal and other expenses, Oracle was awarded about $124 million plus a permanent injunction that restricted Rimini Street from continuing to engage in the infringing activities. In 2017, an appellate court reversed the computer fraud verdict and a portion of the legal expenses. Currently, aspects of the case related to the permanent injunction are still under appeal.

In 2014, Rimini Street filed a lawsuit against Oracle, requesting a declaration that its current support model does not infringe on Oracle's copyrights. Oracle countersued, alleging that Rimini Street is still violating copyrights. Following a lengthy and complex discovery process, a trial is not expected before 2020.

A review of the litigation documents suggests that Oracle's aggressive pursuit of Rimini Street is reflective of years of perceived intentional abuse and misuse of Oracle copyrights. To put things in perspective, third-party support is completely legal when delivered the right way. A recent research paper published by Gartner affirms that there is no legal reason why a third-party cannot provide vendor replacement support for Oracle customers. Executives from both Oracle and SAP have publicly acknowledged that third-party support is legally viable, as long as the intellectual property rights of the software publisher are respected and observed.

Spinnaker Support understands precisely what practices and processes have been deemed unlawful and has always taken great precaution to deliver support the right way – to nearly 1000 clients since 2018. We have proven that third-party support is a safe, proven alternative to Oracle- and SAP-branded support.

Roadblock 5: Severing Oracle or SAP Support Permanently Damages Your Relationship with the Software Vendor

Finally, Oracle and SAP customers should understand that a move away from their support does not damage or end the overarching relationship with the software vendor. The vendor, of course, will not be happy with your migration away from their support. They will alert you of temporary or permanent blocked access to self-support portals and upgrade rights for on-premise products (which, as noted earlier, are slowing or no longer scheduled).

But Oracle and SAP customers should not be worried about a loss of the specific information, patches, and upgrades to which they are entitled – depending on their unique licensing agreement with the software vendor. A third-party support provider can ensure that all published patches and updates available up to the date of cancellation are downloaded and archived on the customer's servers for future use. Although fewer customers than you might expect ever access the archived information, they appreciate having a safety net should they choose to use it.

What Oracle and SAP will not say is that many customers who successfully switched to third-party support eventually return to vendor support, most often due to changing business circumstances. The average period an Oracle or SAP customer stays with a third-party support vendor exceeds four years. The software vendors will always welcome you back should you want to upgrade or migrate – with no back penalties. Returning to Oracle or SAP support will also provide you ample leverage for price negotiations, as you are usually treated as a new customer.

Section 7: How Third-Party Support Enables and Accelerates the Right Cloud Migration Paths

The journey to cloud is confusing, costly, personal, and complicated, and the fastest growing driver of third-party support adoption is the desire to move on-premise software to the cloud. Many organizations have cloud goals but aren't yet ready to pull the trigger, so they switch to third-party support to maintain robust and reliable systems while they navigate the complexities and develop the strategies that best fit their cloud roadmap. There's no reason to rush to the cloud or to succumb to the aggressive tactics of Oracle and SAP, whose business plans revolve around pushing their customers to cloud and locking them into long-term engagements.

Per Gartner, there are five distinct strategies that enterprises are deploying to migrate their on-premise applications and infrastructures to cloud: rehosting, revising, rearchitecting, rebuilding, and replacing. As each enterprise has its own unique IT landscape, with a variety of different software product lines, there is no one-size-fits-all cloud migration strategy. The best approach usually involves the execution of more than one of the five deployment strategies.
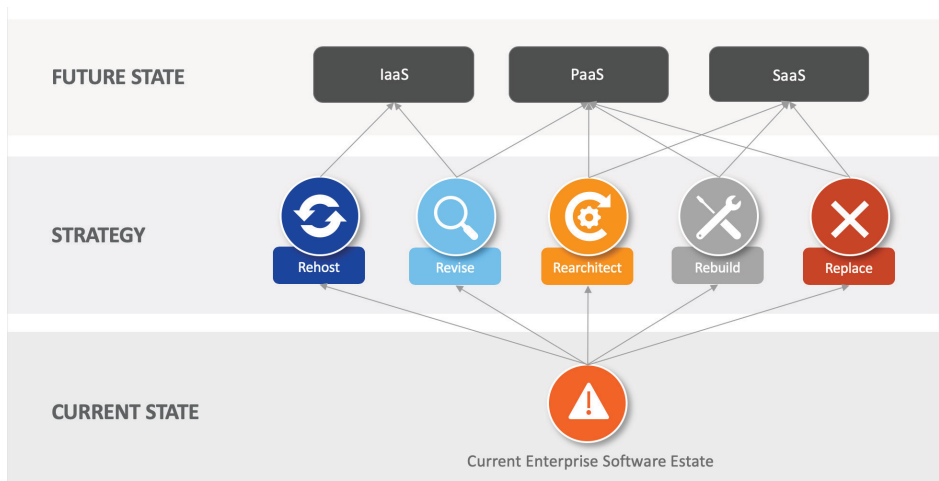
Third-party Oracle and SAP support providers are helping customers migrate to the cloud in these ways:

1. **Delivering savings on annual support fees for stable on-premise applications that can be reallocated to fund cloud migration.** A growing number of third-party support customers are still firming their cloud strategies. Their on-premise applications are functioning well with years of value ahead. Third-parties will take care of these applications until a customer decides to migrate.

2. **Affording time to investigate and identify the optimal cloud migration strategy.** This means time to build funds and time to wait for cloud solutions to properly mature. More time can counter pressure applied by Oracle and SAP to lock in their customers, because there's no reason to get hooked into an inferior cloud strategy.

3. **Providing the right staff and skills at the right time to support your present and future IT initiatives.** Third-parties provide the deep software skills required to support today's application environment while customers re-tool their internal teams to ready for tomorrow's digital/cloud environment.

4. **Offering adaptability on terms that matter to your organization's bottom line.** As customers move from on-premise to cloud, a third-party support vendor offers flexible commercial terms that align services and fees with ever-changing IT infrastructure conditions.

There's no reason to rush to the cloud if you're not ready. Third-party support provides its customers with the latitude they need to fund, staff, and time their move to the cloud.

Section 8: Comparing the Top Two Third-Party Support Leaders

Gartner analysts that closely follow the third-party Oracle and SAP support market will tell you that third-party support is a breath of fresh air for customers. They will suggest that you talk to both of the leading vendors, because both will provide excellent support, save you money, and provide a means to help you take back control of your IT roadmap.

Due diligence of the top vendors is critical to finding the company that will best partner with your IT team. We encourage you to engage both providers and do your best to filter out the sales and marketing noise. Take the time to use Gartner, current third-party support customers, and even the engineers that deliver support to relate their needs and experiences.

As you compare, look at products supported, geographic reach, standard support features, incremental services offered, processes and certifications, leadership, risk profile, etc. Read some of the case studies to see what benefits customers are receiving. For two companies with so much in common, there are still important differences to understand in how they price, operate, and support their customers.

Section 9: Smoothly Transitioning to Third-Party Support

As a procurement or sourcing professional, part of your mission is to identify and vet new vendors quickly and accurately. It is a straightforward process to switch from software vendor support to third-party support. Here are four tips that can help ease your process:

1. **Work with the IT department to gather specifics of your software application landscape:** product lines that are in scope, language requirements, countries requiring tax and regulatory updates, used versus unused licenses, etc. Collecting these will help streamline the pricing and onboarding processes.

2. **Gather a two- to three-year history of tickets issued to Oracle or SAP** (types, priority level, etc.) This history impacts pricing, as well as resourcing.

3. **Review your license, support, and cancellation agreements.** Know your rights. Know end-of-maintenance dates. Cancel precisely as contractually required by the software vendors.

4. **Build in enough time to archive the information you are legally allowed to download and store.** You will want to allow 4-12 weeks, depending on your application landscape, before switchover date.

GATHER SPECIFICS ON APPLICATION LANDSCAPE → COMPILE A SUPPORT TICKET HISTORY → REVIEW YOUR LICENSE, SUPPORT, AND CANCELLATION AGREEMENTS → ARCHIVE THE INFORMATION YOU ARE LEGALLY ALLOWED

Conclusion

In this guide, we have provided recommendations often adopted by sourcing and procurement professionals to build an accurate business case for switching from expensive Oracle- or SAP-provided software support to third-party support. Educate yourself, know your rights and obligations, anticipate/counter the inevitable barriers from the software publisher, and successfully mitigate the concerns of your IT colleagues.

Remember these three important facts:

1. **Third-party support is a proven alternative for combatting single vendor lock-in.** Oracle and SAP have all but stopped investing in on-premise software applications, pumping their profits into their next-generation cloud-based offerings. These enterprise software vendors are attempting to force march their customers through a journey that is rarely the best strategic option. As CIOs learn that Oracle and SAP cloud offerings are not mature, easily customizable, or even best-of-breed, they push back against the "vendor lock-in" model. That's why more are choosing third-party support to sustain their on-premise applications until cloud strategies crystallize.

2. **Third-party support delivers superior service for a fraction of the cost for as long as customers want to retain their on-premise software applications.** The on-premise extended ERP systems are very stable, functioning superbly with years of life remaining. More enterprises are opting to retain these systems until suitable cloud replacement solutions surface, even while the big enterprise software vendors remain unwilling to provide a reasonable level of support at a fair price. A third-party support vendor is an easy solution to this conundrum.

3. **Third-party support professionals maintain the software applications you're running today, so your CIO can re-tool an IT staff for tomorrow.** Every day, we hear that CIOs are concerned that their current staffs are not working on what matters most to the business and aren't ready for what's next. Because Oracle and SAP support has morphed into a self-service, portal-centric model, staff members are spending inordinate amounts of time resolving issues with on-premise software applications. With third-party support, CIOs can move resources to other projects, enabling digital transformation, aligning with business initiatives, and retraining existing staff for technologies like the cloud.

Hopefully, this guide has offered insight into the overall benefits of third-party support market and provided you with the knowledge you need to quickly determine whether third-party support is right for your organization. Remember that moving away from Oracle or SAP doesn't end that relationship but rather improves it, putting the software vendor on notice that they need to work hard to keep your long-term business.

Should you need more detail, feel free to contact us at www.spinnakersupport.com/contact-us/