Rimini Street®
Redefining Enterprise Software Support ™

Pegasus Solutions Slashes Support Costs for Hosted SAP System

"All in all, SAP support was meeting our needs. Moving to Rimini Street is a purely financial decision that gives us more value for our support dollars." So says Pegasus Solutions' VP Enterprise Delivery Aidan Henderson, the man behind Pegasus' switch to third-party support from Rimini Street – a switch that is saving the company 50 percent on annual enterprise software support fees.

"Insurance Policy" Needed for Robust, Stable, Mature SAP System

Pegasus Solutions has been running SAP R/3 for 10 years and upgraded successfully to release 4.7c. It is a stable, mature software environment, one in which things rarely go wrong. When, a few times per year, things would go wrong, Pegasus relied on SAP annual support to fix the problem. Henderson says, "This is risk mitigation. These are mission-critical applications and we need some type of insurance policy against downtime, and issues or bugs we can't fix ourselves."

For 10 years Pegasus paid its SAP support fees – partly for the support itself, and partly to retain the right to upgrade. But with SAP support costs soaring from 17 percent to 18.3 percent, and ultimately to 22 percent, frustration grew.

Upgrading to New Release Delivered No ROI

Pegasus, like many SAP licensees, considered its R/3 4.7c release to be feature-rich, filled with excellent functionality, and believed that the significant investment required for an upgrade would provide little return. Pegasus did a complete functional total cost of ownership assessment of SAP ECC 6.0 and concluded, says Henderson, "There is absolutely nothing in the new release that we are interested in. A further upgrade would have been a relicensing event, and we could not build a TCO to justify that." Given these considerations, there was little value in continuing to pay the vendor's steep annual support fees.

Rimini Street Enables Greater than 50 Percent Savings

Henderson had been looking for alternatives to SAP support for years, and in 2009 heard about Rimini Street's support program for SAP. Henderson instantly understood Rimini Street's value proposition and investigated the company. After assessing Rimini Street's business model, capabilities and track record, he got a support fee proposal from Rimini Street and took his recommendation to Pegasus' CEO, who approved the switch.

AT A GLANCE

Client Profile:
With its endless innovations and reputable customer support, Pegasus is the single largest processor of electronic hotel transactions in the world. Pegasus serves more than 100,000 hotel properties around the globe, and more than half of the 50 largest hotel companies in the world. More than a thousand web sites and services have their hotel reservations powered by Pegasus. Pegasus facilitates close to $16 billion in volume for its clients every year.

Headquarters: Dallas, TX

Industry: Hospitality technology

Applications:
SAP R/3 4.7c FI/CO, CFM, EC-CS, HR, MM, PP, SD and TR

Hardware/Operating System:
Intel-based systems/Windows 2003

Pegasus™
SOLUTIONS
Break Through.

"Rimini Street has enabled us to redeploy money we were spending on support into more revenue-generating activities. We're growing our business with the money we've saved."

Aidan Henderson
Vice President of Enterprise Delivery, Pegasus Solutions

BENEFITS

- **Gained Significant Cost Savings –** Leveraged a substantial reduction in support fees while gaining reliable ongoing support for the future.

- **Avoided Unnecessary Upgrade –** Extended the value of current robust, highly functional release and avoided a costly forced upgrade.

- **Avoided Vendor Lock-In –** With its SAP system supported by Rimini Street, Pegasus can weigh new strategic platforms on a time line of its own choosing.

WHY RIMINI STREET

- **Proven –** Hundreds of global, Fortune 500, midmarket and public sector organizations from virtually all industries depend on Rimini Street as their trusted independent provider of enterprise software support.

- **Premium –** Our ultra-responsive support program includes valuable services not included with standard vendor support, including support for customizations, interoperability and performance tuning.

- **Personalized –** As a Rimini Street client you are assigned a named, regionally based Primary Support Engineer who heads up a team of specialists and experts on call as needed – as well as a named Global Account Manager dedicated to your success and satisfaction.

"With the money we save with Rimini Street over the next five years, we can buy all new SAP licenses in a few years if we so choose – while not being locked into an expensive vendor-imposed schedule of forced upgrades."

Aidan Henderson
Vice President of Enterprise Delivery,
Pegasus Solutions

Rimini Street®
Redefining Enterprise Software Support ™

Pegasus went live on Rimini Street support in late 2009. Because Pegasus' SAP system is hosted by a third-party provider, Rimini Street carefully coordinated the connection of the provider's and Rimini Street's data centers for optimal access and ease of service. Like many Rimini Street clients running hosted systems, Pegasus found the necessary knowledge transfer straightforward and the resulting technological infrastructure seamless.

Reducing Risk by Keeping Future ERP Options Open

Rimini Street enables Pegasus to keep its options open in terms of future product roadmap considerations – thus increasing flexibility and reducing risk. With the knowledge that Rimini Street will support its SAP applications for many years, Pegasus can weigh new strategic application platforms on its own terms, in its own time. And, as Henderson points out, "With the money we save with Rimini Street over the next five years, we can buy all new SAP licenses in a few years if we so choose – while not being locked into an expensive vendor-imposed schedule of forced upgrades."

Responsive, Expert, Personalized Service Ensures Availability of Mission-Critical Systems

With Rimini Street Support, Pegasus is assigned a single, regionally based, senior Primary Support Engineer, backed by a team of specialists and experts on-call as needed. "The financial rewards of Rimini Street support are obvious and tangible," says Henderson. "But in addition, Rimini Street's personalized support gives us that one named person to go to for all our support needs. You know who you're talking to – and it's a real Level 3 engineer, not a title or a black-box process like an online knowledge management system."

Henderson's Enterprise Delivery Development Manager Arvin Beckler, whose team is responsible for day-to-day support, agrees: "Having somebody known that you can physically talk to makes a big difference. Not to mention I now get a response in minutes instead of days." According to Beckler, about 20 percent of Pegasus' SAP system consists of customized code, which Rimini Street fully supports along with the unmodified 80 percent.

Beckler cites a critical issue where Pegasus' billing process was taking an unacceptably long time to run. After responding immediately to Beckler's call, Rimini Street engineers worked closely with Pegasus over a two-day period to successfully resolve the issue.

Bottom line: Rimini Street's premium support program, featuring ultra-responsive service from world-class SAP experts, creates value by giving Pegasus an insurance policy against downtime, eliminating the need to upgrade, and leaving its future application roadmap wide open.