CIOs and CTOs Fight to Regain Control of Their IT Roadmap from Software Vendors, According to New Survey

IT leaders are transitioning from single vendor, "one-size fits all" traditional ERP model to optimize current investments and innovate around the edges

LAS VEGAS--(BUSINESS WIRE)--Sep. 6, 2023--Rimini Street, Inc. (Nasdaq: RMNI), a global provider of end-to-end enterprise software support, products and services, the leading third-party support provider for Oracle and SAP software, and a Salesforce and AWS partner, today announced the findings of the Censuswide Buyers Sentiment Survey, "Organizations Want More Control Over Their IT Roadmap," examining the challenges IT leaders face around ERP and database support, vendor relationship management, and the IT support and services model. The Rimini Street-sponsored research was conducted among a sample of more than 600 U.S. respondents, consisting of CIOs and CTOs in companies with over $250m in revenue.

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CIOs and CTOs Fight to Regain Control of Their IT Roadmap from Software Vendors, According to New Survey (Photo: Business Wire)

The survey results show that IT leaders are deeply concerned about being forced to adopt subscription models that may offer little to no ROI. As a result, they are transitioning to a new ERP model that helps optimize their current investments and supports innovation around the edges of ERP applications and databases.

"This survey reinforces that 'agility' and 'choice' are imperative in today's CIO and CTO strategic playbooks. By optimizing mission-critical transaction systems and shifting investment to driving innovation around the edges, they can enhance IT's capabilities while choosing what is best for the business and their budget at the same time," said David Rowe, EVP, Global Transformation and chief product officer. "The technology sector may be the only industry where vendors dictate when customers make upgrades and buy new products. But IT leaders are starting to take a new path and adopt an approach that helps keep them in control of their IT roadmap, enabling them to innovate at their own pace and make software decisions based on business needs, not vendor pressure."

Data Shows IT Leaders are Rebelling Against Subscription-Based Status Quo

Key findings include:

- Nearly all surveyed CIOs and CTOs are committed to transitioning their business to a new model focusing on maximizing their current investment and driving innovation around the edges for ERP applications and databases.
- 99% of respondents reported concerns over implementing a vendor subscription-based licensing model. The top two concerns included fear of being forced to a subscription model that lacks ROI (42%) and worries about vendor lock-in (42%).
- 57% of respondents believe digital transformation doesn't necessarily require a "rip and replace" approach with core ERP applications.

Moving Ahead with a New ERP Model

The research shows that CIOs and CTOs were unanimous in their commitment to transition their business to a new ERP model that focused on maximizing their current investment and driving innovation around the edges for ERP applications and databases. Also known as "composable ERP," this model allows companies to keep some selected core ERP applications from one vendor and integrate them with modern, best-fit applications from other vendors. In addition to a mix of platforms, this approach can also offer a combination of licensing (perpetual, subscription, open source) and deployment (on-premises, cloud) models.

To make this transition, IT leaders are considering various phases at once: optimizing their current environment, evolving to meet the changing needs in and around the organizations, and transforming to meet future needs:

- Nearly three quarters (74%) of IT leaders are laser-focused on optimizing their enterprise software by looking at total cost of ownership and better outcomes.

- Almost two thirds (63%) of IT leaders already have a vision of their transformation end state thanks to modernized composable technology, increased functionality, and accelerated digital transformation initiatives.
- Nearly half (44%) of respondents that are evolving their current IT environment are working to wrestle back control of their IT roadmap from vendors.

Respondents recognized that this transition does not require a complete overhaul of their ERP systems. Over half (57%) of CIOs and CTOs believe digital transformation doesn't necessarily require a "rip and replace" approach with core ERP applications. This is especially true for the healthcare (75%), manufacturing (64%), banking (62%), and IT (63%) industries.

When considering a move to a new ERP/database model, CIOs and CTOs prioritized the following:

- Ability to innovate at their own pace (63%)
- Best-fit applications where it makes sense (62%)
- Modern technology and functionality (59%)

IT leaders are realizing they have an alternative to the subscription-based licensing model. These leaders are moving to a new ERP and database model that optimizes operational costs via cloud solutions where it makes sense, retains core enterprise applications where "rip and replace" won't add value, and focuses new investments on products and services that align with business strategies for growth and innovation.

You can access the full, comprehensive survey report, "Organizations Want More Control Over Their IT Roadmap,"here.

About Rimini Street, Inc.

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Janet Ravin
VP, Global Communications
Rimini Street, Inc.
+1 702 285-3532
pr@riministreet.com

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