

Market Guide for Independent Third-Party Support for IBM, Microsoft, Oracle and SAP Software

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Rising software maintenance and support costs are driving sourcing, procurement and vendor management leaders to explore the independent third-party support market for IBM, Microsoft, Oracle and SAP software. To optimize costs, use this guide to evaluate alternative technical maintenance and support service offerings.

Overview

Key Findings

- Sourcing, procurement and vendor management (SPVM) leaders who neglect to assess all opportunities for cost optimization related to third-party software support subject their organizations to missed savings and budget reduction opportunities.
- Comparing the third-party software support (TPSS) offerings to the support policies and contract terms governing the IBM, Microsoft, Oracle and SAP products reduces the risk of selecting a third-party provider that has lower pricing but insufficient service offerings.
- SPVM leaders reduce cost and financial and operational risk when they obtain references from the TPSS providers and arrange demos, trials, and proof of concept (POC) engagements for the providers to showcase their service offerings and technical support capabilities.

Recommendations

SPVM leaders contracting IT services and solutions with a goal to optimize costs for IBM, Microsoft, Oracle and SAP software should:

- Evaluate TPSS alternatives to address escalating software support and maintenance costs. Compare TPSS offerings to the maintenance and support policies and contract terms governing your current IBM, Microsoft, Oracle and SAP software.
- Identify candidates and evaluate their support alternatives for your specific IBM, Microsoft, Oracle and SAP software product portfolios using the reference tables and TPSS services described in this guide.
- Send RFPs to all viable TPSS providers to obtain information on their services and pricing to use for your feasibility and risk-benefit assessment.
- Request that the TPSS providers supply at least three references and agree to trials and POC engagements to ensure their services and capabilities meet your product-specific needs.

Market Definition

The third-party software support market for IBM, Microsoft, Oracle and SAP software has grown as a result of the demand from organizations needing lower-cost alternatives to the escalating technical maintenance, support, consulting and customized services offered by IBM, Microsoft, Oracle and SAP. This market delivers commercialized third-party technical support, value-added services, consulting and customized service offerings. Independent TPSS providers for IBM, Microsoft, Oracle and SAP software are not authorized channel partners. They offer independent support. The independent TPSS providers have no relationship with the original equipment manufacturer or independent software vendor (OEM/ISV) and, as a result, cannot access intellectual property, software updates, firmware updates or security advisories, or obtain OEM/ISV Level 3 or backline support.

Market Description

Examples of the software support offerings for this market include the four categories of services illustrated in Figure 1. The specific services and vendor products are described in Table 3 of the Market Introduction section.

Figure 1: TPSS Service Categories and Sample Service Offerings

TPSS Service Categories and Sample Service Offerings

<ul style="list-style-type: none"> • Bug Finds and Fixes • 24/7 Remote Support • Help Desk 24/7 Services • Security Patches • Customer-Entitled Updates • Product Installations • Entitlement Reconciliation • Configuration Services • Workaround Advice • Onboarding Program 	 <p>Technical Support</p>	 <p>GTRC Services in Standard Support</p>	<ul style="list-style-type: none"> • U.S. Payroll Tax Calculation Tool • Dedicated FTEs for Tax, Legal, Regulatory Updates • HR Change Services for Social Security, Benefits, Pension, Medical Insurance, Withholding Rates, Year-End Reporting
<ul style="list-style-type: none"> • Audit Defense • Licensing Advice • Performance Tuning • Security and Vulnerability Protection • Client-Assigned Support Specialist • Device/User Interface Support • Remote Consulting – 4 Hours • Meet-the-Expert Workshops 	 <p>Value-Added Services in Standard Support</p>	 <p>Additional Consulting and Customized Services</p>	<ul style="list-style-type: none"> • Implementations • Configuration Changes • Staff Augmentation • System Relocation Help • Product Migrations • New/Enhanced Code Development • System Administration • Application Dev/Mgmt. • Lift-and-Shift Cloud Svcs.

Source: Gartner (August 2020)
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Organizations use an independent TPSS provider as an alternative to the technical maintenance and support services offered by the software manufacturer primarily to:

- Reduce software budgets, specifically software maintenance P&L expense. The average annual savings is at least 50% when comparing TPSS services costs to the annual maintenance and support pricing models and policies of IBM, Microsoft, Oracle and SAP. ¹
- Customize contracts for increased flexibility. Organizations look to third-party providers to increase flexibility in their software maintenance and support contracts, allowing them to opt out of new and future versions and release upgrades if these are unnecessary and costly for the business.
- Receive specific services to support customized code and modifications, unique, product-specific support requirements, and to receive a higher level of support and improve SLAs.

- Customize agreements for shorter-duration terms than the typical annual commitment maintenance and support policies of IBM, Microsoft, Oracle and SAP. TPSS providers are often willing to offer short-term and month-to-month support for special product-specific needs under customized service arrangements and contracts.
- Use the lower-priced TPSS proposals as leverage when negotiating with software vendors. TPSS services continue to threaten the software vendors' maintenance and support revenue stream. This enables procurement to use these lower-priced proposals for bargaining power with some vendors.

Market Direction

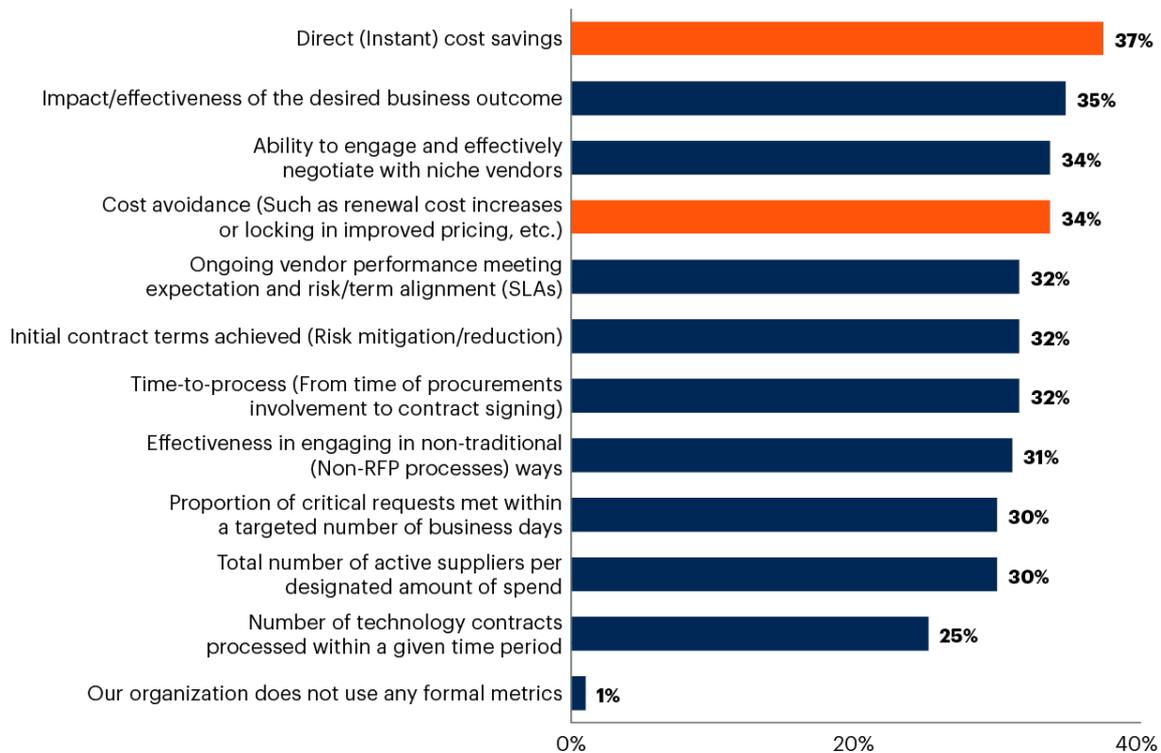
The TPSS market has been growing steadily over the past five years, with an average net new sales growth of 30%.² Based on this growth, and increased sales and profitability potential, Gartner predicts that this market will see the emergence of new TPSS providers.³ In addition, the existing TPSS providers will offer new services and even support additional vendor products and services.

Gartner's 2019 Sourcing, Procurement and Vendor Management Survey results, shown in Figure 2, illustrate that more than one in three organizations use direct cost savings and cost avoidance as success measures of its technology procurement function.⁴ Third-party software support is one of the options that procurement should always explore as a cost-saving opportunity. The direct cost savings realized from these lower-cost third-party software support alternatives can be easily measured to calculate the direct cost savings for current year budget impact, as well as future-year cost savings and cost avoidance.

Figure 2: Direct Cost Savings Is Top Success Measure of Procurement Function

Direct Cost Savings Is Top Success Measure of Procurement Function

Multiple Responses Allowed/Percentage of Respondents



n = 187 all technology procurement, Excluding “Unsure”

Q09. What metrics does your organization use to measure the success of its Technology Procurement function?

Source: 2019 Gartner Sourcing, Procurement and Vendor Management Survey

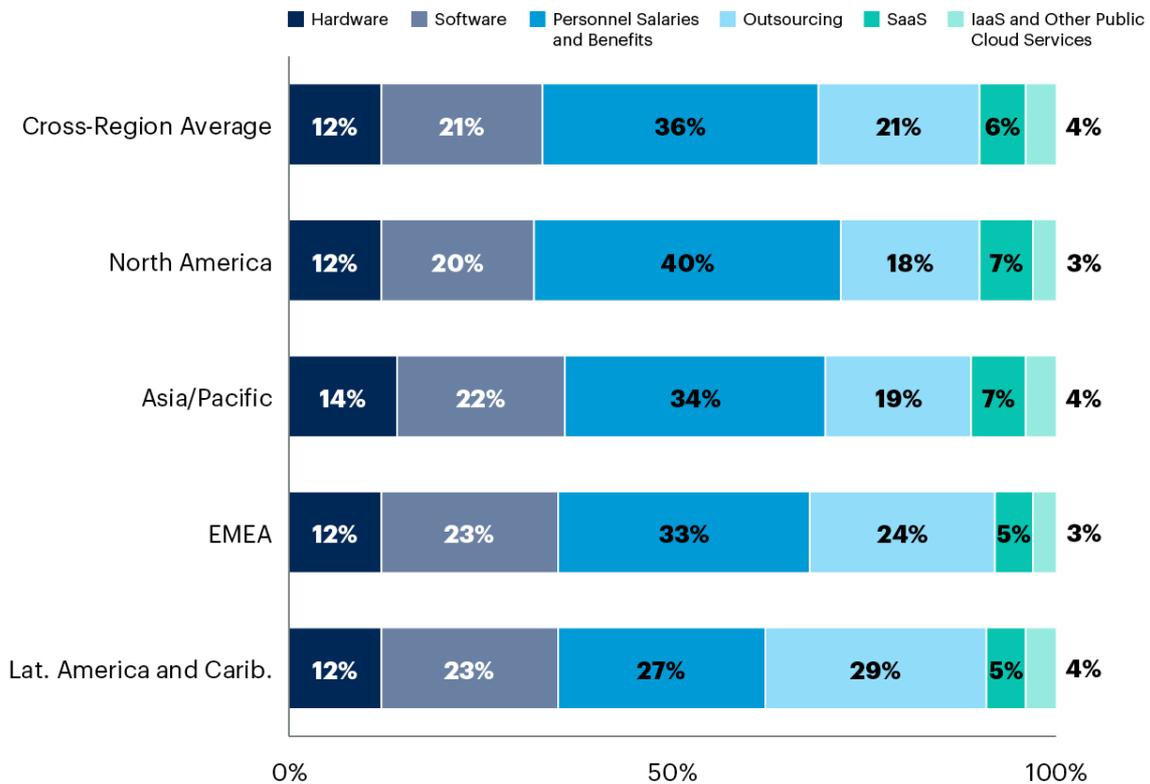
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Market Analysis

Figure 3 data from Gartner’s 2020 IT Key Metrics Summary reflects that software comprises a significant percentage of all IT spend (see Figure 32 in “IT Key Metrics Data 2020: Industry Measures – Executive Summary”). In organizations with significant IBM, Microsoft, Oracle and SAP software portfolios, lower-priced TPSS can offset a significant percentage of the year-over-year annual maintenance and support increases typically imposed by these software vendors. If third-party support is a viable alternative, the significant software maintenance and support cost reduction opportunity can help keep budgets flat by eliminating the ongoing year-over-year software vendor maintenance and support increases when organizations are challenged to meet cost-saving goals and initiatives.

Figure 3: Distribution of IT Spending by Asset Category, by Region, 2019

Distribution of IT Spending by Asset Category
By Region, 2019



Source: Gartner (2019)
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Five Typical Scenarios for TPSS Cost-Saving Opportunities

To drive short- and long-term cost reduction from software maintenance and support budgets for direct operating expenditure (opex) savings, TPSS providers can offer flexible and customized support contracts with substantially lower-cost solutions under each of the five scenarios below.

These scenarios are very typical IT initiatives and ongoing events challenging most, if not all, IT organizations for cost management and cost optimization. Each scenario should include an analysis of potential savings realized from third-party support alternatives when software manufacturer maintenance and support for new versions and latest release entitlements are no longer required by the organization to fulfill IT and/or business requirements:

- **Cloud migrations** – During a migration to cloud, when phasing out the on-premises IBM, Microsoft, Oracle or SAP software is part of the migration plan, perpetual software licenses can continue to be used. This can occur when the customer-entitled version of the software can support the needs of the organization until the cloud migration cutover date. The customer-entitled version is the last version that was announced and made generally available by the vendor when the end-user maintenance and support was terminated. However, end users should ensure they access and review vendor website policies and read their contracts and support policy handbooks to make sure there are no terms that contradict this standard support policy. When version upgrades are no longer needed during these cloud migrations, the TPSS providers can offer technical support for the customer-entitled version so organizations can realize the average 50% cost reduction noted above. This analysis should be part of the cloud migration planning checklist and total cost of ownership (TCO) analysis.
- **Migration to alternative vendors or solutions** – When new vendors or alternate solutions are selected to replace on-premises software products, third-party support can be analyzed to determine if a viable option is to use software with perpetual licenses under the customer-entitled version until the migration cutover date. This TPSS option should be part of the organization's product replacement migration analysis and planning checklist.
- **Low-value maintenance evidenced by low-frequency technical support tickets/incidences** – The historical volumetric analysis of all help desk and service desk technical support and incident tickets should be analyzed every six months. This analysis helps to determine the ROI when comparing the value received to the annual cost paid for the vendor maintenance and support service. This analysis should include the frequency of support calls, type of support, severity level, resolution time and incident ticket close data for each of the software products in your IBM, Microsoft, Oracle and SAP portfolios. For low-value, low-incident software product support findings, TPSS services should be considered as an alternative for cost-saving opportunities.

- **End-of-support announcements/notifications by software vendors** – Situations can exist where older-version software is still being used to support certain applications, but will no longer be provided by IBM, Microsoft, Oracle or SAP without a customized support agreement. TPSS services should be evaluated to support these older-version products. It is a standard service performed by most TPSS providers. This would not only result in the average 50% cost reduction compared to the current software vendor standard maintenance and support fees but avoid paying high customized professional service rates that software vendors would typically charge after the end-of-support date. TPSS providers will typically commit to supporting older legacy software versions for 15 years – and in some cases, even longer.
- **Absent or expiring maintenance increases caps for price protection in contracts** – In some cases, no price protection exists for ongoing maintenance and support in vendor contracts. In such cases, particularly with the three- to five-year term multiyear commitment contracts (e.g., ELAs, EAs and ULAs), there is high risk of escalating maintenance and support costs or end-of-support announcements during these multiyear terms. If there is no price protection language in your contract, or if the price increase protection is higher than the current CPI rate, TPSS services should be evaluated to compare the TPSS pricing to that of the vendor renewal proposals. This should be done at least six to nine months before the expiration date of these multiyear contracts. A term of six months minimum is recommended to ensure there is sufficient time to evaluate the TPSS services and pricing, and to give adequate notice to the incumbent provider.

TPSS Option Risk Assessment Requisite to Ensure Cost Reduction Benefits Offset Risks

The above scenarios that offer cost reduction opportunities don't come without risks. A thorough risk-benefit assessment must be conducted as one of the key decision criteria when evaluating the move to an independent TPSS provider for IBM, Microsoft, Oracle and SAP software. Table 1 provides the most important risks to evaluate and Gartner's recommendations to mitigate risk as part of the TPSS option risk-benefit assessment.

Table 1: TPSS Risks and Recommendations to Mitigate Risk

(Enlarged table in Appendix)

Risks ↓	Gartner Recommendations ↓
Pay back maintenance and reinstatement fees to software vendors when TPSS services are insufficient to meet product- or application-specific support needs. This can happen when the product upgrade path was not understood, or unexpected events dictate upgrades, for example, an unexpected need for version upgrade to support a new application.	Evaluate your IBM, Microsoft, Oracle or SAP software portfolio and map the upgrade path and needs for each product that is a TPSS candidate. Know the version you have today and the version you will be entitled to use when you cancel vendor maintenance and support. Use this data in your risk-benefit analysis.
Noncompliance fees from software audits triggered by maintenance cancellation. Software audits are regular occurrences by IBM, Microsoft, Oracle and SAP, but seeing the loss of long-term maintenance and support revenue can trigger a software audit with some vendors.	Conduct an audit and compliance health check using your internal software asset management (SAM) team and/or with the help of the TPSS and its partners who are SAM service providers for IBM, Microsoft, Oracle and/or SAP. Identify any products that present noncompliance risk in the event of a software audit.
Loss of special use rights or tools tied directly to the software vendor maintenance and support entitlements or contract terms and policies, such as SAP Solution Manager. ⁵	Thoroughly review each software vendor's maintenance and support terms and policies to ensure you understand special entitlements or use of tools that are contingent upon renewing annual maintenance. Assess any risk if you no longer have access to or use rights to these entitlements or tools.
Maintenance and support no longer provided by the software vendor because of "all or none" terms and policies, for example, IBM International Passport Advantage Agreement Section 3.8, IBM Software Subscription and Support. ⁶	Engage your legal counsel to review governing agreements and transaction documents for IBM, Microsoft, Oracle and SAP software to understand the cancellation and maintenance and support termination rights, restrictions and product-specific policies if you want to cancel maintenance and support on a portion of your entitlements.
Unexpected merger and acquisition activity creates risk when newly acquired or merged entities have software vendor maintenance and support, and the parent company has moved to the TPSS (or vice versa) for the same products. This creates complexity in how to make support calls and open incident tickets for the same products when covered by two different providers, the software vendor and TPSS provider.	Engage your C-level executives to understand if any merger and acquisition activity could be forthcoming that could create both complexities and risk if there will be consolidation or expansion of product use. If there is uncertainty, but the time period for the entire merger or acquisition activity to be finalized is more than a year, then this should be one of the key criteria in your decision to move to a TPSS provider.

Source: Gartner (August 2020)

Representative Vendors

The vendors listed in this Market Guide do not imply an exhaustive list. This section is intended to provide more understanding of the market and its offerings.

Market Introduction

Six Independent Third-Party Support Providers for IBM, Microsoft, Oracle or SAP Software

The six TPSS providers that offer independent third-party software support for IBM, Microsoft, Oracle or SAP products are Alui, Origina, Rimini Street, Spinnaker Support, Support Revolution and US Cloud (see Note 1). The types of services each of these six providers offer, and the vendor products they support, are identified in the tables and provider-specific summaries that follow.

TPSS Provider Revenue Over the Past Three Years

Table 2 provides the fiscal year-end dates and total three-year revenue for each of the six TPSS providers.

Table 2: Support Services Revenue by Third-Party Software Support Provider

(Enlarged table in Appendix)

TPSS ↓	Fiscal Year End ↓	Revenue in Millions, 2017-2019* ↓	Revenue by Geography ↓	Software Support Revenue by Software ↓
Alui	31 December	Not provided	EMEA: 50% NA: 50%	IBM: N/A Microsoft: N/A Oracle: 100% SAP: N/A
Origina	31 October	\$48 total	APAC: 3% EMEA: 59% NA: 38%	IBM: 100% Microsoft: N/A Oracle: N/A SAP: N/A
Rimini Street	31 December	\$750 total	International: 35% U.S.: 65%	IBM: Not reported separately Microsoft: Not reported separately Oracle: 72% SAP: 28%
Spinnaker Support	31 December	Approximately \$228 total	International: 32% of total revenue NA: 68% of total revenue	IBM: N/A Microsoft: 1% Oracle: 76% SAP: 23%
Support Revolution	31 May	Not provided	APAC: 9% of total revenue EMEA: 87% of total revenue NA: 4% of total revenue	IBM: N/A Microsoft: N/A Oracle: 69% SAP: 31%
US Cloud	31 December	Not provided	APAC: 18% EMEA: 15% NA: 67%	IBM: N/A Microsoft: 100% Oracle: N/A SAP: N/A

APAC = Asia/Pacific; FY = fiscal year; N/A = not applicable; NA = North America. Revenue is rounded to closest in millions of U.S. dollars.
 * Some organizations were unable or unwilling to disclose revenue.
 All references to IBM software are specific to IBM Passport Advantage, not IBM Z System software maintenance and support.

Source: Gartner (August 2020)

TPSS Provider Certifications and Services Specific to IBM, Microsoft, Oracle and SAP Software

Table 3 provides detailed information on each third-party software support provider. Use this table, in conjunction with the vendor profiles, to compare and contrast providers' offerings by the software vendors' products they support. Samples of each of these four types of services are identified in Figure 1.

Table 3: TPSS Provider Certifications and Services for IBM, Microsoft, Oracle and SAP Software

(Enlarged table in Appendix)

Vendor ↓	Certifications to International Standards ↓	Offers Technical Support Services ↓	Offers Global, Tax, Regulators and Compliance Services ↓	Offers Value-Added Services in Standard Support ↓	Offers Additional Consulting and Customized Services ↓
Alui	Not provided	Yes ■ Oracle's Hyperion suite	No	Yes ■ Oracle's Hyperion suite	Yes ■ Oracle's Hyperion suite
Origina	ISO 27001	Yes ■ IBM	No	Yes ■ IBM	Yes ■ IBM
Rimini Street	ISO 27001:2013 ISO 9001:2015	Yes ■ IBM ■ Microsoft ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ IBM ■ Microsoft ■ Oracle ■ SAP	Yes ■ IBM ■ Microsoft ■ Oracle ■ SAP
Spinnaker Support	ISO/IEC 27001:2013 ISO 9001:2015	Yes ■ Microsoft ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP
Support Revolution	ISO 27001:2013 ISO 9001:2015	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP
US Cloud	ISO 27001	Yes ■ Microsoft	No	Yes ■ Microsoft	Yes ■ Microsoft

Note: This table focuses on IBM, Microsoft, Oracle and SAP software only, and does not include service offerings by the TPSS providers for other software.

Source: Gartner (August 2020)

Vendor Profiles

Note: This guide focuses on IBM, Microsoft, Oracle and SAP software only. The vendor profiles do not include service offerings by the TPSS providers for other software.

Alui

Corporate Information and Customer Base

Company Website: www.alui.com

Headquarters: Hampshire, U.K., and Stamford, Connecticut

Number of Permanent Employees in Support Services: Not provided

Number of Current Customers: 97

Overview: Alui offers third-party technical support and consulting services for Oracle's Hyperion Suite of enterprise performance management products. Hyperion Solutions Corporation was acquired by Oracle in 2007, and Alui was founded in 2008 by previous directors of Oracle-Hyperion. Alui is an independent company and has clients in North America, the U.K. and Europe.

Alui does not provide global tax, regulatory and compliance (GTRC) services.

Alui provides value-added services as part of its standard support by assisting with updates and installations when clients perform these tasks in-house. Each client is assigned a support specialist who has consultancy expertise. Alui also provides assistance with making application changes as the client's business changes. Alui offers "mini" consulting activities, carried out remotely in four-hour blocks.

Consulting and customized services provided by Alui include remote system administration, upgrades and reinstallations, provision of documentation and procedures, and remote and on-site consulting to perform defined projects.

Origina

Corporate Information and Customer Base

Company Website: www.origina.com

Headquarters: Dublin, Ireland

Number of Permanent Employees in Support Services: 85

Number of Current Customers: 96

Overview: Origina, founded in 2012, offers third-party technical support and consulting services for IBM Passport Advantage software products. Supported product families include WebSphere, Db2, Informix, Domino, Netcool, Sterling, MQ, FileNet, Cognos, Unica, Tivoli and Rational. This includes support for former IBM Passport Advantage products such as those divested to HCL, Acoustic and SS&C, and IBM's recent acquisition of Red Hat Enterprise Linux.

Origina provides global 24/7 coverage and support using a team of 30 Level 1 resources in Dublin and Dallas, Texas. Origina pairs contractually binding service-level agreements with a service model that draws from a collection of over 600 global IBM experts, which are assigned on a per-product basis for the support term.

Origina does not provide GTRC services, since these services are not required for IBM software.

Origina's offering extends the natural life cycle of IBM products through a support program that includes value-added services in its standard support. This includes full support for all versions, entitlement capture, interoperability certification, new fixes, product enhancements, meet-the-experts free consultancy workshops, product upgrades and licensing assistance. Origina also provides several additional services including, IBM Passport Advantage license analysis and consulting to leverage Origina's global IBM expert team to help with complex, time-consuming projects.

Rimini Street

Corporate Information and Customer Base

Company Website: www.riministreet.com

Headquarters: Las Vegas, Nevada

Number of Permanent Employees in Support Services: 1,300+

Number of Current Customers: 2,077

Overview: Rimini Street, founded in 2005, offers third-party technical support, integrated application management and specialized consulting services for IBM, Microsoft, Oracle and SAP software. Rimini Street offers technical support services for Oracle products including E-Business Suite, PeopleSoft, JD Edwards, Oracle Database, Fusion Middleware, Agile PLM, Hyperion, Siebel, Oracle Retail and ATG Web Commerce. Rimini Street provides technical support services for SAP Business Suite, S/4HANA, BusinessObjects, HANA Database and the SAP database family, formerly known as Sybase. Rimini Street offers technical support services for IBM Db2 and Microsoft SQL Server. It also offers application management services for SAP and Oracle.

Rimini Street offers GTRC services as part of the standard support agreement at no additional charge. Rimini Street's tax, legal and regulatory update process includes delivery through its proprietary and patent-pending tax engine. Rimini Street currently provides these update services for 119 countries, with capabilities for nearly 200 countries. Rimini Street analysts gather, analyze and scope GTRC changes from over 4,000 government sites, 3,500 information sources and 26,000 jurisdictions.

Rimini Street clients are assigned a primary support engineer with an average of 15 years' experience in the client's particular enterprise software, ensuring global workforce redundancy and resilience. Rimini Street provides value-added services as part of its standard support by offering advisory services delivered by a dedicated team of experts in each area, at no additional cost. These services include license and cloud advisory, as well as integration, interoperability, proactive support services, and functional and technical roadmap services.

Professional and customized services and solutions provided by Rimini Street, for an additional charge, include application management services for SAP and Oracle, combined with vendor replacement third-party support for an integrated management and support offering. For SAP and Oracle, this includes operational support, system administration, system health monitoring and development support. Other services include advanced global security assessments and solutions, integration services and solutions, database health checks, proactive application monitoring tools and services, and interoperability services and solutions, including a browser interoperability solution.

Spinnaker Support

Corporate Information and Customer Base

Company Website: www.spinnakersupport.com

Headquarters: Greenwood Village, Colorado

Number of Permanent Employees in Support Services: 386

Number of Current Customers: 924

Overview: Spinnaker Support, founded in 2008, offers technical support services for Oracle and SAP. For Oracle, it includes third-party support for Oracle Database, Fusion Middleware, E-Business Suite, JD Edwards, Siebel, Agile PLM, ATG Web Commerce, Endeca, Hyperion, Retail and select PeopleSoft modules. Spinnaker Support offers third-party support for SAP Business Suite, Oracle Runtime Database, SAP BusinessObjects, Sybase (ASE) database and on-premises HANA database. Spinnaker Support offers managed services and consulting services for Oracle and SAP. Spinnaker Support also offers third-party support and managed services for Microsoft SQL Server.

Spinnaker Support provides GTRC services, except for PeopleSoft payroll, at no additional charge. It offers a standardized, repeatable process for update services and delivers the changes tailored for the individual customer.

Spinnaker Support provides a full complement of value-added services in its standard support. This includes break/fix for standard and custom code, security and vulnerability protection, license compliance assurance and audit defense, general inquiry for supported products and technology advisory services, including interoperability planning, virtualization and cloud migration.

Consulting and customized services provided by Spinnaker Support include SAP Basis and BI managed services, and application and technical services for the Oracle and SAP applications. These include application development support, system reconfiguration, staff augmentation, database managed services, JD Edwards' Configurable Network Computing (CNC) managed services, performance monitoring and tuning. Spinnaker Support also offers lift-and-shift cloud consulting services, which include relocating Oracle and SAP software to the public cloud, specifically to Amazon Web Services (AWS), and then supporting those applications in the cloud.

Support Revolution

Corporate Information and Customer Base

Company Website: www.supportrevolution.com

Headquarters: Berkshire, United Kingdom

Number of Permanent Employees in Support Services: 129

Number of Current Customers: 159

Overview: Support Revolution, founded in 1998, offers software support services for all Oracle and SAP products. This includes Oracle Database (all versions), Oracle E-Business Suite, Hyperion, JD Edwards, PeopleSoft, Primavera, Siebel, Fusion Middleware, Oracle Business Intelligence, SAP Business Suite, SAP HANA database, SAP ASE (formerly SAP Sybase) and SAP BusinessObjects. Support Revolution offers consulting and customized services for Oracle and SAP, including implementation, upgrade, managed services and hosting in Amazon, Microsoft and other clouds.

Support Revolution provides GTRC services within the standard service offering at no additional charge.

Support Revolution provides value-added services as part of its standard support by moving customers from existing on-premises or hosted service providers to Amazon Web Services (AWS), Microsoft Azure or other clouds. Once Support Revolution completes the process, it delivers the system to the client as part of a comprehensive outsourced managed service (SaaS). Support Revolution also offers a full range of implementation services and change management services, as well as advanced security services, for an additional charge. The security services are based on Trend Micro Deep Security.

Support Revolution engages closely with existing strategic SI partners to streamline integration and fast-track the delivery of its services.

US Cloud

Corporate Information and Customer Base

Company Website: www.uscloud.com

Headquarters: St. Louis, Missouri

Number of Permanent Employees in Support Services: 78

Number of Current Customers: 338

Overview: US Cloud was founded in 2017 and is a privately held company. It was a spinoff of the managed services group of FPWeb, which was founded in 1996. It is focused on replacing Microsoft support offerings at a lower cost to its clients. US Cloud offers an alternative to Microsoft's Premier Support and Unified Support offerings, and claims to do so at a 30%-60% savings. US Cloud also offers a Microsoft Professional Support alternative and enterprise IT services, which include monitoring, patching and backup.

US Cloud does not offer GTRC services.

US Cloud provides 24/7 support by U.S.-based staff and is ITAR/DFARS-compliant. US Cloud supports all Microsoft technologies, issues of all severities, and all time zones with Level II, III, and IV engineers in-house. As part of its Premier Support offering, US Cloud also provides access to its proprietary Elite MSP Network with over 350 ultraspecialist, Microsoft-certified engineers in the U.S. It offers cross-platform support to Microsoft clients for Cisco, VMware, cloud, hybrid and on-premises. US Cloud promises a 15 minute or less response time for critical issues through prioritized issue resolution which is backed by financial SLAs. It has comprehensive Microsoft certifications and competencies, along with certifications in Cisco and VMware.

US Cloud offers value-added services as part of its standard support by allowing break/fix hours to be used for proactive support and project work, including engagement of technology-specific dedicated support engineers. US Cloud's proactive services catalog contains options for engineer-led engagements around system health-checks, security assessments, proprietary diagnostic tools for Azure readiness, migration support, chalk-talks and training.

Market Recommendations

Those looking to evaluate third-party support service offerings and engage with these providers should take the following steps:

- Use the five scenarios described in the Market Analysis section as a guide to determine whether third-party software support is viable for your organization.
- Send RFPs to the TPSS providers referenced in this Market Guide to request their list of services and pricing to support the specific support requirements needed to fulfill your IBM, Microsoft, Oracle and SAP software portfolios.

- Evaluate the TPSS services and pricing for a risk-benefit assessment to determine whether:
 - The three- to five-year plan for your software can be supported with the versions you are entitled to download and install before you cancel the IBM, Microsoft, Oracle and/or SAP maintenance and support
 - The TPSS provider's support services are adequate compared to those you are entitled to receive as referenced in your software vendor support policies, handbooks and contracts
 - The TPSS provider's support services match the typical types of help desk and service desk incident tickets that have been submitted over the past 12 to 24 months in your organization
 - Your compliance and audit-readiness position is strong, as canceling the software vendor maintenance and support can heighten the audit risk and, with some vendors, can even trigger a software audit when the long-term maintenance and support revenue stream is threatened
- Request at least three relevant references (similar-size enterprise and environment) from the TPSS providers that you are considering, and contact them to discuss their experiences and satisfaction with the specific provider(s). Use examples of the same products that you are considering when discussing the service satisfaction with these reference customers.
- Select three to five key products to arrange a 60- to 90-day pilot program or evaluation period to trial the TPSS service as a proof-of-concept engagement. Ensure that the acceptance criteria to determine a successful POC:
 - Evaluates technical support expertise and capabilities across different products
 - Measures response time and problem resolution rate
 - Demonstrates the TPSS provider's capabilities to meet any special or unique support requirements for your particular industry or organization

Evidence

¹ For this research, Gartner conducted briefings with third-party software support providers and reviewed customer inquiries and interviews conducted with reference customers. These consistently reveal that the typical selling price for services that include software break/fix and scheduled regulatory updates is about 50% of what the software publisher is currently charging the customer for product maintenance and support services. This selling price may be discounted on some occasions.

² This research is based on data gathered from research done by Gartner's Secondary Research Services organization and collective research by Gartner analysts focused on this space, which includes research-related interactions with the Gartner end-user and vendor client community. The net new sales growth rate over the last five years was based on data gathered from providers not privately owned. The five-year CAGR has slowed to 30% from 33% last year.

³ US Cloud supporting Microsoft is a new provider added to this 2020 Market Guide and was not included in 2019.

⁴ Gartner's 2019 Sourcing Procurement and Vendor Management survey was conducted online during October and November 2019 among 256 respondents from Canada, U.S., Denmark, Norway, Sweden, the U.K., Australia and New Zealand. Participating organizations were screened to have at least \$250 million enterprisewide revenue from all industries except agriculture, construction, non profit/NGO, real estate, business and consumer services.

Respondents were screened to have involvement in decision making and responsibility related to the technology sourcing, procurement or vendor management functions. Respondents would also have one of the following titles: chief procurement officer (CPO) or head of procurement, sourcing director or manager, procurement director or manager, vendor manager, supplier relationship manager or contract director or manager.

Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

⁵ Refer to Section 2.4.6 of the SAP Enterprise Support Agreement, which states, "In the event Licensee terminates SAP Enterprise Support. Licensee's use of SAP Solution Manager Enterprise Edition under SAP Enterprise Support shall cease."

⁶ ["IBM Passport Advantage Agreements."](#) IBM.

Note 1

Representative Vendor Selection

The six vendors in this guide are the only vendors in the market that offer independent third-party software support for IBM, Microsoft, Oracle and SAP software. An independent third-party software support provider is one that offers commercialized independent support with no relationship with the original equipment manufacturer or independent software vendor (OEM/ISV). The provider is not an authorized channel partner. The provider has no relationship with the OEM/ISV, and as a result cannot access intellectual property, software updates, firmware updates, security advisories, or obtain OEM/ISV Level 3 or backline support.

Document Revision History

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Table 1: TPSS Risks and Recommendations to Mitigate Risk

<i>Risks</i> ↓	<i>Gartner Recommendations</i> ↓
<p>Pay back maintenance and reinstatement fees to software vendors when TPSS services are insufficient to meet product- or application-specific support needs. This can happen when the product upgrade path was not understood, or unexpected events dictate upgrades, for example, an unexpected need for version upgrade to support a new application.</p>	<p>Evaluate your IBM, Microsoft, Oracle or SAP software portfolio and map the upgrade path and needs for each product that is a TPSS candidate. Know the version you have today and the version you will be entitled to use when you cancel vendor maintenance and support. Use this data in your risk-benefit analysis.</p>
<p>Noncompliance fees from software audits triggered by maintenance cancellation. Software audits are regular occurrences by IBM, Microsoft, Oracle and SAP, but seeing the loss of long-term maintenance and support revenue can trigger a software audit with some vendors.</p>	<p>Conduct an audit and compliance health check using your internal software asset management (SAM) team and/or with the help of the TPSS and its partners who are SAM service providers for IBM, Microsoft, Oracle and/or SAP. Identify any products that present noncompliance risk in the event of a software audit.</p>
<p>Loss of special use rights or tools tied directly to the software vendor maintenance and support entitlements or contract terms and policies, such as SAP Solution Manager. ⁵</p>	<p>Thoroughly review each software vendor’s maintenance and support terms and policies to ensure you understand special entitlements or use of tools that are contingent upon renewing annual maintenance. Assess any risk if you no longer have access to or use rights to these entitlements or tools.</p>
<p>Maintenance and support no longer provided by the software vendor because of “all or none” terms and policies, for example, IBM International Passport Advantage Agreement Section 3.8, IBM Software Subscription and Support. ⁶</p>	<p>Engage your legal counsel to review governing agreements and transaction documents for IBM, Microsoft, Oracle and SAP software to understand the cancellation and maintenance and support termination rights, restrictions and product-specific policies if you want to cancel maintenance and support on a portion of your entitlements.</p>

Risks ↓

Unexpected merger and acquisition activity creates risk when newly acquired or merged entities have software vendor maintenance and support, and the parent company has moved to the TPSS (or vice versa) for the same products. This creates complexity in how to make support calls and open incident tickets for the same products when covered by two different providers, the software vendor and TPSS provider.

Gartner Recommendations ↓

Engage your C-level executives to understand if any merger and acquisition activity could be forthcoming that could create both complexities and risk if there will be consolidation or expansion of product use. If there is uncertainty, but the time period for the entire merger or acquisition activity to be finalized is more than a year, then this should be one of the key criteria in your decision to move to a TPSS provider.

Source: Gartner (August 2020)

Table 2: Support Services Revenue by Third-Party Software Support Provider

TPSS ↓	Fiscal Year End ↓	Revenue in Millions, 2017-2019*	Revenue by Geography ↓	Software Support Revenue by Software ↓
Alui	31 December	Not provided	EMEA: 50% NA: 50%	IBM: N/A Microsoft: N/A Oracle: 100% SAP: N/A
Origina	31 October	\$48 total	APAC: 3% EMEA: 59% NA: 38%	IBM: 100% Microsoft: N/A Oracle: N/A SAP: N/A
Rimini Street	31 December	\$750 total	International: 35% U.S.: 65%	IBM: Not reported separately Microsoft: Not reported separately Oracle: 72% SAP: 28%
Spinnaker Support	31 December	Approximately \$228 total	International: 32% of total revenue NA: 68% of total revenue	IBM: N/A Microsoft: 1% Oracle: 76% SAP: 23%

TPSS ↓	Fiscal Year End ↓	Revenue in Millions, 2017-2019* ↓	Revenue by Geography ↓	Software Support Revenue by Software ↓
Support Revolution	31 May	Not provided	APAC: 9% of total revenue EMEA: 87% of total revenue NA: 4% of total revenue	IBM: N/A Microsoft: N/A Oracle: 69% SAP: 31%
US Cloud	31 December	Not provided	APAC: 18% EMEA: 15% NA: 67%	IBM: N/A Microsoft: 100% Oracle: N/A SAP: N/A

APAC = Asia/Pacific; FY = fiscal year; N/A = not applicable; NA = North America. Revenue is rounded to closest in millions of U.S. dollars.

* Some organizations were unable or unwilling to disclose revenue.

All references to IBM software are specific to IBM Passport Advantage, not IBM Z System software maintenance and support.

Source: Gartner (August 2020)

Table 3: TPSS Provider Certifications and Services for IBM, Microsoft, Oracle and SAP Software

Vendor ↓	Certifications to International Standards ↓	Offers Technical Support Services ↓	Offers Global, Tax, Regulators and Compliance Services ↓	Offers Value-Added Services in Standard Support ↓	Offers Additional Consulting and Customized Services ↓
Alui	Not provided	Yes ■ Oracle's Hyperion suite	No	Yes ■ Oracle's Hyperion suite	Yes ■ Oracle's Hyperion suite
Origina	ISO 27001	Yes ■ IBM	No	Yes ■ IBM	Yes ■ IBM
Rimini Street	ISO 27001:2013 ISO 9001:2015	Yes ■ IBM ■ Microsoft ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ IBM ■ Microsoft ■ Oracle ■ SAP	Yes ■ IBM ■ Microsoft ■ Oracle ■ SAP

Vendor ↓	Certifications to International Standards ↓	Offers Technical Support Services ↓	Offers Global, Tax, Regulators and Compliance Services ↓	Offers Value-Added Services in Standard Support ↓	Offers Additional Consulting and Customized Services ↓
Spinnaker Support	ISO/IEC 27001:2013 ISO 9001:2015	Yes ■ Microsoft ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP
Support Revolution	ISO 27001:2013 ISO 9001:2015	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP	Yes ■ Oracle ■ SAP
US Cloud	ISO 27001	Yes ■ Microsoft	No	Yes ■ Microsoft	Yes ■ Microsoft

Note: This table focuses on IBM, Microsoft, Oracle and SAP software only, and does not include service offerings by the TPSS providers for other software.

Source: Gartner (August 2020)