

CASE STUDY

EXPERT NEGOTIATIONS TRANSFORM AN OUTDATED ORACLE AGREEMENT INTO A FAVORABLE SOLUTION

INTRODUCTION

Not every deal can stand the test of time. Companies evolve, technologies expand, and agreements need amendments to keep pace with business needs. In this case study, we delve into a success story of a prominent third-party systems integrator who collaborated with LicenseFortress to assist their client in transforming an unfavorable, long-standing Oracle deal into a beneficial new agreement.

CUSTOMER CHALLENGES

The client had signed a deal with Oracle nearly twenty years ago. The original deal covered a lot of Oracle products, including the E-Business ERP system, and was tied to the client's overall revenue. At the time, the deal was a win-win for the client and Oracle; however, it had long since hit its "best before date" and was not serving the client well.

They had tried unsuccessfully to get Oracle to the negotiating table to rework the contract terms so it better aligned with the company's current needs. But despite the client's repeated appeals, Oracle remained unresponsive to their requests.

Each year – for SEVEN YEARS – the client requested to discuss the topic with Oracle, but the answer for each billing cycle was the same, "Pay your bill. We'll deal with this later."

Oracle's unwillingness to discuss the deal in light of the company's current needs (plans to move more infrastructure and workflow to the cloud) made the client wonder if Oracle was the right partner for the next phase of the client's business growth.

ABOUT THE CUSTOMER

Our client is a multinational industrial product and packaging manufacturer with a rich history spanning over a century. With a workforce exceeding 20,000 employees across more than thirty countries, the client operates on a global scale.

SOLUTION

Fortunately, the client had an existing relationship with a seasoned systems integrator that suggested that the client speak with LicenseFortress regarding the Oracle deal issue. Ultimately, this suggestion would be pivotal in setting the

stage for taking a determinantal deal into one that served both parties.

LicenseFortress swiftly comprehended the client's predicament and initiated the resolution process. Through strategic maneuvers, LicenseFortress identified pressure points that compelled Oracle to re-enter negotiations.

In collaboration with the systems integrator firm, LicenseFortress successfully brokered a new contract that also favored the client and proved advantageous for Oracle.

RESULTS

The new contract negotiated with Oracle saved the client \$1MM USD immediately by renegotiating revenue limits and garnered a savings of another \$1.5MM USD over the next five years by reducing the annual support increase cap from 8% down to 2%. This, of course, pleased the client that Oracle had stonewalled for so long. Now, they were able to move forward with the Oracle relationship, partnering with Oracle as the client moved more of its workflow into the cloud.

But the good news on this deal didn't end with the client. Oracle was pleased with the outcome as well. Oracle had demonstrated they wanted to be an excellent strategic partner, negotiating in good faith and working with our client as they moved to the cloud, using Oracle as a base. Oracle was able to retain a client that could have been on its way out the door. Plus, the client increased their commitment to Oracle Cloud over the next five years. Oracle is now positioned to be the client's strategic cloud vendor past that five-year mark.

Finally, the systems integrator firm that steered the client towards LicenseFortress emerged as the unsung hero of this project. Their foresight in putting the client's needs

first and foremost, it paid huge dividends. Recognizing the unfavorable deal and guiding the client to a transformative solution earned them a deep appreciation of the client, fostering a solid and ongoing client-Oracle relationship.

LESSONS LEARNED

This case study emphasizes the importance of not accepting an unfavorable Oracle deal as a fixed reality. LicenseFortress possesses a profound understanding of Oracle's aggressive negotiating practices and has consistently assisted clients with resolving such challenges to benefit both parties involved. Despite any past frustrations, clients like the one described in this case study can maintain a fruitful business partnership with Oracle, appreciating their excellent technology and seeing no need to explore alternatives when LicenseFortress mitigates the risks associated with contract limitations. Organizations can transform detrimental deals into favorable solutions that align with their evolving business needs, save costs, and foster strong partnerships with their vendors by seeking expert assistance and engaging in strategic negotiations.

ANONYMITY STATEMENT

This case study is based upon a customer of LicenseFortress. LicenseFortress takes steps to properly safeguard sensitive and personal information by removing all direct identifiers - e.g., name, location, CSI numbers, etc. This step is taken to protect the identity of our customers.



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