SPINNAKER SUPPORT

CHALLENGE

In the construction industry, cycles of operational expansions and declines are not just commonplace, they're expected. In response, construction industry IT leaders must deliver ongoing cost savings, more often with less budget due to mandated reductions in IT expenses. Layne Christensen is a construction company very familiar with these fiscal challenges. In recent years, Sherry Hunyadi, Layne's Vice President of IT, was asked to reduce her year-over-year IT overhead by 15% – a task made difficult given the competing business demand for digital transformation, the need for cybersecurity protection measures, and the steady increase in annual IT software maintenance costs from Oracle.

For over a decade, Layne had successfully run its business on Oracle's JD Edwards ERP software. In 2017, project plans included an upgrade to the latest release of JD Edwards EnterpriseOne 9.2 Applications and Tools, along with a subsequent stabilization of the current IT infrastructure. However, despite their ongoing commitment to EnterpriseOne as their long-term ERP solution of choice, Layne pinpointed Oracle's support fees as one of its largest IT expenditures. The expensive support, in combination with annual increases and the lack of a perceived ROI, made it an obvious target for IT review and reconsideration.

Layne's relationship with Oracle over the product lifecycle was generally positive. Layne complied with Oracle's constant push to stay code current and continued to engage with Oracle's overall product strategy. But when they approached Oracle for needed cost concessions based on current license usage and older contractual terms, they were quickly informed that Oracle would not grant them any flexibility or new contract terms. Oracle warned that dropping its support would be risky and lead to potentially negative consequences.

APPROACH

After failed attempts to negotiate cost reductions with Oracle and under pressure to deliver cost savings, Hunyadi decided to research available alternatives to Oracle provided support. In early 2017, she reached out to Gartner for advice and was given reassurance that 1000s of Oracle customers had already moved away from Oracle support and taken advantage of cost-effective third-party support solutions.

Layne initiated discussions with two third-party support vendors but quickly favored a partnership with Spinnaker Support based on its leadership position for JDE support, flexible commercial terms, strong company financials, and above-the-board business practices.

Client Background

Layne Christensen Company is a global water management, construction, and drilling company. The company provides responsible solutions for water, mineral, and energy challenges. Globally, at the end of FY2017, Layne had approximately 3,600 employees. Layne is committed to a culture centered around four core values: safety, sustainability, integrity, and excellence. A key component that reinforces this commitment is the Code of Business Conduct and Ethics, which sets high standards for the company, businesses, and employees.

The group has operations throughout North America and in Africa, Australia, Europe, and Brazil. Layne Christensen's water and wastewater operations account for about three-fourths of total sales, while its mineral exploration operations make up most of the rest. The group is also active in the energy sector, producing coal bed methane. Layne Christensen has nearly 80 sales and operations offices worldwide.

INDUSTRY & ACCOUNT DETAIL

- Construction and Drilling
- NAICS Code: 238310
- Annual Revenue: $222,347,100
- Employee Count: ~3,600
- Corporate HQ: The Woodlands, TX
- Website: https://www.layne.com/

Layne was attracted to both Spinnaker Support's managed services and its third-party maintenance and support services. Layne determined that Spinnaker Support would not only help scale back the major IT line item of maintenance costs, it could improve the overall responsiveness of support and quality of services required for their ERP investment.

With their imminent upgrade from 9.0 to 9.2 E1 release, the IT team decided to hedge their support bet. First, to mitigate any possible risks to their critical ERP upgrade project, they would stay with Oracle-provided support until upgrade completion. At the same time, they would sign to a technical and CNC managed service solution from Spinnaker Support, who would help maintain their day-to-day ERP operations and act as a backup resource for development and testing prior to the 9.2 Go Live.

This hedge offered Layne the opportunity to free up their internal resources to implement the 9.2 upgrade. Annual budget cuts had left Layne's IT team with minimal staff and no funding available for external contractors. As planned, the CNC managed services contract with Spinnaker Support would help Layne to complete needed JD Edwards development projects. Finally, following the upgrade and stabilization, Layne would replace Oracle maintenance with Spinnaker Support maintenance.

SOLUTION

In the fall of 2017, Layne Christensen moved ahead on their upgrade and switch to Spinnaker Support managed services. After an efficient onboarding process, the core Layne IT team focused solely on their E1 upgrade requirements, integration points, and testing critical processes while the Spinnaker Support team maintained the daily tasks for the platform, operating system, and ERP application footprint.

Within a few months, Layne jettisoned the original transition plan. Two major incidents – along with a significant decrease in the support Layne was receiving from Oracle – hastened their decision to drop Oracle support and add JD Edwards support to their current Spinnaker Support contract.

The first incident was a critical, production down issue that occurred within two weeks of going live on JD Edwards E1 9.2. The folders that held the system's binary codes were completely wiped out, and the E1 system would not launch. The IT team immediately logged a P1 Service Request with Oracle to recover the system outage before the weekend began that evening. After hours of troubleshooting and no real progress, Oracle support stopped responding to multiple requests for 24/7 support.

As a result of the lack of support and failed response to the escalation process, the company was unable to process and deliver hundreds of payroll checks the following Monday. Fortunately for Layne, its IT staff worked around the clock to restore a back-up into their production environment from their fully operational Disaster Recovery system. The Spinnaker Support CNC team made themselves available to help troubleshoot the issue until it was completely resolved, even though their contract had yet to begin.

The second incident, a critical Service Request, was logged with Oracle Support regarding a recently applied year-end update for payroll W2 processing. The ESU provided by Oracle was missing two required state reporting changes, and Layne's team filed a bug. Again, even though they were still under Oracle support, Layne turned to the Spinnaker Support development team, which provided the required year-end changes prior to the reporting deadline. Oracle Support did not deliver the required fixes before the end of the year.

In the context of these two issues alone, it was abundantly clear to Hunyadi that all of Spinnaker Support's value-added services and highly responsive approach would best serve Layne Christensen's need for 24/7 support and future strategic JD Edwards requirements. With no reservations, Hunyadi knew her best option was to immediately move to the annual support contract to Spinnaker Support.

GLOBAL LOCATIONS

- United States
- Canada
- Mexico
- Brazil

LANGUAGES SUPPORTED

- English

ENVIRONMENT

- JD Edwards 9.2 Applications and 9.2 Tools
- Hardware – IBM DB2
- Operating System – Power 8 iSeries V7R2
- Development Service - Windows Server 2012 – WebLogic 12
- Modules Supported: Financials, Human Recourses, Payroll, Manufacturing, and Distribution

SERVICES PROVIDED

- JD Edwards Support
- JD Edwards Technical CNC Managed Services
- Tax and Regulatory Support for 1099s and W2s

The two companies implemented the following solution:

- Appointed a dedicated, on-call Spinnaker Support Account Support Lead to manage and provide direct accountability for the ongoing relationship.

- Assigned a senior team of devoted JD Edwards software engineers from Spinnaker Support to deliver exceptional services and support for Layne's ERP application and technologies.

- Established a flexible contract agreement that allows Layne Christensen and Spinnaker Support to scale support services and fees based upon actual software usage and call volumes.

- Instituted a successful, stable partnership defined by a collaborative, speedy resolution of business needs and a sustained focus on customer satisfaction.

RESULTS

Once Layne Christensen added annual JD Edwards support to their existing Spinnaker Support managed services contract, the company immediately reported savings in maintenance fees greater than 60%. The significant cost reductions in annual IT budget cycle have accelerated the IT team's progress on JD Edwards development. "We also improved our relationship with the business users, because we could resolve issues more quickly and could expand our capacity for high-priority fixes and improvements," stated Hunyadi. "The cost savings was the original motivator, but the biggest benefit was the improved turnaround times for our users."

After deploying the very latest available EnterpriseOne release, coupled with Oracle's diminishing investment in future product development for the application, Layne Christensen sees no reason to ever return to software publisher-provided support. The paradigm shift from self-service to personalized, high-touch, and expert-driven model has enabled Layne to redirect their internal IT staff and prepare it for the next waves of innovation.

In mid-2018, Layne Christensen was acquired by Granite Construction (NYSE:GVA), one of the nation's largest infrastructure contractors and construction materials producers and a long-time user of JD Edwards EnterpriseOne. As the companies worked together to identify ways to improve overall operations, Granite's IT department immediately recognized that Layne's support operations were steps above the support they were receiving from Oracle.

As they developed their combined future IT strategy, Granite decided to launch a project plan to upgrade to E1 9.2 and standardize on the same release as Layne. At the project kickoff, Granite signed on as a Spinnaker Support customer for managed services. The Spinnaker Support technical team of JD Edwards experts were now tasked with maintaining day-to-day operations for both systems so that the upgrade project team could focus on tasks associated with the 9.2 environment.

In working with Spinnaker Support, Granite anticipates receiving the same supportive service and similar cost savings to those that have benefited Layne Christensen.
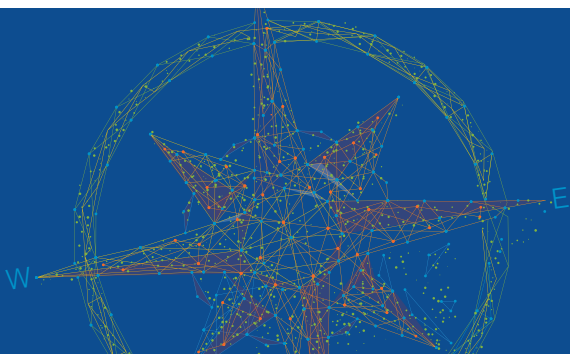
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We tried hard to make our relationship with Oracle work and to locate resources to help implement new technology in 9.1 tools such as Orchestrator. Oracle only wanted to discuss migration to their own cloud solutions, which were of no value to us. Our IT team was receiving only cursory responses from Oracle support regarding open service requests. Bug fix issues we reported would go months with no response or progress from Oracle. Layne had to continue to hire contractors to develop their own fixes or enhancements to existing functionality. Our current JD Edwards support provided by Spinnaker Support is far superior, and we love our dedicated team that we can always rely on. "

—*Sherry Hunyadi, Vice President of IT, Layne Christensen*

FOR MORE INFORMATION

Our case studies give an inside look at the experiences of other companies that have used Spinnaker Support for their SAP & Oracle software support needs. Visit https://spinnakersupport.com/client-success-stories/ to read other client case studies.

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