



Optimizing Enterprise Applications Environment

Northern California PeopleSoft/JDE User Group Meeting

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Agenda

- Background
- Industry trends
- Maintenance & support options
- Case studies
- Summary

netCustomer supported PeopleSoft GSC '01 - '05

- Provided support on behalf of PeopleSoft and JD Edwards
- Resolved over 75,000 support requests from customers
- Team with over 500 years of ERP experience
- Delivered up to 75% savings using a 24x7 support center
- Partnerships with KPMG and CSC for serving global clients
- Backed by former PeopleSoft and JD Edwards executives



netCustomer offers comprehensive suite of services

Maintenance

- Regulatory updates
- Critical bug fixes
- Emergency support

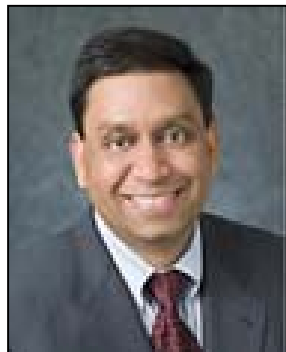
Support

- 24x7 help desk
- Troubleshooting
- Administration

Specialized

- Development
- Customization
- Upgrade

Endorsed by ERP veterans



“We worked with netCustomer to efficiently scale PeopleSoft's global support center while ensuring high customer satisfaction. netCustomer designed, implemented, and executed our 24x7 India support center and successfully supported worldwide PeopleSoft customers for several years.”

Ram Gupta

*Former Executive Vice President, Products & Technology
PeopleSoft*

“Several of us from the former executive team at JD Edwards have joined hands in advising netCustomer in serving the needs of JD Edwards customers around the world. JD Edwards customers can now get more personalized services at significantly lower cost.”

Idella Kercher

*Former VP, Customer Support & Advocacy
JD Edwards*



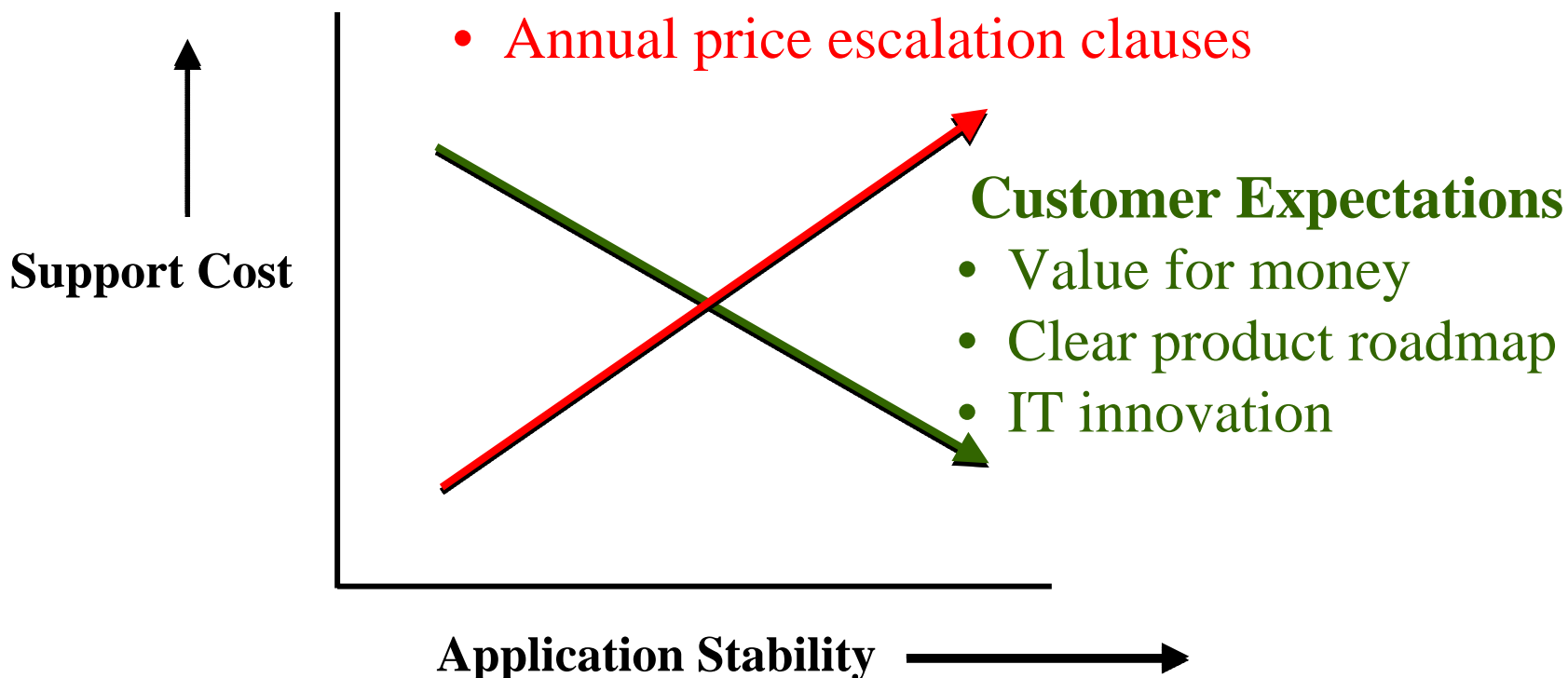
Large firms spent an average of 77% of their IT budgets on ongoing software maintenance and operations in 2006.

Source: Forrester

Conflict in enterprise software world

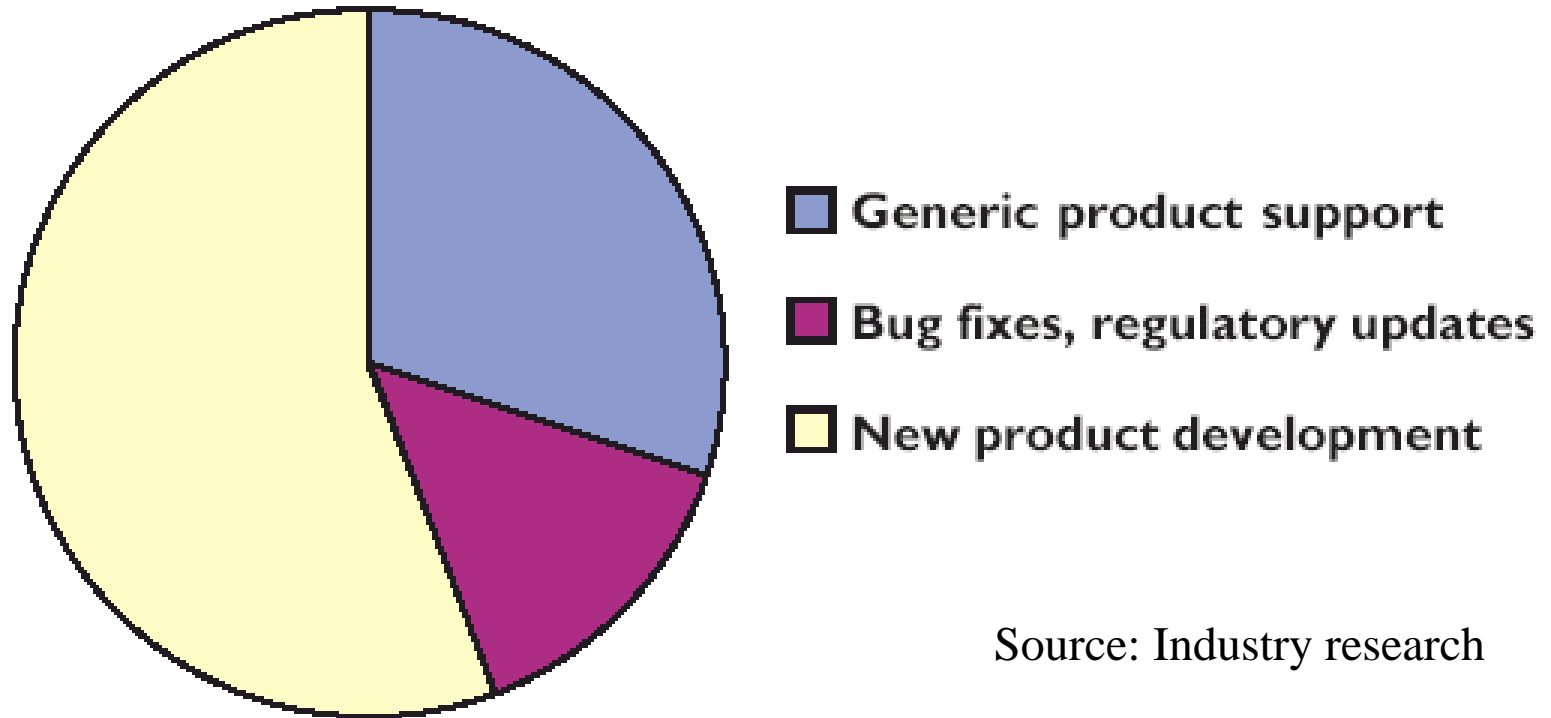
Vendor Drivers

- Low license revenue
- Funding for acquisitions
- Annual price escalation clauses



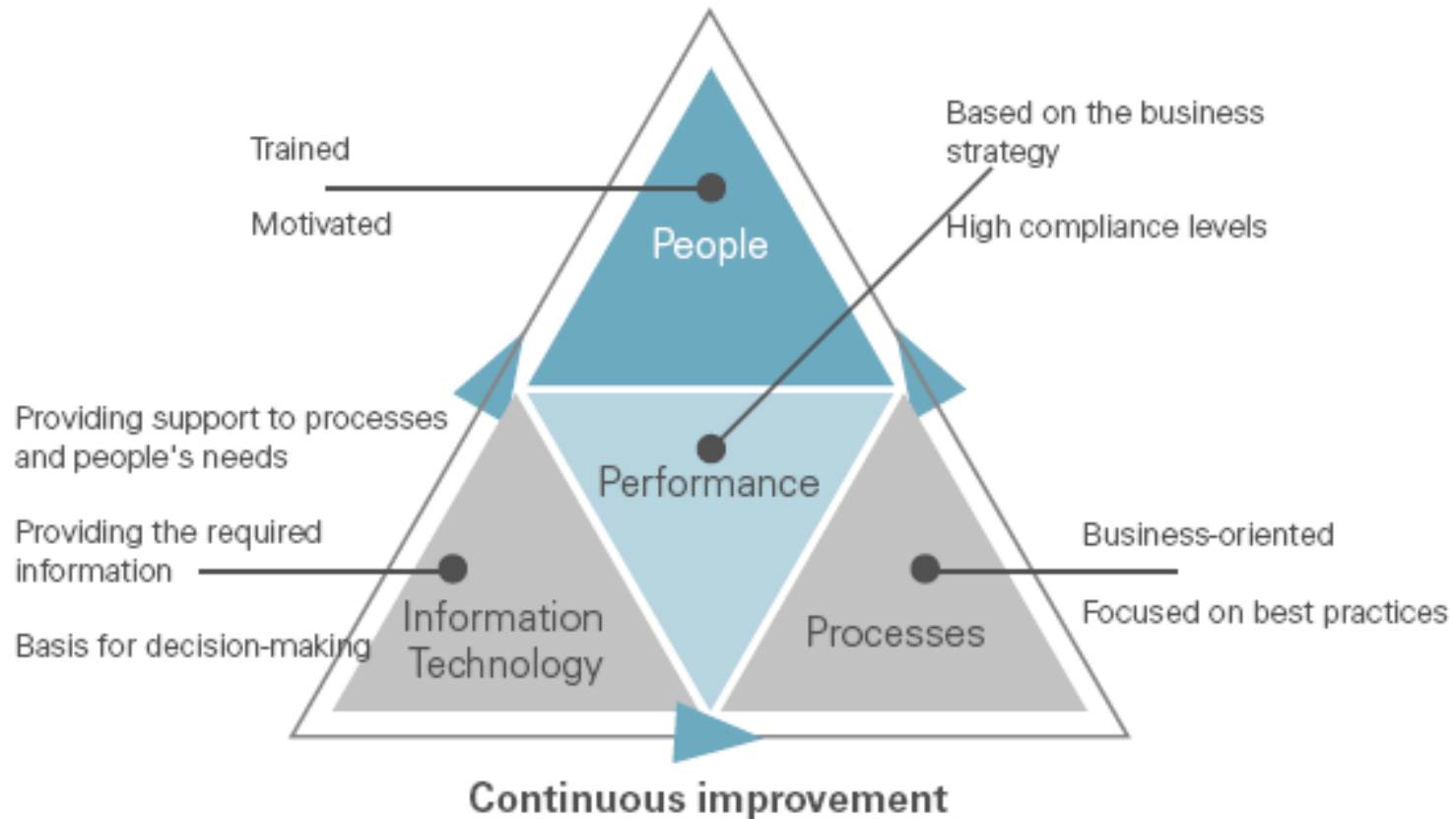
Vendor maintenance focus is on new development

Traditional Enterprise Software Support and Maintenance Breakup



Source: Industry research

True application optimization requires a holistic view



Alternatives for ongoing optimization and maintenance

- Vendor
- In-house
- Third-party
 - Optimization
 - Support & Maintenance
 - Services



Vendor support - optimal for new implementation

- New implementation
- Upgrade plans
- Ample budget

Contract negotiation

- Unused licenses
- Upgrade vs. Maintenance vs. Support

In-house support - option for IT savvy

- Highly customized applications
- Extensive in-house expertise
- IT resource availability
- Supplement with outside help

Third-party support - offers value in mature environments

- Mature and stable environment
- Stretched in-house resources
- No near-term upgrade plans

Sample maintenance and support payments today

- License agreement signed in 2001
- License sale price: \$ 400,000
- Support-Maintenance fee for 1st year: \$ 72,000
- License base price in 2001: \$ 1,200,000

Estimated support payments to vendor from 2002 - 2006

Year	2002	2003	2004	2005	2006
License base price	\$ 1,300,000	\$ 1,400,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Support as % of license	18%	20%	20%	22%	22%
Payment to Vendor	\$ 234,000	\$ 280,000	\$ 320,000	\$ 352,000	\$ 352,000

Sample savings with third-party solution

Estimated payments to vendor in future years

Year	2007	2008	2009	2010	TOTAL
License base price ^A	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	
Support as % of license ^B	22%	22%	22%	22%	
Payment to Vendor	\$ 352,000	\$ 352,000	\$ 352,000	\$ 352,000	\$ 1,408,000

Estimated payments with third-party solution

Year	2007	2008	2009	2010	TOTAL
Estimated vendor contract	\$ 352,000	\$ 352,000	\$ 352,000	\$ 352,000	
% off of vendor contract	50%	50%	50%	50%	
Revised payment ^C	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 704,000

A = assuming base license price remains unchanged for the next 4 years

B = assuming support % remains unchanged for the next 4 years

C = might decrease after second year, based on usage and complexity



Case study – optimizing PeopleSoft environment

Company	<ul style="list-style-type: none">• Luxury chain of resorts in Cancun
Application	<ul style="list-style-type: none">• PeopleSoft 8.3 Human Resources and Payroll• PeopleSoft FSCM 8.9
Requirements	<ul style="list-style-type: none">• Stabilize current implementation• Make better use of available functionality• Reduce ongoing support and maintenance costs

Case study – optimizing PeopleSoft environment

Solution	<ul style="list-style-type: none">• Local experts for systems stabilization and improvement<ul style="list-style-type: none">– Tap available functionality within the application– Process optimization to improve operating efficiency– Change management and training• In-house/onsite support during optimization• Third-party/remote support post optimization
Benefits	<ul style="list-style-type: none">• Improved return on existing investment by 50%• Savings of up to 60% on ongoing support & maintenance• End user satisfaction

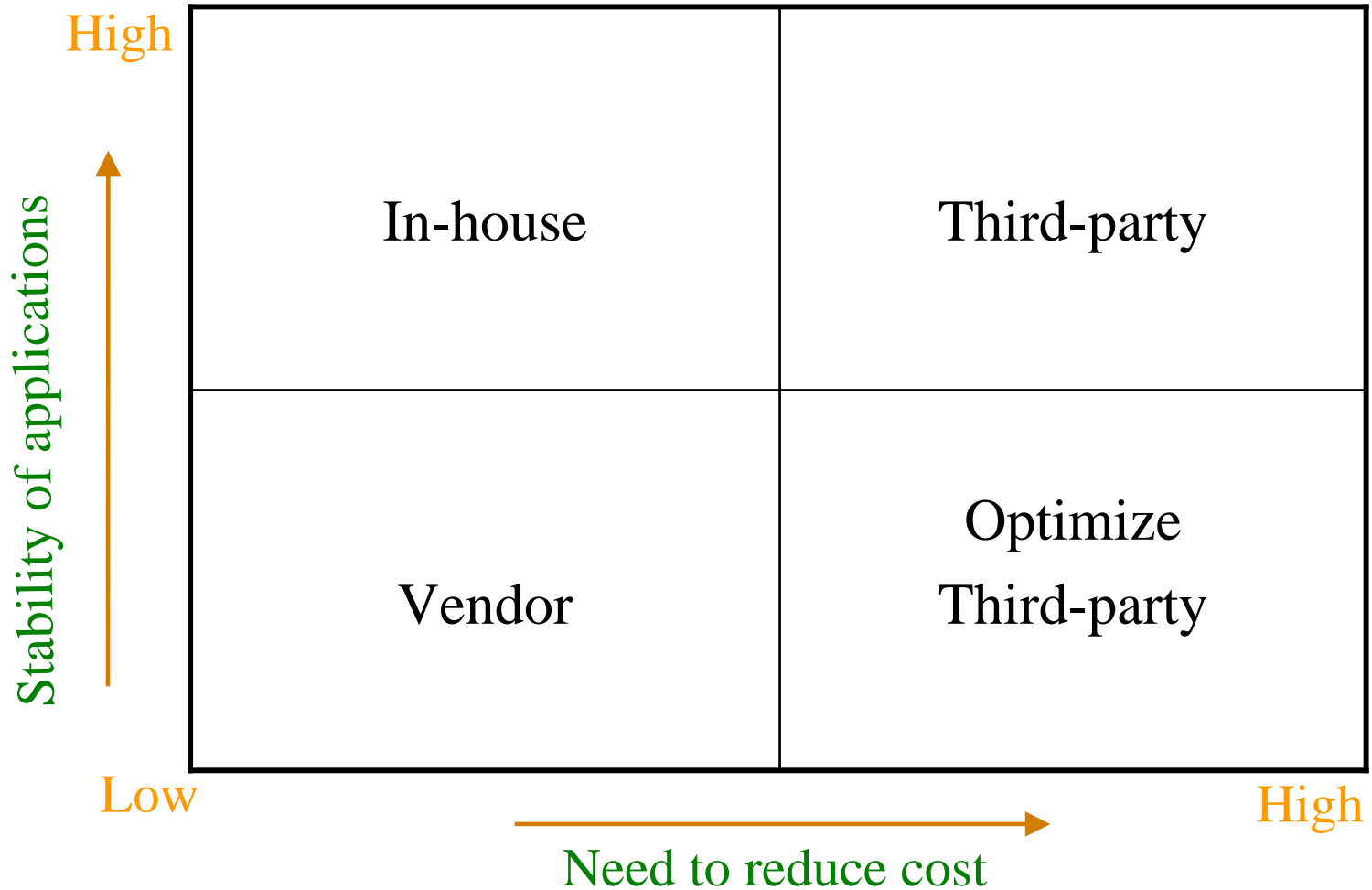
Case study – maintaining mature JDE environment

Company	<ul style="list-style-type: none">• Company in skin care & beauty industry
Application	<ul style="list-style-type: none">• JD Edwards OneWorld<ul style="list-style-type: none">– Stable application environment– AS400 and Sun Solaris platforms
Requirements	<ul style="list-style-type: none">• 1099 update• Ad hoc support

Case study – maintaining mature JDE environment

Solution	<ul style="list-style-type: none">• Leveraged third-party maintenance for 1099 updates• Leveraged on-demand services for ad hoc support• Utilized in-house staff for day-to-day management
Benefits	<ul style="list-style-type: none">• Saved up to 75% in maintenance costs• Reduced internal IT requirements with custom 1099• Pay-per-use with on-demand services

Your choices may ultimately be influenced by business situation





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