

Electronics Manufacturer Powers Innovation and Growth with Dual Components of Service and Savings



Client Profile: Pulse Electronics is a global leader in electronic component design and manufacturing. Founded more than 70 years ago, Pulse offers its international customer base an extensive line of electronic components used in a variety of products such as electric vehicles, phones, industrial networks, and medical equipment.

Industry: Electronics/Manufacturing

Geography: Headquartered in San Diego, California, with design centers and manufacturing facilities in North America, Asia, and Europe

Revenue: \$400 million USD

Employees: 6,500

Supported Products/Applications:
SAP Business Suite

“Macro-disruption may have slowed our progress, but investing in innovation is still very much in reach.”

– Alan Wong, Global IT Director, Pulse Electronics

Pulse Electronics manufactures solutions that can be found at the forefront of numerous innovative industries. To sustain its leadership position, Pulse must adapt to quickly changing markets by staying attentive and responsive. SAP Business Suite is used for the company’s finance, operations, supply chain, and warehouse management functions, providing cohesiveness across the global environment.

To underpin the company’s competitiveness, Alan Wong, Pulse’s global IT director, is strengthening the cognitive and intelligence capabilities of the ERP platform with supplemental AI technologies. “The project will enhance our analytical tools and enrich understanding across all of the operations,” he explained.

Conducting a Budget Balancing Act

Even without a global pandemic challenging every plan, investing in strategic initiatives requires balancing the need for expediency against the limitations of finite financial and operational resources. Wong’s approach is to divide his IT budget into three tiers; the first category supports day-to-day business operations, the second relates to driving business growth, and the third is dedicated to innovations that will make it possible to navigate a fast-paced market with intention and accuracy.

Because operational costs and application support consume a significant portion of Pulse’s IT budget, Wong regularly seeks to eliminate low-return expenditures. A prominent and ongoing category was the accumulation of SAP Business Suite-related support charges, upgrade costs, and add-on fees. On top of the sizable expense, SAP’s support contract did not cover the multiple company-critical customizations that the Pulse team had performed on the application.

A New Path

“It became very evident that to sufficiently fund business intelligence initiatives, we needed a completely different approach,” Wong reflected.

Benefits

- **Invested in enhancing business intelligence capabilities:** Optimizing operations budget enables investment in strategic growth.
- **Gained control over upgrade timeline decisions:** Removing obligation to conform to ERP vendor roadmap creates flexibility to decide if, and when, to migrate to S/4HANA.
- **Confidence in service levels:** Well-organized and dedicated support professionals provide timely third-party support for SAP Business Suite for a full spectrum of IT needs.

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Alan Wong
Global IT Director

"As a result of the cost savings that we obtained by partnering with Rimini Street, we are able to invest in innovations that lead to business growth and at the same time ensure we remain competitive in the industry."

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Global IT Director

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He added, "We even considered handling SAP support internally, but it just wasn't practical. We also ran a cost analysis of switching to an entirely new application, but the initial investment would have exceeded the savings we could accrue over 10 years. However, if we stayed with the current ERP platform but moved to a third-party support provider, the financial benefits were very compelling."

Transitioning away from SAP Business Suite support required buy-in from internal stakeholders. The company had used third-party support for infrastructure maintenance before, but its ERP system — the core of multiple critical business functions — had always been covered by support from SAP.

Executives needed validation that the third-party support restructure would be low-risk and cost-effective, and would truly enable the IT organization to focus on strategic growth. Having identified the leading non-SAP contender for Pulse's support business, Wong consulted with several users of the service to get first-hand feedback on what to expect. Success with the same set of services employed by its own parent company, Yageo, solidified confidence across Pulse.

Rimini Street: Current Successes

Having launched his partnership with Rimini Street, Wong immediately found the support for SAP Business Suite he received to be superior to that received from SAP. He remarked, "I was impressed by how professional and well-organized the onboarding process was, especially with the archiving of files and data. It was a massive project that was executed with care, high-quality of work, and commitment to our success."

Even under a full support contract, SAP had apparently been encouraging customers to become more self-sufficient and adopt what was ostensibly a self-support model. This shifted a substantial amount of work to maintain the ERP system to Pulse's internal IT team, with rectifying issues consuming significant amounts of time.

"Now, when we have a question, we submit a case, and Rimini Street immediately delivers everything we need to resolve the issue. Getting answers is significantly simpler than before," enthused Wong.

Pulse achieved a 50% reduction in annual maintenance costs by moving support for SAP Business Suite to Rimini Street. Savings in the operations budget have enabled cash to be diverted into strategic initiatives during a year when new spending may not have otherwise been possible. Wong highlighted, "The decision to switch to Rimini Street is enabling us to realize our plans through the savings that we have achieved."

Pulse is also investigating the merits of an eventual upgrade to S/4HANA. Given the changes required, the upgrade has the potential to be time- and labor-intensive. The company, however, is free to choose if, and when, it pursues that option.

Wong concluded, "As a result of the cost savings that we obtained by partnering with Rimini Street, we are able to invest in innovations that lead to business growth and at the same time ensure we remain competitive in the industry."

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