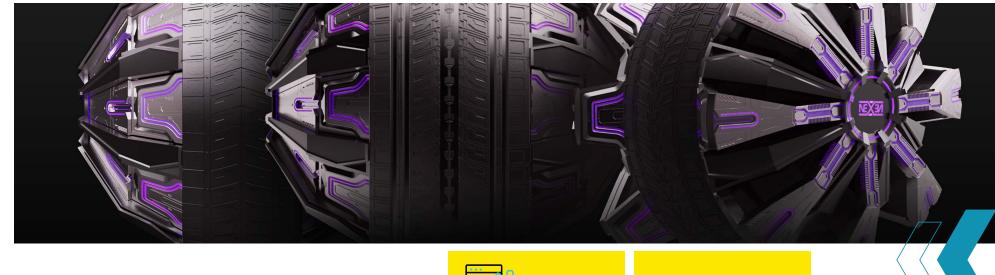placeholder

Rimini Street®

NEXEN CORPORATION

Korean manufacturer focuses on innovation instead of unnecessary S/4HANA migration.

"With Rimini Street, the scope of support covers our customizations and add-ons. We have experienced faster time to solution and no hesitation resolving issues with our customized environment."

– Jae-Hoon Jung, Information Strategy Team Leader, Nexen

SUPPORT FOR CUSTOM CODE

INVEST IN INDUSTRY 4.0

NEXEN CORP.

COMPANY OVERVIEW:
Nexen is the holding company of the Nexen Group, which includes Nexen Tire, KNN, Nexen D&S, and Nexen Wolseok Cultural Foundation, and is comprised of the Rubber Business Division, which manufactures and sells rubber products such as automotive tubes, and the Logistics Business Division, which provides comprehensive logistics services.

VERTICAL/COUNTRY:
MANUFACTURING/KOREA

SOFTWARE:
SAP

Korean Manufacturer Invests in AI/ML Instead of S/4HANA Upgrades

Nexen is the holding company of the Nexen Group, a business-type holding company that has diversified its revenues under a direct business system centered on the manufacture and sale of rubber products. In the rubber business, which accounts for about 80% of sales, the main source of revenue is the company's own production and sales of automobile tire tubes and solid tire products. In addition, Nexen has secured business bases in major global markets such as the United States, Japan, China, Russia, and Italy, recording more sales in overseas markets than in domestic markets.

The Korean manufacturer also provides logistics services including sea and air freight delivery. The core of its corporate philosophy is customer value creation. Its business goals include strengthening innovation and investments in quality and services to increase customer and employee satisfaction. Nexen is also pursuing sustainable development initiatives focused on social responsibility and environmental protection.

Creating bandwidth for Industry 4.0 initiatives

To achieve those goals, Nexen is establishing strategies and a roadmap for utilizing core "Industry 4.0" technologies such as artificial intelligence (AI), big data, and cloud. Nexen runs a traditional on-premises IT environment. They prefer this over a cloud environment as it gives them more control over the data and applications needed to run a variety of business processes along with other infrastructure, security, and compliance benefits. Part of its environment runs on SAP Business Suite/ECC 6.0.

"We ran into several challenges with SAP vendor support including response time and ability to resolve cases. Because we have many customizations, often the answer from SAP would be that they could not help us, even though we were paying a great deal for support" said Jae-Hoon Jung, information strategy team leader in charge of overall planning and IT operations at Nexen.

Concurrently, it was dealing with IT technology skills gaps that impacted its competitiveness and efficiency. "For example, network technology is a key element that supports innovative technologies such as cloud computing, the Internet of Things (IoT), and artificial intelligence (AI). However, network technology personnel can lag behind these changes, and hiring new personnel can be costly," said Jung. In addition to their innovation goals, he also wanted to free up bandwidth to strengthen the capabilities of existing personnel and narrow the technology gap through internal training.

Improved support for SAP drives tangible business outcomes

"As all SAP Business Suite/ECC 6.0 licensees who are still relying on SAP vendor Annual Support and Maintenance are aware, SAP's mainstream support for Business Suite/ECC 6.0 is ends in 2027, creating vendor pressure to migrate to S/4HANA. However, when evaluating our needs, we found no cause to undertake such an excessive, expensive project," said Jung. He chose Rimini Support™ for its Business Suite/ECC 6.0 platform to replace SAP's maintenance service while reducing its annual maintenance fees by up to 50%. Jung and his team can now get quick technical support and guidance from professional engineers 24/7. Its current SAP release can now be operated reliably for up to 15 years. "With Rimini Street, the scope of support covers our customizations and add-ons. We have experienced faster time to solution and no hesitation resolving issues with our customized environment," said Jung.

It now receives customized services in line with its business goals and IT strategies allowing it to successfully carry out innovative tire manufacturing. "With the savings, we have established and implemented an IT infrastructure improvement plan that includes cloud migration, introducing data analysis and visualization tools, and integrating of ERP systems," said Jung.

"Our vision is to stabilize our current SAP platform while we establish strategies and roadmap for utilizing core technologies in AI, big data and cloud. We have an aggressive business goal to meet ahead, and we want to make smart IT decisions on our own timeline, supported by the right partner. Rimini Support™ for SAP allows us to continue to drive value out of our existing Business Suite/ECC 6.0 system for at least 15 additional years, which includes more responsive service guarantees and service coverage not provided by SAP in its mainstream support — all at a substantial savings compared to SAP Annual Support and Maintenance. Rimini Street is that right partner for us."

Rimini Street helped Nexen's IT operations team fund management efficiency through cost reduction allowing it to follow its own roadmap without being forced to upgrade, update, or migrate to maintain vendor support. It can now access high-quality support and expertise to solve database-related problems and invest in new technologies such as cloud migration, AI/ML, and IoT. With maintenance services from Rimini Street they can rely on stable operation of SAP ERP according to its long-term operations strategy while they consider S/4HANA. "When it comes to securing our systems, maintaining reliability of our networks, enabling flexibility to adapt to changing business environments and requirements, and efficiency in performance and speed, Rimini Street checked all the boxes of our solution needs," said Jung.

FOR MORE INFORMATION
To learn more about Nexen or to read other client stories, visit **www.riministreet.com/clients**.

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