

# LEDVANCE

Global lighting provider increases flexibility and reduces costs.



“The central applications run as expected, which provides peace of mind and allows the IT organization to focus on higher-value strategic objectives.”

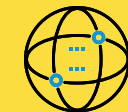
– Walter Eckardt, Head of IT, LEDVANCE



**ELIMINATED  
MAINTENANCE FEES  
FOR THOUSANDS OF  
UNUSED SAP LICENSES**



**HELPED REDUCE IT  
COSTS BY 70%**



**VERTICAL/COUNTRY:  
RETAIL/GERMANY**



**SOFTWARE:  
SAP ECC, SAP HANA  
DATABASE**



### Company Overview:

With offices in more than 50 countries and business activities in 140+ countries, LEDVANCE is one of the world's leading general lighting providers.

“Rimini Street has a strong customer-oriented commitment. They are fully committed to seeing the project through and are very reliable.”

– Walter Eckardt, Head of IT,  
LEDVANCE

## Operational Agility Starts with More SAP Flexibility

When LEDVANCE was established as a carveout from parent company OSRAM, the new IT organization needed to restructure quickly. Most people aren't seeking a lamp; they are seeking a light source. As a result, LEDVANCE was moving away from manufacturing and toward selling over-the-counter lighting products. “Customers don't want lamps; no one wants to buy a lamp. What people want is light. If they go to the bathroom early in the winter and it's dark, they don't want a lamp to power it,” said Eckardt. “Today, we have many other technology options. Buildings are becoming smart, so you won't need switches. There are more opportunities to bring light-emitting devices to the market that aren't lamps. For example, the mirror in the bathroom can emit light,” he continued.

The transformation to a consumer-driven trading company required that LEDVANCE achieve significant operational agility. The company needed flexibility to support and enable a wide range of plans to connect their customers with light. Responsiveness to the user experience and customer journey became a focal point. This was in part because their customer preferences and behaviors were changing rapidly, driven by factors such as social media and the impact of influencers. The traditional model of providing lighting, in which success depended on making a high-quality product that delivered light effectively, no longer applied. To support and enable the transformation to a modern trading company, LEDVANCE and its IT department had to change its delivery model.

### **Illuminating a digital future**

The changeover involved enormous challenges. The IT organization had to balance the need for rapid digitalization against the need to minimize business disruptions. To compound the issue, the company that just five years earlier was a production company with about 10,000 employees worldwide now had only around 3,000 employees.

As part of its overall strategy and to ensure that everything continued to run smoothly, the IT organization needed to streamline operations. They launched a Digital Future project whose first phase included selection of tools, creation of corresponding processes, and data management. Where the company previously had infrastructure and data on premises, it migrated to cloud-based infrastructure-as-a-service (IaaS).

### Spotlighting inefficiencies

At the application level, LEDVANCE was heavily invested in SAP. The company maintains four SAP footprints across Asia, Europe, the U.S., and South America, along with some shared systems. The new company inherited its SAP licenses during the carveout, and that posed a problem.

The SAP model is such that licensees must continue to pay maintenance on licenses even if they are no longer in use. Because the company had reduced its workforce, it had a surplus of thousands of unused SAP licenses for which they were still paying maintenance fees. SAP's inflexible policies were such that the company could only scale up, not down. "If you can only scale down to zero as a customer, then you have no choice but to say, then it's just to zero. You just have to pull the plug," Eckardt explained.

### Lighting the way to a brighter future

By moving to Rimini Street, LEDVANCE only had to pay for maintenance on the licenses used. "Rimini Street has a strong customer-oriented commitment. They are fully committed to seeing the project through and are very reliable," said Eckardt. As a result of its IT transformation, LEDVANCE was able to reduce IT costs by nearly 70%.

And by moving to Rimini Street, the company has an edge when they negotiate their planned move to S/4HANA. "This makes SAP work harder and improves our negotiating position. The change to Rimini Street puts us in a better position in future talks," he explained. Furthermore, LEDVANCE reports that with Rimini support, operations are stable, they are meeting availability goals, and Eckardt is seeing fewer escalations land on his desk. According to Eckardt, "The central applications are running, which lets me sleep peacefully and take care of other things."

#### For More Information

To learn more about LEDVANCE or to read other client stories, visit [www.riministreet.com/clients](http://www.riministreet.com/clients).

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