

# Oracle OpenWorld: Impact & Insights

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# Analyst Roundtable



# Agenda

## Applications

- Application Unlimited
- Applications Integration

## Middleware

- BEA Integration
- Oracle Fusion Middleware
- Oracle Beehive

## Business

- State of the Business
- Market Position
- Strategy

## Database

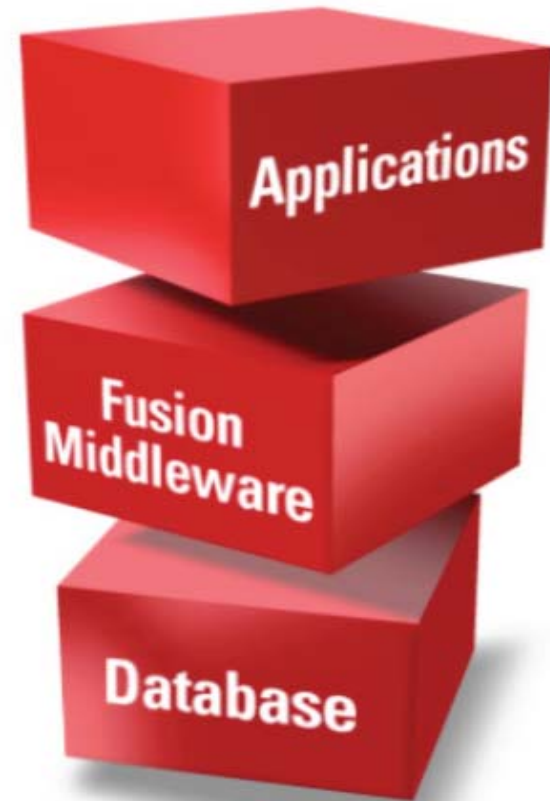
- HP Oracle Database Machine



# Oracle – Evolving Software Megavendor

- FY08 – \$22.4B in revenues
- 24% YOY Growth
- 43% Operating Margin
- \$3B in R&D Spend
- Key Acquisitions
  - PeopleSoft
  - Siebel
  - Hyperion
  - BEA
- Vertical Industry Focus

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# Strategies & Roadmaps: Social CRM Software and Collaboration

## What Was Announced

- Oracle® Sales Campaigns and Oracle Sales Library. These two new Oracle Social CRM Applications are built on the Oracle Social Applications Framework and to help increase the productivity and effectiveness of salespeople through collaboration and complements Oracle's Siebel CRM and Oracle CRM On Demand to help increase salesperson productivity. The Oracle Enterprise Social Applications Framework enables users to share information within their communities, or across communities.

## What It Means

- Oracle is positioning itself for greater traction in the SaaS CRM market by appealing to both Oracle and non-Oracle customers who are looking for sales force automation capabilities with the Social CRM applications.
- Oracle is focusing on the salesperson with these technologies.
- This illustrates an example of Oracle is positioning a Oracle Fusion Middleware-enabled application to non-Oracle customers
- This shows continuum as much of the future social networking capabilities of Oracle's CRM applications were initially showcased during Openworld 2007. Oracle Sales Prospector was similarly released earlier in 2008.
- Oracle will likely introduce a collection of other Social CRM applications over the next year. Anticipate further capabilities from CRM to have a more prominent role in applications.

## What You Should Do

- Oracle's Social CRM applications that were released are sales force automation tools. They do not provide new customer service or customer experience enrichment capabilities. For broader CRM application needs outside of sales support, users may want to consider alternatives.
- Consider these applications for your sales force automation needs, but keep in mind that in Gartner's assessment, SaaS business applications still have limited capabilities to support complex business processes.

# Strategies & Roadmaps: Oracle Applications Unlimited Planning

- **What Was Announced**

- E-Business Suite R12.1 Broader enhancements outside of the financials space (supply chain management, human capital management, manufacturing)
- JDE Edwards EnterpriseOne 9.0 & Oracle's JD Edwards EnterpriseOne Tools 8.98 Enhancements for financial, supply chain and human resource management. Key targeted verticals included project-oriented industries (eg. Construction and engineering verticals)
- Peoplesoft 9.0 Strong focus on talent pool management, and succession planning with real-time visualization. Key targeted vertical included Higher-Education.
- Siebel 8.1 Focus on self-service, real-time decision engines and marketing analytics. Key targeted verticals included retail, banking and public-sector markets.

- **What It Means**

- In Gartner's observation, uptake of release 12 of E-Business Suite has been very limited. The announcement of release 12.1 is designed to appeal to a broader audience outside of financial management.
- Oracle's announcement of over 2000 enhancements across their Applications Unlimited portfolio shows a strong encouragement to current users to continue to invest in new product versions and engage in upgrade activities
- Oracle is committed to supporting Applications Unlimited customers indefinitely and offering new functionality to sustain existing lucrative licensing and applications which accounts for nearly 45% of current revenues.

- **What You Should Do**

- Focus on meeting business requirement and showing ROI as part of your applications investment decisions. Evaluate new releases of Oracle Applications Unlimited products against these criteria, and not solely for their ability to introduce new Oracle Fusion middleware components.
- Do not calibrate your applications strategy solely around the potential release of Oracle Fusion Applications. Although Oracle claims they are closer to a delivery date, in Gartner's assessment the next two years will likely not see a significant introduction of core Oracle Fusion Applications.

# Oracle's Future Path for Applications: Emerging Impacts on Customers

<b>Oracle's Strategic Offering</b>	<b>Oracle Applications Unlimited</b>	<b>Applications Integration Architecture (AIA)</b>	<b>Oracle Fusion Applications</b>
<b>Oracle's Key Value Proposition</b>	A <i>complete</i> portfolio of functionality and applications	An <i>open</i> standards-based integration architecture that leverages industry best-in-class processes	An <i>integrated</i> , next generation solution offering application modernization
<b>Gartner's Assessment</b>	<ul style="list-style-type: none"> <li>• Through Oracle's continued acquisition strategy, additional applications are continually added to their portfolio.</li> <li>• Although Oracle is incenting customers to continue to invest in upgraded product releases, customers run the risk of having a number of disconnected customized applications that will be harder to migrate or upgrade</li> </ul>	<ul style="list-style-type: none"> <li>• Beyond integration, there is limited compelling value for implementing AIA, apart from potential increased interoperability between select application combinations. If this integration already exists for you, the potential value of AIA decreases further.</li> <li>• Standards being used by Oracle are still proprietary, and AIA development is not necessarily an open-based standard.</li> </ul>	<ul style="list-style-type: none"> <li>• Openworld 2007 was marked by Oracle guiding customers to expedite their planning around Fusion Applications. Oracle promised to release Fusion in 2008, but no announcements at Openworld were made</li> <li>• Although Oracle claims they are closer to their delivery timeline, Gartner assesses that users should not anticipate Fusion Applications for at least the next two years.</li> </ul>

# Oracle Fusion Middleware: “Watch This Space”

## Key initiatives:

- Partnership with Amazon for a cloud-based offering
- Themed technology suites:
  - SOA Suite
  - EDA Suite
  - BPM Suite
  - WebLogic Suite
  - WebLogic Application Grid
  - WebCenter Suite
  - Oracle BI Suite EE Plus
  - Oracle Entitlements Server
  - Oracle Adaptive Access Manager
- Some certified integration of previously separately-standing products (such as TopLink Certification with WebLogic and ADF)

# Oracle Fusion Middleware: “Watch This Space”

## Analysis and Recommendations:

- Oracle is consumed with integration of BEA and its delayed Fusion Applications project, most news are incremental
- Current suites are “assemblies of convenience”: not all component products are strategic to Oracle
- Real milestone news on OFM will come with OFM11g some time 1H09
- OFM11g v1 will likely deliver only some of the roadmap plans
- Continue to monitor news and analysis of Oracle roadmap as it is not cast in concrete and will likely continue to be adjusted
- Oracle moved from an aggressive challenger in middleware markets to a well-established leader. Its main competitors are now also its partners. Expect a more conservative and less aggressive R&D and marketing campaigns from Oracle in the middleware space.

# Oracle Beehive

## Oracle Announcement

- Oracle Beehive provides team workspace, email, calendaring, and instant messaging in a product suite.
- Replaces Oracle Collaboration Suite
- Oracle positions *security and compliance and process integration* as important differentiators for Beehive.

## Gartner Assessment

- Users should wait until Oracle can produce detailed documentation on deployment scenarios and large-scale references before committing to strategic deployments of Beehive.
- Consider Beehive for tactical deployments where security, compliance, process integration or multiplatform support are critical.
- Oracle customers should carefully evaluate what Beehive offers vs. Oracle WebCenter. OCS customers should evaluate Beehive's new facilities, although upgrade requirements will not be transparent.

# Oracle Database: In the “Clouds” and as an “Appliance”

- Oracle will be providing Oracle Database 11g, Oracle Fusion Middleware and Oracle Enterprise Manager to run in a cloud computing environment. The first products will be available for Amazon Web Services Elastic Compute Cloud (Amazon EC2)
- The HP Oracle Database Machine consists of a grid of Oracle Database Servers and a grid of new Oracle Exadata Storage Servers packaged in a single rack ordered as a complete system from Oracle. This product is designed for high-performance data warehouses.



## PODCASTS

### Insights from Oracle OpenWorld 2008

Published: 3 October 2008

Oracle OpenWorld is an annual event that provides insight into Oracle's new strategies, products, features and partnerships. Listen and learn what transpired at OpenWorld 2008 in San Francisco...

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## TOP 5 Applications Must Reads

Week of 5 October 2008



### Impact and Insights from Oracle OpenWorld 2008

Oracle OpenWorld attracted over 42,000 attendees to hear about Oracle's strategy, product plans and road maps. Oracle's many acquisitions, including the recent BEA Systems, have resulted in Oracle becoming a technology megavendor with a strong portfolio of business applications, middleware and database offerings. This year's event highlighted the maturing of Oracle's business as the focus was more on the integration and interoperability of existing applications and products rather than new products. The two new product announcements included Oracle Beehive, an enterprise collaboration platform, and the HP Oracle Database Machine, a joint effort with HP to provide a complete system for high performance data warehouses. Oracle is also using industry-specific applications to differentiate itself from other vendors and introduced new global business units in insurance and health sciences. Adopting a tactical focus, Oracle plans to continue supporting its existing business applications suites without a rush to migrate to Fusion Applications. For Oracle middleware customers, a common thread was to simplify the enlarged product portfolio and reduce the redundancies created by the BEA acquisition while easing product selection through a new set of technology suites.

This week's Analyst Picks highlight the impact of Oracle's announcements and

## MY RECENT ACTIVITY

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- Toolkit Sample Template: Application Business Case Model Template
- Oracle's Post-BEA Middleware Road Map: Product Recommendations for Users
- Commonly Deployed CRM Applications in 2007
- Maturity Assessment for Application Organizations: Business Engagement
- Toolkit: Maturity Assessment for Application Organizations

## KEY INITIATIVES

Critical and common initiatives for leaders in Applications

- [Applications Architecture](#)
- [Application Modernization](#)
- [Application, Process and Data Integration](#)
- [Customer Experience Management](#)
- [ERP, SCM, CRM Selection \(SaaS or On Premise\)](#)
- [Master Data Management](#)
- [Packaged Application Upgrades](#)
- [Web Application Development & Management](#)

## SPECIALIZE

### Select an Applications Specialty

- [Application Development & Integration](#)
- [Customer Relationship Management](#)
- [ERP & Supply Chain Management](#)
- [Portals, Content & Collaboration](#)

## Key Initiatives

Looking for guidance? Gartner identifies the Applications initiatives that are critical to many organizational strategies and priorities. Use this section to find what you need to move your initiative forward.

[Applications Architecture](#) ▶

[Application Modernization](#) ▶

[Application, Process and Data Integration](#) ▶

[Customer Experience Management](#) ▶

[ERP, SCM, CRM Selection \(SaaS or On Premise\)](#) ▶

[Master Data Management](#) ▶

[Packaged Application Upgrades](#)

[Web Application Development & Management](#) ▶

## Packaged Application Upgrades

Organizations face a daunting challenge when aging applications reach obsolescence or need to be upgraded. Initiatives to upgrade or replace ERP, supply chain, CRM or other business applications are complex, costly, and require detailed planning and active change management. And sometimes, you just need to know when to cut your losses. [Read Research Overview Document](#)

- ◆ When do you upgrade business applications, and how do you justify it?
- ◆ What best practices will keep you clear of common pitfalls?
- ◆ How do you match the vendor upgrade strategy to your enterprise needs?
- ◆ How do SOA, platforms, outsourcing or SaaS factor into your plans?
- ◆ How will you sequence and time upgrades across your global enterprise?

### Featured Research

### Latest Research

#### To Upgrade or Not to Upgrade: That Is the Question

[Add This +](#)

08 July 2008

Pat Phelan

To upgrade or not to upgrade is the question business application managers are asking. This research defines four key factors to consider when determining when and how to upgrade aging business applications.

#### Toolkit: Packaged-Application Upgrades: Software Trends That Will Influence the Upgrade Versus Replacement Decision

[Add This +](#)

11 July 2008

Pat Phelan | Yvonne Genovese | Jeff Woods

Deciding to upgrade or replace a business application can bring good news and bad news. There is the potential for new capabilities and functionality, yet there is cost, risk and work effort involved to change out technology, business processes, customer interactions or supply chain management.

#### Toolkit Tutorial: How to Avoid the Top Three ERP Implementation Mistakes

[Add This +](#)

07 September 2007

Results

[Printable Results Page](#) ▶

[Modify Criteria](#)

[Assess](#) ▶

## Your Results

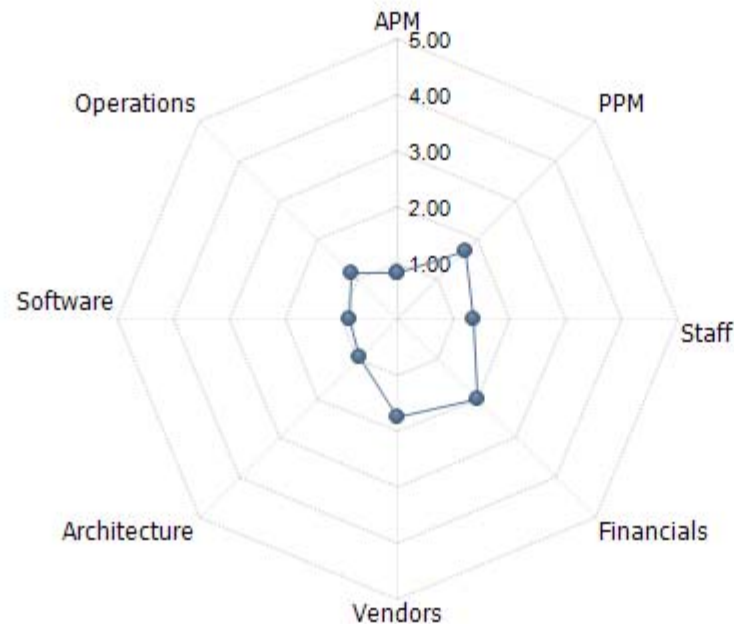
Based on your answers, your Overall Maturity is: **1.31**

Your maturity is low, particularly for an applications environment where significant change is anticipated. Aggressively address disciplines with lower maturity, preferably before significant changes are attempted. Establish a schedule to regularly re-assess your maturity level. This will enable you to track progress, detect erosion of maturity in any of the disciplines, and re-examine maturity with respect to adjustments in your applications environment.

### Recommended Reading:

Toolkit: [Maturity Assessment for Application Organizations, Level 2](#)

### All Disciplines



### RELATED RESEARCH

[Maturity Assessment for Application Organizations: Application Portfolio Management](#)

[Maturity Assessment for Application Organizations: Project Portfolio Management](#)

[Maturity Assessment for Application Organizations: Staffing, Skills and Sourcing](#)

[Maturity Assessment for Application Organizations: Financial Analysis and Budgets](#)

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