Software as a Service: Oracle's perspective

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Today's Discussion
Software As A Service

- Increasing Market Interest in SaaS

- Software as a Service: Oracle's view with Oracle On Demand

- Customer Experience

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Shift from packaged products to Software-as-a-Service (SaaS), utility computing and managed services

Jef Kaplan in Think IT Services, December 2007

http://thinkitservices.blogspot.com/2007/12/top-ten-reasons-why-on-demand-services.html

- *Services are Recession Proof*
- *Everyone's Going Virtual*
- *IBM, Google,... Bet on Utility Computing*
- *SaaS Solves Compliance Issues (Sox, IAS,...)*
- *Managed Services 3.0, Unified Communications Services and Service Automation*
- *Failure Doesn't Matter*
- *Carriers and Channel Companies Find Success With New Services*
- *IT Discovers Services are the Solution*
- *Wall Street Buys Into Services*

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How does Oracle fit in ?

SaaS @ Oracle = Oracle On Demand

Oracle On Demand Business Models

**Only Oracle On Demand's
broad choice of subscription and managed applications
help customers accelerate business results, reduce risk, and lower costs**

- **Unrivaled choice** of deployment options supports virtually every customer requirement
- **Unmatched expertise** keeps your solutions current and available
- **Customer-proven** On Demand offerings dramatically lower risk and TCO

Subscription Applications For Rapid Business Results

Easy entry to comprehensive applications speeds time to value

Intuitive interface fosters rapid user adoption and jumpstarts productivity

Predictable subscription model eliminates upfront investment, adapts to evolving business needs, improves TCO, and lowers risk

Deploy

Your Oracle Software Managed by Oracle's Experts

Unlock more value from your Oracle solutions through Oracle's technology, business, and industry-expertise

Repeatable success from more than 2200 On Demand customers boosts your competitive advantage

Rely on Oracle to manage your applications so you can focus on managing your business

Optimize

Information Technology for Strategic Advantage

Consolidate your IT environment by partnering with Oracle for long-term strategic solutions
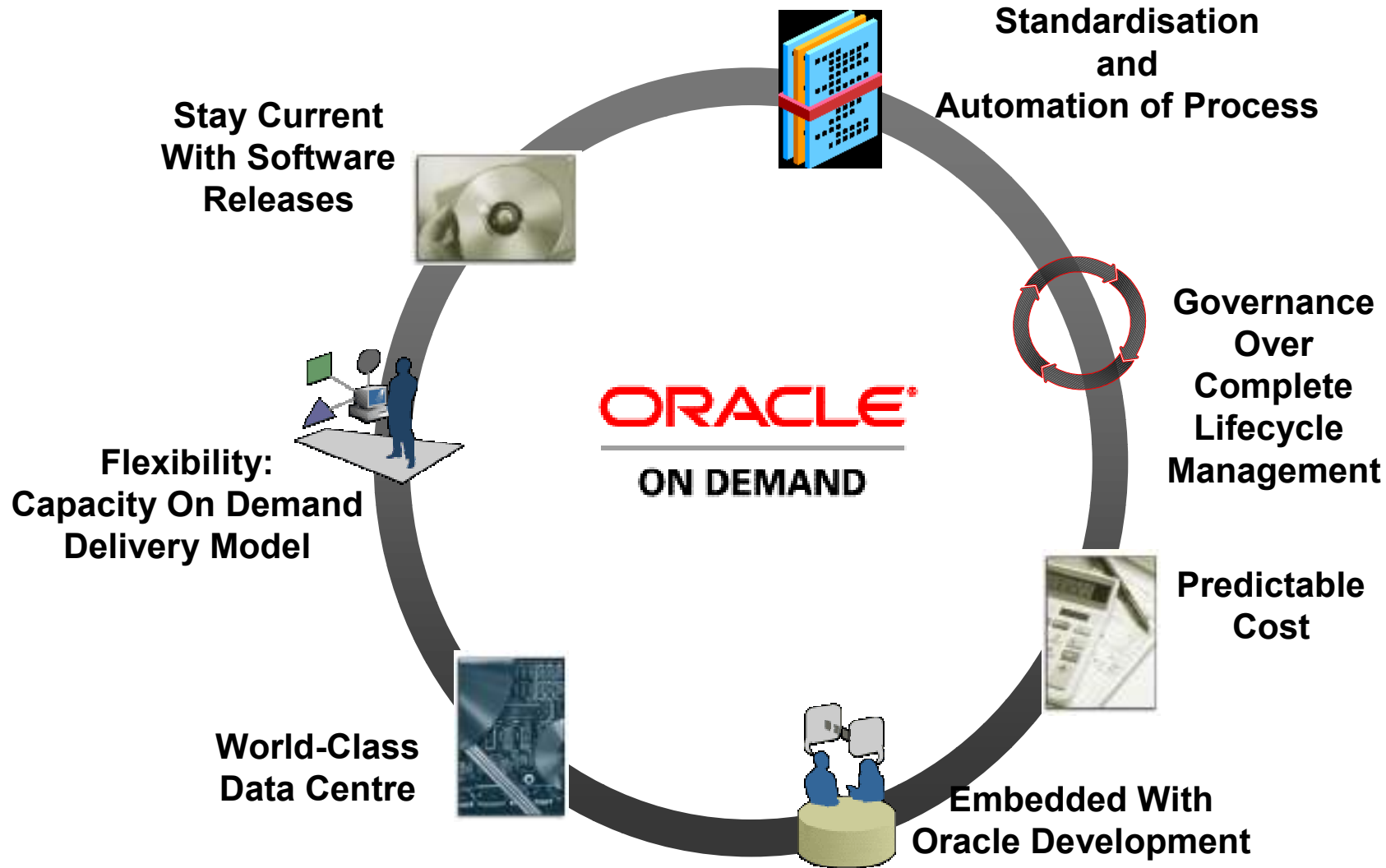
Maximize value from your Oracle solutions with advanced services and business insight

Enable seamless end-to-end business processes through standards-based Service Oriented Architecture

Transform

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On Demand = Software as a Service

Standardisation and Automation of Process

Stay Current With Software Releases

Flexibility: Capacity On Demand Delivery Model

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ON DEMAND

Governance Over Complete Lifecycle Management

Predictable Cost

World-Class Data Centre

Embedded With Oracle Development
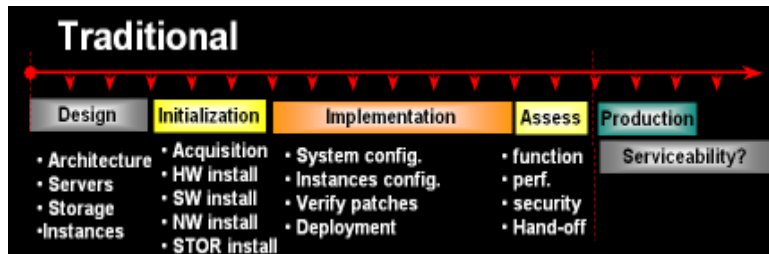
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SAAS vs. Traditional Outsourcing

- Traditional Outsourcing
  - Take your "mess for less"
  - Generalist - Will do almost anything…for a price
  - 5+ years contract, heavy exit clauses
  - Unique Configuration leaves little scope for Quantum Economies
  - Limited specialisation and automation
  - Change Orders allow Cost Creep
- On Demand
  - Oracle Specialist Application mgt – we do not manage anything but Oracle
  - Specific and Structured – Applies Rigour and Discipline
  - Simple contract
  - Automation, Repeatability, Best Practice, 'Fix Once- Apply Many' Approach
  - Direct Access and Involvement with Oracle Product Development & Support
  - Upfront, Transparent Costs

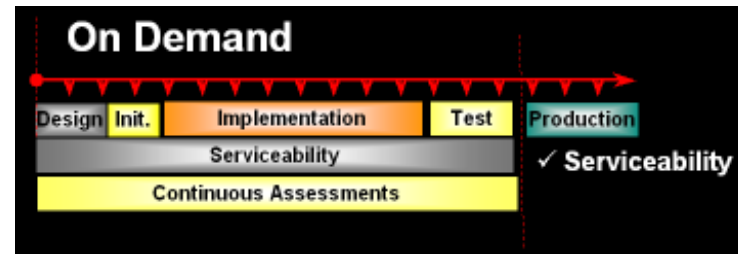# Where SaaS projects differ from "normal" projects

- **Traditional**

  - Too much time could be spent "inventing" the right infrastructure and architecture
  - Customization framework is implementer specific
  - Bulk of testing is at end of implementation where resources may become scarce
  - Overall serviceability is not within implementer's scope and may become an issue post go-live

- **On Demand**

  - Oracle On Demand brings serviceability in the forefront
  - Architecture is quickly defined and readily adjustable
  - Customization is bounded to ease upgrades
  - Implementation is continually assessed
  - Go-Live experience is enhanced

Traditional

Design	Initialization	Implementation	Assess	Production

- Architecture
- Servers
- Storage
- Instances

- Acquisition
- HW install
- SW install
- NW install
- STOR install

- System config.
- Instances config.
- Verify patches
- Deployment

- function
- perf.
- security
- Hand-off

Serviceability?

On Demand

Design	Init.	Implementation	Test	Production

Serviceability

Continuous Assessments

✓ Serviceability

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Customer Experience

Oracle On Demand: account targets & customers ?

Target Accounts
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Target Account Profiles

E-Business Suite	✓ > 150 prof. Users ✓ Customers going through change (hardware, services provider, merger & acquisitions, ..) ✓ shortage in technical skills or high turnover in IT staff ✓ Propensity to outsource
Peoplesoft	✓ > 500 prof. Users ✓ Executive Business Sponsor ✓ Dissatisfied with current outsourcer ✓ View Oracle as a solution provider, not just a product vendor ✓ PSFT 8.8 or higher or planning an upgrade (we have a partner delivered solution for PSFT customer having lower versions) ✓ Propensity to outsource ✓ Customer is also having EBS and/or Siebel solutions
Siebel	✓ > 500 prof. Users ✓ Executive Business Sponsor ✓ Dissatisfied with current solution/provider ✓ View Oracle as a Solution Provider, not just product vendor ✓ Siebel 7.8 or willing to upgrade ✓ CRM On Demand Subscription: > 1 user

SAAS@Oracle:Certified Configuration

Delivering a pre-defined installation and configuration processes. Built on standardized deployment and best practices of integration, configuration, and validation of hardware systems, operating system, and Oracle Technology software to enable scalable services for Oracle On Demand customers.

- Hardware
  - Set of standard Oracle certified architecture building blocks, low cost & highly reliable (Grid Computing)
  - Possibility to "outsource" upgrades and maintenance tasks to grid (in Oracle DC)
  - In the Oracle Data Center or in customer data Center ("On Premise")
  - Highly scalable, includes possibility to allow super fast patching using grid technology

- Software
  - Latest standard Oracle software with all applicable patches included
  - Certified Linux (typically) versions included
  - 3rd party software included if required
  - On Demand CC's for People soft and Siebel are based on Oracle Fusion Middleware (when possible) and Oracle DB and Oracle Enterprise Manager
- Oracle Automation Platform (next slide)

SAAS@Oracle: Software Management Automation based on Standards

Key elements of the On Demand service are Standardization & Automation. Both elements facilitate the change management process (minor patch upgrade up to major software release upgrades)

- On Demand provides
  - Provisioning infrastructure for the automated provisioning within the Oracle Grid and provides capabilities for remote OS cloning for system deployments
  - Portals for Operations, Management and SLA compliance reporting as well as data repository and a workflow engine to allow x-lob Oracle service delivery
  - Assessment tools to analyze complex customizations and I/O patterns as well as validation and troubleshooting of storage systems
  - Toolset to analyze and provide performance, diagnostics, patch tracking, event management, wizards, etc (includes Oracle enterprise manager)

SAAS@Oracle:framework for developing, updating and managing customizations

- Segregation of Standard software and customizations
- Reporting tool for documenting all customizations and degree of compliance with On Demand standards
- If compliant with standards (true for On Demand customers)
  - Smooth change management (upgrades) process possible
  - Performance impact is well understood
  - Enhanced go-life experience
  - Improved system stability
  - Standard test process
  - Compliant with FUSION transformation processes
- During migration process to become On Demand customer
  - All customizations are analyzed, fine-tuned, standardized and made compliant
  - (often) reduction in number of customizations is made possible because process coincides often with upgrade process (example EBS 11.5.7 to EBS R12 On Demand)

SAAS@Oracle: Seamless Access to Oracle Expertise and x-Lob services integration

- On Demand service comes with included Governance service
- Service Delivery Manager is single point of contact for all Oracle Services
- Service Request resolution and escalation process seamlessly integrated for
  - On Demand Engineers
  - Global Support Organization
  - Oracle Development (if required)
  - Oracle Consulting (during implementation)
  - Oracle Consulting Expert Services (when engaged for specific assistance, for example corrective & adaptive maintenance on customizations

  Net results:
  - ✓ 50% Faster Resolution of Support Requests
  - ✓ 60% Proactive Problem Avoidance

SAAS@Oracle :Siebel CRM On Demand (Subscription Service)

- **Speed to market** –Integrate multiple Brands, Geos, profile of users onto a common SFA tool in weeks, not years.

- **Customizable** – leveraging of R14 capabilities

- **Potential to Evolve** – OnDemand > Enterprise

- **Supportability** – IT now spends the majority of their time focusing on the business problems not "keeping the lights on"
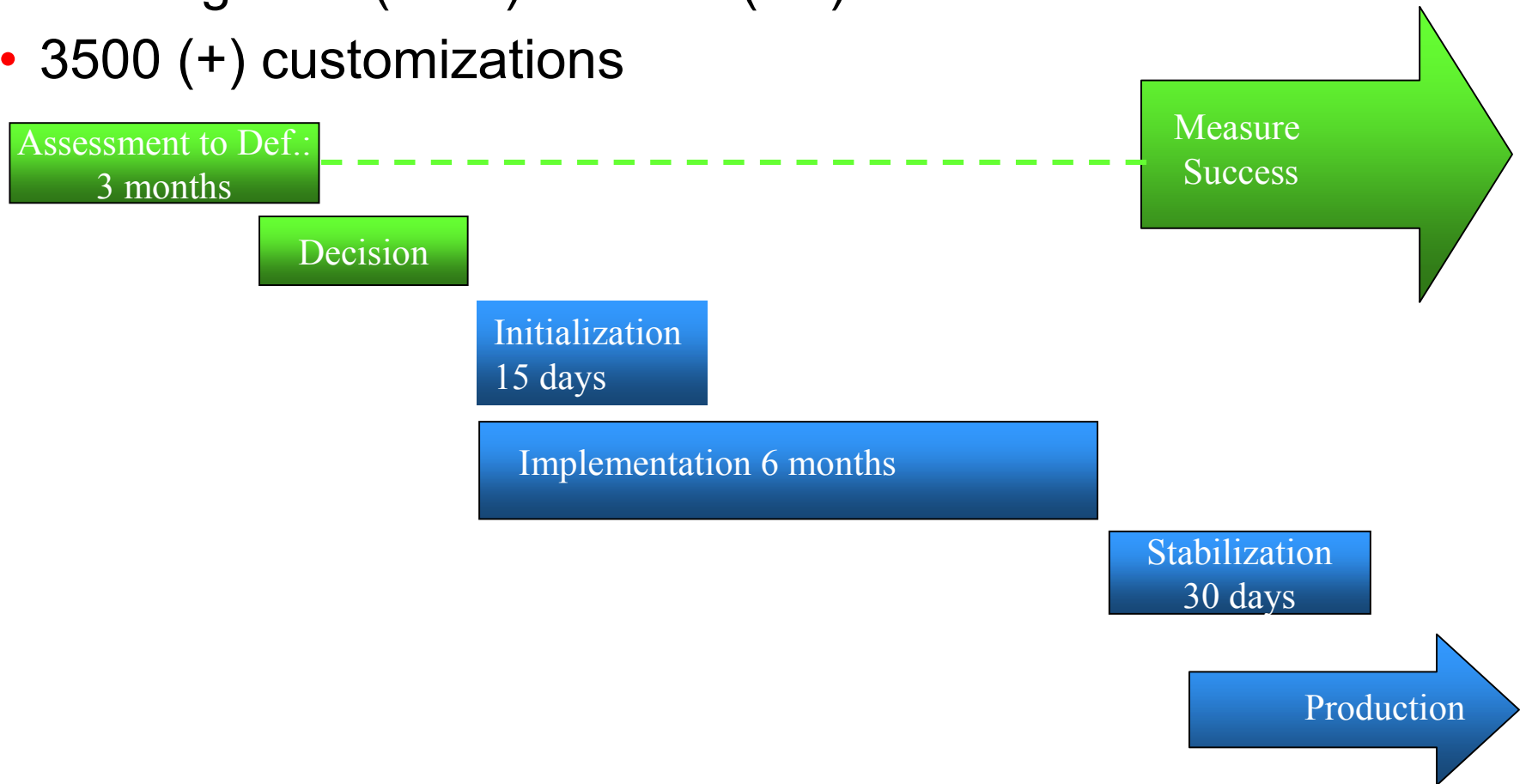
Customer Cases

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Case 1

- European Telco provider
- Existing EBS (R11i) + PSFT (R8) user
- 3500 (+) customizations

Assessment to Def.: 3 months

Decision

Initialization 15 days

Implementation 6 months

Stabilization 30 days

Measure Success

Production

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Case 2

- Federal Government customer
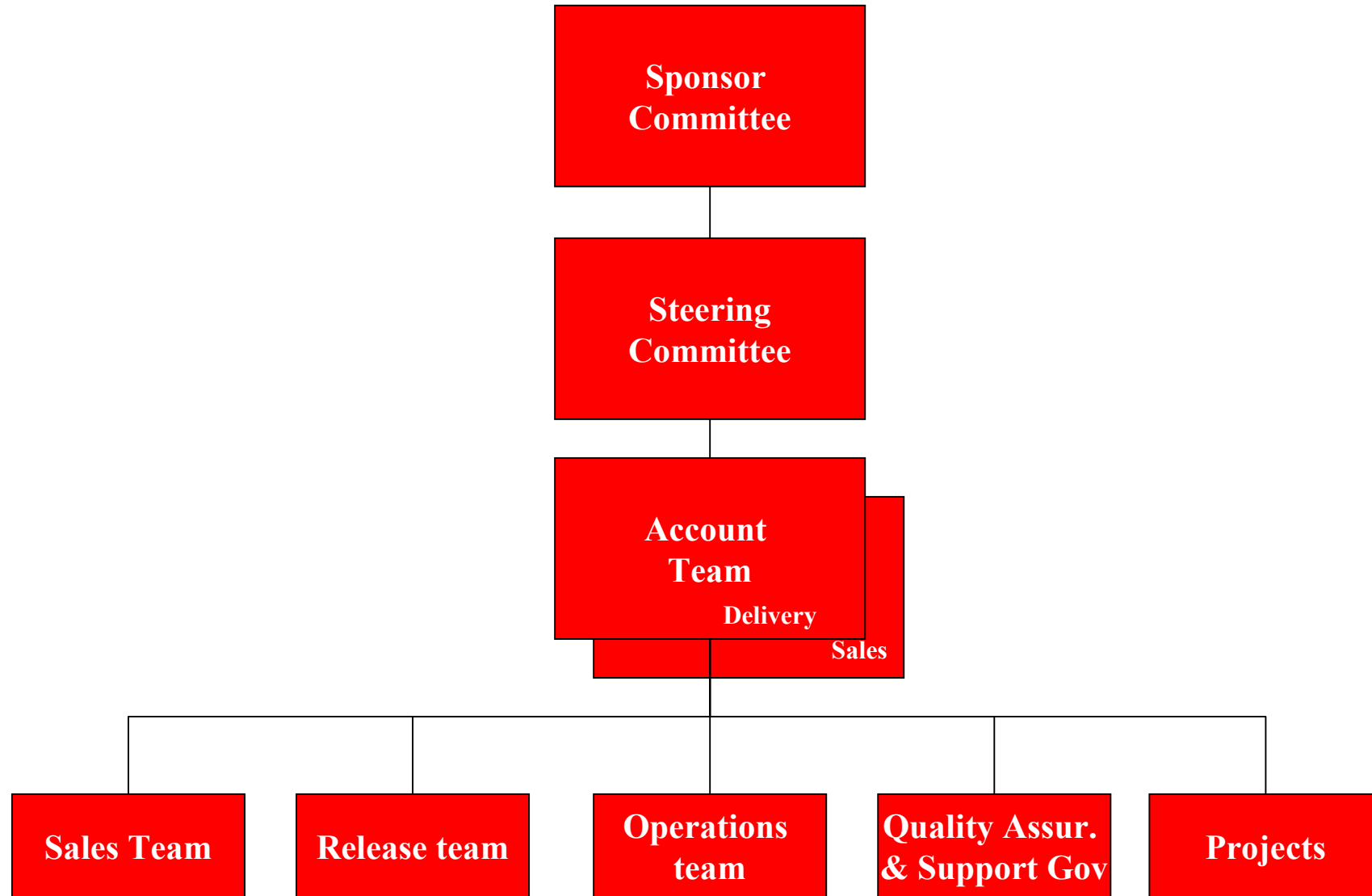- Existing EBS (R11i9)
- Strongly customized – 1000 + users

Why Outsourcing now ?

- Prepare customer for transparent outsourcing in 2008 via a European tender
- Gain experiences with Application Outsourcing
- Cost reduction on the longer term
- Transfer BuZa effort from maintenance towards innovation

Why Software as a Service concept ?

- Transfer Application responsibility to Oracle
- Customer purchased functionality; Delivery by standard application or customizations is up to Oracle
- Pay a fixed price to make use of the maintained applications
- Patching / upgrading are Oracle's responsibility
- No customer involvement in Maintenance after go-live
- Minimum Customer involvement during transition phase

Case 2 – Governance Operational Phase

Sponsor Committee

Steering Committee

Account Team

Delivery

Sales

| Sales Team | Release team | Operations team | Quality Assur. & Support Gov | Projects |

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CRM On Demand Subscriptions Success Stories …

- KPN Netherlands
  - Implementing Siebel Enterprise (On Premise)
  - Intermediate solution to solve short term promise
  - Implemented in 5 weeks
  - Direct results and very happy users
  - Will be expanded!

- Rabobank Nederland
  - Implemented Siebel Enterprise (On Premise)
  - Solution for those business units not requiring complexity
  - Highly successful
  - Quickly implemented
  - Growing rapidly

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