

Open World 2009

I just returned from the Oracle Open World 2009 Conference, held in San Francisco October 11-15. The event is doubly interesting for me as President of AMC. Many of our customers use Oracle and PeopleSoft products; so I share their interest in what is coming next. But I am also on two of Oracle's Customer Advisory Boards, so I can see the event through Oracle's eyes as well.

Attendance was, perhaps understandably, down on previous years from the US. But attendance from overseas was up, with people coming from all over the world to learn about Oracle's products and the company's future direction. Product upgrades and ongoing support are always issues for AMC clients wanting to get the best return on their IT assets, an interest shared by many conference delegates.

Mergers, Acquisitions, and Open Systems?

Larry Ellison, Oracle CEO and guru, wants to reduce the total cost of ownership. At the same time he wants to improve the performance of the technology "stack" - Applications -> Middleware -> Database -> Infrastructure. His plan is not to do this in house, but via various acquisitions. For example, the recent acquisition of SUN was highlighted: that acquisition promises to provide solutions that are engineered together.

Oracle's Fusion middleware is the proposed tool that will combine the "best of breed" products via composite applications. With this approach, packaged solutions should require less customizations, less choices, and less technical expertise to configure the software: because best practices are embedded into the Fusion application, implementation is more rapid and upgrades are done more smoothly.

Oracle does recognize that customers may want to buy just one piece, not a whole solution. Thus, Oracle is "both a car shop and a parts shop, which prefers to sell the car". As I see it, this will work best if the Oracle model is the defining standard from which all other "parts" take their position in the value chain. If Oracle is not accepted as the de facto standard, it may continue to cause integration challenges.

The stacking idea will also increase competition with key vendors such as IBM, SAP, Microsoft, HP, Dell, and *Salesforce*.

Green Employees

The green theme continues to roll on... When and where will it reach critical mass? Is this Y2K ++? AMC is a firm believer in sustainability; but painting something green does not make something green... What is needed is a comprehensive approach, what we call Asset Reengineering. You can download our White Paper on this topic from this same web page.

More Products – Less Choices?

Oracle now has some 3000+ products, and the list keeps growing. How can even the larger customers with big, dedicated IT departments, monitor this list, keeping on top of product updates and upgrades, or product release schedules. Even more, how can they align those tasks with their business strategies, their customer expectations and their budgets? Is this a case of more products but less real choice? Will the market stack vs. stack approach really help customers, or will a new form of platform “prisoner” emerge, an image seen on the streets at Open World where people dressed as convicts embodied the sentiment of many customers that the promise of empowerment has not been honored.

AMC does not believe customers should be put under pressure to match their DNA to that of the IT system. It should be the other way round. The world needs to work to the customer’s rules not Larry’s.

But for customers deeply invested in Larry’s world, what to do?

This highlights the issue of a growing gap between large systems houses and their customers, a gap which perhaps marks the beginning of the end of that generation of IT solution. The future belongs to those who can work with the customers to close that gap again based on meeting the customer’s business needs not in being constrained by the vendor system’s limits.

The Cloud and Future Support – Where is the ROI?

Trends continue to emerge. There is much talk (hype?) around cloud computing but is the cloud truly smart or simply relying on processing power and well-configured architectures? Vendors continue to seek ways to reduce IT cost of ownerships, such as the Software as a Service (SAAS) model. With the average IT Budget spend around 70% for maintenance, and 30% for innovation, it is not self-evident how either new applications or delivery models will reduce the need/cost for support, unless the money is coming from licensing fees ... which average around 21% for Oracle and SAP. Will any of this make users happy or will it just reflect the continued shrinking of the IT budget? And is that budget shrinkage perhaps another sign of customer dissatisfaction with vendor attitudes?

Fusion - Tech for Techies

Fusion Version 1 scope includes financial management, human capital management, sales and marketing, supply chain management, project portfolio management, procurement management, and governance, risk, and compliance. This will all be ready by, you guessed it, 2010.

Executive Briefings

AMC can help you navigate through this space if you need. Please ask about our Executive Briefings.