



## Oracle Adds LogicalApps to Its GRC Arsenal

Friday, October 12, 2007

John Hagerty

Sometimes, good things come to those that wait. This is the case with **Oracle**, which finally made good on its long-rumored acquisition of **LogicalApps**. LogicalApps is a governance, risk management, and compliance (GRC) provider that specializes in continuous controls monitoring and policy enforcement for the Oracle family of business applications. The acquisition is expected to be completed in November 2007. Purchase price was not disclosed.

### LogicalApps fills a visible gap in Oracle's GRC portfolio

Oracle has gradually expanded its GRC footprint the past few years. Organic development from Oracle and **PeopleSoft** portfolios in 2004 primarily targeted functions to address burning Sarbanes-Oxley Act (SOX) compliance concerns.

In early 2007, the company extended its approach by incorporating a GRC framework sourced from acquired content management vendor **Stellent**. Still missing was software to assess, remediate, and monitor policies and controls, especially since Oracle's archival **SAP** had acquired **Virsa Systems** in 2006 to deliver these functions. The LogicalApps acquisition has been in the works for at least six months; finally, it is done, and that hole is plugged.

Founded in 2000, LogicalApps has built a solid business delivering governance-based products for Oracle's application portfolio, with more than 300 customers across industry sectors. While it specializes in Oracle E-Business Suite integration, the firm has extended support to other Oracle products recently. In early 2007, LogicalApps accomplished a mini-rollup of its own by acquiring the GRC products from its most direct competitor, significantly expanding its customer base and establishing a foothold in the European market (see "GRC Market Consolidation: LogicalApps Buys GRC Line From Applimation").

### The competitive landscape

LogicalApps is most often compared to two competitors, **Approva** and SAP's GRC product suite. Both have significant presence in businesses in which SAP applications are in play, and each has gradually nudged its way into Oracle and other vendor accounts by positioning unified GRC processes across heterogeneous application backbones.

To date, LogicalApps has stuck to Oracle, a wise move for a company of its size. Now, we expect these products will turn more attention to SAP applications as Oracle expands its GRC strategy to envelop all enterprises, not just those that predominantly run its application products. Today, though, the value is clearly within the Oracle family of products.

Continuous monitoring is always cited as one of the most prominent investments buyers can make to better control ongoing GRC-related expenses. Increasingly, customers use the continuous monitoring discussion as a way to automate rote auditing tasks as well as limit audit-related costs. Firms such as **ACL Services** and **Oversight Systems** play influential roles in this GRC realm.

### Conclusion

As organizations mature in their use of GRC-related technologies, the automation of manual tasks becomes the rule, not the exception. Companies will continue to expand automation with continuous controls monitoring software to save money and quickly identify problems before they become even bigger headaches. Oracle's LogicalApps acquisition is a natural extension of its GRC strategy, filling that gap in its existing portfolio.