



Oracle Fights for its Share of Manufacturing

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ERP vendors are once again leading the polls on manufacturing mindshare, early results indicate from AMR Research's latest survey. The survey of manufacturing operations software deployments and spending among a selection of discrete and process manufacturers that AMR Research tracks indicate that, this time, **Oracle** is giving **SAP** a run for its marketing dollars.

This is especially true in the midmarket among these industries, the next prime growth opportunity for the two companies. The preliminary results—and they could change quickly—show 49% of the more than 200 respondents in these industries claim to be using Oracle for manufacturing execution, while only 36% indicate they've deployed SAP in this capacity.

While Oracle hasn't been matching SAP's partnering and composite application development activities in manufacturing, this latest survey confirms that deep manufacturing functionality embedded in Oracle's EnterpriseOne and E-Business Suite is recognized and broadly deployed by its customers.

Oracle also seems to be giving SAP a run for its money in new manufacturing deployments. Users are in fact looking beyond SAP's partner programs, reseller agreements, integration toolkits, and manufacturing marketing initiatives. They are giving Oracle equal consideration when it comes to future manufacturing software investments.

Oracle's continued investment in its core technologies appears to be paying dividends.

Beyond its ability to support multiple manufacturing styles in its ERP system, including strong support for lean and DFT, it has made significant investments in extending core manufacturing functionality with Oracle MES. This is meant to provide role-specific workbenches and dashboards, Oracle EAM, Sensor Edge technology for integrating devices (including RFID) and real-time data, and Operations Intelligence with Siebel Analytics-based OBIEE.

A manufacturing data hub is surely on its way, replete with manufacturing master data management (MDM) capabilities. Oracle's prowess in data management and development platforms is beginning to shine through in Oracle Fusion.

In fact, with Fusion and Oracle's Applications Unlimited strategy, the opportunity to cross-sell its MES back into the large JD Edwards installed base, augmenting the already present JD Edwards plant manager dashboard, cannot go unnoticed.

Also not to be underplayed is Oracle's rich heritage as a database provider. Its experience in handling massive volumes and time-critical data in telecommunications can be used to integrate Enterprise SOA and Manufacturing SOA for the brave new world of Manufacturing 2.0. Within manufacturing, Oracle has a substantial base of database users, with virtually all the manufacturing operations software applications in SAP's partner ecosystem running with both Oracle and **Microsoft** SQL RDBMS.

Oracle is well positioned to become the "manufacturing operational data store," not only offering historian functionality (something that SAP still needs as part of its evolving manufacturing strategy) for high-speed data acquisition scenarios, but features in multiplant operations intelligence architectures as well.

For many Fortune 500 companies, ERP bets have already been placed for core financials and standardization on business processes such as order to cash, but the decisions on how to support diverse manufacturing styles across their fleets of plants is a major factor in new ERP sales and add-on decisions.

The battle for manufacturing dominance is far from over. In fact, it's about to heat up as these massive software providers set their sights on the midmarket. The changing requirements that Manufacturing 2.0 currently carry will, if anything, fuel the competitive fire.

While Oracle goes deep and SAP goes "partner," the challenge remains for manufacturers needing to augment their Java-based ERP standardized applications with deep manufacturing operations functionality from the plethora of manufacturing vendors that have matured their architectures on Microsoft-based technologies, not Java. This signals that the demise of the independent software provider is not looming on any horizons, either.

Does this mean that as the Manufacturing 2.0 story unfolds, information infrastructure (not applistructure) providers may be the ultimate winners of this game? You tell us at sno@amrresearch.com.

Recommended research

- "Lean Planning and Execution Software: Extending Lean Thinking Across the Enterprise"
- "OpenWorld 2006: Oracle Overtly Challenges the MES Paradigm"
- "Oracle Poised To Strike Gold in Asset-Intensive Midmarket"
- "Oracle Application Integration Architecture: We Love It When a Plan Comes Together"
- "SOA and BPM for Enterprise Applications: A Dose of Reality"
- "MDM Strategies for Enterprise Applications"
- "Addressing the Manufacturing Backlog: It's Time for Manufacturing 2.0"

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