



Oracle Performance Management and the Path to Fusion

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When **Oracle** formally unveiled its business intelligence (BI) strategy for Oracle Fusion, it clearly put its eggs in the **Siebel** Business Analytics basket (see the AMR Research *Alert* article "Oracle Embraces Siebel Business Analytics for BI Future"). But would this decision significantly affect its performance management product line sooner rather than later?

The one-word answer: no. Oracle's plans call for an orderly progression to Fusion for its performance management products over the next three years, and its BI foundation will play a role, but not until later in the process.

Oracle's performance management products today

The company has many assets that it markets under the Oracle CPM and **PeopleSoft** EPM monikers to its respective customer bases. Both suites contain the following:

- Planning, budgeting, and forecasting software
- Financial consolidations products
- Internal controls products for compliance and risk management needs
- Scorecard products for specific roles in the enterprise, along with one for a specific methodology: the Balanced Scorecard

The Oracle suite also includes a profitability management product launched in 3Q05 that has had success in financial services, telecommunications, and other service industry firms.

Based on the content of its suites, it's clear that Oracle's current target is the financial operations of the business. Oracle CPM is in the relatively early stages of adoption with customers. PeopleSoft EPM is more broadly deployed, with components licensed to more than 1,200 accounts, and new customers continue to sign on the dotted line (see the *Alert* article "Analytics Everywhere: Making the Enterprise Versus Best-in-Class Decision").

CPM versus broader business analytics

The term "analytics" has been bantered about by the software community for much of the last year, and Oracle has been made an active participant in those conversations. There's a semantic difference here—performance management as a concept versus CPM as a product line. Oracle CPM is a well defined set of finance-centered and operational (workforce planning, demand planning, customer behavior modeling) analytic applications. Other business content analytics will be delivered in the context of the broader Oracle Fusion suite.

This may confuse some potential buyers. Performance management increasingly has moved into the business vernacular as a term that encompasses all manners of query, reporting, analytics, planning, and dashboards/scorecards. Oracle would be well served to define its terms upfront and not assume there is general understanding of its product categories.

How CPM will get to Fusion

A four-step process for CPM applications to fully migrate to the Fusion vision:

- The first step for enhanced information access is to unify the information models from all existing suites. This foundation piece is called the Enterprise Performance Foundation. Users across product lines can share a common business language and a common set of key performance indicators (KPIs), resulting in that "single source of truth" across the firm.
- The next step is that all analytic application families will use Fusion BI infrastructure—a.k.a. Siebel

- Business Analytics—and Fusion middleware, specifically interactive dashboards and embedded analytics.
- Next, Oracle will use the Fusion middleware to deliver the next-generation CPM applications (budgeting, profitability, consolidations, and so forth). Interactive dashboards related to specific industry and/or functional roles will guide a user through a decision process.
 - Finally, analytics will be embedded in business processes.

This is a multistep, multiyear process. We encourage existing customers to move to the latest releases of CPM/EPM products in preparation for the long-term migration to the unified Fusion architecture for BI and analytics.

Conclusion

Oracle's decision to standardize its BI platform on Siebel Business Analytics does not affect Oracle CPM or PeopleSoft EPM customers in the near term. Over the next three years, more options will become available, giving customers numerous choices as they chart out timing and related investments in the Fusion platform. But there is no pressure to plan for a forced migration for some or all of the analytic platform anytime soon—and that's good news.