

## EVENT FLASH

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### Oracle Applications Aim High for Product Innovation, and Industry Leadership

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#### IN THIS EVENT FLASH

This IDC Flash examines the major developments and announcements during the recent Oracle Asia/Pacific OpenWorld in Shanghai, China. The event brings together thousands of Oracle customers and partners and showcases Oracle's strength in the technology and applications spaces. Its event tagline "Better Information Better Results" reinforces Oracle's commitment to support its customers with innovative products and services to help streamline their operations with better information management (IM) that will eventually impact their bottom line.

#### SITUATION OVERVIEW

In the applications market, Oracle has continued on its acquisition strategy road map of software vendors with the latest purchase of Agile, AppForge, Hyperion, and LODESTAR. As part of its Applications Unlimited service, the products from the earlier acquisitions such as Retek, PeopleSoft, JD Edwards, and Siebel continue to receive product support and enhancements with new releases. Furthermore, these standalone solutions will be rolled in as part of the Fusion applications, which is scheduled for release in 2008.

Oracle's leadership in the relational database management system (RDBMS) and footprints in the applications markets such as enterprise relationship management (ERM), customer relationship management (CRM), and supply chain management (SCM) will continue to expand, especially in the major Asia/Pacific countries such as Australia, India, Korea, and China. In China, Oracle secured the partnerships of Digital China, which is one of the largest local services providers (SPs) with specific focus on telecommunications, manufacturing, and government sectors. The partnership will be critical for Oracle as it attempts to increase its footprints in these verticals, which are the fastest growing in terms of IT spending. Oracle's investments continue to accelerate in China with the establishment of another new research and development (R&D) center in Shanghai adding to the existing ones in Shenzhen and Beijing. The center would focus on localization and customization work for the local market. Some of Oracle's key customers in China are Bank of Nanjing, China Mobile Communications, ChangAn Automobile, and Sinosteel.

#### FUTURE OUTLOOK

During the customer event, Oracle continuously expressed its intentions to offer its customers choice and innovation in its suites of applications. Its strategy to launch Applications Unlimited and Applications Integration Architecture reaffirms Oracle's commitment to providing product support and enhancements for its suites of enterprise applications while the Fusion applications developments continue to mold its release for 2008.

The recent enterprise applications stacks releases that includes Oracle E-Business Suite 12, PeopleSoft 9, JDE EnterpriseOne 8.12 and World A9.1, as well as Siebel 8, displays the results of Oracle's continuous investments in R&D which also ensures that new releases will be available in the future. Furthermore, the developments in the industry-specific applications market continue to draw attention to the vendor community. Acquisitions of, for instance, Agile, LODESTAR, 360Commerce, and MetaSolv Software reinforce Oracle's focus in growing its expertise and end-to-end product offerings in these vertical pillars. Oracle has made considerable headway in the telecommunications, retail, banking, and utilities industries and continues to provide a compelling solution stack and integration to the back-office systems of these enterprises. The developments in the Fusion architecture will address the pain points of many large enterprises that run on standalone solutions. Also, as governments in the region are pushing for greater transparency in both the private and public sectors, focus on governance, risk, and compliance (GRC) in these enterprises will be prioritized. As a result, vendors such as Oracle that can offer GRC solutions will be well positioned to capitalize on this opportunity.

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Furthermore, Oracle offers its customers the choice of on-premise implementation or a software-as-a-service (SaaS) model through its Oracle On Demand suites of products such as Siebel CRM On Demand. Enterprises that are faced with stringent IT budgets can choose the software-on-demand offering. As more companies in Asia understand the benefits from an on-demand model of using software and the state of infrastructure network improves in the developing countries, IDC expects to see a higher rate of subscriptions derived from this model.

Last but not least, Oracle maintains strong investment in building industry best practices and solutions for the vertical markets. Besides retail, telecommunications, banking, and utilities, Oracle is expected to move into other emerging and lucrative verticals such as healthcare or insurance. Oracle's ability to offer end-to-end enterprise applications solutions with industry focus will distinguish it from many others in the market. Despite the intense competition in the marketplace, Oracle remains focused on its Fusion road map as the future business applications that will continue to build its leadership, innovation, and choice for its customers.