

Oracle Alliance Partners + Oracle Consulting = an Engagement Asset

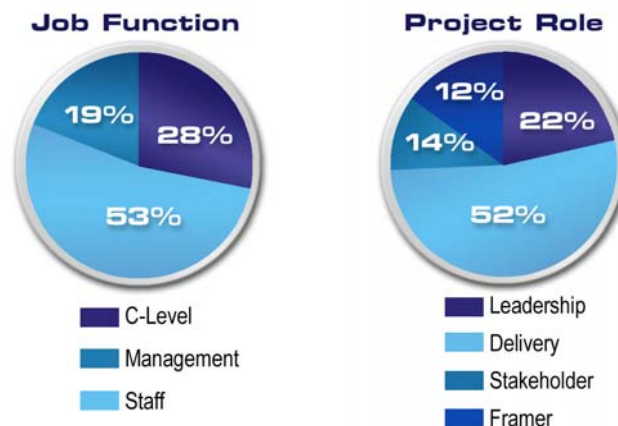
Key Findings from Performance Monitor's Study of 645 Clients of Leading Oracle Systems Integrators

Clients entering into ERP engagements often presume that their results will be enhanced if their ERP software vendor's services wing has a role in the engagement in support of a chosen systems integrator. Arguments in favor of such an arrangement often tend to center around the need for the ERP software vendor to have some stake in the outcome of an engagement. Arguments against vendor partnering often center around the implied difficulty of coordinating separate consulting entities.

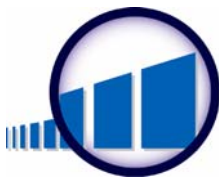
Over the years, reports from the field have varied and there has been little hard evidence to prove or disprove that the inclusion of an ERP vendor's services group will enhance an engagement.

In order to answer this and other questions about systems integrator field performance in the ERP market, Performance Monitor surveyed 2,004 clients of leading Oracle, SAP, and PeopleSoft systems integrators. For the most part, results relative to vendor partnering were varied. However, for the Oracle market, there is strong evidence that the inclusion of Oracle Consulting in support of alliance partners is a plus.

For the Oracle market 645 clients participated in the research as follows:

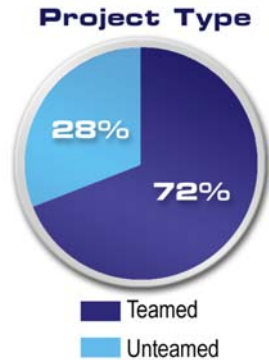


Clients provided an assessment of the lead systems integrator their organization used for a specific Oracle project. Only clients of the following Oracle systems integrators were included in this research: Accenture, BearingPoint, Capgemini, CSC, Deloitte, IBM Business Consulting Services, and Oracle Consulting.



Clients provided performance ratings on a defined scale of 1 (low) to 10 (high) across twelve distinct performance criteria as well as an overall rating. The average overall performance score across the 645 Oracle projects was 7.24.

In order to assess whether or not the inclusion of Oracle Consulting in an engagement was a plus, the results were compared for teamed and un-teamed projects. The results do not, of course, take into account the 129 projects in which Oracle Consulting was the lead systems integrator. Of the remaining 516 clients, 475 reported whether or not Oracle Consulting was teamed with their lead systems integrators.

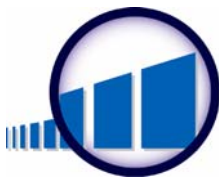


The client ratings of Oracle’s alliance partners against these two conditions were compared in order to shed light on the differences in performance between teamed and un-teamed projects.

The performance criteria scores for Oracle’s leading alliance partners are higher for all twelve performance criteria when they team with Oracle and much higher for four of the criteria.

	Teamed With Oracle	Not Teamed With Oracle	Difference
Projects	340	135	
Percent of Total	72%	28%	
Post-Implementation Planning	7.32	6.89	0.42
Knowledge Transfer	7.39	7.02	0.37
Industry Focus	7.27	6.96	0.31
Reporting	7.34	7.04	0.30
Partnering	7.38	7.11	0.27
Methodology & Tools	7.51	7.24	0.26
Vision	7.29	7.04	0.25
Measurement	7.21	6.99	0.22
Agility	7.11	6.96	0.16
End-User Training	7.20	7.05	0.15
Timely Delivery	7.15	7.04	0.11
Project Delivery	7.21	7.14	0.07
Overall Performance Score	7.29	7.16	0.13

It is interesting to note that the “end-game” criteria are those with the greatest difference when Oracle Consulting teams with the lead systems integrator. Those criteria shaded in blue address post-implementation considerations, suggesting that, when Oracle Consulting is a part of the engagement equation, there is a greater focus on the longer term than when an alliance partner goes it alone.



Clients also provide insight into the problems experienced in the course of their Oracle project. In this regard, they tell us that:

- A higher percentage of un-teamed projects are problem free (38%) compared to those in which Oracle Consulting participates (31%), while
- Overall problem incidence is generally equal (teamed = 1.7 problems cited per project, un-teamed = 1.6).

These results support the notion that multi-partner projects are more difficult.

In similar fashion, participants shared the level of attainment their organization achieved for each of ten targeted goals. While goal attainment levels for eight of the goals were similar, two of the goals had differing results:

- For the goal of reducing IT costs, teaming arrangements resulted in this goal being met or exceeded more often (91%) than in un-teamed arrangements (80%).
- The goal of implementing scalable, adaptable systems was met or exceeded less often (89% of the time) in teamed arrangements than when the alliance partner worked without the assistance of Oracle Consulting (96%).

One important “last word” measure of an Oracle engagement’s success is the future consideration that a client will accord to their system’s integrator. Oracle clients who are influencers or final decision-makers and who have subsequent projects in the coming twenty-four months were asked to weigh in on the future consideration they would give to their systems integrator. Here is how Oracle’s alliance partners fared as a group:

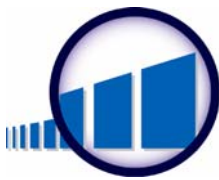
Oracle Alliance Partner Future Consideration			
	Teamed With Oracle	Not Teamed With Oracle	Difference
Projects	291	108	
Will Not Shortlist	9%	9%	-1%
Will Shortlist	35%	46%	-11%
Will Engage Again	56%	44%	12%

While an equal percentage of clients will not shortlist the alliance partner for each group, it is evident that there is a greater endorsement of alliance partners when they are teamed with Oracle Consulting. An outright “will engage again” trumps a more indeterminate “will shortlist” by a wide margin.

The ensemble of these results strongly suggests that the inclusion of Oracle Consulting in an Oracle engagement can positively contribute to overall results. Problem management and goal attainment are generally the same for both arrangements but performance criteria and future consideration are much stronger when Oracle teams with its alliance partners than otherwise.

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This research supports both sides of the argument highlighted at the outset of this report, though the data clearly shows that organizations willing to take on the additional challenges of managing multiple consultancies will reap greater rewards, most notably in a client's ability to operate and maintain their systems post-implementation.

Although results vary across the individual Oracle alliance partners included in this study, clients considering an Oracle engagement can, with confidence, give strong consideration to the inclusion of Oracle Consulting in support of its alliance partner.

Michael Doane is the Chief Intelligence Officer at Performance Monitor LLC, which provides professional services firms and client organizations with an intimate, detailed, and unbiased account of how effectively service providers perform in the field. For details, visit www.performancemonitor.net. Mr. Doane is also the author of the popular SAP Blue Book and co-author of The SAP Consultant Handbook. Contact him via email: mdoane@performancemonitor.net

About This Study

In order to gain deep insight into the relative strengths and weaknesses of leading SAP, Oracle, and PeopleSoft systems integrators, Performance Monitor gathered input from 2,004 of their clients. All respondents were validated as participants in the ERP engagements they reported upon.

About Performance Monitor

Performance Monitor provides deep and disintermediated market analysis regarding the relative performance of services providers, industry trends, and best practices. Performance Monitor has gathered the testimony of hundreds of clients that have engaged the leading consultancies for their ERP projects and have compiled their insight and experience into a series of reports, buyer's guides, white papers, and advisory to help organizations find the right firm for their needs. For more information about our ERP and other research focus areas, visit our website at www.performancemonitor.net.