

## WHITE PAPER

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# Optimizing Business Benefits for Midsize Companies Through the HP-Oracle Accelerate Partnership

Sponsored by: HP and Oracle

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### Executive Summary

Midsize companies — firms that are neither small businesses nor in the Fortune 5000 — are under increasing pressure to sharpen their business processes in light of globalization and changing economic conditions. In over 800 interviews with midsize companies, IDC has found that while their needs are complex and varied, they share a common interest in using advanced technology solutions similar to those deployed by larger enterprises, but they face the constraints of limited IT budgets and resources. Working to close the need versus resources gap are technology suppliers that bring end-to-end solutions to the table, along with their channel partners who play a key role designing and implementing solutions to meet specific customer objectives.

In 2007, HP and Oracle announced a new focus within their 25-year alliance with the goal of addressing these requirements for midsize companies. This alliance brings together Oracle's Accelerate program with HP's Adaptive Infrastructure offerings, making it all available through Oracle Accelerate and HP channel partners. The result is a go-to-market offering for HP-Oracle solutions that combines the market expertise and customer reach of both vendors' partner channels.

Oracle Accelerate is a focused go-to-market strategy that provides application solutions consisting of rapid implementation tools and services delivered by consultants with industry- and product-specific expertise. With Accelerate, Oracle applications can be adapted based on industry-leading practices to suit the needs of midsize companies for business flow solutions across a broad range of industries without the cost, complexity, or lock-in of large custom-coding engagements. The Oracle applications covered by this program are the same applications Oracle sells to its largest business customers, meaning midsize companies do not need to change their applications as they grow.

These applications are combined with HP midsize technology and business solutions and products targeted to the needs of midsize customers. HP has developed a broad set of business solutions and technology offerings designed to support midsize businesses throughout their business life cycle and service offerings designed to help them get up and running quickly and easily. Midsize business solutions include integrated hardware and software configurations for communication and collaboration, application platform, CRM, and ERP application workloads. These configurations have been strengthened to address customer IT pain points of continuity, security, and efficiency. Technology solutions consist of Adaptive Infrastructure enablers to optimize customers' IT infrastructure, including management, automation, and virtualization. Product offerings include the

HP BladeSystem c3000 enclosure ("Shorty"); HP ProLiant and HP Integrity servers; HP StorageWorks disk array, software, and data protection solutions; and HP business solutions for midsize companies. These offerings have been engineered for midsize business environments and are designed to be configurable and cost-effective at the scale required by midsize customers.

Both Oracle Accelerate solution providers and HP reseller channel members play key roles, bringing together the solutions and making them accessible to customers. Oracle Accelerate partners play a central role in defining the solution and selling the application, while HP resellers bring the necessary hardware and infrastructure expertise. Either set of channel partners can be the initial entry point for a customer.

The choices available to midmarket businesses are diverse and comprehensive. For midsize businesses looking to implement enterprise-class application functionality, these offerings can provide complete hardware plus software plus services solutions to flexibly address current and future needs. IDC believes that customers benefit from having a single, end-to-end solution consisting of industry applications tailored to their individual business flows that can grow with their business, on industry-standard infrastructure "rightsized" to suit their needs, all available through knowledgeable partners. For companies that want to leverage Oracle applications and HP hardware, this new program provides an effective delivery mechanism that speeds deployment.

## **Midsize Companies Need to Support Big Computing Needs on Limited Resources**

### ***Key Business Priorities***

A large assortment and number of midsize firms exist across all industries, and their IT needs are correspondingly diverse, yet they have much in common. At the highest level, IDC research has found that midsize firms cited two basic business priorities for the next 12 months: to improve efficiency and to grow revenue (see Table 1). Further, many of the other business priorities cited flow from these top priorities: strengthening financials and managing cash flow contribute to growing their revenue stream, while staff development and personnel recruitment contribute to improved efficiency.

**TABLE 1**

Key Business Priorities for Midsize Companies for the Next 12 Months  
(Firms with 100–999 Employees)

Priority	% of Respondents
Improve efficiency	60.2
Business growth	57.8
Staff development	31.5
Manage cash flow	28.3
Better customer information access	18.9
Strengthen financials/credit	17.0
Effective/affordable healthcare	15.7
Personnel recruitment	11.5

Note: Multiple responses were allowed.

Source: IDC's SMB Research, 2007

Other IDC studies reveal that medium-sized businesses rank business process improvement as the top factor in choosing enterprise application investments (cited by 63% of midsize companies interviewed by IDC in a 1Q08 study). Information technology can play an important role in helping companies support growth, improve efficiency, and improve business processes. But midsize firms face some basic challenges while they strive to meet these goals.

### ***Points of Pain for Midsize Companies: Strategic and Tactical***

Midsize businesses face a variety of challenges as they seek to execute on their business objectives. Some pain points are broad, basic, and fundamental, and they require considerable effort to address. Others may seem equally daunting, but they are more tactical in nature and can often be addressed effectively and efficiently with new technical and business approaches. The following section addresses a subset of challenges faced by midsize businesses, including those addressed by the HP-Oracle Accelerate initiative.

#### **Strategic Midmarket Pain Points with Long-Term Implications**

- ☒ **Limited financial resources.** While midsize businesses have deeper financial roots than small businesses and can usually withstand greater disruptions in difficult times, they still are very sensitive to working capital requirements and need to be attentive to issues such as cash flow and working capital positions, currency exposure, and impact of foreign tax codes. Effective information technology systems can make the difference between successfully realizing a return on their financial resources and suffering a major cash crisis.
- ☒ **Need for effective inventory management.** Effectively and accurately tracking and managing the end-to-end supply chain can be a major challenge, especially for midsize firms whose logistical processes may not always keep pace with company growth. The natural tendency for any firm is to keep its existing inventory management approaches in place for as long as possible because this represents the path of least resistance, but the stresses of managing growth, including new products, and rolling out to new territories can overwhelm a system with remarkable speed. Any company that does not know how much room for growth its systems will support likely does not have enough.
- ☒ **Limited internal IT bandwidth and expertise.** IDC research shows that only at 100 or more employees do most businesses typically employ an IT staff consisting of more than a single individual, and even in midsize businesses with larger, full-time IT departments, each staffer supports an average of 30–40 users. This support burden can largely consume the time available to an IT organization, leaving little bandwidth for strategic projects or major technology deployments.

#### **Tactical Midmarket Pain Points: Opportunity for Near-Term Relief**

- ☒ **Limited space.** Midmarket companies do not always have dedicated space to house computing equipment, let alone a formal datacenter. For example, during site visits to medium-sized firms, IDC often finds network servers operating underneath desks in the reception area. While larger midmarket firms often do have formal IT closets or server rooms, space is typically limited and may be shared with a variety of equipment, including phone and key system units.

- ☒ **Power and cooling concerns.** Most midsize firms have limited ability to provide the optimal climate-controlled environment for a state-of-the-art computing infrastructure. Reliable universal power supplies are not always available, with anything beyond the standard 110v service posing a problem, and the challenges of cooling advanced equipment — especially if relegated to an out-of-the-way utility closet — can be severe. Further, excess energy consumption is not just environmentally unfriendly but also expensive. IDC research has found that the operating costs associated with four-year-old computer equipment can be higher than the annual amortized costs of new hardware.
- ☒ **Effective alignment of hardware and software.** While large companies may have the resources to develop dedicated applications to run on advanced hardware, midsize firms often have to settle for off-the-shelf solutions that can be tailored only modestly to meet their specific needs. While a number of horizontal applications can work effectively for some midsize businesses, the requirements to address their specific industry needs often mean that performance compromises are inevitable. Further, the challenge does not end at identifying the appropriate applications, as midsize businesses must also select and manage the right hardware platform for those applications to ensure adequate performance and scalability at a price point appropriate for their budget.

#### ***Filling the IT Resource Gap: Leveraging External Capabilities***

Given their limited IT resources, midsize businesses must find creative ways to support their growing businesses needs. Tapping into external resources can be an effective method to supplement their internal IT resources, especially since channel partners currently used by midsize businesses — including VARs and systems integrators — are already familiar with the technology the firms have in place. These channel partners not only provide consulting, installation, training, support, and even managed services but also often leverage market knowledge regarding specific industries or horizontal solutions, which enables them to identify appropriate value-added solutions and services. Further, they often provide the ability to customize resources to help tailor solutions to meet companies' specific requirements.

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### **Introduction to the HP-Oracle Accelerate Joint Initiative**

HP and Oracle have been collaborating at the engineering level for 25 years to jointly test, certify, and tune software and hardware solutions for their shared customers. The HP-Oracle Accelerate joint initiative builds on this history of cooperation between HP and Oracle and is designed to provide complete IT hardware, software, and services solutions to meet the specific, solution-focused needs of midsize companies across a broad range of industries. By combining resources of Oracle in business applications, HP in infrastructure and services, and the channel partners of both firms, this initiative is designed to bring complete, end-to-end solutions for midsize companies' business flows that meet the critical criteria of being affordable, easy to implement, and easy to manage.

The starting point for this initiative is Oracle Accelerate. Oracle Accelerate is designed to provide midsize customers with specific business application solutions, including financials, manufacturing, procurement, human capital management, and business intelligence. Leveraging Oracle Business Accelerators, Oracle Accelerate solutions

are available throughout 25 countries in 42 industry segments across 18 industries, including healthcare, oil and gas, chemicals, consumables, electronics contract manufacturing, hard goods, and logistics. Oracle Accelerate is designed to truly provide midsize companies with the best of both worlds: enterprise-class applications that can be deployed quickly, easily, and affordably and that, at the same time, can be tailored to meet the specific requirements of a particular industry.

Equally important to this initiative is the HP portfolio of offerings designed to meet the needs of midsize businesses. With a range of server, storage, and service offerings, HP has brought to market a broad range of technologies and services rightsized to suit the needs and budgets of midsize companies.

The solution is made accessible to customers by the combined Oracle Accelerate and HP partner channel. Oracle Accelerate and HP partners team up and work together to provide each element of the solution, along with all necessary installation and integration services. Further, many also bring additional value-added offerings, such as industry-specific business consulting in the case of Oracle Accelerate partners or infrastructure support and managed services offerings in the case of HP partners.

Last but not least is the fact that HP and Oracle have worked in the background to develop reference configurations for the hardware and software offerings, reducing the complexity of the infrastructure implementation and reducing the time to implementation.

In sum, this initiative aims to bring customers a complete solution for their IT business application needs that consists of hardware, software, and services — all designed to fit the requirements of midsize customers. Customers can get more information on this solution by contacting their Oracle Accelerate or HP channel partners.

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## **Oracle Accelerate: Bringing Oracle Solutions to Midsize Companies**

Oracle Accelerate is a go-to-market solution specifically designed to meet the business application needs of midsize companies. Leveraging a fixed-scope/fixed-price approach, it is designed to provide affordably priced applications that meet the comprehensive needs of midsize businesses, are easy to implement and manage, and have reduced start-up time and lower implementation risks.

Oracle Accelerate solutions consist of three primary components: Oracle Applications, Oracle Business Accelerators, and Partner Services. Oracle Accelerate applications include financials, manufacturing, procurement, supply chain management, human capital management, customer relationship management, and business intelligence. Oracle Accelerate industry solution packages were developed based on Oracle and partner experience in a variety of industries with a broad range of Oracle applications, including Oracle E-Business Suite, JD Edwards EnterpriseOne, Siebel, PeopleSoft Enterprise, and Agile, and are based on the latest versions of the Oracle software.

Oracle Accelerate solutions address the needs of specific industry segments within a particular industry and support a high degree of industry granularity. Different solutions are available for automotive, chemicals, consumer goods, healthcare, high-tech, industrial manufacturing, life sciences, oil and gas, professional services, retail, and travel/transportation. This means that customers can tap into business flows that are tailored to their specific requirements and not just business flows that are "pretty close." Oracle Accelerate solutions support over 1,230 individual business flows.

Notably, these are the same applications, with the same code base, that Oracle provides to its largest enterprise customers. Midsize organizations need to plan for growth and do not want to deal with the pain associated with switching from their current set of applications to a different set once they reach a certain size. With Oracle Accelerate, midsize customers can continue to run the same applications, regardless of how much they grow, simply by scaling the size of their Oracle application installations and infrastructure base. This is unusual among application vendors, most of which have different product lines targeted toward midsize and enterprise companies.

Already on the market for more than two years, the Oracle Accelerate program is supported by over 275 Oracle Certified and Oracle Certified Advantage Partners, who in turn provide expertise across 80 industry segments.

### ***Oracle Business Accelerators***

Oracle Business Accelerators are a series of configuration tools designed to allow channel partners to quickly and easily adapt applications to meet industry- and customer-specific requirements for midsize businesses spanning a broad range of commercial industries and government organizations. Accelerators encompass out-of-the-box business flows across dozens of Oracle applications and are based on industry best practices as captured over the course of thousands of customer engagements.

This innovative approach to application deployment enables Oracle to tailor its solutions not by developing custom code but rather by configuring prepackaged business flows. Midsize businesses can get highly tailored solutions with the business flows required for their specific needs, without having to resort to the complexity, cost, or timelines associated with developing custom configurations. Further, they do not suffer from the "lock-in" associated with custom coding; future changes can be accommodated by changing setup parameters and reconfiguring business processes.

In addition, Oracle makes Configuration Development Kits available to its channel partners to build their own industry-specific tools that can be incorporated into the Oracle Accelerate solution.

### ***Key Differentiators of Oracle Accelerate Solutions***

By leveraging the application functionality of Oracle's E-Business Suite, JD Edwards EnterpriseOne, and Siebel Customer Relationship Management, Oracle Accelerate solutions are designed to offer the breadth and the depth to appeal to an increasingly sophisticated user population. Oracle also intends to continue expanding its Oracle Accelerate solution offerings to its other product lines, including Agile Product Lifecycle Management, Hyperion performance management products, and Demantra demand generation and trade promotions software.

Previously, such solutions would likely have come from separate sources, but customers might have had trouble establishing the product quality and support consistency from different providers. The tasks of integrating the systems and customizing them for specific industry requirements may have prevented customers from standardizing on applications that were probably more suited for generic usage and would have proven to be particularly challenging for midsize customers.

Following years of investments and taking advantage of the economy of scale of its research and development activities, Oracle, with the template-driven approach of Accelerate, has simplified the integration task while strengthening the

industry-specific attributes of its solutions. It provides the tailorability of a custom-coded solution without the downsides of cost, complexity, and "lock-in" of custom code. Oracle accomplished this by rationalizing product features and creating best-practices templates for user configuration and performance optimization.

Process improvement is another distinction of Oracle Accelerate solutions. Oracle Accelerate builds upon Oracle's experience helping its customers define, streamline, and automate their business processes to achieve sustainable benefits over time. Furthermore, the program is designed to allow customers to build on process improvement of other organizations in their peer group.

The reusability element of Oracle Accelerate solutions — in terms of both the stability of the technology framework and the common software components — is designed to enable speedy delivery and implementation. This reusability element is intended to pave the way for accelerated development and implementation of industry-specific applications, allowing customers to save time and money.

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## **HP Offerings for Midsize Companies**

HP has a range of business and technology solutions and product offerings designed specifically to address the top technology pain points of midsize customers, including continuity, security, and efficiency. By integrating system software, server and storage hardware, and services into a single vendor's offerings, HP aims to provide a complete solution designed to better meet the needs of IT professionals in midsize companies and to provide simple, affordable, and reliable ways to help them build and optimize their businesses.

HP offerings represent a complete line of hardware and service products designed from the ground up to be "rightsized" for midsize companies, with functionality, pricing, and scalability designed for midsize businesses. These products include:

- ☒ **HP business solutions.** Leading ISV offerings coupled with HP infrastructure and sizing guidelines for midsize organizations
- ☒ **Servers.** HP BladeSystem — including the c3000 enclosure ("Shorty") — HP ProLiant, and HP Integrity servers
- ☒ **Storage.** HP StorageWorks disk array, software, and data protection solutions
- ☒ **Services.** HP Care Pack Services and the HP Total Care initiative

### ***HP Business Solutions for Midsize Companies***

HP offers a range of business solutions designed to address the top application workloads for midsize businesses, including communication and collaboration, database, CRM, and ERP. For these workloads, HP develops sample configurations that provide sizing guidance and speed deployment for HP midmarket channel partners and end users. It also provides guidance on optimizing the IT infrastructure for continuity, security, and efficiency for each of these application environments.

### ***HP Offerings for Midsize Companies: Servers and Storage***

#### **HP BladeSystem**

The HP BladeSystem includes both the top-of-the-line c7000 chassis and the more recently released c3000, also known as "Shorty." The HP BladeSystem was designed to deliver a versatile, all-in-one infrastructure for customer sites that have limited

IT staff but also need to be able to scale capacity as their applications grow, and to do so with high availability and reliability. The HP BladeSystem c3000 extends this value proposition with features designed specifically for midsize company requirements, including:

- ☒ Smaller form factor
- ☒ Ruggedized design for in-office installation
- ☒ Rapid configuration and deployment
- ☒ Infrastructure in a box
- ☒ Simplified and lower-cost connectivity

### **HP ProLiant Servers**

HP ProLiant servers have been designed to drive greater efficiencies while providing greater insight and control over IT infrastructure. Developed based upon decades of engineering and integration experience, they are designed to provide:

- ☒ **Efficiency.** Innovative energy-efficient technology can minimize operational costs and built-in component commonality enables reuse and lower operating costs, while "plug and play" preconfiguration can save time and administrative resources compared with less integrated offerings.
- ☒ **Insight and control.** A broad management toolset includes HP Insight Control Environment to provide control over the entire IT environment and Virtual Machine Management Pack to simplify the virtualization process.

With HP ProLiant iVirtualization, HP is working to make virtualization easy. It enables a user to start up a virtualized server in minutes, and with hardware management capabilities including HP Integrated Lights-Out (iLO) and HP Insight Control, the user can boot, manage, and monitor the virtualization-ready server remotely.

### **Entry-Level/Midrange HP Integrity Servers**

Integrity is HP's line of business-critical servers, designed to be used in the most scalable, mission-critical applications. Servers range from blades and entry-level rackmounted servers to the top-of-the-line HP Superdome and are intended to provide a broad range of customer choice built on the latest HP server technology.

Entry-class and midrange HP Integrity servers are designed to provide flexibility and expandability to suit the needs of a growing business. HP Integrity server blades are designed to operate side by side with HP ProLiant and HP StorageWorks blades under a unified management umbrella. HP Integrity servers featured in the reference configurations include the entry-level HP Integrity rx2660 and the HP Integrity BL860c blade.

### ***Meeting Midsize Company Needs with HP StorageWorks***

Midsize companies need cost-effective, appropriately scaled ways to manage their storage to achieve goals such as business continuity, disaster recovery (DR) protection, and compliance with regulatory requirements. IDC research shows that midsize companies increasingly require storage deployments with enterprise-level functionality, even though they have limited IT implementation budgets.

These business requirements are addressed in the HP StorageWorks line of solutions. The HP StorageWorks portfolio includes multiple offerings in the tape, disk-to-disk, storage array, and network storage areas. It features disk storage systems designed to provide easy-to-deploy yet highly available and scalable storage configurations; multitier disk and tape backup and media intended to provide reliable, cost-effective data protection; storage networking products built on standards-based connectivity infrastructure; and storage software designed to help midsize companies manage, protect, and optimize their data assets.

HP StorageWorks products featured in the reference configurations include the SB40c storage blade, SB600c All-in-One storage blade, and Modular Smart Array and Enterprise Virtual Array dedicated storage arrays.

### **Tested Storage Solutions for Oracle Environments**

HP specifically differentiates its HP StorageWorks storage solutions across a variety of customer segments with a focus on delivering tested storage solutions for Oracle environments, reducing the setup and installation time needed to put a system into production. Storage solutions tested on Oracle environments include iSCSI and Fibre Channel (FC) in a single box, HP StorageWorks Enterprise File Services (EFS) NAS clustered gateway, Modular Smart Array, and Enterprise Virtual Array.

### ***HP Offerings for Midsize Companies: HP Total Care Services***

HP Total Care is an HP initiative designed to provide services, tools, and options for the full life cycle of the infrastructure of small and midsize businesses. Total Care services are designed to supplement the limited resources and staff available for smaller and midsize companies and to assist businesses during each stage of the infrastructure life cycle. Some of the offerings HP and its channel partners make available to midsize businesses under this initiative include:

- ☒ **Choose.** HP works to simplify the selection of IT offerings through its online buying guides, product selector comparison tools, solution configurators, access to support personnel, and other services.
- ☒ **Use.** HP provides assistance to help companies maximize their use of HP infrastructure by offerings such as online classes and how-to guides for IT professionals.
- ☒ **Transition.** When a business is ready to migrate or trade up its solution, HP offers server migration tools, data scrub services, and recycling programs to assist in this transition.

This combination of technology, services, and tools is provided to midsize businesses with personalized support through HP's local authorized resellers. The intended result is an improved end-to-end experience and better business outcomes for midsize customers throughout their business technology life cycle.

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## **The Role of Channel Partners**

The solutions in the HP and Oracle joint initiative are delivered to midsize companies through HP's and Oracle's combined partner channel, consisting of Oracle Accelerate solution providers and HP midmarket resellers. In other words, the solutions in this program are being provided to customers through the same set of consultants, VARs, and systems integrators that provide their IT hardware and software solutions today.

The involvement of Oracle Accelerate and HP channel partners is central to the effective and efficient delivery of resources to midsize customers and very much leverages the relationship that midsize customers have already built with these channel partners to help supplement their IT staffs. Further, the complementary expertise of each set of channel partners — Oracle Accelerate solution providers for the business applications and HP resellers for infrastructure and managed services — means that resources are in place to bring the entire solution to customers.

Each vendor's partner channel plays a clearly defined role in this initiative. Oracle Accelerate solutions are created and delivered only by Oracle Accelerate solution providers. These partners leverage their experience in Oracle solution deployments, as well as industry best practices, deployment planning and methodologies, test scripts, and training for their customers. They are positioned to help understand the midsize customer's requirements and tailor the application to specifically address the customer's needs.

HP resellers bring their expertise in infrastructure areas, including hardware, storage, networking, and security. They are qualified to configure the HP infrastructure to maximize overall system performance and reliability, ensure security, and implement failover and disaster recovery, as well as tie the solution into a new or existing infrastructure. Further, many also provide post-implementation services such as managed services and break-fix offerings, supplementing the limited staff of midsize firms by providing assistance throughout the life cycle of their solution ownership.

Under this alliance, Oracle Accelerate solution providers are paired up with HP resellers according to their locale. This means that local resellers — with local expertise — are partnered up so that customers can be sure they are working with consultants who understand their specific area and their local market. Either set of partners — Oracle Accelerate solution providers or HP resellers — can take the lead on any given customer engagement.

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## **IDC Analysis**

IDC believes that the HP-Oracle Accelerate alliance provides a clear value to midsize customers looking for best-in-class applications and infrastructure that can support their business flows and that are, at the same time, affordable and easily deployed and managed. IDC sees the initiative bringing the following benefits:

- ☒ **Complete solution.** By combining Oracle Accelerate with HP's infrastructure offerings, this alliance is bringing specific, end-to-end hardware, software, and services solutions to midsize customers. This saves midsize companies the effort of piecing together a solution themselves while providing a solution with the appropriate configuration "sized" for their specific requirements.
- ☒ **Benefits of product breadth and scope.** The combined breadth of the Oracle Accelerate product portfolio, with its reusable building blocks for sustainable business process improvement, and breadth of the HP product offering for midsize customers, along with reference configurations for different classes of HP hardware, provides a robust platform for midsize companies to pursue system standardization and best-practice replication.

- ☒ **Scalable.** With Oracle Accelerate, midsize businesses can implement the same business applications that are run by the largest enterprises, meaning they will not need to change their applications as their businesses grow. With HP hardware sized for midmarket companies built from the same components as those used in larger enterprises, midmarket companies' hardware infrastructure can grow with them as well. The combination of Oracle applications and HP hardware results in even greater strength in the scalability story and value in the synergy between the two vendors' offerings.
- ☒ **Highly configurable.** Leveraging the capabilities of the Oracle Business Accelerators, solutions are adapted to companies' specific business flow needs based on granular industry specifications as well as geography, without the cost, timeline, or "lock-in" associated with custom code. Similarly, HP infrastructure is designed with configurability in mind, with solutions targeting a variety of different business needs and vertical market requirements.
- ☒ **Reduced time to value.** Oracle Business Accelerators enable applications to be quickly configured and deployed, and the availability of reference configurations means the entire hardware plus software solution can be implemented rapidly.
- ☒ **Ease of purchase.** Including both Oracle Accelerate and HP partners allows midsize customers to access these solutions through the partners they already know and/or who are within their geographic region or locality.
- ☒ **Reduced risk.** With reference configurations consisting of setup guides to lead partners through setups that are appropriately "sized" for the needs of midsize customers, solutions can be implemented more quickly and with less risk.
- ☒ **Focus on higher value-added offerings.** With this initiative, partners can spend less time and effort on the core installation. This benefits customers because partners can spend more attention focusing on higher value-added services.

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## Challenges and Meeting the Challenges

Given Oracle's heritage of providing business applications to the enterprise market, IDC believes that many midsize customers may not consider the software company to be a provider of solutions that can be quickly and easily tailored to fit their needs. Further, midsize customers already have their own way of conducting business, and those that are not currently Oracle customers may be reluctant to use a provider with which they do not currently do business. Oracle will need to continue to educate the market that it is a leading provider of applications for midsize companies and not just the enterprise. To do so, Oracle can leverage proof points such as the fact that its own analysis demonstrated that two-thirds of its applications customer base consists of midsize companies or government agencies. With its Accelerate program, Oracle is putting in place an appropriate set of solutions and programs to continue to address these needs. Further, by working with HP in this alliance, Oracle can take advantage of HP's strength and channel reach with midsize companies to continue establishing itself as a go-to application provider for them.

Another challenge hinges upon generating awareness that the joint HP-Oracle solutions are an option to address midmarket business needs, especially as other competitors are also working to establish awareness among the same midsize customers. Oracle and HP must each continue to put resources into market education efforts and work together on communications campaigns, develop case studies that

showcase successful joint customer deployments, attend user groups and seminars, and undertake other awareness activities focused on midsize companies.

From the customer's perspective, there could be challenges associated with implementing solutions that may be different from approaches they already have in place. Many midsize businesses are interested in adopting best practices to take their businesses to the next level but also prefer to leverage existing IT investments wherever possible, especially when it comes to IT infrastructure. The extent to which new capabilities can be added to an existing environment with minimal disruption will have an impact on both IT costs and ease of implementation.

Further, customers will want to maintain compatibility with their existing processes. The ease with which employees can learn to benefit from new technology will be an important component of any new solutions deployment. Understanding how new resources will be used and making sure that both effective training and senior management support are engaged will be important prerequisites for success, independent of how new technology is deployed.

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## **Conclusion**

The HP-Oracle Accelerate partnership brings together the Oracle Accelerate program that provides industry-specific solutions addressing the needs of midsize businesses, HP's portfolio of server and storage infrastructure as well as service offerings targeted to midsize companies, and the go-to-market expertise and customer reach of both vendors' partner channels. The initiative leverages the complementary nature of each vendor's offerings and the best practices each vendor brings to the table in developing and delivering technology and solutions for midsize businesses. It also leverages the expertise of the channel partners, who already play a key role for midsize customers by providing the additional expertise many midsize firms require to supplement their IT staff.

Overall, IDC believes this partnership provides value to midsize customers in a variety of areas. It provides a complete solution consisting of industry-specific applications on infrastructure "rightsized" to support midsize companies' business flows along with preconfigured setup guides for the "sized" hardware to run them. The solutions are scalable, so midsize customers will not need to change their applications as their businesses grow. They are also configurable, designed to enable the solutions to be tailored to their specific needs without the cost, complexity, or "lock-in" of custom code. And, importantly, because these HP and Oracle solutions are delivered through the channel, they are being made available through a familiar and accessible network of channel partners.

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