

State of the Portal Market

An Oracle White Paper
November 2008

INTRODUCTION

This paper summarizes the results of an Oracle survey of over 540 Oracle customers who have deployed Oracle's portal solutions. The focus of this paper is to provide readers a comprehensive understanding of real-world deployment practices, trends and ROI anecdotes for enterprise portal technologies.

In light of the current economic environment, many organizations are feeling pressure to drive greater operational transparency, align costs with revenue fluctuations, and create more flexible business processes that allow them to better respond to the volatile market conditions. Enterprise portal platforms can help address and alleviate these pressures, as well as deliver significant benefits such as increased productivity, improved customer loyalty, and lower development, deployment and maintenance costs.

ENTERPRISE PORTAL BUSINESS DRIVERS

While the current market conditions face uncertainty, the drivers for enterprise portals, from both business and technology perspectives remain relatively consistent.

Enterprise portal platforms can help deliver significant benefits such as increased productivity, improved customer loyalty, and lower development, deployment and maintenance costs.

Reduce Costs While Increasing Services

IT organizations are under constant pressure to innovate and deliver solutions to support an endless stream of new business goals. Providing new services usually means throwing more resources at the problem, but unfortunately, today's CIO no longer has the luxury of expanding IT budgets. In order to meet the competing goals of supporting new business initiatives and maintaining overall costs, companies have found that portal frameworks are ideal platforms to consolidate applications, enable integrations, enhance BPM and SOA initiatives, as well as consolidate the deployment of new applications.

Audience Expansion and Increased Participation

After witnessing the revolutionary impact of Web 2.0 for companies on the consumer web, leading-edge companies are embracing those principles for use in the enterprise. These companies are empowering end-users with greater control and flexibility over how information in an enterprise is used and shared. The effect is a more active user community and improved collaboration and sharing of enterprise

knowledge. Portals are once again leading vehicles for implementation of Web 2.0 and enterprise social computing as a result of the rich user interface and interactive capabilities. Additionally, this is driving an increase in the number of audiences being supported by portals. Companies recognize the revenue-generating opportunities that can be created by more active user communities and the growth of extranet portals for use by partners and customers has spurred.

Application Consolidation, Customization and Integration

Since most packaged applications cannot satisfy all of the needs of every company out-of-the-box, and developing custom applications can be extremely costly, many organizations take a hybrid approach when it comes to application development. Companies often take just the parts of an application that they need and combine them with parts of other applications to create a single, unified solution that is easier for IT to develop and manage and simplifies the experience for end-users. This is the idea behind composite applications, and organizations are utilizing enterprise portals as the platform to consolidate, customize and integrate various applications to create a single, unified solution.

Customer feedback confirms that companies are achieving significant benefits from their portal infrastructure, including increased productivity, improved customer loyalty, and lower deployment and maintenance costs.

SURVEY RESULTS AND ANALYSIS

The following highlights results from Oracle’s Customer Survey of over 540 portal customers conducted in May 2007. Industries represented in the survey range from Aerospace to Utilities with portal deployments ranging in size from several hundred users to millions of users.

Audience

As expected, the majority of portal initiatives originate from IT. This is because portals provide the consolidation and integration framework that IT organizations desire. The next highest lines of businesses are sales and marketing, services and support, and HR. This is most likely due to portal’s well-established benefits around collaboration, self-service, and support. Interestingly, HR is the biggest non-IT driver of portal initiatives for other portals, whereas for Oracle’s portal solutions, sales and marketing have a small but consistent edge over HR in portal initiatives.

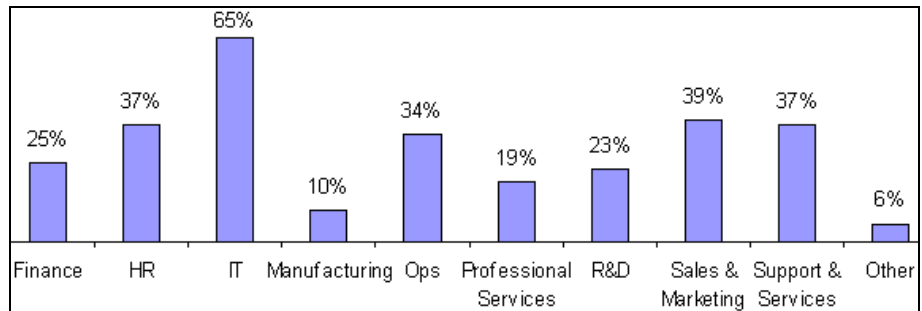


Figure 1: Lines of business driving portal development among Oracle’s portal customers

Oracle customers' portals show a high percentage of portal use in the areas of knowledge management, collaboration, and in the creation of business applications.

	Fully or Partly Deployed in Portal	In Development, Planned or Considered	Not Planned, or Deployed Elsewhere
General Information: company announcement, press releases, bulletin boards, job postings, personalized pages	70%	20%	9%
Knowledge Management: document & Web page indexing, categorization, search	66%	26%	8%
Extranets: corporate websites	47%	27%	25%
Employee Self-Service: benefits information, open enrollment, life events, ERP integration, FAQ's, policies	41%	32%	26%
Sales support: marketing materials, order look up, competitive intelligence, CRM integration	33%	35%	32%
Project collaboration: document sharing, schedules, tasks, threaded discussions	52%	30%	18%
Departmental resource centers/intranets/home pages: intranet/extranet consolidation, key performance indicators, shared resources	50%	32%	18%
E-commerce: guided selling, product catalog, order management, private marketplace	19%	27%	54%
Customer service: self-service, support knowledge-base, account status, collaboration with service representative	32%	35%	33%
Finance dashboard: business metrics, treasury, purchasing, financial planning, demand planning, accounting & tax	20%	40%	39%
Supply chain support: indirect channels management, partner collaboration, ERP inventory & sales metrics, design specifications, sales proposals	20%	29%	54%
Applications specific to your business: business-specific processes & services	46%	33%	21%

Of those surveyed, 47 percent of company portals are currently deployed as extranets.

Table 1: Oracle customer portal uses

Note that 47 percent of portals are currently deployed as extranets. This follows the trend of companies opening their enterprises to external audiences to improve service, collaboration, and innovation.

Portal Audience	Present	Within 12 months
Deployed to some/all employees	62%	29%
Deployed to all or most of customers/partners	31%	40%
Deployed to some customers or partners	26%	32%
Fully deployed to extended enterprise, employees, customers, partners	23%	39%

Table 2: Oracle customer portal audiences

Because portals integrate so many diverse systems and are the basis for delivering many different applications, services costs for most portals tend to represent a higher proportion of the over all cost than other applications

Cost of Ownership

The cost of portal ownership can vary greatly depending on the requirements of each company. Companies that utilize multiple portals may find differing costs for each, even if each portal is based on common infrastructure. Because portals integrate so many diverse systems and are the basis for delivering many different applications, services costs for most portals tend to represent a higher proportion of the over all cost than other applications. But even the services costs for portal platforms vary. This is often due to the out-of-the-box features different vendors provide. As mentioned in the discussion of open source, some portals have not gained market share because the lack of cohesion or integrated features drive up services costs.

However, services costs do not need to be excessive. A survey of Oracle’s portal customers found that 68 percent spent less on services than the cost of their licenses. A whopping 29 percent did not require outside services at all, demonstrating the ease of initial deployment and application integration of Oracle-powered portals. Simpler deployment and integration greatly lowered the total cost of ownership.

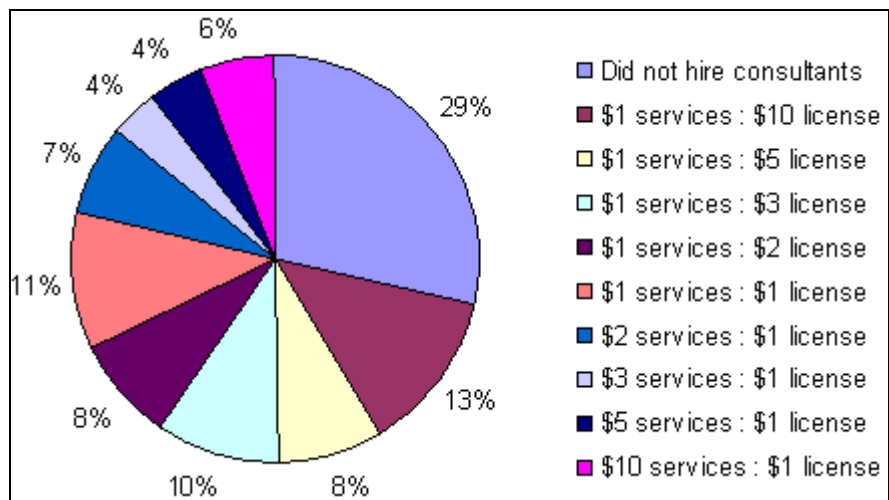


Figure 2: Ratio of service to license costs for Oracle's portal customers

Most of Oracle’s portals required fewer than four full time staff for initial deployment. Much of the initial deployment time involves determining the requirements of all involved departments. This often increases the number of staff required since a representative of each business unit is involved even if they are not a part of the actual deployment itself. Companies found they needed fewer full time staff to manage the portal on an ongoing basis. Much of this is due to the delegated administration capabilities of some portals. Maintenance of portal content, not infrastructure, is pushed to business units. This can also increase the number of staff involved. In general, fewer than 20 percent of companies have more than ten full time staff (or equivalents) to manage and maintain their portals.



Figure 3: Full-time portal staff or equivalents

The majority of Oracle portals are deployed in less than six months – many in less than one month.

Even with a small number of full time staff, the majority of portals were deployed in less than six months—many in less than one month. Much of the time required in deploying the portal involves gathering business requirements and developing a management methodology. The actual time required to deploy and customize the software itself is often a small portion of the deployment time.

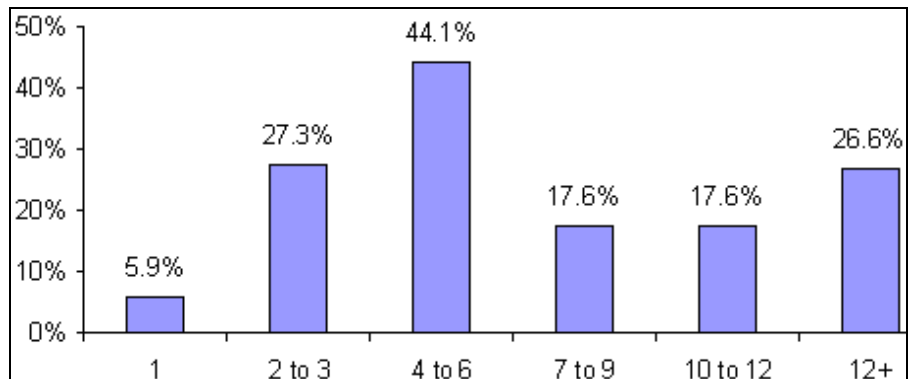


Figure 4: Months required to deploy portal solutions

Benefits and ROI

As with many applications, determining the ROI of portals can be difficult. However, it is generally accepted that portals deliver significant direct and indirect benefits to a company.

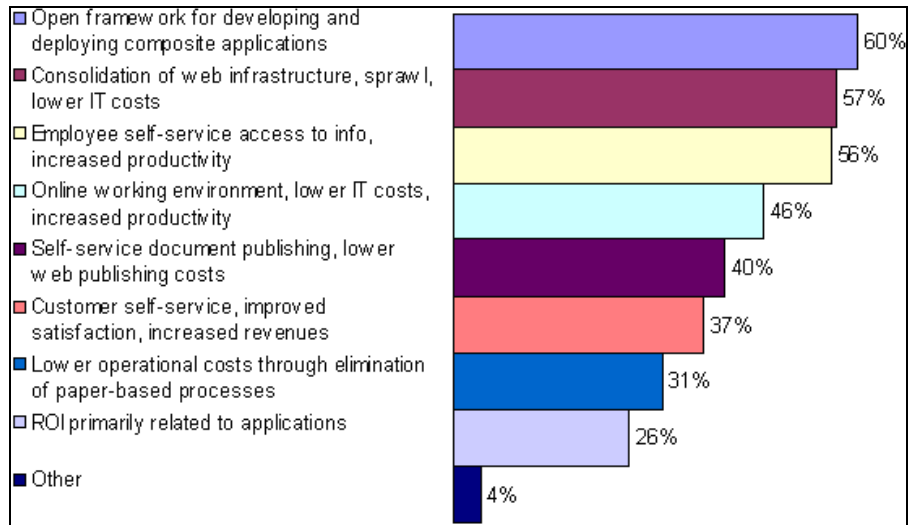


Figure 5: Oracle customer reported portal benefits

Typically deployed enterprise-wide, portals are accessed by more users than almost any other application in an enterprise on a regular basis. As mentioned previously, portal initiatives are often implemented across every department in an enterprise. Some portal customers who use their portal as a customer facing extranet report an astounding 500,000+ unique visitors per week.

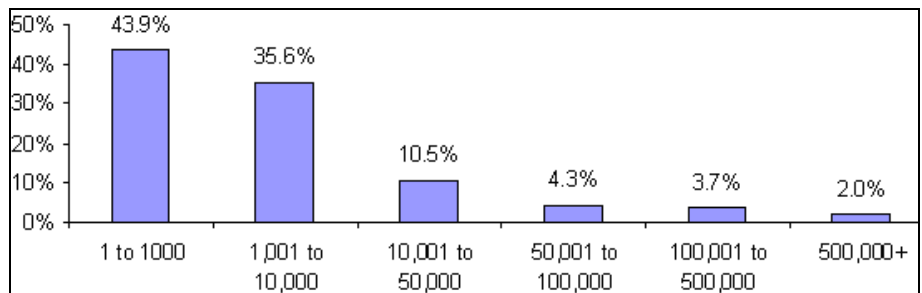


Figure 6: Unique visitors per week per portal

Most portal customers reported having more than eleven communities within their portal organization.

The large number of users and number of unique audiences accessing the portal increases the demand for resources within the deployment. Most portal customers have more than eleven communities and a significant number have over a hundred. Communities can be directly tied to portal adoption as communities serve specific audiences. Generally the number of communities goes up as the number of separate audiences served by a portal increases¹. Often these communities are used for ad-hoc collaborative purposes for projects. Others create a community for each of their customer or partner accounts, providing a central entry point for support, collaboration, and messaging to that customer or partner.

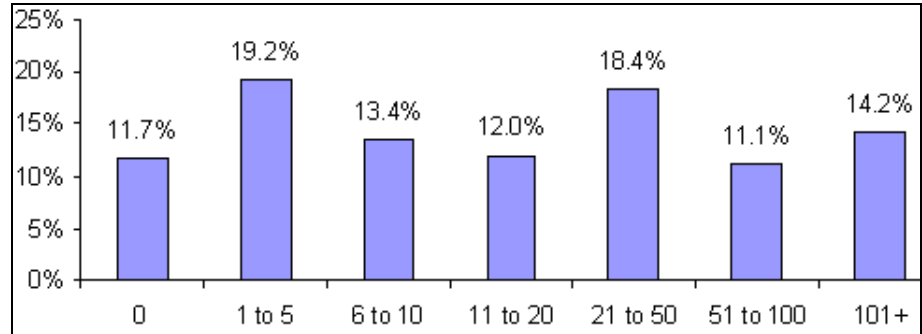


Figure 7: Number of communities per portal

The majority of Oracle’s portal customers have at least a thousand documents indexed in the portal. Over 10 percent of companies surveyed have over a hundred thousand documents indexed in the portal. This number only includes documents that are indexed and stored in the portal directory and not those that are merely accessible through the portal. Additional documents accessed via portlet integration with back-end systems—to a content management system, for example—would push these numbers up even higher.

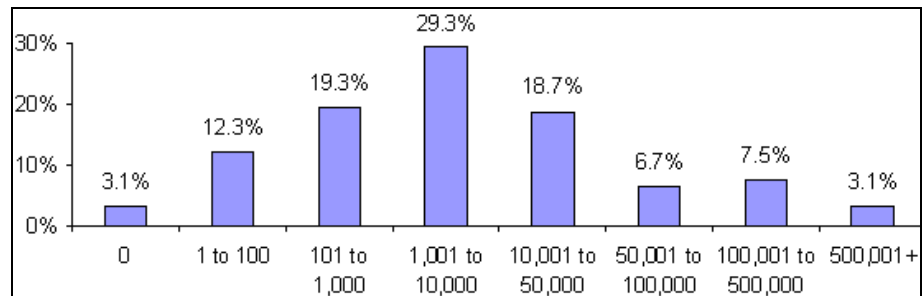


Figure 8: Number of documents per portal

¹ Since many companies utilize multiple portals, the number of communities per portal may be low. The total number of communities across a company may be much higher.

The most common application integrations for Oracle's portal customers are the most frequently used applications – such as groupware, document management and ERP systems.

The use of the portal as an application framework is gaining momentum. Most of Oracle's portal customers have at least three commercial applications integrated within the portal. The most commonly integrated applications are the most frequently used applications (such as groupware, document management, and ERP systems). While this represents only a handful of applications per company so far, this number is expected to increase as SOA and BPM initiatives are implemented and general portal standards are better adopted across the industry.

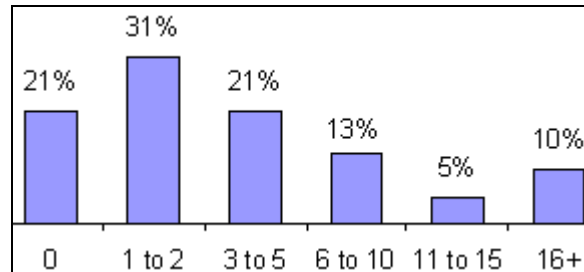


Figure 9: Number of commercial applications integrated into the portal

The number of commercial applications integrated with the portal has not limited the total number of portlets deployed by Oracle customers because many companies develop multiple portlets for each integrated application. For example, most users utilize only a small fraction of the functions of an ERP system at any given time. However, the enterprise as a whole may use most of the functionality of the system. As a result, many companies create a variety of portlets for these complex, enterprise systems, each one of which surfaces a separate function.

Legacy applications can be easily integrated into existing portals by creating portlets that integrate functionality from the legacy applications.

Additionally, many companies have custom-built legacy applications they wish to integrate. Instead of rewriting that custom application as a whole, they instead create portlets to integrate functionality from the legacy application with other applications within the portal framework. Portlets are generally easier to create than rewriting an entire application since portlets can focus on just a small portion of the application. Also, portlets can be reused in various ways, reducing the total cost of creating a volume and variety of new applications. Over 40 percent of Oracle's portal customers report using over fifty portlets. The largest percentage of Oracle's portal customers has deployed over a hundred portlets.

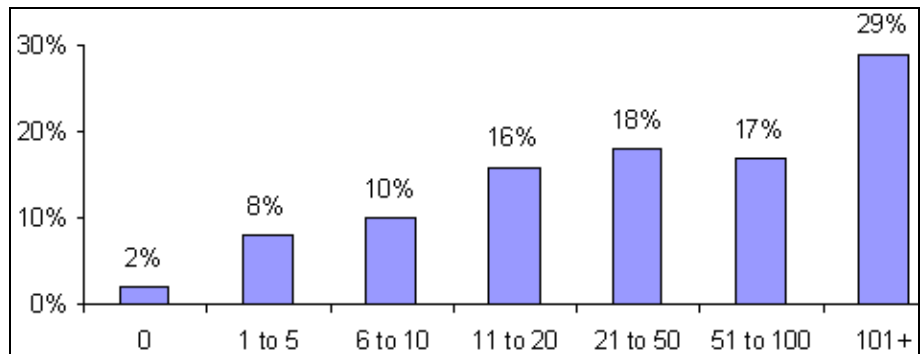


Figure 10: Total number of portlets per portal

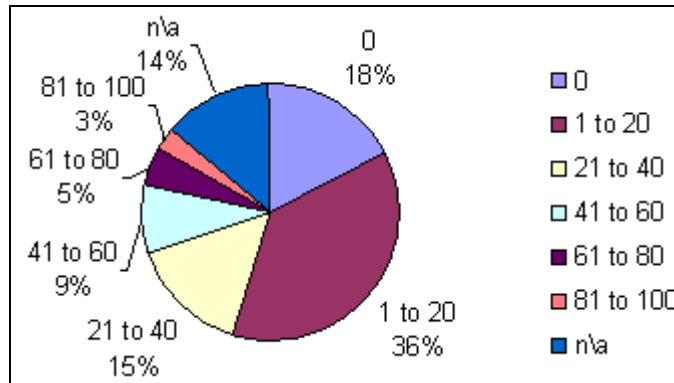


Figure 11: Percentage of portal communities considered "composite applications"

Oracle customers use their portal and other Oracle systems to create applications for a variety of requirements. One very interesting driver for 26 percent of the survey respondents was the ability to allow end-users to create and manage their own applications.

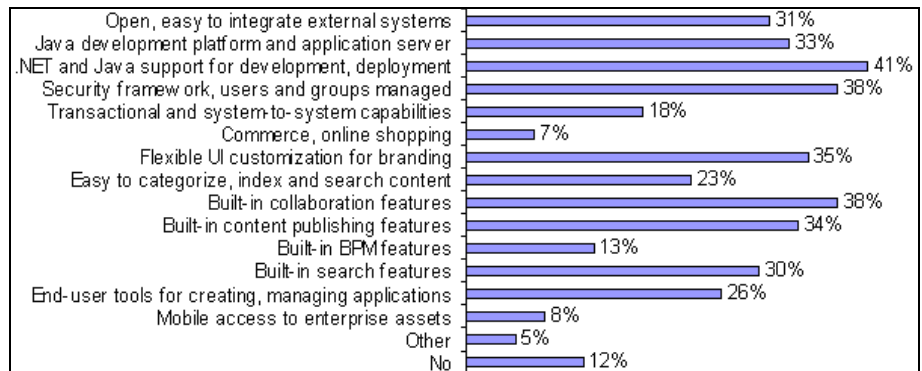


Figure 12: Reasons for building applications with Oracle's portal products

CONCLUSION

Throughout their existence, enterprise portals have evolved to meet the changing needs of companies. They have been leaders in turning new principles into practical experiences. In the beginning, portals focused on aggregating, organizing, and indexing unstructured data, but modern portals now do much more. And the future for portals is bright. Portal software continues to provide one of the few infrastructure frameworks that truly embrace open and flexible computing.

Enterprise portals have moved beyond simple integration frameworks. They now embrace the user in a way no other enterprise application has done before.

Today, enterprise portals have moved beyond simple integration frameworks to embrace the user in a way no other enterprise application has done before. Instead of just presenting information, modern portal technology allows end-users to be part of information creation and sharing. Companies that embrace these ideas, and products built around these principles will be at a significant advantage compared to companies stuck in the past. Yet, even with the improvements in information creation and sharing, it is difficult to ignore the overwhelming cost pressures facing organizations today. Companies that also utilize the portal as a platform for application consolidation, customization and composite application development, will achieve significant cost savings and will be able to better allocate their limited development resources. By fully leveraging enterprise portal platforms, organizations will be prepared to weather the current economic storm and benefit from productivity improvements, greater business transparency, increased operational efficiencies, lower development, deployment and maintenance costs, and even cultivate more loyal customers.

In the future, it is likely that the IT and business climate will change again as the next hot technology or approach hits the market. While it is difficult to predict what that will be, it is easy to predict that portals will be there and likely be the first to adapt, evolve, and utilize that new approach to push companies forward.



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