Oracle has announced the Oracle Management Cloud (OMC), a SaaS-based IT operations management suite that extends the company’s system management software capabilities and dramatically expands its addressable market. Reaching beyond the Oracle stack managed by Oracle Enterprise Manager (OEM), OMC is architected to break down IT management data silos and facilitate streamlined, integrated performance monitoring, log analytics, user experience management, and IT operations management across Oracle and non-Oracle hardware, middleware, and cloud services. OMC will be offered exclusively as a public cloud subscription service designed to support heterogeneous, hybrid cloud infrastructure and middleware as well as applications written in Java, .NET, node.js, Python, Ruby, and other popular languages.

The first three OMC services were announced at the recent Oracle OpenWorld customer event in San Francisco. These services introduce net-new functionality to Oracle's systems management software portfolio by introducing much more sophisticated application performance management and log analytics than were available as part of OEM. Specifically, Oracle announced the following OMC services:

- **Oracle Application Performance Monitoring (APM) Cloud Service** to monitor and optimize the end-user experience and performance of mobile and Web applications
- **Oracle Log Analytics Cloud Service** to monitor, aggregate, index, and analyze log data from on-premises and public cloud applications, middleware, and infrastructure
- **Oracle IT Analytics Cloud Service** to provide infrastructure and application performance, availability, and capacity analysis and forecasting across hybrid cloud resources and workloads

OMC runs on the Oracle Public Cloud infrastructure, which already supports Oracle's broad public cloud service portfolio. OMC services are built on a common horizontally scalable data platform that supports both log data and metric data. OMC's data management and analytics architecture is designed to ingest and correlate a wide range of structured and unstructured machine data and log files. Additional services are expected to be announced in 2016, but all services offered under the OMC brand will rely on the same platform, analytics engine and browser-based user interface.

By using a common data management and analytics platform to support all OMC services, Oracle will be able to link log and IT analytics to APM service definitions and streamline the process of identifying root cause and cross-tier dependencies. User-friendly dashboards and query tools have been designed with the needs of DevOps and business analysts in mind. OMC generates standard dashboards within 15 minutes of activating the services but also allows for drag-and-drop widget-based customization of APM reports and point-and-click customization of analytics queries.

The agent-based architecture auto-discovers application topologies and automatically distributes agents across on-premise and public cloud assets. Tight integrations with Oracle Enterprise Manager and the Oracle Public Cloud will enable detailed monitoring of Oracle assets. A REST API is available for customers or service providers that want to create customized integrations with third-party log management and performance monitoring tools.
Oracle expects most customers will start by instrumenting a limited set of applications and infrastructure and expand use of OMC over time. OMC is designed to be sold by Oracle’s existing enterprise sales force, supported by a dedicated OMC specialist team. OMC services can be purchased separately although Oracle expects that custom-priced OMC service bundles will be popular with many enterprise accounts. APM pricing will be based on the number of monitored agents that log, and IT analytics services will be priced based on the number of agents monitored and the volume of data stored. Oracle will store 13 months of data with longer-term storage available for an extra fee.

IDC’s research shows that the systems management SaaS market totaled $1.4 billion in 2014 and is expected to grow at a compound annual growth rate in excess of 20% through 2019. By comparison, the non-SaaS systems management market is estimated to be growing at a rate of less than 6% over the same period. To date, APM SaaS solutions have found traction with a range of buyers, particularly DevOps teams and cloud native developers. IT operations analytics such as log analysis services represent one of the smaller segments to date, although IDC believes it is poised for significant growth.

Oracle’s ability to compete effectively in the systems management SaaS market depends on the willingness of its core enterprise customers to adopt a comprehensive SaaS-based approach to purchasing and supporting systems management software. Oracle is betting that the market is ripe for transition. To date, enterprise IT operations management teams have preferred to purchase SaaS solutions as standalone point solutions. To succeed, Oracle will need to demonstrate the business agility and IT operations productivity benefits of its highly integrated data management and analysis platform while offering customers compelling price points to help justify making the transition.

Subscriptions Covered:
Enterprise System Management Software, IT Cloud and Software-Defined Datacenter Decision Economics

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