



September 2011

Document L103

RESEARCH NOTE ORACLE DATABASE APPLIANCE: HIGH AVAILABILITY FOR THE MIDMARKET

THE BOTTOM LINE

High availability, high performance database servers have traditionally been beyond the reach of small and medium-sized businesses with limited financial and IT resources. The Oracle Database Appliance brings enterprise-class performance within their reach with an approachable price tag, simplicity, and flexibility. Partners that want to accelerate sales and delivery of applications to their customers are likely to benefit from the appliance as well.

On September 21 Oracle announced the Oracle Database Appliance, the latest product from what Oracle calls its engineered systems family. Oracle Database Appliance is designed to be a simple, affordable, high availability cluster in a box. Details of the solution include:

- The appliance is pre-loaded with the full Oracle stack, running Oracle Linux, the Oracle Database Enterprise Edition 11g, Oracle Grid Infrastructure 11g Release 2 with Oracle Clusterware and Oracle Automatic Storage Management, and Oracle Enterprise Manager Database Control.
- The hardware is a 4-RU chassis with 2 server nodes (12 cores per node), integrated networking, redundant power and cooling, and triple-mirrored storage for high availability.
- Oracle Automated Service Requests automatically identifies potential hardware availability issues and initiates contact with Oracle Support to resolve them.
- The appliances provide one-button automation for provisioning, patching, and system health checks and includes self-managing storage that automatically monitors the storage subsystem for any soft or hard failures and corrects them.

The appliance is priced at \$50,000 for the hardware, and for the software, the starting list price is \$47,500 for two cores on the server. Customers who have already invested in Oracle software can transfer existing licenses onto the appliance, and customers can license as few as two cores on the server and increase their license investment over time as their business needs change.

Oracle's pre-built end-to-end appliance and automated management capabilities will make this attractive to small and medium-sized businesses with limited IT resources, because they won't need the skill levels normally needed to architect, manage, monitor, and troubleshoot high availability systems. The flexibility such an appliance provides will make it attractive to others as well.

OPTIONS, OPTIONS

What Oracle has provided with this appliance is a highly flexible solution for hardware decision making. Because purchasers can power down any CPU cores in the appliance that aren't being used and not pay for them, they can buy only what they need and easily expand over time if they need to – or, if they should choose to, move their application to the cloud. Without this flexibility, organizations would likely overbuy if they could afford to – or face a more disrupted future if they need to scale up over time.

In reality what the cloud has done is to shorten the decision horizon for IT purchases. Because companies can flexibly scale up or down over time, they don't have to know what will happen to their business or the economy next year to decide what they will spend today. IT investments aren't made based on a 10-year or even 5-year timeline any more, and future decisions will be made on what the business needs today. With this appliance, Oracle builds that kind of flexibility into on-premise computing. In fact, in a perfect world, "cloud" applications could be running on an appliance anywhere (even in a closet at the office), with Oracle handling all the management, upgrades, performance tuning, and storage monitoring, rather than in a single data center that could be a single point of failure in the case of a security breach or natural disaster.

PARTNERS WIN AS WELL

Independent software vendors and other partners are likely to see opportunities to accelerate sales and implementation and streamline support for applications they deliver on the Oracle Database Appliance. They get a pre-built high-availability platform that is approachable even for price-sensitive customers, a more predictable time to deploy, and a much more streamlined upgrade path for customers should they need it.

CONCLUSION

This appliance announcement shows thought leadership in bringing flexibility to the on-premise software environment will have positive cash flow implications for many customers – and additional benefits for midmarket customers and partners. From any CFO's perspective, this is an excellent way to match demand against purchases and reduce initial cash outlay. If companies can wait to pay for additional cores until they really need them, they can delay a capital expenditure, thus decreasing risk and improving their cash position. For those concerned about their power consumption, the ability to power up only the cores being used has potential green benefits as well.

The Oracle database appliance also provides customers with a one-stop shop for the entire application ecosystem – making vendor management less onerous, and moving us closer to the future of a few big vendors dominating the technology landscape (from the bottom of the stack to the top). While Hewlett-Packard, without a real software business or a database, struggles to sell hardware, Oracle has leveraged its Sun investment to make hardware and software be far more than just SKUs on the same list.