Oracle is on a mission to enable innovation in the higher education industry
Ovum view

Summary
Driven by a range of interrelated factors, including changing student demographics, rapidly shifting service expectations, increasing price sensitivity for tuition, and technological innovation, the higher education industry is on the precipice of major transformation. Consequently, institutions need to build their capacity for innovation in order to navigate the disruption facing the industry. Oracle is bringing a focused strategy to the higher education market that addresses this disruption. Everything from the cloud and system integrations to higher education expertise is enabling Oracle to make its solutions more accessible and attractive to institutions. Partnering with companies such as Oracle can help institutions to innovate in difficult financial times and increase efficiency.

Innovation is necessary, but change is hard
According to Ovum's 2015/16 ICT Enterprise Insights survey, the majority of institutions globally are allocating more of their IT budgets to maintaining existing systems rather than investing in new IT projects. Although most CIOs would agree that IT spending is too heavily weighted toward maintenance, flipping the paradigm is not simple. The difficulty lies in the term "keeping the lights on" – "turning the lights off" is not an option, and institutions cannot simply stop running. However, there is also recognition that new projects are important for their future growth. The challenge is to do both: to place emphasis on maintaining existing systems while still finding the budget to drive innovation. Moreover, adopting a more business-minded approach to higher education management will allow institutions to tackle the changes in the industry and turn challenges into opportunities.

Oracle is ready and set to support institutions
Oracle's recent Industry Connect conference – which had over 2,250 attendees and more than 145 breakout sessions – was a testament to its growing commitment to driving innovation not only in higher education but also across several other industries, such as financial services, retail, and healthcare. The company has more than 22,000 employees dedicated specifically to industries. It has invested more than $700m in research and development for industries and has made 30 industry-specific acquisitions over the past five years.

When it comes to higher education specifically, Oracle might not have been the first to embrace the cloud, but it is the first to truly understand how institutions will migrate to the cloud and ultimately realize value from it. Oracle's hybrid strategy offers a more realistic and value-rich option for institutions. However, the company recognizes that there is an ongoing need to simplify the process of cloud migration for institutions. Through internal executive sponsorship, Oracle is helping institutions to demystify the cloud, and is supporting them in navigating cloud computing as a business rather than a technology project, which will help institutions to drive innovation. In Ovum's view, this is important because cloud services will likely be most appropriate when the characteristics of institutional business needs align well with the strategic and tactical benefits of the cloud. The nature of business needs can create significant drivers for considering cloud services versus other IT sourcing models.
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In addition, Oracle's higher education team is working conscientiously to simplify engagements with institutions, reduce complexities, and focus on integration and standardization to help create a higher education culture that is capable of change.

Seek partners that engage with the industry in meaningful ways

Partnering with a vendor that constantly acquires higher education knowledge and engages with the industry in meaningful ways will help institutions navigate the complexities of today's higher education industry. Vendors sell products, but institutions are shortchanging themselves if that is all they go to market for. A good partner offers a "secret sauce" of expertise, knowledge, and understanding that can support the growth of an institution. Vendors are able to see firsthand what administrators and faculty are struggling with or excelling at across a number of institutions. While understanding individual institutional issues is very important, when applied across the entire industry landscape, it becomes more powerful. Trends become easier to see and strategic priorities become more apparent, and it is from this awareness that understanding and insight develops. Oracle – through its Higher Education User Group (HEUG) and other avenues – is strategically harnessing this knowledge and manifesting it into products and services. If this continues, it will help to move the industry forward into the future.

Appendix

Further reading
"Oracle provides governments with a bridge to cloud services," IT0007-000884 (April 2016)
SWOT Assessment: Oracle CX Cloud, IT0020-000186 (April 2016)
"Oracle offers digital advice," IT0022-000625 (February 2016)

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