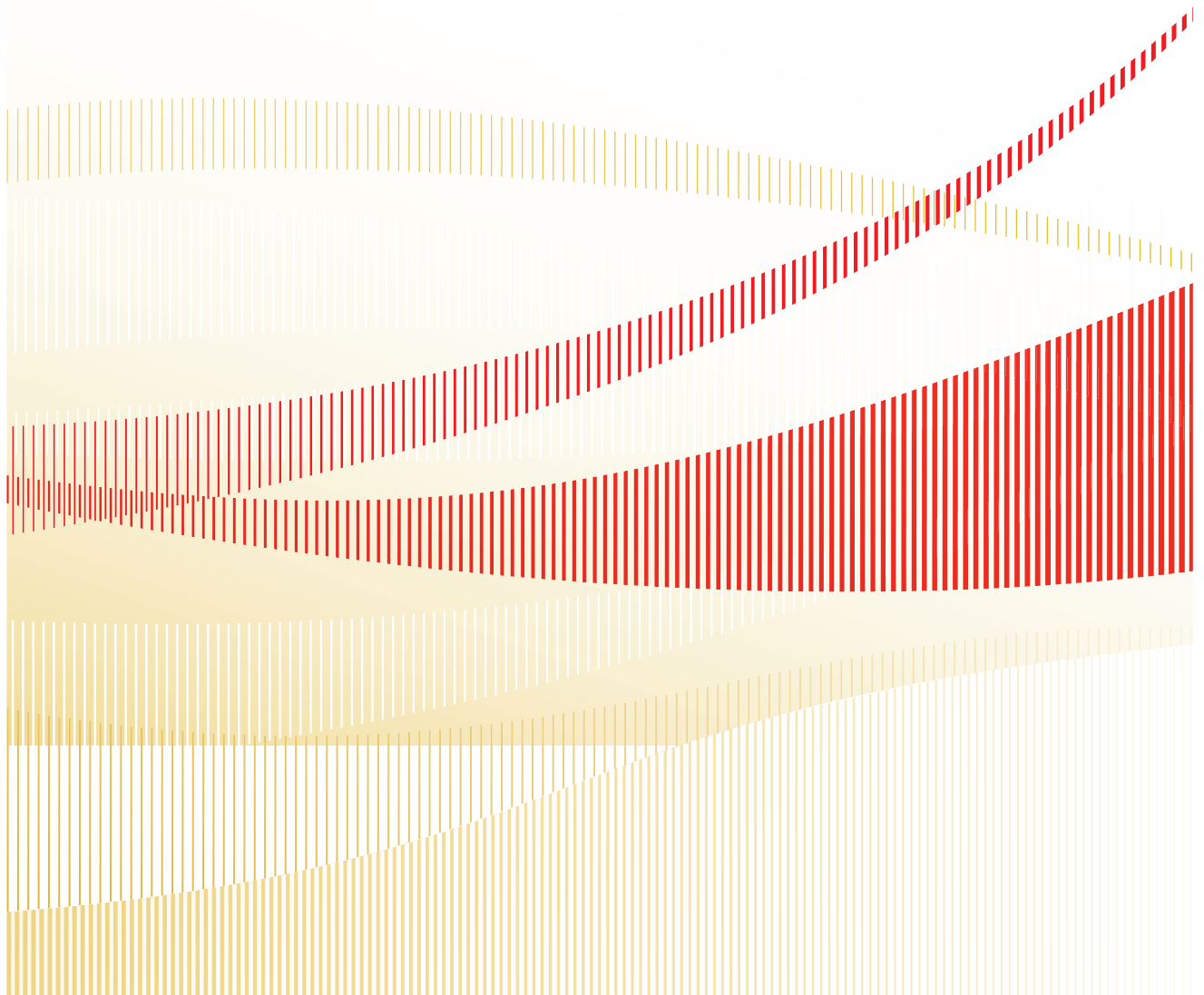


Hardware and Software
En i e e

EXECUTIVE STRATEGY SERIES

APPLICATIONS

Oracle Applications: Engineered for Innovation



ORACLE®



EXTREME INNOVATION, ENGINEERED BY ORACLE

The only vendor with a next-generation applications platform based on 100 percent open standards to give customers freedom of choice.

The only vendor with the industry's most complete, best-of-breed portfolio of industry and enterprise applications to provide end-to-end business processes for your industry.

The only vendor with a full suite of enterprise-grade cloud applications, all built on a single code line to offer customers the freedom to change between SaaS and on-premise.

The only vendor with an advanced business intelligence foundation recognized as a category leader by all of the major industry analyst research firms.

The only vendor with a cloud platform and infrastructure technologies powering most of the world's private and public clouds.

Almost 70 percent of IT spend is still allocated toward maintaining the enterprise, but keeping the lights on won't pay the bills in a global economy increasingly powered by advances in big data, social and mobile computing, and the cloud. And with almost half of all companies planning to introduce new IT-enabled products or services for customers in 2012, the table stakes for IT innovation have never been higher.

Oracle's application strategy has been engineered to eliminate IT complexity and fuel extreme innovation. Our complete, best-in-class portfolio of enterprise, industry, and cloud applications allow you to dream big, then execute efficiently—whether that's identifying the talent you need to capture new market opportunities, harnessing the power of analytics to sense and shape customer demand, or increasing collaboration between engineers and marketing to bring new products to market faster than the competition.

Extreme Innovation: Are You Ready?

We're living in a world of extreme innovation, where the internet now accounts for 25 percent of global economic growth, information is the new economic currency of choice, and data-driven insights are the creative sparks that ignite new product and service innovations.

World-class performers have responded to the challenges and opportunities of today's innovation economy by allocating 60 percent of their IT budgets toward technology-enabled innovation, compared to just 14 percent for the average company.¹ These market leaders have transformed their IT budgets into competitive war chests, freeing up innovation funds by standardizing and simplifying business processes and consolidating information and applications—all with fewer employees and lower IT costs. Access to common, actionable information is also helping them create new sources of value, with data-driven companies enjoying 6 percent higher profits, 4 percent greater productivity, access to better talent, and higher market values than their less data-savvy peers.²

Is your organization ready to reap the benefits of extreme innovation? And can your applications software partner help you meet that challenge?

¹ The Hackett Group, World-Class G&A Performance; IT Metrics: IT Spending and Staffing Report, 2011, Gartner, 2011.

² Brynjolfsson and Kim, MIT Center for Digital Business, 2010.



“From the very beginning, we chose Oracle because they have the products that satisfy our needs now and also our future needs. Our experience with Oracle Application Integration Architecture is proof that organizations can undertake a business infrastructure realignment that results in an incredible new view of information and solid processes without the need for vast customizations.”

Clifford Musante
Chief Architect, Intuit

Most enterprise software vendors still deliver a fragmented approach to IT innovation, designing software that fosters complexity over simplification and data silos over enterprisewide insights. SAP, for example, only recently announced its vision for a new applications infrastructure platform that, according to Gartner, will take many years to deliver. In the meantime, SAP customers must select from five different software architectures and myriad bolt-on solutions to address their immediate business needs and innovation strategies.

Cloud vendors like Workday and Salesforce.com have an even narrower view of IT innovation, providing point solutions that automate a single business process or line of business but fail to deliver the enterprisewide view of information, insights, and cross-enterprise collaboration needed to fuel innovation at every level. Niche cloud solutions also lack integration back into the enterprise, making it the customer’s responsibility for integration and upkeep. Rather than free you from IT, these niche offerings often serve to reinforce the cycle of IT cost and complexity that eats away at your IT innovation budget and restricts your ability to execute on your innovation strategies.

Oracle believes in a different approach to developing enterprise applications, one that starts from the premise that enterprise software can be a true enabler of innovation only if it serves to simplify your IT environment and deliver extreme performance in the process. We’ve adopted a methodical, holistic approach to the design and deployment of enterprise software, investing more than US\$70 billion and almost a decade of engineering expertise to build the industry’s most complete, best-in-class portfolio of enterprise, industry, and cloud applications—all engineered for innovation because they are engineered to work together.

Oracle’s engineered approach to IT innovation starts with the deep integration we deliver at the data, process, application, and B2B commerce levels—integration that frees up your IT maintenance funds to focus on new growth initiatives. We employ a common approach and architecture for the user experience, business intelligence, social networking, and mobility to improve user adoption and productivity among an increasingly mobile and knowledge-based workforce.

Oracle Applications also benefit from Oracle’s integrated hardware and software technology stack, which lowers your cost and risk by ensuring better stability, easier maintenance and upgrades, higher levels of security and governance, and better scalability and performance. And we are the only vendor to offer a full range of deployment options for customers, enabling you to consume next-generation enhancements in a modular fashion to tackle a discrete business problem, a line-of-business challenge, or a complete enterprise transformation.



ORACLE ENTERPRISE APPLICATIONS

- Financials
- Human Capital Management
- Supply Chain Management
- Project Portfolio Management
- Procurement
- Customer Relationship Management
- Enterprise Performance Management
- Governance, Risk, and Compliance

ORACLE INDUSTRY APPLICATIONS

- Aerospace and Defense
- Automotive
- Chemicals
- Communications
- Consumer Products
- Education and Research
- Engineering and Construction
- Financial Services
- Healthcare
- High Technology
- Industrial Manufacturing
- Insurance
- Life Science
- Media and Entertainment
- Natural Resources
- Oil and Gas
- Professional Services
- Public Sector
- Retail
- Travel and Transportation
- Utilities
- Wholesale Distribution

Picking the right strategic software partner may be one of the most critical decisions you can make to better compete in today's extreme innovation economy. Oracle brings to that partnership three decades of experience helping customers gracefully transition through critical IT inflection points like today's, and three decades of leadership earned by developing and commercializing many of the underlying technologies supporting the transition to client/server, internet applications, and now cloud and data-driven computing.

Oracle's Applications Strategy: Complete Solutions, Complete Choice

Innovation at the line of business or enterprise level demands that you have the freedom to create and rapidly deploy differentiated business processes to advance your competitive strategies and operational goals. You also need the freedom to uptake applications and deployment models that not only solve immediate business challenges, but also contribute to your longer-term line of business or IT investment strategies. Enabling that freedom is the driving force behind Oracle's applications strategy of providing complete solutions and complete choice for our customers.

Oracle delivers complete solutions by continually investing in the delivery of broad, deep, state-of-the-art functionality across all three layers of our applications portfolio: enterprise applications, industry applications, and Oracle's applications platform. With Oracle's complete solutions and modular approach to deployment, you can enable end-to-end process execution that improves visibility, drives efficiency, and reduces costs, whether you are looking to create a complete multichannel customer experience, enable a holistic approach to talent management and employee performance, or completely overhaul your corporate administration and performance management systems.

Oracle Applications are also engineered for complete choice. We've built and certified Oracle Applications on an open, next-generation applications platform that enables a modular approach to consuming applications, yet safeguards your investments as you move to the next generation of enterprise software. You can consume individual modules, product families, or an entire suite as needed: Oracle's coexistence strategy enables you to select the applications you want, the deployment options you need, and the upgrade path that best meets your business requirements and investment timetable.

Complete Solutions

IT complexity costs organizations 4 percent of their annual revenues—or US\$40 million for every billion dollars in revenue—to maintain their IT infrastructures, with 65 percent of that spend going toward integration and labor costs. Point cloud solutions perpetuate IT cost and complexity, with Gartner estimating that in 2010 alone, 75 percent of large-enterprise software as a service (SaaS) deployments already had at least five integration or interoperable points to on-premise applications.³

Oracle has always believed that IT complexity is the enemy of innovation. Rather than ask our customers to assume the burden of integration, we've built the industry's most complete portfolio of best-in-class enterprise, industry, and cloud applications—all engineered to work together across the various layers of Oracle's integrated technology stack. Today, more than 70,000 customers worldwide rely on our market-leading enterprise applications and end-to-end solutions in more than 20 industries to support their innovation and business management goals.

At Oracle, integration isn't an afterthought or a bolt-on solution. It's engineered into every product we design and incorporated across multiple levels, from data, process, and application integration to B2B integration across company boundaries. Integration at Oracle also means a consistent way to handle the user experience, business intelligence, social networking, and mobility, which is why we've engineered our systems to work together at all these levels. Every release of Oracle products has a common service library, and is integrated to a common business intelligence data model, a common social networking platform, and a common mobility architecture.

Integration also takes place in the various layers of Oracle's technology stack, between the applications, the middleware, the database, the operating system, the virtual machines, the servers, and the storage. This tight integration ensures better stability, easier maintenance and upgrades, higher levels of security and governance, better scalability and performance, and ultimately lower costs.

³ DeSisto, Robert, "SaaS and Cloud Computing: CRM Game Changes or More of the Same?" Gartner, June 2010.

Complete Enterprise Applications

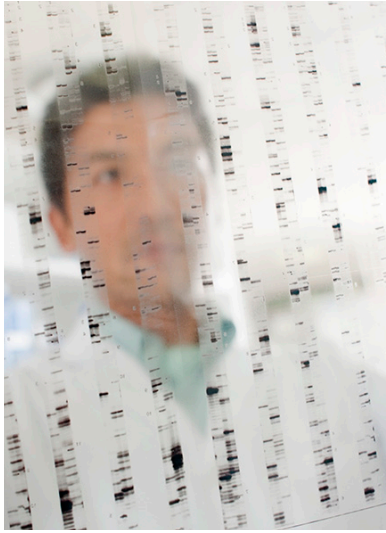
Oracle's best-of-breed enterprise applications are purpose-built applications containing best practices that support the core lines of businesses found in nearly every enterprise. Working with customers, Oracle continually updates and improves best-practice business processes in areas such as financial management, customer relationship management, and supply chain management so that you always have access to the latest innovations to engage your customers, improve enterprise productivity, and mitigate risk.

Applications Unlimited

As part of our commitment to delivering complete enterprise solutions, we continue to invest in our existing Oracle's Siebel, PeopleSoft, and JD Edwards solutions and Oracle E-Business Suite product lines through Oracle's Applications Unlimited program. Oracle has delivered major releases across every product line—more than 90 new products and 6,000 enhancements in recent releases—to provide customers with next-generation functionality that can maximize the value of their current applications portfolio, and prepare them for the future of enterprise software. We know that customers want to leverage their existing investments to drive productivity improvements and cost reductions, and Oracle's Applications Unlimited program is a reflection of that ongoing commitment.

Complete Industry Applications

Oracle's industry solutions leverage our best-in-class portfolio of products to address complex business processes critical to your industry. We offer solutions for more than 20 industries—from aerospace to wholesale distribution—to provide customers with the ability to integrate core back-office processes with industry-specific processes that can differentiate their business. Oracle's complete vertical approach includes dedicated industry segment applications (such as banking, insurance, communications, retail, public sector) and integrated capabilities within the enterprise applications required by each industry segment.



ORACLE FUSION MIDDLEWARE
THE FOUNDATION FOR INNOVATION

- User Experience Management
- Web
- Social
- Mobile
- Business Process Management
- Content Management
- Business Intelligence
- Service Integration
- Data Integration
- Identity and Security Management
- Master Data Management
- Cloud Application Foundation
- Enterprise Systems Management

Next-Generation Fusion Applications

Oracle Fusion Applications are a complete and modular set of enterprise applications, engineered from the ground up to be cloud-ready and coexist seamlessly in complex IT environments. Built on Oracle Fusion Middleware—Oracle's 100 percent open standards foundation—Oracle Fusion Applications are fully integrated featuring a consistent and intuitive user experience, a single data and security model, and multiple cloud and on-premise deployment options. With Oracle Fusion Applications, you can select modules and deployment methods that make sense for your business and fit into the end-to-end business processes you require, without sacrificing security, availability, or usability.

Oracle Fusion Applications offer better productivity and empowerment for the user, with a personalized, role-based experience; more flexibility for the developer, with a standards-based platform that provides unparalleled ease of application extension; and more value for the business as an integrated suite that can be adopted in an incremental, modular fashion, enabling rapid business innovation without the fragmentation challenges of niche solutions.

Application Foundation for Innovation

Oracle's rigorous use of industry standards is one of the key strategies in our arsenal to help customers reduce IT costs and complexity and fuel innovation. Oracle Fusion Middleware—our 100 percent standards-based toolkit—provides the strategic foundation upon which new applications are developed, existing applications are certified, and cross-application integrations are built.

Because all Oracle Applications are certified to run on Oracle Fusion Middleware, they are ideal for a heterogeneous computing environment, giving you the freedom to easily extend our products or integrate them with any third-party applications without expensive code rewrites. Through the uptake of Oracle Fusion Middleware by all Oracle Applications, we are able to offer unprecedented levels of innovation in the delivery of common business intelligence, social communication and collaboration, mobility, and other next-generation technologies.

Open standards also make application management easier and more cost-effective due to common security, data, and application management tools. And because Oracle Applications are standards-based, it's easier and less expensive to secure a qualified ecosystem of IT staff.



“The Oracle Fusion Applications architecture provides choice for its customers. You can run it in a SaaS mode, or you can run it on-premise, or you can run it in an on-demand mode. The Principal valued that choice in making our decision to move forward with Oracle Fusion Applications.”

Jay Fogerty
Director of Information Technology,
Principal Financial Group

Complete Choice

The second fundamental principle of Oracle’s applications strategy is to provide customers with complete choice. Not just any choice, but choices that matter and support your IT business case. With Oracle, you can manage change at your own pace, deploy in a delivery model that fits your business, and select providers who provide the best service levels at the lowest cost.

Choice of Solutions

Thanks to Oracle’s integrated approach and common applications platform, we offer a modular approach to deploying business applications that reflects how you want to consume your applications. With Oracle’s vendor-provided integration, that value proposition grows stronger as you adopt and use more components—integrating every step of a customer interaction or value chain. Our modular approach enables you to adopt solutions based on your unique business needs, budget, and enterprise objectives—whether you’re focused on a discrete business problem, want to start small and implement a broader solution over time, or want to implement an integrated solution to address a complete line of business or entire enterprise transformation.

Choice of Deployment

When it comes to deployment options, Oracle’s strategy is to give you the freedom to choose how to deploy your software based on your own specific needs. We give you the choice to upgrade at your own pace, providing business and IT flexibility that is unmatched in the industry.

For many enterprises, an on-premise approach may still be the best option because of the fine level of control it provides. Organizations own the application infrastructure, which gives them the ability to apply additional horsepower for transaction-intensive applications and to use their preferred programming and customization tools to extend the application’s functionality.

An increasing number of organizations are also looking at cloud computing to drive cost and operational efficiencies, as well enable greater business innovation and agility. By helping you scale resources with greater speed and elasticity, cloud services can free up your IT staff and resources to focus on projects or initiatives that are of higher strategic value to your organization. We offer a wide range of flexible cloud deployment options that can help you move the cost of hosting and managing your Oracle investment from a capital expense to an operating expense. Oracle’s strategy is to offer you choice and flexibility in how you adopt cloud computing, with the broadest, most complete portfolio of cloud services and products that best fit your unique business needs.



“Oracle’s drive to cloud services continues to allow customers such as Taconic to focus on their core competencies and drive their business forward while in full confidence that the technology—the complexity—will be taken care of and allow us to rely on the availability and the reliability that we need in order to continue to be successful.”

Gary Marshall
CIO, Taconic Farms

Oracle Cloud Services

Oracle provides a full range of cloud services including the self-service, subscription-based Oracle Public Cloud as well as managed cloud services for Oracle software and hardware. We also provide a comprehensive, integrated portfolio of products that customers can use to build, deploy, and manage their own private clouds.

Oracle Managed Cloud Services: If you choose to license your Oracle application, it can be hosted and managed at an Oracle data center, or Oracle can manage the application while it is hosted at either your location or at a partner’s location.

Oracle Public Cloud is a portfolio of cloud services that provide access to Oracle Fusion Applications, Oracle Fusion Middleware, and Oracle Database in a self-service, subscription-based, elastically scalable, reliable, highly available, and secure manner.

Oracle provides hosting, management, software updates, and world-class support for these offerings, which include SaaS options for Oracle Fusion Human Capital Management, Oracle Fusion Customer Relationship Management, and Oracle Social Network. Customers can also extend Oracle Fusion Applications and build their own cloud applications by using Oracle Public Cloud platform as a service (PaaS) offerings, including Oracle Java Cloud Service and Oracle Database Cloud Service. All of Oracle’s public cloud offerings are powered by Oracle Exalogic and Oracle Exadata engineered systems to deliver lightning-fast performance and superior reliability, scalability, and security—meeting the requirements of even the most demanding large-enterprise customers.

Unlike other SaaS offerings, Oracle Fusion Applications are the industry’s only suite of enterprise-grade cloud applications that use the same code base regardless of whether you deploy Oracle Fusion Applications in a traditional on-premise model, in a private cloud, or in Oracle Public Cloud. This consistent and standardized code base uniquely enables customers to port or move between their on-premise and cloud environments should their business requirements change.

Customers can also choose to deploy Oracle Applications in a hybrid or integrated cloud model, which is typically a combination of private and public clouds, along with integration into your on-premise applications. And because Oracle Fusion Applications are built using 100 percent open standards, data integration and process optimization across different clouds and on-premise deployments are made easy—reducing costs while enabling enterprise visibility and cloud management.

By delivering a complete suite of enterprise-grade, standards-based cloud applications, Oracle offers customers the ability to uptake the most advanced and deepest functionality in a variety of different cloud models, including the ability to have multiple models at once and change models without lock in.

Conclusion

Oracle's applications strategy has been engineered to eliminate IT complexity and fuel extreme innovation. Our complete, best-in-class portfolio of enterprise, industry, and cloud applications allow you to dream big, then execute efficiently—whether that's identifying the talent you need to capture new market opportunities, harnessing the power of analytics to sense and shape customer demand, or increasing collaboration between engineers and marketing to bring new products to market faster than competitors.

No other enterprise software vendor has invested as much as Oracle in delivering value to customers through an integrated stack of software, middleware, and hardware engineered to work together on your behalf. No other enterprise software vendor offers customers as many paths to evolve to the next generation of enterprise software as Oracle. And no other enterprise software vendor is as committed as Oracle to helping customers succeed in the new innovation economy.



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| Oracle is committed to developing practices and products that help protect the environment

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