

Oracle Global Startup Ecosystem delivers support for a new generation of cloud-native startups

Publication Date: 17 May 2018 | Product code: INT002-000112

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Ovum view

Summary

The world of startups is big, running into multibillions of dollars invested annually and supported by a well-established network of venture capital funds and numerous innovation and accelerator hubs. Oracle has created the Oracle Global Startup Ecosystem, its own venture into finding and supporting new businesses and solutions. The program has three elements that support early-stage startups at the beginning of their journeys, development of solutions seeking scale, and ideas emerging from higher education research. Oracle is not alone in its desire to help foster and develop a broader startup community, and its approach recognizes this – bringing technical, product, and commercial support, without taking a financial interest in the startup. Ovum sees benefits not just for the startup, but for the market of customers seeking new and innovative capabilities, and for Oracle itself as it continues to grow its cloud computing position and extend its enterprise applications portfolio.

Bringing technical and financial support for startups matched to business know-how

Oracle's Global Startup Ecosystem is three startup-focused programs in one. Oracle Startup Cloud Accelerator helps support earlier-stage startups as they establish their offerings and accelerate their businesses. Oracle Scaleup Ecosystem works with more mature startups looking to partner for growth. Oracle Startup for Higher Education offers backing to higher education-based science and technology innovations. Nurturing greater connectivity with the international startup community is potentially a "more than the sum of its parts" calculation, offering

- sharing of technical knowledge
- advancements in solution capability for Oracle, startup, and customer
- new solutions running on Oracle's cloud
- new connections on both sides with partners and other startup ecosystems
- visibility for Oracle among a new generation of cloud-native technology entrepreneurs and coders.

The Startup Cloud program accepts just five to six startups, twice a year, following an application process. It is physically connected by its Startup Cloud Accelerator locations, including Austin, Texas; Bristol, UK; Sao Paulo; Singapore; and Tel Aviv (full list at <https://www.oracle.com/startup/global-locations.html>).

As part of acceptance into the program, startups receive a six-month residence at one of these co-location spaces. But co-location is not just about trendy office space; the program brings peer-to-peer interactions with Oracle's own technical, management, and marketing product teams. Each site has a dedicated program manager and technical mentor in residence, with additional opportunities for mentoring available to participants. Oracle offers each startup a \$100,000 set of credits for use in the Oracle Cloud (the Higher Education program also offers credits, while the Scaleup program offers credits and discounts), a critical helping hand for young businesses that require support in developing their solutions. In each case, and to use Oracle's own words, the model is "pay it forward"; Oracle provides support to startups in its programs without charge and does not take equity. Not seeking an

equity position in participants removes the issue of competition with an already well-developed venture capital market, while opening the opportunity of greater collaboration with them – further extending the breadth of the ecosystem to maximize exposure.

"Build it and they will come" is a nice idea, but rarely one that works out in IT – focusing on delivering a business outcome in which enterprises will see commercial value is key. For startups, the successful move from idea to marketable solution is promptly followed by a need to make some money. Oracle's ~430,000 customers come into play here; startups in the program benefit from introductions to existing customers by way of Oracle's sales organization. Opportunities like this, driven by an established relationship, are rare benefits for startups. One of the participants, Nexus Edge (<http://nexusedge.com.br>), a Brazilian artificial intelligence-driven customer and brand insight business, recently secured \$500,000 in revenue from Oracle customers it was introduced to through the program.

Startups bring new workloads to Oracle's cloud

The inevitability of enterprises' transition to the cloud is building two types of cloud IT vendors:

- the software-as-a-service (SaaS) vendors delivering business solutions on a variety of cloud platforms
- the infrastructure- and platform-as-a-service (IaaS and PaaS) vendors that enable both SaaS and "traditional" IT workloads

In Ovum's view, Oracle wants to be both, an outcome few vendors have the potential to achieve. To do this, in addition to its cloud applications, Oracle must bring new workloads to its IaaS and PaaS, enabling enterprise-friendly capabilities that startups are hungry for, and ones they have likely traditionally gone to other public cloud providers for.

The Oracle Global Startup Ecosystem program is relatively new yet has the potential to create a growing cadre of startups that are highly complementary to Oracle's own solution portfolio by

- first, building and running their solutions on Oracle's IaaS and PaaS offerings – delivering enterprise-grade performance for the startup and its customers while bringing new workloads to Oracle's cloud
- second, working alongside Oracle's well-established enterprise application portfolio, developing new functionality or complementary solutions and helping extend the capabilities available to enterprises.

Another program participant demonstrates the importance of securing new and diverse workloads for the Oracle Cloud. iGeolise (<https://www.traveltimeplatform.com>) has created the TravelTime platform, a solution that allows location searches by travel time, among other capabilities. One of its founders spoke about its startup program and technology experience at the recent Oracle Modern Business Experience event in London. It is particularly noteworthy as iGeolise had previously run its processing-intensive workloads in a competitor's public cloud; the startup experienced considerably faster workload completion on moving to Oracle's IaaS.

Navigating Oracle's own ecosystem

Being part of a major corporation has benefits and drawbacks, and Oracle's Global Startup Ecosystem team has a lot of work ongoing and ahead of it in growing the program and its participants'

visibility across the business. Key priorities have been focused on Oracle product teams, technical experts, and the sales organization. These are the critical enablers required to achieve the program's aim, helping technically support the participants, explore opportunities presented by complementary business solutions, and socialize participants' solutions with existing Oracle customers. As the program builds momentum, we expect to see and hear more from Oracle as startups develop into viable businesses and new and interesting participants join the programs. Delivering a sustainable and successful startup program is a benefit to the IT market, bringing new capabilities to bear in an enterprise-friendly format, and for Oracle as it continues to develop and grow its position in cloud computing while extending its strong standing in enterprise applications.

Appendix

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Ovum Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

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