Oracle makes a big play for the enterprise AI market and is transforming HR
Ovum view

Summary

Oracle OpenWorld Asia kicked off in Singapore recently with a focus on emerging technologies in the market, delivered through demos, sessions, briefings, and hands-on labs for channel partners, industry players, and customers. This was the first time Oracle had held its OpenWorld in Asia, bringing together an eclectic mix of local, regional, and international speakers with the theme centered around automation, artificial intelligence (AI), and machine learning (ML) across its portfolio. The message was clear: Oracle is making a big play for the enterprise AI market targeted at applications, platforms, and autonomous databases, allowing enterprises to overcome traditional barriers to getting value in their AI journey.

A highlight of Oracle OpenWorld Asia was its AI-powered innovations for Oracle HCM Cloud that reimagines HR and talent processes to "make work more human." Its embedded AI features are transformative and well suited for medium to large corporations that desire a strong system for core HR and talent processes. They take HR beyond the status quo to enhance the employee experience, HR experience, and recruitment experience. Indications are that Asian enterprises may have a sharper appetite for HCM Cloud than peers in other regions; according to Ovum's ICT Enterprise Insights 2018/19 Survey, nine out of ten Asian enterprises are considering investing in human capital management (HCM) solutions.

Oracle is making AI for everyone in the enterprise market

The business prospects for AI are widely acclaimed, but enterprises vary extensively in terms of their AI maturity and how much value they are seeing from AI. Oracle clearly understands that building AI capabilities that scale is not a one size fits all approach. The vendor has placed the technology at the center of three strategic areas to help enterprises accelerate their AI adoption. These include the following:

- Ready-to-go (AI applications): This refers to the adaptive intelligent apps (enterprise resource planning (ERP), enterprise performance management (EPM), customer experience (CX), supply chain management (SCM)/manufacturing, or HCM), intelligent UX, and conversational agents designed to help business teams get value from AI without relying on developers to build custom solutions from scratch.
- Ready-to-build (AI platform): This refers to a collection of services that build, train, deploy, and manage AI-powered solutions that run on top of Oracle Cloud Infrastructure.
- Ready-to-work (autonomous database): This refers to Oracle's autonomous database technology, which uses automation built into its public cloud platform and database environment, combined with ML, to offer self-driving, self-securing, and self-repairing capabilities for each layer of the deployment stack.

There was no shortage of marquee customers on display at OpenWorld Asia, ranging from small and medium enterprises (SMEs) to large corporations within these strategic areas. In fact, Ovum believes Oracle's AI approach in the market to be comprehensive as it is geared towards business users as well as data scientists and developers to power better operations and smarter business decisions.
Through its entire range of solutions, Oracle is now making AI for everyone in the enterprise market. It also makes it easier for enterprises to realize value from AI/ML.

Oracle HCM makes work "more human" with AI

With the growing appreciation of the value of a company’s human assets, and a need to ensure that the talent that an organization requires is not just on board but also motivated, Ovum believes HR leaders must also be strong strategic partners. They need to respond to new challenges, maximizing productivity by combining tasks that can be intelligently automated and those that require human intervention within an increasingly complex and competitive marketplace.

In conversation, an Oracle senior executive explained that some HR executives are uncomfortable with handling data and technology. HR people may find it hard to adapt to a role where they are dealing with data related to employees rather than the traditional role of connecting the employees and the business. However, there is much for them to gain by overcoming that fear and building the relevant skills for the new world of HR. In fact, one of the key highlights of Oracle OpenWorld Asia was its AI-powered innovations for Oracle HCM Cloud. The latest innovations help chief human resource officers (CHROs) rewrite the script for talent processes and job functions, enhance the employee experience, and reduce employee turnover. Oracle's comprehensive HCM suites move boldly into advanced analytics with key features such as the following:

- Digital assistance: This increases recruiting capabilities, employee engagement, and HR team productivity by enabling employees or candidates to promptly get answers through an HR-trained bot via a mobile-responsive experience and voice-enabled digital assistants.
- HCM design studio: This increases employee satisfaction and HR productivity by delivering an agile user experience without help from IT to present localized content, support company culture, and enable HR teams to personalize, configure, and simplify HR processes.
- Advanced HCM control: This provides comprehensive management of application access. It automates security analysis, detecting anomalies, and supports the segregation of duties.
- Best fit candidate: This provides recruiters with AI best-fit candidate matching to reduce recruitment cycle time and employee turnover rates to make the best data-driven recruiting decisions such as likelihood to accept, performance predictions, and expected tenure.

Ovum believes Oracle’s HCM suite is now natively developed and Oracle is doing what it can to introduce AI to HR audiences in shaping the future workplace, especially when it comes to understanding how the next generation will work. The goal here is to make work simpler, more intuitive, and smarter by leveraging innovations such as emerging technologies while keeping work more "human."

HCM is gaining traction in Asia

According to Ovum’s ICT Enterprise Insights 2018/19 Survey, 34% of enterprises in Central and Southern Asia and 24.1% of enterprises in Oceania, Eastern and South Eastern Asia plan to significantly improve their HCM deployments in the next 18 months (see Figure 1). Interest in HCM investment plans is high – nine out of ten of Asian enterprises are considering investing in HCM solutions.

This is in line with the view of Oracle executives that the Asian market has huge potential for growth owing to factors such as growing internet penetration and technological advancements. Cloud
Oracle makes a big play for the enterprise AI market and is transforming HR deployment is also driving growth in the Asia-Pacific HCM market. In fact, it is perceived that the Asian market, with its vast population and diverse industry mix, is more open to AI, since it has the potential to generate huge volumes of data and provide an enormous market. Ovum believes there is a clear path to growth for Oracle in Asia-Pacific.

**Figure 1: Human capital management (SaaS/cloud) investment plans during the next 18 months**

![Graph showing investment plans](chart)

Source: Ovum

Aligning HR and finance will enable stronger productivity gains

On the surface, HR and finance seem to be natural adversaries. Conflicts regarding the roles and goals of these departments are common in many organizations. Finance can help businesses spot and exploit activities and trends that will make money and cut costs, whereas HR is generally viewed as a financial drain, especially since human capital makes up a large percentage of operating expenses and this percentage increases as the economy becomes more and more services-oriented.

People and finance functions however are closely entwined. To really take advantage of the promise of analytics, HR and finance need to create a strong alliance. Oracle Strategic Workforce Planning Cloud, a part of the Oracle Fusion HCM family can deliver the flexibility for both finance and HR that can align an enterprise's people strategy with its business strategy. It provides configurable drivers and demand thresholds that enable enterprises to manage and track headcount expenses, analyze workforce trends with scenario modelling, and gain insights into attrition and retirement.

It does take real effort to reach such maturity at the reporting level. But the most fundamental decision an enterprise can make is to have its HR and finance technology talk to each other to maximize the benefits. This could be done in the form of integrated data flow in a single solution, shared data models, and business partnering to produce metrics that speak the same language. Oracle’s innovation commitment is on keeping the users at the center of the design and Ovum believes this will remain core to its strategy to beat its competition.
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Appendix

Further reading

"Oracle adds AI to its cloud offerings to help businesses accelerate growth and drive efficiency," ENS002-000075 (April 2019)


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