

Next-generation cloud capabilities underpin Oracle Monetization Cloud 18C release

Publication Date: 22 Nov 2018 | Product code: SPT001-000037

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Ovum view

Summary

Late last month, Oracle announced the release of Oracle Monetization Cloud (OMC) 18C. The release features several improvements such as improved pricing flexibility, customization capabilities, analytics, reporting, additional preintegrations, and more. The biggest improvements to OMC, however, come in the transition of the product from Oracle's first-generation cloud infrastructure to Oracle Cloud Infrastructure Gen2, which includes the new Oracle Database 18c and Kubernetes-managed containers. Although the updates improve the security, privacy, and efficiency of Oracle's public-cloud products, the vendor must continue to fight against the reservations CSPs have about moving to the public cloud.

Oracle Monetization Cloud 18C makes improvements to functionality

Late last month, Oracle announced the release of Oracle Monetization Cloud 18C. In the latest release, the vendor rolls out several minor enhancements to OMC's capabilities to provide more customizability for CSPs. Improvements such as the ability to add new customer attributes (e.g., vehicle type, tax ID, and credit rating) allow CSPs to better segment customer types and provide unique charging and pricing parameters for these new segments. One use case for customer attributes is in a connected-car scenario, where customers who have an electric car, for example, receive a different or discounted price on car insurance than those without energy-efficient cars. The ability to both tag which customer accounts have energy-efficient cars and automatically set the charging parameters for such customers is an improvement enabled in the OMC 18C release, enhancing CSPs' ability to create and monetize new services.

Other features added in the update include the ability to customize invoice numbers (a feature that likely best serves B2B customers) and the ability to set custom notification thresholds (e.g., for account charging or spending limits) based on service levels or an individual user level, not just at account level. Additionally, the vendor has introduced improved analytics and reporting features and has made changes to the pricing structure for OMC itself. While OMC was previously only priced based on revenue under management, OMC can now also be priced out based on the number of CSP subscribers.

While the OMC 18C upgrade is available to existing customers at no additional charge, they will not be automatically migrated. Instead, Oracle will gradually help customers make the transition to the new version. Once the migration has occurred, however, Oracle will make all future updates automatic at no additional cost.

Oracle Cloud 2.0 and autonomous database on display at OpenWorld

The biggest upgrades to OMC, however, come in the move of the product from Oracle's former cloud infrastructure to Oracle Cloud 2.0 cloud infrastructure, which includes Oracle Database 18c; both of these were on display at Oracle OpenWorld 2018 last month in San Francisco.

Oracle Cloud 2.0 is the vendor's new and improved cloud infrastructure, which features Kubernetes-managed containers and improvements to cloud security. The Oracle Cloud 2.0 platform provides CSPs with greater usage scalability – a key feature, especially when putting high-volume systems such as revenue management into the cloud. In addition, with Cloud 2.0 customer code, data, and resources are on a bare-metal computer (using Kubernetes), while the cloud-control code is on a separate computer with a different architecture. This means that Oracle does not have access to the customer data, and there is no user access to the cloud-control code – providing more privacy and security. This is a smart move from Oracle, as the vendor doubles down on its strategy to deliver OMC only in the public cloud. By improving the privacy and security of its cloud infrastructure, the vendor can begin to address CSPs' hesitancy toward putting customer-sensitive information in the public cloud because of privacy and security concerns.

Complementing the power of Oracle Cloud 2.0 is the introduction of Oracle Database 18c, which is an autonomous database. Oracle Database 18c uses artificial intelligence and machine learning technologies to fight against cyberattacks. In his keynote address, Oracle co-founder and CTO Larry Ellison talked about the challenge of humans keeping up with the growing number of cyberattacks. When talking about how humans are now being outmatched and outsmarted by robots executing cyberattacks, Ellison stated, "... computers and machine learning are getting better and better ... machine learning robots are even smarter than some of the most educated people." In addition to adding defense against cyberattacks, Oracle points out that the biggest advantage of having an autonomous database is that there is "nothing to learn and nothing to do," as the database is able to automatically push out upgrades, patches, provisioning, scaling, tuning, security, fault-tolerant failover, backup and recovery, and more, without the need for any system downtime. This is another upgrade to OMC that may make CSPs more comfortable with deploying IT systems in the public cloud, as the database can be run without any downtime. This capability is crucial, as CSPs must be online 24/7/365.

Oracle still needs to overcome public-cloud mental hurdles

Although Oracle continues to make compelling improvements to the Monetization Cloud product, the vendor will still need to overcome the stigma and mental hurdles associated with moving to the public cloud. In recent years, the thinking and receptiveness toward cloud has improved. However, many CSPs still prefer to deploy customer-sensitive and business-critical IT systems in the private and hybrid cloud. According to Ovum's *ICT Enterprise Insights 2018/19* survey, over the next year only 18% of CSPs will deploy IT systems in the public cloud versus 56% who will deploy in private or hybrid clouds. Adding to the complexity for Oracle is the fact that the vendor is competing with the likes of AWS, Microsoft Azure, and others in the cloud space, while other cloud BSS vendors use third-party cloud providers to host their solutions. With this in mind, potential OMC subscribers will need to be sold on the ability of Oracle as both a CSP technology provider and a cloud provider.

The good news for Oracle, however, is that according to Ovum's *ICT Enterprise Insights 2018/19* survey, CSPs currently consider the vendor to be a top-five cloud provider, with nearly 29% of CSPs surveyed using Oracle's cloud for at least 20% of their workloads. The upgrades to Oracle Monetization Cloud 18C, Oracle Cloud 2.0, and Oracle Database 18c do a good job of addressing many of the security, compliance, privacy, and latency concerns CSPs have about the cloud. Still, it is yet to be seen whether Oracle's investment in its cloud infrastructure and database will have any impact on its position as a trusted cloud provider. Ultimately, only time will tell whether these

improvements will lead to an increase in adoption of OMC, or whether CSPs will continue to select Oracle Billing and Revenue Management (BRM) – whose roadmap is aligned with OMC – as an on-premises/private cloud/or hybrid cloud deployment alternative.

Appendix

Further reading

Next-Generation Cloud in the Telecoms Industry: Oracle Monetization Cloud, SPT001-000032 (September 2018)

"Cloud BSS market heats up as Oracle launches Oracle Monetization Cloud," IT0012-000212 (August 2017)

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