

Oracle's integration-centric PaaS portfolio is flourishing as a unified hybrid integration platform

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Ovum view

Summary

Oracle OpenWorld 2017 provided a good opportunity to gain insight into the level of success of Oracle's integration-centric PaaS portfolio in a competitive middleware-as-a-service (MWaaS) market. It is evident that within a period of just three years, Oracle has achieved rapid business growth for this set of PaaS products and a critical market momentum that has resulted in several thousands of customers for individual, integration-centric PaaS products. This is a good case in point for demonstrating how effective execution against a progressive PaaS product strategy can drive rapid adoption, business growth, and penetration into new enterprise user bases. Oracle has ensured uniformity in user experience (UX) and integration at platform/component API level to deliver a well-integrated set of MWaaS products.

Oracle ICS and Oracle API Platform Cloud Service are established middleware-as-a-service products

Oracle's integration PaaS (iPaaS) offering, Oracle Integration Cloud Service (ICS), has evolved at a rapid pace over the last three years. Oracle has expanded developer productivity features of Oracle ICS to reduce time to integration for on-premises-to-SaaS and SaaS-to-SaaS integrations and offers over 100 adaptors to Oracle and non-Oracle SaaS and on-premises applications. With Oracle ICS, users have access to auto-associated connections to subscribed Oracle SaaS applications. Oracle also offers an open adaptor software development kit (SDK) to customers and partners for creating new adaptors (e.g. adaptors to custom applications), which can then be made available via the cloud marketplace.

For iPaaS, Oracle was arguably the fastest to reach the 1,000-customer mark, and this is clear evidence of the success Oracle has had in driving adoption of Oracle ICS within the existing Oracle middleware customer base and to net new customers. The pricing for Oracle ICS is very competitive and relatively simple, and is further reduced for Oracle SOA Suite customers, which augers well for enterprises interested in using an "SOA and iPaaS" combination for hybrid integration use cases.

Oracle API Platform Cloud Service (API CS) is another PaaS product whose adoption has grown at a rapid rate over the last two-year period. In early 2017, Oracle acquired Apiary to strengthen the API design, testing, and governance capabilities of Oracle API CS. The acquisition of Apiary enabled Oracle to provide support for distributed teams to participate in and contribute to the process of review of an API mockup/design. Developers can use server mockups for rapid prototyping/testing of APIs, without any need to write code implementing the API.

Oracle API CS offers an API Gateway for enforcing policies on APIs, such as rate limiting and throttling. The API gateway can run on Oracle Public Cloud, within a customer's datacenter, or on third-party cloud infrastructure, and this flexibility allows customers to govern APIs irrespective of the API execution environment.

Oracle recently announced partnerships with API Fortress and APIMATIC to add/strengthen API testing and monitoring, and API description language (ADL) conversion capabilities. Oracle has also introduced new API monetization and native OAuth capabilities, and significantly enhanced API performance and business insights. With the addition of these new capabilities, Oracle API CS has

further established its credentials as an API platform (i.e. apiPaaS) enabling users to develop, run, manage, analyze, monetize, and secure APIs.

Oracle is targeting a wider set of user personas with slightly different propositions

A key facet of Oracle's middleware product strategy is to penetrate a different enterprise user base (i.e. non-technical users), which has special requirements in terms of "ease of use" and ability to compose integrations. Oracle Self-Service Integration Cloud Service (SSI CS) is aimed at non-technical users and offers pre-built recipes, a visual editor for creating new recipes, and a "drag and drop" user interface (UI) to simplify integration with common SaaS applications and office productivity tools (e.g. Oracle Eloqua, Oracle Sales Cloud, and Microsoft Office 365).

Oracle SSI CS is a lightweight version of Oracle ICS offering consumer-grade user experience (UX), with provisions for centralized governance and security enforced by an integration competency center (ICC) or an appropriate IT team. With a combination of Oracle SOA Cloud Service (SOA CS), Oracle ICS, and Oracle SSI CS, Oracle is targeting different user personas, namely, integration practitioners/developers and line-of-business (LOB) users, and offering self-service integration at a lower price point to drive further adoption in enterprises.

Enterprises already using Oracle ICS (via ICC) will be inclined to adopt self-service integration for LOB users, and this represents a clear upsell/cross-sell opportunity for Oracle. Enterprises starting with Oracle SSI CS will find the value proposition of a full-fledged iPaaS solution (i.e. Oracle ICS) attractive, both for integration practitioners and non-technical/business users. In the case of iPaaS, there is not any significant need for investment in reskilling or extensive training to enable users to develop integration flows connecting on-premises and SaaS applications.

Oracle SOA CS enables customers to exploit Oracle's SOA Suite on-premises solution in the cloud as a subscription-based service provisioned and operated by Oracle. Oracle SOA CS adoption has also grown at a good pace, and several Oracle customers are using a combination of Oracle SOA Suite on-premises and Oracle SOA CS as part of a hybrid integration platform.

Oracle PCS and partnership with UiPath are well placed to exploit tactical process automation opportunities

Oracle Process Cloud Service (PCS) allows users to build process applications via a no-code, web-based designer. Oracle has introduced case management comprising slick, intuitive task boards and cards for teams working on process automation projects. Oracle PCS integrates with Oracle Content and Experience Cloud or any other enterprise content management (ECM) suite that exposes an API. Integration with Oracle and non-Oracle applications is enabled via simple object access protocol (SOAP) and representational state transfer (REST) interfaces, and Oracle ICS can be used for such integrations.

Robotic process automation (RPA) is one of the three market disruptions Oracle is targeting for its integration-centric PaaS portfolio. Oracle recently announced a partnership with RPA software vendor UiPath and will be collaborating on both go-to-market strategy and co-selling opportunities. Oracle PCS has achieved a critical mass in terms of enterprise adoption, and via this partnership, Oracle customers can benefit from automation for structured processes offered via the UiPath RPA product.

The open and extensible architecture of the UiPath RPA product eases integration with Oracle PCS, and UiPath can support implementations involving both attended and unattended software robots. We see RPA-based process automation as a tactical approach and a good fit for repetitive and routine tasks (i.e. rules-driven structured processes and “if this, then that” style process execution). For semi-structured processes, there is always an option of using a BPM suite/platform (e.g. Oracle PCS) to route requests to knowledge/case workers for scenarios requiring human judgement, once a specific set of sub-processes has been automated via RPA software.

Another key capability is guided decision making in the form of “Next Best Action,” which exploits declarative decision modeling and artificial intelligence (AI)-based domain-specific suggestions. While a BPM suite/platform is a strategic solution to broader process management and automation initiatives, RPA software is simply a tactical approach to automation of structured processes. Oracle has established its partnership with UiPath at just the right time to exploit the fast-growing market opportunity offered by the BPM-RPA combination.

Appendix

Further reading

2018 Trends to Watch: Integration, IT0022-001091 (October 2017)

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