

Oracle aligns its product strategy to support true institutional transformation

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Ovum view

Summary

At its annual user conference, OpenWorld, which was held in San Francisco in September 2019, Oracle launched its rebranded mission: to "help people see data in new ways, discover insights, and unlock new possibilities." This more customer-centric vision – reinforced by the warmer look and feel of its new "Redwood" branding – aligns clearly with the shift in direction that its Higher Education vertical has taken in recent years: providing future-proof solutions that enable its HCM, ERP, Student Cloud, and Oracle Cloud Infrastructure customers adapt to the changing demands and student expectations of higher ed today. While sessions at OpenWorld shared updates to Oracle's Student Cloud system and other technology enhancements delivered in the past year, there was also a noticeable focus on institutional strategy: the simultaneous cultural or business transformation that must occur for schools to maximize their ROI.

Oracle's solutions reimagine higher education

With Oracle Student Cloud (which includes modules from CX Cloud, Student Financial Planning, and Student Management for traditional and nontraditional programming), Oracle has blurred the traditional institutional solution categories, bringing together the capabilities of a system of record with those of a system of engagement, alongside embedding emerging technologies like AI and machine learning (ML) to expedite data insights and decision making. The system's design has been strategically planned, with careful consideration of the needs of each user of the student information system (SIS), from financial aid registrars to student experience specialists. In addition, it has extended the student view from that of the traditional, on-campus student to a broader variety of groups that reflect modern student populations today: pre-college, distance learners, professional, or continuing ed students, etc. This approach should provide a more engaging, intuitive user experience, with embedded tools like virtual assistants, integrated dashboards, online forms, and electronic messaging.

While Student Management is still in development (e.g., not currently able to support the most complex institutions), the breadth of its functionality continues to expand with every quarterly release (the latest being 19D as of September 2019). In fact, many of Student Cloud's updates are based on customer feedback, such as providing the option for manual payment collection, which processes payments made in person or over the phone; improved waitlist functionality for courses, with a rules engine automating decisions based on waitlist preferential status; and self-service add-on options for non-course related services like parking or insurance. Taking a conservative view to ensure reasonable implementation timelines and predictable go-lives, Oracle is advising the market that implementation of Student Cloud for institution-wide deployments should begin in 1Q20.

With its end-to-end technology stack, Oracle is well-positioned in the higher education industry to leverage emerging technologies, such as AI, blockchain, and ML, and embed them directly into their solutions (further assisted by the \$6bn it allocates every year for R&D). For example, Oracle is working with two international customers to use blockchain technology for authenticating transcripts and personal ledgers/portfolios. Given the "Varsity Blues" scandal of spring 2019, the value of a ledger of verified data that cannot be tampered with is more apparent than ever, and provides

institutions with the opportunity to verify best-fit students for admission and avoid damaging their own reputation.

Oracle prepares today's students for the workforce of tomorrow

In February 2019, Oracle entered into a partnership with the University of Reading's Henley Business School to support its students and staff. One of the greatest challenges facing educational institutions and employers alike is the skills gap: the deficit between what students acquire from their education and what employers expect new employees to know before entering the work environment. Even as institutions develop new programs to meet workforce demands (according to LinkedIn, the top two skills most in demand include cloud computing and AI), it is hard to ensure that the curriculum remains current with industry trends.

While Oracle has created its Workforce Development Program for students to attain Oracle-specific certifications (such as in Oracle Database or SQL), the vendor continues to think of other ways to strategically partner with institutions. The Oracle-Henley project focuses on five pillars: innovation and research, coaching and mentorship, maintaining a talent pipeline, market and industry knowledge exchange, and diversity and inclusion.

In the past six months, Oracle has helped the university increase its research output, providing its faculty with cloud credits for high-performance computing projects. In addition, the vendor has created the World Bee Project, collaborating with Reading's School of Agriculture, Policy, and Development and a number of other partners to create the first AI-enabled "smart hives" to track beehive activity. Oracle nominees also serve on the curriculum development board to ensure that the school's instructors are providing courses that will best prepare their students to enter the workforce.

Digital transformation requires cultural transformation

Ovum's Global Higher Education Spending Forecast predicts that cloud-based applications and infrastructure spend will rise from an estimated \$1.4bn in 2018 to \$4bn in 2023: a CAGR of 23%. Nearly 200 institutions have become Oracle SaaS customers in the past few years, adopting the vendor's solutions for a variety of reasons, from cost savings, to optimizing staff, to delivering a more compelling experience to students. Nonetheless, the practical reality remains that, for many schools, the journey to the cloud will be gradual; for example, UW-Madison, who are still using an on-premises ERP, reduced their customizations by 50% when upgrading from Campus Solutions 9.0 to 9.2; this decision will help prepare the organization for an eventual move to SaaS. Oracle's own approach to Student Cloud – in which institutions can pick and choose the modules that best fit their current needs and budgets – is a nod to this incremental journey.

Another important theme at OpenWorld, alongside establishing a pragmatic technology path to the cloud, was an examination of the cultural shift that must occur simultaneously. It is increasingly clear that the responsibility for digital transformation no longer falls solely under the purview of IT staff, but also requires cultivating the buy-in of departmental stakeholders. DePaul University's main reasons to move to the cloud focused far less on technological benefits and more on business process improvements that they will be able to glean, such as providing a better, more efficient self-service experience for staff and accruing more meaningful and timely data. Other early adopters shared their own strategies and lessons learned for maximizing their cloud ROI; for example, Ithaca College, an ERP and HCM Cloud customer, recommended performing an institution-wide business process review before implementation in order to fully understand departmental needs.

Most of all, these schools emphasized the importance of working with a vendor that is committed to helping them navigate these all-important cultural and technical changes. As Oracle evolves its business model from a product focus to being a cloud services partner, it aims to be a true collaborator, with a commitment to understanding and delivering to the unique needs, challenges, and goals of each of its customers.

Appendix

Further reading

"Oracle delivers a new student system with the student as the focal point," ENV006-000030 (August 2018)

"Oracle's practical path offers a roadmap for student and institutional success," ENV006-000041 (November 2018)

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