



Oracle Brings the Oracle Cloud to You

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IDC's Quick Take

Oracle has [announced three new product offerings](#): Oracle Autonomous Data Guard, Oracle Dedicated Region Cloud@Customer, and Autonomous Database on Exadata Cloud@Customer. While the first simply extends the Oracle Autonomous story to HA/DR, the latter two represent a broad expansion of Oracle Cloud Infrastructure (OCI) capabilities, enabling users to realize all the benefits of OCI within their own datacenters, effectively blurring the distinction between cloud and deployments on the premises (on-prem), and better serving Oracle customers' hybrid cloud strategies.

Product Announcement Highlights

On July 8, 2020, Oracle held a virtual press conference in which CTO and Chairman Larry Ellison announced the availability of three new products: Oracle Autonomous Data Guard, Oracle Dedicated Region Cloud@Customer, and Exadata Cloud@Customer with support for Oracle Autonomous Database.

Before discussing these products, Ellison touted the success of OCI which, he said, had grown revenue year-over-year by 140%, while Oracle Autonomous Database alone had grown by 70%. He also pointed to a number of marquee accounts making substantial use of OCI, including Zoom, McAfee, Altair, Sky (Brazil), Siemens, 7 Eleven, GE, Circle K, the State of Texas, and CERN.

The new Oracle Exadata Cloud@Customer fully supports Oracle Autonomous Database, bringing its self-running functionality to the customer's datacenter. It is built on Oracle Exadata X8M, which features optimizations based on persistent memory and RDMA over Converged Ethernet (RoCE). Prior to this, Oracle Database ran on an earlier version of Exadata Cloud@Customer, but Oracle Autonomous Database was only available in Oracle's cloud.

Dedicated Region Cloud@Customer enables the user to set up an OCI region right inside the datacenter (hence the "dedicated" designation), and run all second-generation Oracle cloud services including all the cloud database offerings, the HA/DR, and the applications, in the datacenter. The racks are physically secured and managed in the customer's datacenter by Oracle operations personnel. It is important to note, as Ellison also emphasized, that Oracle Database Vault prevents access to the actual data by either the customer's operations personnel or Oracle operations personnel. He also indicated that users could easily move the processing of the database and applications between the datacenter and the cloud, and could use multi-region support to ensure geographically distributed operation that includes processing in the dedicated region (in one's datacenter) as well as one or more other OCI regions.

Ellison also described Oracle Autonomous Data Guard as similar to Oracle Data Guard, but is self-managing, taking away all the human steps involved in setup, management, and tuning of Data Guard. In discussing this, as well as other Oracle Autonomous capabilities, he said, "Eliminate human labor and you eliminate human error."

IDC's Point of View

With a starting price of \$500k per month (\$6 million per year), the Dedicated Region Cloud@Customer is not for dipping one's toe in the water. It is for customers with a large scale data processing need who must keep operations on-prem because their systems are too entangled to be moved piecemeal. They get the cloud benefit of full Oracle management plus a "pay as you go" charging model for Oracle Compute Units (OCUs). While the price tag may seem high at first blush, when you consider the resources (including hardware and some labor cost) that this offering displaces, it becomes quite cost-effective. Of course, despite ML-based resource optimization and auto-scaling features, it is still necessary to keep track of OCU usage to avoid unexpected charges.

Using the Oracle Autonomous Database capability on-prem, as opposed to the Oracle Cloud, means that managing data that cannot be moved because of such constraints as regulatory requirements or data sovereignty issues (meaning they are legally prohibited from taking some data out of the country), and data latency concerns, can still benefit from the "self-running" nature of Oracle Autonomous Database, with the promise of nearly error-free operation. It should be noted that, if desired, the customer can ensure that all data, including backup data, remains on-prem, which is not always possible with other options. The Exadata Cloud@Customer base price is \$10,800 per month, plus pay-for-what-you-use for OCUs.

Many large-scale datacenter users have been working through plans for cloud migration, but struggle to move gradually, keeping processing on-prem and moving applications and data in a stepwise manner to the cloud. Exadata Cloud@Customer and Oracle Dedicated Region Cloud@Customer overcome this issue by, in effect, bringing the cloud to the customer. Many of the benefits of the cloud, including elastic scaling of both resources and the cost of same, can now be realized on-prem, and any applications or databases that can run on OCI can be moved easily and transparently back and forth between the datacenter and the OCI in Oracle's cloud datacenters.

Oracle has won some impressive new customers over to OCI, and according to Oracle, a large percentage of OCI customers doing native cloud development. Still, from an overall product marketing perspective, this cloud platform must be seen primarily as a target for existing Oracle customers, especially for those enterprise customers seeking an opportunity to consolidate their hundreds to thousands of Oracle Database instances on a unified Autonomous platform. For Oracle customers who want the benefits of OCI or Oracle Autonomous Database in their datacenters, and for those who want an easier and more cost-effective way of migrating to the Oracle Cloud, this seems to be a big win.

Note: Prices cited are in U.S. dollars.

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