

Oracle's PaaS delivery of blockchain is a smart move

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Ovum view

Summary

Oracle is planning a platform-as-a-service (PaaS) offering of blockchain, which will enable companies in multiple verticals to develop applications and deploy them on the platform to take advantage of the benefits of the distributed ledger technology. Ovum considers the option for PaaS a canny move on Oracle's part.

PaaS makes blockchain a utility for companies to “plug into”

Blockchain is eminently suited to PaaS because it is not an enterprise application like ERP, CRM, or SCM that companies need but do not seek differentiation from, making them natural candidates for software-as-a-service (SaaS) delivery. Neither is it a piece of infrastructure like compute (CPUs and GPUs), storage, or network that are increasingly offered as a service (IaaS). Instead, blockchain is a building block that applications can draw on to perform functions such as payments and other financial transactions, identity issuance, and cold chain management that can all benefit from the inviolable system of record that blockchain enables.

In addition, the applications that companies will run on the Oracle Blockchain Cloud Service will be where they are seeking differentiation from their competitors, so Oracle is right to leave them to develop them.

Conversely, learning to build and operate a blockchain won't be core to their business, just as householders don't need to run their own sewage treatment or water purification plants, preferring instead to pay a utility company to do so.

This is where Oracle's opportunity lies. It is in effect providing blockchain as a utility for companies to distill their intelligence and vertical expertise to build and run their own applications on it. It is also abstracting away from its customers all the complexity of hardening, securing, and accelerating open source componentry to make it production-ready and enterprise-grade, and is facilitating integration with other business systems from Oracle and third parties.

Appendix

Further reading

IBM's Democratization of Cognitive, Blockchain, and Cloud Technologies, TE0005-000995

(September 2017)

Blockchain for Beginners, IT0059-000071 (September 2016)

"SAP showcases IoT and blockchain enhancements at TechEd", ENS002-000007 (December 2017)

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We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

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