

Oracle Value Chain Summit 2015—Enabling Agents of Change

CIMdata Commentary

Key takeaways:

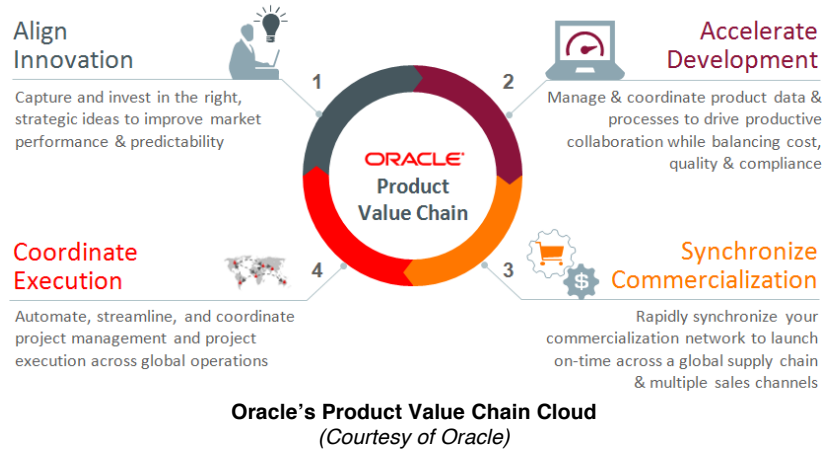
- *Oracle's Value Chain Summit offers an appropriate, right-sized venue for learning more about enterprise value chain systems*
- *Oracle is committed to enabling parallel capabilities for Oracle Agile PLM (for on premise and cloud use) and Oracle Product Value Chain Cloud, which is a new, PLM offering in the Oracle Cloud*
- *The presentations and CIMdata's interviews with leading customers suggest that Oracle is delivering to customer expectations*

CIMdata attended the Oracle Value Chain Summit 2015 in San Jose, California on January 26-28, 2015. Oracle is one of the PLM market leaders tracked by CIMdata in our annual PLM Market Analysis Report series. The Oracle Value Chain Summit (OVCS) is a business conference focused on influencers and decision makers, with presentations by Oracle, customers, and selected partners. Over 2,500 value chain experts representing more than 425 companies from 31 countries attended this year's OVCS. This event is in its third year, having spun out of Oracle OpenWorld to more effectively serve Oracle's value chain experts.

Mark Hurd, Oracle CEO, kicked off the event with a session on what it takes for CEOs to "Survive or Thrive." In his remarks, Mr. Hurd noted the significant challenges faced by CEOs to survive in today's business environment, and suggested they be viewed as opportunities to thrive, enabled by:

1. The explosion of data—with more than 90% of today's data having been created in the past 2 years.
2. The increased sophistication of customers—expecting to be personally engaged in every facet of product use.
3. The reality of social being the nature of business—the increased use of social media as a means to communicate and escalate dissatisfaction.
4. The rise of mobility—the expectation and demand for "app" powered solutions.
5. The presence of an aging infrastructure—twenty-year-old platforms do not and cannot adapt well to cloud-based, mobile, app-centric solutions.

Mr. Hurd tied the last point, the challenge of 20-year-old legacy applications, to the reason Oracle has re-architected its solutions specifically to meet the demands of the cloud. Because most legacy applications are pre-internet, pre-search, pre-social, pre-mobile, and pre-cloud they would require massive redevelopment to enable standardized, easily provisioned, mobile, socially integrated, and be able to provide real time data for decision-making. Oracle believes that their product strategy and offerings will help IT leaders and other business managers to become those agents of change, helping them reduce their IT overhead while also enabling new use cases and business processes to help them thrive.



John Kelley, VP of Product Strategy, ran the Product Value Chain track, where PLM related topics were the key areas of discussion. As agents of change, Oracle targets aligning innovation, accelerating development, synchronizing commercialization, and coordinating execution. Thus, a persistent theme at the Summit was that Oracle, as an agent of change, developed its next generation, online, cloud-based, “public” platform of Oracle solutions.

The Oracle Cloud platform is intended to allow a single item master to be maintained across ERP, CRM, and PLM with full traceability within a multi-tenant cloud environment. Oracle is evolving the Oracle Product Value Chain Cloud capabilities to match and then to exceed Oracle Agile PLM (A9)’s capabilities. The Oracle Product Value Chain Cloud currently consists of the following products: Oracle Innovation Management, Oracle Product Development, Oracle Product Hub, and Oracle Project Portfolio Management. As Mr. Kelley explained, the vision is to be able to enable the Oracle Product Value Chain Cloud within one platform with one shared product record.

It is important to note that the Oracle Product Value Chain Cloud products do not supplant A9 or Oracle’s Agile PLM for Process (P4P). Oracle was extremely clear in their message and in all dialogs that the product roadmaps for Oracle Product Value Chain Cloud, A9, and P4P are to be managed in parallel with capabilities to be extended to each solution. The other key point mentioned is that customers can choose permutations of cloud and on-premise. Oracle Applications Unlimited, Oracle’s program for long-term support of its many enterprise offerings, still applies for on-premise offerings and its spirit seems to be expanded to this broad-based support.

There were two facets of the Oracle Cloud platform that were of particular note. The first is in the area of innovation management as presented by Gayle Hayes, Sr. Director of Product Strategy. The second was how social collaboration is tied to every aspect of the Oracle Cloud offerings.

With Oracle Innovation Management, Oracle is striving to help executives with the innovation challenges of aligning innovation investments with business strategies, being able to respond in a timely manner to market drivers, dealing with the reality that social transparency exposes product issues, capturing and validating requirements earlier in the product development cycle, and improving the re-use of ideation. Because the funnel of innovation applies to products, services, and processes, Oracle Innovation Management is not restricted to product innovation alone. With Oracle Innovation Management, the innovation process is managed from ideation, proposal, and validation, through to development and commercialization. All data is integrated and readily available to support use cases in each step.

Oracle Social Network (OSN), a social collaboration interface, is integrated with each of the Oracle Cloud offerings, enabling collaborative interaction that gets linked to and carried with the product record. While many PLM solution providers have explored social in the context of their offerings, they have not always been successful in tying the social collaboration intellectual assets into the product record so this is a notable positive development for Oracle.

In addition to the Oracle presentations given at the summit there were a significant number of customer and partner presentations covering a variety of PLM topics such as managing enterprise system impacts on corporate divestitures, rapid deployments, and enterprise quality management. The message that came across time and time again in every customer session was the importance of executive commitment. This was most succinctly stated by Charles Derrow of Zebra Technologies, who stated “Leadership commitment and a holistic approach being demonstrated by leadership behaviors is a key to success!”

Overall the energy level of the summit was high. Oracle engaged closely with its customers. The showcase area was organized by value stream, making it easy for attendees to find and engage with the Oracle representatives and partners based upon areas of interest. The event was large, yet came off as being intimate in nature. Even the large kick off session was set up with round tables to foster discussion in the brief breaks. Oracle partners were well engaged in the presentations, while adhering to guidance to keep commercials to a minimum, they focused instead upon providing value to the attendees. The event was well managed and showcased Oracle and its partners well. CIMdata appreciated the invitation to attend and looks forward to future Oracle Value Chain Summits.

About CIMdata

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise’s ability to design and deliver innovative products and services through the application of Product Lifecycle Management (PLM). CIMdata provides world-class knowledge, expertise, and best-practice methods on PLM. CIMdata also offers research, subscription services, publications, and education through international conferences. To learn more about CIMdata’s services, visit our website at <http://www.CIMdata.com> or contact CIMdata at: 3909 Research Park Drive, Ann Arbor, MI 48108, USA. Tel: +1 734.668.9922. Fax: +1 734.668.1957; or at Oogststraat 20, 6004 CV Weert, The Netherlands. Tel: +31 (0) 495.533.666.