

Progress of Oracle's PLM Vision and Reality Evident at Oracle OpenWorld 2011

CIMdata Commentary

At the recent Oracle OpenWorld 2011 conference in San Francisco, CA, customer presentations offered solid evidence of progress in the application of Oracle's product lifecycle management (PLM) product suite in both emerging and traditional industries. Oracle also reported substantial enhancements to their PLM offerings, actual and planned, within the context of a framing vision that Oracle calls the "Product Value Chain," which they say offers value beyond Product Lifecycle Management. This vision is consistent with Oracle's concentration and success outside the traditional core of PLM—mechanical CAD work-in-process data management, and the traditional industries of automotive and aerospace. Investing in their PLM offering as an enterprise integration platform, with peripheral value point solutions especially tuned to the needs within emerging industries, continues to be a successful competitive strategy for Oracle. That said, John Kelley, VP Product Strategy for PLM, insists that Oracle has now gotten it right with new releases of their MCAD integrations and will be going after the traditional PLM market. Only time will tell.

Oracle's largest investment and most notable successes are in recently established and emerging industries. Major wins and impressive success stories were reported in medical devices—Medtronic, Stryker Endoscopy, Saint Jude Medical, Atrium Medical; CPG—Kroger, Herbalife, USANA (manufacturer and distributor of healthcare products); and pharmaceuticals with Eli Lilly. Major wins and success stories were also reported in Oracle's sweet spot industry of high-tech—Dell, Cisco, LSI, Qualcomm, OnSemi and Brocade. As an example of "using what they sell," it was reported that Oracle's Agile PLM has recently been implemented as the enterprise PLM at Sun, serving as their single source of product definition that is fully integrated to the single corporate ERP solution.

The Oracle PLM product strategy team has formed strong relationships with several consulting and systems integration firms specializing in product development and PLM products and services. For example, Mahindra Satyam has developed mobile device interfaces for Oracle PLM, and Hitachi Consulting and Kalypso have both provided specialty services for Oracle PLM implementations.

Oracle has stressed that their PLM enabling solutions—Oracle Agile, Oracle Agile Product Lifecycle Management for Process, Oracle Product Information Management Data Librarian (PIM), Oracle Application Integration Architecture (AIA), Oracle Product Data Quality, and Oracle Primavera P6 Enterprise Project Portfolio Management—are designated "strategic" to Oracle, which means they receive committed and substantial investment. A portion of that investment has been directed to improvements in usability and accessibility from a range of mobile devices. The majority of investment has been guided by two objectives: 1) rationalize and provide value through integration of Oracle's Agile PLM products and Oracle E-Business Suite, JD Edwards and SAP, and 2) address unique value points in non-traditional industries. Oracle has done this and, as a result, has achieved competitive advantages. Oracle PLM has numerous attractive high-value point solutions, such as recipe and formula management, business intelligence and analytics, quality management, compliance management, portfolio management, ideation management, and several others. Most of these point solutions were

developed and are offered within industry-specific templates for the pharmaceutical, food and beverage, and medical device industries, but they have broader applicability.

As would be expected at an event the size and scope of Oracle OpenWorld, one that draws 50,000 attendees, navigation through the agenda to a PLM-focused itinerary was something of a challenge. The effort was certainly worthwhile; the PLM content was extensive and of high quality. Adding to the value of the event was a PLM Executive Forum held on Sunday afternoon before the conference. The forum, jointly sponsored by Kalypso, was well attended, with a strong agenda that included three customer-delivered case studies. Of general value at the conference were several keynotes with technology forecast presentations by CEOs of tech giants EMC, Cisco, Dell, and Infosys, as well as presentations by Mark Hurd and Larry Ellison of Oracle. Our summary assessment from this event is that Oracle's PLM product suite has clear strengths and is scoring significant successes in the marketplace. We expect to hear next year of continued growth for Oracle and noteworthy successes for their customers.

About CIMdata

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