

Oracle Fusion Applications: Building-in a Superior Ownership Experience

*An Oracle Product Strategy White Paper
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Oracle Fusion Applications: Building-in a Superior Ownership Experience

We are embedding the Oracle Superior Ownership Experience into the DNA of our next-generation applications, with the goal of offering reduced costs, improved risk management, and an enhanced customer experience.

EXECUTIVE SUMMARY

Oracle's next-generation enterprise applications will merge the best features from all of Oracle's product lines—Oracle E-Business Suite, PeopleSoft Enterprise, Siebel, JD Edwards EnterpriseOne, and JD Edwards World—into a new enterprise software line called Oracle Fusion Applications. Not just a vision for the future, these changes are happening today, as some of these features are incorporated into the newest releases of Oracle Applications.

The ultimate objective of Oracle Fusion Applications is to provide Oracle customers with better business insight, more-adaptable business processes, and a superior ownership experience. We are embedding the Oracle Superior Ownership Experience into the DNA of our next-generation applications, with the goal of offering these benefits: reduced costs, improved risk management, and an enhanced customer experience—not just in using our software, but in every interaction a customer has with Oracle throughout the software-ownership lifecycle.

This paper tells you how we are incorporating the Oracle Superior Ownership Experience into our current applications. It also offers a view of where we plan to go with the Oracle Superior Ownership Experience in the future, as Oracle Fusion Applications become a reality.

ORACLE SUPERIOR OWNERSHIP EXPERIENCE: TAKING THE CUSTOMER EXPERIENCE TO A NEW LEVEL

The motivating principle behind the Oracle Superior Ownership Experience is to improve every interaction with our customers—whether the interaction is software-based or people-based.

Oracle customers who deployed earlier versions of PeopleSoft or Siebel applications may be familiar with initiatives that the two companies introduced in late 2003—the Total Ownership Experience and Total Cost of Ownership Reduction initiatives, respectively. What many customers may not know is that, while still separate companies, Oracle, Siebel and PeopleSoft were undertaking similar initiatives that explored how technology could reduce costs and transform the way organizations implemented, used, and managed their enterprise software.

Combining Oracle's substantial research and development resources with world-leading technologies for applications, middleware, enterprise management, and

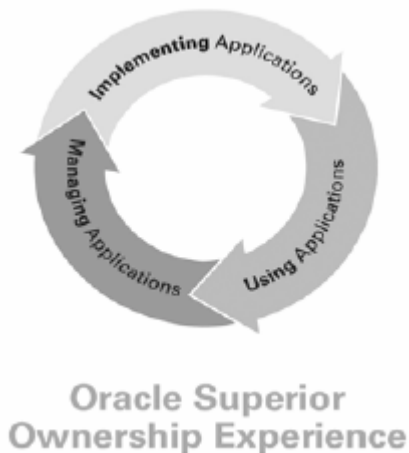
With each release, we plan to continually improve your ownership experience so that Oracle becomes your most trusted vendor.

database, the Oracle Superior Ownership Experience takes the application-ownership experience to a new level—no other vendor can match the depth and breadth of the Oracle solution. And no other vendor is doing more to drive cost and risk out of the application-ownership experience.

The motivating principle behind the Oracle Superior Ownership Experience is to improve every interaction with our customers—whether the interaction is software-based or people-based. Our first step along this path is to improve the user experience of the people using our software; we address some of those efforts in this paper. As we continue along the path we plan to look at all our people-to-people interactions with customers and improve those, too—as well as build in feedback loops that help us understand how we are doing.

The steps we are taking to achieve a superior ownership experience for our customers will not be completed in one year, or even two. In fact, the effort is not limited to only the next generation Fusion Applications. We see the Oracle Superior Ownership Experience as a long-term commitment to delivering quality products and offering the high levels of service and support that will maximize your satisfaction with Oracle. The Oracle Superior Ownership Experience is, above all, a focused, corporate-wide direction that we, as a company, hope to realize over many milestones. In order to build the bridge necessary to facilitate customer-driven, incremental adoption of Fusion capabilities, we are applying some of our latest ideas back to the current generation of applications, so that there will be a continuous roadmap into Fusion. With each release, we plan to continually improve your ownership experience so that Oracle becomes your most trusted vendor.

The Oracle Superior Ownership Experience is designed to enhance all aspects of the enterprise-application-ownership lifecycle—from implementing to using to managing the applications.



IMPLEMENTING APPLICATIONS: DECREASE COSTS AND RISK WHILE INCREASING FLEXIBILITY AND PRODUCTIVITY

Implementation accounts for the one of the highest expenditures in the total cost of software ownership, even when amortized over a period of several years. A key design principle for Oracle Superior Ownership Experience is to help customers quickly realize value from their software investment.

Flexible Configuration Based on Industry Best Practices

Configuring an enterprise software application to meet the specific needs of your business and industry is typically a time-consuming—and thus, expensive—process. Even after initial implementation, you need to be able to change configuration options as required, to stay competitive and meet emerging market demands. As part of our continuing development of Oracle Fusion Architecture, the underlying infrastructure for Oracle Fusion Applications, we plan to provide integrated configuration-management tools that reduce the cost of implementation and offer superior flexibility.

We propose to achieve this with an implementation workbench that uses an interview-based process for configuration, so that business analysts can collaborate on important configuration decisions that control the behavior of the application. Leveraging the collective experience of its existing customer base, Oracle has created a large knowledgebase that contains the application configuration needs for various industries. We intend to use this knowledgebase for the implementation workbench, so that it can recommend application configuration settings based on the best practices of a customer's specific industry.

By increasing productivity both in the initial implementation of Oracle Fusion Applications and in the process of adapting Oracle Fusion Applications as business needs evolve, the workbench reduces configuration costs and mitigates the risk of being locked into implementation decisions that might not be properly aligned with future business needs.

Time-Saving, Accurate Migration of Configuration Data

In a typical application implementation, organizations require multiple testing, development, and production environments before end users can begin using the software. Manually configuring each individual environment is both time-consuming and error-prone.

To reduce the labor involved in configuring multiple environments, we are planning to have Oracle Enterprise Manager migrate application configuration data between Oracle Fusion Application environments, including

- Application setup data that determines the behavior of the application
- Foundation data that drives the infrastructure of the application
- Operational data required to record business transactions

Leveraging the collective experience of its existing customer base, Oracle has created a large knowledgebase that contains the application configuration needs for various industries. We plan to incorporate this information into our next-generation applications, to reduce the time and expense involved in making configuration decisions.

By automating the configuration migration process, Oracle Enterprise Manager can reduce labor costs and minimize the risk of manual error when configuring multiple Oracle Fusion Applications environments.

Automated Tracking of Configuration Changes

Later in an application's lifecycle, businesses often decide to make changes to the initial configuration settings. Regulatory compliance and best practices require that businesses utilize a controlled, audited process for moving configuration changes into production. In addition, when configuration issues are affecting the behavior of the applications in a way that is not desired, you need some way of tracking and comparing configuration changes to diagnose the problem.

We intend to develop Oracle Enterprise Manager so that customers can generate reports on the configuration data for any Oracle Fusion Applications environment. Combining that with the current ability of Oracle Enterprise Manager to generate comparison reports—for example, between the configurations of two separate environments or between two points in time for the same environment—we can achieve the benefits of easier tracking and monitoring of configuration changes.

By facilitating regulatory compliance and speeding the resolution of configuration issues, these automated configuration reports help both to reduce IT costs and to reduce the risk of configuration-related errors.

You don't have to wait for Fusion Applications to take advantage of this capability. Today, Oracle Application Management Packs extend Oracle Enterprise Manager to track configuration changes for PeopleSoft Enterprise, Oracle E-Business Suite, and Siebel applications. By adopting the management packs today, you would have laid the foundation needed to manage Fusion Applications in the future.

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USING APPLICATIONS: ADAPT TO CHANGING CONDITIONS, IMPROVE COMPLIANCE, AND ENHANCE PRODUCTIVITY

A cornerstone of Oracle Superior Ownership Experience is the assurance that business users can easily adapt business processes as needed. In addition, Oracle Superior Ownership Experience offers tools to streamline user learning and compliance, and a user interface that greatly enhances user productivity.

Application Integration Architecture

Over the years, IT departments have struggled with integration. Integrating applications is difficult, costly, and is prone to breaking. Packaged integrations reduce the cost but can still be prone to fragility. Oracle is raising the bar, by offering pre-built, sustainable integrations through Oracle's Application Integration Architecture.

These sustainable integrations (called Process Integration Packs) can be implemented quickly and extended and upgraded over time. Oracle will support these integrations, and ensure that they will work with new versions of the

We believe the Oracle Superior Ownership Experience should allow you to adapt your business processes as needed to meet competitive demands, while it also eliminates the time and cost involved in transferring changes during upgrade cycles.

“Oracle’s Application Integration Architecture will help us solve our problem of managing processes that rely on several different applications...By leveraging an open, standards-based architecture, we will have the flexibility to make discrete changes without disrupting the entire business process.”

- Brian Simmermon
CIO of Subaru of America, Inc.

Properly trained users require less support and learn new tasks up to four times as fast.

underlying applications. The resulting integrations will last as the IT landscape evolves. In addition, these integrations provide a unified user experience across a business process – users simply get the information they need across different systems delivered to them through a consistent, familiar interface. Implementation and training costs are minimized and your investment is protected into the future. Oracle Application Integration Architecture provides out of the box front-to-back office business processes that leverage the best in class functionality across Oracle’s portfolio of ERP, CRM and industry applications. What’s unique about these integrations is that they are loosely coupled using open standards and common business objects – this gives IT departments the flexibility needed to easily adapt processes to changing business requirements. It also means that these integrations don’t break during upgrades or when new applications are inserted into the mix. In addition, Process Integration Packs come with the full resources of Oracle Support, with maintenance and upgrades to protect the value of your integrations over time. This is what makes them sustainable.

Streamlined Training and Compliance

All implementations and upgrades necessitate change management initiatives to ensure end-user adoption and successful rollout. In addition, you must document “as-is” business processes in order to meet compliance requirements. Today, Oracle has the technologies to help you maximize your applications investment with customizable, self-paced learning content and automated business-process documentation.

Compliance-Related User Training

Because compliance should be an enterprise-wide initiative, keeping your employees “in the loop” is critical for achieving your compliance goals. But how can you streamline training and keep it up to date without devoting intensive, ongoing corporate resources to the effort? Oracle Tutor offers a selection of tools and an integrated set of procedures to help you and your employees quickly document, deploy, and maintain critical business procedures that support regulatory compliance. Even as your business processes change, Oracle Tutor keeps your documentation current—automatically updating the process diagram any time you change the procedure narrative.

As a result, you can provide transparency of business practice to various audiences—such as executive staff, internal auditors, external auditors, and/or customers—in order to maintain conformance with regulatory requirements such as ISO 9000, Sarbanes-Oxley, HIPAA, and SAS 70.

Task-Related User Training

Oracle’s PeopleSoft User Productivity Kit provides content and software tools to capture and play back the precise steps a user would follow in order to enter data into a given business application. System process documentation, job aids, user acceptance test scripts, instructor-led and online training, and online performance

support (interactive transaction simulations) are valuable content pieces that can all be created from one recording. As part of online training, users can use the simulation playback to be trained and tested on their understanding of how to complete the system portion of activities that are part of their daily jobs.

Productivity-Based User Interface Design

Oracle Fusion Applications are being built to ensure that the principles underlying Oracle Superior Ownership Experience are manifested in the design of the applications. One goal of the new user interface is to dramatically reduce the number of steps and time required to complete common application tasks. By inviting customers to be participants in the design process—for example, via site visits and focus groups—we are able to validate and collect direct design input that we incorporate into the development process.

To enhance interactivity and cross-application integration, Oracle Fusion Applications take a business-flow-based approach to user tasks. In addition, we are designing the applications' user interfaces to use embedded business analytics that enhance user understanding and decision-making.

A key technology being used, both for current Oracle Applications releases, and for future Oracle Fusion Applications is Oracle Business Activity Monitoring—the technology underlying operational dashboards. Operational dashboards let you get real-time information from events going on in your business so you can take action on them right away. The result is the speed and agility required to deal with changing market pressures.

Finally, all Oracle-developed applications are subjected to thorough, industry-standard usability testing methodologies to ensure a high level of product quality.

TOP-DOWN APPLICATION MANAGEMENT: IMPROVE APPLICATION RELIABILITY AND PERFORMANCE WHILE CUTTING COSTS

Although application management is largely an IT responsibility, its effects are far reaching, in the form of application availability, application performance, user productivity, and technical support costs. The ongoing management of Oracle Fusion Applications is a critical focus area of the Oracle Superior Ownership Experience initiative. We intend to make Oracle Enterprise Manager the focal point of our top-down application management capabilities for Fusion Applications to holistically manage the entire application environment.

Self-Managed IT Systems

For companies to have a truly comprehensive view of their enterprise operations and to be able to manage and automatically respond to events, they require systems management capabilities that can centrally monitor traditional IT operations—as well as the health of business processes and services. For its next-

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generation applications, Oracle plans to combine the existing IT-management capabilities of Oracle Enterprise Manager with the embedded business insight of Oracle Fusion Applications to allow customers to prioritize IT activity according to their business goals, and to optimize the impact of IT on the business's bottom line.

Oracle has made significant investments in grid computing and management-aware technologies for a number of years. From applications to middleware to database, Oracle products incorporate self-optimization, data collection, analysis, proactive and predictive behavior, and automated response actions.

Oracle Database 10g was the industry's first self-managing enterprise database management system capable of preventing emergencies through intricate internal instrumentation and self-diagnosis. Oracle Enterprise Manager, with its comprehensive application performance, configuration, and change management capabilities, is Oracle's solution for monitoring and managing the entire application environment from top to bottom. It has broad capabilities for managing both Oracle and non-Oracle products, including popular network devices, middleware, databases, security, and storage software. It also provides the ability to interact with other system management products in the customer environment.

Oracle Application Management Packs extend Oracle Enterprise Manager to provide complete, integrated, and application-specific management.

Oracle Application Management Packs extend Oracle Enterprise Manager to provide complete, integrated, and application-specific management. It is particularly suited for monitoring and managing applications across modern IT infrastructures, including grid computing environments and service-oriented architectures. A key strength of Oracle Enterprise Manager is its grid management capabilities – the ability to simplify the management and monitoring of multiple instances of Oracle Applications, databases, middleware and, in the future, Oracle Fusion Applications, as a single logical system. You may begin managing your current PeopleSoft Enterprise, Siebel or Oracle E-Business Suite applications today, add Fusion Applications in the future, and manage everything with the same Oracle Enterprise Manager.

Oracle's self-managed IT systems have been proven to cut IT costs significantly—while also improving the productivity of the IT department and its ability to respond rapidly to changing business needs.

Automated Performance Management

Improving performance management can substantially increase an IT organization's agility and reduce the cost of managing the entire application stack.

Managing performance and ensuring acceptable response times for complex enterprise applications can take a big toll on an IT organization. With the cost of labor outpacing that of hardware by a factor of 2:1, the ability to automate performance management and provide capacity on demand is a critical success factor for companies that want to stay competitive.

The integration of Oracle Enterprise Manager into Oracle Fusion Architecture provides seamless integration across business processes. Oracle's unique solution allows business users to view enterprise-wide application performance and

"Applications—especially composite applications—depend on a large number of hardware and software infrastructure components. Managing the configurations, implementing changes, and resolving incidents and problems for these components are huge issues that consume a lot of IT's personnel and time resources."

**— Forrester Research Inc.,
"Evolution of Infrastructure Management," October 2005**

availability summaries at a glance. IT professionals have the ability to avert emergencies anywhere in the system, whether those emergencies are related to end-user access, business processes, or SQL statements running in the underlying database.

Suppose, for example, that a user contacts IT because an online application transaction is performing poorly. In most systems, someone in IT would have to investigate and take the time to identify where, exactly, the performance bottleneck is occurring. As part of the Oracle Superior Ownership Experience for Oracle Fusion, Oracle is designing end-to-end performance tracing so that customers can easily trace the transaction through the entire technology stack—giving IT the ability to resolve these types of issues in much less time.

These performance management capabilities can substantially increase an IT organization's agility and reduce the cost of managing the entire application stack—including enterprise applications and the software and hardware infrastructures they run on.

Simpler Updates

In the rapidly changing world of enterprise applications and technology, evolution is absolutely critical to long-term success. Businesses that remain adverse to change face the risk of losing ground to competitors who exploit the new advantages provided by advances in application functionality and technology. Oracle has a proven history of enabling more customers to stay up-to-date on applications than its competitors. Continuing this tradition, Oracle Fusion Applications are being carefully designed to facilitate their own evolution, greatly reducing maintenance costs and maintenance downtime.

We are developing Oracle Enterprise Manager to provide centralized update management for Oracle Fusion Applications. We plan to provide proactive update notifications and detailed impact analysis so customers can identify and plan for the Oracle Fusion Applications updates they require. Our goal is that customers be able to download and deploy the desired updates directly from within Oracle Enterprise Manager.

Combining the advanced update-management capabilities of Oracle Enterprise Manager with the power of Oracle Database 10g and Oracle Fusion Middleware should produce minimal maintenance downtime—and greatly reduce the cost and business impact of keeping Oracle Fusion Applications up to date. Staying up to date on the latest features and technology greatly reduces business risk and increases customer satisfaction.

BENEFITS SUMMARY: ORACLE SUPERIOR OWNERSHIP EXPERIENCE

The Oracle Superior Ownership Experience addresses every stage of the application lifecycle: initial implementation, daily use, and ongoing management.

Oracle Superior Ownership Experience is a program focused on reducing the cost and risk inherent in the application lifecycle, while also maximizing the satisfaction of all Oracle Applications users—whether they are business users entering daily transactions or IT staff responsible for managing the system. Oracle Superior Ownership Experience will expand on the former ownership experience initiatives in several ways, offering a holistic approach that addresses every stage of the application lifecycle: initial implementation, daily use, and ongoing management. It will also provide the bridge for existing Oracle Applications customers to adopt Fusion Applications when it is the right time for them to do so.

The Oracle Superior Ownership Experience is a focused direction that we plan to pursue single-mindedly over the next several years and upcoming product releases. In the end, our goal is simple: to help you reduce costs, to help you manage risk, and to improve every aspect of our interactions with you—from design of the software to sales calls to product delivery to support. This is what we mean by a Superior Ownership Experience.

Planned Benefit Design Approach

Reduced Cost

- Interview-based configuration process
- Automated migration of configuration data
- Ability to easily monitor and track configuration changes in order to diagnose issues
- Self-management and performance management capabilities built in, to reduce IT labor costs
- Task-related user training that allows users to learn faster with less support from IT
- User interface focused on reducing the steps involved in completing common tasks

Decreased Risk

- Not locked into initial configuration decisions that might not fit future business needs
- Decreased possibility of noncompliance due to automated reporting of configuration changes
- Reduced likelihood of catastrophic IT failures because of self-managed systems
- Easier evolution to the latest version through simplified upgrades that preserve configuration data
- Compliance improved through business-process-based

Enhanced
Customer
Experience and
Satisfaction

training tools

- Business processes that are easy for the business user to adapt as business needs change
- A user interface designed to maximize the productivity of end users—based on direct customer design input
- Automated task training to make employees productive faster
- Optimized performance via automated performance management—resulting in reduced labor for IT staff
- IT staff able to spend more time on projects that align IT with overall business goals, rather than on implementation and maintenance tasks



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