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Oracle's Business Transformation: The Next Phase

Safe Harbor Statement

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Oracle Corporation

- World's largest enterprise software vendor
- Three product families
 - Applications, Database, and Middleware
- Five Business Areas
 - Software, Consulting, Support, Education, Computer Operations
- \$22.4 billion revenue, FY08
- 300,000 global customers
- 80,000+ employees
- Operating in 145 Countries



AO21

Add BEA employees
Anne Ozzimo, 5/16/2008

Oracle's Product Families



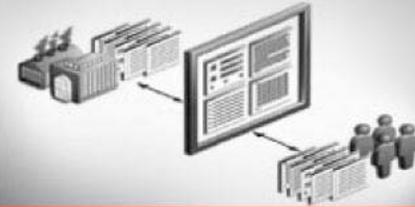
Database

- Database
- Real Application Clusters
- Partitioning
- OLAP / Data Mining
- Spatial
- Times Ten
- Database Vault
- Secure Enterprise Search
- ...



Fusion Middleware

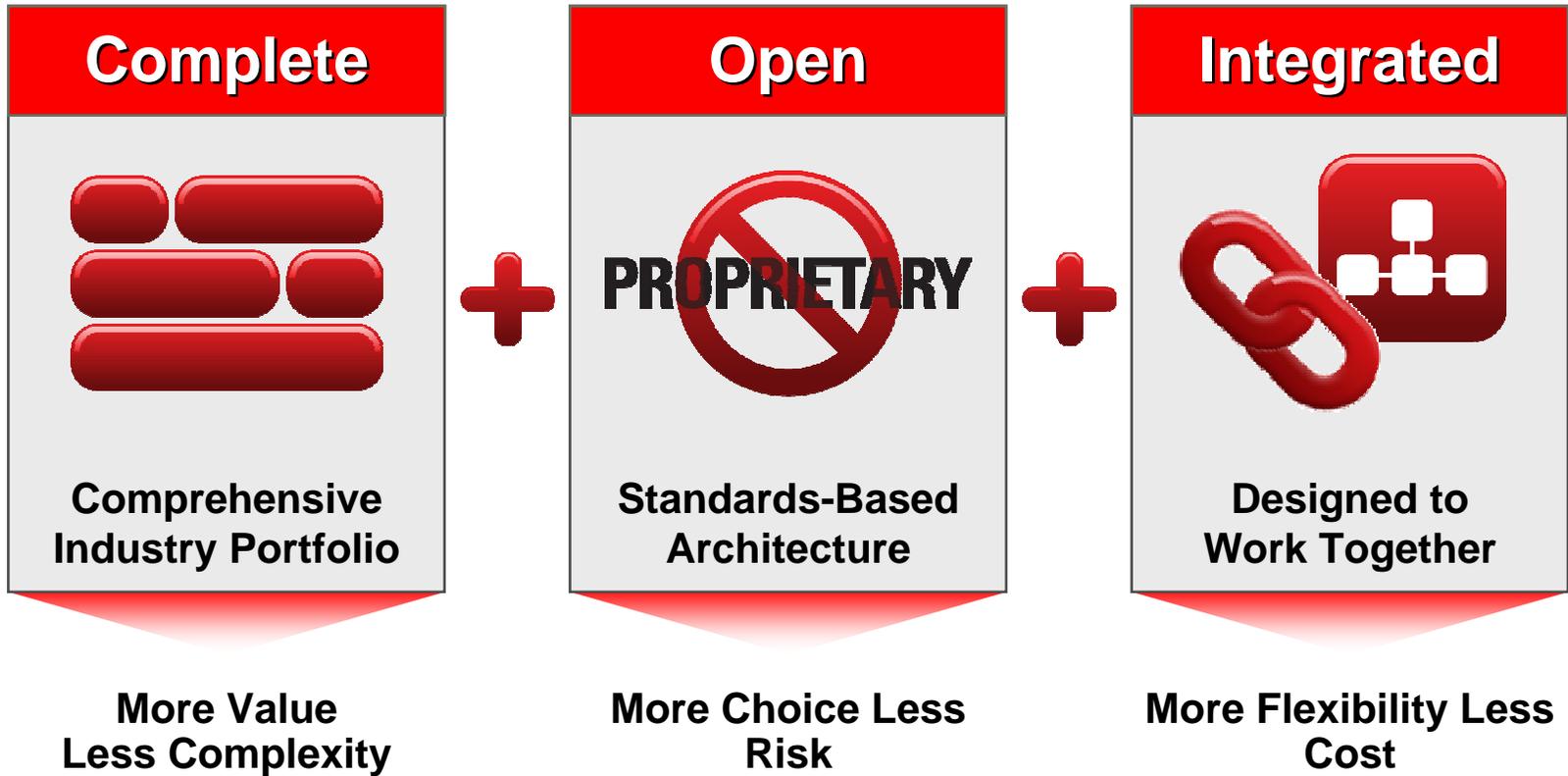
- Java Application Server
- Development Tools
- Business Process Mgmt
- Identity Management
- Data Integration
- Content Management
- Business Intelligence
- User Interaction
- ...



Applications

- E-Business Suite
- PeopleSoft Enterprise
- Siebel CRM
- JD Edwards
- Oracle Retail
- i-flex Financial Services
- Communications
- Utilities
- ...

Oracle's Application Strategy



Acquisition of Best-in-Class Companies

~ \$34 Billion in Targeted Acquisitions

APPLICATIONS

Enterprise Deals	 
Manufacturing Industries	  
Retail Industry	   
Comms Industry	   
Banking Industry	 
Utilities Industry	 
Insurance Industry	 
Project Portfolio Mgmt	 
Others	 PRIMAVERA® (Pending*)



TECHNOLOGY

Enterprise Deals	
Performance Management	 
Identity Management	    
Content Management	  
Middleware Management	 
Database	   
Systems Management	    

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*Transaction has not closed yet.

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Oracle Delivers Pre-Built Integrated Processes

Application Integration Architecture (AIA)

Oracle Application Integration Architecture

Best Practice Processes



Prebuilt Process Integration Packs



Foundation Packs



Industry Leading

ORACLE FUSION MIDDLEWARE

Best Practice Processes

Optimize business performance leveraging Oracle's extensive experience & best practices

Process Integration Packs

Pre-built, out of the box, integrated Oracle Applications for quick implementation, at dramatically lower cost & risk

Foundation Packs

Create custom integrated business processes across any of applications using predefined, application independent object and service definitions

Powered by

Oracle Fusion Middleware

Industry leading, open standards based platform

Enabling Business Transformation @ Oracle



The Breadth of IT @ Oracle

22,000+ Web conferences /week supporting **60,000+** attendees

1,000,000+ Emails processed /day

42,000 Servers, **10 PB** Storage

1,800,000+ OS patches /year

7,000+ Network devices

95,000+ VOIP phones

8,484 Internet facing hosts

35+ million Security events collected /day

137,000+ Desktops / laptops managed

881,000+ Client updates pushed /year



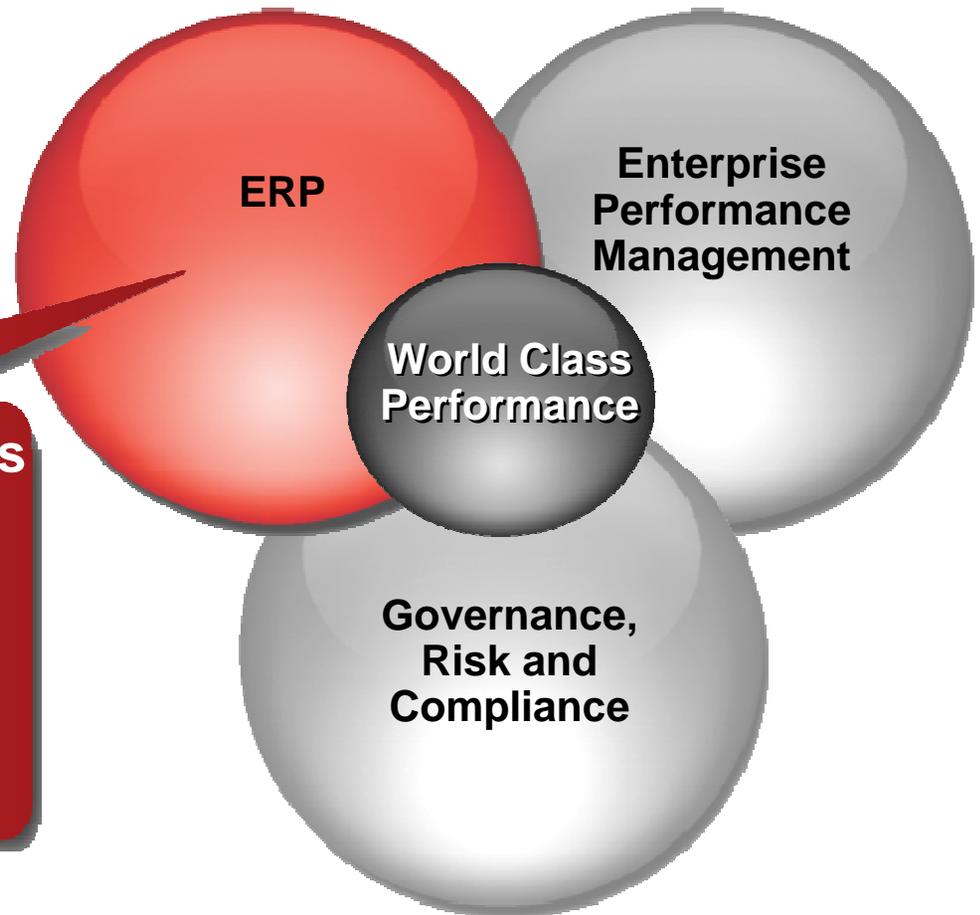
Oracle's Global Transformation

Phase One (1998-2003): Operational Excellence

Goal: Save \$1 Billion Per Year

Strategies:

- 1. Simplify information systems**
- 2. Standardize data, systems, and processes**
- 3. Automate processes**
- 4. Move to shared services**



Operational Excellence @ Oracle

Key Business Drivers

Lower Costs

- Fewer, less complex data centers
- Self service processes
- Labor & transaction cost efficiencies
- Shared service centers
- Offshoring

Better Information, Governance

- Global information visibility
- Monitor & enforce global consistency of process, policy & data
- Strong internal controls & easier compliance

Increase Speed

- Streamline ongoing change management of new systems or processes
- Fast integration of new acquisitions

Improve Customer Service

- Improved quality and service
- One customer experience

Simplify Information Systems

1998

- **65+** financial apps instances

- **40** data centers

- Inconsistent business processes

- Fragmented data

- Decentralized decision making
 - Geography
 - Line of business

Now

- **1** financial app instance

- **2** data centers (back-up included)

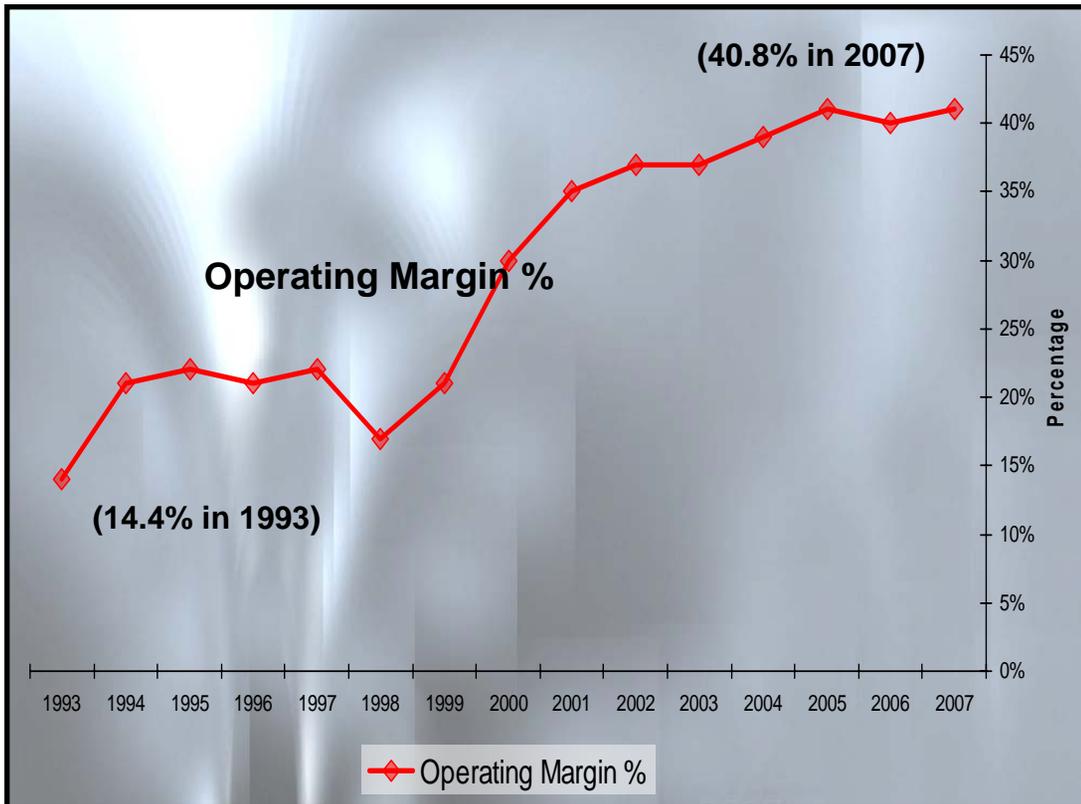
- Global standard processes

- Consistent data and global business intelligence

- Centralized decision making
 - Global process owner
 - Divisional process owner
 - Global application owner

The Transformation Payoff

Billions of Dollars in Savings



- ✓ Huge financial savings
- ✓ Better information
- ✓ Better customer service
- ✓ Strong internal controls and easier compliance efforts
- ✓ Fast integration of new acquisitions

Lessons Learned

- Secure executive support at the top, especially from the CEO, CFO, and CIO
- Think beyond G&A processes –use globalization as an opportunity to transform your entire enterprise
- Know your business model – understand which processes should be centralized and which should remain decentralized
- Move fast and stay the course



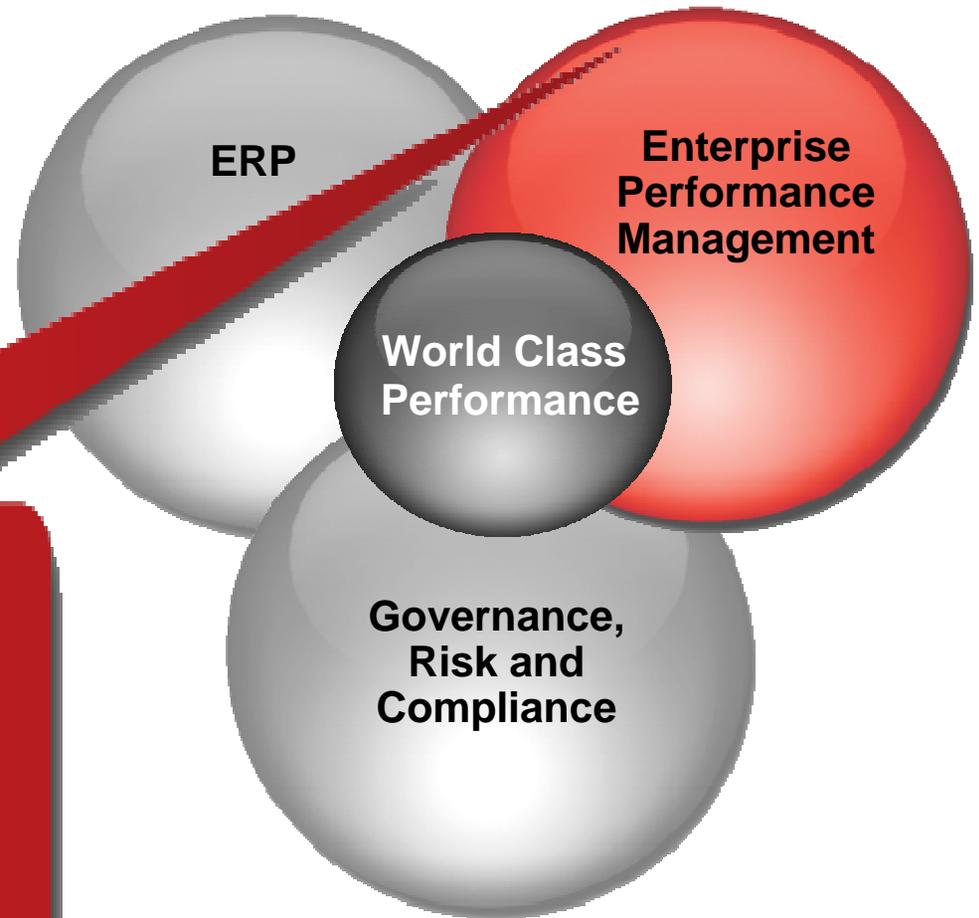
Oracle's Global Transformation

Phase Two: Enterprise Performance Management

Goal: How do we measure, monitor, and report on our business performance?

Strategies:

1. Upgrade ERP to EBS R12
2. Deploy separate Siebel CRM instance for Sales, Marketing, and Consulting
3. Replace legacy support system
4. Replace Financial Analyzer w/Hyperion
5. Upgrade CollabSuite to Beehive
6. Deploy GRC
7. Deploy single enterprise data warehouse



Today's Reality: Management Processes Are Siloed

6 σ

SIX SIGMA



VARIANCE ANALYSIS



FINANCIAL MODELING



FINANCIAL REPORTING



MERCHANDISE PLANNING



MONITOR RESULTS



PERFORMANCE ANALYSIS



VENDOR SCORECARD

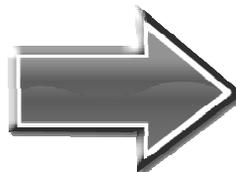


GOAL SETTING



HEADCOUNT PLANNING

BI Tools are Proliferating,
But Adoption is Low



<15%

Enterprise Performance Management @ Oracle

Key Business Drivers

Insight

- Gain timely visibility into business performance
- Spot performance gaps & take action in time to affect results
- Identify and replicate best practices to optimize performance

Alignment

- Achieve single, accurate view of enterprise information
- Embed best practices by function
- Drive improved decisions with guided role-based intelligence

Leverage

- Reduce deployment time, cost & risk with prebuilt applications
- Increase the value of CRM & ERP through prebuilt integration
- Leverage open, leading BI foundation to enable packaged & customer solutions in one environment

Oracle Traditional IT

Support CRM Single Instance

500,000 registered users
1.2 million page views daily
12,000 support professionals

ERP Single Instance

26 billion rows
13 terabytes of data
100 FTE provide support

Global Corp. Data Warehouse Single Instance

Jan 08 go-live
+1 gigabyte growth in storage/day
15 FTE provide support

Planning & Budgeting Single Instance

500 companies
1,000 lines of business
23,000 cost centers

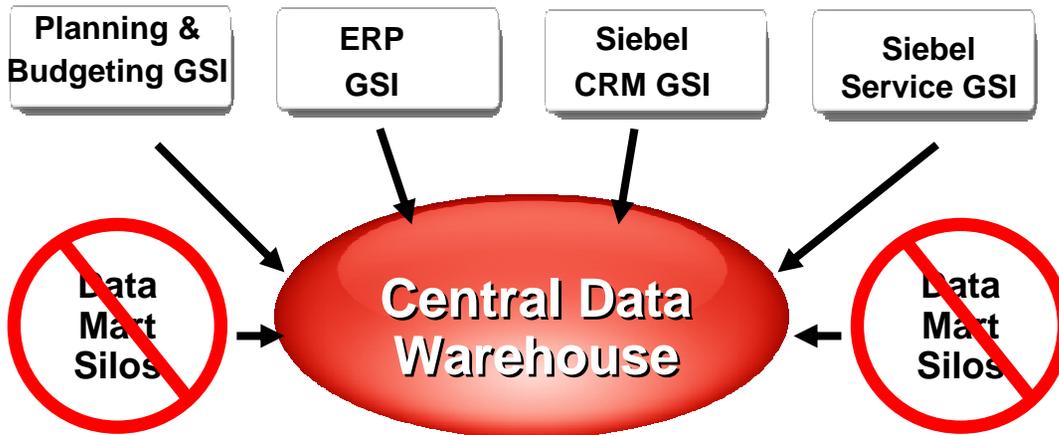
CollabSuite Single Instance

97,000 email docs, 19 TB of data
42 million documents, 23 TB of data
22,000 web conferences weekly

Sales & Marketing CRM Single Instance

Jan 08 go-live
27,000 concurrent users
12,000 external users
45 FTE provide support

Enterprise Reporting Initiative



Analytic Presentation Solutions



1. Single global corporate data warehouse

- Single corporate repository of transactions (EBS GSI, Siebel CRM, Siebel Support, Planning & Budgeting)
- Single corporate definition of facts/dimensions and KPIs
- Configured for high-performance “information out” analytics

2. Combine technology with processes for Business Intelligence

- Governance, data definitions, data integrity and quality, security, adoption, enablement

3. “Information for everyone” provides same basis for insight

- Strategic direction, business improvement, operational control

Business Intelligence @ Oracle

From:

Analysts only

Fragmented silo view

Historical data trends

Transactions separate from reporting

Disparate business processes

Analytic tools

Results reporting

To:

“Information for everyone”

Secure, unified, enterprise view

Real-time, predictive data

Operational Business Intelligence within transaction systems

Enterprise-wide governance

Pre-built analytic solutions and ad-hoc query infrastructure

Insight-driven strategic decision-making and business process optimization

Enterprise Reporting Benefits @Oracle

- Information for Everyone
 - 80,000 “information worker” employees
 - Operationally actionable information in context
- Single Corporate Repository
 - Secure, unified, single definitions
 - Enterprise view from financial reporting to details
- Business Stewardship
 - Prioritization, data stewards, security, content sharing, adoption and enablement
- No Net New Staff
 - Inclusive, not competitive
 - Cost savings by removing data warehouse silos

Lessons Learned

1. Define and communicate an Analytics strategy
2. Business and IT share strategy and prioritization
3. Business people own business process
4. Analytics is for everyone
5. Distribute, but control, the ability to create
6. Provide analysis, not just reports
7. Use pre-built applications to reduce cost
8. Focus on enablement, including performance testing
9. Use analytics to drive data quality
10. Deliver something, then iterate
11. ***No net new staff***



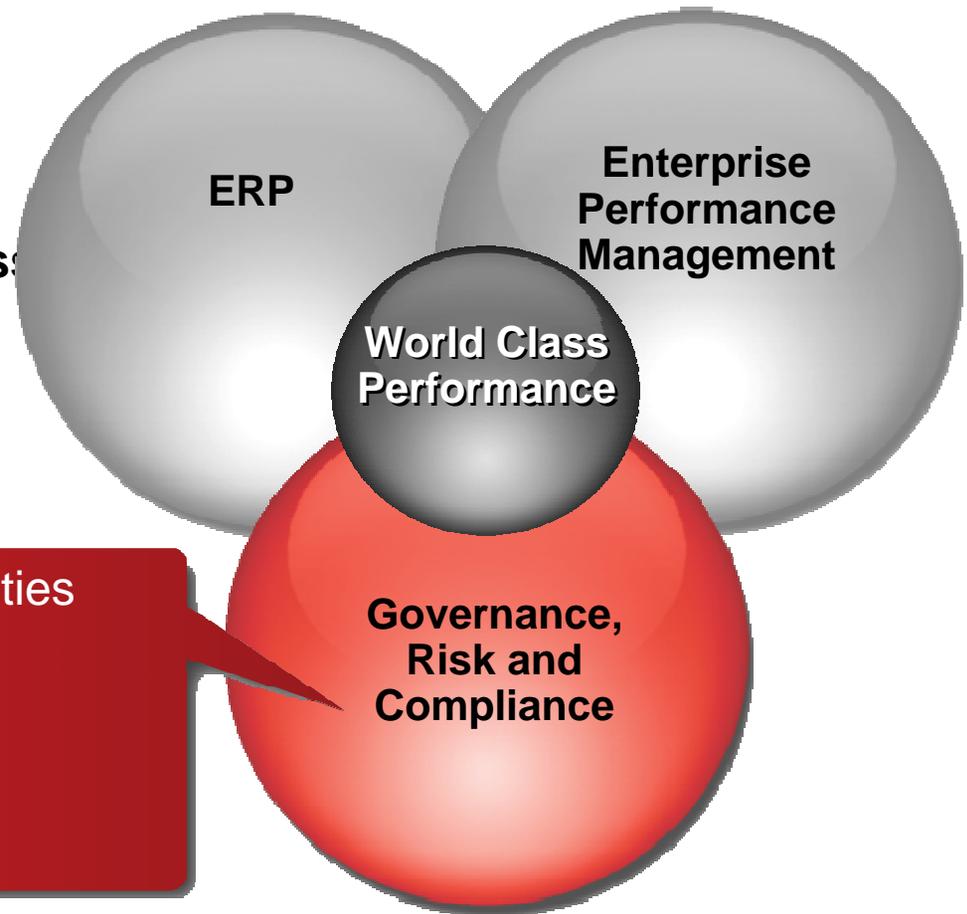
Oracle's Global Transformation

Phase Two: Excellence in GRC

Goal: How can we effectively manage risks and controls across the global enterprise?

Strategies:

1. Consolidate multiple GRC activities onto a single platform
2. Automate critical GRC tasks
3. Embed controls into standard business processes



Excellence in GRC @ Oracle

Key Business Drivers

AO20

Simplify GRC and Reduce Costs

- Address multiple global compliance requirements with one enterprise GRC platform
- Replace labor-intensive and manual activities with automated controls and processes
- Minimize time spent on false positives by enforcing controls in the context of business operations

Safeguard Brand and Reputation

- Enforce top to bottom segregation of duties – from applications to the database
- Ensure compliant user provisioning across all systems with integrated identity and controls management
- Restrict even privileged users from accessing sensitive information with continuous application and database monitoring

Transform Uncertainty into Opportunity

- Improve governance with timely compliance, risk, and performance management information
- Highlight key risk and compliance metrics with executive-level dashboards and dynamic reporting
- Determine root causes and accountability for risk by tracking loss incidents and ownership

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This slide needs to be vetted with Oracle internal executives

Anne Ozzimo, 5/13/2008

Oracle @ Oracle: GRC Focus Areas

Challenge:

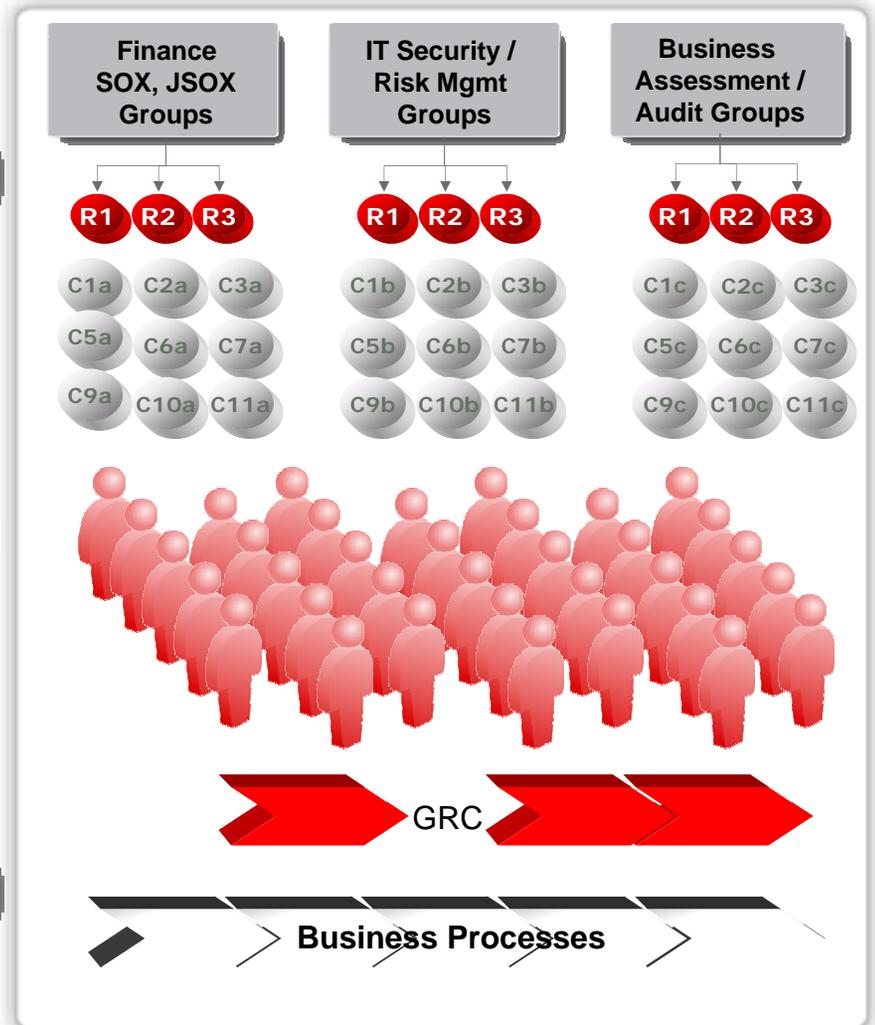
Multiple Requirements,
Fragmented Response

Challenge:

Largely Manual Efforts

Challenge:

GRC Not Integrated
Into the Business



Oracle @ Oracle: Investment in GRC Excellence

Solution:

Consolidate multiple GRC activities and groups onto a single platform

- GRC Manager
- GRC Intelligence

Solution:

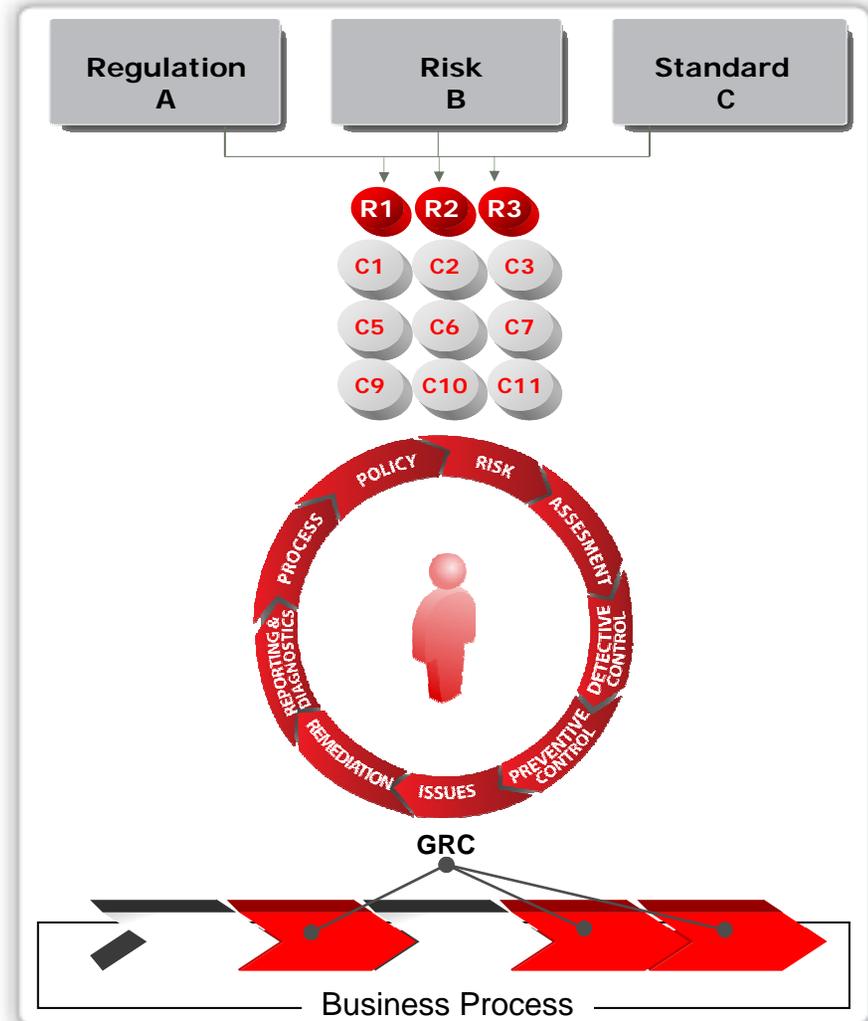
Automate critical GRC tasks

- GRC Manager
- GRC Controls

Solution:

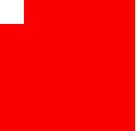
Embed controls into standard business processes

- GRC Controls



Summary

- Transformation is not easy
- Requires
 - Extreme Leadership
 - Thorough Process Reviews
 - Organization alignment
- Transformation does pay off
 - For Oracle - Profitability
 - For DoD - Warfighter support
- You must enforce Accountability and Transparency at all Levels
- You are not alone, Oracle stands ready to support the DoD



QUESTIONS & ANSWERS

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ORACLE IS THE INFORMATION COMPANY