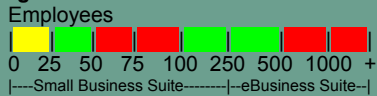


**Category:** ERP

**Publisher:** Oracle

World HQ: Redwood Shores, CA  
 Employees: 40,000+ Worldwide  
 Resellers: None – Direct/Consultant  
 Customers: 10,000+ (Applications)  
 Revenues: \$9.75 B FY03  
 (\$1.85 B from Applications)  
 Ticker: ORCL  
 www.oracle.com

**Target Market**



**Verticals**

- Assembly
- Process
- Lean
- Job Shop
- A&D/WBS
- Other – Flow/Cellular
- Discrete
- Repetitive
- ETO/CTO
- Project
- Mixed-Mode

**Industries**

- Food/Beverage
- Textile Products
- Lumber/Wood
- Paper Products
- Chemical Products
- Rubber/Plastic
- Non-Metal Minerals
- Fabricated Metal
- Electronic/Electrical
- Instruments
- Tobacco
- Apparel
- Furniture
- Printing
- Petroleum
- Leather
- Prime Metal
- Machinery
- Trans Equip
- Misc. Mfg

**Key:** Low Medium High N/A ●=3<sup>rd</sup> Party

*Overview*

Larry Ellison, Bob Miner and Ed Oates founded Software Development Laboratories in 1977. The company released their first product, Oracle RDMS in 1978 and later changed the company name to match the flagship database product. Oracle grew from a few million dollars in revenue in the early 80's to nearly 11 billion dollars in 2001. Sales have sagged recently as the company recorded less than \$10 B in 2003. Their application business accounts less than 20% of total revenue. Still, their application business generated \$1.85 B in 2003 which makes them the second largest ERP vendor behind SAP. However, the combined PeopleSoft/JD Edwards should generate about \$2.5 B in FY 2004. Oracle is also second in CRM to Siebel and second in HRMS to PeopleSoft in the enterprise market. In June 2003, PeopleSoft announced plans to acquire JD Edwards. Three days later Oracle announced plans to acquire PeopleSoft despite PeopleSoft's reluctance. As of June 2004, PeopleSoft's board has rejected several Oracle offers and it appears that the saga is nowhere near its end as the Department of Justice and others are trying to block the acquisition. Oracle maintains that it is dedicated to making the acquisition a reality. Finally, Larry Ellison and other investors funded start-up NetSuite (formerly NetLedger) – a hosted ERP/CRM product. Oracle doesn't own NetSuite but they do have an OEM partnership whereby they offer the product as Oracle Small Business Suite powered by NetSuite.

*Pricing Model*

Oracle eBusiness Suite is priced by user by module. Current pricing is available on their website at <http://oraclestore.oracle.com>. Oracle Small Business Suite and NetSuite are priced by user by month in an ASP model. Small Business Suite starts at \$1,400/year for 1 user and \$50/user/month for additional users. NetSuite starts at \$4,800 for 2 users plus \$75/user/month for additional users. A higher-end solution called NetSuite Pro starts at \$9,000/year for 3 users plus \$75/user/month for more users.

*Weaknesses*

**Total Cost of Ownership** – Software costs are usually 2-3 times higher than MAS 90 or Accpac Pro and at least 25-50% higher than MAS 500 or Accpac Advantage. Oracle's database is at least 3-4 times more expensive than SQL Server or other databases. Consulting fees are often \$200-\$300 per hour. Implementation and training can be 3-5 times the initial cost of the software. Also, an Oracle database administrator is often required at each site at a cost of \$100,000 to \$150,000 each. Finally, annual maintenance costs can be more than the initial cost for Best's ERP solutions.

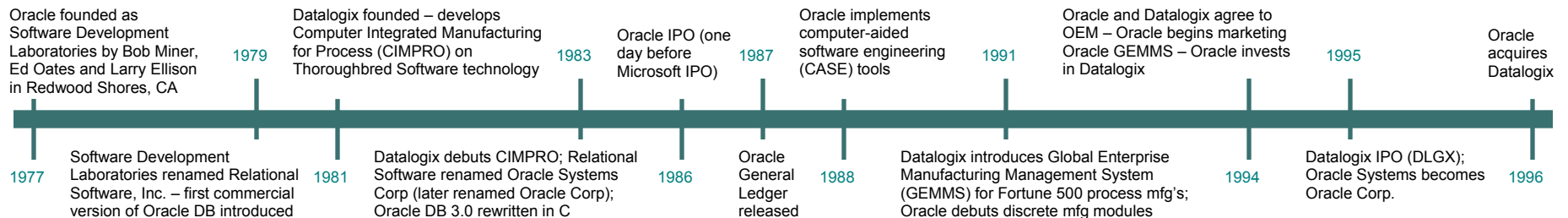
**Complexity** – Oracle Small Business Suite is more complex than Peachtree or not as strong as MAS 90, MAS 500, and Accpac for growing mid-market manufacturers. It is only suitable for light manufacturers and value-added distributors with 25-250 employees. Further, there is a considerable gap in functionality and complexity as customers move from Small Business Suite into eBusiness Suite. Also, there are no migration tools to help customers move from Small Business Suite to eBusiness Suite as they grow.

**Customization** – Larry Ellison has criticized customers for customizing Oracle as it prevents them from moving to new versions of the product. Most Best Software ERP solutions offer strong customization tools which help customers move to new versions.

**Microsoft** – Oracle uses little Microsoft technology in their product so .NET and integration to MS Office (including data import/export from Excel) should be major differentiators for Best products.

*Strengths*

**Technology** – Oracle 11i is built on 100% web technologies and Oracle's database providing a complete solution which is scalable to thousands of users in multiple international locations. MAS 500 can compete with Oracle in larger deals but will lose its competitive edge when there are significant international requirements.



## eBusiness Suite 11i

### Key Modules/Features:

- **Marketing:** Marketing Online, Trade Mgmt, Marketing Intelligence, Advanced Marketing Online
- **Sales:** iStore, TeleSales, Mobile Sales, Quoting, Collections, Sales Intelligence, iPayment, Incentive Compensation, Sales Online, Wireless for Sales, Partners Online
- **Order Fulfillment:** Configurator, Warehouse Mgmt, Mobile Supply Chain Applications
- **Supply Chain Planning:** Advanced Supply Chain Planning, Constraint Based Optimization, Demand Planning, Inventory Optimization, Global Order Promising
- **Procurement:** Purchasing, iSupplier Portal, Procurement, Purchasing Intelligence
- **Manufacturing:** Discrete Mfg, Mfg Scheduling, Mfg Intelligence, Flow Mfg, Process Mfg, Shop Floor Mgmt
- **Service:** iSupport, Service & Quality Online, Spares Mgmt, Mobile Field Service, Depot Repair, Customer & Service Intelligence, TeleService, Adv. Scheduler, Wireless for Service
- **Projects:** Project Costing, Internet Time, CADView-3D, Project Billing, Project Resource Mgmt
- **Financial:** Financials (GL, AP, AR, etc.), Financials & Sales Analyzer, Financials Intelligence, Balanced Scorecard, Treasury, iReceivables, Web Expenses, Activity Based Mgmt,
- **HRMS:** HR, Payroll, HR Intelligence, Time & Labor, Self-Service HR, Adv. Benefits, Training Administration

## Strengths (continued)

**Industry-Leading Products** – Oracle offers the #1 or #2 solutions in ERP, CRM, HRMS, field service, and other categories. They are arguably the most complete ERP solution on the market next to SAP.

**Enterprise Features** – Oracle eBusiness Suite supports the largest companies in the world with features that include investment and property management, multicurrency rate fluctuations, intercompany buy/sell transactions, and much more.

**System-Wide Features** – Oracle eBusiness Suite is especially strong in workflow and has business intelligence embedded within practically every module.

## Geographic Coverage

Oracle eBusiness Suite is available in dozens of languages and is sold worldwide. NetSuite sold/supported by 100+ worldwide consultants, resellers, partners and advisors. True numbers on actual resellers are not available.

## Strategies

**Move Down Market** – The partnership with NetSuite provides Oracle with an affordable option for small companies with up to 250 employees. However, they still do not offer significant features for small manufacturers.

**Organic Development** – Despite their size, Oracle has made very few acquisitions in the enterprise application market space. Their ERP, CRM, HRMS, and related solutions were all developed in-house except for the process manufacturing product for eBusiness Suite which came from the 1996 acquisition of Datalogix.

## Product Lifecycle

Oracle eBusiness Suite is a mature product on a stable and mature product that will be competitive for a long time. Oracle Small Business Suite supports new web technologies and is still in its infancy as the company struggles to gain market share from Intuit, Microsoft, and Best Software.

## Resources

- Background articles on the company and products is available at [www.technologyevaluation.com](http://www.technologyevaluation.com)
- Competitive intelligence reports can be purchased for about \$200 at [www.softselect.com](http://www.softselect.com)
- Oracle is covered periodically by trade publications including [www.msimag.com](http://www.msimag.com), [www.managingautomation.com](http://www.managingautomation.com), and more
- User and implementer portal, brochures, presentations, and more at [www.oracle.com/appsnet](http://www.oracle.com/appsnet) - includes anything and everything you need to compete! Registration required but not validated.
- Price lists are posted at <http://oraclestore.oracle.com>
- Oracle's complete on-line help system, user and implementation guides, and other files are readily available at <http://download-east.oracle.com/appsnet>
- Third party directory - <http://solutionsmarketplace.oracle.com>
- Call James Mallory at 800-854-3415 ext. 6858 or by email at [james.mallory@bestsoftware.com](mailto:james.mallory@bestsoftware.com) for corrections, additions or more information regarding manufacturing competitors

## NetSuite / Oracle SBS

NetSuite and Oracle Small Business Suite are "rented" or pay-as-you-go accounting services. Both products support very basic assembly and kitting but do not handle WIP costing, scheduling, material planning or other more sophisticated features required by most manufacturers. More information is available at [www.netsuite.com](http://www.netsuite.com).

## Disclaimer

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