Oracle Cloud Applications (OCA) Services – Cloud ERP as a Catalyst to Enterprise AI Adoption

April 2024: Complimentary Abstract / Table of Contents

State of the Market Report

Enterprise Platform Services

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Background of the research

Oracle seized the cloud wave in the early 2010s with Oracle Cloud Applications (OCA), now known as Oracle Fusion Cloud Applications. This suite aimed to disrupt the enterprise software market by delivering a comprehensive set of cloud-based applications for core business functions such as finance, HR, and supply chain management. Oracle Fusion Cloud Applications have relentlessly evolved, infusing Artificial Intelligence (AI) capabilities to automate tasks, unlock deeper data insights, and empower businesses with real-time decision-making.

Enterprises are rapidly migrating to Oracle Cloud Applications to streamline operations, optimize efficiency, and gain a strategic advantage. Legacy on-premise software, often burdened by high maintenance costs and inflexibility, is being shed in favor of Oracle's scalable and cost-effective cloud solution. The embedded AI features further solidify Oracle's position as a vanguard in the integration of AI into enterprise applications. Everest Group anticipates even deeper AI integration within OCA,

fostering further automation and equipping businesses with intelligent tools to navigate the data-driven future. This seamless alignment with the AI revolution underscores Oracle's commitment to be a frontrunner in shaping the intelligent enterprise landscape.

In this report, we focus on:

- OCA services market overview with market size split by geography, industry, modules, and buyer size
- OCA services deal characteristics including typical spending across the deal value chain, and deal trend analysis across key geographies and industries
- Key enterprise demand trends, including key OCA transformation areas, buyer imperatives across industries, and talk about generative AI concerning enterprise platforms – key focus areas, approaches, and transformation strategy with enterprise examples
- Key takeaways for enterprises and implications for IT service providers

Scope of this report

Geography: Global

Industry: Market activity and investments of leading OCA services providers

Services: OCA services

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Everest Group's definition of the scope of OCA services

OCA services

Key functions considered for assessment   Oracle Cloud associated with respective function

Advisory/Consulting services

Oracle Cloud platform strategy and roadmap formulation, mapping of existing technology landscape, product(s) selection, feasibility and readiness assessments, security assessment, integration strategy, governance, program management, change management, and CoE setup advisory

Implementation services

Requirement gathering, technical and functional design, configuration design, workload migration, platform setup, customizations, application development and testing, integration, and deployment; include three types of implementation – greenfield, brownfield, and bluefield

Maintenance and support services

Helpdesk management, monitoring, incident management, issue resolution, emergency fixes, environment management, ongoing customizations and integrations, compliance and regulatory support, new feature addition, minor and major usability enhancements, and ongoing application reengineering

Enterprise Resource Planning (ERP)	Customer Experience / Customer Relationship Management (CX/CRM)	Supply Chain Management (SCM)	Human Capital Management (HCM)	Enterprise Performance Management (EPM)
Oracle ERP Cloud	Oracle CX Cloud	Oracle SCM Cloud	Oracle HCM Cloud	Oracle EPM Cloud

Oracle Cloud industry solutions

Assessment excludes

Oracle on-premise

E-Business Suite, PeopleSoft, JD Edwards, and Siebel

Oracle NetSuite application

Oracle PaaS

Oracle Data Management Cloud, Oracle Application Development Cloud, Oracle Integration Cloud, Oracle Content and Experience Management Cloud, Oracle Business Analytics Cloud, Oracle IoT platform, Oracle blockchain platform, and Oracle security platform

Oracle IaaS

Oracle Compute Cloud Service, Oracle Storage Cloud Service, and Oracle Network Cloud Service

This study offers three distinct chapters providing a deep dive into key aspects of OCA services market; below are four charts to illustrate the depth of the report

OCA services market overview

Global OCA services market[1]
2023-25E; US$ billion
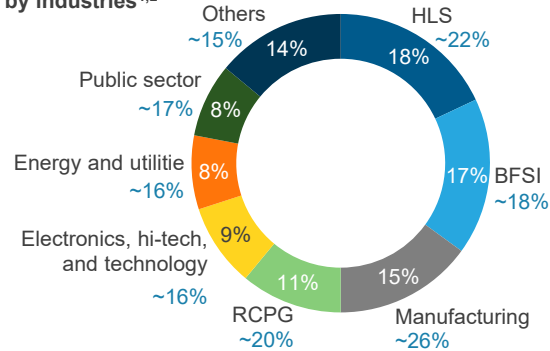
| XX | CAGR |

~19%

15 (2023) → 21 (2025)
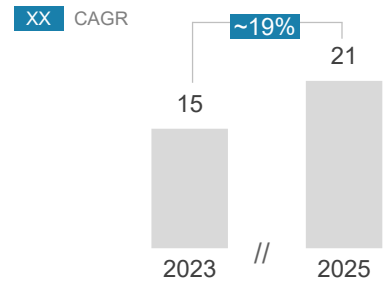
- Increasing adoption of the OCA suite is driven by the imperative for modernization and the desire to capitalize on the cloud's potential for customization and cost optimization
- Providers of OCA services are swiftly expanding their capabilities by bolstering the workforce and crafting a comprehensive set of industry-specific solutions, thus meeting the growing demand
- Oracle's inherent cloud functionalities that facilitate composability within enterprises serve as a potent catalyst for the surge in demand, particularly among businesses seeking agile and customizable environments

1 Analysis is based on Oracle Cloud Applications Services PEAK Matrix® Assessment 2023 and Everest Group enterprise platform services deal database
Source: Everest Group (2024)

Key buyer imperatives addressed by OCA

Key buyer imperatives that OCA addresses across industries, 2024
● Industries where the buyer imperative has significant weightage

	BFSI	Healthcare and life sciences	Manufacturing	Retail, distribution, and CPG	Electronics, hi-tech, and technology	Public sector	Energy and utilities	Telecom	Travel and transport	Media and entertainment
Integration	●	●			●	●			●	●
Regulatory and data security	●	●				●			●	
Interoperable systems		●	●	●		●		●		
Industry-specificity	●	●				●		●	●	
Function-specificity			●	●	●		●			●

Sustainability, employee engagement, efficient billing, and reporting capabilities are the other key buyer imperatives that OCA addresses across industries.

HLS and BFSI leading the charter for OCA services

OCA services market split by industries[1,2]
2023; US$ billion

100% = 15

| XX | Expected CAGR 2023-25 |

- HLS 18% ~22%
- BFSI 17% ~18%
- Manufacturing 15% ~26%
- RCPG 11% ~20%
- Electronics, hi-tech, and technology 9% ~16%
- Energy and utilitie 8% ~16%
- Public sector 8% ~17%
- Others 14% ~15%

1 Analysis is based on Oracle Cloud Applications Services PEAK Matrix® Assessment 2023 and Everest Group enterprise platform services deal database
2 Others primarily include Oracle industry cloud solutions, along with remaining smaller applications within the OCA suite
Source: Everest Group (2024)

Key takeaways for enterprises

- Enterprises must address and streamline their core ERP and data issues before getting into an AI transformation journey.
- Enterprises implementing or planning to implement OCA modules must evaluate their service providers' talent-specific capabilities, especially for the CX module.
- Enterprises implementing or planning to implement OCA modules must evaluate their service providers' talent-specific capabilities, especially for the CX module.
- Enterprises should learn from others' early generative AI pilots before big investments. Start small with PoCs and scale up later.
- Enterprises should leverage service providers with deep industry-specific expertise and IP for their OCA-specific initiatives.

Research calendar
Enterprise Platform Services

Published   **Current release**   Planned

Reports title	Release date
SAP Business Application Services PEAK Matrix® Assessment 2023 – Global	November 2022
Salesforce Industry Cloud Services Provider Compendium 2023	December 2022
Playbook: Transforming Customer and Partner Experiences in the Retail, Consumer Packed Goods (CPG), and Manufacturing Industries	March 2023
Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023	June 2023
Oracle Cloud Applications Services PEAK Matrix® Assessment 2023	July 2023
Microsoft Dynamics 365 Services – Provider Compendium 2023	July 2023
Enterprise Platform Services: Voice of the Customer 2023	August 2023
Salesforce Services – Unpacking Salesforce Industry Cloud Growth Momentum	September 2023
Oracle Cloud Applications Services – Provider Compendium 2023	October 2023
Pega Services PEAK Matrix® Assessment 2024	February 2024
SAP Business Application Services PEAK Matrix® Assessment 2024 for Mid-market Enterprises	April 2024
Oracle Cloud Applications (OCA) Services – Cloud ERP as a Catalyst to Enterprise AI Adoption	April 2024
Pega Services – Provider Compendium 2024	Q2 2024
SAP Business Application Services for Mid-market Enterprises – Provider Compendium 2024	Q2 2024
Salesforce Services PEAK Matrix® Assessment 2024	Q2 2024

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