SWOT Assessment: Oracle Cloud Infrastructure

Analyzing the strengths, weaknesses, opportunities, and threats

Summary

Catalyst

Although the cloud service provider market is mature, with many providers having more than 10years' experience of offering cloud services, Oracle is relatively new to the cloud provider market (its cloud was released in November 2016). Despite this, in Omdia's *ICT Enterprise Insights 2019/20*, over 22% of respondents use Oracle cloud for at least 20% of their cloud workloads, which puts it in fifth place. Oracle is a vendor that has benefited from the cloud becoming used for more mission-critical workloads. With this movement to cloudify mission-critical workloads, organizations are evaluating cloud suppliers on their enterprise-grade capabilities and credentials.

Key messages

- Oracle has a reputation for reliability (more than 99.99% availability uptime). On average, Oracle only requires four minutes per month for maintenance work.
- OCI Portal, OCI Data Transfer Utility, and Oracle Data Transfer Appliance provide mechanisms for ingesting and extracting data into and out of the cloud and there are no charges for onboarding or offboarding.
- A range of security standards are supported.
- Oracle currently has a small but growing marketplace.

Omdia view

Oracle has recognized that the trend is toward a multicloud world, and through strategic partnerships it has positioned itself to be better aligned with customer demand. The Oracle and Microsoft alliance announced in June 2019 enables customers to deploy mission-critical enterprise workloads that span their respective Microsoft Azure and Oracle Cloud environments. Omdia believes this alliance brings significant customer benefits and demonstrates a maturity of thinking about how cloud will be adopted and deployed in enterprise accounts. The alliance enables enterprises to access best-of-breed capabilities in the cloud that are best suited to the needs of complex business applications. The alliance has also addressed the issue of interoperability by including direct interconnection between the respective clouds, integrated identity management, and a collaborative support agreement. Omdia believes that Oracle, through a combination of its cloud capabilities and its approach to the way in which workloads are supported, is increasingly becoming an influential enterprise-class cloud provider.

Recommendations for enterprises

Why consider Oracle?

Although Oracle is a relatively young cloud supplier, it has a detailed two-year strategy that shows quarter-by-quarter progress that has helped it to grow rapidly opening new regions over the past 18-

24 months. Oracle also has an aggressive 12–24 month forward-looking plan for opening data center regions globally. This includes government-specific and top-secret regions in the US and Europe, and more co-located regions with Microsoft Azure as part of the relationship. Oracle Cloud Infrastructure (OCI) expansion demonstrates Oracle's commitment to the cloud market, which will reassure enterprises that are considering the Oracle proposition. It also demonstrates that it listens to its customers and generates the features they need to complete the digital transformation journey they are on. Omdia believes this is an important aspect of any cloud provider, because all organizations are at some stage of digital transformation and need their supplier to understand where they are on that journey and provide the solutions they need to progress.

SWOT analysis

Strengths

Oracle customers demonstrate a high level of commitment

Oracle has strong capabilities in onboarding and offboarding, in particular the combination of its customer retention and growth. Approximately 80% of Oracle's customers have committed to Oracle Cloud for between one and three years, and 21% of customers have made a greater than three-year commitment. The percentage of customers that increase spend once they have moved to OCI is more than 50%, and the rate of new customers moving to OCI is more than 150% year on year. The other key aspect is the lack of charges for customers onboarding or offboarding. This again demonstrates Oracle's commitment to be an open enterprise-grade cloud. Omdia research found that 52% of respondents report the inability to move workloads between clouds is slowing their adoption of cloud computing.

Availability uptime and maintenance window requirement enhance Oracle's reputation for reliability

Oracle has a reputation for reliability and in OCI it has engineered its cloud infrastructure to ensure that this reputation is not compromised. Oracle says its availability uptime is more than 99.99%, but under an NDA it said its actual performance is significantly better. On average, Oracle only requires four minutes per month for maintenance work, which while not the best among cloud providers, is above the average. Another strength of Oracle is its support and service management expertise, both of which help ensure that customers receive an enterprise-grade service from not only the infrastructure but also the processes.

Oracle provides support for a wide range of security standards

The range of standards that Oracle provides compliance with is one of the most comprehensive among the leading cloud providers. Oracle says it is compliant with ISO 27001, SOC1, SOC2, PCI DSS, HIPAA/HITECH, FedRAMP Medium, and FedRAMP High. However, Oracle is still waiting for confirmation that it has FedRAMP Authority to Operate (ATO) for its Gov 1 and Gov 2 regions in the US. In terms of how data is disposed of, Oracle also performs well because OCI follows a media destruction process adhering to NIST SP 800-88r1 and DoD emergency destruction and secret classification standards. Decommissioned drives are degaussed, and then physically destroyed using mechanical shredders. The destruction of drives is verified by multiple data center technicians, and the status of all the decommissioning steps are tracked in tickets. Omdia believes that this level of

commitment provides customers with a high degree of visible evidence that helps build trust in Oracle as an enterprise-grade supplier of cloud services.

Weaknesses

OCI documentation is only available in English

While the OCI Portal and customer/technical support is available in 28 different languages, the OCI documentation is available only in English. This could provide non-English-speaking users with difficulties if they want to access information that is only available in the documentation.

Opportunities

Oracle marketplace provides good opportunities to extend the customer base for its cloud offering

Oracle's marketplace is not as well established as some of the more mature cloud providers, but it is growing rapidly. Oracle benefits from a large portfolio of software applications including ERP, CRM, ECM, and WCM, which provides a large potential market for its cloud offerings. In addition, Oracle's Autonomous Database runs and is available as a service on OCI, another key driver of overall OCI adoption and utilization. It also has its established Oracle Partner Network (OPN) and expects to see its marketplace double over the next year.

Threats

Oracle is a late entrant to the cloud market

Oracle is not as well established as many of the cloud providers, which might deter some enterprises from considering the Oracle proposition. This would be a mistake. Between the 2017 Cloud Services Provider Omdia Decision Matrix and the 2019 version, Oracle improved its relative positioning, closing the gap on the overall leader to approximately 12 percentage points (it was greater than 20 percentage points in 2017).

Data sheet

Key facts about the solution

Table 1: Data sheet: Oracle

Product name	Oracle Cloud Infrastructure	Product classification	public cloud
Version number	n/a	**Release date**	n/a
Industries covered	all	**Geographies covered**	all
Relevant company sizes	all	**Platforms supported**	Windows and Linux
Languages supported	OCI Portal available in 28 languages	**Licensing options**	n/a
URL	www.oracle.com	**Company headquarters**	Redwood Shores, CA, US

Source: Omdia

Appendix

Methodology

Omdia SWOT Assessments are independent reviews carried out using Omdia's evaluation model for the relevant technology area, supported by conversations with vendors, users, and service providers of the solution concerned, and in-depth secondary research.

Further reading

Ovum Decision Matrix: Selecting a Cloud Services Provider, 2019–20, INT003-000382 (September 2019)

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