

## Oracle Throws Down the Gauntlet in Application Integration

**Oracle was once a marginal player in this market, but is showing new determination by bundling its ProcessConnect product with established suites. Product maturity and reconciliation are its top challenges.**

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### Core Topic

Application Integration and Middleware:  
Integration Suite Software

### Key Issue

Which vendors will dominate, which will survive and which will disappear in the ongoing middleware market shakeout?

### Note 1

#### Oracle

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Oracle has a strong tradition in data integration with its data access, replication and extraction, transformation and loading tools. In late 2000, it entered the application integration market. Ever since, the company has been steadily improving its offer, culminating in the release of a modern integration suite — ProcessConnect — in late 2003. So far, about 600 customers are using Oracle's integration products, even though the company is not a recognized player. Most come from Oracle's installed base.

Oracle integration products are only available bundled in its Application Server 10g Enterprise Edition suite (see Note 1). Oracle E-Business Suite and the new Oracle Customer Data Hub natively use Oracle's application platform suite to integrate with heterogeneous systems. Oracle is using this bundling, aggressive pricing and support from powerful partners like Fujitsu-Siemens, BearingPoint and Cap Gemini Ernst & Young to increase the appeal of its offering.

**Oracle ProcessConnect** is an integration suite built on top of Oracle's Java 2 Enterprise Edition core. It provides classic message broker capabilities, a business process manager and a business-to-business engine that supports RosettaNet, electronic data interchange and electronic data interchange over the Internet, Health Level Seven and UCCNet standards. Oracle will add support for business rules, Business Process Execution Language and business activity monitoring during 2004. The product will also be integrated with JDeveloper Integrated Development Environment.

ProcessConnect will be extensively used within eBusiness Suite to enable business-to-business and process integration. ProcessConnect's standards support, functional richness and quality of service are still maturing. It has fewer than 40 users.

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But the product offers most of the features required for this market, so Oracle is now in a better competitive position.

*ProcessConnect is best suited to companies looking for a cost-effective integration suite and willing to deal with a relatively unproven product, particularly if they use Oracle's eBusiness Suite.*

**Oracle InterConnect** is marketed as a high-performance, hub-and-spoke message broker for data consistency integration. It is based on Oracle DB and Oracle Advanced Queuing for messaging. InterConnect can use more than 200 adapters certified to work with Application Server 10g. Some of these are provided to Oracle by iWay Software and Attunity.

The product supports a broad set of transformation features that can be extended via third-party engines and a library of standardized message formats and packaged integration processes. InterConnect is a proven product, but is based on a dated message broker-style architecture. Oracle is trying to reposition the product as an enterprise service bus by adding support for Simple Object Access Protocol, Web Services Description Language and Java Messaging Service in the release of 10g expected in 2H04. But InterConnect partially overlaps with the new ProcessConnect in functionality and the two products have limited technical compatibility. This will create problems for customers needing both products or migrating from InterConnect to ProcessConnect.

*Oracle customers looking for a reliable message transformation and routing broker should consider InterConnect, should ProcessConnect not meet their requirements.*

## **Company Strategy**

To increase market share in application integration by offering a variety of packaging options and focused partnerships, and by embedding integration products in other Oracle products.

## **Product Strengths**

- Packaging and pricing of the application platform suite is aggressive.
- It benefits from technical and business synergy with Oracle's packaged applications.

## **Challenges**

- It has a limited track record as an application integration vendor.

- The offering is still in transition. There are overlaps between products and some components are unproven.

**Bottom Line:** Oracle has established a credible application integration strategy with the release of ProcessConnect. Its strong ties with Oracle eBusiness Suite and other Oracle products will pave the way for Oracle to penetrate its installed base by stealth. Competitors shouldn't underestimate Oracle's commitment to the integration market, despite its limited track record in this space. But InterConnect has limited appeal for non-Oracle customers and ProcessConnect has still to prove it can successfully compete with entrenched products from competitors. Oracle customers, especially those that use eBusiness Suite, should evaluate the integration components provided in Application Server 10g. But they should consider products from third parties if InterConnect and ProcessConnect fail to meet their short-term functional or quality of service requirements.