



Buyer Case Study

Oracle on Oracle Social Network

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IDC OPINION

This IDC Buyer Case Study features Oracle Corp., one of the world's largest enterprise software and computer hardware products and services companies. As a large multinational company with a widely dispersed employee base, Oracle itself is a prime candidate to apply social behaviors and capabilities to achieve standard business goals. Oracle Social Network (OSN) is Oracle's proprietary enterprise social network (ESN), and it can be used to support the business processes in Oracle Cloud applications or as a standalone application. OSN had had a shift in messaging from being a standalone social platform to enabling OSN to be embedded in other applications. With the focus of embedded social workflow comes an increased attention of how end users are approaching business requirements, vendor/product selection, and solution rollout to achieve predictable and measurable business outcomes and outputs. Some critical success factors for OSN are:

- **Leveraging existing Oracle Cloud applications investments.** OSN can be accessed through the Oracle Cloud applications suite with explicit integrations in Sales Cloud, Financial Cloud, and Human Capital Management (HCM) Cloud.
- **Cloud innovation.** Oracle can leverage OSN as a way to build social context into additional applications and services, increasing the social workflow present in the current Oracle Cloud application portfolio, as well as extend the capability across existing on-premises applications.
- **Supporting the Oracle push to become a cloud company.** OSN plays a core role to help surface the right information in real time and in context so that the organization can create a sense of urgency and simplicity when dealing with customers, partners, and suppliers.

IN THIS BUYER CASE STUDY

This IDC Buyer Case Study is designed to capture the business situation and drivers, metrics, implementation and adoption, outcome (anticipated and unexpected), next steps/future plans, lessons learned, and advice for other buyers considering a social software investment. Social software has received increased attention over recent years, but the issue of how end users are approaching business requirements, vendor/product selection, and solution rollout to achieve successful usage levels has been a top question among IDC clients.

To help other buyers evaluating social software and vendors developing, marketing, and selling these solutions, IDC is conducting a series of buyer case studies to highlight end-user organizational challenges, the evaluation process, solution attributes, the implementation procedure, and the benefits and results achieved from select social software products. In this Buyer Case Study, IDC features Oracle, one of the largest technology companies in the world. IDC interviewed a number of executive

leaders across EMEA and the United States in the sales, HR, and operations business units to capture a view of use and behaviors associated with OSN.

SITUATION OVERVIEW

Organization Overview

Oracle is one of the world's largest enterprise software and computer hardware products and services companies, with fiscal year revenue in 2012 of \$37.12 billion and over 120,000 employees. Oracle as a company has grown through continued acquisition, so acclimating new employees with Oracle's internal systems and processes as well as the culture is a consummate challenge. Oracle is well placed to deploy OSN internally as there is no existing enterprise social network capability internally, and the social network can take on the role of providing a window into the broader organization for those newly adopted employees. To date, adoption of OSN has been a grassroots effort, and as more users come on to the platform, those oracle users become part of the product feedback process, giving all employees a voice.

Oracle is faced with a vastly global and decentralized workforce. With OSN, the company seeks to connect all of its employees in order to foster ongoing relationships and at the same time leverage investment in its own products and solutions. This came to the fore initially when Oracle announced its social strategy in 2011 dedicated to Oracle Social Network, and since that time, the capability has been under development inside the Oracle WebCenter applications group. There is no explicit and formalized social strategy inside the organization, so the uptake of OSN has been a grassroots approach.

The 2013 message of OSN was most visible at the Oracle user conference, Oracle OpenWorld, held in October 2013 in San Francisco, where there was a notable shift in messaging of the social capabilities across the past few years. At the event in 2012, OSN was a core component of marketing messaging around cloud applications, but this has now dissipated to where the "social" message can be used to support the business processes in Oracle Cloud applications, with this particularly visible in HCM. The shift in messaging, which has taken the broader enterprise social network market almost five years to make, has been a swift jump for the company.

Oracle Social Network

Since 2010, OSN has evolved to become a standalone enterprise social network application capability coming from the Oracle WebCenter group. With roots in the WebCenter Portal business, OSN has traits of portal and middleware capabilities, particularly in integrating with other business applications and some lightweight event-driven workflow. However, since the initial phases of development, Oracle has heavily invested in the Oracle Social business and the suite of offerings from the group, called the Social Relationship Management (SRM) suite. This includes a number of recent acquisitions primarily in the externally facing social engagement space, namely Collective Intellect, Vitruve, and Involver. To date, SRM and OSN have been separate business operations, with Oracle Social reporting up through the Oracle Applications group, but through subsequent integration of business systems and workflow, some crossover has been mapped between OSN and SRM.

OSN contains core enterprise social network functions (activity streams, discussions, and blogs) and also includes conversation-based presence, document-based presence, and mobile content preview – where users are able to annotate content in specific groups or against specific opportunities. OSN also supports real-time communications via integration with Avaya Web Conferencing and Weemo, a company that provides a REST API that can access the standard array of WebRTC functions. Connecting with users outside OSN is currently a challenge. There is no secure extranet capability, so partners like Weemo open up the potential to extend the conversation to customers, partners, and suppliers. In addition, there is a focus of gaining, at the least, a view into the enterprise social graph surfaced through OSN so that network information can be structured to support users and clearing and assigning actions and tasks from inside OSN becomes streamlined.

The core OSN service is available both as a service within other Oracle Cloud applications (primarily Sales Cloud, Financial Cloud, and HCM Cloud, but other native application integrations are also available) and as a standalone solution with the purchase of an application. The solution is founded on some core capabilities for it to surface data and information where users are working:

- **Integration with real-time communications providers.** Native integration with Weemo, a REST-based API delivered via a SaaS model, is supported. Integration with other common providers is planned.
- **Integration with cloud content collaboration services.** OSN has opted to be as open as possible with Google Drive and Dropbox, which will be pre-integrated in the platform. An SDK is also available if clients would like to surface additional content collaboration services from within OSN.
- **Federated identity.** Social login and LDAP are supported, and there is no delegated model for external provisioning. If a user enters OSN through the CRM system, then the access permissions of the CRM are respected by OSN. Groups in OSN are synced from the organization's Active Directory (AD), but this doesn't write back to AD, and a federated virtual directory is available through Oracle Virtual Directory.

Oracle Applications Release 7.0, the model for the new apps (OSN has become a framework), has become a panel view accessible inside OSN-enabled applications. IDC spoke with a number of internal OSN users to learn how the new functionality borne out in Release 7 enhances current line-of-business activities and to gain a deeper understanding of usage patterns across the organization.

Oracle Social Network and Business Collaboration Group

As with any large multinational company, there are nuances in how Oracle operates in regions across the globe. In the case of a social business strategy for driving business outcomes and outputs, the most aggressive region has been EMEA. In 2006, the Social Networking and Business Collaboration (SNBC) group was formed as a subset of business operations. The head of Social in this organization not only holds responsibility for transforming the culture and behaviors for enabling social business but, with the recent release of OSN, also has responsibility for driving adoption throughout the entire EMEA sales force and those that support sales (20,000+ employees).

According to IDC survey research, 46% of companies have a dedicated social strategist role (also including a digital strategy role) and 62% of companies expect a community management function to be incorporated into existing roles and responsibilities. A dedicated set of resources to support the

ongoing sustainability of social strategy is imperative in delivering widespread adoption where social business practices can be applied to social behaviors and cultures of everyday working practices. It's not just a technology that needs to be socially enabled – it's also the culture.

The SNBC group developed a business transformation program to help business units and teams adopt Oracle Social Network in a way that aligns to their specific business objectives and at a pace that suits them. With this, there are additional high-level objectives for internal team communications and collaboration, including:

- Transitioning all the teams' collaborative conversations from email to Oracle Social Network
- Connecting users to the Oracle Virtual Information Network through OSN relationships
- Establishing new ways of innovation and work through social technologies

Each business unit or team chooses to join the business transformation program and must have a dedicated and active sponsor as well as an OSN business lead. The sponsor supports the transformation, whereas the business lead executes it. The SNBC group helps the business lead develop a road map to support the objectives of the unit/team. Then the group moves through an informal four-stage social business maturity model to demonstrate the group's uptake of OSN. The first stage is where the business unit relies primarily on email for collaboration right through to the fourth stage where the team becomes reliant on OSN. In the fourth stage, email volume and point-to-point collaboration are dramatically reduced with a one-to-many model of communication. Each team within Oracle works very differently, so a consultative approach is taken with each business unit identifying key objectives. Because business objectives are tied directly with business outcomes and outputs, identifying the critical inputs is crucial to driving adoption of OSN. The SNBC group operates a 30:60:10 model for understanding adoption behaviors:

- **30% of users just get it.** These users play with the new features; they ask questions, and they support one another so that very little external support is required for adoption.
- **60% of users need some help.** These users may be eager to transition to OSN, but they require some guidance on why and how.
- **10% of users push back.** These users need more convincing to use OSN, and peer pressure helps (focusing first on the 90% of users who are able and willing, the remaining 10% are easier to address).

Included in the transformation program is an executive mentoring program for vice presidents or senior vice presidents to receive one-on-one advisory sessions for their specific business needs.

Oracle Social Network in Sales

The Oracle sales team has three major requirements to support the overall success of the sales organization. OSN is able to be leveraged across all of these capabilities. With Oracle Sales Cloud Release 5 having been the first to have OSN-embedded capabilities, the use cases are most mature in this context. Feedback from this core set of users has been critical in developing some specific instances where OSN can aid in the sales processes, with other horizontal enhancements also being included over and above the table stakes for enterprise social networks (activity streams, discussions,

and blogs). Three fundamental areas of focus have been targeted for the sales organizations (particularly consulting sales):

- **Pure information sharing – getting information out and shared through Oracle's larger community, namely technical presales, legal, and finance.** Information needs to flow smoothly, and before Oracle Social Network, the consulting sales team struggled to disseminate information adequately.
- **Deal opportunity – real-time collaboration around opportunities.** An example of use in the consulting sales organization is when working on an opportunity, there may be a number of work streams. Some contributors may be working to put together a demonstration together for the potential client, and other contributors may be looking to consolidate communications around contract negotiations. In both cases, these conversations can be segmented out within the opportunity itself for a specific and contained group of users to collaborate around specific conversations. In the case of contract negotiations, collaboration can happen on a file, where a user can annotate the file from within OSN (in the browser or from the iOS app) and make a change to the document and the new version becomes available immediately in OSN. A core outcome of this is updating the team of changes in status of the opportunity as well as the ability to enable process workflow if a purchase eventuates.
- **Special projects that may involve a disparate and disconnected group of contributors inside and outside the business.** The consulting sales organization at Oracle also spends time supporting special projects, and an example is the creation of video content for the Sales Cloud team to use as collateral on Oracle.com. A group of users from across different business units were connected to the project via OSN and could comment on the development of the video throughout the process. Executive sponsors were also part of the project and could be part of the group but also part of the workflow approval process.

Oracle Social Network in HR

The use of OSN in HR is substantial and growing. Both the use of OSN in HR and the role HR plays in partnering with the SNBC team on user adoption for business collaboration, information sharing, and learning are strong. Two examples of OSN being applied to HR initiatives are:

- **Onboarding portal.** As part of the rollout of this strategic HR business initiative, the new onboarding portal for all Oracle new employees includes an OSN collection and many conversations allowing employees to ask questions and offering answers to new employees' questions. This enables the onboarding process to be more efficient and get employees onboard more quickly. New employees also have a consistent way to find answers to questions and a community of other new hires and HR experts to connect with very quickly via OSN. Existing tools are still in use but disparate in nature; for example, the site that discusses employee benefits is not linked to how a user may need to set up his/her phone or how to use certain systems internally. All conversations are public, so anybody, even existing employees, can not only join those conversations and learn from others' questions previously asked but also just post a question to the community. Onboarding experts are also part of the group, so they are able to respond quickly to user questions. A key part of the goal with this solution is to make new employees aware very early on that Oracle Social Network exists and how they can leverage it for their own learning and development and collaboration with their new teams as they come into Oracle.

- **Career development.** Over the past six months, the HR organization has developed a new career development site with tools and processes for Oracle employees. This project was driven by HR as a result of employee feedback and sponsored by a line-of-business leader in EMEA. There were up to 40 people from across all parts of the business involved in the initiative, which made the development for the initiative complex. The team was able to collaborate on meetings, notes, and best practices for the career development site using OSN. There were subteams that consisted of 5 or 6 people responsible for really looking at best practices around career development. This meant there were segmented conversations but all participants had access to all the data and information available for the project. The conversation specific to the Web site design included what the structure was going to look like, with mock-ups of the site eventually loaded. This subteam was able to annotate and comment on what that mock-up looked like and gather feedback. In essence, this was real-time collaboration around the actual Web site development. Several surveys were run in relationship to career development, so those survey results were discussed within the group and consolidated outcomes were discussed by group members.

Challenges and Solution

Overall Outcomes

During the course of the user interviews, a key theme that resonates through the conversation is that Oracle is going through a change as an organization, and OSN is creating some of those changes. The broader challenge for the company is the move to become a cloud company, and OSN is a core part of how this transition can happen. With this comes change to existing processes, systems, and the way things are done to meet the new expectations customers have around urgency and simplicity and collaboration. Early results of this are that Oracle is transitioning the way that users work, not just because there is now a tool available but because the move to cloud sets different expectations. Prior to OSN, it could take three or four weeks for sales to engage with a customer and show them solutions, but customers don't want that anymore. There is a need for the sales team to enter the conversation early, demonstrate leadership, and be present in the conversation up front. The follow-up and detail can be provided after the fact, but the most critical component is being present up front.

OSN gives Oracle the capability to bring it in line with the current notion of enterprise social networks that social capabilities and object- and task-driven workflows should be embedded where users are getting work done. While the product has only been generally available for under a year, the development work with each of the cloud application teams has been immense, and this is evident in the breadth of Oracle Cloud applications where OSN is embedded today. Through Release 7 of Oracle Cloud applications, OSN will be embedded in CRM (sales, service, marketing), ERP (financials, procurement, projects, supply chain), and HCM (human capital, recruiting, talent) and also available in procurement, incentive compensation, and projects.

Results

Sales Results

- Based on the nature of the solution portfolio and a broader company transition to cloud-based applications, a team called Velocity was created to more efficiently serve clients' requirements – particularly the time frame of the sales cycle. Velocity has enabled the Velocity team to decrease the time required to prepare for customer interactions. Previous metrics monitored by the sales team of prep work and time, discovery time, and solution validation time are all no longer valid, as these things no longer need to take place. This means the core traditional KPIs for salespeople are still valid but may now be focused more heavily toward the execution side rather than the preparation side.
- New sales methodology supports customer buying patterns. The consulting sales organizations are now educating and training the Oracle sales organization to support the changing customer needs and requirements around how customers buy. OSN can become a component of how these companies buy differently. Beyond the sales organization, there are some larger changes happening inside Oracle to support these new customer expectations. This involves becoming more adaptable, more urgent, more responsive, and more flexible, with OSN playing a key role over time.

HR Results for Learning, Information Sharing, and Development

- OSN is used for community interest groups to connect and share. One example is the Oracle Women's Leadership (OWL) initiative that sits within HR. OWL is a worldwide initiative open to women and men across any region and geography. The group uses OSN to stay connected, collaborate, and share information around leadership. A core requirement for this group is to have flexibility over where the information is gained and what was delivered to each user. The OSN ambassadors and OWL leaders have been able to help members of OWL communities understand the benefits of anytime, anywhere collaboration and access to information on women's leadership topics. From the OWL communities, these women leaders have taken their learnings about OSN to their business units. This has resulted in OWL members being social leaders within Oracle and improving their teams' work through effective and meaningful collaboration using OSN.
- Purposeful collaboration is another key outcome of the use of OSN. OSN for learning, development, and information sharing are also key outcomes of the use of OSN from HR. Within HR, the learning and development and information services teams are leveraging OSN as a strategic way to connect with Oracle employees around these areas. By leveraging OSN, HR is impacting the daily decision making, the development of employees, and the real-time learning and collaboration that are needed to ensure a productive workplace. HR partners closely with the SNBC team members, who are leading the way internally for social business. The SNBC strategy is supported by HR, and HR works as both an ambassador and a business lead within the SNBC team to further make impact to the business and enable teams with OSN by providing Webcasts on the social business solution to increase adoption. Having immediate access to the right information, the ability to connect with an expert quickly, and getting what you need in an efficient way related to your work are being driven by access to a solution like OSN. There are conversations related to business and technical information topics, leadership areas, and professional development and conversations set up to encourage knowledge sharing. The flexibility that OSN provides around access to information from anywhere (mobile, desktop, and Web) is a key benefit, and the anytime, anywhere

access to OSN for collaboration, learning, and sharing is critical for workplace productivity, employee development, and the overall success of Oracle.

FUTURE OUTLOOK

In 2014, the market will see the transition from standalone enterprise social networks to embedded ESNs, merging the network into the workflow rather than creating a "social layer." This embedding and addition of work context are critical for adoption and for realizing value from social in the enterprise. Embedded ESNs that bring people and information together in a workflow context and in real time, surfaced in every application through the PaaS, will become the standard of how social workflow and ESNs become pervasive in organizations. Instead of social applications, every application will be social.

Potentially the most critical challenge for OSN will be transitioning on-premises application users into OSN. Outside of the general sales push to transition customers to cloud applications, many customers have on-premises applications (e.g., Siebel) that are highly customized and can often be the core application a company may survive by. In this case, the OSN team will become heavily reliant on the sales consultancy team across the broader Oracle organization as well as some of its smaller partners to enable customers to leverage OSN capabilities from inside on-premises applications as well. Oracle mentioned working with applications outside of the cloud applications group on core business processes that have become most critical in OSN, but there is no current time frame for this.

ESSENTIAL GUIDANCE

For organizations wanting to run a social business strategy, three key insights to be gleaned from the Oracle experience are:

- A consolidated approach for delivering the organization's social strategy is imperative. A critical requirement for the adoption, longevity, and ultimate success of a solution involves a dedicated set of resources. IDC's *Social Business Survey* shows that 62% of organizations bundle social initiatives into existing roles and responsibilities. A core tenant of success internally with OSN is the dedicated team of resources that focus on widespread adoption where social business practices can be applied to social behaviors and cultures of everyday working practices. It's not just a technology. It's also the culture.
- An ESN will start to choose you. As social workflow becomes embedded in where users are getting work done and where business decisions are being made, there is a need to tie together some of the other social interactions and workflow that are currently present in the organization. With every organization having differing approaches to applications and technologies in general, a need will arise to surface social workflow from the tool that supports the widest amount of existing applications. In this approach, it is critical that the ESN performs both as a standalone platform that is open, transparent, and extensible and as a platform being embedded deeply in mission-critical business processes and applications.
- Enabling an ESN platform to meet the changing needs of customers should be implemented with a clear understanding of how applications will be architected in the future. Increasingly, information assets will be productized, syndicated, and distributed as "callable" IP assets via

an API. The API will be the means to unlock production data that may currently be in silos to ensure a single version of truth for employees, partners, and commercial developers. By enabling this approach with regard to the application portfolio, companies will no longer need to build application integrations and will look to callable services via API syndication over "finished" software services.

Some key themes to consider when building a business case for a social business strategy are:

- Understand that ESNs and a more social organization can increase business effectiveness by improving relationships. ESNs can improve organizational effectiveness by facilitating better relationships among employees, customers, partners, and suppliers through communications, community, and collaboration. The focus must go beyond the technology itself.
- Put in place change plans, strategies, and vehicles to ease adoption of your new social business approach. Expanding the group of advocates that become influencers in the community can help disseminate the message across the organization. Remember to include formal training courses, Webinars, and other channels to ease adoption by communicating change and teaching users.
- Lead by example. When decision makers take the lead in using social software, it demonstrates the importance of the initiative to the rest of the organization. The decision makers will then gain the trust necessary to effect the desired change.
- Manage risks associated with security, governance, compliance, and IP protection, which will be increasingly complex but essential as information assets are increasingly exposed via APIs.
- Have a clear picture of how social solutions will complement existing application architecture. Those organizations should begin to prioritize the key social workflow processes that will have a continued impact on the business because supporting the growing number of social capabilities and workflow in ad hoc scenarios will become impractical.
- Meet changing employee, customer, and partner expectations, which will become the differentiator of companies that remain competitive. Companies need to find new ways to meet and serve these needs through delivering a highly responsive and intuitive user experience to all constituents.

LEARN MORE

Related Research

- *Oracle OpenWorld 2013: Oracle Applications Update* (IDC #244302, November 2013)
- *Becoming a Social Business: Integrating Social Software Assets Throughout the Enterprise* (IDC #243967, October 2013)
- *IDC's Social Business Survey, 2013: Driving Influence and Relevance with Social Solutions* (IDC #242328, July 2013)
- *Worldwide Enterprise Social Software 2013-2017 Forecast and 2012 Vendor Shares: From ESS to ESN* (IDC #241323, June 2013)
- *IDC's Social Business Taxonomy, 2013* (IDC #239313, February 2013)

- *Converting Social Software into Business Value* (IDC #239195, January 2013)
- *Enterprise Social Networks* (IDC #237384, October 2012)
- *IDC MarketScape: Worldwide Enterprise Social Software 2012 Vendor Analysis* (IDC #237336, October 2012)
- *The State of Enterprise Social Software Adoption in 2012* (IDC #236637, September 2012)

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