Oracle Emphasizes Focus on Monetization at Oracle Industry Connect
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IDC's Quick Take
During Oracle's annual Industry Connect conference in New York City, the company demonstrated its ability to understand the stress that industries are undergoing to adapt and react to market changes brought on by new technologies and customer buying preferences. Each industry has its own issues, and Oracle has an industry-focused business unit that is focused on solving them. The communications industry is a good example because communication service providers (SPs) around the world are seeing large business model impacts due to how the internet and smartphones have fundamentally changed the way we communicate. Part of this solution is new products and services brought on by the evolution to 5G and part is how to monetize these new offerings in the way that customers want to buy them.

Event Highlights
On April 10-11, 2018, Oracle held its two-day annual Oracle Industry Connect conference in New York City. The conference is segmented into the following industries: communications, construction and engineering, energy and utilities, financial services, healthcare, hospitality, insurance, life sciences, and retail. This Link focuses on the communications industry since this organization contains Oracle's three monetization products.

The keynote of the communications industry was delivered by Doug Suriano, SVP and GM of Oracle Communications. The thrust of his keynote was identifying how the communications industry has been impacted by technology change and customer preferences — and ultimately how Oracle is addressing the impacts today and tomorrow.

Communication SPs around the world are seeing large business model impacts due to the internet, and smartphones have fundamentally changed the way we communicate. IDC estimates revenue growth of telecommunications services to grow at just 1.1% through 2021. They are no longer able to make a comfortable margin off selling access, minutes, and megabytes anymore, especially with the legacy regulatory rules they still must support. With the new wireless communication standard 5G starting implementation, communication SPs are also looking at a large capital cost to support the infrastructure and systems to enable it. All this means the communication SPs must spend more while making less from their existing customer base. What they need are ways to quickly adapt and monetize new business models that 5G and other digital technologies offer as need ramps up. 5G will enable new monetization opportunities for communication SPs with industry-specific services and Internet of Things (IoT).

Addressing Monetization
Monetization was a frequent message in the communication sessions. Overall, the big monetization problem to solve was having monetization systems that could keep up with the need to change business models. It's challenging enough to create a new product offering that customers want, but if you can't
monetize it because you can't sell it in the way customers want to buy it (subscription, consumption, etc.), that's a huge problem.

Oracle has three monetization products: Oracle Communications Billing and Revenue Management (BRM), Oracle Monetization Cloud (OMC), and Oracle Communications Network Charging and Control (NCC) (which is specific to mobile networks). During customer-led sessions, customers discussed their journeys with Oracle's monetization products. Some examples are discussed in the sections that follow.

**Oracle Communications Billing and Revenue Management**

Oracle Communications Billing and Revenue Management was featured at a few customer-led sessions. One customer that had grown by acquisitions over the years successfully used BRM in a massive system consolidation project to reduce the number of monetization and ERP systems from 19 systems to 1 while moving from an on-premises datacenter to the cloud. The company processes 8.5 million invoices per year with 100,000 as a peak daily amount. It chose to use an Oracle-hosted version of BRM integrated with other Oracle systems. In the end, it attained its goal of getting down to one billing, revenue, and tax system in the cloud, while decommissioning most of its datacenter. The customer was happy about the outcome and the service it got from Oracle and its integration partner, Congero.

In another session, a telecom provider customer with 3 million customers told how its existing back-office system was holding it back in terms of service and monetization options. The company needed to upgrade its back-office system to be able to sell and bill for new services more efficiently. Its solution was to create a new back-office system for new products and keep the old one for legacy customers since it was considerably more work to integrate old data into the new system. This customer was candid to share that its small team took on too much given the complexity of the catalog and number of systems managed. Since its solution consisted of multiple vendors, it spoke of how hard it can be to troubleshoot a back-office problem between systems. The company was very pleased with both BRM and the professional services received from Oracle. In the end, it has a good working system where 80% of the new sales are going through the new system.

**Oracle Monetization Cloud**

Oracle released Oracle Monetization Cloud in July 2017 and has seen good uptake in the product implementations. This SaaS product built in Oracle Cloud shares significant features and code with BRM, so it is built for high-volume and complex orders/rating environments. Note that Oracle has not branded OMC with the prefix "communications" like the other monetization products as it is positioning this product into the general monetization space across industries. Its customer base includes companies monetizing services related to education, Smart Cities, media, and utilities in addition to telecom.

In the keynote for the Communications track, Oracle featured a customer outgrowing NetSuite’s Monetization solution and moving to OMC for monetization while maintaining NetSuite ERP. The integration was easy since NetSuite and OMC are both SaaS and have a well-defined API.

**Oracle Communications Network Charging and Control**

Oracle Communications Network Charging and Control is a monetization system for communication SPs that enables fast and agile charging for prepaid-focused consumer mobile markets. In a customer-led session that focused on MVNE services, we learned how it created an integrated solution for managing a
multiband, mobile broadband with advanced monetization features so a communication SP could efficiently monetize new business.

IDC's Point of View
Given that nearly every industry is experiencing business model change due to new technologies and customer preferences, businesses should not be held back from introducing new products or services because of their inability to monetize them. The communication industry has the opportunity to reinvent itself with the rollout of 5G and offer new products and services, but the big question is: Can they do this cost effectively?

Oracle is in a unique position to enable communication SPs to monetize current (prepaid) and future (5G) opportunities since it develops industry-specific software applications along with industry-leading back-office systems. With the launch of Oracle Monetization Cloud, Oracle can take its subscription billing expertise to other industries too, especially the software industry.

Furthermore, Oracle is focused on offering its solutions as SaaS so that it can be easily provisioned with a minimal number of integration points. Since Oracle has monetization and a full suite of ERP applications delivered as SaaS applications today, it is nearly turnkey from scratch as a SaaS offering, which is a powerful market position.

Oracle's BRM solution was covered in *IDC MarketScape: Worldwide Subscription Relationship Management 2017 Vendor Assessment* (IDC #US43172417, November 2017) and was rated a Leader.

Subscriptions Covered:
Digital Business Models and Monetization

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