CLABBY ANALYTICS

Commentary

Oracle and the Case of the Missing Slides…

Introduction

Clabby Analytics is kinda persona non grata at Oracle (for instance, we recently requested a briefing on Exadata for our new Website — workloadoptimization.com — and Oracle refused that request). We kinda deserve this rejection, however, because we've written a lot in the past about how Oracle's 10g "grid" is little more than a cluster; we've expressed doubt about the Sun takeover; and more.

But rejection aside, we must admit — we like Oracle's new role as a full-fledge server/software/services supplier. The company plays an important role in forcing other information technology (IT) companies to innovate and to compete (this helps drive pricing lower for IT buyers).

What we especially like about Oracle is its product stack. As we compare Oracle with its leading competitor — IBM — we find a lot of similarities in terms of product offerings (see Figure 1). And this competition gives IT buyers a choice of solutions from which to choose (and choice is a good thing).

Figure 1 — Oracle vs. IBM — Product Stacks

Oracle Strategic Focus	Comparison Basis	IBM Strategic Focus
APPLICATIONS		
Oracle E-business Suite	Business Applications	Oracle E-business Suite; strong developmental relations with SAP; many other ISV business application solutions
Oracle Business Intelligence Suite (incl. Hyperion)	Business Intelligence	IBM Cognos (BI and Planning); Oracle suite; SPSS
DATABASES		
Oracle Database; My SQL	Databases	IBM DB2; Oracle; IMS; Informix; SolidDB
INFRASTRUCTURE		
Oracle Fusion Middleware; Application server; Content Management Middleware for Small and Medium Businesses; Business Integration Data Integrator; Business Intelligence Developer Tools; Business Process Management EDA Suite; …	Complete Infrastructure Stacks *(These are only partial listings — the number of infrastructure software packages offered by each company is astounding)*	IBM WebSphere; IBM Rational Tools; IBM Express Solutions for Small and Medium Businesses; Asset Management; Business Continuity and Resiliency; Energy Efficiency; Information Infrastructure; Security; Integrated Service Management; Virtualization; …
VIRTUALIZATION		
Oracle VM; Sun VM; EMC VMware	Key Virtualization Offerings	zVM; POWER VM; EMC VMware
Homogeneous stack	Virtualization Management	Heterogeneous (VM Control)
HARDWARE (Servers)		
Yes	x86 Multi-cores	Yes
Yes (for now…)	UltraSPARC	No
No	POWER-based Servers	Yes
No	Mainframe (z) Servers	Yes

Source: Clabby Analytics — January, 2010

What we don't like about Oracle is also illustrated in Figure 1. Oracle tends to be a "buy my entire stack" company — while IBM will sell its products as well as partners with Oracle to deliver Oracle products on IBM platforms. So, from our perspective, IBM offers its customers more choice.

> **But the thing we especially don't like about Oracle is its marketing methods.**

#1 in Middleware?

We really dislike companies that make "partially true" marketing claims. So when HP made a slew of partially true claims about how its product offerings were superior to an IBM mainframe, I felt compelled to write a research report challenging those claims (it can be found at: http://www.clabbyanalytics.com/uploads/HPvsIBMFinalFinalFinal.pdf). We now feel compelled to do the same thing on Oracle.

At present, Oracle claims that it is #1 in the middleware marketplace (see Oracle's middleware site at: http://www.oracle.com/us/products/middleware/oracle-fusion-middleware-number-1-070748.html for more details). And apparently Thomas Kurian (Executive Vice President of Oracle Product Development) made a presentation at Oracle OpenWorld 2010 that made the same claim (describing Oracle's middleware not only as #1, but also "best in class"). This presentation can be found (for purchase) at https://www.eventreg.com/pls/pr_oracle/reg_oow_entry.reg_login?ievent_id=67MY14&ientry_point=combo&iaudience=On-Demand.

Slides were also presented in December, 2010 during a Webcast ("*Why More Innovators Choose Oracle Fusion Middleware Over IBM*") which is still available at: http://event.on24.com/view/presentation/flash/EventConsoleMVC.html?titlecolor=000000&simulive=y&eventid=245261&sessionid=1&username=&partnerref=ers&format=fhaudio&key=6B3EC740ED9D8D6283BD56CC9A07EA2A&text_language_id=en&playerwidth=1000&playerheight=650&eventuserid=45383049&contenttype=A&mediametricsessionid=39093270&mediametricid=625658&usercd=45383049&mode=launch#. This site also contends that Oracle is number one in middleware.

> **What is really interesting about this Webcast occurs on slide number 4 where the presenter discusses how Oracle has a 25% marketshare in the middleware marketplace and goes on to tell listeners that Oracle is growing at more than 80% the market growth in middleware. And, he claims that Oracle has a 44% marketshare in the application server marketplace, a share larger than its three largest competitors combined.**

Our problem with these claims are these:

1. *The speaker is referring to slides that have clearly been removed from this presentation.*
2. *The speaker does not tell us where he is getting this data (did they come from market research — say , for instance, from Gartner or some other respected information technology research firm — or did Oracle just make these figures up?)*

What bothers me most about this kind of marketing is that, by making claims based on unsubstantiated data, Oracle creates the illusion that it is really #1 in middleware. On the other hand, **we** *have access to market data that causes us to believe that IBM is actually #1 in middleware*. So, accordingly, we must ask "where are the missing slides and where is this data coming from?" Can you, Oracle, truly substantiate that you are really #1 in the middleware marketplace? If so, prove it!

Other Oracle Claims
As we were researching IBM's Power Systems for a report that we're writing on workload optimization, we came across several other issues with Oracle marketing, including:

- In December 2010, Oracle announced a SPARC SuperCluster TPC-C benchmark claiming a world record (which it did achieve). But a closer look at this record showed that Oracle required 27 systems and 1,728 cores and 13,824 threads to achieve this result. What's the problem? Just this: if IT buyers take that result on face value, than Oracle reported an impressive benchmark. But if they read between the lines, prospective buyers might recognize *that performance per core is an extremely important consideration* — especially when it comes to energy usage, space requirements, and software licensing (this is huge because most software vendors price their software on a per core basis), and systems management. Suddenly, this world record doesn't look so impressive…
- In August, 2009, Oracle ran an advertisement in the *Economist* and *The Wall Street Journal* that claimed that "Sun + Oracle is Faster" compared to a published TPC-C performance result from IBM (IBM). The problem with this claim was that Oracle's server benchmark was not going to be made available until October 14, 2009 (so Oracle was claiming TPC superiority on a benchmark that was not yet publically available). Oracle was reprimanded by the TPC for violating its fair use policy and forced to pay a fine. (See: http://www.tpc.org/letters/oraclefairuse/ for more details).

Summary Observations
As stated earlier, we really dislike partial-truth marketing. And we consider some of the marketing that Oracle does to fit this category. Why would Oracle pursue such impractical approaches or make such claims?   We believe it is very important to Oracle to prove that its systems can compete directly with IBM. And frankly, we're not buying that message. For instance, in August 2010, IBM demonstrated a TPC-C benchmark result that was better than *three times the performance per processor core* than the Oracle system against which it was compared. And we're still not convinced that Sun's T3 and planned successive generations will be around for the long term.

On a more positive note, we must admit, we do like Larry Ellison's (Oracle's leader) braggadocio. He's charismatic; and he creates a lot of stir in the market with his database and server challenges. He gets people thinking — and presents them with alternatives

(albeit those alternatives are usually Oracle products). Ellison offers opinions — and invites counter opinions. And that's what this short commentary was ultimately all about (presenting a counter opinion to Oracle claims).

As for a parting comment: we sure would like to see the source of those missing slides…
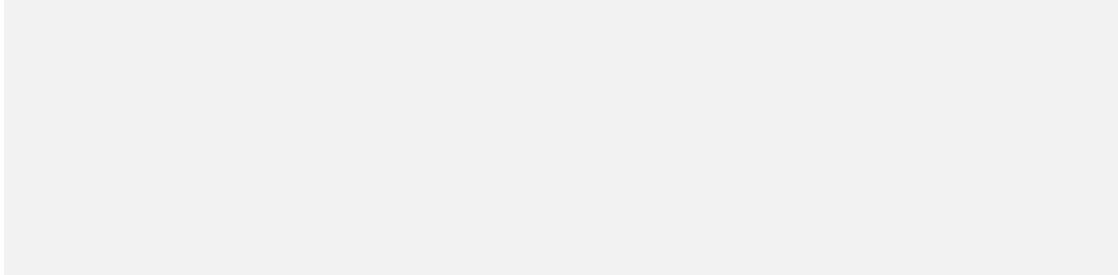
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