



RETAIL

5 Reasons Business Users Prefer SaaS Applications



Executive Brief

EXECUTIVE SUMMARY

Once a popular topic in IT circles, cloud computing is now part of the retail business vernacular. It's mentioned in the C-suite, it's mentioned around the water cooler where employees discuss their latest mobile devices and it's now a part of consumer advertising campaigns.

Cloud applications can be used to empower line of business (LOB) managers and their employees, ensuring they have access to the data, applications and features they need to do their jobs more efficiently and more effectively.

This paper examines five reasons why LOB managers are keen to leverage applications delivered using the software-as-a-service (SaaS) model, and in particular why they are using SaaS business applications from Oracle Retail. After investing heavily for most of the past decade, Oracle now offers the most complete and advanced suite of business-critical, retail applications in a subscription (as a service) model. Users get fast access to the latest innovations without having to worry about buying any software or hardware. And it's all built on a the same modern, socially enabled, enterprise-grade cloud platform that leverages the latest in secure, reliable, and high performance database and middleware technologies that Oracle has always been known for.

Why SaaS Makes Sense for Business Managers

Software vendors spent the last several years bombarding IT professionals and business executives with messages about the advantages of cloud computing in its various forms. Some of these messages targeted the accountants and number



crunchers by discussing the advantages of operating expenses (OpEx) compared to capital expenditures (CapEx). Others targeted the IT community with messages about scalability, on-demand capacity and the cloud's ability to take over the mundane tasks of infrastructure management and allow IT talent to focus on business problems.

There is a great deal of truth to each of these arguments, but little energy has been devoted to explaining to LOB managers why business applications delivered in the cloud via the SaaS model and paid for on a subscription basis not only make a great deal of sense, but are key to bridging the innovation gap executives often complain about to their IT organizations.

SaaS is not a new concept. In fact, Web-based applications delivered by application service providers (ASPs) actually pre-date the "cloud computing" concept as we know it today. Early applications delivered using the SaaS model often focused on sales force automation (SFA), customer relationship management (CRM) and Web content management. Today Oracle delivers an entire suite of business applications for Retailers including: Merchandising, Planning and Optimization, Supply Chain, Loss Prevention, Stores and Commerce, Enterprise Resource Planning (ERP),

Planning and Budgeting, Financial Reporting, Human Capital Management (HCM), Talent Management, Sales and Marketing, Customer Service and Support, Social Networking, Social Marketing and Social Engagement and Monitoring.

Unlike those offered by many of the first-generation ASPs and other SaaS vendors, Oracle Retail's SaaS business applications are mature, highly functional and backed by the Oracle name as well as the millions of dollars invested in software development and infrastructure to build and deliver its applications.

If you're a business manager looking to get your hands on the latest capabilities without the headache often associated with hefty upgrades, let's dive in and explore the benefits of SaaS applications from Oracle. Yes, there is a CapEx vs. OpEx story that will appeal to the financial minds in your organization, and there's also a scalability and resource allocation story for the folks in the data center. But here are five reasons why SaaS business applications from Oracle Retail will help your employees get their jobs done more efficiently and effectively than traditional business applications, with less risk than what's often associated with on-premise deployment models.

1. Adoption is Fast and Easy

Selecting and deploying a business application is never an easy or fun task. Often-times the employees on the business and IT side need to work together to ensure needs are met on both sides. There are questions of integration that must be answered to ensure a seamless migration of data so the business isn't disrupted and executives can still get that big picture of what's going on in their business. Information and data silos are no longer an option in today's fast moving, global economy. Then there are questions of infrastructure that need to be addressed by the IT side to ensure it can support the application without a substantial risk of downtime. The time devoted to installing, migrating, testing and deploying can add up even when the project goes smoothly. Unfortunately, that's rarely the case. According to research by KPMG, 70 percent of organizations have suffered at least one project failure in the prior 12 months, and 50 percent of respondents indicated that their project failed to consistently achieve what they set out to achieve.

Oracle Retail business applications delivered via SaaS deploy more quickly because Oracle does most of the heavy lifting, including all of the infrastructure management.

For years these applications lived in and were managed by the data center with business users controlling only what they needed to do their jobs. The beauty of Oracle Retail's SaaS-based business applications is that these powerful, fully functional, enterprise-class business applications can be put in the hands of the business teams who rely on them on a daily basis.

More and more organizations are taking just such steps. In 2012 Constellation

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Research found that IT budgets dropped by five percent in the previous year. During the same time period LOB technology spending grew approximately 20 percent. Business units taking control of their applications can rely on Oracle SaaS to roll out their applications faster and in incremental steps when necessary.

Oracle Retail SaaS applications don't just get applications to market faster, they create value faster, help businesses innovate faster and give them the flexibility to implement change when the market requires it.

2. Get the Latest and Greatest Features

Having the latest and greatest features for your business applications, such as mobile and social, doesn't just make work more fun, it makes work more efficient, and workers more productive. The cloud opens the door for innovation by introducing new functionality and new ways to collaborate and share information, both within the enterprise, with customers and across your partner ecosystem.

The traditional model for business applications required an upgrade and potentially a new investment in underlying technology and other IT resources in order to take advantage of new features. In slow economic times, many retail businesses are forced to pass on upgrades that would add functionality, speed and new business insights.

How do you go about ensuring your employees are always getting the latest functionality without enduring a traditional software upgrade? A SaaS business application enables you to seamlessly receive updates, upgrades and new functionality as soon as they are ready.

Oracle Retail's SaaS business applications are continuously updated, not only to improve functionality, but for security, usability, patches and bug fixes, and it's all done in the background, transparent to the users in your organization. Your team can just start using new features right away to make better, more informed business decisions.

Oracle Retail's rich, best-in-class SaaS business applications are filled with features like reporting and analytics that are part of the DNA of Oracle applications and work within the user's normal business processes. They aren't bolted on later to look good on a product data sheet, and they don't require business users to learn separate analytics software to get access to reporting.

The same can be said of the social functionality of Oracle Retail's SaaS business applications, which is an integral part of the functionality and processes of the software. A number of SaaS vendors add what they consider social functionality after the fact, where it adds little business value to the application or its users. Oracle embeds social capabilities where it makes most sense, in a particular business process or application so it delivers the greatest values to business teams and their customers.

By delivering a suite of modern SaaS business applications with the latest features, Oracle Retail allows its SaaS business users horizontal and vertical visibility into the business and access to integrated business processes that help find solutions to end-to-end business problems.

3. Flexibility: For Users and the Business

Today's most successful businesses are able to gain a competitive edge because they are flexible and more easily deal with change. This type of flexibility could require new features for business applications, new functionality, adding new users to an application or adopting a new application entirely.

Oracle Retail's SaaS business applications make it easier to increase and maintain flexibility because it's easier to get new users up and running, turn on modules or components that weren't part of your original deployment or add another application from the Oracle Retail SaaS portfolio.

Because Oracle Retail handles the back-end, there's no need to be concerned about infrastructure if your business adds users, especially for a brief period of time

(like a retailer during the holiday season). Thanks to flexible, subscription-based licensing and all the technology being managed by Oracle (the same company that builds not only the applications running in the cloud but all the software and infrastructure underneath that makes it run), Oracle Retail SaaS applications scale easily, not only in the technical sense, but for the business and its users as well.

Since Oracle Retail's SaaS applications are designed to easily integrate and work together, it's easy to add new cloud services and capabilities without the hassles of forcing software from different vendors work together and integrating business processes.

Speaking of flexibility, Oracle Retail makes use of industry standards that make it easy to share and analyze information between on-premise and cloud-based applications, as well as integrate the two. Industry standards also help avoid the type of vendor lock-in that scares businesses away from many SaaS vendors.

4. Cut Your Application Costs

Decreasing the cost of business applications benefits everyone, from the CEO

to the individual business units, including the IT staff. It might have an even bigger impact on individual business units than you realize.

Businesses are increasingly using a system of charge backs where IT charges the various business units for the IT infrastructure and services they consume. Given the lower infrastructure and maintenance costs, SaaS business applications from Oracle can significantly lower the percentage of your business unit's budget that's devoted to IT spending, which means you can invest in other areas while still using up-to-date, fully functional, secure business applications.

Not only does the subscription pricing model used by Oracle allow more flexibility in terms of licensing than traditional approaches to application licensing, the intuitive, feature-rich applications are easy to use and tailored just for the type of business role a users has all the way across complete business processes. And if you want to extend the capabilities of Oracle Retail SaaS applications, your IT team can easily and rapidly do so using the same development tools it's already familiar with, also offered in a subscription model. This saves time, cost and lowers your investment risk. These extensions are upgrade safe, so that they will continue to function when the application and underlying platform and infrastructure are upgraded.

Oracle, of course, also takes on responsibility for the costs of hardware infrastructure and security, which means lower costs and less spending on manpower for business that adopt SaaS business applications from Oracle.



5. Your Colleagues in IT Won't Mind

There was a time when the idea of business managers choosing and adopting software applications was considered "going rogue." Especially with Web-based applications that require nothing from the user but an Internet connection and a Web browser, IT could potentially be left in the dark about who was using which applications in the business.

These concerns aren't completely unwarranted. Fortunately, Oracle's SaaS applications are backed by one of the most trusted and familiar software vendors in the world, with a long history of developing secure applications that can protect sensitive business data.

Oracle has made the necessary investments to ensure integrity and confidence in its SaaS business applications. This includes the physical security at its global data center facilities and the logical security that's embedded in every layer of the Oracle technology stack.

IT departments concerned about the risk to their investment in business applications know the Oracle name and reputation. Oracle delivers a complete solution — it owns the hardware, software, database and services for every application — so there's only one software vendor to vet and fewer concerns regarding integration or partnerships that may dissolve.

It's not unusual for business units to take more control over their software applications. In fact, the world of business applications is changing, according to a survey of Oracle Application User Group members. More than 25 percent of cloud projects were initiated from the top executive

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suite, the survey found — at the behest of CEOs, CFOs and CMOs. An additional 25 percent of respondents said that LOB managers initiated cloud engagements, and eight percent of respondents said cloud engagements were initiated by LOB employees.

Today's Retail IT departments remain concerned with corporate compliance issues, as well as the management of IT infrastructures increasingly complicated by virtualization, explosive growth in data and the management of constantly growing and transforming endpoints scattered within and beyond the corporate network.

In this context, business applications from Oracle Retail delivered using the SaaS model make perhaps the most sense. With so many projects already on its plate, and confidence in the security and uptime Oracle can deliver for users of its SaaS business applications, corporate IT is more willing than ever to champion SaaS adoption.

For business managers, the ability to quickly deploy best-in-breed applications that deliver the latest in software functionality and the hottest capabilities like social and mobile all with lower investment risk and great flexibility point to using Oracle Retail SaaS applications.

IT departments, under steady budgetary and headcount pressure and already dealing with a number of pressing issues, understand that Oracle Retail SaaS applications are up to the task of keeping data secure and meeting compliance requirements, and are unlikely to be an impediment to business units that want to adopt such applications.

Learn more about Oracle Retail's SaaS applications at <https://www.oracle.com/industries/retail/solutions/index.html#cloud>

CONCLUSION

Cloud-based business applications from Oracle Retail delivered using the SaaS model and priced on a subscription basis have a number of clear advantages over traditional, on-premise software deployments and SaaS applications from other vendors.

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