NOTE

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle’s products remains at the sole discretion of Oracle.
FOREWORD BY CHARLES PHILLIPS

Before I joined Oracle, I spent many years analyzing the enterprise software market. Like many of you, I witnessed those heady days of the 1990s when IT capital budgets seemed unlimited, and companies spent millions to develop their own in-house applications. I also saw firsthand what happened when the dot com bubble burst and corporate enthusiasm for IT investments dried up. Faced with tight budgets, companies turned to packaged-application vendors and “plain vanilla” implementations that were less expensive but that unfortunately lacked the flexibility for adapting to company- or industry-specific requirements. Even worse, many CIOs were forced to support large-scale change management initiatives with packaged applications that often required expensive customizations.

Having lived through all the pain and expense of the past decade, I believe it’s going to take something special to get CIOs excited again about investing in technology. It’s going to take a vendor with a vision compelling enough to erase all those old assumptions about enterprise software, and the resources necessary to execute that vision. And it’s going to take technology worth investing in, with applications that are flexible enough to adapt to an organization’s unique needs, open enough to integrate into existing infrastructures, and cost-effective enough to add real value to the bottom line.

Oracle is that vendor, and Fusion is that vision. Far from being a product road map, Oracle Fusion is Oracle’s long-term commitment to providing customers like you with access to technologies, services, and resources that can revolutionize your business. Oracle Fusion is also a middleware platform and an architecture, one that is being developed right now in order to give you the enterprisewide business intelligence you need for improved decision making, the adaptive business processes that can help you adjust to changing market conditions and competitive threats, and the lowest total cost of ownership of any enterprise software provider.

Most importantly, Oracle Fusion is not a concept but a reality, based on existing technologies such as Java, composite applications built on service-oriented architectures, master data consolidation, and grid computing. Combine those technologies with the Oracle Superior Ownership Experience, a companywide initiative that expands on the former PeopleSoft Total Ownership Experience...
seeking to reduce cost and risk while enhancing your customer experience—not just in using our software but in every interaction you have with Oracle—and you'll get a sense of just how powerful this platform is.

Because Oracle and PeopleSoft have both been leaders in developing and deploying these technologies, we've been able to incorporate many of these core Fusion building blocks into the current releases of Oracle E-Business Suite 11i/10, PeopleSoft Enterprise 8.9, JD Edwards EnterpriseOne 8.11, and JD Edwards World A7.3.16.

The bottom line is this: You can begin to benefit immediately from these technology advances while putting into place the architectural foundation you'll need for subsequent Oracle Fusion upgrades.

Because customer satisfaction is vital to our long-term success, our goal is to make your transition to an Oracle Fusion-based business platform as seamless and inexpensive as possible.

There’s no better time to be an Oracle customer, and we’re committed to proving it to you every day. As you read through this white paper, you’ll learn more about our commitment to customer continuity, as well as about the industry-leading technologies and programs we have in place right now to ensure that you derive the maximum benefit from your strategic partnership with Oracle now and into the foreseeable future.

Charles Phillips
President, Oracle Corporation
COMMITMENT NO. 1: CONTINUITY AND CHOICE

As an executive, you want what’s best for your organization. If you’re a CIO, that means choosing a vendor and technology platform that can transform IT into a strategic enabler of success. If you’re a CFO, that means making sure your technology investment pays real dividends to both bottom-line and top-line growth. And if you’re a CEO, that means delivering long-term value to shareholders.

At Oracle, we understand the pressures that executives like you face every day when it comes to choosing the right technology partner and investing in that partnership for long-term success. We acquired PeopleSoft to demonstrate our commitment to becoming your technology partner and to bringing together the best and the brightest industry talent, advanced technologies, and state-of-the-art products that will become the foundation of the next generation of enterprise business applications software. Now it’s up to us to show you that we have a better plan for customers like you, whether you’re running Oracle, PeopleSoft, or JD Edwards applications.

If there is one thing Oracle has learned as an applications software provider, it’s that wholesale changes to a customer’s applications portfolio are not only expensive, but also very disruptive to the business. Transitions are painful for employees and often result in IT inertia and customer alienation.

Our goal is to change those old assumptions by giving you an alternative: you dictate the upgrade schedule you want—whichever one will meet your current needs and future investment strategies. The technologies supporting Oracle Fusion give us the ability to extend these choices to you—and to help you make the right decision for your company. Our Lifetime Support policy gives you even more scope in determining your upgrade schedules.

The underlying principle for Oracle Fusion is simple: We will take the best ideas about high productivity and the total ownership experience from PeopleSoft, and the industry expertise and midmarket experience from JD Edwards, and merge those competitive differentiators with Oracle’s own industry-leading breakthroughs in technologies like Business Process Management, Java, XML, and Web services. The result will be a revolutionary, new, service-oriented, Java-based architecture for enterprise software that will deliver superior ownership experience, scalable business-process automation, metadata capabilities, built-in business intelligence, and industry-specific capabilities—not to mention the lowest TCO (total cost of ownership) of any software vendor, bar none.

Using a service-oriented architecture (SOA) and a single data model provides the consistency and continuity customers like you need in order to adopt specific business solutions, regardless of whether your organization runs on an Oracle, a PeopleSoft, or a JD Edwards platform. Those same technologies will enable you to upgrade those applications to the Fusion architecture once you are ready.
In short, our commitment to customer continuity is unwavering. It is based on the following principles that you can count on when you are planning your short- and long-term IT investment strategies:

- Customer-paced upgrades
- No disruptions that erode your investment
- Enhanced data continuity
- Greater technology platform choice
- Visibility into product development plans
- Partners you trust

**Customer-Paced Upgrades**

We've said it from the beginning, but it bears repeating again: Oracle intends to protect and extend the value of your technology investment. Our plan is to continue to enhance and support the PeopleSoft and JD Edwards major product lines until at least 2013, based on the upgrade schedule published in this white paper. This is full product support and product evolution, including patches and fixes, upgrade scripts, and technical support.

To ensure that these new releases and enhancements reflect the real-world requirements of our customers, we will broaden and strengthen our customer outreach efforts through activities such as our customer advisory boards and user groups. We also plan to embed many key Oracle Fusion technologies into pre-Fusion releases to ensure that your upgrade path adds real value every step of the way.

**No Disruptions that Erode Your Investment**

A key implementation issue that customers face when upgrading is the preservation of customizations, and our goal is to keep those disruptions to an absolute minimum. To do that, we are continuing to invest in automated tools for patching and upgrades, a strategy both Oracle and PeopleSoft have followed over the past few years. Customers that want to upgrade to any new Oracle, PeopleSoft, or JD Edwards release will be provided with automation tools that isolate data and customizations, making the upgrade as seamless as possible. Over time, as the combined companies invest in migration technologies, it will become even easier to upgrade.
Another way we plan to minimize disruptions to your business and ensure upgrade value is to cross-pollinate the best functionality and technology from all four product lines into each of our upcoming releases. This process has already begun, and will intensify as we roll out subsequent product suites. For example, PeopleSoft Enterprise Performance Management is building packaged integration with Oracle’s Discoverer solution. JD Edwards EnterpriseOne has built operational dashboards into its current release, and Oracle is leveraging PeopleSoft’s Rapid Implementation Workbench in order to streamline your upgrades and help your company realize immediate value from its technology investments.

Finally, we are minimizing disruptions by increasing the level of interoperability among Oracle and non-Oracle applications. We’re aware that most of our customers have mixed environments, even within the applications product lines that Oracle provides. To facilitate the highest degree of interoperability, Oracle plans to provide new integration points for each product line, and document these integration points in a new integration repository. This repository will be a standards-based, UDDI-compliant services registry consisting of all integration APIs and services to simplify integration. In addition, we intend to integrate this repository with Oracle’s BPEL Process Manager for business process orchestration across multiple product lines. This is a key element of our evolution to Oracle Fusion.

**Enhanced Data Continuity**

Oracle Data Hubs and their associated integration technology are one of the cornerstones in the evolutionary approach to Oracle Fusion. Oracle Data Hubs protect your company’s most valued asset—data—so that new application modules can be introduced and mature ones retired with minimum disruption to the business. It is intended to allow customers to take advantage of consistent semantic definitions of core data entities like customers, suppliers, products, and employees, and extend these to their individual needs, while maintaining the business processes implemented by existing systems—whether built internally or from other suppliers.
Greater Technology Platform Choice

Whether you own just one Oracle product line or run a combination of Oracle and a third-party product, we want to offer you the opportunity to simplify your IT operations. For Enterprise and EnterpriseOne products, we have already certified Oracle middleware to operate in place of BEA WebLogic or IBM WebSphere, and plan to offer this as a third alternative for our customers. If you choose to take advantage of this, you will realize substantial benefits by having both your database and application server running on a single platform—saving money, simplifying your internal support requirements, and reducing support interactions to a single vendor. We are not mandating any change on your part, but we will help you realize the value of a unified technology infrastructure.

Should you choose to stay with your current infrastructure partner, Oracle is committed to maintaining all currently supported hardware platforms, databases, and operating systems, including IBM DB2 and Microsoft SQL Server databases, and IBM and BEA systems middleware.

Visibility into Product Development Plans

We know you need information to plan your IT budgets. We also know that having product feedback from customers like you is critical to our success, and Oracle is committed to strengthening that dialogue. In addition to reaching out to customers through channels like this white paper and customer meetings, we’re welcoming PeopleSoft and JD Edwards customers to participate in all our user group activities, from Oracle-sponsored customer advisory boards to our global network of independent user group organizations. Participating in these activities can help you learn more about Oracle’s products and best practices for your implementation, as well as provide you with a forum for exchanging ideas with Oracle users and for communicating your input back to Oracle’s product development organizations.
Deloitte and Dell Speak Out

“Deloitte sees the combination of Oracle and PeopleSoft as a positive move since it now brings together two very strong product sets, which is a plus for our customers.”

—Jeff Plewa, global alliance director, Deloitte

“Oracle and Dell have tightly aligned visions that enable customers to build a scalable enterprise using grids built on standardized technology. The combined strength of Oracle and PeopleSoft offerings will give our customers powerful business applications that meet their demands today and in the future.”

—Linda York, vice president of global alliances, Dell

Partners You Trust

Over the past decades Oracle, PeopleSoft, and JD Edwards have built a huge ecosystem of partners. Partners range from independent software vendors using and extending Oracle’s technology platform, to application partners for specific industry solutions, to system integrators that implement our solutions. The service-oriented architecture of our future releases will continue this tradition. By building all our applications on industry-accepted standards, partners of all types can build, extend, and implement Fusion solutions of their own. Solutions built on existing Oracle Application Server technology will interface optimally and automatically with Fusion-based applications built by Oracle.

For Fusion, Oracle will work with a growing ecosystem of partners to develop an increasing number of industry-specific applications in addition to the ones already provided. We will also provide integrated access to information not managed and stored in Oracle applications.

COMMITMENT NO. 2: PRODUCT EXCELLENCE

With the PeopleSoft acquisition, Oracle now has more applications and database customers than any other vendor worldwide. We have the leading database product—which more than 60 percent of PeopleSoft customers use today—and the fastest-growing applications server, portal, and business-intelligence products. And with the retention of 95 percent of PeopleSoft’s development and support staff, we now have over 58,000 employees to support your business, regardless of your location, size, or technology platform.

But business applications software is not just about accumulating raw technologies and stitching them together. It is about having the insight and design skills to build a unified platform of common services that can help organizations like yours tackle today’s most challenging business requirements: enterprisewide business intelligence and improved decision making, adaptive business processes that enable companies to respond with agility to dynamic market conditions, and a lower cost and complexity of installing and maintaining most business applications.

Information-driven applications, adaptive business processes, and total cost of ownership are the three guiding design principles that frame our work around the successive releases of the Oracle, PeopleSoft, and JD Edwards product lines. These design principles are explained in greater depth, below.

Design Principle No. 1: Information-Driven Applications

Oracle believes that information matters. We also believe that organizations can gain lower costs, improved decision making, and clear competitive advantages from accurate, consistent, and timely information that is managed centrally and embedded in the applications used at all levels of an organization. Oracle’s information-driven applications are engineered to work together by using a single information repository that gives you a clear, accurate picture of every customer,
every product and service, and every transaction. It’s information simplified and on
demand—when, where, and how you need it.

**Oracle’s Technology Advantage**

Oracle has been providing customers with an information advantage for a number
of years now through the Daily Business Intelligence products offered in the Oracle
E-Business Suite. We incorporated similar functionality in our PeopleSoft
Enterprise product line to provide customers with role-specific operational
dashboards that deliver industry-specific intelligence. Fusion intends to take this
advantage to the next level, delivering business insight and real return on
investment by leveraging technology leadership in areas such as global single
schema, embedded business intelligence, and embedded collaboration.

**Global Single Schema.** Oracle’s competitors attempt to harmonize data as it flows
across business processes by transforming the data to fit the requirements of each
application module. They call this “master data management”, although the data
itself remains scattered throughout the IT environment. The burden of managing
all that data complexity falls squarely on the shoulders of an organization’s IT
department.

Oracle’s business is information, and we have a better architectural approach to
master data management. We call it a Global Single Schema (GSS), an approach
already used in both the Oracle E-Business Suite and JD Edwards product lines.
With Oracle GSS, consolidated central data can be cleansed and enhanced, creating
a single master data set used for all operational applications, even those running in a
heterogeneous IT environment. Companies can use this single version of the truth
for both transaction automation and business intelligence, eliminating data
complexity and freeing up the IT organization to support more strategic corporate
goals.

Having a single version of the truth also helps ensure that your data is secure. With
Oracle Security and Identity Management, organizations can centrally manage user
identities and access rights, and they can control the security level of individual
applications. This security infrastructure also facilitates the regulatory-compliance
process by managing access to sensitive information and providing organizations
with audit-trail reports of application access. Oracle acquired Oblix, Inc., in order
to expand our leadership in security and regulatory-compliance solutions through
technologies such as single sign-on, identity administration, and user provisioning.

**Embedded Business Intelligence.** According to recent research by the CFO
Executive Board, companies investing aggressively in business intelligence (BI)
technologies can expect to grow earnings-per-share at a rate of three times that of
their peers. However, just buying a new performance management system won’t
guarantee that your organization will become profitable overnight. You must
deploy technologies and business processes specifically designed to embed business
intelligence into the corporate workflow, so that managers at every level of the
organization can become proactive and prescriptive when it comes to performance management.

Unlike other BI vendors that require customers to maintain separate databases and tools, Oracle is the only vendor to provide a unified BI platform that eliminates the need for separate databases, separate OLAP and data mining engines, and separate ETL tools. In fact, IDC compared Oracle’s BI strategy to Japan’s just-in-time strategy for eliminating friction in the supply chain and found that embedding BI into transactional processing systems decreases the overhead associated with data movement, while increasing data quality and delivery speed to end users.

We’re planning on solidifying Oracle’s BI leadership even further in our future product releases, by embedding BI right into the corporate workflow. Embedded BI will drive organizational effectiveness by empowering business users with the right information when and where they need it, and it will increase managerial responsiveness through predictive intelligence. Those same technologies will deliver real-time business insight to managers with actionable recommendations integrated into the operational systems, provide comprehensive corporate intelligence by incorporating both structured and unstructured data, and support the entire continuum of analytics from real-time BI to enterprise aggregation for executive strategy and planning.

**Embedded Collaboration.** Enterprise collaboration solutions represent a new generation of enterprise software that manages both messages and content, while meeting the reliability and security requirements of even the largest organizations. Enterprise collaboration solutions integrate messaging, calendaring, file sharing, real-time communications, wireless access, calendar and time management, and voicemail and fax services—all on an enterprise-class infrastructure.

Oracle is already a leader in enterprise collaboration, having developed Oracle Collaboration Suite to provide customers with a set of integrated communication and reporting tools that let employees communicate any time, anywhere, with any device. Oracle brings together the essential components of collaborative productivity that enable organizations to store and search for the information they need—when they need it—using the power of Oracle Database to support collaboration in a scalable, cost-effective way.

In future releases, we plan to embed collaboration into our applications to make collaboration context-sensitive. Today, users of enterprise applications initiate collaboration by re-establishing context in a separate application—with a separate and different user interface—dedicated to collaboration. This discontinuity disrupts the workflow, lowers productivity, and increases the cycle time for organizational processes, most of which are inherently collaborative. Oracle understands that collaboration is a critical component of a consolidated technology infrastructure, so we provision collaboration in a scalable, contextual, and cost-effective manner.

**Oracle Applications: Committed to Your Success**

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Design Principle No. 2: Adaptive Business Processes

An enterprise’s business processes provide the most important point of competitive differentiation. Companies that design and execute business processes flawlessly—such as Dell and its well-oiled supply chain—can provide the products and services customers need at prices no competitor can match. Flawless execution of business processes also means that organizations can respond quickly and seamlessly to changing economic conditions, commodity price fluctuations, or to whatever the market throws their way.

The key is to automate as many of the business processes as possible, optimizing functions so that they can be executed electronically and changed “on the fly” to address new market requirements and strategic imperatives. The technology that integrates and optimizes a company’s business processes is called Business Process Management (BPM). Traditionally, BPM solutions have been proprietary, expensive, and focused on addressing the high end of the integration market. That’s why only one in eight companies currently uses BPM, while another third are just in the planning or building stages.

To overcome these barriers, BPM solutions must be scalable, enabling all users across an organization to collaborate. The solutions must be secure to protect sensitive corporate data as it flows across suppliers, partners, and customers, and they must incorporate industry-accepted standards, languages, and components, such as Web services, Business Process Execution Language (BPEL), and Business Activity Monitoring (BAM) capabilities.

Oracle’s Technology Advantage

For the last several years, Oracle has been a leading proponent of a process orientation to automation. We have also been at the forefront of delivering process automation through a service-oriented view of automation—a business-driven perspective that bridges the chasm between the needs of the business and the information technology that automates the process steps that constitute an entire business process. Increasingly, our applications for automating business processes have been based on a composite of services orchestrated to work together so that you can build the business processes you need, and then deconstruct and reconstruct these processes as your needs change. With each release, Oracle plans to offer higher levels of service-enabled applications by incorporating standards-based integration and orchestration techniques.

Web services and BPEL are the key building blocks of a service-oriented architecture, and they are already changing the economics of integration. Oracle’s technology stack already delivers these architectural elements. For designing SOA-based applications, our JDeveloper design environment provides a centralized design and development repository that contains metadata related to each component of an application. For deploying SOA-based applications, Oracle’s Fusion Middleware 10g already provides BPM orchestration capabilities based on standard BPEL.
In fact, Oracle Application Server 10g is the industry’s first service-oriented architecture and grid-enabled application server, designed to provide an integrated, standards-based software platform that enables organizations of all sizes to quickly adapt to changing business requirements. The latest release includes 573 new features, 450 of which were customer-requested enhancements. Oracle Fusion Middleware 10g customers can now deploy and manage SOAs on enterprise grids. This allows them to quickly adapt their business processes and IT assets to meet changing market conditions, competitive pressures, and customer demands.

Oracle intends to embed adaptive business processes into future product releases through the advancement of BPM techniques and industry-leading standards. Embedding BPM standards in future releases will not only speed the implementation and deployment of new integration projects, but it will also reduce the overall cost of management, modification, extension, and redeployment of existing processes. The path to Oracle Fusion Applications will combine the power of standards-based BPM solutions with new, innovative BAM capabilities that will allow companies not only to model and combine business processes, but also to further optimize these processes by making the performance of the processes explicitly available to line managers and by tying application behavior to the information gathered.

**Achieving TCO Savings**

The following example of a hypothetical customer—Advanced Electronics—illustrates one upgrade path a PeopleSoft Enterprise customer could take to get to Fusion, and how that path will deliver true TCO savings along each step of the way.

Advanced Electronics is a high-tech customer running PeopleSoft Enterprise 8.8. The go-forward path for this customer is to upgrade to Enterprise 9.0 in 2006. In this upgrade, Advanced Electronics realizes the additional benefits of early Fusion products that interoperate with Enterprise 9.0, such as Data Hubs.

In 2007 a new composite application, "X," is released. Because Enterprise 9.0 was designed with an eye toward Fusion, it is a Web service-enabled to work easily with the new "X" composite application. Ultimately, Advanced Electronics decides to upgrade to the entire ERP suite of Fusion applications in 2010.

Because Fusion is a "superset of features" with a product-feature genealogy from Oracle, PeopleSoft, and JD Edwards, a much richer set of industry-specific features is now available in the release, reducing many customizations that were originally made.

**Design Principle No. 3: Lowest Total Cost of Ownership**

Organizations need an open and flexible application framework that is easily extensible to meet their specific business requirements. They also want simplified data entry, improved analytics, streamlined processing, and applications with a better look and feel. That’s what PeopleSoft delivered with its total ownership experience, and that’s what Oracle is committed to delivering in all our applications product lines going forward.

**Oracle’s Technology Advantage**

All of Oracle’s future product releases have a single goal: to continually lower your total cost of ownership. We’ve organized our development efforts around this goal by incorporating the latest standards and technologies, using J2EE as our development platform, and Web services for securely and safely connecting the various pieces of an application suite together via business processes defined in standard BPEL. A stable and reliable foundation using these industry-leading standards provides maximum protection of your investment in Oracle as well as your existing investment in solutions on other standards-based platforms from vendors such as IBM, BEA, and Microsoft.

The Oracle Fusion platform is being designed to provide customers with an unparalleled level of extensibility and adaptability. First, we plan to extend the capabilities of the PeopleSoft Enterprise product line and its PeopleTools platform, which has long been widely accepted as the most flexible product line in the
enterprise applications space. A productive development environment will allow you to extend our applications as cost-effectively as possible.

Second, as we deliver new releases of our product lines, we strive to continually reduce the time and cost associated with upgrades. Our development teams are already working on enhancements to the automated installation and set up features in our current releases to ensure that future upgrades are as seamless and inexpensive as possible. Customer-specific extensions, for example, can exacerbate the upgrade process. To address this issue, Oracle Fusion Applications intend to provide complete separation of industry- and customer-specific extensions, which will be kept separate from core (horizontal) functionality. This will allow for the lowest possible cost of ownership. We also plan to work with our growing ecosystem of partners to develop an increasing number of industry-specific applications in addition to the ones already provided.

Extensibility also means integrating access to information not managed and stored in Oracle applications. Fusion will build on the strong innovation that Oracle introduced with our Data Hub technology, and on the advantage that technology delivers in the form of a truly integrated system. Customers should plan to be able to take advantage of consistent semantic definitions of core data entities like customers, suppliers, products, and employees, and extend these to their individual needs—while maintaining business processes implemented by existing systems, whether built internally or from other suppliers.

**COMMITMENT NO. 3: ENSURING YOUR SUCCESS**

At the beginning of this white paper, we told you that there’s no better time to be an Oracle customer. We also promised you complete visibility into our product road map so that you could feel secure about your technology investments—and this white paper is only one step in that effort. We have published companion white papers that delve more deeply into our value propositions around our combined technology infrastructure, adaptive business processes, and TCO strategies.

We know that just reading about Oracle’s strategies isn’t enough. That’s why Oracle’s senior management is embarking on an ongoing series of customer events. We will meet personally with customers and partners to explain Oracle’s commitment to continuity and choice; our design principles around information-driven applications, adaptive business processes, and total cost of ownership; and the development and support strategies we’ve put in place to execute on those commitments going forward.

We hope you will join the Oracle team—and we look forward to serving you for many years to come.