

JULY 2021

SURVEY FINDINGS

Oracle E-Business Suite: Customer Plans and Perspectives

A report from

OATUG

ORACLE APPLICATIONS & TECHNOLOGY USERS GROUP

In partnership with
Spinnaker Support

EXECUTIVE SUMMARY

For over 30 years, thousands of organizations worldwide have used Oracle E-Business Suite (EBS) to run their key business operations and processes. In recent years, Oracle's strategic product roadmap has shifted to focus on Cloud-based products and services. As a consequence, popular on-premise products like EBS are seeing a slowing of development, though new features and improvements continue to be introduced. At the same time, Premier Support windows are closing for older versions of the application.

To reassure EBS customers, Oracle has recently committed to offering Premier Support for the latest EBS release (12.2) through at least 2032. This is the latest update to a rolling 10-year commitment Oracle has been renewing annually since 2018. Especially within the context of the growing emphasis on Cloud-based SaaS products, this rolling 10-year commitment is an extraordinary commitment to EBS customers.

We wondered how EBS customers view their commitment to this platform and how events of the last year have impacted their application and technology roadmaps. Are they planning to upgrade, migrate to another ERP, or remain as is? What is driving the need for change, and what is the time frame? How satisfied are they with the current support and services offered by Oracle?

We launched a survey to the community members of the Oracle Applications & Technology Users Group (OATUG) earlier this year, with nearly 500 responses from current EBS customers.

KEY FINDINGS

The following key findings are covered in more detail in the analysis.

- 1 A clear majority of EBS customers are satisfied with their ERP product:** 70% of respondents are satisfied to very satisfied with EBS, with another 26% as either somewhat satisfied or neutral. Customers on the latest release show the highest product satisfaction, and 39% of respondents expect to be using EBS *"indefinitely."*
- 2 Organizations are actively using third-party resources to assist their EBS operations:** 63% of respondents employ one or more external vendors, signifying an openness to enlisting help in dealing with the complexity of the EBS ecosystem.
- 3 Oracle support for EBS receives mixed reviews:** Respondents gave good satisfaction scores to communication and expertise, but one-third of all responses were dissatisfied or very dissatisfied, especially concerning the cost of support and lack of support for customizations.
- 4 The pandemic had minimal impact on the organizations' EBS roadmap:** In the past year, 91% of EBS customers either moved ahead as planned or slowed a subset of initiatives. More organizations with users in multiple countries chose to slow down, while those with users in one country kept a steady pace of innovation.
- 5 Many customers plan to upgrade to the latest release (12.2) in the near future:** For customers on older versions, a majority expected to upgrade to release 12.2 this year (47%) or in the next 1-3 years (31%). This decision is driven by Oracle's 10-year rolling commitment and concern about software obsolescence / 12.1.3 end-of-life and access to security patches.

WHY A SURVEY ON ORACLE E-BUSINESS SUITE?

For over 30 years, thousands of organizations have relied on Oracle E-Business Suite (EBS) to run their key business operations and processes. That's a notable run in the software world, and Oracle customers worldwide continue to dedicate resources and budget to maintaining and upgrading this popular on-premise Enterprise Resource Planning (ERP) product.

By June 2018, so many organizations remained committed to using EBS that Oracle was persuaded to continue development of the on-premise software, even though it was not part of Oracle's Cloud product strategy. Oracle announced a "*Continuous Innovation*" release model for EBS 12.2, where customers on Premier Support receive long-term applications and technology stack updates for 12.2 without requiring a major upgrade.

In April 2021, Oracle announced that it would continue offering Premier Support for EBS 12.2 through at least 2032. Oracle hopes that this latest extension will "*reassure customers who run critical operations on Oracle E-Business Suite that their systems will continue to be supported and enhanced for years to come.*"¹ To encourage customers to move to 12.2 and concentrate development and support resources, Oracle is moving 12.1 customers to Sustaining Support at the end of 2021 and offering 12.1.3 customers the option to purchase Market Driven Support for up to two years.²

With this latest move, we wondered:

- How are EBS customers responding to these announcements?
- Are they upgrading to the latest version or choosing to remain on their existing version?
- Are they migrating to Oracle Cloud ERP or another solution?
- Are they relying on Oracle support or external service providers to achieve their goals?
- How has the recent pandemic impacted these types of decisions?

In April 2021, Oracle announced that it would continue offering Premier Support for EBS 12.2 through at least 2032.

What is apparent is that EBS customers have arrived at a unique crossroads on their EBS strategic roadmap. Whether it is the pressures to migrate to cloud products or cloud infrastructure, the need to lower IT costs, changes to support structures for older EBS releases, the effects of the economic downturn of 2020, or some combination of these pressures, organizations are engaging in frank discussions about their options regarding EBS.

To shed light at this critical juncture, we initiated a benchmarking survey with members of the Oracle Applications & Technology Users Group (OATUG), the largest worldwide Oracle community for EBS customers. The results, shared in this paper, reveal the complexity of the current market and offer valuable insights into the strategies of EBS customers.

OATUG and Spinnaker Support partnered to survey these community members who run EBS. Over a two-week period in Spring 2021, we gathered 496 individual responses. All were anonymous. The questions focused on four areas:

- 1 Current Satisfaction Levels and Immediate Plans
- 2 Current Resources and Services used to Assist Operations
- 3 An Appraisal of the Quality of Support for EBS
- 4 Plans for EBS and the ERP Strategic Roadmap

¹ <https://www.oracle.com/a/ocom/docs/ebs-122-premier-support-extended-through-at-least-2032-2021-04-06-final-tried-tagging.pdf>

² <https://www.oracle.com/a/ocom/docs/market-driven-support-for-e-business-suite.pdf>

SURVEY METHODOLOGY AND DEMOGRAPHICS

WHO RESPONDED?

We achieved our goal of reaching decision-makers and informed users. Most respondents (89%) included VP / C-Level, Director, Manager, and Analyst/Administrator roles. About half (56%) work at a manager level or higher (See Fig. 1).

As we had hoped, the survey respondents represented a diverse range of industries and organizational sizes. Individuals came from over 25 industries, with the top five being Industrial Manufacturing, Public Sector, Education & Research, Healthcare, and High Technology, respectively (see Fig. 2).

As for organizational size, we used the number of EBS users as a proxy (see Fig. 3). Again, respondents were spread evenly from small deployments to extremely large ones, with slightly more emphasis on organizations with less than 500 user licenses. Roughly 40% of respondents reported their organization had EBS users in two or more countries, and the majority of those in a single country had users located in the US.



Fig. 1

INDUSTRY	%
Industrial Manufacturing	17%
Public Sector	11%
Education & Research	8%
Healthcare	6%
High Technology	5%
Travel & Transportation	5%
Utilities	4%
Automotive	4%
Government Prime Contractor	4%
Engineering & Construction	3%

Fig. 2



Fig. 3

WHICH ORACLE E-BUSINESS SUITE (EBS) VERSION DO YOU CURRENTLY RUN?

One important distinction we wanted to explore was between organizations 1) committed to upgrading and on the latest version and 2) those not on the latest version. For example, are the strategic roadmaps for each group different? If so, in what ways? Do the groups correlate with company size or the use of external resources?

The surveyed audience was almost evenly split: 53% of respondents reported being on the latest release 12.2, while the remainder were either on 12.1 (45%) or earlier (2%) (see Fig. 4). Going forward, when we analyze these groups separately, we will refer to them as “*R12.2 Group*” and “*R12.1 Group*,” the latter of which will include 12.1 and earlier versions. 96% of the respondents indicated that EBS was the primary enterprise application at their organization.



Fig. 4

ANALYSIS: CURRENT SATISFACTION LEVELS AND IMMEDIATE PLANS

HOW SATISFIED ARE YOU WITH YOUR EBS IMPLEMENTATION?

We first wanted to understand the level of general satisfaction respondents felt with their current EBS implementations. Overall, 70% of respondents reported being very satisfied (21%) or satisfied (49%). However, the remainder claimed to be only somewhat satisfied (20%), neutral (6%), or somewhat to very dissatisfied (4%).

We examined whether the release version impacted overall satisfaction, but there was no significant difference between the R12.2 (90%) and R12.1 (87%) groups. This would indicate that most users are content with the version they are using. Those in R12.1 fell more in the somewhat satisfied category and showed an increased neutral response. Those on R12.2 were more satisfied or very satisfied and less neutral. But again, the differences were minimal (see Fig. 5).

	ALL	12.2	12.1
Very satisfied	21%	23%	18%
Satisfied	49%	51%	45%
Somewhat satisfied	20%	16%	24%
Neither satisfied nor dissatisfied	6%	5%	8%
Somewhat dissatisfied	3%	3%	3%
Dissatisfied	0%	1%	0%
Very dissatisfied	1%	1%	1%

Fig. 5

HOW SECURE DO YOU FEEL YOUR EBS IMPLEMENTATION IS?

In the past few years, security has become an increasingly important concern for ERP customers. Only 17% of the respondents followed Oracle’s exact guidelines and installed all security patches right away (see Fig. 6).

Interestingly, slightly over two-thirds (68%) reported that they felt fairly secure despite not installing every patch on the schedule recommended by Oracle. It is unclear what this finding represents. Users may feel that EBS is inherently secure, have other security tools and protection that make some patches unnecessary, or perhaps do not see the value in specific patches.

	%
Fairly secure, even though we don't install every patch right away	68%
Totally secure, we install every patch right away	17%
Don't know	8%
Unsure, as we don't receive patches for the version we are on	4%
Not secure, this is an area of concern	2%
Really good, we have a third-party solution	1%

Fig. 6

WHAT ARE YOUR PLANS FOR EBS IN 2021?

While this survey was taken during first quarter of 2021, we asked respondents what types of activities they hoped to accomplish in the remainder of the year. The top answer was to upgrade (30%), followed closely by implementing continuous improvement upgrade patches as they become available (29%). Only 11% had no changes at all planned for 2021.

More interesting was the difference between the release groups. Over a third of the R12.1 Group planned an upgrade. On the other hand, the R12.2 Group prioritized continuous improvement through the latest update patches, followed by implementing new features or modules and developing new customizations. Overall, the R12.2 group appeared more interested in making a variety of improvements and upgrades, which we assume are related to new 12.2 features and ongoing updates (see Fig. 7).

	ALL	12.2	12.1
Upgrade	30%	23%	38%
Implement continuous improvement patches as they are available	29%	37%	20%
Implement additional features or modules	24%	30%	16%
Develop new customizations	21%	24%	18%
No change in 2021	11%	9%	12%

Fig. 7

ANALYSIS: USE OF EXTERNAL RESOURCES AND SERVICES

It is not uncommon for EBS customers to utilize one or more external service providers to help accomplish their operational and functional goals. Regarding the question “*Are you using external EBS resources/services for any of the following?*”, 63% of respondents selected one or more external services, signifying their reliance on some form of additional database, application, technical, or support assistance. As the primary ERP for 96% of these operations, it makes sense that these organizations would require some additional assistance for this complex ecosystem.

Of those who signified the use of external services, a majority (44%) described their efforts as a mix of internal and external resources. Of organizations using external services, those in the R12.2 group more often (57%) used those resources than the R12.1 Group (47%), perhaps suggesting that those on the latest version needed more assistance with upgrading, learning about, or customizing the latest features (see Fig. 8).

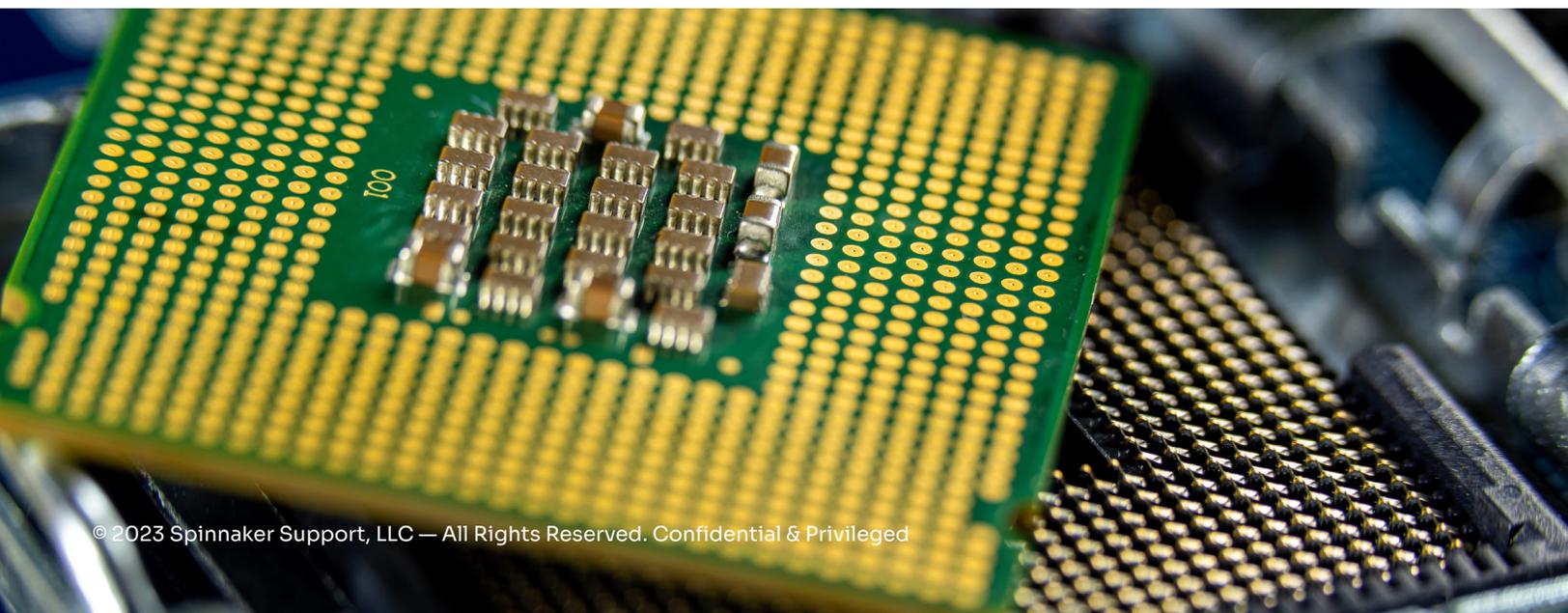
When viewed by the number of users, a proxy to represent the overall size of installation, organizations with the smallest user base (<500 users) were twice as likely to rely on external

services than those of middle size (501-2000 users) or larger size (>2000 users). There were no detectable trends correlating the type of service (e.g., application managed services, third-party support) or number of engaged services with the size of the organization.

Organizations with 500 users or less were twice as likely to rely on external services.

EXTERNAL EBS RESOURCES / SERVICES	% USING
Mix of internal and external resources	44%
Database managed services	27%
EBS application managed services	18%
EBS technical managed services	18%
Third-party software support	14%
System integrator	12%

Fig. 8



ANALYSIS: AN APPRAISAL OF ORACLE SUPPORT FOR EBS

Support is an important safety net when you experience a major (Severity 1) or severe (Severity 2) disruption in business-critical system operability or functionality. EBS customers renew their annual Oracle support to ensure continued operation as well as for access to the security and functionality updates.

In its most recent Vendor Rating for Oracle, Gartner analysts rated Oracle Support/Account Management as *Variable*, stating: “*In general, Oracle performs well in terms of new sales opportunities — including winning large deals — but it also shows inconsistency when it comes to helping customers realize value once the deal has closed.*”³ To specifically gauge the level of satisfaction for Oracle support, we examined three key areas: 1) response times and communication 2) personnel expertise and 3) support features.

RESPONSE TIMES AND COMMUNICATION

In each of the areas shown in the table below, most respondents felt satisfied with the support they received. Response times for EBS support received positive feedback. For the other areas: time to resolution, the escalation process for unresolved tickets, and communication exchanges – at least a third of all EBS customers reported being dissatisfied or very dissatisfied (see Fig. 9).

EXPERTISE

In similar results shown in Fig. 10, the majority of surveyed EBS customers claimed to be satisfied or very satisfied with the level of expertise of Oracle support personnel. Even so, there was general dissatisfaction in access, experience, and EBS knowledge ranging from 29%-35%, with the highest level of dissatisfaction with access to live support help.

Support is an important safety net when you experience a disruption in business-critical system operability or functionality.

AREA OF COMMUNICATION	VERY SATISFIED	SATISFIED	DISSATISFIED	VERY DISSATISFIED
Response times	9%	64%	23%	4%
Time to resolution	6%	53%	35%	6%
Escalation process (when tickets aren't being resolved)	11%	51%	33%	4%
Communication back and forth	8%	58%	31%	4%

Fig. 9

PERSONNEL EXPERTISE	VERY SATISFIED	SATISFIED	DISSATISFIED	VERY DISSATISFIED
Access to live support help (a person)	10%	55%	31%	4%
Engineer experience level	9%	62%	25%	4%
Knowledge of your EBS landscape	8%	59%	27%	5%

Fig. 10

³ Gartner, “Vendor Rating: Oracle,” Friedman, et al., 2021

SUPPORT FEATURES

In the third category, we examined support cost and coverage which is shown in Fig. 11. The area with the highest overall level of dissatisfaction (55%) was the annual cost of support. Customers in the R12.2 Group showed higher levels of overall cost satisfaction (48%) than those of the R12.1 group (42%), suggesting that those customers on the latest release with Continuous Innovation support felt the value was higher.

There was no correlation between cost satisfaction levels with the number of users (an estimate of company size) or whether the company had users in multiple countries versus a single location. When sorted by job title, those with managerial titles and decision-making authority (manager to VP level), were twice as likely to be very dissatisfied with cost than non-managerial respondents.

Support for customizations, which most EBS instances have but Oracle does not officially support, was the other area of significant dissatisfaction (54%) for EBS customers. Interoperability issues, which Oracle will partially support, received a more positive satisfaction level (66%), and the My Oracle Support (MOS) portal rated a high level of satisfaction as well. This suggests that EBS customers appreciate the quality of product information available on MOS, even while feeling dissatisfied with the overall cost of support. A higher percentage of EBS end users (managers and below) showed dissatisfaction with MOS than those in management.

SUPPORT FEATURES	VERY SATISFIED	SATISFIED	DISSATISFIED	VERY DISSATISFIED
Annual cost	3%	42%	44%	11%
Support for interoperability	6%	60%	30%	4%
Support for customizations	5%	41%	38%	16%
Using My Oracle Support to find answers yourself	14%	67%	15%	4%

Fig. 11

ANALYSIS: THE FUTURE STATE OF EBS AND THE ERP STRATEGIC ROADMAP

In the final section, we asked surveyed EBS customers to share what they knew of their organization’s strategic roadmap for E-Business Suite.

HOW HAS THE CURRENT GLOBAL ECONOMY AND PANDEMIC IMPACTED YOUR EBS ROADMAP?

After 2020, it’s natural to wonder what the impact of the pandemic and economic downturn has been on ERP strategy. For all respondents, the majority (46%) stated they are moving more slowly, with some initiatives moving forward while others were on hold. A nearly equal share (45%) is continuing on their roadmap as planned, with an additional 5% moving forward even faster than expected. Only 4% put all plans on hold (see Fig. 12).

Breaking down the respondents into R12.2 and R12.1, those on the older releases were less likely to continue as planned (39%) and more likely (54%) to move selectively forward. However, those already on R12.2 showed an opposite tendency, with more continuing as planned (50%) and less choosing to selectively move forward (41%).

	ALL	12.1	12.2
We’ve put everything on hold	4%	4%	4%
We are moving slower: some things have moved forward; others are on hold	46%	54%	41%
We are continuing as planned	45%	39%	50%
We are moving faster	5%	3%	5%

Fig. 12

Despite the pandemic and an economic downturn, those on R12.2 were more likely than others to be continuing as planned with their EBS roadmap.

WHEN DO YOU PLAN TO UPGRADE TO 12.2?

Oracle Premier Support ends January 1, 2022 for all EBS releases prior to R12.2, as Oracle tapers off full support for older versions. Under Sustaining Support, pre-12.2 EBS customers no longer receive new fixes, updates, or security patches. Those on Release 12.1.3 have the option to select Oracle’s Market Driven Support for two years, extending some though not all, of the features of Premier Support.⁴

With the support deadline looming, upgrading is on the minds of many customers not yet on 12.2. We asked several questions only to those customers. An impressive 47% expect they will upgrade to 12.2 in 2021. An additional 31% plan to upgrade within 1-3 years, with 4% after three years. Only roughly 1 in 5 respondents (18%) stated that they had no plan to upgrade at all, preferring to stay on their existing version (see Fig. 13).

We also asked them about their motivations for upgrading to 12.2. For those who plan to upgrade this year, 85% cited the primary reason as a concern about software obsolescence or end-of-life, followed by access to security patches (48%) and access to new features (40%). The security response was surprising since 68% previously noted that they felt “*fairly secure, even though we don’t install every patch right away*” (see Fig. 14).

WHEN ARE YOU UPGRADING?	%
This year	47%
In 1-3 years	31%
In 3-5 years	3%
We plan to upgrade more than 5 years from now	1%
We have no plan to upgrade	18%

Fig. 13

CONCERNS	IN 2021	IN 1-3 YEARS
Access to new features	40%	36%
Access to security patches	48%	48%
Access to latest fixes	38%	38%
Regulatory compliance	36%	24%
Concern about software obsolescence / end-of-life	85%	74%
Other	0%	9%

Fig. 14

⁴Terrell, Desiree. “Oracle Market-Driven Support for Oracle E-Business Suite 12.1” Oracle E-Business Suite Support Blog. <https://blogs.oracle.com/ebs/announcement%3a-oracle-market-driven-support-for-oracle-e-business-suite-121>

There were notable differences between respondents who plan to upgrade this year and those moving at a slightly slower pace (1-3 years). Those who plan to upgrade right away expressed greater concerns regarding regulatory compliance.

Those on a longer timeline had similar concerns: software obsolescence or end-of-life, followed by access to security patches, new features, and the latest fixes. Other cited concerns included details with maintenance contracts, organizational policies, payroll support, and Cloud version functionality.

HOW LONG DO YOU PLAN TO CONTINUE RUNNING EBS?

Oracle acknowledges the popularity of E-Business Suite, which is why it has extended its Premier Support through at least 2032. In our survey, 39% of respondents believe that their organizations will remain on EBS indefinitely, with another 24% estimating they will remain on the ERP for 3-5 years (see Fig. 15).

While a sizable portion of responders (26%) were not sure of their organization’s plans, that response still suggests that a move from EBS in the immediate future is unlikely. Those who submitted “Other” responses generally indicated they either desired to move or were in the midst of an ERP market assessment.

Many businesses are already looking beyond their current ERP to a new system. Of the 32% that plan to move in the next five years, 7% plan to migrate in 1-2 years, and 1% plan to move off EBS this year. More of the R12.1 group plan to migrate away from EBS sooner, while a larger portion of the R12.2 group intend to stay on EBS indefinitely.

Only a small portion of respondents shared the options they were considering as they prepared to migrate away from EBS. These included Cloud hosting (IaaS) of their EBS apps, Oracle Cloud ERP SaaS, Oracle Cloud ERP Financials, and unnamed non-Oracle ERPs. No one selected the options for hybrid deployments or a mix of Oracle and non-Oracle SaaS products.

HOW LONG DO YOU PLAN TO CONTINUE TO RUN EBS	ALL	12.1	12.2
No plan to continue running EBS beyond this year	1%	2%	1%
1-2 years	7%	9%	5%
3-5 years	24%	22%	26%
Indefinitely	39%	35%	42%
Don't know	26%	30%	23%
Other	3%	2%	4%

Fig. 15

Those who plan to upgrade right away are most concerned about regulatory compliance.

RECOMMENDATIONS FROM THIS SURVEY:

1 IF YOU PLAN TO STAY ON EBS, CONSIDER UPGRADING TO THE LATEST VERSION

This study indicates that EBS customers are overall satisfied with their ERP, with 39% planning to remain on EBS for the foreseeable future. Those on the latest version (12.2) claimed higher levels of satisfaction and a greater willingness to invest in innovation and remain on the ERP. If you have not yet done so, a cost/benefit analysis and ensuing discussion concerning the upgrade would likely be worth the time with over a decade remaining on Oracle's commitment to the product line.

2 INVEST IN SECURITY - NOT JUST PATCHES - FOR THE ENTIRE ORACLE ECOSYSTEM

It is clear that most respondents do not follow Oracle's full recommendations for security upgrades. This may be due to the time and resources required for regression testing and rollout, or to a lack of faith in the usefulness of Oracle patches. And yet, "*access to security patches*" was the second greatest concern cited for the need to upgrade.

Regardless of the reasoning, ERP security must be a priority, and an investment in external products or service providers that can protect your entire Oracle ecosystem from areas of weakness (also referred to as Defense in Depth⁵) can provide solid protection for those less interested in, or unable to, regularly patch.

3 ADDRESS RESOURCE GAPS, SUPPORT DISSATISFACTION, AND UPGRADE ASSISTANCE THROUGH EXTERNAL SERVICES

Organizations indicated that they are actively using external resources to assist

their EBS operations, which may be tied to the continuation of strategic progress and innovation despite the previous year's challenges. The wide range of services available from system integrators, database managers, and managed services providers can assist with almost any need, allowing EBS customers to remain on the ERP and see improvements in functionality and operational efficiency.

As for Oracle support itself, most customers express satisfaction with the service – especially My Oracle Support – but not with its cost. Additionally, over a third of all respondents claimed to be dissatisfied or very dissatisfied with most aspects of Oracle's support, and 14% of respondents who are engaging external services are using third-party EBS support. While Oracle should continue to improve the value it's providing to EBS users, truly dissatisfied support customers have a choice of support, no matter what stage of the product lifecycle they are in.

4 CONNECT WITH YOUR EBS COMMUNITY FOR BENCHMARKING

As this survey reveals, for 2021 and the next few years, EBS users are considering various initiatives, from upgrading to migration to remaining as is. With so much change occurring with EBS support deadlines, we recommend reaching out through groups like OATUG to connect directly with peers to compare experiences and dig deeper into topics like upgrading, migration, and technical issues.

⁵ CISA, "Abstract: Defense -in-Depth RP," <https://us-cert.cisa.gov/ics/Abstract-Defense-Depth-RP>



ORACLE APPLICATIONS & TECHNOLOGY USERS GROUP

ABOUT OATUG

The Oracle Applications & Technology Users Group (OATUG) is an independent, not-for-profit organization serving the Oracle user community since 1990. Members represent a wide range of industries in the private sector, public sector, universities, non-profits and beyond. Ours is a truly global community, with members in more than 30 countries. While we started as an organization for Oracle EBS users, today we also serve Oracle customers using EPM (Hyperion), Oracle Database, and the wide range of Oracle Cloud Applications and technology solutions.

For more information, visit: <https://www.oatug.org/>



ABOUT SPINNAKER SUPPORT

Spinnaker Support is a leading global provider of third-party support, managed services, and consulting for mid-size to Fortune 100 global enterprises. Oracle, SAP, and Salesforce customers benefit from more responsive, comprehensive, and affordable services for their enterprise applications and technologies. Whether you need immediate help for high-priority issue resolution, ongoing monitoring and development, or project-based consulting, we have you covered. Since 2008, our exacting standards and unparalleled expertise have earned us the trust and loyalty of more than 1,300 organizations in 104 countries.

For more information, visit: <https://www.spinnakersupport.com/>