Why all clouds are not the same

Three areas where Oracle Cloud Infrastructure
(OCI) differentiates itself

Summary

Catalyst

The evolution of the cloud has seen the market become dominated by a small number of hyperscale cloud providers. Omdia's research (*IoT, Cloud, AI & 5G – ICT Enterprise Insights 2021*) shows that five cloud services providers—AWS, Azure, GCP, IBM, and Oracle—account for over 70% of the respondents' choice of where their workloads are currently executing. This growth of the hyperscalers is no accident: Oracle alone has invested heavily since 2017 in its cloud infrastructure and now has over 30 regions globally. The other key learning from this research is that, on average, respondents are using three different cloud services providers. These responses demonstrate that in the eyes of the customers, not all clouds are the same, and therefore selecting a primary cloud provider is a matter of understanding these differences.

Omdia view

The move of the core business systems, such as enterprise resource planning (ERP), customer relationship management (CRM), and human capital management (HCM), to the cloud is currently the key challenge for most CIOs. The way these core systems are moved is linked to organizational strategy in terms of cloud adoption. One of the key differentiators between cloud providers is the level of support for customers on the journey to the cloud and how they can enable and support this at the pace the organization is comfortable with. A key innovation designed to help organizations with this journey is hybrid cloud. The providers differ widely in their approach in terms of execution and concepts, and Omdia considers that the approach to hybrid cloud must match the organization's needs based on some key considerations:

- What is the long-term strategic objective of the organization in terms of cloud adoption?
- What is the organization's approach to multicloud?

If the organization is considering a single cloud provider, then hybrid cloud is less about interoperability and more about making the systems operate smoothly between the on-premises and the public cloud environment. Finally, the organization should consider its edge computing strategy, including integrations to the cloud.

These aspects represent considerations for an organization selecting a cloud services provider, and in Omdia's opinion these are the most fundamental ones. Each cloud services provider has a different approach to cloud computing, and its fit with the organization's considerations for cloud adoption will drive its success with the customer.

Key messages

- Oracle offers a cloud computing environment built for mission-critical workloads.
- Oracle Cloud Infrastructure's reported growth is due to its reliability and open approach.
- Oracle Cloud@Customer, Oracle Dedicated Region, and Oracle Roving Edge Infrastructure are solutions for hybrid cloud and edge computing.

Oracle offers a cloud computing environment built for mission-critical workloads

In the latest Omdia comparative research project on cloud services providers (*Ovum Decision Matrix: Selecting a Cloud Services Provider, 2019–20*), Oracle was classified as a leader. Oracle has shown continuous improvement in its positioning in these cloud service comparison reports since 2017. This is not a coincidence but is linked to its cloud computing offerings now becoming used for the most critical workloads. With this movement to "cloudify" mission-critical workloads, organizations are evaluating cloud suppliers on more-exacting assessments of capabilities and credentials to assess if they're truly worth the effort of workload migration. Oracle has built OCI to cater for these mission-critical workloads by offering bare-metal servers so organizations can "lift and shift" large complex legacy workloads to OCI. But Omdia contends that it's Oracle's engineering of OCI, the ability to offer reliable high-performance environments that meet the exacting security requirements of these workloads, that is most relevant.

Oracle recognized the trend was also toward a multicloud world and through strategic partnerships has positioned itself to be more aligned with customer demand. The best example of this is the Oracle and Microsoft alliance announced in June 2019, which enables customers to deploy mission-critical enterprise workloads that span the respective Microsoft Azure and OCI environments. This alliance brings significant customer benefits and demonstrates a maturity of thinking about how cloud will be adopted and deployed in enterprise accounts. It enables enterprises to access best-of-breed capabilities in whichever cloud is best suited to the needs of complex business applications. By addressing the issue of interoperability with the direct interconnect between the respective clouds, integrated identity management, and a collaborative support agreement, Oracle demonstrates it understands what enterprises need, the ability to use multiple cloud service providers easily and cost-effectively. Users of the Oracle-Microsoft multicloud solution include MESTEC, Colt Data Centre Services, and Soho Media Solutions.

Oracle Cloud Infrastructure is growing thanks to its reliability and open approach

In Omdia's latest research, OCI showed that onboarding and offboarding are key attributes that its customers value, and these attributes contributed to Oracle's success in customer retention and growth. Among the customers that have committed to the OCI, 21% have made a commitment of longer than three years. This level of customer commitment demonstrates that Oracle has created an attractive value proposition for customers that is clearly resonating. Omdia's research also found 52% of cloud adopters were affected by an inability to move workloads between clouds. By not charging for offboarding, a feature only shared by a few other cloud suppliers, Oracle demonstrates a strong commitment to being an open cloud. There are also other ways in which OCI is open. These include its adoption of open standards such as Kubernetes and Kafka and its distinction for running Java workloads (Oracle is also the largest contributor to the open source Java code base).

In addition, Oracle has always had a reputation for reliability, and OCI is engineered to ensure this reputation is not compromised. Oracle reports that availability uptime was more than 99.99%, but

under a nondisclosure agreement, it shared its actual performance, which was significantly better. On average, Oracle only requires four minutes per month for any maintenance work, which is above the average performance for the leading cloud providers.

Oracle Cloud@Customer, Oracle Dedicated Region, and Oracle Roving Edge Infrastructure are solutions for hybrid cloud and edge computing

The rise of hybrid cloud—an increase of nearly 18% between 2020 and 2022 according to Omdia's *IoT, Cloud, AI & 5G – ICT Enterprise Insights 2021*—is driving customers to look for cloud providers that can deliver full-feature public cloud capabilities on-premises. While many of the leading cloud providers have developed some form of solution for hybrid cloud, they do not offer all cloud services in this format. Oracle, with its Dedicated Region, provides all its public cloud services at a customer's premises and provides them on a consumption-based commitment. Dedicated Region is differentiated from the other cloud providers' hybrid cloud solutions in the scope of its coverage, all services available, and the consumption-based commitment. Two other hybrid cloud offerings from Oracle are its Oracle Cloud@Customer for Exadata and Autonomous Database, which offer these flagship products within customer data centers. Finally, Oracle with Oracle Roving Edge Infrastructure extends computing to the edge with ruggedized devices that can operate in disconnected locations.

Closing thoughts

In selecting a primary cloud provider, Omdia encourages cloud adopters to consider these criteria:

- The ability of the cloud provider to run mission-critical workloads
- The cloud provider's reliability and openness
- The provider's support for hybrid and edge computing

Oracle Cloud Infrastructure (OCI) is designed and built for all three of these dimensions.

Appendix

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