Oracle embeds automated analytics and decision science into its enterprise applications with Adaptive Intelligent Apps
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Ovum view

Summary

Embedding intelligence – fueled by internal and external data sources – into applications to improve everyday decision-making, and therefore business outcomes, has the potential to bring analytics to the masses. At its annual conference, OpenWorld, Oracle announced Adaptive Intelligent Apps for its core enterprise applications; in brief, the solution provides automated, continuously updating machine learning-driven intelligence to users of those applications, helping improve business outcomes while shielding them from the considerable technical complexity that powers it. Ovum sees this as being part of two broad trends: the continuing extension of analytical capabilities to an ever-larger audience and the need to differentiate solutions in the highly competitive work of cloud-delivered enterprise applications.

Automating analytics for users of enterprise applications and delivering in-context insights are the realization of data's value

While the promise of analytics applications has existed for more than a decade, recent advances in technology, such as machine learning, cloud, and API-based integrations, have made it a reality. Particularly of note is the growing maturity of machine learning and its ability to help automate insight production through more intuitive application user experiences. Add to this the revolution in available data from third parties to augment internal data sets, and the possibilities to enrich enterprise applications – the tools used by millions every day to do their jobs – with analytical insight have grown massively.

While the move to the cloud has been a point of differentiation for enterprise applications in the recent past, an increasingly observable phenomenon is occurring among this community of vendors – a highlighting of the importance of data and its analysis. Examples of this include Workday acquiring big data discovery vendor Platfora in July of this year and Zendesk's 2015 acquisition of French SaaS analytics vendor BIME. Others have taken a different approach, building their own capabilities internally (although often incorporating past capability acquisitions) – for example, Salesforce.com launching its Wave product in its Analytics Cloud. Getting users to adopt these tools has, however, been less easy, with cost being an often-cited issue when considering extending existing deployments with new analytical capabilities. Equally, there are numerous challenges associated with the data held in these applications; poor-quality data in customer relationship management applications, for example, is not an uncommon issue and would inevitably lead to lower-quality analyses.

Oracle Adaptive Intelligent Apps draws on its Data Cloud advantage

Oracle's announcement of Adaptive Intelligent Apps is directly in line with these trends, but the company enjoys a unique advantage given its existing Data Cloud (third-party data) capability. Oracle frames Adaptive Intelligent Apps as decision science and data-driven cloud apps. These will be API- or widget-driven additions to Oracle's cloud applications in the fields of customer experience (CX), human capital management (HCM), supply chain management (SCM), and enterprise resource
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planning (ERP), focused on particular use cases. The launch use case is for the CX Cloud, termed Adaptive Intelligent Apps Offers, which will provide "contextual" "in the moment" (i.e., milliseconds) recommendations for a consumer on a website, for example. It will achieve this by drawing on not only internally available data owned directly by the organization, but also data from Oracle's vast resources in the Oracle Data Cloud. This third-party data is automatically embedded as part of the App.

Oracle’s move into the cloud in recent years is similarly reflected in the architecture of the Adaptive Intelligent Apps solution, which has been designed as cloud "native" – for example, providing the kind of scalability across Oracle's data centers that will be required given the scale of applications running in the cloud (and the customers using them). Adaptive Intelligent Apps capabilities will be simple to enable and after some initial setup – including the first running of machine learning with available data – will provide business outcomes-focused intelligence either completely automated (in the case of the Offers solution outlined above) or, in the future, directly to the application user.

While Adaptive Intelligent Apps will be automated and its technical complexity invisible to most users, it does provide opportunities for partnership with users through a series of supervisory controls that enables users to apply their own expertise to shape the machine learning. For example, the App allows for adjustments, boosts, or constraints, to suit a particular brand's requirements. This supervisory control keeps the business user in the loop, affording them opportunities to shut down parts of the solution; this strikes me as satisfying a very human concern about automation and gaining trust in functionality.

Pricing details are still emerging, but Ovum considers solutions like Adaptive Intelligent Apps to be very "sticky." In other words, once the functionality is provided to users and benefits start to be realized, it will be very difficult to take it away. This has been the go-to-market strategy of much of the new breed of analytics solutions, and it's a valid approach. If the solution delivers tangible value, why would you want to turn it off?

The battle to differentiate cloud enterprise applications has begun, and analytics is the weapon of choice

Embedding automated analytics and in-context insights into enterprise applications is the realization of the long-held promise of data that is infusing data-driven insight into the applications used to conduct business, helping improve everyday decision-making. Much of the technology to enable Oracle Adaptive Intelligent Apps is available to other vendors; however, Oracle's key advantage is its Data Cloud – an established, well-understood, and accepted data source for many of the world's largest companies. Ovum expects a raft of follow-up announcements from Oracle as it launches new Adaptive Intelligent Apps; we expect the same from its enterprise applications competitors. The next battle for the enterprise has begun.

Appendix

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Ovum Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum’s consulting team may be able to help you. For more information about Ovum’s consulting capabilities, please contact us directly at consulting@ovum.com.

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