

Survey Report: Licensees' Insights into the Value of Oracle Database and Support

High cost of ownership and low value of updates driving Oracle Database licensees to implement cost optimization strategies, including reducing Oracle Database footprint with open source and cloud alternatives

Contents

Executive Summary	3
Background	4
Survey Objectives and Methodology	5
Survey Analysis	6
Five Recommendations for the Future of Your Oracle Database Strategy	14
References	15

Executive Summary

Results from the Rimini Street survey support the following five key insights:

Insight 01

68% of respondents state they're struggling to stay current with the latest releases. Over three-quarters (75.5%) have more than 10 Oracle Database instances; those with more than 100 instances trended up 7% from the 2017 survey. The increased number of instances contributes to the difficulty of staying current.

Insight 02

73% of respondents either have database instances that will no longer be fully supported by Oracle as of December 2020 (or don't know); more than a quarter of respondents are confused about or don't know which releases will be supported post-December 2020.

Insight 03

97% of respondents feel that the cost of Oracle Database is one of their top challenges. Nearly 83% feel that support costs are excessive or that they are paying too much for Oracle Database maintenance; less than 15% feel fees are at least fair, a percentage that has dropped by 50% compared to the 2017 survey.

Insight 04

73% of respondents do not feel they are getting enough valuable database enhancements; more than a quarter (26.3%) report not receiving any valuable Oracle enhancements.

Insight 05

41% of respondents are actively reducing their Oracle Database footprint, a fivefold increase; high cost and license compliance are noted as top Oracle Database pain points among this group. 69% are considering or moving to open source and other non-Oracle Cloud options.

Background

The database landscape has seen a significant shift over the last few years. Oracle Database, while still the market leader in revenue, has seemingly experienced significant erosion of its popularity as organizations seek ways to optimize costs, increase flexibility, and avoid compliance issues. Open source database management systems (OSDBMS) have matured to the point where Gartner forecasts that “By 2022, more than 70% of new in-house applications will be developed on an OSDBMS or OSDBMS-based dbPaaS...”¹

Yet, there are limits. OSDBMS cannot be used for certain ERP applications from Oracle, SAP, and others. Gartner also cautions that support must be carefully considered. So, the dependable and versatile Oracle Database is not going away anytime soon, and licensees must still wrestle with issues such as high costs, required upgrades, support programs, and license compliance, driving 41% of survey respondents to actively reduce their Oracle Database footprints.

Further complicating the database landscape, by June 2021, all but two current Oracle Database releases, will be in Sustaining Support. When in Oracle Sustaining Support, according to Oracle’s Lifetime Support Policy, databases will no longer receive:

- New updates, fixes, security alerts, data fixes, and critical patch updates
- New upgrade scripts
- Certification with new Oracle or third-party products/versions²

Oracle Database 11.1 and prior releases are already in Sustaining Support and 11.2 will enter Oracle Sustaining Support at the end of December 2020.³

12.2.0.1 will enter Oracle Sustaining Support at the end of November 2020 (Oracle has announced a Limited Error Correction period until March 31, 2022 which only covers Severity 1 fixes and security).⁴

Less than full support can increase operations and security risks.

Rimini Street recently conducted a global survey of Oracle Database licensees to gather data and insight on the major challenges faced, strategies around Oracle Database, and their future database plans including open source and non-Oracle Cloud options.

Survey Objectives

This survey focused on the following issues, specifically with the objective of gathering data on:

- Top priorities of respondent licensees and how those align with the current health of their relationships with Oracle
- Details on respondent licensees’ overall satisfaction with Oracle maintenance, support, and new features, as well as their plans regarding future investment with Oracle, along with the looming end-of-full-support dates for specific Oracle Database instances by December 2020⁴
- Plans and rationale for migrating Oracle Database to alternatives databases and the cloud
- Marketplace trends compared

Methodology

The report reflects responses to a survey conducted by Rimini Street in Q2 2020 of 237 respondents including IT managers, IT practitioners, IT developers, CIOs/CTOs/CDOs, database architects and administrators, and procurement/finance professionals. Surveys were conducted across multiple industries in 18 countries across North America, South America, Europe and Asia. A similar study was published in 2017 and is referenced as a benchmark for comparing the data and establishing trends.

Job Title

IT managers	54%
Database architects and admins	16%
CIOs/CTOs/CDOs	9%
IT practitioners	7%
IT developers	7%
Procurement and finance professionals	7%

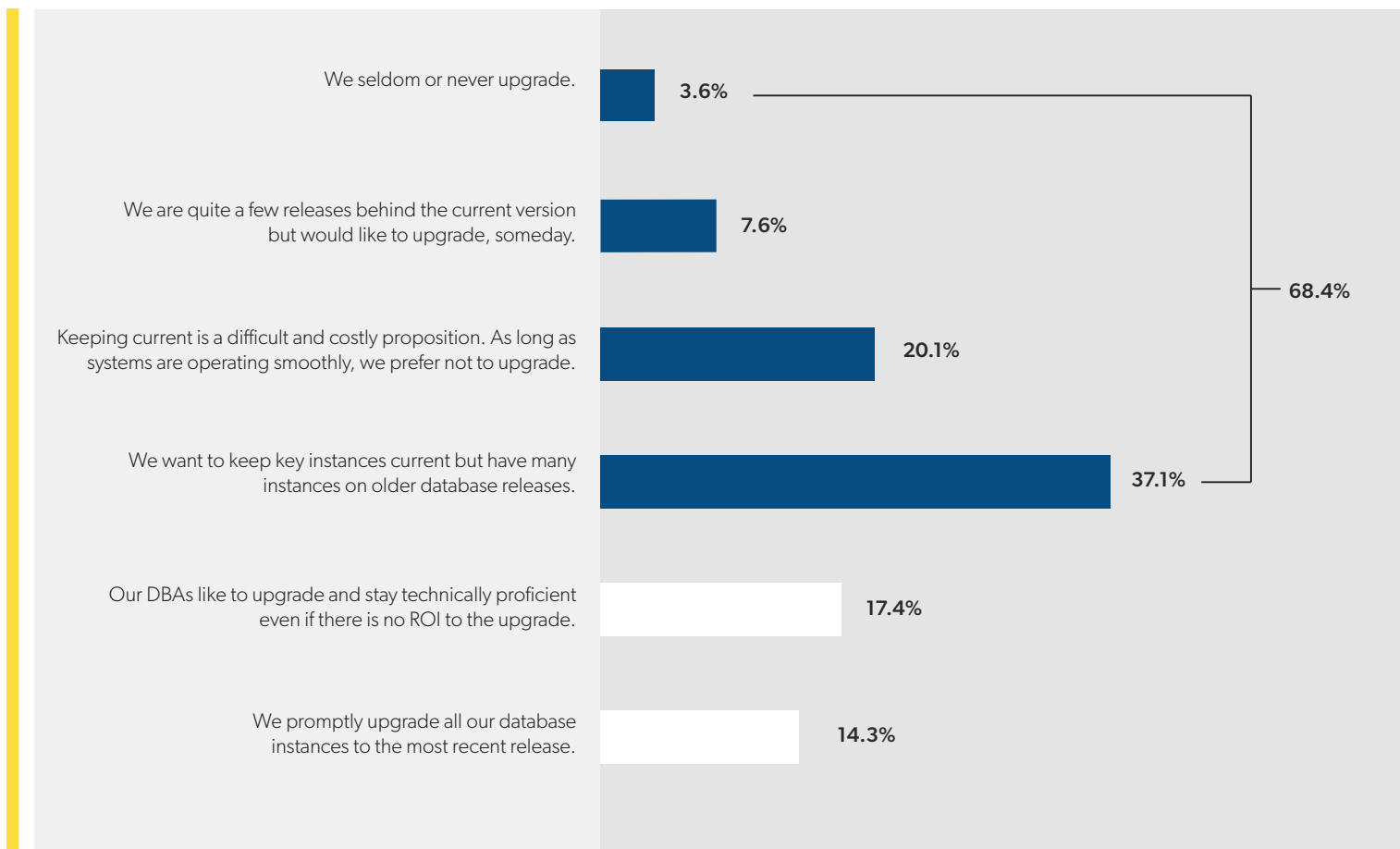
Survey Analysis

Insight 01

68% of respondents state they're struggling to stay current with the latest releases. Over three-quarters (75.5%) have more than 10 Oracle Database instances; those with more than 100 instances trended up 7% from the 2017 survey. The increased number of instances contributes to the difficulty of staying current.

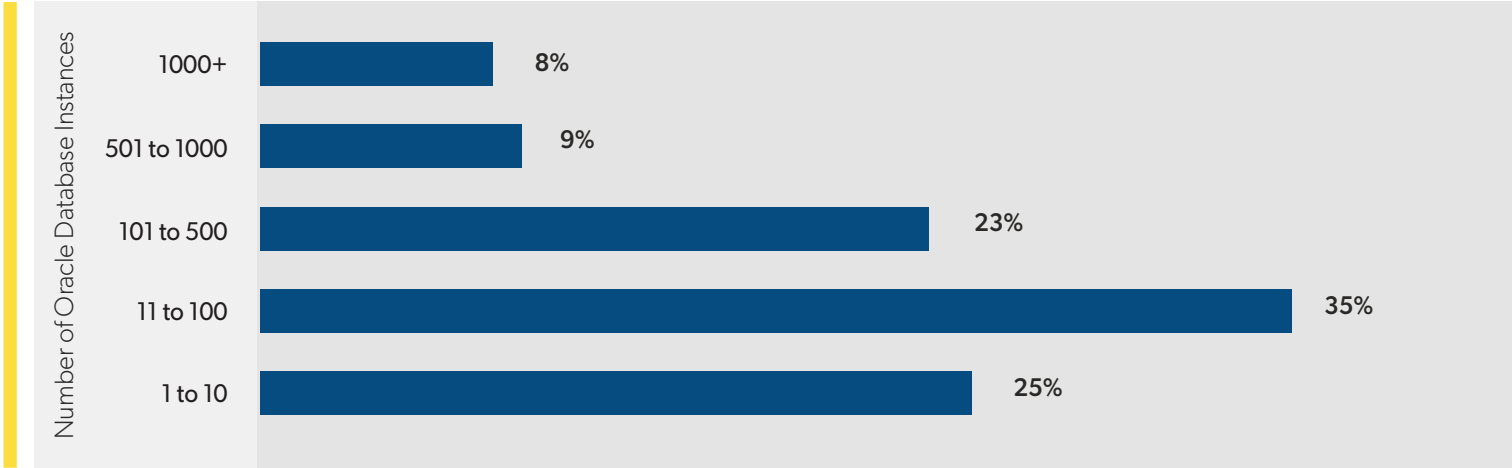
The survey reveals that 68%, when responding about their Oracle Database upgrade methodologies, are struggling to keep up with the pace of upgrades. Barriers include supporting older database releases while managing the cost and difficulty of upgrades. Under Oracle's dated security patching methodology, an older database not fully supported can be vulnerable, an important consequence discussed further in the next insight.

Which Oracle Database upgrade methodology applies to your company?



With the growing reliance on data, it's no surprise that the percentage of respondents with more than 100 instances has grown by 7%. The percentage of businesses with instances of 10+ remained consistent. The increase in instances is exacerbating the challenge of keeping up with Oracle's release cycle.

How many Oracle Databases instances do you have?



73% of respondents either have database instances that will no longer be fully supported by Oracle as of December 2020 (or don't know); more than a quarter of respondents are confused about or don't know which releases will be supported post-December 2020.

With nearly three-quarters of respondents running databases instances that will no longer be supported as of December 2020 (or don't know), the majority of respondent organizations may be exposed to significant security and operational risks while still paying expensive annual support fees to Oracle.

Sustaining Support at the end of 2020 means, according to Oracle's Lifetime Support Policy, that databases will no longer receive:

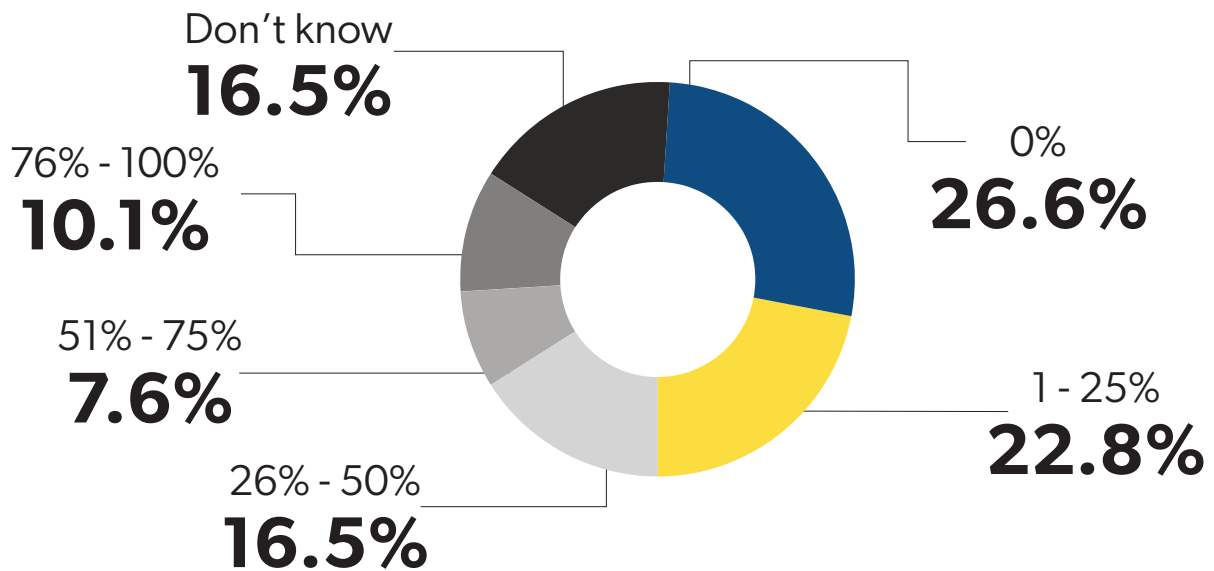
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Oracle licensees with databases in Sustaining Support are typically paying 22% of their license fees for virtually no support, only old fixes, files, and patches. This situation is underscored by the response from 97% that the high cost of Oracle Database is a key challenge — this amid confusion by more than one-quarter over what will or won't be supported after full support ends in December 2020. Less than full support can put organizations at higher risk for security incidents as reflected in responses around Oracle challenges.

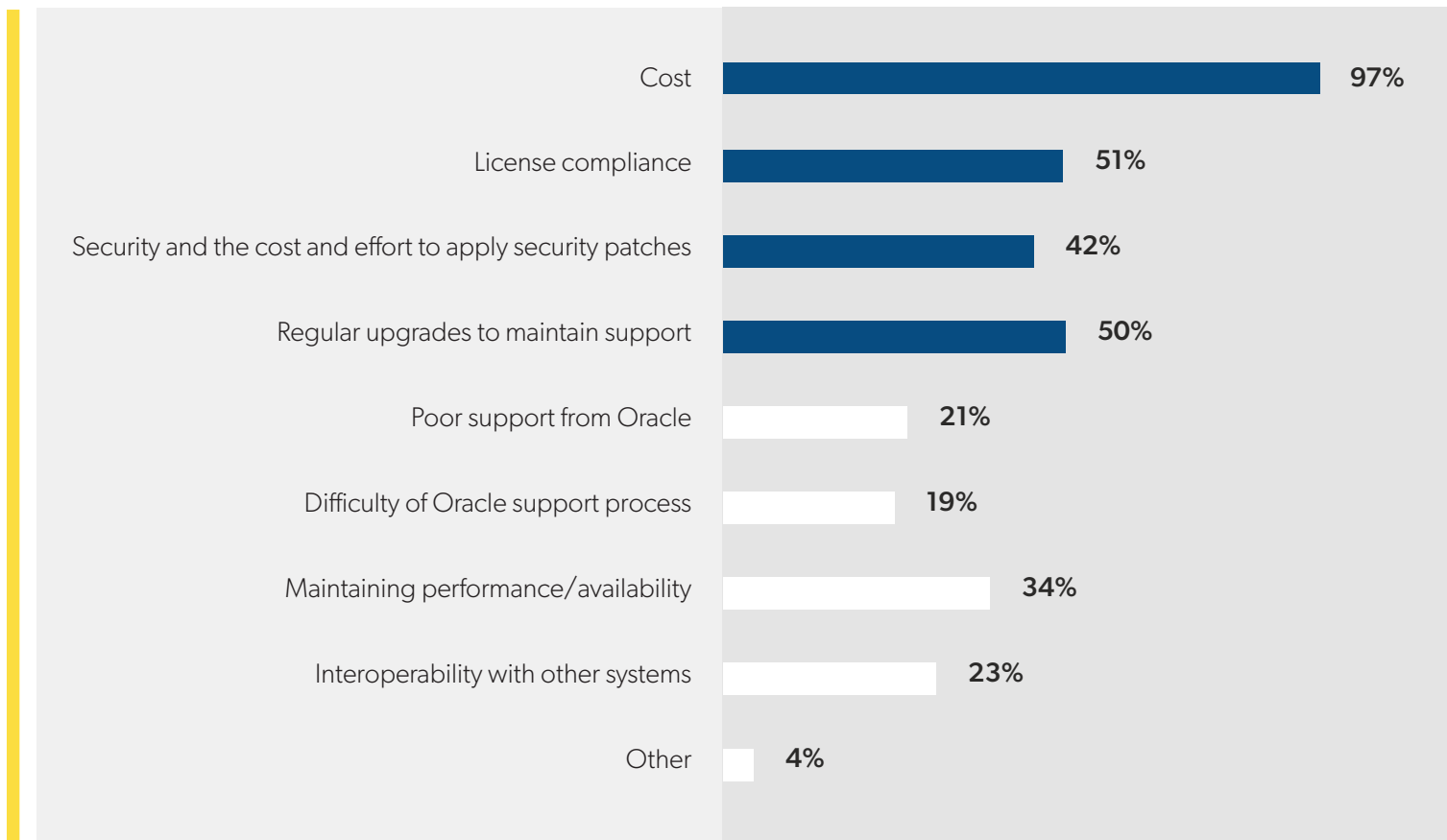
What percentage of your Oracle DB instances are on release 11.2 or earlier?



Two of the top five challenges, “security and the cost and effort to apply security patches” alongside “regular upgrades to maintain support,” directly speak to support and upgrade-related issues. These challenges, along with cost and license compliance, have prompted many to consider reducing their Oracle Database footprint as detailed in Insight #5.

As noted earlier in Insight #1, not deploying upgrades can leave organizations vulnerable to security risks and without critical patches unless other mitigation strategies such as virtual patching are deployed. However, following Oracle’s vendor-dictated roadmap and upgrading on Oracle’s schedule without gaining more value can waste budget and resources that may be better deployed on innovation and digital transformation activities.

What are your top three Oracle Database challenges?



Insight 03

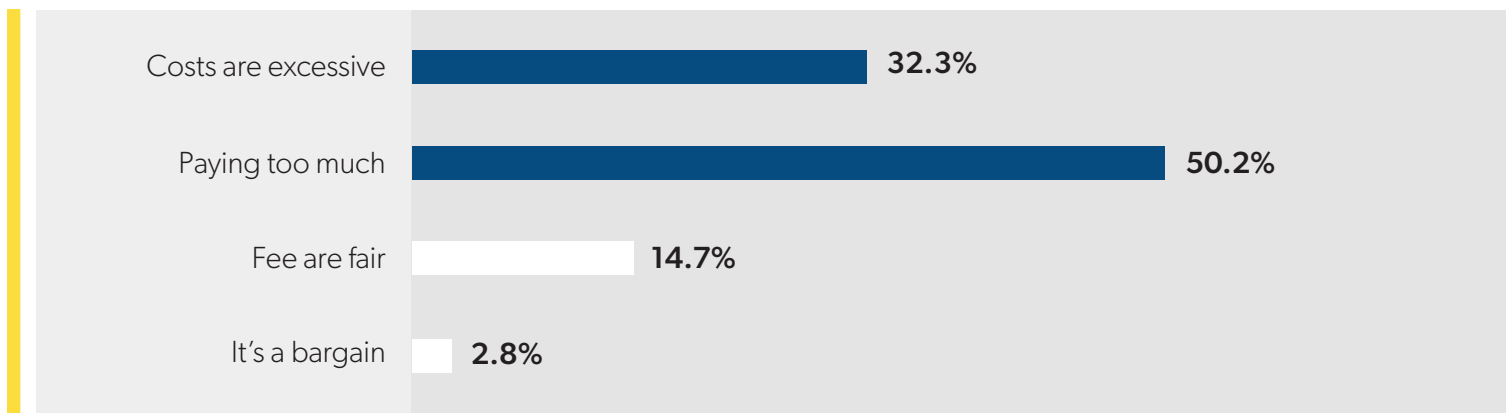
97% of respondents feel that the cost of Oracle Database is one of their top challenges. Nearly 83% feel that support costs are excessive or that they are paying too much for Oracle Database maintenance; less than 15% feel fees are at least fair, a percentage that has dropped by 50% compared to the 2017 survey.

In the 2017 survey, two-thirds of respondents reported their Oracle Database support costs as too high; at that time, twice as many respondents reported fees as fair compared to this current survey. Since then, changes to licensing and support have led to an almost 16% spike, up to nearly 83% in the current survey, of respondents feeling overcharged. There was nearly unanimous consensus (97%) that the high cost of Oracle Database is a key challenge.

Additional related costs such as required upgrades in order to maintain support and performance support can equal the annual support and maintenance fee.

With the rising costs of Oracle Database support amid squeezed budgets and thin resources, companies are looking for better and more cost-efficient alternatives.

How do you feel about the cost of Oracle Database support and maintenance?



Insight 04

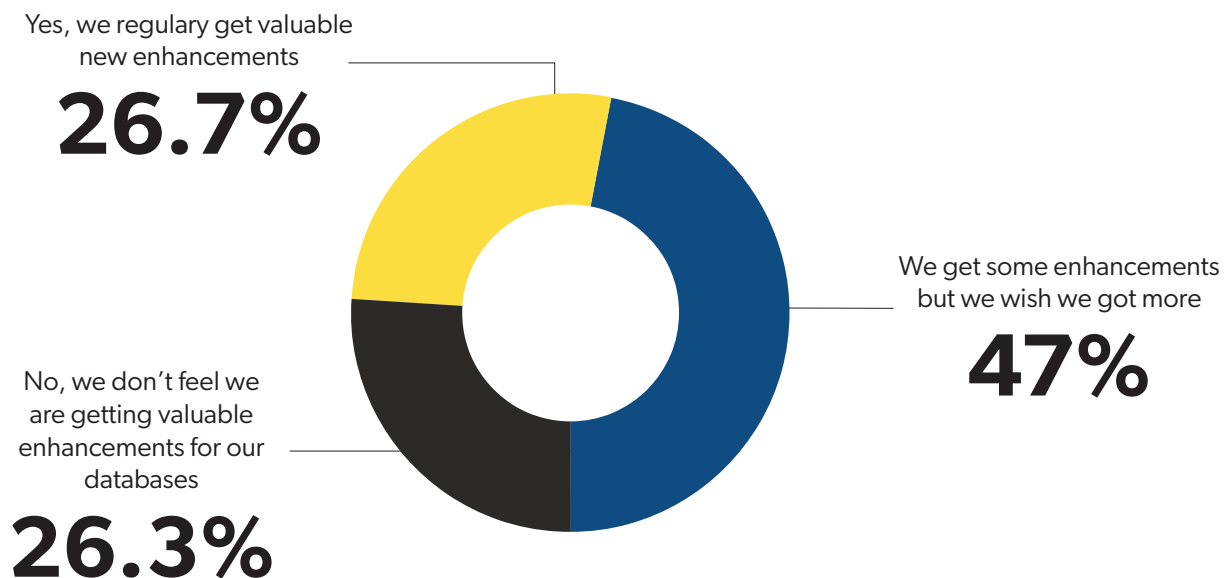
73% of respondents do not feel they are getting enough valuable database enhancements; more than a quarter (26.3%) report not receiving any valuable Oracle Database enhancements.

Despite paying significant annual support fees, companies do not feel they are receiving the value they deserve from their Oracle Database enhancement investments. Despite ongoing pressure from Oracle to upgrade to remain fully supported, one in four (26.3%) feel they get no valuable enhancements in exchange for the time and effort of upgrades, and nearly half (47%) feel they should get more enhancements from Oracle Database upgrades.

As noted earlier in the question, “Which Oracle Database upgrade methodology applies to your company?”, the percentage of respondents only updating to keep DBAs technically proficient and receiving little ROI out of the upgrade is nearing one in five (17.4%).

Of course, cost is related to value and the lack of enhancements is emphasized once again by the 97% of respondents citing high cost as a key challenge.

Do you feel you are still getting valuable, new enhancements for your internally deployed Oracle Databases you are currently licensing?

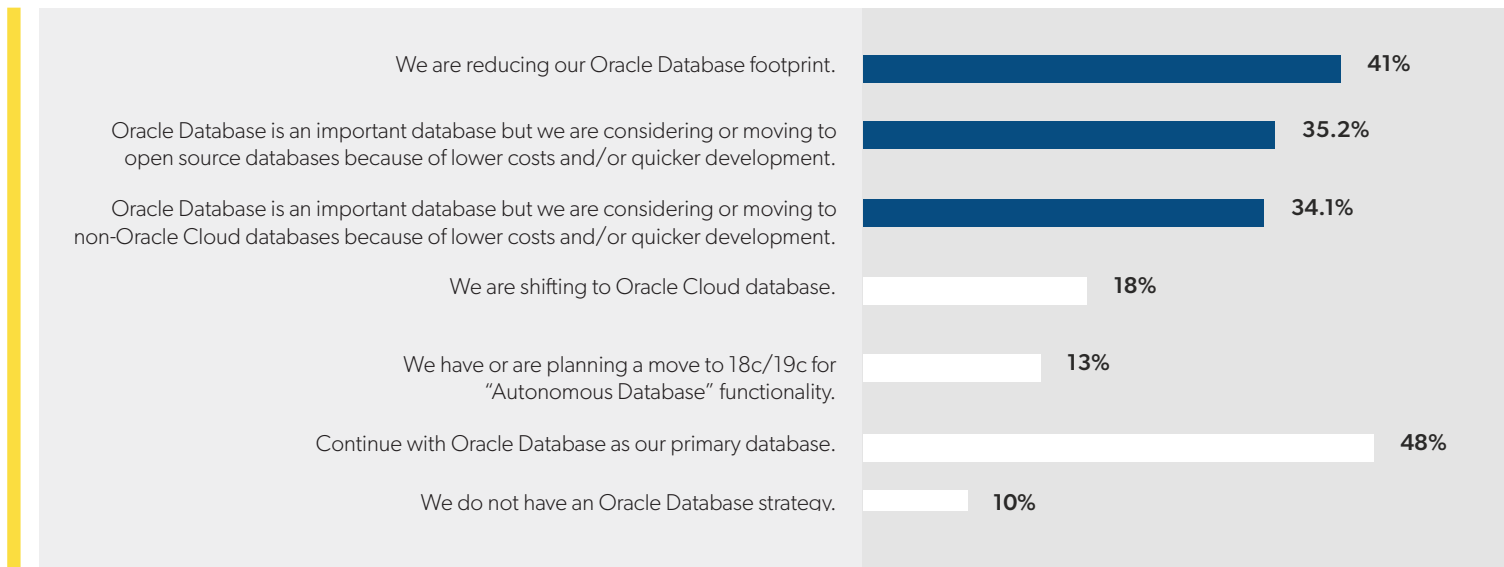


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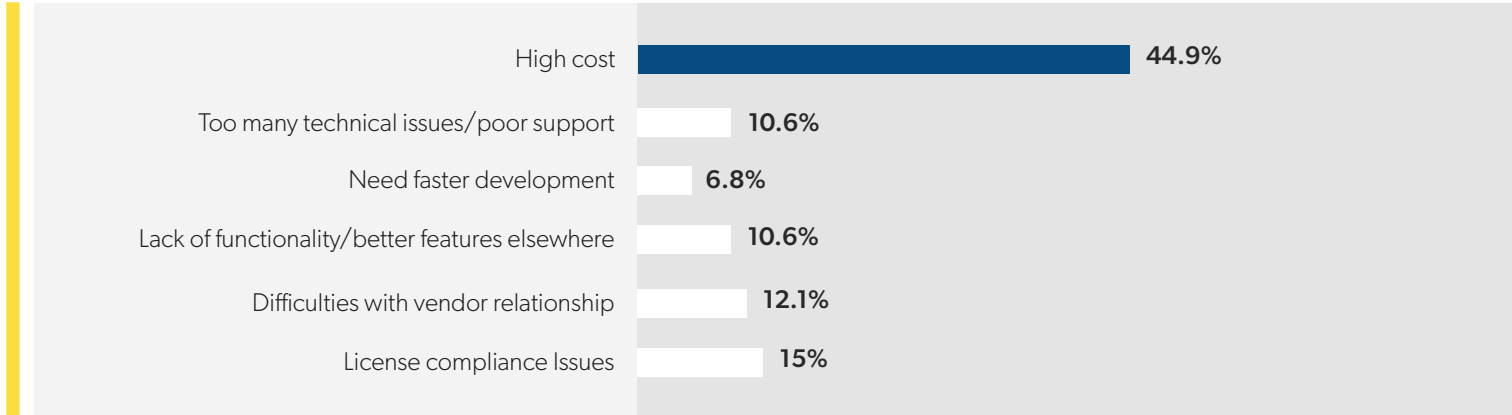
Since the 2017 survey, the percentage of respondents actively reducing their Oracle Database footprint has skyrocketed from 8% to 41%. The database market has become increasingly commoditized with 340+ databases available across commercial, open-source, and cloud alternatives.⁵

Which of the following Oracle Database strategies apply to your company? (select all that apply)



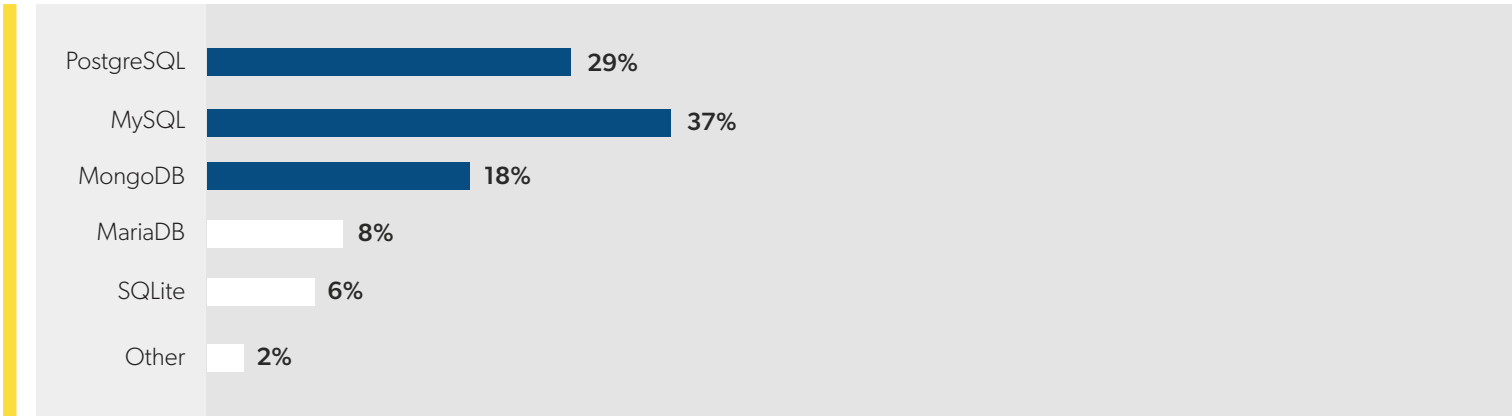
Beyond the #1 factor of cost as a motivation to reduce their Oracle footprint, respondents also identified support-related quality (license compliance, technical and relationship issues, slow development, and functionality) as reasons for reducing their Oracle footprints. License compliance issues are typically a friction point generating revenue for the vendor (increasing costs) and affecting the relationship with the vendor. Because Oracle’s support process can be difficult to navigate, 54.6% find that they resolve the majority of their Oracle Database cases on their own without Oracle or are not sure.

Why are you reducing your Oracle Database footprint?



Generally, organizations are looking at open source and non-Oracle Cloud databases for many reasons, including to help reduce costs, speed time to results, and avoid license compliance issues. In keeping with industry trends, respondents considering or planning to add open source and non-Oracle Cloud Database alternatives jumped 23% from 2017 responses. More than one-third (35.2%) are specifically considering open source databases, of which the most popular options include MySQL, PostgreSQL, and MongoDB.

Which Open Source databases are you using or considering? (Select all that apply)



Five Recommendations for the Future of Your Oracle Database Strategy

01

Assess the ROI of your annual maintenance and support fees, including the cost of upgrading with Oracle to stay fully supported. If you find that you are continuing to spend more while getting fewer enhancements and less support, investigate cost-effective alternatives like third-party support.

02

Assess and remediate the risk of unsupported database instances. Review your Oracle Database releases and understand which will not be fully supported by Oracle in the coming months. Running releases which are no longer fully supported can create operations and security risks. Third-party support can provide full support for Oracle Database releases going back to 8i for at least 15 years.

03

Research flexible and cost-effective cloud and open source databases, such as PostgreSQL, MongoDB, and Amazon, for new IT projects and consider appropriate strategies to migrate select Oracle Databases to open source to lower costs. Additionally, when running open source databases, don't neglect the importance of support. Reliance on community/ self-support may not be sufficient. Investigate providers who can support a variety of software to maximize effectiveness and efficiency.

04

Make sure that you're following a Business-Driven Roadmap, not a vendor-dictated path.

Evaluate how the end of full support for Oracle Database will impact your roadmap and the upgrades required to maintain full support and related costs. Also consider whether it makes sense for you to continue paying expensive maintenance fees as dictated by Oracle for nominal support or to explore other support options that allow you to reinvest in innovation.

05

Use third-party support to enhance your financial strength and control and continue using your dependable Oracle Database.

Leveraging independent, third-party support for Oracle Database can save up to 90% on total maintenance and support spend while helping give you the freedom to further leverage software investments and move to the database of your choice at your own pace. Third-party support will cover all your Oracle Database releases for a minimum of 15 years without required upgrades or migrations. You can also reduce costs and improve service for ERP applications like SAP, EBS, JD Edwards and PeopleSoft that run on Oracle Database with third-party support.

References

¹ Gartner: State of the Open-Source DBMS Market, 2019, 17 October 2019.

² Lifetime Support Policy, Coverage for Oracle Technology Products, Sep, 2020.

³ Lifetime Support Policy, Coverage for Oracle Technology Products, Sep, 2020.

⁴ Lifetime Support Policy, Coverage for Oracle Technology Products, Sep, 2020.

⁵ <https://db-engines.com/en/ranking> Retrieved 21 August 2020.



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