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# *Vendor Consolidation in the Application Server Market*

### *How it is driving Oracle Database Customers to Choose Oracle9i Application Server over BEA WebLogic Server*

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# Executive Summary

Over the past two years, IBM and Oracle have been gaining momentum against BEA in the application server market. To understand this trend, the FactPoint Group conducted a customer study, starting with Oracle's wins over BEA.

Our research involved in-depth interviews with customers (including IT Directors/Managers, CTO/CIOs, and DBAs) who had selected Oracle9*i* Application Server (Oracle9*i*AS) over BEA WebLogic Server. The interviewed firms were in the financial services, healthcare, telecommunications, technology, manufacturing, and government sectors.

The top reasons why study participants chose Oracle9*i*AS over BEA WebLogic Server were:

## 1. Integrated Middleware Platform

Oracle9*i*AS comes as an integrated *middleware platform* that includes the core application server, portal, integration, caching, security, directory, and business intelligence components. This integration reduces development and deployment costs (because integration and testing are not necessary) and simplifies maintenance and support.

The BEA WebLogic Server alternative provides only the core application server component and requires other BEA or partner products, which then must be integrated.

## 2. Lower Cost of Acquisition and Operation

Oracle9*i*AS is less expensive than BEA WebLogic Server in both license and support fees. This difference is even higher if you include the additional products necessary to complete the middleware platform when you employ BEA WebLogic Server.

Oracle9*i*AS also results in lower operational costs through reduction in hardware (Oracle9*i*AS is one product) and personnel (being one product makes it easy to manage).

## 3. Higher Performance

Oracle9*i*AS runs faster than BEA WebLogic Server, per industry application server benchmarks and in-house tests conducted by the firms during their evaluations.

Higher performance potentially reduces required hardware (because lesser hardware can deliver the same performance), consequently lowering cost of hardware and its administration.

## 4. Better Use of Oracle Database

Oracle9*i*AS is better integrated with the Oracle Database, and their interaction is, according to many of our interviewees, faster and more stable than with BEA WebLogic Server.

Also, Oracle9*i*AS leverages the advanced features of the Oracle Database better than BEA WebLogic Server, so customers potentially get more value from their database investments.

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# Introduction

Now that the Application Server market has matured, companies and government agencies are re-evaluating their choice of vendors. The FactPoint Group has observed companies selecting IBM WebSphere and Oracle9*i*AS over BEA WebLogic Server.

To test these observations, the FactPoint Group began by investigating why firms selected Oracle9*i*AS over BEA WebLogic Server. Companies (especially Oracle Database customers) evaluating Oracle and BEA for their application server initiatives may find this report useful in making their purchasing decisions.

We conducted in-depth interviews with 15 customers (including IT Directors/Managers, CTO/CIOs, and DBAs) that had selected Oracle9*i*AS over BEA WebLogic Server, to gain insight into their decisions. Participants represented a variety of industries—including financial services, healthcare, telecommunications, technology, manufacturing, and government.

# Findings

The following are the key research findings. We present many of the "voice of the customer" comments from the interviews.

## 1. Integrated Middleware Platform

Firms selected Oracle9*i*AS because it pre-integrates key middleware platform components—core application server (as conventionally defined), portal, integration, caching, security, directory, and business intelligence. On the other hand, BEA WebLogic Server provides the core application server component only and has to be custom-integrated with other BEA or partner products.

Study participants found that Oracle9*i*AS:

➢ <u>Reduces Integration Costs</u> They saw that its components are already integrated and tested, whereas with BEA WebLogic Server, IT staff has to integrate the core application server with other BEA or partner products and test them.

➢ <u>Simplifies Maintenance and Support</u> They discovered that if a problem arises with the middleware platform using Oracle9*i*AS, the IT staff can resolve it with a single vendor, while with BEA WebLogic Server, multiple component vendors would have to be involved.

### *Reduced Integration Costs*

Firms said that not having an integrated middleware platform from one vendor increases integration costs:

> *"You spend more if you have several vendors because you need to integrate the applications."*—Chief Technology Officer, IT Company for the Pulp and Paper Industry

BEA WebLogic Server was less attractive because it does not provide a complete, integrated middleware platform:

> *"BEA did not make the short list. We were looking for a whole suite that could cover our whole needs for our buy side, sell side and systems integration."*—Chief Technology Officer, IT Company

One of the respondents provided details of savings from using Oracle9*i*AS:

> *"We consolidated ten servers to three Oracle servers so we have hardware savings. The consolidation led to a 50% headcount reduction."* — Systems Analyst, Healthcare Company

### *Simplified Maintenance and Support*

Respondents also preferred getting all middleware platform components from a single vendor because the vendor has detailed knowledge of the components and their interaction and can help easily identify and resolve the problem:

> *"It's better to have one [vendor] because your IT environment complexity is reduced. If the complexity is reduced, you spend less to support the IT platform."*—Chief Technology Officer, IT Company

> *"When you are just talking to one vendor, you are better positioned as a buyer. Everything is their responsibility."*—Chief Technology Officer, IT Company for the Pulp and Paper Industry

Some participants also wanted the middleware platform and the database from the same vendor:

> *"When you can have your database and tools from the same vendor, it's a lot easier. You avoid debates with the vendors, who say, 'It's not our problem, it's the other vendor's problem'."*—Database Administrator, U.S. Government Agency

Specifically citing Oracle9*i*AS and BEA WebLogic server:

> *"When you use the full Oracle stack you save. You have to manage a whole lot of other vendors when you deal with WebLogic. It's harder. Oracle provides you a complete suite."*—Director of Enterprise Architecture, Telecommunications Company

> *"As a result of switching from BEA WebLogic to Oracle9i Application Server, we have received better support and better integration."*—Director of IT, Telecommunications Company

## 2. Lower Cost of Acquisition and Operation

Participants in our research also said that Oracle9*i*AS is less expensive to acquire and operate. That is, that it has lower license and support costs than BEA WebLogic Server:

> *"The acquisition costs of Oracle9iAS are lower. We've already broken even on the deal and achieved our goals."*—Director of Enterprise Architecture, Telecommunications Company

> *"As a result of switching from BEA WebLogic to Oracle9i Application Server, we have received better support and better integration."*—Director of IT, Telecommunications Company

## 3. Higher Performance

Several interviewees cited performance as a reason for selecting Oracle9*i*AS over BEA WebLogic Server:

> *"Oracle's performance is outstanding; BEA's performance was not on par with Oracle's."* —Group Leader of Computer Architecture, Life Sciences Company

> *"We used BEA WebLogic prior to Oracle9iAS and switched because of Oracle's superior performance."* —Chief Technology Officer, Financial Services Company

> *"We had an application with BEA and we ran that same application on Oracle's application server. Oracle's performance was better."* —Database Administrator, U.S. Government Agency

## 4. Better Use of Oracle Database

Over half of the study participants felt that Oracle9*i*AS leverages the advanced features of their Oracle Database better than BEA WebLogic Server can, claiming faster database access:

> *"We use the Oracle9i Database and have integrated a lot of the data functions in the application server right into the database, which increased our performance by 20%."* —Chief Technology Officer, Financial Services Company

Interviewees also considered Oracle9*i*AS better than BEA WebLogic Server in combined administration of the application server and the (Oracle) database:

> *"The administration capability overall in Oracle9iAS was better because of ease of use. We have better use of our Oracle Database features than with BEA."* —Chief Technology Officer, Technology Development Company

# Summary

Based on our interviews, Oracle9*i*AS was selected over BEA WebLogic Server for four main reasons:

1. Oracle9*i*AS pre-integrates middleware platform components. Participants believed that this integration reduces development and deployment costs and simplifies maintenance and support and that BEA WebLogic Server does not have these benefits.

2. Oracle9*i*AS is less expensive in license and support fees. This difference is even higher if the additional products necessary with BEA WebLogic Server are included.

3. Oracle9*i*AS runs faster than BEA WebLogic Server. Higher performance can reduce required hardware and lower the cost of hardware and its administration.

4. Oracle9*i*AS better integrates with the Oracle Database and their interaction is faster and more stable than with BEA WebLogic Server. Also, Oracle9*i*AS leverages the features of the Oracle Database better than BEA WebLogic Server can.

# About The FactPoint Group

The *FactPoint Group* (http://www.factpoint.com) is a Silicon Valley based research and consulting firm that has been producing fact-based research to help its clients sell and adopt new technology for over nine years. It supports the world's leading companies in making fact-based decisions in the following areas:

- Early Adopter Market Segmentation

- Market Opportunity Prioritization

- Strategic Market Entry

- Best Practices Assessment and Benchmarking

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