Defining the Leading Edge in Value and Innovation

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ORACLE ARTICLE | DECEMBER 2015
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Throughout its history, the utility industry has undergone a great number of changes. Over the past 50 years, in particular, we have seen it endure many recurring pressures and challenges. The financial crisis of the 1970s was followed by fuel pressures and severe conservation measures in the early 1980s. As consumers became used to the “new normal” that occurred during the 1990s, the industry stabilized, and even began to try its hand at transforming from a value stock industry to a growth stock industry.

But in 2007-2008, we were hit by another financial crisis, this one global in scope. Revenue streams became severely constrained and, many would say, never quite recovered. In the midst of this crisis, the challenges of previous decades returned, adding to the pressures induced by financial constraints, and converged as never before. As an industry, we simultaneously began to experience:

- a lack of industry growth as consumers began using less energy, less water;
- increased environmental and fuel pressures (including increased renewable energy portfolios, a laser focus on cutting the use of coal, and the burgeoning addition of consumer-owned distributed generation at the edge of the grid); PLUS
- increasing consumer needs, demands, technologies and engagement; and
- the modernization of the grid and metering infrastructure, turning analog devices into millions of smart sensors and smart computers.

This convergence of external factors is pushing the utility industry toward the biggest step-change of its long history—transformational change—and it’s increasingly looking to an innovative new generation of technology for the answers it needs to successfully navigate that challenging transformation.

**Using new-generation technology to ride the transformation wave**

At the same time, there are congruent forces driving change in the utility technology industry. These utility trends include:

- a significant focus on customer satisfaction;
- increased emphasis on the timely delivery of value;
- a keen eye to lowering operating cost due to flat or decreased IT/OT operating budgets;
- a renewed interest in adopting new technologies; and
- an increased focus on conservation and the environment.

The force of these pressures is continuing to accelerate, rather than abate, and piecemeal change is no longer a viable option. The industry is undergoing transformational change—a holistic, systems-based approach to the way in which it operates.

The key to riding this transformational wave lies in leading-edge, value-driven innovation enabled by technology.

And, indeed, we are seeing forward-looking utilities embrace a new generation of technology, particularly in those areas that assist them to provide new value in the ways in which they interact with their customers and operate their infrastructures. But stepping outside of the traditional utility mindset of the past requires an unwavering focus on innovation by today’s utilities to complete the transformation being demanded by today’s consumers, regulators and government agencies. But as these new challenges come to bear, Oracle Utilities
is deeply committed to focusing on new ways to innovate and to bring new technologies to the table to assist utilities in completing the transformation being thrust upon them.

**Committed to delivering greater value, faster**

A year ago, at Oracle OpenWorld, I discussed our commitment to accelerating the industry’s ability to innovate by removing two of its biggest barriers—cost and implementation time—a game-changer for the utilities industry as well as for Oracle Utilities. So what have we done since then, and where are we going in the coming year?

**Cloud.** With increasing frequency, utilities around the globe have been asking us for cloud software delivery as an option to traditional on-premise software delivery. Oracle Utilities is making significant investments to move our applications to the cloud with the express goal of being the only utilities software vendor with a complete utility software suite delivered in a Software-as-a-Service (SaaS) mode. In addition to the breadth of applications that will be available in the cloud in the near future, we are adding something else to our cloud capabilities: our SaaS applications are architected so that they can be deployed in the Oracle Public Cloud; managed, maintained and upgraded by Oracle; and integrated back into on-premise utility applications and infrastructure later on, if utilities so choose. We believe this flexibility will help pave the way for capitalization and rate recovery of SaaS investments, something that in the past has made this type of utility investment difficult.

Further, we recognize that some utilities are looking for a level of customization that is not available in a traditional SaaS delivery model. To assist these customers, Oracle and our delivery partners are each investing in private cloud solutions that provide the convenience of cloud with the extreme personalization that these utilities may require.

**Comprehensive business solutions.** Oracle Utilities leads the way in terms of providing the most comprehensive and integrated platform in the utility industry, and most of our solutions now sit firmly in the “Leaders” corner of Gartner’s Magic Quadrant. We are continuing to build upon this platform by developing new modules and capabilities, as well as expanding our portfolio into new areas of the utility enterprise.

**Delivering greater value faster.** Oracle Utilities brought new, accelerated delivery options to market in the past year, and have several successful utility go-lives already this year. In addition, we have dramatically lowered the Total Cost of Ownership (TCO) of our applications through product enhancements and the delivery of new technology tools. Oracle Utilities and its partners remain committed to continuing to provide utilities with new and innovative business models and processes for considerably less cost and considerably less time to implement.

**Simplifying technology.** We have approached technology simplification both from the perspective of the technology itself, and from the delivery perspective. As I noted above, we have dramatically lowered the TCO of our applications through a number of product enhancements and new tools. And from a delivery perspective, we are aggressively moving all of our applications to the cloud, as detailed above.

**New business drivers.** Oracle Utilities is breaking new ground in addressing the complexity of new smart grid devices from both an asset management and a business process perspective with new modules such as Service Order Management and Operational Device Management, and we have made the most significant investment in a work an asset management solution that the industry has seen in a decade, bringing to
market a modern solution that addresses new requirements such as mobility. Along with the rest of our Meter-to-Customer solution portfolio, these solutions are all designed to enable utilities to get the most value out of their smart grid investments by being able to offer better service and more value-added services to customers.

**Defining the LeadingEdge of innovation**

The kind of transformation utilities are undertaking requires both innovation and leadership to succeed.

By delivering on everything I described above, and by continuing to enable flexibility in the ways in which our solutions are accessed and used, Oracle Utilities is defining the LeadingEdge of Utility Innovation, and allowing utilities to explore what’s possible as they innovate and transform, now and into the future.

Today, our world-class, leading-edge solution suite covers meter to customer to field work to network management. It is intelligent, connected, and complete in its breadth of operational areas covered. But we aren’t stopping there. We are committed to expand on our utilities platform to continue to deliver the most comprehensive OT-IT-CT technology platform in the industry.

Our Operational solution suite is a fully integrated, end-to-end platform for handing the full asset and work lifecycles required across water, gas, electric generation, transmission, and distribution. Further, our solution suite enables utilities to model their entire distribution grid, including distributed renewable and energy resources, defining new levels of safety and reliability.

Our Customer solution suite is the most comprehensive customer platform in the industry. Oracle Utilities provides the leading industry customer information system (CIS) as well as the leading customer experience (CX) platform, enabling utilities to deliver on their ideal customer experience at every level, from social channels and chat to marketing and sales. In addition, our customer solutions provide utilities with the ability to connect consumer technology at the edge of the grid—such as distributed generation and storage, electric vehicles, smart thermostats, and connected appliances—to core utility operating systems.

In the area of information technology, Oracle Utilities is making technology more available to utilities and accelerating business value from a core technology perspective in a number of significant ways, including:

» Through solution delivery accelerators and product enhancements to address evolving industry needs.

» Through new tools for installation, upgrade, patching, data archiving, performance monitoring, and automated testing in order to improve utilities’ time and cost to deploy and maintain our applications.

» Through Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) cloud delivery options.

» Through our mobility options, getting technology into the hands of utility employees more quickly so that they may focus more completely on innovation and deliver on their customer promises.

And, because we see analytics and mobility as integral tools across the utility enterprise, we are embedding advanced analytics into all of our applications, and also extending all of our applications with mobile solutions, so that utility employees will be able to work smarter wherever they are, whether it is in the office our out in the field.
Creating new value for utilities with innovation

Oracle Utilities will continue to introduce innovative business processes and solutions to create new and clearly definable value for our utility customers. We intend to define and remain at the Leading Edge of Utility Innovation—now, and into the future.

Our objective, in our firm commitment to value-driven, leading-edge innovation, is to continue to enable new opportunities for utilities around the world. We remain dedicated to providing:

» **Greater value faster:** New technology and delivery options that reduce cost and time to implement and maintain, and reduce risk.

» **Speed and ease of use:** Common technology and applications platform that offers utilities the ability to improve service excellence.

» **Time to focus on business innovation:** Spend less time on application integrations and maintenance, and more time on providing value through innovation.

Oracle Utilities continues to deliver on our promise to deliver greater value, faster, to today’s utilities. And we will continue to provide utilities with the best-in-class technology solutions and the means to innovate as they navigate the transformational wave before us all.

Contact Us

For more information about Oracle Utilities solutions, visit oracle.com/industries/utilities or call +1.800.ORACLE1 to speak to an Oracle representative.