

Head to Head: Oracle vs. PeopleSoft CRM

By Lisa Valentine
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Have Oracle and PeopleSoft CRM applications both evolved to be so feature-and-function-rich that it is difficult to differentiate the two? To a large extent, yes. "From a feature/function standpoint -- when you add it all up -- Oracle and PeopleSoft come across as fairly equal," says Meta Group's Steve Bonadio, senior program director, Application strategies. So, rather than focusing on the slight feature and function differences of Oracle and PeopleSoft, companies today are taking a much more careful look under the hood before making their CRM purchasing decisions.

"The question is, fundamentally, what's good enough?" asks Bonadio. "Once you determine what features and functions are good enough, then you start to look at other things -- such as technical infrastructure and architecture. You look at [a vendor's] ability to integrate. That becomes more important than, 'Well, this vendor has X feature and this vendor has Y feature,'" he told CRMDaily.com.

Is the Feature/Function War Over?

While Oracle and PeopleSoft each claim that they win business due to their underlying technologies and architecture, both are quick to point out that their CRM product would come out on top if a feature/function war were waged. "The feature/function war is really over," said Barbry McGann, vice president of product management, PeopleSoft Enterprise CRM. "But we do win hands down on functionality compared to Oracle," she told CRMDaily. "We come out way ahead of Oracle."

McGann provides the following example of PeopleSoft superiority: "When we go head to head with Oracle, one area that we do very well in is agent productivity. We have very strong workflow capabilities that can automate the business processes." Another key differentiator is case management. "Those are components that our competition really hasn't spent much time on," says McGann.

Fight over Analytics

PeopleSoft's analytics set it apart from Oracle CRM, McGann believes. For example, PeopleSoft excels at integrating business processes across the enterprise, she says, analyzing customer data and using intelligence to recommend cross-sell

opportunities to sales agents. "This is a really great strength that we have that our competition doesn't have," she says.

However, when asked about Oracle's analytic capabilities, compared to PeopleSoft's, Oracle vice president of CRM product marketing Robb Eklund said, "Analytics are a strength of Oracle CRM at several levels. Most vendors do provide analytic intelligence, but Oracle does it at a different level and in a different way."

Rather than simply relating history, Eklund describes Oracle CRM as predictive. For example, rather than providing a list of customers who have purchased the most goods and services from a company, Oracle provides it with a list of customers with the propensity to buy more. Oracle's intelligence is not focused on quantitative measurements, such as simply increasing the number of direct-mail pieces, he told CRMDaily, but rather on "marketing that drives revenues."

So, is there a difference in analytics between these two vendors? Yes, says Bonadio. "PeopleSoft has done a better job of articulating a front-end analytic strategy as far as the tools, the models, and the solutions they've developed.

"Oracle has some very good infrastructure from a data-warehousing perspective, but I don't think they've done as good a job in articulating the front-end analytical models and how they fit in with the other operational CRM technologies," he said. In addition, "PeopleSoft is still best in class for contact-center and customer-service functionality."

Vertical Difference

Another strong point for PeopleSoft, says McGann, is that, unlike Oracle, it has verticalized its product offering for specific industries. "The data that is in our data model for financial services looks nothing like the data that's in our data model for the communications [industry]." According to a report from Gartner, Oracle does not produce vertical products for CRM, but instead supplies prepackaged process definitions that are applicable to industry segments.

"Verticalization is a key area, and I think PeopleSoft has done a little bit better job in starting to articulate verticals and building products around those verticals," says Bonadio.

Proposal Strength

A key feature of Oracle CRM is Oracle Proposals, says Eklund, which the company says reduces the amount of time it takes for a salesperson to create personalized proposals by up to 90 percent. Oracle Proposals is an example of how Oracle CRM is focused not only on administering the sales function, but also on making sales more

effective and efficient, says Eklund. The Proposals feature also ensures accurate pricing information and product configurations in each proposal.

Another strength of Oracle is its Service Contracts function that reduces service-contract leakage that can cost a company revenue. Oracle's ability to offer its CRM products either in-house or outsourced is another key feature, says Eklund.

Bonadio rattled off several other Oracle feature/functionality strengths. "Oracle has a pretty strong product configurator. I think they are doing a decent job with their channel-management capabilities," he said.

Boiling It Down

So when Oracle and PeopleSoft are positioned head to head, is there a clear feature/function winner? Or are feature/functions a moot point?

"Not that features and functions aren't a strong suit for us -- we'll continue to enhance our products -- but the real question is, 'What difference does it make for the business?' Oracle is a really good place in that we focus on business outcomes as opposed to functionality because it's cool."

And PeopleSoft very likely would make the same claim.

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"PeopleSoft really understands the need to integrate to things, such as back-office systems, or to tie CRM in tightly into existing systems and applications," says Meta Group analyst Steve Bonadio.

If the CRM feature/function wars are indeed over, how does a company select a CRM system? Rather than looking at product bells and whistles, "It's more important to focus in on what [a product's] technology looks like -- if it is easy to implement, and how flexible it is to change," says Steve Bonadio, senior program director, application strategies, Meta Group.

How easy the product is to integrate with other applications is also "huge," he told CRMDaily.com.

May the Best Architecture Win

So who has the best architecture -- Oracle or PeopleSoft? Depends on what you are looking for. "Is it a better approach to have applications that are infrastructure agnostic (such as PeopleSoft) or a tightly coupled infrastructure and application (such as Oracle)? I think you can make a good argument for either," says Bonadio.

"To Oracle's credit," he continued, "their applications are tightly integrated to their own infrastructure -- which does have benefits, as far as their ability to develop applications that are optimized for that particular infrastructure.

"On the other side of the coin, what if I have other infrastructure, such as DB2 or IBM? The fact is, Oracle only runs on Oracle, so there are limitations."

He Said, She Said

Not so, says Robb Eklund, vice president of CRM product marketing for Oracle. He defends Oracle's architecture, naming Network Appliance as an example of a company that has integrated Oracle CRM with ERP systems from other vendors. "Obviously, we love the customers that drink the kool-aid and have end-to-end Oracle, but most of our customers actually aren't in that position," Eklund told CRMDaily. "Our assumption is that each of our customers has mixed environments."

While acknowledging that Oracle has integration tools, Bonadio says, "in an ideal world, Oracle would have you go out and buy the eBusiness Suite and use Oracle to run your business -- not just the applications but the infrastructure as well."

As for PeopleSoft, it provides "a very comprehensive approach that handles the data exchange and the processes working between systems," says Rohit Bedi, director of product marketing, PeopleSoft Enterprise CRM. "For example, order management can work between PeopleSoft and SAP or Oracle, out of the box," he told CRMDaily. Bedi contends that integration is not a one-time event and that PeopleSoft continues to provide integration as systems change. "We provide the one throat to choke," he said.

Will the Real Internet System Stand Up?

The PeopleSoft architecture is "pure Internet," says Barbry McGann, vice president of product management, PeopleSoft Enterprise CRM.

But wait a second -- how "pure" is "pure"? According to Eklund, PeopleSoft coding is written in a proprietary language while Oracle is written in Java, an open environment. "We're as pure Internet as PeopleSoft is," he claims.

Actually, neither Oracle nor PeopleSoft is completely open, and in making their claims, the vendors are "splitting hairs," says Bonadio. In order for vendors to make

money on maintenance fees and to lock customers into their systems, each vendor embeds proprietary code -- a "smart strategy" he says.

Implementation Woes

Another area that is important for companies to consider as they select a CRM system is ease of implementation. Not surprisingly, both Oracle and PeopleSoft claim fast, painless implementations that can automate business processes with the click of a mouse.

"Unlike some of our competition out there, we have a very flexible, configurable business process," says McGann from the PeopleSoft corner. "We also provide an integration framework and platform that provides functionality out of the box. We can also leverage existing data, using data where it lies, and we don't require synchronization of data to get the value out of the software."

On the Oracle side, Eklund argues that "the way we implement our solutions positions us uniquely." He says Oracle's Unified Information Architecture enables all applications to run off a single instance of the application, providing fast implementation, as well as lower cost of ownership, reduced points of failure, and the ability to run analytics across the enterprise.

But Bonadio agrees with PeopleSoft that their implementations are usually faster. "Oracle implementations tend to be rather complex, because there is some legacy technology in their architecture. If you peel back the onion, there are a couple of different architectures in there, [though] they are evolving into more of a Java-centric architecture. But there is still a lot of SQL and code underneath the covers."

End Result

"When it comes to technology and architecture, we think that PeopleSoft is a little bit better than Oracle," says Bonadio. "They have a Web-native architecture, and the product is quite elegant in how it's architected. I think as a design point in PeopleSoft, PeopleSoft really understands the need to integrate to things, such as back-office systems, or to tie CRM in tightly into existing systems and applications."

The technology and architecture discussion needs to go deeper, Oracle maintains. "Architecture is important, but from our perspective, there is less and less focus on what a particular architecture is and more what the business value is," Eklund said.