



The **7** Mistakes of Application Software

A mea culpa from a software enthusiast

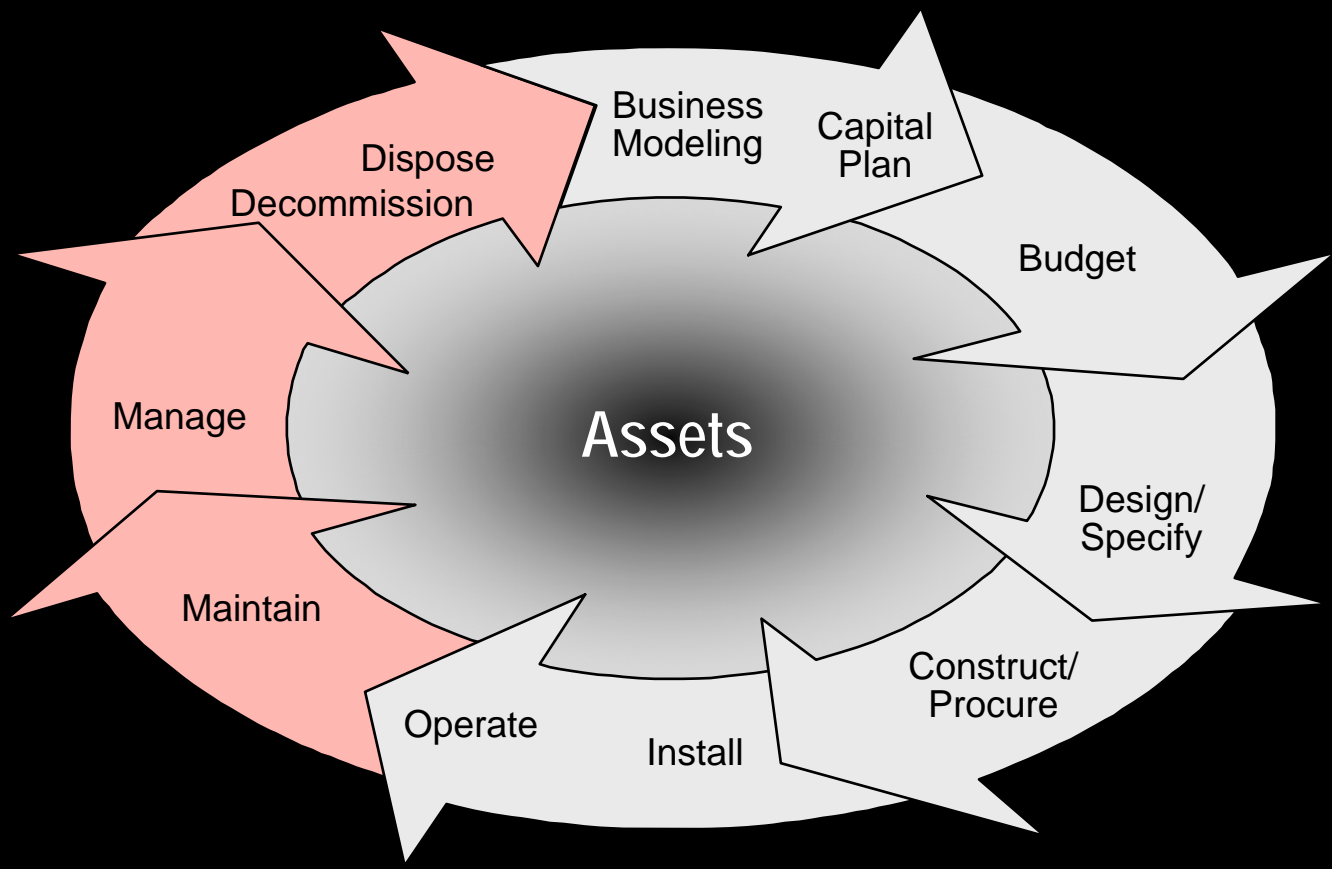
*Dave Loesch
Director, Maintenance Solutions
Oracle*

*Judy Hamlin
Industry Principal, Asset Intensive Industries
Oracle*

PIMA 2006
May 21-24
Orlando

Transformation In Industry:
A Whole New World

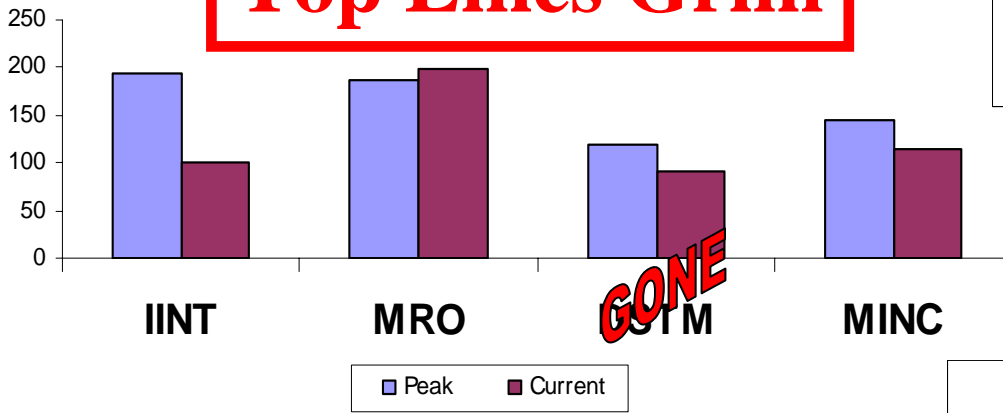
Asset Lifecycle Management in the Paper Industry



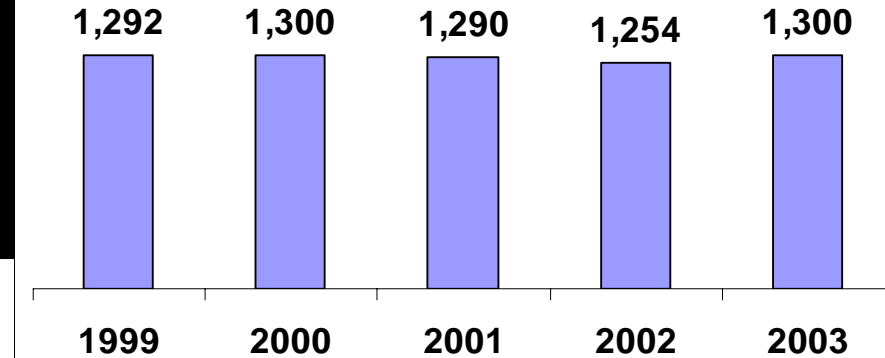
Setting the Stage

The EAM/CMMS Market is Under Duress

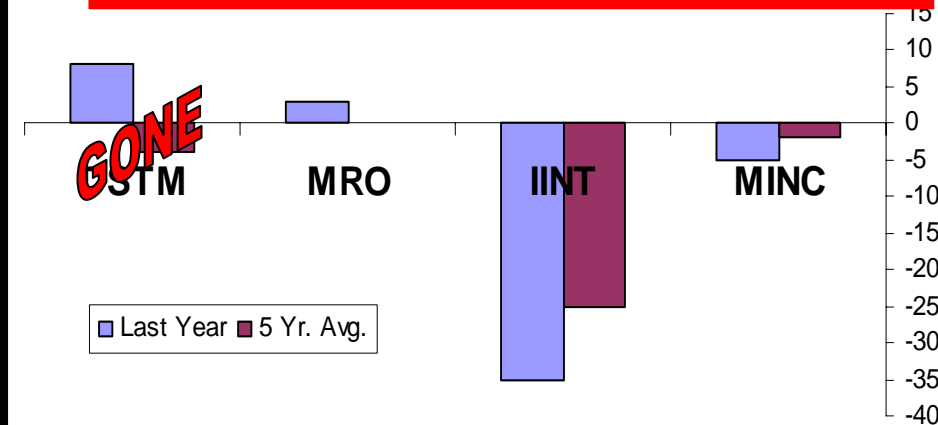
Top Lines Grim



Market Flat



Bottom Lines Worse



“[T]here will be fewer sales opportunities for us within the EAM market, and competitive forces will put downward pressure on our average sales prices and rates of success.”



10-Q Filed with SEC
February 9, 2006

Setting the Stage

EAM Under Duress

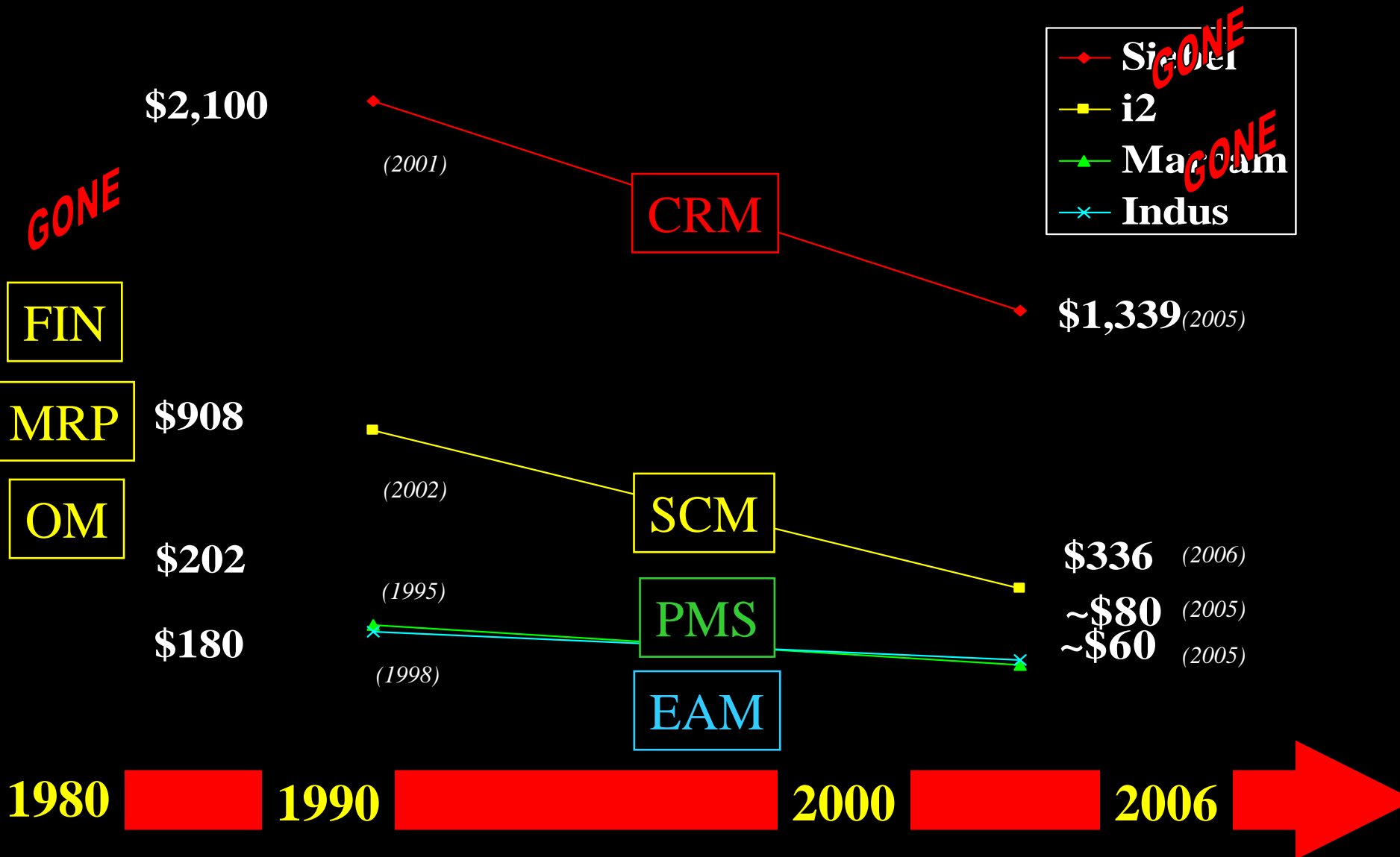
Market erosion by ERP vendors will accelerate during the next 12 to 18 months, driving EAM suite vendors to broaden their scope or find alternative markets. (Feb 2005)



By 2006, 70% of organizations will have their EAM requirements met by ERP vendors.



What's happening to point markets?



1 Application software generates ROI



- “Best Practice” software
- Only 16% of ERP projects deliver real ROI (Gartner)
- ROI comes from process improvement

2 More functionality means more value



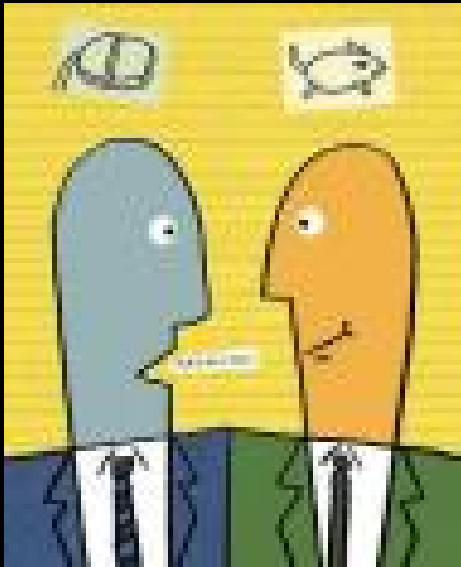
- **9% Adoption (ReliablePlant)**
- **Equipment Parts List not built**
- **Buy 8 gallons of milk, drink 1....**

3 Ease of use is an after thought



- Implementation and experience most important
- No time for usability when keeping up with the (Software) Joneses

4 Application software is specialized



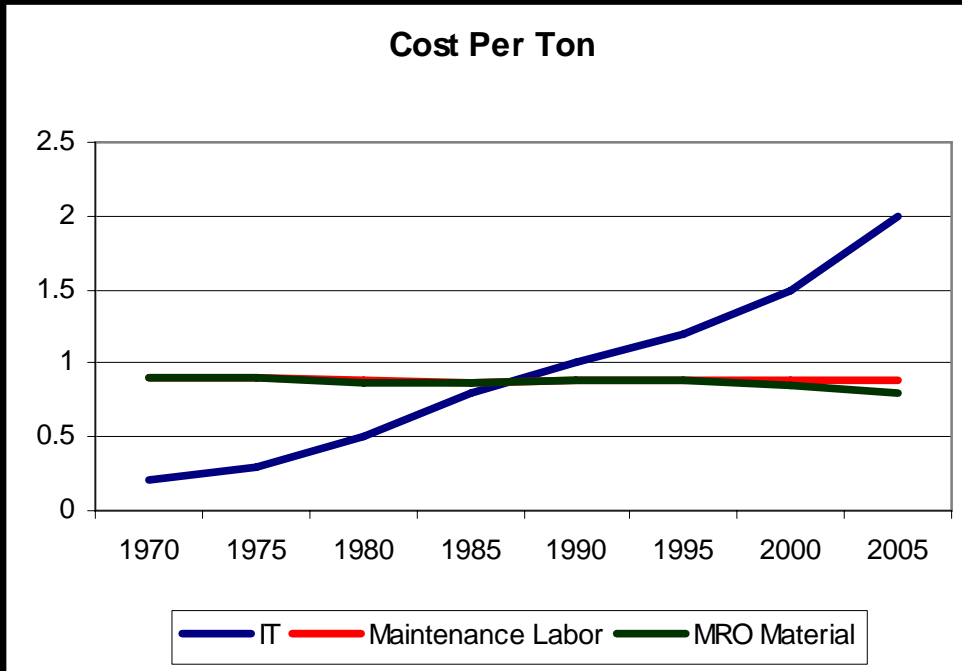
- Play to everyone's desire to be unique
- Leads to redundancies, balkanization
- This is enterprise information, not brain surgery!

5 Technology doesn't matter



- **Maintenance doesn't care**
- **Point vendors had to focus on core competency (and didn't understand it)**
- **OK unless risk, cost, implementation length, & information sharing aren't important**

6 Cost doesn't matter



- **IT project costs understated by 4-5x**
 - \$75K interfaces & \$15K/year to support
 - Department administrators
 - Training, travel, OT, contractors
 - Non standard platforms and support agreements
- **Fortune 100 justified ERP based on evaluation costs alone**

7 **Damn the (Information) Torpedoes** *or We put the T in OLTP!*



- **Electronic filing cabinets**
- **Gee, you want information?**
- **Reports aren't written until the bugs are gone**
- **Writing reports is the entry level development job**

Summary

1. Process produces ROI
2. More (function) is not better
3. Ease of use should be #1
4. Too much specialization
5. Technology matters
6. Cost does too!
7. Information systems



Dave Loesch
Director, Maintenance Solutions

Oracle Corp.

dave.loesch@oracle.com

404-633-6622

A large, stylized graphic of the letters 'Q' and 'A' in red, with a yellow ampersand between them. The letters are thick and have a slight 3D effect. The 'Q' is on the left, the ampersand is in the middle, and the 'A' is on the right. The text 'QUESTIONS' and 'ANSWERS' is overlaid on the graphic in white, bold, sans-serif capital letters.

QUESTIONS
ANSWERS

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