



Daniel Newman: Juergen, welcome to the 2022 Six Five Summit. We are so excited to have you here.

Juergen Lindner: Thanks so much for having me, Daniel, excited to be here.

Daniel Newman: Yeah, it's great that you could join us. There's so much going on in this space. Enterprise apps constantly shifting the landscape. We've got a pretty significant shift going on in the markets and the economies with the way data is being utilized and growing. And of course, over at Oracle, you guys have a ton going on in your business, some big news last few weeks. And so we were not going to do all that here because we don't have the time. But first of all, let's just kind of start off broadly. You lead a huge portfolio at Oracle. You guys are in so many different spaces. What are the big trends that you're seeing overall in enterprise apps right now?

Juergen Lindner: Yeah, it's a fantastic question. And I do think collectively in the industry, we can agree that whatever constituted a best practice or considered like best front process has been shaking at the core. And every company right now is really in this process of redefining what best really looks like those days and do that continuously. But this time, Daniel, I think what we are seeing right now is the business challenges that matter right now. And these have changed even in the last year. So you have this powerful combination that you just hinted towards of a pandemic recovery mode in most parts of the world, paired with inflation threats, possible recession threats. And then of course, macroeconomic uncertainty like with the war in Ukraine. But at this point in time, when we have conversations with customers, it's really about managing the business responsibility and sustainably. And that compounds mostly around line of business conversations as well, like how do you ignite and engage your workforce? How do you really drive business acceleration through automation? How do you think about supply chain, disruption and how do you spin off new business models and drive revenue transformation?

And that is really interesting because ESG has very risen to the forefront of the conversation. And we did a study for example, where it's very clear that employees and everyone on the planet wants more accountability from corporations. So we're trying to help business leaders and consumers alike to really wrap their arms around the data, since you mentioned data. And what they need to do to change their business processes on the insights they have, which changes from hiring processes to changes in manufacturing processes, to supply chain practices, how business is conducted in this really complex environment, where we see ever evolving regulations and the financial implications of these.

So it's this entire ecosystem orchestration and massive, massive, profound changes that are required. There's no Planet B study that you might have seen coming out of Oracle indicated that customers are very much willing to pay a premium for products and services if they can identify themselves with your brand, like 87% said that. Or if the employees feel invested into them. Or individuals want to invest into those corporations, 83% would say they would rather invest into a cooperation that is clearly committed to the ESG goals. And if you think about employment turnover right now, 83% of the employee population out there is really looking to identify themselves with the employer. So it's really managing this entire finance, HR, supply chain, customer experience spectrum on an entire platform that becomes very attractive in this one. And HR in general is a hotspot in those conversations.



We have certainly seen what is sometimes referred to as the great resignation in light of recent economic uncertainty. Right now however, we're also seeing hiring being dialed back. So it's a very delicate environment where you need to be super swift around talent retention and acquisition. And a lot of folks had a lot of time to think what they want to do with their lives over the pandemic. So we really want to make sure that we guide the employees towards where they want to be, and we launch an employee experience platform. So it's really important to be very swift with innovation. Then of course, supply chain disruptions. It's massive what we're seeing there. And there's no sign of those pressures really subsiding, whether it being hops being disrupted, being inflation increases. So it's really a very staggering environment that a lot of Americans, 92% of Americans, believe right now that supply chain disruptions are going to stay for a while. So it's an interesting environment for sure.

Daniel Newman: There's a lot to unpack there. You hit on not only what's going on in enterprise apps, you kind of hit on some very big secular and macro themes there. And we're going to talk a little more about some of those. First of all, I reflected on what I wanted to do with my life. And I moved my family from Chicago to Austin during the pandemic. So I was among those people that had this disproportionate amount of time to look at your situation when you aren't traveling, you're not leaving much. And you're like, "Hmm, I don't have to live here." So I've definitely seen that. And some of the other things you mentioned, the talent, the great resignation, and of course, we're seeing maybe a little bit more parity now with that as companies might slow hiring. But I always say, the most talented people in any organization always have options.

Juergen Lindner: Yes.

Daniel Newman: When labor market gets super tight, it becomes maybe opportunistic for the middle tier and the lower tiers to make moves, but every company's always looking for great talent. I think that's universal in every economy. Something that I wanted to talk to you about too, is this industry focus that has really become a huge topic during the pandemic. You're seeing companies buy industry focused clouds. You're seeing them launch industry focused clouds. You're hearing whether it's retail, manufacturing, banking, you sort of name it, there's a cloud for it now. You guys are in this a little bit, but I'm kind of curious, what is your thoughts on that whole premise? And then how do you differentiate to make sure you're not just basically stamping a name on marketing materials and just putting a picture of a bank on the front page and then changing it out to a manufacturing facility? Kind of how are you approaching that thinking about that?

Juergen Lindner: No, it's a fantastic question. As you said, the conversations and the focus on industry clouds has been huge also from our customers. So we have a lot of industry investments, of course. So our industry cloud solutions really seek to fundamentally transformed the way business is done. And oftentimes you can see it into what is referred to as front of the house type of things, where we're touching our customers, customers like think billing system, think reservation system, think point of sales, ordering system, to name a few. And all of these offerings that we have in house, we of course built them on the generation two infrastructure, our OCI infrastructure so they can seamlessly interact with our horizontal applications. So this industry functionality is so encapsulated that you can directly infuse it into the applications and we can package it up very effectively for our customers.



So fundamentally, there is belief that for real industry clouds, as you said, veneer is not going to be good enough. It needs to orchestrate all layers of the cloud seamlessly. So what we have done, Daniel, is we decomposed pretty much our complete applications architecture in a way that we can compose those industry clouds rather easily. Revenue recognition, for example, looks very different around verticals, but it doesn't mean that you need a completely different ERP system or a completely different CX system all the time. So having the possibility to compose it in an industry context is fascinating and makes a lot of sense for us as we are so deeply invested into industry solutions, horizontal applications, the extension capabilities that come with the platform, and of course all the technology that we can bring with our OCI platform. Just this Thursday, we are going to go very deep on the future of healthcare, where Larry is going to give a preview as to how we think about bringing our healthcare future and vision to life.

So it's really where it's around inventory, I think medical supplies and equipment, people scheduling, all of that has been brought into our fusion applications that it's seamless. This will not be just transformative for healthcare providers, but literally for all of us who take part in the healthcare ecosystem as a patient, as a nurse, as physician. So shameless plug. And therefore future of healthcare is big for us.

And then you mentioned financial services industry and others. Think B2B transaction, fundamental change that we're seeing. And with more and more customers joining our ERP cloud, for example, we can orchestrate business flows in a very different way. For example, we have financial institutions on that. We have logistics service providers on that. And we can have seamless integration for everyone who is on this infrastructure. So you're going to see us talk a lot about that fairly soon. So in essence, I think our ability to really orchestrate all elements of an IT environment at customer side and their ecosystem, because you need to cater to starting points is super important for us. And we're very fond of our ability to team up with customers around industry clouds.

Daniel Newman: And I'm glad you mentioned all that. I keep thinking to myself, it's got to be deep domain knowledge has to be the universal connective tissue to being good at industry clouds. And so if I was sort of advising the world and I saw an industry focused solution coming out of the company, I guess what I would ask is how can you validate that this company has that deep industry knowledge to be able to build something that's unique? Because like you said, there's kind of that facade, there's kind of the here's things that are unique to one industry versus another, and here's what's sort of universal. And you got to figure out those parts and plug and unplug. All right, so I only have about 10 minutes left with you and I've got three or four questions. I'm going to move a little quicker in this [inaudible]. You mentioned supply chain. A lot of companies have been talking about it, but where does enterprise apps potentially play a role in helping companies solve their supply chain issues?

Juergen Lindner: Yeah, I think it's a great question. Supply chain has been one of the hotspots and I think it's fair to say everyone right now is supply chain experts because we've all been at the receiving end of it. But a lot of those elements of a supply chain are literally out of a control of a company. So if a blockage in the Suez Canal occurs, pandemic lockdowns happening in manufacturing hub in Asia, you really have those bottlenecks that become very [inaudible]. And we felt that a lot of it



has to do with the analytical insights and the ability to react very swiftly with ours. For example, our supply chain and manufacturing cloud applications. Give you an example, Land O' Lakes. Certainly a very known corporation, large butter dairy producer, but also animal food and crop. And it's fair to say that supply chain is really the backbone of that business. So when the coronavirus hit, it was an all hands on deck situation. So they've lost some of the biggest channels like that, restaurant, schools, large institutions.

While however supermarket demand exploded. So they had to deal with worker shortages, facility shutdowns, shortage of truck drivers. So when they implemented our solutions, it was really impressive how they could handle spikes with our supply chain application. And it was really interesting how they for example use our transportation management to really overcome those challenges. So fundamentally different partnerships that we experienced, Daniel, in supply chain.

Daniel Newman:

Yeah, it's interesting because I keep thinking to myself here again, that apps and obviously data and AI and intelligence are going to have to be somehow fundamentally put together to un-break a lot of bad policy and leadership and other issues. Some of it's just technical, but we've really, and again, I don't want to get into the politics of it all, but we have really created a mess for ourselves. And unwinding. This is going to be difficult, but the best way we're going to be able to do this is figure out using technology, where are those materials supplies in semis? Where are the substrates? What container and where is that container and when will it be and how precise can you get? Because every little broken kink in that chain can be devastating. And that's what a lot of people don't realize.

There were trucks sitting in empty fields and they were missing one 28 nanometer processor, they couldn't get a radio to work or a seat heater to turn on. You know what I'm saying? It wasn't like the whole car couldn't be built. It was like one little piece. And it's huge. So one thing I also want to kind of run by you is you guys like to say your whole approach to enterprise apps, cloud infrastructure is somewhat different and unique. What do you mean by that? What is the unique differentiator that you guys like to focus on and how you put together that you have that whole stack from app to infrastructure?

Juergen Lindner:

Yeah, it's a great question, Daniel. I do think when Oracle conceived its cloud journey, I don't think we took any compromise in that. And what we mean by that is we had a very strong decisiveness displayed that we rebuilt everything from the ground up. And we wanted to have the best possible experience for our customers and having the entirety of the cloud architecture that you need owned by us. So it's really this business platform that we created, which is designed for change for our customers. And so we can cater to any starting point a company has, and seamlessly integrate into whatever cloud strategy they have done. We have a vast geographical reach in terms of industries in terms of countries, language support. But it's really often that you potentially see also that there's a last mile execution type of issue where when you come to Oracle cloud [inaudible], Daniel, where hopefully we'll see you, we're going to go a little deeper as to what we do allow our customers and our ecosystems to really extend those capabilities as well.



But we'd like to think that the fusion cloud applications have been built on this best technology platform, which is OCI generation too. And this allows us to do multiple things extremely well. Like we can upgrade for example, existing SaaS customers, very seamlessly. And we have done that just now. Like brand new data centers, better performance of 30% upwards, for example, brand new networking hardware, security, database operating systems. So it's really from the bottom up, the customer benefit from this technology innovation that we can do and we can reduce the technical debt significantly.

But it also has to do with security. Cyber security is huge right now. So in every layer of the stack, we can govern security within the applications, within the infrastructure layer. So data protection, privacy integrity is massive for us. And then of course the pace of innovation allows us to do, we can deliver every quarter, innovation that matters. It's not just about the number of features. It's really that we can go into a different partnership with customers. If they need something based business requirements= right now, we can ship it, we can do AB testing. So it's really a very different partnership if you can control the entirety of the stack. But the customer's in full control as to what type of offer they want to use from us and what they use in their multicloud hybrid type of strategy.

Daniel Newman: So any gotchas, aha moments? You hit on a lot, but I guess as your customers, we've talked about kind of the current economic state, we talked about the pandemics acceleration. You're leading the business, but you're also hearing from your customers, what are some of the big takeaways that you're hearing and the learnings and the findings that are really helping you to drive the business?

Juergen Lindner: I do think a couple of customer scenarios that come to mind, Daniel, are for example, Chipotle. Very known well brand, but in this partnership around cloud, not only could we dramatically accelerate their financial close process down to four days based on automation, it also had to do with, for example, the possibility that we can increase their forecast accuracy. When pandemic hit, for example, they needed to do their first digital kitchen. Completely different business model, completely different way to think about supply chains. Or they had a scenario where in time of travel restriction, they still needed to spin up eight manufacturing plants in Southeast Asia. And they could do that in a period of 30 days. So it was amazing to really see how those partnerships allowed us to be extremely close to the business impact.

And then you have companies such as Unilever for example. Unilever was faced with a dramatic spike in getting products from A to B. So we've been able to partner up here. Or on the human capital management side, think co-op, which is one of the largest consumer cooperatives. And they had business challenges where they needed to address. Like at this point in time, they had 70% of the applicants were straight, white, able bodied men. And they teamed up with us to really get into diversity inclusion type of methodologies where now the applicant base is very representative of the UK kingdom. It's balanced between males and females 50 50. We have increased the women in leadership positions by 30% and really also minority ethnic hires by 30%. So it's really interesting to see how this SaaS business, this cloud business allows to be extremely close and be not just a technology provider, but a real business partner in their success.



Daniel Newman: So we got about a minute left. And what I'd love to finish up here with you, Juergen is just talk a little bit about what are some of the waves of innovation you see. I think theoretically, we've got metaverse, we've got AI, are these the things you're thinking? What are sort of the big things that are going to take these apps to the next level for enterprise?

Juergen Lindner: Yeah, I do think a big element has to do with the infusion of AIML directly into the application. So they become self-learning, self-improving all the time. And we see that in finance, in human resources, when it's about optimizing your talent acquisition. In sales to manage leads and opportunities more effectively. And finance to automate the financial close. But there's a lot of discussion certainly around crypto, for example, and metaverse and other type of things. So we definitely have working with customers very closely to help them monetize the web 3.0 phenomenon. It's really about we have a blockchain platform, for example, where you can seamlessly have a crypto secure data management, completely tamper resistant blockchain tables that you can use to do financial transaction chain of custody, escrow services, you name it.

Then of course, 5g is a typical topic where we have a lot of conversations with customers. It's going to be completely fundamentally changing the way we work, communicate, and interact with each other. So we have picked the network specifically and dove right in at the, what I would say the brain of the operations to really be sure to work with customers such as Verizon, Dish Networks, to be this integral backbone of driving the 5g revolution. So lots of very exciting change. And we think the pace of innovation, every three months allows us to be extremely nimble in working with our partners here. But once again, it's in the entirety of the stack that you need to bring, to industry knowledge, to applications knowledge, to infrastructure knowledge, to really stem all of that.

Daniel Newman: Wow. Well, as I see it, Juergen, we are going to see some serious innovation. One thing we didn't even talk about here is dealing with what the final product of this new hybrid work looks like. But what I do know is that we got apps, we've got data, we've got the cloud, we've got 5g and constant connectivity. We've got the metaverse and the practical implementations of that. We've got crypto and new forms of payments, NFTs. Some people want to maybe belittle that or call that funky stuff with crypto. But that's going to be real. And NFTs, for secure, for access. that's going to be a thing. It may not all be monkey art.

But what I'm saying is we are going to see some of these things that have been framed a little bit as silly or not really necessarily long term. And we're going to start to see these applications, kind of like we're starting to see with AR and mixed reality, kind of like we're starting to see with AI becoming very practical or quantum. And of course it's got to change at the app level and all this data's going to do something. So Juergen, this is great insights. I really appreciate you taking some time here joining us at the 2022 Six Five Summit. I hope to have you again soon.

Juergen Lindner: Thank you, Daniel. Appreciate being here. Thank you.