

09142023 Accelerating Cloud Transformation with Microsoft and Oracle

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ALYSA TAYLOR: Hello, and thank you for joining us today as we livestream from Microsoft's headquarters in Redmond, Washington. My name is Alysa Taylor, and I'm corporate vice president for Azure and Industry at Microsoft. I'm thrilled to be your host for today's highly-anticipated event with Microsoft and Oracle.

Our two companies have always been focused on reducing complexity for our customers across their digital landscape. As a result, over the last two decades thousands of customers have relied on us as their trusted software partners, to ensure our solutions work well together across their enterprises.

Now, as organizations everywhere have used the cloud to transform, customers have an even stronger expectation of Microsoft and Oracle to deliver seamless connections between our solutions.

Today, Oracle and Microsoft are pleased to announce our new offering called Oracle Database@Azure, which provides customers the ability to run business-critical databases directly in Microsoft Azure.

Customers will be able to get the best of both worlds, benefiting from the performance, scalability and availability of Oracle Database on Oracle Cloud infrastructure, as well as the added security flexibility and best-in-class AI services of Microsoft Azure.

Organizations in every industry can continue to drive business growth and productivity using this offer to facilitate their migration to the cloud, and to modernize critical workloads while leveraging Azure's latest innovations.

As you can imagine, we're incredibly excited about this offering and the impact it will have. To talk more about Oracle Database@Azure, I'm thrilled to welcome Satya Nadella, CEO of Microsoft, and Larry Ellison, Chairman and CTO of Oracle.

SATYA NADELLA: Thank you so much, Alysa.

ALYSA TAYLOR: Thank you for being here. And Larry, welcome to Microsoft. It's great to have you here.

LARRY ELLISON: Well, it's lovely to come up here. It's actually my first time in Redmond. It's hard to believe. I waited until very late in my career to make this trip.

SATYA NADELLA: That's 25 years, but here you are.

ALYSA TAYLOR: Well, here we are. We've done it.

LARRY ELLISON: You don't want to just jump at that.

ALYSA TAYLOR: Good, good. Well, as you have both heard, I just did a brief overview of our very exciting announcement for today, but Larry, I would love if you could take the opportunity to elaborate just a little bit more on the joint offering, and the potential that you're seeing with customers, particularly multi-cloud customers.

LARRY ELLISON: Well, people already use multiple clouds, and we're very excited to partner with Microsoft with actually taking the Oracle hardware and the Oracle software, or all the Oracle Database hardware that we use in the Oracle Cloud, and all the database software using the Oracle Cloud, and literally physically moving into Azure datacenters. That literally be co-locating the hardware and the software right in the Azure datacenter. So when a customer uses Microsoft technology, connected to Oracle technology, they'll get best-in-class performance, reliability and security.

ALYSA TAYLOR: It's an amazing opportunity. We've talked about the joint offering, but we're also expanding our partnership. I would love, Satya, to hear from you about why now.

SATYA NADELLA: Well, I mean, in fact, last week, I think Larry said something, which I think is the most critical thing, which is, if you talk about what everybody's talking about today, which is AI, AI exists because of data. When I look at anything that you do around AI, you need to have access to data. And so to have now Oracle Database in Azure means we can take something like Azure OpenAI, and take it to where the data is, right?

So whether it is fine tuning a model, pretraining a model, or meta-prompting a model, it requires low-latency access to data. And so we are very, very excited. I think this is the moment where data and AI are coming together to transform businesses and business process. There couldn't be a more profound timing of these two things.

ALYSA TAYLOR: And I think what an exciting time for enterprise customers. Larry, as you've been meeting with customers talking about this joint offer, it'd be great to tell us what the reception has been, and what has been the feedback?

LARRY ELLISON: Actually, they're very excited. They're very pleased that two companies that are often viewed as competitors are cooperating to customer benefit, that we're putting all of

our technology together in one place, in Azure datacenters, to make it convenient for customers and economical for customers to do things, like Satya just described, training an AI model, where you're moving enormous amounts of data that may be stored in an Oracle database to train an AI model like OpenAI models, and get that done in the most efficient way, where the data and the AI model are very close to each other.

ALYSA TAYLOR: We have such a unique opportunity right now to be able to do that. I think it is predicated on our rich history together, even though as competitors, we've been collaborating for many, many years. And so we talked about why now for the expanded partnership, but I'd love to talk a little bit about what does the future hold for us and our companies together. So Larry, I'll start with you.

LARRY ELLISON: Well, a lot of our customers had moved partially to the cloud. I mean, everyone's very excited about the cloud, and have been talking about it for a long time. But actually, a majority of the data has not migrated from on-premise into the cloud as yet, but it will. And we are trying to hasten that process to make it easier for customers to actually move their entire datacenter workload to the cloud. And that means moving all those Oracle databases, which are currently on-premise, into the cloud, and for them, everything to coexist and be easily managed, even though some of this technology is Oracle's technology, some of the technologies Microsoft technology, and to allow you to seamlessly manage that, that infrastructure that's a multi-cloud and multi-provider infrastructure, and to be able to do that in a convenient, secure, reliable way. And that's what we're trying to accomplish with this partnership.

ALYSA TAYLOR: Satya, anything you'd add?

SATYA NADELLA: Yeah, a couple of things. One is, in some sense, this builds on even what we did a few years ago, which is the first phase of what we started working on. And in fact, Larry sort of pushed us hard to make sure that the latency between their datacenters and our datacenters got to a point where customers could benefit from the vision Larry just laid out, which is, hey, how can we use Oracle and Microsoft? Because a lot of enterprise applications have that. They have Oracle Database. They probably have some front and middleware even at Microsoft. And so therefore, how do you really build these applications, and both move existing applications and build new applications?

This new phase, in fact, I think the thing that I like a lot about what we're doing is that we listened to customers. Customers said, "We want this option in addition to everything that you're doing." So I think this will fundamentally, I would say, accelerate the migration to the cloud, and get not only the movement to the cloud, but get them to do new things.

As I was mentioning, in order to use AI, you want to have data and that data is in an Oracle database. And now I have the best of both worlds in order to be able to sort of evolve my business process.

ALYSA TAYLOR: And bring it all together. I love what you talked about around customer choice. I think this offering today is really centered around giving customers choice, and the ability to innovate, which is fantastic.

Well, this is a milestone moment for both our joint companies, but also for our mutual customers. And so before we move on to actually seeing the offering, are there any last minute things that you'd like to tell the audience? Satya, anything you'd like to share?

SATYA NADELLA: Well, first of all, it's exciting, and I know we're going to hear from a couple of our customers, Fidelity and Vodafone. To me, that is sort of what I think Larry mentioned. To me, at the end of the day, it all comes to – I grew up, and in fact one of the little-known facts is, when I first came to Microsoft, the first week, they asked me to sort of get ISVs onto Windows NT at that time.

I said, "There's no way we can get ISVs under Windows NT first without getting Oracle onto Windows NT." So this is like a bit of a back-to-the-future to me, which is to make sure to really get the best infrastructure built between the two of us so that we can get ISVs and customers to be successful on this. Because that's ultimately how I think we can make a real difference to our customers.

ALYSA TAYLOR: Open the door for them to innovate. Larry?

LARRY ELLISON: Well, as Satya said, it began when we connected the Oracle Cloud to the Microsoft Cloud. We put a high speed interconnect between the two. And we actually had several hundred, about 500 customers who were very, very excited about this and used it, and used it successfully. But they wanted the ability to go straight to the Azure portal and provision technology, whether it was Oracle technology or Microsoft technology.

So they wanted us to make that a seamless connection. They didn't really want to see that network when they were managing their infrastructure. So we made the network invisible. We made it one seamless thing.

You go to the Azure portal, you can provision an Oracle autonomous database, our very latest technology on an Exadata server, our very fastest technology, and you can then marry that to OpenAI technology. You can marry that to Teams, you can marry that to this incredible library of Microsoft technology. It's all now one multi-cloud system.

ALYSA TAYLOR: The seamless integration is unprecedented. It's absolutely phenomenal.

Well, I want to thank both of you for taking the time to be here today to announce this offering and this partnership. So it's really a fantastic moment in time, and thank you again for being here.

SATYA NADELLA: Thank you.

LARRY ELLISON: My pleasure.

ALYSA TAYLOR: As we've heard from Larry and Satya, this is an exciting next step in the

partnership between Microsoft and Oracle, which can help customers everywhere become the benchmark for innovation in their industry. Using Oracle Database@Azure, companies will be poised to transform every part of their business with the next generation of AI. Whether it's enabling more agile business operations, sparking the next wave of product innovation, or delivering more value to their end customers.

And now moving on to the next section, to provide an in-depth look at our Oracle Database@Azure offering, we're joined by Corey Sanders, corporate vice president of Azure, and Karan Batta, senior vice president of Product at Oracle.

COREY SANDERS: Thank you, Alysa. As you've heard, Microsoft and Oracle are expanding our partnership to support mutual customers that want to operate highly secure, mission-critical Oracle Database workloads in Azure. We're going to tell you more about that.

I'm Corey Sanders, corporate vice president and Microsoft Azure, and I'm here with a good friend and colleague, Karan Batta, senior vice president of Product Management at Oracle.

KARAN BATTA: Thanks, Corey. Thanks for having me here.

Leading organizations in every industry have long relied upon Oracle Database and Oracle Exadata, and technologies like Oracle RAC to power mission-critical applications. These applications require the highest levels of availability, performance, security and scale.

As organizations move these applications to the cloud, they need to preserve the highest levels of service. With this partnership, you can now run Oracle Database workloads in Azure, using Oracle Exadata and autonomous database services, just like you would on Oracle Cloud Infrastructure. With the Oracle Database@Azure, migration from on-premises database and Exadata is extremely straightforward. You can now run these workloads where you choose with the full power of Oracle Database and Exadata, using an integrated and jointly supported solution.

COREY SANDERS: That's correct, Karan. And it starts with bringing powerful Oracle Exadata infrastructure into Azure datacenters with everything in one secure datacenter, in one secure virtual network. You'll get a sense of how easy it is to purchase and deploy. And you'll be able to see that you can bring everything together in that one secure environment incredibly seamlessly, which ultimately makes it easier to innovate with all the richness of Azure.

We'll share one example you can enable when you combine your Exadata data with innovative Azure Cloud Services.

Let's take a look at how this might work. Let me introduce you to Woodgrove Financial, a fictitious multinational banking and wealth management firm. The company has millions of customers across five countries and runs its mission-critical processing and analytical workloads with Oracle Exadata on premises.

These workloads typically process millions of transactions and petabytes of data daily, with significant spikes in demand.

KARAN BATTA: Woodgrove has dozens of custom applications which require complex integrations with custom pipelines, real-time ingestion of market data feeds and statistical models using automated reasoning to serve the organization's day-to-day operations in multiple markets. These applications form the backbone of their business and requires a full array of Oracle Database capabilities to power them and ensure their availability.

As part of its cloud transformation journey, the organization wants to migrate mission-critical Oracle workloads to Azure while maintaining performance, availability, security and compliance.

COREY SANDERS: Meanwhile, Woodgrove considers the customer experience a key differentiator. Every touchpoint counts: call centers, mobile apps, special promotions, advisory services, and of course brick-and-mortar operations. The bank wants to convert their massive customer data into immediate insights to get more share of wallet from top customers, reduce unnecessary churn, and capitalize on new opportunities.

Let's go ahead and see what that migration journey to Azure might look like.

First, Woodgrove migrates their application tier to a combination of Azure VMs and Azure Kubernetes services. Then they start the database tier migration. Let's see how.

First, they purchase Oracle Database@Azure through the Azure Marketplace. They can use their existing Microsoft Azure consumption commitments.

They click through plans and pricing, usage information and click "purchase." Select the name, and after they review the offer, they can complete the purchase.

Now let's see how Woodgrove deploys the Oracle Exadata infrastructure and Oracle Database services.

To do that, we navigate to Oracle Database@Azure. And Woodgrove can see the Oracle Database service in the portal like its other native Azure services.

Now let's provision the infrastructure.

First, you give it a name, and then the number of database servers and storage servers. We choose rolling maintenance. And then we consent and create.

Now, because provisioning can take a little bit of time, what we're going to do is we're going to look at Exadata infrastructure that I created earlier. This infrastructure consists of three database servers and four storage servers.

From here now, of course, all you need to do is deploy the VM clusters and deploy the Oracle databases on those clusters. And that's it for provisioning.

Because Woodgrove is deploying the databases in proximity to the application tier, this ensures low latency and enhances security. Important to note that this is in the same building and the same datacenter as the Azure services to which it's connecting.

KARAN BATTA: Thanks, Corey.

Now, what's happening behind the scenes is that we're deploying Oracle Exadata infrastructure managed by Oracle inside of Azure datacenters. Exadata combines a scale-out architecture for Oracle Database with database-aware system software and built-in automation to accelerate all database workloads.

Oracle Real Application Clusters—or RAC—distributes workloads across database servers for extreme throughput on high availability, and data is distributed across storage servers to increase throughput and resiliency.

Exadata includes dozens of optimizations, including Smart Scan, that automatically breaks up analytics queries and processes them in parallel at a storage level. It also reduces transaction processing latency by directly reading data from—and writing it to—storage servers, letting SQL read IEOs, completed in less than 19 microseconds.

Exadata allows customers to dynamically scale database service consumption and pay only for what they use, while autonomous database, fully automated scaling and other management tasks. Exadata compute and storage infrastructure can be scaled independently, so customers demanding the most extreme database workloads can benefit from up to tens of millions of IOPs, terabytes per second of scan throughput and petabytes of capacity.

By running Oracle Database@Azure with Exadata infrastructure, Azure customers will now have the most powerful Oracle Database, side by side, next to their key Azure services.

Back to Woodgrove Financial. Now, if they're deployed, they are now ready to migrate apps and data. Migrating from Oracle Database or Oracle Database on Exadata is very straightforward.

We've proven strategies and services to help you perform non-disrupted and validated migrations. We also have migration technologies for nearly any scenario, including automated solutions like zero-downtime migration.

Exadata offers the same functionality on-premises and in the cloud, so you don't have to redesign or rearchitect your applications. Once you've migrated, Oracle manages the database infrastructure, so you don't have to. We handle all the maintenance, patches, updates transparently. If you're using autonomous database, we handle the database management tools as well.

COREY SANDERS: Thank you Karan. Very, very exciting technology. But now back to Woodgrove Financial. Woodgrove is now ready to bring together the power of Oracle Database that you just heard from Karan, and the Microsoft Cloud.

As you may recall, they want to better understand the factors that shaped the experiences of their customers. Woodgrove Financial creates a reporting system, powered by the integration of Microsoft Fabric and Oracle Exadata Database@Azure. This is to help different areas of the bank understand their impact on customer satisfaction, typically crystallized in the bank's Net Promoter Score, based on customer responses to serve it.

Let's take a look.

Here's a dashboard that has caught the attention of a Woodgrove executive. It includes data about revenue and customer satisfaction scores in North America. Woodgrove wants to understand if the customer satisfaction scores are connected to the local experience, like the branch where the account was opened.

Let's see how the branches with the highest customer satisfaction scores are performing. Based on the summary, you can see the trends are going up.

Now, let's check branches with the lowest customer sat ratings. Trends are going down.

So Woodgrove wants to know what do branches with higher NPS have in common? With the new Microsoft Power BI and built in copilot experience, Woodgrove can get to some answers.

We're going to use the copilot prompt, "What causes NPS scores to go up?"

Behind the scenes is an analysis that includes millions of datapoints. Here's the page that Woodgrove sees. It delivers a set of key influential characteristics that appear to cause the Net Promoter Scores to go up.

For example, closing the branch at 6 p.m. versus 4 p.m. leads to an increase in 32 points. In the same way, keeping branches open on Saturday leads to an increase of 19 points. The list goes on, and the number of advisors at the branch also matters, and so on, and so on.

So how do we turn this into action? It's another prompt for the copilot. Let's ask about branches with the lowest NPS. We'll ask Copilot to create another report. And just like that, Woodgrove has a view of its North American branches and NPS scores with the factors that influence NPS.

KARAN BATTA: As we just showed, organizations that run Exadata autonomous and Oracle Database workloads of Azure are able to migrate and modernize many more critical applications in the cloud. They can take advantage of powerful Azure services to turn massive amounts of data into actionable insight. This enables faster decision making to meet business goals, including the quest to improve customer experience.

If you want to know more, go ahead and connect with your Oracle and Microsoft account reps.

COREY SANDERS: There's so much more that you can do with your data in Azure, creating and deploy apps faster, automate routine processes with low-code tools and so much more. You can expect to learn more at Oracle Cloud World, and so don't miss our session because Karan and I are guaranteed to have almost as much fun as we had today.

Thank you so much for having us, and Alysa, back over to you.

ALYSA TAYLOR: Thank you Corey and Karan.

Knowing the nuanced complexities of our customers' environments, it's great to see how organizations can migrate mission-critical Oracle workloads to Azure while maintaining performance, availability, security and compliance.

As Satya mentioned, I recently had the opportunity to talk directly with Fidelity Investments and Vodafone, two longstanding customers of both Microsoft and Oracle, about how they anticipate Oracle Database@Azure will help them advance their cloud transformation agendas.

Let's start with a conversation I had with Mark Sievers, the head of architecture at Fidelity Investments.

Fidelity is a company that has worked with both Oracle and Microsoft for many years and in many capacities. We are honored to have Mark Sievers, the head of architecture, join us today.

MARK SIEVERS: Hi, Alysa, it's great to be here. Thank you for chatting with me.

ALYSA TAYLOR: Mark, let's start with Fidelity's priorities. As one of the top leaders in the financial services industry, how does Fidelity utilize technology to accelerate business results?

MARK SIEVERS: You know, at Fidelity, our customers have always been our biggest priority, and we have a great history of using technology to engage our customers and accelerate our business. We were the first to sell retail funds over the phone, the first mutual fund company to launch an intranet homepage. We had the first mobile applications for retail, brokerage and institutional customers and many more.

Today, technology continues to have a huge impact in transforming financial services. Our highest priority is to invest in innovation technology and use our unique combination of industry-leading financial service platforms to support our customers and deliver on the high expectations that they have of us. Technology is a critical ingredient for us to deliver highly available, engaging experiences, and to create new products and services for our customers.

ALYSA TAYLOR: It's incredible to hear how you were first to market in so many areas and also to hear what has set Fidelity apart, which is your continued focus on customer experiences and delivering on very specific customer expectations.

So Mark, as you know, today's news is about a significant expansion in the partnership between Microsoft and Oracle. This solution has been developed to enable our mutual customers to run their most complex and mission-critical Oracle databases on the Microsoft Azure platform. We are obviously very excited about this, but I'd love to hear from you why this matters to Fidelity.

MARK SIEVERS: Across the financial services industry, we see that customer expectations are set, not by traditional financial services competitors, but rather by customers' last, best digital experience. They want and expect a fully digital end-to-end client experience with zero friction and logical, simple and reliable interactions that think for them and make it easy.

As part of our customer obsession, that ideal experience takes thoughtful preparation to ensure it all goes to plan.

With our digital transformation journey, interoperability across cloud service providers plays a big part to ensure that rapid financial transactions that we process for our customers are safe and secure.

Creatively applying modern technology allows us to greatly simplify our operations, stay ahead of our competitors and enables access to our services for all of our customers.

ALYSA TAYLOR: Mark, you touched on the importance of interoperability, and this is so critical from a zero friction standpoint, as you noted, but also knowing the importance of security, given the business you're in.

Which leads me to my final question. As you are evaluating the potential of Oracle Database@Azure, how do you anticipate it benefiting your current technology platform?

MARK SIEVERS: Yeah, that's a great question, Alysa. Financial services is an industry where seamless customer experience is critical and avoiding downtime is a must.

Microsoft and Oracle's partnership is putting customer interests first. With this collaborative solution, Fidelity can continue to offer best-in-class customer experiences with minimal downtime.

ALYSA TAYLOR: Thank you so much, Mark, for spending a few minutes on Fidelity's priorities and technology imperatives. Together, Microsoft and Oracle remain very excited to partner with you to ensure that you continue to exceed your customer expectations and deliver on the excellence you're known for. Thank you.

MARK SIEVERS: Alysa, thanks for having me and asking us to be part of this announcement, and we look forward to a long fruitful partnership with Microsoft and Oracle.

ALYSA TAYLOR: And now turning from financial services, I'm so pleased to welcome Scott Petty, the chief technology officer at Vodafone, one of our leading telco partners. Vodafone has been such a fantastic innovation partner for both Oracle and Microsoft.

Scott, I appreciate you taking time to speak with us today.

SCOTT PETTY: Thank you. It's great to be here.

ALYSA TAYLOR: So Scott, I just talked to Fidelity about the importance of customer experiences where I know you also have a strong focus. I'd love to hear from you about what great customer experience looks like in the telco space, and how you're using technology to support that at Vodafone.

SCOTT PETTY: I think at the end of the day, our customers, whether they're consumers or business customers, want really seamless digital experiences. And when they're thinking about those experiences, getting help from us, buying new products, interacting with our websites, they're not just comparing us to other telecommunications companies; they're comparing us to everybody. Are we easier to deal with than your bank? Is it easier to buy our products than it is from Amazon? How easy is it to get support for the capabilities that you're offering me as an organization? So how well we execute those digital experiences will dictate how well we perform in the market and how happy our customers are in their NPS results that they give to us. So we're benchmarking ourselves against the entire industries and making sure that we're doing a great job in delighting our customers.

ALYSA TAYLOR: It's really inspiring to hear everything that Vodafone continues to do as a leader in this space, and the benchmark you strive to establish when it comes to customer experience.

One of the key aspects of Oracle Database@Azure is the simplicity of a single operating environment within Azure. I'd love to hear how you anticipate this accelerating your IT transformation at Vodafone.

SCOTT PETTY: Well, we've been building technology for more than 35 years, and as you can imagine, we have some old technology that we need to modernize and make sure we bring it up to modern cloud technology to enable us to be more agile and develop great digital experiences much, much faster.

We've been working really hard with Oracle over the past years to leverage their cloud technologies to modernize our Oracle databases and all the applications that support our big transactional systems.

At the same time, we've been working with Microsoft to build great digital experiences in care, leveraging our chatbots, integrating into the way we manage our customer service environments, and launching our e-commerce capabilities.

Seeing these two environments come together is really going to enable us to move much, much faster, create much greater scale across our platforms, and more importantly, build real innovation, leveraging the great capabilities of Oracle's databases and applications, leveraging the great, fantastic capabilities we have in Azure to create brand new digital experiences that delight our customers.

ALYSA TAYLOR: Scott, I know this will resonate with so many of our customers, no matter what industry they operate in. Thank you for sharing these perspectives with everyone.

Last question. We've heard all about the potential of AI and what it can enable in the market. But we also know that AI experiences are only as good as your data. As you're evaluating the relevance of AI to Vodafone, how do you see this offering advancing your AI agenda?

SCOTT PETTY: Oh, that's a great question and a really key focus area for all technologists at the moment. We're really excited about the potential for generative AI in particular, and we've been experimenting with Microsoft, building great new services, interfacing and servicing our customers and leveraging copilot technologies.

But now we can couple that with our great transactional systems and all of the core data that we have in all of our systems of record running with Oracle, and we think that will enable our large language models and our machine learning capability to really make a step change in the quality of experiences we can offer our customers and the way that we run and support our own business.

ALYSA TAYLOR: Scott, thank you so much for painting a vision of what's possible with Oracle Database@Azure and how technology solutions like this can help Vodafone continue to lead with innovation as you look to the future.

I love hearing how companies like Fidelity Investments and Vodafone are using technology to deliver on the customer-centric strategy driving each one of their businesses. As we heard from both companies, the deeper integration between Oracle and Microsoft promises to enable a step change in how they operationalize their business growth and how they innovate with agility.

On behalf of Microsoft and Oracle, I'd like to thank you for joining us. Have a wonderful day.

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