

CHAPTER 15 MANAGING GLOBAL SYSTEMS

CASE 1 Daum Runs Oracle Apps on Linux



VIDEO
CASE



SUMMARY Daum Communications, one of South Korea's largest internet content delivery and services provider, uses Oracle FIN & HRMS on Linux to maximize business efficiency. L=3:51.

URL <http://www.youtube.com/watch?v=ayZ3OLmjAp0>

CASE Daum is one of the most popular web portals in South Korea. The company offers many Internet services to web users, including a popular free web-based e-mail, messaging service, forums, shopping, and news. Daum's success is a reflection of the high level of Internet use in South Korea. The country has the highest level of broadband users, and one of the most widespread levels of computer and Internet access.

The popularity of Daum stems from the range of services it offers, but also from the fact that it was the first Korean web portal of significant size. Daum merged with the then most popular e-mail service, daum.net or hanmail.net. After the merger, Daum started the forum service DaumCafe which solidified its status in the South Korean Web site market. The terms *cafe* and *Internet cafe* (the latter of which is different from its meaning in Western usage), are now used as synonyms for *Internet forum* in Korean as a byproduct of Daum's success.

On August 2, 2004, Daum announced the purchase of Lycos for \$95.4 million. The company had more than 1,200 employees as of June 2008. Because of acquisitions like this and other attempts to expand worldwide, Daum began to feel constrained by their disparate range of software packages and scattering of key data. They sought out Oracle and installed an ERP management platform based on Oracle E-Business Suite.

Oracle Corporation's E-Business Suite ("EB-Suite" or "EBS") consists of a collection of enterprise resource planning (ERP), customer relationship management (CRM), and supply-chain management (SCM) computer applications either developed by or acquired by Oracle. The software utilizes Oracle's core Oracle relational database management system technology.

The E-Business Suite contains several product lines, including Oracle CRM, Oracle Financials, Oracle HRMS, Oracle Logistics, Oracle Mobile Supply Chain Applications, Oracle Order Management, Oracle Transportation Management, Oracle Warehouse Management Systems. Each product comprises several separately licensed modules.

Significant technologies incorporated into the applications include the Oracle database technologies (engines for RDBMS, PL/SQL, Java, HTML and XML), and the "technology stack" (Oracle Forms Server, Oracle Reports Server, Apache Web Server, Oracle Discoverer, Jinitiator and Sun's Java).

After Daum's installation of Oracle E-Business Suite, the company was able to settle accounts six times as quickly, improve their financial reporting systems, integrate the company's accounting, sales, billing, and online shopping systems, and reduce the work required to perform payroll bookkeeping by more than half. And since Oracle's systems run on Linux, the system cost about one-tenth as much as comparable Unix-based ERP systems.

VIDEO CASE QUESTIONS

1. What efforts is Daum making to expand globally? In what countries does it maintain a presence?
2. Why was Oracle a good fit for Daum?
3. Describe the benefits of Linux as opposed to other operating systems.

4. What kind of broadband infrastructure does South Korea have? What does this mean for Daum?
5. What more can Daum do to gain ground on its competitors?

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