

POWER TO THE PEOPLE?

Are user groups impotent talking shops or viable pressure groups?

Strong-arm tactics and outright rebellion are no longer the style of IT user groups. Disgruntled customers do not refuse to pay their bills en masse in an attempt to change pricing, release schedules or product features. These days, the focus is on 'education, arbitration and listening' and many user groups are run by the software suppliers themselves rather than as independent bodies. Is there really any point to joining them anymore?

Ian Hugo, who founded the now-defunct Computer User Group Alliance (CUGA), argues that many user groups have seen their power decline as the IT industry has moved on and IT architectures have become more heterogeneous. "The structure of user groups at the moment is sub-optimal. They're stacked up behind individual suppliers. That was fine in a world where people ran IBM shops or DEC shops, but [the industry is] not like that anymore."

Mike Dean, treasurer of the SAP UK and Ireland User Group, argues that the economic downturn has also had an adverse impact on membership. Many organisations, he says, see user groups as a waste of money and do not want to 'waste' resources seeking knowledge to boost efficiency. "Firms are scaling back on what they see as junkets", says Dean.

But Steve Needham, chairman of the Actuate user group (for users of Actuate's information delivery software), says that the few days he spends each month working with the group are easily justified to his employer; financial services group Deutsche Asset Management. "Belts are tightened here as in most firms, but we think this will help us to get more value [from the product]."

So what are the benefits of joining a group? "Most user groups have a conference, and at the conference, the vendor normally states its strategic direction. It's a useful sanity check," maintains Ronan Miles, chairman of the UK Oracle User



Their own masters?

WHILE some user groups are vendor-independent, others receive funding and are even organised by the vendor. Can these groups truly serve the needs of their members, rather than the vendors'?

The Acacia European User Group (for users of management software from Acacia Technologies, which was bought by Computer Associates and sold in April as part of its interBiz division to SSA), for example, takes a conciliatory approach: its stated aim is "assisting Acacia in the promotion and support of this excellent product".

The IBM Computer Users' Association (CUA), by contrast, is more forceful: its Midlands User Group refused to pay IBM licence revenues until the IT giant altered its pricing policy. The CUA has also managed to intervene on behalf of members when IBM failed to meet service level agreements.

US-based information delivery specialist Actuate funds its UK user group because "we have to know where we fit into our customers' tier-one priorities," says Alan Hamilton, Actuate's MD. "We have to get in at that tier this year or we won't get in at all."

It is a difficult dilemma: user groups that are not independent of suppliers are clearly less likely to try to influence the developers' strategy. However, if a supplier does fund a user group in order to get feedback, it is arguably more likely to listen to the resulting debate over its strategy and products.

Group. "You can compare what the vendor has been talking about in private with what it talks about in public. If a CIO believes there's a relationship between himself and a supplier, he's viewing the world through rose-tinted glasses."

Miles says that networking is an extremely important part of any user group. "It's incredibly valuable what you can overhear in the queue for coffee. It's important to me to get people together to solve stuff, exchange ideas, hear other people's problems and also hear about what they've achieved."

Other facilities offered by user groups can include arbitration and education. Business intelligence software vendor SAS Institute claims its user groups offer even more, saying that some of the benefits experienced by users include "opportunities to polish their interpersonal, writing, presentation and leadership skills," as well as networking and idea sharing with other SAS users.

These benefits aside, however, the chance to influence vendor strategies is a prime attraction of joining a user group. But how much notice do vendors take of user group members?

"It's an interesting question to answer," muses one user group chairman who wishes to remain anonymous. "You have to question what the vendors' interests

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are. Some vendors are in the incremental sales market and are more interested in people who haven't bought the software. Others are interested in sales to the current user population. Having said that though, even when you're targeting new sales, if they say, 'you don't do this well,' you'd be foolish not to listen."

Ronan Miles says that his group represents 3% of Oracle's global revenue and has been able to influence Oracle in a way individual users cannot. It has been talking to Oracle about its licensing model "relatively frequently", and the company has changed the model several times. "They won't acknowledge it's because of the user group, but the changes do correspond fairly roughly to what the user group was saying."

Oracle versus the Oracle Applications User Group

NO situation exemplifies more acutely the problems facing user groups than the ongoing battle between database and applications giant Oracle and the independent Oracle Applications User Group (OAUG).

When Oracle decided to withdraw support from OAUG's conferences in favour of its own AppsWorld conference series in Spring 2000, OAUG was forced to decide whether it would continue organising its own conferences without Oracle's support, or settle for merely organising the user-paper 'track' at AppsWorld – which accounts for just 25% of the overall conference content.

Oracle's executive vice president of applications development Ron Wohl, and Mark Jarvis, Oracle's senior vice president of global marketing, claim that Oracle does not have the available resources to support OAUG events or conferences as well as its own. Ultimately, the OAUG decided to continue its own series of conferences, albeit without Oracle's support.

After much negotiation, the two sides have reached an uneasy (and arguably, unsatisfactory) entente. "The relationship is improving; we went through a much worse period," former OAUG president Jeremy Young says. "At this point, we are looking at ways we can cooperate with Oracle on their conferences and we hope they will be able to participate, to some extent, in the future with us."


Oracle has now made some steps to support OAUG events, Young acknowledges. It has agreed to provide leads so that the user group can expand its membership, and provided some speakers from local offices for the OAUG event in Toronto in May 2002 – but not the senior-level executives that have historically spoken at OAUG events.

The group has also been able to intervene on behalf of users who believe they have received unfair treatment from Oracle. "Oracle has a large sales force, and the quality of sales staff can vary enormously. Sometimes customers aren't listened to. We've helped users who have

satisfy the demands of shareholders.

Other IT vendors have a reputation for being far less accommodating. Personal systems vendor Apple, which has many thousands of user groups and which regularly requests feedback from them about products, has a reputation for ignoring what most of its users want and giving them "what it thinks they should have". As a result, Apple user groups are little more than help forums for users facing difficulties with its products.

Actuate user group chairman Needham advises checking any potential user group to see who runs it and what they are hoping to achieve. "Don't let the vendor use the group to sell its products. Don't get involved in a bug-fix forum. User groups should look at strategic issues," he says. Miles of the UK Oracle User Group says the most important thing is to make sure the user group is independent of the supplier so it can get matters that are "genuinely important" to users on the agenda.

User group quality and influence varies. But even the most powerful is only as powerful as the vendor allows it to be. 

C O N T A C T

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