

November 7, 2003

BOOKS

Wonder Boy

By SPENCER REISS

The denizens of Silicon Valley, joined by a peanut gallery from Wall Street and elsewhere, have long held two divergent views of the man who runs Oracle Corp. Call them Larry the Bad and Larry the Good.

Larry the Bad runs a pirate ship masquerading as the world's second-largest software company. When he's not zooming around in his Marchetti S211 jet fighter -- spoilsports in Washington turned down his request for a personal MiG-29 -- he's trash-talking the "morons" who run most corporate IT shops and the "monopolist" (guess who?) who peddles them "old garbage." His salesmen push half-baked goods and train on "Sopranos" reruns; his accountants moonlight at Cordon Bleu. He is the only person in history who has lost a billion dollars a week for a year. As long as Stanford keeps turning out good-looking 22-year-old blondes, he will date them. And he has never met a new technology he didn't like.

EVERYONE ELSE MUST FAIL

By Karen Southwick
(Crown, 306 pages, \$27.50)

SOFTWARE

By Matthew Symonds
(Simon & Schuster, 508 pages, \$28)


Larry the Good runs a \$10 billion-a-year corporation like a start-up, turning it on dimes, scrambling the jets, ever pursuing the next revolution. When he is not kicking away naysayers and -- a favorite Ellison term of opprobrium -- bean counters, he's firing up the cream of MIT, Cal Tech and Stanford to build the information tools on which the Fortune 500 of 2010 will run. His tastes run equally to visions of the IT future and 15th-century Japanese samurai armor. He is a grand ayatollah in the Valley's jihad against the Devil of Redmond. Oracle's stock has tripled over the past five years. As long as Stanford keeps turning out good-looking

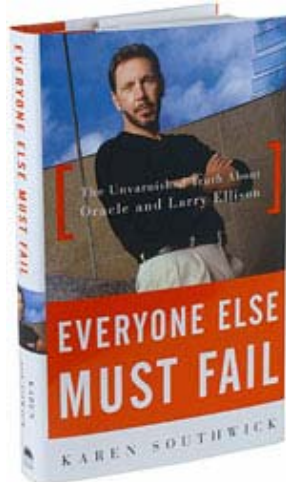
22-year-olds, he will date them -- or he did, until AARP eligibility hove into view. And he has never met a new technology he didn't like.

For the Prosecution

For anyone who enjoys playing "Who's Larry?" two books have arrived to help answer the question -- or confirm familiar prejudices. The slimmer of the two, Karen Southwick's **"Everyone Else Must Fail,"** is a determined case for the prosecution, a jumble of sour grapes and horror stories starring Ellison's embittered former number two, Ray Lane. She goes looking for Genghis Khan and, although finding him some of the time, is honest enough to admit when she comes up short. Matthew Symonds's brick of a book is more elegant and overtly admiring. It is dominated -- surprise -- by the endlessly talkative Mr. Ellison himself, who cooperated right down to providing running footnotes to the narrative. So together we get yin and yang, which may be about right for one of the high-tech world's true samurai.

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Both authors must struggle to depict the arcane (if crucial) business of building and selling industrial-strength software. Coming to the rescue of the storyline are jets, yachts, James Bond houses, bitter ex-protégés and grim rivalries. Not to mention the plain amazement of an unwed mother's kid born on Manhattan's Lower East Side and growing up on Chicago's South Side battling Bill Gates for the title of the world's richest man.

We'll leave to social scientists the odd coincidence that both Mr. Ellison and Silicon Valley's other compulsive iconoclast, Apple Computer founder Steve Jobs, were raised by someone other than their biological parents. (Ms. Southwick makes irritatingly much of Mr. Ellison's cranky adoptive father taunting him: "You'll never amount to anything.") Also like Mr. Jobs -- and, famously, Bill Gates -- Mr. Ellison failed to see the charm of higher education, studying physics only long enough to figure out how to make an easy living writing operating code for IBM mainframes. In 1966, at age 22, he lit out for California in a second-hand Thunderbird, ending up in Berkeley, where he knocked around the loose collection of researchers and entrepreneurs that would later jell into Silicon Valley. For the record, he now says, "I never wore beads."

What he did do, in classic high-tech pioneer fashion, was rummage through IBM's research closets looking for a great idea lost in the corporate shuffle. He found one in a paper proposing ways to tease unforeseen connections from mountains of undifferentiated information. It was a hard problem: IBM itself would take another decade to crack it. But Mr. Ellison and two friends dove in, coming up with the world's first commercially deployable -- barely -- "relational database." The CIA -- then actually a technology leader -- was customer-one, followed soon by other spooky acronyms. With a

name swiped from one of the CIA's early data-mining projects, Oracle Corp. was in business.

A Deluge

Mr. Ellison's vision can be summed up easily: It's the information, stupid. Or as he has occasionally puts it: "Nobody calls this the f-ing Desktop Age." No, it's the Information Age, and he and Oracle sit squarely at the heart of it. While the personal computer was grabbing the spotlight, Oracle databases were quietly embedding in corporate IT sub-basements around the world. With the advent of the Internet, what was a trickling stream of data became a deluge. Today when you click into Amazon or eBay or Yahoo -- or when a General Electric group CFO punches up Oracle Financials -- Mr. Ellison's astounding 25% chunk of his company's stock becomes a couple of pennies more valuable. (By contrast, Bill Gates now owns less than 10% of Microsoft.)

The great thing about Larry Ellison is that all this -- including the \$85 million personal jet, the \$200 million estate in Woodside, Calif., the biggest yacht ever built and, not least, operating margins consistently above 35% and a market cap of \$60 billion -- is nothing like enough. While the rest of Silicon Valley frets about options reform and interest rates, the 11th-floor boardroom at 500 Oracle Parkway is forever abuzz with revolution.

What kind? Well, to start with, complexity is out of control in corporate computing. A thousand Silicon Valley companies need to disappear, starting with Oracle's sometime rival PeopleSoft, for which Mr. Ellison and his crew have a hostile takeover attempt under way. The goal is a seamless, soup-to-nuts platform with data at its heart, a sweeping fix from above that does for 21st-century companies what Windows did for struggling users of the early desktop PC. Oracle just happens to be building such a platform. And when you've got them by the database -- so the theory goes -- their hearts and minds will follow.

He may have never worn love beads, but another of Larry Ellison's favorite phrases is, "It will blow your mind." Stay tuned.

Mr. Reiss is editor at large of The American Spectator.

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