the 1933 SEC legislation, 'The bar has essentially created language and sets of understandings around transparency and reporting that are so misleading they are Orwellian.' Pointing to the disclosure of Jack Welch's elaborate compensation plan, revealed only through his divorce proceedings, Monks says, 'Everybody runs around nodding their heads and saying my God isn't it wonderful that we have all of this disclosure and then we find out that, hey, we don't know anything.' This has created a 'vast world of apparent transparency' for shareholders that is misleading and dangerous. (Monks quips that if all CEOs were forced to go though a divorce proceeding, shareholders might find out the truth about their compensation.)"

The most provocative statement in that paragraph is Monks' "quip." So much for privacy in this brave new world of transparency. This does beg the question of whether shareholder activists and champions of corporate social responsibility should be subject to comparable levels of personal exposure. Indeed, less than 1 percent of *The Naked Corporation* deals with the intersection of personal privacy and corporate transparency, which is bizarre precisely because organizations and enterprises are nothing but people. The most gutless aspect of this book is that its authors never come to grips with this simple reality. They display neither the courage nor the sophistication to present—in a business context—how and when transparency passes the point of diminishing returns.

More often than not, the issue is not the absence of transparency but the willful and deliberate choice to ignore the unambiguous information that is staring you in the face. There is a profound difference between transparency

designed to prevent and preclude criminal behavior and transparency designed to promote "good" behavior—whatever that means. Unfortunately, discussing the distinctions between these two types of transparency is not at the intellectual core of *The Naked Corporation.* Instead, you will find tale after tale about how the benefits of disclosure overwhelmingly outweigh the costs. These tales may all be true. But their very

disclosure reveals what the authors conceal—the downside and dark side of transparency. Truly naked corporations mean truly naked individuals. Maybe CEOs and board members must accept that as a cost of doing business, but should the rest of the people in the organization?

I'd like to read some good answers to that question. I wish I had found some of them in this book. ◆

More Than a Mogul

By Susan Webber

Softwar
An Intimate Portrait of Larry Ellison and Oracle
By Matthew Symonds
With Commentary by Larry Ellison
Simon & Schuster, $28.00

Everyone Else Must Fail
The Unvarnished Truth About Oracle and Larry Ellison
By Karen Southwick
Crown Business, $27.50

L iterary creations need to be consistent, or else they aren't believable. Larry Ellison—founder, chairman, and CEO of Oracle Systems, the database and business-applications company—would strain credulity if he were depicted in a novel. Raised in lower-middle-class Chicago by adoptive parents, Ellison, a college dropout, became a software developer, liking the meritocracy and the flexible hours.

Ellison's ambition developed late. At 34, he started Software Development Laboratories with two partners and modest objectives. But he saw the potential

in a relational-database technology widely considered to be too difficult to commercialize. His venture, later named Oracle, doubled in revenue every year in the 1980s, survived a near-death experience in the early 1990s, and is now the second-largest independent software company. His 24 percent stake briefly made him the world's richest man; he currently ranks ninth on the *Forbes* 400 list.

But Ellison is more than a mogul. He is a Promethean figure: charismatic, controversial, prone to shameless hyperbole, with a keen eye for talent and an unerring sense for when that talent has outlived its usefulness; a pilot, America's Cup competitor, and a connoisseur of things Japanese. An engineer to his core, he remains intimately involved in product conceptualization and design. He can pummel subordinates for bad ideas, yet he is so uncomfortable with conflict that he makes firings a

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IN REVIEW

drawn-out, torturous process.

Two books—*Softwar*, by *Economist* editor Matthew Symonds, and *Everyone Else Must Fail*, by Karen Southwick, a former editor of *Forbes ASAP* and *Upside*—seek to portray the real Ellison. Yet a reporter is only as good as his sources, and what sources say about Ellison can be so divergent that the books at times occupy weird parallel universes.

Southwick's *Everyone Else* relies on ex-Oracle employees and competitors. While it offers some insights, its gossipy, back-biting tone, cheap shots, and uneven fact-finding raise serious doubts about its objectivity.

The author's tendency is to start a section with an unflattering tidbit—for example, that Oracle has repeatedly released barely workable products, pushed customers hard to buy them, and then blamed the victim. Though she usually reaches a judicious conclusion (in this case, that premature launches were the best route to competitive success), the first impression, the frontal attack, lingers.

Everyone Else charges that Oracle's aggressiveness and arrogance have left it with few friends.
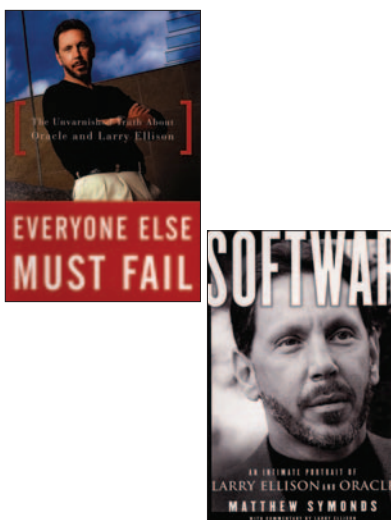
by a woman Ellison once dated. Oracle settled the case, but a later criminal trial against the plaintiff exposed her plan to extort Ellison, found her guilty of perjury, and forced her to refund the settlement. Similarly, Southwick depicts a 2002 scandal involving the state of California as evidence of Oracle's overly aggressive sales culture, when Logicon, an Oracle partner, negotiated the contract. In addition, she bases her critique of Oracle's latest products on the words of a Microsoft representative who cannot explain its own Web-services strategy!

While Southwick concentrates on Ellison's dark side and

The strongest proof of Ellison's intelligence and powers of persuasion is that Symonds, a seasoned journalist, fails to recognize how completely he has fallen into Ellison's orbit. A collaboration agreement gave Ellison the right to add comments, which appear as footnotes, without changing Symonds' words. In a literary manifestation of the Heisenberg uncertainty principle, the prospect of having Ellison review the text undoubtedly had an impact on Symonds' writing. Indeed, *Softwar* sometimes crosses the line from biography into hagiography.

In fairness, Symonds witnessed difficult moments in Ellison's personal and professional life, and his subject retained his composure and perspective. However, the author steers clear of Ellison's reputation for outbursts and Oracle's bare-knuckled politics, although the CEO volunteers that he has renounced "management by ridicule."

Though *Softwar* is polished and astute, Symonds' decision to recount his travels at length makes for a meandering, sometimes flabby, tale. Ellison's penetrating observations about the software industry and the development process get lost in the narrative. Symonds can get bogged down—for example, trying to reconcile the divergent views of Ellison and former president Ray Lane about Lane's ouster. The final chapter pulls the key threads together, but the author would have done better to organize his material more tightly.

The real meat of *Softwar* explores Oracle's crusade to sell new technology. The E-Business Suite is not merely a new product but a key element in a radical new paradigm. Ellison has long

Symonds fails to recognize how completely he has fallen into Ellison's orbit.

It holds Ellison accountable for Oracle's highly competitive, arguably dysfunctional culture and lambastes him for pushing out executives, asserting that he sacrificed not just experience but a badly needed customer perspective.

The book falters as the story progresses. For example, Southwick misreads a wrongful-termination suit against Oracle

paints an Oracle in decline, Symonds basks in Ellison's limelight. Symonds tagged along for weeks at a time over two years during the campaign for Oracle's latest database and new applications package, the E-Business Suite. Symonds intersperses chapters on Oracle history, Ellison's upbringing, his romantic life, and his personal projects.

inveighed against the needless complexity of software, the seemingly endless corporate-development projects that, even when they deploy off-the-shelf software, greatly exceed their time and cost allotments.

In Ellison's view, the Internet really does change everything. Like the power grid or the municipal water system, it is the architecture of the mature information network. And mature networks feature large central capacity and infrastructure and limited local functionality.

Just as Bill Gates must have realized one day what controlling an operating system, once regarded as a decidedly unsexy utility, actually meant, so too has Ellison recognized that having the leading database makes the world his oyster. Businesses will migrate to fewer and bigger databases, and manipulating that data will be the focus of applications.

The current norm of fragmentation of data across multiple databases is incredibly costly, and not just in computing terms. Incomplete automation of business processes leads to duplicated effort, errors, and an inability to measure and control operations.

Ellison has a clear vision of the future: a single database for the corporation, with integrated suites of applications from ERM and CRP to integrated messaging, voice mail, and calendars. And implementing this vision more than pays for itself. Oracle first ate its own cooking, restructuring its business processes so that its decentralized operations moved to centralized information-management systems. The savings, touted in Oracle ads, were $1 billion. And Oracle can lower costs even further by, for example, enabling customers to run databases and applications on clus-

ters of low-cost computers rather than expensive mainframes.

As elegant as this sounds, it flies in the face of computer industry practice. The client/server model is ascendant, though any top-drawer systems architect will vouch that it is rife with problems. Large corporations would rather computerize existing processes than use new software as a vehicle to stream-

last to be converted. After all, the Silicon Valley mainstream has a lot to lose if Ellison prevails. His natural allies are the mainstream business press and business consultants who sell change management and reengineering, but he appears to have spent little time cultivating them.

Ellison hopes that Oracle will ultimately have a funda-

By attacking software's fundamental shortcomings, Ellison has raised the bar for his competitors.

line them. And few like the idea of being hostage to a single software provider.

Vendor-centric though it is, Ellison's argument rings true. Let's accept his premise. His miscalculations are typical of innovation-oriented firms. First, he has greatly underestimated the degree to which customers must change behavior to adopt his approach. Major software upgrades are as pleasant as root canals; revamping processes and reorganizing are considerably more complex. The boldness of his undertaking means he will be slow to win followers.

Second, Ellison may not be focusing his sales and marketing efforts on his natural audience. Ultimately, he is offering not a new software product but a critical tool for business process redesign and cost reduction.

That makes the E-Business Suite a top-level sale, and CEOs seem receptive. But *Softwar* gives the impression that Ellison has gotten mired in tried-and-true methods for introducing new software products and is often preaching to technology audiences. While an important target, they will probably be the

mental impact on the conduct of business, like a Ford or an IBM. And the tectonic plates of global commerce are shifting in his favor: The continued quest for lower costs, particularly utilizing cheap foreign labor, means that the benefits of a radical process overhaul cannot be ignored. Continued supply-chain integration also argues for centralized systems to rationalize activities across the supplier network.

Whether Ellison succeeds in leaving his footprints in the sands of time remains to be seen. But by attacking software's fundamental shortcomings, Ellison has raised the bar for his competitors and therefore done a significant good deed for customers.

Ellison has taken the American dream to a new level. While other successful individuals remade themselves to get ahead, Ellison has turned self-actualization into an extreme sport. His attack on software's fundamental failings is a characteristic high-risk, high-reward gambit. And if history is any guile, it is likely to serve Oracle as well as Ellison's larger aims. ♦