

Oracle Shares Slip On Talk Of Management Shake-Up

The Associated Press

SAN FRANCISCO (AP) — Oracle Corp.'s stock slipped Monday amid unsubstantiated reports that the business software maker is preparing to announce a reorganization that could include the departure of the company's top sales executive in North America.

Several securities analysts who follow Oracle telegraphed the possible shake-up in notes published Monday. Although they differed on how broad the reorganization will be, the analysts all said they had been told Keith Block is ending his 26-year career at Oracle. Block has been Oracle's executive vice president of North America sales and consulting for the past decade.

Nomura Securities analyst Rick Sherlund said he had been told by an unnamed industry source that Block left Oracle at the end of last week. JPM Securities analyst Patrick Walravens speculated that Block's departure is part of a "massive" reorganization of how the company sells software applications and computer hardware.

Oracle didn't immediately respond to requests for comment about Block's status. His biography remained on Oracle's website late Monday afternoon. The situation could be clarified Thursday when Oracle is scheduled to report its fiscal fourth-quarter earnings.

Block may have antagonized some of his bosses with derogatory remarks that recently emerged in a California trial pitting Oracle against rival Hewlett-Packard Co. The two companies are suing each other in a dispute over Oracle's decision to stop making software for HP computers running on Intel Corp.'s Itanium chips.

In one instant messaging exchange submitted as evidence in the trial, Block said Oracle "bought a dog" when it acquired computer maker Sun Microsystems for \$7.3 billion two years ago. Block also described Sun as "dead, dead, dead." Another IM exchange knocked Mark Hurd, Oracle's president and a close friend of the company's CEO, Larry Ellison.

If Block departs, it could raise investor concerns about the management disruption having a ripple effect on Oracle's software sales. A broader overhaul of the sales organization would probably escalate those fears.

"Oracle has a lot of depth of sales management talent, so we are not so much concerned about the loss of Mr. Block as we are about ongoing restructuring of the sales organization," Sherlund wrote in his note.

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SHARE ACTION: Oracle shares shed 58 cents, or 2.1 percent, to close Monday at \$27.12. The stock has ranged from a low of \$24.72 to a high of \$34.13 during the past year.

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