

# Oracle reaches for the business computing 'cloud'

September 20 2010, by Glenn Chapman

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Oracle on Sunday reached for the business computing "cloud," taking an unabashed shot at Salesforce.com's winning way of selling applications as services on the Internet.

Oracle chief executive Larry Ellison unveiled an Elastic Computing Cloud combination of hardware and software that he said offered ten times the capacity of IBM's biggest machine at a quarter of the price.

The 1.075 million dollar "cloud in a box" stood slightly taller than Ellison and held 30 servers, an Infiniband network and an integrated [data storage](#) device.

"This box is capable of one million http requests per second," Ellison said. "If we had two of these machines side-by-side we could do Facebook globally, and they are up to 500 million members."

Ellison harpooned [Salesforce.com](#) as being "Way behind the cloud" and argued that true [cloud computing](#) for businesses demanded platforms of hardware and software that gave companies flexibility, security, and reliability.

Firms have been turning increasingly to "private clouds," essentially computer systems that let them maximize the power available in machines by sharing and reallocating resources as needed in-house.

"We believe cloud computing is a platform," Ellison said. "It must be

elastic and it must include hardware and software; not just applications on the Net like Salesforce.com."

[Oracle](#) has created a new cloud services divisions run by a former executive at IBM, an Oracle rival.

"The whole idea of cloud computing is to have a pool of resources shared inside a company," Ellison said. "You get much more efficient use of those resources."

The cloud computing trend gained momentum during the global economic turmoil, with companies saving money by essentially renting computer applications online as needed instead of buying and maintaining software.

The Elastic Computing box was the first of a series of new offerings Oracle will be unveiling this week at its annual OpenWorld Conference in downtown San Francisco.

Approximately 41,000 people from more than 100 countries are registered to attend what Oracle billed as the world's largest technology conference.

Oracle set out to reassure that its relationship with computer giant Hewlett-Packard (HP) is intact despite Ellison's decision in recent weeks to hire ousted HP chief executive Mark Hurd as a co-president.

Before Ellison's opening keynote, HP executives were given the spotlight to pitch new products that mesh with Oracle offerings.

"This is an area where HP has made a huge investment," said HP executive vice president of business Ann Livermore, who noted that HP and Oracle have more than 140,000 joint customers. "I think the

numbers tell the story."

Hurd will address the gathering early Monday, unveiling a "cool new high-end" business computer machine from Oracle, according to Ellison.

Hurd, 53, resigned as HP chief executive in August after a sexual harassment probe uncovered subterfuge with company expenses.

The investigation found he had not broken harassment rules, but was in breach of HP's "standards of business conduct."

Oracle said Hurd has been named to the company's board of directors as a co-president and will report to Ellison.

HP filed suit against Hurd last week, claiming that taking up the HP position violated trade secret and confidentiality agreements.

Oracle chief executive Larry Ellison fired back at HP's lawsuit with a statement calling the lawsuit "vindictive" and saying that Oracle has long viewed HP as an important partner.

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