

## Oracle's Bid for PeopleSoft: Update 11 June

**Betsy Burton**

With its tender offer for PeopleSoft, Oracle is attempting to gain more control over broader markets. Gartner advises how this offer could affect you.

## NEWS ANALYSIS

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### Event

As of 11 June 2003, the latest developments on Oracle's unsolicited bid to acquire PeopleSoft for \$5.1 billion in cash include:

- According to trade press reports, Oracle said it was informed that PeopleSoft will not seek a restraining order to stop Oracle's bid.
- SAP has begun marketing itself to PeopleSoft and J.D. Edwards customers as an alternative provider.

### Analysis

Oracle's offer for PeopleSoft has much greater impact than appears on the surface. Gartner believes the deal has already disrupted the businesses of PeopleSoft and J.D. Edwards. But the deal also touches many markets beyond business applications. In addition, this move could affect the businesses and strategies of major software vendors in addition to the three principals Oracle, PeopleSoft and J.D. Edwards:

- IBM, which has a close partnership with PeopleSoft
- Microsoft — PeopleSoft pulls through many sales of SQL databases
- SAP and Siebel Systems, which become the leading alternatives to Oracle in large-enterprise CRM suites if the deal goes through

**Gartner advice:** This recent news does not change our advice to PeopleSoft and J.D. Edwards customers and prospects ("How Oracle's Bid for PeopleSoft Affects Customers"). We encourage clients to review our current research, and if you have specific questions, talk with your Gartner analyst — by phone (+1 203 316 1266) or e-mail (bizapps@gartner.com). Gartner offers the following research:

- "Oracle/PeopleSoft Deal Would Greatly Affect ERP Market" — If Oracle's bid succeeds, PeopleSoft customers would have to undertake a disruptive migration at some point, and J.D. Edwards' customers may not see any major new functions. **By Karen Peterson, Yvonne Genovese, Lee Geishecker and Betsy Burton**
- "Oracle's Bid for PeopleSoft Won't Alter Its CRM Position" — Even if Oracle accomplished a seamless acquisition, the deal would not allow Oracle to overtake Siebel Systems or SAP in the CRM market. **By Robert DeSisto and Michael Maoz**
- "How Oracle's Bid for PeopleSoft Affects Customers" — If you're in the middle of a J.D. Edwards or PeopleSoft deployment, you should proceed. If you're considering a purchase of J.D. Edwards or PeopleSoft products, don't sign a deal until it becomes clear whether Oracle's plans to acquire PeopleSoft are serious. **By Betsy Burton and others**
- "PeopleSoft and J.D. Edwards Fit, but Merger Will Be Complex" — Customers will likely not feel an impact from this acquisition until at least mid-2004. **By Lee Geishecker and Jeff Comport**

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