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# Bad timing for Blackberry service fail

By Larry Dignan



(Credit: RIM)

Research in Motion's rolling global outages could be a major body blow for a company looking to get off the mat. In fact, the timing of these outages is simply brutal.

Here are the moving parts:

RIM is trying to convince folks to buy its BlackBerry 7 devices and has an iPhone 4S launch as well as a bevy of Android phones hitting the market.

Its developer powwow is next week and RIM has to rev up its supporters.

A crucial QNX update is coming in weeks ahead that will make or break RIM's PlayBook tablet.

Emerging markets are RIM's one strong suit.

All of those items are overshadowed by a company that now can't keep its service running. Today, RIM is seeing outages in North America and South America. The outages are tied to a botched "failover to a back-up switch." Now the BlackBerry service is backed up with data. Keep in mind that email and messaging is the reason that BlackBerry devices are still popular to some degree. RIM is security, messaging and enterprise grade service. An infrastructure meltdown at this point just doesn't look good.

This timeline of outages from RIM is simply a mess:

**Wednesday 12th October - 9:45 (GMT-5)** BlackBerry subscribers in the Americas may be experiencing intermittent service delays this morning. We are working to resolve the situation as quickly as possible and we apologize to our customers for any inconvenience. We will provide a further update as soon as more information is available.

**Wednesday 12th October - 12:00 (GMT+1)** We know that many of you are still experiencing service problems. The resolution of this service issue is our Number One priority right now and we are working night and day to restore all BlackBerry services to normal levels. We will continue to keep this page updated.

**Tuesday 11th October - 21:30 (GMT+1)** The messaging and browsing delays that some of you are still experiencing were caused by a core switch failure within RIM's infrastructure. Although the system is designed to failover to a back-up switch, the failover did not function as previously tested. As a result, a large backlog of data was generated and we are now working to clear that backlog and restore normal service as quickly as possible. We sincerely apologise for the inconvenience caused to many of you and we will continue to keep you informed.

**Tuesday 11th October - 16:00 (GMT+1)** Some of you are experiencing

messaging and browsing delays. We are working to restore normal service as quickly as possible and we apologise for any inconvenience this has caused.

**Monday 10th October - 20:46 (GMT+1)** Our sincere apologies to all of you affected by today's BlackBerry service issues.

**Monday 10th October - 15:00 (GMT+1)** We are currently working to resolve an issue impacting some of our BlackBerry customers in the Europe, Middle East and Africa region. In the meantime, we apologise to you for any inconvenience, and thank you for your patience.

For another company, these outages would be taken in stride. In fact, RIM has had outages before and came out just fine. However, the stakes are much higher now.

Rest assured that the BlackBerry outages of late will be duly noted by activist investors that are trying to force a RIM takeover or at least boot the company's co-CEOs Jim Balsillie and Mike Lazaridis. These outages will also be an issue for any potential acquirer of RIM.

Jefferies analyst Peter Misek crushed RIM in a research note Wednesday. His memo to activists was that RIM's turnaround will take a long time. Misek's point:

We believe any potential acquirers will wait until the QNX transition is completed as they will not know what they are buying otherwise. Also, we believe acquirers will wait to see if Windows 8 becomes the third mobile ecosystem as its success or failure will dramatically alter the strategic situation and RIM's valuation. We also believe it will be difficult to extract value from RIM in a break up or a management change scenario.

Specifically, Misek said that RIM can't be broken up until its migration to QNX is complete in roughly six months. Meanwhile, a management change is difficult. Motorola Mobility CEO Sanjay Jha would be a candidate to lead RIM, but he's highly thought of at Google. Other executives at Apple and Microsoft are largely locked up from going to RIM. PC makers, smartphone rivals and other takeover options look slim.

Add it up and RIM's only real option at the moment is to execute well and bolster momentum for the BlackBerry. The outages aren't helping that cause.

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