Oracle Corporation et al v. SAP AG et al
Doc. 1143 Att. 14

EXHIBIT 14

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Fair Market Value License Negotiation Framework

Oracle's Negotiating Perspective

What is Oracle Giving Up?

Negotiation Factors*
✓ Scope and Duration of the License
✓ Need for the Copyrighted Works
✓ Risk Acceptance
✓ Competitive Relationship of the Parties
✓ Goals/Business Plans Related to the Copyrighted Works
✓ Expected Financial Benefits/Impacts
✓ Values not Quantified

SAP's Negotiating Perspective

What is SAP Gaining?

Amount That SAP Would be Reasonably Required to Pay Oracle at the Time of the Infringement

* Consistent with *Georgia-Pacific Corp. v. U.S. Plywood Corp.*

PeopleSoft License – SAP Negotiation Factors

Negotiation Factor	Analysis
1 SAP's Goals for New Offering	✓ Offering PeopleSoft Maintenance is Step 1 of "3-Step Plan" to Convert Customers to SAP
2 SAP's Expected Impact on Oracle	✓ Impact Oracle's Return on $11.1B Investment by Taking PeopleSoft Customers ✓ SAP Increased Revenue Equals Oracle Revenue Impact
3 SAP's Expected Financial Gains	✓ $897 Million in Only 3 Years ✓ Expected Customer Conversions of 2,000 to 6,000 ✓ SAP Expected Gains of $881M to $2.69B

ORACLE

SAP

"A Roadmap For PeopleSoft Customers to SAP" - December 23, 2004 (Factor 3)

Message

From: Ziemen, Thomas [/O=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000042894]
Sent: 12/23/2004 8:05:11 AM
To: APOTHEKER, Leo [/O=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000042403]; Agassi, Shai [/O=SAP/OU=America2/cn=Recipients/cn=000000115784]; Homlish, Martin [/O=SAP/OU=America1/cn=Recipients/cn=000000061816]
CC: Kagermann, Henning [/O=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=0000000462525]; Oswald, Gerhard [/O=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000034905]
Subject: PeopleSoft Attack Program
Attachments: PS_Attack_Program_12_2004_V6.ppt

Leo, Shai, Marty,
please find enclosed the updated version of the PeopleSoft Attack Program Presentation including the latest feedback and agreements.

PS_Attack_Prog...

Regarding the PSFT license recognition the current agreement is to start with minimum 75% of the net net license and leave it to the Regional Sales Heads to lift it up to 100%. Over time we should start reducing that recognition (75-100% for the first year, 50-75% for the second and after that only 50%).

Merry Christmas and a very happy New Year,

Thomas

Thomas Ziemen
Vice President
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SAP-OR002

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
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Nichole Heuerman, Deputy Clerk

SAP Business Opportunity

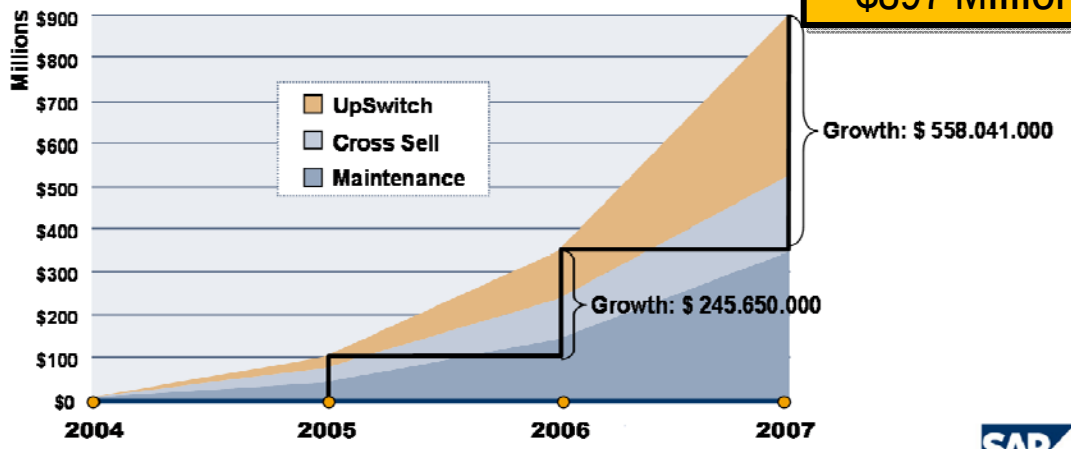
Assumptions	2005		2006		2007		SUM
	No of Customer	Revenue in $	No of Customer	Revenue in $	No of Customer	Revenue in $	
UpSwitch (discount 75% - 25%)	250	25.000.000,00	375	85.200.000,00	750	268.154.500,00	
CrossSell (average deal size $ 70K)	500	35.000.000,00	750	58.450.000,00	1000	85.886.500,00	
Maintenance (17% on amount of licenses)	500	34.000.000,00	1500	102.000.000,00		04.000.000,00	
SUM in $		94.000.000,00		245.650.000,00			

Upswitch Total: 1,375

Cross Sell Total: 2,250

3,000

$897 Million



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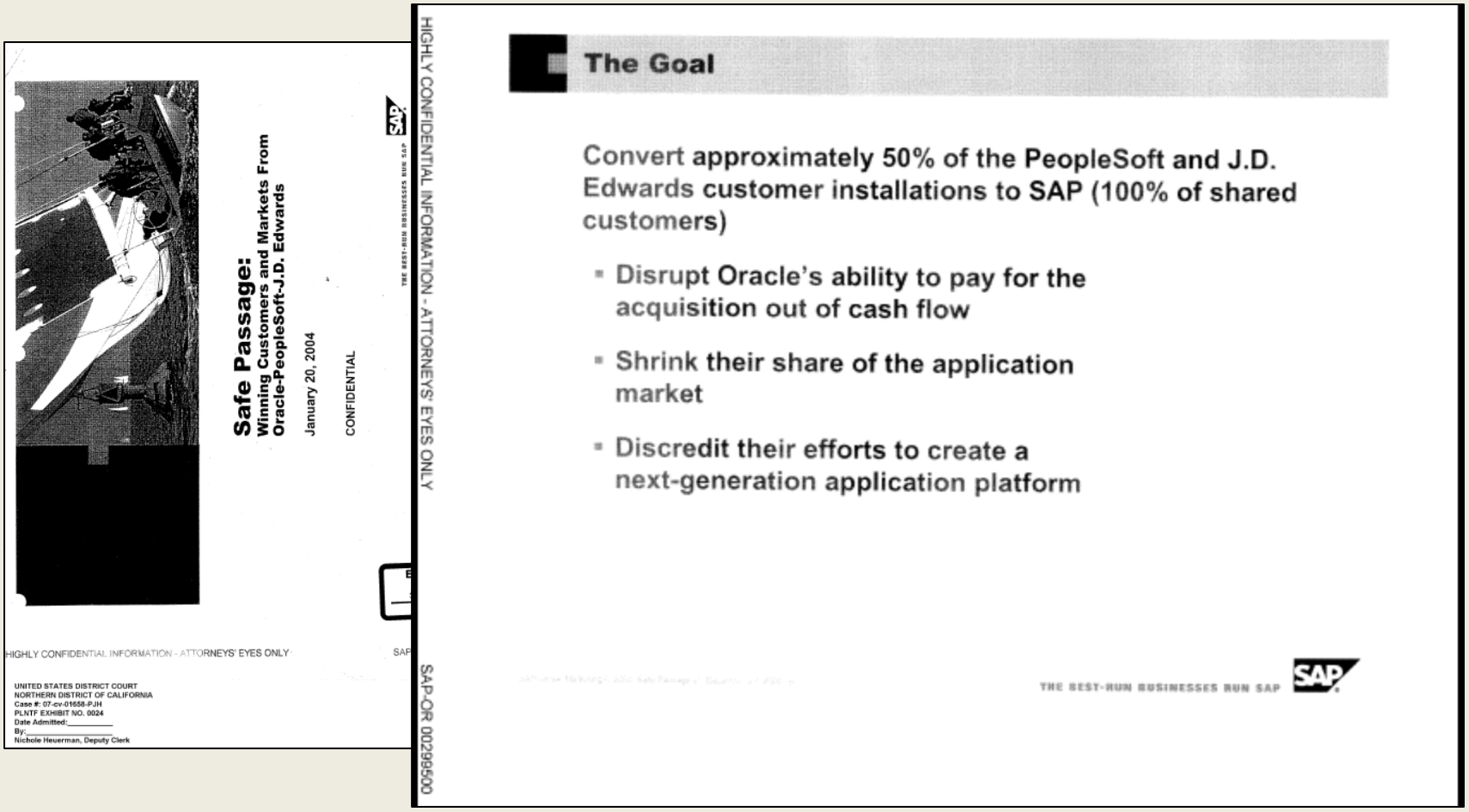
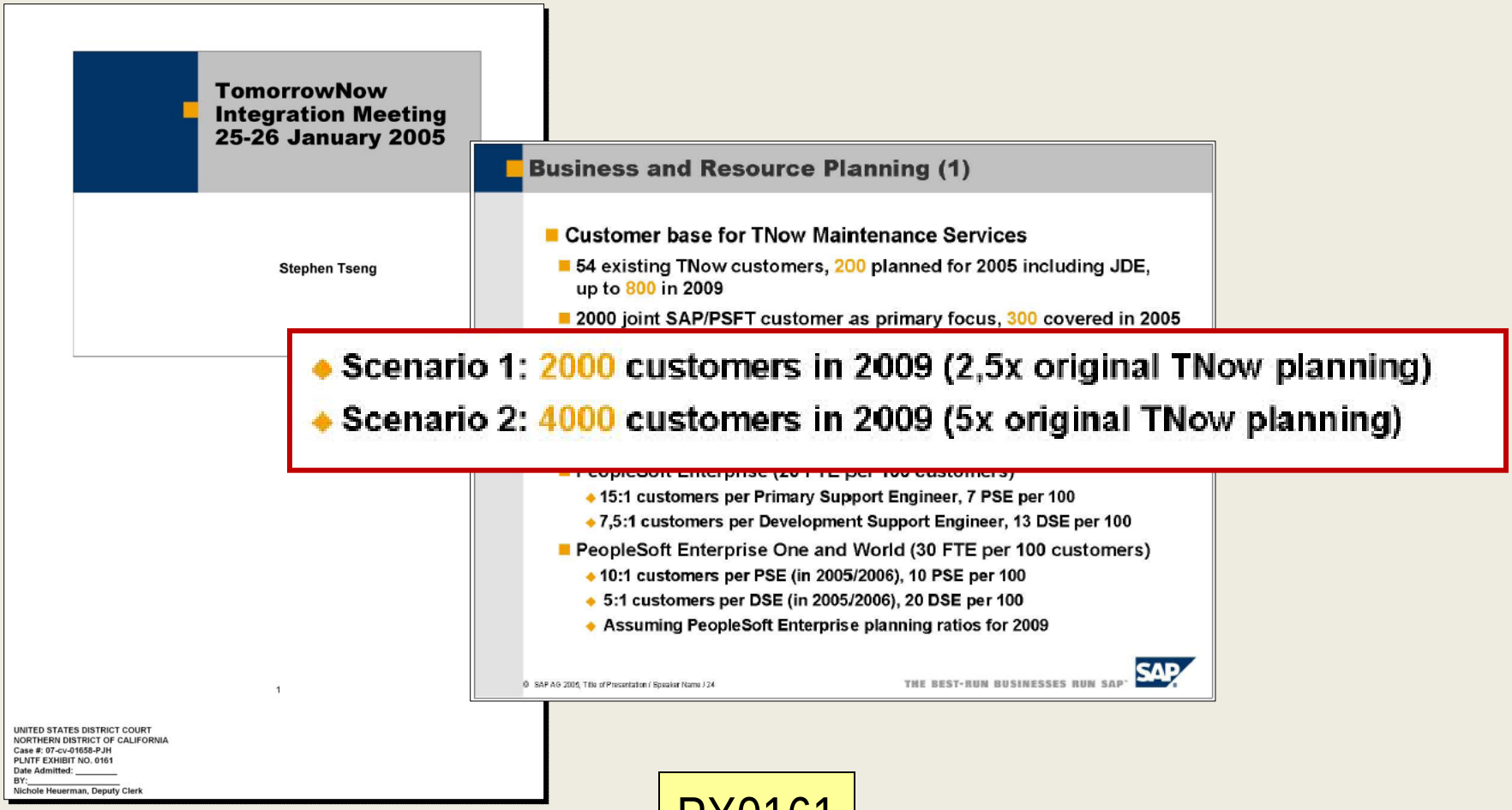
PX0012

"Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-J.D. Edwards" – January 20, 2005 (Factors 2 & 3)



PX0024

"TomorrowNow Integration Meeting" – January 25-26, 2005 (Factor 3)



TomorrowNow Integration Meeting
25-26 January 2005

Stephen Tseng

1

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Business and Resource Planning (1)

- Customer base for TNow Maintenance Services
  - 54 existing TNow customers, 200 planned for 2005 including JDE, up to 800 in 2009
  - 2000 joint SAP/PSFT customer as primary focus, 300 covered in 2005
- Scenario 1: 2000 customers in 2009 (2,5x original TNow planning)
- Scenario 2: 4000 customers in 2009 (5x original TNow planning)
  - 15:1 customers per Primary Support Engineer, 7 PSE per 100
  - 7,5:1 customers per Development Support Engineer, 13 DSE per 100
- PeopleSoft Enterprise One and World (30 FTE per 100 customers)
  - 10:1 customers per PSE (in 2005/2006), 10 PSE per 100
  - 5:1 customers per DSE (in 2005/2006), 20 DSE per 100
  - Assuming PeopleSoft Enterprise planning ratios for 2009

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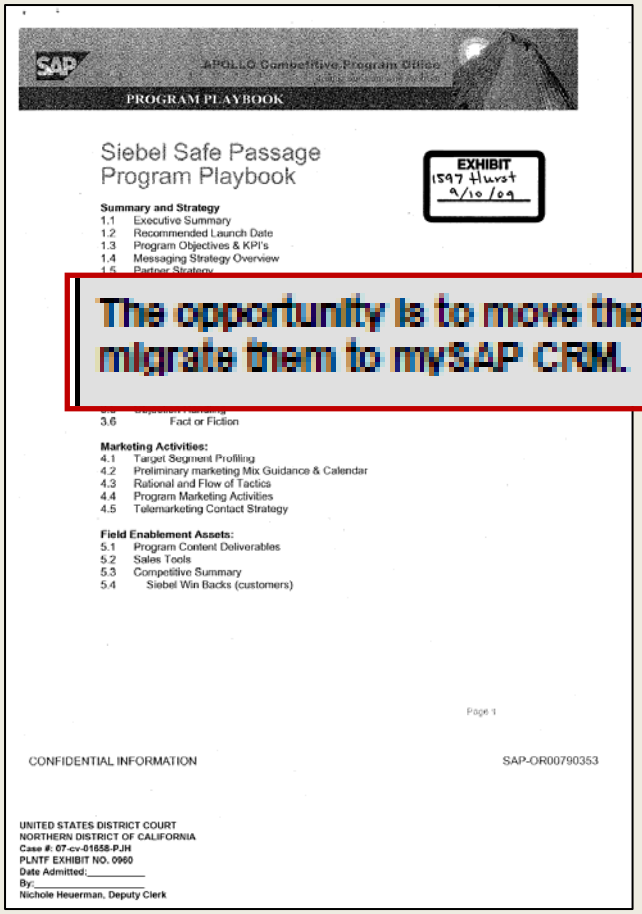
PeopleSoft License – Oracle Negotiation Factors

Negotiation Factor	Analysis
1 Oracle's Goals for PeopleSoft Acquisition	✓ Maintenance revenue stream from 9,920 customers ✓ Doubles Oracle ERP worldwide market share
2 Risk to Oracle's Investment in PeopleSoft	✓ $11.1B investment including software and support materials ✓ Loss of exclusive rights to copyrighted works
3 Oracle's Expected Financial Impacts	✓ At least 3,000 expected maintenance customer losses ✓ Oracle expected financial impact

"Siebel Safe Passage Program Playbook" – October 2005 (Factors 1 & 3)



APOLLO Competitive Program Office

PROGRAM PLAYBOOK

Siebel Safe Passage
Program Playbook

EXHIBIT
1597 Hurst
9/10/09

Summary and Strategy
1.1 Executive Summary
1.2 Recommended Launch Date
1.3 Program Objectives & KPI's
1.4 Messaging Strategy Overview
1.5 Partner Strategy

3.6 Fact or Fiction

Marketing Activities:
4.1 Target Segment Profiling
4.2 Preliminary marketing Mix Guidance & Calendar
4.3 Rational and Flow of Tactics
4.4 Program Marketing Activities
4.5 Telemarketing Contact Strategy

Field Enablement Assets:
5.1 Program Content Deliverables
5.2 Sales Tools
5.3 Competitive Summary
5.4 Siebel Win Backs (customers)

Page 1

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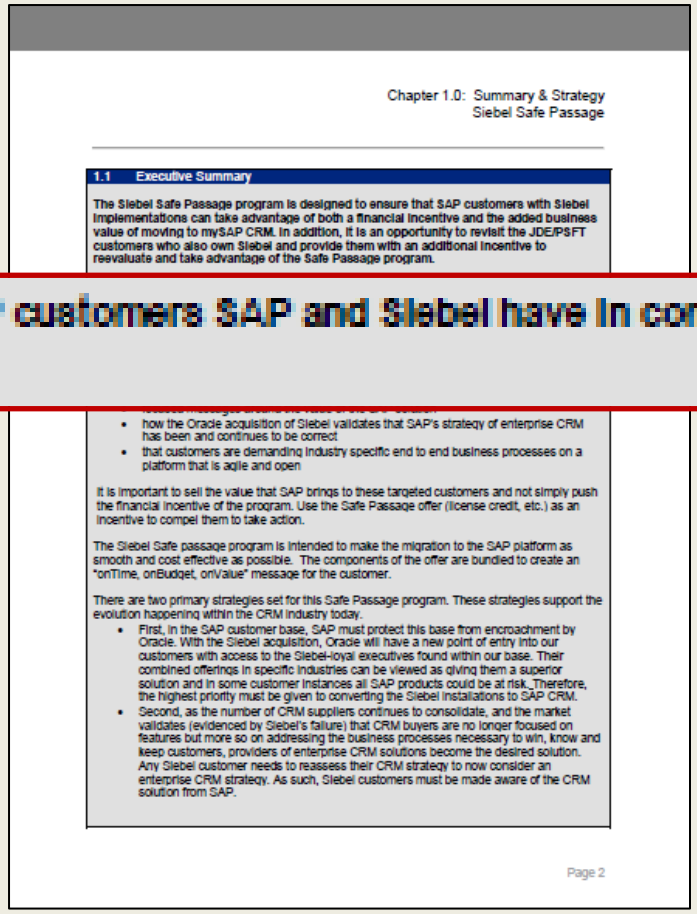


Chapter 1.0: Summary & Strategy
Siebel Safe Passage

1.1 Executive Summary

The Siebel Safe Passage program is designed to ensure that SAP customers with Siebel implementations can take advantage of both a financial incentive and the added business value of moving to mySAP CRM. In addition, it is an opportunity to revisit the JDE/PSFT customers who also own Siebel and provide them with an additional incentive to reevaluate and take advantage of the Safe Passage program.

- how the Oracle acquisition of Siebel validates that SAP's strategy of enterprise CRM has been and continues to be correct
- that customers are demanding industry specific end to end business processes on a platform that is agile and open

It is important to sell the value that SAP brings to these targeted customers and not simply push the financial incentive of the program. Use the Safe Passage offer (license credit, etc.) as an incentive to compel them to take action.

The Siebel Safe passage program is intended to make the migration to the SAP platform as smooth and cost effective as possible. The components of the offer are bundled to create an "onTime, onBudget, onValue" message for the customer.

There are two primary strategies set for this Safe Passage program. These strategies support the evolution happening within the CRM industry today.

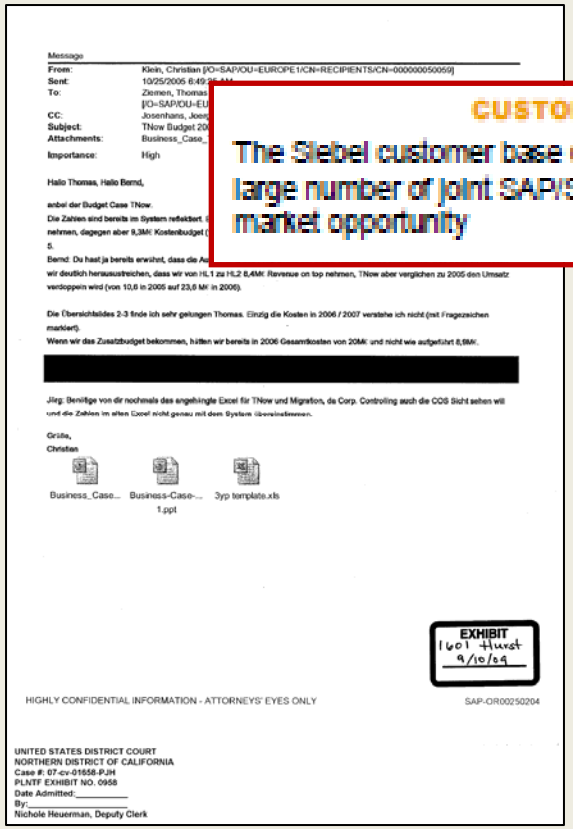
- First, in the SAP customer base, SAP must protect this base from encroachment by Oracle. With the Siebel acquisition, Oracle will have a new point of entry into our customers with access to the Siebel-loyal executives found within our base. Their combined offerings in specific industries can be viewed as giving them a superior solution and in some customer instances all SAP products could be at risk. Therefore, the highest priority must be given to converting the Siebel installations to SAP CRM.
- Second, as the number of CRM suppliers continues to consolidate, and the market validates (evidenced by Siebel's failure) that CRM buyers are no longer focused on features but more so on addressing the business processes necessary to win, know and keep customers, providers of enterprise CRM solutions become the desired solution. Any Siebel customer needs to reassess their CRM strategy to now consider an enterprise CRM strategy. As such, Siebel customers must be made aware of the CRM solution from SAP.

Page 2

The opportunity is to move the 300+ SAP customers SAP and Siebel have in common and migrate them to mySAP CRM.

PX0960

"Business Case: TomorrowNow 2006" – October 17, 2005 (Factors 1 & 3)



Message

From: Klein, Christian [/O=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000050059]
Sent: 10/25/2005 6:49:35 AM
To: Ziemen, Thomas [/O=SAP/OU=EU
CC: Josenhans, Joer
Subject: TNow Budget 20
Attachments: Business_Case_
Importance: High

Hallo Thomas, Hallo Bernd,

anbei der Budget Case TNow.
Die Zahlen sind bereits im System reflektiert.
nehmen, dagegen aber 9,3MK Kostenbudget
5.
Bernd: Du hast ja bereits erwähnt, dass die A
wir deutlich herausustreichen, dass wir von HL1 zu HL2 8,4MK Revenue on top nehmen, TNow aber verglichen zu 2005 den Umsatz
verdoppeln wird (von 10,6 in 2005 auf 23,6 MK in 2006).

Die Übersichtsides 2-3 finde ich sehr gelungen Thomas. Einzig die Kosten in 2006 / 2007 verstehe ich nicht (mit Fragezeichen
markiert).
Wenn wir das Zusatzbudget bekommen, hätten wir bereits in 2006 Gesamtkosten von 20MK und nicht wie aufgeführt 8,8MK.

[redacted]

Jörg: Benötige von dir nochmals das angehängte Excel für TNow und Migration, da Corp. Controlling auch die COS Sicht sehen will
und die Zahlen im alten Excel nicht genau mit dem System übereinstimmen.

Grüße,
Christian

Business_Case... Business-Case-... 1.ppt 3yp template.xls

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1601 Hurst
9/10/09

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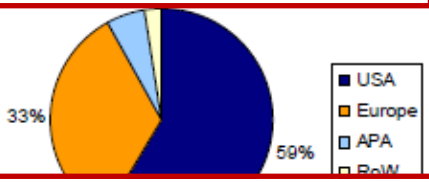
CUSTOMER ANALYSIS

The Siebel customer base consists of 4,000 customers, (including large number of joint SAP/Siebel customers) and presents a huge market opportunity

Biz Opportunity – TNow Offering for Siebel



CURRENT SITUATION

- The Siebel acquisition is not expected to close until early 2006
- Oracle will likely expand its Lifetime Support with **significant uplift of maintenance fees for Siebel customers** but so far Oracle has not provided road maps for support and enhancement plans
- **Gartner recommends that other CRM vendors take advantage of the uncertainty** surrounding the Siebel/Oracle event, as it may freeze some purchase decisions by current or prospective customers
- Particularly Siebel customers using pre-7.5-versions should according to Gartner weigh the implications of moving off of support within the next three years

CONCLUSIONS

- As a result of the acquisition of Siebel by Oracle, **SAP may enhance the Safe Passage Program for customers running Siebel** to offer a way out of the uncertainties arisen by this acquisition

- The Maintenance offering – a key part of the Safe Passage Program and provided by TomorrowNow – can be used as enabler for future license revenue, to grow maintenance contract volume taken away from Oracle and to generate additional maintenance revenue for SAP

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PX0958