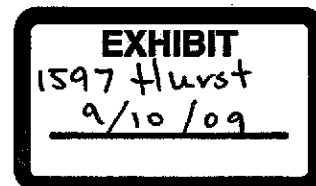




Siebel Safe Passage Program Playbook



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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.

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

This Safe Passage Program should be used as the door opener to begin discussions on migration from Siebel to mySAP CRM. Use the Siebel Safe Passage program to engage these targeted customers on the business value of moving to mySAP CRM.

The intention of the Siebel Safe Passage program is to contact these valuable customers and present to them:

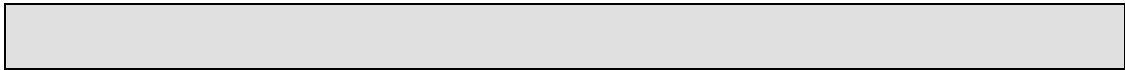
- focused messages around the value of the SAP solution
- how the Oracle acquisition of Siebel validates that SAP's strategy of enterprise CRM has been and continues to be correct
- that customers are demanding industry specific end to end business processes on a platform that is agile and open

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.



1.2 Launch Date

The launch date for the Siebel Safe Passage program is Oct. 17th (to coincide with the Siebel Customer Conference), which is close to the 'release to customer' date of mySAP CRM 2005, allowing customers to take advantage of the latest release of SAP's market leading CRM solution.

1.3 Program Objectives & KPI's

Keep Oracle out of our customer base. Provide an incentive to Siebel customers who have a SAP footprint to migrate from Siebel CRM to mySAP CRM.

Create new CRM opportunities. Generate new enterprise license opportunities targeted at Siebel customers where there is an existing SAP footprint.

Opportunity to revisit original Safe Passage with JDE/PSFT customers that also have Siebel. Customers that may have taken a "wait and see" position that also have Siebel may now be more interested in moving to SAP and take advantage of both Safe Passage offerings. These customers should be approached as "greenfield enterprise" prospects.

SAP has CRM!!! Improve market awareness around mySAP CRM by leveraging press and mass media activity surrounding the Safe passage program.

Talk to our customers. Utilize Safe passage as an opportunity to reconnect with our customers.

Convert 5 joint SAP/Siebel customers by the end of Q2 and 20 by the end of Q4. (SAP America KPI)

1.4 Messaging Strategy Overview

The messaging and positioning for the program focuses around the value of the SAP CRM solution and how the Oracle acquisition of Siebel validates that SAP's strategy has been and continues to be correct - that customers are demanding industry specific end to end business processes on a platform that is open, flexible and adaptable.

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 take action.

The Siebel Safe passage program is intended to make the migration to the SAP platform as smooth and cost effective as possible.

All messaging will target the value SAP customers have been receiving from the solution and to question if this same value can be received as an Oracle customer. The program messaging also focuses on the unknowns of the Oracle solution as well as the future of the Siebel solution.

SAP is the right decision.

For these targeted customers, business needs haven't changed, only the vendor (Siebel) they thought would provide them their solution has. SAP is the vendor that now provides them the stable platform to continue to invest with. mySAP CRM has made tremendous strides since customers originally looked at SAP.

- the solutions are now leading the market
- supporting over 25 industries
- the user experience has been greatly enhanced
- SAP is continuing to make significant investments in CRM
- SAP has attracted some of the industry's most experienced talent to ensure "best of breed" thinking permeates our CRM solution

We've been busy doing the right things for our customers.

While others in the market have been focused on growing by acquisition, with the added distraction of "fusing" together multitude of platforms, SAP has been busy creating and continuing to invest in an integrated CRM solution on a single platform. Our strategy has been validated by analysts, customers, and even our competitors as the correct strategy. Tom Siebel himself said, **"Businesses are no longer interested in connecting standalone applications and want integrated suites from a single vendor."**

Now is the time.

As SAP/Siebel customers contemplate the uncertain future of their CRM solution, the timing has never been better for customers to take another look at SAP and migrate to mySAP CRM. WHY?

1. As the leader, we have and will continue to lead and invest in
 - R&D to ensure innovation for our customers
 - Hiring the best and brightest to ensure "best practices"
 - Gaining traction in the marketplace which has also been validated by the analysts
2. Focusing on increasing the value of CRM by
 - Building out best practices by Industry
 - Providing integrated solutions
3. Ensuring our customers' success
 - Improving adoption - making it easier to use
 - Creating significant proven value
 - Ensuring a migration path

1.5 Partner Strategy	
Partner Strategy	Many of SAP's alliance partners have or will be offering strategic and tactical solutions to assist customers in determining how to migrate to

mySAP CRM from Siebel. Many of these offerings are “strategic” in that they allow the customer to evaluate their current CRM strategy and use this as an opportunity to adjust or enhance that strategy prior to a reimplementation effort.

Deloitte Consulting offers a half-day strategic assessment called “Move-The-Needle.” Deloitte consultants would show prospects how a single, integrated SAP platform would increase earnings per share. Deloitte benchmarks a prospect’s performance against its peers and helps identify improvements that would drive shareholder value. After the session, Deloitte will quantify the benefits of “moving the needle” along the key value drivers of revenue growth, operating margin, asset efficiency, expectations – and collectively shareholder value. Deloitte presents the results of “moving the needle” in a tri-fold brochure, featuring benchmarking results, business case, and a detailed Enterprise Value Map™ to show the enablers from an integrated SAP platform. Deloitte offers solutions to accelerate the process of migrating from Siebel to SAP CRM, including UI, business process, and data migration. Deloitte has migrated its implementation of Siebel to SAP CRM. Deloitte employs over 3,500 CRM consultants.

Capgemini offers a Siebel-to-SAP CRM Migration Accelerator Toolkit. The toolkit is designed to reduce the time and cost of migration. Specifically, Capgemini provides services for Siebel Data Extraction, Conversion, Mapping and loading to SAP CRM.

Inforte’s 250+ consultants focus on customer management and business intelligence solutions. Inforte has been delivering Siebel solutions to customers since 1996 and has assisted with 120+ Siebel implementations. Inforte offers free diagnostics for prospective migrations. Inforte conducts short workshops to understand how the customer may benefit by migrating to SAP CRM. Through the assessment, Inforte quickly identifies a high-level mapping from Siebel to SAP for functionality and integration points and provides a gap and benefit analysis.

Infogain has 70+ consultants focused on CRM, having conducted over 100 Siebel projects over the past 8 years. Infogain offers free assessments for prospective migrations. The scope includes a review of the Siebel application, usage, interface, reporting, and infrastructure requirements. Infogain also offers Siebel to SAP CRM data conversions, along with implementation services to support additional business processes.

1.6 Sales Strategy

Sales Strategy for Safe Passage for Siebel

As discussed earlier in this document, 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 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.

To meet these objectives, a sales strategy has been created to assist you in successfully selling CRM into existing Siebel accounts. The sales strategies are outlined below.

Getting Siebel out of the SAP customer base

The marketing organization has identified SAP accounts that have both SAP solutions and Siebel. These accounts need to be contacted and presented with the Safe Passage program. Certainly, the CIO's office will recognize that the SAP value proposition focused on reducing the customer's total cost of ownership is compelling, but this strategy alone will not convince any SAP customer to migrate from Siebel to SAP CRM. It is imperative that your sales strategy be focused on proving the value that SAP CRM can bring to the business.

One key to a successful strategy will be to find the compelling event that will cause the customer to be more open to considering SAP CRM. With most Siebel customers being on the current version (7.x), many of those customers will consider migrating when:

- Expanding users - They must address a new business issue that means purchasing more licenses
- New lines of business want to use CRM - They have a new organization that needs to become part of the CRM ecosystem (e.g. sales is using Siebel and marketing wants to begin using the solution; this would be a time that customers might consider installing SAP CRM)
- Integration points break - They upgrade Siebel or SAP and their integration breaks. This is an opportunity for them to move to SAP CRM.
- Business processes change – the cost and risk to integrate two solutions rather than one SAP solution should be evaluated.

We strongly recommend a two pronged, parallel approach with your customer.

- To the CIO you must message the business value of an integrated, enterprise CRM solution along with the TCO message.
- At the same time you must find and sell to the line of business executive who will be most effected by Oracle's acquisition of Siebel.

The messages, offer, desired outcomes, sales tools, etc that follow are to assist you in this sales pursuit:

The **value message** to deliver to the LOB is:

- It's time for you to reevaluate SAP and better understand what Tom Siebel meant by saying, "***Businesses are no longer interested in connecting standalone applications and want integrated suites from a single vendor***" and see the value that SAP customers have experienced.
- SAP CRM is functionally complete and can provide the added benefits of industry-specific, end to end business processes that are delivered out of the box to address your business needs.
- With an integrated solution, IT will be able to more quickly address your new business requirements.
- SAP CRM customers have proven ROI which includes on average, increasing revenue by 40%, increasing lead flow by 30% and increasing customer satisfaction by 25% (from

the McKinsey report).

The **value message** to deliver to the CIO is:

- It's time for you to reevaluate SAP and better understand what Tom Siebel meant by saying "**Businesses are no longer interested in connecting standalone applications and want integrated suites from a single vendor**" and see the value that SAP customers have experienced.
- SAP's Netweaver architecture along with ESA allows IT to be more agile when addressing the changing business environment of the business organizations while at the same time allowing you to reduce your cost of servicing these organizations.
- Moving to SAP as your enterprise strategic partner mitigates your risk in that a integrated solution is more cost effective. It allows you to adjust your IT spend from focusing on integration to solving real business pains.
- Reduces your total cost of ownership by providing a platform that is:
 - A common environment where you will have common architecture and toolkit and leverage the investment you have made in your IT infrastructure and personnel.
 - Simplifying of your application landscape – reducing the number of applications to support and maintain.
 - Integrated by design with industry specific end to end business processes that span your enterprise and reduce silo's of processes and data.

The **offer** for Safe Passage is 'OnTime, On Budget, On Value' -

- **Financial incentive** – providing up to a 75% credit for their current (covered under current Siebel maintenance) Siebel license converted to like SAP products.
- **Value Engineering engagement** to qualified customers. This engagement is focused on helping customers monitor and safeguard the transition from Siebel to SAP. Value Engineering provides an actionable plan to maximize business value, a comprehensive TCO analysis and the required governance process for project success. This will ensure a low risk migration and optimal speed to value. Additional information on this offer can be found within the Siebel Safe Passage sales kit.
- **Bundled service offerings** - business process assessments and implementation services from both SAP Consulting and SAP's certified partners focused on a smooth migration from Siebel to SAP CRM.
- **Bundled training** offering to accelerate SAP CRM knowledge within the IT and business community.

The **desired outcome** of the initial calls with the CIO and LOB is at least one of the following:

- CIO call: Insight on the current Siebel solution and business issues faced by the LOB to prepare you in meeting with the line of business executive whose organization is using Siebel. This meeting is to understand the current use of Siebel by the business community and to begin discussions about how SAP CRM can address the current business environment and how SAP CRM can provide additional value (new end to end business processes, leveraging information in the current R/3 system, etc).
- CIO call: Fine tuning of the current value driver estimate using the online value calculator. As part of the sales kit, there is a document and presentation outlining the various levers that can be moved to show how moving from Siebel to SAP CRM can indeed improve TCO while driving revenue.
- LOB Call: The VE "onValue" engagement. VE should be engaged in highly qualified, competitive opportunities where a more in-depth value selling conversation has to be conducted. Approval for the engagement is required by the regional sales VP.
- LOB/CIO Call: An assessment of cost to re-implement their CRM strategy using SAP CRM. If the customer wants a very tactical answer on how much will it cost to re-implement in SAP CRM, the SAPC "Safe Passage Assessment" should be used. This is a two day assessment (see SAPC offerings) at no cost to the customer. You will also notice that there are SAPC offers that are designed to accelerate the customer's

adoption of SAP CRM. It is the goal of this program that customers will begin an implementation and not just convert their licenses to only put them on the shelf.

- LOB Call: A re-evaluation of the CRM strategy. A customer who will see this time of uncertainty as an opportunity to update their CRM strategy and to improve their processes, should engage our SI partners who have various offerings to strategically assist these customers in improving their process and then migrating from Siebel to SAP CRM (see Partner offerings).

Sales Tools available to be used when executing the above strategy:

- Initial customer presentation for both the CIO and LOB discussing the SAP CRM value proposition, why SAP CRM, and outlining the program.
- Value driver document that addresses the various items which effect TCO.
- SAPC offerings presentation
- Partner offerings presentation
- Online value calculator
- Self-running demo showing the “end to end process” of quote to cash proving the value of an enterprise solution.
- Tri-fold/brochure on the Safe Passage for Siebel program.
- Tri-fold for the onValue VE engagement.

The **sales process** that should be used when selling to SAP customers who also have Siebel:

- Marketing will identify the accounts in your territory that meet these criteria (Siebel in SAP customer).
- You will receive a lead identifying the customers as part of the Safe Passage program.
- You will also have the CRM NOW AE identified – this is your partner in selling to these accounts.
- You will have two weeks to either accept or reject the lead. If the lead is rejected, you must put in the reason for rejections. If the lead is accepted, it will convert to a “F” status opportunity.
- Accept the lead (converts to an “F” opportunity) and begin (with the CRM NOW AE) to prepare your attack strategy.
- iAE will be available to assist with identifying the right line of business executive. It is the responsibility of the CRM NOW AE to work with the iAE on the priority opportunities.
- Ideally, information that you should gather before the call:
 - Version of Siebel currently installed
 - Maintenance renewal date (Siebel product)
 - Siebel product installed
 - Identify line of business executive sponsor and learn:
 - Business areas that Siebel is addressing today
 - New business pains that Siebel is not addressing
 - Versions of SAP products installed (SD and SCM installations will have a superior value proposition as this is information sales can quickly leverage).
 - Any integrations already completed with Siebel, future/needed integrations
- Customize, as necessary, the initial sales presentation including identifying appropriate references (see “Siebel replacements” in this document).
- Initial LOB meeting:
 - See LOB specific messaging in this document to help you prepare for this meeting.
 - Spend as much time as possible learning about:
 - Their CRM strategy
 - What they were trying to accomplish with their Siebel solution
 - What they really like about Siebel
 - What they cannot do with their solution
 - Their relationship with IT (too slow to build new functionality, integration, etc)
 - Your presentation should include:
 - Specific value drivers based upon your research

- Why SAP CRM
- Proof points – including references, quotes, etc
- Overview of the program
- Initial CIO meeting:
 - See CIO specific messaging in this document to help you prepare for this meeting.
 - Your presentation should include:
 - Specific value drivers based upon your research
 - Why SAP CRM
 - Proof points – including references, quotes, etc
 - Overview of the program
- Each meeting should seek the outcomes described in the “desired outcomes” section above.
- After the initial meeting, update the opportunity noting:
 - Date of presentation to CIO and LOB
 - Status and note reflecting the next steps
- If the line of business executive is driving the sales process, then the SAP CRM AE should drive the sales process with the LOB executive. At this point a standard sales cycle begins using the standard CRM sales tools.
- Weekly reports will be distributed to the SVPs showing number of conducted meetings, number of leads converted, number of leads “closed” with reasons, and number of closed opportunities. All customers where leads are closed will be evaluated (those showing no interest in getting off SEBL).

Moving Siebel customers to SAP who have no SAP footprint

This portion of the strategy is to gain broad awareness of SAP CRM within the industry as well as deliver the SAP CRM message to specific, targeted Siebel customers. The targets, in order of priority are:

1. PSFT/SEBL and JDE/SEBL customers in these industries – Consumer, High Tech, IM&C
 - These customers, while they may have considered Safe Passage in the past, now have a more compelling reason to move to an enterprise application partner that can address their business issues on a single platform.
 - These industries have been chosen as they are considered our more mature industries and have deeper CRM-specific industry business processes.
2. Siebel customers in the Consumer, High Tech, IM&C, and Service industries that have legacy applications in the back office.
 - These customers have not been part of any previous Safe Passage program but now can take advantage of this program and move to an enterprise platform.
3. PSFT/SEBL and JDE/SEBL customers in these industries – Media, Auto, Public Sector, Process, Utilities, Service Provider
4. SEBL onDemand customers will not be directly marketed to but we anticipate some interest from onDemand customers. These will be carefully qualified (see onDemand strategy below).
5. *Caution is given to*
 - *pursuing Siebel accounts in the following industries where the account has no intention of moving to an SAP back office – Life Sciences, Banking, Insurance, Telco, Retail, A&D*
 - *Siebel accounts with large mobile sales forces where there is no SAP backend*
 - *pursuing large Siebel call centers in low priority industries*

The ideal candidate is one that wants to move to a common, single, integrated platform – meaning take advantage of the enterprise solutions that SAP offers. While the prospect may use this program as an opportunity to move to SAP, it is not intended that they must start with CRM.

The marketing campaign will

- Create general awareness and it is anticipated that the telesales organization will receive inquiries from our banner ads, press release, etc. The telesales organization will qualify these inquiries and pass leads based upon the prospect type below.
- Create mail drops and emails with offers to the Siebel accounts listed above in priority as stated. Again, telesales inquires from these offers will be followed up by telesales for qualification and then passed field as appropriate.

The above targets will result in three types of prospects:

1. Enterprise prospects – these leads will be routed to the AE for pursuit
2. Standalone CRM prospects – these leads will be routed to the CRM NOW AE
3. (onDemand - SaaS) prospects – after strict qualification which requires that the account has an intention of moving to an SAP enterprise solution, these leads will be routed to the CRM NOW AE.

Sales strategy and process for targets that are focused on the **“enterprise” message**

The **message** to deliver to the CIO/LOB is:

1. The message for this prospect is similar to the previous JDE/PSFT Safe Passage messages with the inclusion of the CRM messages described in the previous CIO/LOB messaging (section “Get Siebel out of our Customer Base”).
2. Risk has increased - Oracle has acquired Siebel and introduced huge uncertainty into the future of the Siebel product. The work required to move JDE/PSFT and Siebel to a single platform could be overwhelming. SAP is the partner that can offer you a solution today.

The **offer, desired outcomes and process** are the same as previously stated. The **sales tools** for this are as previously defined but the original JDE/PSFT materials should also be consulted.

Sales strategy and process for targets that appear to be **Standalone CRM**:

The **message** to deliver to the LOB is:

1. Oracle has acquired Siebel and introduced huge uncertainty into the future of the Siebel product. It's time for you to reevaluate SAP and better understand what Tom Siebel meant by saying, **“Businesses are no longer interested in connecting standalone applications and want integrated suites from a single vendor”** and see the value that SAP customers have experienced.
2. SAP has standalone customers.
3. SAP CRM is functionally complete and can provide the added benefits of industry-specific, end to end business processes that are delivered out of the box to address your business needs.
4. SAP CRM customers have proven ROI which includes on average, increasing revenue by 40%, increasing lead flow by 30% and increasing customer satisfaction by 25% (from the McKinsey report).

The **offer** is the same offer as previously stated. At this point, this is a typical CRM pursuit and **tools, process**, etc should follow that sales process. This opportunity should be lead by the CRM NOW AE.

Inquires from **onDemand customers** will typically come from the IT organization or from the VP of Sales' organization.

- The telesales organization will qualify these inquires to specifically probe for the accounts interest in SAP as an enterprise solution. These accounts must show an interest in moving to a SAP enterprise solution. Our SaaS offering should not be sold to prospects that have no intention of using other SAP solutions.

- If the prospect shows some inclination and desire to move from the onDemand model, they will be treated as an enterprise Safe Passage lead.
- For inquires that meet our CRM Express qualifications (more than 200 users, not mobile, desire to move to an SAP back office solution, etc.) the leads will be forwarded to the CRM NOW AE for further qualification and under NDA these accounts will be briefed on CRM Express (until January 2006 when CRM Express is launched).

Chapter 2.0: Program Offers
Siebel Safe Passage

2.0 Offers	
SAP Consulting	
Offering Description	Global Relevant?
Assessment of Re-Implementation Costs - this on-site 2day assessment will leverage the NCC CRM consulting expertise and provide the customer with a high level estimate on the cost to implement their current solution in mySAP CRM. There will be an \$18K internal cost for this service which will require an IO.	No
Existing Service Select CRM Offerings	No
Update Service Select offerings to include 100 hours of interface work that would move data between Siebel and SAP. (offering to be developed)	No
Service Select for IC Web (offering to be developed)	No
Solution Manager – Reduced cost technical installation and setup/training on Solution Manager	Yes

Value Engineering Engagement	
Offering Description	Global Relevant?
<p>Siebel Safe Passage Value Roadmap</p> <p>As part of the Safe Passage offering SAP America will offer a two week study, at no cost, to qualified customers (“licensee”) that will identify the measurement and realization of business value and IT cost optimization that may be attained by the licensee through the Siebel Safe Passage Program. The following defines the intent in this undertaking, along with listing the tasks the SAP team will execute, the personnel resources requested and the deliverable SAP will provide</p> <p>1) Scope</p> <p>The scope of the value assessment will evaluate the optimal use of mySAP CRM as the application and integration platform in lieu of Siebel to manage customer and partner relationships at the Licensee’s organization. The study will be conducted in collaboration with the Licensee’s business and IT personnel as well as SAP Business Consulting resources and will address the following three areas:</p> <ol style="list-style-type: none"> a. Business Value Assessment b. IT Cost Optimization c. Safeguard and improve speed to value from existing investments in CRM <p>2) Objectives</p> <ol style="list-style-type: none"> a. Identify a business process improvement portfolio b. Identify the benefits of each process improvement area. c. Identify the risks and risk mitigation plan for each improvement area. d. Create a SAP CRM transformation roadmap to enable identified benefits. e. Develop optimal investment allocation to match the targeted improvements. f. Establish an implementation plan to mitigate risks and accelerate speed to value <p>3) Deliverables</p> <p>Project deliverables will be two executive documents: a board-ready presentation of the recommendations and the details of the listed deliverables</p> <ol style="list-style-type: none"> a. Collaborative estimate of business value areas to be achieved over a 3-5 year horizon. b. Estimated cost by major cost category c. High level risk mitigation strategy and plans d. High level 3-5 year implementation roadmap e. Recommendations on optimizing IT cost structure f. Recommendations to mitigate risks and optimal governance structure for successful implementation <p>4) Resource and Data Requirements</p> <p>To effectively deliver on the objectives stated above, SAP will require the following:</p> <ul style="list-style-type: none"> • Executive sponsorship from business leaders • Access to business process owners • A dedicated manager to help coordinate engagement efforts, including scheduling interviews and gather requested data • Access to relevant, often confidential, business information including strategic direction of the business and organizational structure • Executive review of findings with buy-in to benefits and finalization process <p>5) How To Engage?</p> <p>Please contact your Regional Sales VP to qualify and engage the Value Engineering Team for a Siebel Safe Passage Opportunity</p> <p>SUMMARY</p> <p>SAP will plan to deliver this service, as defined, at no charge to the licensee. Expenses incurred for travel, per diem, and the development of our findings will be covered by SAP. In the event that the licensee were to ask SAP to extend our work and engage in a consultative process beyond the scope of this defined process, we reserve the right to state that certain tasks the licensee may request to be out of the scope of this undertaking, and will provide the licensee with a time and material services proposal to consider us to deliver such a request.</p>	<p>No</p>

Training

SAP Education proposes a combination of e-learning and classroom training in an introductory training package. The offering provides both flexibility and value.

The cost of the package is \$40,000. Included in the package is \$40K of Project Team Training and E-Learning titles for 8 members of your team. The courses are grouped below by interest area, but the courses can be selected from any grouping, and the number of students attending each project team course may vary as the customer wishes.

The e-learning classes are appropriate for both project teams and end users.

This offer is intended to provide initial training to new CRM customers; organizations may find they need additional training as their needs dictate.

Enterprise		Project Team	
Event	Course Title	Days	
SAPCRM	SAPCRM mySAP CRM Solution Overview	3	
CR100	CR100 CRM Base Customizing	5	
CR300	CR300 CRM Sales	3	
CR600	CR600 CRM Marketing	3	
CR700	CR700 CRM Service	3	

Interaction Center		Project Team	
Event	Course Title	Days	
SAPCRM	SAPCRM mySAP CRM Solution Overview	3	
CR100	CR100 CRM Base Customizing	5	
CR400	CR400 CRM Interaction Center WinClient	3	
CR410	CR410 CRM Interaction Center WebClient	3	
CR800	CR800 CRM E-Commerce	3	
CR870	CR870 CRM Channel Management	3	

Technology		Project Team	
Event	Course Title	Days	
SAPCRM	SAPCRM mySAP CRM Solution Overview	3	
CR555	CR555 CRM Technology	5	

E-Learning		
Event	Course Title	Days
SAP120	SAP Navigation	4 hours
SAP130	Business Solutions Powered by SAP	2 hours
CRM001	Empower Sales, Services, and Marketing with mySAP CRM Solution (e-Learning)	6 hours

Hosting	
Supported CRM Scenarios	E-Selling
	Interaction Center
	SFA
Assumptions	All landscapes are Wintel/Oracle
	Sizing based on 50 – 100 users

Offerings	<p>Implementation Hosting</p> <p>Landscape</p> <ul style="list-style-type: none"> ▪ CRM/Middleware Development Server ▪ Internet Server/Communication Station Development Server ▪ 200 GB Local Storage ▪ VPN Connection <p>Pricing</p> <ul style="list-style-type: none"> ▪ \$17,000/month ▪ \$ 3,000/one time ▪ Available for contracts of 6-12 months
	<p>Application Hosting (assumes R/3 system remains at customer site)</p> <p>Landscape</p> <ul style="list-style-type: none"> ▪ CRM/Middleware combined development/QA server ▪ Internet Server/Communication Station Dev/QA server ▪ CRM/Middleware production server ▪ Internet Server/Communication Station production server ▪ 330 GB Local Storage ▪ VPN Connection (may require additional facilities based on throughput) <p>Pricing</p> <ul style="list-style-type: none"> ▪ \$25,000/month ▪ \$4,000/one time ▪ Available for contracts of 24/36/48 months' duration
	<p>Application Hosting (assumes R/3 system is also hosted)</p> <p>Landscape</p> <ul style="list-style-type: none"> ▪ R/3 Development/QA server ▪ CRM/Middleware combined development/QA server ▪ Internet Server/Communication Station Dev/QA server ▪ R/3 production server ▪ CRM/Middleware production server ▪ Internet Server/Communication Station production server ▪ 600 GB Local Storage ▪ VPN Connection <p>Pricing</p> <ul style="list-style-type: none"> ▪ \$37,500/month ▪ \$6,000/one time ▪ Available for contracts of 24/36/48 months' duration

Chapter 3.0: Messaging Siebel Safe Passage

3.1 Marketing Messaging Matrix (CIO/CFO)	
Target Audience	CIO/CFO
Key Business Drivers	<ul style="list-style-type: none"> • Customers are paying a lot of maintenance money to Siebel/Oracle and not getting any product enhancements in the near future. • Oracle is forcing customers to move their solution to a new technology that is not as open as their current system. • You are no longer buying the experience of Siebel since much of their support, sales, and pre-sales resources have left for SAP.
Key Messages	<ul style="list-style-type: none"> • <i>We've been busy doing the right things for our customers.</i> While Oracle has been buying buying companies, SAP has been busy improving the product, hiring the best and brightest in the industry, creating significant value for our customers. • Reduce complexity, cost and risk now • Plan strategic platform evolution to embrace SOA and achieve agility and responsiveness to business dynamics • Combine your multiple internal and external best-of-breed maintenance costs and convert these into one strategic applications decision. Leverage the skills within your IT organization to span your entire enterprise business solution and in developing new skills to take advantage of web services and composite platforms. • Build a strategic vendor relationship and maximize your applications investment • Maintenance – spend it with a vendor that will guarantee a long-term return on your investment, and one that is equipped with experts that are knowledgeable about the applications you have deployed • Ensure that your maintenance dollars will gain you improvements, enhanced functionality and effective support/service. • What is the lost opportunity cost and competitive advantage by doing nothing and waiting for Project FUSION? • Can you support dynamic business change with your current portfolio and are you willing to be locked into dead-end solutions and the promise of an integrated platform in 5 years? • Oracle has no history of integrating well with SAP; Fusion was focused on PeopleSoft, Siebel, why would they focus on SAP. • It's time for you to reevaluate SAP and better understand what Tom Siebel meant by saying, "<i>Businesses are no longer interested in connecting standalone applications and want integrated suites from a single vendor</i>" and see the value that SAP customers have experienced.
Proof Points	<ul style="list-style-type: none"> • Philips Consumer Electrics eliminated cost by retirement of their legacy systems by \$3.28 million • Day & Zimmermann have reduced IT costs by eliminated costs for software upgrades contributes \$7.46 million in cost savings. • Avid Technology's Retirement of legacy systems by consolidating under a single technology provider reduce IT operating budget by over \$2.2 million • Energie AG produced an annual savings of over €0.1 million due to a 63% reduction in the costs of operating mySAP CRM over the legacy system it replaced • BKW Saved of CHF 2.7 million (USD \$2.13 million) via SAP-driven integration and b insourcing their training resulting in a 75% reduction in training costs

3.2 Marketing Messaging Matrix (LOB)	
Target Audience	Line of Business (LOB)
Key Business Drivers	<ul style="list-style-type: none"> You're no longer getting enhancements to your solution. Oracle is focused on Fusion, not product innovation and enhancement.
Key Messages	<ul style="list-style-type: none"> We've been busy doing the right things for our customers. While Oracle has been buying dying companies, SAP has been busy improving the product, hiring the best and brightest in the industry, creating significant value for our customers Many of Siebel SAP customers, who purchased Siebel in the past, did before because they thought Siebel had the functionality, ease of use, experience in the market, and the resources to make changes with the market. This is a nice time for this to happen since we are now coming out with the next release of CRM. We welcome the opportunity to discuss with our customer base the new SAP Parity in CRM functionality, better UI, focus on industry It's time for you to reevaluate SAP and better understand what Tom Siebel meant by saying, "Businesses are no longer interested in connecting standalone applications and want integrated suites from a single vendor" and see the value that SAP customers have experienced.
Proof Points	<ul style="list-style-type: none"> SALES <ul style="list-style-type: none"> With mySAP CRM, Perdigão improved access to customer information helps customer service agents make better product recommendations and recover lost sales from product returns, increasing sales contribution by \$1.2 million Sterling Group: Centralized access to data enabled increased productivity among Sterling sales representatives, resulting in contribution of \$180,000 Adidas: More detailed customer profiles on individual retailers have improved adidas' inside sales agents' workflow, contributing over \$922,000 in savings Cardinal Health, Medical Products and Services view into every aspect of a customer record, Cardinal Health's credit agents are turning around payments more quickly, resulting in revenue contribution of \$4.8 million with their mySAP CRM investment With mySAP CRM, Day & Zimmermann, the Yoh Exchange has helped sell more of its managed staffing offering, contributing \$1.7 million Tata Telecom, through mySAP CRM, order-to-delivery time has been reduced by two days, a 3% increase that allows the company to book revenue sooner MARKETING <ul style="list-style-type: none"> By cleaning its customer lists with mySAP CRM's campaign management functionality, Waters' chemistry operations saw a 50% increase in its direct mail response rate Audi, increased targeting of direct marketing campaigns will result in more qualified lead generation, a \$2.8 million increase in revenue contribution With mySAP CRM, CJ now executes its 94 annual marketing campaigns in-house, resulting in a total cost reduction of \$839,000 SERVICE <ul style="list-style-type: none"> IPSOA's Interaction Center resolves an average of 94% of its 11,000 monthly inbound calls in or under 2.3 minutes Through mySAP CRM a quicker access to customer data, Avid's customer service agents reduced average inquiry handling time by 25% A clearer view into customer profiles with mySAP CRM and interaction histories resulted in 53,000 fewer abandoned calls for Villeroy & Boch, saving approximately \$180,500 By streamlining its direct-to-consumer sales efforts with mySAP CRM, Philips Consumer Electronics has reduced the volume of consumer complaint calls by 20%

	<ul style="list-style-type: none"> o BKW AG's customer service representatives have improved access to customer information, reducing costs by \$2.45 million through productivity improvements alone o From the beginning, we wanted to select a CRM solution that would easily integrate with our existing systems," says Gerhard Naegele, project director, Volkswagen Financial Services AG. SAP had already proven to us that it was a strong partner. And the functionality, providing us a sustainable holistic view of the customer, would integrate our touchpoints. It was a clear decision.- Stefan Scholler, Head, Customer and Dealer Systems BKW's long-standing relationship with SAP, along with the anticipated cost, time and process benefits from working with a single vendor proved the deciding factors for choosing mySAP CR - Roger Schmid, BKW o It is a very flexible system. With mySAP CRM, we are building a common repository of customer information across all service centers. Furthermore, we have put in place standard workflows and escalations which have improved trackability, accountability and speed to resolve pricing or returns disputes. - Phil Wollar, IT Applications Architect. o By choosing mySAP CRM Internet Sales to enable the D2C business in-house, we knew we would have more than a transactional capability – the functionality would give us the opportunity to collect better insight about our consumers," says Warren Lavoie, Acting General Manager, Philips Consumer Electronics. "mySAP CRM was a strategic choice," says Jan Boll, CIO, Philips Consumer Electronics. "Seamless integration with SAP R/3, a distinct infrastructure cost payoff and the fact that the solution met customers' information and functionality needs was integral to the mySAP CRM choice. o It was very clear that mySAP CRM was the right choice to meet our business needs, and those of our customers. We needed a portal solution that would give us a single, enterprise-wide view into the services we provided for customers, and the information customers provided to us." -Anthony Bosco, CIO, Day & Zimmermann o One criteria for choosing mySAP CRM: "The CRM tool was not coming only to support the operational activities of one area. It was coming to integrate enterprise-wide channels. - Adhemar Hisashi Hirosawa, IT General Manager
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3.3 Competitive Messaging Matrix		
	SAP Position	Siebel/Oracle Position
End of best-of-breed	SAP's 33-year heritage and fundamental approach to building applications has been consistently based on supporting end-to-end integrated business processes	Oracle's applications software reputation is tarnished by long-standing customer dissatisfaction, poor software quality, and incomplete offerings. Its current approach is simply a confederation of best-of-breed offerings under the Oracle brand.
Integration of applications and business processes	Unrivaled expertise and decades of experience in mission-critical business processes and scalable, functionally rich and high quality applications	Integration has never been Oracle's strength. Its patchwork of best-of-breed solutions today is not integrated. It delivers mismatched business process flows, overlapping functionality and incompatible architectures. Case in point: Oracle has 3 competing CRM solutions to sell and another one to support.
Strategic applications platform decision	SAP NetWeaver is available today The company has articulated a clear roadmap for customers with ESA, and SAP is generously investing in R&D to deliver business value and technology innovation to its customers. SAP's domain expertise in business processes will be increasingly made	Oracle has nothing to offer its customers today except a promise – from a vendor with a shoddy reputation for keeping its promises in the applications software space. Project FUSION was slated for initial release in 2008 (prior to the Siebel purchase) and will be delivered over several years. It is a high risk proposition and fraught with uncertainty. In fact Larry was unable to even explain it coherently during the financial analyst

	available to customers and ISVs in the Enterprise Services Repository and through the evolution of SAP NetWeaver as a business process platform	conference call. Can customers afford the opportunity cost waiting 5 years before making progress on their strategic applications platform, while continuing to pay maintenance for dead-end solutions? (ORCL maintenance is 22% vs. 17-20% avg.)
Cost reduction & ease of doing business with one vendor	Consolidation of best-of-breed solutions will deliver savings in integration, maintenance, etc. SAP is the only vendor that can successfully fulfill the promise of one integrated solution from one vendor today. Ease of doing business with one vendor, one platform, one license agreement, one maintenance contract, and one global support organization – ultimately one vendor accountable for the customer success.	Oracle today is basically a holding company. Customers need to deal with multiple sub-companies within Oracle, and with that structure comes multiple pricing and maintenance agreements, several support and service contracts, and many people in many organizations to address issues. With this model, costs in fact may increase for customers. As resources and support dwindle for acquired products, customers may need to increase their investments and resources to maintain, integrate and extend their solutions. Delivering 40% margins means drastic cuts within Siebel – translating into less Siebel expertise and resources to support customers and enhance the CRM solution. Also, Oracle is likely to increase SEBL maintenance fees to 22%.
Minimize risk with trusted partner	#1 leader in business applications software with more than 30 years of experience in applications software Trusted partner supported by an organization of 32,000 in more than 50 countries. With 12 million users, 96,400 installations, and more than 1,500 partners, SAP is the world's largest inter-enterprise software company and the world's third-largest independent software supplier	Oracle has failed repeatedly in its many attempts to penetrate the ERP/CRM/SCM applications market. The Oracle Applications User Group is often at odds with Oracle and has publicly aired its grievances over poor software quality, missed release dates, lack of support, etc. The current strategy is not a new one. In fact, Oracle has been down this path before in CRM with no success, at its customers' expense: <ul style="list-style-type: none"> • Call Center: Versatility (8/98) • Configurator: Concentra (11/98) • Field Service: <ul style="list-style-type: none"> ○ Tinoway (4/99) ○ Geodan (6/99), (Oracle Scheduler)

3.4 Key differentiating scenarios			
	What can SAP offer that Siebel can't	Benefit to LOB	Proof Point
End-to-end Order to Cash	<ul style="list-style-type: none"> • Order Fulfillment - ATP, source, deliver, bill and collect payment • Inventory Management • Integration to Financials - Credit Management, Billing and Invoicing • Order Status Tracking • Special Pricing/Discounts • Contract Management 	<ul style="list-style-type: none"> • Minimize lost revenue with recommendations for product substitution for out of stock inventory • Increase customer satisfaction with on time delivery commitments • Reduce cost of sales - reduce order processing time/cost, improve order fill 	<ul style="list-style-type: none"> • Waters Corporation • Engen Petroleum • Rohm & Haas • Petro Canada

		rate and reduce transaction costs	
E-Commerce	<ul style="list-style-type: none"> Fully-Integrated B2B and B2C E-Commerce Complete Order-to-Cash Processes Over the Web 	<ul style="list-style-type: none"> Increased customer convenience and satisfaction with 24/7 access Provides a single face to customers across interaction channels Increase revenue and market reach, while reducing cost of sales and support 	<ul style="list-style-type: none"> Mascot Phillips Consumer Electronics Canada Post
Service Contract Management	<ul style="list-style-type: none"> Service Contract Planned Services Service Contract Billing (integrated to financials) Service Contract Revenue Amortization and Recognition 	<ul style="list-style-type: none"> Increased uptime, with SLA-based preventative maintenance Flexible billing Accurate revenue recognition of service contracts 	<ul style="list-style-type: none"> Avid Waters
Asset Lifecycle Management	<ul style="list-style-type: none"> In Depth Financial Accounting and Depreciation of Assets Asset Tracking with Full Integration to ERP to Track, Maintain, and Manage Installed Base 	<ul style="list-style-type: none"> Accurate asset depreciation for improved asset management and accountability Increased Asset Uptime Greater Asset Utilization 	<ul style="list-style-type: none"> Fuji Xerox Olympus Japan
End-to-End Returns Processing	<ul style="list-style-type: none"> Automated Processing of Complete Returns Process, from warranty check to RMA processing, to integration with logistics for quantity checks and delivery confirmation 	<ul style="list-style-type: none"> Decreased costs from process efficiencies Fewer goodwill allowance credits 	<ul style="list-style-type: none"> Dorma Symbol Technologies
Trade Promotion Management	<ul style="list-style-type: none"> Accruals Planning and Forecasting Trade Promotion Settlement and Processing 	<ul style="list-style-type: none"> Increase planning and forecasting accuracy Increase visibility of promotion activities and ROI Prevent over payment of settlements 	<ul style="list-style-type: none"> Conagra Nestle Kimberly Clark Colgate General Mills
MRM	<ul style="list-style-type: none"> Marketing Forecasting and Planning Marketing Asset Management (DAM) Brand Management 	<ul style="list-style-type: none"> Develop optimum marketing strategy Centrally manage lifecycle and distribution of all marketing collaterals Increase brand equity with more effective brand planning and monitoring 	<ul style="list-style-type: none"> Kimberly Clark Colgate Brother General Mills
Warranty Refurbishment Orders	<ul style="list-style-type: none"> Automatically Generate Refurbish Order for Returned Item 	<ul style="list-style-type: none"> Reduced service costs Decreased processing time 	<ul style="list-style-type: none"> Pioneer Europe Sony Computer

			Entertainment
Service / Interaction Center Integration with HR	<ul style="list-style-type: none"> Field Service Integration with HCM HR Help Desk (EIC) Integration with HCM 	<ul style="list-style-type: none"> Provide real-time access to personnel details such as skill level and availability, without involving HR specialist 	<ul style="list-style-type: none"> Siemens
Distributed E-Commerce (Channel Commerce)	<ul style="list-style-type: none"> Multi-Partner Storefront Distributed Order and Inventory Management 	<ul style="list-style-type: none"> Increase customer satisfaction through ability to order products and services across the entire demand network Incorporate partners into E-Commerce strategy Improve order fill rates while reducing inventory and operational costs 	<ul style="list-style-type: none"> VW eParts
Sales Operations Planning	<ul style="list-style-type: none"> Ability to Tie Sales Forecast to Demand Planning – Leverage sales trending to optimize the supplier network 	<ul style="list-style-type: none"> Enhance the quality and accuracy of your sales forecast Ensure inventory levels to support forecast Leverage customer demand data to anticipate and negotiate optimum pricing with your suppliers 	<ul style="list-style-type: none"> Bosch Rexroth Molex IPSOA
Channel Inventory Management	<ul style="list-style-type: none"> Channel Inventory Management Price Protection 	<ul style="list-style-type: none"> Lowers operational cost by enhancing production planning through increased insight into channel inventory Move inventory more quickly Reduces risk through insight into cost/benefit of various price protection scenarios 	<ul style="list-style-type: none"> Texas Instruments AMD
Budget Management with Integration to Financials	<ul style="list-style-type: none"> Flexible Budget Management Integration to Financials – Liability Linked to GL 	<ul style="list-style-type: none"> Ensure accurate incentive accruals and payouts Track liability in General Ledger to ensure safe, conservative accounting 	<ul style="list-style-type: none"> Siemens SAP
Closed Loop Lead Management	<ul style="list-style-type: none"> End-to-End Lead to Order Processes Tie Actual Revenue to Campaign Activities 	<ul style="list-style-type: none"> Measure the ROI of marketing investments Gain insight into the effectiveness of sales efforts 	<ul style="list-style-type: none"> Avid Waters Siemens

3.5 Objection handling	
Objection	Response
We just spent “x” \$\$’s implementing Siebel. There’s no way we can even think about	That’s understandable. That said, perhaps we could just open up a dialog that allows you to at least

replacing it right now.	explore the possibilities and better prepare you if your situation changes, including further clarification from Oracle in terms of their plans for CRM. In addition, we believe that SAP customers get superior value from their CRM implementations because of SAP's focus on end to end, industry-specific business processes. We have our value engineering organization or strategic partners who could come in and work with you to understand if you could get more value by moving to the SAP CRM solution.
We've already made the investment to integrate Siebel with SAP. Getting it from SAP at this point would not be that valuable.	I believe you will find that point-to-point integrations are far less functional and value oriented than a true end-to-end integrated platform. And of course, Tom Siebel has suggested the same thing regarding this acquisition. Not to mention that those integrations will need to be changed as either or both ends of the integration (SEBL, SAP) are upgraded.
I understand why my IT folks would prefer to go to SAP, but what does that really buy me.	When SAP talks about leveraging your investment in SAP, we don't just mean leveraging the technology. In fact, we believe there is far more value in leveraging the customer insight that is stored in your back office that can be readily applied to your customer facing activities. Areas such as customer profitability and payment history or real-time product availability. All of this is critical to understanding the real value of your customers and products. In addition, there are key processes that initiate in the front office but use critical processes in the back office. The ability to move not only information but processes seamlessly back and forth within your enterprise have given some of our customers huge competitive advantages.
Would it make sense for me to consider implementing SAP for one segment of CRM such as Marketing or Call Center if I'm committed to staying on Siebel for SFA (or whatever the combination might be)?	Absolutely. In many cases, real-time availability of back-office data can provide more value than real-time integration between CRM functional areas. Given the opportunity to better understand your requirements, we can help you assess the pros and cons of such a scenario.
We don't take orders directly with Siebel and would not expect to with SAP. Given that, how valuable would the integration really be?	At the highest level, SAP customers have benefited from their CRM implementations in two areas: 1) Business process integration which includes Order-to-cash as one among many and 2) A common platform for areas such as portals, business warehouse, and knowledge management . Another integrated process examples could include skills and availability matching between Human Resources and Field Service.
We looked at SAP when we bought Siebel and our users just didn't like it. It didn't seem as functionally rich but more importantly, they didn't like the User Interface. It just did not look that useable.	I can understand that. Our early releases of CRM were much more focused on the integrated platform using similar tools. The most recent releases have focused extensively on the end user experience and our customers and analysts have validated our efforts. We would welcome any opportunity to re-engage with your user community so they can see for themselves firsthand.
One of the reasons we went with Siebel for CRM was the historical support we've received from our own IT staff related to SAP. We could not afford that level of responsiveness for CRM which is a much more dynamic model.	We understand that the demands for CRM can be more dynamic and flexible than most back office applications. A few comments on that point: 1) for the most part, the front-end tools available to customize our CRM applications are far more flexible than those generally used to run our back-office applications and 2) we would be happy to work

	directly with you and your IT staff to share and recommend best practices in terms of supporting our application and 3) the implications of most changes in CRM are far less dramatic than changing back office applications such as Finance and Inventory which should help in creating a more responsive support structure.
Can I speak to one of your customers to validate what you're telling me?	Of course. The best thing at this point would be to set up an appointment with one of our CRM experts to best determine your prioritized requirements in order to identify the most relevant reference for you. In the meantime, a number of 3 rd party validated ROI reports are available on sap.com. Please review some of those reports they are an excellent indication of how our customers use SAP CRM and gain tremendous business value.
What can SAP do for me if I'm using Siebel On-Demand?	The first thing we'd like to understand is what the motivation was for you to choose OnDemand rather than an on-premise solution to begin with. i.e. Price, resources, timing, etc. It may be that the advantages of our on premise integrated platform over a standalone CRM solution are dramatic enough to re-visit that. Otherwise, you may have read that SAP will be announcing a similar offering as well under certain conditions. Once we can better understand your requirements and motivations, if an off premise solution still makes sense, we can arrange to have a more detailed conversation about that.

3.6 Fact or Fiction		
Topic	Fact	Oracle/Siebel Fiction
Siebel Upgrade	Far less than 90% of Siebel customers have upgraded to Siebel 7. Siebel will tout that a customer integrated to v7 if only 1 instance for any customer was upgraded. Example - X has 7 or 8 Siebel instances, but only 1 'customer service number' (CSN). Only 1 or 2 of X's instances has been upgraded, but Siebel still touts this as a v7 upgraded customer.	Siebel states that '90%' of its customers have upgraded.
	Customers using a version lower than v7.5 should consider going off support in the next 3 years. (Gartner, Moaz) Why? 7.0 was Siebel's move from client-server to the internet. 7.0 was very unstable and 7.1/.2/.3 were basically bug fixes. 7.4 was a bit more stable but still didn't deal with major technical problems of the release. Customers using 7.4 today have fixed the symptoms, but not the problem. Customer who deployed v7.5 had the symptoms resolved already, but now also took on the challenge to resolve architecture problems. This was a major effort to get off v7.4. Customer that have moved to 7.8 are probably fairly committed to moving to v8 (coming out in Jan 06).	A customer using a version between 7.0 and 7.4 will find it easy to go to 7.5. The move is a no brainer.

Customer Satisfaction	SAP interviewed the analyst community and found: While positioning it as a positive for Oracle, in terms of gaining CRM market share, functionality and access to new industries, most analysts were less enthusiastic about the outcome for Siebel customers.	The Oracle acquisition is a positive for Siebel customers.
	In a Gartner study Siebel clients stated their: inflexibility in negotiations and during the scoping phase of contracting, failure to listen to customer requirements and goals, the attitude that the customer should learn from Siebel about the customer's business, poor ongoing customer support, too little effort with Siebel CRM OnDemand. (Gartner, Siebel Systems' New Direction a Key Test for CEO, October 8, 2004)	Siebel is easy to work with and listens to its customers.
	AMR said, "For Siebel and its customers, this acquisition offers a graceful exit strategy."	Siebel customers are committed to sticking with Siebel apps.
Meshing Oracle & Siebel Culture	Larry Ellison is not shy in speaking of his rocky relationship with Tom Siebel. "Tom has said some unkind things about me," Ellison acknowledged when asked about their relationship. "I'm a big boy, I can handle that." Ellison added that he, too, has said some things about Siebel in the press. "I forgot all about that. All that is water under the bridge now." On Wednesday, Ellison said he believed Siebel's experience would be very valuable at Oracle for the "next few years."	Larry likes Tom, Tom likes Larry and they will work well together.
Siebel References	Siebel may have a few references integrating to Oracle; in efforts to position SAP as inferior it will do its best to exploit the ease and low cost to maintain the interfaces.	Oracle has many customers that are integrating to Siebel and that are referencable.
	Siebel does have some customers integrating via 'point-to-point' interfaces to SAP although analysts confirm they can not provide any references. Or should we say Siebel doesn't want to provide any references because this disproves Siebel's claim that 'integration is the easy part'.	Siebel has many customers integrating to SAP and can offer references.
Integrated Suite versus BoB	Oracle says it intends to create a separate, dedicated CRM sales force to sell the Siebel applications. This may be a good idea in terms of short-term revenue opportunities, but it may be counterproductive as a long-range strategy because fewer customers want to buy standalone CRM applications (hence the reason Siebel became available). – AMR Research	Oracle sells an integrated suite of applications.
	As early as 1997/1998 Meta (now owned by Gartner) published reports arguing that the CRM decision point is no longer predicated on feature/functionality, but is all about "fit" into the enterprise-side technical architecture. In fact, given all these strategic integration backbones (especially SAP's NetWeaver), at some point soon this will all become a play for infrastructure since (oversimplifying) the applications will essentially "plug and play."* --Former Meta analyst	CRM buyers view feature/function as the most important buying criteria.
Buy versus Build	Larry Ellison has changed his tune on his 'buy versus build' philosophy. Oracle as of late is taking a buy	Larry Ellison is committed to

	versus build an integrated suite approach. Not so long ago Larry Ellison disparaged Siebel's buy strategy saying, "Could we have caught up with Siebel any faster? Sure. All we had to do was buy a bunch of companies like they did. But we wanted to stick to our product strategy of an integrated suite built on top of a common database. The only way to get one of those is to build it from scratch..." Larry went on the say "Writing Checks is easy. Writing software is hard." It ends up Larry is taking the easy way out!	'building' an integrated suite of products, which includes CRM.
Industry	Forrester states, "Oracle's industry vertical strategy is one of the weakest in the industry, with vertical enhancements incorporated into Oracle's horizontal product in a piecemeal fashion that often fails to deliver the desired business result."	Oracle is committed to developing industry applications.
Oracle & CRM	Gartner said, "Oracle's development organization is not known for good support of CRM applications, and will require changes to keep Siebel's worldwide user base."	Oracle has a good CRM product that has gotten momentum in the market. Oracle's CRM product is well-respected. Oracle understands CRM.
	Wookey head of product development openly admitted at Oracle Open World, "The acquisition of Siebel Systems Inc. (SEBL) will benefit Oracle Corp.'s (ORCL) ambitious software redesign - called project 'Fusion' - but integrating Oracle's numerous customer-relationship-management software products will be a challenge. I think CRM is going to be one of the more challenging areas," Wookey said during a question-and-answer session with reporters at Oracle's OpenWorld conference. "I think that is going to be the product area that is going to have the longest [time] in terms of active development."	Oracle is not concerned about its ability to in a timely and comprehensive manner assimilate CRM functionality from 4 distinct product lines.
Technology & Infrastructure	Gartner and Oracle concur: Gartner said, "Siebel customers running on IBM's WebSphere or Microsoft's .NET technology should be concerned about how that will be supported in the future." Oracle's Charles Phillip's confirms that Charles Phillips, however, in a separate session, said many features in Oracle's applications have been written specifically to take advantage of proprietary features in the Oracle database, making the inclusion of DB2 in Project Fusion difficult.	Siebel customers running on IBM's WebSphere or Microsoft's .NET technology will not be forced to move to Oracle DB.
	Selling Oracle databases to the installed base was a key rationale for all of these acquisitions.	Oracle is not purchasing companies knowing that a huge revenue stream will come from forcing customers to convert to Oracle technology.
Project Fusion	Fusion will be a nightmare; going from v6 to 7 was a nightmare and the customer will re-live this dreadful experience re-implementing Project Fusion. Gartner	Fusion is a simple upgrade.

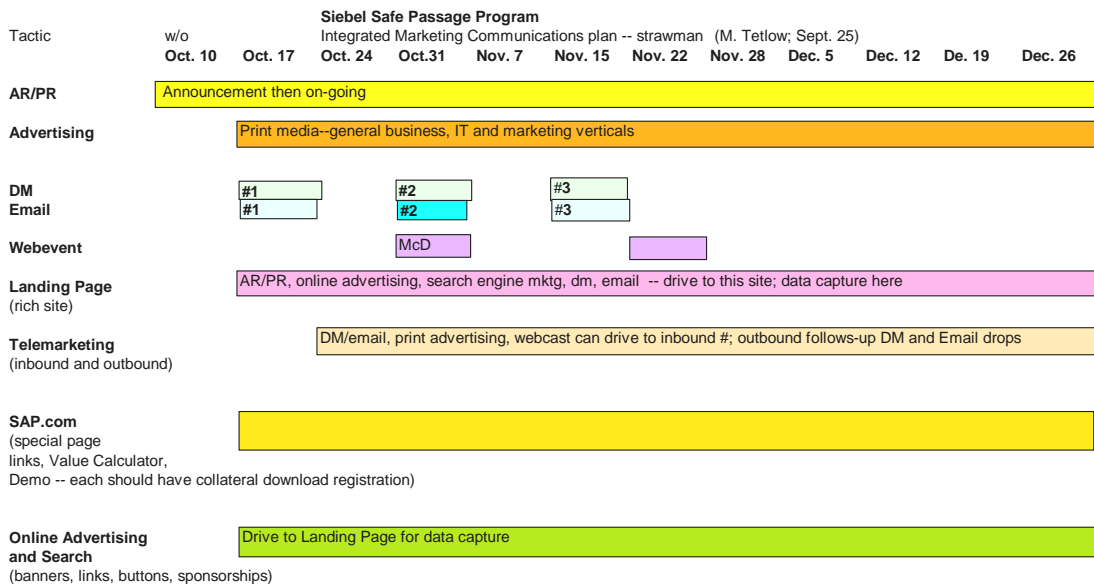
	<p>confirms: Lee Geishecker, research-VP at Gartner, penned an article in ComputerWeekly concerning Oracle's Enterprise Business Suite (EBS) and Project Fusion. Users of E-Business Suite, Enterprise and Enterprise One will all have some migration challenges in moving to applications built as part of Oracle's Fusion, Geishecker said, adding that the transition to applications built as part of Fusion will be easiest for EBS customers. "Thus, new customers should choose Enterprise Business Suite if possible." Migration will be a substantial project, whatever the starting point and "customers will need to check Oracle's achievements rather than rely on promises," Geishecker said. "In addition, we expect there will be some sort of 'up-charge' to move to Fusion applications."</p>	
	<p>Forrester's interpretation of what will be included in Project Fusion in regards to bringing functionality from its collection of best-of-breed and industry functionality rich products is: Oracle must translate Java flexibility into compelling applications like wealth management, merchandising, and complex telco provisioning to bring the architecture to life — deliverables that probably won't make the first release of Project Fusion... As PeopleSoft found in its 7.x to 8.x and Vantive CRM upgrades (and Oracle found in its own move from Oracle 10.7 to Oracle 11i), moving to a new infrastructure — even from one code set — is never easy.</p>	<p>If Siebel does become part of Oracle Fusion all of Siebel's rich industry-specific functionality will be put in Fusion.</p>
	<p>Forrester said, "We believe that acquisitions in the applications sector have more inherent product technology risk, given the need to rewrite products to have a common look and feel, common architecture, common programming tools, etc. Product Fusion is intended to provide this integration and convergence, but further acquisitions could add to the complexity and effort required and could increase the risk of market disruption if customers begin to hold off purchases waiting for the new products."</p>	<p>Integrating Siebel into Fusion will not interfere with its 2007 delivery.</p>
<p>Support & Maintenance</p>	<p>Oracle will renegotiate Siebel customers maintenance based on list price and apply the Oracle maintenance fee of 22% (versus Siebel's 15 or 20%).</p>	<p>Siebel customers can remain on Siebel's maintenance program with out an extra cost burden from Oracle.</p>
	<p>Oracle fails to even define what life-time support for its 'dead' products means. Speaking to Computer Weekly, Patricia Dues, president of the OAUG, said, "Maybe the lifetime support is a better idea. But we need to see more details." She called for Oracle to define what lifetime support means for users, detail the level of technical assistance available and publish the cost of lifetime support. REDACTED</p>	<p>Siebel customers will receive 'lifetime' support.</p>

	<p>Forrester Research analyst Paul Hammerman said, "There is going to be apprehension from Siebel customers because Oracle has been so vocal about its next-generation product strategy. ...Users will have to watch out for release support schedules - companies with older releases will be forced to upgrade to current releases [such as Siebel 7.5 and beyond] and the maintenance cost structure could change. ...Siebel users would also be concerned about whether Oracle would be able to match the functionality of Siebel." (Enterprise software Siebel users face tough choices Computer Weekly, 20.09.05)</p>	<p>Siebel customers will not be forced to upgrade to newest releases.</p>
	<p>Oracle's customers using the 'dead' products will pay exorbitant maintenance on a product with no future.</p>	<p>Oracle maintenance is a 'good' spend for customers.</p>

Chapter 4.0: Marketing Activities
Siebel Safe Passage

4.1 Target Segment Profiling	
Priority 1:	<p>Role: CIO and LOB (Sales, Service, Marketing) System Landscape: In the US this is the <u>273</u> current SAP back office customers that have Siebel. Industry: All Company Size: All</p>
Priority 2:	<p>Role: LOB and CIO Industry: CP, HT, and IMC System landscape: JD Edwards and PeopleSoft customers running Siebel CRM Company Size: \$750 million</p>
Priority 3:	<p>Role: LOB and CIO Industry: CP, HT, and IMC System landscape: Customers running Siebel CRM with legacy back office Company Size: \$750 million</p>
Priority 4:	<p>Role: LOB and CIO Industry: Media, Utilities, Service Provider, Oil & Gas, Chemical, Automotive, Telco, Public Sector, and Life Sciences System landscape: JD Edwards and PeopleSoft customers running Siebel CRM Company Size: \$750 million</p>

4.2 Preliminary Marketing Mix Guidance & Calendar								
Awareness Advertising	Public / Analyst Relations	Events	Partner co-marketing	Demand Gen	Online	Sales Enablement	Marketing offers	TeleMktg / Sales
X	X	X	x	X	X	X	X	X



4.3 Rationale and Flow of Tactics

Target Audience: See playbook for specifics; Primary Target is Siebel customers with SAP backend; Secondary target; JDE/PSFT customers with Siebel.

- AR/PR and media advertising** provide thought-leadership messages and should increase awareness of SAP as CRM vendor as well as reinforce SAP positioning as enterprise platform. AR/PR can more explicitly describe the Siebel Safe Passage Offering, too. Advertising can carry an 800# and sap.com address.
- DM and Email:** DM to those for whom we have no email address nor opt-in permission. DM and email are intended to: 1) spur a call from the CIO to set up a meeting. It will make the Safe Passage offer (credit, free assessment, training) to motivate quick action. Drives to Landing Page, 800# inbound tele, and/or sales rep. Also DM/email #1 invites target to Webcast featuring B. McDermott and SAP customers (former Siebel customers). DM/email to primary audience should come from McDermott. DM/Email #2 reminds target of webcast (that week) and outlines Safe Passage Offer again, driving to landing page for secondary offer (white paper or Value Calculator or demo). DM/Email #3 drives to second webcast, outlines offer and drives to landing page for secondary offer (third-party authored paper, analyst report, more details on Safe Passage offer).
- Web Events:** Webcast should follow-up DM/Email #1 by 2 weeks; have registration and follow-up with thank you and secondary offer. Provide 800# pre and post-webcast. Webcast #1 is McDermott with SAP Customers (former Siebel customers). He should mention the Safe Passage Offer and provide 800#, too. Webcast #2 -- should focus on the advantages of SAP's ESA relative to CRM (if we can do this in a very simple, user friendly way)
- Landing page is a program-specific, rich content "microsite" for this program.** This is the heart of this program. This is where ALL tactics drive TO and it's where most data collection occurs. Should contain links to relevant areas on sap.com as well as interesting content -- including 3rd party authored articles, papers that support our claims as well as full content of the Safe Passage Offer.
- Telemarketing:** Inbound and outbound call guides should be prepared. Inbound calls will come from: Advertising (which is general), AR/PR (which can be Safe Passage specific), DM/Email, Webcasts, and sap.com. Outbound calls should follow-up DM/email drops (sales reps should call primary

- target audience), follow-up to webcast attendees.
6. **Online advertising, search, sponsorships:** This is the most efficient way to drive responses and traffic to the landing page and to sap.com. Online advertising can include banners (which will also reinforce the awareness/perception messages), buttons and links (to landing page); Search can drive to the rich landing page.
 7. **sap.com:** Should have a dedicated area to Siebel Safe Passage program and link to the rich landing page. CRM Value Calculator and Demos should have download registration pop-ups for data capture and should drive to rich landing page upon completion. Leads/completes (VC and Demos) should get follow-up call.

4.4 Summary Table of Program Activities

Summary of Planned Marketing Activities for US

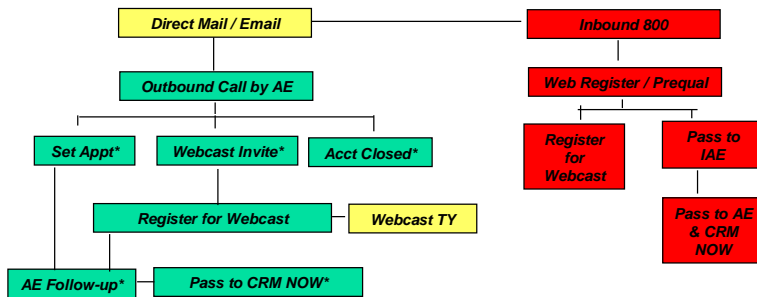
Activity	Comments
Program Specific Announcement for Internal SAP (SMI) (Dependent on Press Release date)	Available for Oct 17th launch
Executive Direct Mail to joint SAP/Siebel Accounts supported by Field Call Blitz CFO/CIO target w/Bentley ROI Report & webcast (Launch Oct. 10) Agency Briefing Packet	Available for Oct 17th launch
Executive Email	Oct 10
LOB Mailer to Director & above	Oct 17
Sales/Marketing/Service contacts (Launch Oct. 17)	
LOB Email	Oct 17
Program / Webcast Announcement on SAP.com	TBD (Dependent on Press Release Date)
Online Promotion of Webcast	TBD(Dependent on Press Release Date)
SAP Flash	TBD (Dependent on Press Release Date)
Webcast Tele Recruitment Featuring McDermott, Bentley & Win against Oracle/Siebel	
Webcast Email Follow-up, Determine Audience	Nov 10
Follow-up to Attendees & No Shows Routed to Sales or Tele?	Nov 14
Nurture Plan - Offer Analyst White Paper, Assessment, etc.	
Webcast replay available via SAP.com	Nov 9
Bentley Customer Reference Conference Call	Nov 15
ASUG 10/9-12 (Keynote, ROI Report & Webcast Post Card in booth) Phoenix	Oct 9-12

SAP Business Forums (Keynotes, CRM & Safe Passage Sessions) Dallas, Chicago, Hunting Beach & Miami	Oct 11, 12 & 27
Gartner CRM Summit (Vendor Presentation, ROI Report & Postcard in booth) San Diego	Oct 31-Nov 2
Gartner ITXpo (Vendor Presentation, ROI Report & Postcard in booth) Orlando	Oct 16-21
CRM Executive Vision Events (Messaging) Charlotte & San Fran	Oct 4, Nov 10
Advertising: Banners, white papers, search, print, wrappers, etc.	TBD (see marketing strategy)

4.5 Telemarketing Contact Strategy

Summary of Telemarketing strategy for US

Wave 1 - Tele Strategy

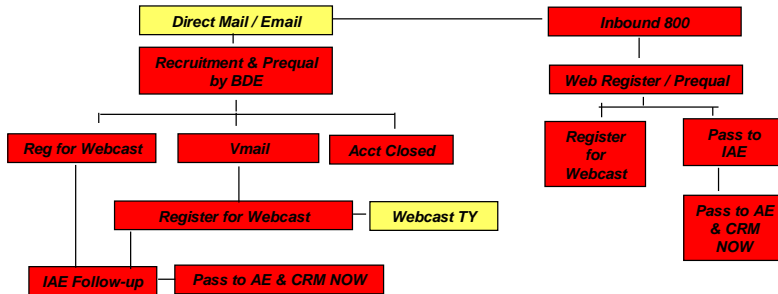


* Where is this info captured?

Yellow - Marketing
Green - Sales
Red - Sales Advantage

THE BEST-RUN BUSINESSES RUN SAP 

Wave 2 - Tele Strategy



* Who will be conducting calls?

Yellow - Marketing
 Green - Sales
 Red - Sales Advantage

THE BEST-RUN BUSINESSES RUN SAP 

Chapter 5.0: Tactical Guidance
Siebel Safe Passage

5.1 Program Content Deliverables	
Deliverable	Status
Messaging for IT discussion	done
Messaging for LOB discussion	done
Fact or Fiction (Competitive Positioning)	In process
Sales Scenarios (FAQ Objection Handling)	In process
Sales Scenarios Decision Tree	In process
External PowerPoint pitch to customers - IT	In process
External PowerPoint pitch to customers - LOB	In process
References - identify SEBL replacements, create success stories, sound bites	In process
SAP wins against SEBL - create document	In process
Create tri-fold template with high level value prop and industry facts	In process
Create Telesales script for SAP backend	In process
Prioritize Industries and Create Messages	In process

5.2 Sales Tools	
Asset	SMART Link
Siebel Battlecard North America	http://smart.sap.corp:1080/smart/media.asp?v=27466
Siebel Analytics Sales Reference Guide	http://smart.sap.corp:1080/smart/media.asp?v=46001
CRM Competitive Guide	http://smart.sap.corp:1080/smart/media.asp?v=27477

5.3 Competitive Summary

CMI First View – Oracle and Siebel

		Impact	Comments
Market	Application Software	➡	<ul style="list-style-type: none"> ■ SAP still #1, two times larger than Oracle ■ After merger, Oracle now #1 in U.S. ■ 1+1=2 may not hold true after the merger*
	CRM market	⬆	<ul style="list-style-type: none"> ■ Oracle tripled its peer shares from 16% to 44% ■ SAP still #1 based on peer group shares** ■ Oracle #1 in CRM in 04, as per industry analysts
	Industry	➡	<ul style="list-style-type: none"> ■ Oracle expands footprint most in Financial Services followed by Services industry ■ Acquisition fits to its vertical strategy
	Customer	➡	<ul style="list-style-type: none"> ■ Impact mainly on large enterprise segment. ■ Slight impact in SMB with Siebel OnDemand
Product & Technology	Solution	⬆	<ul style="list-style-type: none"> ■ Acquisition of Siebel's Best-of-Breed solution ■ Integration remains SAP's short-term panacea (Fusion)
	Technology	➡	<ul style="list-style-type: none"> ■ Siebel Nexus could boost Oracle's SOA market perception
Go To Market	Business Model	➡	<ul style="list-style-type: none"> ■ Addition of a subscription-based SaaS ■ Possible expansion into midmarket with SaaS
	Partner	➡	<ul style="list-style-type: none"> ■ Oracle – IBM – SAP Partnership ■ Accenture
	Sales Force	➡	<ul style="list-style-type: none"> ■ Addition of sales force (1,129) with strong CRM and vertical expertise.

⬆ Very high ➡ High ➡ Moderate

**Source: SAP

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*The combined entity (of PSFT and Oracle) had lost 20% of revenue in the second half of the year (after merger)" – Bruce Richardson, AMR 2005

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5.4 Siebel Win Backs

	Replacement	Country	Reference Status
Adidas	Yes	DE	Undetermined
Adobe	Yes	US	Undetermined
Advantech	Yes	TW	Undetermined
AEM		IT	Undetermined
Agrium	Yes	CA	Undetermined
AMD		US	Undetermined
ASML		Netherlands	Undetermined
Bentley Systems	Yes	US	
Bombardier	Yes	Canada	
Caterpillar Inc.	Yes	US	
Correos	Yes	Spain	Undetermined
Dean Foods Company	Yes	US	
Degussa (E.on)	Yes	Germany	
Deloitte Consulting	Yes	US	Active Reference
Diageo	Yes	EMEA	Undetermined

Ericsson	Yes	SW	Undetermined
Gas Natural	Yes		
Johnson & Johnson Vision Care	Yes	US	Undetermined
Kellog's	Yes	US	Undetermined
Mentor Graphics Corporation	Yes	US	
NextiraOne	Do not use	US	No
Orkla/Lilleborg		NO	Undetermined
Rand Water	Yes	US	
Roche			Undetermined
Rockwell Automation	Yes	US	Undetermined
Royal Mail		UK	Undetermined
RWE	Yes		
Samsung	Yes		
Siemens	Yes	DE	Active Reference
Tecan	Yes		Undetermined
T-Mobile	Yes	US	Active Reference
Vistakon		DE	Undetermined
Vitro	Yes	MX	Undetermined
Volkswagen/ Audi	Yes	DE	Undetermined
Warner Bros. Entertainment Inc.	Yes	US	
Wien Energie	Yes		
Wienstrom GmbH		AT	Active Reference