

# **EXHIBIT 20**

.

---

**From:** Rick Cummins [rick.cummins@oracle.com]  
**Sent:** Saturday, January 13, 2007 12:54 AM  
**To:** Jones Juan C; Madsen Christopher  
**Cc:** Lindsey Kathleen M  
**Subject:** Acquisition Review  
**Attachments:** acquisition cancellationsanalysis - juergen.ppt

Juan and Chris,

Attached is the presentation as requested by Gary Miller regarding the status of acquisition renewals. Let me and/or Kathy know if you have questions or if we need to make changes.

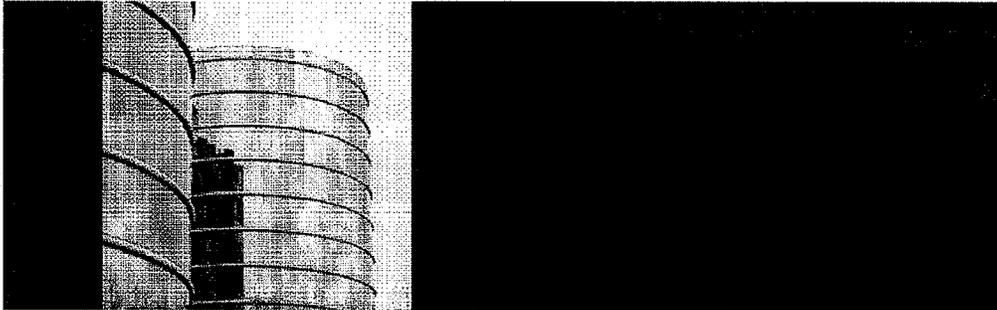
Regards,  
Rick

Rick Cummins

**ORACLE** | Support Services

Senior Director, North America Support Services  
One Technology Way  
Denver, CO 80237  
Phone: 303-334-4795  
Fax: 303-334-1288

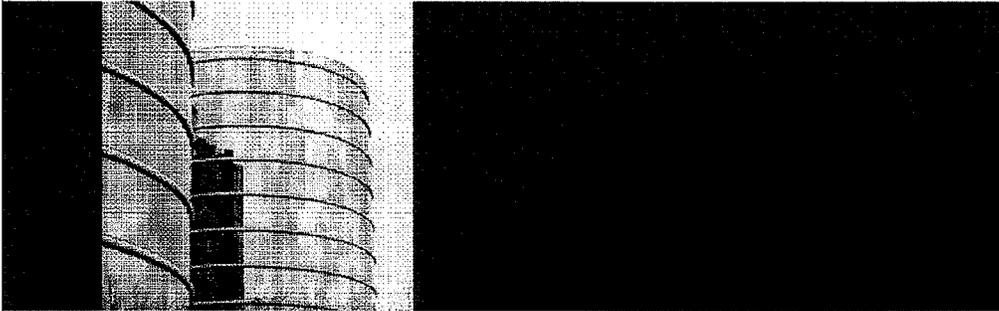




**ORACLE®**

**North America Support Sales**

*Peoplesoft, Siebel & Small/Mid Sized Acquisitions  
Q2 FY07 Progress Update/YTD Review*



**ORACLE®**

**1) Peoplesoft and Siebel Q207 YTD Cancellation  
Review**

## Cancellation Rate Analysis Peoplesoft

- North America – 6.37%
  - Consistent with historical cancellation rates (averaging 6-7% range) for PSFT product line
  - Lower than global PSFT cancellation number – 7.14%
- Top cancellation reasons
  - SAP – 2.29%
  - Third Party – 1.87%
  - Merger/Acquisition - .6%
  - Top 3 cancellation reasons make up 75% of cancellations
- Q2 Analysis and Conclusions/Recommendations
  - Maintaining historical retention rate despite top loss reason being driven by third party maintenance providers
  - Merger/acquisition activity in the mid market is continuing to drive more cancellations every quarter (i.e. parent company mandate move to another vendor)
  - Continued significant effort on third party issue has resulted in manageable losses
  - Internal organizational controls put significant focus on cancellation management

ORACLE

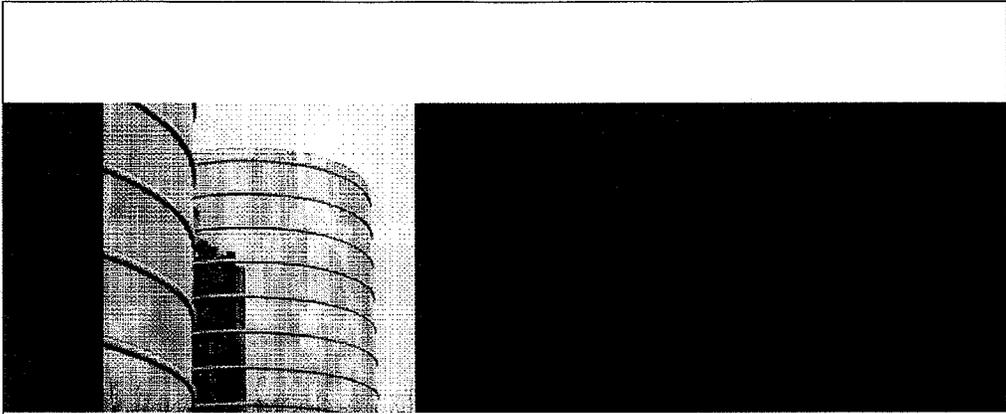
© 2006 Oracle Corporation – Proprietary and Confidential

## Cancellation Rate Analysis Siebel

- NAS – 3.23%
  - Consistent with Oracle cancellation rates
  - Lower than historical Siebel cancellation rates
- Top cancellation reasons
  - 1.5% (47% of cancellations) – Licenses no longer used
  - .9% (28% of cancellations) – Move to competitor
  - Remainder of cancellations are spread among several reason codes
- Q2 Analysis and Conclusions/Recommendations
  - Cancellations are most prevalent in smaller customers
    - Few licenses purchased for single division
    - Licenses never deployed (shelf-ware)
  - Downsizing has historically been the larger issue with Siebel customers
    - Oracle business policies have resulted in significant decrease in downsizing
    - Standard Oracle approval processes allow for close monitoring of exceptions
  - Currently very little activity from third party players (Rimini Street/Tomorrow Now)

ORACLE

© 2006 Oracle Corporation – Proprietary and Confidential



**ORACLE<sup>®</sup>**

**2) Small/Mid Sized Acquisition Q207 YTD Review**

## Q2 Cancellation Summary Small/Mid Acquisitions

	360 Commercial	ProfitLogic	Retek	Glog	Obliv	Octetstring	Portal	SleepyCat	Times Ten	Total
Customer Declined	\$249,691	\$1,481,834	\$24,531	\$89,464	\$232,202	\$80,250	\$90,000	\$251,477	\$46,200	\$2,525,449
Customer Merger/Acquisition								\$24,000		\$24,000
Discontinued Product								\$16,240		\$16,240
Licenses No Longer Used			\$88,853			\$13,400	\$112,887		\$10,197	\$225,337
Move to Competitor			\$412,000							\$412,000
No Customer Response			\$41,998	\$2,100				\$15,000	\$34,996	\$94,092
<b>Total</b>	<b>\$249,691</b>	<b>\$1,481,834</b>	<b>\$567,380</b>	<b>\$91,564</b>	<b>\$232,202</b>	<b>\$73,650</b>	<b>\$202,887</b>	<b>\$306,717</b>	<b>\$91,393</b>	<b>\$3,297,118</b>

ORACLE

© 2006 Oracle Corporation – Proprietary and Confidential

# Top YTD Cancellations

Customer	Manager	Constant Dollar Product Value (USD)	Part Identifier	Contract Status Code	Notes
SEARS ROEBUCK AND CO	Steder	1,481,633.66	PLOG	Customer Declined	there were profit logic Markdown Optimization apps which Sears terminated use in June of 2008. However, they were also term licenses that expired at end of Oct. 2008
US POSTAL SERVICE	Welch	160,000.00	OBLX	Customer Declined	Cancelled because of product quality issues
Aegis Interworld Inc	Kriegerbocker	75,000.00	GLOG	Customer Declined	Cancelled by CTO, after GLOG hosting was dropped
Google Inc.	Hayden	50,000.00	SCAT	Customer Declined	Product discontinued as an embedded O6 for Google
TELCONTAR	Schebe	40,000.00	SCAT	Customer Declined	Customer wanted to move to product support only, support dropped because of the cost of service

Top: Retek/Profit Logic: \$1.8

ORACLE

© 2008 Oracle Corporation – Proprietary and Confidential

## Findings

- Many of the cancellations occurred before the customer acquisition and should not be part of our contract base

### Examples

TEXT REMOVED - NOT RELEVANT TO MOTION

TEXT REMOVED - NOT RELEVANT TO MOTION

- Some acquired products are certified on soon to be desupported versions of Oracle; Retek certified on 8.1.7 of Oracle and App Server 1.0.22.

**Result** - EMS is cost prohibitive, limited and not expected.

- Lifetime policy and product certifications are not compatible in all cases

- Some acquired products have 3<sup>rd</sup> party dependencies that are in direct competition with products in our suite.

**Result** - Customers will not give up contractual terms that require support/certification for 3<sup>rd</sup> party products and they are delaying renewal decisions

ORACLE

© 2006 Oracle Corporation - Proprietary and Confidential

## Findings

- Customers are not prepared to sign Oracle's OLSA for support terms; still use acquired contracts for licensing which causes confusion  
**Result** – Lengthy delays in engaging Legal or Contracts, which in turn result in extended backlog. Example; Retek contracts renew on average, 70 days after the contract start date
- Many of the Premier “value propositions” for Oracle/PSFT are not yet available to acquired customers  
**Result** – 22% of net on new purchases for products that were previously licensed at 15% – 20% of net are causing customers to rethink long term strategy, delaying renewals and causing cancellations
- Most are used to higher level of access to support, consulting and development ; not used to our Global Support model  
**Result** – It is difficult for a customer to accept Oracle's standards Technical Support Policies

ORACLE

© 2006 Oracle Corporation – Proprietary and Confidential

## Findings

- Product performance issues have slowed renewals

**Example; Oblix issues at** TEXT REMOVED - NOT RELEVANT TO MOTION TEXT REMOVED - NOT RELEVANT TO MOTION  
TEXT REMOVED - NOT RELEVANT TO MOTION **have resulted in cancellations, delayed renewals and unpaid invoices**

ORACLE

© 2006 Oracle Corporation – Proprietary and Confidential

## Progress

- Sales alignment and partnerships on at risk customer renewals
  - CGBU – Roberta Thompson (Nancy Yueh's office), Bruce Grainger (sales)
  - RGBU – Susan Tucker, Amy Gehring and Lisa Tucci
  - T@W - Wendell Black
- CGBU alignment/ global reporting template
- RGBU Business Practices Training
- Telephony@Work Introductory call
- Enhancements to Support Sales Training (products, why purchased, customer scenarios, prior support sales experience view from license sales, support matrix comparisons, improved detail on nuances)
- Involvement in rep mapping (ie, T@W and Portal)
- Improved expectation setting on FAQs for Acquired customers

ORACLE

© 2006 Oracle Corporation – Proprietary and Confidential

## Short Term Plans

- **RGBU SWAT team (led by D. Collier)**
  - Isolate and root cause at risk accounts
  - Build a at risk mitigation process leveraging RGBU expertise
  - Share best practices
  - Drive up on time renewals and reduce cancellations
- **Bring on Business Development Manager for CGBU (Feb):**
  - Leverage existing expertise to transition customer base to Oracle
  - Manage Partner process improvements to drive up renewal rates
  - Drive down expected cancellation rates (other than the planned reductions)
  - Provide SPOC to the CGBU (Boskar Gorti and Nancy Yueh); reporting, process improvements, cross team communications , deal management and training
  - Leverage lessons to define BDM role for other strategic acquisitions under new business units
- **Develop acquisition-specific quarterly reports and earlier at risk tracking**
- **Ensure OSSinfo is involved in add-on/non-standard acquisition sales approvals to represent Oracle's support requirements during and after change in control**

ORACLE

© 2006 Oracle Corporation -- Proprietary and Confidential

## Go Forward Recommendations

- Dedicated Legal and Contract resource to help with acquisition issues – This team can be integrated into broader NAS teams in the long term, after the buying spree ends
- Earlier communication and visibility into OLSA terms for acquired customers
- Establish dedicated Acquisitions Experts within Support Sales for key acquisitions with focus on:
  - Value-exchange overlay sales to increase customer satisfaction and enhance the company's maintenance retention rate.
  - Provide analysis and quarterly reporting to leadership teams (Business Unit, Support Sales, GSSO)
  - Identify trends and issues for global acquisition renewals and work on corrective actions/programs to drive up on time renewals
  - Serve as Acquisitions Lead to facilitate training and other sales readiness programs; process improvements and communications
  - Ensure ongoing improvements in data accuracy and access to key information to get renewals done
  - Works directly with Support Sales and Channel partner resellers to secure and recognize this important revenue segments

ORACLE

© 2006 Oracle Corporation – Proprietary and Confidential