1 IN RE:

2 THE MATTER OF ORACLE'S PROPOSED ACQUISITION OF PEOPLESOFT

3 CIVIL INVESTIGATIVE DEMAND NO. 22796

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7 San Francisco, California

8 Tuesday, January 20, 2004

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13 Videotaped Deposition of CLIFFORD GODWIN, JR., a

14 witness herein, called for examination in the above-entitled

15 matter, pursuant to notice, taken at the offices of the United

16 States Department of Justice, Antitrust Division, 450 Golden

17 Gate Avenue, San Francisco, California, 94102, beginning at

18 9:45 a.m. before Carol Nygard Drobny, Certified Shorthand

19 Reporter, RMR, Registered Merit Reporter, and RPR, Registered

20 Professional Reporter in and for the State of California.

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22

13 Q. Okay. Mr. Godwin, is it correct that you are
14 employed by Oracle Corporation currently?
15 A. Yes. Yes, it is.
16 Q. What is your position currently with Oracle?
17 A. Senior Vice President for Applications Technology.

8 Mr. Godwin, do you also have any responsibilities
9 that relate to direct interaction with customers?
10 A. As part of the role, applications and technology
11 role, I deal with making presentations to customers in user
12 group forums, for example, and also periodically I'm asked to
13 participate in customer visits, either for existing customers
14 or for sales opportunities.

6 Q. How long did Oracle work on building functional
7 improvements for the 11i product family before it was first
8 commercially released?
9 A. Pretty much from the release of 11.0 in '98 until
10 the time we released it in 2000, so a couple of years.
11 Q. And if I heard you correctly earlier, is it also
12 correct you've continued to build improvements in to the 11i
13 product line family since its initial release?
14 A. Yes, we have.

6 Q. Okay. Since the release of version 11i, initially
7 in the spring of 2000, approximately how many developers,
8 technical developers and R&D personnel, have Oracle -- has
9 Oracle deployed to supporting and enhancing the 11i product
10 line?
11 A. I'm sorry.
12 How many do we have now or over a period of time?
13 I'm not sure of the question.
14 Q. Well, perhaps -- perhaps the numbers changed over
15 time. So maybe --
16 A. Yeah, it has substantially.
17 Q. I'll take that up. Today --
18 A. Yeah.
19 Q. -- how many developers and R&D personnel are
20 deployed to support the 11i product line?
21 A. I think the aggregate is something in the order of
22 6,000 worldwide.

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1 In the applications business there are people,

2 obviously, you could allocate, interpret as -- doing work in

3 math for the applications from the system products and database

4 and application server groups as well, if you're trying to make

5 things fully comparable to another vendor.

6 In our business the people that build the tools,

7 technology, and reporting tools, and things like that actually

8 work under the application server group and wouldn't be counted

9 in my 6,000.

10 There's 6,000 people basically in Ron Wohl's

11 organization.

12 There is a support organization that doesn't do
13 engineering but answers the phone, and that group has a bunch
14 of people allocated to applications as well.

4 The -- what has changed on the server side in going
5 to the Internet computing architecture?
6 What software functionality architecture needs to
7 be put on the server that wasn't there on the client server
8 side?
9 A. Okay. There's a big portion of what used to be in
10 the client, which is all of the software that is implementing
11 the business logic and user interface processing to basically
12 decide how the screen works, that is now moving from being a
13 Windows program running on the client to being a program
14 deployed on a server, which may be Windows, or Unix, or some
15 other -- you know, whatever operating system you chose.
16 So there is -- there is a redeployment in that
17 sense then.
18 Q. Okay. And what is the benefit to a customer in
19 going through that type of redeployment?
20 What does a customer achieve that they couldn't
21 achieve under the older architecture?
22 A. Under the current server?

1 MR. GAUL: Sure.

2 MR. ROSS: Objection. Asked and answered

3 previously.

4 You can answer again.

5 THE WITNESS: That's the savings -- it's largely

6 the cost savings of centralized administration, because it's

7 expensive to maintain and version -- make version changes to

8 desktop software on some large number of user desktops as

9 opposed to being able to do it centrally under data central

10 control.

11 So for IT departments it's a huge simplification of

12 their lives, and users experience less volatility in what's

13 installed with the associated reliability problems on their

14 desktops.

15 So it's actually an improvement in the reliability

16 of the system from their perspective as well.

4 Q. I'd like to switch gears back again to E-business
5 Suite version 11i.
6 A. Uh-huh.
7 Q. You had made reference earlier to additional
8 functional improvements to the suite.
9 I was wondering if you could perhaps list for me
10 what you view as the major functional improvements that were
11 rolled out with 11i and have been rolled out subsequent to its
12 initial release.
13 A. Oh, gosh.
14 I mean, we have -- I mean, 11i has had an enormous
15 amount of new functionality. I mean, the entire CRM family of
16 applications is new in 11i. Not the entire, but, I mean,
17 virtually the entire family of CRM applications is new in 11i.
18 We've vastly increased the amount of manufacturing
19 supply chain functionality in 11i.
20 We've -- introduced new modules in human resources
21 and financials and the projects area.
22 I mean, there's more development investment and

1 more development progress in even during 11i, since we
2 initially released it in 2000, more kind of person years of new
3 development that's occurred in that than there was in the
4 entire history of applications up until that point.
5 So we've -- we have been putting in a substantial
6 investment in building out new functionality, and I can't -- I
7 mean, I can only begin to characterize it in terms of, you
8 know, support for -- I mean, industry specific support
9 features, whole areas of supply chain collaboration, built out
10 a whole new transportation management logistics system.
11 I mean, these are all not my area. I'm just aware
12 that we're doing these things at large, because, you know, I'm
13 aware that the products have come in to existence.
14 But, I mean, there's -- there's -- if you looked at
15 a list of all the products that we had in existence in 11.0 and
16 the ones we had in 11i, it would -- the list is probably not
17 -- "products" is not the right word, because that has a price
18 -- that has a price list connotation like things we sell.
19 But, I mean, the number of modules, the -- you
20 know, the -- sort of the volume of products we have by any kind
21 of, you know, development centric physical measurement would
22 be, you know, vastly greater than 11i.

1 So I don't know if you have a more precise way you
2 wanted me to answer that, but I -- that's -- that's a fire
3 hydrant of new functionality.
4 So you can decide how you want to drink from it.
5 Q. Well put.
6 To what extent is the fire hydrant of new
7 functionality driven by the demands of customers attempting to
8 meet customer needs?
9 A. Well, most of it is trying to meet customer needs.
10 I mean, that's -- we're trying to satisfy
11 customers. That's why we're in business. They'll do things
12 they want.
13 Q. And to what extent is any of this fire hydrant of
14 new functionality, as you put it, driven by attempting to meet
15 functional improvements that other companies that Oracle
16 competes against have -- have rolled out?
17 MR. ROSS: Objection. Vague and ambiguous.
18 You can answer.
19 THE WITNESS: I -- are you looking for -- I mean, I
20 don't know that I can -- there's no -- I can't give you a
21 precise or a meaningful metric to say what proportion of things
22 are to meet competitive requirements versus what things are

1 requested specifically by customers, because there's not a
2 metric I could use to give you a meaningful answer.
3 BY MR. GAUL:
4 Q. Well, let's -- let's -- let's maybe establish a
5 base line.
6 Does Oracle add functionality to meet competitive
7 requirements?
8 A. Yes.
9 I think there are occasions when -- clearly there
10 are occasions when we do that.
11 Like I say, I'm -- yes.
12 Q. And is monitoring new functionality and
13 improvements by Oracle's competitors one of your job elements?
14 A. Not in the -- I mean, in the technology area
15 specifically I'm aware of -- you know, I try to keep aware of
16 things that are -- sort of the analogous things -- issues that
17 I worry about I try to keep aware of the -- those -- how those
18 issues are being handled by our competitors.
19 It's less a feature function type of battle in my
20 issue -- in my area, because mine is more kind of general, it
21 applies to everything, set of concerns, and -- and so, you
22 know, it's just a -- that's just what I deal with.

1 Q. The folks who do deal with futures and functions --

2 A. Uh-huh.

3 Q. -- to your knowledge do they monitor what the

4 competitors are doing with features and functions?

5 A. To some degree.

6 Q. And does Oracle ever add features and functions

7 because a competitor has added a feature or function that

8 appears to be valuable to customers?

9 A. Yeah, I'm sure that happens.

10 Q. To your knowledge has Oracle ever added a feature

11 or function because PeopleSoft had it?

12 A. I'm sure that's happened.

13 Q. Can you think of any examples where Oracle has

14 responded to something PeopleSoft has added?

15 A. You know, I'm not close enough -- here's the reason

16 I can't really give you an answer on that.

17 I'm not close enough to the product planning

18 activities in these other areas to know if the like main or

19 only reason that they added something was because PeopleSoft

20 did it.

21 They may have also had customer requests to do it.

22 And so I just -- I'm not enough in their chain of

1 inputs to know like did we build this feature just, you know,

2 just because PeopleSoft had it did we build this feature,

3 because like our biggest customer asked for it also.

4 I mean, I'm not in that loop on that. I don't have

5 the big picture.

6 Q. Well, in an area of your responsibility, web

7 enabling --

8 A. Uh-huh.

9 Q. -- did PeopleSoft have a browser based client prior

10 to Oracle?

11 A. No. We had it before PeopleSoft.

12 Q. Did PeopleSoft have HTML rendering prior to

13 Oracle's HTML rendering?

14 A. No. We had it before PeopleSoft.

15 Q. To what extent, if at all, is it your perception

16 that PeopleSoft added that functionality in response to Oracle

17 having added it?

18 MR. ROSS: Objection. Lacks foundation.

19 THE WITNESS: I have no idea what -- why PeopleSoft

20 -- I mean, you got to ask PeopleSoft.

21 I really don't know why --

22 BY MR. GAUL:

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1 Q. Okay --

2 A. -- they've done what they've done.

3 Based on your general understanding of the industry
4 and business applications --
5 A. Yeah.
6 Q. -- segment that Oracle is in, do you believe that
7 today Oracle's, as you phrased it, mature HR application is
8 functionally equivalent for most needs to that offered by
9 PeopleSoft?
10 MR. ROSS: Again, lacks foundation.
11 THE WITNESS: I -- I have -- I have a perception
12 that we are -- that for some requirements we are a better fit
13 than PeopleSoft and for other requirements we might be less of
14 a good fit than PeopleSoft and that it -- there's not a general
15 sense that we're, you know, behind in everything.
16 I mean, it's now -- there is a situation where, you
17 know, for certain purposes ours is a better fit and for other
18 purposes theirs may be a better fit.
19 So it's -- it's more a -- you know, fit to
20 requirements discussion in individual situations now, is my
21 general sense.
22 BY MR. GAUL:

1 Q. And is it correct that individual customers have
2 differing needs and that the vendor's fit may be different for
3 customers with different needs?
4 A. Yes, certainly.
5 Q. And based on your experience with customers is it
6 fair to say that each customer is to some extent unique in what
7 their needs are?
8 A. Yes, customers' needs will vary based on a whole
9 variety of things.
10 Q. Such as?
11 A. Their business -- their business practice -- well,
12 first off, what they intend -- what the project is that they
13 intend to do.
14 A -- customers try -- or, you know, have -- the
15 project for which they're buying the software will have a
16 certain scope in their organization, and that will determine a
17 great deal of what the fit is.
18 The -- there are a number of -- I mean, any -- the
19 business practice decisions, the business policies they're
20 trying to implement, the business processes they've defined,
21 you know, just any -- any number of factors will cause customer
22 requirements to vary.

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1 It's not really even a -- I mean, there's not even

2 a clear taxonomy to even frame all the ways in which customer

3 things may vary.

4 Q. Almost infinitely variable?

5 A. Yeah.

13 Q. What are the advantages to a customer of getting a
14 system that has configuration options, whether built in during
15 development or partly preconfigured, as you just described?
16 A. Well, we -- are focused on trying to make -- I'm
17 not -- I'm not sure you're -- you're saying what's the benefit
18 of getting something that's configured or configurable.
19 That's two different questions.
20 Q. Well, that's a good question you just asked.
21 How about configurable?
22 A. Okay. Okay.

1 We try to build a system to be highly configurable,
2 because we only have one product, and it needs to meet a really
3 wide variety of customer requirements out there in the world.
4 And so we try to make the system as configurable as
5 possible without -- without having people have to go in and
6 invasively modify the code that we shipped to get it to work
7 for their business.
8 And so we put a lot of effort in to building
9 capabilities that will let the customer set it up to get it to
10 work how they want it, without having to either ourselves build
11 different products for all sorts of different needs or
12 requiring the customer to go in and do like brain surgery on
13 the product that we shipped to get it to work the way they
14 want.
15 We want them to be able to have a good experience
16 using standard techniques for configuring the product to make
17 it work the way they want without having to have a high level
18 of expense.
19 Q. And the -- among the types of brain surgery, as you
20 called it, that a customer might wish to avoid by having a
21 highly configurable product, would that include avoiding having
22 to do actual programming in the code on the product?

1 A. Right.

2 Making one distinction, many people will need to --

3 will want to build some extension to the product which captures

4 information about something that we don't track that's just not

5 covered in our applications at all.

6 But what we're trying to help them avoid, the key

7 cost issue to help them avoid, is modifying the actual code

8 that we shipped, because then when we ship an update to that,

9 then they have to go reapply their customization to the new

10 version, and that's the cycle that causes them to have just a

11 -- you know, ongoing set of costs, which is --

12 So one of the keys to keeping the costs low for

13 customers is to give them a system where these configuration

14 choices don't involve the kind of code change. They get it to

15 work the way they want.

16 And then when we release an updated version of the

17 code, it just works with their configuration information, so

18 they don't have development expenses associated with consuming

19 that update.

20 That's what we're really trying to do for people.

21 Q. A term that you just used a moment ago was

22 "customization."

1 A. Yeah.

2 Q. Could you give me a sense as to how customization

3 by a client is different from simply implementing a

4 configuration?

5 A. Yeah. I'll try and make a distinction.

6 There's three different words I'm using with a

7 precise meaning.

8 One is when I say "configuration" or "tailoring,"

9 what I mean is defining values in data that are typically

10 stored in the database, occasionally stored in files, but most

11 typically stored in the database that indicate how the software

12 should behave for their business practice.

13 "Extension" means building additional functionality

14 that we didn't supply using the same techniques that we used to

15 build the application and the same tools, and so it all kind of

16 works as if we'd built it, but they can build something in

17 addition to what we build.

18 That's okay, too, from a cost perspective, because

19 when we change or update the software that we delivered, then

20 their customization -- their extensions aren't hurt. They

21 still work. So that's not a high cost problem.

22 The third piece, "customization," would be a case

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1 where somebody actually takes some of the code that we

2 delivered and, you know, brings up -- brings it up in a

3 development environment just like our developers do and they

4 change it to work a different way.

5 And the problem with that is that when we ship an

6 update, they don't -- they have to go through that process

7 again with the updated version and essentially merge their

8 changes in with our changes and figure out how to get the new

9 thing we delivered to work their way, which is just a gift that

10 keeps on giving.

11 You keep having to take that expense over and over.

12 And that's why we generally try to guide people away from doing

13 that and try to build as much configurability in to the system

14 as possible so that people don't have to do that.

21 Q. One other related aspect of the common components
22 that I just want to touch on very briefly is reuse of code and

1 reuse of programming objects in your Oracle applications suite.

2 A. Uh-huh.

3 Q. I believe you very briefly mentioned earlier this

4 morning that there is some calling to code modules across the

5 application suite; is that correct?

6 A. Certainly.

7 Q. Could you describe what the purpose of that is?

8 A. The purpose is so that you implement functionality

9 in one place and get consistent behavior and lower development

10 expense by having all of the different use cases of a

11 particular bit of functionality reference the same actual

12 implementation of that functionality.

3 Q. Okay. Well, let me break it down a little bit.
4 Is presence of code reuse --
5 A. Yes.
6 Q. -- a desirable feature from the customer's
7 perspective?

10 THE WITNESS: It -- from the customer's
11 perspective.
12 That is actually a -- matter of opinion.
13 Different people will give you different opinions on that.
14 BY MR. GAUL:
15 Q. What is -- well, strike that.
16 Is there a consistent opinion on that issue at
17 Oracle?

20 THE WITNESS: I -- well, our -- with respect to our
21 applications, we assert in the market that it is desirable to
22 have an integrated set of applications as opposed to obtaining

1 an integrating functionality from a lot of different sources.

2 And we assert a set of benefits that -- the reason

3 I was hedging on your earlier question is that there are other

4 people in the market who will assert that you can achieve

5 whatever benefits we're asserting are achievable with less

6 code reuse.

7 So there's not a -- there's an argument in the

8 market to some degree or arguments -- there are arguments that

9 different people have about the extent to which a given benefit

10 comes from code reuse.

12 Q. Why has Oracle adopted the marketing position that

13 it is desirable to have an integrated set of applications?

14 A. Because the -- it's less from the code reuse

15 perspective.

16 It is because having the data together that --

17 bringing your data together across different functional areas

18 lets you answer more efficiently business questions that

19 involve data that may have come from different areas.

20 And to the extent to which you implement a wider

21 set of functionality in a -- in an integrated environment,

22 where all the data is in one place and was all designed to be

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1 -- to fit together and reference each other correctly, let's

2 you more easily get business value out of -- out of that

3 information.

4 So we assert that that's an extremely important

5 benefit.

22 Q. Now, with that understanding, the -- is it correct

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1 that the E-business Suite applications that are marketed by

2 Oracle at present rely on and require the Oracle database

3 running underneath them?

4 A. Yes, it is.

3 Now, there are, of course, a number of different
4 database products that are sold by different companies other
5 than Oracle; is that correct?
6 A. Unfortunately.
7 Q. For example, Microsoft Sequel Server?
8 A. Yes.
9 Q. For example, IBM's DB2?
10 A. Uh-huh.
11 Q. For example, Cybase?
12 A. (Nodding head)
13 Q. Does Oracle support any relationship database
14 product underneath its business apps other than Oracle's own
15 database products?
16 A. No.

2 Q. Are you familiar with the term "global single
3 instance"?
4 A. Yes.
5 Q. What does that mean to you?
6 A. "Global single instance" is a -- sort of shorthand
7 for the idea of deploying all our -- or for deploying
8 applications -- deploying the E-business Suite in a single
9 implementation with a single database and single installation
10 of the E-business Suite, and running your entire operation on
11 that in terms of recommending both that you use a broad range
12 of our functionality and that you not implement separately
13 instances of the Oracle applications in different parts of the
14 world to support individual countries or something like that,
15 which, instead, that you would actually bring all your data
16 together in one place.
17 So global single instance is the vision of keeping
18 all your data together in one place.
19 Q. Using the example that you just gave --
20 A. Uh-huh.
21 Q. -- of not having separate databases in separate
22 countries --

1 A. Uh-huh.

2 Q. -- what, if any, benefit does a customer achieve by

3 having that?

4 A. Same that I described earlier, in terms of keeping

5 your data together, so you can answer business questions,

6 because your -- ability to get information out of the system is

7 -- the relevance of the information you can get out of the

8 system or the importance of it goes up as you -- as the scope

9 of that information broadens.

10 So if I can get an answer that is -- gives me my,

11 you know, sales forecast for the entire world all at once

12 without having to collect that information and integrate it

13 from 30 different sources, then that -- I can make better

14 business decisions than if I have the fragmented information.

4 Is it correct that Oracle 11i does support multiple
5 languages?
6 A. Yes.
7 Q. And by "support of multiple languages" I take it
8 that means something more than simply has access to different
9 character sets for different types of languages; is that fair?
10 A. Yes.
11 Q. What is required in database access and database
12 interaction for a product such as Oracle 11i to truly support
13 multiple languages?
14 A. To support particular combinations of languages
15 that somebody might want to run, you would need to support the
16 uni-code character set in particular.
17 That's a -- that's one of the more advanced
18 features of multi-lingual support.
19 And so it's not sufficient to support the
20 straightforward Western European -- it's not sufficient to
21 support the Western European character set.
22 If you're trying to run, say, German and Japanese

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1 in the same database, you actually have to support a character

2 set that contains all the Japanese characters and all the

3 Western European characters, which means there's a superset

4 called unicode that does that. So our applications support

5 that.

9 Q. Is it correct that Oracle's multiple language
10 support permits users that are using different languages to
11 access and modify the same corporate data?
12 A. Yes.
13 Q. Are you aware of how many different languages
14 Oracle supports?
15 A. I believe we currently support 30.
16 Q. And why is it that Oracle supports that many
17 languages?
18 A. Well, it's an investment decision.
19 We have requirements and requests from customers to
20 support languages, and it costs a certain amount of money to
21 perform each of these translations.
22 And so we -- there's no initial technical costs

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1 associated with supporting the first language.

2 It's a question whether it's a good investment to

3 translate the software, and the -- and to some -- whatever the

4 degree the documentation in all the languages.

12 Q. Is there a set of users that have a need for
13 support in multiple languages?
14 A. Well, typically -- I mean, there are -- there are
15 customers who need -- who choose to implement support in
16 multiple languages.
17 I'm just -- I don't have a -- I don't think there's
18 a clean taxonomy that explains -- correlates that with some
19 other attributes about the customers.
20 I mean, it's just that there's some people that
21 choose to do that and there's some who don't.
22 But clearly customers who only operate in one

1 country and only have use for one language don't have the
2 requirement.
3 There are many other customers, and some of them
4 choose to actually implement multiple languages, and others
5 choose to not implement in all the languages where they're --
6 where they do business.
7 Q. In your experience I take it you have run across
8 customers that, for example, are multi-national corporations
9 that have a need for language localization in multiple
10 languages?
11 A. Yeah. Actually, multi-national corporations -- I
12 have found there are multi-national corporations who decide to
13 run in multiple languages, yes.

19 Q. Let me turn to a -- another topic, which is perhaps
20 related to sets of books, which is multiple organizations.
21 Does Oracle 11i support a customer that needs to
22 separately track and report multiple organizations within the

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1 overall customer?

2 A. Yes.

17 Q. Mr. Godwin, you've been handed a document that has

18 been marked as Exhibit 10, and I will represent that this is a

19 document that was recently downloaded from Oracle's website as

20 a PDF file --

21 A. Uh-huh.

22 Q. -- and, in fact, is one of the documents that I

1 believe we saw earlier this morning listed on an earlier
2 exhibit that indexed the documents that were available to
3 support 11i.
4 This document is entitled "Multiples Organizations
5 in Oracle Applications Release 11i," and is dated March 2002.
6 A. Uh-huh.
7 Q. This morning I believe I asked you about this
8 document title and you indicated your organization did not
9 prepare this document; is that correct?
10 A. That's correct.
11 Q. What organization prepared this again?
12 A. I believe this is in the -- this would be under the
13 financials area as well.
14 I can just tell from some of the people that are in
15 the authors' list.
16 Generally this is owned in the financials area.
17 There's a -- there's not a -- I mean, there's kind of a minor
18 technical component just like with multi-lingual support.
19 There's sort of a style of coding and architecting the data
20 that has -- that supports this, which I'm -- I have familiarity
21 with, but the financial functionality that is related to
22 implementing multiple organizations and business units and how

1 those relate to other things and so forth, that's all really a
2 financials subject matter.
3 So I'd have to have the same problem as with the
4 other one, that I'm going to run out of gas on this pretty
5 quickly.

15 In fact, if I could refer you to the third page of
16 Chapter 1, which is on the lower right corner entitled
17 "Overview 1-3;" do you see that page?
18 A. Yes, I do.
19 Q. There is a heading that says "Major Features."
20 Do you see that heading at the top of the page?
21 A. Yes.
22 Q. Okay. I'd just like to ask a few basic questions

1 about the major features, if you have an understanding in
2 general what the terms mean.
3 A. Sure.
4 Q. Again, obviously, if there's something you don't
5 understand because this is not your primary area of
6 expertise --
7 A. Uh-huh.
8 Q. -- please say so.
9 A. You'll be the first to know.
10 Q. The first subheading under "Major Features" is
11 entitled "Multiple Organizations in a Single Installation."
12 A. Yes.
13 Q. What does that mean?
14 A. That means that you can model multiple
15 organizations -- within a single implementation or single
16 installation of the applications you can model multiple --
17 multiple organizations without -- I mean, in the same -- in
18 that same installation.
19 Q. And looking at the text under that, it says, quote,
20 "These organizations can be sets of books, business groups,
21 legal entities, operating units, or inventory organizations,"
22 unquote.

1 Do you see that?

2 A. Uh-huh.

3 Q. I take it from that by "organizations" they don't

4 simply mean, for example, subsidiaries or plants, but different

5 ways of looking at the data?

6 A. Right.

7 Well, "organization" in this context is an

8 abstraction that can be used to -- for these various things you

9 might want to -- these various dimensions on which you might

10 want to subdivide your business.

11 Or, actually, you just gave an example.

12 Subsidiaries would be legal entities. Typically

13 plants would often be. Operating units or inventory

14 organizations to warehouses or inventory organizations.

15 They're various things that you want to segregate

16 in the system, and this gives you -- this mechanism gives you a

17 way to do that.

18 Q. Relating us back to the discussion we had on

19 language earlier, is it your understanding that each of these

20 different types of organizations that you can model in Oracle

21 11i can be expressed in different languages?

22 A. Can be expressed in -- what is that --

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1 Q. I'm sorry. "Expressed" is probably a bad word.

2 Can be -- translated and accessed and have the data

3 manipulated in multiple languages?

4 A. Sure.

5 Q. Okay.

6 A. Those two features are orthogonal. You can --

7 multi-lingual support and organization support are not related.

8 Q. They are not exclusive?

9 A. Yeah, they're not exclusive.

14 Q. Moving on to the third bullet or the third
15 subheading --
16 A. Yes.
17 Q. -- "Sell and ship products from different legal
18 entities," what does that mean?
19 A. "Can sell from one legal entity and ship from
20 another."
21 Okay. I mean, believe me, like I know about what's
22 on this page, but just to give you an interpretation of what's

00213

1 on the page, it means that if you -- you can take an order in,

2 let's say, England and ship from a warehouse in France, and,

3 you know, make the financial transaction recording of the order

4 in England and make the associated accounting transaction that

5 you did the shipment in France.

6 You can basically, you know, handle that scenario.

18 To your knowledge is there a limitation on the
19 number of different organizations that can be configured within
20 the 11i product line?
21 A. No, I don't believe so.
22 Q. Potentially an unlimited number of organizations

1 can be served?

2 A. Yes.

3 I mean, in the sense there's no specific limit.

4 I mean, you know, obviously there's no such thing

5 as infinite number of organizations, but, yes.

6 Q. Now, is it correct that PeopleSoft supports
7 relational database packages from vendors in addition to
8 Oracle's own database?
9 A. Yes.
10 Q. Are you aware of all of the relational database
11 engines that PeopleSoft supports?
12 A. I don't know.
13 I mean, I can tell you what I'm aware of.
14 I can't represent that it's all of them they
15 support.
16 Q. Have you studied what relational databases
17 PeopleSoft supports?
18 A. "Studied" is too strong a term.
19 I've -- I've -- generally aware from, you know, --
20 I'm generally aware that they support DB2 and SQL server, and I
21 think they support Cybase, although I'm not -- I wouldn't swear
22 by it. I don't know that they support Cybase.

00226

1 At one point they supported Informix. I -- I don't

2 know whether they still have any Legacy situations.

3 I mean, this is the kind of thing it's like there's

4 some kind of losers of the database side that, you know, may or

5 may not be -- have, you know, any -- like I say, I mean, I

6 don't know it at that level of detail.

7 Generally, you know, in the modern world they

8 support DBS, and Microsoft, and Oracle, and I don't know if

9 they support Cybase.

17 Q. Is this in approximately June of 2003?

18 A. No. It was before that in like June of 2000 -- in

19 fact, it was before that in 2002.

20 I don't know if it was in 2002. It was when there

21 was -- there was an initial meeting with PeopleSoft people

22 where that came up, and then in the context of discussing

00229

1 around that week we talked about that.

13 Q. In 2002 did you ever learn of any conclusion on the
14 part of Oracle as to whether to proceed at that time with a
15 combination of the businesses?
16 A. No.
17 Like I said, I didn't hear anything about -- I
18 didn't hear anything about whatever happened to that, you know.
19 I just had this exploratory meeting.
20 And from my point of view it went away, and then --
21 then we had a public announcement in 2003.
22 Q. And were you involved at all in 2003 prior to the

1 public announcement of the cash tender offer for Oracle in any

2 decision-making process to make the cash tender?

3 A. No, I wasn't.

4 Q. When did you first learn about the cash tender

5 offer?

6 A. I think I learned about the cash tender offer on

7 CNBC when I got up one morning and said -- wait a minute. I

8 know what this is. What is this?

8 Q. Are you aware of whether anyone within Oracle has
9 reached a conclusion on the issue of non-Oracle database
10 support in PeopleSoft's product line?
11 A. No. I mean, I -- I believe we've -- I mean this is
12 -- I'm trying to say this is not something that people are
13 consulting me about.
14 I mean, I -- I don't have any more knowledge than
15 anybody else.
16 I believe we have a public position on supporting
17 existing PeopleSoft customers, and that's, you know, whatever
18 we said publicly represents the only knowledge I have of a --
19 of a position we've taken on that.

10 Q. If the acquisition of PeopleSoft is successful by
11 Oracle --
12 A. Yes.
13 Q. -- to your knowledge has there been any
14 consideration of whether to encourage the PeopleSoft customers
15 to migrate their business applications use to the Oracle code
16 base?
17 MR. ROSS: Objection. Lacks foundation.
18 THE WITNESS: I -- there is a -- the plan of
19 building a product that would contain all of the, you know,
20 advanced -- the advanced features of PeopleSoft that we don't
21 have together with the products -- the features that we do
22 have --

1 BY MR. GAUL:

2 Q. On the Oracle code base?

3 A. -- on the Oracle code base is the extent of

4 development involvement in creating the incentive for

5 PeopleSoft customers to migrate, because presumably we're

6 trying to create an attractive thing for them to migrate to.

7 And we've made public statements about -- about not

8 forcing them to migrate, and -- and I don't know what -- from a

9 business practices point of view anybody's thought of, or --

10 considered, or whatever.

11 I'm not privy to that.