

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE EASTERN DISTRICT OF TEXAS
3 MARSHALL DIVISION
4 VERSATA SOFTWARE, INC. * Civil Docket No.
5 * 2:07-CV-153
6 VS. * Marshall, Texas
7 *
8 * August 17, 2009
9 SAP AMERICA INC., ET AL * 1:15 P.M.

10 TRANSCRIPT OF TRIAL
11 BEFORE THE HONORABLE CHAD EVERINGHAM
12 UNITED STATES MAGISTRATE JUDGE
13 AND A JURY

14 APPEARANCES:

15 FOR THE PLAINTIFFS: MR. SAM BAXTER

16 McKool-Smith
17 104 East Houston, Suite 300
18 Marshall, TX 75670

19 MR. THEODORE STEVENSON, III

20 McKool-Smith
21 300 Crescent Court, Suite 1500
22 Dallas, TX 75201

23 MR. SCOTT COLE

24 MR. STEVEN J. POLLINGER

25 MS. LAURIE L. GALLUN

 MR. JOSH W. BUDWIN

 MR. KEVIN M. KNEUPPER

 McKool-Smith
 300 West 6th Street, Suite 1700
 Austin, TX 787011

 APPEARANCES CONTINUED ON NEXT PAGE:

 COURT REPORTERS: MS. SUSAN SIMMONS, CSR

 MS. JUDITH WERLINGER, CSR

 Official Court Reporters

 100 East Houston, Suite 125

 Marshall, TX 75670

 903/935-3868

 (Proceedings recorded by mechanical stenography,

1 is a business person that is responsible for setting
2 pricing in a way that's going to help his company or her
3 company sell the most of their products and earn the
4 most amount of money in profit.

5 Q. Okay. And when you were selling your software
6 and trying to pitch it --

7 A. Yeah.

8 Q. -- was that person your target audience?

9 A. Initially, it was.

10 Q. Well, pretend I'm a pricing manager and I'm at
11 a big company that does a lot of complex promotions and
12 I'm currently involved -- I've got SAP or Oracle or one
13 of the big ERP enterprise software --

14 A. Right.

15 Q. -- programs running in my shop, and it's got
16 that pricing module we've talked about. And pretend
17 you've run into me, and this is a golden opportunity for
18 you to tell me your best pitch why Trilogy's Pricer is
19 better than what I've got now that I don't have to pay
20 anything more for.

21 What would you tell me?

22 A. I'll give it my best shot.

23 From what I remember, we used to focus on
24 three things. We would say, quickly, ease of
25 maintenance. The programs that I just described with

1 our system, you, pricing manager, can do yourself. You
2 won't have to go ask somebody in IT to do it for you.

3 No. 2 was disconnected pricing. You want to
4 be able to put the power of that pricing information out
5 onto a laptop computer with your sales rep in front of
6 the customer, not have it locked up back at
7 headquarters.

8 And No. 3, I would have said performance.
9 It's performance, fast. The calculations are going to
10 come back like that (snaps fingers) because of the way
11 the system was designed.

12 Q. Okay. I wrote these down. I want to ask you
13 some questions about them.

14 A. Okay.

15 Q. The first, I saw you said ease of maintenance,
16 and you don't have to involve IT.

17 A. Yes.

18 Q. IT, is that information --

19 A. Information technology, yes.

20 Q. That's the department in most companies that
21 does what?

22 A. They're responsible for the computers and the
23 software and the systems that run the business.

24 Q. So under the old way of doing it, before
25 Trilogy comes along, if I'm the price manager --

1 A. Yes.

2 Q. -- and I want to do this snow tire promotion

3 in the Northeast --

4 A. Yes.

5 Q. -- what is my life like?

6 A. Frustrating, because you have to -- you've

7 designed a promotion to respond in real time to this

8 situation. You're losing to Michelin in the Northeast

9 on the snow tires.

10 But you have to call somebody over in IT,

11 usually fill out a form that describes the promotion you

12 want to have run.

13 Q. Wait a second. Why can't I get on my computer

14 on my desk? I've got the stem-to-stern software, and

15 type in my promotion right here and just do it?

16 A. If you saw some of the screens before, SAP's

17 user interface is not exactly designed for the pricing

18 manager to know condition types and the like.

19 Q. Would I have to get into tables and create

20 those?

21 A. That's right.

22 Q. Most of the companies you dealt with, when you

23 were selling Pricer, would they funnel that off to their

24 IT departments?

25 A. Correct.

1 Q. And are those the same IT departments that
2 would be taking phone calls from people when their
3 computers crashed or responding to other emergencies?

4 A. Same group and the same group that was trying
5 to install other systems. They were typically the poor
6 souls that were overburdened and under resources
7 universally.

8 Q. So as the pricing manager, you come and tell
9 me you don't have to send your price promotions to IT
10 anymore, how big a deal is that to me?

11 A. That's huge.

12 Q. Why?

13 A. Because now you can get what promotion you
14 wanted to run to compete against Michelin, and you can
15 do it yourself in literally seconds or minutes versus
16 what would otherwise take days, weeks, months.

17 Q. The second thing I wrote down that you
18 mentioned was a disconnected --

19 A. Disconnected pricing.

20 Q. Is that basically you can run this on a
21 laptop?

22 A. That's right.

23 Q. Okay. This may be fairly self-explanatory,
24 but just tell us why that's important.

25 A. Because prior to that -- you know, imagine if

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