# Account Plan – McDonalds, Prepared by George Ernst & Charlie Govern
**Updated: 4/9/01**

## OPPORTUNITY PROFILE

| | | |
|---|---|---|
| **ACCOUNT**<br>McDonald's | **MODULES**<br>Global HR, Collaborative Apps, Payroll, Employee Portal, GL, AP, AR, Billing, Projects, Contracts, Assets, Franchise, Accounting, Treasury (via PSC – old Shelf Mod), EPM | |
| **ADDRESS**<br>McDonald's Plaza | **PROJECTED CLOSE DATE**<br>09/30/01 | **PROJECTED REVENUE VALUE**<br>$ 2,000,00 |
| **ADDRESS** | **PROJECTED MAINTENANCE VALUE**<br>$ 400,000 | **PROJECTED CONSULTING VALUE**<br>$ 500,000 |
| **CITY, STATE ZIP**<br>Oak Brook, IL 60523 | **SALES MANANGER (S)**<br>George Ernst – HRMS<br>Charlie Govern – Financials<br>Tim Moriarty – CRM | **SALES DIRECTOR/VP**<br>Dave Lagerquist<br>Jon Gutierrez<br>Bob Simmons |
| **PHONE**<br>630-623-3000 | **LEAD PRODUCT CONSULTANTS (FUNCTIONAL & TECHNICAL)**<br>Melissa Zerbinopoulos – HR Lead<br>Julia Manson – Technical Lead<br>Financials – Sheila Dietsch Lead | |
| **FAX**<br>630-623-5004 | **CLIENT EXECUTIVE**<br>Carolyn Jones | **ACCOUNT EXECUTIVE** |

## CUSTOMER'S BUSINESS PROFILE

| REVENUE | PROFIT | EMPLOYEES | FISCAL YEAR END | PARENT COMPANY |
|---|---|---|---|---|
| 38.5 Billion | 1.97 | 314,000 | | McDonald's |

| AUDITOR | CONSULTANTS | CONSULTANTS' ROLE IN EVALUATION |
|---|---|---|
| Ernst & Young | PWC | Evaluation |

| PUBLIC/PRIVATE | SYMBOL | WEB SITE |
|---|---|---|
| Public | MCD | www.mcdonalds.com |

**COMPANY DESCRIPTION** (What do they do?)
Fast Food Restaurants

| DECISION MAKING PROCESS & TIMING (Does the customer understand it?) | COMPETITOR'S & THEIR POSITION IN ACCOUNT (Winning, Losing, Dormant) |
|---|---|
| Phase one for project Innovate is a 1 year design process. This phase should begin in June. Ideally they want to have a SW vendor selected and execute a limited use license to begin with.<br>They will evaluate the vendors over the next 45 days.<br>(see last page for business process map) | At this point we have been told only PS and Oracle will make the shortlist<br>1. Oracle – Has global database, limited financials in Latin America, Oracle Express for corporate planning, and a web based procure to pay in Asia / Pac<br>2. SAP – no presence known<br>3. JDE – has some product installed at various divisions / distribution centers<br>4. Lawson – has payroll installed at McD's corporate |

**CRITICAL BUSINESS ISSUES FOR THIS SALES OPPORTUNITY & PROJECT/DATE DRIVERS**
(What is causing them pain?)

Store focus of business process improvement – "Store is the Core"
Project Innovate – redesigning the stores for the future
Enabling the store manager to spend more time with customers, vs business transactions

**COMPETITIVE PRODUCTS INSTALLED** – McDonald's does not typically force a corporate standard, thus you may find a variety of vendors installed in different divisions and geographies.

| | |
|---|---|
| Financials | Oracle Europe, Some JDE at distribution centers |
| Human Resources | Payroll Lawson, HR Legacy |
| Manufacturing | Oracle – limited footprint |
| Supply Chain | Manugistics |
| CRM – Sales Force Automation | Home grown |

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|---|---|
| CRM – Customer Support | Home grown |
| CRM – Help Desk | Home grown |
| CRM – Field Service | Home grown |
| Reporting, Business Intelligence | Multiple vendors, uses Oracle Express for Corporate budgeting |
| eProcurement | Limited Oracle |
| eCommerce, Portal, B2B, B2C | Yahoo! |
| | |

## Technology Standards

| ITEM | CURRENT | TARGETED |
|---|---|---|
| DATABASE | Oracle & IBM & MS | |
| SERVER | IBM & Sun | |
| CLIENTS | Windows 98 | Windows 2000 |
| OPERATING SYSTEM | Unix, Windows, Some NT | |
| BROWSER | IE | |
| SPREADSHEET | MS Office | |
| WORD PROCESSING | MS Office | |
| EMAIL | | |
| MIDDLEWARE | | |
| REPORTING & ANALYSIS | Various - | |
| PREFERRED HARDWARE PROVIDER | IBM & Sun, | |
| SECONDARY HARDWARE PROVIDER | HP | |

**TECHNOLOGY NOTES**

They have a wide variety of hardware and software vendors in place. IBM has a good relationship and from a size perspective, is a good fit for DB2. We are hearing that this may be an Oracle/Sun platform. However, Microsoft is flanking strategically at an executive level and wants to go for the database and operating platform.

They have selected Yahoo as their corporate portal, but nothing has begun on that project.

Dave Weick, the CIO is a visionary and is trying to install some corporate standards as well establish a high tech, leading edge technology base for the store of the future. We have been told that he has had multiple discussions with the CEO's of IBM, Sun, MS. From our understanding Ellison does not have exposure to the account.

Contacts have already been made with all of the partners – see partner section.

## Sales Cycle

| STEP | WHO | DATE PLANNED | DATE COMPLETED |
|---|---|---|---|
| QUALIFICATION | Ernst | On going | On going |
| BUY-IN DEMO | Ernst / Timmer | September 2000 | September 2000 |
| RFP/RFI | Short List RFI – Ernst / Goverm | 2/22/01 | 2/22/01 |
| SURVEY | | | |
| FIRST DEMONSTRATION | To be done at PWC's Zone | 3/14/01 | 3/14/01 |
| SCRIPTED DEMO | Various PS Team | 3/24/01 – 3/25/01 | |
| IMPLEMENTATION DEMONSTRATION | | | |
| TECHNICAL PRESENTATION | Various PS Team | 3/24/01 – 3/25/01 | |
| TECHNICAL DEMONSTRATION | Various PS Team | 3/24/01 – 3/25/01 | |
| DOCUMENTATION REVIEW | | | |
| WRAP UP DEMONSTRATION | | | |
| REFERENCES | | | |
| SITE VISITS | | | |
| HEADQUARTERS VISIT | Goverm / Ernst | 3/24/01 – 3/25/01 | |
| FINAL PROPOSAL | | | |
| IMPLEMENTATION CLOSE | | | |

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|---|---|---|---|
| NEGOTIATION | | | |
| SIGN CONTRACT | | | |
| | | | |
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**SALES CYCLE NOTES**

1. Dave Lagerquist and Stacy Dalton met with the sr. executive, Ray Frawley on 3/1/01 to discuss project. This is a global project, he is from Australia and wants "global" executive alignment.
2. PWC conducted a "side by side" comparison of PeopleSoft and Oracle for the McD's team at their Zone in Philly. Our team was able to influence that event and prep the PWC team. PeopleSoft showed very well at those meetings.
3. McD's has requested a scripted demos at our facilities, which we decided to conduct at our Corporate offices and complete a corporate review at the same time.

## Contacts

| Title | Name | Role | Phone Number | Fax Number | E-Mail Address |
|---|---|---|---|---|---|
| Roles: PL: Project Leader PS: Project Sponsor CS: Contract Signer HLA: Highest Level Approver E: Evaluator D: Decision Maker U: User A: Approver I: Influencer | | | | | |
| Board of Directors | See attached list | | | | |
| CEO | Jack Greenberg | | | | |
| President | Various per division – see attached list | | | | |
| CFO | Michael Conley | | | | |
| CIO | Dave Weick | | | | |
| VP HR | Stanley Stein | 1 | | | |
| VP CTO Infrastructure | Chris Millington | | | | |
| Dept. Director IT Strategy | Don Chapman | | | | |
| US IT - AVP | Jim Sappington | | | | |
| IT – Vendor Evaluation Contact | Dave Roen | | | | |
| Worldwide IT Strategy – VP | Ray Frawley | | | | |
| Sr. Director of HR Design | Steve Russell | | | | |
| Script Owner - HR | Deanne Bevan | | | | |
| Script Owner - Benefits | Joe Pulichene | | | | |
| Script Owner - Benefits | Kathy Lietz | | | | |
| Script Owner – HR Setup | Pete Schmit | | | | |
| Script Owner – HR Setup | Cheryl Mark | | | | |
| | | | | | |
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| PeopleSoft Team | | | | | |
| **Sales:** | | | | | |
| RSM – HR - Lead | George Ernst | | | | |
| RSM – Fins | Charlie Govern | | | | |
| RSD – HRMS | Dave Lagerquist | | | | |
| RSD – Fins | Jon Gutierrez | | | | |
| | | | | | |
| Product Consulting | | | | | |

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|---|---|---|---|---|---|
| HRMS – Lead | Melissa Zerbinopoulos | | | | |
| HRMS | Christine Ferguson | | | | |
| Tech – Lead | Julia Manson | | | | |
| Tech – Portal | Ben Bragg | | | | |
| Tech – Global Architecture | TBD | | | | |
| Fins – Lead | Shelia Dietsch | | | | |
| EPM – Lead | Rob Tenunfeld | | | | |
| Contracts | Doug Gray | | | | |
| | | | | | |
| **Executives** | | | | | |
| | | | | | |
| CEO | Craig Conway | | | | |
| Global Operations | Guy Dubois | | | | |
| US Operations | Phil Wilmington | | | | |
| Regional - Midwest | Jim Prekop | | | | |
| CFO | Kevin Parker | | | | |
| Asia / Pac | Andrew Barkala | | | | |
| | | | | | |
| **Additional** | | | | | |
| | | | | | |
| AE | Stacy Dalton | | | | |
| Global HR | Tim Lueth | | | | |
| Global Fins | Rene Lorton | | | | |
| Services – Delivery | Karen Pisha | | | | |
| Competitive Analysis | | | | | |
| Proposal Specialist | Tracy Landers | | | | |
| RSS - Research | Liz Rajalia | | | | |

## Other Influencers

| Consultants or Others | Role in Decision | Vendor Preference | Phone Number |
|---|---|---|---|
| PWC – Ernst / Lagerquist | Evaluation | Neutral – for evaluation, however their PS practice is trying to establish a foot hold. | Melissa Calahan – Client Partner<br>Derrick Robinson – BDM PS Practice<br>Frank Kruppe – PS Practice Partner<br>Dave Pauly – PS Practice Partner<br>Jim Ferensic – Partner PS Supply Chain<br>Mike Denzinger – IT Infrastructure contact |
| IBM - Govern | Hardware – wants to keep Oracle DB out as much as possible, fully supporting PeopleSoft | PeopleSoft | Chris Foster – Account Executive<br>Dan Britton – PS DB2 Rep |
| Sun | Running the manugistics project | Unknown, we think Oracle | Jerry German |

| | | | |
|---|---|---|---|
| Microsoft - Ernst | Operating system / DB – wants to keep SAP / Unix solution out, however we know there is a strategic alliance there. We met with the Midwest MS contacts and found out that the SAP is not strong and they are willing to work with us. Although we are still sorting out the potential partnership, if SAP does not make the short list, they only have PS to partner with. | Willing to support Peoplesoft, Inc. | Marietta Davis – Sales / Team leader |
| D&T - Govern | Dino is currently the CTO of a McD's subsidiary called Ernac, an eBusiness technology development arm of McD's. They understand PWC's foothold, but wants us to at least put them on our preferred implementation partner list. | Unknown | Dino Orfanos – Partner, account level<br>Dane Sullivan – PS Alliances |
| CGE&Y – Ernst | Unknown – no contact yet, Auditor is E&Y | Unknown | |
| KPMG – Govern | They are calling us | Unknown | |

| | |
|---|---|
| **S**<br>Retail<br>Transaction size – HR<br>Technology – Web, Integration, Portal<br>Global<br>Installed McD's accounts – Boston Market, Danatoes<br>Database flexibility<br>HRMS Best of Breed<br>Supply Chain | **W**<br>Little footprint in account compared to Oracle international fins install<br>Little knowledge on the account<br>Vendor Viability – perceived by McD's<br>Global Support – perceived by McD's<br>Global Fins – perceived by McD's |
| **O**<br>EPM and Balanced Scorecard<br>HRMS Retail<br>Portals<br>Ability to be creative on licensing<br>Make Payroll an issue for US and Global Payroll<br>GE Decision – momentum for PS against Oracle<br>Limited – Lack of an Oracle decision<br>Lease Management (Contracts)<br>Franchise Accounting capabilities | **T**<br>No account momentum<br>Short decision time line<br>Not clear on decision drivers<br>Oracle installed in global financials |

## Sales Strategy Analysis

| How are we going to win this deal? – IN PROCESS<br>♦♦♦Evaluation Dimensions♦♦♦ | | | | |
|---|---|---|---|---|
| | **PeopleSoft** | **Oracle** | **SAP** | **Lawson** |
| **Functionality - HRMS** | 1. US Payroll<br>2. Global Payroll<br>3. Collaborative Apps for store manager self service<br>4. Global HR<br>5. Portal<br>6. Helpdesk | 1. Global / Language capabilities<br>2. Helpdesk | | |
| **Functionality - Financials** | 1. Global Fins<br>2. Lease Management (contracts)<br>3. Franchise accounting – rapid app | 1. Installed base at McDonalds | | |
| **Global Support** | 1. Need to show them we are a true global player | 1. Oracle will play this hard, that they have a bigger global presence for support. | | |
| **Technology** | 1. 100% web<br>2. Integration<br>3. Portal | 1. 100% internet – need to get the layers pulled back | | |
| **TCO** | 1. SW<br>2. HW<br>3. DB<br>4. Implementation<br>5. Support | | | |
| **Experience** | 6. Retail<br>7. Restaurants<br>8. Large – Volumes<br>9. Global | 1. Global deals | | |
| **Services** | 10. Global Support Center<br>11. PeopleSoft Consulting<br>12. Ed Services<br>13. End User Training / Web based for stores (?) | 1. Global Support organization in place | | |
| **Vendor Viability** | 1. Stability<br>2. Cash position<br>3. Ability to partner with them | 1. Oracle may play this. Mcd's has already raised this question re: PeopleSoft's viability | | |
| **Additional Sales Strategy Analysis Notes** | | | | |

References:

RSS currently do profile of retail and restaurant and global customer base. Currently being tracked in "retail.xls" spreadsheet. Also developing a 1-page profile to have AE's supplement critical data.

1. Anywhere – Anytime (global and internet technology)
2. Partnership
3. Innovation
4. Need something to sum up our ability to handle complex, multi-company and global organization

Global (this is a me to with Oracle, but we assume they will play this card hard)

1. Functional – FINS
2. Functional – HRMS / Global Payroll
3. Technology
4. Support – GSC

TCO

1. Software
2. Hardware
3. Client
4. Support / Services

Industry Experience

1. Large Customer / Transactions
2. Retail and Restaurant

## Additional Action Items

| DATE | ACTION ITEMS | WHO |
|---|---|---|
| DONE | Respond to Ray re: Vendor Viability, Integration, 100% Internet, Large Global Customers | Largerquist - |
| DONE | Call Partners and align:<br>PWC<br>IBM<br>Microsoft<br>KPMG<br>D&T | <br>Ernst<br>Govern<br>Ernst<br>Govern<br>Govern |
| Need to refine | Research global retailers / restaurants<br>Boston Market - PS Customer<br>Danatoes – PS Customer | Ernst / Rajalia |
| DONE | Coordinate the Zone Meeting – with PWC | Ernst |
| | Executive Alignment | Lagerqusit to lead communications |
| DONE | Finish identifying team | Govern / Ernst |
| DONE | Identify Sales Strategy, theme, messages | Govern / Ernst |
| DONE | Identify global resources | Govern / Ernst |
| DONE | Profile McDonalds, contacts, board members, org structure etc. | Govern / Ernst |
| DONE | Oracle's Footprint at account | Ernst via Melissa Z's husband |
| DONE | JDE's footprint at account | Govern via Timmer and IBM |
| DONE | What products are apart of this evaluation | Ernst via PWC / McD's |
| In process | Contact GE Team and Debrief | Ernst |
| Continuous | Team Communication and Account strategy documentation | Ernst |
| | Global Technology Deployment – what would be recommended option for a system this size. | Manson |
| | ECenter – explore options | Ernst / Govern / Pruitt |
| | Research Oracle Wins / Loses – What is going on at Best Buy? | |
| In Process | Store Portal – develop a special store portal for the demo | Ellis, Manson |
| In Process | Non-Disclosure | Govern |
| DONE | Contact Sun rep | Govern |
| DONE | Confirm date for corporate visit, corporate visit request | Ernst |
| | Finish agenda for corporate visit | Govern / Ernst |
| | Establish McD's relationships<br>Frawley – Craig / Guy<br>Weike – Phil / Govern / Prekop<br>Rieger – Govern | Ernst / Govern to assign and communicate plan |

| | | | |
|---|---|---|---|
| | Contact Steve Russell and Stanley Stein | | |
| | | | |
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## McDonalds Directors and corporate officers

### Board of Directors

Hall Adams, Jr.
*Retired CEO, Leo Burnett & Co., Inc. (PS Customer)*

Gordon Gray
*Chairman, Rio AlgomLimited*

Enrique Hernandez, Jr.
*Chairman and CEO,*
*Inter-Con Security Systems, Inc.*

Jeanne Jackson
*CEO, Wal-Mart.com (PS Customer)*

Donald Keough
*Chairman, Allen &Company Incorporated*

Donald Lubin
*Partner, Sonnenschein Nath & Rosenthal*

Walter Massey
*President, Morehouse College*

Andrew McKenna
*Chairman and CEO,Schwarz Paper Company*

Terry Savage
*Financial Journalist, Author and President of Terry Savage Productions, Ltd.*

Roger Stone
*Retired President and CEO,Smurfit-Stone Container Corporation (PS Customer)*

Robert Thurston
*Business Consultant*

Blair Vedder, Jr.
*Retired COO, NeedhamHarper Worldwide, Inc.*

James Cantalupo
*Vice Chairman and President*

Jack Greenberg
*Chairman and CEO*

Michael Quinlan
*Chairman of theExecutive Committee*

Fred Turner
*Senior Chairman*

June Martino
*Honorary Director*

### Corporate Officers

Claire Babrowski
*Executive Vice President*

Charles Bell
*President–Asia/Pacific, Middle East and AfricaGroup*

James Cantalupo
*Vice Chairman and President*

John Charlesworth
*President–Midwest Division*

Michael Conley
*Executive Vice President, Chief Financial Officer*

Kevin Dunn
*President–Great LakesDivision*

Alan Feldman
*President–U.S.A.*

Patrick Flynn
*Executive Vice President*

Henry Gonzalez, Jr.
*President–Northeast Division*

Jack Greenberg
*Chairman and Chief Executive Officer*

Jeffrey Kindler
*Executive Vice President, Corporate General Counsel*

Debra Koenig
*President–Southeast Division*

Raymond Mines, Jr.
*Executive Vice President*

Michael Roberts
*President–West Division*

Eduardo Sanchez
*President–Latin America Group*

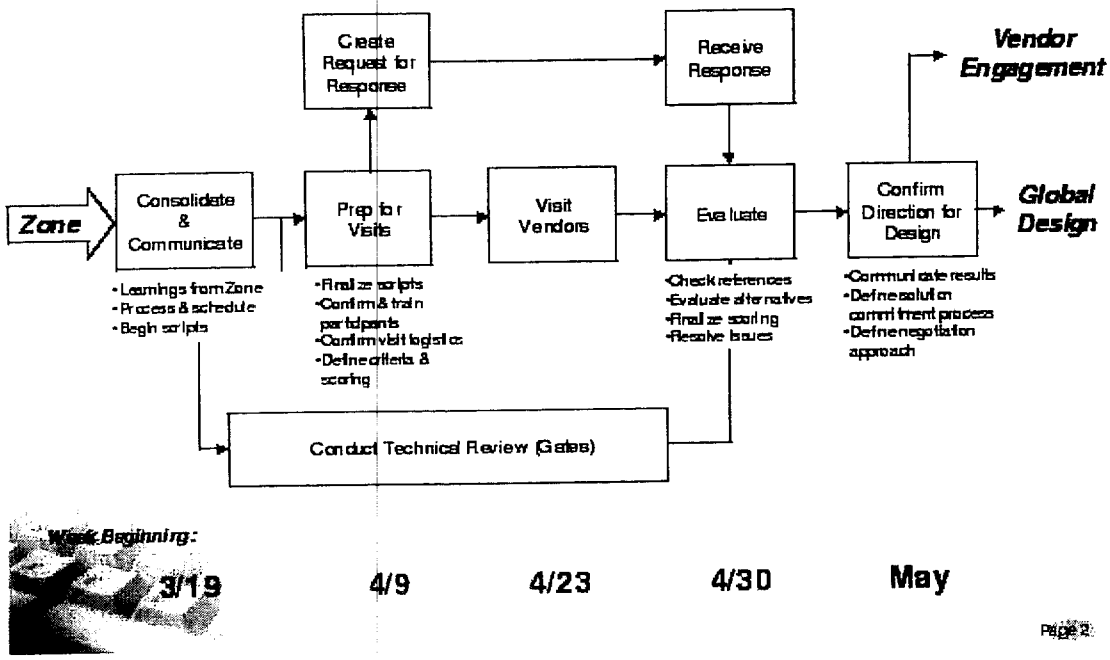
James Skinner
*President–Europe Group*

Stanley Stein
*Executive Vice President HR*

Christopher Pieszko
*Corporate Controller:*

**McDonald's Evaluation Process:**

## 3rd Stage - Evaluate the Potential Options - Overall Approach

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