



| Growth Through Skills

Growth Through Skills Initiative



Send questions to: swangnoo@in.ibm.com

Invest. Team. Deliver.



Objectives

Primary

- Drive channel growth and increased profitability by cultivating a skilled, committed reseller ecosystem focused on delivering **Client Value**

Supporting

- Improve Business Partner productivity
- Focus SWG channel resources on those partners with driving growth and delivering **client value**.
- Improve reseller/VAD retained margins to drive greater investment in IBM software and long term relationships with our reseller community
- Eliminate aggressive discounting of IBM software in the channel
- Focus less on recruitment and more on activation and participation; establish a comprehensive enablement program to support channel education, training and certification
- Enhance customer satisfaction and loyalty through a highly skilled channel delivering quality and value





Growth Through Skills 2009 Timeline



Announce February 18

Begin enrollment May

Implement 15th August

Phase 1 Announce
February 2009

Phase 2 Enrollment & Readiness
1 May 2009– 15 August 2009

Phase 3 India Readiness
15 August 2009





Aligning Models, Products and Business Partners

IBM Software Distribution Strategy Overview

Growth Through Skills

Controlled distribution with standard Passport Advantage pricing

controlled distribution


Unique controlled distribution with discount-off-list pricing and a model for Support Providing Partners

Software ValueNet


Product lines with unrestricted broad partner access for resale and fulfillment (no change)

open distribution

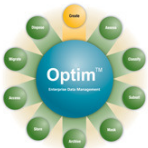
WEBSHERE						RATIONAL
SOA Foundation	Connectivity	Business Process Management	Commerce	SOA Appliances	Enterprise Trans Solutions (z)	All
INFORMATION MGMT		LOTUS	TIVOLI			
Enterprise Content Management (heritage)	Data Management	Portal	Storage Resource & Infrastructure Management	Security & Compliance Management	Automation	Enterprise Asset Management




July 2008



Jan 2009



Feb 2009



May 2009

WEBSHERE	Unified Messaging for WebSphere Voice Response	TIVOLI	All Appliances	LOTUS	All Express Products
	WebSphere App Server Community Edition		All Express Products		LotusLive ("Bluehouse" beta SaaS offering)
	WebSphere App Server		Tivoli Continuous Data Protection for Files		Lotus 1.2.3; Lotus Organizer; Lotus SmartSuite
	WebSphere App Server For iSeries		Tivoli Monitoring for MS Apps		Lotus Connections
	WebSphere Application Server - Express		Tivoli Monitoring for Servers		Lotus Domino; Lotus Domino Document Manager
	WebSphere Application Server ND		Maximo Essentials		Lotus Expeditor
	WebSphere Business Modeler		Tivoli Storage Manager (entire product family)		Lotus Foundations Start
	WebSphere Homepage Builder		System Storage Productivity Center (SSPC)		Lotus Mobile Connect
	WebSphere sMash		System Storage SAN Volume Controller Entry Edition		Lotus Notes Client; Lotus Notes Extensions
	WebSphere Translation Server		Tivoli Access Manager for Enterprise Single Sign-On		Lotus Protector for Mail Security
WebSphere Voice Response	TotalStorage Productivity Center Basic Edition*	Lotus Quickr			
Rational AppScan Express	Tivoli Provisioning Manager for OS Deployment	Lotus Sametime (Entry, Standard & Unyte)			
Rational Buildforge Express	Tivoli Storage Manager FastBack Center	Lotus Symphony			
Rational Quality Manager Express	DB2 Express	WebSphere Everyplace Custom Environment			
Rational Team Concert Express	Informix Express	WebSphere Everyplace Micro Environment			

Design Process

3 Steps in the Design Process

Brand Segmentation

Revise SVI & VAP Programs

Establish Reqs for Entry into Controlled Distribution





Design Process and Criteria for Participation – Step 1

- **Brand Segmentation**

- List of products remaining in Open distribution - Business as Usual

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Design Process and Criteria for Participation – Step 1

▪ Brand Segmentation

- List of products to remain in Open distribution – Business As Usual
- Create logical groupings of products within each Brand based on technology overlap
 - 14 Product Groups created across all five Brands (formerly referred to as Brand Families)
- Establish standardized criteria for authorization to sell each Product Group
 - Two technical certifications; One sales certification; submission of on-line Business Plan

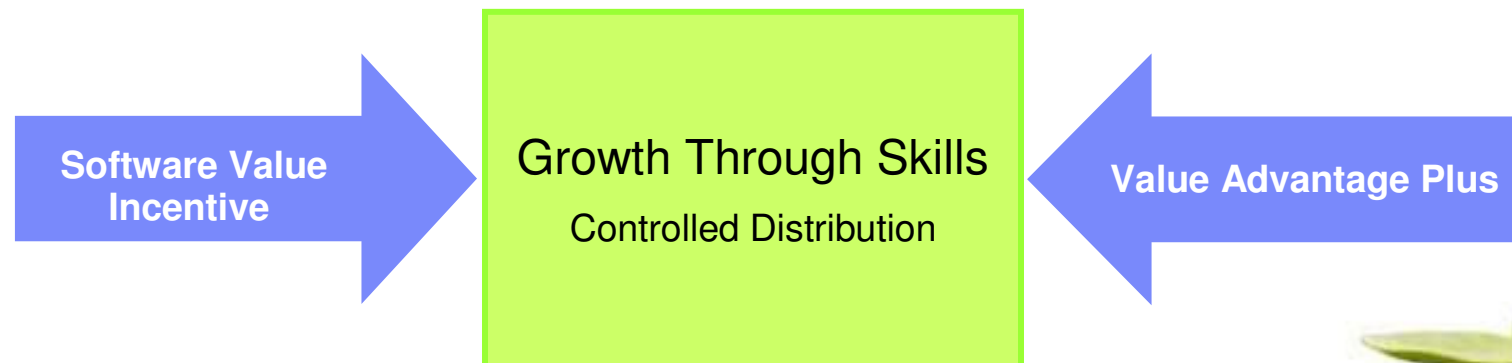
REQUIREMENTS	WEBSHERE						RATIONAL
	SOA Foundation	Connectivity	Business Process Management	Commerce	SOA Appliances	Enterprise Trans Solutions (z)	All
Sales Mastery	X	X	X	X	X	X	X
2 Prod Technical Certs	X	X	X	X	X	X	X
Business Plan (online process)	X	X	X	X	X	X	X

REQUIREMENTS	INFORMATION MGMT		LOTUS	TIVOLI			
	Enterprise Content Management (heritage)	Data Management	Portal	Storage Resource & Infrastructure Management	Security & Compliance Management	Automation	Enterprise Asset Management
Sales Mastery	X	X	X	X	X	X	X
2 Prod Technical Certs	X	X	X	X	X	X	X
Business Plan (online process)	X	X	X	X	X	X	X

Note: The application of Sales Mastery tests may vary by brand

Design Process – Step 2

- **Revise SVI and VAP programs** – Raising the Bar!
 - Align SVI enrollment with 14 recently established Product Groups and standardized criteria
 - *SVI authorization now granted at Product Group level versus entire Brand*
 - Match VAP solution components to Product Groups
 - *Each IBM software product included in VAP solution authorizes partner to resell the corresponding Product Group*
 - Two entry points into controlled distribution – SVI and/or VAP





Participation criteria – Step 3



Checkpoint 1: Business Partner enrolls and is approved to participate in Software Value Incentive (SVI) and/or Value Advantage Plus (VAP)

- *Assures skills, investment and mindshare*



Checkpoint 2: Authorization to resell is granted at Product Group level – not the entire Brand

- *Drives focus and commitment*



Checkpoint 3 : Business Partner must meet minimum revenue participation levels within SVI and VAP; 10% of total partner revenue (license and renewal) must pass through SVI and/or VAP;

- *Guarantees partner is delivering value*





Processing of Renewals

Mechanics

- Business Partner must be authorized for at least one Product Group within the renewal order.
- Authorization for one Product Group allows Business Partner to place entire renewal order.
- Business Partner earns standard renewal compensation for products within the authorized Product Group and no compensation for unauthorized products.
- Renewal revenue is included when calculating partner's total annual software revenue attainment.
- SVI & VAP participation percentage calculated off total revenue attainment.

Benefits

- Keeps renewals in controlled distribution.
- Only skilled partners are engaging with end customers to fulfill the renewals.
- Creates an incentive for the partners to increase new license revenue.
- Accommodates end-user buying patterns.

Note: This does not impact Software ValueNet partners.





Compliance Process

General Rules

- All compliance processes are effective at the Product Group level

- All participation requirements will be reviewed every 6 months
 - Product Groups are subject to “value add” revenue participation requirement after 6 months of eligibility

- Business Partners with newly unauthorized Product Group(s):
 - Will not be allowed to resell the product group immediately
 - Will not be allowed to register new SVI opportunities immediately
 - Will be allowed to complete any approved SVI opportunities (influence)

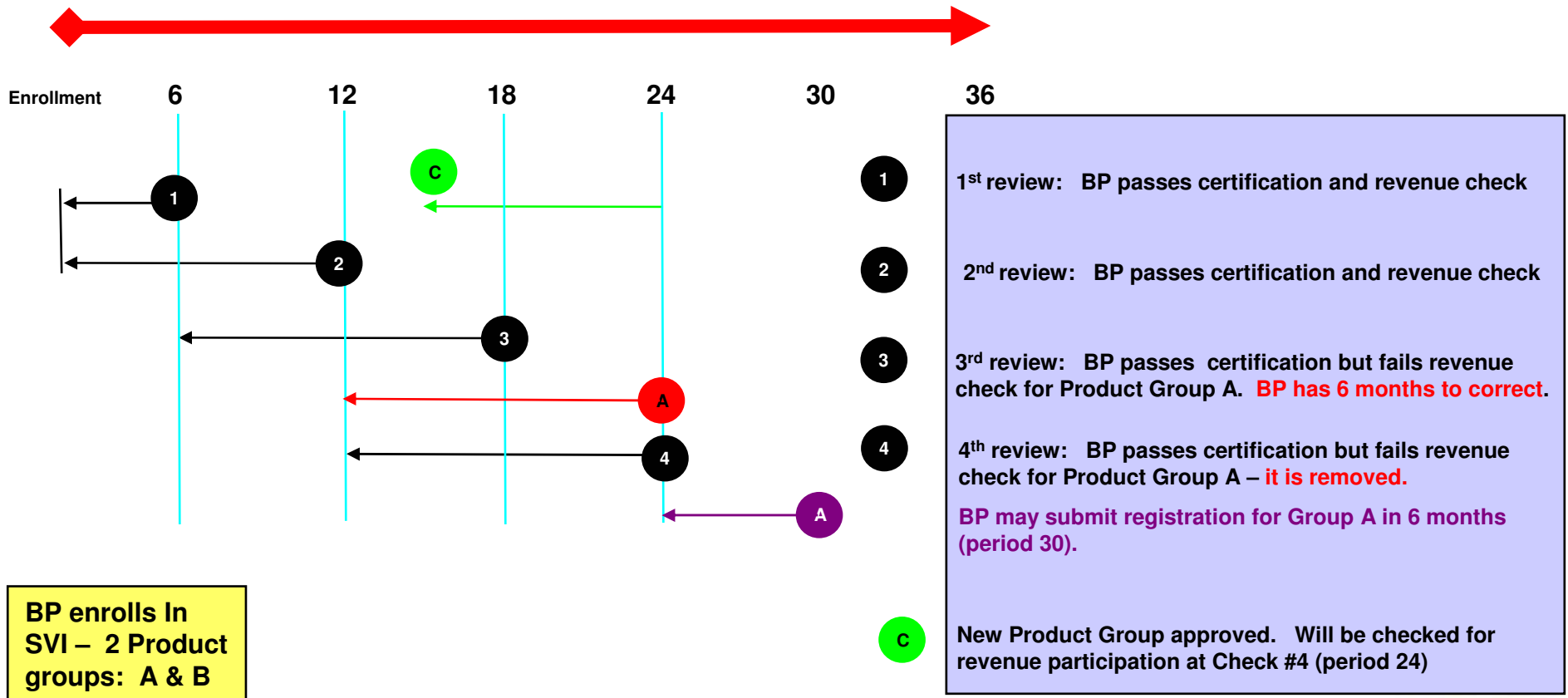
- Business Partners may request reauthorization:
 - Immediately – if certification requirements are non-compliant
 - After 6 months if SVI/VAP revenue participation requirements are non-compliant

Allow one full year before commencing semi-annual compliance checks

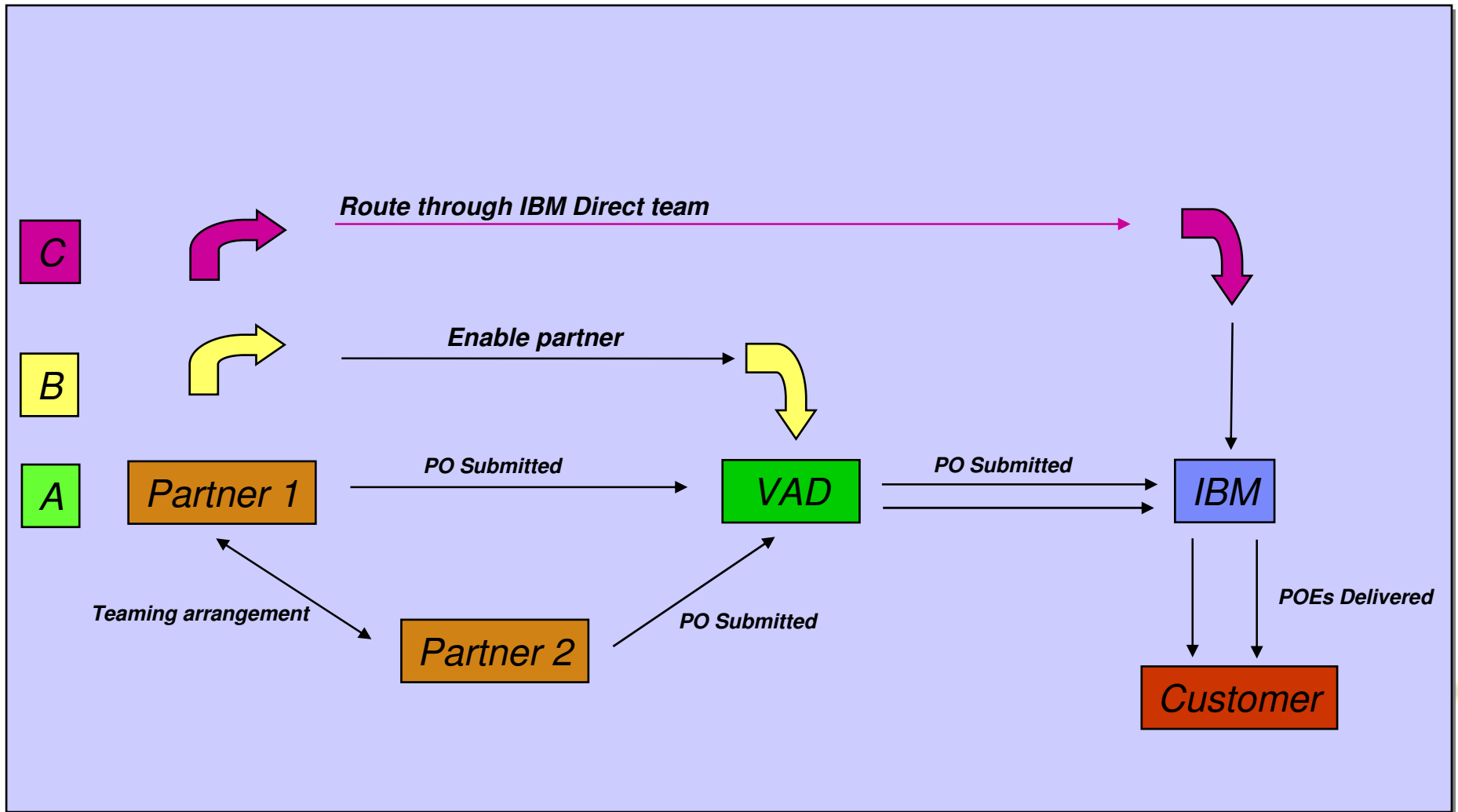




Compliance Process - Example



Processing of Non Authorized Orders





धन्यवाद

Hindi

謝謝你

Traditional
Chinese

cảm ơn bạn

Vietnamese

спасибо

Russian

Gracias

Spanish

Thank You

English

شكرا لك

Arabic

Obrigado

Brazilian Portuguese

Grazie

Italian

Merci

French

Danke

German

谢谢你

Simplified
Chinese

ありがとうございました

Japanese

고맙습니다

Korean

