

Canada Software Channels:

Business Partner Executive Update

Fall 2001

New Markets....

New Skills....

New Business....



Welcome!

Joe Facchini

Business Unit Executive

Software Channels, Canada

facchini@ca.ibm.com

New Markets....

New Skills....

New Business....



Objectives

1. Share Information with our Business Partners for Q4 activity
 - ★ Program Updates
 - ★ Incentives
 - ★ Sales & Marketing
 - ★ e-business Solution Capabilities
2. Provide our Partners a view into 2002
 - ★ Align our business objectives with yours
 - ★ Identify and plan for future activities
 - ★ Position for a quick start in 2002
3. Allow us to meet each other
 - ★ Partners and IBM
 - ★ Partners to Partners



Agenda -- Day One

Time	Topic	Speaker
9:00 - 9:30	Arrivals & Registration /Breakfast	
9:45 - 9:50	Welcome	
9:50 - 10:30	SW Channel Update	Joe Facchini, BUE, Software Channels
10:30 - 10:45	Break	
10:45 - 11:30	PWSW 2002 Program	Lila Adamec, Cdn Marketing Mgr
11:30 - 12:00	e-Business Software Strategy	Ron Sebastian & Bud Hartley
12:00 - 1:00	Lunch	
1:00 - 5:00	e-Business Software... (cont'd)	Ron Sebastian & Bud Hartley
6:00 - 9:00	Reception / Dinner	Linda McCormick-Allen
	Business Partner Connections	



WebSphere®

DB2®

Lotus®

Tivoli®



Agenda -- Day Two

Time	Topic	Speaker
7:30 - 8:30	Breakfast & Meetings	Partner/Partner or Partner/IBM
8:30 - 9:30	Start Now Solutions	Jayne Campbell, Channel Account Mgr
9:30 - 10:15	Linux	Randy Filinski/Gail Homan, Program Director
10:15 - 10:30	Break	
10:30 - 11:15	WebSphere SMB Initiative	Eva Baxter, BP Sales Specialist
11:15 - 12:00	Passport Advantage Update	Brian Thurston, PA Program Manager
	Tivoli Midmarket Update	Tuula Kahkonen/Bill Hepper, Channel Mgr
12:00 - 12:45	Lunch	
12:45 - 3:45	Signature Selling Methodology Executive Session	e-strategia Consulting
3:45 - 4:00	Wrap Up and Departure	



WebSphere®

DB2®

Lotus®

Tivoli®



AGENDA

- Go to Market Strategy - Partner Participation
- Partner Opportunities - Buyer Behavior Studies
- IBM Q4 Announcements & Incentives
- Winning in the Midmarket Together
- Call to Action



Software 2001 Go to Market Strategy

Canadian Market (# of Accounts)



Cluster

(Enterprise)

Direct F2F

Coverage by

IBM

Territory

(Midmarket)

BP's

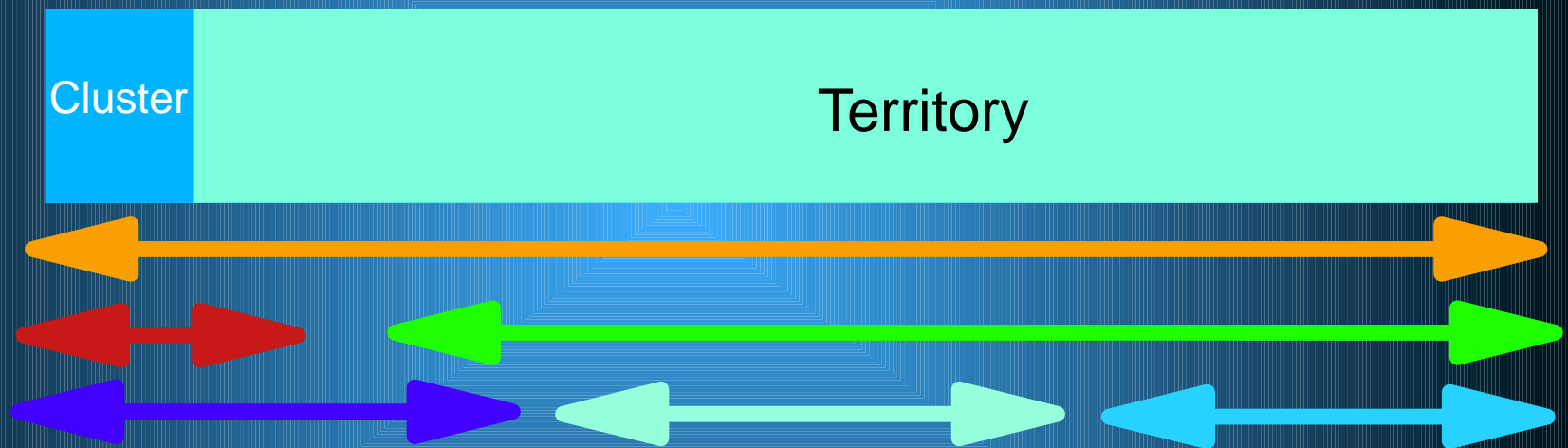
Provide

Primary

Coverage



Business Partners are key to our Go to Market Strategy



Partners have various business models.....

Influence.....

Resell.....

Solution Provider.....

and more.....

Opportunity:
Covering the Market Together

Partners
Lead

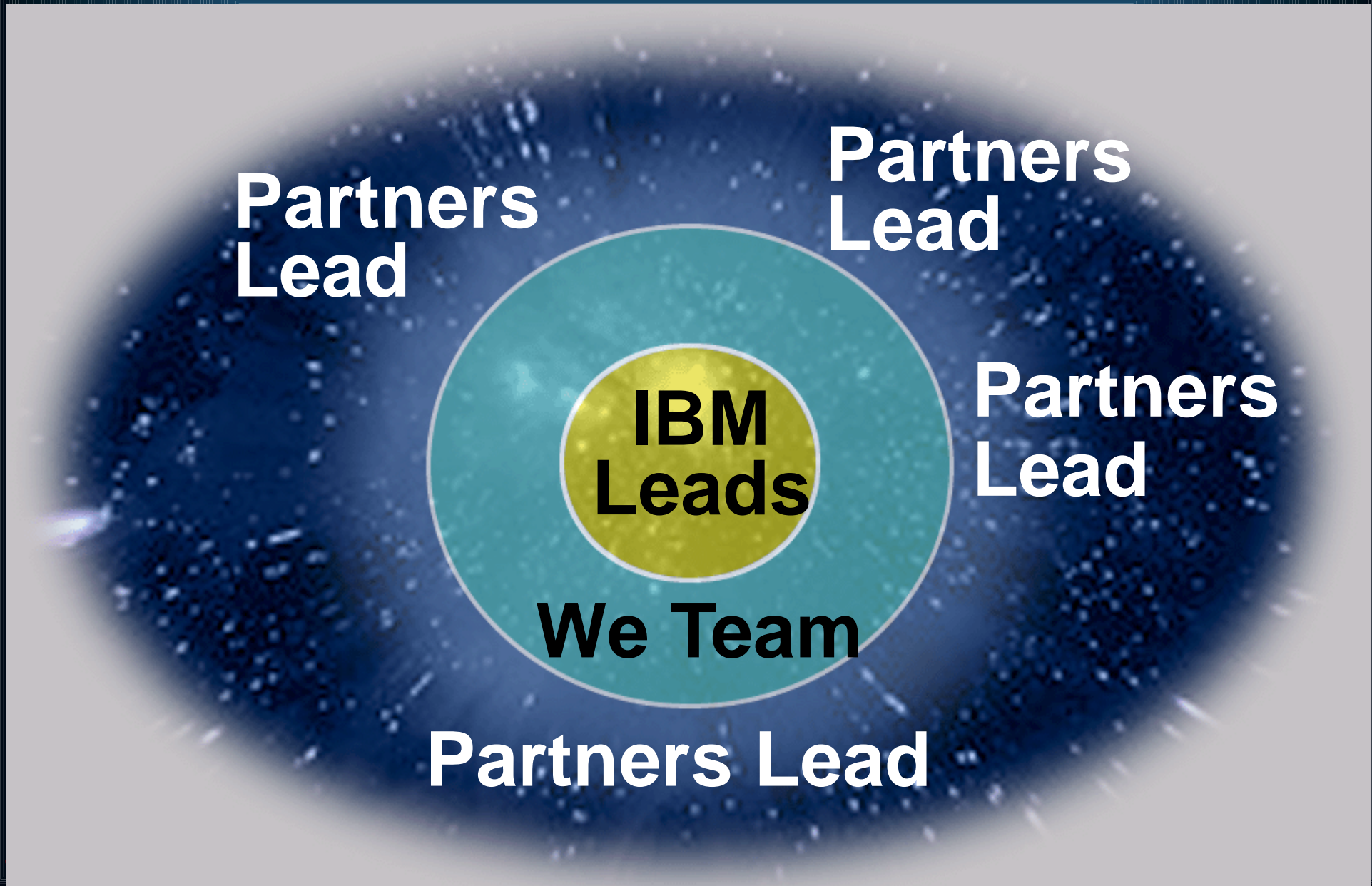
Partners
Lead

IBM
Leads

Partners
Lead

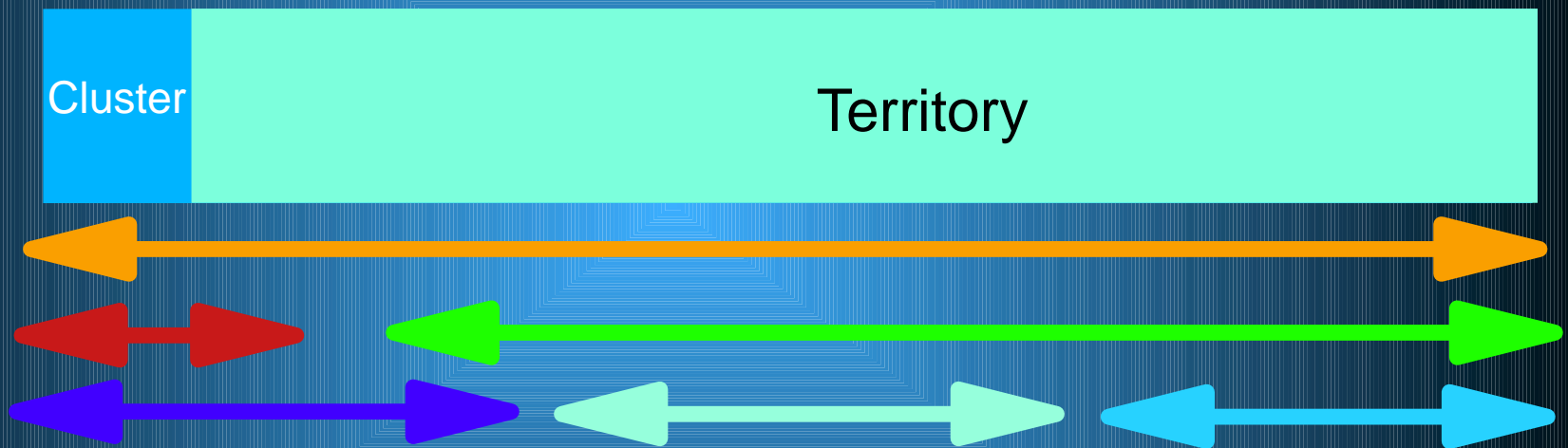
We Team

Partners Lead



Software 2001 Go to Market Strategy

Canadian Market (# of Accounts)



.....Requires equally different levels of investment in different markets and by business model.....

Key IBM Partner Programs You Can Leverage

Resellers

Passport
Advantage

(Tier 1 or Tier 2)

Influencers

Sales
Assistance
Program

ILSAP

Solution Providers

Top Contributor Incentive



Resellers

- Margin based value proposition - Passport Advantage pricing
- Tier 1 or Tier 2 Partners
- Not tied to technical competencies or requirements
- Must be authorized
 - Tier 1 through IBM
 - Tier 2 through distribution
- High level of software licensing proficiency
- Typically used for large account, high volume sales
- PPA enhanced and simplified - new tools



Influencer Model

- S/390, Workstation Software, iSeries
- Do not resell software may partner with other IBM BP's for delivery of licensing requirements
- High degree of technical proficiency and certification in a designated area(s)
- Method of identifying and tracking customers sales transactions they have influenced
- May participate in the IBM/Lotus Sales Assistance Program (ILSAP)



ILSAP Partners

- ILSAP partners earn fees for eligible customer sales activities
- Varies by product group
- Higher % for Midmarket sales vs Enterprise accounts
- Typical product would be 15% for Midmarket and 5% for Enterprise
- Sales opportunities must be identified and tracked on our Partner (secure) web site to be eligible
- ILSAP will be incorporated into TCI in 2002
 - Existing benefits available until Dec. 31st



Top Contributor Initiative

- Solution Providers
- Combination of reselling and influencing roles
- Acknowledge additional marketing and sales cost in Midmarket
- Alligned to IBM objective of growing this market space
- New software initiative launched in mid 2001 under PartnerWorld for Software



WHAT is the Top Contributor Initiative?

- A single set of WW (Business Partner) Tier 2 Reseller incentives that recognizes resale revenue, BP contribution, and rewards performance.
- Consists of three incentive offerings:
 - **Market Growth Fee**
 - **Co-Marketing**
 - **now you**



To Qualify for Benefits

1. In 2000, sold \$75k (US dollars) or more in Territory Accounts (Midmarket) through Passport Advantage ---> assigned \$ target

.....or

Agree to a documented partnership revenue target and business plan to deliver in 2001 ----> minimum \$100K US dollars

2. PartnerWorld for Software ----> Advanced or Premier level

3. Have an approved Marketing Plan (PartnerPlan)

4. Measure Midmarket Sales only through PPA



TCI Market Growth Fees

- Eligible for a Market Growth Fee:
 - 6% for eligible revenue below target
 - 12% for eligible revenue at or above the target, up to 150% of target
 - 18% for eligible revenue at or above 150% of the target
- Paid quarterly at "estimated SVP" level
- Attainment is retroactive to January 1st
- Qualify on an exception basis through 2001 sales activity
 - requires enrollment and signed agreements by November 23rd
 - Benefits paid when \$100K level is met



Top Contributor Co-Marketing

- **Up to 3% of revenue target as co-marketing funding**
 - \$6.6 Million USD is committed to partners
- **Wide variety of tactics supported**
 - Joint Advertising
 - Test Drives
 - Seminar Solutions
 - Telemarketing
 - Business Partner's Own Proposal
 - Campaign Designer
- **Select a "quick hit" tactic to execute in 4Q**

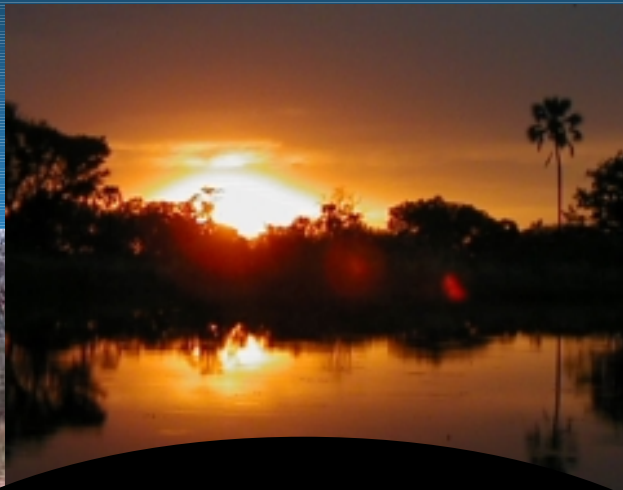


Now *you*

- now you is the IBM Worldwide software sales incentive program
- Recognition to Business Partners and their sales professionals contributing to the growth of our business increase of our market share.
- Firms will earn points for every Passport Advantage sale into a Territory (Midmarket) account
- Points accumulated by the sales professionals can be used to choose some fabulous prizes from our web catalogue.....
- Business Partner firms are eligible for one of a number of grand prizes.....



2001 Top Contributor Event: Africa



2001
Top Contributor Event
Africa



2002 Top Contributor Initiative

Resellers & Influencers

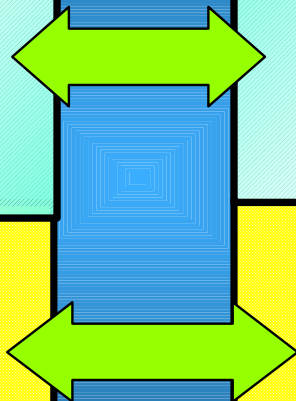
TCI Resellers continues in 2002

Requirements <ul style="list-style-type: none">● SMB revenue commitment● Business & Marketing plans● PWSW skills● SMB only
Program Benefits <ul style="list-style-type: none">● Fees● Co-Mkg● Now You
IBM Benefits <ul style="list-style-type: none">★ Established SMB revenue objective for each partner★ Provide revenue and pipeline reporting★ Drive SMB ledger revenue

TCI Influencers

NEW

Requirements <ul style="list-style-type: none">● Brand Nominated● Business & Marketing plans● PWSW skills● SMB and Enterprise rev commit
Program Benefits <ul style="list-style-type: none">● Fees● Co-Marketing● Now You
IBM benefits <ul style="list-style-type: none">★ drive revenue objectives★ revenue and pipeline reporting★ Brands pick partners!



AGENDA

- Go to Market Strategy - Partner Participation
- **Partner Opportunities - Buyer Behavior Studies**
- IBM Q4 Announcements & Incentives
- Winning in the Midmarket Together
- Call to Action



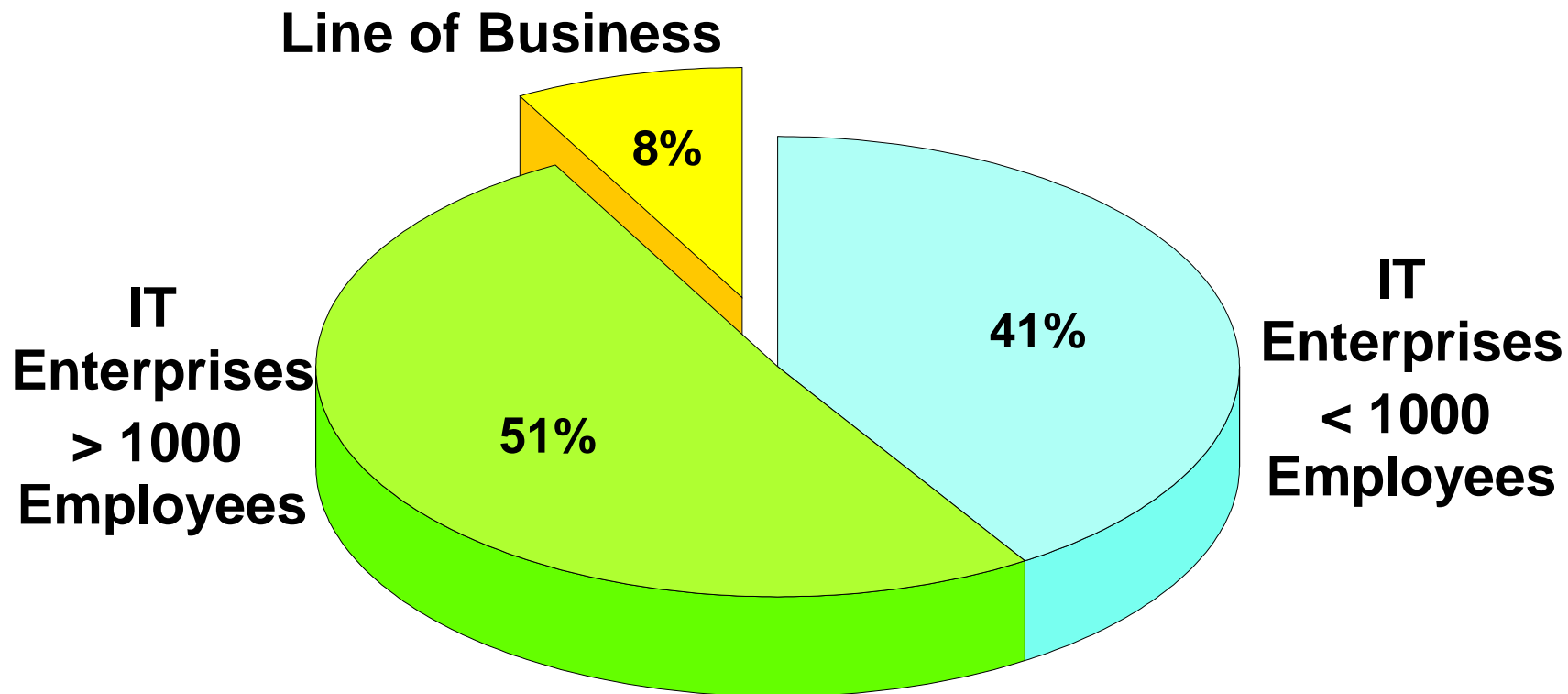
Buyer Behavior / Influencer Study Sample/Methodology

- Random sample balanced across industries and departments
- Companies 50-999, 1000-4999, 5000+ employees
- Phone and web interviewing
- Balanced to GMV opportunity, IDC for competition, IBM financial results

IT	LOB	Solution Provider	Total
1,812	1,526	1,479	4,817



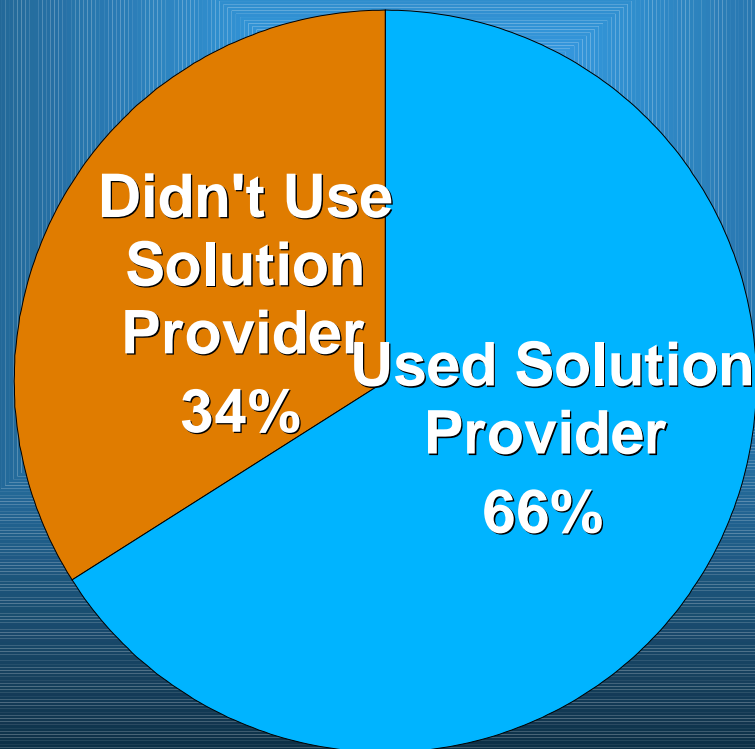
Who Buys Middleware?



Middleware is a \$30B USD Business

Two-Thirds Of All Companies Use A Solution Provider For Their Middleware Projects

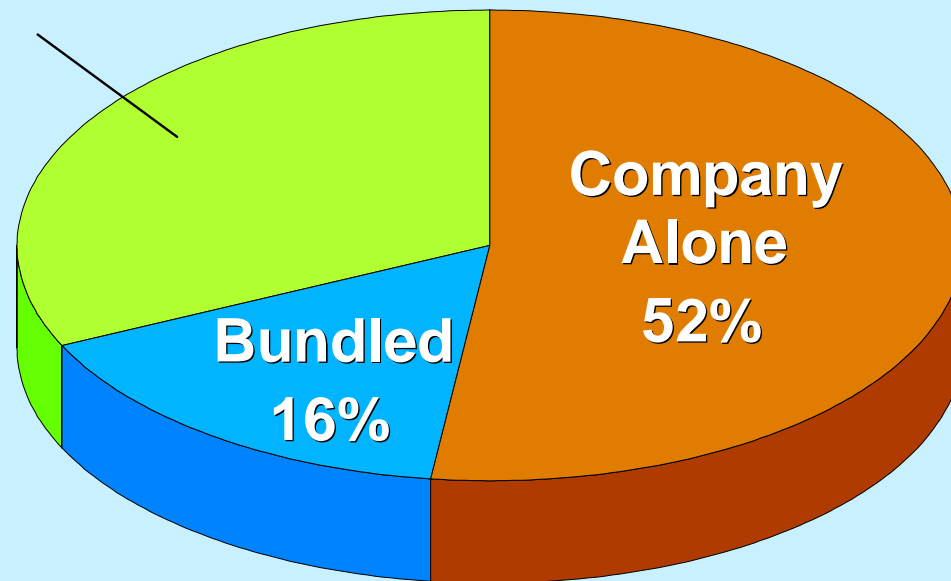
Systems Integrators, ISV, And Reseller/VARs Are The Leading Outside Resources Used For Help.



Solution Providers Are Involved In Middleware Brand Selection In Up To 48% Of Occasions

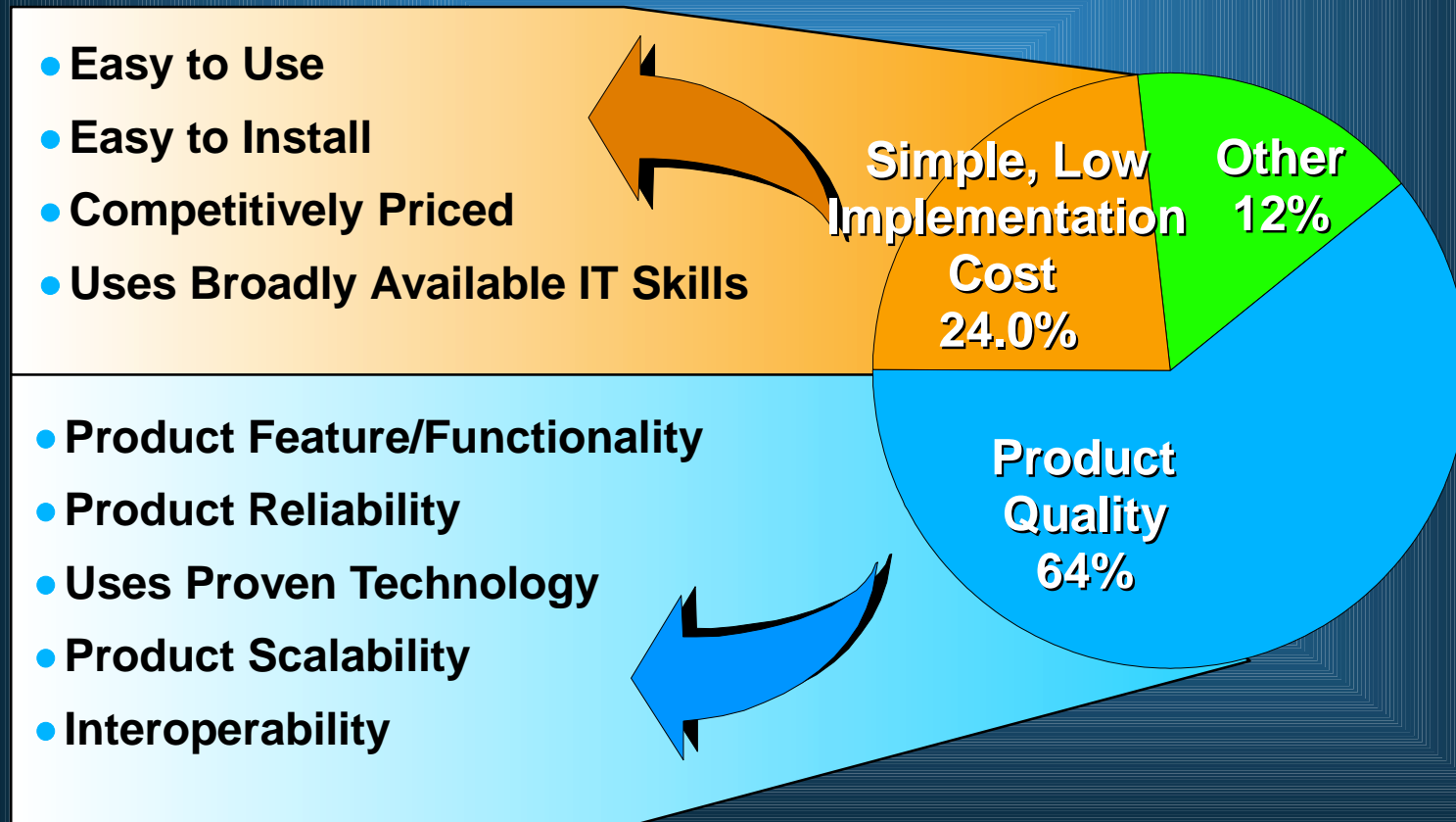
Solution Provider Lead Involved

32%



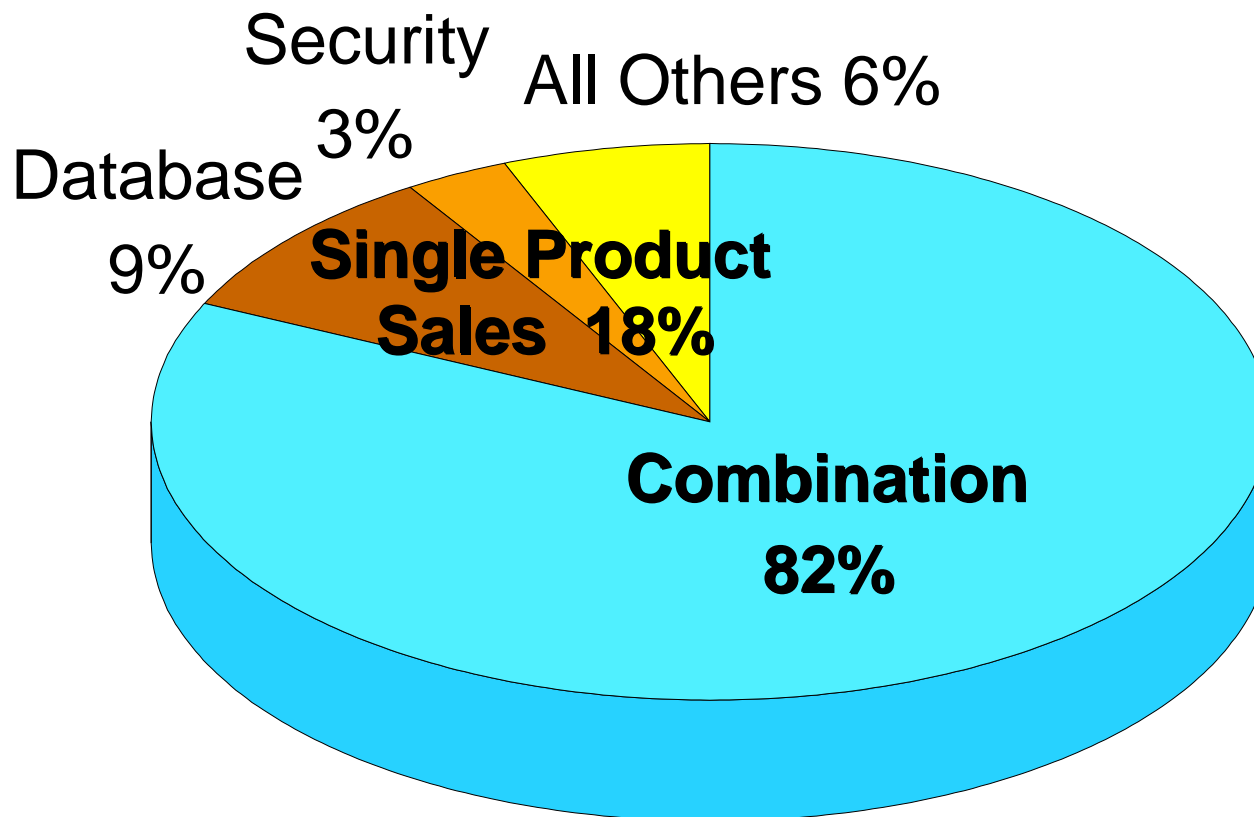
Key Drivers

Product Quality and Simple, Low Implementation Cost Drive 88% of the Middleware Recommendations



Most Middleware Products Are Bought In Combination

- Only 18% of middleware products are purchased individually
- Database alone represents half of single product sales



Top Ten Product Combinations

- The top ten product combinations (excluding single products) represent 30% of middleware revenue
- Databases are represented in projects with 69% of middleware revenue

#	Data Base	App Dev Tools	Collab	System & Storage Mgmt	Netwrk Mgmt Software	Security	Web App Server	Bus. Integ	Host Trans Proc
1	●			●	●		●	●	
2	●	●		●					●
3	●			●			●		●
4	●						●		
5	●			●	●				
6	●	●		●	●	●	●		
7		●					●		
8	●					●		●	●
9	●		●						
10	●	●	●	●	●	●	●	●	●



Strategic Imperatives

- Secure support from ISVs that develop applications and the Solution Providers that are used to deploy them
- Dramatically increase IBM support and penetration among Solution Providers
- Position IBM as best suited to provide improved customer productivity.
- Create and sell product combination packages as part of go-to-market strategy

Rationale

- Line of Business are key decision makers for applications; IT drives middleware decisions
- Solution Providers lead/participate in 48% of all middleware brand selection
- IBM's strength is in effectively balancing product quality and simple and low cost of implementation - enabling customer productivity.
- Over 80% of customers buy products in combination rather than individually

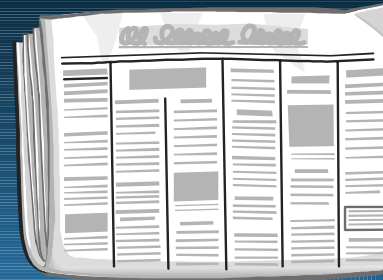


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Hot off the Press:
Earn more in Q4



- For all Approved Top Contributor Initiative (TCI) Business Partners from October 1st - November 23rd
 - Sell products from two or more IBM software product families in the same transaction, and earn:
 - ▶ **Additional** 6% Market Growth Fee
 - ▶ **Double points** in the Now You! sales contest
 - Business Partners that previously qualified for \$1,500 of Start Now marketing funding now qualify for **\$3,000**.

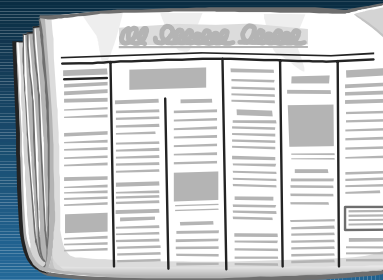


Start Now 4Q Marketing Incentive

- **Additional \$3,000 - 100% funded for pre-approved Start Now tactics.**
 - ▶ Telemarketing - 32 Hours of calling reaching approximately 140 customers.
 - ▶ Campaign Designer - 1,500 Direct Mail pieces
 - ▶ e-Seminar - Fully managed for 25 customers
- **No co-funding required**
- Plan to use your \$3,000 today



Hot off the Press:
Earn more in Q4



- Current TCI partners who obtain \$85k by end of November will get **immediate access to all TCI benefits.**
- Additional incentive for our own salesforce to drive sales with TCI partners.

Hot off the Press: Tivoli in TCI



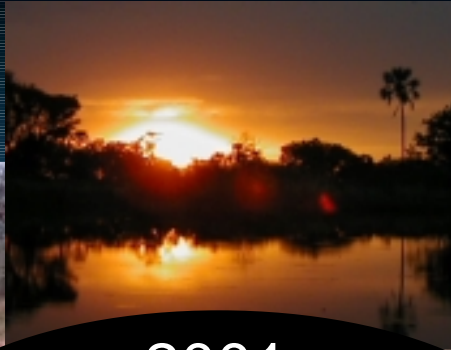
- All Tivoli Partners already signed-up in TCI
 - Tivoli Passport Advantage sales count toward:
 - ✓ Revenue target and Market Growth Fee
 - ✓ Now You!
 - NO target increase
- New Tivoli Partners joining TCI
 - Fast Path into PartnerWorld for Software
 - Leverage entire IBM Software portfolio to earn Market Growth Fees

Hot off the Press: Informix in TCI



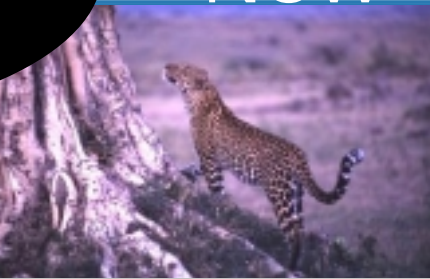
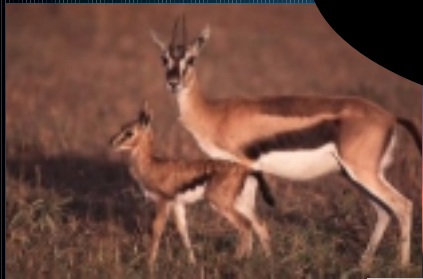
- Informix Partners enrolling in TCI today:
 - ✓ Fast Path into PartnerWorld for Software
 - ✓ IBM Sales coverage
 - ✓ CROSS-SELL IBM SOFTWARE portfolio with Informix customers and earn Market Growth Fees

PartnerWorld



2001
Now You
Africa

Now You Contest



- **Now You points double 10/1-11/23!!!**
- Sales contest for partner's reps and principals
- The more you sell the more they earn
- Sales reps choose from a catalog of prizes
- Top 100 firms earn a trip of a lifetime



PartnerWorld for Software in the News

Computer Reseller News, September 3, 2001

Steven Burke

IBM is making a multimillion-dollar investment in fully reimbursed training for partners. **The amount of training dollars available to IBM's partners is doubling to \$50,000 per partner location.** Premier partners could train up to 17 technical or sales associates for no charge.

"Every solution provider on the planet looking to increase its sales into the small- and midsize-business market should take a look at the new 2002 IBM PartnerWorld for Software Program."

IBM is treating partners exactly how they treat the IBM "blue suit" sales force. Partners now get the same sales and technical training and resources that the IBM direct-sales force receives... **assigning top-priced sales and technical talent to help partners put together sales and marketing plans.**



Opportunity to Build Skills

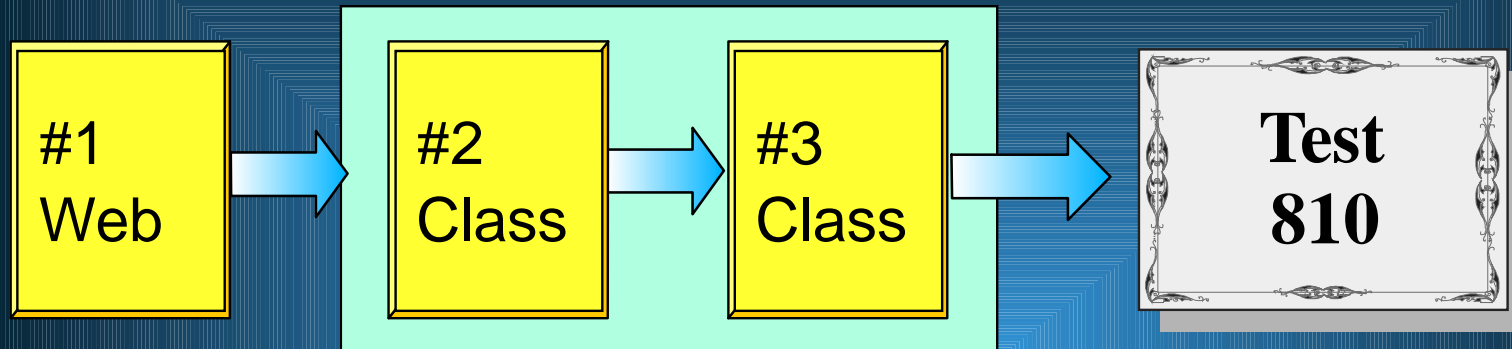
- e-business Sales Roadshow
- Scheduled Business Partner classes Worldwide

BP SEATS	Americas	Asia Pacific	EMEA	Total
e-business Sales Roadshow	525	375	600	1,500
Technical	6,300	1,250	2,600	10,150
Total	6,825	1,625	3,200	11,650

- Unique offering in the industry -- build your certified skills
- No cost to TCI Partners
 - ▶ Top Contributor Coupon Program



Sales Certification



1. e-business Sales Essentials
 - Prerequisite online training
 - www.ibmweblectureservices.ihost.com
2. Signature Selling Methodology Workshop
 - Course code: SSM4S or SSMBPUS1
3. e-business: Selling Workshop
 - Course code: B3005

e-business - Sales Roadshow Schedule

City	Date
Toronto, ON	October 16-19
Columbus, OH*	October 23-26
Long Beach, CA	October 23-26
Minneapolis, MN	October 30-November 2
Washington, DC	November 6-9
Dallas, TX*	November 6-9
Toronto, ON*	November 6-9
Boston, MA	November 13-16
Montreal, PQ	November 20-23
New York, NY	November 27-30
Chicago, IL	December 4-7
Toronto, ON*	December 4-7

* On-site certification testing not available.

www.ibm.com/partnerworld/software/zone
Education > e-business - Sales Roadshow



Request a TCI Education Coupon

- Company name, address and phone number
- Student's name & email
- Student's Candidate ID number
- Course title or description, course code
- Course location and date

to PWSWNA@us.ibm.com



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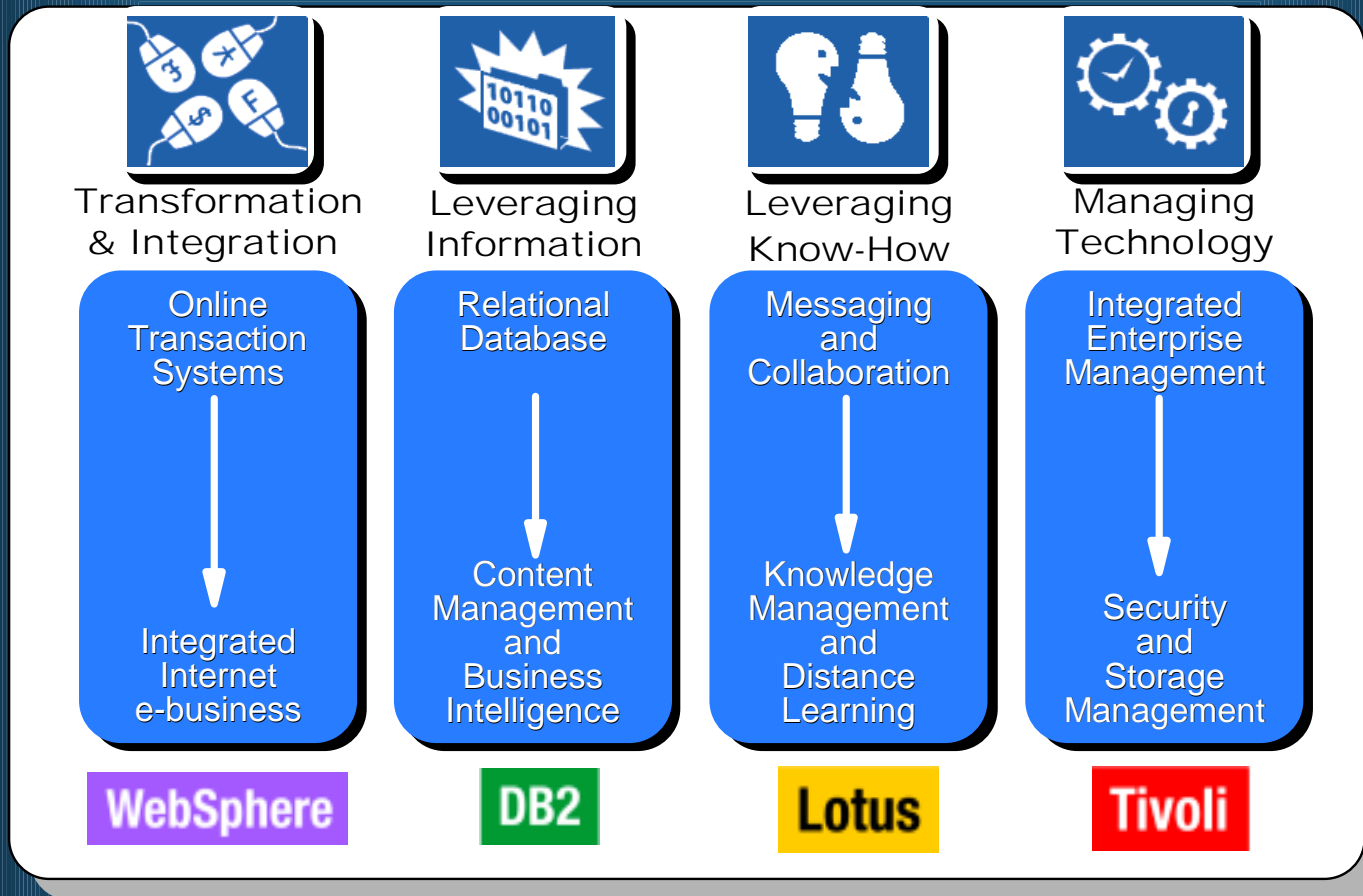


Winning in the Mid-Market Together

- Mid-market businesses
 - Software makes e-business work
 - Connecting mid-market customers to partners
- Our Partnership is key
- The Journey to Higher Margins
- How have we done so far?



e-business Infrastructure Software



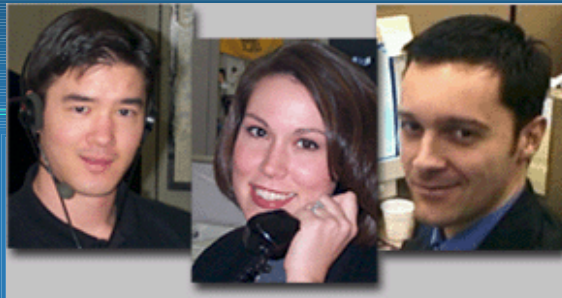
You'll see e-business in action firsthand!



PartnerWorld

Connecting Customers to You

TeleSales Team



StartNow

Opportunity Gearbox



PartnerWorld
for Software



e-Territory sites



Canada Software Business Unit Executive:



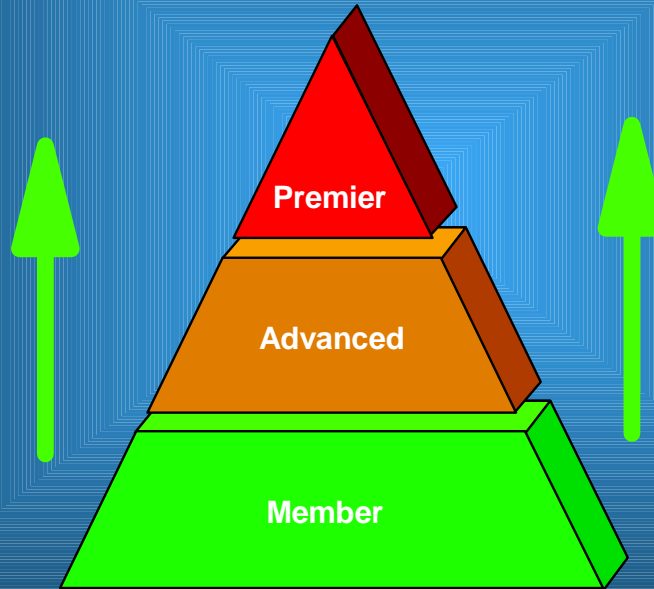
Christina Dahl cdahl@ca.ibm.com



Our Partnership is Key

We will invest in an exclusive group of top contributing partners, committed to IBM that deliver results

Increased
Revenue & Skills
Commitment



Increased
Value
and Benefits

The Journey to Higher Margins

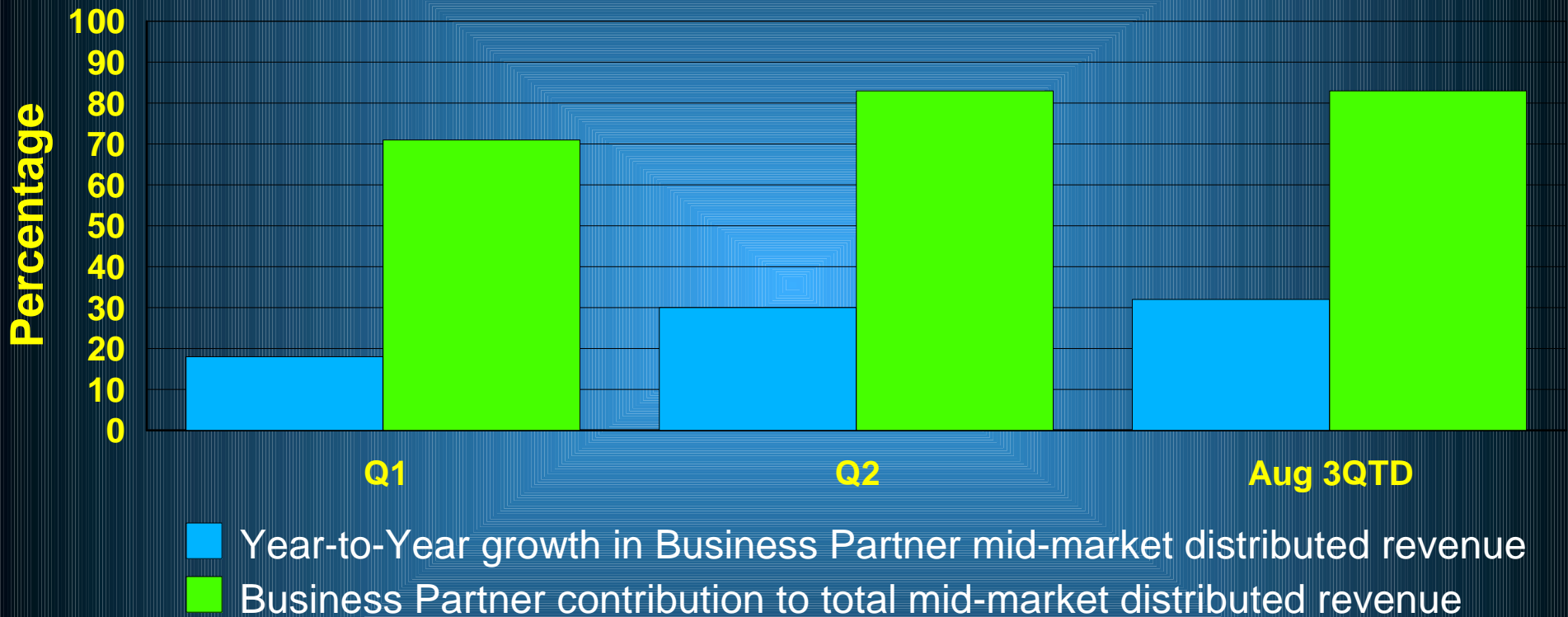
Margin Potential (Sample)

- Passport Advantage Sales Margin 10%
- Top Contributor MGF at 100% 6%
- Top Contributor MGF up to 150% 6%
- Top Contributor MGF at over 150% 6%
- Top Contributor MGF for cross sell 6%

34%
Total

How have we done so far?

Mid-Market Distributed Revenue



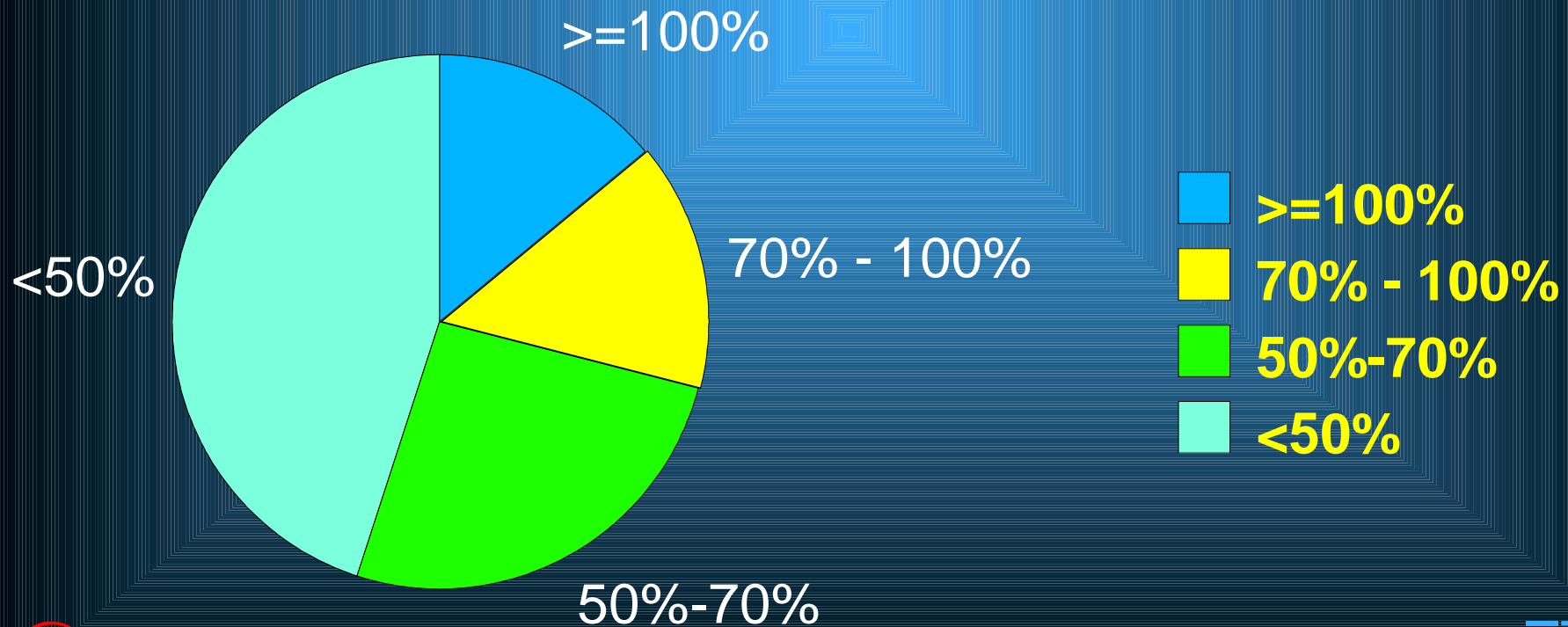
Revenue growth with IBM in a declining marketplace



Top Contributor Initiative

- 960 Partners enrolled worldwide
- Ramping up education to achieve 5000 additional certifications by year-end

YTD% of revenue attainment



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Next Steps

- **Engage with your local Software Partner Rep to:**
 - Join PartnerWorld for Software;
 - Enroll in Start Now
 - ~~purchase~~ acquire the Value Package
 - Get your firm & sales reps enrolled in Now You!
- **Build your enablement plan**
 - Take advantage of local education road show
 - Free coupons for TCI Partners
- **Leverage IBM's vast marketing programs**
- **Build your opportunity pipeline**
- **Exceed your revenue target**



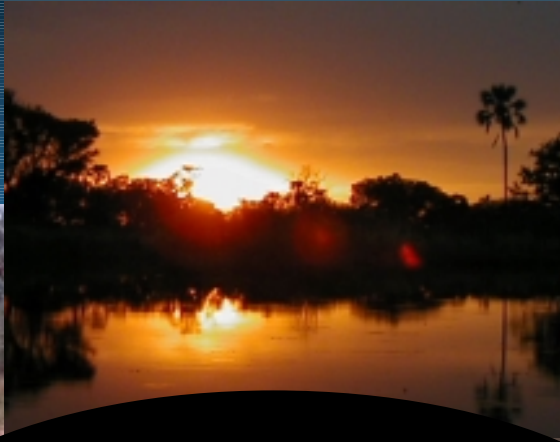
Thank You.....

for your time.....

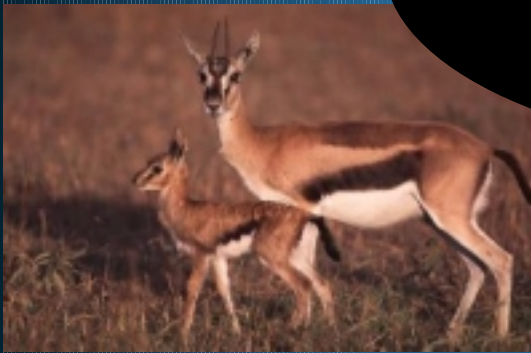
for your investment

our continued partnership!





2001
Now You
Africa



Canada Software Channels:

Business Partner Executive Update

Fall 2001

New Markets....

New Skills....

New Business....



- ✓ Go to Market Strategy
 - ✓ Cluster and Midmarket
 - ✓ Partners are essential to our Midmarket strategy
- ✓ Partner Programs
 - ✓ Reseller, Influencer, Solution Provider
 - ✓ PPA, ILSAP, TCI
 - ✓ Q4 Incentives
- ✓ PartnerWorld for Software
 - ✓ 2002 Program and Advanced/Premier qualifications
- ✓ Developing a Marketing Strategy Around IBM Products
- ✓ e-business in Action
 - ✓ Building customer solutions
- ✓ Business Partner Connections



- ✓ Start Now Solutions
 - ✓ Grow your services and cross sell
 - ✓ Develop wider breadth of solution expertise
- ✓ Linux Strategy
- ✓ Websphere
 - ✓ Selling Websphere in Midmarket
- ✓ Passport Advantage Update
- ✓ Signature Selling Methodology

Objectives.....How Did We Do?

- ✓ Share Information with our Business Partners for Q4 activity
 - ★ Program Updates
 - ★ Incentives
 - ★ Sales & Marketing
 - ★ e-business Solution Capabilities

- ✓ Provide our Partners a view into 2002
 - ★ Align our business objectives with yours
 - ★ Identify and plan for future activities
 - ★ Position for a quick start in 2002

- ✓ Allow us to meet each other
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Thank You.....

for your time.....

for your investment

our continued partnership!

