

**International Business Machines Corporation**

**IBM and Lotus  
Sales Assistance Program  
Operations Guide**

**July, 2001**

## 1.0 IBM AND LOTUS SALES ASSISTANCE PROGRAM

### 1.1 QUICK REFERENCE INDEX

IBM AND LOTUS SALES ASSISTANCE PROGRAM OVERVIEW.....	1.2
Program Overview.....	1.2.1
Program Benefits.....	1.2.2
Program Requirements.....	1.2.3
Forms of Compensation.....	1.2.4
BESTeam Sales Assistance Program and Lotus Leverage Program.....	1.2.5
ELIGIBILITY CRITERIA.....	1.3
Program Eligibility Criteria.....	1.3.1
Applying for the IBM and Lotus Sales Assistance Program.....	1.3.2
Product Category Eligibility.....	1.3.3
Eligibility for Fees.....	1.3.3.1
Eligibility for Expense Reimbursement / Business Development Funds.....	1.3.3.2
Workstation Software Resellers Participation in the IBM and Lotus Sales Assistance Program.....	1.3.3.3
Adding Product Categories to a Schedule.....	1.3.4
Sample Customer Reference Letter.....	1.3.5
PROGRAM APPLICATION AND CONTRACT PROCESS.....	1.4
Applying for the IBM and Lotus Sales Assistance Program.....	1.4.1
Contract Processing.....	1.4.2
Federal Certification Attachment.....	1.4.2.1
IBM PartnerWorld for Software Membership.....	1.4.3
Contract Structure.....	1.4.4
Contract Renewals.....	1.4.5
OPPORTUNITY REGISTRATION.....	1.5
Submitting an Opportunity.....	1.5.1
Opportunity Processing.....	1.5.2
End-user Letter / E-mail.....	1.5.3
Opportunity Expiration.....	1.5.4
Opportunity Tracking.....	1.5.5
PROGRAM PARTICIPANT ACTIVITIES.....	1.6
Leads.....	1.6.1
End-user Activities.....	1.6.2
PAYMENT PROCESSING.....	1.7
Submitting Payment Request.....	1.7.1
Approving Payment Request.....	1.7.2
Payment Eligibility.....	1.7.2.1
Processing Payment Request.....	1.7.3
Payment Validation for AS/400, Mainframe and RS/6000 Software Programs..	1.7.3.1
Definition of New License vs. Upgrade License for S/390 Programs.....	1.7.3.2
Payment Validation for IBM Workstation and Lotus Software Programs.....	1.7.3.3
Payment Calculation.....	1.7.3.4

Releasing Payment.....	1.7.3.5
Redemption of Soft Dollar Rewards.....	1.7.3.6
Recovering Fees for Returned Products.....	1.7.3.7
Compensation Payment Exceptions.....	1.7.4
IBM Special Bid Pricing.....	1.7.4.1
Phased Installations.....	1.7.4.2
Opportunity Submissions.....	1.7.4.3
Active Sales Situations.....	1.7.4.4
Special Emphasis Situations.....	1.7.4.5
Fee Payment Over the Program Limit.....	1.7.4.6
EXCEPTION REQUEST PROCESS.....	1.8
Exception Request Process Description.....	1.8.1
How to Submit an Exception Request.....	1.8.2
MEASUREMENTS AND TRACKING.....	1.9
Revenue Reporting.....	1.9.1
Program Participant Tracking.....	1.9.2
Quarterly Audits.....	1.9.3
PROGRAM ENTITLEMENTS.....	1.10
Business Partner Emblem and Plaque.....	1.10.1
IBMLink Registration Procedure.....	1.10.2
IBM PartnerWorld for Software - Membership Centre.....	1.10.3

## 1.2 IBM AND LOTUS\* SALES ASSISTANCE PROGRAM OVERVIEW

### 1.2.1 Program Overview

The IBM and Lotus Sales Assistance Program allows qualified Business Partner firms to be compensated for pre-installation marketing and sales efforts resulting in IBM and Lotus software (Program) sales.

### 1.2.2 Program Benefits

The IBM and Lotus Sales Assistance Program can improve the profitability of approved Business Partners who perform pre-sales marketing and sales activities which result in IBM or Lotus software Program sales. This program also provides a vehicle for program participants to be eligible to receive reimbursement for expenses associated with their investments in IBM or Lotus software Program sales and marketing activities.

### 1.2.3 Program Requirements

Participants must be an active member of the IBM PartnerWorld for Software. IBM and Lotus Sales Assistance Program participants are customer-facing IBM Business Partners that earn compensation for convincing the end-user customer to acquire selected IBM or Lotus software Programs. Participants are expected to do some or all of the following:

- Perform end-user needs analysis and Program demonstrations
- Provide consulting studies and proposals
- Develop implementation plans
- Lead customer pilot or prototype efforts

Participants in this program are highly skilled sales and technical professionals who are able to persuade customers to commit to IBM or Lotus software products.

**Business Partners and/or affiliates within their enterprise that remarket to end user customers are not eligible for the IBM and Lotus Sales Assistance Program compensation on products included in the IBM and Lotus workstation categories.**

### 1.2.4 Forms of Compensation

The IBM and Lotus Sales Assistance Program has two forms of compensation:

1. Fees (hard dollar rewards)
2. Expense reimbursement / Business Development Funds (soft dollar rewards)

Hereafter, these two forms of compensation are collectively called “Compensation.”

**Expense reimbursement / Business Development Funds (soft dollar rewards) are only applicable to IBM workstation software and the Lotus products.**

Participants are approved for either fees or expense reimbursement by Product Category. An example of a Product Category is MQ-Workstation, which includes products like MQSeries for AIX or MQSeries for Windows. These Product Categories are listed in the IBM and Lotus Sales Assistant for Software, North American Exhibit (Z125-6261). A participant may elect to receive either hard dollar rewards or soft dollar rewards, for each software sale on a transaction-by-transaction basis, if the software product is eligible for both hard and soft dollar rewards.

#### 1.2.5 BESTeam Sales Assistance Program and Lotus Leverage Program

The IBM and Lotus Sales Assistance Program replaces both the BESTeam Sales Assistance Program and the Lotus Leverage Program in the United States.

### 1.3 ELIGIBILITY CRITERIA

#### 1.3.1 Program Eligibility Criteria

The IBM and Lotus Sales Assistance Program was announced January 1, 1999, in the United States; and April 1, 1999, in Canada, to qualifying, customer-facing IBM Business Partner - Software Program member companies and Lotus Business Partner Program member companies. These programs have been incorporated in the IBM PartnerWorld for Software as a program initiative.

Business Partner firms approved for other IBM Business Partner relationships may also participate, as long as they meet all the requirements of the program, including membership in the IBM PartnerWorld for Software. Some restrictions may apply based upon involvement in other IBM incentive programs. An example of this restriction occurs when a firm acquires IBM and/or Lotus workstation products from an IBM authorized distributor and resells that software to end users.

To remain eligible for the IBM and Lotus Sales Assistance Program, participants in the program must maintain their technical marketing expertise in the Product Categories for which they are approved. When necessary, IBM reserves the right to request proof from the program participant that they have maintained their expertise. If the program participant does not maintain their technical marketing expertise in their approved Product Categories, the affected category/categories may be removed from their Schedule, and they will no longer be eligible to earn Compensation for Programs in these Product Categories.

#### 1.3.2 Applying for the IBM and Lotus Sales Assistance Program

Prior to filling out the IBM and Lotus Sales Assistance Program application, a Business Partner must be a member of PartnerWorld for Software. A Business Partner that is not a member of PartnerWorld for Software will be prompted through that application process before being allowed to proceed. Once the PartnerWorld for Software requirement has been met, the application for the IBM and Lotus Sales Assistance Program may be completed. Please contact the PartnerWorld for Software Membership Centre at 800-426-1822 for assistance with this process.

To apply for the IBM and Lotus Sales Assistance Program, applicants must submit an application specifying the Product Categories for which they wish to be approved. The application, which must be submitted electronically, is available on the PartnerWorld for Software Web site: [www.ibm.com/partnerworld/software](http://www.ibm.com/partnerworld/software).

To initiate the IBM and Lotus Sales Assistance Program application process, the Business Partner must sign onto the PartnerWorld for Software Web site and bring up your company profile. On the left side of your PartnerWorld profile, one of the buttons is "Initiatives." Clicking on Initiatives will bring up a screen that has a number of program offerings. Click on the check box for "Apply to the Sales Assistance Program." This will add a new button to the banner called "Sales Assistance Program Information." Clicking on this new button will bring up the Application Form for ILSAP. Fill in the requested information as completely as possible. In the section entitled "Eligible Product Categories" you can select the categories that you would like to be approved. Highlight the first desired category from the drop-down list, and select "Hard Dollars" from the "Reimbursement Type" drop-down list. Repeat this request process for additional categories for which you have certifications.

While workstation categories are approved based on IBM PartnerWorld for Software Program certifications, the AS/400 and Host categories are approved based on customer references and education background. A Business Partner must submit the following for **each** of the categories that they are requesting:

- a) a list describing eight hours of education in this category over the last twelve months. This can be formal classes, self-study or attendance at technical conferences.
- b) a written reference for each category requested. This letter can be sent by e-mail to [nilowenb@us.ibm.com](mailto:nilowenb@us.ibm.com). It should specify the category the Business Partner influenced as well as the product within the category. The letter can cover more than one category. The customer supplying a written reference cannot be a verbal reference in the same category. A sample letter can be found in Section 1.3.5 Sample Customer Reference Letter / E-mail.
- c) two verbal references for each category requested. Each reference should be listed on the request for a category. A single customer can be a verbal reference for more than one category. In my conversation with that customer, I will discuss each category that is requested. Verbal references can also be sent by e-mail to [nilowenb@us.ibm.com](mailto:nilowenb@us.ibm.com).

A Business Contact for ILSAP must be selected for your firm. This can be done in the "Employee Information" section of your PartnerWorld record. Select the employee who is to be

designated at the main contact for ILSAP. This individual will receive all communications from the program. Go to the section entitled "Employee Access Roles" and scroll to the area called "Sales Assistance Program Roles." Highlight the "Business Contact" entry. The same process can be followed to designate a Secondary Business Contact and in choosing the contacts for PartnerRewards (soft dollars). When you have completed the application, press "Submit" to enter the information into the system.

IBM will verify that the applicant meets the requirements for each Product Category requested and will approve the applicant for those categories for which the requirements are met. There are two types of Product Categories:

- Product Categories for which there are approved IBM or Lotus Professional Certifications available, and
- Product Categories for which there are no approved IBM or Lotus Professional Certifications available

Entry criteria are specific to the type of Product Category and the type of Compensation.

The participant's company must also be in good standing with IBM, which includes passing an IBM Corporate Compliance check.

### 1.3.3 Product Category Eligibility

All Product Categories are in the Sales Assistant for Software, North American Exhibit (Z125-6261). Each participant's list of approved Product Categories is maintained in their Sales Assistant for Software Schedule (Z125-6171).

When changes are made to the Sales Assistant for Software Exhibit, program participants are notified on the PartnerWorld for Software Web site. These changes also appear on the IBM and Lotus Sales Assistance Web site. Programs withdrawn from the Sales Assistant for Software Exhibit are eligible for payment for up to six months from the date of their withdrawal, unless specified otherwise in writing.

#### 1.3.3.1 Eligibility for Fees

To be eligible for fees, the following criteria must be met for each requested Product Category:

- For Product Categories without approved certifications available:
  1. A history of excellent customer satisfaction as evidenced by at least three sales references, one written and two oral, attesting to the quality of the applicant's work, and their knowledge of the Programs for which they wish to earn Compensation; and

2. At least eight hours of approved education in that Product Category, or for Programs within that Product Category, during the past 12 months.

- For Product Categories with approved certifications available:

Certification, recognized by the IBM PartnerWorld for Software, for a Program in the Product Category .

#### 1.3.3.2 Eligibility for Expense Reimbursement / Business Development Funds

Eligibility for Expense Reimbursement / Business Development Funds only applies to IBM workstation Programs and Lotus products.

#### 1.3.3.3 Workstation Software Resellers Participation in the IBM and Lotus Sales Assistance Program

Workstation Software Resellers are not eligible for IBM and Lotus Sales Assistance Program Compensation for any workstation software .

#### 1.3.4 Adding Product Categories to a Schedule

Approvals for adding Product Categories to an existing Schedule are handled by the IBM and Lotus Sales Assistance Program staff. The program participant must request the new category by using the Web tool on the PartnerWorld for Software Web site. The new category must be selected from the drop-down list of “Eligible Product Categories” under the “Sales Assistance Program Information” tab.

The required reference (for non-certified categories) must be sent by the customer by e-mail to: nilowenb@us.ibm.com. If necessary, this written reference, on customer letterhead, can be sent by fax to Neil Lowenbraun at 914-642-5765 or by mail to:

IBM Corporation - IBM and Lotus Sales Assistance Program  
Attn: Neil Lowenbraun  
1133 Westchester Avenue  
MD 177 - TN807  
White Plains, NY 10604

The IBM and Lotus Sales Assistance Program staff will determine Product Category eligibility based on the criteria found in Sections 1.3.3.1 and 1.3.3.2. When additional Product Categories are to be added to the program participant’s Schedule, they become valid on the date the Categories were approved (Approval Date).

**Note: Transactions for software Programs in the newly added Product Categories that have an FDOC/proof-of-purchase date prior to the Approval Date are not eligible for Compensation.**



When additional Product Categories are added to a program participant's Schedule, the North American Program Management Staff will notify the Country Processing Center (CPC), the program participant's Schedule will be updated, and the program participant will be sent a new agreement that must be signed and returned to the CPC. In addition, the North American Program Management Staff will also notify the CPC if the Business Partner becomes eligible for Expense Reimbursement / Business Development Funds.

### 1.3.5 Sample Customer Reference Letter / E-mail

Following is a sample customer reference letter:

Please accept this letter as reference supporting the technical and sales capabilities of (Business Partner Name). (Business Partner Name) has assisted my firm, (Customer Name), in selecting and utilizing software products in our (AS/400, MVS, VM/VSE, Workstation, Lotus) environment.

The specific products that this Business Partner has addressed are:

(Category Name)	(Product Name)
(Category Name)	(Product Name)
(and so on)	(and so on)

(Business Partner Name) has participated in planning and decision making activities at (Customer Name) that have influenced the purchase of these software products and/or has expanded our understanding of the way these products fulfill our business needs. (Business Partner Name) has demonstrated the technical expertise and selling skills required by our business.

I strongly support the approval of (Business Partner Name) in the software categories listed above.

## 1.4 PROGRAM APPLICATION AND CONTRACT PROCESS

### 1.4.1 Applying for the IBM and Lotus Sales Assistance Program

To apply for participation in the IBM and Lotus Sales Assistance Program, PartnerWorld for Software members must electronically submit an IBM and Lotus Sales Assistance Program Application. See Section 1.3.2 for details on the application process.

If you have any questions or need help in applying to either PartnerWorld for Software or the IBM and Lotus Sales Assistance Program, you may call PartnerWorld at 1-800-IBM-1822 and ask for the Membership Centre.

#### 1.4.2 Contract Processing

Once an application is completed and approved, the Profile and Schedule information is forwarded by the North American Program Management Staff to the Country Processing Center (CPC) for contract package creation and distribution.

The CPC will send a copy of the IBM Business Partner Contracts to the program applicant for their signature (See Section 1.4.4, Contract Structure). Completed contracts should be returned to the CPC within 30 days for processing and filing.

When the completed contracts are received from the Business Partner, they are signed by CPC management. The CPC will send out a packet containing the signed contracts as well as a quick reference sheet that includes instructions on how to get a copy of the CPC Administration Guide, how to access the IBM and Lotus Sales Assistance Program Web site and the e-business Web Tool. This site allows you to access copies of the Exhibit, the Operations Guide, and the e-business Web Tool Users Guide.

Program participant Profile and Schedule information is loaded into the Business Partner Payment (BPP) system by the CPC when the signed contracts are returned. At that time, the CPC will send the North American Program Management Staff a copy of the Profile and Schedule and the newly assigned Application Specialist Identification (ASPID) number. The contract effective date is the first day of the month during which the signed contract is received by IBM.

If a Business Partner is approved for IBM and Lotus workstation products categories, the Business Partner is eligible to choose expense reimbursement under the PartnerRewards program. A welcome package detailing PartnerRewards for the IBM and Lotus Sales Assistance Program will be sent to the Business Partner several weeks after the signed contracts have been returned to IBM.

##### 1.4.2.1 Federal Certification Attachment

When a Business Partner applies for the IBM and Lotus Sales Assistance Program in the United States, the Business Partner must complete the IBM Business Partner Agreement - Federal Certification Attachment (Z125-5515) if they plan, now or in the future, to market in the United States to Federal Government accounts. Failure to complete the Federal Certification Attachment could result in the forfeiture of Sales Assistance Program Compensation for the Federal transaction(s).

#### 1.4.3 IBM PartnerWorld for Software Membership

The approved Business Partner firm must maintain their membership in the IBM PartnerWorld for Software. It is the North American Program Manager's responsibility to ensure that the program participant firms are also IBM PartnerWorld for Software members upon application to the program.

#### 1.4.4 Contract Structure

The IBM and Lotus Sales Assistance Program contracts are:

- IBM Business Partner Agreement - Basic General Terms (Z125-5803)
- IBM Business Partner Agreement - Federal Certification Attachment (Z125-5515)
- IBM Business Partner Agreement - Sales Assistant for Software Attachment (Z125-6168)
- IBM Business Partner Agreement - Sales Assistant for Software Profile (Z125-6169)
- IBM Business Partner Agreement - Sales Assistant for Software Schedule (Z125-6171)
- IBM Business Partner Agreement - Sales Assistant for Software, North American Exhibit (Z125-6261)
- IBM PartnerWorld for Software Agreement (PWBGT-01-00)

Additional Terms and Conditions, specific to Expense Reimbursement / Business Development Funds, are listed in the User Guide for Business Development Funds for the IBM and Lotus Sales Assistance Program.

#### 1.4.5 Contract Renewal

All signed and approved program contracts expire on December 31, 2001. Contract renewals are subject to the terms and conditions of the Year 2001 program.

### 1.5 OPPORTUNITY REGISTRATION

An active opportunity consists of two parts: 1) a customer profile, and 2) forecasted categories chosen from the IBM and Lotus Sales Assistance Program Exhibit. The customer profile defines the targeted prospect. The forecasted categories detail the software being proposed to the customer. An inactive opportunity consists of a customer profile only. In order to activate an opportunity, the opportunity must include at least one forecasted category.

#### 1.5.1 Submitting an Opportunity

The end result of the application process is the creation of an electronic profile that is unique for each Business Partner. The profile contains Business Partner identification information (such as firm name, firm address, contact individual, and phone number), the Product Categories approved for fees, and a template for opportunity registration.

Prior to the development of the current Web Tool, opportunity registration was accomplished using an electronic Project Form. This Project Form was submitted from the Sales Assistance

Program Web site. The e-business Web Tool permits a Business Partner to easily register prospects, keep track of the status of the opportunities they have entered and update those records as situations change. The electronic profile also provides a convenient vehicle to monitor forecast information for software sales.

Program participants must register their sales opportunities with IBM according to the following time frames. Opportunity registration is done using the e-business Web Tool.

- For S/390 software, the opportunity must be registered prior to the Order date;
- For AS/400 software, the opportunity must be registered at least 30 days prior to the First Date of Charge (FDOC);
- For IBM workstation and Lotus software, the opportunity must be registered at least 15 days prior to the date on the document submitted as proof-of-purchase.

For Workstation software, if the proof-of-purchase is an end-user invoice, the opportunity must be submitted 15 days prior to the end-user invoice date. If proof-of-purchase is a purchase order, the opportunity must be submitted 15 days prior to the date of the purchase order. If proof-of-purchase is a Passport Advantage Agreement number, the opportunity must be submitted 15 days prior to the sales order date.

Program participants are required to adhere to the above time frames for the initial opportunity at each customer. Additional categories can be added to an existing opportunity prior to the proof-of-purchase date of the software.

Opportunities will be accepted as soon as the IBM and Lotus Sales Assistance Program contracts have been signed by IBM. Opportunities submitted through the e-business Web Tool prior to the contract date will be pended until the contract is signed. If the products on the pended opportunity were billed prior to the contract date, the Business Partner is not eligible for Compensation.

The IBM and Lotus Sales Assistance Program requires IBM management approval for payment of fees when a Business Partner is planning to influence IBM System 390 Software at predetermined customer accounts. This approval must be secured at the time the Business Partner registers the opportunity.

### 1.5.2 Opportunity Processing

All Opportunities must be submitted through the e-business Web Tool. Upon receipt of an electronically submitted opportunity, the CPC will determine if the program participant answered "Yes" to the question "Does this opportunity include IBM workstation or Lotus software?" If the answer to this question is "Yes," the CPC will determine, to the best of their ability, if this opportunity qualifies for the Midmarket Compensation percentage. The CPC will update your opportunity within the Web Tool, confirming there whether the opportunity

qualifies for the Midmarket Compensation percentage. This process should be completed within 5 days of receipt through the e-business Web Tool.

All Opportunities that are submitted will receive a system generated confirmation number. Each time an opportunity is updated or additional categories are added to the opportunity, a new confirmation number will be generated. If one of the following situations occurs, the Web Tool will notify you that the opportunity will remain in pended status until all prerequisites are met:

1. The Business Partner is not a registered participant in the IBM and Lotus Sales Assistance Program
2. The total revenue listed on the opportunity is less than \$2,000 (U.S.), or \$3,000 (Canadian);
3. The end user requests rejection of the opportunity;
4. The opportunity contains no approved Product Categories for the Business Partner;
5. The opportunity is for a customer address outside the approved geographic boundaries of the program;
6. The Business Partner specifies that a special bid is in effect;
7. The program participants fail to meet responsibilities as stated in the Sales Assistant for Software Attachment at any time.

If more than one program participant submits an opportunity for the same customer and product category, each participant will be notified by e-mail that this opportunity has been registered by multiple program participants. This process will be done on a best effort basis. (See Section 1.7.2, Approving Payment Requests)

If a Business Partner registers an opportunity as part of an IBM Special Bid, the Business Partner is responsible for notifying the North American Program Management Staff to determine the appropriate Compensation. The Compensation must be approved by the North American Program Manager, who will then send payment authorization to the CPC. This payment authorization states the revenue basis for payment, Product Identification (PID) Number, and applicable Compensation percentage. It is the North American Program Management Staff's responsibility to notify the program participant of their Compensation associated with the Special Bid.

If the program participant is requesting fee (hard dollar) Compensation, upon receipt and acceptance of the opportunity, an e-mail will be sent to the customer by IBM. The e-mail describes the participant's expertise and their role in the sales opportunity. It notifies the end user that should they decide to purchase the recommended IBM or Lotus software Program, their approval by e-mail will be requested by the program participant or by IBM. (See Section 1.5.3, End-User Letter)

If the program participant is requesting expense reimbursement / Business Development Funds (soft dollars) Compensation only, no letter will be sent to the customer. (See Section 1.7.2, Approving Payment Requests) **The hard dollar/soft dollar designation for Compensation cannot be changed after the Opportunity has been submitted.**

It is most important that Business Partners marketing in the United States to the federal government properly identify federal opportunities (or those where the customer would be purchasing off a GSA contract) by answering “Yes” to the question “Is this customer a federal government agency, GSA customer, or state and local government?” on the Opportunity Registration so the proper letter can be sent to that customer.

### 1.5.3 End-User E-mail

Mr./Ms./So and So

Title, if known

Customer Company Name

Customer Address

Customer City, State & Zip Code

Dear Mr./Ms. So and So,

This letter is to inform you that <Business Partner name> is a member of the IBM and Lotus Sales Assistance Program, and as such, has demonstrated to IBM that they are a skilled software sales resource and are qualified to perform pre-sales activities as an IBM Business Partner. <Business Partner name> is working to identify your requirements and to make solution recommendations regarding the use of IBM software products in your organization.

If your firm decides to acquire IBM software as a result of these pre-sales activities, you will be asked to verify the influence and efforts of <Business Partner> through an IBM Sales Confirmation Form. This Sales Confirmation Form may be presented to you by <Business Partner>, in a hardcopy form or as an e-mail. Your participation and consideration in this process will help us to monitor and maintain the highest level of service and support, and your assistance is appreciated.

In this rapidly evolving and highly specialized marketplace, IBM relies on many Business Partners with a variety of skills in pre-sales, marketing, technical services, and product fulfillment areas. You, as the customer, are always free to choose the Business Partners and relationships in each of these areas that best meet the specific needs of your firm, and this does not change based on your signing the Sales Assistance Confirmation form.

Thank you for considering IBM software. If you require additional information, please contact <Business Partner name> at <Business Partner phone number>. If you have any further questions regarding this program, please contact < North American Program Manager’s Name>, North American Program Manager, at <phone number>.

Sincerely,

Manager responsible  
Manager's title

#### 1.5.4 Opportunity Expiration

A forecasted category will be deleted if no claim is made against it for a period of one year. If, at that time, no forecasted categories remain in effect for the Opportunity, that Opportunity will become Inactive. The customer profile section of the Opportunity will be archived for future use. The program participant will be notified by e-mail two months prior to an opportunity expiration and again one month prior to expiration.

#### 1.5.5 Opportunity Tracking

Opportunities can be tracked by Program Participants using the e-business Web Tool.

### 1.6 PROGRAM PARTICIPANT ACTIVITIES

#### 1.6.1 Leads

Program participants are expected to generate demand and to develop their own leads and prospects. However, IBM retains the option, at its discretion, to pass qualified or unqualified leads to the Business Partner.

Please note: The unauthorized use of Marketing Management System (MMS) reports or other similar data is grounds for termination of the Business Partner's Sales Assistant for Software contract.

The North American Program Management Staff will work with the IBM and Lotus Pillar and Product teams to make them aware of the specific software skills the IBM and Lotus Sales Assistance Program participants can contribute to their accounts.

#### 1.6.2 End-User Activities

Program participants must be customer-facing and are expected to lead the pre-sales activities at the account for the software Programs in the Product Categories for which they are approved and for which they have registered as opportunities. Program participants are expected to submit a written proposal to the end user for the software Programs for which they expect to receive Compensation. In addition, the end user may request the program participant do some or all of the following:

- perform end-user needs analysis and Program demonstrations
- provide consulting studies and proposals
- develop implementation plans
- lead customer pilot or prototype efforts



The program participant must also ensure that an implementation plan is in place. They are not required to provide any follow-on services or support, except as required by other IBM or Lotus relationships.

## 1.7 PAYMENT PROCESSING

### 1.7.1 Submitting Payment Requests

Once the end user has decided to acquire the IBM or Lotus software Program proposed by the program participant, a payment request must be completed and submitted to the CPC within four months of the FDOC (for S/390 and AS/400 software Programs), or within four months of the date on the document submitted as proof-of-purchase for IBM workstation or Lotus software Programs.

The payment request must be submitted electronically from the “Sales Assistance Program Information” section of the PartnerWorld for Software Web site.

Payment Requests will be accepted as soon as the Contracts for the IBM and Lotus Sales Assistance Program are accepted by IBM.

After the Contracts are accepted by IBM, payment will be made, provided a valid opportunity was filed according to the time frames listed in Section 1.5.1, the date is equal to or later than the application date, and all other program terms and conditions are met. For the program participant to qualify for hard dollar fees, verification of sales influence must be obtained from the customer. This verification can be made by the end user's concurrence of an e-mail generated by the e-business Web Tool.

When an opportunity becomes a phased installation, the customer concurrence is valid for twelve (12) months from the date of the approved payment request.

Payment Requests are complete if they have the software Program names, IBM and/or Lotus Program numbers, Product Category (as it appears in the participant's Schedule), customer company name and end-user contact name, address, and signature,\*\* in addition to the program participant's name, signature, and ASPID number (the IBM and Lotus Sales Assistance Program ID number).

**Transactions involving S/390 One Time Change products require the approval of an IBM software executive prior to payment.**

\*\* The customer employee who concurs with the Sales Assistance Confirmation e-mail must be a current employee of the customer and must be authorized to electronically sign the Sales Confirmation e-mail for the customer at the time it is received by IBM.

In the United States, Federal Government customers are not required to concur with a Sales Confirmation e-mail. In these cases, the Business Partner involved should include the e-mail address of the North American Program Manager in their Web Tool record and indicate the customer's name and phone number in the "Comment" section of that e-mail. The North American Program Manager will then call the customer and get a verbal confirmation of the program participant's role in selling the Program(s) to the customer. Once confirmation is received, an exception request will be approved and payment will be made without the signature of the customer.

The payment request for IBM S/390 and AS/400 software Programs require the IBM customer number (if sourced from IBM) and/or one of the following:

1. IBM software Program serial number and PID number; or
2. Machine type and hardware model number and the software Program purchase order (PO) number
3. For monthly license software Programs, indication whether it is a version-to-version upgrade or a new license. If not indicated, the payment will be processed as a version-to-version upgrade.

Payment requests for IBM workstation or Lotus software Programs require proof-of-purchase documentation to be submitted in conjunction with the payment request. Participants will be required to include the system generated confirmation number on their proof of purchase document, prior to sending it to the CPC. Passport Advantage transactions must be identified, and, if available, the Passport Advantage Agreement number should be supplied in the Comment Section of the Payment Request. Proof-of-purchase documentation consists of one of the following:

1. software Program serial number, or
2. software Program purchase order and hardware model number, or
3. a copy of the end-user invoice (prices may be removed prior to submittal), or
4. hardcopy of customer's purchase order (prices may be removed prior to submittal) (Electronic (EDI) documentation is not acceptable proof-of-purchase documentation).

Product information must be included with options 3 and 4 above, and may be either:

1. The seven-digit IBM Program number (for example, 580X-XXX) plus a feature number, or
2. The seven-digit IBM part number.

### 1.7.2 Approving Payment Requests

The CPC is responsible for processing all payment requests. The CPC payment process is:

1. Send an e-mail to the program participant acknowledging receipt of the Sales Assistance Confirmation e-mail within 10 days. If the program participant does not receive this confirmation, they should contact their customer service representative (CSR) at the CPC.
2. Check for a corresponding opportunity registration. If any of the following conditions exists, notify the program participant that they are not eligible for payment:
  - a. No corresponding opportunity on file
  - b. The corresponding opportunity was received in less than the time frames listed in Section 1.5.1 Submitting an Opportunity
  - c. The corresponding opportunity is invalid, expired or rejected
  - d. Customer requested that the opportunity be rejected
  - e. No completed Federal Certification Attachment exists (in the United States only, for federal government transactions)
  - f. No Customer signature and title.
3. Check for completeness and notify the program participant if any of the following occurs:
  - a. Signatures, signature dates, customer title, Program numbers, or Product Categories are missing;
  - b. Proof-of-purchase is required, and supplied, but none (or only some) of the Programs match those listed on the Payment Request;
  - c. Software Program serial numbers or machine type/model numbers and PO numbers for AS/400 and mainframe software Programs are missing;
  - d. No proof-of-purchase provided for IBM workstation or Lotus software Programs, or insufficient information provided to validate the sale;
  - e. For all IBM workstation or Lotus software Programs, determine if special bid pricing was offered and accepted. Review the Lotus Notes Contract Tracking Database to determine if a special bid notification was sent for the transaction(s). If special pricing was offered, obtain the adjusted Suggested Volume Price (SVP) from the database and update the Payment Request;

- f. For Passport Advantage software Program sales, ensure that the sale was made by checking the Lotus Notes Fastpass Database.
  - g. “Enterprise Account” opportunities or S/390 OTC transactions rejected by IBM software sales management.
4. When more than one Opportunity exists for the same sales prospect, payment eligibility must be determined. Once a payment request is received for an opportunity with more than one Opportunity Registration on file, the CPC will, on a best effort basis, hold the claim for 21 days past the Business Partner submission date to allow the other Business Partner(s) to submit their claims. In this type of situation, the four month submission rule does not apply. Once payment has been made, no additional Sales Assistance Program payments will be made. It is the responsibility of the Business Partner to keep track of when the sale closes. E-mails will continue to be sent to the Business Partners at Opportunity submission time for duplicate registrations.

There is a maximum of one IBM and Lotus Sales Assistance Program Compensation per Program PID number (for S/390 and AS/400 Programs) or per Program part number (for IBM workstation and Lotus Programs).

If more than one participant requests payment within the 21 day period, and the end user confirms that more than one participant influenced the sale, the Compensation will be split. Soft dollar rewards will be calculated and split the same way that hard dollar rewards are calculated and split. IBM reserves the right to contact the customer directly to verify a Business Partner’s involvement and influence in their account.

#### 1.7.2.1 Payment Eligibility

No IBM and Lotus Sales Assistance Program Compensation will be paid for programs sold in the United States to the Federal Government, or to a State or Local Government, by an IBM and Lotus Sales Assistance Program participant, where the IBM and Lotus Sales Assistance Program participant is also fulfilling the sale. Please see the Sales Assistant for Software, North American Exhibit (Z125-6261) for additional information on payment eligibility.

#### 1.7.3 Processing Payment Request

The CPC is responsible for calculating the appropriate Compensation based on the Sales Assistant for Software, North American Exhibit (Z125-6261).

##### 1.7.3.1 Payment Validation for AS/400,\* Mainframe, and RS/6000\* Software Programs

The CPC uses the information from the payment request to ensure that the software Programs are installed. The CPC uses IBM databases (such as INVREC, IINSTALL and MMS) and the software Program serial number or machine/model number and PO number to verify that the named Programs were ordered and installed.

The CPC Customer Service Representative (CSR) will enter the program participant ID (ASPID) and Program PID or Program Part Numbers into the Business Partner Payment (BPP) System. The BPP System automatically checks Schedule information to ensure that the program participant is approved to receive Compensation for the software Programs entered. If none of the Programs on the Payment Request are in Product Categories approved for that participant, the CPC will notify the program participant that their payment has been rejected and will explain the reason(s).

#### 1.7.3.2 Definition of New License vs. Upgrade License for S/390 Programs

A “new” license is the installation of a net new eligible license within the enterprise where it is not replacing a predecessor product or is not a newer or prior version of products installed on that processor. When a new processor or an additional software license is added to an existing parallel sysplex, “new” license fees do not apply for software products when a base license already exists in the parallel sysplex; however, “upgrade” fees will apply to these software licenses.

An “upgrade” license is the installation of an eligible new version of an already installed product within the enterprise where the license of the already installed product is anticipated to be discontinued. Upgrade fees are applicable if the software product being added to the existing parallel sysplex is a new version of a product already installed on the processor being added. Version to version fees do not apply if the new license is not the current version but is a prior version of a product installed on that processor.

If the installation of a license causes, within six months of its installation, the discontinuance of a license for a predecessor product or conversion to a Single Version Charge of a license for a predecessor product, within the enterprise, it is then considered an upgrade license.

A license is ineligible for any payment if the customer discontinues a license for the same version of the product on any processor in the enterprise within six months after its installation.

For aggregated PSLC software, the fee is based upon the incremental change in the list revenue for the license on the base box before and after its installation or if the same product was discontinued within the enterprise within six months prior to its installation.

For new IBM feature codes (excluding PSCL and Usage feature codes) added to AS/400 and S/390 Programs, a fee percentage is applied to the list price of the feature provided:

1. the Program appears in a Product Category for which you are authorized, and
2. both a valid Opportunity and a valid Payment Request are submitted.

License movements within an enterprise are not eligible for Compensation under any circumstances.

New versions of products can be determined from exhibit DAWN0040, which is available in the Business Partner Library in PartnerInfo. The document is in the Agreements Library.

### 1.7.3.3 Payment Validation for IBM Workstation and Lotus Software Programs

For IBM workstation and Lotus software Programs, the CPC will verify whether a special bid has been approved for this customer by using the Lotus Notes Contract Tracking Database. **No payment will be made for special bid opportunities unless approved in advance by the North American Program Manager.**

The CPC will then verify that the sale occurred. Passport Advantage sales will be verified by using the Lotus Notes Fastpass Database. Other IBM workstation and Lotus software Program sales will be verified by checking each Program listed on the payment request against a hardcopy purchase order or end-user invoice for Passport Advantage sales. The CPC will only approve payment for IBM workstation and Lotus Programs that have been verified.

The CPC CSR will enter the program participant's ID (ASPID number) and the appropriate Workstation or Lotus Product Category into the BPP System. The BPP System automatically checks Schedule information to ensure that the program participant is authorized to receive payment for the Product Categories entered. Some workstation Program numbers are not available to the BPP System. When the Program numbers are not available, the CPC uses a pre-assigned number for the appropriate Product Category.

If no Programs on the payment request are authorized for the program participant, the CPC will notify the program participant that their payment request has been rejected and will explain why.

#### 1.7.3.4 Payment Calculation

The CPC CSR will determine the appropriate Compensation for each of the Programs on the payment request form as indicated in the Sales Assistant for Software, North American Exhibit (Z125-6261).

##### **For companies operating in the United States:**

For IBM workstation and Lotus software Programs to be eligible, the software Program must be listed in the Sales Assistant for Software, North American Exhibit or in the Workstation Software Product Table (W1) of the Business Partner Exhibit, or if an equivalent is listed in the Passport Advantage Table.

##### **For companies operating in Canada:**

For IBM workstation and Lotus software Programs to be eligible, the software Program must be listed in the Sales Assistant for Software, North American Exhibit or in the Americas Price List, or if an equivalent is listed in the Passport Advantage Table.

#### 1.7.3.5 Releasing Payment

Once the payment request is approved, program participants requesting a fee (hard dollar rewards) will receive a check; and participants requesting expense reimbursement / Business Development Funds (soft dollar rewards) will receive credit to their business development fund account, hereafter called "Software Business Development Fund Account." These funds may be used for pre-approved sales, marketing, and business development expenses. For additional information on expense reimbursement / Business Development Funds, please click on "PartnerRewards - BDF" on the program Web site.

If a program participant has a question about the Compensation they have received, they should contact their CSR at the CPC, using the e-mail address or telephone number listed on their Business Detail Report, or by calling (800) 624-6875. The CSR will send a copy of the transaction detail to the program participant.

#### 1.7.3.6 Redemption of Soft Dollar Rewards

When the program participant wants to redeem the benefit of the soft dollar rewards earned, a redemption request (claim form) must be submitted along with documentation on the expenses incurred. Once this form is approved, a check will be mailed to the program participant, and a debit will be made to the program participant's Software Business Development Fund Account. Redemption requests must be submitted within four months after the year in which the rewards were earned. For additional information on expense reimbursement / Business Development Funds, please click on "PartnerRewards - BDF" on the program Web site.

#### 1.7.3.7 Recovering Fees for Returned Products

If a mainframe or AS/400 software Program is un-installed within three months, IBM will reclaim a prorated portion of the payment for MLC software Programs, and the entire payment for OTC software Programs. For IBM workstation or Lotus software Programs returned within the warranty period, the entire payment will be reclaimed by IBM.

#### 1.7.4 Compensation Payment Exceptions

In some instances, Compensation payment exceptions may be warranted. In all cases, requests for Compensation payment exceptions must be approved by the North American Program Manager in advance of any payment being made.

The following are the six most common instances where an IBM and Lotus Sales Assistance Program Compensation exception can occur. These, as well as all exceptions, should be submitted and approved prior to submission of the payment request.

##### 1.7.4.1 IBM Special Bid Pricing

If the payment request is for an opportunity that is sold to the customer by a special bid, it is the responsibility of the program participant to notify IBM prior to submitting the Sales Confirmation Form. When the CPC is processing a payment request with a special bid designation, the CSR will check their files to determine if an amount was pre-approved for the transaction. Such pre-approval would be in the form of a Lotus Note from the North American Program Manager or their designee. If this is not done, and approval is not obtained, no Compensation will be paid.

##### 1.7.4.2 Phased Installations:

An alternate way that processing can be handled is for the program participant to indicate on the payment request that the transaction is part of a phased installation. Then, as the latter phases of the software Program(s) are installed, the program participant files the first page of the original payment request, signed by the customer, and a new second page of the form indicating this phase's Programs in detail. Payment requests for phased installations are valid for twelve (12) months from the FDOC of the first Program installed, or from the date on the document submitted as proof-of-purchase for IBM workstation or Lotus software Programs.

##### 1.7.4.3 Opportunity Submissions:

As the verification of application information is a lengthy process, opportunities may be submitted along with an applicant's application, but not before. Opportunities submitted to IBM prior to the contract date will be held in a pended status until the contracts are accepted by IBM. After the contracts are accepted by IBM, opportunities will be recorded as of the original date that the opportunity was submitted. If the Programs on the pended opportunity bills prior to the contract date, the Business Partner is not eligible for Compensation.



#### 1.7.4.4 Active Sales Situations

When program participants are asked to engage in opportunities later during the selling process, a lower Compensation may be appropriate. This situation may occur when a client team or another Business Partner is already actively engaged with the customer on the specific opportunity and the program participant is brought in to help close the sale. In these situations, the program participant will be notified, and a lower fee may be negotiated.

#### 1.7.4.5 Special Emphasis Situations

Whenever IBM organizations want to place special emphasis on the sale of specific Programs and/or sales in specific geographies for program participants, the special Compensation associated with that emphasis program is the responsibility of the sponsoring organization. For example, the development division may want to supplement the Compensation for a specific software Program. Payments for the incremental amount should be processed at the national level using a check request and utilizing a charge code provided by the sponsoring organization.

#### 1.7.4.6 Fee Payment Over the Program Limit

There is a maximum per firm Compensation of \$40,000 (U.S.), or \$60,000 (Canadian), for the sale of a single new PID Program number (for S/390 and AS/400 Programs) or a single Program part number (for IBM workstation or Lotus Programs) per software serial number per transaction. If an exception to the program limit on Compensation is requested, additional documentation, testifying to the Business Partner's involvement and activities at the account, may be required to support the exception request. Payments of Compensation above the program limit are subject to IBM's approval.

### 1.8 EXCEPTION REQUEST PROCESS

#### 1.8.1 Exception Request Process Description

The Exception Request Process only applies to situations where an IBM and Lotus Sales Assistance Program participant is not able to meet the guidelines of the program due to unique circumstances. These situations include IBM errors, other extenuating circumstances caused by IBM, or unique situations which must be evaluated on their own merits. Exception Requests usually fall into one of the following five areas:

1. An opportunity is not received by IBM within the time frames specified in Section 1.5.1, Submitting an Opportunity
2. The end-user customer does not approve the Sales Confirmation e-mail confirming a Payment Request.

3. A Sales Confirmation e-mail was not received by IBM within 4 months of the First Date of Charge (FDOC) / proof-of-purchase date.
4. A Business Partner firm believes they deserve a fee in excess of the program limit.
5. Other (must be described in detail):

**Note:** No exceptions will be granted for situations that were not caused by an IBM error.

## 1.8.2 How to Submit an Exception Request

If you believe you have a situation that warrants submitting an Exception Request, Sign on to the program Web site, [www.ibm.com/software/partners/salesassistance](http://www.ibm.com/software/partners/salesassistance) and select “Exception Request” from the list of options on the left, and follow the directions.

## 1.9 MEASUREMENTS AND TRACKING

### 1.9.1 Revenue Reporting

Revenue influenced by and Compensation paid to IBM and Lotus Sales Assistance Program participants are reported quarterly to North American Software Channel Marketing. Reports are prepared and distributed two weeks after the close of the quarter, due to the lag time in updating the Application Specialist Program Activity (ASPACT) file in the Marketing Management System (MMS).

### 1.9.2 Program Participant Tracking

The North American Program Management Staff is responsible for tracking the progress of the program participants. They will review program participant attainment a minimum of twice each year.

### 1.9.3 Quarterly Audits

Selected IBM and Lotus Sales Assistance Program transactions will be audited on a quarterly basis. The audit will be conducted by the Finance organization staff and the CPC, and will take place approximately three months after the end of the quarter. IBM reserves the right to contact the customer directly to clarify or resolve any issues related to a participant’s claim. The North American Program Management Staff will be notified of any discrepancies, and they will work with the program participant to resolve all issues.

## 1.10 PROGRAM ENTITLEMENTS

### 1.10.1 Business Partner Emblem and Plaque

Program participant locations qualified for the Advanced and Premier levels of the IBM Business Partner - Software Program, are entitled to use the IBM Business Partner Emblem.

Qualified program participants will also receive the IBM Business Partner plaque for display in their office.

### 1.10.2 IBMLink Registration Procedure

As an IBM or Lotus Business Partner, IBM and Lotus Sales Assistance Program participants are authorized to have access to IBMLink. Program participants should contact the North American Program Management Staff to register for IBMLink access.

The process to register with IBMLink is set up so that the IBM and Lotus Sales Assistance Program Management Staff will gather the required information, then pass it on to the appropriate IBMLink Coordinator. This is essentially the same process an IBM Client Rep would use to get their customer number.

IBMLink Registration Process:

Obtain a valid Customer Master Record (CMR) number to be used for registering the company. The CMR number should belong to division 12 and one of the S&D Marketing Areas. If no CMR number in division 12 currently exists, the IBM and Lotus Sales Assistance Program Management Staff will need to contact the appropriate CSO organization responsible for their region/area and get a CMR number created. The IBM and Lotus Sales Assistance Program Management Staff will compile the following data and send it to the IBMLink Team at General Services at IBMUSM54 (ROBINGIP) for processing.

Required data includes:

- a) Company Name, Address, City, State/Province, Zip/Postal Code;
- b) Company Contact who will serve as the IBMLink Customer Service Administrator (CSA) -- name, address, phone number;
- c) If the company has their own IGN account and user ids, provide the specific id to be registered to the CSA. A LNK1 userid will be assigned if the company does not have their own IGN account;
- d) The number of users within the firm who will be given IBMLink access and that the firm is in the IBM and Lotus Sales Assistance Program.

The IBMLink Coordinator will verify that the CMR number provided does not currently exist in IBMLink with some other valid company type. If not, the IBMLink Coordinator will process the transaction and confirm completion to the IBM and Lotus Sales Assistance Program.

Within 48 hours of transaction completion, an IBMLink Welcome Packet will be mailed to the firm's IBMLink CSA. If an LNK1 ID was assigned, access information will be included.

### 1.10.3 IBM PartnerWorld for Software Membership Centre

As an IBM PartnerWorld for Software member, IBM and Lotus Sales Assistance Program participants have access to IBM PartnerWorld for Software member benefits, depending on the company's membership status. Additionally, program participants are eligible for tie-line numbers and Business Partner badge access to local IBM sales facilities as appropriate, as long as the program participants are not Systems Business Partners, in which case the terms and conditions of the Systems Business Partner's contracts prevail.

#### \* Trademarks

AIX, AS/400, BESTeam, IBMLink, MQSeries, PartnerWorld, RS/6000, and S/390 are registered trademarks of International Business Machines Corporation in the United States or other countries or both.

Lotus and Lotus Notes are registered trademarks of Lotus Development Corporation.

Windows is a trademark of Microsoft Corporation in the United States or other countries or both.

Other company, Program, product, and service names may be trademarks or service marks of others.