

Accelerating Success with IBM Software



Vincent Zandvliet
*Worldwide Vice President
Business Partner Sales
IBM Software Group*



Business Partner Roundtable

**Istanbul Turkey
February 14th, 2013**

Business Partners are key to our success

1. Business Partners
are a vital route to market

2. IBM continues to
increase investments in
Business Partners

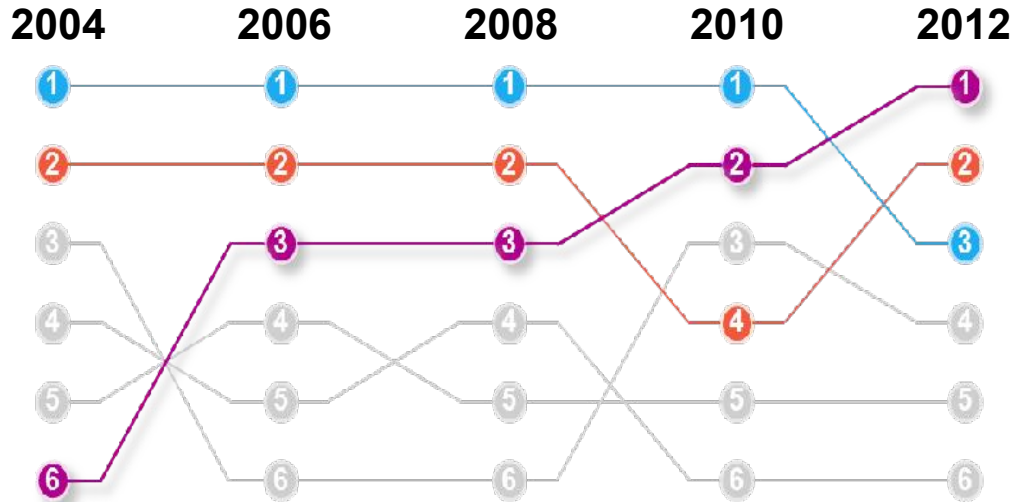
3. IBM Software Group and
Business Partners deliver
Superior Client Value



*“The bigger the ecosystem,
the bigger our business”*

*Steve Mills
IBM Senior VP and
Group Executive
Software & Systems*

Technology has never been more important to business leaders



Factors impacting organizations:

1. Technology factors
2. People skills
3. Market factors
4. Macro-economic factors
5. Regulatory concerns
6. Globalization

Source: IBM CEO Study 2012



“Survival skill 101 for the next five years will be deriving insight ahead of peers.”

CEO
Healthcare, Australia



“Simplification and standardization are key strategies that we have been using to reduce existing and future complexity.”

CEO
Consumer Packaged Goods, USA

IBM has a clear leadership agenda and roadmap for growth

New Markets, New Buyers:
Building **Higher Value** Businesses


Industry-aligned Solutions



- Smarter Analytics
- Smarter Commerce
- Social Business
- Smarter Cities

Enabling Client **Capabilities**:
Foundation of Innovation

Market-leading Platforms



- Big Data Analytics
- Cloud Computing
- Security Intelligence
- Mobile Enterprise

Systems with
Integrated Expertise

Expert Integrated Systems

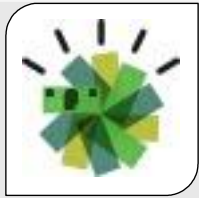


- Pure Systems
- PureFlex infrastructure
- PureApplication Platform
- PureData Data Platform (New)

IBM's software portfolio transformed...

...to meet clients' business and IT needs by industry & role

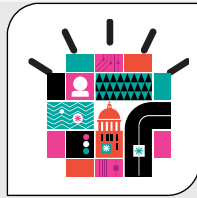
Industries



Banking



Energy



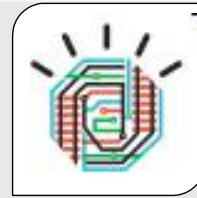
Government



Healthcare



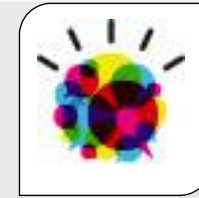
Education



Transportation



Retail



Communications

Functions & roles



Marketing
CMO



Finance
CFO



Human
resources CHRO



Supply chain
CSCO



Executive
CEO



IT
CIO

Business & IT need

Turn
information
into insights

Deepen
engagement with
customers,
partners and
employees

Enable
the agile
business

Deliver
enterprise
mobility

Accelerate
product and
service
innovation

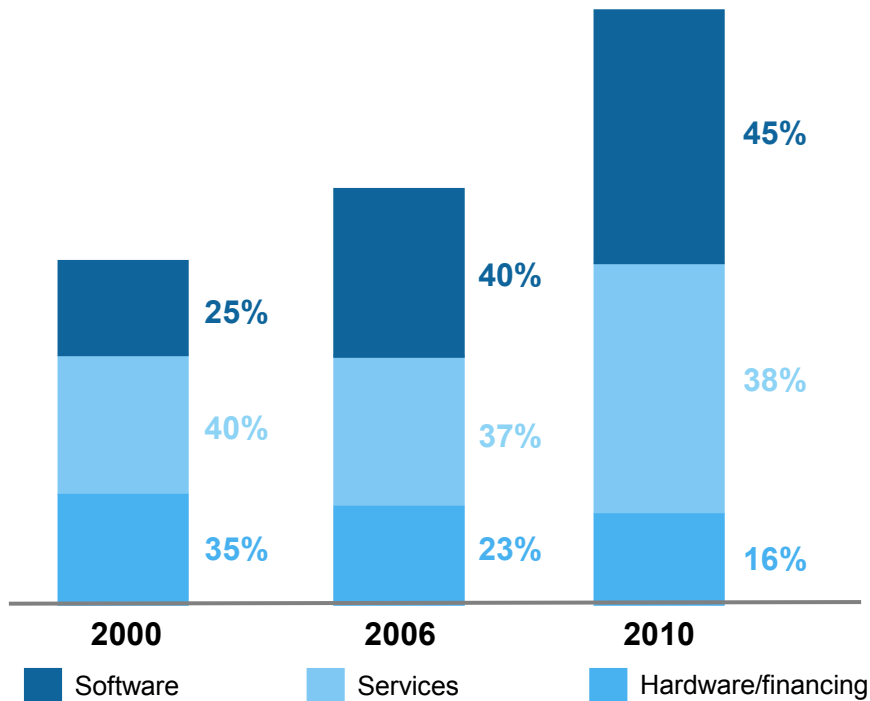
Optimize IT
and business
infrastructure

Manage risk,
security and
compliance

How is IBM software helping deliver better business outcomes?

Massive investments, leading innovations

A decade of growth, led by software



IBM investment has shifted the company toward software

- More than **US\$20 billion** in acquisitions and **US\$29 billion** in research and development (R&D) from 2000-2010
- **25+** software acquisitions since 2010
- Software is on-track to deliver **~50%** of IBM's segment profit by 2015
- Continued investment in high growth areas, including **Smarter Planet** industry solutions, **Business Analytics**, and **Cloud Computing**
- **40** innovations centers, **43** development labs, **35,000** developers, and **75,000** software Business Partners including ISVs, system integrators and resellers

IBM is investing in software and growing

Business know-how and technology innovation accelerate the journey



- **#1** in middleware market share
- Largest enterprise software company
- Software revenue has nearly **doubled** & profit more than **tripled** since 2000

Software Value Plus - Being Bold Wins the Game!



Partners that sell IBM Software report:

The **highest overall retained margins** for the resell of their primary brands

The components of **IBM's programs are greater accelerators to their business**

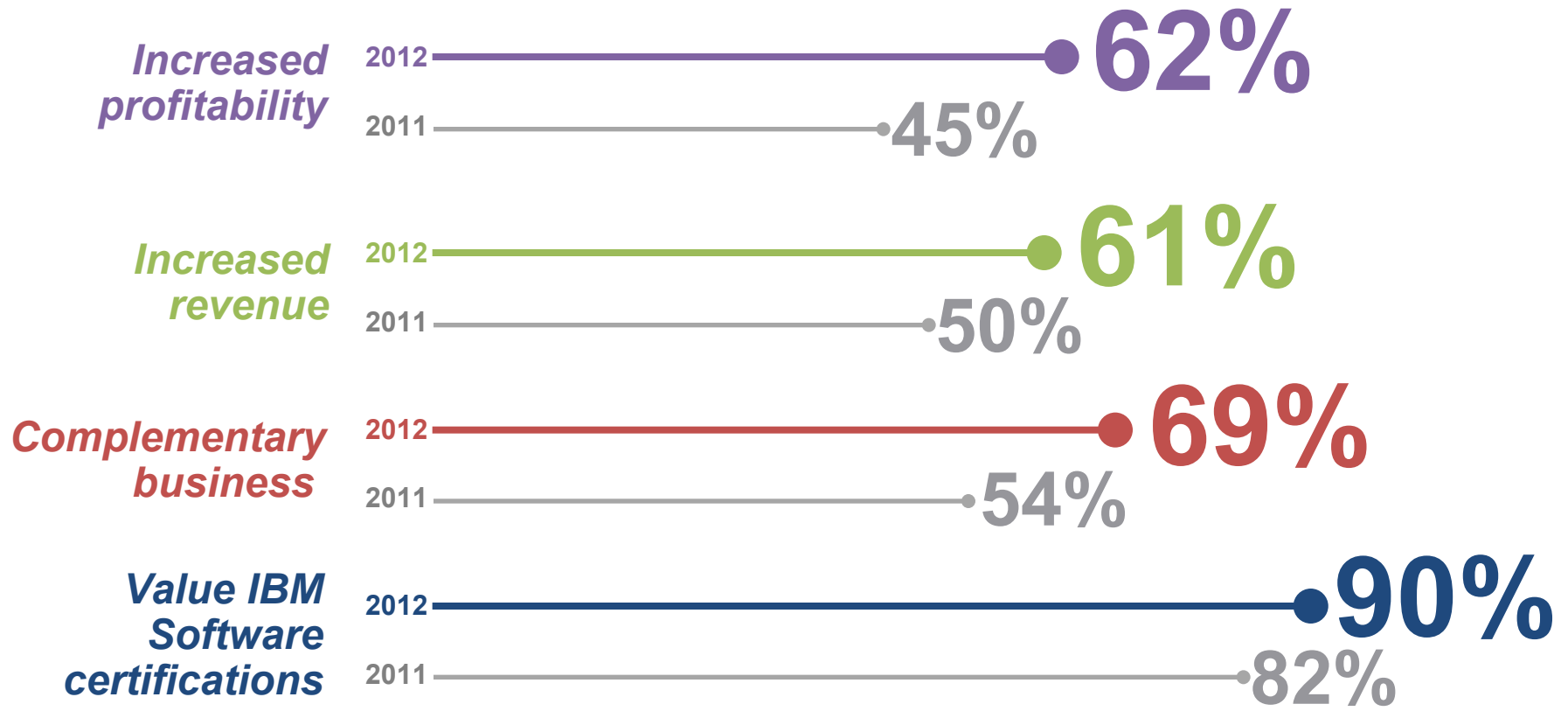
IDC Partner Profitability 2011 Study



Sources:
IDC Multi-Client Study, Partner Profitability 2011: Changing Business Models and Requirements in the Evolving IT Channel Ecosystem
1. Tied with partners who sell Dell Software
2. For 13 of 17 considered components IBM Market Insights, IDC, "WW Software Channel Forecaster, 2010-2015" May 2011

Motivate your business partners to get authorized

IBM SVP Business Partners report improvements on key business impact metrics over 2011 (% = BP response)



Our high value Business Partner strategy is working

Turn information into insights

Deepen engagement with customers, employees, and Business Partners

Enable agile business

Deliver Enterprise Mobility

Accelerate product and service innovation

Optimize IT and business infrastructures

Manage risk, security, and compliance

IBM Software Capabilities

Reach Broader Markets

Grow High Value Revenue

Embrace New Business Models

Simplifying your IBM experience

Core of our Strategy – BPs who deliver high value are...

Entrepreneurs

Open new markets and exploit a variety of business models

Self-sufficient

Create and progress leads; achieve high yield and customer satisfaction

Technically Skilled

Add value and innovation, with deep knowledge of offerings and SWG capabilities

Influential

Are trusted advisors to customers

...focused on customer outcomes & results!

Business partners grow solution sales and earn incentives with SVP Authorizations

14 SVP Industry Authorizations

Aerospace and Defense	Financial Markets	Media and Entertainment
Automotive	Energy and Utilities	Retail
Banking	Government	Telecommunications
Chemicals and Petroleum	Healthcare	Travel and Transportation
Electronics	Insurance	

11 SVP Capability Authorizations

Smarter Analytics for Big Data	Information Integration and Governance
Business Analytics	Security
Cloud Computing	Smarter Cities
Data Management	Smarter Commerce
Enterprise Content Management	Social Business
	Mobile Enterprise

The SVP
Opportunity Is
Growing



**Smarter Analytics
for Big Data**



**Mobile
Enterprise**



IBM Software Group Acquisitions

Enhance our growth strategy and accelerate growth

Turn information into insights



Deepen engagement with customers, partners and employees



B2B integration, supply chain management

Procurement and sourcing



Enterprise marketing management

Cloud-based analytics

Social enterprise management

Threat analytics

Enable agile business



BPM for LOB



Cloud integration

Deliver Enterprise Mobility



Mobile Application Development

Accelerate product and service innovation



Software testing for complex systems

Optimize IT and business infrastructures



Enterprise asset management



Network automation



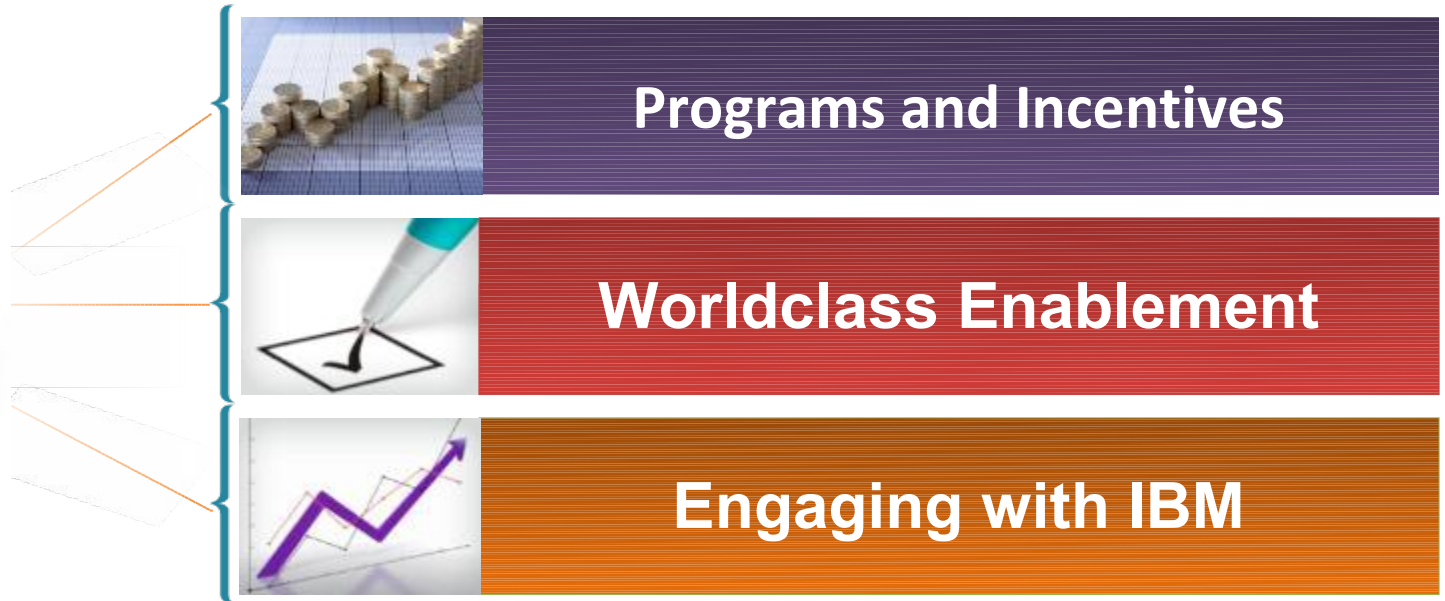
Endpoint management

Manage Risk, Security, and Compliance



Security intelligence

Key investments accelerate success in 2013



IBM's value-based software incentive offerings are exceptional

Software Value Incentive

Rewards certified product skills

● **5%-20%** in additional incentives

Software-as-Service for SVP Business Partners

Resell sales incentives for SVP Business Partners

● **20+%** Sales incentives in selected countries

Competitive Incentive

Displace Microsoft, Oracle, Sybase, HP

● **3%-20%** incremental payout for approved deals

Software Value Plus Solutions

Expanded! Rewards industry & capability authorization

● **20%-60%** earning opportunity

Renewal Value Incentive

New! Rewards value selling of renewals

● **+12%** average payout tiered by customer set



Rich rewards continue for selling IBM Software + IBM Hardware

IBM Solution Accelerator Incentive

- **Base Reward** for selling eligible IBM hardware and software together
 - Up to 5 points on hardware
 - Up to 10 points on POWER*
 - Up to 15 points on software
- **Solution Bonus Reward** for selling IBM pre-defined bundles
 - Up to an additional 10 points on software
- **Expanded Portfolio**
 - all new license Passport Advantage software products eligible in 2013**
- **Increased Claim Time**
 - from 30 days to 60 days

Available to
Distributors and Resellers

“ **The IBM Solution Accelerator Incentive** allows us to drive new growth and profitability from both Hardware and Software. It has the attention of our Hardware Sellers who now look for IBM Software opportunities, and our Software Sellers are asking about IBM Hardware and Storage opportunities. ”

Kelli Chastonay
Director Software & Services
Solutions, Software
Information Systems (SIS)



* Not applicable in China and some exclusions in Japan
** Does not include Appliances, SaaS or Renewals



IBM Renewal Value Incentive (RVI)

Incentive for Business Partners who sell Subscription & Support where the new license was originally sold with value (since Jan. 2008)

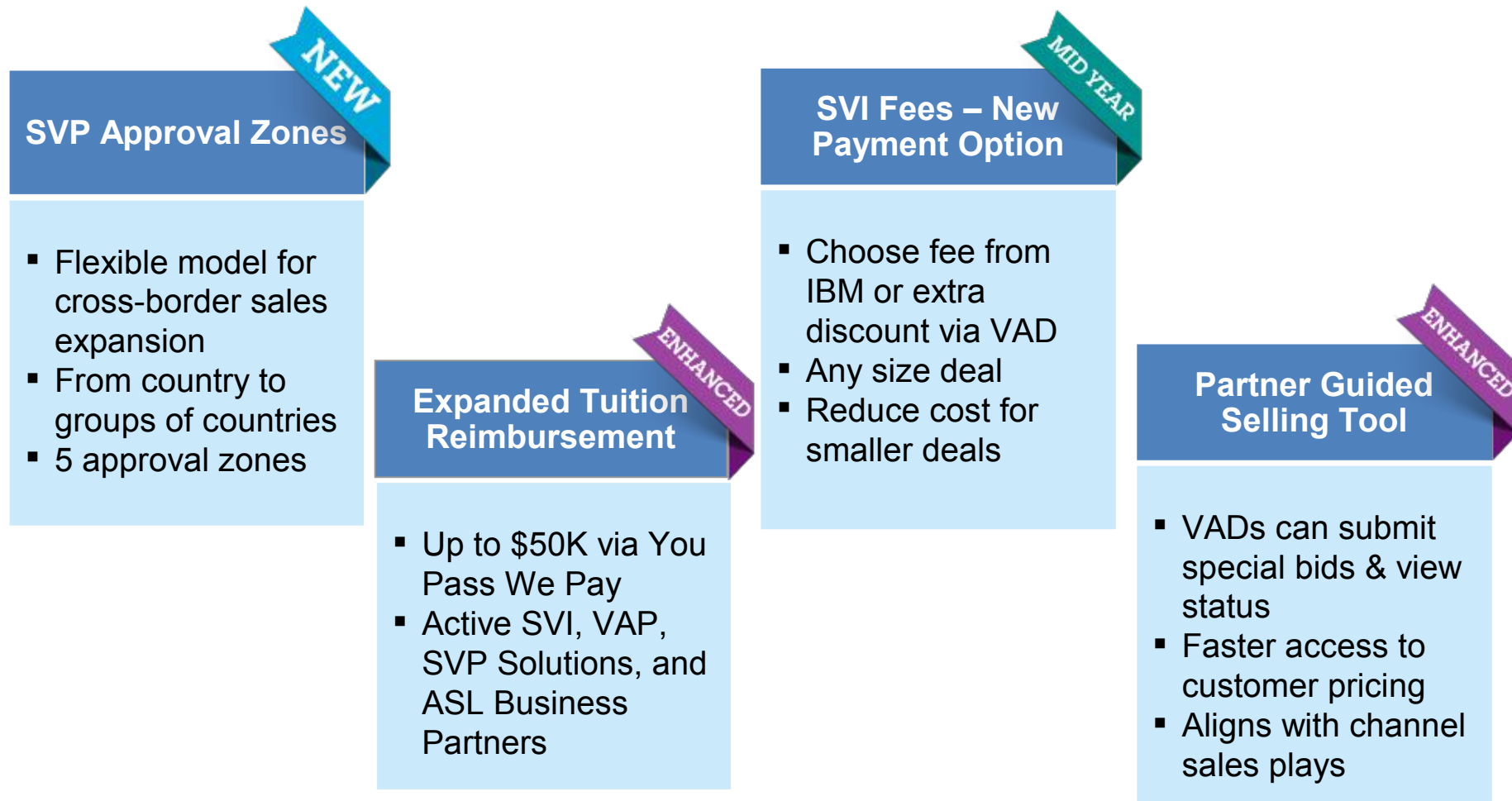
- **RVI** helps Business Partners:
 - Nurture ongoing customer relationships
 - Increase profit opportunities
 - Increase and win S&S renewal sales
- **Availability:**
 - USA and Canada on April 1, 2013 for renewals due May, 2013 and beyond
 - EMEA is targeted for 3Q 2013
 - RVI will be phased in thereafter for Asia Pacific, Latin America and Japan

“*IBM's SVP renewal value incentive program is another **example of IBM's commitment to skilled IBM Business Partners** making a business out of software resale. Not all vendors allow partners to resell maintenance and support renewals.*”

Darren Bibby
IDC Channels and
Alliances Research



A focus on continuous program simplification



40% of IBM SVP Business Partners see improvement in the ease of use of SVI*

IBM's software sales enablement delivery transformation

IBM and Business Partner Sales Enablement Content

PartnerWorld



Mobile



Classroom



Client Events



Demand Gen



Common IBM and BP assets delivered on multiple platforms

Learn. Prospect. Sell.

Find information quickly with the IBM Software Product and Capabilities Navigator



- Quick view of growing **IBM Software portfolio**
- Easy navigation of enablement assets
 - Product brand
 - Product capabilities
 - Previous product names
 - Acquisitions
- Desktop and mobile editions available



Desktop: www.ibm.com/partnerworld/productnavigator

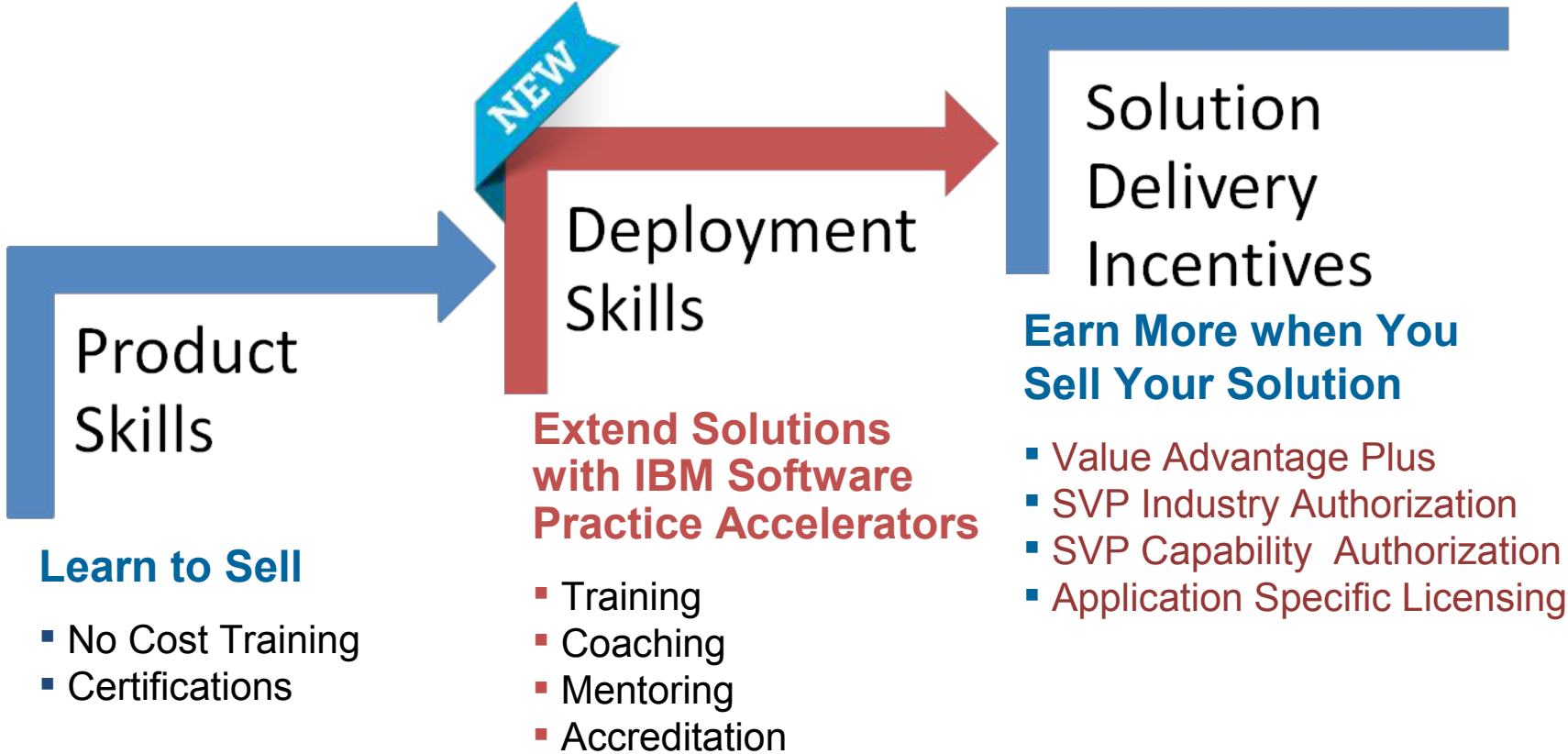
Mobile: www.ibm.com/partnerworld/mobile/productnavigator

“Wow! finally a tool which shows the **comprehensiveness of the IBM SW solution** and ties in the messaging. I have distributed to my team and we will be sharing with our Business Partners, excellent work.”

Ken Chester
 Manager, Meier Business Systems
 IBM Value Added Distributor, Australia



IBM Software products and solutions skills roadmap now expanded to accelerate success



Learn more — ibm.com/partnerworld/sw/practiceaccelerator

Engage locally with IBM Software Business Partner technical sales teams to build skills and accelerate growth

- **Technical Sales Assistance**
 - Help on 1st deals and new products
 - **Skills Development and Mentoring**
 - Latest product updates
 - Technical selling tools
 - Coaching and advice
 - **Solution Development**
 - Advice on new offerings and acquisitions
 - Access to training and migration offerings
 - **Lab Advocates link you to development teams**
-
- **Techline** configuration and sizing support

NEW



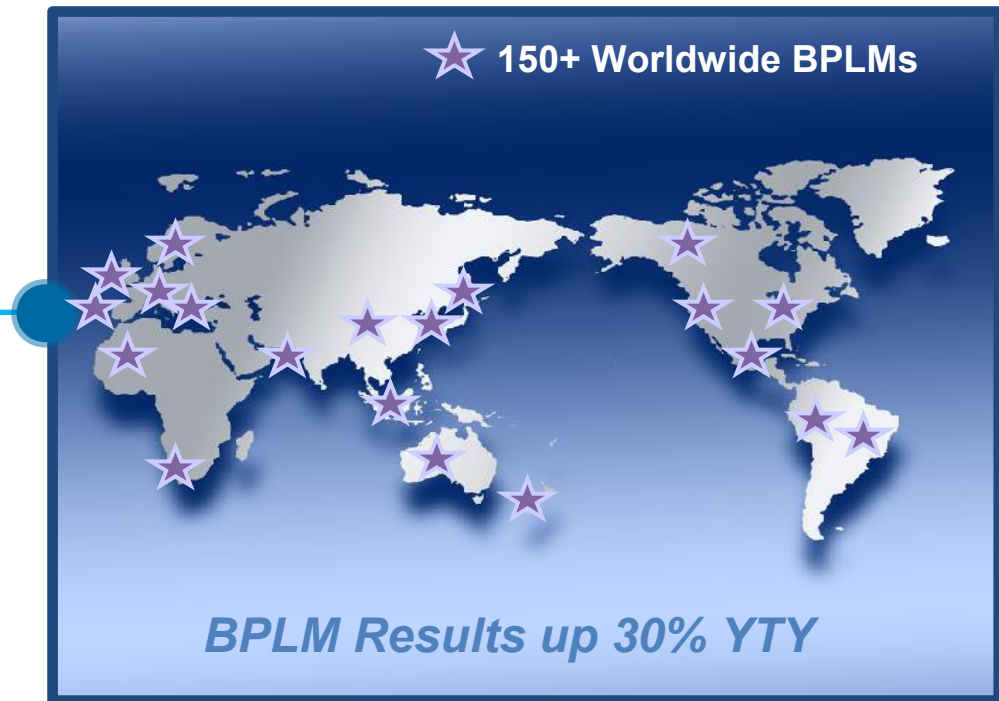
+300%

increase in technical sales
coverage since 2010

IBM Business Partner Led Territory Model (BPLM) growth

Defined IBM Software coverage territories where BPs are the lead route to market for IBM Software

- Earn more in select markets globally
 - Up to 15% incremental incentives
 - Priority co-marketing funds
 - IBM lead passing priority
- Grow business with targeted prospects
 - Product Groups
 - Geographic Territory
 - Customer Segment
- Simplified Enrollment
 - Reduced documentation and business plan
 - Online application 2H 2013



Software-as-a-Service models help you meet client needs

Capture the \$110B Cloud Opportunity

Application Service Provider

BP solution bundled with IBM software

IBM Primary Support Provider

BP custom solution built on IBM software

Business Partner Hosted Software as a Service

IBM Solution Provider

BPs “value add” with IBM-hosted SaaS

IBM Software as a Service

Managed Service Provider

BP managed service using IBM software

Know and access IBM PartnerWorld resources



Know your market

Grow Your Business Tool
IBM Business Partner Profitability Tool
Competitive Market Intelligence



Get enabled

IBM PartnerWorld Software Quick Start
Get skilled and certify
IBM Value Package
SaaS models webcast series
PureSystems Sellers Essentials



Drive demand

IBM Co Marketing Center
Ready to Execute Campaigns
IBM bCase Application on iTunes
Getting Started with Social Media



Sell and grow revenue

Sales Plays
Software as a Service, Application Specific License
IBM Software Story
Global Partner Portal
Incentives: SVI, VAP, Solution Accelerator Incentive

Team with IBM and encourage Business Partners to accelerate their success with...

1

Deeper skills

2

Expanded offerings

3

New opportunities

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