

SaaS Update for Business Partners

Madrid, 25 de noviembre Barcelona, 27 de noviembre

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IBM ISV & Developer Relations

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Agenda

- IBM ISV & Developer Relations
- SaaS update

New Monthly Rental Licensing model for SaaS

SaaS Community & Specialty

IBM & Amazon Web Services

SaaS Enablement Network

Tivoli Software for cloud

Going together



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Acercando la Innovación: Ecosistema Global de Partners

Junto con nuestra red mundial de Business Partners, estamos transformando la forma de operar de las empresas, colaborar e innovar.

- 40,000 ISVs Worldwide
- 50,000 Reseller Partners
- 29,000 Systems Integrators
- 13,000 Service Providers
- 1,300 VC- backed Partners



IBM Innovation Centers41 Globally Networked Locations

Results

Building skills - 838 workshops in 2007, with 11,859 attendees Building solutions - 7,572 technology enablements

Staff

Full Time IBM Technical Experts
Access to IBM Marketing and Sales teams

Laboratories

Latest IBM Hardware and Software and 3rd Party Tools

Classrooms

Technical Workshops and Seminars
Business seminars and collaboration events

Meeting rooms

Customer briefings
Sales closure meetings
Business Partner Demo rooms

Access

At the center
Remote Access via secure Virtual Private Network (VPN)

Americas (7)

- Austin
- Chicago
- Dallas
- •San Mateo
- •Sao Paulo
- Toronto
- •Waltham

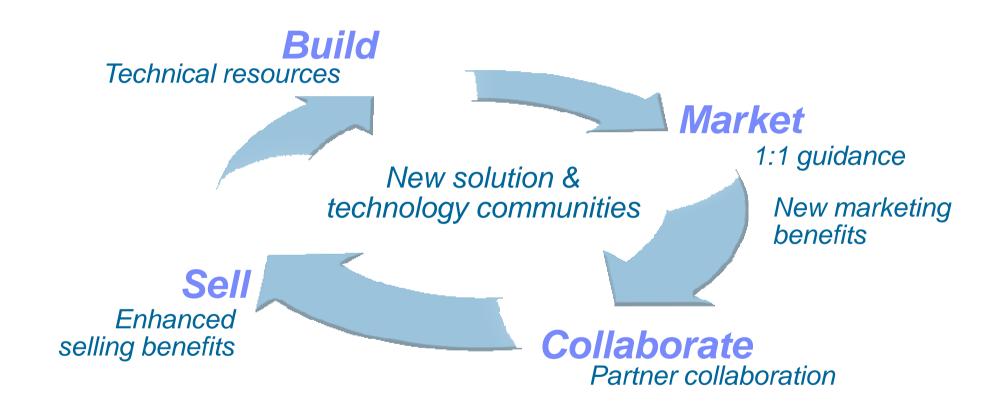
EMEA (28)

- Amsterdam
- •Barcelona
- •Berlin
- Bratislava
- Budapest
- •Casablanca
- •Copenhagen
- Dublin
- Düsseldorf
- Frankfurt
- Hamburg
- •Helsinki
- Hursley
- •Istanbul
- Johannesburg
- •Kiev
- •La Gaude
- •Milan
- Moscow
- •Munich
- •Oslo
- •Paris
- Petach-Tikva
- Prague
- Stockholm
- StuttgartWarsaw
- •Zurich

- •Bangalore
- •Kuala Lumpur
- Seoul
- Shanghai
- Sydney
- Tokyo



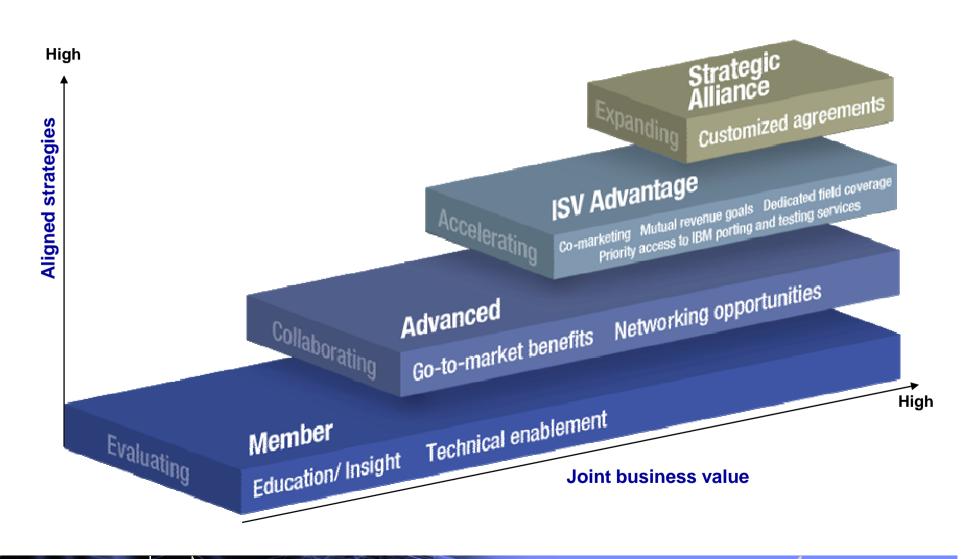
Our Mission: Support you in every business cycle phase





IBM Partnerworld: Cumulative benefits

As your relationship evolves, so do our programs





IBM Cloud Strategy

 Cloud Delivered Services to reach customers.

Examples:

- Information Protection Services
- LotusLive
- Lotus Sametime Unyte
- Rational AppScan
- BPM BlueWorks...and more to come...
- 3. Helps customer integrate Cloud Services into their business.
- Global Business Services practices for Salesforce.com and SuccessFactors.
- Rational tools for optimizing SaaS investments
- Tivoli Provisioning Manager
- Tivoli Service Automation





- Helps ISVs & developers to design, build, deliver and market Cloud and SaaS Services
- 200+ ISVs in SaaS Specialty
- 3,000 ISVs in SaaS Community
- Extensive SaaS enablement and go to market resources
- Amazon Web Services
- New SaaS adapted licensing models
- 4. Helps businesses to build their own private cloud environments.
- Computing on Demand Centers
- Cloud Consulting Services
- Cloud Implementation Services
- IBM CloudBurst
- Tivoli Software





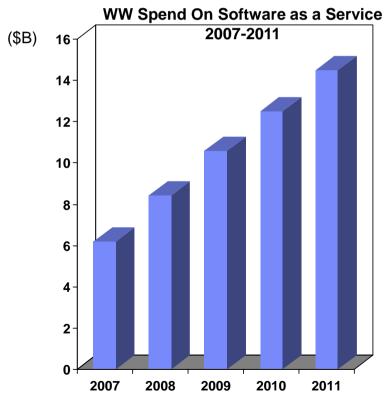
SaaS Momentum

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Software as a Service represents a significant market trend

Software as a Service is the delivery of application functionality via a subscription model over the Internet. The customer does not take ownership of the software but rather 'rents' a total solution that is delivered remotely.



Source: IDC, SaaS Market Opportunity, April 2008

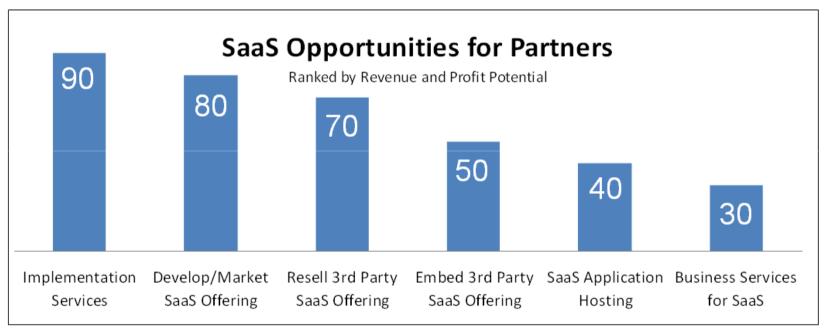
Software as a service (SaaS) represented approximately 5 percent of business software revenue in 2005 and, by 2011, 25% of new business software will be delivered as SaaS

SaaS will account for more than 15% of the enterprise software applications market in Asia Pacific by 2010 reaching \$1.16 billion.

Deutsche Bank projected that the SaaS market will account for half of the application software spend, or \$30 billion, by 2013. Web GlobalNet, SaaS Market Place to Grow,



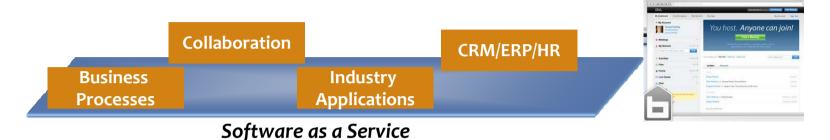
SaaS Opportunities for Partners

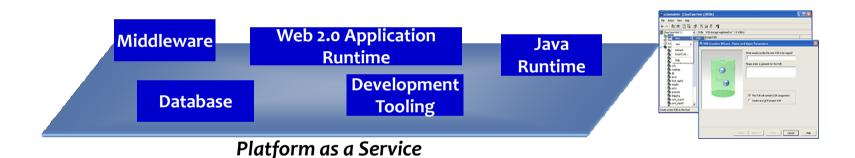


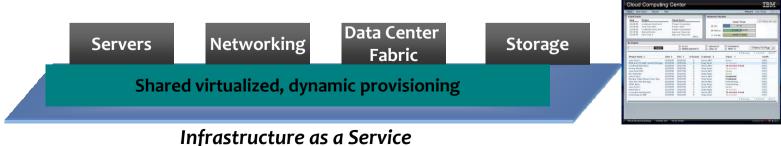
Source: Blended 'attractiveness' rating scale, combining both Revenue and Profit opportunity factors, developed by IBM based on an IDC study



Service Levels in Cloud









SaaS Monthly Rental Licensing Model



Contract Types used with SaaS Business Partners

Contract Type	ASL/OEM Purchase Commit TD	ASL/OEM Earned Discount TD	ASL/OEM Monthly Rental Software as a	IBM-Based AMIs on aws.amazon.c	ASL/OEM VAD TD w/ ASP terms &	Passport Advantage with xSP
Pricing	with ASP Amendment OTC	with ASP Amendment OTC	Service TD Special Bid	om/ibm AWS Hourly	Enrollment form + terms VAD sets the	Attachment PA OTC
with Discount	with Purchase Commit Discount	with Earned Discount	with Monthly Rental Discount	Pricing English only	price	with RSVP Discount Schedule
Value Proposition	Deepest discount resulting in lowest TCO	Deep discount resulting in low TCO	Align expense with monthly revenue	Develop, test, demo and deploy in AWS public cloud	VAD sells to PartnerWorld ISV	Available to both Customer and BPs.

5 ____ © 2009 IBM Corporation



Monthly Rental SaaS Model

Today's focus is on the Business Model

SaaS Solutions:

- Member of PartnerWorld
- Value-added solution
- Delivered over the internet

Business Model:

- Aligns BP's expense with revenue
- Rent IBM software
- Pay IBM monthly



Monthly Rental SaaS Model

What is the Value of Monthly Rental SaaS Model?

Mitigate Risk:

- Contract is for 1 year term (can be longer)
- Can renew or change at end of term
- Breakeven to OTC is 3 years

Align Expense with Revenue:

- Pay monthly in arrears based on usage
- with Revenue: Rent software, no perpetual entitlement
 - Variable or committed model



Monthly Rental SaaS Model

Allows SaaS BP to pay monthly based on usage.

Two models available

1. Variable.

- True pay as you go. No minimum commits each month. Offers most flexibility where usage is unknown.
- Best for start-up ISVs or ISVs where usage can be zero in some months.

2. Committed

- ISVs commit to a base level of usage with the ability to pay for incremental monthly usage peaks on a variable basis.
- Best for mid-sized and larger ISVs with some consistent base level of usage.
- ISVs pay a discounted rate for both their committed usage and their variable usage –
 no increased rate for variable. The higher the committed rate the higher the discount.



Monthly Rental SaaS TD model: T&C examples

- Restricted Use license may only be used in conjunction with your 'Value-Add' component that is delivered over the Internet
- Your SaaS Solution must be a "hosted" arrangement, not for use with on premises deployments of Solution
- You provide Level 1/2 support
- Monthly Rental Transaction Document (provides for one month use of license, no perpetual entitlement)
- You must be sufficiently licensed to cover all customers and/or peak usage in a month.
- May not be combined with other volume pricing discounts
- No OTC conversion credit available

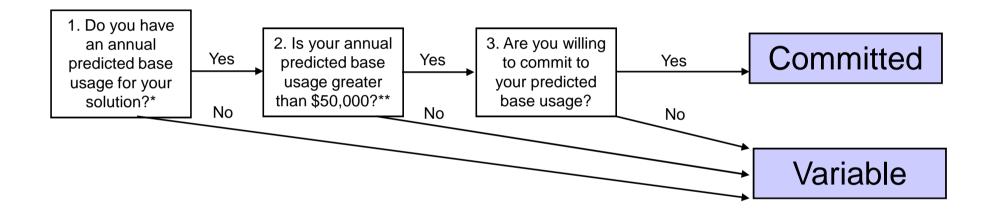


Backup foils for Monthly Rental licensing

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Which model is right for you?



^{*} Annual predicted base usage is the size of infrastructure (measured in Processor Value Units) that you would expect to require for the majority of months over the next year.

^{**} Calculate Annual Term License by multiplying the number of Processor Value Units by the Standard Retail Price (SRP) on Passport Advantage, multiply by 1.4 and then divide by 3. e.g. If SRP = \$100, then Annual Term = \$100*1.4/3 = \$46.66 *Illustration only*



Scenario 1 – 1000 units (illustrative only)

Partner predicts they need 1000 units per month of product 'ABC123' for contract term

• **Step 1** - multiply the Annual Term License Base List Price by # of required units \$46.67 x 1000 units = **\$46,670** (Annual Amount @ SRP).

As Annual Term less than \$50K, only variable model is available.

- Step 2 determine the qualified discount based on the annual commitment level from Step 1 above.
 \$50K = Monthly Rental Discount of 37%
- **Step 3** Apply the qualified discount (37%) to the Monthly Rental License Fixed Base List Price \$46,670/12 = \$3,889 x (1-37%) = \$2,450 (Monthly Rental Net Price)
- Step 4 Apply 50% premium for variable usage
 \$2,450 x 1.5 = \$3,675 per month

This is the variable rate the partner will pay for each 1000 units.

Illustration only	Yr 1	Yr 2	Yr 3
SRP per unit	\$100	\$20	\$20
Annual Term per unit	\$46.67	\$46.67	\$46.67
Volume	1000	1000	1000
Annual Base Price	\$46,670	\$46,670	\$46,670
Monthly Rental Term Commit Usage (Divide by 12 * 1-37%)	\$2,450	\$2,450	\$2,450
Monthly Rental Term Variable Usage Includes 50% premium	\$3,675	\$3,675	\$3,675



Scenario 2 – 1500 units (illustrative only)

Partner predicts they need 1500 units per month of product 'ABC123' for contract term

• **Step 1** - multiply the Annual Term License Base List Price by # of required units \$46.67 x 1500 units = **\$70,005** (Annual Amount @ SRP).

As Annual Term is greater than \$50K, commit and variable models are available.

- Step 2 determine the qualified discount based on the annual commitment level from Step 1 above.
 \$50K-\$100K = Monthly Rental Discount of 37%
- Step 3 Apply the qualified discount (37%) to the Monthly Rental License Fixed Base List Price.
 \$70,005/12 = \$5,834 x (1-37%) = \$3,675 per month (Monthly Rental Term Commit)
- Step 4 Apply 50% premium for variable usage

$$$3,675 \times 1.5 = $5,513 \text{ per month}$$

If partner is willing to commit for 1500 units per month for 12 months they will be charged \$3,675 per month. Incremental variable usage above 1500 units will also be charged at this rate.

If partner is not willing to commit, they pay the variable rate of \$5,513 per month.

Illustration only	Yr 1	Yr 2	Yr 3
SRP per unit	\$100	\$20	\$20
Annual Term per unit	\$46.67	\$46.67	\$46.67
Volume	1500	1500	1500
Annual Base Price	\$70,005	\$70,005	\$70,005
Monthly Rental Term Commit Usage (Divide by 12 * 1-37%)	\$3,675	\$3,675	\$3,675
Monthly Rental Term Variable Usage Includes 50% premium	\$5,513	\$5,513	\$5,513



IBM Partnerworld SaaS Specialty and Community



Software as a Service Ecosystem

Launch and Sell

220+ partners

IBM SaaS Specialty

Requirements:

- PartnerWorld Advanced Member
- Use 2 IBM offerings: hosting, h/w, m/w

Awareness

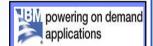
- Customer Success Stories
- Partner Podcast
- Solution Demo

Demand Generation

- SaaS Marketing Consultants
- SaaS Showcase Listing
- SaaS Campaign Designer

Branding

 Powering on Demand applications Logo



Learn and Build



IBM SaaS Community

Requirements:

- PartnerWorld Member
- SaaS Interest Selected

Research

- Whitepapers
- Podcasts
- Access to Blogs
- Market News

Technical Enablement

- SaaS "sandbox" VLP
- Free consulting on SaaS
- Consulting support
- Free/Low-cost Software

Collaboration

- Newsletter
- Connection Events
- Value Net creation
- SaaSpace.com



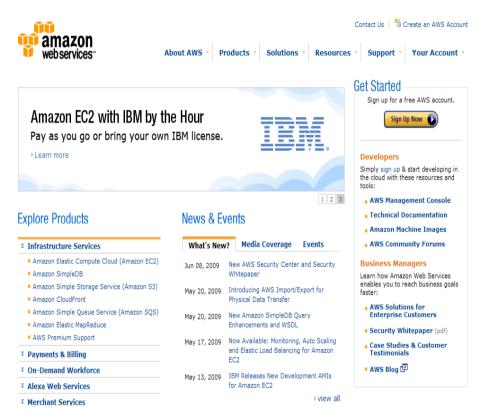
Amazon Web Services and IBM



¿Qué es Amazon Web Services?



- Lanzado en 2006 para aprovechar el exceso de capacidad de su negocio principal
 - Amazon Web Services es una subsidiarias de Amazon.com
- Servicios básicos de AWS:
 - Elastic Compute Cloud (EC2). Entorno de ejecución bajo demanda. Cinco configuraciones a partir de 10 c\$/hora.
 - Simple Storage Service (S3).
 Almacenamiento bajo demanda. A partir de 0.15c\$/GB/Month
- 400,000 desarrolladores utilizan AWS creciendo a un ritmo de 10.000 por mes.
- AWS Key 2008 Developments
 - Disponibilidad de Premium Support y SLA (garantía de disponibilidad 99.95%)
 - Soporte por zonas horarias.
 - Support adicional para windows (con suplemento)



http://aws.amazon.com/



¿Qué anunciamos?

- Establecimiento de una relación entre IBM y AWS
- 2. Disponibilidad de Amazon Machine Instances (AMIs) sin costes para el desarrollo y testeo de aplicaciones comerciales en Amazon's Elastic Compute Cloud (EC2)
 - Las AMIs son imagénes preconfiguradas de sistema operativo y middleware.
 - AMIs disponibles con: DB2, IDS, WebSphere sMash, WebSphere Portal Server y Lotus Web Content Management
- 3. Modelo de licenciamiento para desplegar software IBM en Amazon's EC2. Aplica a todos los productos de software de IBM bajo modelo PVU.
- Próxima disponibilidad de un nuevo servicio AWS: AMIs de pago para desarrollo y entorno de producción.
- 5. Las AMIs de pago incluirán el stack completo con IBM software, Novell SUSE, y la infrastructura de EC2 con un precio por hora/instancia.
- Lanzamiento de Cloud Central en developerWorks



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Press releases
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IBM to Deliver Software via Cloud Computing With Amazon Web Services

- ♣ Press release
 ♣ Contact(s) information
- ARMONK, NY 11 Feb 2009: IBM (NYSE: IBM) today announced a new agreement with Amazon Web Services (AWS), a subsidiary of Amazon.com, Inc., to deliver IBM's market leading software to clients and developers. The new "pay-as-you-go" model provides clients with access to development and production instances of IBM DB2, Informix Dynamic Server, WebSphere Portal, Lotus Web Content Management, WebSphere sMash and Novell's SUSE Linux operating system software in the Amazon Elastic Compute Cloud (Amazon EC2) environment, providing a comprehensive portfolio of products available on AWS.

Businesses today are looking for ways to quickly build, deploy and take advantage of the flexibility that cloud computing environments can bring. This is challenging for organizations that are constrained by limited resources, technical skills and capital, as they look to their IT infrastructure to help them gain a competitive advantage. IBM and Amazon Web Services are helping to address these challenges by making it easier for software developers to build solutions based on open standards and backed up by the necessary technical resources to help simplify the process.

Effective immediately, IBM is making available new Amazon Machine Images (AMIs) at no charge for development and test purposes, enabling software developers to quickly build preproduction applications based on IBM software within Amazon EC2. The new portfolio will over time extend to include Service Management capabilities from IBM Tivoli software for Amazon EC2 to help clients better control and automate their dynamic infrastructures in the cloud.

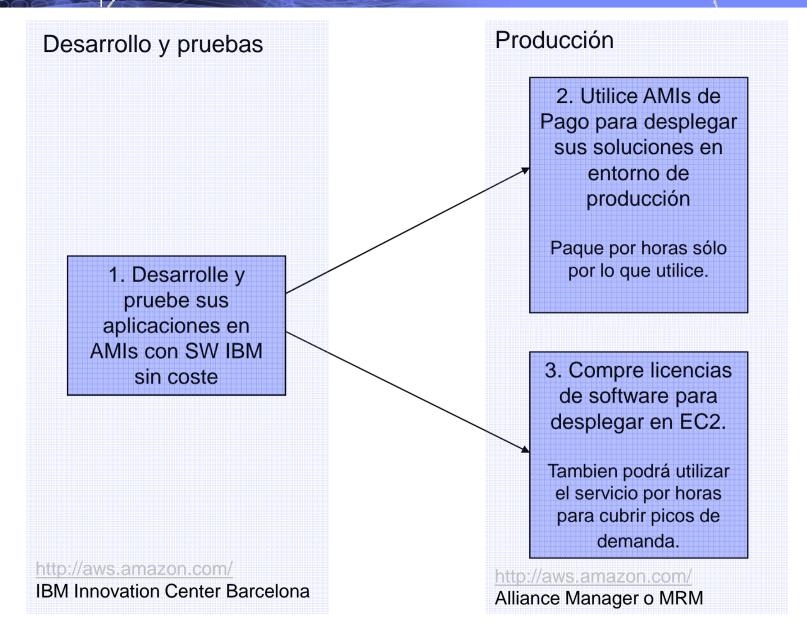
The IBM software images for full production running in Amazon EC2 will be launched in beta in the coming months, with pricing to be announced. All developers and customers will have the operational capability to run development and production instances of IBM software for an hourly price per instance.

Additionally, customers will also be able to run their already-purchased IBM software on Amazon EC2.

"IBM is offering yet another way for our partners and customers to build solutions that can help them meet their business goals," said Dave Mitchell, Director of Strategy and Emerging Business, IBM Software Group. "This relationship with Amazon Web Services provides our customers with a new way to use IBM software and broadens our distribution channels."

External: http://www-03.ibm.com/press/us/en/pressrelease/26673.wss







Backup foils for AWS



¿Cual es el valor de AWS?

- ▶ IBM y Amazon Web Services proporcionan a nuestros partners y clientes con nuevas opciones para el despligue del software.
- ▶ Los desarrolladores de soluciones pueden disponer de capacidad de proceso para test y desarrollo puesta a punto en minutos, sin coste y que facilitt la puesta en producción.
- ▶ 2 opciones para entornos de producción:
 - AMIs de Pago: Módelo "Pay as you go". Simplemente pague por lo que utilice por el tiempo que lo utilice. Un único precio por hora que incluye: infrastructura, sistema operativo y software.
 - Compra de licencias de software para ser desplegadas en EC2. Las licencias serán portables, por lo que se pueden utilizar en otros entornos de hosting.
- ► Recuerde: Las AMIs de desarrollo (sin coste) y el modelo de licenciamiento para despliegue ya estan disponibles. Las AMIs de pago estarán disponibles en breve. 2009



developerWorks Cloud computing resources

developerWorks Cloud space

- Provides a single place to get access to videos, forums and many other resources around cloud computing.
- ► Links to development AMIs, demos and supporting collateral.
- Links to other IBM cloud resources and IBM SaaS Partner Program

www.ibm.com/developerworks/spaces/cloud

developerWorks technical content about Cloud computing

 Cloud computing downloads on developerWorks http://www.ibm.com/developerworks/downloads/cloud.html

developerWorks Technical Library:

http://www.ibm.com/developerworks/search/searchResults.jsp ?searchType=1&searchSite=dW&searchScope=dW&query=clo ud+computing&Search=Search

IBM EC2 AMI Frequently Asked Questions (FAQs)

http://www.ibm.com/developerworks/downloads/faq-ec2/faq-ec2.html





IBM SaaS Enablement Network

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SaaS Vendors Require Flexible Hosting Services

Majority of SaaS software vendors (ISVs) want co-Location or partially managed services.

- Ping (Repetitive test for Server Response)
- Power Electricity
- Pipe Internet connectivity

- Facilities Services
- Network Services
- Server Services
- Storage & Backup Services
- Security Services

- Monitoring Services
- Performance Services
- Support Services
- Professional Services
- Application Support Services
- Helpdesk

Co-Location

Partially Managed Fully Managed

Application Services

SaaS Enablement Network



The IBM SaaS Enablement Network

Objectives

- Become the market leading hardware and software delivery platform for SaaS
- Increase ISV options for SaaS delivery platform through channel partners

Benefits for Enablement Providers

- Enablement Provider marketing through SaaSpace.com & applicable IBM collateral.
- Inclusion in SaaS Enablement Network.
- Ongoing communications about data center products and pilots
- Access to IBM SaaS technical enablement tools and resources

Enablement Partner Criteria

- Member of IBM PW
- Sign-up for SaaS community & SaaSpace
- Have an established data center with industry certification
- Signed teaming agreement
 - Recommendation of IBM Hardware & Support of IBM middleware to SaaS ISVs
 - Provide 1 SaaS Specialty ISV nominations per quarter

Execution

Directory Approach

- Website listing of hosting providers indexed by geography & capability
- ► ISVs can view detailed information & contact enablement partner directly



Pick me!

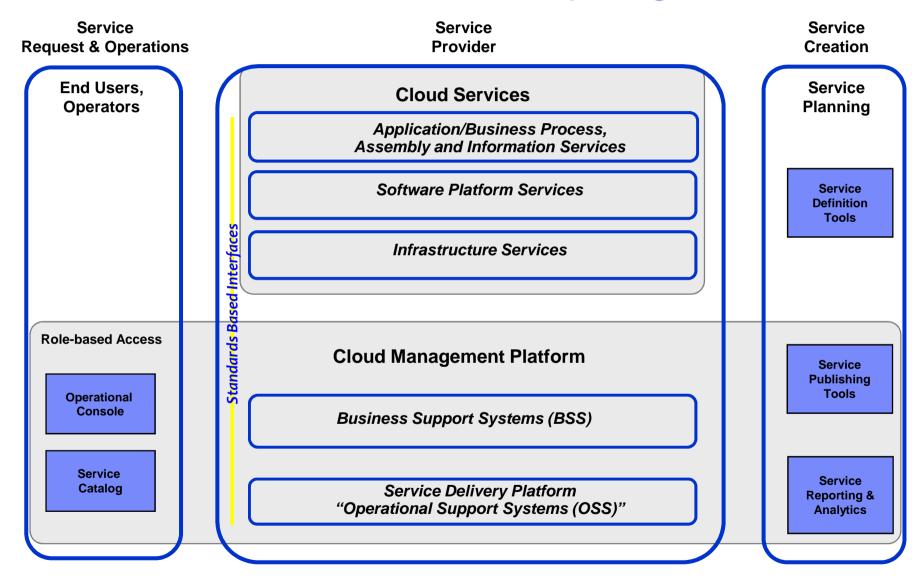


IBM Tivoli Software for Cloud

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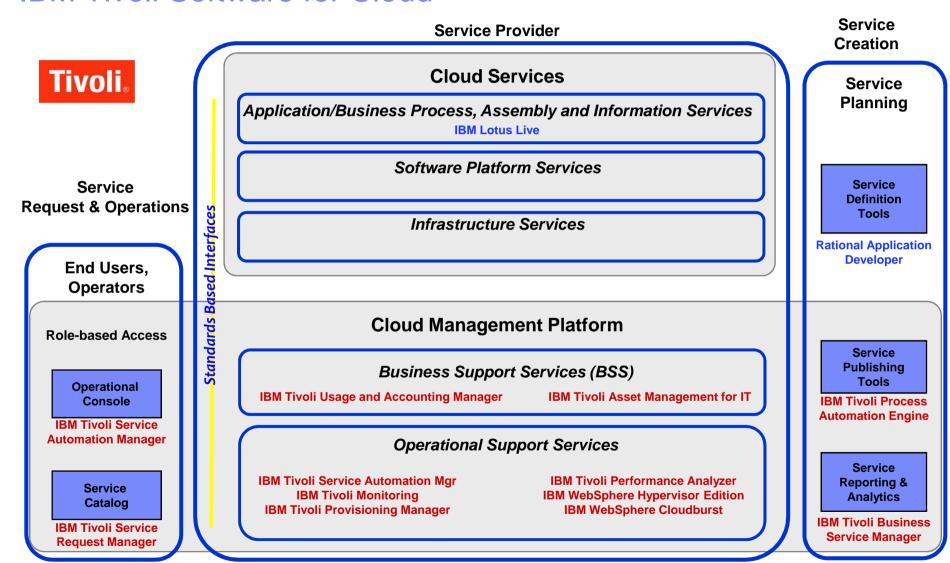


Architectural Model for Cloud Computing





IBM Tivoli Software for Cloud



Marian III



Tivoli Storage Manager and Tivoli Storage Manager FastBack

Thinking to offer...

- Backup as a Service
- Storage as a Service
- Disaster recovery as a Service



then think on Tivoli Storage Manager and Tivoli Storage Manager FastBack...

...Tivoli is uniquely positioned to serve the online backup market

- TSM with its Progressive Incremental Forever technology
- TSM's scalabillity
- TSM Fastback allows rapid RPO and RTO for very critical or sensitive data as a premium service
- Our PA XSP ammendment
- IBM as a brand and a partner



Going together

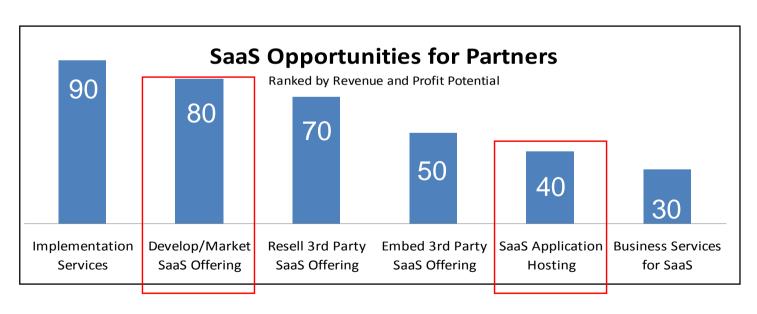


Making money and building your business with Cloud Computing

IBM SaaS Specialty helps partners to develop, deliver and market their SaaS Offering

- SaaS Enablement tools and workshops to help develop your service.
- A range of delivery options in-house, IBM hosted or IBM SaaS Hosting Partners
- Flexible pricing models for IBM software including new monthly pricing
- Hourly priced IBM software on Amazon Web Services
- A portfolio of go to market benefits specifically for SaaS Partners

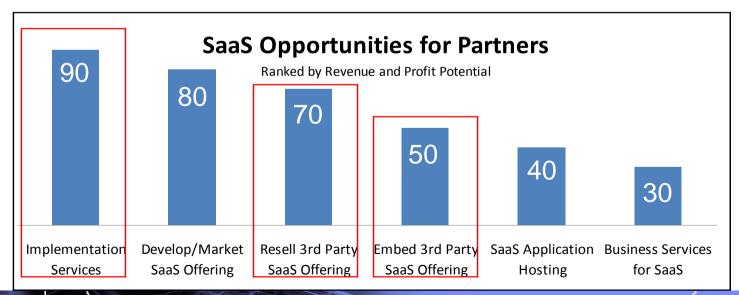
www.ibm.com/isv/saas





Making money and building your business with Cloud Computing

	Public Cloud Services	Private Cloud Infrastructure
Architect Solutions	Identify public cloud services that meet business goals	Define workloads that benefit from private cloud e.g: Workload Optimization
Resell Capabilities	Sell annual or multi-year PPA contracts. Earn annual margins. Build annuity stream. e.g: LotusLive	Sell IBM enabling capabilities to build private clouds today e.g: <u>Tivoli Service Automation</u> <u>Manager</u>
Implement Solutions	Integrate public services with existing applications	Deploy private cloud and optimize workloads





What's next...

We invite you to register to IBM PartnerWorld and IBM SaaS Community

Also coming...

- ▶ SaaS Channel Education workshop in partnership with Lemon Operations
- ▶ IBM Innovation Center SaaS Workshops
- ▶ IDR Breakfasts for SaaS Ecosystem
- in partnership with SaaS Network

Software as a Service

→ New For startups: Running IBM on the Amazon Elastic Compute Cloud (EC2) and Simple Storage Server (S3)



Learn how to use IBM product images in the Amazon cloud through live lectures and a demonstration

Introduction to Software as a Service, multi-tenancy, and cloud computing



Learn how to adopt the SaaS model using IBM middleware and how the Amazon EC2 environment can help meet your development and deployment needs.



→ Software as a Service: Getting started with IBM software on Amazon Web Services featuring WebSphere sMash & DB2 Learn how you can get an existing application up and running in the

Amazon EC2 environment with pre-loaded IBM middleware.

http://ibm.com/partnerworld/iic/barcelona.html

▶ ... any proposal?

▶ We are here to go together!

IBM ISV & Developer Relations Org Chart (Spain)

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