IBM Lotusphere Comes to You 2009

The Lotus SaaS Strategy Overview

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IBM Lotus Collaboration Strategy

Interaction and client services (online or offline)

Rich clients	Browser	Portal	Mobile	Content feeds	Task-specific applications

Messaging and Collaboration Content Management

Unified Communications and Social Software

Situational Applications and Integration

Business process

Information

DATA
XML

On-Premise

Online

Hosted Appliance

Supporting Flexible Delivery Models

On-Premise
MANAGED BY IT DEPARTMENT OR PARTNER

Software	Appliance

Cloud Delivered
IBM MANAGED

Dedicated, Virtualized Environment	Multi-Tenant SaaS Environment

Benefits
- Allows for advanced customization to meet customer needs
- Managed by IT dept
- All data resides local and inside the firewall

Benefits
- Easy to install/maintain
- Managed by customer or partner
- Toolkits available for customization by partner or customer
- All data inside your firewall

Benefits
- Subscription pricing model
- Scales to meet customer demand
- Updates are applied transparently
- Virtualized environment per customer
- Deep levels of customization available
- Negotiated SLAs

Benefits
- Subscription pricing model
- Scales to meet customer demand
- Updates are applied transparently
- Multi-tenant environment for all customers
- Standard offering, little customization
- Standard SLAs

The most effective business solutions may need a combination of delivery models

Lotus Foundations is optimized for small businesses

Family of *on-premise* software servers
...optimized for *small businesses*
...delivered through *business partners*

- Provides the essential IT services that businesses with 5 – 500 employees need

- Leverages IBM and 3rd party technology to provide a complete small business platform

- Self-managing, self-healing and self-configuring

- Deploys in under 30 minutes

- Requires no in-house IT resources

- Provides advanced remote administration capabilities

- Designed to accommodate growth

* - certification requirements apply

- Compatible with both IBM and 3rd party hardware platforms*

Lotus Foundations *Start* is a complete first server – an out-of-the-box solution for every small business

- email and collaboration platform
- Supports both Notes and Outlook email clients
- Access for remote workers
- Office productivity tools
- File management
- Directory services
- Firewall
- Backup and recovery
- Anti-virus and Anti-Spam

- **What is Cloud Computing and SaaS?**

- **Overview of Lotus SaaS Strategy**

- **Lotus Current Offerings in this Space**

Cloud Computing

Cloud computing is an emerging style of standardized, elastic, scalable, commodity based IT capability delivered dynamically as a service

Smart service delivery model

- Secure access anywhere
- Customer self service
- Automatically scalable to demand
- Always available
- Flexible pricing

A Closer Look at Cloud Computing

End Users / Requestors

Government/
Academics

Industry
(Startups/ SMB/ Enterprise)

Consumers
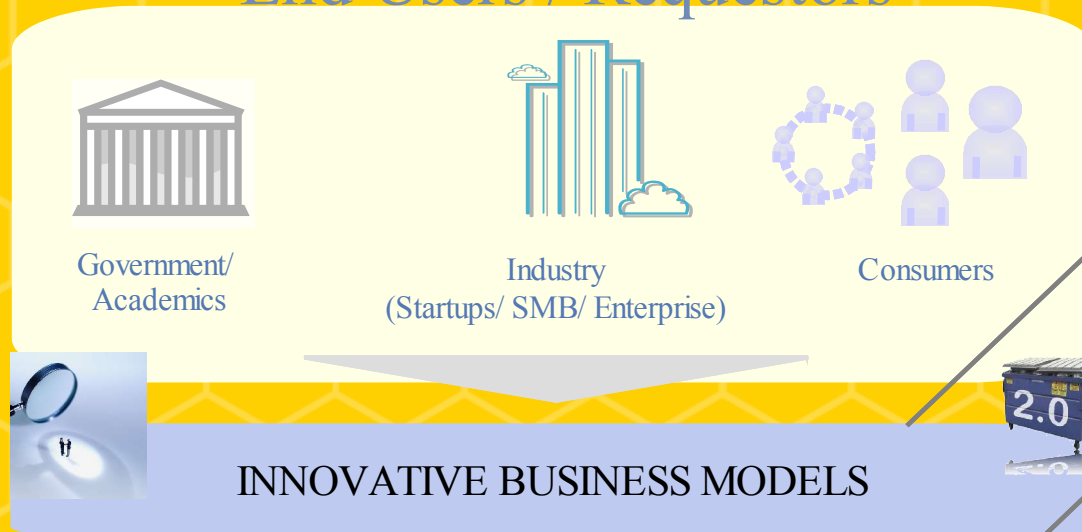
- New combinations of services to form differentiating value propositions at lower costs in shorter time

INNOVATIVE BUSINESS MODELS

2.0

- **Cloud applications** enable the *simplification of complex services*
- A **cloud computing platform** combines modular components on a service oriented architecture

SIMPLIFIED SERVICES

Public Cloud

Enterprise Cloud

- *An "Elastic"* pool of high performance virtualized compute resources

- Internet protocol based convergence of networks and devices
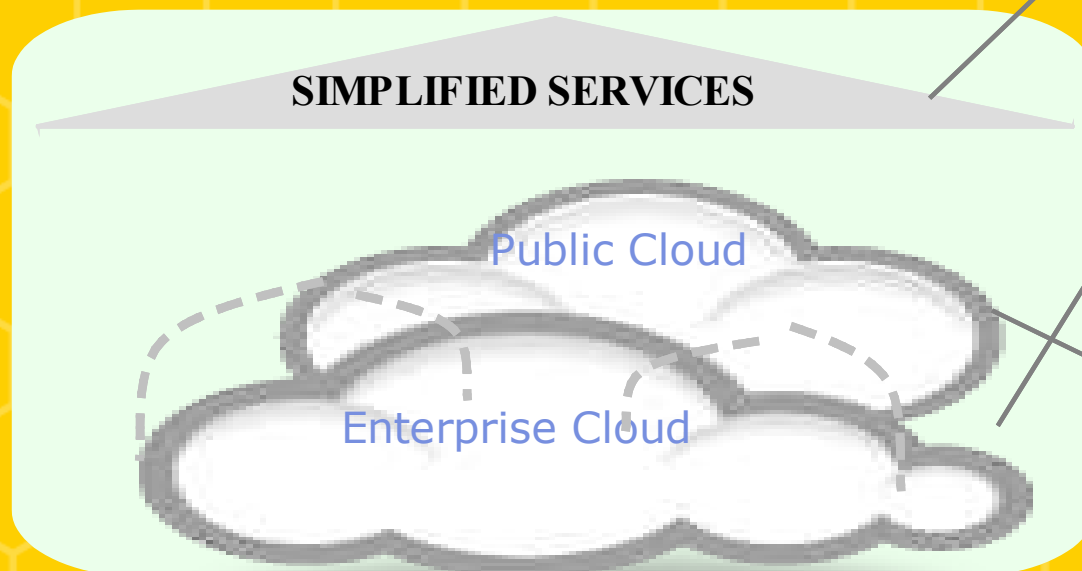
Delivering Quality of Experience with Unparalleled Scale

A "cloud" is an IT service delivered to users that has:

- A user interface that makes the infrastructure underlying the service transparent to the user
- Reduced incremental management costs when additional IT resources are added
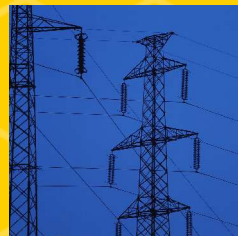- Services oriented management architecture
- Massive Scalability

Cloud Computing

- Anytime, anywhere access to IT resources delivered dynamically as a service.

Software as a Service

- Network-based subscriptions to applications

Utility Computing

- Offering computing resources as a metered service

Grid Computing

- Solving large problems with parallel computing
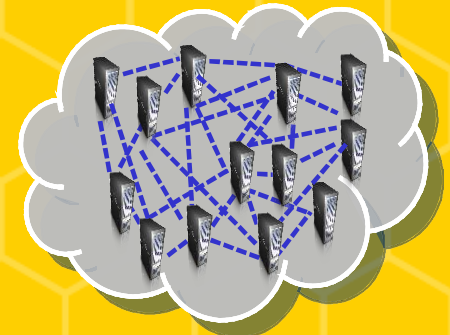
What type of Applications are being used as SaaS

Software as a Service Survey – Most Likely Application
(Page 8 of 11)

Software as a Service

7 **First SaaS Application Likely to Replace Conventional Application(s)**

Application	Percentage
E-mail	12%
HR/benefits	12%
Web conferencing	11%
CRM applications	10%
Business intelligence	8%
Accounting/billing applications	7%
ERP systems	5%
Content management	4%
Customer/employee-survey applications	4%
Collaboration software	3%
E-commerce systems	3%
Blog applications	1%
Wiki applications	1%
Other	4%

Source: Burton Group and Ziff Davis Enterprise Research

Agenda

- **What is Cloud Computing and SaaS?**

- **Overview of Lotus SaaS Strategy**

- **IBM's Current Offerings in this Space**

IBM Lotus SaaS Strategy

Collaboration beyond the Enterprise is an Ubiquitous Pain Point

- Need to drive top line growth and innovation is driving organizations to want to work more closely with their customers and partners

- Need for margin expansion is driving organizations to optimize talent across the extended enterprise

Our Strategy

- Deliver a set of services that dramatically simplifies and improves the business interactions organizations have with their customers and partners

Execution

- Provide the essential business services that every workgroup needs in a way that is simple to acquire and easy to use

- Integrated collaborative & social networking services connected to relevant business services and applications

- Seamlessly work with people – outside or inside your company

- Create a business network of connected businesses

Lotus SaaS Security Strategy

Security through the entire lifecycle and stack

- From a hardened data center, to people and processes, and infrastructure and application level
- Drawing on IBM's deep expertise in security, from research, to development, to services

The organization is the core building block for protection and sharing

- Easy sharing with all organizational members
- Administrative controls on security and sharing options across organizational boundaries
- IBM research prototype uses smart processing to identify confidential data leakage before it happens

Useable and useful security throughout
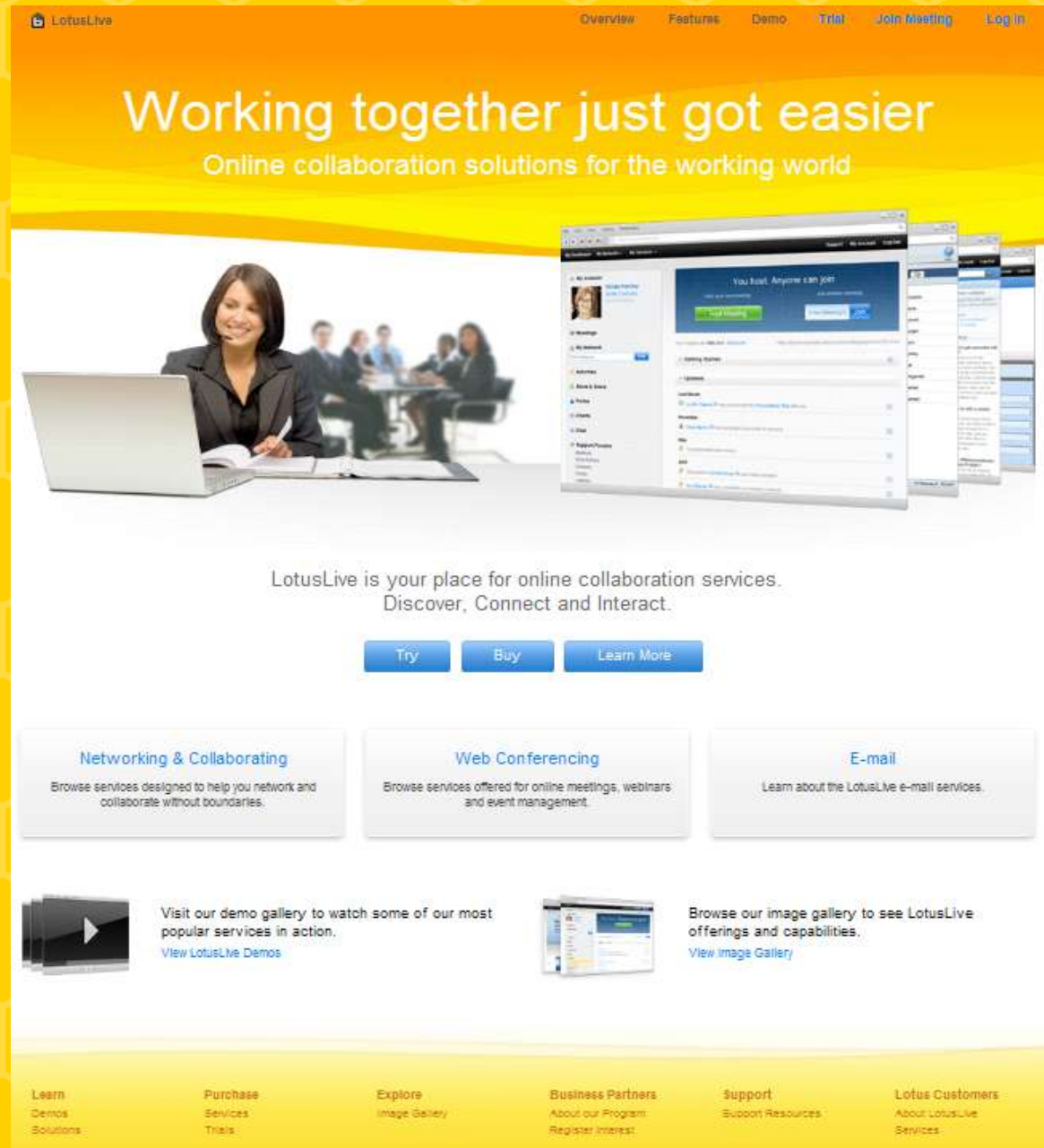
- Secure defaults
- User and administrator views into collaboration activities and protections
- Expanded options through third party integration

Exploring early managed encryption partnership

Agenda

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- **Lotus Current Offerings in this Space**

Introducing LotusLive

IBM has announced its intent to acquire strategic messaging service assets of Outblaze, Ltd.

- IBM intends to expand into new markets, increase market share and continue its momentum as the world-wide leader in collaboration

- As an asset acquisition, the web-based email service will accelerate the development of the service and administration functions for project "Bluehouse"

- Proven multi-tenant web-based email & calendar services
    - Over 10 years of experience in client deployments
    - Over 40 million mail users
    - Available in 22 languages
    - Unique branding and multi-tiered administration model

- Experience & Operations
    - Strong & mature technical skills
    - Rigorous operational & development expertise
    - Worldwide delivery capability

- Acquisition is subject to customary legal clearances and is expected to close in the first calendar quarter of 2009
- Until the acquisition closes, IBM and Outblaze, Ltd. will continue to conduct business as separate companies.

LotusLive Offerings

Web Conferencing

Collaboration

eMail

LotusLive Meetings
(Sametime Unyte Meeting)
Full-featured Web conferencing service includes polling, hand raising, record & playback.

- Supports Gl languages

LotusLive Engage
("Bluehouse")
An integrated suite of Web collaboration and business networking solutions including:-

- On line Meetings
- Files
- Chat service
- Activities
- Survey Forms
- Live Charts
- Profiles and Contacts

LotusLive Notes
(Lotus Notes Hosted Messaging)
Full-featured, dedicated hosted Email service. (rich client and browser)

- Supports 27 Languages

Additional Add-ons
→ **LotusLive Mobile for Blackberry**

→ **LotusLive Sametime IM**

LotusLive Events
(Sametime Unyte Events)
Internet-based event capabilities. Provides tools to create & manage webinars.

LotusLive Connections
An integrated suite of Web collaboration and business networking solutions including:-

- Files
- Chat service
- Activities
- Profiles and Contacts

LotusLive iNotes
Web-based Email service with personal calendar & shared contacts. Mobile sync capability

LotusLive Meetings & Collaboration: International Plan 2009

International Toll- Free Support

- Brazil
- Canada
- China
- Denmark
- Germany
- India
- Norway
- Sweden
- Switzerland
- UK
- Australia
- France
- Hong Kong
- Italy
- Japan
- Russia
- Singapore
- Spain
- South Africa
- Argentina
- Austria
- Belgium
- Bolivia
- Chile
- Colombia
- Costa Rica
- Dominican Rep.
- El Salvador
- Hungary
- Ireland
- Israel
- Korea – South
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Panama
- Peru
- Portugal
- Puerto Rico
- Taiwan
- Uruguay
- Venezuela

Multiple Language Support
Phased approach for LotusLive offerings

- Chinese
- Japanese
- Korean
- French
- German
- Italian
- Spanish
- Brazilian Portuguese
- French Canadian

Performance Acceleration
Currently Enabled

- San Paolo
- Amsterdam
- Sydney
- Tokyo
- Bangalore

Note: Multiple-language support coming 06/2009 for Engage & Connections

Case Example: City University of New York

Challenge

To create and share university outreach program documents with geographically separated instructors that collaborate in small groups with identified high performing secondary school students.

Currently using: Microsoft Office, Peachtree Accounting, ACT Contact Management

LotusLive Engage Solution

- Created reusable Activities for university outreach programs
  - Define and execute outreach tasks with local schools
  - Student research projects
- Training of geographically dispersed students with many desktop types
- Created collections for file sharing and version control

Value Delivered by LotusLive Engage

➢ Elimination of learning barriers, enable collaboration inside and outside university setting
➢ Easy to use for all skill levels, no intense training required
➢ Users are able to engage with multiple groups on a variety of projects
➢ Relevant information always available in LotusLive Engage (no content boundaries)

Case Example: Nortel Networks

Challenge

By using email as a way to share information they were losing the first 15 minutes of every meeting ensuring participants had the correct information.

Currently using: Microsoft Outlook

LotusLive Engage Actions

- Conducting online meetings to prepare RPFs, review spreadsheets and collaborate on documents (between 15 – 25 people on average)
- Storing and sharing files with colleagues
- Instant messaging (chat) regarding shared materials or other items

Value Delivered by LotusLive Engage

➢ Everyone has the right materials available at the beginning of the meeting – no delays
➢ Online meetings facilitate project work and collaboration – improve productivity
➢ Central location of files and ability to publish to them directly to the meeting – quick and easy
➢ Sharing info across company boundaries easily between the Telco and IBM – improve collaboration & coordination

LotusLive Meetings

Lotus Sametime Unyte Meeting

A complete reservation-less Web conference service that is browser based, easy to use and cost-effective

Publishing   Application Sharing   Recording   Annotation

Polling   Chat   Events

Benefits

- Easy to use, intuitive interface

- Single point of management for video and Web conferencing service

- Accessible anytime, anywhere via a Web browser

- Credentials-based meeting access

- Dedicated one-call customer support

- Calendar integration with IBM Lotus Notes & Microsoft® Outlook

- One-click start of a Web conference from IBM Lotus Sametime messaging
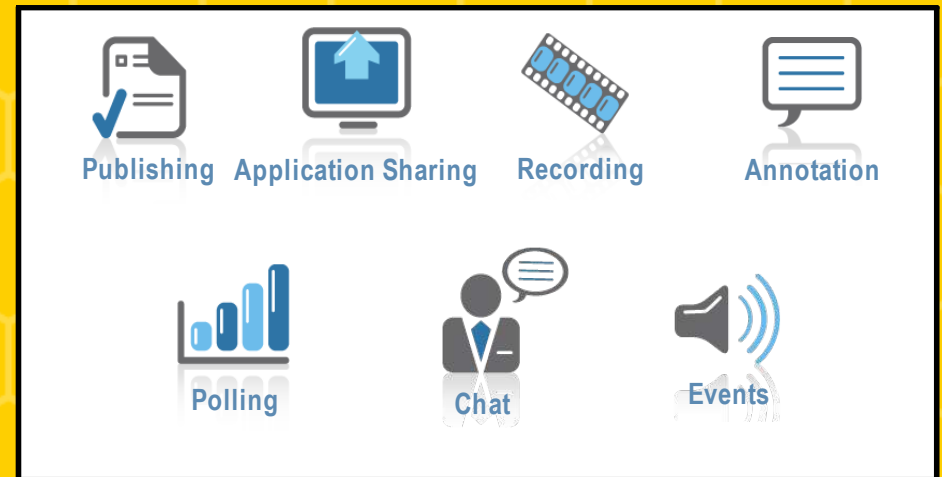
Differentiators

- Security-rich network

- Flexible meeting management with attendee lock & participant roster control

- Multiple-language support (9 languages)

- Acceleration of service performance for international customers

Hear what customers are saying

LotusLive Events
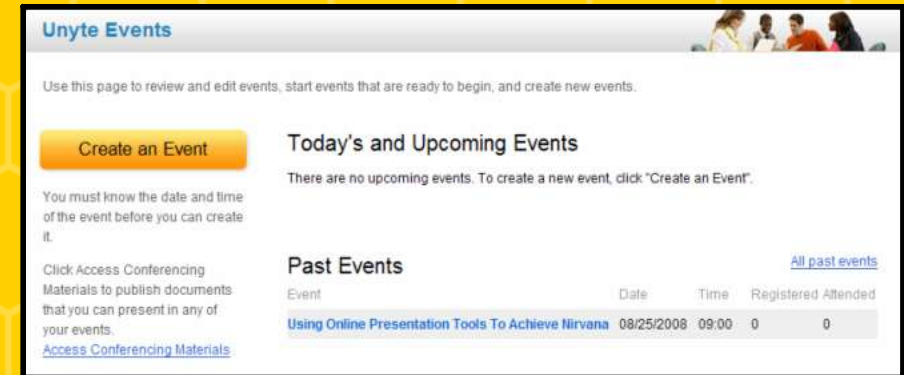
Lotus Sametime Unyte Events

A simple, intuitive user interface for managing web conferencing events

Benefits

▪ Registration page with custom logo and event description

▪ Streamlined event creation process

▪ Upload presentation content in advance

▪ Rehearsal feature allows Presenters to get prepared and test system

▪ E-mail validation for all registrations reduces anonymous registrations

▪ Registration auto-approval option

▪ Export registrant details to CSV/Excel

Differentiators

▪ Seamless integration with Lotus Sametime Unyte Meeting

▪ 3 pre-event e-mail reminders with customized scheduling options

▪ 2 post-event e-mails for attendees and non-attendees

▪ iCal attachments for easy scheduling

LotusLive Engage

Online collaboration and social networking service designed for business

Benefits

- Work beyond the boundaries of your company

- Share information more easily with their customers, suppliers and business partners.

- Securely connect from anywhere, anytime via a Web browser and internet connection

- Work beyond the boundaries of a company & outside of firewalls

- Affordable and accessible for companies
  - Lower upfront investment,
  - No IT staff required for implementation
  - Extremely easy to acquire.

- Work-ready integrated business applications

Differentiators

- No mining of customer data for advertising, or other purposes.

- Seamless capability for integrating on-premise (e.g. .Net, Java, Domino, SAP, Filenet, etc.) and cloud based applications to the end user

- Built on Web 2.0 based social networking model for more effective collaboration

- In

Features

Meetings — Always ready on-demand online meeting room. Easily invite others to join and share a file from the Store and Share service.

Files — Share targeted business materials quickly with an entire community or just an individual.

Activities — Create, prioritize and share information, documents and To-Do lists.

My Network — Add customizable, shareable contact information and leverage social networking features to connect with others.

Locate a contact in the LotusLive community and start a real-time discussion about new opportunities.

Instant Messaging — Create a survey and quickly visualize your survey data through different types of charts, graphs, diagrams, and maps.

Forms — Upload or create datasets and let Live Charts create an instant graphical view to share with others.

Live Charts

LotusLive Connections

Online collaboration and social networking service designed for business

Benefits

- Extend business processes and work teams to include individuals outside of your company

- Avoid confusion of email attachments

- Share information more easily with customers, suppliers and business partners.

- Securely connect from anywhere, anytime via a Web browser and internet connection

- Affordable and accessible for companies
  - Lower upfront investment,
  - No IT staff required for implementation
  - Extremely easy to acquire.

Differentiators

- Complementary to LotusLive Engage

- No mining of customer data for advertising, or other purposes.

- Built on Web 2.0 based social networking model for more effective collaboration

- Seamless integration between services

Features

A subset of LotusLive capabilities

Files

Share targeted business materials quickly with an entire community or just an individual.

Activities

Create, prioritize and share information, documents and To-Do lists.

My Network

Add customizable, shareable contact information and leverage social networking features to connect with others.

Instant Messaging

Locate a contact in the LotusLive community and start a real-time discussion about new opportunities.

LotusLive Notes

Lotus Notes Hosted Messaging
Full-featured Rich Client

Benefits

- Extensive Lotus Notes expertise available 24x7 from IBM.
- Predictable costs with minimal upfront investment.
- Have IBM help mange security threats to your messaging environment.
- Assistance from IBM with certain regulatory compliance.
- Potential for improved availability and reliability over in-house or on-premise deployments.
- Benefit from the latest Lotus Domino release features while minimizing update and prototype efforts.
- Quickly roll out Notes capabilities to new users in your organization

Differentiators

- Leverages extensive IBM experience in hosting enterprise-wide,
- highly available messaging environments for midsized to large enterprises.
- IBM brings you extensive Lotus Notes expertise
- Industry-specific business insight, and technology capabilities to help you align IT investments with business goals.

Features

- E-mail, calendaring and scheduling with 1 GB mailbox per user.

- IBM Lotus Quickr® Personal Edition with 50 MB storage.

- Two Service Level Agreements (SLA) options available, 99.5% or 99.9% backed with with financial commitments.

- Antivirus and antispam services.

- Enterprise-class servers, network, storage and firewall in an IBM data center.

- Security-rich, reliable and highly available infrastructure.

- Integrated platform, process automations and innovative management tools.

- Standardized reporting and administration through the IBM iSRVCE console.

LotusLive iNotes

Web-based eMail and calendar service

Benefits

- Predictable costs, usually on a per-user/per-month basis
- Industry-leading spam protection
- Real-time updates against viruses and malware
- On-demand addition of new services when you need them
- Fully branded products, payments, and support

Differentiators

- Simplified administration
- Fast implementation
- Low start-up and monthly costs
- Unmatched branding and customization capabilities
- Seamless integration with triple play services, provisioning systems, log-in systems, payment gateways
- Proven scale and reliability
- Full Set of APIs to help integrate our service with yours

Features

- Full-featured Email (HTML and AJAX), POP3, IMAP4, & Authenticated SMTP

- SSL Encryption, secure password recovery

- Mobile & Push Email

- SMS Gateway (mail-to-SMS & SMS-to-mail)

- Email alert (desktop message notification)

- Mail Forwarding and Filtering

- Domain Management Tool (email administration interface for domain admins)

- Customer Service Tool (email administrative interface for enterprise admins)

- Guaranteed Service Levels with 24x7 Monitoring

- Industry-leading Spam and Virus protection

Lotus Notes Client – Click to Cloud
Lotus Notes DB Integration
Eclipse Plugins
Mobile Access

Linked In
salesforce.com
Skype
Prolifiq

Preview - Lotus Notes Client – Click to Cloud

Drag and Drop attachments from your email into LotusLive

Preview - Notes DB Integration - xPages

Share files from Notes discussion DB to LotusLive My Files

Eclipse Plugin – Single click to join a meeting

Multi-select names in your ST contact list to send a link to your meeting

Single click to start your meeting

Preview - LotusLive Meeting – Mobile Access

Includes
- **Published**
- **presentation mode**
- **(with pointing and annotation),**
- **Participant list and chat**
- **Implementation of application sharing**

LotusLive: Extending Value – with Partners

Salesforce.com Tech Preview: Extending the capabilities of your sales force

Create an Activity

Auto name population

Manage Activity directly from the your opportunity

Skype Tech Preview: Network Expansion

Linked In: Network Expansion

Easily share files with a single click

Integrated Linked In contacts

Why IBM Lotus SaaS?

Functional Advantages

- Accelerated Global Network

- Secure but flexible role based access control to projects and documents

- Integrated project, document and conference experience

- Eliminate islands of information

- Reusable Activity templates allows for the Sharing of project best practices/experience

Business Advantages

- Accelerated Time to execution and Time to value
    - No hidden client licensing costs
- Innovation and Agility driven by ability to discover, connect and interact across organizational boundaries
    - Platform based on a Web 2.0 social computing paradigm with a multi-tenant architecture
    - Transforming organizational access & client relationships
    - Leveraging the Extended enterprise
    - Organizational Transparency and Control
- Extended value - "Bluehouse" is more than just its core services
    - Customized applications can be powered by the features and functions of LotusLive Engag
    - APIs and extension points make LotusLive a SaaS flexible platform

IBM Lotus Competitive Advantages

- **<u>Transparency</u>** - the move to cloud would be seamless for Lotus Notes end users as they fail-over to their clustered Domino server.

- **<u>The Right Fit for You</u>** - IBM has a full model for cloud computing (consisting of Hosting and Multi-tenant), unlike Microsoft & other competitors which offer only a pure Hosting model. A "one size fits all" may not be the lowest cost model for an enterprise customer.

- **<u>No Hidden Costs</u>** - the IBM solution provides all costs upfront reflecting our experience in managing enterprise environments and data centers. Competitors' costs are not just limited to subscription fees – there could be additional costs for client software not included in the 'services' package.

- **<u>Integration & Customization</u>** - IBM's solution will provide seamless capability for integrating on-premise (e.g. .Net, Java, Domino, SAP, Filenet, etc.) and cloud based applications to the end user. Competitive models provide limited to no integration/customization with existing on premise investments.

- **<u>Innovation</u>** – we have developed a Web 2.0 based social computing paradigm that will allow more effective collaboration among employees, customers, and partners. Other competitors' strategy has been to take their existing on-premise collaboration software and make it available as a set of online services.

- **<u>Experience</u>** - IBM's global presence, reach, & scale in hosting options & experience is unmatched by Microsoft.

- **<u>Data Integrity</u>** – No mining of customer data for advertising, or other purposes.

- **<u>Globalization</u>** – IBM has a proven global strategy versus our competitors.
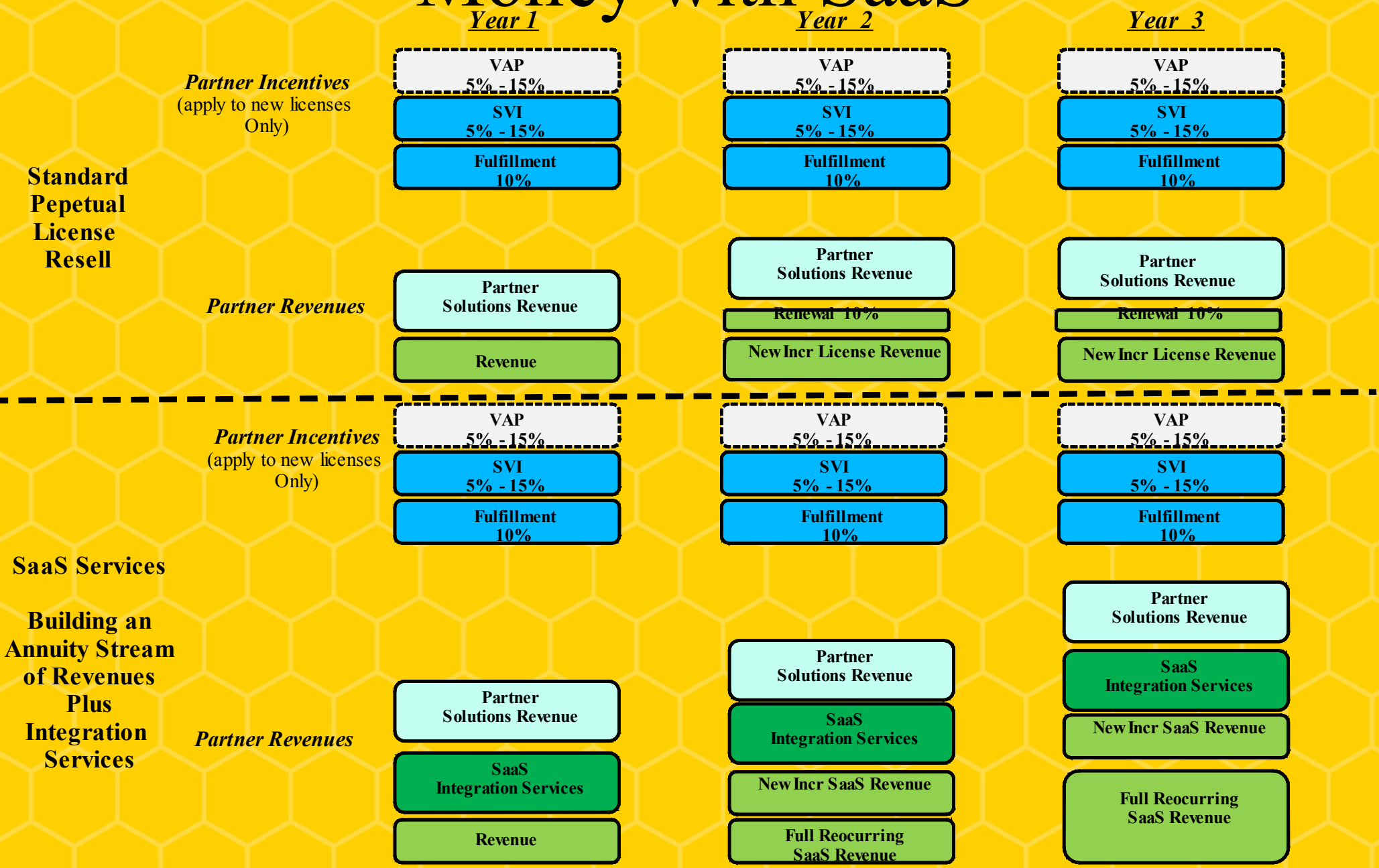
Grid Computing

Utility Computing

Software as a Service

Cloud Computing

LotusLive - How Business Partners Make Money with SaaS

	Year 1	Year 2	Year 3

Standard Pepetual License Resell

Partner Incentives (apply to new licenses Only)

Year 1	Year 2	Year 3
VAP 5% - 15%	VAP 5% - 15%	VAP 5% - 15%
SVI 5% - 15%	SVI 5% - 15%	SVI 5% - 15%
Fulfillment 10%	Fulfillment 10%	Fulfillment 10%

Partner Revenues

Year 1	Year 2	Year 3
Partner Solutions Revenue	Partner Solutions Revenue	Partner Solutions Revenue
	Renewal 10%	Renewal 10%
Revenue	New Incr License Revenue	New Incr License Revenue

SaaS Services

Building an Annuity Stream of Revenues Plus Integration Services

Partner Incentives (apply to new licenses Only)

Year 1	Year 2	Year 3
VAP 5% - 15%	VAP 5% - 15%	VAP 5% - 15%
SVI 5% - 15%	SVI 5% - 15%	SVI 5% - 15%
Fulfillment 10%	Fulfillment 10%	Fulfillment 10%

Partner Revenues

Year 1	Year 2	Year 3
		Partner Solutions Revenue
Partner Solutions Revenue	Partner Solutions Revenue	SaaS Integration Services
SaaS Integration Services	SaaS Integration Services	New Incr SaaS Revenue
	New Incr SaaS Revenue	
Revenue	Full Reocurring SaaS Revenue	Full Reocurring SaaS Revenue

Presentation Title

Presenter Name | Designation | Company Name
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Lotus. software

Thank You

IBM Lotusphere Comes to You 2009

Lotus software