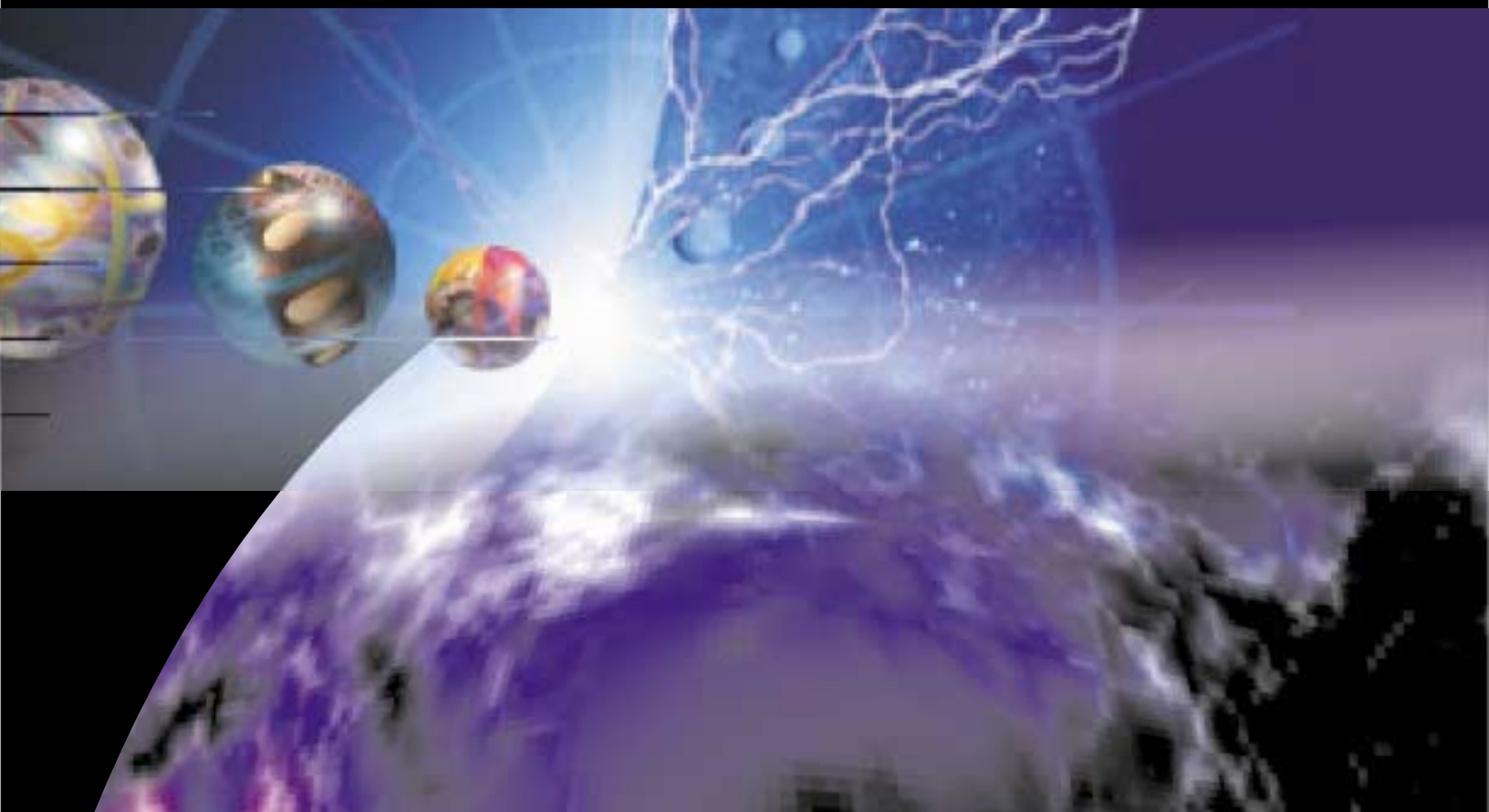


The Value Proposition for Business Partners

WebSphere



IBM®



What can WebSphere do for me?



As a decision-maker at an information technology firm, you want to make investments that provide superior financial returns AND strategically position your firm for significant growth. Here's a rare opportunity to do both. Improve your firm's profitability while improving that of your customers: offer them best-of-breed solutions based on IBM's WebSphere software platform and watch your business grow.

For your customers, the future of business is all about connecting and transacting with any and all entities that offer opportunities to reduce costs and boost profits. To be able to thrive in this new world of dynamic e-business, companies need a flexible, high-performance IT architecture. Tens of thousands of businesses have already made the move to WebSphere; here's why:

- **A leading-edge platform:** IBM's huge investment in WebSphere (US\$1 billion) means that this multi-faceted platform will continue to grow and evolve to address your customers' key business challenges and technical requirements both now and in the future.
- **Performance:** Industry analysts and customers around the world consistently give the WebSphere family of products high marks for its scalability, reliability and performance.
- **Open standards:** WebSphere has been built on the premise that adoption of open standards will grow as the world becomes more networked. That's why most

WebSphere products are written in Java™, they run on Apache and Linux, they support standards like XML and Enterprise Java Beans, and even emerging Web Services standards like SOAP, UDDI, WSDL, XML, and J2EE™ 1.2 (Java 2 Enterprise Edition platform). IBM views our Web Services leadership as particularly significant in an increasingly interconnected world. Web Services will provide a means for different organizations to connect their applications with one another to conduct dynamic e-business across a network, no matter what their application, design, or run-time environment. We firmly believe that this represents the future of computing — that open

standards will enable businesses to connect with and transact business more rapidly and profitably than ever before.

- **Internationalization:** The WebSphere family of products fully supports the conduct of global business in a manner that few other vendors can match; all are built using a best-of-breed development approach refined over decades of building internationalized products. The platform supports more than 10 of the world's major languages and it formats dates, times, numbers, addresses, prices, and measurements in a locally appropriate manner.

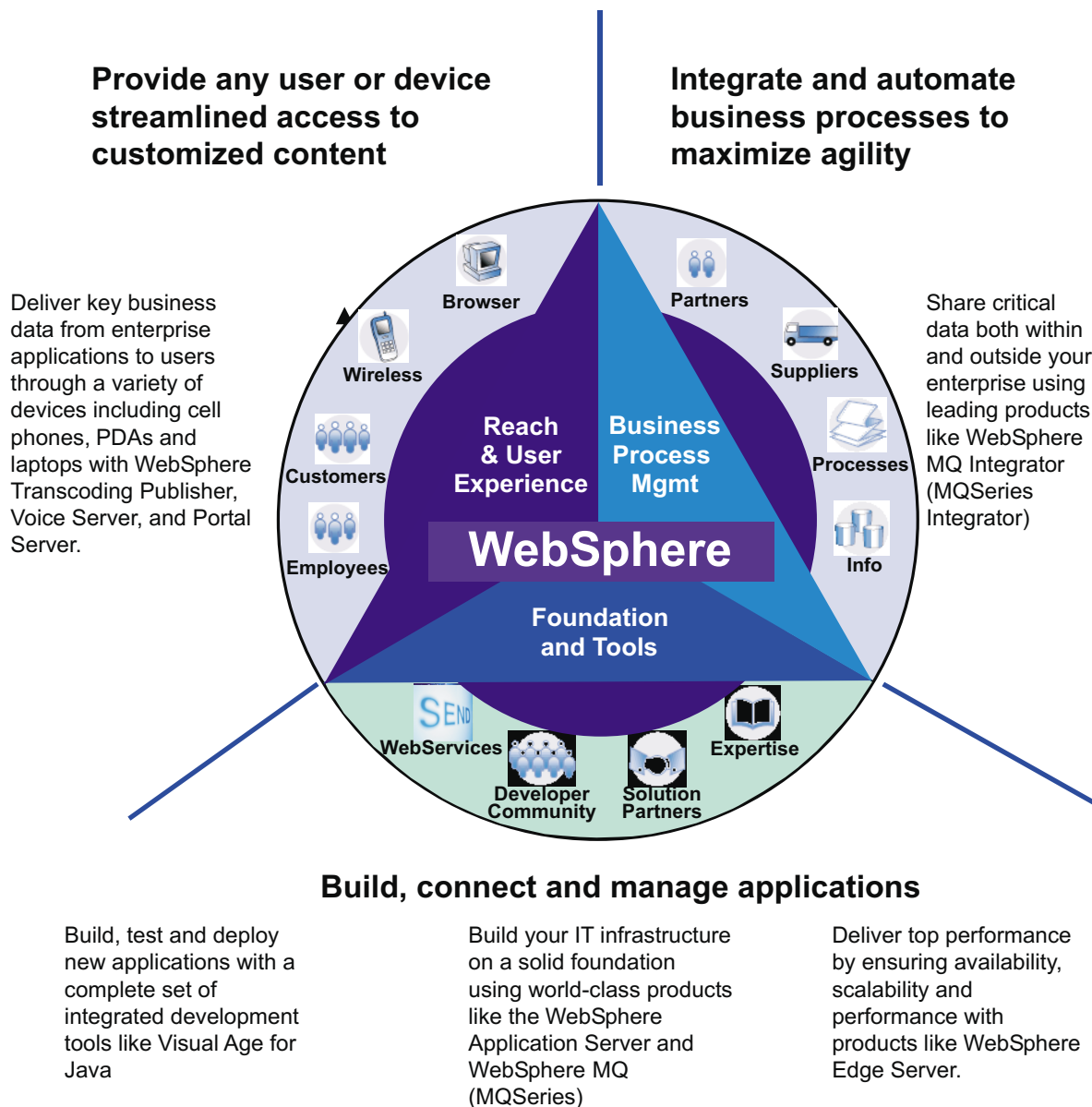




What is WebSphere?



It's a comprehensive e-business platform that delivers superior customer ROI by providing an unprecedented combination of flexibility, functionality, and performance. While other vendors offer point solutions that require costly custom integration, IBM has designed the WebSphere platform with the big picture in mind. WebSphere addresses what we see as both the biggest challenge and opportunity to business in the 21st century: developing a reliable and open information infrastructure that is flexible enough to accommodate even currently unforeseen requirements.



What is WebSphere?

WebSphere products include:

- **Foundation and Tools:** WebSphere Application Server, WebSphere MQ (MQSeries), WebSphere HomePage Builder, WebSphere VisualAge Java Generator, WebSphere Studio, WebSphere Business Components, WebSphere VisualAge for Java, WebSphere Edge Server, WebSphere Site Analyzer
- **Reach and User Experience:** WebSphere Commerce Suite, WebSphere Content Management, WebSphere Everyplace Access Offering, WebSphere Everyplace
- **Business Process Management:** WebSphere Process Manager (MQSeries Workflow), WebSphere MQ Integrator (MQSeries Integrator), WebSphere Adapters (MQSeries Adapter Offering), Host Integration Solution Offering, WebSphere Process Manager (MQSeries Workflow), Universal Description, Discovery and Integration (UDDI) Services, Lotus Domino, WebSphere Business Integrator, WebSphere Partner Agreement Manager, WebSphere MQ Financial Services Edition (MQSeries Financial Services Edition)



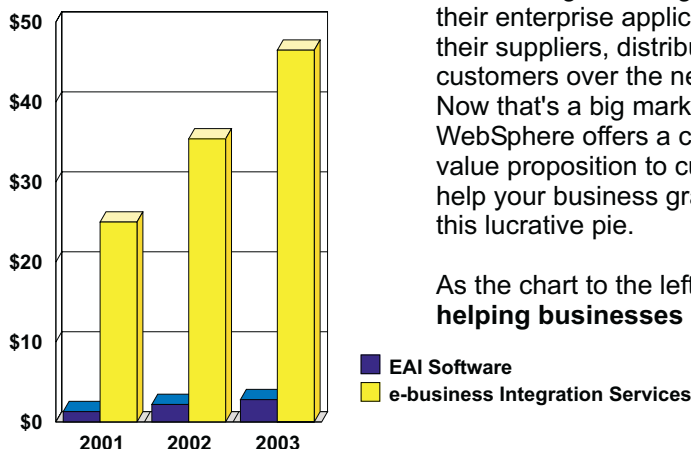
Who's using WebSphere?



WebSphere is used by two-thirds of the Fortune 500, 90% of top commercial banks, most large American telecommunications companies, and 15 of Wall Street's top brokerage firms.

WebSphere has a global customer base of over 35,000. According to a recent Morgan Stanley Dean Witter survey, **IBM WebSphere was chosen for strategic implementations more than twice as often as BEA and over four times more often than Oracle.** And small wonder — WebSphere has seen nine consecutive quarters of double-digit growth; just this past year WebSphere's market share has grown 10 times faster than BEA's. Now that's momentum you can build on.

What's the market opportunity?



What's the market opportunity?

In a word—Enormous! If your company provides IT solutions to businesses today, you know that information is one of your customers' most powerful sources of competitive advantage. Think of all the business entities in the world that will begin sharing data from their enterprise applications with their suppliers, distributors and customers over the next five years. Now that's a big market! IBM's WebSphere offers a compelling value proposition to customers, to help your business grab a piece of this lucrative pie.

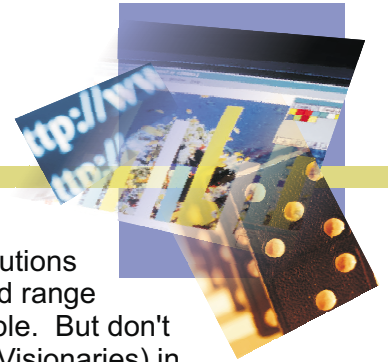
As the chart to the left indicates, **helping businesses integrate**

their applications internally and with companies in their supply and demand chains will be a nearly US\$50 billion business by 2003. With IBM's WebSphere you have an integrated, best-of-breed platform you can lead with when discussing the strategic options with your customers. Plus, as an IBM Business Partner, you get a host of training and support from IBM to help you close more business and deliver the engagements you've won (more on this later).

A recent study by Meridian Technology Marketing shows that, **for every dollar spent on IBM Software, customers spend \$11 on Business Partner services;** \$6 on IBM and other hardware, and \$3 on Business Partner and other software. A whopping **80% of IBM Business Partners report their IBM Software business grew 64% since 1998.**

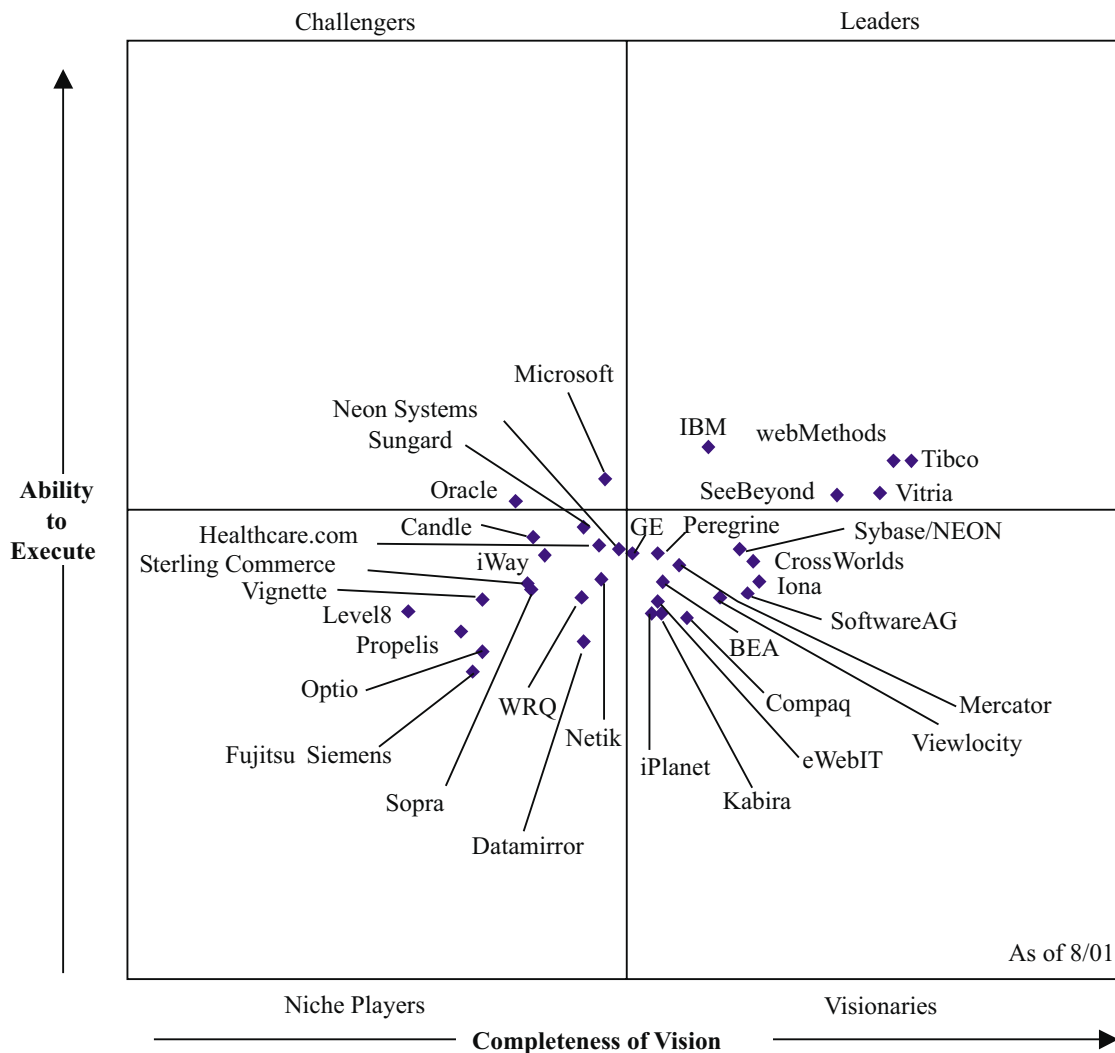


How does the competition stack up?



While there are a lot of other companies out there offering software solutions to one or two key business problems, none can match the quality and range of solutions and the completeness of vision that IBM brings to the table. But don't take our word for it. IBM appears in the top right quadrant (Leaders/Visionaries) in Gartner's 'Magic Quadrant' evaluations of middleware, e-commerce, AND portal applications. Now that's thought leadership.

Gartner's 'Magic Quadrant' for Application Integration and Middleware (August 2001)



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So show me the money!



You're in business to make money — we know that. You stay ahead of your competition by making smart investments; you seek superior returns without undue exposure to risk. And you're always on the lookout for important technological developments and market trends, so that *you* can jump on them before your competitors do. You know that being just ahead of the curve can mean big profits. Catch the next wave of the e-business revolution with a proven leader. Come on board with us as a WebSphere Business Partner — and watch your profits soar!

- **High Return on Investment** - almost 50% ROI in year one, over 125% ROI in year two, and that's if you close only 8 small deals and 3 mid-sized in 2 years! Many of our Business Partners have blown these figures away, because when your people are skilled up on WebSphere you find yourself working on repeatable engagements that are highly profitable.
- **Low Risk** - in this difficult economic environment, customers are asking a lot of hard questions about any software company's long-term viability before making a purchase. Take that one right out of the equation as an IBM Business Partner. You also want to protect the investment you've made in training your people. The growing need for businesses to rapidly exchange data coupled with the rapid growth of the WebSphere platform means that you will have a ready pipeline of business for years to

come. And your experience developing repeatable WebSphere-based solutions means that you can deliver such engagements at lower cost, enabling you to outbid the competition and make superior margins on those deals at the same time!

- **Added Vision** - if you're a small or medium sized business it's not always easy to know where the marketplace is going. You know it's incredibly complex, but it's hard to tell the false starts and dead ends from the ideas that will permanently change the way we do business. IBM has invested heavily to be where the market is going, to support open standards like Linux and Java™ and XML, to enable dynamic e-business through web services initiatives like UDDI. Don't guess at where the marketplace is going; stand on the shoulders of a giant.

Return on investment (US\$)

	Year 1	Year 2	Total
Sales Revenue	\$705,000	\$1,595,000	\$2,300,000
Less:			
Investment	\$367,500	\$590,000	\$957,500
Cost of Sales	\$115,250	\$590,000	\$705,250
SG&A (6% of revenue)	\$42,300	\$95,700	\$1,662,750
Subtotal	\$525,050	\$1,275,700	\$1,800,750
Net Profit	\$179,950	\$749,550	\$929,500
Return on Investment	49%	127%	97%
Number of Sales Transactions	4	8	12

These figures are based on realistic estimations for a representative sample of WebSphere-based solutions. These figures are for demonstration purposes only and, while realistic, do not represent any guarantee on the part of IBM, its Business Partners or affiliates.



Marketing and sales support from IBM



Because IBM is committed to helping Business Partners close business and deliver profitable engagements, we are investing over \$100 million in WebSphere marketing programs. When you work with IBM, you gain access to the worldwide IBM customer base, you can leverage the mindshare IBM has created around WebSphere and e-business, and you can use IBM's technical sales support to gain a competitive advantage when selling your own services. Below are a few resources designed to help Business Partners expedite the sales cycle and close new deals :

Lead Generation tactics include telemarketing support, joint advertising and tradeshow assistance

WebSphere Demo is a Flash™ demonstration which provides line-of-business managers with a high-level overview of the key components of the WebSphere platform

Campaign Designer helps Business Partners build customized direct mail pieces, print advertisements and web banners

Business Partner Proposals enable Business Partners to create their own marketing activities to drive sales of IBM software, and IBM will pay as much as half the cost. These activities may include events, telemarketing campaigns, e-seminars promoting a Business Partner's services, or an advertisement in a trade journal leveraging IBM's Customizable Campaigns

Executive Assessment is a consulting tool to help you get in the door and quickly gather the information you need from a prospect to devise a high-level solution, build a business case and present a winning proposal

Seminar Solutions are fully scripted sales presentations that you can customize and deliver face-to-face to key prospects

Start-Now Solutions are especially designed to help growing companies develop an affordable and reliable IT infrastructure to position these companies for e-business success. For smaller customers or those with limited infrastructure this can make a great starting point for a long-term relationship

Practice Accelerator is a deal-based, hands-on technical mentoring offering available to qualified WebSphere Business Partners. The program provides a customized workshop on technical sales issues, coupled with actual hands-on mentoring from IBM WebSphere solutions experts, to help Business Partners close business rapidly

WebSphere Innovation Connection Online is a web portal designed to provide a single point of access where IBM Business Partners can obtain information surrounding every aspect of the WebSphere platform. Business Partners can find comprehensive information about how to market, sell, deliver, and support business solutions based on WebSphere. White papers, sales kits, competitive guides, newsletters, collateral from trade shows and teleconferences — it's all here.

Visit the site at

www.ibm.com/websphere/partners



Skills development and getting WebSphere certified



IBM recognizes that the key to profitable services engagements is repeatability; so we offer a host of classes to help your technical resources skill-up on the various components of the WebSphere platform. Your technical people can become certified in a variety of WebSphere family products (like the WebSphere Application Server or WebSphere Host Integration to name just two) by completing a prescribed series of technical courses and then passing the appropriate exams. WebSphere certification tells your customers that the technical resources you send out to work on their projects are trained experts, and clients expect to pay extra for such expertise. According to early surveys by IBM, 64% of IBM Business Partners indicated that having their IT professionals IBM certified for e-business increased their ability to close a sale; 59% reported an increase in sales volume.

For more information on WebSphere certification, visit www.ibm.com/certify

WebSphere Sales University 101 Workshop

This two-day sales workshop, available to qualified Business Partners, is an opportunity for your sales people to learn about the key products in the WebSphere portfolio, how to position them against the competition and, most importantly, how you can make more money by leveraging the strength of IBM.

For more information: <http://www.ibm.com/software/info/websphere/partners/ws101.html>

WebSphere Solution Sales 201 Workshop

This interactive one-day selling workshop, based on IBM's Signature Selling Methodology, helps Business Partners recognize customer pains, qualify opportunities, develop solutions with their customers and quickly close the deal. This workshop is available to qualified Business Partners who have completed the prerequisite courses (IBM's two-day Signature Selling Methodology and WebSphere Sales University 101 Workshop).

For more information: <http://www.ibm.com/software/info/websphere/partners/ws201.html>



A more complete listing of WebSphere courses is available at www.ibm.com/services/learning

What are current WebSphere Business Partners saying?

IBM Business Partners are making real money with WebSphere right now. Here is a brief overview of just a few of them, and what they're saying about their relationship with IBM.



Concept Five Technologies (Vienna, VA): this privately-held company leverages its skills in Java™ development, back-end integration and security to build winning e-business solutions for financial services companies. The company's alliance with IBM helped spur a 15-25% quarterly growth rate coupled with more rapid application development.

"Although we're still developing a name for ourselves, being an IBM Business partner gives us great credibility. And IBM helps direct us to customers in need." Bill Ruh, CTO, Concept Five Technologies

Global Information Services (GIS) de Mexico (Mexico City): the company provides e-business, system engineering, networking and general IT solutions to businesses ranging from small ad agencies to leading retailers. The alliance with IBM has helped the company increase its customer base by 45% in just one year, with a 30% increase in revenues.

"When GIS was starting out, attracting clients was a challenge. Since forming our partnership with IBM, we've increased our market share by 18%." Jorge Muñoz, Operations Director, Global Information Services de Mexico

Specialized Software (Worcester, MA): grew from a \$600K business developing database drivers in 1982 to a \$21 million company providing full-service e-business solutions. Achieved 50% revenue growth in one year and a 33% reduction in development cycles; 50% of current revenue is driven by WebSphere family products.

"WebSphere Application Server, Standard Edition offers a very low cost of entry, enables rapid development and performs extremely well. Later on, the customer can scale easily . . . to accommodate enterprise-class capabilities." Prasad Thammineri, VP and CTO, Specialized Software



Versant (Fremont, CA): A \$30 million leader in object-based enterprise software systems, helping companies extend their enterprises over the Internet by using e-business applications. WebSphere has reduced their implementation costs by as much as 40%.

"Versant's relationship with IBM provides WebSphere Application Server customers a complete, integrated e-business solution while other vendors' offerings require integration by the customer" Nick Ordon, CEO, Versant Corporation

Viador (San Mateo, CA): this \$28 million company, a leading provider of object-oriented middleware infrastructure, helps customers around the world use information to reduce costs, drive new revenue, and enable enterprises to use the web to expand their reach.

"We are really happy with the partnership with IBM. We have seen a growth of over \$1,000,000 in revenue as a result of the partnership" Ben Connors, VP of Business Development, Viador.

"The partnership with IBM is a big advantage from a sales, marketing and technical standpoint. We team up with IBM for tradeshow and seminars and take a pro-active approach in other marketing activities. IBM brings us credibility and resources. IBM provides high quality, appropriate leads to us. Most of our projects are large scale enterprise projects. Our partnership with IBM has brought in several major clients." Ben Connors, VP of Business Development, Viador.

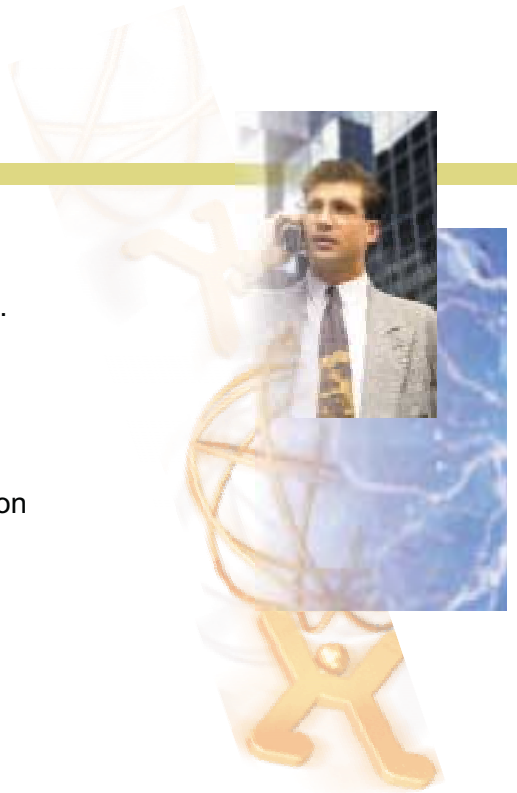


The Next Step: Get with the program

IBM's PartnerWorld for Software program is designed to make sure our Business Partners get the most out of their relationship with IBM. The program has three levels of membership: Member, Advanced, and Premier. At each successive level, IBM makes a greater commitment to the Business Partners' success and the Business Partner makes a greater commitment to IBM. PartnerWorld for Software offers not-for-resale code, volume discounts, tuition reimbursement, enhanced post-sales technical support, compensation for influencing the sale of IBM software and a host of other benefits.

Ready to start growing your business with WebSphere?

Then visit www.ibm.com/partnerworld/software to get started.



For general information about WebSphere:

www.ibm.com/websphere

For information about IBM WebSphere Business Partner opportunities:

www.ibm.com/websphere/partners

www.ibm.com/websphere/developers

For information about IBM Business Partner programs designed to drive new software revenues through innovative co-marketing, visit PartnerWorld for Software:

www.ibm.com/partnerworld/software

To access the IBM WebSphere Innovation Connection *Online*:

www.ibm.com/websphere/partners

To access IBM WebSphere course information:

www.ibm.com/services/learning

For information on IBM Professional Certification:

www.ibm.com/certify

