



# IBM Marketing Enhancement to Software Advantage For Workstations Renewal Program

This announcement is designed to complement the renewal process available under the IBM Software Advantage for Workstations Enhancement, also announced today (USS 97-039). This offering provides customers with existing Advantage Agreements that are scheduled to expire, with additional credits toward their renewal Advantage Agreement spending level effectively providing better discounts when a renewal Agreement is completed prior to the expiration of their existing Advantage Agreement.

To participate you must be an Advantage customer whose Agreement is scheduled to expire within 90 days. You must complete a new Advantage Agreement and place an initial order with that Agreement prior to the expiration of your existing Advantage Agreement. Because this initial order will count, in its entirety, toward the spending level of your new Agreement you should consider consolidating new licenses you require as part of that order. Upgrade Protection for those new licenses, Upgrade Protection for installed licenses whose Upgrade Protection period is expiring, and Upgrade Protection for installed licenses currently without upgrade coverage should be added to the initial order of the new Agreement.

This consolidation will ensure you that you will earn your best discount under your new Advantage Agreement. There must be no lapse in coverage. The new Advantage Agreement and the initial order must be received by IBM prior to the expiration of your existing Advantage Agreement. If you take this action, you will, in addition to receiving the normal SRP credit for the transaction, be eligible to:

1. Count 50% of the Billed SRP Revenue acquired during your existing Advantage Agreement toward the spending level of your new Agreement (versus the announced 20%)
2. Receive a duplicate credit of the SRP value of any Upgrade Protection acquired as part of the initial transaction done under the new Advantage Agreement, and having that revenue credit apply toward the spending level of your new Agreement, and
3. Have the initial transaction receive the better of, either the discount earned under your existing Advantage Agreement, or the discount earned with your new Agreement.

This offer is available only in the United States and Puerto Rico.

IBM reserves the right to modify or withdraw this offer at any time.

*This announcement is provided for your information only and is subject to change without notice. For additional information, contact your IBM representative.*

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## Marketing Information

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This announcement offers current Advantage customers the ability to earn higher discounts when renewing their Advantage Agreement. It provides Advantage customers a significant incentive to refresh the Upgrade Protection Option for those licenses they covered under their existing Advantage Agreement that expire with the current Agreement, and receive additional credits toward their new Agreement spending level. The additional UPO credit will also apply to Upgrade Protection acquired for new licenses taken as part of the same initial Advantage transaction. Finally, because the initial transaction will be eligible for the better of either the Advantage discount currently available under the Customers existing Agreement, or the discount earned under the new Agreement, this is an excellent opportunity for an Advantage Customer to acquire new licenses at the best price available to them.

### **Administrative Information**

To renew an Advantage Agreement, the following steps should be taken:

1. Determine the credit associated with the Billed SRP Revenue acquired during the existing Advantage Agreement (50% of the Contract To Date Billed SRP Revenue), and include that revenue amount as a non-billable line item on a Supplement to the new Advantage Agreement (lettered Supplement).

This information is available to IBM marketing personnel and those remarketers currently named on the Advantage Agreement. This information will be available from either the IBM Advantage Coordinator responsible for the Agreement, or from the Software Advantage Administration Center customer support representative handling the named remarketer.

2. Determine the SRP revenue amount for all Upgrade Protection that is being ordered as part of the initial order being submitted with the new Advantage Agreement. This revenue amount should be included as a non-billable line item on a Supplement to the new Advantage Agreement (lettered Supplement, as above).

Upgrade Protection being acquired with the initial transaction will also be included as billable line items on a Supplement to the new Advantage Agreement (numbered Supplement). By showing these Upgrade Protection part numbers on both Supplements, the customer will receive double credit toward the spending level of their new Advantage Agreement.

3. Determine the SRP revenue of the initial transaction under the new Advantage Agreement. Each eligible program license and Upgrade Protection part number being acquired should be included on the appropriate Supplement to the new Advantage Agreement (numbered Supplement which must match the purchase order for the initial transaction).
4. Determine the spending level of the new Advantage Agreement, and the associated discount level.

The spending level will equal the sum of:

- SRP credit for existing Advantage Agreement (item 1)
- SRP credit for UPO acquired as part of the initial order under the new Advantage Agreement (item 2)

- SRP revenue of the initial purchase order under the new Advantage Agreement (item 3)
5. Complete the new Advantage Agreement, and have the document signed by the customer. The discount associated with that Agreement should be based on the spending level achieved above. That discount amount is the correct discount for the new Advantage Agreement.
  6. Process the initial order under the new Advantage Agreement. The discount for this transaction should be the better of either the existing Advantage Agreement discount, or the discount earned under the new Advantage Agreement.

In most cases the existing Advantage Agreement discount will be equal to or better than the discount under the new Advantage Agreement.

7. The signed new Advantage Agreement, and a copy of the initial purchase order done under this Agreement should be sent to the appropriate Advantage Area Coordinator. The Coordinator will review the Agreement, insure that the Effective Date is the first of the month following the expiration of the current Advantage Agreement, and then accept the Agreement for IBM. The completed package should then be sent to the Software Advantage Administrative Center for processing.