



e-business

# **Business Partner Value Compensation**

**June 14, 2000**

**Michael Ryan**

**Data Management WW Indirect Sales**

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# Announcement Overview

- **IBM Software & Lotus Unveil Leadership Business Partner Incentive Program**
  - ▶ Value Compensation Plan announced May 2 to be effective July 1, 2000
  - ▶ Changes in existing rebates to reward "value"
  - ▶ New Market Growth Rebate to focus on Midmarket and small business opportunity
  - ▶ Increased focus on Sales Assistance fees for Influencers
  - ▶ Reduce available discount for fulfillment

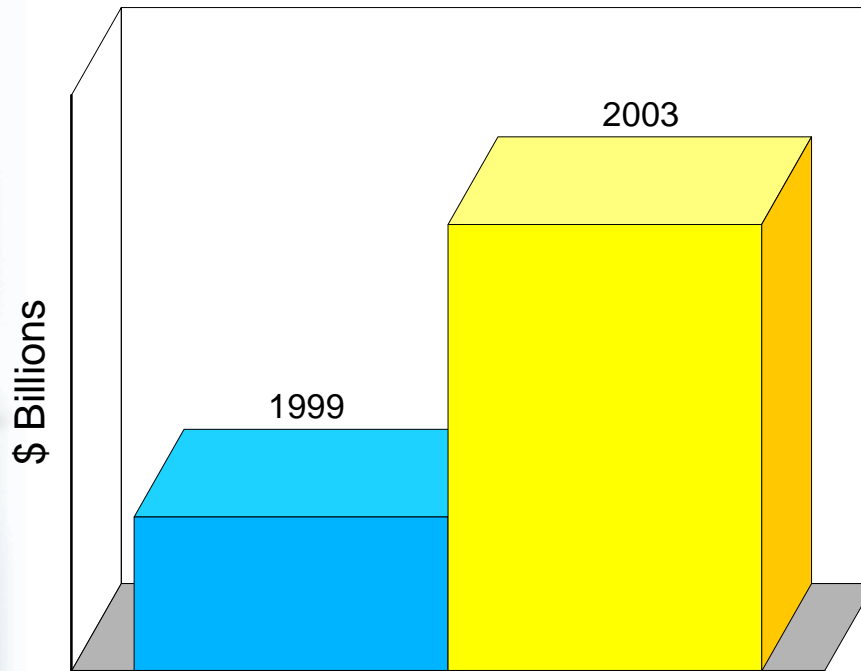
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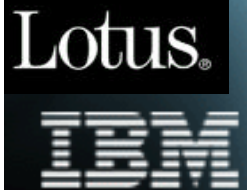
# e-business Middleware Opportunity

**Midmarket/Small Business  
Compound Growth Rate: 30% +**

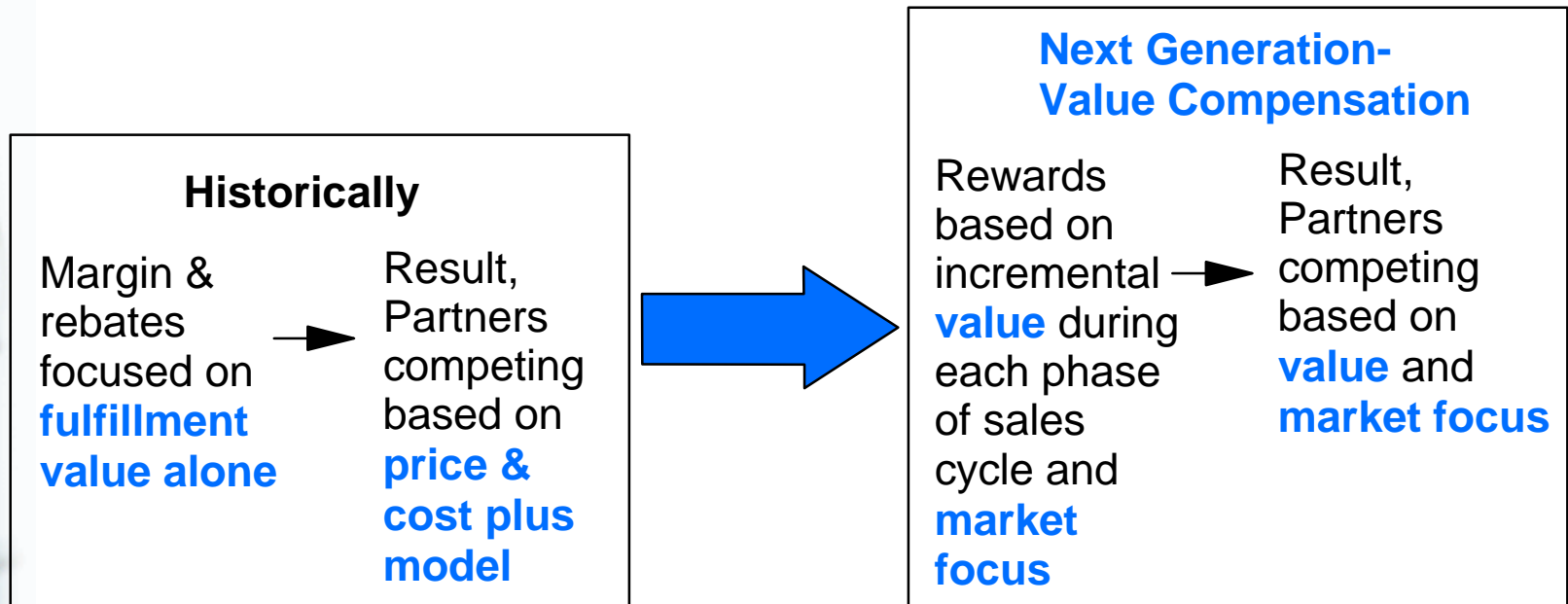


- High growth opportunity
- IBM & Lotus to leverage Partners as primary channel
- Partner value builds customer relationship and repeat business

\* IBM worldwide investment in Business Partner Programs is \$500 million



# Why The Focus On Value Compensation?



- Substantial Benefits To Competing On Value and Market Focus!
  - ▶ **Results in long term, sustainable business model**
  - ▶ **Contributes to longer term profitability**



## Distributors

- Objective
  - ▶ Reward Business Partners for investing in, driving sales of, and supporting resellers to sell strategic e-business middleware products
  
- Tactics
  - ▶ "Value" rebate
    - make investments to drive e-business solutions through resellers
  - ▶ "Market Growth" rebate
    - target midmarket and small business customers
  - ▶ Reduce fulfillment rebate

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## Resellers

- Objective
  - ▶ Reward Business Partners that offer value-add activities and focus on growing opportunity of e-business middleware products in mid-market and small business segments.
  
- Offerings
  - ▶ Sales Assistance Program fees from 5% to 15% for mid-market and small business customers
  - ▶ "now you" sales incentive
  - ▶ PartnerWorld program benefits e.g., discounted education, You Pass We Pay,
  - ▶ Data Management marketing programs

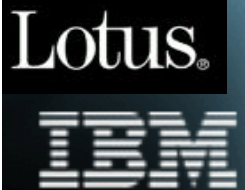
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## Resellers (continued)

- Data Management marketing programs
  - ▶ Joint advertising, up to \$4,000
  - ▶ Tradeshow assistance, up to \$4,000
  - ▶ Telemarketing support, up to \$4,000
  - ▶ Partner proposals, up to \$4,000
  - ▶ Leveraging Information TestDrives reimbursement up to \$1,500
  - ▶ Seminars in a Box
  
- Data Management Channels website  
<http://www.ibm.com/software/data/channels>



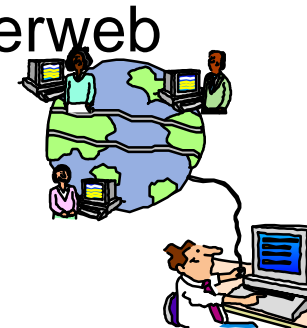


## New Announcements - Bottom Line

- ✓ IBM and Lotus are investing in **Software Business Partners** for providing value to Midmarket and small business customers...
- ✓ IBM and Lotus are continually enhancing our e-business relationship with our customers and our Business Partners...
- ✓ IBM and Lotus are taking a leadership position to be the "best partners in the software industry"

[www.ibm.com/software/partnerweb](http://www.ibm.com/software/partnerweb)

[www.lotus.com/bpzone](http://www.lotus.com/bpzone)



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