Host Integration Client Products

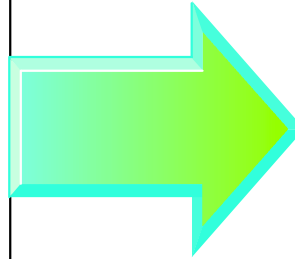## Packaging and Pricing Review and How to Sell in 4Q2000

Mary O'Donnell

Host Integration Client Offerings

Today

- Host On-Demand (C)
- Screen Customizer Runtime (C and R)
- Screen Customizer Studio
- PCOMM (R)
- Host Integration Solution (C)
  - HOD
  - Host Pub
  - Comm Srvrs
  - Firewall
- Host Integration Solution (R)
  - PCOMM
  - HOD
  - Host Pub
  - Comm Srvrs
- Host Access Bundle (R)
  - PCOMM
  - HOD

4Q2000

- WebSphere Host Integration Solution (C)
  - V2 is available 11/30/00
  - Host On-Demand
  - Host Pub
  - Comm Srvrs
  - Screen Cust. Runtime + Studio
  - WS App Srvr Adv. Edition
- WebSphere Host Integration Solution (R)
  - V2 is available 11/30/00
  - PCOMM
  - Host On-Demand
  - Host Pub
  - Comm Srvrs
  - Screen Cust. Runtime + Studio
- IBM Host Access Client Package (R)
  - PCOMM
  - Host On-Demand
  - Screen Cust. Runtime + Studio

(R) - Registered user
(C) - Concurrent user

Notes:
- Firewall will not be included in Version 2 of Host Integration Offering.
- Can sell HI Solution now and customers will get V2 components when available as part of entitlement.
- HOD V5 and SC V2 are not announced as standalone products. Plan to announce withdrawal of PCOMM 5.0, HOD 4.0, and SC 1.0 standalone products January 2001. 4Q2000 will be transition period.

How IBM's Change in Client Offerings Benefit Customers

- Host Access Client Package (HACP) allows customers to purchase single emulation offering and flexibly address both traditional and web emulation needs today and in future.

- Cost of HACP is less than the sum of its parts under previous pricing model

- A per user license for Screen Customizer runtime and Studio has been added to HACP and Host Integration (HI) offerings (V1 Studio sold for $5K).

- HI offerings and HACP provide higher value solutions recognizing businesses have multiple host access needs as they extend their network to new users both internally and externally.

- IBM moved to registered user model for intranet to simplify customer's licensing administration and license accounting across multiple servers.

- Host On-Demand (HOD) for concurrent users continues to be available in HI offering for Internet

Selling Strategies

- What is the best solution to sell your customer in 4Q2000?

Scenario #1 - Customer has PCOMM

- **Sell benefits of HOD and Screen Customizer (SC)**
    - ◆ Lower total cost of ownership through server installation, runs on platform of choice, GUI front ends require no programming and can minimize user training required
- **If customer is also interested in Host Publisher functions, sell HI registered**
    - ◆ Purchase Version 1 before 11/30 and save!
- **If customer is interested only in emulation, sell HACP**

Offering	# Of Users	T/U + Subs for 2 Years*	Total Cost*
HACP	1000	$100/user ($67+33)	$100K
HI Registered V1 (must buy before 11/30)	1000	$119/user ($85+34)	$119K
HI Registered V2 (avail 11/30/00)	1000	$136/user ($97+39)	$136K

* Passport Advantage Category H Pricing - US Prices.

Scenario #2 - HOD Prospect for Internal Users

- **Sell customer on benefits of HOD and SC**
  - ◆ Emphasize lower total cost of ownership and extended reach to remote employees!
- **If customer is also interested in Host Publisher functions, sell HI registered**
  - ◆ Purchase HI Version 1 before 11/30 and save!
  - ◆ Customer who buys HI Version 1 is entitled to new SC V2 components
- **If customer is interested only in emulation, sell HACP**

Offering	# Of Users	T/U + Subs for 2years*	Total Cost*
HACP	1000	$100/user ($67+33)	$100K
HI Registered V1 (must buy before 11/30)	1000	$119/user ($85+34)	$119K
HI Registered V2 (avail 11/30/00)	1000	$136/user ($97+39)	$136K

* Passport Advantage Category H Pricing - US Prices.

Scenario #3 - HOD Prospect for External Users

- **Sell customer on benefits of HOD and SC**
  - Lower total cost of ownership, GUI front ends require no programming and can minimize user training required, SSL security
- **Sell customer on higher value benefits offered by HI Concurrent offering**
  - Includes Host Publisher, WS Studio and WS Application Server
  - Purchase HI Version 1 before 11/30 and save!
  - Customer who buys HI Version 1 entitled to new V2 components to help them grow their e-business

Offering	# Of Users	T/U + Subs for 2years	Total Cost
HI Concurrent V1 (must buy before 11/30)	1000	$131/user ($92+39)	$131K
HI Concurrent V2 (avail 11/30/00)	1000	$179/user ($126+53)	$179K

save $48K!!

* Passport Advantage Category H Pricing - US Prices.

Scenario #4 - Concurrent HOD License is Driver

- **Sell customer on higher value benefits offered by HI Concurrent offering**
  - ◆ Includes Host Publisher, WS Studio and WS Application Server
  - ◆ Purchase HI Version 1 before 11/30 and save!
  - ◆ Customer who buys HI Version 1 entitled to new V2 components to help them grow their e-business
- **Explain to customer that if they buy HOD concurrent standalone they will need to consider other offerings at subscription renewal**
  - ◆ Default migration to HACP at 1 to 2 ratio
  - ◆ Can choose to trade-up to HI concurrent at Version 2 price or stay with HOD with no subscription

Offering	# Of Users	T/U + Subs for 2years	Total Cost
Host On-Demand standalone	1000	$105/user ($72+33)	$105K
HI Concurrent V1 (must buy before 11/30)	1000	$131/user ($92+39)	$131K
HI Concurrent V2 (avail 11/30/00)	1000	$179/user ($126+53)	$179K

* Passport Advantage Category H Pricing - US Prices.

Scenario #5 - Current HOD customer is interested in SC or Host Publisher

- **Sell customer HI Concurrent offering**
  - Includes Host Publisher, SC, WS Studio and WS Application Server
  - Purchase HI Version 1 before 11/30 and save!
  - Customer who buys HI Version 1 entitled to new V2 components to help them grow their e-business

Offering	# Of Concurrent Licenses	T/U + Subs for 2years	Total Cost
Host Publisher 2.2 SC Runtime for HOD (V1 price) SC Studio (V1 price)	1000 1000 1 dev. seat	HP New lic +2 YR sub (2 srvrs + 18 use packs) SC New lic+ 2 YR sub ($77/user) Studio New Lic + 2 YR sub ($3893)	HP= $210K SC= $77K Studio= $4K Total= $291K
HI Concurrent V1 (must buy before 11/30)	1000	$131/user ($92+39)	$131K
HI Concurrent V2 (avail 11/30/00)	1000	$179/user ($126+53)	$179K

* Passport Advantage Category H Pricing - US Prices.

Scenario #6 - Current HOD customer is Operating at Greater than 2 to 1 Ratio

- Explain that HOD will no longer be offered standalone and at subscription renewal they will need to consider moving to HACP or HI Solution
- Show them that moving to HI Concurrent now will cost them less long term than migrating to HACP registered user model
- Tell them you can sell trade-up licensing to HI Concurrent before 11/30 for significantly less money than if they wait until next year
  - ◆ Customer who buys HI Version 1 with subscription entitled to new V2 components - SC runtime and studio and WS Application Server, Adv Ed.

Offering	# Of Concurrent Lic.	T/U + Subs for 2years	Total Cost
HI Concurrent V1 (must buy before 11/30)	1000	$131/user ($92+39)	$131K
HI Concurrent V2 (avail 11/30/00)	1000	$179/user ($126+53)	$179K

Migration to HACP at 1 to 3 ratio** means customer pays $33K ($33x1000 HOD licenses) at subscription renewal for 3000 HACP licenses. When subscription next expires, customer must pay renewal on 3000 licenses costing $99K. Total 2YR cost is $132K. 1 to 4 ratio increases total 2YR cost to $165K.

** Migration at 3 to 1 ratio requires special bid * Passport Advantage Category H Pricing - US Prices.

4Q Host Integration Specials

- Incent customers that have expressed interest in HP or HI to move to Host Integration Solution Offering before 11/30/00
  - ◆ Concurrent offering is good deal for customers operating with greater than 2 to 1 concurrent ratio.
  - ◆ V2 GAs 11/30 and will be $48* more per concurrent user and $17 more for reg. user for Trade-up plus 2 YR subscription.
  - ◆ Customers who buy V1 with subscription will get new V2 components when available.

* Passport Advantage Category H Pricing - US Prices.

What to Sell in 4Q - Summary

Customer Scenario	What to Sell	Benefits	Passport Advantage Category H Cost for 1000 Users
Customer has PCOMM	1. HACP to get HOD and SC 2. HIS Registered if interested in Host Publisher.	1. Reduced TCO, GUI front end, platform of choice 2. Everything above plus extend reach to non-emulator users, integrate host data with web. Will get SC when HIS V2 becomes available.	1. $100K 2. $119K if purchase before 11/30; $136K after that for V2
Customer is considering HOD for internal users (registered user model)	1. HACP to get HOD and SC 2. HIS Registered if interested in Host Publisher.	1. Reduced TCO, GUI front end, platform of choice, SSL security 2. Everything above plus extend reach to non-emulator users, integrate host data with web. Will get SC when HIS V2 becomes available	1. $100K 2. $119K if purchase before 11/30; $136K after that for V2
Customer is considering HOD for external users (concurrent user model)	1. HIS Concurrent 2. HOD standalone	1. Ability to address unique user needs with multiple different host access solutions. Reduced TCO, reduced training expenses for example with GUI front ends, platform of choice, SSL security. If bought before 11/30, customer is still entitled to new SC and WebSphere application server components. 2. Reduced TCO, GUI front end, platform of choice, SSL security . Will be need to consider other offerings at subscription renewal - because IBM plans to no longer offer HOD standalone beginning 2001	1. $131K if purchase before 11/30; $179K after that for V2 2. $105K
Concurrent model is key criteria	1. HIS Concurrent 2. HOD standalone	1. See above 2. See above	1. $131K if purchase before 11/30; $179K after that for V2 2. $105K
Current HOD customer is interested in SC and/or Host Publisher	HIS Concurrent	Enables customer to remain on concurrent model and grow their ebusiness. Ability to address unique user needs with multiple different host access solutions. Reduced TCO, reduced training expenses for example with GUI front ends, platform of choice, SSL security. If bought before 11/30, customer is still entitled to new SC and WebSphere application server components when HIS V2 becomes available.	HIS - $131K if purchase before 11/30; $179K after that for V2 compare with: Host Publisher - $210K SC - $81K
Current HOD customer is at greater than 2 to 1 ratio	HIS Concurrent	Enables customer to remain on concurrent user model and move to higher value offering for significantly less than what it will cost after HIS V2 becomes available on 11/30. Its a very good deal! See above for summary of HIS benefits to customer.	$131K if purchase before 11/30; $179K after that for V2

General Points of Clarification

- HACP replaces PCOMM/HOD bundle. Customers who have PCOMM/HOD bundle will receive and are entitled to all products in HACP.
- **Message to customers should be that HOD V5 and SC V2 are available:**
  - for Intranet environments (reg user) - via HACP or HI Registered offering
  - for Internet environments (conc user) - via HI Concurrent
- Customers who have point products are not entitled to other components in HACP package until they move to HACP w/valid proof of entitlement:
  - PCOMM trade-up
  - HOD at subscription renewal or via special bid trade-up
- HOD automatic migration process at subscription renewal will begin after announce of HOD withdrawal.
- Customers who purchase HOD special bid after HOD withdrawal will not be eligible for subscription renewal migration. Regular trade-up will be only option.
- Products in Host Integration Solution include AS/400 platform offerings
- Host Integration Solution Offering includes 1 WS App Server Adv edition for each 50 users

Reminder

- For every order, you need to sell customer Support Line contract!

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IBM Business Partner - Software Program E-mailing Communication

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The Support Line benefit in the Value Package is for the Business Partner's
internal use. The benefit is to be used by Business Partners during
the sell cycle. It is not to be used to support the end user customer
after the customer has purchased IBM Software. Customers who have purchased
IBM Software should be supported with a commercial Support Line or Passport
Advantage contract. In addition, the benefit is not to be used by distributors
in support of their Business Partners. A statement clarifying the usage of
the Support Line benefit has been posted on the IBM Business Partner -
Software Program Web site. Please click on the URL below to view this
statement:

Back Up Charts

PA Pricing Comparison of Current Standalone Clients versus New Host Integration Bundles*

Passport Advantage Category H Pricing

Offering	Lic + Sub (1 Anniv)	T/U + Sub	Sub Renewal
PCOMM 5.0	$166	$62	$30
HOD 4.0	$124	$72	$33
SC for HOD 1.0	$61	$43	$16
SC for PCOMM 1.0	$33	$23	$9
SC Studio 1.0	$3088	$2162	$805
Host Access Client Package 1.0	**$178**	**$67**	**$33**
Host Integration V2 Registered	**$214**	**$97**	**$39**
Host Integration V2 Concurrent	**$271**	**$126**	**$53**

* US Prices only. Host Integration Solution V2 prices are not published and should not be quoted until announce date.