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The IBM e-business Start Now Program, Web Self-Service Solutions

A Revenue Opportunity for Qualified Business Partners

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What is CRM?

- Customer Relationship Management
- Business processes to:
 - ▶ Identify
 - ▶ Select
 - ▶ Acquire
 - ▶ Develop
 - ▶ Retain
 - Most profitable customers and better serve them
- **Single greatest source of competitive differentiation in next decade**

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IBM CRM Campaign Overview

- IBM Corporate Campaign kicks off in January - TV
- February - print ads
- Additional tactics
 - ▶ Web tactics
 - ▶ Banners
 - ▶ Sponsorships
 - ▶ Branded buttons
 - ▶ e-mail marketing
- Features multiple solutions for variety of buyer segments



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Customer Relationship Management Campaign Offerings

Large Enterprise Segment

**IGS & ISV
Applications**

Small and Medium Businesses

**Prepackaged
Application**

- Lotus Domino-based
- Business Partner delivered

**Customer
Specific
Applications**

- Start Now for Web Self-Service
- Business Partner customized & delivered

IBM



The IBM e-business Start Now, WSS - An Opportunity for Qualified IBM Business Partners

- **Offering to be sold and implemented by Business Partners**
 - ▶ IBM e-business Suites (Websphere Standard Edition, Domino, DB2 UDB, SecureWay Directory, Communication Server, Tivoli Agents)
 - ▶ Application tool - Drumbeat
 - ▶ Predefined scope of work and CRM Starting Points
 - ▶ Business Partner enhancements and up-sell opportunities
 - ▶ Executive assessment sales tool
 - ▶ IBM financing options
- **Targeted at Small and Medium Businesses (SMB)**
- **Supported by**
 - ▶ IBM demand generation
 - ▶ Cooperative marketing programs
 - ▶ Training and support

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IBM e-business Start Now Program, Web Self-Service Solutions Goals

- **Drive sales of Web Self-Service solutions in the SMB marketplace through Business Partners by minimizing market inhibitors**
 - ▶ Provide affordable CRM solutions to lower the entry point
 - ▶ Reduce complexity of Web Self-Service to better suit the SMB market
 - ▶ Fixed scope of work to speed up purchase decisions
- **Improve Business Partner productivity**
 - ▶ Well defined SMB solution with suggested minimum price
 - ▶ Simplified implementation
 - ▶ Scalable and extendible





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The Start Now for Web Self-Service Offering

Software

IBM Suites for e-business
- DB2
- Websphere
- Domino



Development Tools

Macromedia Drumbeat 2000



CRM Starting Points

- Customer Registration
-Customer/Contact Management
- Campaign Management
- Login

Business Partner Services

Predefined Scope of Work and Customer Assessment performed by IBM Business Partners

IBM Servers - Netfinity, AS/400, RS/6000, or S/390

Based on input from our Business Partners, the estimated resale price of this program can start at approximately US \$30,000* — a very attractive price for a Web Self-Service solution.

*Estimated reseller price only. Actual prices may vary.

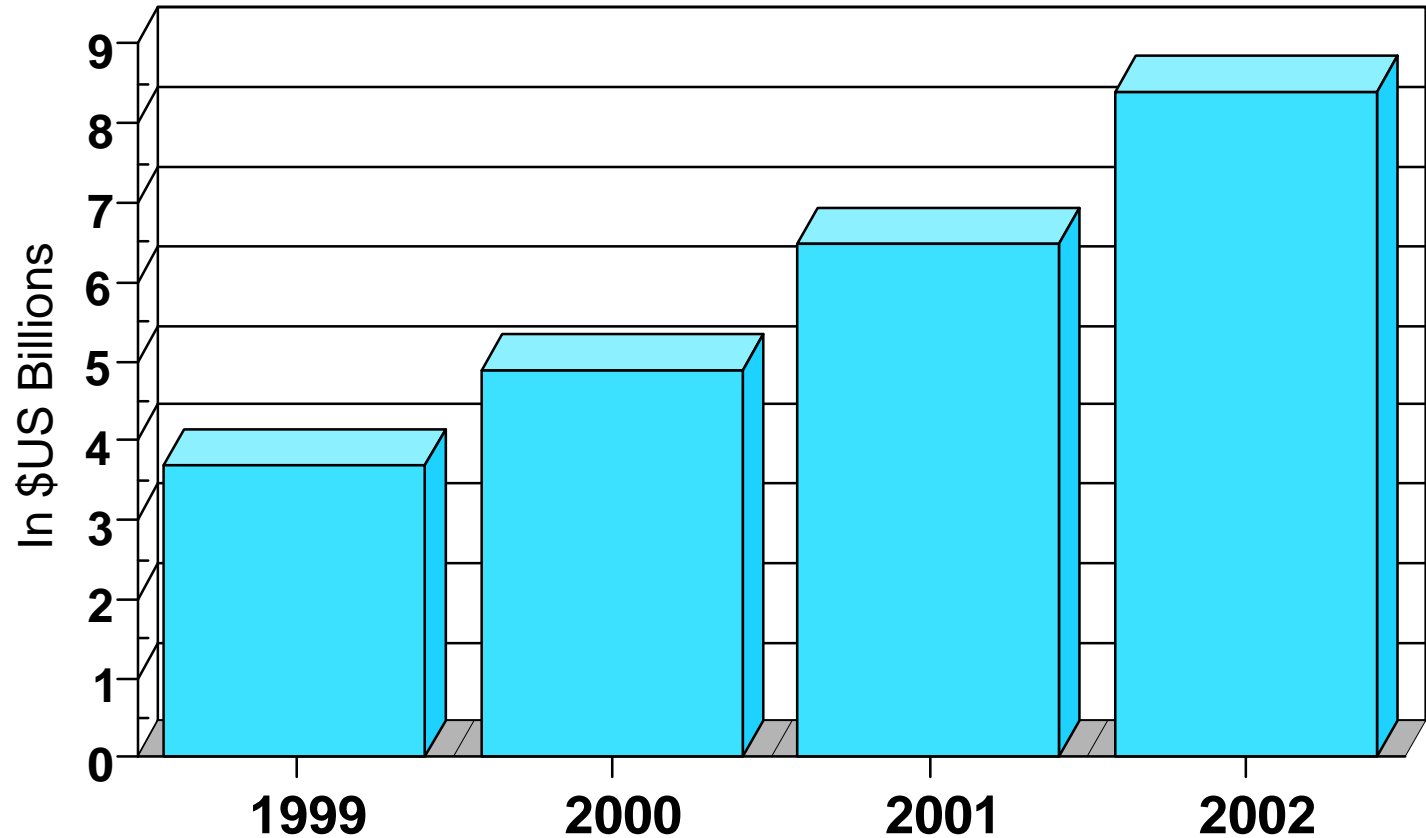
IBM



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CRM Market Forecast

Global CRM Market Opportunity for the Small and Medium Business Segment



IBM -GMV Solution Team; "Cross Industry Solution Market IT Estimates." April 1999

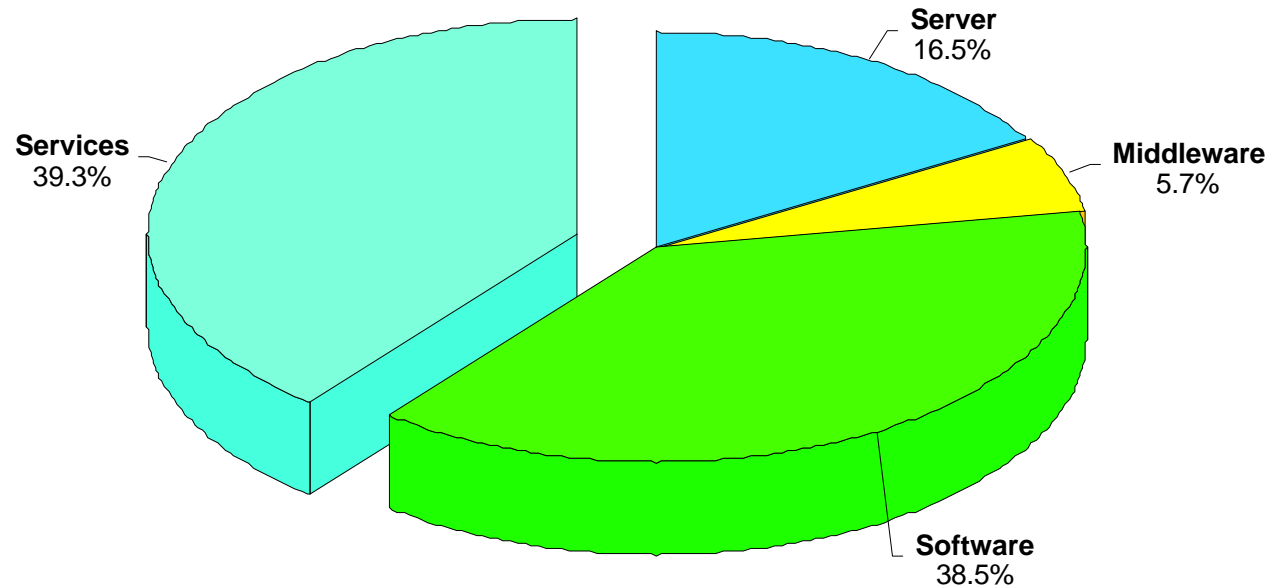


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CRM Market Forecast

Segmented by Middleware, Servers, Software & Services

2000 Global CRM Market Opportunity of \$12 Billion



	1997	1998	1999	2000	2001	2002	CAGR
Services	2,000	2,660	3,540	4,700	6,260	8,260	33%
Software	2,000	2,640	3,480	4,600	6,070	7,960	32%
Middleware	300	400	523	690	911	1,200	32%
Server	1,300	1,500	1,719	1,980	2,270	2,600	15%
Total	5,600	7,200	9,262	11,980	15,511	20,020	29%

In Millions \$US.

IBM -GMV Solution Team; "Cross Industry Solution Market IT Estimates." April 1999

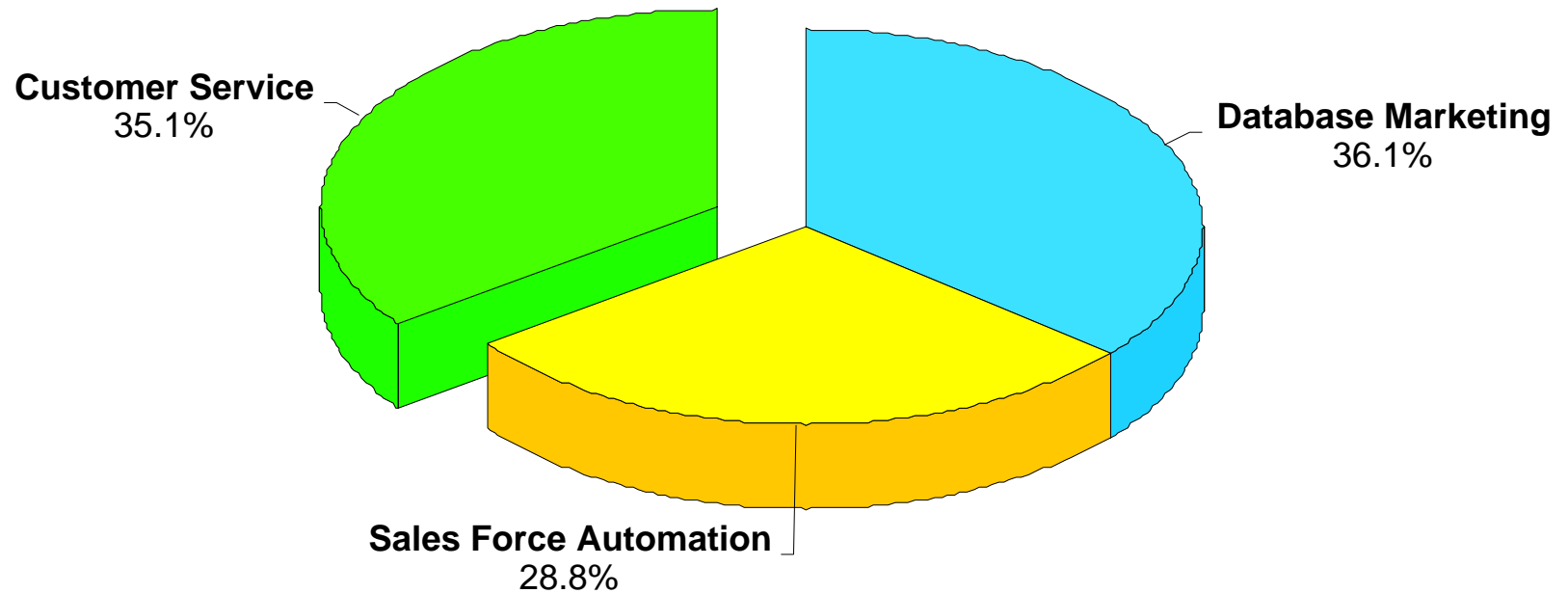




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CRM Market Forecast

2000 Global CRM Opportunity by Application



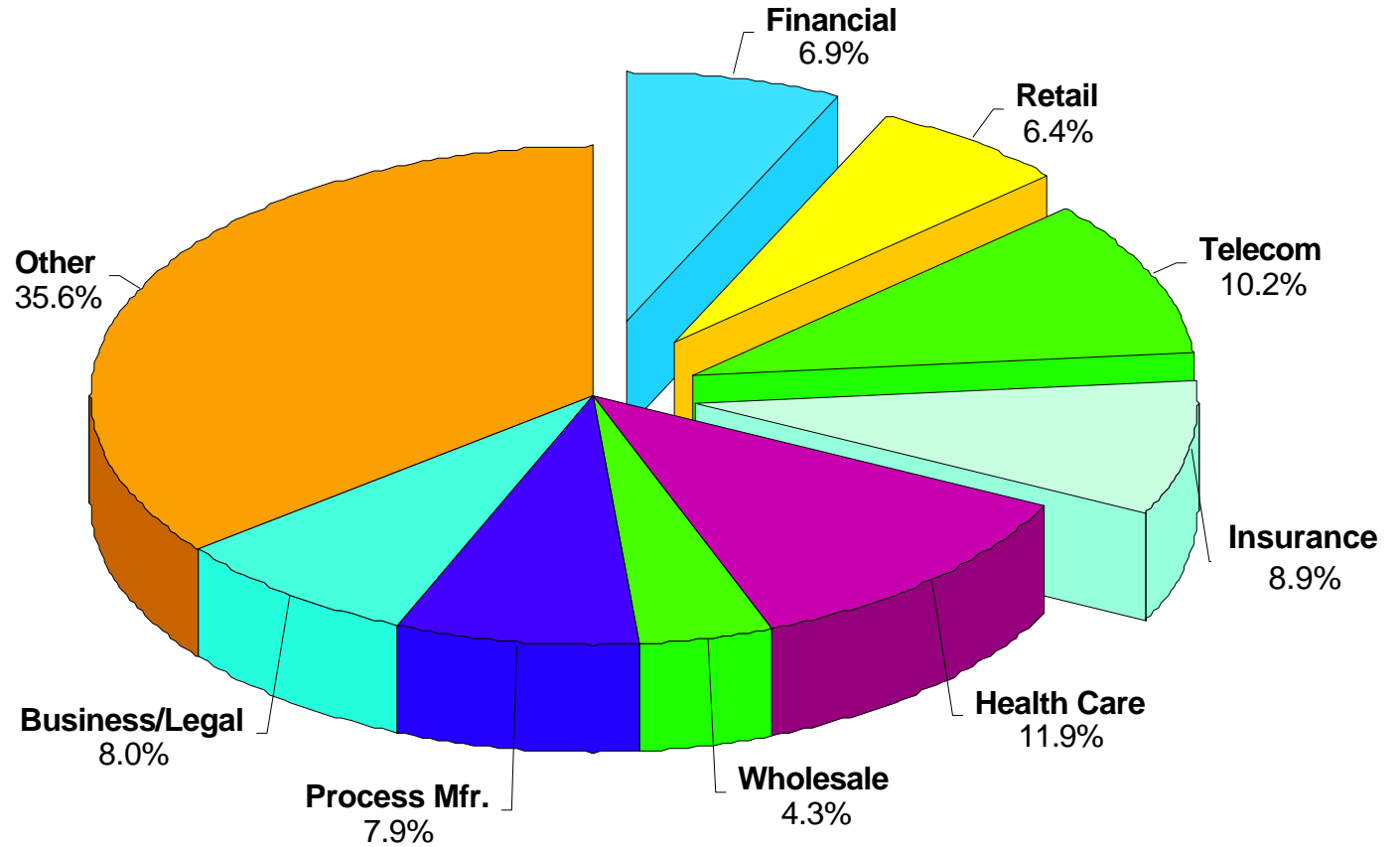
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CRM Market Forecast

2000 US CRM applications Software Revenue by Industry



IDC; "Cashing in on CRM: A Partnering Approach." April 1999





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The CRM Market

- ▶ Over the next four years the SMB CRM Market Opportunity is expected to grow by 43%
- ▶ By 2000, the SMB CRM Market Opportunity will be 41% of the total market opportunity
- ▶ By 2000, Services and Software will dominate the overall IT market opportunity
- ▶ By 2000, Customer Service and Database Marketing will be the leading CRM applications

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The Web Self-Service Market

- ▶ Customer Service applications are migrating to the Web
- ▶ The Web market is expected to grow from 142 million to 500 million users by 2003 (*IDC*)
- ▶ From 1999-2001 Self Service applications will continue to be the dominant Web application (*Gartner Group*)
- ▶ Web to legacy integration will expand at 75% from \$1.6 billion in 1997 to \$14.7 billion in 2002 (*Information Week*)



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Key Reasons To Purchase A Web Self-Service Solution

Application Key Benefits

Customer Service

- Improve customer loyalty and retention
- Grow customer base
- Integrate contact management
- Increase cross-selling opportunities
- Reduce costs

Sales Force Automation

- Improve customer response time
- Increase cross-selling and up-sell opportunities
- Integrating and optimizing sales channels

Database Marketing

- Target most profitable customers
- Identify key market segments
- Integrate key customer data (e.g. account history, order status, credit reports, etc.)





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Target SMB Customer Profile

- **Organizations with**
 - ▶ 50 to 1000 employees
 - ▶ Several key customer touch points
 - ▶ Interest in expanding their Web presence
 - ▶ A need to centralize and integrate customer data
- **View Web Self Service as key to:**
 - ▶ Improving customer service
 - ▶ Increasing customer loyalty and retention
 - ▶ Growing their customer base
- **Priority Industries**
 - ▶ Banking, Financial Services, Insurance, Retail, Telecom/ISP
- **Typical Customer Needs**
 - ▶ Comprehensive Web-enabled solutions
 - ▶ Quickly process business transactions
 - ▶ Linkage to existing business systems
 - ▶ Need to retain control of own data
 - ▶ Scalability and growth
 - ▶ Professional help and support services
 - ▶ Rapid, low risk implementation
- **Budget: \$30K and up**





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Business Partner Requirements

- **IBM Business Partner Program - Software membership**
- **Web-based Sales Training (available starting December 13)**
- **Pass Web Self-Service Specialty**
 - ▶ Training in IBM e-business Start Now, Web Self-Service Solutions: Either one-day class or Web-based instruction (available starting mid-January)
 - ▶ Six-hour self-study course on Drumbeat development tool
 - ▶ Passage of Web-based test upon training completion
- **Netfinity authorization or VAEs for AS/400 or RS/6000**
 - ▶ T002 (Domino)
 - ▶ T003 (Commerce)
 - ▶ T004 (Web Application Server)
- **Lead eligibility**
 - ▶ Sells both hardware and software
 - ▶ Advanced level - IBM Business Partner Program



How To Get Started - via www.ibm.com/partnerworld

1. Join IBM Business Partner -
Software Program

12/14

2. IBM e-business Start Now Program,
Web Self Service Solutions
Sales Training (web-based)

12/14

3. IBM e-business Start Now Program,
Web Self Service Solutions
Technical Training

12/14: **Drumbeat Self study**

12/14: **Prelim Program guide**

1/15: **Tech training**

*Drumbeat QuickStart Tutorial

*IBM Web Self Service Solutions, Program Manual

*Getting Started with IBM Web Self-Service Solutions
(1 day Web-based or Classroom Course)

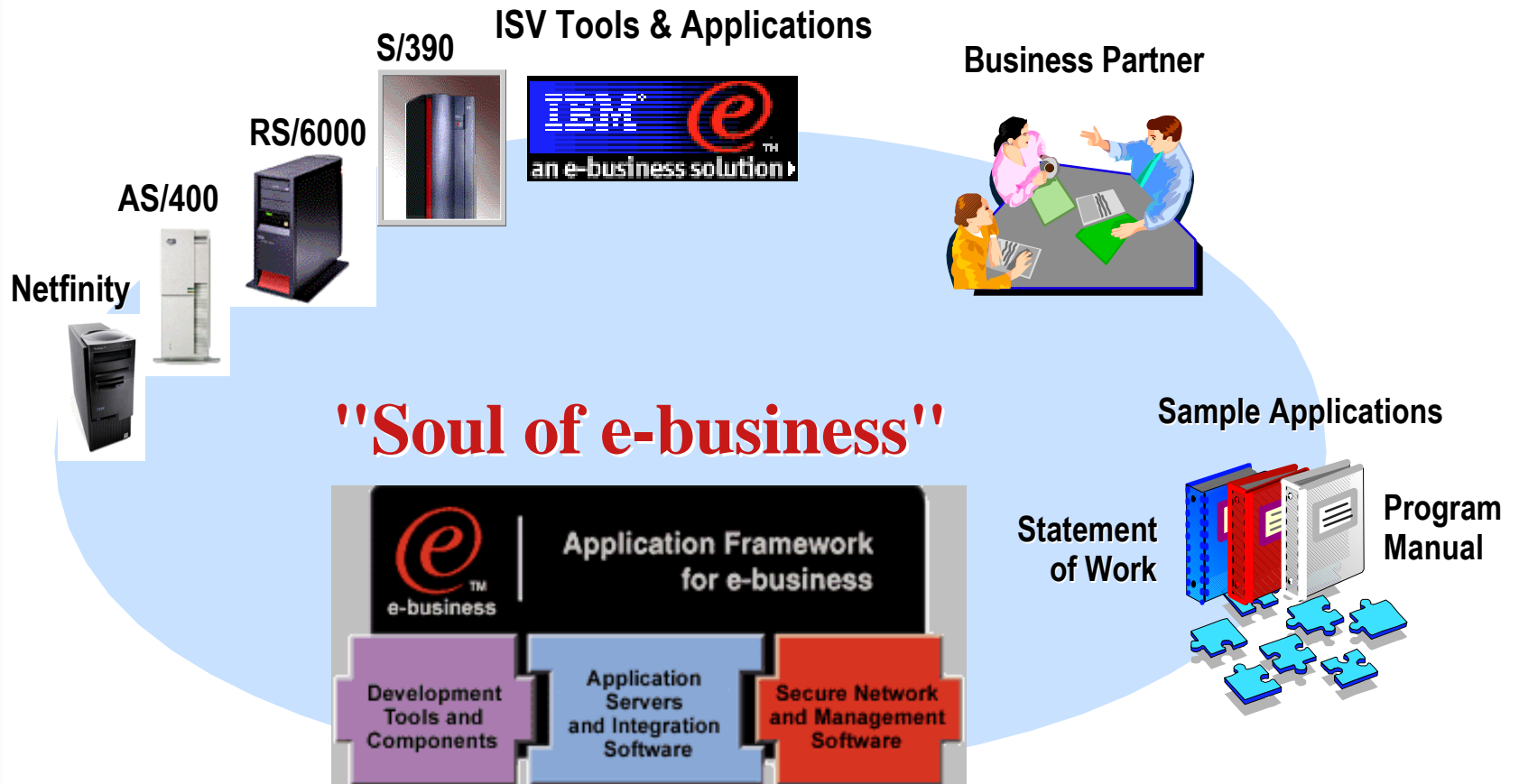
4. IBM Web Self
Service Solutions
(Drumbeat)
Specialty Test

1/15



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The IBM e-business Start Now Program, Web Self-Service Solutions



for Small and Medium Businesses





IBM e-business Start Now Program, Web Self-Service Solutions

IBM Hardware



Netfinity 5000,
Model 8659



RS/6000 43P
Model 140



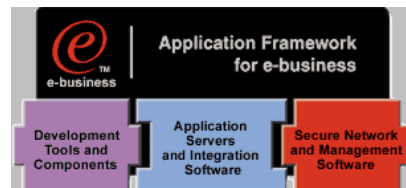
AS/400e 170,
feature 2291



S/390,
Multiprise 3000

IBM Software

The Soul of e-business



IBM Suites for e-business

- *Websphere Standard Edition*
- *Domino*
- *DB2 UDB*
- *SecureWay Directory*
- *Communication Server*
- *Tivoli Agents*
- *IBM Suites e-business demo application tools*



ISV Tools



Drumbeat 2000 JSP Version by Macromedia

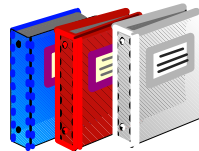
- *Drumbeat Quickstart Self-Study Guide*
- *Additional Drumbeat Starting Points*
- *WSS sample code*





IBM e-business Start Now Program, Web Self-Service Solutions (Continued)

IBM Tools



- Program Manual
 - *How-to-Guide*
- Sample "Statement of Work"

Business Partner Services*



- Total = 112 hrs @ \$150/hr. = **\$16,800**
 - *Executive Assessment*
 - *Consult*
 - *Build Solution*
 - *Install, Configure, Test, and Maintain*

Total Customer Value



- Starts at ~ \$30,000 USD
(includes Netfinity server)

* Service hours and hourly rate are estimates based on input from our Business Partners. The estimated 112 hours is based on the implementation of one WSS application. **Actual price is established by Business Partners and these prices may vary.

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Business Partner Value Propositions

The IBM Start Now Program for Web Self-Service program provides:

- **Revenue Opportunity**
 - ▶ Strong customer demand
 - ▶ Quick return on investment
 - ▶ Cross-selling and up-selling opportunities
 - ▶ Increase service revenue
- **Demand Generation Support**
 - ▶ Multimillion dollar CRM campaign
 - ▶ Co-marketing
- **Sales Training and Tools**





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Business Partner Value Propositions (continued)

■ Simple Implementation

- ▶ Solution cookbook
- ▶ Predefined scope of work, specs, program manual
- ▶ Easy to use
 - Quick (6 hours) set up time
 - Re-usable sample applications
 - Simple development tools
 - Minimal training requirements
- ▶ Pre- and post-sales support
 - Single source
 - Available to authorized partners
- ▶ Sales Leads





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How to determine your ROI

IBM Start Now for Web Self-Service Solution based on a Netfinity server and five Clients

	List Price \$
Hardware	
Netfinity 5000 (8659-31Y)	4,102
Software	
IBM Suites for e-business	2,495
IBM Suites Client	1,125
IBM Websphere Studio	500
Drumbeat 2000 JSP	249
Lotus Domino Designer	574
Drumbeat Starting Points	--
Services: 120 hrs. @\$150/hr	18,000
Total	27,045
 Suggested Price	 30,000





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Call to Action

- **Begin training via the web at website www.ibm.com/partnerworld**
 - ▶ Join the software business partner program
 - ▶ Take sales training
 - ▶ Download the Drumbeat code

- **In January**
 - ▶ Take technical training
 - ▶ Pass specialty test

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