

Launching New Partnerships – MSP

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Welcome



IBM Targets Amazon in the Cloud

By SPENCER E. ANTE

International Business Machines Corp. is taking aim at a market where the technology goliath is more like the new kid on the block.

In a shift for a company that typically deals with the world's largest corporations and governments, IBM will ramp up its efforts to sell so-called cloud computing services to midsize businesses. The Armonk, N.Y.-based company has lined up partners to resell its services and is helping software companies adapt their products to IBM's machines.

The move, to be disclosed on Wednesday, puts it in more direct competition with **Amazon.com Inc.** and **Salesforce.com Inc.** Both have been successful in the mid-market and are expanding their offerings to the larger corporations that make up IBM's customer base.

IBM hopes its industry

which IBM defines as those with fewer than 1,000 employees, and it will be a challenge for its vaunted sales force to push these much smaller deals.

Spencer Rascoff, chief executive of Internet-based real estate company **Zillow Inc.**, is a typical client for companies that rent computer power or provide software over the Internet, both cloud services. The midsize public company with nearly 500 employees and \$66 million in 2011 sales said it has rented computing power from Amazon.com to run massive calculations from time to time.

When asked if he would purchase such service from IBM, Mr. Rascoff said, "I didn't even know they were in that business."

Technology research firm Gartner estimates sales of cloud computing services will reach about \$58 billion this year, up from about \$50 billion in 2011.

The phrase "cloud computing" is a catchall term that de-

nue-growth areas, including emerging markets, data-crunching analytics software and urban technology systems. But the company lags some of its rivals.

Amazon.com is considered the leader in the market for renting compute power, while Salesforce.com is the top seller of customer management software over the Internet, say ana-

IBM sees the lower costs of cloud computing helping it reach smaller firms

lysts. But both companies have been using those power bases to expand into new cloud markets that serve larger customers.

"We haven't seen IBM deliver on their vision," Salesforce.com CEO Marc Benioff said. Mr. Benioff said at the company's recent conference he got ques-

tion about cloud computing.

Andy Monshaw, IBM's general manager in charge of small and medium sized businesses, said the cheaper cost of cloud computing will let the company reach a bigger base of smaller customers.

The company is working through partners to extend its reach. Charles Phillips, a former top **Oracle Corp.** executive, is now CEO of business software maker **Infor Global Solutions**, which is working with IBM on the effort. He said the company has been providing financing and marketing support.

Web application developer and IBM partner **Highland Solutions** said about 10% of its several hundred clients run their software on IBM cloud technology. Jon Berbaum, director of client engagement at the company, said: "We see it as a really viable alternative."

Separately on Tuesday, IBM's board of directors named current CEO Virginia M. Rometty chairman of the board, effective

"...IBM will ramp up it's efforts to sell so-called cloud computing services to mid-size businesses. The Armonk, NY based company has **lined up partners** to re-sell it's services and is helping software companies adapt their products to IBM machines."

Wall Street Journal, Sept. 26, 2012

73% of Mid

Cloud computing and virtualization is becoming the new normal

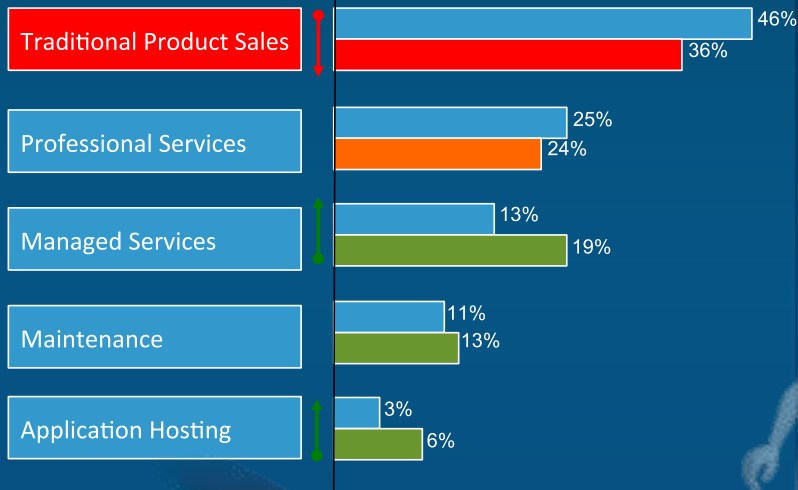
demand for cloud-based solutions is rapidly accelerating. Business application areas that show the biggest potential for midmarket cloud growth in the next year are marketing automation, business intelligence/analytics, and collaboration.



Welcome to the Decade of Smart

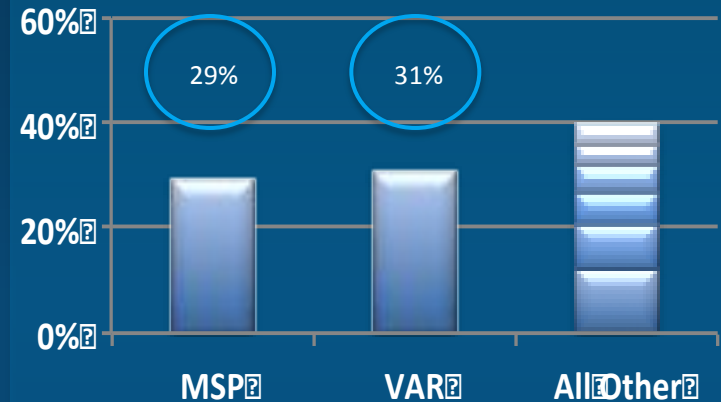
mobile, social, business intelligence

Channel Dynamics



Source: Forrester Channel partner survey 2011

Client Buying Dynamics



Source: AMI Channel partner survey Dec. 2011

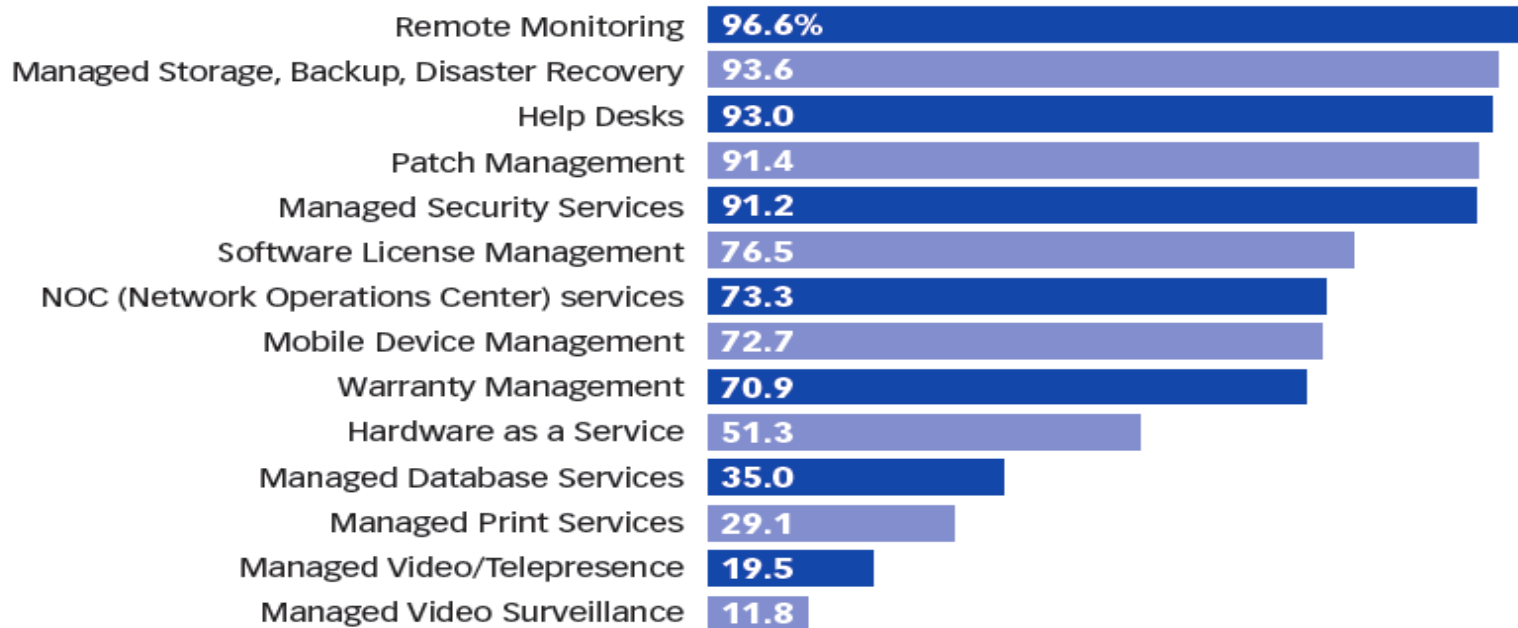
- ❖ MSPs are establishing themselves as a significant route to market to reach customers
- ❖ A large market opportunity (\$18B - 2015) growing 5X the IT market
- ❖ We have recruited >1400 NEW MSPs YTD
- ❖ Significant expansion in our field organization
- ❖ IBM provides integrated managed services for Infrastructure, Platform, Business applications

What Services do MSP sell to their clients?

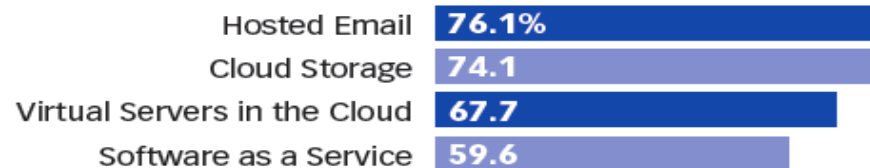


A **Managed Service Provider (MSP)** is a third party company, hired by customers to perform certain IT functions, on an ongoing basis, for a fee as defined in a service level agreement.

TOP MANAGED SERVICES OFFERED (in percent)



TOP CLOUD SERVICES OFFERED (in percent)



Managed Service Providers
deliver maximum value to their clients

IBM has been listening.....



Complete set of **Offerings**

Technical and **Sales** support

Marketing and **Business** Development

Leveraging the **IBM Brand** in the marketplace

Financing - how MSPs deliver services to **Clients**



IBM Announces a full program targeting MSPs



Growth paths to higher **level** of engagement

Marketing programs

Financial incentives

Sales and **Technical** support

Community

Exciting offerings for **MSPs**



>1400 New Managed Service Providers

Promote your IBM relationship and expertise



Advanced Business Partner



Managed Services
Infrastructure
Platform
Software



Introducing the new Managed Service Provider mark



\$30M

Software Group **white label pricing**

Global **Technology Services** **white label pricing**

Global **Technology Services** **wholesale pricing**

12 month **0% financing** to all new credit-qualified **MSPs**

Buyback Program for MSPs

Pay as you Grow program for **Servers and Storage**

Centers of Excellence

- ❖ Opening four geo-based Centers of Excellence
- ❖ Globally Staffed by architects to help MSPs develop advanced services
- ❖ IBM technology showcases for MSPs



Significant investment in Business Development Executives

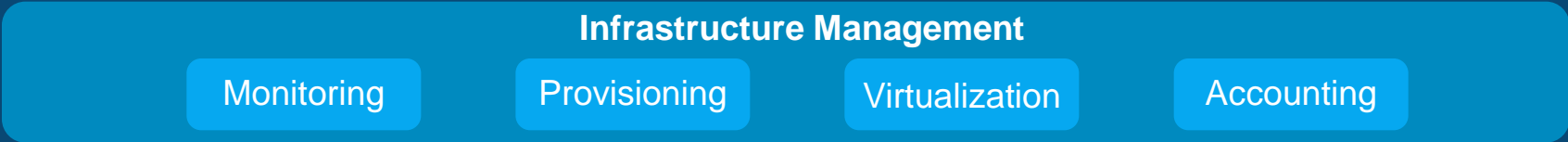
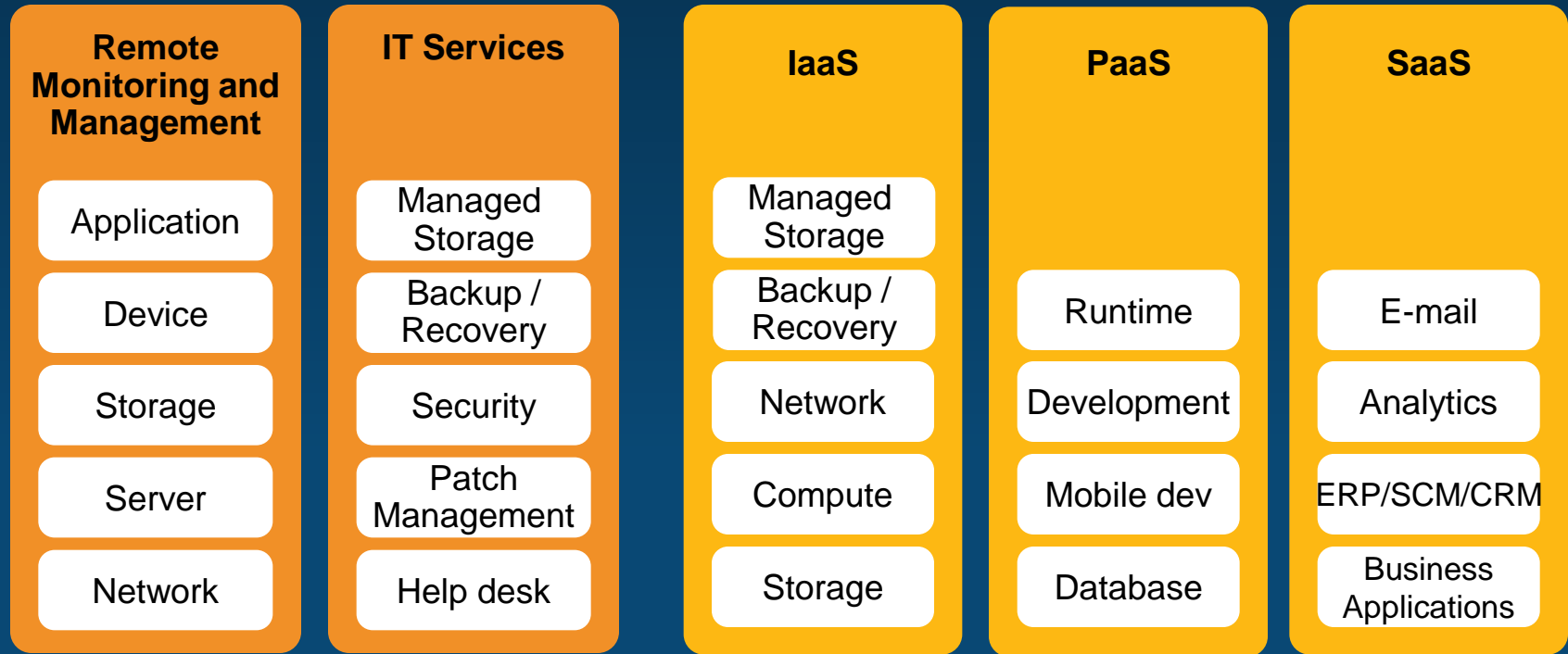
- ❖ Experts on Managed Services and Business Transformation
- ❖ Your single contact for Business Expansion



- ❖ **Multi tenant**
- ❖ **Re- usable**
- ❖ **Flexible**
- ❖ **Mission critical**
- ❖ **Scalable**
- ❖ **Economical**



MSP Solution Framework



■ Service enablement ■ Hosted service delivery ■ Cloud service delivery

Remote Monitoring and Management

IT Services

IaaS

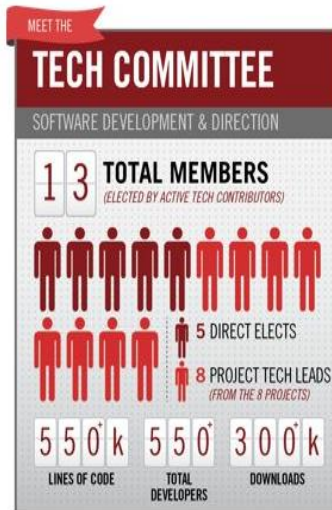
PaaS

SaaS



IBM joins the Board of Directors

Technical Committee



Board of Directors



User Committee



E-mail

Analytics

SCM/CRM

Business Applications

Service enablement

Hosted service delivery

Cloud service delivery

Remote
Monitoring and
Management

IT Services

IaaS

PaaS

SaaS

Application

Device

Storage

Server

Network

Mail

Analytics

ERP/CRM

Business
Applications

In summary, IBM offers...

- Full range of hardware, software and services that help MSPs
 - Optimize their infrastructure and improve their ROI
 - Create new services to grow revenue streams
 - Accelerate their time to market
- Support for open standards and architectures
- Proven reliability, availability, scalable solutions that can help MSPs successfully attain SLA targets

www.ibm.com/partnerworld/msp

Datacenter

Network

Server

Storage

Service enablement

Hosted service delivery

Cloud service delivery

Wrap Up.....



Full set of Offerings

PureSystems, **SmartCloud** Management Suite, **Technical Services**

Dedicated Resources, Centers of Excellence

Business Development Representatives and **Technical Architects**

Marketing and Business Development

Marketing **Planning** support, **Brand building**, Demand Generation and marketing **funding**

Leveraging the IBM Brand in the marketplace

Managed Service Provider **achievement** mark

Financing - how MSPs deliver services to **Clients**

IBM Global Financing, **Pay as you Grow**

Thank You



The Industry's most complete **MSP Program**

www.ibm.com/partnerworld/msp



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