

IBM Cloud Platform for Business Partners

How do partners make money?

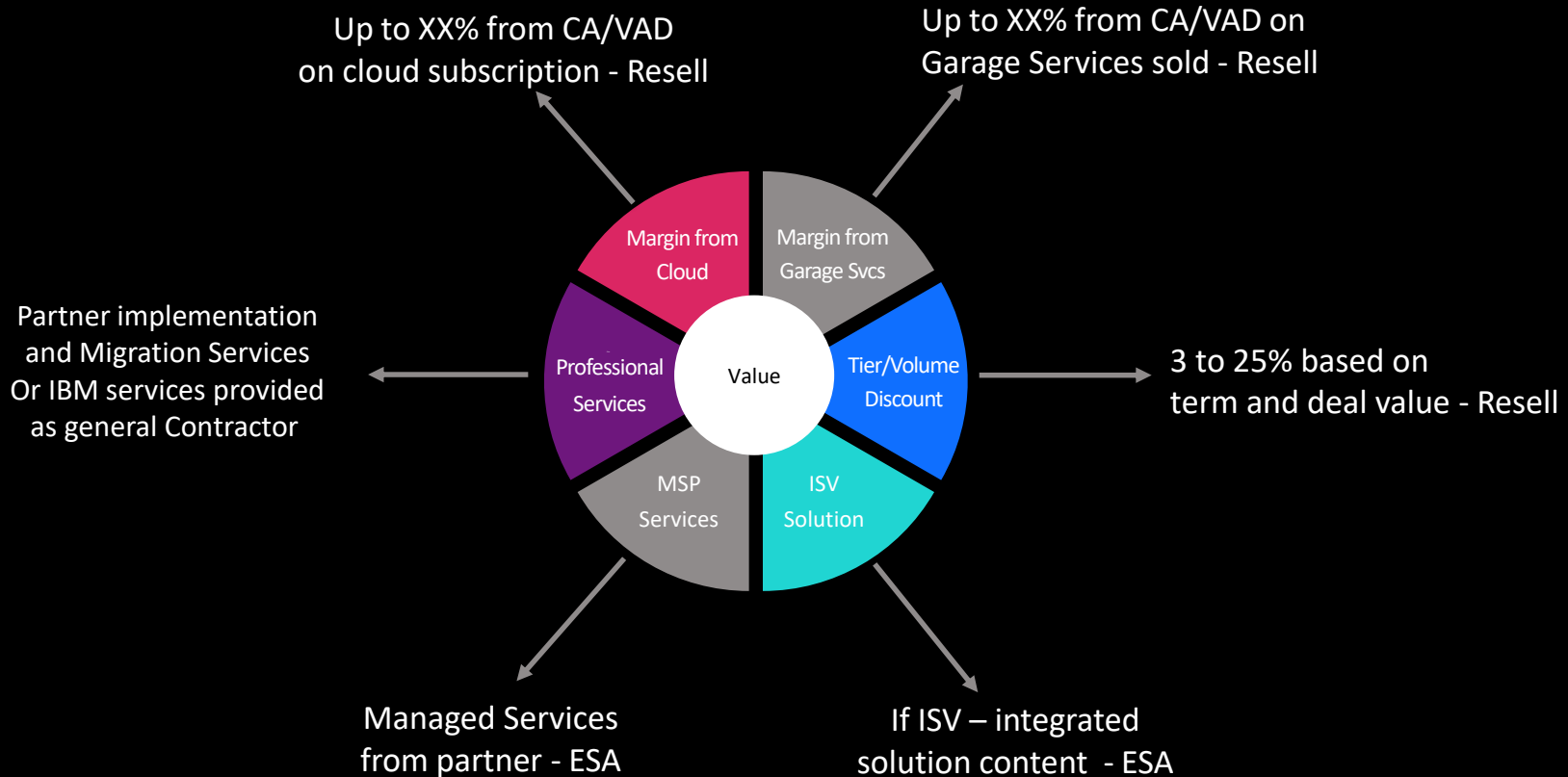
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August 2020



How can the partner make money? Scenarios on later pages!



IBM Cloud Subscription – *Why?*

Client value

- Clients gets access to our 190+ IaaS & PaaS offerings at a discount. *This includes:*
 - *Power Cloud Offerings*
 - *IBM Cloud Garage and Watson Services:*
 - *VMware offerings*
 - **This industry-first capability enables clients to use their IBM Cloud subscription for IaaS, PaaS and consulting services.**

Seller Value

- Stickiness to the IBM Cloud translates to longer revenue quota retirements.
- Land and Expand which contributes larger revenue quota retirements.
- Additional revenue opportunities driven by all 190+ services rather 1 or 2 services.
- Aligns with buying behaviors of our base clients with 1 single part# for all of cloud provisioning

IBM Cloud Deal Scenario 1

Tier (volume) and Term Discounts						
TERM	Tier 1	Tier 2	Tier3	Tier 4	Tier 5	Tier
From -->	1	1000	5000	10000	30000	100000
To -->	999	4999	9999	29999	99999	
< 12 MON	0.00%	5.00%	10.00%	12.00%	15.00%	20.00%
12 MON - 35 MON	3.13%	7.97%	12.81%	14.75%	17.66%	22.50%
36+ MONTH	6.85%	11.51%	16.17%	18.03%	20.82%	25.48%

Higher Monthly Commit + Longer Term = Larger Discount*

Discount Formula

14.75% (Tier Discount) + 15% (Partner Discount) = 29.75%

Financial View – Cloud Object Storage Solution:

- COS - 25K per month
- Total Deal at \$25/month = \$300,000 (12months)
- Commit Disc: 300,000 – **14.75%** = **\$255,750**
- Partner Disc: 255,750 – **15%** = **\$217,387**
- Profit **Potential**: \$300,000-\$217,387 = \$82,613 Profit on \$300,000 Deal

*Discount used is 15%, your VAD can provide your actual %

IBM Cloud Deal Scenario 2

Tier (volume) and Term Discounts						
TERM	Tier 1	Tier 2	Tier3	Tier 4	Tier 5	Tier
From -->	1	1000	5000	10000	30000	100000
To -->	999	4999	9999	29999	99999	
< 12 MON	0.00%	5.00%	10.00%	12.00%	15.00%	20.00%
12 MON - 35 MON	3.13%	7.97%	12.81%	14.75%	17.66%	22.50%
36+ MONTH	6.85%	11.51%	16.17%	18.03%	20.82%	25.48%

Higher Monthly Commit + Longer Term = Larger Discount*

Discount Formula

20.82% (Tier Discount) + 15% (Partner Discount) = 35.82%

Financial View – Moderate Power Solution:

- Total Deal \$50,000/month = \$1.80M (36months)
- Commit Disc: \$1.80M – 20.82% = \$1,425,240
- Partner Disc: \$1,425,240 – 15% = \$1,211,454
- Net Profit **Potential**: \$1,800,000 - \$1,211,454 = \$588,546 Profit on ~\$1.80M Deal

Plus Partner Implementation

Migration Services

Managed Services Charges (if providing these for the client)

*Discount used is 15%, your VAD can provide your actual %

IBM Partner Marketplaces for IBM Cloud

IBM Partner Marketplace is frictionless

- Quote is done on platform

Better alignment with IBM sellers – reduction in channel conflict

- Uses the *same volume and commit table as IBM Direct (discount to customer)*
- IBM sellers are paid

Customers are able to get started quickly

- Order subscription and apply feature code and ready to provision / use resources
- Feature codes may be applied to existing IBM Cloud accounts

Simple pricing to Cloud Aggregator

- *Double-digit margin*
- IBM bills Cloud Aggregator
- IBM Cloud Aggregator bills partner

Subscription feature code easily applied to end-user IBM Cloud account



[Become a Cloud Marketplace Reseller](https://www.ibm.com/partnerworld/resources/grow/cloud-marketplace-reseller)

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IBM Partner Marketplaces for IBM Cloud



	IBM Partner Marketplace	Passport Advantage	SoftLayer Reseller / Branded Access Portal
Subscription model	Yes	yes	no
PayGo / Consumption model	Yes (1)	Yes (1)	yes
Volumes & commit customer discount	yes	yes	no
Quote in platform (no IBM touch required)	yes	no	no
Automated subscription provisioning	yes	no	no
Access to client resource usage	yes	Limited – some info in PS360	yes
Local currency	Yes (some limitations)	Yes (some limitations)	USD
Billing in arrears	Overages only	Overages only	IMS – some services billed a month in advance, overages in arrears
IBM billing system	DSW	DSW	IMS

(1) \$1 subscription + charges for cloud service

IBM Power Systems Virtual Server on IBM Cloud (Migrate)

Provide users with the ability to migrate or flex their current AIX and iSeries workloads through a migration onto the IBM Cloud

- **Promo:** \$20K credits for 2 months and up to 2 weeks services
- **Details:** A no risk opportunity for customers to run their Power workloads in the Cloud. They can spend up to \$20k over 2 months. No restriction on the number or size of images as long as it's within our current capacity. They can also take advantage of included IBM services, at no cost, to assist with migrating their existing workloads into the platform.
- **Target:** Power AIX and iSeries install base clients and Business Partners, customers looking to upgrade to newer versions of Power/AIX and IBM iSeries, customers in need of high performance IaaS beyond x86
- **OM Contact:** Chidanandan Theyancheri/Burlingame/IBM
- **Sales Contact:** John Ramieri

Details: Commit to Consume sales promo IBM Power Systems Virtual Server on IBM Cloud

Provide partners an incentive to on-board their end clients onto PowerVS on IBM Cloud

Promo: \$5K promotional one-time IBM Cloud Credit for each end client brought by a partner onto IBM PowerVS

Details:

1. Each end client, on-boarded by a partner, is committed to consume a minimum of \$50K of PowerVS on IBM Cloud per year.
2. Contract shall be for a minimum of one year
3. This incentive program applies to all contracts executed by partners on or after July 1, 2020. This promotional incentive program ends on 31st December 2020.
4. This promotional incentive is applicable for partner channel only.
5. SAP Certified PowerVS servers are not be eligible for this promotional incentive

Target: Business Partners to target Power AIX and iSeries install base clients, looking to upgrade to newer versions of Power/AIX and IBM iSeries and/or do backup/disaster recovery on cloud or use cloud for bubble-up workloads.

Sales Contact: Country Systems/Cloud partner channel sellers; global sales contact: Pandian Athirajan/Austin

Seismic link: https://ibm.seismic.com/Link/Content/DCBUUKF6Zso0iB9IUCfkII_w

you



IBM Cloud ESA Overview

Embedded Solutions Agreement (ESA)

- Provides Technology Partners (TP) a vehicle to **create unique solutions or services with IBM technology**, and market the solution/service to their down-stream customers
- **Embedded Solution**: the **combination** of IBM offering(s) and Tech Partner's Value Add that together create a commercially available TP branded solution distinct from the IBM offering(s)
- ESA: IBM offering(s) cannot be separated from the TP-branded solution

Support

- IBM supports Tech Partner
- Tech Partner provides level 1 and level 2 support to their customers

Value-Add

- IBM offering(s) must be sold as part of total solution or service
- Technology Partner (TP) provides a "replicable" solution/service.

Pricing/Terms

- Negotiated price for the IBM Offering(s)
- Purchase Commitment (upfront or initial purchase) or purchase over time

ESA Partner Benefits at a Glance



Cloud Credits

Get access to \$1,500 in cloud credits by signing up to be an IBM Cloud Partner

Co-Marketing Funding

Social media marketing, web content syndication, digital marketing, blogs and workshops

POC / Sandbox Credits

Receive funding to do a Proof-of-Concept with a customer

Client Success Stories

Develop a use case and work with IBM marketing organization to create a success

Access to Discounts

Achieve certain levels of discounts based on growth and consumption of IBM

Training Courses

Receive vouchers for IBM Cloud, infrastructure, and Watson services

Demand Generation

Generate new leads with digital and event driven marketing campaigns

Brand Recognition

Increase brand visibility with the Built on IBM Cloud and Ready for Cloud

Developer Workshops

Work with IBM developers to build your solution and test your ideas

Market Development Workshops

Develop a go-to-market plan with IBM marketing specialists on-site

ESA Contract Options

1

ESA Term Commitment

Ideal for enterprises who have an accurate measure of customer workloads and want to take advantage of discounts when scaling

Base Agreement

Cloud Services Attachment

TD – Terms and Pricing

2

ESA Subscription

Enterprises can order a Cloud “Gift Card” on a consumption basis to utilize our PaaS & IaaS offerings

Base Agreement

Cloud Services Attachment

Subscription Commitment

3

ESA

PayGo

Paygo model for enterprises in the early stages of building on IBM Cloud and scoping customer environments

Click to Accept Agreement
or Cloud Services
Attachment

ESA Contract Process

1

ESA Term
Commitment

2

ESA Subscription

Step 1

Sign ESA Base Agreement

Step 2

Sign Cloud Services attachment to become an official IBM Cloud partner

Step 3

Negotiate Terms and Pricing based on the information provided by the partner:

- IBM Cloud Growth Potential
- Services consumed in IBM Cloud Portfolio
- Term Commitment (12, 24, 36 Month)
- Support Choice

ESA Routes to Market

2

ESA Subscription

Enterprises can order a Cloud “Gift Card” on a consumption basis to take advantage of more competitive pricing and customized billing

Subscription Order

Cloud Services Attachment

Spend	6 Months	12 Months	36 Months
\$1 - \$999	0.00%	3.125%	6.85%
\$1,000 - \$4,999	5.00%	7.97%	11.51%
\$5,000 - \$9,999	10.00%	12.81%	16.17%
\$10,000 - \$29,999	12.00%	14.75%	18.03%
\$30,000 - \$99,999	15.00%	17.66%	20.82%
\$100,000 +	20.00%	22.50%	25.48%

ESA Routes to Market

3

ESA

PayGo

Paygo model for enterprises in the beginning stages of building on IBM Cloud and scoping customer environments

[Click to Accept Agreement or Cloud Services Attachment](#)

2020 Discount Structure with new Bare Metal Pricing:

Spend	Discounts
\$1,500 - \$4,999	2.5%
\$5,000 - \$24,999	5%
\$25,000 - \$99,999	7.5%
\$100,000 +	10%

IBM Cloud Support Options

	Basic	Advanced	Premium
Availability	Access to the IBM Cloud technical support team through cases, phone, and chat	24 x 7 access to the IBM Cloud technical support team through cases, phone, and chat	Technical Account Manager assigned
Response Times	N/A	Severity 1: Less than 1 hour Severity 2: Less than 2 hours Severity 3: Less than 4 hours Severity 4: Less than 8 hours	Severity 1: Less than 15 minutes Severity 2: Less than 1 hour Severity 3: Less than 2 hours Severity 4: Less than 4 hours
Cost	Free	\$250 per month OR 10% of MRR, whichever is greater	\$10,000 per month OR 10% of MRR, whichever is greater

