IBM

IBM Smarter Commerce
for Business Partners

Hosts for Today

Steve Cowley, Vice President, Industry and Solutions Sales

IBM Software Solutions Group

Melinda Matthews, Director, Industry and Solutions Channel Sales

IBM Software Solutions Group

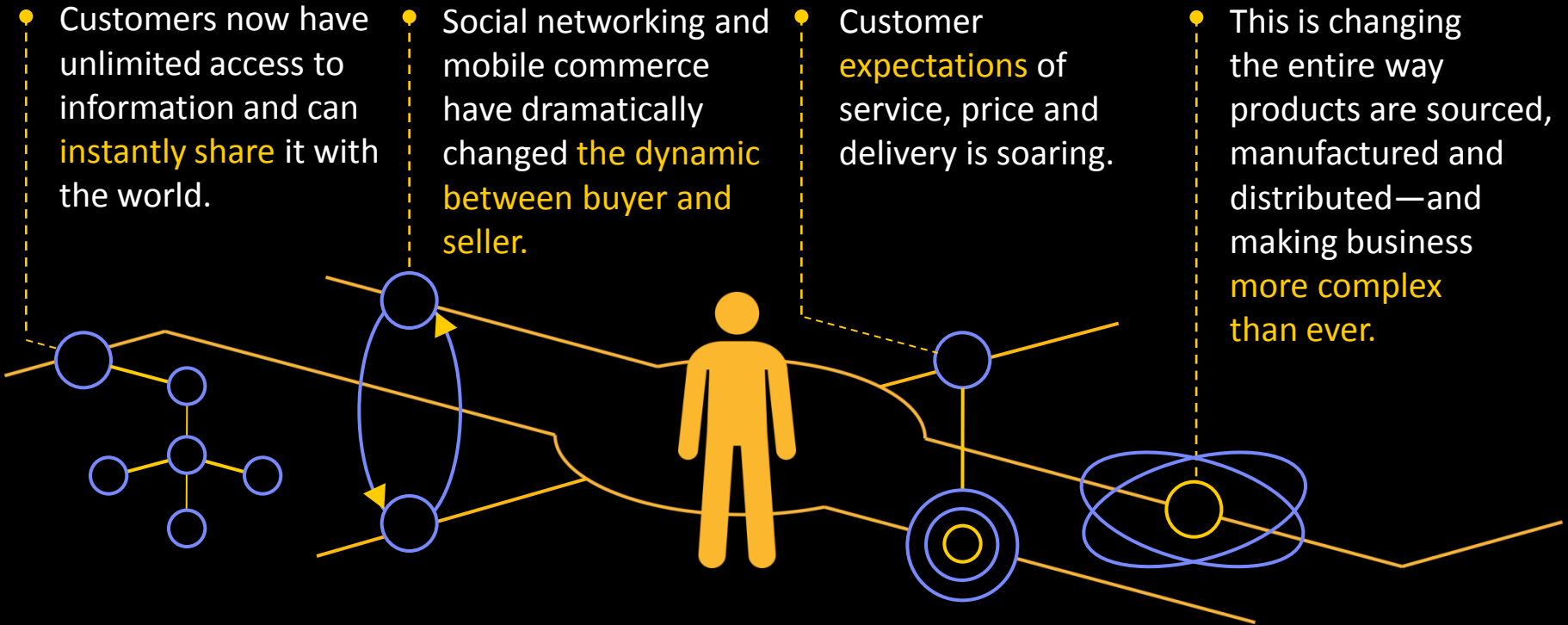**Mark Register**, Vice President, Software Business Partners & Midmarket

IBM Software Solutions Group

3

- IBM Smarter Commerce presents a tremendous growth opportunity for IBM and our Business Partners

- Two new ways for Business Partners to capitalize on this new IBM growth initiative

- Business Partner momentum continues and investment grows

The Client Story

We have entered the age of the empowered customer

IBM

- Customers now have unlimited access to information and can instantly share it with the world.

- Social networking and mobile commerce have dramatically changed the dynamic between buyer and seller.

- Customer expectations of service, price and delivery is soaring.

- This is changing the entire way products are sourced, manufactured and distributed—and making business more complex than ever.
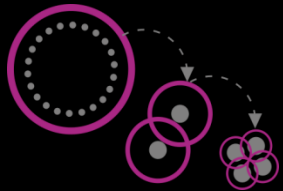

155M
Number of tweets sent via Twitter each day

75%
Percentage of people who believe companies don't tell the truth in advertisements

$93 billion
Amount in sales missed due to out of stock inventory

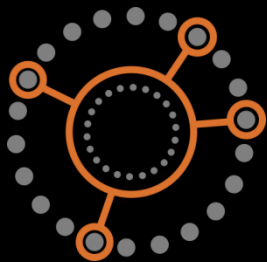# These disruptive forces ripple from the customer through the enterprise and across entire industries

Individuals

- The connected consumer
- The networked workforce
- The empowered citizen

"The consumer is using new channels to perceive value, and associated pricing implications."
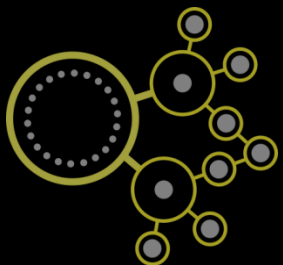Consumer Products CEO, United States

Enterprises

- Evolved business models
- Optimized digital operations
- Connected enterprise

"Profits will shift away from analog distribution to digital distribution; we will see increased margins in digital distribution and increased international distribution."
Media and Entertainment CEO, United States

Industries

- Value migration
- Value chain redefinition
- Fragmentation

"Disintermediation of clients by smaller niche players (such as mobile players) is cause for concern."
Financial Markets CEO, Canada

Source: IBV Analysis

Power has shifted to the customer — compressing margins and changing paradigms

IBM

In this new era, businesses need to:

Understand and anticipate customer behavior and needs based on customer insights across all channels
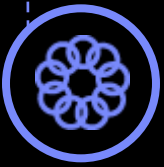
Adapt sourcing and procurement based on customer demand **and optimize** supplier interactions across extended value chains

Market, sell and fulfill the right product and service at the right price, time and place

Service customers flawlessly, **predict and drive** customer loyalty

Successful companies are staying competitive by
transforming their approach to commerce

95%

Amount a major transportation company reduced partner integration time*.

41%

Amount a retail pet company increased sales per unique web visitor. Also increased open and click-through rates to five times the industry average*.

50%

Amount a leading provider of teaching, learning and research solutions grew direct-to-consumer commerce revenues year over year*.
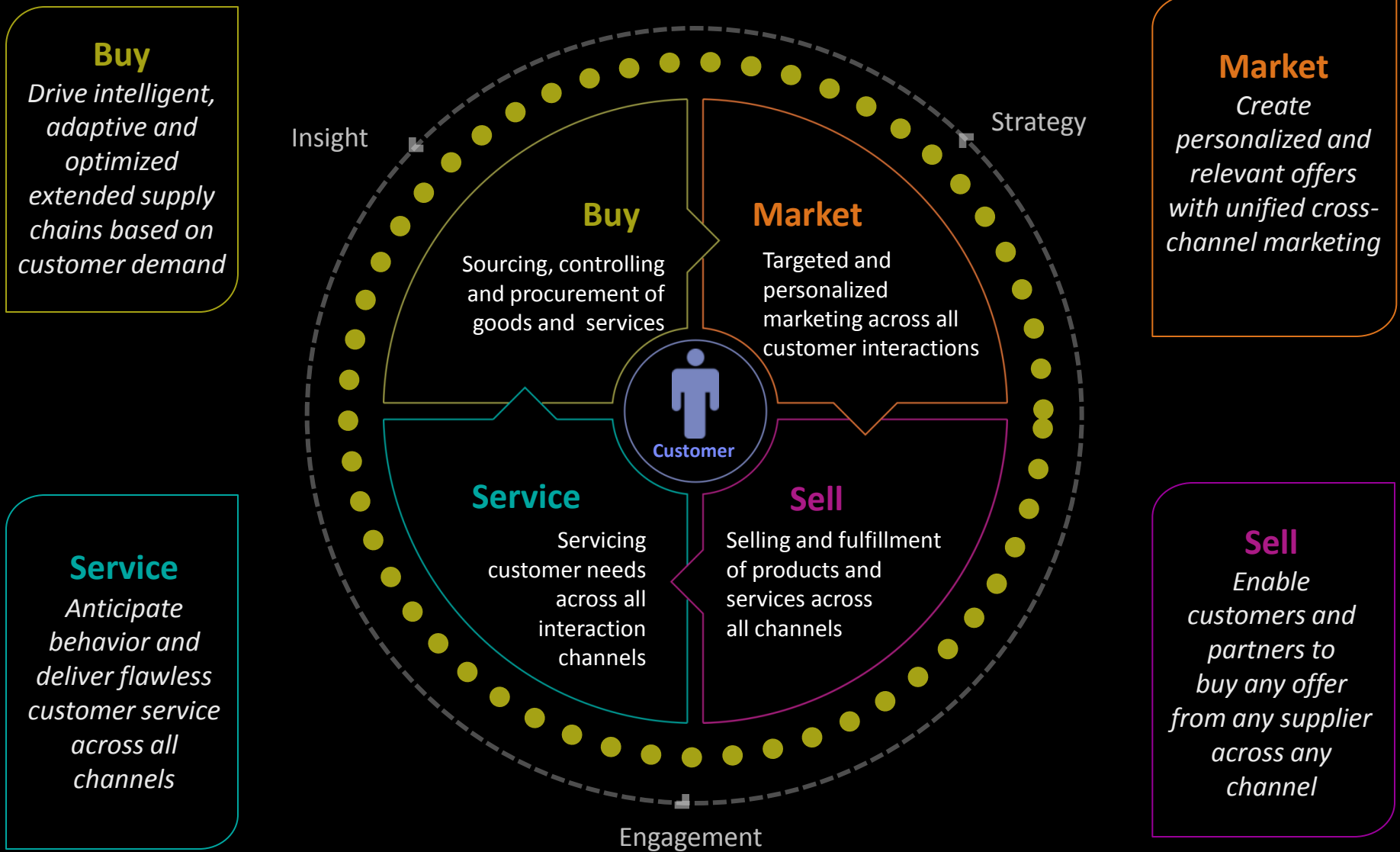
376%

Amount a US-based national communications service provider boosted ROI by reducing customer churn.

Smarter Commerce can help transform

every phase of the commerce cycle

Buy

Drive intelligent, adaptive and optimized extended supply chains based on customer demand

Service

Anticipate behavior and deliver flawless customer service across all channels

Insight

Strategy

Buy

Sourcing, controlling and procurement of goods and services

Market

Targeted and personalized marketing across all customer interactions

Customer

Service

Servicing customer needs across all interaction channels

Sell

Selling and fulfillment of products and services across all channels

Engagement

Market

Create personalized and relevant offers with unified cross-channel marketing

Sell

Enable customers and partners to buy any offer from any supplier across any channel

IBM's integrated portfolio for Smarter Commerce

CORE BUSINESS SOLUTIONS

Core Business Processes

Buy

- Supplier Connectivity & Integration
- Supplier Management
- Supply Chain Optimization
- Logistics Management
- Payment and Settlement

Market

- Customer Awareness/Analytics
- Social Analytics
- Brand / Web Experience
- Multi-channel Campaign Mgmt
- Search Optimization, Ad Targeting
- Marketing Resource Mgmt

Sell

- B2B / B2C Multi-channel Selling
- Distributed Order Management
- Customer Connectivity & Integration
- Fulfillment
- Store Solutions

Service

- Delivery, Service, & Support
- Customer Self-Service
- Reverse Logistics
- Case Management

Advanced Analytics

Store analytics | Purchase analytics | Consumer loyalty | Predictive and prescriptive | Social Analytics | Master data management
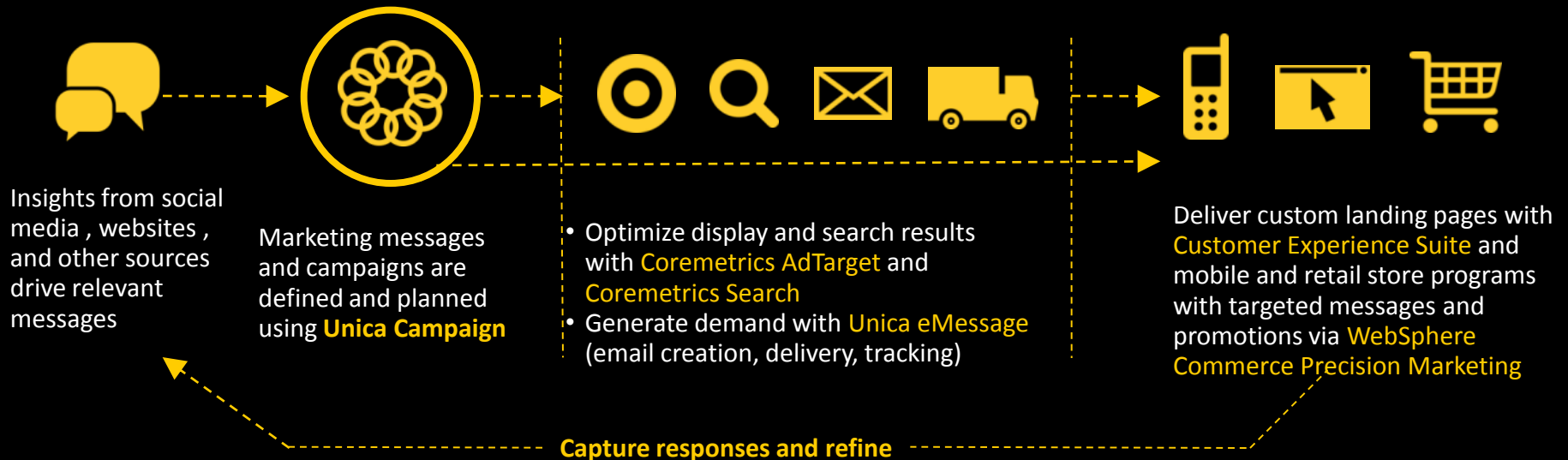
Workload Optimized Systems

(Z-Enterprise, Power, X, Storage and Systems Software)

focused on agility, integration and automation to drive relevant business outcomes

Planning, coordinating & executing marketing campaigns to stimulate commerce demand

Manage marketing across multiple interaction channels
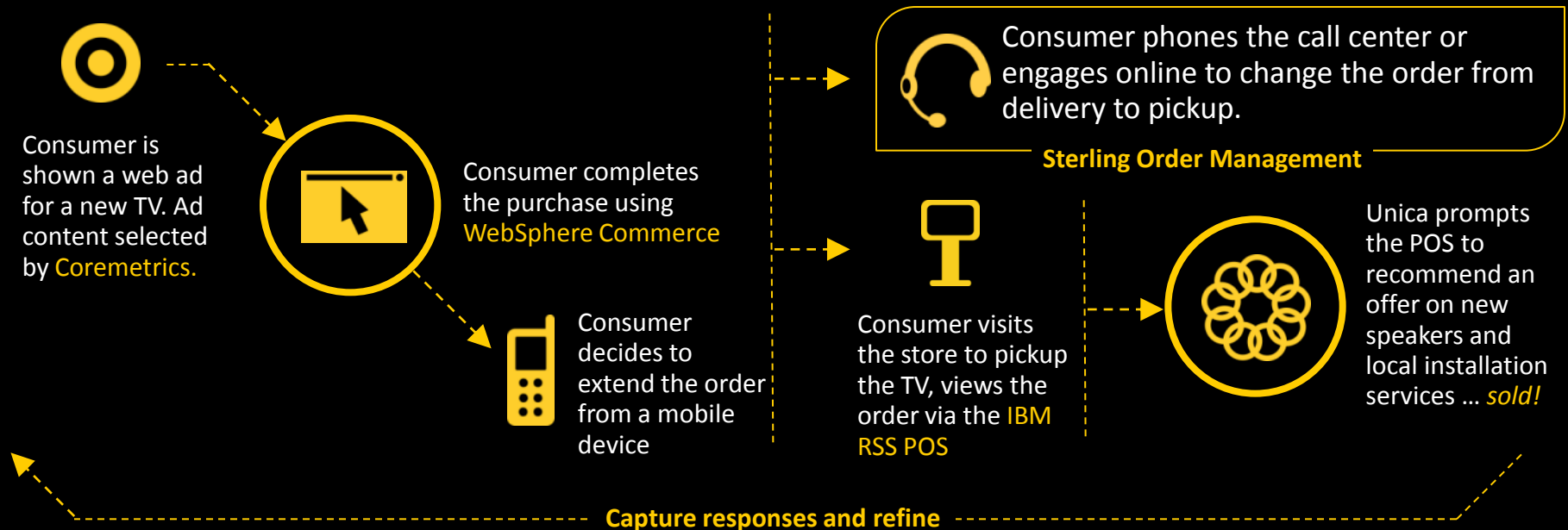
- Cross-channel marketing strategy is defined and planned using Unica
- Coremetrics is used to track consumer actions, and make relevant recommendations
- The e-commerce web site and order capture is provided by WebSphere Commerce
- Customer experience **is** created with IBM Customer Experience Suite and responsive interaction is guaranteed by workload optimized systems

Insights from social media , websites , and other sources drive relevant messages

Marketing messages and campaigns are defined and planned using **Unica Campaign**

- Optimize display and search results with Coremetrics AdTarget and Coremetrics Search
- Generate demand with Unica eMessage (email creation, delivery, tracking)

Deliver custom landing pages with Customer Experience Suite and mobile and retail store programs with targeted messages and promotions via WebSphere Commerce Precision Marketing

Capture responses and refine

A unified, cross-channel shopping experience

Take action based on a consistent view of a consumer's order across multiple channels

- Coremetrics is used to track consumer actions, and make relevant recommendations
- The e-commerce web site and order capture is provided by WebSphere Commerce
- Sterling Order Management maintains a consistent view of the consumer's order
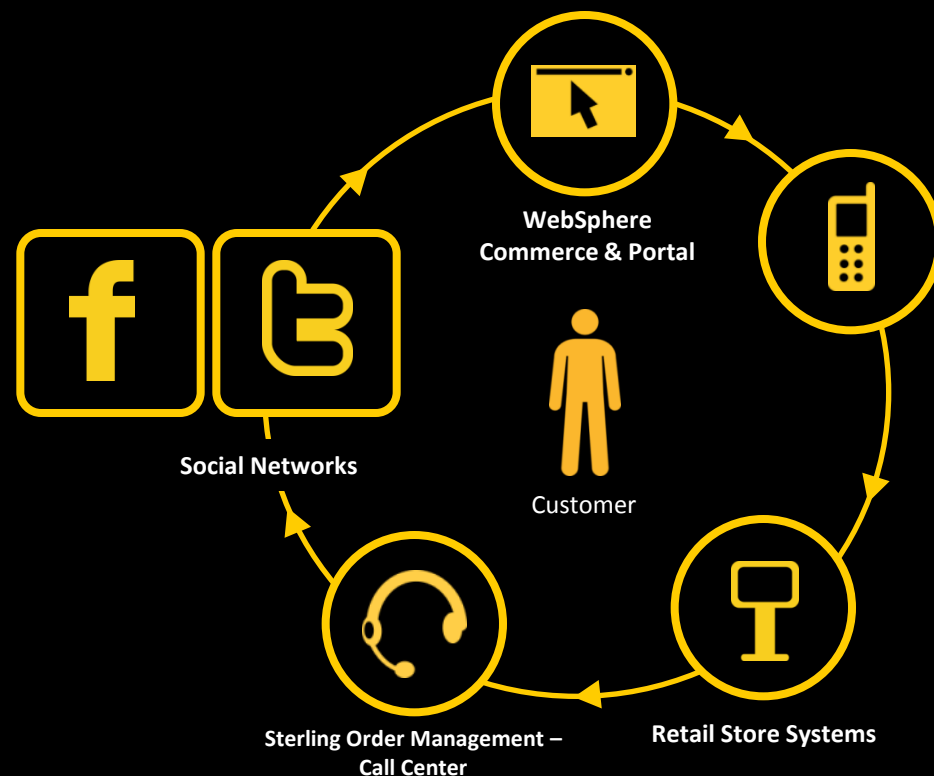- The POS from Retail Store Solutions integrates with the entire system to maximize POS sales

Consumer is shown a web ad for a new TV. Ad content selected by Coremetrics.

Consumer completes the purchase using WebSphere Commerce

Consumer decides to extend the order from a mobile device

Consumer phones the call center or engages online to change the order from delivery to pickup.

Sterling Order Management

Consumer visits the store to pickup the TV, views the order via the IBM RSS POS

Unica prompts the POS to recommend an offer on new speakers and local installation services ... *sold!*

Capture responses and refine

Delivering Unparalleled Customer Experience via Human, Digital, Mobile & Social Interactions

Relevant and compelling messages and content

- Insight (Coremetrics Web Analytics, SPPS, Cognos)
- Messaging (Unica Campaign Mgt and Interact)

Seamless Customer Experience across multiple Interaction Channels

- Web (WebSphere Commerce & Portal)
- Mobile (WebSphere Commerce Mobile Store)
- In Store POS & Kiosks (Retail Store Solutions)
- Call center (Sterling Order Mgt – Call Center)
- Social Media (Unica and Coremetrics)
- Ad and Search media (Coremetrics)

WebSphere Commerce & Portal

Social Networks

Customer

Sterling Order Management – Call Center

Retail Store Systems

What is unique about IBM's Smarter Commerce?

Comprehensive

- Optimizes the complete commerce lifecycle
- Leading software, services and infrastructure

Integrated

- Integrated analytics
- Integrated focused industry solutions

Suppliers

IBM Smarter Commerce

Customers

Partners

Influencers
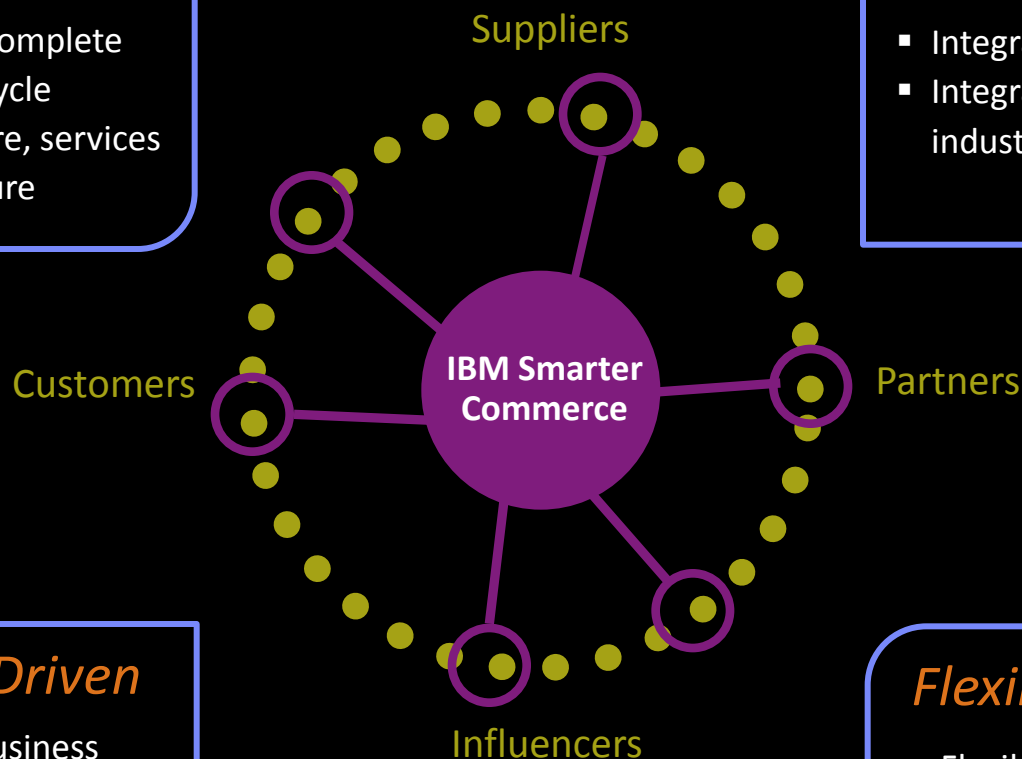
Outcome Driven

- Measureable business outcomes
- Outcomes tailored to business domains

Flexible and Open

- Flexible deployment
- Modular offerings and flexible consumption

INVESTMENT

- *Software:* $2.5+ billion investment in best of breed buy-market-sell –service software since 2010
- *Services:* Global Business Services expanding its consulting and solutions capabilities for commerce with a new practice

RESEARCH

- *IBM Research Innovation:* 3000 researchers, including in the areas of customer insight, financial management, social business and supply chain

INNOVATION

- *Business Analytics & Optimization:* $14 billion in analytics focused acquisitions. The BAO practice has 8,000+ dedicated business consultants with industry expertise
- *Smarter Computing: Over 25,000 hardware and 35,000 software developers. IBM is investing in Workload Optimized Systems to help companies manage the needs driven by commerce applications*
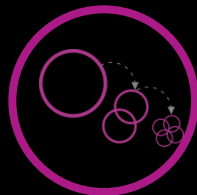
EDUCATION

- *Enabling our Ecosystem: An IBM Smarter Commerce University dedicated to on-ramping Business Partners, new hires and consultants*

IBM has invested over $2.5B in 2010 alone. Business Partners play a key role in delivering integrated solutions to clients.

CORE BUSINESS SOLUTIONS

Buy

ILOG
An IBM Company

Sterling Commerce

Market

Unica
An IBM Company

WebSphere Commerce

Coremetrics
An IBM Company

Sell

Sterling Commerce

WebSphere Commerce

ILOG
An IBM Company

Retail Store Solutions

Service

Sterling Commerce

Unica
An IBM Company

IBM Case Manager

IBM

COGNOS

SPSS
AN IBM COMPANY

IBM Customer Experience Suite

NETEZZA

Workload Optimized Systems

Take advantage of the enablement available at the
Smarter Commerce University for Business Partners

What Are We Announcing

NEW!

Software Value Plus (SVP) Authorized Smarter Commerce Capability

For skilled business partners that are interested in extending their solution and earning greater profits when they sell the IBM SWG Smarter Commerce Portfolio with their commerce solution

For partners that are interested in working with IBM to grow skills in the Smarter Commerce Marketplace (open to GBS, SWG, STG, IDR partners)

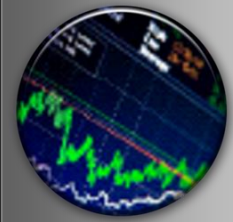***Smarter Commerce Solutions Development Initiative***

IBM Smarter Commerce for Business Partners

ENABLE

- Product Education Sales & Technical
- SVP Authorized Smarter Commerce Capability
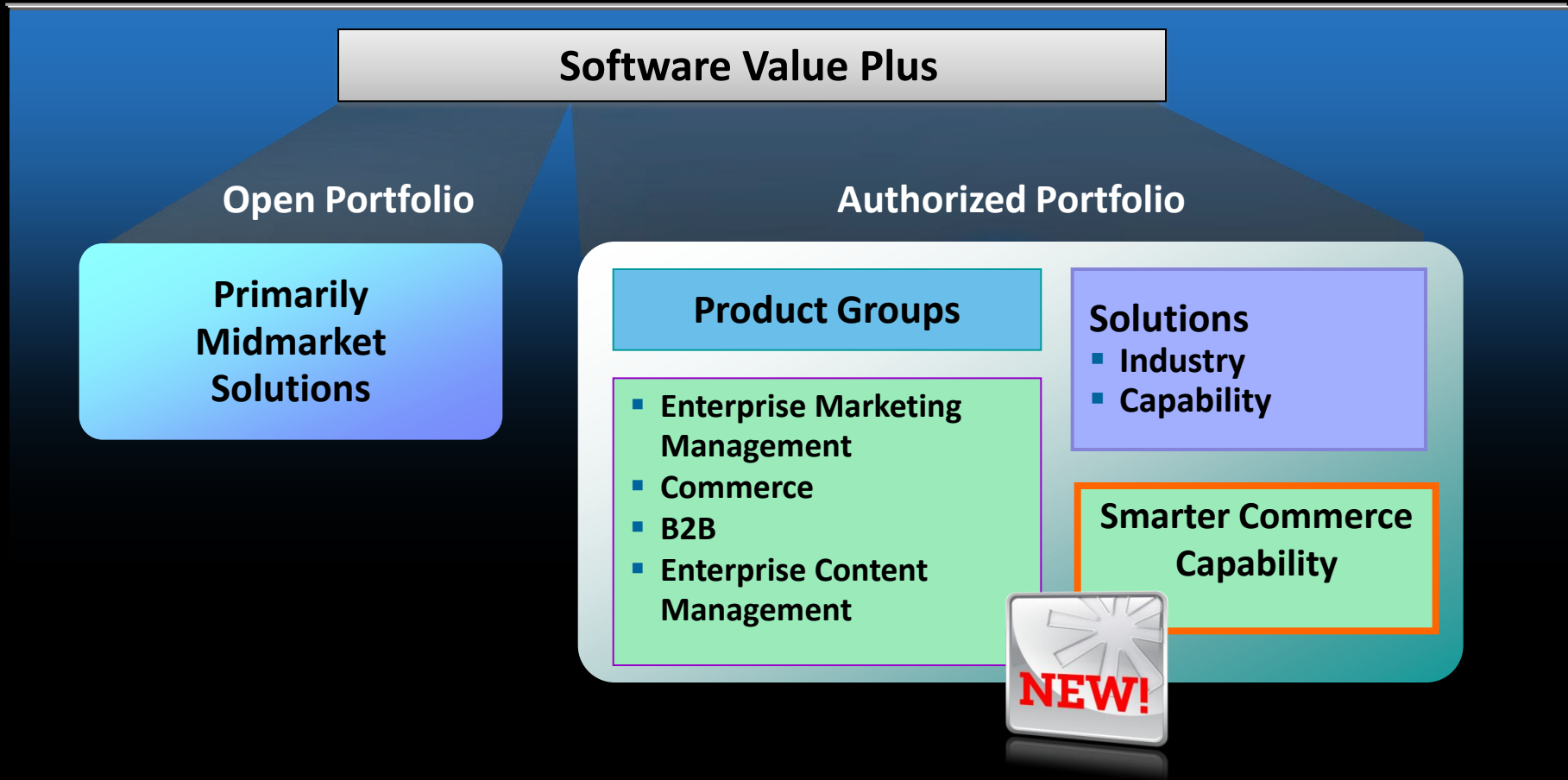- Smarter Commerce University for Business Partners

ENGAGE

- Smarter Commerce Solution Development
- IBM Smarter Commerce Client Road shows

EARN

- Special IGF Terms for Smarter Commerce
- SVI and SVP Authorized Capability Incentives

IBM Software Group's Business Partner Program

Software Value Plus

Open Portfolio

Primarily Midmarket Solutions

Authorized Portfolio

Product Groups

- **Enterprise Marketing Management**
- **Commerce**
- **B2B**
- **Enterprise Content Management**

NEW!

Solutions
- **Industry**
- **Capability**

Smarter Commerce Capability

* New Product Groups for Industry Solutions. Integrating Acquired products into SVP

Software Value Plus – Authorized Distribution
Industry Solutions Product Family

- **Enterprise Content Management (ECM):**
  Filenet, Content Collector, Datacap, Content Analytics

- **Enterprise Market Management (EMM):**
  Coremetrics, Unica

- **Commerce:**
  Websphere Commerce Server, Order Management, Supply Chain Management, Optimization

- **B2B:**
  B2B Services Managed File Transfer, DOM, Warehouse Management, Supply Chain
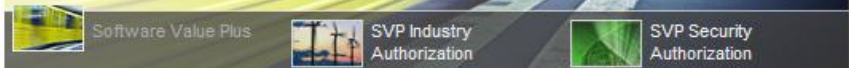
Authorization Requirements

- For each Product Group, the Business Partner should join either:
  - Software Value Incentive, or
  - Value Advantage Plus

IBM Software Value Plus

Software Value Plus
Maximizing your profits by reselling IBM Software

Software Value Plus   SVP Industry Authorization   SVP Security Authorization

Smarter Commerce Mastery and Certifications: Availability

Sales and Technical Sales Mastery Tests with Preparation Material available July, 2011
on the IBM Certification Website: *http://www-03.ibm.com/certify/certs/index.shtml*

Smarter Commerce Product Group	Sales Mastery (July, 2011)	Technical Mastery (July, 2011)	Product Certification (Today)
Over-arching Sales Message	Smarter Commerce		
B2B Services, B2B Services Managed File Transfer	Business Solutions	B2B Services B2B Integration Managed File Transfer	WebSphere Transformation Extender + 2 Certifications in Development*
Selling, Order Management, Supply Chain Management, Optimization Solutions, Supply Chain Optimization	Selling & Order Management Supply Chain Management Optimization Solutions	Selling Order Management Supply Chain Management Optimization Supply Chain Optimization	IBM WebSphere Commerce + 5 Certifications in Development*
Coremetrics, Unica	Enterprise Marketing Management	Coremetrics Unica Campaign Unica Marketing Operations	+ 2 Certifications in Development*
Brand Experience	Web Experience	WebSphere Portal	WebSphere Portal (Available today)
Retail Store	Retail Store Solutions		Retail Store Solutions (2 Certifications)
Workload Optimized Systems	Power Systems	Power7	Power Systems Sales and Technical Sales (2 Certifications)

* 9 Additional Technical Product Certifications are currently being developed for Q4, 2011 and 2012

SVP Authorized: Smarter Commerce Capability

NEW!

Software Value Plus + **Sales and Technical Certifications** + **Core Solution Areas**

Buy | Market
Service | Sell

+ **Client Reference**

To Qualify

- SVP Authorized Business Partner
- Skills: Sales Mastery + 3 Technical Certifications
- Solution spanning 2+ Core Solutions
- References 2+

Benefits

- SVP Smarter Commerce mark
- SVI Solution incentive
- Solution Visibility

Financial Incentive

- 20% - 30% of IBM Smarter Commerce software

Add-on Products

- IBM Case Manager
- Cognos, SPSS, WebSphere Portal

IBM

Building the Partner Ecosystem
Smarter Commerce Solution Development Initiative

NEW!

Smarter Commerce Solution Development:

- Expand your skills in new products
- Build your Commerce Solutions
- Leverage Proof of Concepts and Demos
- Expand your Partnering relationship
- Grow your go to market with IBM

- Collaborate with you to enhance, extend, and re-define the clients approach to a smarter business

- Help you leverage and extend your existing technology and investments

…increasing the value you generate for your customers in a rapidly changing digital world.

Smarter Commerce Solution Development Initiative
Business Partner Benefit

Develop
- Training - Sales & Technical Certifications
- Solution Development
- Sales & Technical Support
- Smarter Commerce University for Business Partners

Engage
- Leverage IBM Events & Tactics
- Develop BP Events & Tactics
- Identify Target Markets & Customers
- Monthly Sales Reviews with Action Plans

Showcase
- IBM Solutions Directory
- Innovation Centers
- Client Events - Summits
- Reference and Case Studies

Smarter Commerce Solution Development Initiative
Criteria for Partner Engagement

Smarter Commerce Solution Development Initiative

- **Qualifications:**

  – PartnerWorld member or higher - Regional Integrators, ISVs, Marketing Service Providers and Solution Providers

    • Certification in 1 area

    • Client References (2) in the one or multiple Core Solution areas

    • Solid track record of selling/influencing IBM products (including acquired products)

    • Willing to invest to ensure skills across multiple products or Industries

    • Business Partner's profile fills products or coverage gap in the IBM coverage

This program is selective and will be managed by IBM Industry Solutions Channel Sales & Smarter Commerce Geography Sales

Send enquiries to : ibmswbp@us.ibm.com

ENABLE　　**ENGAGE**　　*EARN*

IBM

Incentive for Skilled Software Resellers & Integrators

SVP Software Value Incentive

When identifying & selling

- Enterprise Accounts
  - Approved for ID & Sell: 10%
  - Approved for Sell Only: 5%

- General Business Account
  - Approved for ID & Sell: 20%
  - Approved for Sell Only: 10%

SVP Authorized Smarter Commerce Capability

When delivering your solution

- Enterprise Accounts: 20%
- General Business Large Ent: 25%
- General Business Mid-Market: 30%

- Can add to Software Value Incentive Identify reward
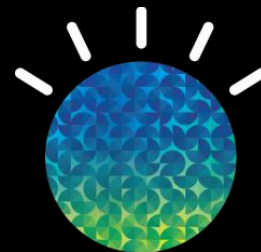
Incentives

⊃ Up to Double (2X) SVI Competitive Incentive

WebSphere Commerce is now eligible*

NEW!

WebSphere Commerce with IBM's integrated portfolio for Smarter Commerce delivers more integrated, more optimized, and cost effective solution than the competition
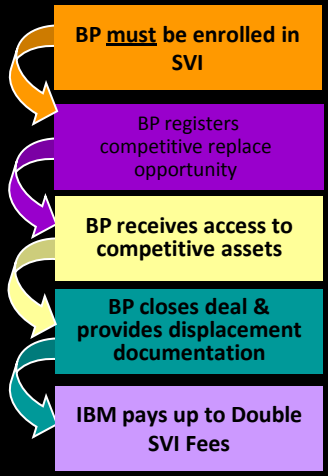
IBM Software Competitive Sales Plays

SVI Competitive Incentive: Five Steps

- BP **must** be enrolled in SVI
- BP registers competitive replace opportunity
- BP receives access to competitive assets
- BP closes deal & provides displacement documentation
- IBM pays up to Double SVI Fees

3%-20% Incremental Payout Opportunity for Approved Deals!

Fees increase based on partner participation in sales process

Greater rewards for
• Sales to general business users
• Opportunity Identification & selling
• Sales with customer references

Partner is not required to fulfill but direct proposal cannot use competitive trade up part numbers

Enable Business Partners to take the winning vision of Smarter Commerce to competitive accounts

Engage Business Partners with sales plays and tools to win new business and replace the competition

Reward Business Partners who displace competitive software with eligible IBM software products

WIN with Expanded IBM Software Competitive Sales and Marketing Plays

* WebSphere Commerce Availability Dates may vary by country, see website for details

IBM Global Financing 0% terms for the Smarter Commerce portfolio

- Clients can acquire IBM software without paying the full price at the time of installation
- Simple math – just take the total IBM software price and divide by 12 for their monthly payments – it's that easy! (quarterly payments, divide by 4)
- Attractive rates for longer terms available

With 0% software financing you can help your Client:

- ✓ Accelerate the acquisition of the Smarter Commerce software
- ✓ Preserve cash for more strategic business needs and investments
- ✓ Obtain a payment plan structure to better align the cash flow to anticipated project benefits

Value to you as a Business Partner Seller:

- ✓ Close deals faster by overcoming budget issues
- ✓ Decrease discounting by making payments more affordable
- ✓ Differentiates your solutions from the competition
- ✓ IGF Fee Program

*Additional terms and conditions may apply. IBM Global Financing offerings are provided through IBM Credit LLC in the United States and other IBM subsidiaries and divisions worldwide to qualified commercial and government clients. Rates for credit-qualified clients and are based on a client's credit rating, financing terms, offering type, equipment type and options, and may vary by country. Other restrictions may apply. Rates and offerings are subject to change, extension or withdrawal without notice.
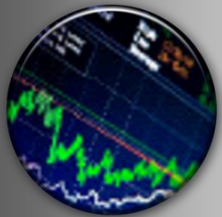
IBM Smarter Commerce for Business Partners

ENABLE
- Best Products
- Skills Development
- Comprehensive Sales Plays

ENGAGE
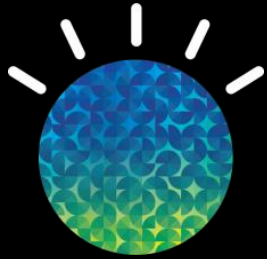- Access to Experts
- Increased Lead Passing
- Deployment Support

EARN
- More Incentives
- Multiple Options
- Simplified Processes

Business Partners

Market Momentum

Join IBM In This Tremendous Opportunity

IBM

- IBM Smarter Commerce represents a $20B software opportunity and 2x/3x that in services and systems for Business Partners.

- IBM has the vision, strategy, positioning and delivery capability.

- IBM can create, define and make this market; a key component in IBM's global revenue growth objectives.

Smarter Commerce presents a tremendous opportunity for partners

Our investment can grow your business:

✓ *Strategic acquisitions – over $2.5B since 2010*

✓ *Enablement and technical resources*

✓ *Marketing and demand generation*

✓ *Business Partner Program to enhance margin*

Smarter Commerce
Consulting & Services
Software
Systems & Technology
Enhanced Go to Market

Smarter Commerce Press & Analyst Highlights

SMARTER COMMERCE SENDS IBM TO $185 FOR STARTERS. – Forbes.com

Seeking Alpha

IBM is making a big push into commerce similar to what it did for analytics.

Forbes

Smarter Commerce Sends IBM To $185 For Starters

AdAge.com™

IBM Unveils "Smarter Commerce" Initiative for Marketers Seeking Their Own Watson Program

AMERICAN BANKER.

Big Blue's New Social Network and Mobile Tutors

THE STREET

IBM Targets Digital Marketplace With New Launches

eWEEK

IBM is working with more than 2,000 global brands clients to ensure they are marketing to the right audience at the right time; engaging buyers seamlessly..

cnet

The bigger trend that is evident in this new initiative is how IBM is applying its strength in data analysis to define markets.

VentureBeat

IBM is reaping the benefits of recent research and development on its WebSphere Commerce platform and $2.5 billion invested software.

IDG

IBM's "Smarter Commerce" initiative ties together a number of customized IBM software products and associated services..

DIRECT MARKETING NEWS / BtoB

IBM launched a consulting practice on March 14 to help clients automate marketing, selling and fulfillment and create global brand presences.

*IDC Report: IDC believes that **IBM Smarter Commerce offers a compelling combination** of social business, ecommerce, and order fulfillment software and services to help customer and prospects deploy Commerce 2.0 systems and embrace the profound shift in the way consumers research, shop for and purchase goods and services.*

Smarter Commerce Marketing Momentum

- Banner advertisements running now on major online media

- Upcoming print & television advertising

- YouTube Smarter Commerce channel

- Smarter Commerce web, blog and social media

- Smarter Commerce Executive Series Events – London June 14, Paris June 21, New York July 14

- Smarter Commerce Global Summit 2011 - September 19-21

Register **here**

Business Partner Endorsements
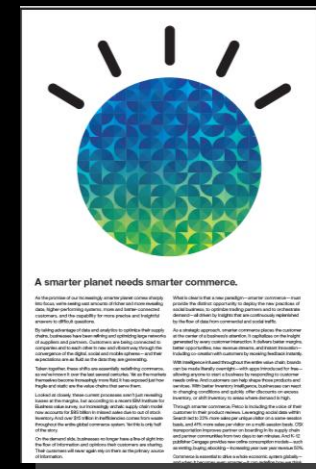
"Smarter Commerce is a massive step forward, It's great to see that IBM's acquisition strategy has delivered clear market leadership in the Multi Channel space."

Robert Jackson
Sales Director
CSI Limited

"I've been convinced for many years that the market needs a more interlaced initiative across solution borders that tie up sellers and buyers for even more effective business on the net. Now IBM Smarter Commerce will be there. Never before has IBM's solutions for smart commerce been as attractive and forthcoming as through this unified campaign for us partners - but most important of all - for our customers."

Ralf Seimertz
CEO, President
Fiwe System

"Thunderhead's NOW offering facilitates the "last mile" of interactive customer communications, adding value across the IBM Smarter Commerce spectrum, with a focus on the Service and Market domains to enable excellence in servicing and retaining customers. Thunderhead's multi-channel communications management solution works with Unica, Coremetrics and Sterling Commerce and helps clients streamline processes, create relevant and personal interactions creating richer relationships with customers. Thunderhead is excited about IBM's Smarter Commerce initiative. We welcome the opportunity to support our mutual customers' evolution and response to new market demands.."

Stephen Leightell
Managing Director
Thunderhead

"The fact that Smarter Commerce touches on key areas like analytics and cloud computing in addition to the core commerce solutions for B2B integration, marketing and selling gives us a tremendous spectrum of potential value we can add to the customer experience associated with commerce, and that is a huge positive for both IBM and Cincom."

Dave Wood
Managing Director of Customer
Experience Management Solutions
Cincom Systems

IBM Smarter Commerce for Business Partners

- ✓ **Capitalize** on IBM's investments by increasing capabilities in the Smarter Commerce portfolio

- ✓ **Leverage** Smarter Commerce Global Marketing

- ✓ **Achieve** competitive differentiation and increased follow on business

- ✓ **Increase** IBM engagement - Smarter Commerce Events and Teaming

Business Partners play a key role in delivering integrated solutions to clients.
Team with IBM and redefine the value chain in the age of the customer.

Next Steps

Contact your Channel Rep for Smarter Commerce Fast Start

Learn Smarter Commerce – Smarter Commerce University for Business Partners

Join us at Smarter Commerce Customer Events