IBM Software Group

UK Business Partner Update
Staines, 13th March 2003

DB2. Data Management Software

@ business software

Agenda

- 09:30   Opening and Partner Strategy   Mark Barrett
- 10:30   Core Data   Sean Spillane
  Positioning DB2 and Informix
- 11:15   Coffee Break
- 11:30   DB2 Tools   Mike Blake
  Increase database sales revenue by adding tools
- 12:15   Content Management   St John Dyson
  Understanding unstructured data and increasing sales
- 13:00   Lunch Break
- 13:45   Business Intelligence   Jim Lyon
  Upselling to your installed base
- 14:30   Start Now   Martin Geraghty
  "Ready to Go" sales kits
- 15:00   Q&A

IBM Software Group

Data Management SMB STRATEGY
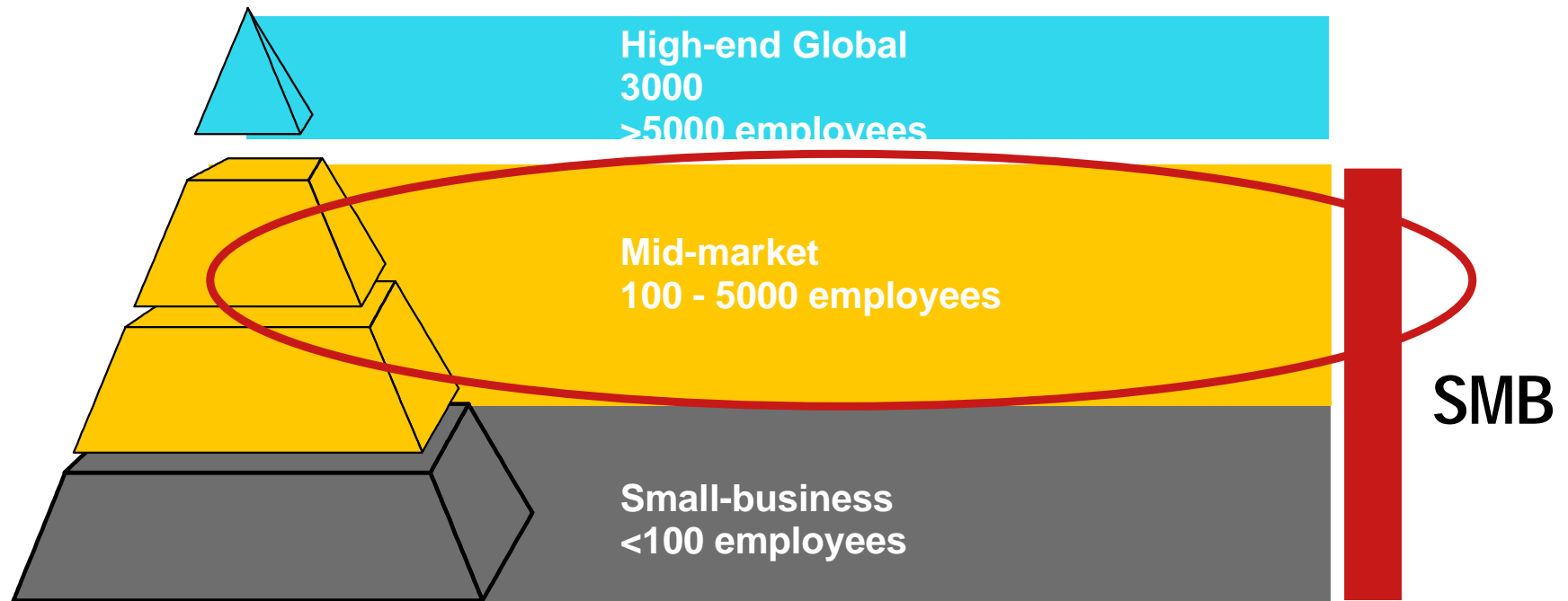Mark Barrett
Data Management Channel Manager, Region North

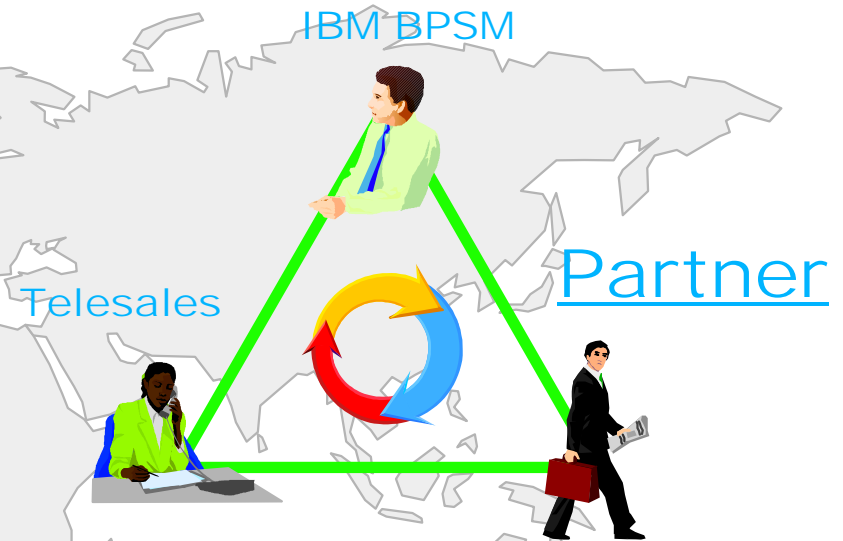DB2. Data Management Software

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Agenda

- SMB Coverage Model
- 2003 Organisation
  - ► Main Changes
- A bit about Informix
- Data Management Marketplace
- Teaming with Partners

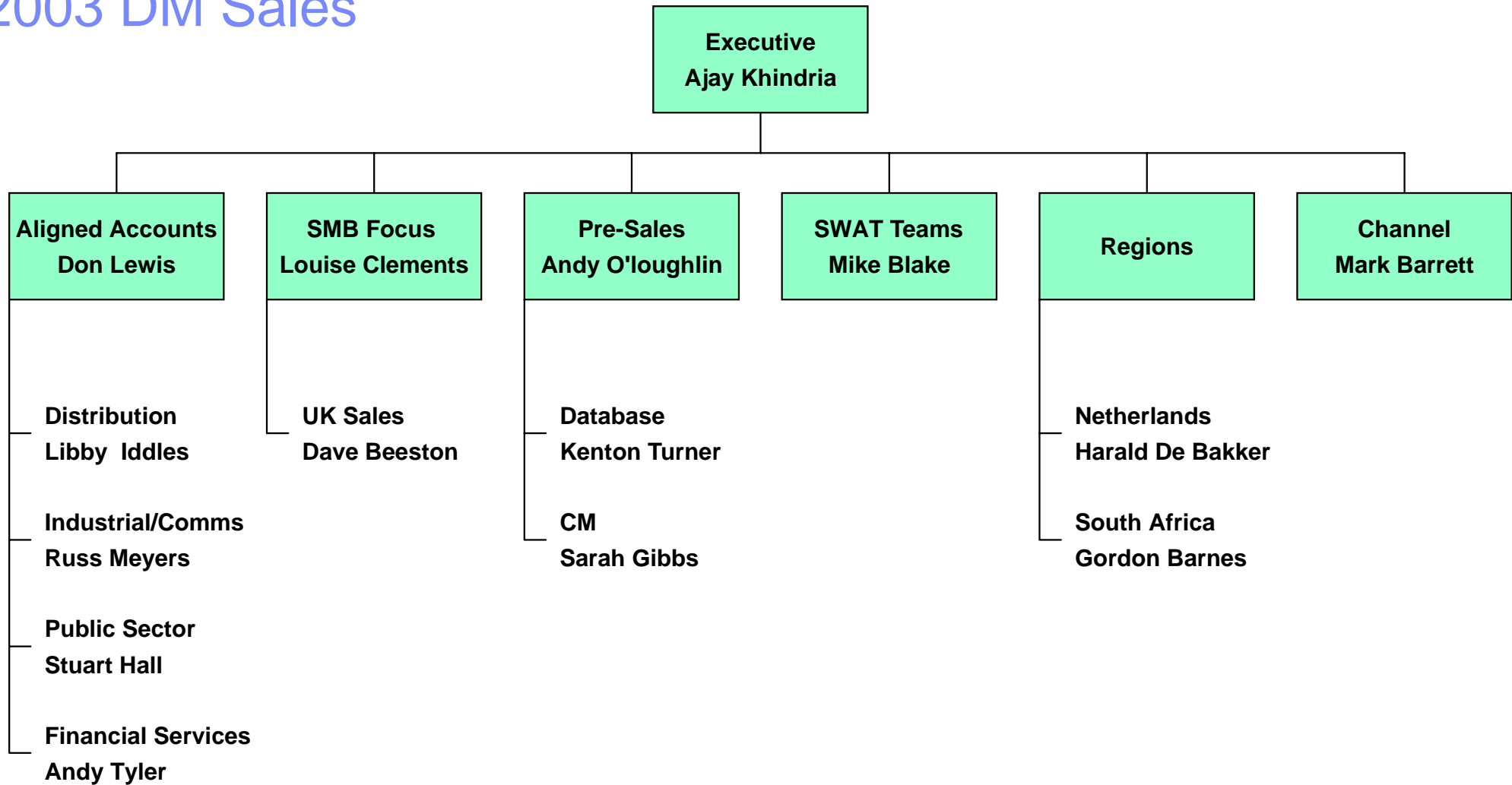# How does IBM view the Small & Medium Business segment?

High-end Global 3000
>5000 employees

Mid-market
100 - 5000 employees

SMB

Small-business
<100 employees

Selling into the Global Midmarket Business (a.k.a. SMB)

9 Accounts

Integrated

400 Sector Accounts

Aligned Account Coverage

25,000 Accounts

900 Focus Accounts

Global Midmarket Business

Lots

Small Business

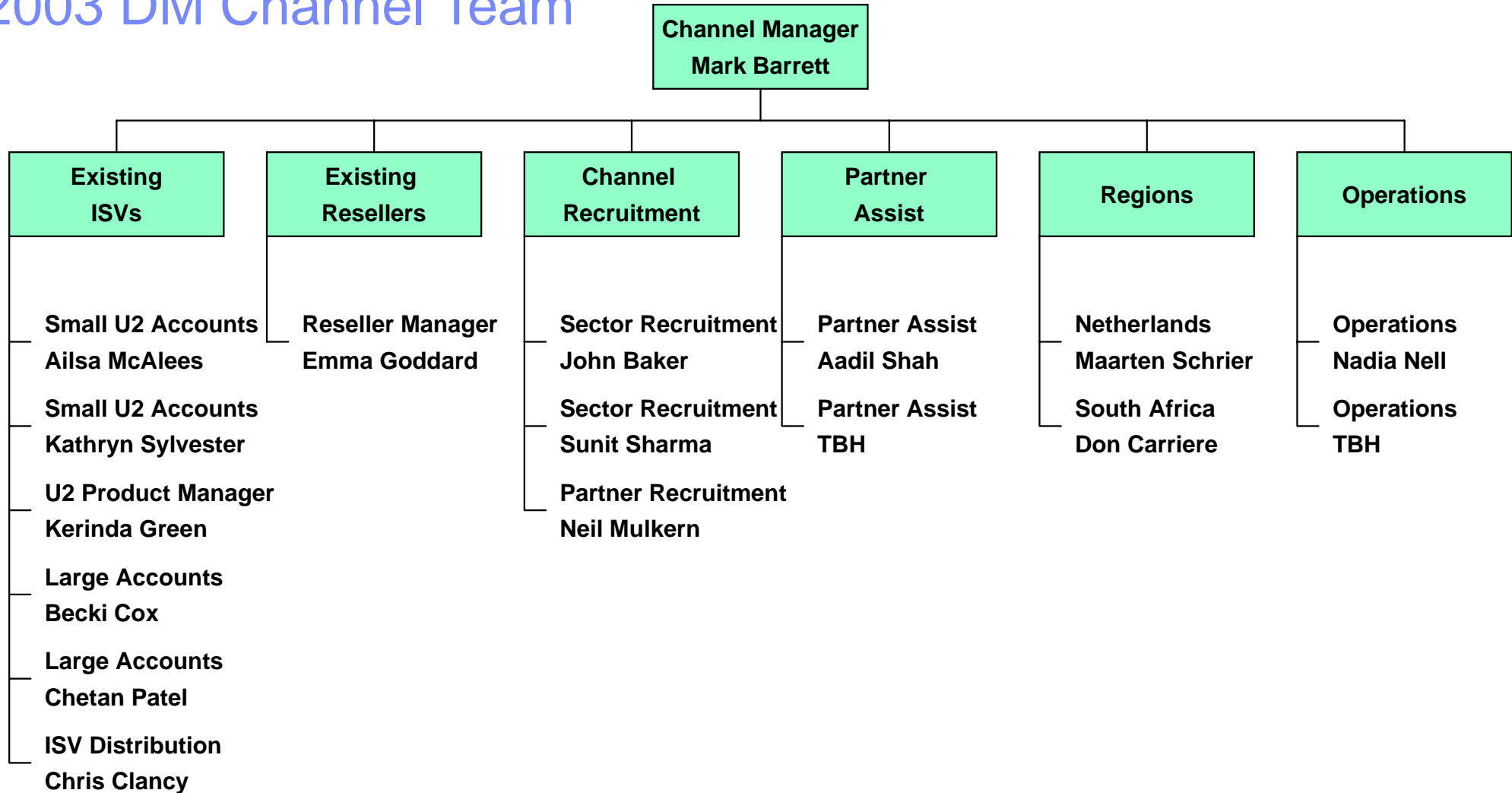## *Territory Coverage Model*

IBM BPSM

Telesales

Partner

✓ Focus on bundled solutions
✓ Partners own opportunity identification
✓ Assistance to help partners sell
✓ Incentives skewed to GMB sales
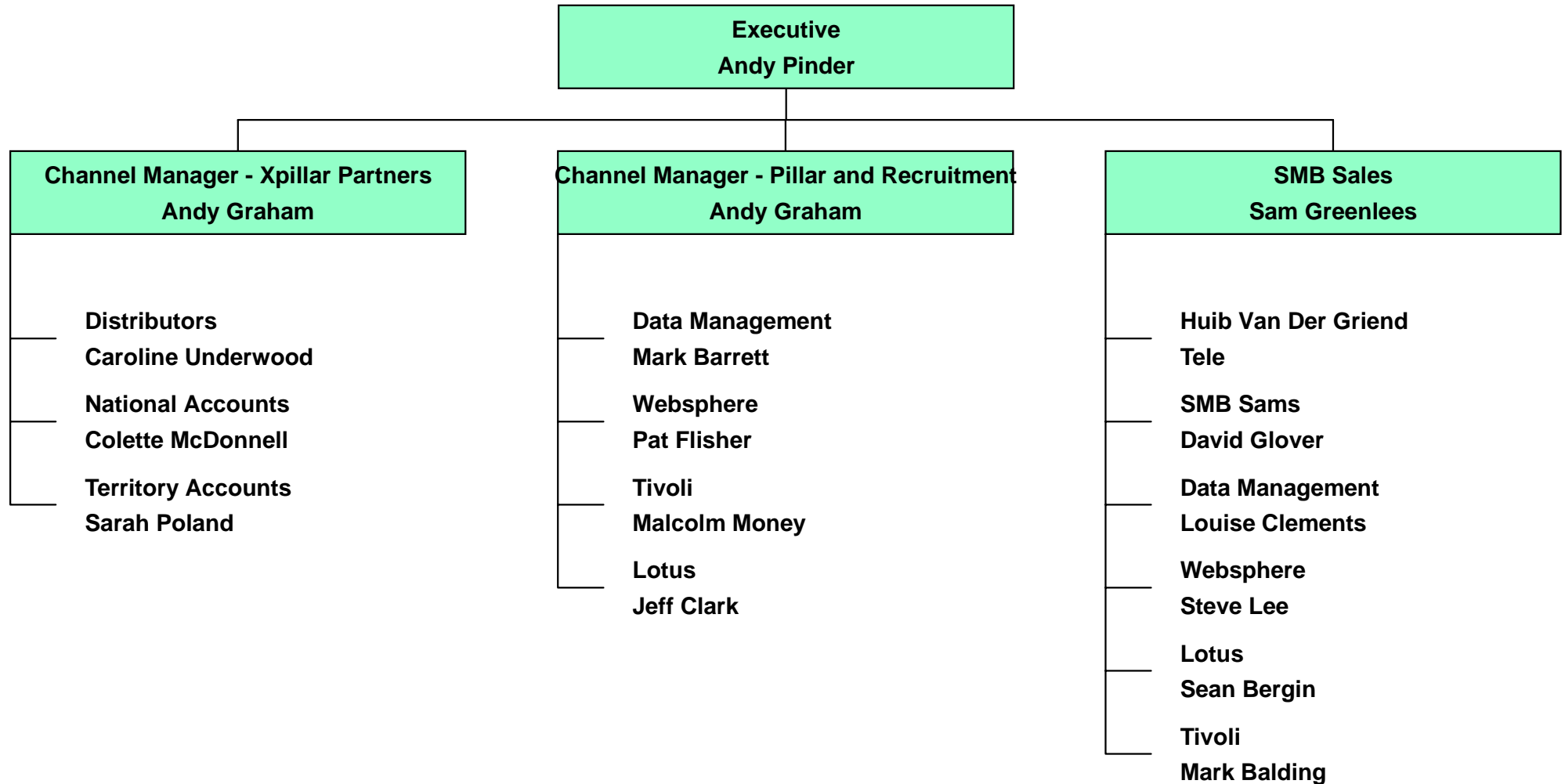✓ Now You! Sales Contests
✓ Critical Implementation Support

2003 DM Sales

Executive
Ajay Khindria

| **Aligned Accounts** | **SMB Focus** | **Pre-Sales** | **SWAT Teams** | **Regions** | **Channel** |
| **Don Lewis** | **Louise Clements** | **Andy O'loughlin** | **Mike Blake** | | **Mark Barrett** |

Distribution
Libby Iddles

Industrial/Comms
Russ Meyers

Public Sector
Stuart Hall

Financial Services
Andy Tyler

UK Sales
Dave Beeston

Database
Kenton Turner

CM
Sarah Gibbs

Netherlands
Harald De Bakker

South Africa
Gordon Barnes

2003 DM Channel Team

Channel Manager
Mark Barrett

Existing ISVs	**Existing Resellers**	**Channel Recruitment**	**Partner Assist**	**Regions**	**Operations**

Small U2 Accounts
Ailsa McAlees

Small U2 Accounts
Kathryn Sylvester

U2 Product Manager
Kerinda Green

Large Accounts
Becki Cox

Large Accounts
Chetan Patel

ISV Distribution
Chris Clancy

Reseller Manager
Emma Goddard

Sector Recruitment
John Baker

Sector Recruitment
Sunit Sharma

Partner Recruitment
Neil Mulkern

Partner Assist
Aadil Shah

Partner Assist
TBH

Netherlands
Maarten Schrier

South Africa
Don Carriere

Operations
Nadia Nell

Operations
TBH

2003 SMB and Channels

Executive
Andy Pinder

Channel Manager - Xpillar Partners
Andy Graham

Channel Manager - Pillar and Recruitment
Andy Graham

SMB Sales
Sam Greenlees

Distributors
Caroline Underwood

National Accounts
Colette McDonnell

Territory Accounts
Sarah Poland

Data Management
Mark Barrett

Websphere
Pat Flisher

Tivoli
Malcolm Money

Lotus
Jeff Clark

Huib Van Der Griend

Tele

SMB Sams
David Glover

Data Management
Louise Clements

Websphere
Steve Lee

Lotus
Sean Bergin

Tivoli
Mark Balding

Summary of Main Changes

- 2003 - Partner Sales Teams
  - ► Not separate Reseller and ISV Teams
  - ► Trying to Reduce Channel Conflict
- Sales Reps paid on ALL Channel Business
- Dedicated Recruitment Teams for each pillar
- SMB Sales Team only focussed on top 900 Accounts
- All other SMB Accounts handled by Partners
  - ► Leads from Tele
  - ► Leads from Campaigns
  - ► Leads from Partners
- Increased pre-sales commitment to Partners to support model

Building Value Nets with Partners

- 2003 is the start of IBM's integrated channel
- Now all partners under the same roof
- Many ISVs with specific Industry expertise and skills
- Value nets will build on ISVs industry specific experience and allow other partners to add value
- Relationships built through direct introduction and teaming events
- A little about the Informix partners...........

Informix Partner Base

- Total base of 750 Partners in Region North
- Around 300 active license partners
- Remainder are maintenance renewals partners (but still in business)
- 98% are Industry Specific ISVs.
- Generating 40,000 orders a year with 5,000 end users
- Mostly small consultancy style ISVs with Niche skills and application
- Perfect Target for Value Nets

Informix Products and Roadmaps

- More in next presentation, but in brief.........
  - ► Informix products are all roadmapped as far as IBM
  - ► No forced migrations
  - ► Informix compatible products of most IBM products are available now
  - ► Cross pollination of functionality between DB2 and IDS

What are we looking for from our partners?

- Partners MUST be reasonably self-sufficient in selling their chosen product set.
  - ► All Mid-market leads will be passed to Partners
  - ► No IBM Sales resource as back-up
- Ensure appropriate skills and certifications
- Looking for commitment to product set and resources
- Fulfillment business will help support these activities
- Partners who can expand the proposition
  - ► Databases are pretty difficult to sell standalone
  - ► CM, BI and Tools are much easier "stand alone" sales
  - ► Teaming with ISVs to sell more of everything

IBM #1 DataBase Vendor

*WW DBMS Market 2001 ***

- Customer acceptance fuels growth
- Strong growth on Unix and Windows
- Faster growth than industry on all platforms

- #1 Customer Satisfaction

Others 14.4%

Sybase 2.6%

Oracle 32.0%

Microsoft 16.3%

IBM 34.6%

*Source: Dataquest Study, May 2002

DB2 : 22 quarters of continued significant growth !

	Oracle	DB2
Q1 2002	-26%	+28%
Q2 2002	-29%	+33%
Q3 2002	-23%	+2%
Q4 2002	+3,6%	+11%

``*Now there's a credible alternative''* to Oracle, said Betsy Burton, a Gartner analyst who tracks the database market.

21 Consecutive Quarters of Growth

YTY Quarterly Growth % Comparing Similar Calendar Periods
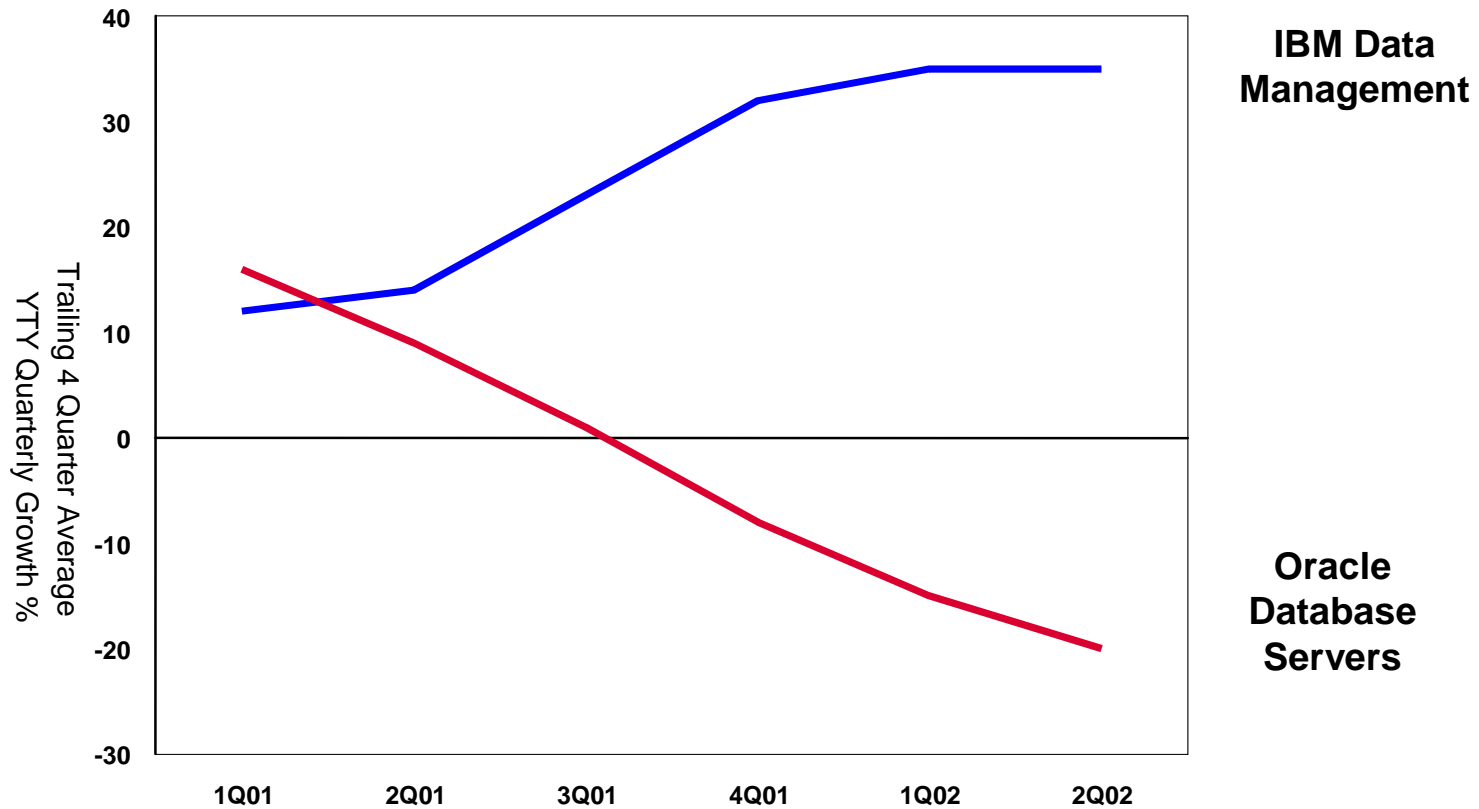
Source: Growth rates of Oracle database server sales is based on information published in quarterly earnings reports and compared to IBM data management revenue growth rates during similar calendar periods.

#1 & extending the lead

✓ *DM Tools #1 Market Share Gartner*

✓ *DB2 #1 on Linux IDC*

✓ *Renewal Business Builds* ✓ *Strong Informix Loyalty* ✓ *57 New Deliveries*
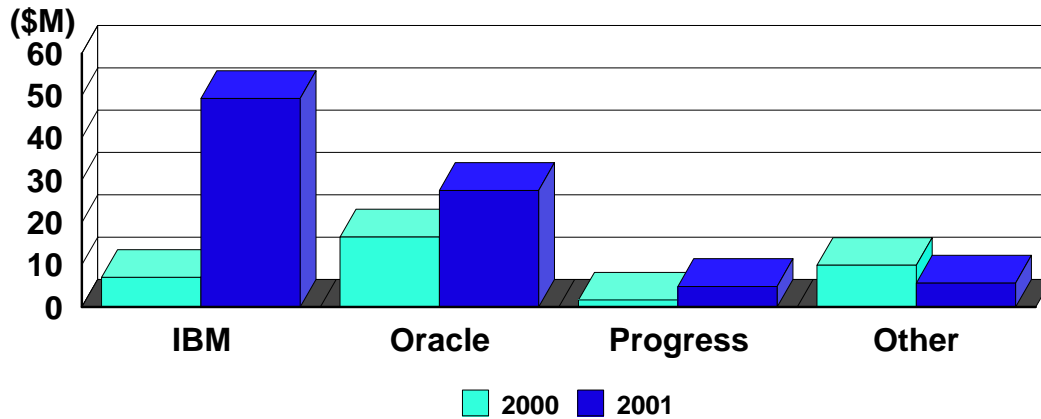
✓ *#1 in Customer Sat.* ✓ *DM Services & Industry Skills Grow*

✓ *Brand Awareness Jumps 6 points*

Double Digit DM Growth YTY

#1 WorldWide RDBMS on Linux !

World Wide Linux RDBMS License Revenues 2000 and 2001

($M)

60
50
40
30
20
10
0

IBM   Oracle   Progress   Other

☐ 2000   ■ 2001

Source: The RDBMS Top Ten: License Sales Analysis
and Market Forecast, 2001-2006 (Document 28096)
Analyst: Carl W. Olofson, IDC Research, Oct 2002

2001 Linux RDBMS Share

5.6%   6.5%

31.5%

IBM
56.3%
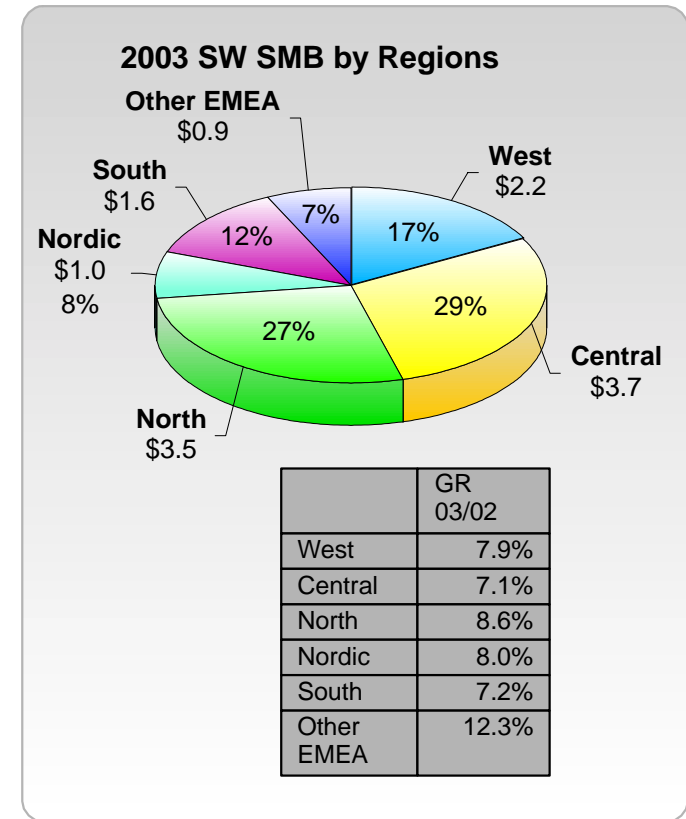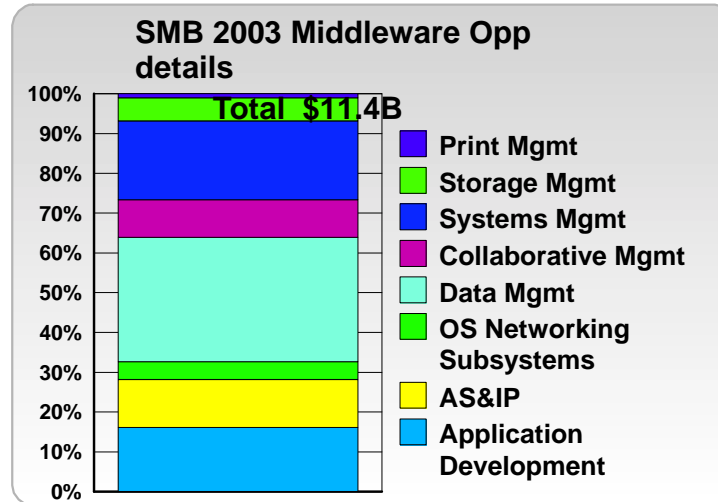
☐ IBM ■ Oracle ■ Progress ■ Other
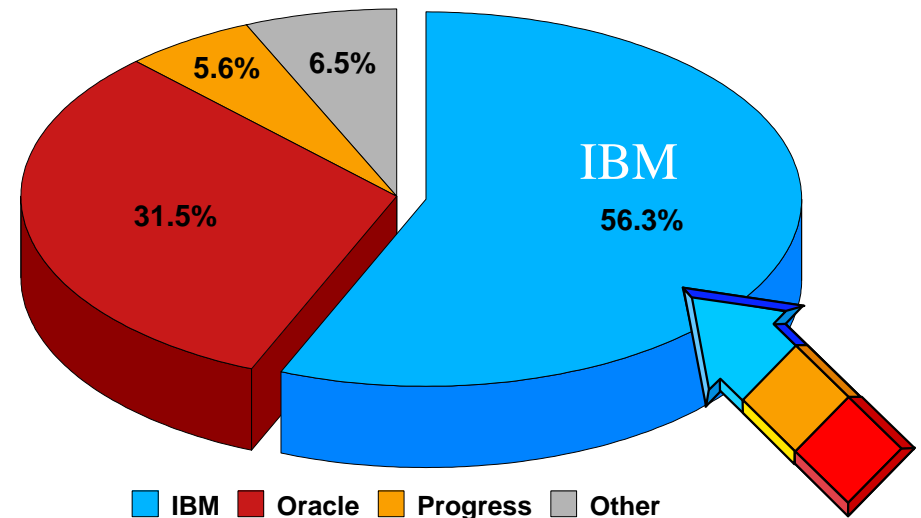
IBM 2000-2001 growth is 604.7%!

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Linux is a registered trademark of Linus Torvalds
Oracle, Oracle9i are registered trademarks of the Oracle Corporation
Progress is a registered trademark of the Progress Software Corporation

SMB EMEA Software Middleware

Software is a $13B opportunity and is driving growth (SMB)

SMB 2003 Middleware Opp details

Total $11.4B

- **Print Mgmt**
- **Storage Mgmt**
- **Systems Mgmt**
- **Collaborative Mgmt**
- **Data Mgmt**
- **OS Networking Subsystems**
- **AS&IP**
- **Application Development**

2003 SW SMB by Regions

Other EMEA $0.9
South $1.6
Nordic $1.0
West $2.2
Central $3.7
North $3.5

7%
12%
17%
8%
29%
27%

	GR 03/02
West	7.9%
Central	7.1%
North	8.6%
Nordic	8.0%
South	7.2%
Other EMEA	12.3%

Source : GMV 1H03 - IT & Non IT Selected Market Opportunity

Other EMEA (= CEMA + Turkey + Israel + South Africa)

How We Can Team Together:
Partner Programs & Specific Contracts

- ■ **Partner Programs**
  - ► PartnerWolrd for Developers
  - ► PartnerWorld for Software
  - ► You receive technical information, support, education, certification
  - ► You benefit from marketing opportunities & communication

- ■ **StartNow Programs**

- ■ **Dedicated Partner Contracts**
  - ► Entry OEM agreement
  - ► ISV Distributor agreement

How We Can Team Together:
Technical Support and Education

- **Innovation Center for Data Management**
  - enable partners through
    - education workshops,
    - repeatable practices,
    - deal-related sales support activities

- **Solution Partnership Centers (SPC)**
  - Fast and easy access to IBM technology and resources
  - Technical education and support with lab access in the centers
  - Assistance with sizing guides to support sales efforts
  - Valuable resource for Validation, porting and enablement, testing
  - Remote access (VPN) helps you porting/validating your applications

How We Can Team Together:
Technical Support and Education(cont)

■ **Migration Toolkits**

► To help you migrate from Oracle/Sybase/SQLServer to DB2

► Specific bundles addressing pre-sales, post-sales, financing, and education issues

► *www.ibm.com/db2/migratenow*

■ **Insight Exchange**

► multi-track communications and educational program