

*A quick glance at IBM e-business
Services for Business Partners*



Our expert e-business Services span the life cycle of technology and assist your customers through every stage, including planning, design, development and operation of the e-business solution.

IBM e-commerce Services

This family of services offers Business Partners the ability to help their customers prepare for and conduct e-business transactions securely, with customers, suppliers and Business Partners, via the Internet or EDI networks.

IBM EDI Services for the Web—allows your customers to exchange data and documents electronically, such as purchase orders, invoices, inquiries and spreadsheets, within their business or with trading partners, according to standardized rules. The data or information is translated into a standard EDI format which can be communicated and understood by their computers. Key elements of EDI include:

- Translation into standard EDI format
- Communication and file transfer
- Mailbox storage and security.

IBM Hosted Business Application Services

IBM Web Hosting Services—designed to offer your customers end-to-end Web site hosting and management, leaving you free to concentrate on developing meaningful content and your customers to focus on their core business:

- Offers an outsourcing alternative for your customer's Web site operation to get it up and running quickly while minimizing capital expenditure and technological obsolescence
- Supplies flexible packages based on "industry-leading" technologies
- Includes e-commerce capabilities to help expand your customers' sales channels.

IBM Corporate Messaging Services—provides your customers with an integrated solution that connects their disparate e-mail and messaging systems within the enterprise:

- Assists in managing and maintaining their e-mail infrastructure
- Designed to provide a consistent, synchronized corporate directory for easy messaging
- Allows employees to e-mail company-wide without learning new systems
- Helps reduce their project, technology and implementation risk with predictable spending.

IBM MQSeries Services—gives your customers easy-to-use tools to store or route messages, regardless of platform type:

- Assists in providing security-rich message routing between MQSeries® trading partners
- Allows the exchange of MQSeries messages, EDI documents and unformatted messages
- Designed to simplify addressing with aliases and distribution lists
- Helps enable secured trading by eliminating direct connections to trading partners and making access limited only to authorized users.

IBM Workgroup Services—helps your customers use the powerful combination of Lotus Notes® and Domino™ technology to create a collaborative atmosphere for their employees, customers and partners, facilitating stronger relationships and more efficient work processes:

- Assists in providing ready-to-go managed hosting—be up and running in a matter of days
- Helps extend and upgrade solutions easily as their enterprise grows
- Designed to offer a single source for mass-customized application solutions
- Helps reduce need for infrastructure and software changes in the Year 2000 environment
- Designed to offer an attractive price to your customers with no up-front capital investment.

Home Page Creator—helps supply the tools to put your small and medium customers' businesses on the Internet today. Quickly, easily and cost-effectively become an e-business—without learning HTML:

- Choose from predesigned layout templates
- Add e-commerce capabilities to their site
- Helps update, manage and expand their site as their business grows, right from your desktop.

e-business Accelerator—complement your services portfolio by offering your customers the benefits of on-line consulting, including:

- A dynamic collection of reading materials by IBM consultants and others
- Powerful business analysis applications
- On-line access to IBM e-business consultants.

e-business Services value proposition

What key decisions does your customer have to make for implementing an e-business solution?

After the decision is made to embark on an e-business solution, the next decision, which can have profound implications is whether to implement the solution in-house or to outsource. Key considerations which you and your customer should take into account include:

- Availability of in-house skills
- Speed-to-market
- Sizable initial capital investment
- Cost-effectiveness: rent versus buy
- Service availability and reliability
- Ability to scale for peak periods or as the business grows
- Global deployment
- Security features
- Service and support
- Ability to focus on core business.

Whatever your customers' requirements, e-business Services allow you to offer the best implementation choice, in-house or outsourcing.

Why sell with e-business Services from IBM?

Working with IBM e-business Services can provide you:

- The ability to offer your customers a total e-business solution, complementing your services with the advantages of IBM end-to-end managed services, including:
 - Managed services allow your customer to focus on their core business
 - Global presence and local support help reach new markets
 - Our technology and skills leadership in network infrastructure, application enabling middleware and people to help develop and deliver collaborative, e-commerce and content applications
 - Reliability, scalability and security features to help you design a stable foundation capable of supporting current and future business needs.

- Potentially attractive financial returns, including:
 - An aggressive discount structure based on your revenue commitment over the contract period
 - The benefits of an ongoing annuity revenue stream: Unlike hardware products which yield a one-time revenue at the time of the sale, annuity services provide an ongoing revenue stream with exponential growth. For example, a typical dedicated Web hosting offering priced at US\$20,000 per month can yield as much as US\$240,000 a year, year after year ... and this does not include the additional revenue which can be derived from growing the customer's application or from additional consulting services.

Business Partner relationships and qualification criteria

In considering any Business Partner relationship, the following factors should be evaluated:

- Proven track record — recognized "value-add" leadership in the industry/ market segment and a demonstrated record in marketing to the targeted customer set
- Ability to function as a sales and support channel — staffing, skills and infrastructure required to support its customers

- including sales, technical support and administrative resources
- Revenue commitment — can vary based on the type of relationship
- Certification — based on the service being remarketed, certification may be required.
- Financial stability — to sustain the investments required for your marketing and support responsibilities
- High customer satisfaction — as demonstrated by references in recent engagements.

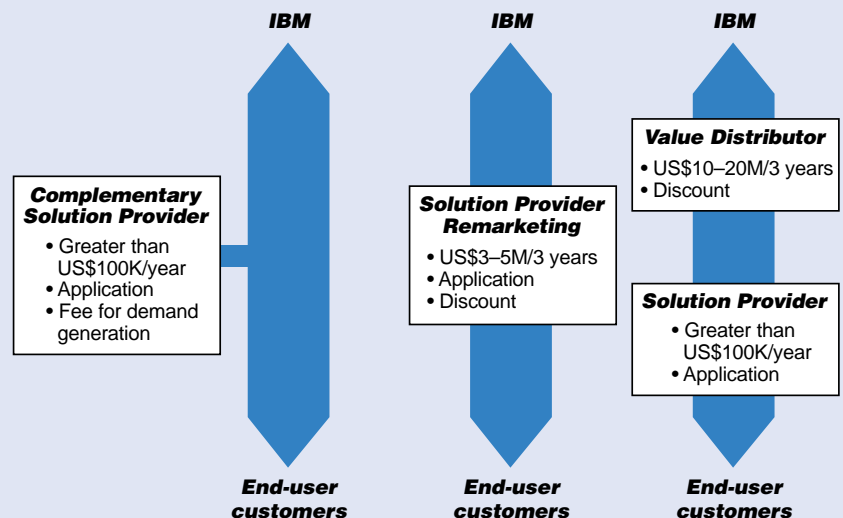
In addition, the following channel-specific requirements apply:

Complementary Relationships

Solution Provider — Complementary Terms: This program pays a fee to the Business Partner for performing demand generation on behalf of IBM. The Business Partner can qualify for two types of fees: a "lead" fee if the Business Partner merely passes a lead to IBM or a "contract close" fee if the Business Partner obtains the customer's signature on the IBM contract and assists in the enablement of the service. These fees are one-time fees, payable upon acceptance by IBM of the contract for the services, and are either a flat dollar amount or a percentage of the first-year revenue. Fees vary by service.

Channel relationships at a glance

We have both complementary (fee based) and remarketing (discount based) channel offerings and the ability for the Business Partner to source services directly from IBM or through a distributor, based on the Business Partner's revenue expectation and preference.



In addition to the common Business Partner qualification criteria, the Solution Provider — Complementary Terms should:

- Identify any application software (*value-added enhancement*) which will be marketed in conjunction with the IBM services, and
- Have a business plan supporting a *minimum annual revenue of US\$100,000* in IBM e-business Services.

Prospective Solution Providers who cannot meet the US\$100,000 minimum annual revenue, or who prefer to source services through a distributor, may enter into a relationship with a select group of distributors who have been approved to market a subset of e-business Services on a complementary mode (IBM Web Hosting Services and Internet connectivity offerings). Additional services will be offered through the distributors over time.

A list of the approved distributors is available on the Web under the “Partners” section at <http://www.ibm.com/services/e-business>.

Remarketing relationships

Solution Provider — Remarketing Terms: Under the remarketing agreement, the Solution Provider remarkets IBM e-business Services to customers in conjunction with its own value-added enhancement offering. The Solution Provider will receive a discount based on its e-business Services revenue commitment over the contract period. The terms and conditions for the customer are determined by the Business Partner who is also responsible for customer satisfaction.

Additional qualification criteria for the Solution Provider — Remarketing Terms include:

- **Value-added enhancement:** the prospective Solution Provider — remarketing terms must have a demonstrated value-added enhancement. The value-add may be an industry vertical or cross-industry application, systems integration expertise or consulting skills. The value-add must be provided in conjunction with the e-business services being remarketed.
- **Revenue commitment:** the prospective Solution Provider — Remarketing Terms must provide a business plan demonstrating its capability to achieve a minimum of US\$3 million in IBM e-business Services over the initial three-year contract, with the ability to achieve US\$5 million in subsequent contract periods.

Distributor: IBM e-business Services has established a relationship with several distributors to sell our Services to remarketers who do not have a direct relationship with IBM and who, in turn, sell our offerings to end-user customers. The distributor is selected based on the strength of its Business Partner network and receives a discount from IBM. The distributor determines its price to its remarketers and is responsible to recruit, train and manage them.

Additional qualification criteria applicable to the distributor relationship include:

- **Demonstrated network of current Business Partners** to remarket e-business services under a Solution Provider mode
- **Demonstrated ability to recruit, train and manage its Business Partners**
- **Revenue Commitment:** the prospective distributor must have a business plan demonstrating its ability to generate a minimum of US\$10 million of e-business Services revenue over the initial three-year contract period and the ability to generate US\$20 million in subsequent contract periods.

Additional Information

To learn more about e-business Services for Business Partners or IBM Global Services visit www.ibm.com/services or contact your IBM channels representative or distributor.



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