



White Paper

EMC's Business Partner Program – A Clear Path Forward

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Executive Summary

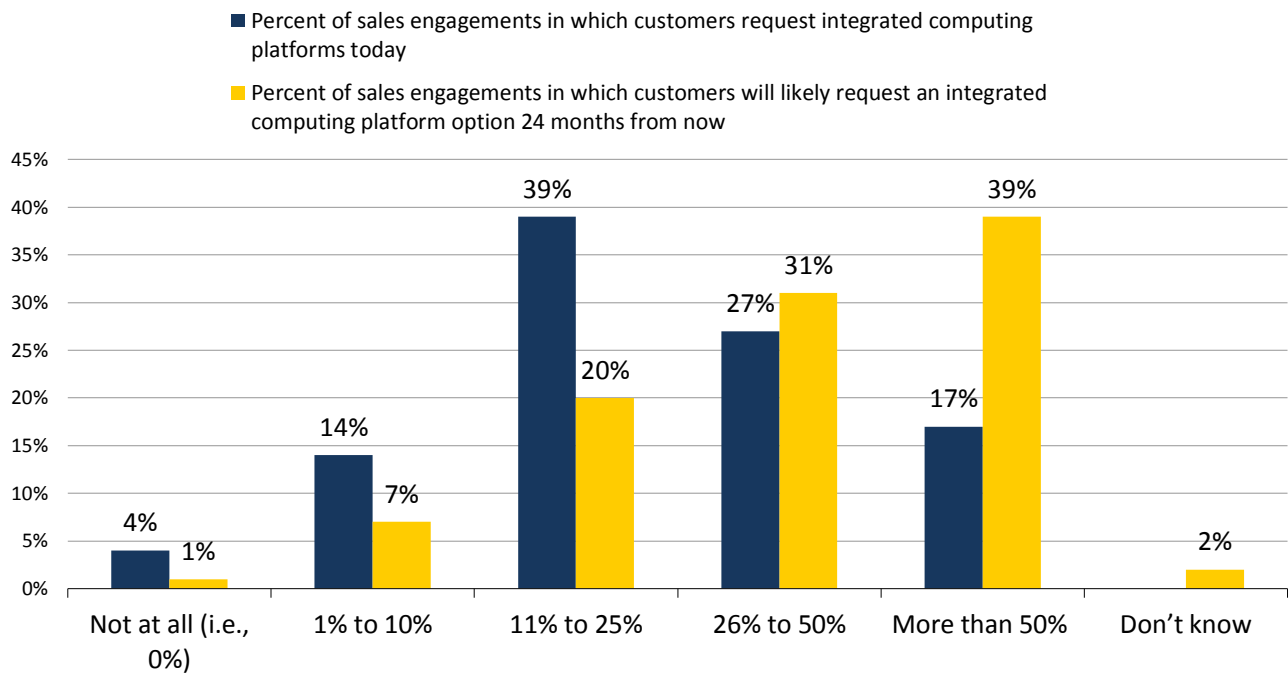
Rapid, fundamental change is ongoing in the IT world. This new era is characterized by more powerful, portable devices; many more apps; and exponentially more information. The gains for business are considerable—however, the key to making a successful transition to this “Third Platform” is actually as much about people, operations, and processes as it is about technology.

As part of this transformation, the responsibility for implementing and supporting complex infrastructure and systems has shifted from the customer to the vendor. Channel resellers (VARs, SIs, and MSPs) are increasingly relied upon to provide a full range of technical services to install, integrate, and operate the new, integrated computing platforms and systems.

ESG research found that IT channel partners are forecasting significant changes in demand for integrated computing platforms over the next two years. (see Figure 1).¹ These changes will force partners to evolve their business models toward a full solutions approach, and develop specialized skills and expertise to identify, sell, and then put these new technologies to work in the real world.

Figure 1. Change in Demand for Integrated Computing Platforms Over the Next 24 Months

As a percentage of overall sales engagements, how often are your organization’s customers requesting integrated computing platform solutions as an alternative to the acquisition of disparate hardware or software components today? How do you expect this to change – if at all – over the next 24 months? (Percent of respondents, N=166)



Source: Enterprise Strategy Group, 2014.

The New Business Partner Program: Elements and Execution that Drive Change

The new ways in which IT is consumed by end-customers is reshaping the economics of the IT sector, and the primary vehicle for supporting partners in this new economic world is a comprehensive partner program. Leading IT vendors now need to modify their partner programs to proactively help their partners transform their businesses to meet these challenges and become stronger both operationally and financially.

¹ Source: ESG Research, *2013 Channel Transformation Survey*, November 2013. All ESG research references and charts in this white paper are taken from this research survey.

To address these needs, EMC has retired the Velocity Partner Program. The completely new, comprehensive EMC Business Partner Program has taken its place. It was officially unveiled at the EMC Global Partner Summit, at EMC World 2014.

The new Business Partner Program aims to **redefine the partner journey with EMC** and extend the theme of **“Simple, Predictable, & Profitable.”** Based on EMC’s projections of the future IT marketplace, plus input from leading partners, new program elements have been designed to work seamlessly together in key areas that affect partners’ operations in order to drive growth, profitability, and deeper ongoing customer relationships.

The new Business Partner Program has been built on a foundation of guiding objectives, which include:

- Support for EMC’s current strategic focus on IT transformation.
- Alignment to EMC’s value proposition and “federation of businesses” model.
- Providing all EMC business partner tracks with a simplified, common structure and tiers.
- Being flexible and adaptable to rapidly evolving business models and partner needs.
- Rewarding business partner investment with a progressive rebate structure from \$1 on up.

Table 1. Benefits Comparison: Highlights of the New EMC Business Partner Program

Velocity Program	EMC Business Partner Program
Variety of tiers, tier names, and attributes that vary by geography	A common, three-tier structure across all partner types and tracks and all geographies
No formalized connections between related companies	Tight program links to leverage EMC’s federation of businesses
Separate access to training, content, and materials	Establishment of the Business Partner Academy and Marketing Academy as a single resource to improve both skills and execution
Many systems, sites, processes, and business functions to do business with EMC	A new comprehensive portal giving partners a single, digital experience with EMC
Program did not address needs of certain partner types	New tracks for OEM and distribution partners, new Elite tier for VAR partners that will be rolled out in the second half of 2014
Incentives and rewards based on a limited set of specialty products	Revamped rewards include benefits for partner investment and attainment of skills and capabilities across the breadth of EMC’s offerings

In brief: The newly designed Business Partner Program is a first-mover step by a leading, global technology vendor to support and accelerate partner transformation and strengthen individual partner businesses and the overall partner ecosystem. This paper outlines the key components of the Business Partner Program, and provides an evaluation of why this is important for EMC Partners moving forward under the new IT consumption model.

Partnering in the New IT Consumption Model

Enterprise IT is going through an extended transformation period, featuring a combination of user-driven, simplified operational layers and increasingly complex virtualized and cloud hybrid infrastructures needed to support line-of-business users in real time.

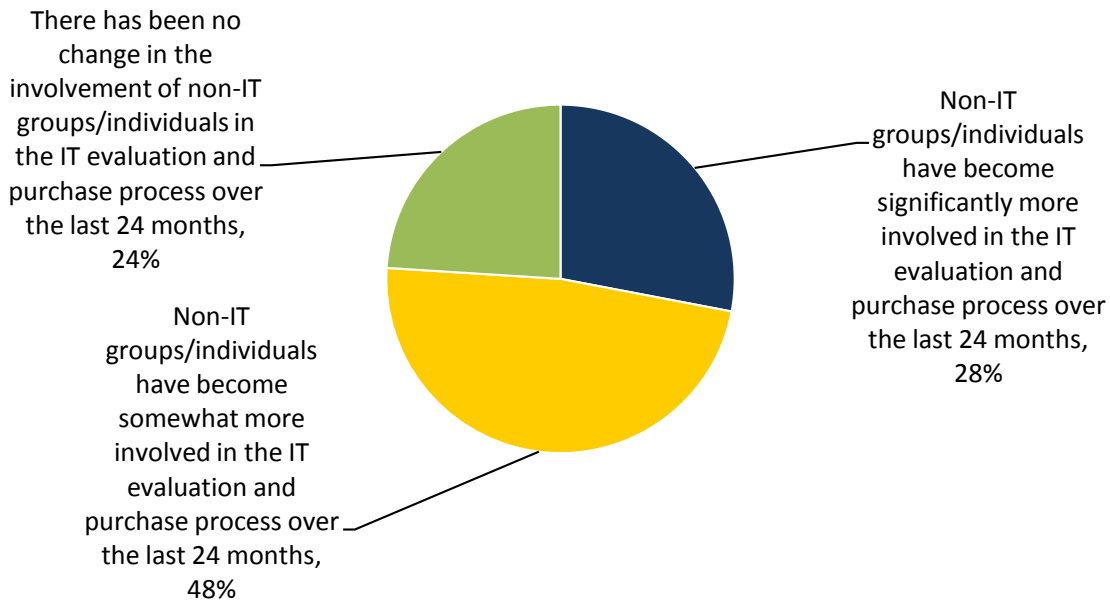
To meet the challenging new business requirements, technology is evolving and IT organizations are scrambling to modernize their infrastructures and the ways they operate. Enterprise IT vendors are offering innovative products to help modernize legacy, corporate infrastructure, and IT organizations are increasingly looking for guidance in building real business solutions from a dizzying array of new offerings in order to support line-of-business users in real time. Channel partners are now at the point of attack for delivering these solutions.

ESG end-user and channel partner research has found that:

- **Target audiences are changing.** According to the previously referenced ESG research study, more than three-quarters (76%) of IT VARs surveyed confirmed that non-IT individuals have become more involved in the evaluation and purchase process for information technology products and solutions (see Figure 2).

Figure 2. Involvement of Non-IT Groups/Individuals in IT Evaluation and Purchase Process

Which of the following statements pertaining to the involvement of non-IT groups/individuals (e.g., CFO, line-of-business managers, VP of Marketing, etc.) in the IT evaluation and purchase process over the last 24 months is accurate? (Percent of respondents, N=204)

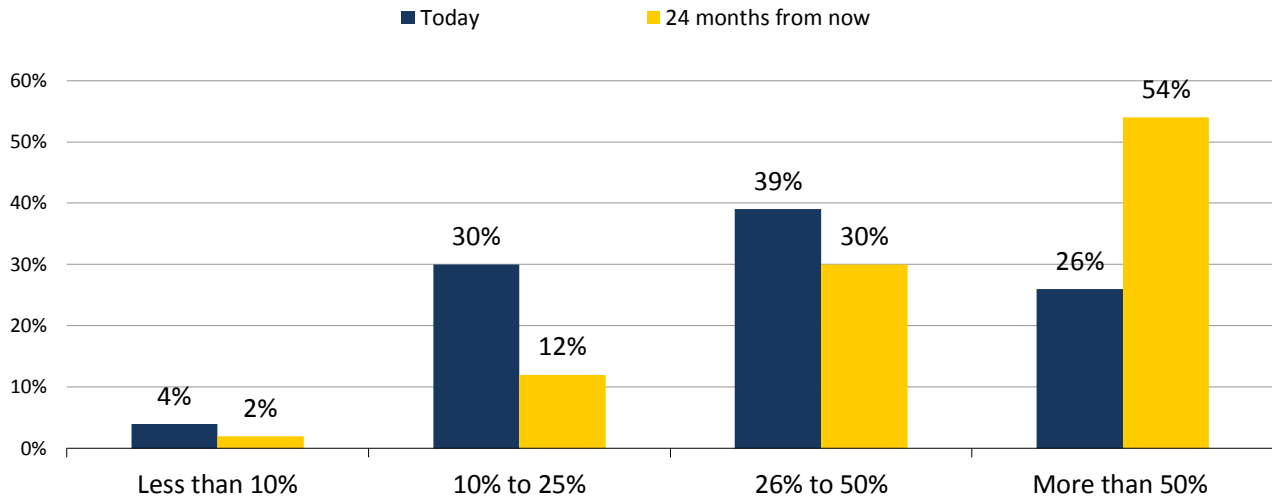


Source: Enterprise Strategy Group, 2014.

- **End-users want their IT problems solved by partners who can integrate and take responsibility for a complete solution.** Services are an increasingly important revenue source for partners, as confirmed by ESG's research which revealed that 54% of the partners surveyed predicted that within two years, more than half of their organizations will be delivering billable services. Providing "high-value" services based on assessing, recommending, and integrating technology stacks from multiple vendors has become a critical differentiator for best-in-class partners.
- **Cloud-based solutions and integrated computing platforms will continue to take share.** While partners continue to sell and support point products, ESG research shows that 80% of channel partners believe that integrated computing platforms will force a fundamental shift in their business models and they will need to make sure that they plan ahead for this change (see Figure 4).

Figure 3. Billable Services as a Component of the Revenue Mix

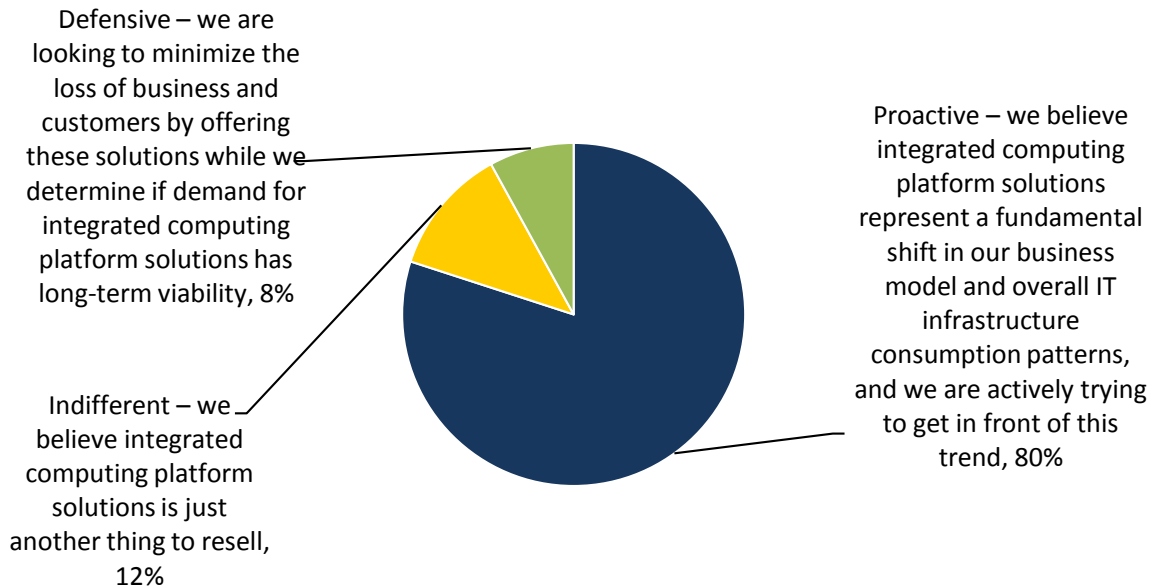
What percentage of your organization's employees are dedicated to delivering billable services to your customers, including professional services, support services, managed services, and/or cloud computing services today? How will this change over the next 24 months? (Percent of respondents, N=204)



Source: Enterprise Strategy Group, 2014.

Figure 4. Current Organizational Philosophy Toward Integrated Computing Platforms

Which statement best describes your organization's current organizational philosophy toward integrated computing platform solutions? (Percent of respondents, N=166)



Source: Enterprise Strategy Group, 2014.

These changes in the way in which IT is consumed by end-customers is driving a reshaping of the economics of the IT sector. Forward-looking tech vendors also recognize that partners have a set of new priorities and challenges in maintaining profitability in the transformed world of IT. These industry leaders are looking to adapt and improve their partner programs to proactively help partners transform their businesses to meet the challenges of the new IT consumption model, become more productive, and strengthen their operations and financial footing.

EMC's new Business Partner Program is a major step in an effort to support and accelerate partner transformation, and is a comprehensive investment from a leading global vendor to evolve its partnering strategy and strengthen the company's overall partner ecosystem.

Overview of the New EMC Business Partner Program

Foundations for Tomorrow's Partnering Excellence

These trends will continue to have a profound effect on the IT marketplace and partnering structures and programs long into the future.

Business partner success today requires an expertise in business transformation, enabling partners to act as key strategic partners to both IT and line-of-business customers to help these constituencies navigate IT complexity. As a result, business partners must focus first on solving their customer's business problem, and be prepared to propose a range of options and economic choices. This puts incredible pressure on partners to change and adapt their team's skills and capabilities, and requires new selling and service motions along the way.

Vendors need to support this new approach, maintain a close connection between themselves and their business partners, and deliver a vendor program that allows their business partners to succeed by adapting rapidly in a changing marketplace. This includes providing access to a range of bundled offerings, a serious commitment to training and education, and the tools and resources to accelerate marketing and sales cycles—all delivered at the right time and available on an as-needed basis, and supported by innovative incentives and rebates that provide business partners with the ability to invest for growth.

Goals and Strategy for the EMC Business Partner Program

EMC started with these core concepts when developing the 2015 release of the EMC Business Partner Program. The Business Partner team then test drove the plan with a group of high-performing partners, and received positive feedback from its **Partner Advisory** Board members. Overwhelmingly, these partners express the need to have **flexibility to engage** with their vendors in the areas that match their changing GTM models, and they want to be **rewarded for investing** and selling "up the stack." Architecting, recommending, and selling total services-based solutions based on EMC's federation of businesses can provide a significant competitive differentiator. In the case of EMC Business Partners, this means it is critical to ensure that the partner program makes it easier for partners to harness the power of EMC's federation to jointly develop these next-generation solutions.

The resulting Business Partner Program, plus the plans for rollout and execution of the program through 2015, features three defining elements, all relevant for a broad spectrum of partner types:

- First, to continue "**Redefining the Partner Journey**" in terms of their relationship with EMC and also with how they transform their skills and ability to help their customers reach the "Third Platform."
- Second, to ensure that the value proposition for Business Partners remains **aligned to EMC's overall value proposition**.
- Third, to remain true to EMC's partnering motto: making it "**Simple, Predictable, and Profitable**" to invest to grow as an EMC Business Partner.

The Program strives to address these elements through a series of "big-picture" changes to provide:

- Support for EMC's current strategic focus on '**IT transformation in Cloud, Big Data, and Trust**', as well as the emerging focus on The Third Platform.

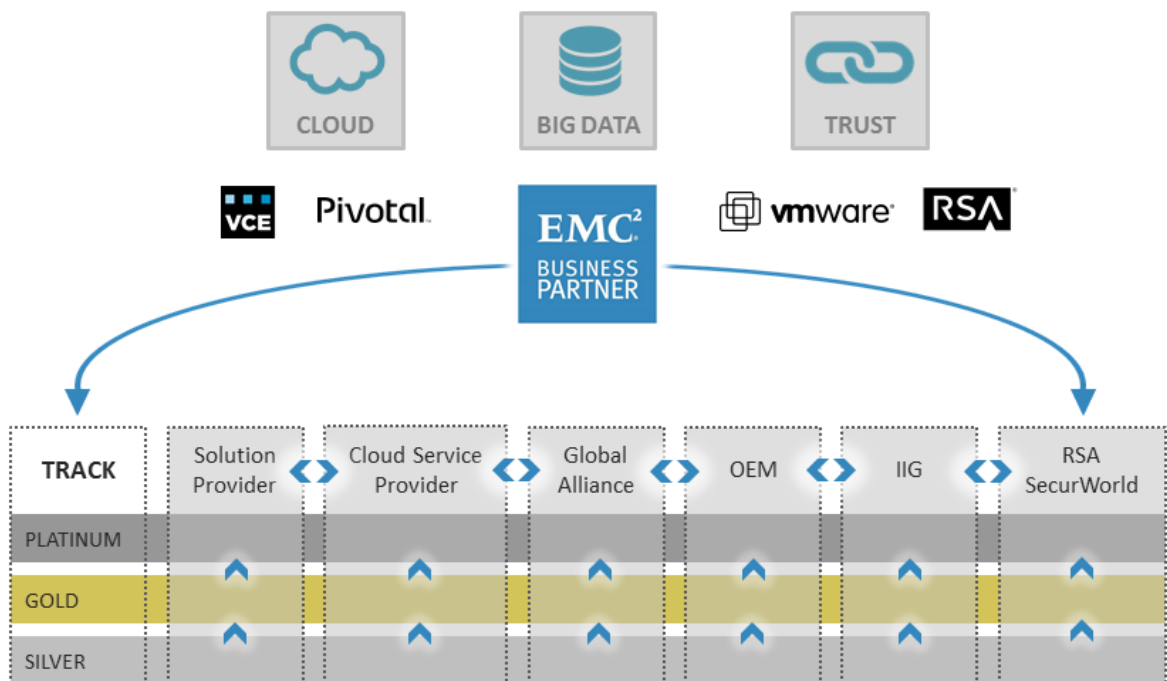
- A foundation to allow for the development of a **solutions-based approach to sales**.
- More active support for **partner-led marketing** and lead generation activities.
- A **common structure and tiers** across all EMC core partner programs that support rapidly evolving partner business models and needs particularly as the lines between different types of partners blur.
- Alignment and **access across EMC's "federation of businesses" model** so that partners can easily position solutions reaching across all EMC businesses.

What's in It for Partners

The next-generation EMC Business Partner Program will—for the first time—put all of the partner ecosystem under one umbrella. As Business Partners increasingly go to market with “hybrid business models,” the program will provide clear linkages between the businesses in EMC’s federation, allowing partners to collaborate more easily with other partners in the EMC ecosystem, and deliver to customers whatever they need from the EMC federation—whether through reselling, referring, or enabling themselves in various technologies.

Key Elements of the Business Partner Program: Structure, Requirements, and Features

Figure 4. EMC Business Partner Program Structure



Source: Enterprise Strategy Group, 2014.

Program Tiers and Tracks

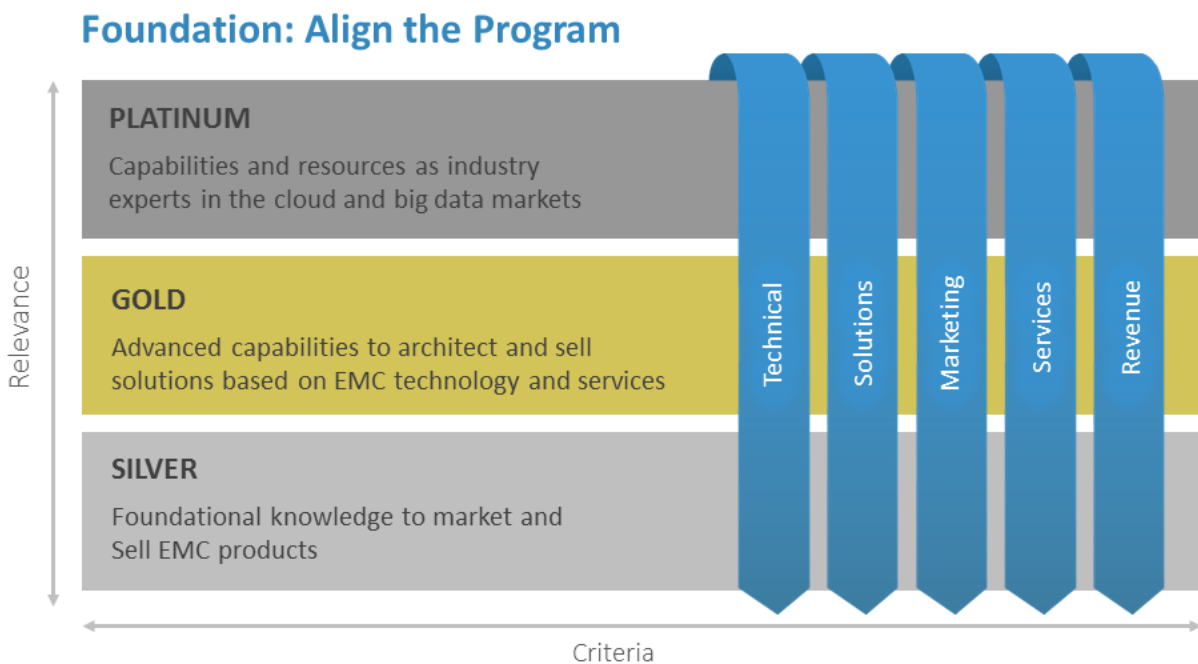
A common tier structure will be put in place for all core programs in the new Business Partner Program. The tiers have been simplified and reduced to a cleaner three-tier structure. **Silver** designates partners who have the foundational knowledge to sell and market EMC products. **Gold** designates partners with advanced capabilities enabling them to architect and sell solutions based on EMC technology and services. **Platinum** partners have capabilities and resources with expert-level certifications, making them industry experts in the cloud and big data markets; platinum business partners also have the option of embracing and supporting comprehensive solutions that include products from EMC’s federation of companies. These partners can deliver complete end-to-end solutions, inclusive of services.

Tiers

Tier placement reflects increased levels of partner relevance, both within the EMC partner landscape and for value presented to customers. Program levels will be determined by a combination of partner investment and performance measured against the following five (5) criteria, and oriented to selling motion and business model. Each track has a new set of targets and thresholds designed to accommodate variations in partner track, geography, and region.

1. Technologies
2. Solutions
3. Marketing
4. Services
5. Revenues

Figure 5. EMC Business Partner Program Tiers



Source: Enterprise Strategy Group, 2014.

Tracks

Several changes can be seen in the partner-type tracks in the program, and each of them has been simplified to match the three-tier structure. In addition, EMC will launch a new distribution track in the second half of 2014, which is interlocked with the VAR track and designed to reward distributors for value *plus* performance, and to align with changes to the rewards structure. A new OEM track and a new Elite tier for VARs is also featured, and each track strengthens the rebate structure and motivates partners who rise to Gold and Platinum levels.

Reflecting the importance of The Third Platform is the enhanced Cloud Service Provider (CSP) track. It features reduced requirements and “sell through,” “sell to,” and “sell with” options that reward CSPs for building offerings on EMC technology, and also for adding EMC Powered branding to their sales efforts. EMC has also made a number of “supply-side” moves that will motivate service providers. These include committing significantly more in marketing funds and field rep support for CSPs, and also the creation of the Cloud Partner Connect Program and the CSP Bid Desk, which will facilitate EMC’s drive to funnel leads from EMC’s direct sales force and from other EMC business partners to the CSPs. Through these two core programs, CSPs will extend their reach and establish

relationships with EMC's ecosystem of partners. These last items will make it attractive for cloud providers to more aggressively market and sell their own solutions through this network.

What's in It for Partners

The new tiers and track structure is consistent with the trending in recent years that has seen leading vendors moving to a "Value-Based" program, where partners can earn higher levels by demonstrating their commitment and investment. It also recognizes that the lines between partner types have blurred and are now gone, reflecting the fact that many partners operate not one, but several business models at the same time. The new structure creates more of a level playing field among partners based upon the ability to deliver complex solutions, and that rewards those who invest to reach the Gold and Platinum tiers. Supporting this investment, EMC has unveiled a newly designed rebate program that provides rich rewards from \$1 and grows progressively from that point.

One Portal: A Single Digital Experience

Partner portals have traditionally not received a lot of respect, with wide variation in quality of design, ease of use, and ability for partner sale and tech teams to actually get their jobs done in a timely manner. Our latest research into selling integrated solutions revealed, however, that partners need and want top-flight portals to be able to deal with today's wide range of technologies and products across multiple vendors. In fact, respondents to the ESG research chose having an intuitive, easy to use portal as a desired partner program feature equal in importance to detailed technical training and marketing for brand development.

Through significant time and investment, EMC has created a personalized, customizable, and fully searchable single-point-of-entry dashboard so partners can manage their EMC business and access online content. Key improvements include single sign-on and simplified navigation accessible from computer, mobile, and tablet devices. The portal will support ten different languages and provide a one-stop marketing resource center including integrated digital marketing and automation tools.

What's in It for Partners

The new EMC Partner Portal (and the retirement of PowerLink) is a significant step forward for both EMC and Business Partners. Moving from multiple web properties and logins to a single sign-on, global portal that provides all business partners with access to ***the right tools at the right time*** across sales, marketing, and services allows each member of the partner team to manage her part of the business quickly and efficiently.

The concept of just-in-time access to content and information has become increasingly important to partners because sales and technical staff are used to (and are desirous of) consuming critical information as they need it on the way to that big sales call or customer demonstration.

Training: The EMC Business Partner Academy

The new EMC Business Partner Academy features strengthened training requirements that are *focused on selling and delivering complete solutions*, which are ever-more critical in the minds of IT buyers today. In addition to focusing on solutions, the Partner Academy offerings will make it easier for partners to build their own solutions from across the federation.

Key aspects of the new Academy are:

- One-stop training for partners via the new EMC Partner Portal.
- An integrated learning management system (LMS).
- Cross-core training available for all partner types.
- Virtual classroom training across all training elements.
- Links to enablement RESOURCES from EMC's federation of companies.

What's in It for Partners

As partners look to transform their businesses around cloud and integrated computing, upgrading skills and capabilities for both sales and technical teams is the most-cited challenge reported by respondents to ESG research and is also the most-cited priority. In order for the right people in sales and delivery to benefit from the wide range of content provided by vendors, it must be relevant, easy to find, and available exactly when the sales or tech rep needs it.

EMC's new portal provides quick access to all of these key points through an easy to navigate Academy home page, a shared interface leading to core training offerings that are available across multiple partner tracks and across the EMC federation. The portal also provides partner staff access to training courses where and when they need them. All of this will save partner personnel time and money.

This last point is critical in today's world of changing information and just-in-time consumption of information. By fulfilling the core and advanced requirements, partner sales and technical teams can gain the tools and technology needed to stay ahead of the curve in a rapidly changing industry, and to support Third Platform solutions in particular.

Marketing: The EMC Marketing Academy

The goal of EMC's Marketing Academy is to *empower* partners of all types to take control of sourcing and driving net-new opportunities. The Marketing Academy offerings now include a set of 15 course selections covering core issues (Essentials), social media, digital demand generation, and data-driven marketing that are designed to function across all partner types and business models. Offered in both introductory and advanced levels for business partners at all tiers, the Marketing Academy programs will help maximize the value Partners can derive from their marketing activities and investment by:

- Aligning more tightly with corporate campaigns.
- Extending Business Partner marketing skill sets and execution.
- Increasing training and full utilization of campaigns and tools.
- Providing in-depth reporting to assess ROI from campaign investment.

One of the foundations of the Marketing Academy is the ability to leverage one consistent EMC Business Partner "voice," with brand, logo, and usage across all partner types and tiers. Materials are available via the Business Partner Academy or the unified Partner Portal and business unit resource pages that leverage a new "Explorer" persona, a meme designed to convey the image that EMC and its partners are leading the way to the new IT consumption model.

What's in It for Partners

ESG channel research indicates that vendor support for increasing partner-led marketing and lead generation has consistently been one of the top three "asks" from IT resellers, and marketing spend is where they feel they could get the most return on their investment today. This is an area, however, where many partners lack advanced skills, do not have the dedicated resources to execute on campaigns, and would benefit from assistance.

The EMC Marketing Academy is leading the way in terms of offering easily consumed marketing skills training for the new digital economy, plus accreditation for basic, intermediate, and advanced levels available to any individual in an EMC business partner organization. By offering both skillset training and campaign assistance, the Marketing Academy offers best-in-class capabilities for an area where partners need and want help, all at a low cost.

Leveraging EMC's 'Federation of Businesses'

One of the key design principles for the new Business Partner Program is to create linkages between the businesses in EMC's federation so that all partners can more easily leverage its power, sharing data and information between federation companies. In addition, the program strives to provide joint training courses and credits for core

technical certifications across companies, which are the top two requests from EMC partners. Under this, partners will receive training credits across each of the federated businesses, regardless of which business their primary program relationship is with.

What's in It for Partners

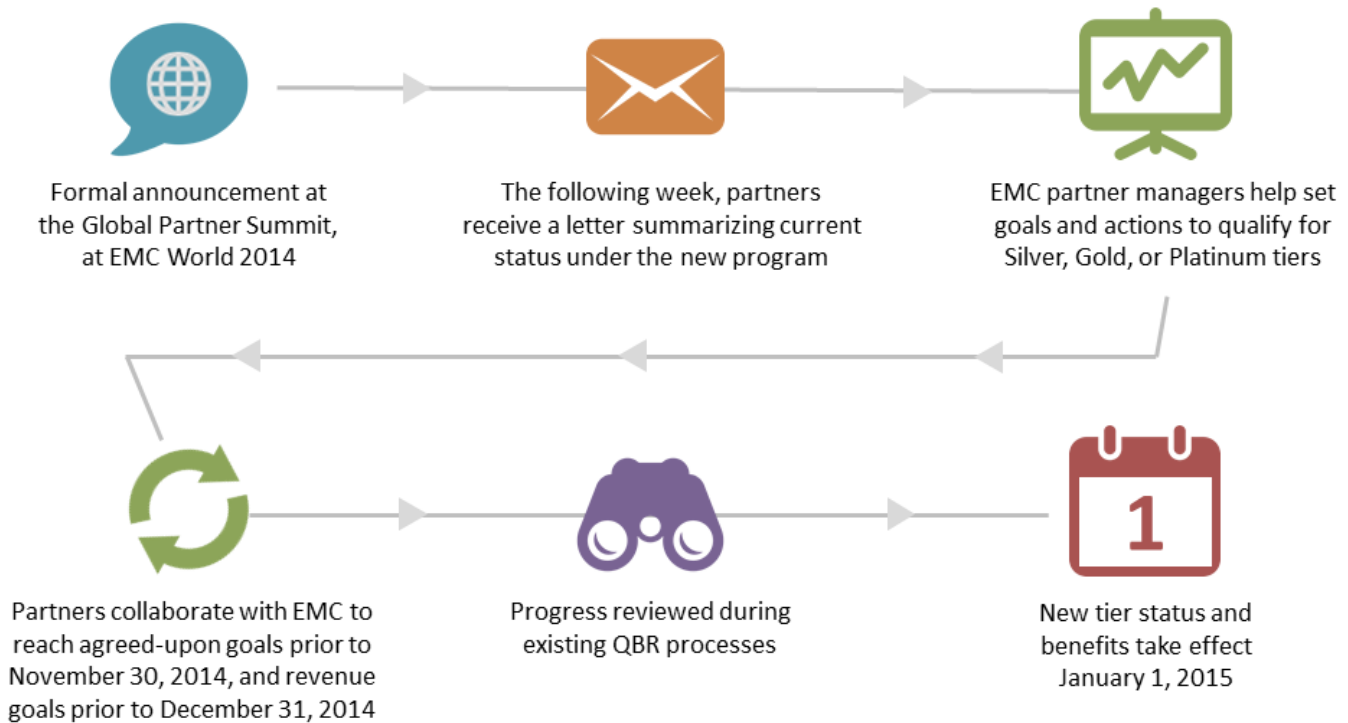
The Platinum Tier is “where the federation meets.” Platinum partners have capabilities and resources and have earned expert-level certifications, making them industry experts in cloud and big data. They enjoy the benefits of having a Platinum Solution Center, where qualified partners leverage software and training benefits to deliver advanced EVP solutions.

These partners will deliver complete end-to-end solutions, inclusive of a range of high-value, high-margin services. Those who have earned the badge can leverage special co-marketing initiatives to position themselves strategically, and differentiate their practices and businesses. They will increasingly “sell up the stack,” reaching senior IT and LOB buyers and influencers who operate under the new rules of IT consumption.

The Partner Journey: Managing the Transition

Coincident with the announcement of the Business Partner Program, EMC has established a comprehensive schedule and timeline to provide partners with guidance and support to navigate from Velocity to their desired tier in the new program.

Figure 6. Steps to Transition to EMC Business Partner Program



Source: Enterprise Strategy Group, 2014.

What's in It for Partners

Having a predictable plan in place that includes clear guidelines, actions, and a sufficient timeline to achieve is important to partners. It is key to note that nothing will change for partners during 2014. They will not move up or down in the program during that time, and will receive the same benefits and support as under the current Velocity program. While they work to ensure that they qualify for the tier they want under the new program, partners will retain current status under Velocity until the Business Partner Program goes into full effect on January 1st, 2015.

The Bigger Truth

Every major transition in technology has seen businesses disrupted and both customers and vendors scrambling to adapt. While it engineers crucial pieces of the modern infrastructure puzzle for the new era of The Third Platform, EMC appreciates that its partners and resellers are the ones who create the real-world solutions for customers. Those end-customers need more than a menu of choices; they seek guidance and assistance in selecting, designing, and implementing the specialized solutions needed to meet evolving business challenges. And to support those end-customers, it is important for IT channel partners to have the ability to choose when and how they evolve their businesses to meet the challenges of this new era.

EMC has chosen a head-on approach to this reality with the structure, features, and benefits of the EMC Business Partner Program. As we looked in detail at the new EMC Business Partner program, ESG found many improved benefits for partners that make the new program stand out among its competitors, including new and important training credits, cross-track rewards, and richer and more predictable rebates that start at \$1 and grow progressively.

Although these aspects are undeniably important, ESG feels that the program emphasis on solutions-based training, improved ease of doing business, sharing of EMC Services and Solutions IP and GTM expertise, and the access to Federation IP and GTM expertise for Platinum partners could possibly be the most important levers for growth-oriented partners moving to The Cloud and Integrated Computing Platforms.

The total benefits of the new EMC Business Partner program go far beyond additional sales leads, financial incentives, and core training, and the enhanced program is rooted in the realities of today's IT market with a strong focus on what is to come. The program gives EMC Partners a flexible path into the future, however they choose, as well as access to the tools that help build deep, long-lasting, and profitable relationships with their customers.

With a strong emphasis on core capabilities and rewards for developing advanced skills coupled with a solution-based approach, the Business Partner program is a strong step supporting EMC's growth through the channel, creating real, positive impact for EMC's channel partners and a clear way forward.



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