Snapshot

IBM Telenet Program Promotes European eServer pSeries ISV Opportunities

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European ISVs who develop applications for UNIX operating systems will find that IBM has made its eServer pSeries platform much more attractive with its Telenet program. The program provides comprehensive sales development approach that encompasses both technical and marketing support to help ISVs develop their business and increase their market exposure.

ISVs frequently look to the hardware vendors to help them grow their business. Many mid-sized businesses focus on developing their software and have minimal marketing and sales staff. They need technical assistance as well as marketing and sales support to grow or expand beyond their traditional installed base. While most vendors have partner programs for ISVs, they have focused on technical support and joint marketing opportunities that have relied more on the relationships between individuals than on a systematic approach with measurable results. Effective vendor programs help ISVs build their market share in specific segments by leveraging the brand recognition and corporate value of the hardware vendor with the technical value add of the ISV. Ideally, channel partners should also be integrated into the mix. The IBM eServer pSeries group in Europe had these goals in mind as they developed the Telenet program, a regionally focused program for ISVs looking to expand their market penetration on IBM's Power architecture. This paper will examine the specifics of this program and the process that IBM has developed to bring ISVs on board. To date, the program has done particularly well in Italy, and within this paper, we will look at three examples of ISVs who have benefited from Telenet.

Inside the Telenet Program

The Telenet program has been designed to identify and develop ISVs within and across specific geographic and industry segments for eServer pSeries. The program currently assists ISVs who already develop for the UNIX and Linux operating systems. Telenet enables ISVs to get up and running rapidly at a technical level, and leads them through specific processes that have measurable results of new sales. The process begins with a series of meetings, either by teleconference or in person, that ultimately guide both IBM and the ISV toward the optimal relationship for the project.

ISV Selection

Selection of the ISV involves both parties meeting to determine if they have a match based on geography, opportunity, and market needs. In Italy, for example, IBM has sought ISVs who are installing their software into larger organizations. Typically, these ISVs have had little or no previous experience with IBM. These ISVs have in general had a regional focus, although some of them are developing business outside of Italy, in other European countries. They may or may not have an industry sector orientation, depending on their product.

Making Contact

The initial meeting lets IBM and the ISV determine their interest as ISVs receive their first explanation of the program. Once both agree on their mutual interest, another meeting, face-to-face, is planned where the issues of how and where to work together are sorted and the program is explored in more depth.

Homework and Valuenet

There are two parts to this stage of the process. The first part, the technical side, involves IBM helping the ISV to port their application to AIX. IBM will provide all the necessary technical assistance; however, since this is a UNIX to UNIX port, it generally requires only one or two days of work to complete. The other part is the marketing or business development side. IBM and the ISV determine the appropriate market segments for the solution and search the IBM database for prospects that fit the profile. At this point, IBM and the ISV can also jointly identify an appropriate Business Partner. Business Partners are the VARs and SIs that form the third leg of the Valuenet triangle with IBM and the ISV, and generally have a profile that closely matches that of the ISV.

Calling on Prospects

In Dublin, IBM has a telesales centre with native speakers from across Europe. The ISV will arrange sales training for the telesales representatives on the ISV's product. Frequently, they will come to visit the ISV to better know the company as well as the product. Once they have been trained, they will begin making sales calls to the selected prospects. Once a prospect decides they are interested, the IBM telesales people will arrange a meeting between the ISV and the prospect — the next step in the sales cycle.

At this point, IBM turns the sales process over to the ISV with the understanding that the solution will be sold on an IBM eServer pSeries. The ISV now has a technically supported port of their product to a new operating system, a directed market approach has been determined with IBM, and pre-qualified, interested leads have been moved beyond the initial and most time-consuming part of the sales cycle. Through the Telenet program, IBM acts as an extension of both the technical as well as the sales arm of the ISV. This is critical for ISVs who want to move into new markets but do not have the organizational capacity to fund all the resources necessary to accomplish this alone.

The Partners Tell Their Story

This program might be attractive to ISVs for several reasons. The IBM brand connotes stability, maturity, and trust for many companies. IBM's partnership with an ISV implies that the solution is worthy of serious consideration to IT departments, particularly if IBM is helping make the sales call. IBM's technical, marketing, and sales resources are significantly greater than that of the average ISV, with access to situations the ISV would not be able to find alone.

Primeur Italia, based in Rome, is an example of one ISV that has leveraged IBM's brand recognition and sales capabilities to extend its presence. Primeur creates software for file transfer between different applications. This is especially important in the value chain from manufacturers to distributors to end-distribution points, where various incompatible file formats exist but data nonetheless needs to be exchanged. Primeur Italia's software enables these firms to trade files across the Internet. They found that the IBM partnership facilitates conversations that were harder to initiate when they approached customers alone as a small company addressing one aspect of a complex supply chain problem. They also found that IBM has functioned as an extension of Primeur's sales force and are pleased with the quality and capability of the IBM Telenet representatives and their ability to articulate Primeur's solution to prospective clients.

The Telenet program also helps ISVs break into new markets. Primeur and IBM had an existing relationship in the financial and industrial sectors with large clients. Primeur wanted to develop its business into the mid-sized company market, which frequently fell outside the opportunities they focused on within their vertical relationships. Telenet provided a fast and constructive way for Primeur and IBM to extend their existing

partnership without interfering with existing relationships as the two programs target different segments: partners and go-to-market paths.

The program also provides a way for ISVs to make first contact with IBM. Many ISVs would like to work with IBM but are not sure how to even begin to approach such a large organization, let alone understand how to navigate within the organization to find technical, sales, or marketing assistance. Resi Informatica, based in Rome, creates network monitoring and security software for companies with both internal and external networks and security needs. Resi had no previous contact with IBM but were interested in developing their platform for eServer pSeries users. Resi found IBM provided the right level of contact for technical and marketing contacts and helped them identify the right segments for their product. Resi says that the initial contact with IBM has provided them with prospects that were already prepared on Resi's products and were interested and ready to explore solutions in detail. This made sales calls of higher value for all parties. Resi also benefited from IBM's larger marketing and sales capabilities.

The Telenet program can help ISVs extend their business across geographies and product lines within IBM. TXT eSolutions is a Milan-based company that provides supply chain management solutions. Although TXT is available on UNIX, it has been deployed predominantly on Windows platforms. While the customer-facing side of the application and the application server continue, many customers wanted to port their database to UNIX as their application use continued to grow. By porting to IBM's eServer pSeries, TXT met customer needs and discovered new markets for their product. TXT found that IBM's technical side understood their need for performance and compute-intensive applications. They were pleased with the speed of the Telenet program from beginning to prospect development as well as the effectiveness of the IBM sales force. Because they have a more complex product, the sales cycle is longer. TXT liked the telesales team's ability to work with them in targeting operations and logistics contacts within companies and not just the IT department decision-makers.

Making the Next Step with Telenet

Telenet can benefit ISVs on several levels. For ISVs who would like to work with IBM but do not know where to start, this program gives them a process and a path to develop that relationship. ISVs that have a relationship with IBM in one vertical but would like to develop other markets can also use this program to grow their business. ISVs with an established business who are looking to expand their geographic coverage in other European countries will find Telenet a good way to extend their in-country presence virtually. Finally, ISVs who are looking to grow their business on the proven eServer pSeries platform can do so with Telenet in a program that provides demonstrable wins for everyone.