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TURNING INCENTIVES INTO INCOME

IBM CVR Programme Updates

January 2018



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IBM Channel Value Rewards (CVR)

IBM have announced several changes to the Channel Value Rewards programmes. At the same time, we anticipate that the transactional margin will be reduced, in particular on transactions with aligned accounts (“IBM led”, please see next page).

Most of these changes have been confirmed, but several details require further clarification from IBM.

All details given are prepared solely as a guide and are subject to changes/new announcements by IBM and the official IBM operations guides (once available).

The changes will affect all transactions from April 10, 2018.



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Change of End User Designations

IBM will be changing the naming convention of the end user designation/market segments.

“Commercial” will be called “BP led”,
“Enterprise” will be called “Co led”,
“Industry” will be called “IBM led”



Changes to the CVR Programme

Currently		As of April 10th 2018	
Designation	Percentage	Designation	Percentage
Commercial	25%	BP led	25% (if identified by BP) 15% (if identified by IBM)
Enterprise	15%	Co led	15% (if identified by BP) 6% (if identified by IBM)
Industry	5%	IBM led	5% (if identified by BP) 3% (if identified by IBM)

IBM will re-introduce the concept of ID & Sell (Opportunity Identification and Ownership), meaning that it will be more critical to register the opportunities before any IBM entry (for the eligibility and percentage level).



Changes to the CVR Solutions Incentive

Currently		As of April 10th 2018	
Designation	Percentage	Designation	Percentage
Commercial	15%	BP led	15%
Enterprise	15%	Co led	10%
Industry	10%	IBM led	5%

The CVR Solution Incentive can only be claimed, if the BP transacts the deal.

At this moment in time, it is not known, if the BP has to commit to using the Solution Incentive when the license order is being booked.



Changes to the CVR Program for SaaS

Currently		As of April 10th 2018	
Designation	Percentage	Designation	Percentage
Commercial	10%	BP led	5%
Enterprise	10%	Co led	5%
Industry	10%	IBM led	3%

IBM will also allow deal registration and claim on SaaS licenses, when the BP transact the deal. This will be in addition to any SaaS specific rebates the BP may receive by the VAD.

Currently the BP either gets the incentive, or if they transact the “SaaS Instant Rebate” via the VAD.



Further Changes to Channel Value Rewards

- CVR New Client:
Increase from 10% to 15%
- CVR-SR (RVI)

2018 Subscription & Support	IBM-Led	Co-Led	BP-Led (Commercial)
Total Potential	Channel Margin	Channel Margin +7%	Channel Margin +16%
▪ CVR – Renewals Management		5%	8%
▪ CVR – Customer Focus BP-Led (Commercial) & Co- Led Focus		2%	8%
Channel Margin determined by Distributor			



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Changes to Sales Evidence Requirements

We anticipate that IBM will be tightening up on Sales Evidence Requirements and ask for the sales evidence on more transactions

▪ Sales Evidence must :-

- 1. Show that the you authored the documentation and clearly demonstrates the you recommended the products and influenced the end-user customer's decision to purchase. Ideally tie to business pain/initiative to show familiarity with account and mastery of the offerings*
- 2. Include a reference to the products and quantity or configuration of the products the you recommended to the end-user customer.*
- 3. For CVR-Govt Two two-way emails are also required*

✓ *Proposals, POCs, Presentations, emails between you and the customer, price quotes*

(all documentation must have your company logo, company name, or other identification on the documentation and must also be dated)



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