

Selection Criteria For Business Partners Who Acquire Products From An IBM Distributor In North America

To be eligible for the IBM Solution Provider or Reseller program, a firm must meet the following criteria. The criteria vary depending upon the IBM products you are applying to market. (Refer to Matrix)

- Firms applying to market one or more Group 1 products must have a minimum of ten (10) full-time employees (W-2 U.S. / T4 Canada) and at least \$500,000 (or \$700,000 Canadian) in prior year gross sales.
- Firms applying to market Group 2 products must have a minimum of three (3) full-time employees. Currently approved Group 2 SPs requesting new Group 1 products and/or VAEs must meet current Group 1 Selection Criteria in order to be considered for the Group 1 product/VAE approval.
- Firms applying for the ISP Attachment with only the Internet Managed Services VAE must have three (3) or more full-time employees and meet IBM product certification requirements.
- Firms currently approved for only the ISP Attachment now applying for other VAEs must meet the selection criteria of the product Group for which they are applying. For example, if a currently approved ISP is applying for another VAE that runs on the AS/400, the firm must meet Group 1 requirements.
- For approval to market products that require a VAE, the firm must have a VAE that complies with IBM's requirements and is Year 2000 Ready.
- The firm must meet IBM certification or education requirements within six months of the IBM Agreement contract start date. Visit the IBM PartnerCertification Web site at "www.partnercertification.com" for more details about IBM certification requirements and the reporting process.
- The firm must demonstrate an ability to meet applicable MA requirements.
- The applicant firm must demonstrate a history of excellent customer service and support by submitting a minimum of two customer references per VAE or product family (or for similar competitive products), which must be written by the customer on their letterhead stationary and include the following:
 1. a specific name of the VAE or product sold and installed by your firm;
 2. a statement that the VAE or product is currently in use and the brand name of the system on which it is installed;
 3. a statement of the level of customer satisfaction with the performance of the VAE or product and the support and service provided by your firm; and
 4. the customer signature, title and telephone number.

SELECTION CRITERIA MATRIX

Criteria	Group 1	Group 2
Platform Family	iSeries; pSeries; xSeries; As/400; RS/6000; S/390; Netfinity	AS/400 9406 - 170/250 &/or iSeries 270; POS; Storage; Networking Products; Global Services; Software
Total Number of Employees	Minimum of 10 ¹	Minimum of 3
Prior 12-month Revenue	Minimum of \$700,000 CDN or \$500,000 U.S. ¹	N/A
Value Added Enhancement (VAE)	Required ²	Required, except for 9406-250, Networking, Storage (except for 3590-CIX), Global Services, and Software
Level of Training Required	IBM Product Certification ³	Product Specific ⁴
References Required?	Yes ¹	Yes

1 Not applicable for Startup ISPs, who need only to meet the three employee and product certification requirements.

2 For Netfinity (only) relationships: A VAE is required for Selection & Approval; but is not required for sales to end user customers. Firms who already source Netfinity through an IBM Business Partner relationship with the Personal Systems Group (PSG) may not apply for a Netfinity only relationship with Sales and Distribution.

3 Criterion does not apply to Netfinity (only) applicants; "Product Specific" is required for S/390.

4 AS/400 9406-170 & iSeries 270 require IBM certification; AS/400 9406-250 and Networking Integration products do not require certification.

MINIMUM ATTAINMENT (MA) OBJECTIVES:

The IBM Solution Provider and Reseller Agreements are for a two-year term with a corresponding MA objective. One of the criteria for renewal is meeting the MA objective. The MA objectives are:

Objective	Canada	U.S.
Relationship Revenue Objective	\$140,000 CDN	\$100,000 U.S.
OR		
IBM Global Services, Hosting Services Objective	35 Seats	35 Seats

The revenue objective is met through producing revenue from IBM products eligible for the IBM PartnerRewards program. Currently, the following IBM product families participate in PartnerRewards: iSeries; pSeries, AS/400; Network Integration; Point of Sale (POS); RS/6000; System/390 (hardware); Software; and Storage. IBM reserves the right to change which products participate in PartnerRewards at any time, without notice. Also, at this time, even though revenue from Netfinity servers is not eligible for PartnerRewards, it does count toward the MA objective. The System/390 has an annual product-specific hardware revenue objective of \$500,000, which must be met in order to retain approval to market the S/390 products. System/390 hardware revenue also aggregates toward the overall relationship MA objective.