

Ingram Micro – IBM Embedded Solution Agreement (ESA) The Basics & Solution Evolution

IBM & Ingram Micro - 2020





What the IBM Embedded Business Model and the ESA contract are about....

ESA is not to be confused with resell as the **IBM technologies cannot be separated** from the Business Partner branded solution or service. Therefore...

ESA ≠ Resell

The ESA Model and Agreements are for partner solutions. The IBM content provides capability and specific functionality to the overall partner solution. ESA is more like...

ESA = OEM*

* Original Equipment Manufacturer



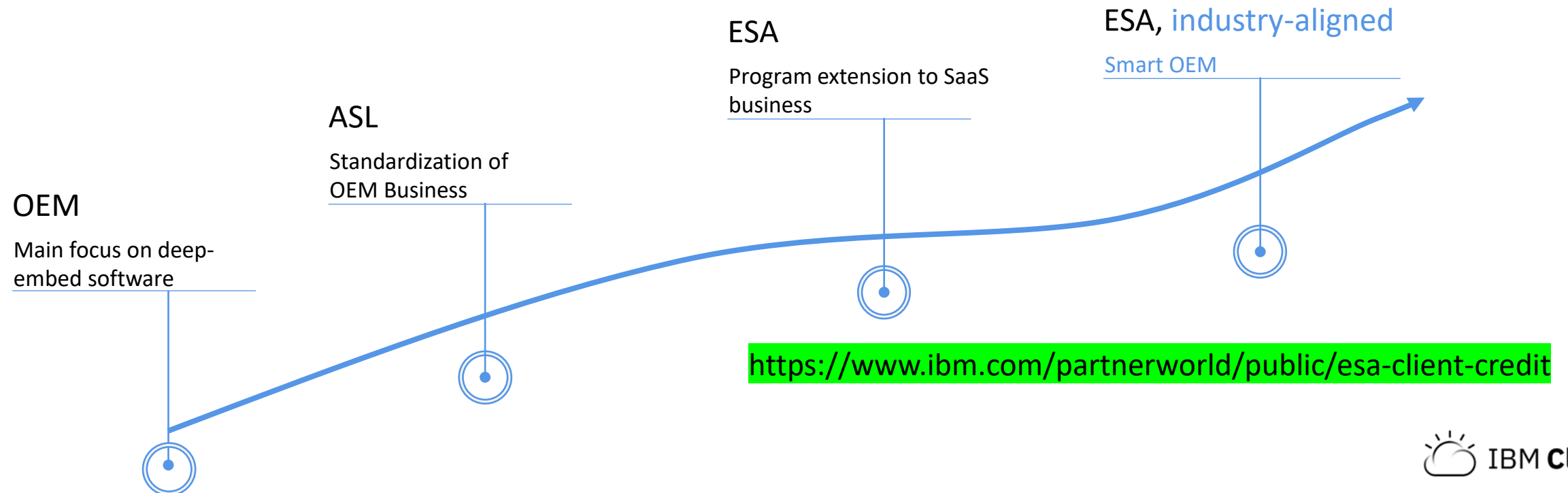
Resell and OEM are VERY different. It's not only about discounting.



IBM makes the *smart* difference!

ESA's simple adoption of the OEM model has been fit for a successful business during the last 20 years.

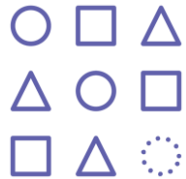
With the emerging Business Partner Ecosystems IBM Embedded has seen the needs to align its ESA program with **a smart way of OEM**, means **industry-aligned Go-To-Market model**.



Reaching the goal of repeatable Intellectual Property



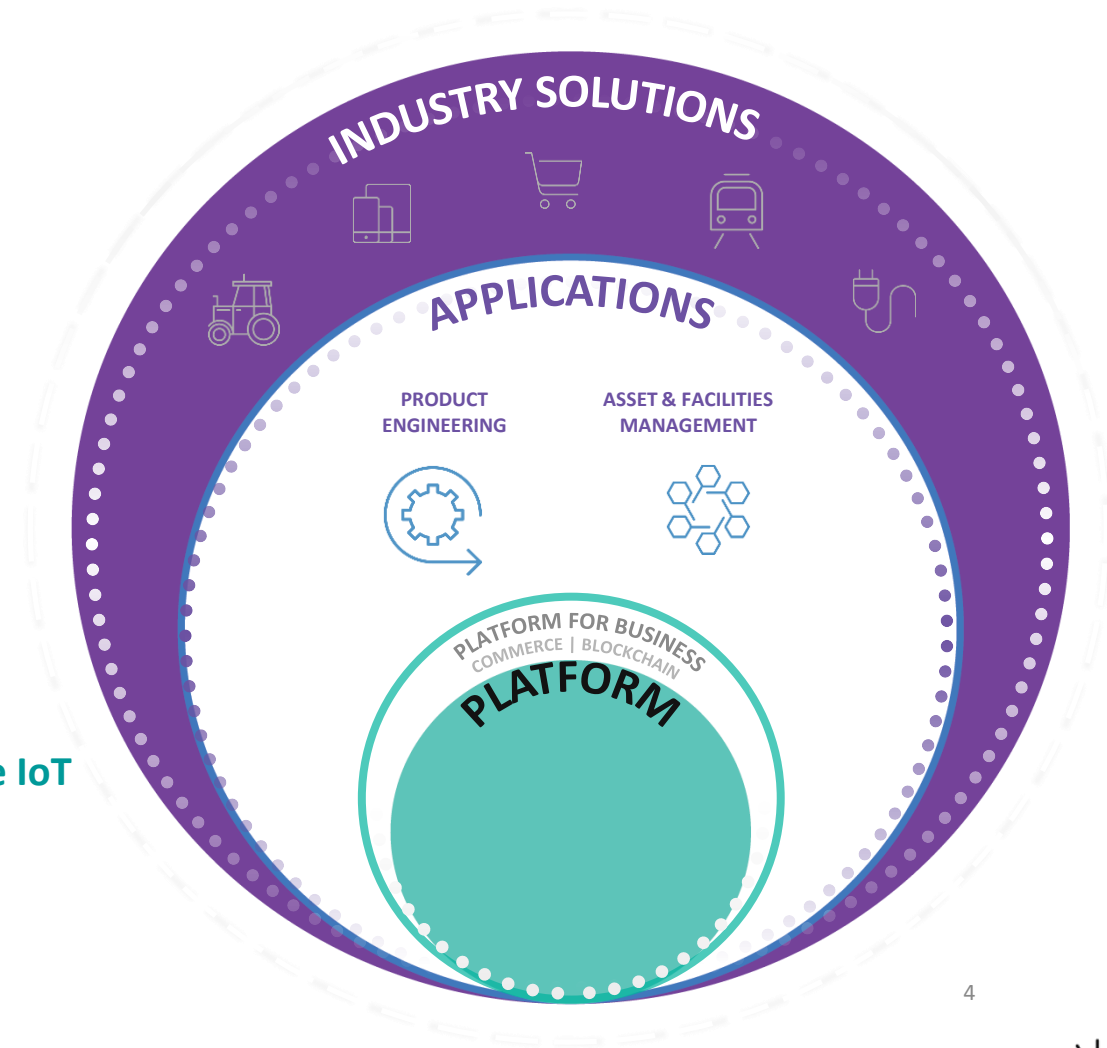
Industry solutions that **TRANSFORM** products and services



Applications that **SOLVE** business challenges



Tools to **BUILD**, connect, analyze, secure and manage IoT devices and data



4

...Build with IBM



ESA's Main Principles – Building Unique Solutions

Restricted-Use
License;
License held by
partner

The **partner** (not the client) owns the title to the IBM software license

Unlike Reselling, with ESA the client uses IBM products as integrated components of the partner's offering (there is **no separate pricing** and use of IBM products).

The IBM SW components must be sold as part of total solution

Known price to the partner for the IBM SW for the duration of contract

The IBM software is purchased from IBM at **fixed, predictable prices** and can be offered as part of the solution worldwide

The partner has ongoing account control for the software renewal, and **earns a margin each year** their customer pays

Level 1 & 2 Support provided by the partner





Value for both IBM Business Partners and End Customers

Business Partner Value

- Improves revenue and profitability
 - Known cost of the IBM SW for the duration of the contract
 - Price to the partner is the same, no matter who the customer is
 - Sell WW
- Accelerates sales cycle – one seller, total solution
- Strengthens account control – avoids involvement of competing providers
- Speeds time to market and reduces development costs
 - IBM developed middleware; partner can focus on their value-add

End Customer Value

- Preference to buy a total solution
- One contract. One solution
- Low cost of ownership, high reliability out of the box
- Lower installation and integration efforts
- Centralized solution based training and technical support





Difference between ESA and Reselling

Description	Embedded Solution Agreement (ESA)	Reseller
Relationship	<ul style="list-style-type: none"> Sell-To 	<ul style="list-style-type: none"> Sell-Through
Distribution	<ul style="list-style-type: none"> Single & Two Tier distribution available 	<ul style="list-style-type: none"> Two-tier distribution available
Contracting Method	<ul style="list-style-type: none"> IBM contracts with Business Partner (BP); BP is the client for the purpose of creating their BP branded solution using IBM technology 	<ul style="list-style-type: none"> IBM contracts with End-User
Level 1&2	<ul style="list-style-type: none"> SaaS: L1 Support provided by BP On-Premise: L1/L2 Support provided by BP IBM Provides Support to BP, not their end-users 	<ul style="list-style-type: none"> IBM Provides L1/L2 support to end-users IBM does not provide support to Reseller/Distributor
Solution	<ul style="list-style-type: none"> Integrated bundle of partners application (services) and IBM software 	<ul style="list-style-type: none"> No pre-integration Separate buying decisions for partner vs IBM SW No requirement for IBM SW to be sold
Pricing/ Rebates	<ul style="list-style-type: none"> One price to client for total solution Discount model → rebates not provided to BP 	<ul style="list-style-type: none"> Separate pricing to the client for solution components Rebates and fees provided to the reseller
License/ Subscription	<ul style="list-style-type: none"> License/Subscription owned by BP (= Solution Provider) License/Subscription restricted to use within solution 	<ul style="list-style-type: none"> License/Subscription held by client Full use of license and/or subscription
Value-Add Requirement	<ul style="list-style-type: none"> BP provides details of value-add → in lieu of certs ESA Rep summarizes and inputs value-add into TD Value-Add is reviewed and approved by legal, pricing, & brand according to ESA Value-Add definition 	<ul style="list-style-type: none"> None



Probing Questions to potential Partners considering IBM Embedded Software / SaaS Technology

- Do you want IBM Technology to become an integral part of your offering: adding to an existing solution or developing new ones?
- Do you want to be able to present a single solution and price to your customers?
- Do you want a consistent price and know that price for a multi-term period?
- Do you want to generate revenue (+ profit) on support and subscription on each sale for the IBM content that your offering drives?
- Do you want a single sales team talking to the customer vs software reps from multiple companies?
- Do you want to provide a single point of contact for exceptional customer support after you sell your product to the client, establishing long term relationships?
- Do you want to be invited and participate in IBM events with clients?



Start your next phase with Ingram Micro today

Agreement Structure

- **Enrollment**
 - **Base Agreement**
 - **Attachments**
 - SaaS / Cloud
 - Appliance
 - Programs
 - **Agreement with Ingram Micro (Tech Broker)**
 - Pricing / Terms
-





What is available to help you learn, build, market and sell?

Learn and Build

- IBM Seismic

- SaaS trials and sandboxes

- PartnerWorld University online training

- IBM Cloud Credits

- Education discount vouchers

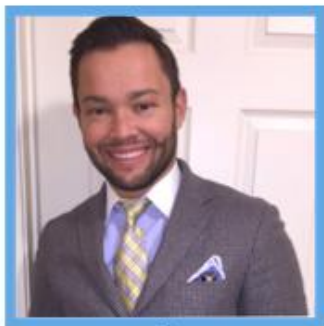
Market and Sell

- Promote your client success story

- Get noticed by IBM clients, sellers and Business Partners

<https://www.ibm.com/partnerworld/public/embedded-solution-agreement>

ESA Podcast Series



Alex Madrigal

Business Development Leader at IBM

**Introduction to the Embedded
Partner Program**

85 downloads



Kami Nazem

Security Intelligence Technical Specialist for
IBM

**Driving Innovation Among
Developers**

49 downloads



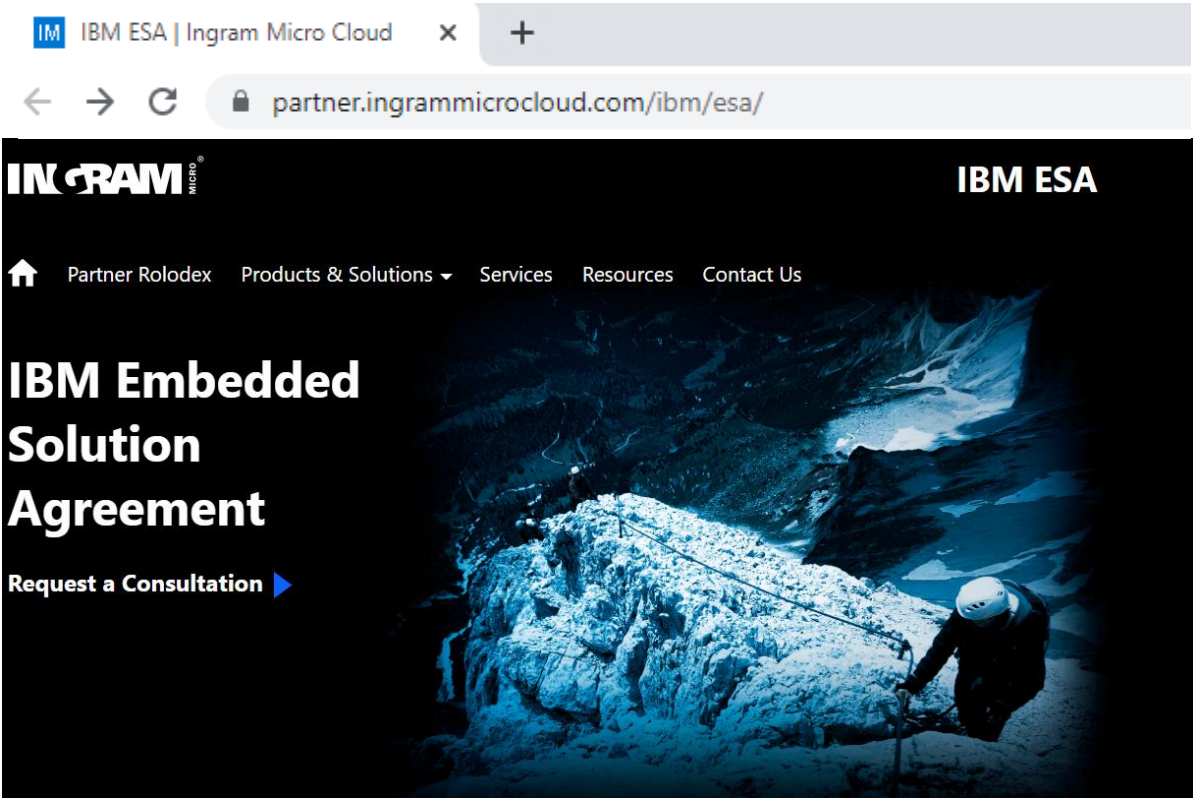
Chris Reid & Carl Peterson

Chris - Director of Vendor Management & Sales
Enablement for Braintrace
Carl- Braintrace Co-founder & CIO

**3 Key Benefits for IBM
Partners with Braintrace**

43 downloads






Create unique solutions with IBM technology

Embed a combination of IBM offerings and Technology Partner's Value Add that, when working together, create a commercially available BP-branded solution that is distinct from the IBM offerings.


[ESA MSP SPA Fact Sheet](#)

[Technology Broker Roadmap](#)


WITH ESA YOU CAN



GROW
REVENUE



REDUCE
COST & RISK



LEVERAGE
IBM TECHNOLOGY



Delivering Solutions in a Hybrid/Multi-Cloud World