

White Paper

EMC Takes Velocity to the Next Level

Enhanced Program Brings New Benefits

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Contents

Executive Summary	3
Rapid Change in the IT Marketplace.....	3
EMC’s Enhanced Velocity Partner Program	4
Partner Benefits of the Enhanced Velocity Program.....	6
Benefits Comparison.....	7
Reaction to the Enhanced Program.....	8
The Bigger Truth	8

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Executive Summary

Rapid, fundamental change is taking place in the IT world. To meet the challenging new business requirements of the 21st Century, technology is evolving and IT organizations are scrambling to modernize their infrastructures. Vendors are offering innovative new products to help modernize legacy, corporate infrastructure, but there is a shortage of the specialized skills and expertise required to put these new technologies to work in the real world. IT organizations are increasingly looking for guidance in crafting real business solutions from a dizzying array of new offerings.

Solution providers serve as the primary interface between vendors that engineer technology to solve today's pressing IT challenges and end customers that need real solutions that produce business value in the unique context of their IT environments. While major IT vendors have always supplied training and support programs to their partner channels, today's rapidly changing IT landscape is intensifying their focus on arming sales channels to create real solutions for the end customers of their products.

[EMC](#) is upgrading its Velocity Partner Program to optimize its position in the modern market and to help ensure its end customers extract real value from its products and services. EMC has created a multi-tiered framework that encourages channel partners to gain robust technical knowledge and skills in a number of specialty areas, each of which is relevant to the demands of the modern world. The new framework is designed to provide a formalized structure to the specific new and future specialty areas that can be added as the program's roadmap and market matures.

ESG believes EMC's enhanced program is an important step that holds the potential to create real impact for EMC, its partners, and end customers. The enhanced Velocity program structure, which is centered on helping channel partners get started working with EMC and then providing a roadmap to develop deep expertise in key specialties, aligns with the real needs emerging in the modern IT environment. The Velocity program's four-tiered approach affords partners the ability to begin participating in the program at a level that suits their current approaches and business models, providing them with pathways to expand and deepen their involvement as they choose.

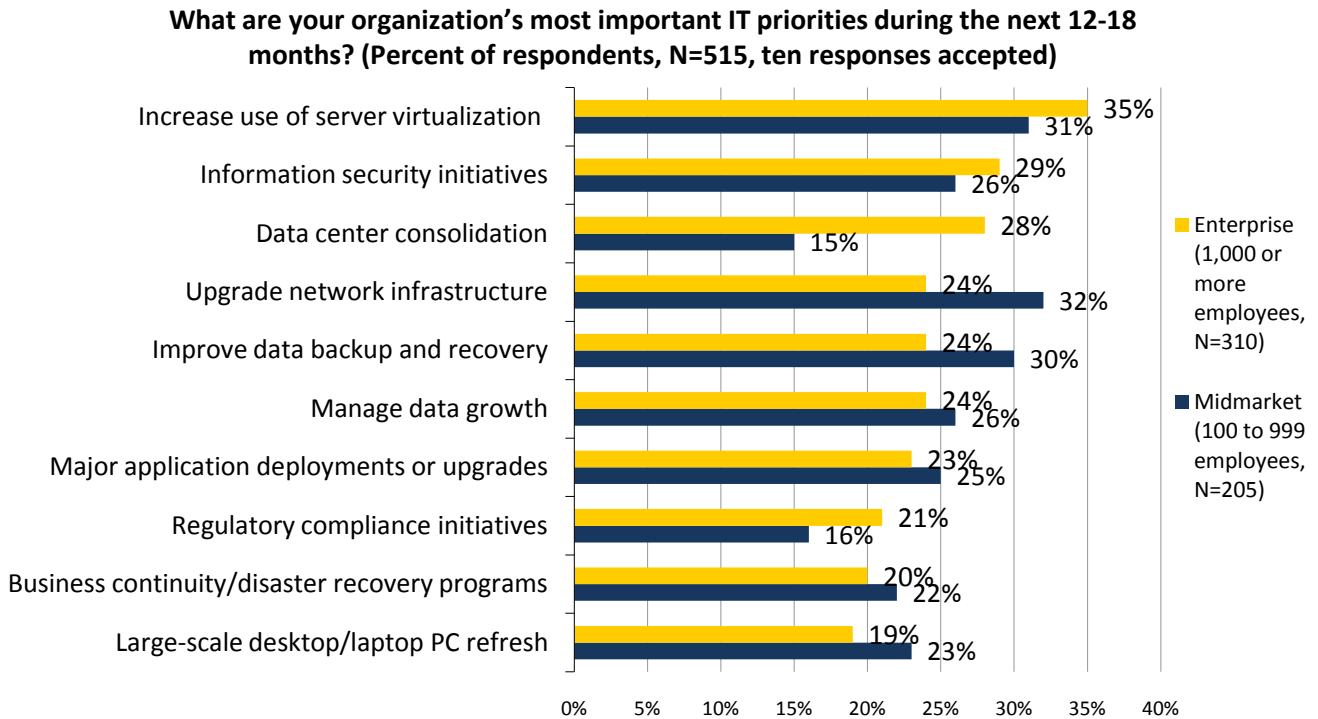
Rapid Change in the IT Marketplace

New competitors enter the marketplace every day, and businesses are finding once-comfortable advantages increasingly difficult to sustain. Data continues to grow at an astronomical pace, and the list of regulations for protecting, securing, and making data accessible gets longer every day. The winners in such a world are those who respond instantly to new challenges, scale on demand to meet growth opportunities, and work constantly to drive efficiency into their operations.

The IT landscape is changing to meet the challenges of this new environment. Many IT organizations have started down a path to transform the static, legacy IT infrastructures of the past. They have begun consolidating and virtualizing their data centers; deploying tiered, networked storage; and automating backup and recovery operations. To deliver more value to end-users, they're implementing innovative technologies to enable real-time collaboration and automate business processes and workflow. Some have begun evaluating next-generation IT architectures, including public and private cloud computing. According to ESG research,¹ top IT initiatives include increasing the use of server virtualization, improving security, and consolidating data centers. The top ten initiatives broken down by enterprise and SMB are shown in Figure 1.

¹ ESG Research Report, [2010 IT Spending Intentions Survey](#), January 2010.

Figure 1. Top Ten IT Initiatives



Source: Enterprise Strategy Group, 2010.

There is no lack of new technologies and innovative vendor products to fuel the transformative journey to the next generation IT infrastructure. But as their commitment to modernization deepens, many organizations find they lack the specialized expertise required to implement these innovations effectively in their real-world environments. To make it real, organizations need access to specialized knowledge from solution providers (including assessment and design, implementation, management, and support) across a variety of solution-focused specialty areas, including data center virtualization, network optimization, tiered storage, information security and data protection, and management of the virtualized IT enterprise.

EMC's Enhanced Velocity Partner Program

EMC realizes that, while it engineers crucial pieces of the modern infrastructure puzzle, its solution providers and resellers are the ones who create the real-world solutions for customers. End customers in today's evolving environment need more than a menu of choices; many seek guidance and assistance in selecting, designing, and implementing the specialized solutions targeting 21st Century business challenges. EMC has chosen a head-on approach to this reality with its enhanced Velocity Partner Program.

To streamline partner adoption, the Velocity program features four tiers of participation, with each tier representing a different level of solution expertise, EMC incentives, and partner commitments. This structure allows new partners to enter the program at the level that maps best to their business models and market strategies and should easily integrate existing channel partners currently in the Velocity program.

All four tiers have minimum revenue requirements and include deal registration, pre-sales and marketing support, and inclusion in the Velocity Incentive Program (VIP). The tiering framework provides partners with a path to advance their levels of solution expertise and expand into additional areas of specialty. As partners move up to higher tiers, incentives broaden and requirements increase.

Affiliate Partners enter into the program with full access to the EMC product portfolio and are eligible to earn discounts on a select set of products, participate in the Velocity Incentive Program, and obtain solutions-focused marketing support through Affiliate marketing tools. They will also receive online QuickStart training modules that allow for quick sales and service enablement.

Affiliate Elite Partners engage with the full breadth of EMC offerings including products, software, and services. Affiliate Elite partners become eligible for quarterly rebates in addition to other benefits. Affiliate Elite partners take the next step in the program and meet defined levels of sales and system engineer (SE) training and accreditations. In addition to QuickStart training modules, these partners have the option of becoming a Velocity Services Implement partner to deliver their own branded services for incremental margin opportunities.

Premier Partners increase their investment in EMC and receive greater benefits in return. They achieve a minimum of one Velocity Specialty designation, which enables them to develop a complete set of skills to architect, sell, and deliver EMC solutions. They also receive accelerated benefits based on defined product sales—including performance-based rebates and co-op marketing funds—and receive advanced training and service support which enhances their ability to further differentiate themselves. In addition, the associated sales and marketing campaign support showcases these partners’ ability to provide high level service to their customers. Velocity Powered Campaigns aligned with the Velocity specialties are provided to help partners drive demand within their specialty areas.

Signature Partners are those that have invested in and achieved multiple Velocity Specialties. They earn accelerated rebate and co-op benefits to help grow their businesses and drive bottom-line revenue. Signature partners have multiple EMC certifications, enabling them to deliver expert advice and services to EMC customers and making them better positioned to be trusted advisors to the cloud. Velocity Powered Campaigns are available to help these partners drive demand for their multiple specialty focus areas.

The enhanced Velocity program provides a structured approach for EMC partners to develop expertise in key solution areas where EMC believes proficiency is needed to deliver real value to end-users on the path to modernizing their IT infrastructures (a path EMC refers to as a “journey to the private cloud”). The modular structure of the enhanced Velocity program provides a framework that can accommodate the addition of new solution areas and specialties that emerge as the result of organic development, cross-vendor partnerships, or acquisitions.

The initial release of the enhanced Velocity program offers four distinct solution specialties: Consolidate, Advanced Consolidate, Backup and Recovery, and Governance and Archive. EMC plans to launch a Security specialty in 2011 and has developed a robust roadmap in which a range of other specialties may be offered over time.

Table 1. EMC’s Enhanced Velocity Partner Program – Specialties and Attributes

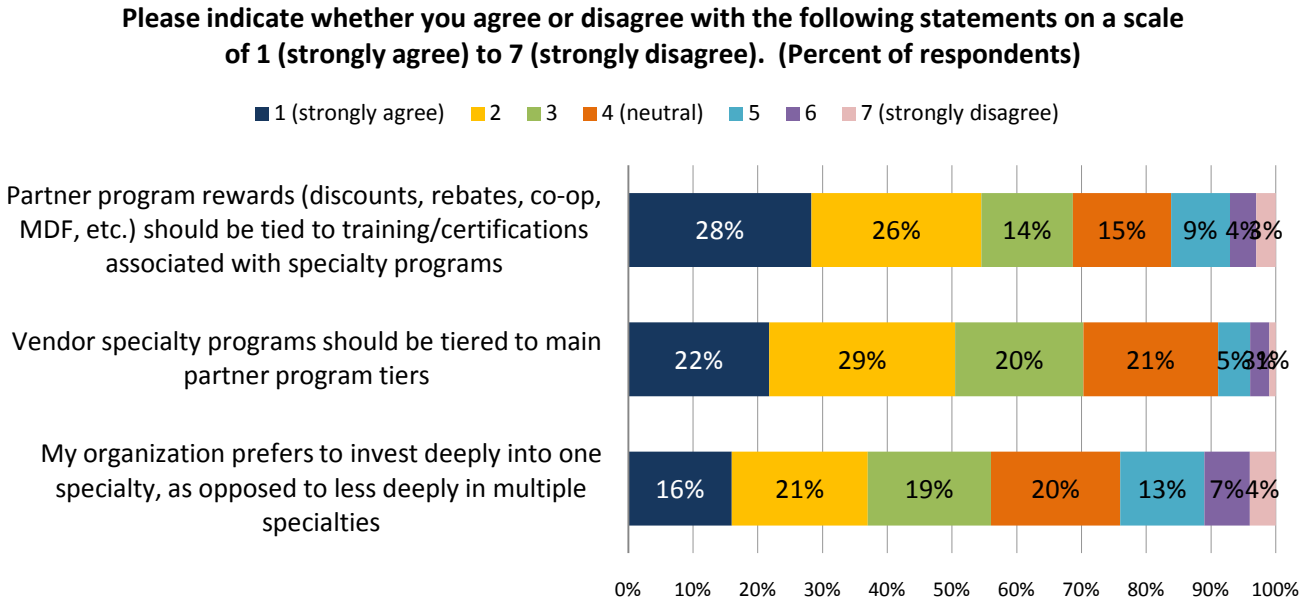
Specialty/Solution	Solution Focus and Certification Tracks
Consolidate	<ul style="list-style-type: none"> Solutions focused on increasing data center efficiency to help customers centralize storage and servers w/EMC mid-range solutions.
Advanced Consolidate	<ul style="list-style-type: none"> Solutions which deliver increased efficiency in large-scale consolidation projects and enterprise-class data centers.
Backup and Recovery	<ul style="list-style-type: none"> Solutions that focus on solving the challenges and business objectives customers face with backup, retention, and recovery.
Governance and Archive	<ul style="list-style-type: none"> Solutions focused on policy-based management of information designed to lower costs, reduce risk, and ensure compliance with legal, regulatory standards, and/or corporate governance.
Security (Planned for 2011)	<ul style="list-style-type: none"> EMC plans to launch this specialty, anchored by RSA security solutions, in 2011.

One of the keys to the enhanced Velocity program is its focus on solutions rather than on products. Each specialty typically integrates multiple product areas. This feature—combined with the program’s consistent framework of imparting knowledge, skills, and certification across product lines—provides a clear path for EMC partners and solution providers to expand their portfolios of offerings while strengthening their positions as trusted, capable advisors to end customers. It also enables overlap partners to achieve expertise more efficiently by working through a single program for multiple products rather than managing separate programs for each product line.

Partner Benefits of the Enhanced Velocity Program

For EMC’s partners, the potential benefits of this enhanced program go far beyond additional sales leads and financial incentives. The enhanced Velocity program is rooted in the realities of today’s IT market with a strong focus on future developments. The program gives EMC solution providers a flexible path into the future as well as access to the tools that help build deep, long-lasting, and lucrative relationships with their customers. With its strong emphasis on specialties and a solution-based approach, the Velocity program is poised to create real, positive impact for EMC’s channel partners. According to the ESG research shown in Figure 2, the majority of channel partners (54%) agree and would prefer to have program rewards match specialty programs.

Figure 2. Rewards Linked to Specialty Programs



Source: Enterprise Strategy Group, 2010.

ESG research, as shown in Figure 3, also indicates channel partners expect specific benefits when participating in specialty programs. EMC’s enhanced Velocity program meets those expectations and enables partners to benefit from:

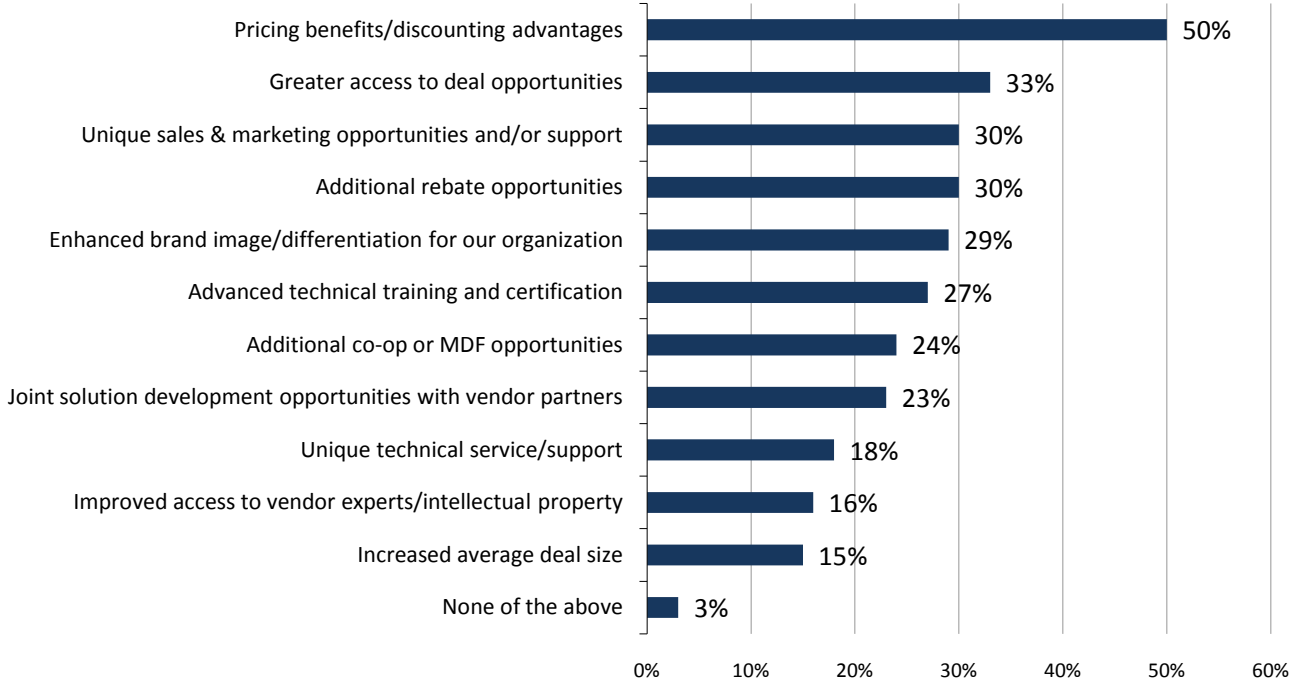
Deeper Relationships. The ability to have strong, solution-focused specialties will be a key differentiator for channel partners looking to gain an edge in a highly competitive market.

Better Margins. As partners invest and achieve higher tiers in the Velocity program, they can take advantage of increased discounts, rebates, and co-op funds from EMC and can capitalize on increased, high-margin service business.

Business Expansion. Channel partners seeking to join the Velocity program can now do so with as little as five hours of online training, gaining the ability to service select markets with a limited set of EMC’s portfolio. Established existing partners will be able to leverage the specialty program to expand their businesses into adjacent solution areas in order to expand the scope of their business. By investing in Velocity Services, partners once forced to play the commodity game will be in a position to capture additional business through assessment, design, implementation, and support services.

Figure 3. Anticipated Benefits of a Specialty Program

In your opinion, what are the top three most important benefits provided by your organization's participation in vendor specialty programs? (Percent of respondents, N=286, three responses accepted)



Source: Enterprise Strategy Group, 2010.

Benefits Comparison

EMC has revamped the Velocity Partner Program to focus on evolving partner needs and includes enhancements to the current Velocity Program. These enhancements include simpler and easier paths to join the program and do business with EMC, services opportunities that are more tightly integrated within the Velocity structure, access to the broader EMC product portfolio, focus on deeper skills sets via Velocity Specialties, and more. Table 2 outlines some of these enhancements.

Table 2. Velocity Partner Benefits Comparison: Legacy vs. Enhanced Program

Legacy Channel Program	Enhanced Velocity Partner Program
Number of tiers, tier names, and attributes varied by geography	Four globally consistent tiers, easier to start, and much clearer roadmap for advancement
Separate service program (ASN)	Integrated service program (Velocity Services)
Separate, ad hoc channel programs for different EMC Divisions or acquired EMC technology	Modular framework makes channel programs consistent across solutions, simplifying participation for multi-solution channel partners
Benefits and tiers derived from volume	Benefits and tiers derived from multiple paths: volume, specialties
Harder to become part of the channel	New Affiliate level lowers the barrier to entry for select markets
More product-focused	Solution-focused program
Harder to differentiate	Additional levels and specialties instantly provide differentiation for partners that invest in them

Reaction to the Enhanced Program

ESG spoke with key distributors and existing solution provider partners to gauge their reactions to the enhanced program shortly after being briefed on it. Below are a few of their comments:

Global distributor

- “This enhanced program makes it easier for smaller partners to join by minimizing the amount of time and money they need to invest, while at the same time recognizing the more established, larger partners and what they have already accomplished. Furthermore, it creates a clear roadmap of what needs to be achieved to reach the next level—and just as clearly outlines the benefits that will be accrued once that level has been obtained. Good news all around from my perspective.”
- “It makes the distribution side easier as well. I can now get partner-engaged and productive quickly with as little as five hours of online training, and I only need one slide deck to explain the entire EMC program and migration path.”
- “This better reflects EMC’s position in the market with one modular program and specialties tightly aligned to the EMC product groups ensuring strong support. It also better addresses how the market wants to consume offerings from a solutions approach.”

VARs

- “We view this enhanced program as a positive move that indicates EMC is committed to improving and maturing its partner programs. With all the recent M&A activity, it has been extremely hard to understand and maintain different partner programs, so creating a single, modular partner program will be easier for partners and will enable EMC to more rapidly leverage its existing channel program when integrating an acquisition.”
- “The specialties across the different solution stacks are a real win. EMC would do well to drive greater awareness and brand these specialties to the end-users. This, in turn, will provide a solid differentiation in the market for the resellers with specialties.”

While the comments were generally positive, most were eager to see the details of the enhanced program and felt that any short term issues created by the new alignment to specialties would be far outweighed by the long-term benefits of the program. Change is always challenging at first, but once solution providers see the enhanced program at work with increased specialties providing more customer value and the ability to integrate EMC acquisitions in a timely fashion, while making more money, the benefits will outweigh the challenges.

The Bigger Truth

The world is not what it was 20 years ago, ten years ago, or even two years ago. In the business world, change is happening so rapidly that it is difficult to predict what things will look like from one year to the next. Much of this change is being fueled by information technology, and companies increasingly see IT as a core means of keeping up with it. Knowing there is no end to the constant stream of shifting priorities and business requirements they face today in sight, leading companies are transforming their IT infrastructures to be more flexible, responsive, nimble, and efficient. Those that cling to old ways of doing business are likely to find themselves struggling to remain viable.

EMC demonstrates its understanding of these realities with the revamping of its Velocity Partner Program. The enhanced Velocity Program is structured not only to drive more sales of EMC products and services through the solution provider community but also to enable EMC channel partners to extend their thought leadership positions with their customers through specialties.



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