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Overview

VMware is transforming how we deliver the Partner Connect program and experience. Optimized for partner profitability, Partner Connect now offers a unified, flexible framework for partners to efficiently go to market with VMware, regardless of their business model. Partner Connect accelerates growth and rewards partners for the totality of their VMware achievements and capabilities.

- Q. At a high level, what's changing with Partner Connect?
- A. Partners will be recognized and rewarded across all their achievements and capabilities, and they will be incentivized to invest in their VMware practices.

Simplified points-based system: The new program structure recognizes, aggregates, and rewards partner accomplishments across transactions, service delivery, capabilities, and specializations. The unified points system replaces tier credits and IT pathways.

Expanded capabilities and activities for progression: Partner Connect aligns with partner business models across a broad set of solution builders, cloud service providers, solution resellers, and solution services providers. The new program represents activities from an expanded set of business models, reflecting the way our ecosystem goes to market. Additional Solution Competencies (SCs), Master Services Competencies (MSCs), Accreditations and Specializations are counted within the unified points system. Beyond transactions, activities across the customer lifecycle—incident response (IR) engagements, influence, customer success, assessments, deployments—are also recognized within the unified points system.

Automated dashboards: Near real-time dashboards will provide insights into program progression with highlights for key milestones.

- Q. What are the differences between the business models (Solution Reseller, Cloud Services Provider, Solution Services, and Solution Builder)?
 - A.
 - Solution Reseller: Partner resells VMware software and services to customers (e.g.: VAR).
 - Cloud Service Provider: Partner offers a wide range of VMware-based cloud and managed services on a geographical basis, including hybrid and multi-cloud services (e.g.: Telco, MSP).
 - Solution Services: Partner combines their capabilities with VMware technology and services with regional or global presence, deep vertical or horizontal market expertise, and business transformation experience (e.g.: IR, GSI).
 - Solution Builder: Partner embeds VMware technology as an integrated component of their own software offerings (e.g.: OEM, ISV).

Aggregators and Distributors have their own program(s) that work alongside Partner Connect.

- Q. Are program points calculated based on gross or net bookings?
- A. Points are calculated on total contract value (TCV), which is based on gross bookings.
- Q. Who will manage this point calculation at VMware? Is there a dashboard where partners can follow this progression?
- A. VMware will calculate performance and capability points and provide visibility into a partner's status and progression on the new <u>Program Progression Dashboard</u>.

To accumulate points for customer lifecycle activities, partners must submit their activities in Workspan.

- Q. How much is the program fee? Will this be a one-time payment going forward?
- A. There is a one-time enrollment fee of \$995 for newly enrolled partners.

Please note that the partner must maintain Community level or higher to avoid paying a re-enrollment fee. <u>See Annual Audit and Renewal section</u> for re-enrollment fee.



- Q. Do new partners in emerging markets pay the fee as well?
- A. Yes.
- Q. Will there be discounts on the enrollment fee for partners in emerging/developing markets?
- A. No.
- Q. When do points reset?
- A. Performance points will reset annually. Capability points will carry over if the solution and/or competency is still valid, and if the partner does not fall below the Community level.
- Q. How will services-only partners progress through the program if they are not transacting?
- A. Non-transacting partners will be able to earn performance points by completing activities with their customers under lifecycle points. Additionally, the non-transacting partner may qualify for influence bookings if they are able to clearly document their role in leading the customer to purchase the VMware solution through a transacting partner.
- Q. Is there still an annual audit process?
- A. Yes. Partners must still meet the minimum program requirements in calendar year 2023, and a full audit will resume in calendar year 2024.
 - After the program launch, Partners will be up-leveled as they meet program requirements. This will be reflected in real time on the Program Progression Dashboard.
- Q. What is the term of the program period?
- A. The program term is 12 months. The program period will run in alignment with the VMware fiscal calendar, roughly February to February (program period dates will be announced annually). After the end of the program period, performance points will be reset to zero and the partner will start earning for the next program year. VMware will then complete an annual audit for the previous program year. At this time, the partner can be re-leveled if the partner is not in good standing with VMware and/or did not complete all partner requirements.
 - If the partner is a new partner and enters the program midyear, their points will be based on what they earned in that program period. Refer to Partner Connect Program Guide for additional details.
- Q. What about partners that have entities spread across multiple countries with a centralized technical team? Do these partners inherit the level from their headquarters location to get their highest entry tier benefits?
- A. That feature is not available at this time, but it is being evaluated for a future program release.

Partner Levels and Business Models

- Q. How is VMware aligning with the way partners go to market?
- A. Partner Connect rewards partners for the ways in which they do business. The program accomplishes this through the following:
 - Business models (Solution Reseller, Cloud Services Provider, Solution Services, Solution Builder)
 - · Points-based program levels
 - Each program level has requirements for performance points and capability points. Some levels have additional requirements. Partners must achieve the performance points (~90%) and capability points (~10%) associated with each level to progress to the next one.
- Q. Is Pinnacle the new Principal? Why is the points requirement so high compared to other levels?
- A. Pinnacle is a new level for global, transformational partners. The points threshold is set to reflect the highest level of investment and business impact.
- Q. What happened to the previous Enrolled-New and Enrolled-Authorized levels?
- A. The Enrolled-New and Enrolled-Authorized tiers have been consolidated into the Community level. During onboarding, a partner will be Community-Enrolled. After meeting minimum requirements, the partner will be elevated to the Community level
- Q. Can a partner participate in more than one business model per partner ID? How do partners join a business model?
- A. Yes. The program recognizes that partners go to market with VMware using multiple business models and supports this strategy.
 - From the Partner Connect Portal, navigate to the Business Insights Tab then to the Business Enrollment page in Partner Connect. Select the business model(s) you intend to join. Any registration requirements are described in this section. Partners can see active business models on the Program Progression Dashboard.
- Q.1 am a reseller. I also do implementations. In your guide, resellers only perform pre-sales activities and transact. How does my partner type fit into your business models?
- A. In this example, the partner would fit into two different business models: Solution Reseller and Solution Services.

 Being in two business models allows VMware to better understand our partners' go-to-market strategies and position them externally.



- Q. Do you provide points to the VMware channel partners that transact through OEM partners on OEM opportunities?
- A. Yes. This is referred to as third-party crediting, and we will provide points to the transacting partner of these opportunities. You will need to ensure the OEM you are working with provides VMware with your Partner ID. Once the transaction is complete, the OEM partner submits a thirdparty crediting report, which will be processed by VMware to provide credit points to the VMware channel partner.
 - Please note that you must be a partner in good standing with VMware to qualify for third-party crediting.
- Q. Can anyone be in the Solution Services Provider business model?
- A. Any partner that provides the following services to their customers can register for the Solution Services Provider business model:
 - Provider of consulting services, assessments, pilots, strategy, and/or architecture development
 - · Cloud migration strategies, deployment methods, and solutions
 - Ongoing support and maintenance of an IT environment
 - Independent Software Vendor (ISV) and/or software marketplace platform
- Q. What is the relationship between a Solution Builder business model and the Technology Alliance Program (TAP) program?
- A. TAP gives hardware and software vendors the tools and resources they need to build and deliver their solutions on VMware infrastructure. Partners can develop, test, integrate, certify/validate, and package their products with VMware products and services, then publish their joint solutions on the VMware Marketplace to our shared customers.
 - Once enrollment in TAP is complete, the partner can then cross-enroll (if desired) in Partner Connect. You can find more information on the TAP here.

Points and Level Progression

- Q. How are performance points calculated?
- A. Performance points are made up of bookings points and lifecycle points.
 - Bookings Points: Bookings points have a base value of \$1,000 USD = 1 performance point. Refer to the Partner Connect Program Guide for additional details including more information, multipliers and caps that may also apply.
 - Lifecycle Points: Lifecycle points are earned by completing activities tied to the customer lifecycle. Refer to the Partner Connect Program Guide for additional details.

- Q. Will the VMware Cloud Director (VCD) accreditation be awarded capability points?
- A. No, not currently. We will continually review feedback from our partners and internal teams to determine if we need to reevaluate this decision.
- Q. Why are there limitations on performance points for perpetual licenses and SnS (support and service/maintenance)?
- A. One of the key principles of Partner Connect is to drive SaaS and subscription adoption. To support this, we have introduced a cap that includes all perpetual license/hardware associated with a perpetual license sale and renewal of SnS contracts. For partners to progress, they will need to provide activities to partners and/or transact SaaS and subscription offerings.
 - Note: See the Partner Connect Program Guide for details on where caps are applied.
- Q. Does the perpetual points cap reset annually?
- A. Yes.
- Q. Are performance points based on total contract value (TCV) or annual contract value (ACV)?
- A. Performance points are based on TCV, not ACV. Refer to the glossary in the Partner Connect Program Guide.
- Q. If a customer terminates service before the end of the subscription period, will the points be removed from a partner?
- A. No. Points will not be removed. Performance points are awarded based on gross bookings. The only time points may be removed is if a deal is terminated by VMware.
- Q. Are points earned by business model?
- A. No. Points are earned regardless of business model. All points are earned at the partner level.
- Q. What are multipliers, and do they stack?
- A. Multipliers provide bonus points (added to base points) for bookings based on booking types, and they are stackable. See the Partner Connect Program Guide for details.
- Q. Can partners receive bookings points and lifecycle points for the same opportunity?
- A. Yes.
- Q. At which stage during a customer lifecycle activity are lifecycle points awarded?
- A. Points will be awarded at "approved base claim" status.



- Q. Can partners get a refund on their renewal fee?
- A. No.
- Q. What is a joint business solution (JBS), and where do I submit it?
- A. VMware and Global System Integrator (GSI) partners architect joint business solutions that combine GSI services with VMware software solutions to address specific use cases. Joint solutions are unique and aligned to specific verticals. They combine best-in-class VMware technologies with valueadded services provided by GSIs. GSIs should speak to their global account director for more information about joint business solutions.
- Q. What is a VSO, and what is the application process for a partner?
- A. A validated service offering (VSO) is an accreditation process designed to ensure the functional and architectural completeness of partner-led innovations, solutions and managed services. The process utilizes a digital platform called the Ecosystem Solutions Hub, which is part of the VMware Ecosystem Solutions Innovation Studio. Partners use the Ecosystem Solutions Hub to curate, validate, and publish their differentiated solutions.

For more information, including the VSO submission process, see the Partner Connect Program Guide.

Influence Points

- Q. Can a partner stack booking points and influence points for different opportunities/customers?
- A. It depends on if the partner is the transacting partner or non-transacting partner.

If the partner is registered for the Solutions Services business model, they can earn influence points on a transacted deal where they are not the transacting partner, are not named in the contract, and are not the named license holder on behalf of the end user.

On deals where the partner is the transacting or contracting partner, partners will earn performance points on eligible bookings.

A partner cannot earn both influence points as the non-transacting partner and performance booking points as the transacting partner for the same customer on the same opportunity for the same solution.

- Q. Can a partner get influence bookings points for completing a proof of concept (PoC) or an assessment activity, plus bookings points for transacting the deal?
- A. No. The non-transacting partner is eligible for influence points. The transacting partner receives the points for the booking.
- Q. Is there a specific place where a GSI partner enters influence points?
- A. Solution Services Providers that complete a proof of concept (POC) and/or technical assessment (TA) can claim influence bookings.

A GSI business account manager can submit their influence points via the strategic initiative registration process. (GSI partners will only be awarded influence points for submitting an approved SIR or by submitting a PoC or a TA).

Refer to the Partner Connect Program Guide for additional details.

- Q. Are influence bookings ACV or TCV?
- A. Influence bookings are awarded on TCV.
- Q. Can a partner submit influence points retroactively, after a PoC/TA has been completed?
- A. No. The partner must fill out a PoC/TA partner intention claim form and have it approved by VMware prior to commencing work if they wish to receive influence points.
- Q. What is the timeframe allowed between an approved PoC or TA and when the opportunity successfully completes?
- A. VMware will award influence points for deals that book up to two years after an approved PoC or TA.
- Q. How long does a partner have to submit an Intention Form after completing a Technical Assessment or PoC?
- A. 30 days.

Program Progression Dashboard

- Q. How frequently will data on the Program Progression Dashboard be refreshed, and who will have access to it?
- A. As of March 20, 2023, the Program Progression Dashboard will be live for all partners at the Community level and above. The dashboard will reflect data from the prior program year for the first three weeks. On April 10, the Current Level Progression Summary and the Points Detailed Dashboard will update to reflect the current program year achievements to date.



Note: Primary or alternate contacts can request to add additional users by opening a <u>support ticket</u> with the user's identification details.

- Q. Will the partner business manager (PBM) be able to access a partner's dashboard?
- A. Yes, PBMs currently have access to the <u>Program Progression</u> Dashboard.
- Q. Will distributors be able to access partner dashboards or view point levels?
- A. No. At this time, distributors will not have access to partner dashboards. We will continue to evaluate how we can incorporate preferred distributors into the Program Progression Dashboard. Distributors should work with their partners to review progression opportunities.

Benefits and Incentives

- Q. What is the Ecosystem Solutions Hub?
- A. The Ecosystem Solutions Hub is a digital platform that is part of the VMware Ecosystem Solutions Innovation Studio. Partners use the Ecosystem Solutions Hub to curate, validate, and publish their differentiated solutions.
- Q. What is the Solutions Lab?
- A. The Ecosystem Solutions Lab is a facilitated co-innovation framework that helps partners develop new ideas and take them to market with the assistance of VMware experts.
- Q. What are the sales incentives that are available to me?
- A. Partners can refer to the <u>Partner Connect Incentive cheat</u> <u>sheet</u> or visit the <u>Partner Connect Portal</u> for detailed terms and conditions associated with incentives, along with the <u>Incentives Playbook</u> and other resources.
- Q. What are the benefits available to me?
- A. Partners can refer to the <u>Partner Connects Benefits cheat</u> <u>sheet</u>, visit the <u>Partner Connect Portal</u>, or view the <u>Program</u> <u>Guide</u> for more information on program benefits.
- Q. What is the Ecosystem Solutions Hub?
- A. The Ecosystem Solutions Hub is a digital platform that is part of the VMware Ecosystem Solutions Innovation Studio. Partners use the Ecosystem Solutions Hub to curate, validate, and publish their differentiated solutions.

Migrating To the New Program

- Q. How will a partner be re-leveled in Partner Connect?
- A. On March 20, 2023, all partners will be migrated to the new Partner Connect framework based on their achievements during the previous program year. (February 2022 to February 2023). Prior year program data will be viewable on the Partner Progression Dashboard through April 10, 2023. On April 10, the Current Level Progression Summary and the Points Detail Dashboard will update to update to reflect the current program year achievements to date.
- Q. What if a partner has questions about the achieved level in the Partner Progression Dashboard?
- A. If a partner has any questions about the proposed level or business models in the Program Progression Dashboard, a managed partner may reach out to their PBM or BDM. A partner may also open a support ticket, access Live Chat, or contact their distributor with any questions.
- Q. When will migration occur?
- A. Migration is planned for March 20, 2023.
- Q. Why is a partner re-leveled in the new Partner Connect Program?
- A. Partners are re-leveled to align with the new program framework.
- Q. If a partner's renewal date occurs before the migration date, does the partner still need to pay the renewal fee?
- A. All partners will still need to pay their renewal fee until launch in March 2023. Partners can request to pay their renewal fee by emailing partnerconnect@vmware.com.
- Q. Can a partner receive a refund on the renewal fee if it was paid before the new Partner Connect launched?
- A. No.
- Q. Where will a services-only, Principal-level partner in the legacy Partner Connect program be migrated?
- A. At time of migration, the partner will be migrated to the Principal level in the Partner Connect program if they met the minimum requirements from the previous program year.

The partner will then have the entire program year to re-earn Principal status by completing lifecycle activities and/or earning bookings points for influence bookings.

If the minimum requirements are not met by the end of the program period, the partner will be re-leveled at the time of their program audit.



- Q. Will there be an exception to the perpetual license cap for emerging/developing markets in the new Partner Connect?
- A. This is being evaluated on a geography-by-geography case. There may be exceptions made in the first year of the new program to allow some emerging/developing markets to sell perpetual licenses un-capped. We will provide more details as we get closer to launch.

Annual Audit and Renewal

- Q. What is the Annual Audit?
- A. The Annual Audit is the time when VMware reviews attainment of foundational program requirements. Currently, VMware will review if annual or semi-annual requirements are met (such as the Due Diligence Questionnaire or Partner Integrity Training).
- Q. Will all partners be audited when the new Partner Connect is launched?
- A. Yes. VMware will validate that partners are in good standing and have completed all program requirements. See more details around migration in the previous section of this document.
- Q. Will partners be reminded of the annual audit?
- A. Yes. Audit notifications will begin via the Partner Portal 90 days prior to the audit date. Additional notifications will be sent out at 60 days and 30 days before the audit. Partners will also receive a mid-year health check.
- Q. What happens if a partner does not complete all requirements at the time of their audit?
- A. If a partner is unable to complete requirements before their audit, they will be re-leveled to Community (regardless of partner level) and lose access to benefits and incentive eligibility and payouts if re-leveled from a higher tier. At that time, the partner will have a 90-day window to complete remaining requirements. Once completed, the partner will be reinstated back into the level they had earned.
- Q. What if a partner doesn't complete requirements within the 90-day window?
- A. Partners that fail to complete their requirements within the 90-day window will be re-leveled to Community-Enrolled. The partner will have 120 days to complete all remaining requirements. Additionally, they will be required to pay an enrollment fee of \$995 to be re-leveled to their previous partner level obtained based on final FY23 results.

- Q. What if a partner doesn't complete the audit requirements within the 120-day window after being re-leveled to Community-Enrolled?
- A. The partnership will be terminated. If a partner wants to reenter the Partner Connect program, the partner will re-enroll as a new partner. This includes the enrollment and onboarding processes.
- Q. Is a partner's renewal tied to the program period?
- A. No. A partner's renewal will happen 12 months after entering the program. That date will serve as the partner's anniversary date going forward.
- Q. Will partners be reminded of their renewal date?
- A. Yes. The partner will receive notifications within the Partner Portal 60 days prior to their renewal date and will continue to receive them 30 days out and 15 days out.
- Q. Where can I find the new ethics and compliance training?
- A. Ethics and compliance training has been renamed <u>Partner Integrity and Transparency training</u>. Additionally, it has been revamped, shortening the time it takes partners to complete this training. Please note that after March 1, 2023, the course must be completed by the primary and alternate contacts.

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