

# VMware Partner Connect

Topic	What to say
Program Fees	<p>\$895 annual, flat fee—no progression fee.</p> <p>Due at time of annual renewal.</p> <p>Only applies to those partners that are in a Mature country segment.</p>
Incentives	<p>Partner Connect maintains the strategy of aligning incentives to the customer lifecycle and journey (land, adopt, expand, renew).</p> <p>High-level details can be found in our <a href="#">Partner Connect Program Guide</a></p> <p>Specific Incentives and Investment program details can be found in the Terms and Conditions documents <a href="#">Advantage+ Ts&amp;Cs.</a>, <a href="#">Solutions Rewards</a></p>
Market Maturity	<p>With the transition to Partner Connect, VMware has evolved to three segments: Mature, Developing, and Emerging. In the appendix of the <a href="#">Partner Connect Program Guide</a> you will find a list of the Emerging, Developing, and Mature markets.</p>
Global Program	<p>Tiering requirements cannot currently be shared across regions or countries.</p> <p>This is currently a country-based program. We hope to have a GEO/Global program offering later next year.</p>

## BACKGROUND

### Q: Why we are changing the program?

A: VMware Partner Network was launched almost ten years ago, and over the years, it has continued to evolve with different short-term adjustments. But we have new opportunities which require a new structure.

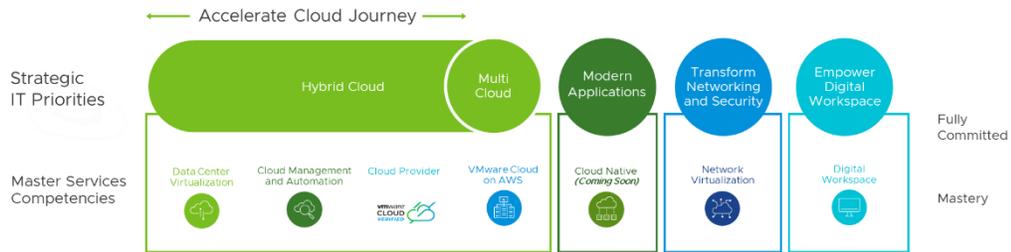
We need a partner program structure that can easily adapt to new solution offerings and consumption models. VMware Cloud™ on AWS and related cloud services require a different structure. And the traction we have with Master Services Competencies reinforces the need for a new approach.

To deliver success, we are evolving the entire partner program beginning with Solution Providers and Service Providers followed by Distributors and Aggregators.

## PROGRAM STRATEGY AND STRUCTURE

The new structure is built upon three key elements:

1. Align how we enable, reward, and go to market with partners with the strategic IT priorities used to guide our solution focus.
2. Extend the success of the Master Services Competencies launched in 2018, which validates and rewards partners who have high levels of service delivery capability.
3. Eliminate silos across our partners' most common business models: resell, professional services, cloud hosting, and managed services.



**Q: What is the Program value proposition?**

**A: Simplicity** – Partnering and growing with us is easy, intuitive, and profitable—today, tomorrow, and beyond—because we’re actively opening opportunities for you to accelerate beyond your competition:

- One holistic program framework to engage with VMware, giving you access to the full portfolio
- Simplified, rationalized, role-specific requirements
- Alignment of benefits and requirements to your business models

**Choice** – Partner Connect offers you the power to choose how you work with us, and gives you access to the tools and resources you need to grow your business in an ever-changing world:

- Flexibility in partnering with VMware based on your business models
- Partners choose where they invest to solve their customers’ needs
- Customers connect with partners with the right capabilities for their digital transformation

**Innovation** – Working with us gives you access to the forward- thinking solutions and innovative ways of working that prepare you for what’s ahead, so you can ensure your customers are also ready:

- Tiering based on increased value to customers and demonstrated partner mastery
- Incentives go beyond the transaction and align across the customer lifecycle
- Recognition and promotion of partner mastery in delivering on customer outcomes

**Q: How will this impact VMware internal operations?**

**A.** We are working closely with operations to drive optimization wherever possible. We are looking to reduce the amount of manual processes and drive more automation. As we rationalize the partner records and associated processes, it will be much easier to communicate, track, engage, and transact.

**Q: How does our go-to-market with partners align with strategic IT priorities?**

**A:** We have unified our overall go-to-market approach so that our partners are aligned with the way we communicate with customers. Competencies are organized according to Accelerate the Cloud Journey, Transform Networking and Security, and Empower the Digital Workspace.

**Q: Are there specific requirements for each level?**

**A:** Partner Connect requirements will balance investments across business models, markets, and solution maturity using a value-based tier credits strategy. Accelerators are applied to increase the value of specific transactions.

**Q: Are the foundational training requirements changing?**

We are simplifying the foundational training requirements for all partners to include (2) VSP Foundation and Ethics and Compliance training. If a partner wants to sell subscription-based software, they will also need (1) VOP-SE. And if a partner wants to do cloud hosting/managed services they will need (1) VOP-CP.

**Q: If DDQ or Ethics/Compliance is missing, how do we know which is missing?**

**A:** DDQ will still be on an "if required" basis. If they have not been prompted to complete one, then they do not need to complete that requirement. The Ethics and Compliance status can be checked on the Partners Transition Dashboard in Partner Central.

**Q: Are the routes to market changing?**

We are consolidating the routes to market to make it easier for partners to do business with us. impacted programs will retire (Corp Reseller, Sol Provider, VCPP, and Regional Premier programs) and all contracts, benefits, and materials will no longer prevail. There is one program with one agreement. As business models change or expand, we have streamlined the process to accelerate time to benefit.

**Q: Will our Global OEM and TAP Partners be able to participate in some capacity and achieve Principal level?**

**A:** OEM and TAP partners are out of scope for the February launch of Partner Connect. They will be included in a later release of the program.

**Q. Will OEM bookings be included into Partner bookings recognition for tier progression?**

A. Currently the OEM Sales are not reflected in the Sales Performance, this process is being reviewed and will integrate to the program framework in the future.

**Q. If a reseller holds two different solution paths and ELA, will they be eligible to access ELA quotes and transact?**

A. There are no changes to ELA transactions. The process will remain the same. Only Advanced and Principal partners can transact Purchasing Programs (EPP, CPP, TPP, CCPP, SPP, HPP)

**Q: Cloud Provider (VCPP) in the current program doesn't have a program fee, but does Partner Connect require a paid participation fee before taking VOP-CP?**

A: There is a Program fee associated with Partner Connect. It is a flat, annual fee of \$895. There is no increase with tier progression—and it is only applicable to partners in mature markets. Each Partner ID located in a mature market will be required to pay this fee.

- This is a very good-news story for those of you who have been accustomed to paying multiple program fees across the multiple programs they were enrolled in—AND removing the progression penalty and waiving it for those located in Emerging and Developing countries will enable easier engagement
- For our VCPP Cloud Provider partners I know paying a program fee isn't something you've been accustomed to with VMware, but payment of a program fee is common practice to ensure continued support and investment in your business relationship with VMware.
- When determining the need for a program-wide, flat-fee as a program fee, we used industry benchmarking to create a simplified strategy that supports mature and emerging markets while fostering cloud and services partner engagements.
- For existing partners, this program fee is not due until you *renew* your contract under Partner Connect. New partners will have 120 days from completion of enrollment form to Click to Accept and pay the fee.

**Q: How do Distributors and Aggregators align with this new structure?**

A: Distributors as well as aggregators remain a critical part of our partner program. Currently, Partner Connect does not include the Distributor or Aggregator programs; however, as the program evolves, we will streamline processes such as contracts to improve the overall distributor and aggregator experience.

**Q: What changes are being made to the coverage model in terms of Partner Business Managers and Partner Marketing Managers?**

A: Partner Business Manager coverage will be determined by a combination of partner level within the Partner Connect framework (Partner, Advanced, Principal) and revenue thresholds. Some Partner Business Managers will be assigned to specific partner accounts and others will manage territories. Partner Marketing Managers will work alongside the Partner Business Managers that are assigned to specific partner accounts.

**Q: How will engagement with our field sales change?**

A: Only Principal Partners who co-sell with VMware will have direct engagement with field sales. Partners who have a proven services and deployment track record will be considered for additional investment from VMware and joint sales engagements.

**PROGRAM TIERING**

**Q: How are the program tiers changing?**

A: Under the current VMware Partner Network structure, there are Professional, Enterprise, and Premier levels within Solution Providers and within Service Providers (VCPP). In the new Partner Connect program, there is only one program that covers Solution Providers, Cloud Providers, and Service Providers. The new program is focused around recognizing our most capable partners and their Master Services Competencies (MSC) regardless of whether it's around resell, services or cloud providers.

While there are levels to achieve MSC, the recognition is at Principal partner.

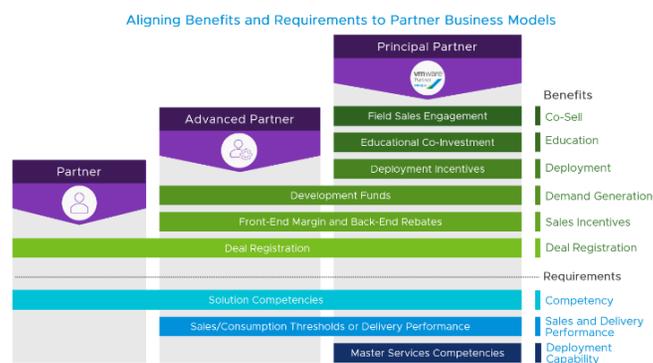


FIGURE 2. Partner benefits and requirements

**Q: Can a partner reach different levels for each strategic IT priority?**

A: Yes, a partner can choose the level of investment within each strategic IT priority that makes sense for their business. They can be a Principal partner with Master Services

Competency in the areas that make sense for them and a transactional partner in other areas. Partners are only badged at Principal level.

**Q: How do our current levels map to the new tier structure?**

A: The final placement for a partner in the program is based on their tier credit and competency performance. There isn't a direct correlation from VPN tiers to Partner Connect tiers. The [Partner Connect Transition Dashboard](#) on Partner Central is a good resource to see your partner's predicted Partner Connect tier.

**Q: How will Regional Premier partners transition?**

A: Regional Premier partners will be provided with status matching for migration to the new program as a GEO Program is currently unavailable within Partner Connect.

Status matching considers all entities enrolled in GEO (Solution Provider and Cloud Provider, only). Principal level must be earned on its own merit by each partner entity.

All other business entities will receive a status match to the highest tier earned within the individual IT pathways, meaning if one entity has achieved Advanced level, the remaining entities are migrated in at Advanced level. Program fees will continue to be waived during this interim period.

This interim status will be provided until such time as new GEO program rules have been made generally available. At that time, partners will have six months to fully meet the rules of the GEO program.

**Q: Are we going to have an ROI calculator for partners to invest in Principal status?**

A: The idea behind the [Partner Connect Transition Dashboard](#) is to help the partners make the decision on where to invest to become a Principal partner. In addition, we are currently working on a version of the Joint Business Plan that will include an ROI calculator; however, this improvement will not be ready until sometime in FY21.

**Q: Are we restricting offers (Del Reg, etc.) to levels of accreditation?**

A: Yes. Incentives and rewards are aligned to the partner's program tier, which is earned through both tier credit and competency performance.

**Q: If a Premier partner just paid the annual partnership fee in Nov-2019, would it be refunded or charged as prorated when Partner Connect is effective?**

A: We will not be able to do any refunds or proration for partner fees paid in 2019. For existing partners, Partner Connect program fee will be due at time of contract renewal. For new partners, the program fee will be due at the time of contract signing.

That means, if a partner pays their annual fee in Nov 2019, they would not need to pay a fee again until Nov 2020 when they renew the Partner Connect contract.

**TIER CREDIT MODEL**

**Q: What is the main difference between Partner and Advanced (Tier achievement only) since both require a Solution Competency? What does "front end margin and back-end rebates" stand for?**

A: The tier credit requirement applies to the Advanced partner level. The incentives and benefits for Advanced are different and greater than Partner, aligning to the increased investment of the partner. Please reference the [Partner Connect Program Guide](#) which is posted to Partner Central for additional context and details regarding margin and rebates.

**Q: For the tier calculation on Feb 29th, will historical sales for each partner be used to determine their tier?**

A: Yes, we will be using historical data. The calculation looks back 15 months from the current date and forward 12 months from there. It is essentially a rolling calculation that allows for normalization of data (from cancellations, returns and other bookings adjustments).

Sales Performance will be calculated at the partner ID level. We will not group sales performance by company groups. This calculation process is included in the [Partner Connect Program Guide](#), which is posted in Partner Central.



**Q: What is the Partner Audit?**

A: Partners will be audited once a year to assess if they still meet all requirements for their assigned tier. Partners can up-level each month, but only be down-leveled once/year.

**Q: Are market maturity determinations exclusive by country rather than industry or segment?**

A: Yes, market maturity classification is at the country level. The tier credit calculation also includes accelerators for solution and license maturity.

**Q: Would a partner selling \$10K perpetual license of an emerging solution within an emerging market meet the minimum 50K points for Advanced?**

A: Yes, the example suggested would net a partner the following:

- Base Tier Credits: 10k
- License: 0 (10k x 0 = 0)
- Market: 20k
- Solution: 20k
- Total = 50k

**Q: Do we address SMB market in the tier credits, if a partner only sells to small customers?**

A: No, there are no provisions for the size of the customer. Just market maturity.

**Q: How will Tier Credits be measured for our partners that don't transact but are more focused on delivering Services (to deploy sold licenses or VMC credits)?**

A: Partner Connect does recognize the importance that Services-only partners play in our ecosystem, and there is a tier for them, where transacting is optional. No transactional incentives or rewards are offered; Services-only partners can take advantage of the benefits of the MSC program. MSC benefits are being moved to Principal tier with Partner Connect.

**DEAL REGISTRATION AND INCENTIVES STRUCTURE****Q: What changes to the registration process are we making to go along with the new Partner Connect Program?**

A: Within Partner Connect Partner, Advanced, and Principal partners can register deals. No matter how many competencies they have, partners will have benefits at the highest level that they are certified for over all products for the specific deal that is registered.

**Q: What is the impact of Partner Connect to Development Funds? With the unification of all partner programs into one single partner program I can imagine that we intend to only have one single sort of Development Fund and not various Development Fund types**

A: Eligibility will change for the Development Funds program to be in line with the new Partner Connect program. The new eligibility requirements for Development Funds will go into effect on May 2nd, 2020 and can be found in the [VMware FY21 DF Guide](#). The Development Funds Policy governs all Development Funds, whether Common or Contractual.

With regard to the Fund Structure and the "GEO Program" versus the "Initiative Program" accessed when submitting a Prior-Approval in the Partner Rewards Portal, VMware may continue to maintain separate Funds & Budgets, as required by the governance and specific goals of certain key initiatives.

**Q. Will the current Enterprise level and above Ad+ benefit such as discounts apply if the partner is re-leveled to Partner Tier upon Go-live?**

No, they will only have Exclusive Opportunity Registration if they are at Partner Tier, only Advanced or Principal Tiers will receive financial benefits.

**Q. What happens if the partner meets the requirements for the next tier level in a given month and the partner needs to register deals?**

A. Progression happens on a monthly basis. The Partner will be eligible for the new benefits in the next month.

If partners are at Partner level, they can still register and have Exclusive Opportunity Registration. Once partner progresses to Advanced level, Ad+ discounts automatically applies.

**Q. How are discounts to be managed after launch for Ad+ active opportunities as the access to discounts will be restricted to Advanced and Principal?**

A. There will be no grandfathered or exceptions status on Ad+ discount after the program goes live. The incentive applied will be based on the partners' tier status at the time of booking.

**Q. What is the difference in benefits for a Partner at 'Enrolled/Authorized' level to transact versus 'Partner' level?**

A. Enrolled/Authorized level allows partners to transact business only. By progressing to Partner, they receive Exclusive Opportunity Registration benefit.

**Q. What is the benefit for Advanced and Principal partners in the Advanced Technologies rebate and how does it work?**

A. The Advanced Technologies rebate is based on specific products that are deemed to be an Advanced Technology

and are shown as an Advanced Technology in the Solution Rewards product eligibility matrix.

**Q: If a partner achieves the advanced tier on Data Center Virtualization, will they receive Ad+ discounts across all products?**

A: AD+ benefits are available to partners at the Advanced tier. Please check out [Partner Connect Program Guide](#) for more information.

**Q. If a partner is Principal in Digital Workspace and Advanced in Server Virtualization, which benefits will apply to registered deal with vSphere?**

Benefits are applied differently by Tier for AD+, Solution Rewards, and Dev Funds. Specific Incentives and Investment program details can be found in the Terms and Conditions documents: [Advantage+ Ts&Cs](#), [Solutions Rewards](#),

**Q. Will the discount percentage and rebate percentage of Ad+ and Solution Rewards will remain the same?**

A. For Ad+, as long as the partner achieves Advanced, they will receive all Ad+ benefits. Principal tier partners will not be eligible for a higher Ad+ discount than Advanced.

- Financial benefits will differ according to the specific Product as long as they are registered per the Ad+ discount matrix.
- For Solution Rewards, eligibility will be determined per IT priority or track. The partner must achieve the Advanced tier to be eligible for incentives or rewards in that IT priority or track. If the partner has achieved Principal tier, they will be eligible for additional Principal bonus for that track.
- Specific Incentives and Investment program details can be found in the Terms and Conditions documents: [Advantage+ Ts&Cs](#), [Solutions Rewards](#)

**Q: Will the ORAN discount will be reserved for Advanced partners only?**

A: Upfront discount will be available for Advanced and Principal level partners. Partner tier can register for deal protection only.

**Q. If Enterprise Partners transacting ORANs get relevelled to Partner Tier, would they still eligible to transact already approved ORANs after the program launch?**

A. Yes, they can use the ORAN as Partner level partners are eligible for Ad+ exclusive opportunity registration but not eligible for Ad+ financial benefits.

**Q: Will the ORAN discount be limited to a partner with a specific competency? Networking deal reg only to Networking competent partner for example?**

A: No, Ad+ will work the same as today. A competency is not required.

**Q. Is the Premier bonus becoming Principal bonus? If so, what will the rebate percentage be?**

A. Yes. As the “Premier” designation will retire with VPN, the “Premier” bonus will become the Principal bonus in the new Program and will be up to 4% depending if the partner has achieved Principal status in a specific IT Priority, Product (Advanced Technology or Non- Advanced Technology) and Market Maturity.

**Q: If a partner reaches Advanced or Principal tier for one path, will they receive incentives for all solutions?**

A: If an opportunity includes a solution that aligns with the partner’s tier, the partner will earn Ad+ incentives across all solutions in the specific opportunity for the level achieved. Other incentives such as Solution Rewards will only be paid for the solutions where competency is achieved. Ad+ will use highest tier and benefits will apply across all products. Solution Rewards will still require a competency, like today.

## IMPACT TO PARTNERS

**Q: What can partners do to prepare for the transition?**

A: It’s important for partners to know where they want to focus within the strategic IT priorities and how much they want to invest. Again, for some areas, they will want to be sure they have Master Services Competencies, and then remain transactional in other areas. Understanding where they need to focus will help support the transition.

**Q. How to prepare for Partner Portal Downtime Period?**

A. During Partner Portal Downtime Period there will be no deal registration changes or creation. PSC/Partner Ops team can help view the existing deals in VMstar. Sales rep can make updates to existing MSO but cannot create new MSO.

**Q: How are existing partner agreements impacted?**

A: VMware is working to rationalize existing investments now so that there is a clear plan and path for partners as we move toward the Q1FY21 go live. Click-through agreements will be updated, and a new, simplified agreement will need to be signed.

**Q: How will the renewal process be impacted?**

A: Any transacting partner will still be able to submit orders for support and subscription renewal contracts.

**Q: Does Partner Connect require “new enrollment”, not “migration”?**

A: Both are part of the program. New partners will be newly enrolled and move through progression. Existing partners will 'migrate' to the new program at launch then over through progression.

**Q: So, if a partner pays their program fee for Advanced and in 2 months is eligible for a Principal partner will they have to pay the full Principal partner fee?**

A: Progression Program fees do not apply under the Partner Connect Program. The annual, flat Program fee is due at time of annual renewal, and only applies to those partners that are in a Mature country segment. Partners will need to pay the program fee in order to transact.

**Q: How will partner badges change, and what do they use in the meantime?**

A: Partners should continue using the existing badges until Partner Connect goes live in Q1FY21. New badges will be available after launch. Partners need to achieve the Principal Partner requirements for a specific strategic IT priority path (aligned with MSC) to be given access to the associated badge.

## PROGRAM NOTIFICATIONS

**Q: When will Partner Connect communications be sent to partners?**

A: The first of three "Click to Accept" communications was delivered on Dec 2nd and was also available for PBMs on Vault and Distis on the Disti Resource section of Partner Central (so they may ensure their partners were aware) on that date as well.

This communication provides them with access to the [Partner Connect Transition Dashboard](#) and the [Partner Connect Program Guide](#)

On January 6th, we sent out the 60-day notices to all partners using the same message, just a reminder.

On Feb 3rd, we sent out the 60-day notices to all partners using the same message, just a reminder.

On February 17<sup>th</sup>, we sent the direct messages to partners to inform them of their partner tier in Partner Connect.

**Q: If the contract is not completed by Feb 29, will the contract for the current program continue after March 1?**

A: No. For all impacted programs, all current contracts will expire on Feb 29 and only the Partner Connect contract will be the legal contract.

## IMPACT TO DISTRIBUTORS AND AGGREGATORS

**Q: Overall, what are the changes for distributors and aggregators?**

A: Changes for distributors and aggregators are minimal. As the program evolves, we will be streamlining processes, such as legal contracts, to make it easier to do business with VMware and improve the overall experience. Partners will continue to transact with their existing distributors and aggregators.

**Q: What role will distributors and aggregators play during this transition?**

A: Distributors and aggregators play a critical role with our partners and that will continue. They are a key resource as partners prepare for Partner Connect to go live in Q1FY21.

## RESOURCES TO LEARN MORE

- External: [www.vmware.com/go/partner-connect](http://www.vmware.com/go/partner-connect), Partner Central, vmLIVE, partner newsletters (Distributor Preview and VPN Newsletter), Power of Partnership blog, partner social media channels, and the Partner Support Center.