



Q1 2003 Alliance Advisory Interview

[Alliance Sciences](#), a global leader in organizational partnering consulting, interviewed IBM's Mark Hanny, VP of ISV Partnerships for their [Q1 2003 Alliance Advisory](#) newsletter. Mark shared how IBM incorporates Alliance management best practices, particularly the importance and benefit of robust and scalable management infrastructure, organizational commitment and departmental alignment.

Mark Hanny

For the past 20 years, Mark Hanny has been an IBM “entrepreneur” helping the company to develop new product lines, expand into emerging markets and create alternative business models.

In the early 1980's, he helped IBM join the desktop computer revolution when the company launched its startup PC Division. Later, Hanny played a role in helping IBM, a company with a tradition of “flying solo”, form its first-ever Business Partner program reflecting the importance of alliances and partnerships in the evolving digital economy. In 1995, Hanny joined the M&A group where he led IBM's \$762 million acquisition of Tivoli. He was Director of Marketing in IBM's Internet Division in 1996, and in 1999, he was named Vice President of IBM's Web Integrator Initiative. In January, 2001 Mark was named Vice President, Software Channel Marketing with responsibility for IBM Software Group's channel marketing programs. Since September 2003, Mark has led IBM's Worldwide Alliances and GTM with ISV's. He can be reached at: mhanny@us.ibm.com.

1. Can you describe the role and priority ISV partnerships play in IBM's success?

MH: Three years ago IBM made a strategic decision not to be in the ISV space. This made partnering with ISV's crucial and vitally important. We recognize that customers buy solutions; our combined value delivers the solutions that customers are seeking.

2. How would you characterize the use and benefit of Alliance metrics at IBM?

MH: Well, I should probably start at the beginning for the description of how we utilize metrics. First of all, in our process, we don't select companies we partner with in a willy-nilly fashion... it starts with industry solution maps. As you know, IBM is set up around 17 industries & we work very closely with these industries to understand what solutions are being sought. When I sit down with one of our software partners – Siebel, PeopleSoft, Intuit – they all have very different needs. We have to work with our partners to coordinate industry solutions. IBM as a whole is then able to understand how these industry solutions are related to our different internal departments. We always have a sponsor, or industry general manager, for the industry solution map who incorporates the Partners go to market with our own. This also allows us to realize and incorporate the ISV relationship into our product strategies. We're also able to capture our mutual objectives for the relationship, within a system called OM Notes, as well as how our organizations are performing together and meeting our respective expectations. “Polling of an ISV” tells us where specifically we are finding success (how is it a good deal for each of our organizations and internal departments – even from a product & development standpoint).

3. How would you characterize the benefit of Alliance best practices at IBM to Partners or customers?



MH: We are still the only ones in the industry who have a “you pass, we pay” program wherein we actually reimburse our Partners for certifications. We also have technology managers and account executives specifically dedicated to partner solutions. The Solution Partnership Centers for porting and enabling are excellent facilities – we have 17 around the world. The Business Partner Executive Institute offers Partnership training and even includes training for our partners on things unrelated to IBM services – just how to more profitably run their own businesses. I’ve seen examples of our partners saying, “My folks could use project management knowledge” and we’ve rolled out a class to help them. Another important way we work with our Partners is to include them strategically regarding roadmaps of solutions and corporate direction. You had mentioned the point before of strategic transparency – this gives our partners transparency as to where we’re heading and where we’re focused.

4. Can you discuss the importance of alignment with other divisions within IBM?

MH: This is really important. We call this the “One IBM Process” – what it allows us to do is to leverage & institutionalize our success from work with one company across the whole company. If we find a success with an organization, even in an apparently unrelated area, we are able to extend that success to other departments and other areas.

5. What is the most common mistake you see in alliances that fall short of expectations?

MH: We must be very clear on where the fit is – its very important to do the work up front of business planning, defining target markets and setting clear understanding of what each of us can expect. This again is where the “One IBM Process” is so helpful. We’ll be discussing this at the ISV Advantage Conference this weekend in New Orleans; discussing how we can help enable our ISV partners to take advantage of the SMB opportunity.

I guess the other thing related to Alliance mistakes to look out for is on our side... we have to make sure we have the sponsors at the field level coordinated with the Partners – the Partners need to be able to engage with the local retail guy (for example) who really knows the industry instead of having to work with me here at corporate.

6. Is there anything else you’d like to share with our readers? For those who want to learn more about IBM’s ISV Partnerships, where should we direct them?

MH: The analysts told us we’d never be able to do this with more than 6 or 7 ISVs, but we now have 100+ strategic alliances with ISVs. This scales; our partners are succeeding as are we. We see that there’s room for us to find success with many more!

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About Alliance Sciences

Alliance Sciences, a global leader in Organizational Partnership consulting, enables organizations to create, implement and manage successful Partnership programs. The Alliance Sciences [SAM² Methodology](#), the first process methodology for effective Organizational Partnering, provides the *tools, templates and processes* for effective Partnering within a logical, step-by-step process. Alliance Sciences is based in the United States with offices in Boston MA, Charlotte NC, San Francisco CA and Washington DC.