

# Red Hat Continues North America Partner Program Momentum

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*Red Hat Updates North America Partner Program with Changes to Deal Registrations and Teaming Agreements, and Additional Partner Enablement and Training*

SCOTTSDALE, Ariz.--(BUSINESS WIRE)-- Red Hat North America Partner Conference - Red Hat, Inc. (NYSE:RHT), the world's leading provider of open source solutions, today announced continued momentum and program enhancements for its North America channel partner ecosystem. As businesses look for ways to build and manage architectures to on-ramp to the open hybrid cloud, Red Hat has made considerable efforts to enhance its partner program to provide additional benefits and support to Red Hat partners.

Red Hat's channel ecosystem continues to grow and influence Red Hat's total annual revenue, which came to \$1.33B in fiscal year (FY) 2013. Partners continue to be a growth driver for Red Hat, representing 60 percent of total bookings in FY2013 and 65 percent in the most recent quarter (Q3FY14). One of the keys to Red Hat partners' success over the years has been an open dialogue around what they need from Red Hat to help them respond to market demands. This process has driven several enhancements this year to Red Hat's North America Partner program, including:

## Revamped Partner Program

Red Hat unveiled their revamped North America Partner Program in September 2013. The program features enhancements to Red Hat's Deal Registration and Teaming Incentive programs, as well as Red Hat's Online Partner Enablement Network (OPEN). Through the revamped North America Partner Program, Red Hat intends to drive and build more relevant relationships with partners, helping them differentiate themselves in the market and be more profitable in their relationship with Red Hat.

## Red Hat Deal Registration Program

Effective Sept. 1, 2013, Red Hat introduced a new Deal Registration Program designed to provide approved Red Hat Premier, Advanced, and Ready Business Partners with the ability to accrue additional benefits when a partner identifies new Red Hat business opportunities and engages in value added pre-sales activity in support of the growth of Red Hat business. Red Hat's Deal Registration Program focuses on new business opportunities and targeted sales initiatives where Red Hat's top business partners have invested in identifying new customers, or have co-invested in complimentary training around integrated Red Hat marketing campaigns. The new deal registration benefits are 10 percent for Red Hat Ready partners, 20 percent for Advanced partners, and 25 percent for Premier partners. Benefits to all partners include priority resource allocation, increased margins, rewards for new business growth, sales alignment, and support from Red Hat sales and technical resources. A key element of this program is its multiple year renewal protection. With it, deal registration benefits are available on the initial order and two subsequent annual renewals.

## Red Hat Teaming Incentive Program

Teaming agreements assist in engaging sales teams and act as a mechanism for collaboration, encouraging teams to work together to develop and drive net-new business. Through its new Teaming Incentive Program which also took effect Sept. 1, 2013, Red Hat rewards its partners with an incremental value incentive discount (VID) for value-add, pre-sale activities when teaming early with Red Hat on opportunities. The value incentive discount for approved Teaming Incentive Program deals are unique to the partners that the Red Hat channel and account teams select for opportunities. Under this program, eligible Red Hat Premier and Advanced partners can receive a VID of 15 percent while eligible Red Hat Ready partners can receive a VID of 10 percent for all approved opportunities.

In addition to the above enhancements which are geared towards commercial partners, Red Hat's Public Sector Partner Program continues to offer its Preferred Pricing program. This program encourages partners to pursue new opportunities and upsell existing renewals. While minor changes were made effective Oct. 1, 2013, to establish a minimum deal size (\$20K MSRP), the program's core elements remain the same. Public sector partners can email [govchannel@redhat.com](mailto:govchannel@redhat.com) for more details.

## Online Partner Enablement Network (OPEN)

In addition to enhancements and changes mentioned above, Red Hat also officially launched its Online Partner Enablement Network (OPEN) in November 2013. OPEN is a training and accreditation platform designed to empower partners and supply them with the reliable guidance and technical information they need to assist customers in making sound technology decisions. Red Hat's OPEN offering includes a technical library, an on-line demo system, and on-line role based training. The technical library shares white papers, reference architectures, slides, and a variety of artifacts all tagged and current. This enables Red Hat to share what resources we've found most useful in the field with our trusted partners. The Red Hat Partner Demo System is available to Advanced and Premier partners offering on-line and on-demand access to Red Hat demo environments providing an environment for learning and demoing our product portfolio. The on-line training provides training across our product portfolio for sales, sales engineer, and delivery roles with supporting individual and partner-level accreditations.

## North America Partner Authorization Program

A recent addition to our partner benefits includes the North America Partner Authorization program for our new and emerging products. The authorization program provides early adopter access to sell and deliver Red Hat's emerging technologies. Authorizations, including required accreditations for middleware, cloud and storage, are meant to enhance partner skills across sales, sales engineer, and delivery competencies. The authorization program is designed to protect partners' investments in sales and support activities by requiring

minimum accreditations in order to sell these new solutions.

For more information, please visit [Red Hat's Partner Center](#) or email [na-partner-helpdesk@redhat.com](mailto:na-partner-helpdesk@redhat.com).

#### Supporting Quotes

*Arun Oberoi, executive vice president, Global Sales and Services, Red Hat*

"Red Hat's richly expanded product portfolio of open hybrid cloud solutions, are primed to help partners enable Infrastructure-as-a-Service and Platform-as-a-Service for our customers in an enterprise class open source development model. The increased mainstream adoption of open source to enable next generation infrastructure presents an exciting business momentum opportunity for our partners."

*Frank Seiferth, senior director, IIS*

"The revamped Red Hat partner program has certainly raised the bar by addressing three main areas that every partner requires for success: a deal registration program that provides a predictable profitability model, investment protection for identifying and actively working new customer opportunities, and access to a relevant simple-to-use training curriculum. Through the use of customer teaming agreements, partners are embraced as an extension of the Red Hat sales and marketing teams into existing accounts. These changes, plus extended deal registrations for two additional periods, have the attention of our sales teams."

*Peter Larocque, president, North America Distribution, SYNnex Corporation*

"Through our partnership with Red Hat, SYNnex is able to offer strategic, game-changing services to our resellers and their customers such as technical support and demos, proof of concepts, a fully dedicated sales team and an expanded portfolio of open source solutions. Together, Red Hat and SYNnex provide resellers and their customers new ways to differentiate themselves as the IT landscape continues to evolve. We look forward to building upon our relationship with Red Hat and maintaining strategic relationships with Red Hat's other partners as they continue to gain momentum in the channel and implement innovative program enhancements."

#### Additional Resources

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#### About Red Hat, Inc.

Red Hat is the world's leading provider of open source software solutions, using a community-powered approach to reliable and high-performing cloud, Linux, middleware, storage and virtualization technologies. Red Hat also offers award-winning support, training, and consulting services. As the connective hub in a global network of enterprises, partners, and open source communities, Red Hat helps create relevant, innovative technologies that liberate resources for growth and prepare customers for the future of IT. Learn more at <http://www.redhat.com>.

#### Forward-Looking Statements

Certain statements contained in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: risks related to delays or reductions in information technology spending; the effects of industry consolidation; the ability of the Company to compete effectively; the integration of acquisitions and the ability to market successfully acquired technologies and products; uncertainty and adverse results in litigation and related settlements; the inability to adequately protect Company intellectual property and the potential for infringement or breach of license claims of or relating to third party intellectual property; the ability to deliver and stimulate demand for new products and technological innovations on a timely basis; risks related to data and information security vulnerabilities; ineffective management of, and control over, the Company's growth and international operations; fluctuations in exchange rates; and changes in and a dependence on key personnel, as well as other factors contained in our most recent Quarterly Report on Form 10-Q (copies of which may be accessed through the Securities and Exchange Commission's website at <http://www.sec.gov>), including those found therein under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". In addition to these factors, actual future performance, outcomes, and results may differ materially because of more general factors including (without limitation) general industry and market conditions and growth rates, economic and political conditions, governmental and public policy changes and the impact of natural disasters such as earthquakes and floods. The forward-looking statements included in this press release represent the Company's views as of the date of this press release and these views could change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this press release.

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