

Transformation of BEA Program

In 2000

- Multiple programs grew organically driven by constituent needs
- 900 partners with no differentiation in benefits or requirements
- Benchmarked well against industry standards BUT
 - Program 'shopping' by partners
 - Incomprehensible to sales
 - Feeble relationship management
 - Clearly not sufficient to scale the business

Technology Alliance Partner	Solution Partner	Professional Service Partner	System Vendor Partners H/W OEMs
<ul style="list-style-type: none"> ➤ Complementary products ➤ Extend our value proposition with additional functionality ➤ Primary vehicle for Business Units to engage with Partners ➤ Do not resell 	<ul style="list-style-type: none"> ➤ Sublicensing program for ISVs and ASPs ➤ Embed or bundle our technology within an application for subsequent end-user sublicensing ➤ Requires Value Add ➤ Objective is to generate long term, predictable revenue in new markets 	<ul style="list-style-type: none"> ➤ Comprehensive program for SIs and consultants ➤ PSP recommend our technology and incorporate into their repeatable practices ➤ Typically do not resell; Sale is taken by BEA direct ➤ Influence channel <p style="text-align: center;">US ONLY</p>	<ul style="list-style-type: none"> ➤ Hardware OEMs with global coverage and expanded business models including systems integration and solutions sales ➤ May resell. ➤ May require SI support ➤ May be influence only ➤ May be competitors: Sun, IBM
Annual Fee: \$3900	Annual Fee: \$6500	Annual Fee: \$6500	

Transformation of BEA Program to best-in-class

2000

WW Partner Programs

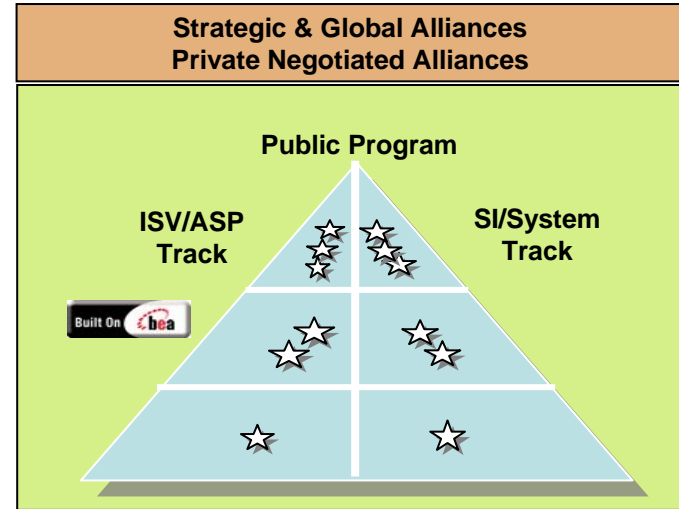
Technology Alliance Partner	Solution Partner	Professional Service Partner	System Vendor Partners H/W OEMs
<ul style="list-style-type: none"> • Extend value prop • Do not resell 	<ul style="list-style-type: none"> • Sub license to ISVs and ASPs 	<ul style="list-style-type: none"> • Program for SIs and Consultants 	<ul style="list-style-type: none"> • H/W OEMs incl SIs • May resell

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2001

BEA Star Partner Programs



- Single, scaleable, manageable, program
- Tracked to match program to business models
- Tiered to match investment and commitment
- Public program with published advancement criteria and benefits
- Private Alliances enjoyed 3 Star benefits and program infrastructure PLUS negotiated benefits and requirements
- Significant investment in relationship management and sales engagement
- Builds Brand.... Recognized in industry as 'Best in Class'

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Robert C. DeMarzo

BEA SYSTEMS RAMPS UP PARTNERSHIP INITIATIVES



Editor's Letter

SOLUTION PROVIDERS COULD ACCOUNT FOR 40 PERCENT OF BEA SALES IF THE ISV PLAYS ITS CARDS RIGHT

If you want further evidence that 2000 will long be remembered as the year in which high-tech companies got back to basics, look no further than BEA Systems. In the competitive e-commerce software space, which rivals only the Nasdaq in volatility, BEA is impressing the investment community with its sales model and partner initiatives as much as with its platform and applications.

Consider a recent report issued by analysts from investment banker UBS Warburg's Global Equity Research department. They have a "buy" recommendation on BEA shares. Bear in mind that bankers often recommend a company for a wide range of reasons, some of which have little to do with a company's fundamentals. Recently there has been enough documentation in the financial press to bear that out. In general, it's debatable whether analysts' reports are a reliable harbinger of a stock's movement, but this particular case is worth examining.

BEA, named after founders Bill Coleman, Ed Scott and Alfred Chang, followed the path of some—but not all—Internet software companies. It initially focused on direct sales to customers. Only about 20 percent of the company's revenues are currently generated from partners. For a company on a revenue run rate of close to \$900 million, that's an insignificant given the high margin associated with implementing e-commerce applications. The IBS analysts who penned the report, Andrew Roskill, Ken Carey and Roger Sklenka, believe that within the next nine to ten years, more than 40 percent of the company's sales will come from solution providers.

Part of the reason they look favorably on the company is what they characterize as its "aggressive partner initiative." [I'll let the analysts speak for themselves for a moment: "In order to prevent an area of the company that does not represent a core competency from migrating its focus, growth, and success, the company has launched an aggressive global partnership strategy to form agreements with large systems integrators and complementary technology providers. Through the true realization of its initiative

will probably not be felt for several years, we believe this provides yet another example of management's vision and ability to continue to set up plans well before they knock them down."

While those who at UBS can craft a decent analogy, the

BEA Systems Ramps Up Partnership Initiatives

By [Robert DeMarzo](#), VARBusiness

11:30 AM EST Mon., Jan. 08, 2001

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Starting From Scratch: BEA Tries To Build a World-Class Partner Program

By [T.C. Doyle](#), [Rob Wright](#), VARBusiness

11:45 AM EST Fri., May 25, 2001

While big names such as LoudCloud and Dell have cited BEA's technology as their reason for teaming up with the company, others credit BEA's new **Star Partner Program**. The three-tiered program ranks partners according to how much revenue they generate and how many requirements they meet.

Partners Throw Support Behind Surging BEA

By [Rob Wright](#), VARBusiness
Dallas

11:08 AM EST Wed., Feb. 28, 2001

In addition to BEA's marketshare, Vignette also **gave credit to BEA's new Star Partner Program**, a three-level benefit system that offers various degrees of technical training, education, marketing support and other services. Last week, Vignette formed a strategic alliance with BEA to integrate its Internet software with the BEA WebLogic E Business Platform.

Partners

"Hologix chose BEA because of its demonstrated commitment to partnering. BEA's Star Partner Program is one of the best in the industry, accelerating Hologix time to market with our strategic procurement and managed negotiation products. Hologix is proud to be built on BEA." - vice president of marketing and business development, **Hologix**

"This new partner program will definitely enhance our ability to provide total solutions based on BEA platforms. The Star Program is a big investment on BEA's part, and we believe it will pay off not only for them but for partners, like iRise, and our clients." chief executive officer and co-founder, **iRise**

Analysts

"The vision shows they have done their homework. It is execution that will make or break the vision."

Meta Group

"This is the first time I have heard such a well-articulated story regarding partnerships. It is precise and shows a well-defined picture." **Gartner**

Investors

"We were impressed by the breadth and depth of the entire team, especially the channel organization's systematic and detailed plan to build out the partner program." **First Union**

"...BEA's technology, vision and channel partnership strategy leave the company ahead of its competitors..." **Prudential**

"We are encouraged by the company's strategy to expand its distribution and services capacity through increased partner leverage...these initiatives should result in accelerated growth..."

Deutsche Bank