

INSIDE RED HAT PARTNER PROGRAM 3.0

RED HAT IS MAXIMISING OPPORTUNITIES FOR PARTNERS. WITH ITS CONTINUING GROWTH AND EXPANSION, RED HAT IS OFFERING PARTNERS A BIGGER SOLUTIONS PORTFOLIO TO MATCH MARKET DEMAND. HERE IS WHAT PARTNERS CAN EXPECT FROM RED HAT AND HOW IT CAN HELP THEM GROW THEIR BUSINESS.

This IT Europa special report looks at the new Red Hat Partner Program 3.0, and why partners and prospective partners should look in detail at how to benefit.

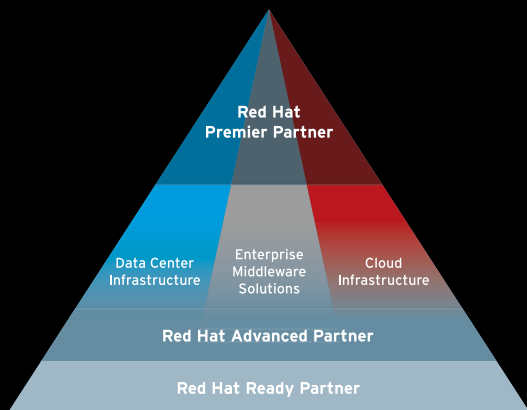


PETRA ON HOW RED HAT EMEA PARTNER PROGRAM 3.0 CAME TO BE



▲ Petra Heinrich

Petra Heinrich, vice president, partners & alliances, EMEA: "Red Hat's core principle is the power of community, and partners have always been central to our business. We have built the channel into our approach right from our beginnings as an operating system platform vendor, and have continued to develop our program as we've expanded across storage, middleware and cloud to become a multi-product organization. In our biggest update yet, we announced Red Hat EMEA Partner Program 3.0 in October 2013, expressly designed to maximise opportunities for partners. Alongside this we have expanded our channel team by about 40% and reduced the number of accounts per partner manager, to foster deeper and broader relationships. Our channel sales are growing steadily, and today make up a significant 63% of our business as we look to an even brighter future together with our partners."



With the Partner Program 3.0, Red Hat is addressing changes in the market. Customer needs are becoming more portfolio-oriented - they are looking for interoperable, integrated business solutions as opposed to individual point products that address only one piece of their business objective. To give an example, as businesses move to embrace cloud and adopt IaaS and PaaS, their IT requirements span a broader set of technologies. Partner Program 3.0 encourages the development of multi-product solutions focussed on serving customers' business needs. Accordingly, it is aligned with Red Hat's three core specializations: datacentre infrastructure,

middleware solutions and cloud infrastructure. Rather than being siloed into product buckets, partners grow into a specialization by demonstrating various skills and have the opportunity to develop across all the specializations, gaining the scope to scale into new areas and lead on emerging technologies.

The Partner Program 3.0 is designed for solution providers, which are rewarded for meeting defined qualification criteria by rising from Red Hat Ready Partner, to Red Hat Advanced Partner and ultimately Red Hat Premier Partner.



▲ Frank Basinski

So where does this put partners? In a very strong position, says Red Hat. "As we expand and extend our offerings through the development of new products and via acquisitions, partner involvement has really grown," says Frank Basinski, senior manager, partner program & enablement EMEA. "In the past, partner projects might have been based on implementing Red Hat Enterprise Linux, now they tend to be much broader in scope, covering entire IT environments."

As end customers look for solutions to business challenges, partners look at what they can offer. "It is up to us, as the vendor, to put the whole thing together," notes Basinski. "We provide training and accreditation, and support for partners in delivering expanded opportunities. We have removed any barriers to partners adopting the wider portfolio."

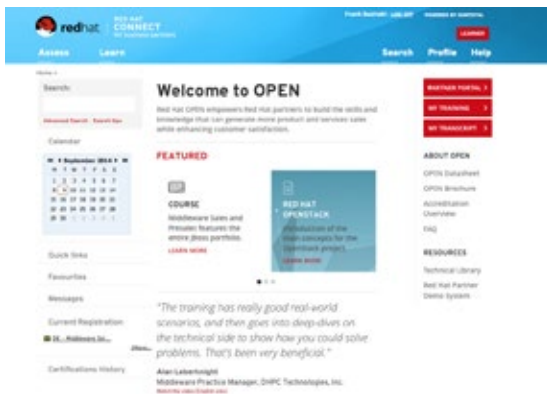
Because Red Hat is open source, partners get access to source code and libraries, so when developing or providing a service, partners can adapt the technology the way they need to be successful with their customers.

RED HAT EMEA PARTNER PROGRAM 3.0 TRAINING

Education and training is a centrepiece of the new program. Where previously training was provided in a classroom environment, now Red Hat has created the Online Partner Enablement Network (OPEN), made up of online training, a demo system and technical library, all accessible from anywhere in the world. Digital delivery enables Red Hat to roll out new course material more quickly on an ongoing basis. Red Hat also continues to run in-person master classes, training sessions and roundtables to connect better with partners.

The Partner Demo System, which allows partners to configure and demonstrate systems in the cloud, is now available to all existing Advanced and Premier Solution Provider partners in EMEA.

The technical training is proving popular, with hundreds of partners taking advantage of the course materials. Middleware classes, says Basinski, are in particularly high demand: "Middleware training has to deal with a much larger portfolio and as a result training in this area has traditionally been infrequent and even unavailable in some countries. Now that training is available online, partners everywhere can benefit. The reward system has also been enhanced and includes deal registration and other benefits for all."



STORAGE IN THE PROGRAM



▲ Gerald Sternagl

The goal of the portfolio expansion is to build a complete set of infrastructure software based on open source, explains Red Hat storage business unit EMEA head Gerald Sternagl.

When working with a virtualized or cloud infrastructure, the storage requirements are quite different from classical systems, he explains. "Three years ago we acquired Gluster, a company that was building cloud storage. Red Hat Storage is based on this and it is now a cornerstone of the infrastructure, providing the data layer for it. We made another acquisition this year - Inktank, provider of scale-out, open source object and block storage software - to further build out our storage proposition."

Combined with Red Hat's existing GlusterFS-based file storage offering, the addition of Inktank positions Red Hat as one of the leading providers of open software-defined storage across object, block and file system storage. In July 2014 Red Hat announced the availability of Inktank Ceph Enterprise 1.2, which delivers world class object and block storage software to enterprises deploying public or private clouds, including many early adopters of OpenStack.

In the not too distant future, IT as a utility service is just going to be there, like electricity. Current infrastructure locks end customers in. Freedom of vendor choice is severely limited, which artificially inflates the cost of IT. Red Hat is aiming to bridge traditional IT architecture with virtualization and cloud services, both public and private, with an open source software stack.

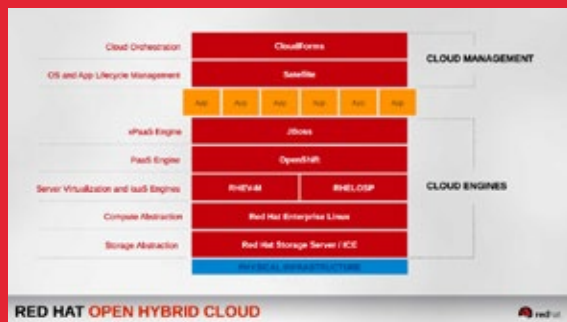
Red Hat storage plays a very important role in the path from classic to cloud. "When you can help customers simplify that transition, there is real value and it takes away a lot of the risk involved with not being able to meet SLAs just because technology is changing. We want to provide a storage platform that reaches all the different kinds of deployment models and paradigms," says Sternagl.

Storage is now much more integrated, he says, and the data itself plays a vital role in how companies differentiate themselves. "In providing a standardised platform, we provide what we call "actionable data". With everything stored online we want to enable customer with the ability to do something with this data. Take it for analysis and draw real benefits. It is important that the data platform gives this capability."

RED HAT AND CLOUD

Red Hat is focussed on an open hybrid cloud strategy, which brings together the entire Red Hat portfolio to create cloud solution plays. As such, all of Red Hat's products—not least of which Red Hat Enterprise Linux—address various needs of users adopting clouds. In addition, Red Hat offers cloud infrastructure-as-a-service (IaaS), hybrid cloud management, and platform-as-a-service (PaaS) products that provide specific capabilities needed to build and operate clouds.

With respect to cloud infrastructure, OpenStack is a very strategic move for Red Hat and interest in the channel is high. OpenStack builds on Linux, extending it with an IaaS cloud framework with software defined storage and networking features. Thus, while OpenStack adds a rich set of cloud capabilities, it also lets partners take advantage of the Linux skills that they already have.



Initial OpenStack take up is driven by technology-centric businesses and the customers are mainly telcos and financial services, research and pharma, focused on cloud services and the need for a new infrastructure to cope with the explosion of big data. Partners tend to be large consultants, ISVs or other IT specialists. Red Hat is seeing a lot of interest from partners in becoming OpenStack-ready and is in discussions with them about the early adopters of OpenStack, working together to make sure they are technically enabled.

CloudForms, a hybrid management platform for virtual, private, hybrid and cloud infrastructures, lets enterprises to deploy traditional and elastic workloads as one cohesive environment. As partners get into selling across and higher up in enterprises with this type of product, they may have to speak to many more parts of the end customers' business, including financial departments, IT management and developers, so to selling cloud management system is

more demanding as a sale than a point product. This is one of the areas where Red Hat is looking for new types of partners to work with. Not all existing Linux partners will have the capabilities to extend their reach in this way.

CloudForms is also available together with both OpenStack and Red Hat Enterprise Virtualization as Red Hat Cloud Infrastructure. This allows customers to manage across both traditional virtualization workloads and cloud-style workloads with a single offering—and to shift their mix of workloads as time goes on. Red Hat Enterprise Virtualization helps those customers who want to move away from VMware and diversify because the cost of lock-in is very high. By buying more products from VMware, the customer will not be able to escape—so many are looking at second and third sourcing on virtualization. Red Hat attests to the significant effort from partners around Red Hat Enterprise Virtualization, already achieving great customer take-up and very high growth rates in the last quarter.

For customers specifically focused on developer productivity, Red Hat also offers OpenShift by Red Hat, which can be installed on-premise for those who want a hosted PaaS. (OpenShift is also available as a hosted service.) OpenShift takes advantage of Red Hat Enterprise Linux, Red Hat JBoss Middleware, and all the associated work that makes it a productive and full-featured environment for Java EE development. OpenShift, whether on-premise or online, also lets developers work with a wide range of languages, frameworks, and tools such as PHP, Python, Ruby, Maven, Jenkins, and Eclipse.

With OpenShift, because developers are already using the same platforms that they know and love, they can bring their existing applications into OpenShift. They can develop productively on OpenShift while maintaining the flexibility to take their applications into development and test on standard virtualization or production on physical infrastructure.

LINUX GROWTH IN THE RED HAT CHANNEL

GROWING BUSINESS DEMAND



▲ Aram Kananov

Linux has been gaining market share in servers: IDC reported in March 2014 that while Windows held 51.6 % of the market, this was down 0.6% year-on-year. Linux achieved a significant rise year-on-year, says IDC, growing by 9.3% after generating sales of \$832.8 million, and capturing 22.7% of the total market.

Why is Linux proving attractive to users, and Red Hat Enterprise Linux in particular? Behind this growth are a number of changes in customer thinking: "Customers are going through IT transformation projects to use the new paradigms, including cloud computing and big data, and for the majority of emerging technology foundations, Linux is the default operating system. It's much more flexible and has great credentials on security and performance. So it is the place where innovation happens," says Aram Kananov, EMEA platform business unit manager, Red Hat [pic of Aram] "Our overall approach is to bring IT to the next stage of agility and maturity to meet customer needs and use cases. We have several pillars to this."

PILLAR 1: MODERNISE

The first pillar is about modernisation. Often this involves the traditional Unix to Linux changeover. The TCO tends to be much lower with Linux and offers broader ISV support and broader sets of available technologies, as well as avoiding being tied to a particular vendor's hardware. Hence the desire among customers to move from Unix to Linux on commodity x86 hardware.

The second part of the migration is from Windows to Linux, says Kananov. "Not so much migrating existing Windows workloads to Linux, but positioning Linux as a much better platform for new next generation workloads."

Linux has established itself as the leading platform for innovation. Cloud and big data are prime examples of technologies that were first developed and introduced to the market on Linux.

When customers think about rewriting an infrastructure platform, they may have experience of Windows and Microsoft technologies, but by building the next generation on Linux, they get swifter access to innovative technologies as well as greater flexibility, and also find that the majority of Linux applications get ported to other operating systems as well. The industry track record shows that Linux tends to be more secure, more stable and offer better performance than windows.

Red Hat used a global consulting agency to research the complete costs of managing a Windows environment against Red Hat Enterprise Linux. "Linux performs better, even in areas that might not be expected, like storage management and network management," says Aram Kananov. "There is an assumption that management issues are handled better by Microsoft, but when the economics are examined, such as how many administrators are needed per system, Linux wins. New management systems in Red Hat Enterprise Linux 7 are taking this forward."

PILLAR 2: STANDARDISE

Standardisation is the second pillar. As soon as a user adopts Linux as a standard in the data centre, in order to further improve efficiency they look at automating all processes, which helps reduce maintenance and administration on the installed server base. The majority of systems look the same, so more time can be spent on quality assurance. "Here when we talk about standardisation, we mean reducing the number of Operating System variants in the data centre," says Kananov. "By standardising on system management and system configuration, you get to the next level of efficiency."

A new element of standardisation has to do with the emerging concept of containerisation, which Red Hat now supports in Red Hat Enterprise Linux 7. Containers enable users to improve their compute resource utilisation and get more workloads per server than ever before. In this way end customers are virtualized, highly automated and standardised.

PILLAR 3: REALISE

The last pillar is about helping customers realise the evolution to cloud computing.

"The Red Hat campaign on cloud is about providing everything a customer needs for private, public and hybrid clouds. This empowers them with a good foundation to adopt new technologies such as big data technologies," says Kananov.

All this means the expansion of existing partner relationships and working with new partners and new partner types. "A lot of our partners have come under pressure from the drop in hardware sales as a result of virtualization. In such cases, you have to get comfortable with the change and realign the business strategy," says Kananov. "We believe that the majority of our partners are trying to work with this change rather than resist it. We are here to help - when we talk about concrete opportunities for us and our partners, we back it fully by launching a fresh marketing campaign. With each new campaign, we create a version ready to use by partners," says Kananov.

PARTNER VIEWS

MORE OPPORTUNITIES FOR TIER 2



▲ Andy Kennedy

Tier 2 Consulting is the only Red Hat Premier Partner focused on JBoss Middleware in the UK&I. As a small business, Tier 2 has carved a niche as an expert on Middleware, with household name customers in advanced financial and pharmaceuticals among other industries. It supports organisations with business-critical systems that require a cost-effective, highly supportive and secure subscription service.



▲ Chris Ellis

The last 18 months has seen Tier 2 increase its focus on Red Hat Middleware, a decision driven by the expansion of Red Hat's middleware product portfolio, which

enables the business to offer open source technology into significantly larger enterprises. Tier 2 Consulting and Red Hat work together on joint marketing and lead generation, which includes seminar work and email broadcasting as well as sponsoring events such as the Red Hat Forum. Andy Kennedy, founder and MD, says that having a close relationship with Red Hat feeds through to understanding how the products themselves are being developed, and makes them much more confident when putting proposals in, making sure the enterprise software delivers on expectations.

"We focus on the quality of the people that we have and our technical expertise in JBoss Middleware. That is what sets us apart from more commoditised offshore development companies, and local generalised middleware consultancies," says Kennedy. "Partner Program 3.0 goes even further in enabling us to meet the demands of our customers, which require top quality skills and experience and a varied product base. The Program being structured around skills and accreditation is a very important step for us."

The Program has opened up fresh opportunities with customers according to Kennedy. "Without the technical accreditation we would not have won certain work. The training and accreditation requirements of the Partner Program help us to show customers that we have the right skills to help their business deliver. Red Hat is helping us increase our exposure and awareness; lead generation is important, but added to that is the relationship with the company, and we have found support across Red Hat, gaining access to key executives as well as working closely with the marketing team. We are beginning to reap the results - we are seeing the services and subscription pipeline growing and we're seeing more activity on our website. We are certainly moving in the right direction."

"The simple proposition: 'It's all we do, let's do it together' summarises our skill set, and defines us as part of the Red Hat Open Source movement," says Chris Ellis, marketing manager, Tier 2 Consulting. "The Premier partnership is testament to this and we are putting that message out across all channels with Red Hat. Our remit is to be the 'go-to people' across EMEA."

"It is refreshing to be able to be in contact with real expertise at a high level in Red Hat, and to be able to reach out to them at any time," he adds.

This year will see continuing development, recruiting and training people internally at Tier 2. There is much more use of open source generally among enterprises, and the number of Red Hat components has grown into a much more extensive portfolio, according to Kennedy. "We bring people in and use the online training on the partner portal to stay up to speed with expertise. It is fantastic for us to have a structure and purpose to the training."

"And there is no shortage of content for repurposing for marketing and a lot of good material," he concludes. In a final word on the Partner Program, he says: "It should be good for everybody - Red Hat, Tier 2 and of course customers- and that is what the relationship is all about."

VIADA: REALISING THE POTENTIAL

Daniel Braunsdorf, CEO of Red Hat Premier partner Viada in Germany, says his company is very much aligned with Red Hat. The JBoss specialist has a horizontal focus and works with enterprises in areas that demand a lot of expertise in data, applications and integration. Its skills are in demand across a range of industries, and customers include many very large organisations.



▲ Daniel Braunsdorf

Viada has adopted the principle of having at least one employee accredited in every Red Hat category of expertise, ranging across integration to BPA and working on a global basis. Either by supplying an entire project team to an enterprise looking for guidance and resources, or by supplying three to four key people to lead it, Viada is using the deep relationship and contacts with Red Hat.

The Red Hat Partner Program 3.0 is a great step, says Braunsdorf. "Partners can dip into the technical resources for themselves, as well as follow the online courses. And the accreditations are great for us from both a technology and marketing perspective. We wanted to go deep with our expertise, and have achieved accreditation for whole of the middleware specialisation."

The main point he makes about the relationship is that it is not just a logo. It is the knowledge that he can draw on relationships that go back over many years, as a large number of the key people are still at Red Hat and still in touch. This longevity helps build confidence and alignment in strategy and marketing.

As Viada clocks up another year of 20%+ growth, Braunsdorf says he is looking forward to gaining the ISO 9001 standard for quality management, working with Red Hat on large accounts, ensuring that customers get full support to realise the potential of the technology.

RESOURCES & CONTACTS

Red Hat Partner Program Information:

www.redhat-partner.com

Red Hat Partner Center:

www.redhat.com/wapps/sfconnector/partner/login.html

Proven Sales Plays:

<http://www.redhatfastrax.com/index.html?ReturnUrl=%2fsecure%2ffast-tracks.html>

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