MODULE 1: NOVELL'S ONE NET STRATEGY

Introduction

Welcome to "Novell's one Net Strategy," Module 1 of the *Certified Novell® Salesperson™ Course*! In addition to helping you understand Novell's corporate strategy and direction, this module will teach you how to sell Novell's solutions, combined with your services and partner products, using an approach that helps frame technology problems in terms of real business solutions.

This module is part of the *Certified Novell Salesperson Course*. This course teaches you the Novell story, the one Net strategy, and the sales model; introduces you to the capabilities and business benefits of Novell products, and some of the solutions that can be built with those products; and gives you practice determining how these solutions meet specific business needs.

When you complete this course, you will have the opportunity to take an examination to test your understanding of Novell's technology solutions. This examination will be given at the end of your training session. If you are completing the course on your own, you can take the exam on the Web at http://register.novell.com/webexam. If you pass the exam, you will become a Certified Novell Salesperson (CNS) version 2004.

How to Study This Course

If you are using this as a self-study module, you will want to approach it differently than an instructor-led training course. Follow these steps to get the most out of your learning experience:

1. Open and follow the slide presentation on your computer. This can be downloaded from www.novell.com/channel/cns.

2. Read the material in this study guide for additional details and instructions.

3. Complete the exercises on your own, and then check your answers in the study guide.

Performance Objectives

When you complete this course, you should be able to:

- Describe Novell's one Net vision and strategy and basic capabilities of key Novell products.

- Describe which Novell business and technology solutions meet the needs of sample business situations.

- Sell more complete solutions including Novell products.

Course Content

The *Certified Novell Salesperson Course* helps you understand Novell's one Net vision and strategy, and covers the full range of Novell products and solutions. Here is a breakdown of what is covered in this course:

1. **The Novell Strategy**

   The Novell one Net vision and Novell eDirectory™, our foundation technology, in addition to the Novell Solution Selling Model and Novell Licensing Programs.

2. **Novell exteNd™ (Novell Web Application Development)**

   The Novell exteNd family of advanced Web application development services and how these services can solve key business issues.

3. **Novell Nterprise™ (Novell Resource Management)**

   Novell Resource Management technologies in the Novell Nterprise family of cross-platform services, including ZENworks® for Desktops, Servers, Handhelds and the ZENworks suite.

4. **Novell Nsure™ (Secure Identity Management)**

   Novell security components in the Novell Nsure family and how those components can be used in conjunction with identity management solutions for your customers.

5. **Novell Nterprise (Collaboration)**

   The Novell Nterprise family of cross-platform services solving your customers' collaboration needs with Novell GroupWise® and NetMail™.

6. **Novell Nterprise (Networking Services)**

   Novell technologies in the Novell Nterprise family, Novell NetWare® 6.5 and Novell Small Business Suite 6, that address the business continuity, open source and networking concerns faced by your customers.

MoneyMakers & SolutionSellers

   Quick reference sales tips for key Novell products and solutions.

If You Need to Know More…

Try these Web sites for additional information:

www.novell.com/partners/channel/academy   www.novell.com/licensing

www.novell.com/partners/quicktrain   www.novell.com/channel

www.novell.com/coolsolutions   www.digitalairlines.com

www.novell.com/resourcecenter

The Novell Academy site contains the Certified Novell Salesperson materials and updates. The QuickTrain site contains a wealth of training and sales material on Novell products, including

many that we don't have time to cover in this course. The Cool Solutions site gives you great ideas for additional uses of several Novell products and the Resource Center is a catalog of materials that allow you to search and find just what you are looking for.

The CNS Advantage

We're pleased you've chosen to take this course and earn your Certified Novell Salesperson (CNS) 2004 designation. Becoming a CNS has several advantages, not the least of which is increased sales.

- Being a CNS differentiates you from other account managers.

- Taking the CNS training ensures that you have an understanding of Novell solutions that is consistent with Novell's latest products and strategy.

As a CNS, you become a respected member of a worldwide community of professional sales people. Novell highly values this community and provides benefits directly to you as a CNS. (These benefits vary by region.) A few of the worldwide CNS benefits are listed below:

- A copy of the Novell QuickTrain free of charge

- Special rewards and promotions

For those of you that have earned your CNS in the past and are here for a refresher, welcome back! Over the past six years, many of our participants have upgraded their CNS certification every year to stay up to date on the latest technologies from Novell. We invite you to do the same.

Why Novell?

Many people are looking at their technology partners and asking what the company's plan or strategy is for moving forward. They want to ensure that the partners they choose can help them meet their business goals. As businesses today worry about strategic planning, integration with Web-based technology, network reliability and management, organizational and personal productivity, and staff development, they need an industry provider and integration partner that listens and provides the Net services solutions that they need today.

Change is a constant. Your customers face new challenges in light of the changes underway in today's business and technology environments. The need to keep up with the tremendous growth of the last few years has been replaced with a more introspective approach. Companies are looking inward for ways to streamline operations and to maximize their investments in equipment and software. Novell understands the challenges our joint customers face. We face them, too.

Business Obstacles

Businesses are under enormous pressure to transform technology investments into strategic value. CEOs and other high-level business managers are more aware of the direct relationship between technology and strategic advantage than ever before, so they are getting involved in the decision-making process earlier. Efforts to use technology as a strategic business weapon are not always successful. The latest example, the rush to eBusiness, has resulted in many poorly planned projects, heavy dependence on outside consultants, and a massive IT overspend - $130 billion in the U.S. in the past two years according to a Gartner/Morgan Stanley study. But new business requirements continue to develop at an accelerated pace. These requirements are driving a technology evolution that is transforming traditional technology systems into new, highly sophisticated business solutions. But CIOs have to find ways to meet these new requirements and find ways to do that cost effectively – and under some very difficult conditions.

Business Dilemma

There are many requirements for building the IT systems to support today's businesses. Varied constituents consisting of customers, partners, suppliers and employees—all with their own requirements and system demands—must have access to certain data and backend systems. Not only does everyone want access, but this access must be personalized, facilitate business processes, and support any user using any device. Plus, IT must have the ability to dynamically reconfigure and enhance access to respond rapidly to changing business requirements. Let's consider these systems like Finance, Customer Service, Sales and Marketing. Most of these systems were originally deployed to address departmental needs. They may serve their original purpose well, but most of these "silo" applications don't communicate with each other. They don't adapt well to new business requirements and processes. And they don't take advantage of the Web. But this is where all the data is housed and we must find a way to make the data easier to access and provide integration between this data and the separate audiences.

| Employees | Partners | B2B | Customers |
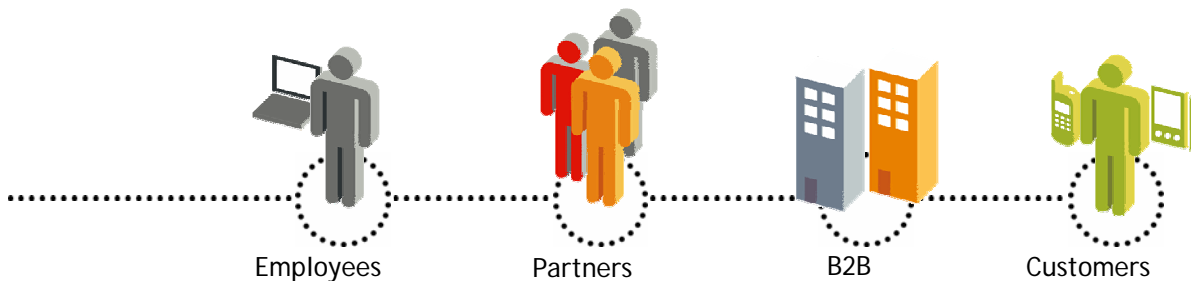
Needs: Speed – Budget – Skills - Standards

These new business requirements are difficult to deal with under the best of circumstances. But three almost universal IT challenges make success even more difficult.

There's never enough time – IT organizations are under constant pressure to deliver advanced applications and business solutions in impossibly short timeframes. This increases the risk that these projects won't deliver the promised benefits. Too often, there is not enough time to do the job right, so IT organizations adopt a "good enough for now strategy" with an appended "fix it later" plan that never sees the light of day.

There's never enough budget – CIOs are being asked to deliver better, more advanced services for less money. There are constant worries that IT investments won't deliver the expected return. In fact, more than 60% of 400 top IT executives reported an increased pressure to prove ROI on IT investments in 2002.

Investment Risk

There's never enough skill – These new business solutions require new standards-based development skills that are often difficult to come by.

Customers are being forced to choose between fast, easy and less expensive proprietary programming options that result in limited, "locked-in" solutions and standards-based solutions that may require more time, more money and new skill sets.
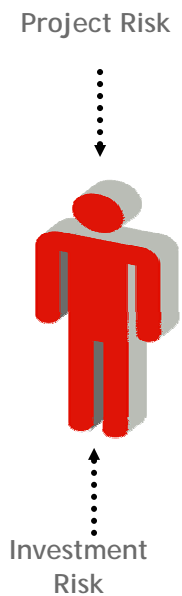
Solution Requirements

So how do we fix the problem? We must create business solutions that:

- Present personalized content and resources in a relevant, meaningful way to everyone who matters to your business - regardless of device or location.

- Leverage the valuable business functions and information built into your existing systems, simplify integration and process management, and add new services that reach across platforms and add value in this new environment.

- Keep those existing assets safe and secure.

IT organizations can't deploy sophisticated solutions that open up existing business systems unless they can be sure those systems won't be compromised. This includes the ability to centrally manage access to all those systems, based on who people are and what you want them to see. This also includes finding ways to make access simpler. Users need to be able to securely login one time, using one username and password, and gain access to all the applications, processes and information they need.

So how can Novell help?

Services-Oriented Architecture

Novell and you can help deliver business solutions that meet all of these evolving, demanding business requirements. A new Services-Oriented Architecture makes it possible to "decouple" functions and information from their limited, single-purpose platforms and integrate them so they can interact with other systems, people and transactions. These functions and information can contribute to new process-driven applications that work across systems and organizational boundaries. We are talking about pulling virtually any information or functionality from any backend system, transforming it into an open, Web-enabled business function, and presenting it in a relevant, meaningful way to anyone who needs it.
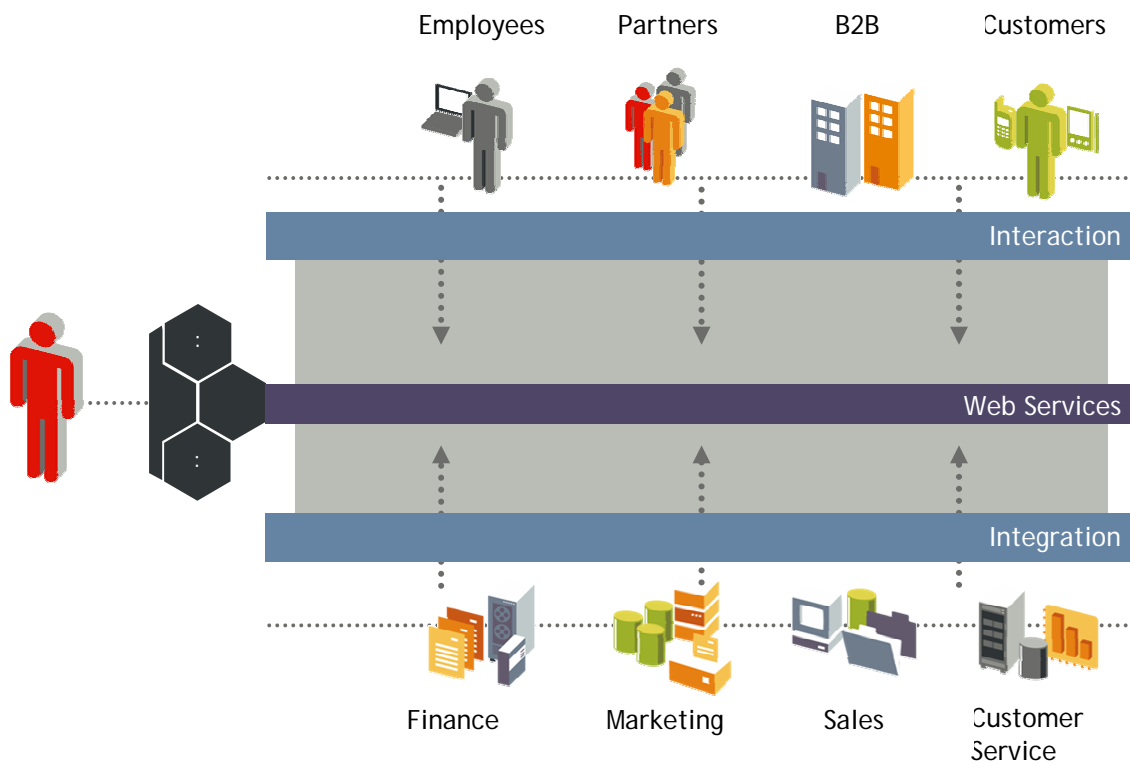
Novell one Net Vision

There are several components that make up Novell's one Net vision.

Novell exteNd – Web Application Development

Novell exteNd is a set of visual tools bringing interaction and integration together. This changes rigid, single-purpose applications into open, flexible, standards-based Web services that can be stored, repurposed and applied to other Services Oriented Applications. This provides the core for the open, agile, process-driven solutions today's businesses demand.

Next, we need to make these resources available to people and present these resources to them in a way that's relevant and logical, without compromising the safety of your systems.

Novell Nsure - Secure Identity Management

To make these resources available, we need to know who those users are, how they relate to your business, and what they need from you. This requires a Secure Identity Management foundation that can manage identities across all the different systems in your organization from one location, safeguard your resources from intruders, and confidently connect all the people with whom you have relationships with the tools they need to work productively and conduct business with your organization.

Novell's Nsure family of solutions provides that foundation – and makes it practical and cost-effective for you to solve your toughest access security and identity management challenges. The Nsure family includes:

- Identity-based provisioning solutions that give new employees faster, automatic access to all of the information and resources they need to be productive from their very first day.

- Directory-based access management solutions that grant people inside or outside your organization safe, controlled access to your corporate resources, so you can build more productive, personalized business relationships with customers, partners and suppliers.

- Single sign-on solutions that allow people to access all the information they need – across many different systems - using a single username and password.

Novell Nterprise - Cross-Platform Services

The next critical piece Novell provides is a set of cross-platform network services that add important networking capabilities and services to today's complex, mixed networking environments. We are working to "decouple" traditional services like print, file, storage and directory and make them available to add value in any environment independent of operating system. If closed, rigid "silo" applications can't meet the demands of today's business environment; neither can closed, rigid networking services.
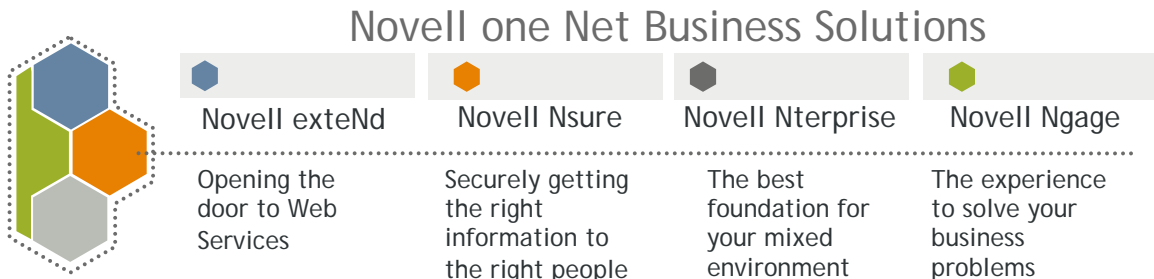
The Nterprise family includes:

- Basic network services – like file, print, messaging, calendaring, etc. – that run on any platform and add value in any networking environment.

- New innovations – like iFolder – that result in network services that work the same way people do. We've built these services to adapt to meet the needs of users, rather than forcing users to adapt to rigid, outdated services.
- Directory-based network management tools and services that allow you to manage your whole mixed environment – including desktops, servers and handheld devices – from a single, central location.

Novell Ngage^SM - Novell Consulting® and Novell Technical Services^SM

Every organization has its own fingerprint – its own unique makeup of processes, business models, organization, strategies, products, customers, partners and technology. In order to maximize that value, these solutions and concepts have to be tailored, adapted and applied to your unique situation. Novell, and our partners, have the deep, broad levels of knowledge and expertise required to help you do that – through an impressive range of business consulting and technical services. Every Novell solution is based on best practices and tailored to meet your needs, solve your unique problems and advance your business objectives.

Novell one Net Business Solutions

Novell exteNd	Novell Nsure	Novell Nterprise	Novell Ngage
Opening the door to Web Services	Securely getting the right information to the right people	The best foundation for your mixed environment	The experience to solve your business problems

Novell Acquires Ximian

We are continuing to expand our Linux solutions and our commitment to open source with the recent acquisition of Ximian. More than ever before, our customers are deploying Linux in their environments. Novell now has expanded Linux offerings including a Linux desktop, groupware and management offerings. "Linux is the fastest growing platform in the market today because it helps customers meet challenges effectively, both from a cost and performance perspective," said Jack Messman chairman and CEO of Novell. Novell is continuing to remove the barriers to Linux adoption in the enterprise.
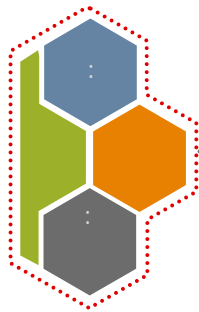
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Novell Story

When you put all these pieces together and look at the complete picture, you can see how Novell's vision for one Net is evolving and coming into focus.

- **Novell exteNd** - Our Services Oriented Architecture, transforms rigid "silo" applications into open, process-driven Web services.

- **Novell Nsure** – Our Secure Identity Management solutions, deliver resources and information based on who people are and what they need.

- **Novell Nterprise** – Our open, innovative cross-platform services, add invaluable capabilities to all kinds of mixed networks.

- **Novell Ngage** - Our proven methodologies and expertise, apply those concepts and capabilities to real business situations.

All of these solution families bring you closer to a world where networks of all types work perfectly together, so they can connect employees, customers, suppliers and partners across organization boundaries – and give them faster, easier and more secure access to all the information and resources they need.

The one Net vision translates directly into business solutions that offer more opportunity, higher ROI and closer, more productive relationships with everyone who matters to your business.

One Net

is information without boundaries
Access anytime, anywhere on any device.

Activity 1-1

1. List the 4 elements of Novell's one Net vision.

    1.

    2.

    3.

    4.

2. What technologies are part of the Novell Nsure family?

3. What is Novell's vision?

Novell eDirectory

A solid directory foundation is key to deploying today's solutions. Novell eDirectory is a centralized identity management system that unifies and enables the management and control of user identities, access privileges and other resources across technology and enterprise boundaries. eDirectory is the infrastructure and foundation for Novell's Net services software. The products and solutions discussed in this course are all managed through Novell eDirectory.

Novell eDirectory is the de facto standard in the industry with over 1.9 billion licenses worldwide. With an average rate of 28 to 30% growth per quarter, eDirectory is the fastest-growing and most widely deployed directory service on the market.

> "Directory services will be critical for the next generation of eBusiness networking because they reduce management costs and increase efficiency."
>
> -- Giga Information Group

The unique strengths of eDirectory make it the only directory service capable of managing user identities across both internal networks and the Internet. Internally, eDirectory creates a management hub for today's complex networks. Whereas Microsoft* Active Directory* is simply a feature of the Windows* operating system, eDirectory supports a wide range of platforms, including NetWare, Windows NT*/2000, Solaris*, Linux and AIX*. Support for just a single operating system only serves to create another management silo, adding to - not solving - the complexity of today's heterogeneous networks.

Novell eDirectory also has the scalability required to meet the demands of managing users and applications on the Internet. It is the only directory service that has demonstrated scalability to more than one billion objects; and it has shown that on both Intel* and UNIX* architectures. For these reasons, eDirectory is at the center of solutions for provisioning, security, extranet access control and network and identity management. It is also why eDirectory was named Network Magazine's product of the year for directory services for the third year in a row. Companies spanning all industries, from healthcare to government to retail, have deployed eDirectory to manage relationships with millions of internal and external users. Those companies have been able to dramatically reduce the cost and complexity of their networks and strengthen security.

> "Novell's directory solution will play a key part in developing new services and the integration of internal systems across the Direction Générale des Impôts (DGI)," explains Bernard Gueux, chief information officer of the DGI. "The decision to use Novell's directory solution was based on our need for a product that met industry standards, was platform independent and reliable in supporting large volumes of data."

Novell Solution Selling

Now that you've learned Novell's Net services strategy, you need to determine how Novell's Net services software can address the challenges facing your customers. To assist you in this task, we'll use a solution-selling approach throughout this course.

But first,

> Have you ever taken a professional sales course? If so, please list the name and the date taken.

> Have you ever taken the same course more than once? Why?

The solution-selling model reintroduces and reviews the basics. Although you may feel you already have a handle on these concepts, reviewing them will sharpen your skills. In fact, some of the best salespeople in the world take a refresher course one or more times per year.

This course also helps distinguish the salesperson as a provider of solutions, not someone who just provides technology. Moreover, the solutions provided in this course address the typical business problems your customers encounter on a day-to-day basis. By understanding these problems, you can move to a higher level in your clients' discussions and, ultimately, in their business.

Answers to Activity 1-1:
1. exteNd, Nsure, Nterprise, Ngage   2. Identity-based provisioning, Directory-based access management, Single sign-on   3. one Net
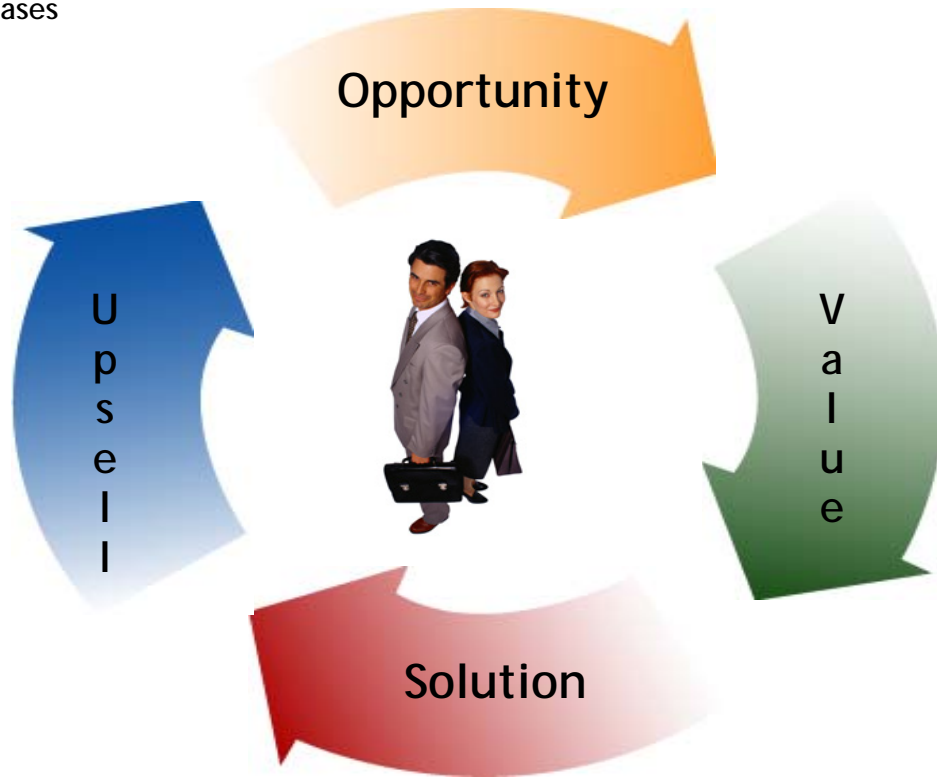
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The Phases

As you can see in the diagram, Novell's solution-selling process is divided into four phases. The lines between those phases are not rigid. In fact, quite often you will find yourself moving between the phases.

We'll talk about each of these phases in the next few pages, but one more question before we move on:

> Who is the figure in the middle? You? The vendor? The distributor? The customer?

If you answered "Customer," you're exactly right. Successful salespeople focus on their customers, not on themselves or the companies they sell for.

The Opportunity Phase

During the Opportunity phase, you are gathering information. You need to ask open-ended questions to get a clearer view of the customer's situation, the customer's issues, and the customer's idea of the solution.

Opportunity

Understand the Client and their Business

Understanding the customer's situation and their business requires that you focus on the customer's background information. Ask open-ended questions so that your customer will elaborate without more prompting. Gathering the client's information at the very beginning facilitates a more successful sales experience. A little background research on the customer on your own also facilitates better understanding of the customer's needs.

Define the Customer's Business Problem

Quite often it is easy to uncover the customer's technical issues. They may not know the exact problem, but they know the symptoms (it's slow, I can't print, etc.). Does the IS manager always know how the technical problem affects the business? If not, you must talk with others who can give you this information. This is also an opportunity to identify the customer's priorities in solving business and technical problems.

Determine Why the Customer Needs to Solve the Problem

Have you ever encountered a customer with an issue that has existed for some time (a few weeks, or even a few months)? If your customer has been working around the problem or living with it, what has changed so that a solution is now required? The customer's answer to this question may indicate more business issues relating to that particular problem.

Present Your Business

It is also important that the customer understand the full services that your organization offers. Many opportunities have been lost because the client didn't realize that the service they were looking for was available from their existing partner.

Now that you have this information, you might be tempted to offer a solution right away. Before you do, though, you should take the time to complete the Value phase.
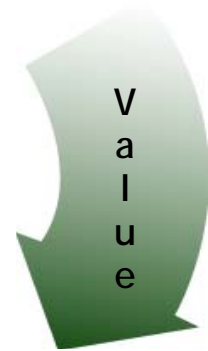
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The Value Phase

During the Value phase, you:

- Measure the cost of the customer's problem
- Establish the value of a solution
- Provide a vision of success

If you take the time to complete this phase, you will be more likely to have success in the Solution phase.

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Measure the Cost of the Problem

Do you ever determine how much the customer's problem costs them? If so, ask yourself why you do this and how it affects your sales process. Quite often your customers don't know or don't realize how much their problem costs them. By obtaining some basic information, you can help them understand how these issues impact their business.

When calculating problem costs, be aware that the numbers *must* come from the customer; otherwise, the customer may not believe the result. In the end, you may not be able to recover the entire costs for the customer, but often, even half is a substantial amount of money. Moreover, the value does not always have to be a monetary amount. Value can also be intangible, such as customer satisfaction or a reputation as a cutting-edge company.

Establish the Value of the Solution

After you measure how much the problem costs the customer in money or time, you can show what the customer could do with that extra money or time. Maybe your customer can make one more sales call per day, handle one more transaction per person, or maintain their place as the technology leader in their field.

Share a Vision of Success

Share with your customers a vision of what the solution could do for their business. Often this starts with, "If you could…" or "Picture in your mind…." Describe what the solution might look like in terms of your customer's business. Remember, you don't mention specific products at this point; this is a description of the business solution.

These are the steps in the Value phase. Now, let's look at a practical example.

Value Examples

Let's look at two practical examples of determining the cost of a problem. Remember that we are focusing on a specific issue that we defined in the Opportunity phase.

Note: Just as a reminder, we're giving you figures here. When you work this through with your customer, you must let them come up with the base numbers so they will trust the final figures as they add up.

First, let's set up the situation and base numbers. In our first example, we have a company with a high turnover rate. Each time an employee leaves, their workstation must be re-imaged before it can be assigned to another employee. On average 10 workstations must be re-imaged and configured each month. On average it takes 4 hours to re-image and configure a workstation. The average loaded salary of the help desk technicians performing these duties is $65 per hour.

Now let's work through what the numbers mean over a year:

4 hours per workstation x 10 workstations per month = 40 hours

40 hours x $65 per hour = $2,700 per month just configuring workstations

This comes to 480 hours or $32,400 over the year just configuring workstations!

Now, share the vision of success with the customer. Ask what would happen if they could find an easy-to-manage solution that would cut their average configuration time to 45 minutes. The customer can easily see that this solution will save them close to 33 hours or $2145 per month or $25,740 over the first year. Furthermore, the IT staff now has time to work on more strategic projects.

Our second example deals with password related costs. The average user has 4 or more passwords. Each time a user forgets their password and must call the help desk to have that password reset costs ~$32. The average user has 4 password related calls per year. Let's see what that means for an organization with 300 employees.

300 users x 4 password calls per year = 1,200 password related calls

1,200 calls x $32 per call = $38,400 per year

A solution that would securely store a user's passwords so they only need to remember one would significantly reduce this number.

Now that we've seen a couple of examples on how to establish the cost of a problem, let's look at how to present a solution.

Novell.

The Solution Phase

Having measured the cost of the problem, you are now ready to recommend a solution. This is the first time that you talk about specific products, product features and services.

Present Your Solution

Present the products and services that make up the solution, but don't forget about all of the issues you already covered! Too often the proposal ends up being a list of part numbers, descriptions, quantities and prices with no connection to the business problems. Frame your solution around the business problems. This will make it more difficult for your customer to eliminate line items or find excuses for not purchasing parts of the proposal.

Also, mention only those features that directly relate to the customer's business problem. There is no need to go into all 1,001 features of the products; focus on the top three to five features that solve the customer's business needs.

Close the Sale

Now is the time to ask for the sale. If you did a good job in the earlier phases, many potential objections should already be eliminated.

To help close the deal, you should be ready to:

- Identify your customer's Return on Investment (ROI)—Costs have already been calculated in the Value phase; now it is just a matter of arithmetic to show a simple ROI. In our example, an imaging solution could save them $25,740 in productivity in the first year.

- Handle your customer's objections—The customer should have fewer objections thanks to your work in the earlier phases, but it is always a good idea to be ready.

- Analyze the competition—Your customer will always have questions about this product versus another product. Have competitive information available to answer questions and move on.

IMPORTANT! The sales process does not end here. Now comes the real money…

The Upsell Phase

Have you ever had the following experience? You walk into an account after your competitor just closed a deal, but he or she forgot to ask a few important questions. You walk away with some high-margin options that your competition left on the table. Does this sound familiar?

Explore Complementary Opportunities

This is where you look for products and services that complement the sale—things that your customer might not have considered or may not know your company can provide. Some examples include remote management services, education, and Internet and intranet design and implementation. If you don't ask your customer, he or she may see an ad in a magazine and make his or her purchases elsewhere!

Define Next Steps

Do you solve all your client's problems with just one sale? Probably not. If you know what your customer's future plans are and you're aware of outstanding issues lower on your customer's priority list, you have your roadmap for the future.

Ask for Referrals

Have you ever had someone advertise for you by telling others what good work you have done for them? Isn't that one of the best forms of advertisement? It is wonderful to have accounts you can use as references. But at the same time, with a little encouragement, your accounts can mention your services to others (both inside and outside their company) who could benefit from your services.
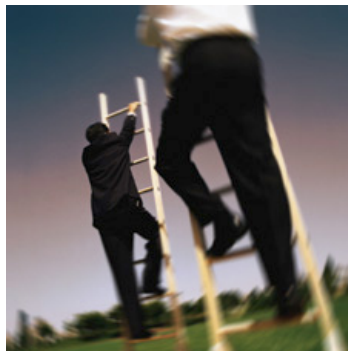
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The Solution Selling Model

Because Novell's solution selling model is cyclical, you just start over again at the beginning with the next sale. However, remember that no two sales are exactly alike. You have to continually revalidate the information you have on an existing account because things change quickly and there may be other influences involved with the next sale. This is true even when you are consistently working with the same people; their jobs, perspectives, or the people they influence may change between sales.

Another important point: we've presented this model as a linear process. It would be nice if sales always happened that way; however, that is not realistic. In reality, you may find yourself entering the model in different phases. While the solution selling model is a good framework to rely on, if a customer calls in a panic because the production server died, we don't expect you to sit back and ask, "So, how is this affecting your business?" Sell the server and come back to the Opportunity phase when appropriate.
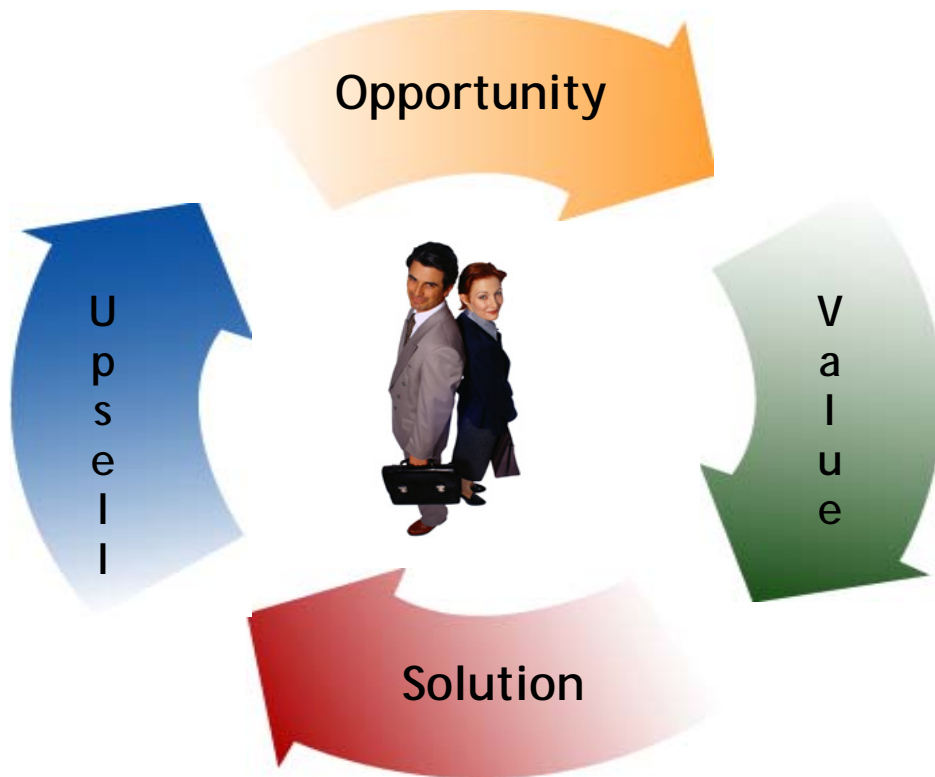
Activity 1-2

Match the activity on the left with the appropriate phase on the right.

_____ 1. Compute the ROI (Return on Investment)

_____ 2. Determine the cost of the problem   **A. Opportunity**

_____ 3. Create a vision of success   **B. Value**

_____ 4. Identify the business problem   **C. Solution**

_____ 5. Ask for referrals   **D. Upsell**

_____ 6. Close the sale

_____ 7. Sell complementary products

_____ 8. Determine the value of the solution

_____ 9. Understand the customer's situation

_____ 10. Define next steps

_____ 11. Present the solution

_____ 12. Handle objections

_____ 13. Determine why the problem needs to be solved

_____ 14. Present a competitive analysis

_____ 15. The phase that comes after you have determined that a problem exists

_____ 16. The phase that precedes the presentation of your solution

_____ 17. The phase in which you show the customer the business (and financial) impact of solving the problem

Novell.

Novell Volume Licensing Programs

Before discussing Novell technologies in detail, it is important to understand how Novell products are sold. All Novell products are sold through the Novell Volume Licensing Program. This section will introduce you to this program, the options available within it, and how to use it to upsell to your customer.

Business Issues

In today's competitive business environment, the entire software ownership experience—from pre-sale, to installation, to upgrade—takes time, affects corporate efficiency and profitability, and can seriously impact a company's business success. The larger and more complex an organization's technology needs become, the more difficult the challenges of managing software resources and services become. A Novell licensing agreement can simplify the process, reduce software management costs and efforts, and allow customers to leverage their buying power throughout the company.

Market Opportunity

Novell licensing can help your customers make the most of their software budgets. Cumulative purchase discounts ensure they receive the best possible price. Licensing options help your customer plan for upgrade expenses or break software into manageable annual fees. You can simplify software licensing for Novell technologies and offer additional services to your customers through Novell licensing.

Licensing Engagement Levels

We know that each customer is unique. We have structured our licensing options to provide ease and flexibility for both you and our joint customers. The Novell Licensing Program uses a single base agreement for our licensing contracts. This base agreement has varying benefits and discounts according to the customer's level of commitment. For ease in communication, these tiered levels of engagement are branded by named categories: the Volume License Agreement (VLA), the Corporate License Agreement (CLA) and the Master License Agreement (MLA). Learn the single, underlying base agreement and become familiar with the slight differences between the different tiers and you will be ready to sell.

- The **Volume License Agreement,** or **VLA,** requires no signed contract to participate. By simply placing an order using the VLA part numbers, you establish a VLA for your customer.

- The **Corporate License Agreement**, or **CLA,** has a higher level of customer commitment, requiring a signed contract and adding self-audit/audit terms to the base agreement. CLA customers generally enjoy higher discounts, as well as additional benefits.

- The **Master License Agreement**, or **MLA,** is identical to the CLA in most terms, but adds Maintenance into the agreement and transfers title of licenses directly to the customer. This course does not go into detail on the MLA. Additional information is available at www.novell.com/licensing.

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All Novell licensing agreements have a term of two years. Both CLA and MLA, which require a signed contract, have automatic renewals. No need to go back through legal approvals to continue receiving contract benefits. This automatic renewal continues until the customer or Novell notifies the other in writing to not renew after a current term ends.

Cumulative Discounts

The initial purchase in the Novell Volume Licensing Program sets the customer's Membership Level and discount. This Membership Level is valid for all locations throughout the entire organization.

The table below shows the current purchase requirements and qualifying Membership Levels. Each product is assigned a Program Point value in the Novell Product Availability and Price List. Program Points are used worldwide to represent buy-in requirements. This allows a consistent buy-in scale regardless of the type of currency used. Generally, one program point equals $10 US. Customers qualify to participate at the VLA level with *any* initial purchase.

Buy-in (Program Points)	Membership Level
0	VLA
2,500	CLA 1
25,000	CLA 2
50,000	CLA 3
50,000 +	MLA

Purchases made through the Novell licensing program are cumulative during the current term of the agreement. If your customer's total purchases exceed the amount required to participate at the next level of the program, the customer can request an adjustment to their Membership Level, allowing the entire organization to benefit from the higher discount. Academic institutions may also qualify for a unique level to their vertical market, the Membership Level 9. See www.novell.com/licensing/ for details on qualification.

Answers to Activity 1-2:
1. C 2. B 3. B 4. A 5. D 6. C 7. D 8. B 9. A 10. D 11. C 12. C 13. A 14. C 15. B 16. B 17. B

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Upgrade Protection

Upgrades are difficult to plan for in the budget process. How many of your customers could have benefited from an upgrade, but didn't have the money in their current budget? Our customers need an inexpensive way to stay up-to-date. **Upgrade Protection** gives them just that. Upgrade Protection gives your customers the right to upgrade to the latest product releases when a new version becomes available. This fee is paid on a product-by-product basis, and can be paid annually or for the entire term of an agreement.

Upgrade Protection is generally less expensive than buying an upgrade. When a new version releases, the customer is automatically licensed to begin using that version. What's more, if more than one revision comes out during the Upgrade Protection coverage period, the customer is entitled to all upgrades at no additional cost. This both saves the customer money on upgrade costs and alleviates unexpected budget issues, because all upgrades are covered up front. Your customers simply request media for new product revisions from Novell at http://www.novell.com/licensing/upgfulfill/.

The rules and processes of Upgrade Protection are outlined below:

- **Annual Upgrade Protection** provides coverage for the Annual Period in which it is purchased. If purchased anytime during the first year of the agreement, coverage is effective until the end of the first Annual Period. If purchased anytime during the second year of the agreement, coverage is effective until the end of the second Annual Period.

- **Full-Term Upgrade Protection** provides Upgrade Protection coverage for the entire term of the agreement. Coverage is effective until the end of the current term, regardless of when it is purchased.

- Upgrade Protection is set according to the agreement term and Annual Period dates. It is *not* prorated.

- Upgrade Protection is available for purchase only on the most current version of a Novell product. If a customer owns an older version of a product, Upgrade Protection can be added after purchasing an upgrade license.

- When covering a product under Upgrade Protection, all licenses of that product must be covered, including those owned prior to the agreement.
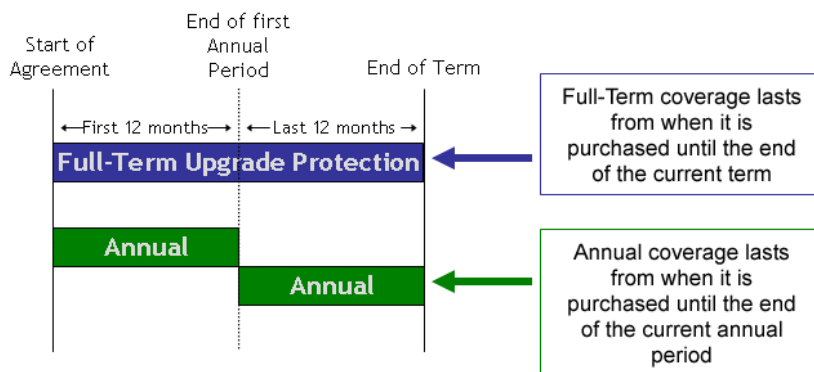
Worldwide Availability

All divisions, subsidiaries and worldwide affiliates have the flexibility to make individual purchasing, partner and licensing choices while leveraging the parent company's Membership Level. Once a company has purchased under the VLA program, they can simply share that VLA number with all other subsidiaries or divisions worldwide, who can then use that number to purchase from any Novell partner.

In the CLA program, subsidiaries just sign an Application Form to the existing CLA. This essentially gives them their own CLA, but links them to the parent CLA for purposes of Membership Level and agreement dates. Each subsidiary or division that signs an Application Form will be given its own unique agreement number, allowing them to choose their own options and purchase separately. Subsidiaries can participate in an existing CLA by making only a $5,000 US (500 Program Point) initial purchase, before discount.

> *Example:* Company XYZ signed a CLA with a $250,000 US purchase (25,000 points), qualifying them for a CLA Level 2. A subsidiary of XYZ can sign an Application Form with a $5,000 US (500 point) purchase and also enjoy the Level 2 discount. What's more, the purchases of all subsidiaries add up to help reach higher levels, which help the entire organization qualify for better discounts!

Software Subscription

Customers have the option to pay for their product usage annually rather than buying perpetual licenses. This reduces their up-front costs, allowing them to spread out their software expenditures into annual fees rather than paying the entire cost of a new license at once. In addition, some customers may recognize accounting benefits reporting the annual software subscription fees as a business expense rather than a depreciating capital asset.

By subscribing to Novell licenses, customers easily budget their annual software expenses. The organization only pays once per year, and may increase the number of users at their site up to 10% during an annual period without the need to purchase more licenses. Each year, they just recount their total users and pay their annual subscription fee. Counting is simple, and self-compliance for the customer becomes much easier.

Software Subscription is an option added to the Novell Volume Licensing Program. The subscription quantity equals the total number of authorized users. Specific options are available for the academic vertical markets which allow counting by full-time enrollment, students and workstations, as well as a different pricing structure. Software Subscription is not for every customer, but it is an excellent way for some customers to stabilize their software budgets and simplify administration.

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Product Media and Deliverables

Novell provides Software Media Kits in electronic, downloadable format to allow the customer immediate access to their software once their order has been processed. Customers are simply sent an e-mail confirmation of their order and an internet location where they can download their software. This saves on shipping time and expenses, and allows the customer to access the software at their convenience. An online tool also allows the customer to track what they have downloaded.

Physical media kits are also available for customers who do not want the electronic versions. Whether ordering electronic or physical media, customers must include their request for Software Media Kits in their purchase orders with the product licenses.

In the CLA and MLA, customers can install additional users from their media kits at the same time they order the licenses. This flexibility helps prevent customers from suddenly finding themselves at their license limit and having to wait for an order to be processed to get their business back on track. They can add the users immediately and then pay for the additional licenses. As a safeguard, CLA and MLA customers are required to submit a self-audit every year to Novell to help make sure their licensing is accurate.

Past Version Rights

CLA and MLA customers purchasing products licensed as "& Prior" in the "Product Availability & Price List" have the option to purchase current licenses of a product but use older revisions. *For example a customer with a GroupWise 6.5 license may opt to deploy GroupWise 6.0 software until they are ready to begin using the latest version.* Some of the benefits of past version rights are:

- **Flexibility** - Customers can choose which version of the product they would like to install, yet still be licensed to use a lower version for 3rd party software needs, etc.

- **Lower Costs** - The customer is already licensed for the latest revision so there is no upgrade charge when they are ready to transition to the new version.

- **Latest License Terms** - Although a customer may be using a prior version of a product, licensing for an individual product is determined by the version the customer owns. For instance, a customer licensed on NetWare 6.x (which is licensed by user), but deploying NetWare 5.1 (licensed by server-connection), would determine its licensing by user.

Other Program Benefits

A number of other benefits exist in the Novell Volume Licensing Program. As mentioned earlier, these may vary according to the customer's level of engagement. Some of these benefits are:

- **Premium Services.** Novell Technical Services allows customers the flexibility to build the customized support package that best meets their support needs and to maximize the value they receive from their Novell software investments. VLA/CLA customers receive a 5% suggested discount on these services, and MLA customers receive a 10% discount. When sold through the Novell Volume Licensing Programs, partners receive a commission on the sale of Novell Premium Services.

- **Novell Consulting Services.** Novell can deliver world-class solutions based on an innovative, business-aware, and client-focused approach with our Consulting Services. CLA customers receive a 5% discount from these services, and MLA customers gain a 10% discount. When sold through the Novell Volume Licensing Programs, partners receive a commission on the sale of Novell Consulting Services.

- **Novell Software Evaluation Library™ (NSEL).** CLA and MLA customers receive a free subscription to the NSEL, a package of Novell product CDs, both shipping and Beta, which they can install for evaluation purposes. Each customer receives one per contract (does not include Application Forms or Membership Locations).

- **Novell Support Resource Library™.** CLA and MLA customers receive a free subscription to a resource of technical support solutions to help their IS&T departments maintain their Novell software. As with the NSEL, each customer is granted one free subscription per contract. Additional subscriptions are available at the customer's discount.

- **Novell DeveloperNet®.** The Novell premier program for developers, DeveloperNet, provides everything a customer's internal developers need to build advanced applications and solutions for their company. MLA and CLA customers can purchase DeveloperNet subscriptions at their Membership Level discount. The subscription provides the products, tools, information and support corporate developers need to do their jobs even better.

Licensing agreements are an excellent reason to visit with customers and get a feel for new opportunities. If they don't have a Novell licensing agreement, meet with them and see if they qualify. Show them the benefits of licensing membership, including the discounts and options available. If they already have a Novell licensing contract, find out what level the agreement is at, and how far they have to go to move up to the next level or licensing program. Find out if the entire company is taking advantage of the license and how much more buy-in power could be amassed if every department participated. Once one or more locations are participating, it becomes much easier to pull other subsidiaries into the licensing agreement.

Beyond the fixed nature of licensing agreements, don't forget the hidden opportunities: people changing platforms, companies reworking their networking strategies, businesses changing their own focus to include Web opportunities. These are opportunities Novell licensing can help you take advantage of.

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Activity 1 - 3

1. Your customer is three months into their new agreement. They are using GroupWise and will want to upgrade to the next version releasing within the next 12 to 18 months. Which option should they purchase?
   A. Annual Upgrade Protection
   B. Full-Term Upgrade Protection
   C. Software Subscription
   D. Volume License Agreement

2. Which of the following is *NOT* true about Upgrade Protection?
   A. A product must be on the latest version first before adding Upgrade Protection.
   B. It is prorated by the number of months left.
   C. It grants the latest version of a product when it releases.
   D. It is based on the term or Annual Periods of the agreement.

3. Your customer's solution requires four Novell products. Their budget does not allow them to purchase all the necessary licenses up front. What potential solution could you offer them?
   A. Software Subscription
   B. Upgrade Protection
   C. Premium Services
   D. Novell DeveloperNet

4. You discover that your customer has a sister-company with a CLA already in place. Your customer is ready to place an order with you for $7,000 US (700 Program Points). What would be their best option?
   A. Purchase under the VLA tier
   B. Have them submit an Application Form for the CLA with their sister-company
   C. Sign up under the Software Subscription program

5. How does a customer request their product media?
   A. It is automatically sent with every product ordered.
   B. They include it on their purchase order.
   C. They send a Media Request Form to Novell.

6. Your customer is purchasing products and services equaling 30,000 total points or $300,000. What Membership Level does that qualify them for?
   A. VLA
   B. CLA 1
   C. CLA 2
   D. MLA

7. True or False, partners can resell Novell Premium Services and Novell Consulting Services through the Novell Licensing Programs.
   A. True
   B. False

8. Under the Software Subscription, the customer has the right to use the product…

   A. Until they terminate their Software Subscription option.
   B. Indefinitely.
   C. Until the next version release.
   D. For two years.

Building Solutions with Novell technologies
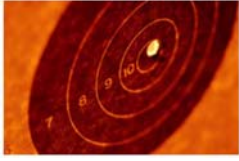
As you think about Novell's strategy and selling business solutions to your customers, it should be obvious that the complete solution comes from multiple hardware and software vendors. The solution isn't complete until your integration, support and maintenance services are added to the puzzle. You can customize many types of solutions for your customers. We will look at several examples throughout this course.

Well, you've made it through Module 1. In the next five sections, we'll introduce the Novell products that will help you fulfill the one Net vision for your customers and build the solutions we've just talked about.

Answers to Activity 1-3:
1. B 2. B 3. A 4. B 5. B 6. C 7. A 8. A

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