

COMPLEMENTARY SOLUTIONS PROGRAM

CARDINAL LEVEL

Highlights and Overview • Rev 3.0

Objectives of the Cardinal Level

At this level of CSP, PSC becomes a Value-Added Reseller (VAR) of the thirdparty product or technology. The thirdparty solution is marketed by PSC under its original brand name as a component of a greater PSC solution. Integrating both such that the total solution is relatively unique and can be obtained only from PSC augments the value of both the PSC and thirdparty solution. In addition to sales and marketing, PSC provides a complete range of support and consulting services for the thirdparty solution. In most respects, the product(s) of a Cardinal Partner is treated by PSC in a manner similar to PSC's own products. Because of the costs and risks associated with this program, PSC is very selective about Cardinal Partners who must satisfy many criteria and demonstrate significant, long-range commitment to PSC.

Benefits to PSC

1. Meet customer demand for a total, integrated solution by selling and supporting superior products in tier 1 (highest customer priority) technology categories.
2. Generate incremental revenue and profits from PSC customer base, without a significant investment in development time and cost.
3. Leverage the Partner's market reputation and promotional efforts, while offering a total solution value that is unique to PSC.
4. Provide a single source of sales and support to customers for a more complete solution.

Benefits to Cardinal Partner

1. Increased revenue and market reach via PSC distribution organizations.
2. First-line sales and support services from PSC.
3. Endorsement and extensive, long-range commitment from PSC.

Program Highlights

Cardinal Partners enjoy the following benefits:

Sales, sales support	All PSC distribution channels; on PSC price list
Production and shipping	Product inventoried, shipped by PSC; may be re-packaged
Maintenance, first level tech support	PSC maintenance contracts to customers
Customer training and courseware	Enhanced and delivered by PSC
Documentation	Enhanced by PSC
PSC consulting services	Available to customers; 50% off to Partner
Internal PSC training (sales, support, etc.)	Developed, delivered by PSC
PSC training services for Partner	No charge for public courses (based on availability)
PSC development resources	Tech liaison, and co-development of integration value-add
Testing/QA by PSC	Assistance in integration, QA, and bug fix testing; test criteria
Beta testing	Inclusion in beta tests of PSC releases
PSC marketing programs	Incorporated in all basic marketing, as other PSC products
Co-marketing initiatives	Additional direct marketing costs shared with Partner
Advertising in Profiles Magazine	No charge, with PSC approval
PSC event participation	No charge on basic level exhibits and sponsorships

Cardinal Partners assume the following responsibilities:

Performance Validation	Test and certify compatibility, quality, and performance of integrated solution, in writing, based on PSC criteria
Testing/bug fixes	On-going fixes, QA of each release, based on PSC priorities
Production	Supply basic product kits, packaging
Sales support	Second-line sales support escalations
Tech support	Second/third-line tech support escalations
Customer training courseware	Supply basic courses for PSC enhancement
Documentation and white papers	Supply basic documentation for PSC enhancement
Sales kit and information	Supply basic material for PSC enhancement
Consulting services to PSC	Negotiated discount; services may be remarketed by PSC
Internal PSC training	Provide train-the-trainer courses (both sales and technical)
Product development	Co-development of integration value-add
Co-marketing initiatives	Certain direct marketing program costs shared with PSC
Web Site Presence and Link	Partner will publish info on its Web site and link to PSC site

Basic Vendor Qualifications for Cardinal Program

1. Tier 1 product category (highest and broadest customer need; strategic interest to PSC).
2. Best technical solution, or among top three in market share, for product category.
3. Commercial-ready (fully released) product, with reference sites.
4. In business at least five years, profitable at least two years, minimum 50 employees.
5. Growth and profitability projected for next three years (as assessed by PSC).
6. Experience in VAR relations; developed VAR support program.
7. Projected to generate a rate of return consistent with goals of Product Unit in general, or help to exceed Product Unit revenue goals for other PSC products (“pull-through”) while generating a net profit (at least minimal) from the thirdparty product itself.
8. Agree to royalties that permit reasonable profit within the normal discounting and commission structure of PSC and its multi-tier distribution network.
9. Reasonable guarantees by Partner of minimal channel conflict. No conflict with any other PSC product, nor any other PSC Cardinal or Mosaic Partner.
10. Commitment of reasonable sales support, technical support, training, documentation, development, and marketing resources to its relationship with PSC.
11. Conformance to PSC release cycles and sensitivity to PSC product fix/enhancement priorities.
12. Commitment to long-term relationship (easily renewable, multi-year contracts).
13. Acceptance of responsibilities noted previously.