

Selling Lenovo Services for Personal Systems

Frequently Asked Questions

In early December, IBM announced an agreement under which Lenovo Group will acquire IBM's Personal Computing Division. IBM is not out of the PC business... they will have a long term alliance with Lenovo. This new alliance with Lenovo will ensure continuity in delivering best-of-class PCs, service, support and financing. IBM and the new Lenovo are committed to work together as one, integrated team to meet your needs.

IBM will have a 13% stakeholder share in the new company whose headquarters will be in Armonk, NY, and will be headed by Steve Ward, previously senior vice president & general manager, IBM Personal Systems Group. Not only will IBM branded products continue, but 19,000 IBM engineers and others have joined Lenovo.

The reason clients choose IBM PC products should be strengthened by this announcement.

- IBM/Lenovo PC products will become even more competitive in the future
- IBM technology and innovation will be inside future products
- IBM sales service, & financing continues on present and future products
- The future of these products is brighter than ever!!!!

We hope these frequently asked questions will answer many of the concerns you have about selling services in this new environment, but if not, please contact Lisa Bigioni, National Sales Specialist for ThinkAccessories and ThinkPlus Services, at (905) 316-3041 or via email at lbigioni@ca.lenovo.com.

General Questions:

Q. Will Lenovo sell warranty and maintenance upgrades?

A. Yes, Lenovo will sell warranty and maintenance upgrades under the name ThinkPlus, rather than IBM ServicePac or HelpWare by IBM. Lenovo will provide ThinkPlus Maintenance and Warranty Services for machines sold on or after May 1, 2005. IBM will sell IBM ServicePac offerings for products sold by IBM prior to May 1, 2005.

Q. Will Lenovo ThinkPlus services be similar to the current IBM ServicePac and HelpWare offerings for PCs, monitors and mobile products?

A. Lenovo will offer the same services, via Lenovo part-numbered offerings. No price changes from ServicePac pricing will be made at the time of the announcement. Where offerings existed as HelpWare offerings only, the corresponding ThinkPlus offering will mirror the HelpWare pricing.

Q. Will IBM lead with Lenovo ThinkPlus services for PC products?

A. Yes, IBM will lead with Lenovo offerings but, may continue to sell an IBM ServicePac for machines sold by IBM before May 1, 2005, or as an exception, upon request, to meet existing client commitments.

Q. If one purchases an IBM PC, monitor or mobile product prior to May 1, 2005, will Lenovo offer warranty service upgrades for these products?

A. An IBM ServicePac should be sold on machines sold by IBM before May 1, 2005. Products purchased on or after May 1, 2005, will require a Lenovo ThinkPlus service.

Q. Who will provide support to clients who purchased an IBM ServicePac before May 1, 2005?

A. IBM Global Services will continue to support clients who purchased an IBM ServicePac. Where clients purchased HelpWare by IBM, those clients may continue to chose a Lenovo Service Authorized Business Partner to perform the service work.

Q. Who will service the Lenovo ThinkPlus service offerings?

A. IBM Global Services will provide service for the majority of the Lenovo offerings. Clients may also chose to have a Lenovo Service Authorized Business Partner provide the service.

Q. IBM offers a ServicePac for IBM Maintenance Services. Will Lenovo offer the same maintenance agreements?

A. Yes, Lenovo will provide ThinkPlus Maintenance Services using the same service delivery channels used for the IBM Maintenance Services today. When a prepackaged, post-warranty maintenance agreement is being purchased for IBM products (machines sold prior to May 1, 2005) an IBM Maintenance ServicePac is required, and for Lenovo products (machines sold beginning May 1, 2005) a ThinkPlus Maintenance Service offering is required.

Q. Will IBM continue to sell ServicePac offerings that compete with Lenovo Service offerings?

A. IBM does not intend to compete with Lenovo on PC, monitor and mobile offerings and will withdraw, shortly after the transition, any ServicePac for ThinkPad, ThinkCentre, and ThinkVision products that competes with a Lenovo service. IBM will continue to offer ServicePac offerings for other platforms, such as xSeries, storage products, retail store systems and printers.

Q. Will Lenovo assume responsibility for existing IBM maintenance agreements?

A. Lenovo will not assume responsibility for existing IBM maintenance agreements. IBM continues to be responsible for machines under their maintenance contracts, or any other IBM contract.

Q. What client information will IBM and Lenovo share after April 30?

A. IBM and Lenovo will have a cooperative selling arrangement, which includes joint account planning. Lenovo will honor all confidentiality agreements signed by IBM clients.

Q. What will happen to open orders and open A/R for our clients after April 30?

A. Effective with the close of the agreement in each country, open orders and A/R will be transferred to Lenovo.

Sales and Marketing Questions:

Q. Who will be my sales contact for ThinkPlus offerings?

A. Your Lenovo Sales Representative will be your sales contact for PC Products and Services including the ThinkPlus offerings. As well, your existing IBM Global Services sales representative will continue to be your contact in the Lenovo organization.

Q. What do I need to do to ensure that my clients can order new products after the agreement closes?

A. Current client contracts will be assigned to Lenovo to allow Lenovo to continue working with these existing contracts. New clients will sign a new client agreement with Lenovo. In addition, a new client number will be assigned to each client for the purpose of ordering PC's. Both processes – to assign the client agreement and to assign a new client number - are being organized by worldwide implementation teams, who will communicate any specific actions needed by the sales reps, in the coming weeks.

Q. What changes should my client expect in the way products are ordered?

A. There should be minimal changes to the ordering process. The ordering systems and people involved in the ordering process are generally not changing. New client numbers will be provided to you for your clients, and new bank accounts will be established for payments. Further details will follow.

Q. What changes should my client expect in invoicing and payment processes?

A. Effective with the close of the sale of PCD to Lenovo within each country, clients will be invoiced by Lenovo and will remit payment to Lenovo. This is true for those clients whose existing purchase contract is assigned to Lenovo, or for new agreements signed with Lenovo. New bank accounts will be established for payments.

Q. What will happen after April 30 to warranty and service support for PC products purchased from IBM prior to April 30?

A. There will be no change, all existing service options will continue to be serviced in the same fashion. All service support will be delivered by IBM, or the Service Authorized Business Partner of your customers choice.

Q. What will the contact number be for service and support of the Lenovo ThinkPlus?

A. The IBM numbers remain the same: 1-800-IBM-SERV (1-800-426-7378) and 1-800-565-3344. Both teams answering these calls will be able to support the Lenovo ThinkPlus offerings.

Q. What will happen to our relationships with our current Business Partners?

A. Lenovo will have a business relationship with current PCD Business Partners. The Business Partner's contract relative to the purchase of PC's will be assigned over to Lenovo effective with close of the IBM-Lenovo PCD sale.

Distributor and Reseller Questions:

Q. How will the coverage model for distributors and resellers change?

A. Coverage resources for distributors and resellers have been identified and will become part of the new Lenovo. The new roles are being communicated to those sales resources and to their resellers.

Q. Will I need new part numbers for the Lenovo ThinkPlus services?

A. Lenovo will have unique part numbers for each ThinkPlus service that corresponds to the IBM ServicePac for Warranty and Maintenance Options, and the HelpWare by IBM Service plans. The part numbers can be found in Announcement Letter #605-012. For you convenience a cross-reference of these part numbers will be sent to each reseller on or about April 28, 2005. This file will be available one-time only.

Q. Will IBM Business Partners be able to sell both ThinkPlus and ServicePac services?

A. Beginning on the day of transition from IBM to Lenovo, IBM Business Partners will be able to sell both IBM and Lenovo services. HelpWare by IBM will be withdrawn very shortly after transition. The IBM ServicePac for Warranty and Maintenance Options will be withdrawn over time. In the interim, resellers should sell the Lenovo ThinkPlus services on the machines sold on or after May 1, 2005 and the IBM ServicePac for the those machines sold prior to May 1, 2005. Most new sales will require Lenovo ThinkPlus services, and resellers will have to make the transition as quickly as possible to maintain continuity of upgrade coverage for their clients.

Q. How will I get the Lenovo part numbers that I need?

A. The Lenovo part numbers are included in Lenovo Announcement Letter entitled, ThinkPlus Warranty and Maintenance Options, dated May 2, 2005. In addition, distributors and resellers will each receive one copy of a Microsoft® Excel file containing a cross-reference of the IBM and Lenovo part numbers. This file will not be maintained or available in the future.

Q. How will Lenovo handle BP reporting?

A. Lenovo will use standard EDI reporting of ThinkPlus services.

Q. Do I need separate dealer profiles for IBM and Lenovo to place orders using EDI and PartnerCommerce or can I use the IBM dealer profile when working with Lenovo?

A. Yes, you do need separate dealer profiles for IBM and Lenovo. Send a note to thinkpls@us.ibm.com for each new Lenovo customer number used to order Lenovo ThinkPlus services. Include the contact name, phone number, and e-mail address of the person who will receive ThinkPlus order confirmation e-mails.

Q. Do I need special passwords or access to order Lenovo ThinkPlus through the Lenovo SAP tool?

A. Distributors and authorized resellers may continue to order through PartnerCommerce or EDI and will not need separate authorization to use either system.

Fulfillment/ Entitlement Questions:

Q. How would a client who has an IBM xSeries product and a Lenovo PC order warranty service upgrades if IBM has withdrawn the ServicePac for the PC?

A. The IBM ServicePac for xSeries warranty service upgrades will be ordered through IBM. ThinkPlus Services will have to be ordered from Lenovo.

Q. When will IBM withdraw IBM ServicePac services for PCs, monitors and mobile devices?

A. It is expected that since most of the offering sales will be on Lenovo products at the time of purchase, the IBM ServicePac for Warranty and Maintenance Options (WAMO) for PCs, monitors and mobile devices will be withdrawn sometime in the second half of 2005. The new ThinkPlus Services for Warranty and Maintenance Options are to be sold on Lenovo machines sold after April 30, 2005. The ServicePac for IBM Maintenance Services will not be withdrawn at that time since it will continue to be sold on IBM machines, providing post-warranty maintenance.

Q. If, after May 1, 2005, IBM Direct receives a request for a warranty service upgrade, what should the sales rep do?

A. If the machine was purchased prior to May 1, 2005 then the client should purchase an IBM ServicePac. If the machine was purchased after May 1, 2005, the client should be referred to Lenovo to purchase a ThinkPlus warranty upgrade.

Q. Do I order Lenovo ThinkPlus services using the same customer numbers, or do I need to obtain new customer numbers?

A. New Lenovo customer number(s) will be required to order ThinkPlus services. All Distributors and Resellers ordering via EDI or PartnerCommerce should check with their IGS and Lenovo channel sales representatives to verify that the required customer numbers will be available.

Q. Will the new eServicePac registration process be used for ThinkPlus also?

A. Yes, the streamlined registration will also be used for ThinkPlus and will result in easier registration and faster entitlement for these services.

Q. What information will be needed to register a ServicePac or ThinkPlus using this new registration process?

A. The information needed will include a registration request that will be sent to clients via email. The request will be sent by IBM or by the client's reseller if IBM does not have the client's email address. The registration request will include the link to the registration site and the necessary authorization number and PIN code.

Other information needed includes:

- o Machine type and model*
- o Machine serial number*
- o Date of equipment purchase*
- o Name (end client)*
- o Address (end client)*
- o Telephone number (end client)*

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