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Veloxum *focus*

THE NEWSLETTER FOR VELOXUM RESELLERS,
PARTNERS, AND INTEGRATORS

New Year - New and Improved Offerings

As world leader at optimizing both physical and virtual server settings, Veloxum also strives to optimize its own offerings. With the new year we introduce a new version and focus on our Server Optimization Service

Veloxum recently released version 3.0. The latest additions were added based upon the requests of several key customers:

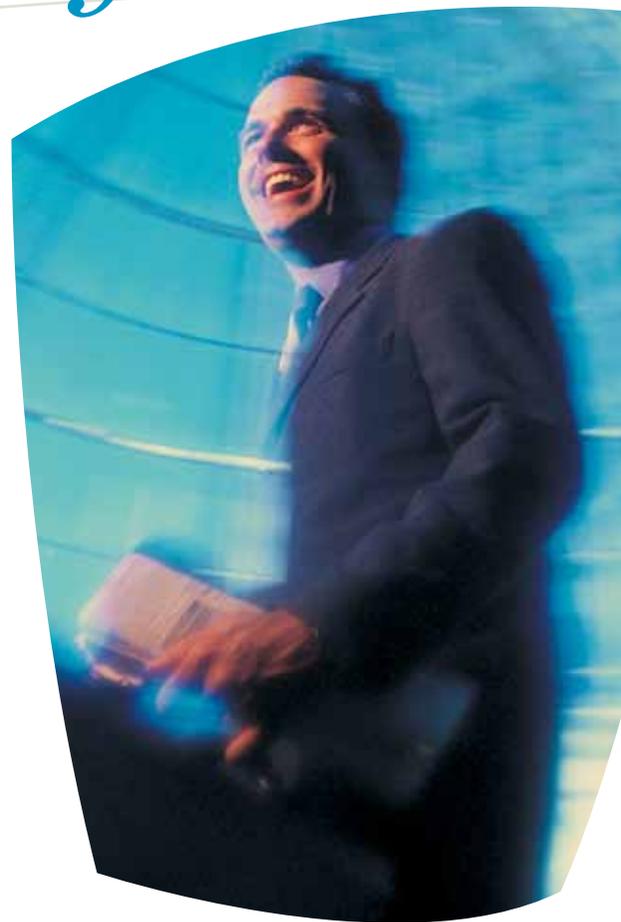
1. Business Hour Reporting
2. VDI 'Sessions' Optimizations
3. QLogic Fibre card Optimization
4. Command line options for vCPU and vMemory provisioning and reporting
5. Automated VMware snapshot management
6. Updated Linux-based optimization

Current or prospective customers can access the new version by simply using the links in the Veloxum Quick Start Guide.

The fourth quarter also saw the roll-out and first sales of Veloxum's *Server Optimization Service* (SOS). The offering provides businesses with a "quick-fix" to server performance problems by engaging them using Veloxum certified technicians to speed problem resolution.

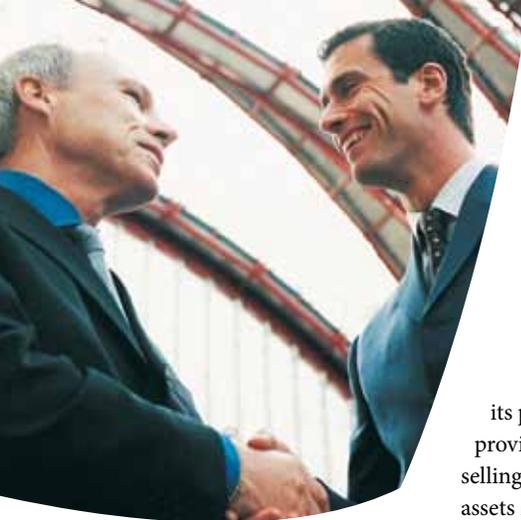
You can learn more about Veloxum's SOS on the Veloxum site's Services page, which includes a new case study, or the Resources page, which contains the SOS data-sheet.

The latest price list contains information on SOS pricing. Partners who sell SOS receive both software and service commissions.



MARKET: WHO'S BUYING NOW

We are proud to announce that Veloxum signed five new recurring revenue accounts in December. These include the Taiwan Bureau of Labor Insurance, Taiwan Railway Administration, Watermark Retirement Communities, Copperstate Medical Associates, and Kalil and Co. The Watermark engagement was Veloxum's first SOS sale and provided a fantastic reference. Their users also provided a great quote: "the speed from 'slow' to 'Wow!'" (You can find a case study of the Watermark engagement on the Veloxum website's Services page.)



Getting the Most from Your Veloxum Partnership

If you want to succeed in selling Veloxum products and services, you should always make your first stop the Veloxum Partner Portal (VPP)

its partners up-to-date, and provide them with a complete selling methodology and all assets necessary to sell Veloxum products and services. You owe it to yourself to keep up to date on the VPP and its contents.

Veloxum partners receive access to the VPP as part of their sales enablement process. All sales and marketing representatives for partner companies can utilize it. However, each representative must first register

Whenever Veloxum creates or updates new marketing materials, those with an RSS feed to the Partner Portal are the first to know.

on the Veloxum website for an account and then send email to chris@veloxum.com to complete the registration process.

For more information on the VPP, contact your company's marketing department for a copy

of the Veloxum Partner Success Guide. Within it, you will find complete instructions on creating an account, accessing the VPP, and creating an automatic update notification (a.k.a., an RSS feed) so that you receive notice whenever any of the assets within the VPP change. Do it today.

When is the last time you accessed the Veloxum Partner Portal (VPP)? If you have not stopped by recently, you are missing out on valuable new partner resources. In the month of December alone Veloxum created or updated the following:

- Software Manual v3.0.1
- Server Optimization Service Data Sheet and Case Study
- Veloxum Price List

Veloxum created the VPP to keep

SMARTER SELLING: Product vs. Service



The question is not product *or* service, but - in a majority of cases - product *and* service.

The reason is simple, in many IT organizations with server performance problems, those tasked with solving the issue often do not understand how to go about solving it, let alone how to use a product to get to its root-cause.

Veloxum's experience is that a majority of potential customers often cannot succeed with Veloxum's software on their own. This is not because the product is hard to use, but because they do not possess the specialized skills necessary to effectively form a success plan.

Veloxum created its Server Optimization Service (SOS) to solve a potential customers' "knowledge gap". It gets them to a position where they can both solve their server performance challenges and learn how to maintain the newly gained performance with Veloxum's software.

For partners it provides an opportunity to sell both a product and a service, all while creating a recurring revenue stream both for themselves and their sales organization.

"Solve a problem; leave the software behind; gain a recurring revenue stream." Every Veloxum partner should make this their selling mantra.

CEO's Corner: From the Desk of Kevin Cornell



Over the past three years as we evaluated and entered the server optimization marketplace we found a few basic tenets to be true. These are:

- 1) IT professionals are being pressured to do more with less \$\$'s
- 2) VMware delivers on its ability to improve utilization, but does so at a cost to performance
- 3) Virtualized or not, all servers face some issue(s) that are impeding performance and throughput

What does this mean? It means that what we provide - the ability to quickly tune servers for higher performance - is more relevant than ever.

In December we refocused our offering to make evaluation and purchase a great deal easier by focusing on lower cost of entry via

fixed-term licensing. Why? Because, based on the points above, we think everyone who is using a server needs our application. We wanted to make it easy to get. This belief caused us to change our approach from a one-time sales structure to a volume-based, recurring revenue model.

In December we saw the first results from this change. We added five new clients; a couple of them are large and a couple are small. The small accounts will probably remain small, but the large clients give us great opportunities for additional sales in the near future. Either way, the recurring revenue generated by these clients makes cash-flow more consistent for everyone.

The recurring revenue option does come with a caveat for the

customer. While the entry cost is much lower, so it's an easier purchase, the software is rented, not sold. That means the customer purchases the ability to automatically optimize their servers for a specific period of time. When the time is up, should they not re-up their rental agreement, the server settings revert back to the original configurations. If they start hearing performance complaints again, you'll get a call. If not, then you won't. So far, we're running 100% on the extension requests. I like to think that this is a good model for all involved.

Good luck in your selling effort this year. Remember, all of your customers are struggling with problems that we can resolve quickly and permanently. Give them a call and do them a favor.