



Xandros Partner Information Kit

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1 Introduction – Profitable Partnership

The Xandros Partner Program is designed to enable reseller partners to cash in on the global success of Linux™ and differentiate themselves in the marketplace. Xandros provides resellers with award-winning products which enable them to easily deliver the benefits of Linux to their customers. The Partner Program offers a formula for quickly reaching profitability through high margins on unique products and distinguished support that meet unfulfilled needs in a rapidly growing market. The Xandros Partner Program empowers partners with sales and marketing materials, support, lead generation and training.

Xandros Value – Linux Power

As Windows® loyalty and stickiness has begun to dissolve within the global software market, Linux continues to gain momentum and global success, specifically in the B2B marketplace. This accelerating trend is fueled by Linux software being both less expensive and significantly more secure and stable than Windows. However, while Linux has saved businesses millions of dollars by preventing catastrophic data loss from costly system crashes, most businesses have essentially been unable to adopt Linux due to the significant financial investment required in training, support and additional resources ...UNTIL NOW

Xandros publishes a complete line of business operating system software that delivers the benefits of Linux – power, security, reliability, and flexibility – to all businesses, regardless of size, existing infrastructure, resources or expertise. Xandros provides this value by eliminating the barriers to Linux adoption including technology complexity, the need for Linux-specific training and resources, incompatibility with existing Windows infrastructure, and the prohibitive costs of adoption and support. Xandros products deliver unrivaled ease-of-use through a powerful, Windows-like graphical environment, intuitive step-by-step wizards, workflow automation and other revolutionary design that significantly reduce complexity and the need for Linux-specific skill sets, without compromising functionality. Xandros products are designed to co-exist with Windows products, delivering seamless integration and compatibility. These innovations enable Xandros and its reseller partners to deliver a compelling and unique combination of Linux benefits with Windows ease-of-use at a lower, total cost of ownership (TCO) for businesses of any size.

Xandros – Not Just Another Linux Company

Xandros is not just another Linux “distribution,” that bundles free Linux operating system components into a commercial package. Xandros builds on the stable and reliable Debian version of Linux to create complete solutions. Using blended technology from both the open source and commercial communities, and integrating them with Xandros’ own internally developed applications, Xandros Business Solutions deliver a unique, award winning combination of robust functionality, security, stability and ease of use. Additionally, Xandros is committed to using standards-based technology to provide its customers with the

Xandros Advantage

Xandros eliminates the barriers to Linux adoption with products that are easy to use, highly compatible and cost effective.

- Xandros blends technologies from open source and commercial communities without sacrificing its open source flexibility.

greatest possible reliability and compatibility. Xandros works with companies including Intel, IBM and HP on the LSB (Linux Standards Base, an organization created to expand the Linux ecosystem through the development and promotion of standards), of which Xandros Server is the only LSB 3.1 compliant operating system available today.

2 Why Add Linux to Your Product Portfolio

The Linux market is growing rapidly, and is already providing tremendous profit opportunities for those providers who can offer compelling Linux Solutions. Gartner Research predicts that Linux will have the strongest relative growth of any server operating system during the next five years. Shipments will increase from 1.4 million units this year to 2.4 million in 2010. Revenue will grow from \$6.5 billion to \$11.5 billion in that period, for compound annual growth of 12.2 percent. The Linux Small and Medium Business (SMB) market is expected to reach 1.3 Billion by 2008.

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- **Power** – Linux operating systems deliver performance and robustness ideal for the demanding needs of the business, government, and education communities. Linux makes efficient use of computer hardware, enabling applications running on Linux to perform faster than on other platforms. The power of Linux is most beneficial to SMBs that often must be more efficient with fewer resources than their larger counterparts.
- **Security** – Linux frees customers from the time, cost and frustration of dealing with viruses, spyware and other malicious intrusion. Additionally, increased data security regulation is forcing businesses to invest heavily in security technologies. Linux gives customers the confidence knowing their critical corporate and customer data will be protected without expensive security solutions or security staff. While these security-related cost savings benefit all businesses, they have the greatest impact on SMBs, who may otherwise be unable to bear the cost of security regulation compliance.
- **Stability** – As a result of its modular architecture and design, and the testing and refinement performed by thousands of developers and customers around the world during its development cycle, Linux is more stable and reliable than other operating systems. The products of these efforts are returned to the Linux community where only the best and highest quality code is implemented. The result is a stable and reliable operating system that you can trust.
- **Reliability** – Computers running Linux are much less likely to fail than other machines, and can remain online without requiring a reboot for longer periods of time. Reliability is crucial to businesses that run mission critical applications on these platforms, and cannot afford any downtime. This need is heightened in the SMB market where businesses are less likely to invest in redundancies and fail-over solutions.

- **Flexibility** – Based on Linux and other open source technologies, Xandros Business Solutions provide an open platform for resellers to create value added software and services to deliver to their customers. Without locking them in to a proprietary architecture, Xandros Business Solutions gives them the flexibility as a reseller to offer solutions that fit their customers' needs.

3 Xandros Business Solutions – Power without Complexity

Xandros publishes a complete line of award-winning desktops, servers, and management tools. Xandros Business Solutions deliver an end-to-end solution that provides the power and benefits of Linux, without any of the complexities.

Xandros Desktop OS – Business Edition

Xandros Desktop OS – Business Edition is an award-winning Linux operating system for desktops and workstations. Benefits include:

- A familiar point-and-click graphical interface that requires no learning curve
- Runs Microsoft Office and many other critical Windows applications
- Integrates with existing Windows servers and networks – authenticate to a Windows domain or Active Directory Server
- Includes the applications business users need for immediate productivity

Xandros Server

The Xandros Server is an award-winning, robust server operating system that combines 24 powerful Linux services, integrated into a single all graphical management console, with revolutionary management tools that makes administration easy. This unique and compelling combination delivers unrivaled value to businesses of any size by providing greater functionality with less management complexity than any other server operating system.

Benefits include:

- **Revolutionary Management Capabilities** – An all graphical management console makes managing the server easier than any other server environment. It is aware of the interdependencies among services, and provides intuitive workflow-based wizards to guide administrators through the configuration of each service.
- **Networking Tools** – DHCP, DNS Routing, and VPN
- **Security Tools** – Firewall, Proxy Server, SSH Server, Certificate Manager

Xandros Server

Available in 32-bit and 64-bit.

- **Backoffice Tools** – File Server, Print Server, Storage Manager, UPS Monitor
- **Web Tools** – Web Server and FTP
- **Robust Network Backup Solution** – Xandros Server includes the BRU Backup Server, the enterprise class backup and recovery solution.
- **Streaming Media** – Xandros Server includes RealNetworks' Helix Server Basic, a Linux-based streaming media server that enables users to stream live content (music, video, presentations, and more) through the web.
- **Complete Groupware Solution** – Xandros Server includes a special version of Scalix, the award winning e-mail, calendaring and groupware platform.

Xandros Deployment Management Server (xDMS)

xDMS is a solution for managing multiple Xandros Desktops within a corporate environment. The xDMS software enables administrators to deploy and manage desktops, or groups of desktops remotely through a single graphical interface. Benefits include:

- Build and manage software repositories
- Deploy and manage all Xandros Desktops from a single location
- Add and remove applications to a computer or groups of computers remotely
- Apply security updates to every desktop on the network automatically
- Schedule deployment and update jobs to run unattended overnight

Why Customers Choose Xandros

There are many reasons why customers choose Xandros:

Ease Of Use – Many companies have delayed their adoption of Linux because of the complexity of installation, use and management. This problem is exacerbated in Microsoft-only organizations, where Linux adoption would require new administration skills development. Xandros overcomes this challenge through innovative design, making it easier to use than both other Linux products and Windows. Using tools including graphical interfaces, workflow management, and intuitive wizards, Xandros Desktops and Servers can be used without any Linux-specific skills or training. These tools are so effective in reducing complexity and increasing ease of use, that they also benefit those companies already using Linux and possessing Linux-specific skills and resources.

Windows Integration – Xandros understands that most businesses rely on Microsoft products for many critical functions, and that replacing them all may not yet be an option.

This is why all Xandros products are designed for seamless Windows compatibility. Xandros Desktop OS – Business Edition can authenticate to Windows domains and networks, and can run Microsoft Office and other critical Windows applications. Xandros Server can also authenticate to a Windows network and provide Windows-based services to Windows desktops including Windows file shares, print services and networking.

Debian Platform – Customers realize the importance of running their important business applications on stable and reliable platforms. Debian has earned the reputation as being the most stable and reliable flavor of Linux. Debian utilizes long release cycles to ensure the highest quality in each release and to provide business customers with continuity in their applications. Xandros is one of the few providers of end-to-end enterprise Linux solutions based on the stable and reliable Debian platform. Xandros also leads the engineering team at the DCCA, a standards group for Debian.

4 Xandros Partner Program – Partnership Benefits

It is Xandros' primary goal to deliver its products through its partner ecosystem allowing Xandros to focus on generating market awareness and continued research and development of its products. This translates into greater customer demand and consistent delivery of valuable products for your customers. To ensure success as a Xandros Partner, we designed this comprehensive program to support your needs from pre-post sales.

Award Winning Products

Invest your time in products that will succeed. Xandros products are continuously awarded for their ease of use, integration with other platforms, and overall power. Xandros products deliver the winning combination of robust functionality, ease-of-use, security, and scalability that every one of your customers require.

No Channel Competition

Unlike other software publishers, Xandros does not compete with its resellers. Not only is Xandros' goal to drive business through its reseller channels, but it will also devote internal marketing and sales resources to helping reseller partners generate sales and build long-term customer relationships. Additionally, Xandros offers qualified reseller partners a comprehensive lead generation program to assist them in building a strong pipeline for Xandros Business Solutions products and services.

Increased Profitability

Xandros sources product to reseller partners at far greater discounts than other software publishers. The Xandros Partner Program also provides opportunities for offering and providing technical at even greater margin. Additionally, Xandros lowers partners' customer acquisition costs through superior marketing support and qualified lead generation. By increasing revenue through higher margins and lowering marketing and acquisition costs, reseller partners can quickly increase profitability with Xandros Business Solutions.

Dedicated Xandros Resources

Xandros understands the importance of a dedicated team to ensure smooth implementation and delivery of resources. A dedicated Partner Program team supports the Xandros Partner Program and all of its resellers. They work with our reseller partners on everything from marketing programs and support, helping resellers close deals, to ensuring that resellers maximize the value of their Partner Program memberships. As a Xandros reseller partner, you will have direct access to this team whenever you need it.

Xandros Partner Portal

Xandros provides each of its reseller partners with access to the Xandros Partner Portal (XPP). XPP is an online resource that provides you with everything Xandros Partners need to succeed. Through XPP, partners can download marketing materials, request marketing program support, order products and support, download qualified leads, and train sales and technical staff.

Sales & Technical Enablement Kits

Xandros' Go-to-Market kits contain the necessary materials for reseller partners to begin offering Xandros products to their customers. Available to all partners, these important materials will help you minimize the upfront learning curve in adding Xandros to your product line and immediately introduce Xandros Business Solutions to your clients.

Materials in the Enablement Kits include:

- Product brochures and collateral
- Marketing and sales strategies
- Customizable sales presentations
- White papers and case studies
- TCO calculators

Training

Xandros offers self-paced sales and technical training to all partners for free. Designed to arm your team with the knowledge it needs to market and sell Xandros solutions, the comprehensive sales and technical curricula deliver the important information in a concise format that is easy to understand. For those partners wishing to develop greater technical proficiency with Xandros and deliver Xandros Certified Technical Support, Xandros offers specialized Certified Engineer training.

Lead Generation

Xandros is committed to generating and qualifying leads for its reseller partners. Through our acquisition marketing programs, Xandros captures the relevant data to qualify and most accurately route each lead to the appropriate reseller. Premium partners benefit from priority lead assignments.

Partner Directory

All Xandros reseller partners are listed in the Partner Directory on the Xandros web site. The Partner Directory enables customers to find resellers that best meet their needs based on geographical location and the services they provide. Partners can also leverage the Partner Directory to find partners with complementary skills sets and service offerings to help jointly meet customers' needs.

Product Samples

To ensure that your team is proficient in Xandros' products and has experience-based knowledge of the products, Xandros provides you with sample copies of Xandros software. Additional copies may be requested through the Xandros Partner Portal.

Marketing Development Funds (MDF)

In addition to providing marketing support and lead generation for its partners, Xandros also allocates a portion of revenues generated through Reseller Partners for additional marketing opportunities. Xandros uses these MDF funds to co-invest with you in marketing and promotional opportunities and events that will help both build the Xandros brand and increase your sales.

Co-Marketing and Branding

Xandros provides its Reseller Partners with co-marketing and branding opportunities. Based on your level of participation in the Xandros Partner Program, you will have access to Xandros logos, co-branded collateral and brochures, and custom-developed materials. Your ability to use Xandros logos, trademarks and other marketing materials are granted based on your level of program participation as well as Xandros' logo and branding usage guidelines.

Membership Rewards Points

Xandros rewards its Reseller Partners with Xandros Rewards Points. Reseller Partners have the ability to earn rewards points through reaching revenue milestones, participation in Xandros marketing events, completion of sales and technical training, and creation of customer case studies. Partners can redeem points for product discounts, additional technical support incidents, MDF co-investment and more.

The Membership Rewards Points Program is an excellent opportunity to increase your profit as a Xandros Reseller, without any additional investment.

Xandros Updates

Through monthly newsletters and quarterly webcasts, Xandros keeps you current. Xandros uses these vehicles to inform you about important Xandros company and Partner Program updates and developments in the Xandros product roadmap. The Xandros marketing team shares customer case studies and strategies for increasing your sales of Xandros products. These tools also provide the opportunity for our Reseller Partners provide feedback, and

Xandros Partner Program – Membership Tiers

There are several tiers of Partner Program Membership currently available – Registered, Gold, and Platinum. Membership tier is granted on the level of commitment and resources a partner commits to the Xandros Business Solutions product line. Customize your Xandros Partner Program to access the program benefits that best meet your needs.

Partner Program Features			
Program Benefits	Registered	Gold	Platinum
Sales Enablement Kit	YES	YES	YES
Technical Enablement Kit	YES	YES	YES
Dedicated Tech Rep	NO	NO	YES
Dedicated Account Rep	NO	YES	YES
Support Incidents	None	1	5
Testing Discounts	None	10%	15%
Lead Generation	NO	Basic	Premium
Inclusion in Partner Directory	YES	YES	YES
NFR	One License	Multiple Copies	Multiple Copies
MDF	NO	2%	4%
Co-Branding	NO	Template	Dynamic
Logo Usage License	YES	YES	YES
Access to Partner Resource	Basic	Premium	Premium
Qualifies for Xandros CSPP	NO	NO	NO
Product Discount <small>(Resale)</small>	25%	30%	35%
Support Discount <small>(Resale)</small>	15%	20%	25%
Sales Training	YES	YES	YES
Technical Training	YES	YES	YES
Advanced Training Registration	NO	YES	YES
Web Based Resources	Basic	Basic	Premium
Responsibilities			
Sales Training	Recommended	2 (4 recommended)	3 (6 recommended)
Technical Training	Recommended	1 (when available)	3 (6 recommended)
Required Certified Engineers <small>(xCE)</small>	Recommended	Recommended	Recommended
Business Plan Review	NO	NO	YES
Target Achievement	NO	YES	YES
Annual Registration Fees	\$99	\$499	\$999

Registered

This entry level tier is for resellers who wish to benefit from the value of the Xandros offerings at above industry average margins. Xandros provides registered partners with a basic set of sales and marketing materials and support.

Gold

Xandros' first premium tier is available for partners looking to enhance their relationship with Xandros. In addition to increased product discounts, Gold level partners have access to more sophisticated marketing and sales support and materials, and can participate in Xandros' lead generation and reward points programs.

Platinum

Xandros' Platinum tier provides Reseller Partners with advanced lead generation, additional technical support, and the most comprehensive set of sales and marketing support.

5 Partner Program Requirements

Sales and Technical Training

To maximize your results with Xandros Business Solutions, Xandros strongly recommends that you provide sales and technical training to as much of your team as possible. To assist you in the process, Xandros offers self-paced training and online testing to minimize the time and costs involved in training your team. While sales and technical training is recommended for all partners, Xandros requires a minimum number of staff to be sales and / or technical trained to qualify for higher tiers of program membership. The table below outlines the sales and technical training requirements for each tier of membership.

Target Achievement

To ensure achievement of the best possible results, and to initially place partners into the tier that best supports their needs, Xandros works intimately with its partners to identify and mutually agree on revenue targets that factor each partner's size, target market, and ability to convert leads provided by Xandros.

Business Plan Review

As reseller partners are a core element of the Xandros business model, Xandros invests a significant amount of time, resources and personnel into supporting the reseller partners in the premium membership tiers, to ensure its partners' success. To maximize the advantages of these investments, alignment between Xandros and its reseller partners is critical. Therefore, Xandros reviews the business plans for partners who wish to participate these levels. In reviewing your business plan, Xandros looks at your marketing strategy (segmentation, targeting and positioning) go-to-market plan, and the resources you have allocated to the Xandros product line. These items must be consistent with the mutually agreed upon revenue objectives set between you and Xandros.

Becoming a Partner – Program Costs

Xandros provides membership to each of the tiers with the Partner Program on an annual basis. Membership is offered to qualified partners at the following annual rates:

Platinum: \$999

Gold: \$499

Registered: \$99

6 Becoming a Partner – Program Application

Resellers may apply for the Xandros Partner Program directly through the Xandros.com web site. Simply go to www.xandros.com/partner and click on the Partner Program application link. Xandros does not charge an application fee, but will not consider your application unless you have completed all required fields. If upon receipt of your application Xandros requires any further clarification, a Partner Program representative will contact you.

Xandros reviews each application in a timely manner, and will respond to your application within 3 business days. If your application is accepted, Xandros will send you a Welcome Kit that includes the necessary forms to complete your registration. Applicants who are not accepted will be given details on why Xandros did not accept their application, as well as the opportunity to reapply.

Contacting Xandros

We look forward to a long-term and profitable relationship with you and your team. If you have any additional questions about the Xandros Partner Program, please visit the Xandros Web site at www.xandros.com/partner or for more information call 866.602.0994.