

Pelco Channel Partner Program

Project Registration | External FAQ Document



by Schneider Electric

When is the program effective?

April 1, 2009

What is the minimum project size for this program?

A minimum \$25,000.00 order value (this is the order value to Pelco at the Partner's normal discount level).

Why did we develop this program?

It is intended to reward our customers who are actively generating demand for Pelco product in the marketplace.

Who qualifies for this discount?

A customer must meet several qualifiers to be eligible for this discount. These qualifiers are:

1. You are a designated Strategic Account Distributor.
2. You are a designated Strategic Account Integrator
3. You are a Regional Distributor with an annual volume greater than \$500,000.00 and are Discount Compliant with Pelco's Volume Discount Compliance Program.
4. You are a Dealer/Integrator with an annual volume greater than \$50,000.00 and are Discount Compliant with Pelco's Volume Discount Compliance Program.

How long with the Project be registered?

All approved Projects will be registered to you for a period of six (6) months.

If I have registered a project and it does not get awarded in the six months that it is registered can I re-register?

Yes. A project may be re-registered one time.

The registration process requires a "high-level design". What is this?

At the time of registration, it is believed that you should be able to provide Pelco with a "Bill of Materials" of Pelco product for the project. This should be accurate within 10-15% of the final job and will allow Pelco to assess your knowledge of the project needs and show that you have been involved in designing the system.

The PRD Application Form is first submitted to the local Pelco Sales Representative in the Territory. What happens next and who is in the approval process?

The application form is received by the local Pelco Sales Representative for review. It is at this time that the first approval is considered. Once the local Pelco Sales Representative has approved the application they submit the application form information in to Pelco. The final approval of these PRD requests will reside with the local Pelco Sales Representative and the Pelco Region Manager. We believe that these individuals have the best knowledge of their market and are in the best position to declare these discount offers.

When the PRD request has been submitted, what will I get in return?

Once the PRD is recorded in the Pelco Project Tracking database, we will issue a PRD Number to you via the local Pelco Sales Representative. This will be used in the same way that a CPD Number is today. At the time of order, you will need to include your PRD number on the order to take advantage of this special discount offer.

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What projects are eligible for a PRD?

Any project where you are in a position to drive the product selection for an end-customer. This discount is a means of compensating a Pelco customer for your upfront work with the end-customer that leads to a Pelco product opportunity.

When would a PRD request be turned down?

A PRD request could be denied for any of the following reasons:

- The local Pelco Sales Representative and the Region Manager are aware of other activities within the same end-user that has also significantly influenced the selection of a Pelco solution.
- The PRD Application Form is submitted without sufficient information to make a decision.
- A bid has already come out on the street for the requested end-user site, and it is already specified Pelco.
- A bid has already come out on the street for the requested end-user site, and it is specified for a competitive product.
- A bid has already come out on the street and it is not clearly specified for any specific product.
- The customer requesting the registration is currently a direct customer, but is restricted from buying from Pelco because of a credit hold or some other similar issue.
- The customer does not meet the minimum volume requirements of the program.
- The customer is not volume discount compliant.
- The customer has registered a project in the past and has violated the terms of the registration program and has been expelled from the program.

How long will the project discount be available?

From the date of the first order, the discount will remain in affect for one (1) year.

Why is the name and address of the end-user required?

It is important for us to understand the exact location of the subject project. This will both allow the local Pelco Sales Representative the opportunity to clearly understand the project being submitted and also to decline future requests for the same location/project when requested by other Pelco customers.

What is the discount that my customer will receive?

For projects that are >\$25,000.00 and <\$250,000.00 the extra discount provided under this program will be 6 points. When a project is >\$250,000.00 the local Pelco Sales Representative and the Region Manager will have the authority to offer between 6 points and 10 points. This range is offered to provide latitude to offer a higher discount when the complexity of the job warrants it.

Why does the Distributor have to disclose their customer?

This discount is intended to reward the entity that is doing the extra work to ensure that a Pelco solution is being chosen by the end-customer, therefore we would intend for the discount to be passed on to them.

Is this program something that is already being done via the Pelco Competitive Price Discount (CPD) process?

Yes, in many cases we are probably improperly providing some of these types of discounts using the CPD process. This new program will now give us all a consistent way to view these requests and will allow us to properly reward those customers who are deserving of the discount. It is never our intention to unfairly disadvantage one customer over another. Also, having a published program will provide much more visibility to all of our customers that we are willing to compensate them for doing good presale work on our behalf.

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Do any of our competitors provide this type of a discount?

Yes. Most of our competitors have a published program of this type. It is also very common in the Distribution channel.

If I have a project that was given this special PRD discount and the end-customer decides to add some scope to the project (Change Order), will the equipment in the addition also be eligible for the PRD discount?

Yes. The additional equipment is ELIGIBLE. It will be at the discretion of the Pelco Region Manager on whether this discount will be extended to the additional scope.

If I have a PRD on a project, but when it comes time for the project to bid publicly there is competition in the mix that was not known when the PRD was granted, what will happen?

This should be handled by the CPD process with your local Pelco Sales Representative just like any other competitive situation. Remember, the PRD discount is a reward for the presale activity but not to account for competitive influences.

Following the answer to the above, if I have a PRD on a project am I also eligible for a CPD on top of that?

Yes, the PRD would be compensation for the presale activity and a CPD would be an allowance for the competitive influence by a known competitor in the project. (Example: 6 points offered for the PRD and an additional 4 points offered for competition with Brand X).

If I have had a long-term relationship with an end-user does this disqualify them from requesting a PRD?

Not necessarily. Again, this program has been developed to reward you for the value added services to the end-user to drive a Pelco solution. If you have reason to believe that the project will be put out for a public bid and you are doing all the work to specify the Pelco solution, then yes it would qualify. However, if you have a “captive” customer and the project will never be subjected to competitive influences, then it would not be a candidate for this PRD program.

What responsibility do I have if I am awarded a PRD?

It is expected that you will do everything that you can to stay involved in the selling process with your end-user and to drive the Pelco solution until the time of project award. It is also required that you not register the same project with any other manufacturer.

What will happen to me if I violate one of the program rules? Who defines that I have broken the rules?

The penalty for violating the rules is expulsion from participation in the PRD Program. The Region Manager will be required to assess any violation of program rules that they become aware of in their region.