

# Set Your Partner Program Budget Phase 1

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# Phase 1: Simulation Business Problem to Solve

- ❑ You are spending money to build your channel budget
- ❑ Your **annual budget** is \$2M
- ❑ Your **annual revenue goal** to achieve is \$5M
  - *The 3-5 year ramp of this program is expected to deliver a \$150M to \$250M channel in terms of indirect revenues*
- ❑ Headcount spend has already been allocated and hired; **you are building the program spend** portion of the budget
- ❑ **The Product:** “MacroSoft’s CloudOne Appliance”
  - *Traditional Resell Offering: ASP \$50,000*
  - *Managed Services Offering: ASP \$1,000 per mo./ per appliance*
- ❑ **Target market:** SMB, upper mid market, departmental users in enterprise customers
- ❑ **Competitive landscape:** one major appliance competitive vendor competes but many larger HW & SW vendors claim capabilities via alliance or OEM relationships
- ❑ **Single tier channel** of highly productive HW & SW VARs *with solution and managed services capabilities.*  
Annual revenues \$3M+ and growing

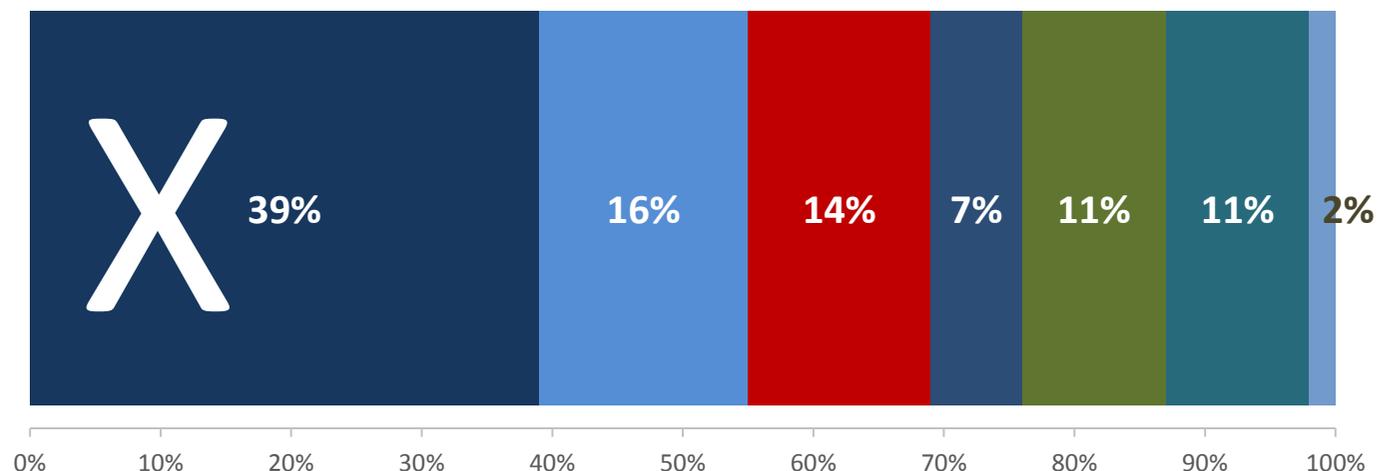
# IPED Vendor Benchmark Research: Helping Channel Chiefs Justify Spend

This is a Channel Chief task in real life!



You will allocate budget across these categories in your teams. There will be no budget targeted to headcount, it has already been allocated for you!

## How is the total channel budget allocated?



All channel-related headcount

Incentives

Demand generation funds

Program or other partner marketing excluding MDF

Infrastructure and operations

Education budget

Other

*HC has been hired,  
do not allocate  
budget to headcount*

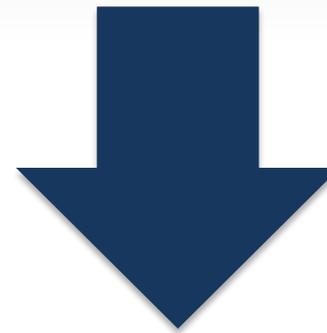
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# Why Might the Benchmark #s Offer Insight, but Not the Entire Answer?

**It's not a question of which tool is best, or even which programs are most effective  
... it's about what you're trying to accomplish**

*Consider This Question:  
Which Tool Is Most Valuable?*

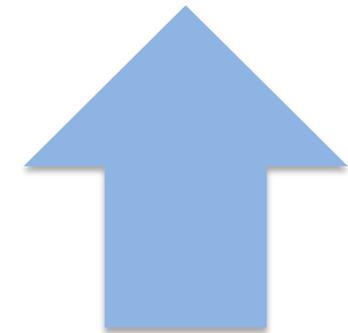
Wrench? or Screw Driver?



**What causes  
success in the  
channel?**



**Why do some  
channels thrive  
while others  
languish or fail?**



# The Million Dollar Channel Answer...Channel Strategy is Critical

## Avoid One Size Fits All... What are the Stated Objectives?

Is It Possible To Do All Of These At  
The Same Time?



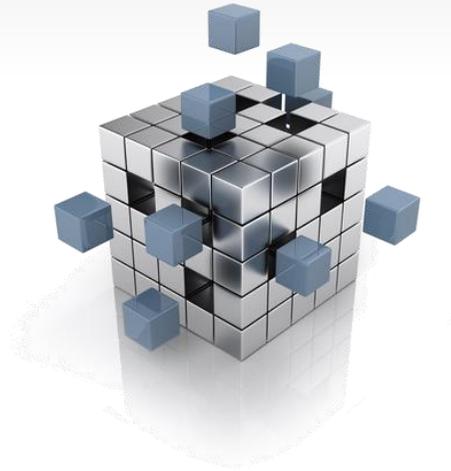
This is **“Channel Context”** ... and  
There is **NO SUCH THING** as a Single  
Right Answer

- New or Mature Product?
- New or Existing Channel?
- A Program for the Masses or Targeted Few?
- Volume/Commodity versus Complex Solution?
- Customer Target Market Enterprise or SMB?
- Which Routes to Market? Customers they Reach?
- Fulfillment versus Value-Add Channel
- Product and Brand Awareness & Share

# What's in a Word...Context?

## How product goals dictate the:

- ✓ Partner strategy
- ✓ Routes to market
- ✓ Partner program
- ✓ Field execution
- ✓ The impact of IoT, Cloud, Mobility & Hardware Function Shift to Software (e.g. SDN, SDDC)



***All are building blocks  
(one linked to the other)  
to achieve a desired end***

# Let's Use a Methodology Based on Context to Solve our Simulation Business Problems



## PRODUCT STRATEGY

### REQUIRED INPUT

- ✓ Product ASP
- ✓ Target Markets
- ✓ Buying Behaviors
- ✓ Competition

## CHANNEL STRATEGY

### RTM

- ✓ Routes to Market Selection
- ✓ Partner Profile Development
- ✓ Value Proposition Development

### Capacity

- ✓ Partner Productivity Assumptions
- ✓ Capacity Planning

## PROGRAM DEVELOPMENT

### Enable

- ✓ Sales & Technical Training
- ✓ Tools & IP Sharing
- ✓ Field Mentoring or teaming

### Market

- ✓ Market to, through, with strategy
- ✓ Demand generation tools
- ✓ Co-marketing funds & rules

### Sell

- ✓ Pre- and post-sale support
- ✓ Incentive structures
- ✓ Pricing and discount models
- ✓ Deal Registration

## FIELD EXECUTION

### Recruit

- ✓ Staffing model
- ✓ Onboarding activities
- ✓ Role of distribution

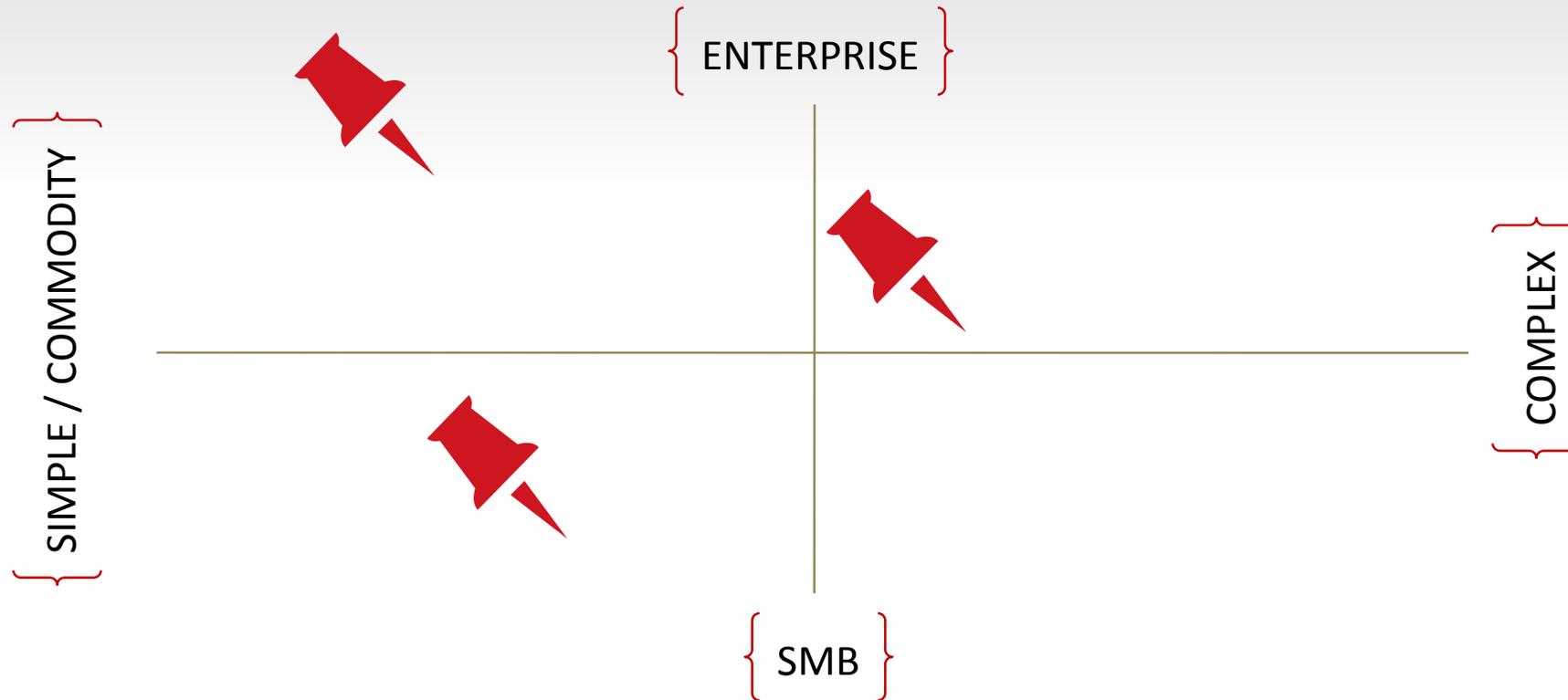
### Manage

- ✓ Program metrics management
- ✓ Joint business planning
- ✓ Rules of engagement



## SUPPORTING INFRASTRUCTURE (PRM, 800#, SUPPORT LINE, PORTAL)

# Which Target Markets are You Going After?



✓ *Different again for components or embedded software versus whole products*

# Which Partner Business Models have Access to the Target Markets?

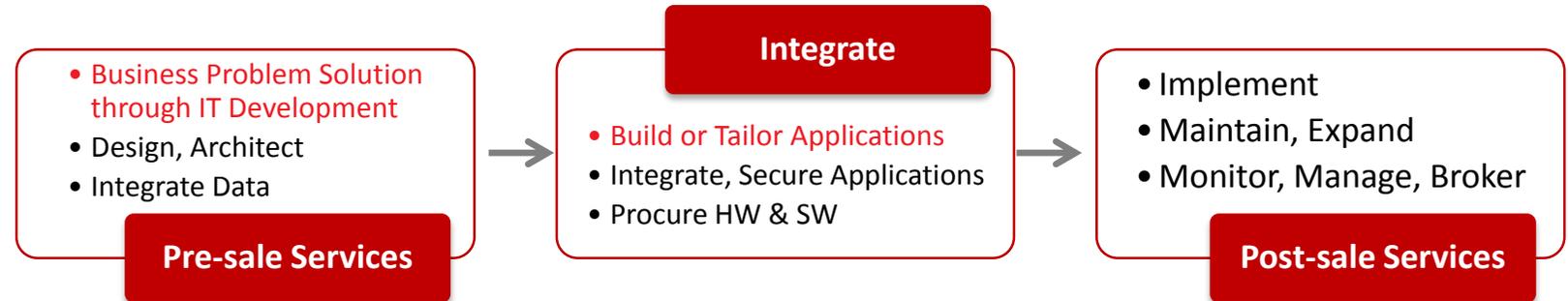
	Global SIs	ISVs	Service Providers	Distributors & VARs/MSPs	OT Distributors & Integrators	DMR & Web Sales	Direct Sales
	↓	↓	↓	↓	↓	↓	↓
<b>Target Market</b>	<ul style="list-style-type: none"> <li>✓ Global 1000</li> <li>✓ Complex Systems</li> </ul>	<ul style="list-style-type: none"> <li>✓ Vertical or Horizontal Solutions</li> </ul>	<ul style="list-style-type: none"> <li>✓ CIO, Dept. Buyers</li> </ul>	<ul style="list-style-type: none"> <li>✓ By VAR/MSP Specialty</li> </ul>	<ul style="list-style-type: none"> <li>✓ Enterprise to SMB LOB by Vertical</li> </ul>	<ul style="list-style-type: none"> <li>✓ All</li> </ul>	<ul style="list-style-type: none"> <li>✓ Segmented by Vendor</li> </ul>
	↓	↓	↓	↓	↓	↓	↓
<b>Buying Behavior</b>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Custom</li> <li>✓ High Touch</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Vertical Expertise</li> <li>✓ Avoid custom development</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ OPEX</li> <li>✓ Low barrier to entry</li> <li>✓ May be lower TCO</li> <li>✓ Flexibility</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Technology Guidance</li> <li>✓ Solutions</li> <li>✓ Low barrier to entry</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Vertical Biz Problem Discussion</li> <li>✓ Edge &amp; Industrial System Knowledge</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Procurement</li> <li>✓ Competitive Pricing</li> <li>✓ Quick Turn-around</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Vendor Relationship</li> <li>✓ Development Access</li> </ul>

# Which Partner Capabilities are Required?

## IT Infrastructure



## IT Applications



## OT or OT Industrial



# What, then, is the Resulting “Ideal Partner” Profile? VAR/MSP Partner - Sample

## Potential

**Product Adoption Record:** The entire Product Line to enable cross-sell

**Enablement:** Sales & Technical Training, Support Capabilities, Managed Services

- Dedicated Sales Staff Trained
- Technical staff trained for both pre-sales design/configure & post-sales implementation & managed services
- Maintenance: takes first line support calls

**Marketing Capabilities:** Dedicated Marketing coordinator, matches MDF, tracks leads and reports back on MDF usage

**HW, SW, Services Mix:** 50%-15%-35%

**Top Line Revenue Growth:** 10%

## Revenue

**Sales Capabilities:** (Customer Target Markets, Industry Verticals, Horizontal Solutions, Customer Satisfaction, References, Average Deal Economics, Transaction Volume)

- Upper mid-market customers with specialization in Hybrid Cloud, Network Infrastructure Design and Operation (can provide MSP option)
- Receives high customer satisfaction feedback, e is a ready reference
- ASP is \$10,000 OTC and \$3k/month managed desktop
- Last FY annual product revenue \$100,000 in vendor product

**Check Navigator for Ideal Partner Profile**

# ...a Sample Telco Agent Profile

## Potential

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- **Product Adoption Record:** Telco/Cableco Broadband services, selling BDR & Office365 Cloud services
- **Enablement:** Sales Training in conjunction with a Master Agent
  - ✓ Agent: Dedicated Sales Staff Trained
  - ✓ Master Agent: Technical staff trained for both pre-sales design/configure & post-sales implementation
- **Marketing Capabilities:** Can create pipeline, uses less MDF and custom campaigns than IT VAR
- **HW, SW, Services Mix:** 100% Carrier Commissions. Recommends then provisions through CSP Master Agent.
- **Top Line Revenue Growth:** 15%

## Revenue

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- **Sales:** To which Customer Target Markets does this Agent have access? Which Industry Verticals, Horizontal Solutions? What are the Average Deal Economics, Transaction Volume?
  - ✓ Mid-market and SMB in Southern Cal with a vertical emphasis in start-up technology companies in South Orange County
  - ✓ Been in territory for 15 years
  - ✓ Works with Intelisys Master Agent, bought by ScanSource
  - ✓ Last FY annual carrier services recurring revenue contracts: \$500,000

# What if your Partners started as Consultants? Born in the Cloud?

## Potential

- **Product Adoption Record:**
  - ✓ Core product and cross sell products
  - ✓ Developed proprietary extensions sold through our Marketplace
- **Enablement:** Sales, Technical and Services training
  - ✓ Implementation, Management, Development
- **Marketing Capabilities:** Can create pipeline and demand based on credibility, vertical expertise & solutions
- **HW, SW, Services Mix:** 100% Services
- **Top Line Revenue Growth:** 15%

## Revenue

- **Sales:** To which Customer Target Markets does this Agent have access? Which Industry Verticals, Horizontal Solutions? What are the Average Deal Economics, Transaction Volume?
- Can co-sell with with our team and with other Partners



## Based on the Ideal Partner Profile...

Let's prioritize the type of benefits required to make that partner immediately successful in the ROLE he/she is playing with your product, service or solution.

# Sales Education: Content and Duration Matter

## Easy to Use

- ✓ Short and to the point
- ✓ Easy, clear and time efficient
- ✓ Practical and easy to understand
- ✓ It was available when I needed it
- ✓ Simple, easy, but accomplished a goal
- ✓ Effective and quick
- ✓ Well planned, executed and available in multiple formats
- ✓ Easy to use, flexible, reliable, credible

## Leads to Sales

- ✓ Includes information that leads to customer sales
- ✓ It focused on the entire sales cycle
- ✓ Drove quick sales
- ✓ Enhanced my product knowledge to better close sales
- ✓ Taught me how to diagnose a customer situation and build a win, win scenario

## Product Sales

- ✓ Taught employees to respond to customer inquiries
- ✓ Taught me new features on best of breed product
- ✓ Allowed me to leave with a working demo

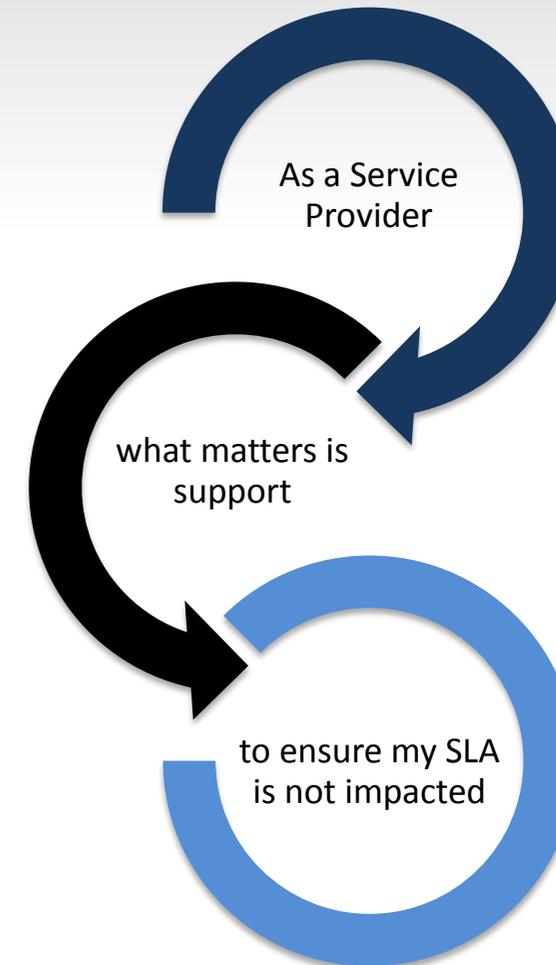
# New Business Models Require New Education & Support Offerings

## THE MSP EDUCATION PROCESS

*"The right sales education is hard to find."*



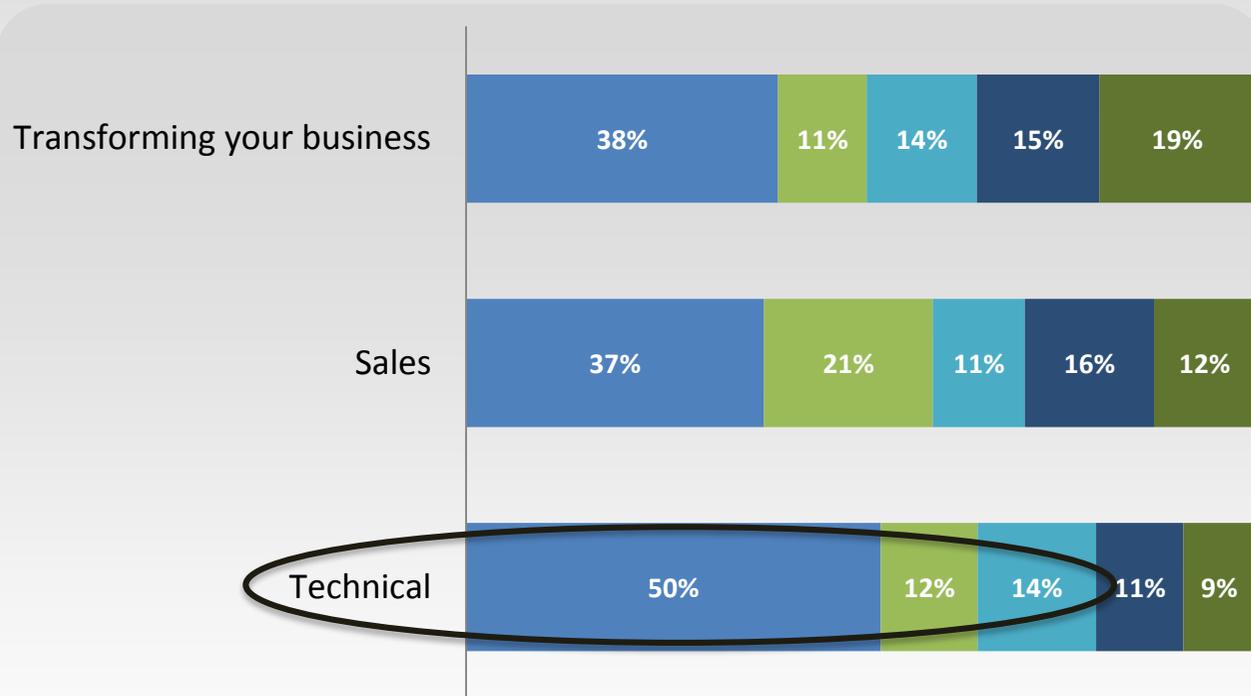
## SUPPORT



*"Regarding education, our needs are a bit different. We're an MSP, web based, free or on-site for our team works. I don't think I should have to pay to understand how to sell the product."*

*"We would pay for post sales support then pass that on to the client in our service level contracts."*

# Who Should Deliver the Different Types of Education?



- Product or Service Vendor (e.g. Microsoft, Rackspace, etc.)
- Your Distributor
- An Association (e.g. CompTIA, HTG, etc.)
- Independent Consultant
- Don't know / Don't Use

*“Our training is sourced from a combination of distributors and vendors.”*

*“Best of Breed is efficiency when we need it!*

- *Basic features*
- *What business problem it solves or the intended purpose*
- *Why is it different or better than the alternatives*
- *Sizing, configuration and model differences”*

*“Our CEO will not invest in non-technical training... I look at CRN, Infoworld, RSS feeds, network or vendors visiting. I don't need to pay CompTIA to tell us.”*

*“What matters is fast and efficient, let me download materials/audio and use while I drive.” (non-major metro area)*

# Best of Breed Technical Education includes a “Virtual Sandbox” Lab

**Vendor:** 

**Compelling event:** Citrix acquires XenSource

**Objective:** train global partner ecosystem on the newly acquired Citrix XenServer (virtualization technology)

- In a compressed timeframe
- Requiring a cost effective and on-demand delivery

**Solution:** Citrix XenServer integrated within the Toolwire “virtual sand box” platform. Provides each user the ability to access physical servers for the labs focusing on a range of technical topics. (e.g., users have the ability to install and configure Citrix XenServer components on a physical server as well as on a virtual machine image, as needed.)



Supporting onsite, online, and hybrid classrooms. The “virtual sandbox” provides students with instant, on-demand access to virtual lab environments from the convenience of a web-browser and allows students to build technical skills.

*“Working with Toolwire to develop and deliver an experiential training solution to meet our Citrix XenServer global training objectives has enabled us to cost effectively extend our training footprint. We see on-demand, hands-on training as a value add to our partners and a differentiator that will contribute to an increase in our global virtualization market share.”*  
*-Julieann Scalisi, Managing Director of Education for Citrix Systems*

Source: <http://www.prnewswire.co.uk/news-releases/toolwire-to-deliver-virtual-hands-on-learning-for-citrix-xenserver-152658325.html>

# Education Table Stakes

## Provide Content & Learning Paths by Role

- E.g. Sales, Developer, Implementer, Architect, Service Level Manager, etc.

## More often, Educate for Solutions Rather than Products

- Private cloud solution versus server & storage

## Ensure Learning Path Ease of Access, Ease of Use and Personalization

- Learning paths should facilitate training plans and track progress via dashboards by individual
- Consider which content is available outside firewalls, e.g. YouTube
- Think hard before requiring expensive, in person training requiring travel and time out of territory
- Provide “test outs” and fast path education when a similar or competitive certification is held

## Facilitate Access to Developers & Communities

Both inside (authenticated) and Outside (YouTube, LinkedIn, Twitter) of your Partner Portal

# Education Best Practices

## The New Builders Podcast

By IBM developerWorks TV

To listen to an audio podcast, mouse over the title and click Play. Open iTunes to download and subscribe.



[View in iTunes](#)

### Description

Today's applications are central to decision-making at all levels of society - whether governments monitor critical infrastructure using smart sensor data, or helping consumers buy their favorite brand of cereal. The New Builders podcast features interviews with experts, in which they reveal their best practices, latest projects and favorite tools.

	Name	Description	Released	P
1	Ep. 31: Data, Demos-N-...	This week, we're previ...	3/15/2017	Fi
2	Ep. 30: Meditations on Cl...	The TV landscape has ...	2/26/2017	Fi

Vendor Built Intellectual Property (IP) made available to partners to speed the ability to deliver services or to improve services profitability

- Virtual technical labs with continued access after class
- Mobile device delivered content
- Determine what must be ubiquitous and outside the firewall versus inside
- Individual incentives to achieve required learning including, cash/debit cards, points programs for merchandise, access to developer or Vendor Partner forums, individual designations/badges/certification titles

Spiffs

*MSP education needs differ.*

*Sales education is considered best of breed when the curriculum provides revenue generating direction in the least amount of time, when needed.*

*Best of breed technical training requires the use virtual labs where work can be saved for reference after class.*

# Education: Biggest Inhibitors...Does the Partner Believe You Understand?

- Time and Money
- Cost and ROI
- Opportunity Costs:
  - Keeping the business running while participating in education
  - Pulling people out of the field
  - Project delays if we pull people off projects to train



Almost **80%** of respondents expect free (47%) or vendor funded (33%) support and education.

*“Lack of executive support.”*

*“Lack of proximity (major metropolitan area) and we prefer in person training.”*

*“Our CEO will not invest in training.”*

# Partners Declare Marketing a Significant Weakness



## Marketing

- ✓ Assistance to supplement Partners' acknowledged poor marketing skills is highly valued
- ✓ Fewer than 35% of solution providers utilize vendor self service marketing assets.
- ✓ Some, looking for high touch support, opt for lesser known vendors who will allocate full marketing support.

***“Ruckus isn’t necessarily best of breed, but I’m building a pipeline with them. Ruckus is trying to capture share from the big guys, they tailored demand creation to meet our needs.”***

***“Both Cisco and EMC have invested in Channel Partner Marketing Certification.”***

# Marketing Considerations

## New skills requirements



## Strategies deployed by Cloud Solution Providers

- Try and buy programs
- Focus on thought leadership
- Digital transformation
- Pre-sales consultancy
- Assessments
- Packaged solution offerings
- Account based marketing (expand part of land)

## Activities are potentially different



Customers and buyers are different; activities and target audiences must change;  
Do your business plans reflect their changes?

# Partners Rank the Value of Marketing Benefits Available from You and Distribution

Partner Investments We Will Make	Support Required from Our IT Vendors	Support Required from Our Distributors
1. Email/on-line mktg.	1. Web content syndication	1. Video production
2. Social media platform	2. Email/on-line mktg.	2. Marketing campaign mgmt.
3. Lead mgmt. & nurturing	3. Mktg. campaign mgmt.	3. Web content syndication

# Self Service Tools Demonstrate A Less Than 35% Adoption Rate

Vendor Support Is Needed To Supplement The Typical Partners' Capabilities.

## The Question

Can high touch capabilities scale to the masses through a marketing automation investment driving greater participation?

### BEST OF BREED OPTIONS

<35% ADOPTION

#### SELF SERVICE

- Enable partners with simple, easy to use, turnkey campaigns
- Allows partners to customize multiple campaign elements for complete end-to-end marketing programs

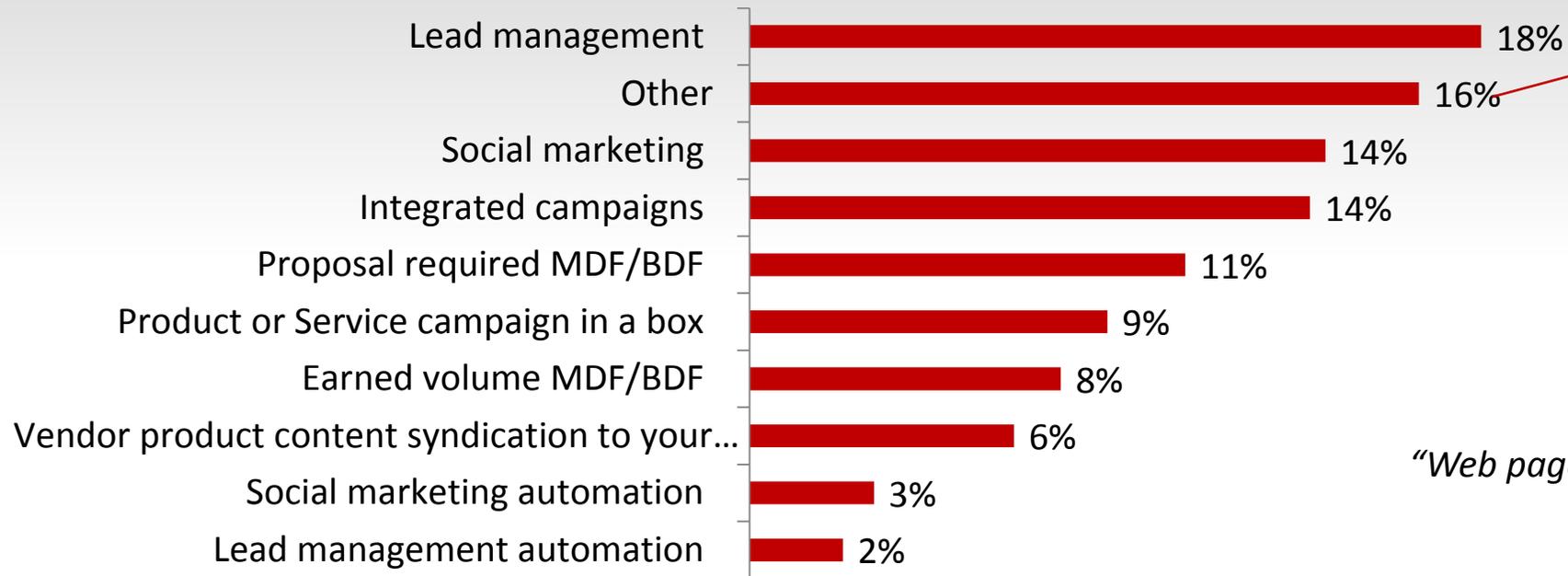
#### SUPPORTED SERVICE

- Deliver guidance and direction to partners and assist with planning, setup and execution of campaigns
- Single point of contact for all marketing inquiries
- Leveraged for high value partners

#### MANAGED SERVICE

- Deliver full marketing support to partners from planning through execution
- Offers highest level of automation and integration
- Designed to minimize partner effort
- Focus on highest value marketing activities and partners

# Best of Breed Partner Marketing is a Supported or Managed Service Typically Allocated to Strategic Partners



*Write ins for Other:*

- Joint Conferences
- Marketing Support
- Funded position
- Lunch and learn
- Tradeshow

*“Web page optimization and lead generation training are the most valued.”*

*“\$2500 in MDF, not matched, requiring a 40 to 1 ROI. It happened simply across multiple product lines. Yes, it was proposal based. I reported back on a spreadsheet.”*  
 - provided by a major HW and SW vendor alliance

*“Complete end to end support, funded through MDF, including mailings, website support (with content syndication) and twitter tie-in.”*

*“Integrated marketing automation solution with CRM to provide visibility to sales and letting them help provide lead scoring with aggressive tele-follow up by the vendor and distributor.”*

# Joint Marketing Inhibitors Range from Business Goal Mismatch to Lack of Willingness to Utilize Self Service Materials

- Small company, limited resources
- Not big enough
- We don't qualify for vendor co-op and campaigns

We are of Insignificant Size

- Lack of marketing department
- Lack of manpower
- Lack of funding, funding, funding
- Costs and time, time, time

Lack of Funds, Time & Staff

- Paperwork requirements
- Too complicated, logistics

Difficult to Use

- We segment the market differently
- We are too diversified in our offerings to focus on a specific product
- They sell products, we sell a service with those products

Business Goal Mismatch

# Pre and Post Sales Support

## Technical Support and Types of Offerings:

- 800# Unlimited
- 800# Limited Calls
- Field based systems engineer
- Field based services division mentor
- Distributor technical resources

## Demo Systems, Not For Resale Code

## MSP Expedited Product Support when a Customer experiences an Outage or High Severity Product Issue

# You Now Have Your Channel Context!

## Context Factor Your Simulation Context

### COMPANY

Newly established division utilizing direct sales, DMR and National Solution Providers

### PRODUCT

MacroSoft's CloudOne Appliance™

### CUSTOMER

Small, upper mid market, enterprise departmental who may have the following needs: Backup Disaster Recovery, Web Based Applications, IoT, Etc.

### CHANNEL

Single Tier, services capable value added solution providers with managed services

### RESOURCES

People, Programs, Budget, etc.

### OBJECTIVE

\$5M Revenue on a \$2M budget spend. Set Program Funding to **Build out Program... Recruit ... Enable ... Win**

## Use Cases

- Managed Networking
- Managed Security
- Enterprise Departmental Server
- Cloud Server
- IoT Application Server
- Any Line of Business Application Server
- Backup-Disaster Recovery

## Key Product Feature:

Includes embedded Splunk to offer enhanced security, insight to operational efficiencies and customer behaviors

## Customer Business Value:

- Reduced costs
- Faster time to market
- Reduced risks

## When Sold as MRR:

- Internally consumed in order to offer a service
- Priced as a service

# Now, **Prioritize** Your Budget Spend Priorities for Your Ideal Partner

All are important,  
**RED** Indicates Partner Priorities

## Product Focused Resellers

- ✓ Predictable product flow
- ✓ Competitive SRP pricing & Rebates
- ✓ **Strong brand presence**
- ✓ **Clear, stable front-end margins**
- ✓ On-line sales & technical training
- ✓ Deal protection/reg.
- ✓ Affordable training
- ✓ Access to Channel rep
- ✓ Minimal channel conflict

Simplicity & affordability

## Technology Focused VARs

- ✓ Standards-based product
- ✓ Technical training
- ✓ Tech. architectures and tools
- ✓ **Certification & specialization status**
- ✓ Deeper technical support
- ✓ Performance incentives/rebate
- ✓ Deal protection/reg.
- ✓ **Co-marketing support & MDF**

Tech. depth & differentiation

## Services & Solution VARs & SI's

- ✓ **Reference architectures**
- ✓ Sales influence – recognize/reward
- ✓ Clear rules of engagement (w/vendor and other partners)
- ✓ Use-cases and references
- ✓ Field sales teaming model
- ✓ **Prof. Services mentoring & tools**

Services-attach & influence

## MSPs & Service Providers

- ✓ Deep technical relationship
- ✓ Classroom and lab based training
- ✓ **Utility-based licensing models**
- ✓ **Expedited support**
- ✓ **Creative financing**
- ✓ P2P collaboration program visibility
- ✓ Compensation neutrality for vendor field teams

Solid technology Financing/licensing

# Match Your Spend Priorities to the Navigator Simulation Buckets



	<b>Incentives</b> <i>(OPEX only and includes business development funds*)</i>	<b>Demand Generation Funds</b> <i>(includes all MDF)</i>	<b>Program or Other Partner Marketing Activities</b> <i>(excluding MDF)</i>
<b>Description</b>	<p>This category includes all of the program elements associated with partner incentives to drive:</p> <ul style="list-style-type: none"> <li>• Product sales</li> <li>• Education</li> <li>• Training behavior, etc.</li> </ul>	<p>This category includes all of the program elements that are related to driving end user demand with and through your partners.</p> <p>Note: this does not include corporate end user demand generation, advertising, trade shows, etc.</p>	<p>This category includes all of the program elements that relate to marketing your program and all aspects of “marketing to” your partners.</p>
<b>Includes:</b> <i>These are items that may be included in this budget section. This is not an exhaustive list, so other items can be included.</i>	<ul style="list-style-type: none"> <li>• Business development funds</li> <li>• Sales SPIFFs</li> <li>• Rebates</li> <li>• Performance incentives</li> <li>• Deal registration incentives</li> <li>• Special pricing programs, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• End-user targeted advertising</li> <li>• Promotions</li> <li>• Marketing activities designed to generate qualified leads</li> <li>• Trade show participation</li> <li>• Joint seminars, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Channel based print/web advertising</li> <li>• Industry events</li> <li>• Emails</li> <li>• Newsletters</li> <li>• Self-created webinars</li> <li>• Partner road shows, etc.</li> </ul>

*\*This includes OPEX funds only so do not confuse this with any contra-revenue items or discussion. We will address contra-revenue later in the Channel Masters curriculum.*



	<b>Infrastructure and Support</b> <i>(includes eval units, POCs, Pre/Post sales support items &amp; portal)</i>	<b>Education</b> <i>(Sales and Technical)</i>	<b>Other</b>
<b>Description</b>	<p>This category includes all of the program elements that are necessary to:</p> <ul style="list-style-type: none"> <li>• Execute and implement your partner program</li> <li>• Support partners during sales engagements.</li> </ul>	<p>This category includes all of the program elements that are related to enabling your partner’s technical or sales teams.</p>	<p>This category is open ended and designed to be a place to make investments outside of what is listed. This is intended to be a place to add creative ideas that might be outside of the normal investments.</p>
<b>Includes:</b> <i>These are items that may be included in this budget section. This is not an exhaustive list, so other items can be included.</i>	<ul style="list-style-type: none"> <li>• Partner portal (content updates)</li> <li>• Pre-sales technical support for partners</li> <li>• Eval units and proof of concept sessions</li> <li>• Post-sales tech support for partners (above normal tech support)</li> <li>• Concierge services</li> <li>• Professional services support</li> <li>• Technical best practices, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Technical training programs</li> <li>• Product or solution certifications training webinars/in-person sessions sales education programs</li> <li>• Product training for sales reps</li> <li>• Sales webinars</li> <li>• Customer education</li> <li>• Competitive positioning, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Focused investments in a targeted competitive partner</li> <li>• Ability to make un-budgeted investments (i.e. consulting assistance) in the real world that is not part of standard partner operations, etc.</li> </ul>

# But Wait, There's More!



# What About Other Routes to Market; Stay Tuned for the IPED Profitability Webinar

Partner Type	Account Management Objectives Requiring Program or Contract Support		
ISVs	Development Design Win	Lead with Your Brand	Potential Royalty, Resale, Influence Revenue
DIRECT MARKETING RESELLERS (DMRs)	Heads on Call Center Floor	Design into Marketing Campaigns	In-bound, Outbound call centers, <b>Spiff Impact is High</b>
SERVICE PROVIDERS	Architectural Design Win	Share of “sell to” Revenue	With “sell to” relationship, investigate opportunity to coordinate reseller recruitment
MSPs	Architectural Design Win	Share of “sell to” Revenue	Influence as existing on-premise workloads move to managed service

# Which Partner Business Models have Access to the Target Markets?

	Global SIs	ISVs	Service Providers	Distributors & VARs/MSPs	OT Distributors & Integrators	DMR & Web Sales	Direct Sales
	↓	↓	↓	↓	↓	↓	↓
<b>Target Market</b>	<ul style="list-style-type: none"> <li>✓ Global 1000</li> <li>✓ Complex Systems</li> </ul>	<ul style="list-style-type: none"> <li>✓ Vertical or Horizontal Solutions</li> </ul>	<ul style="list-style-type: none"> <li>✓ CIO, Dept. Buyers</li> </ul>	<ul style="list-style-type: none"> <li>✓ By VAR/MSP Specialty</li> </ul>	<ul style="list-style-type: none"> <li>✓ Enterprise to SMB LOB by Vertical</li> </ul>	<ul style="list-style-type: none"> <li>✓ All</li> </ul>	<ul style="list-style-type: none"> <li>✓ Segmented by Vendor</li> </ul>
	↓	↓	↓	↓	↓	↓	↓
<b>Buying Behavior</b>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Custom</li> <li>✓ High Touch</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Vertical Expertise</li> <li>✓ Avoid custom development</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ OPEX</li> <li>✓ Low barrier to entry</li> <li>✓ May be lower TCO</li> <li>✓ Flexibility</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Technology Guidance</li> <li>✓ Solutions</li> <li>✓ Low barrier to entry</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Vertical Biz Problem Discussion</li> <li>✓ Edge &amp; Industrial System Knowledge</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Procurement</li> <li>✓ Competitive Pricing</li> <li>✓ Quick Turn-around</li> </ul>	<p><b>Want:</b></p> <ul style="list-style-type: none"> <li>✓ Vendor Relationship</li> <li>✓ Development Access</li> </ul>

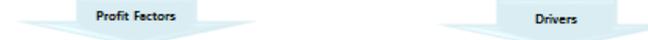
# Three Pure-Play Models from Which You Can have a Granular View of Profitability, Benchmark Your Program and Value Proposition

## Partner Profitability

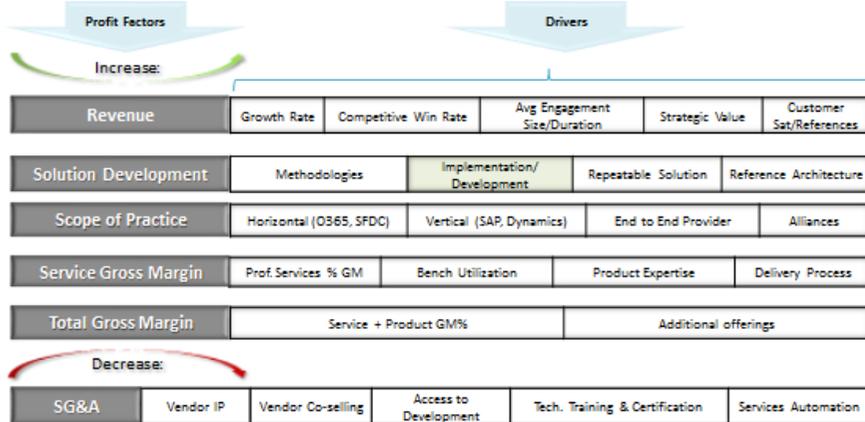
### VAR Profitability Drivers (with blended SI/Consultant functions)



### MSP Profitability Drivers (with blended partner managed & partner owned model)



### Consultant Profitability Drivers (Systems Integrator is apx. 70% Consultant & 30% VAR or MSP)



## Vendor Support Needs

### Lever of Partner Profitability: VAR

Partner P&L Levers	Type	Vendor Tools / Resources
	Increase Revenue	Stronger sales tools 23%

### Lever of Partner Profitability: MSP

Partner P&L Levers	Type	Vendor Tools / Resources
MRR Sales	Increase Revenue	Offer utility based or consumption based pricing 53%
	Decrease SG&A	More marketing visibility as part of vendors MSP partner ecosystem 38%

### Lever of Partner Profitability: Consultant/Systems Integrator

Partner P&L Levers	Type	Vendor Tools / Resources
<b>SOLUTION DEVELOPMENT</b>		
Intellectual Property	Increase REVENUE	More IP to help us Architect Next-Generation Services 34%
<b>DELIVERY EFFICIENCY</b>		
Service Delivery Tools	Decrease COGS	Better Access to Service Delivery Tools, Best Practices (Architectures, SOWs, Integration Guides) 30%
<b>STAFFING</b>		
Resources and Development	Decrease SG&A	Easier Access to Field SEs for Joint Engagement 43%
	Decrease COGS	Field Mentoring for Consultants 35%
	Increase REVENUE	Access to Field Salespeople for Joint Engagements 26%
Sales Process	Decrease COGS	Help us Get Access to Certified Technical Talent to Expand our Bench 29%
	Decrease SG&A	Better Access to Demo Gear 22%
<b>COST OF SALES</b>		
Program	Decrease SG&A	Reduce/Eliminate Channel/Alliance Program Fees 47%