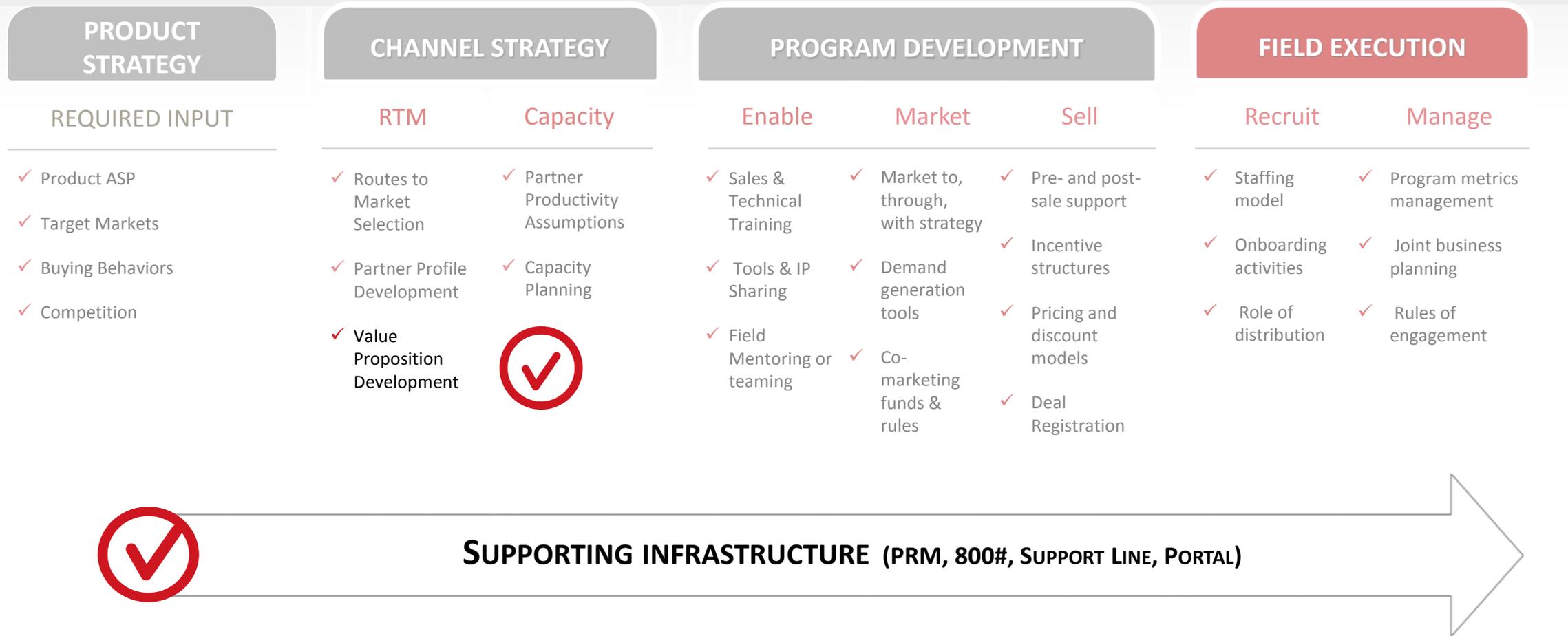


The background consists of a complex pattern of overlapping triangles in various shades of red and white. The triangles are arranged in a way that creates a sense of depth and movement, with some appearing to recede into the distance while others appear to come forward. The overall effect is a modern, geometric aesthetic.

**Recruit a Partner
to the Program
Phase 3**

12. Field Recruiting Using the Partner Value Proposition



Phase 3: Recruit a Partner to the Program

Workshop Exercise:

- **Develop:** a recruiting presentation
- **Goal:** for your ideal solution provider to join the partner program you have just created
- **Medium:** live presentation to the panel
- **Situation:** you previously met and gained sponsorship for an executive team meeting

Note: Do not assume your audience understands the Customer or Partner Value Propositions from previous meetings.

Partner Value Proposition: Detailed View – Pick the Areas You Will Address	
Category	The Questions Partners Ask – What's in it for them?
Simulation Phase 3	12.1 SOLUTION VIABILITY <ul style="list-style-type: none">• Do my Technicians vouch for it?• Does the product work?• Is it considered Best of Breed?• Is it an open solution with easy integration?• Would I bet my business on it?
	12.2 CUSTOMER DEMAND <ul style="list-style-type: none">• What is the size of the target market?• What are the use cases?• How does it solve those business problems?• Are customers asking for it?
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	12.4 VENDOR CULTURE <ul style="list-style-type: none">• Can I trust vendor claims?• Is the vendor committed to the channel?• Does the go to market plan favor the channel?
	12.5 SYNERGY & DIFFERENTIATION <ul style="list-style-type: none">• Will it set me apart from my competitors?• Will it allow me to become more competitive?• Does it offer the next adjacency to my current skills?

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**Hint: This page matters,
it is your content!!!**

Now Articulate Your Value Proposition

How You Manage Your Partners Depends On WHO They Are As Well As "WHERE" They Are

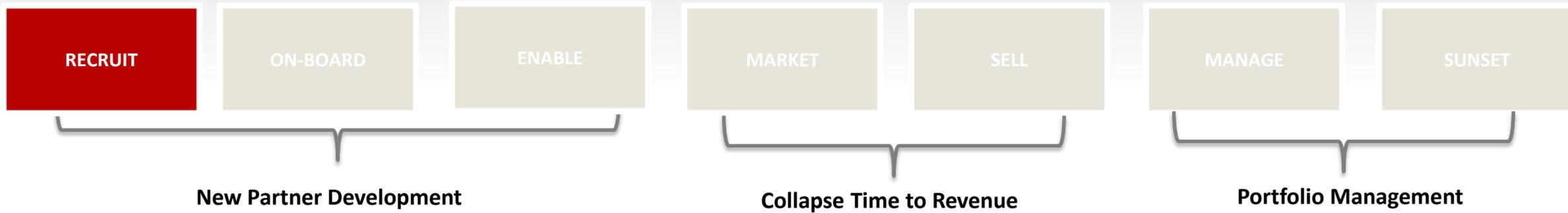


- *How much effort / investment?*
- *How much revenue expected?*
- *How stable is the relationship?*
- *Which specific actions / tactics apply?*

Each discipline must be adapted to partner types (model / effectiveness / etc.) as well as relationship type & coverage model

Now Articulate Your Value Proposition

How You Manage Your Partners Depends On WHO They Are As Well As "WHERE" They Are



Q:

- How much effort / investment?
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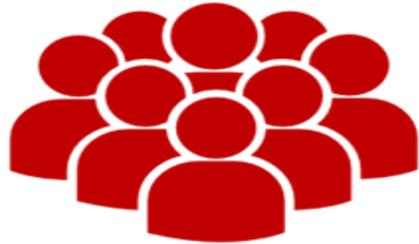
Each discipline must be adapted to partner types (model / effectiveness / etc.) as well as relationship type & coverage model

The Bottom Line

Always
Be Visible

Reinforce
Your Message

Demonstrate Your
Value



1.5 MILLION
Solution Providers

MAKE CHOICES EVERY DAY

Let's Consider a VAR-MSP Hybrid Partner Example

Typical Answers

- Competitors' best partners
- Existing technology sales practice is majority of their business
- Biggest solution providers
- Partners who are willing to be exclusive
- Anyone who will say YES

Evolved Answers...

One Who Meets Your Profile

- Partners who can execute their business models and are accountable for results
- Partners who have mature / effective services practices
- Partners who target specific high-priority vertical segments
- Partners who have effective marketing / demand generation abilities



Value Proposition

12. Delivering the Value Proposition VAR-MSP View

A Partner's Assessment of Your Product & Program versus Other Choices

Solution Viability:

Would I bet my business on it?

*Is the product best of breed?
Does it integrate easily?*

Customer Demand:

Pull vs. Push?

*Is there sales momentum
and customer desire for the
product or service?*

Profit Potential:

ROI on Education,
Demo Sets, etc.

*Is there a compelling case
for ROI and profitability?*

Vendor Culture:

Go to Market with
Channel?

*Is the go to market
favorable to the channel?*

*Is trust established with the
channel?*

*Are rules of engagement
trustworthy?*

Synergy and Differentiation:

Am I the Correct
Profile?

*Is there an obvious adjacency
with current offerings resulting
in synergy with my existing
business?*

*Does this solution differentiate
me from competitors?*



Delivering the Value Proposition VAR-MSP View

A Partner's Assessment of Your Product & Program versus Other Choices

Solution Viability:

Would I bet my business on it?

Customer Demand:

Pull vs. Push?

Profit Potential:

ROI on Education, Demo Sets, etc.

Vendor Culture:

Go to Market with Channel?

Synergy and Differentiation:

Am I the Correct Profile?



The goal is not to convince a partner to sell your product, but to recognize a mutually-beneficial business opportunity... then commit to building the business together.

This is NOT a sales conversation, it's a **business investment conversation**. Your role is to help them see the opportunity and the beneficial synergies it brings to their business objectives.

12.1 – 12.5 MacroSoft CloudOne

- In your recruitment pitch you will use worksheet material sections **12.1 – 12.5**. These are in the value proposition section.
- Please also use or refer to material from your previous worksheets:
 - Partner program
 - Partner profile
 - Capacity plan
 - Gross margin and services assumptions
 - Etc.

Partner Value Proposition

- 12.1 Describe **the Solution**
- 12.2 **Customer Value Proposition**
- 12.3 Show the **Profit Potential**
- 12.4 Highlight the **Vendor Culture**
- 12.5 Point to **Synergy & Differentiation**

You will create a PowerPoint presentation to Recruit a Partner

A Partner's Assessment of Your Product & Program versus Other Choices

Solution Viability:
Would I bet my business on it?

Customer Demand:
Pull vs. Push?

Profit Potential:
ROI on Education, Demo Sets, etc.

Vendor Culture:
Go to Market with Channel?

Synergy and Differentiation:
Am I the Correct Profile?

Partner Value Proposition: Detailed View – Pick the Areas You Will Address

Simulation Phase 3

Category	The Questions Partners Ask = What's in it for them?
12.1 SOLUTION VIABILITY	<ul style="list-style-type: none">• Do my Technicians vouch for it?• Does the product work?• Is it considered Best of Breed?• Is it an open solution with easy integration?• Would I bet my business on it?
12.2 CUSTOMER DEMAND	<ul style="list-style-type: none">• What is the size of the target market?• What are the use cases?• How does it solve those business problems?• Are customers asking for it?
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12.5 SYNERGY & DIFFERENTIATION	<ul style="list-style-type: none">• Will it set me apart from my competitors?• Will it allow me to become more competitive?• Does it offer the next adjacency to my current skills?

12.1 Solution Viability - Describe the Solution

Because Exadata Express runs the newest enterprise database release plus options, it gives you access to exciting new features of Oracle Database 12c Release 2. For enterprise database experience. You do not need to worry about network or storage configuration, patching, upgrade or other DBA tasks. These activities are managed for you by Oracle, so no customer DBA is required. Exadata Express gives you the same

Oracle Database Exadata Express Cloud Service is the ideal entry-level service for running Oracle Database in Oracle Cloud. It delivers an affordable and fully managed Oracle Database 12c Release 2 experience, with enterprise options, running on Oracle Exadata. It is a great fit for small and medium sized production databases as well as development, testing and evaluation environments. For developers, Exadata Express provides easy access to advanced development features of Oracle Database, enabling you to rapidly create modern data-driven applications.

12.1 Solution Viability - Describe the Solution

Because Exadata Express runs the newest enterprise database release plus options, it gives you access to exciting new features of Oracle Database 12c Release 2. For enterprise database experience. You do not need to worry about network or storage configuration, patching, upgrade or other DBA tasks. These activities are managed for you by Oracle, so no customer DBA is required. Exadata Express gives you the ease

Description:

- An ideal entry level service to run Oracle DB
- An affordable fully managed DB with enterprise options & Exadata

Feature/Function:

- Oracle DB 12c Release 2

Benefits:

- No DBA required
- No configuration
- No patching or upgrades

Use Cases:

- Production databases
- Development
- Test and evaluation environments

enterprise options, running on Oracle Exadata. It is a great fit for small and medium sized production databases as well as development, testing and evaluation environments. For developers, Exadata Express provides easy access to advanced development features of Oracle Database, enabling you to rapidly create modern data-driven applications.

Partner Value Proposition vs. Customer Value Proposition

What's the
Difference



Partner Value Proposition



Customer Value Proposition

Audience

Partner: asses relevance, odds of success and ability to make money.

- Partner: during recruitment visualizes which Customers have the solution/product need.
- Customer: assesses need when the Partner sells solution

**Answers the
Questions**

- What is the solution?
- Customer Value Proposition?
- What is the customer demand and market size?
- What must I do to invest?
- What is my likely return? By when?
- Will I differentiate myself from my competitors?

- What is the solution? Capabilities?
- What business problem does it solve?
- What is the demand ?
- What are the use cases?
- Who are the references?

- Do I trust you/your company?

12.2 What is a Customer Value Proposition?



- The **Customer Value Proposition** is required, though not always made clear in communications
 - *Vendors often stop at Feature, Function, Benefit*
- The **Partner Value Proposition** is not complete without a Customer Value Proposition
- Product Marketing is typically the source for Customer Value Propositions
- If you do not provide it; CAMs will make it up!!!

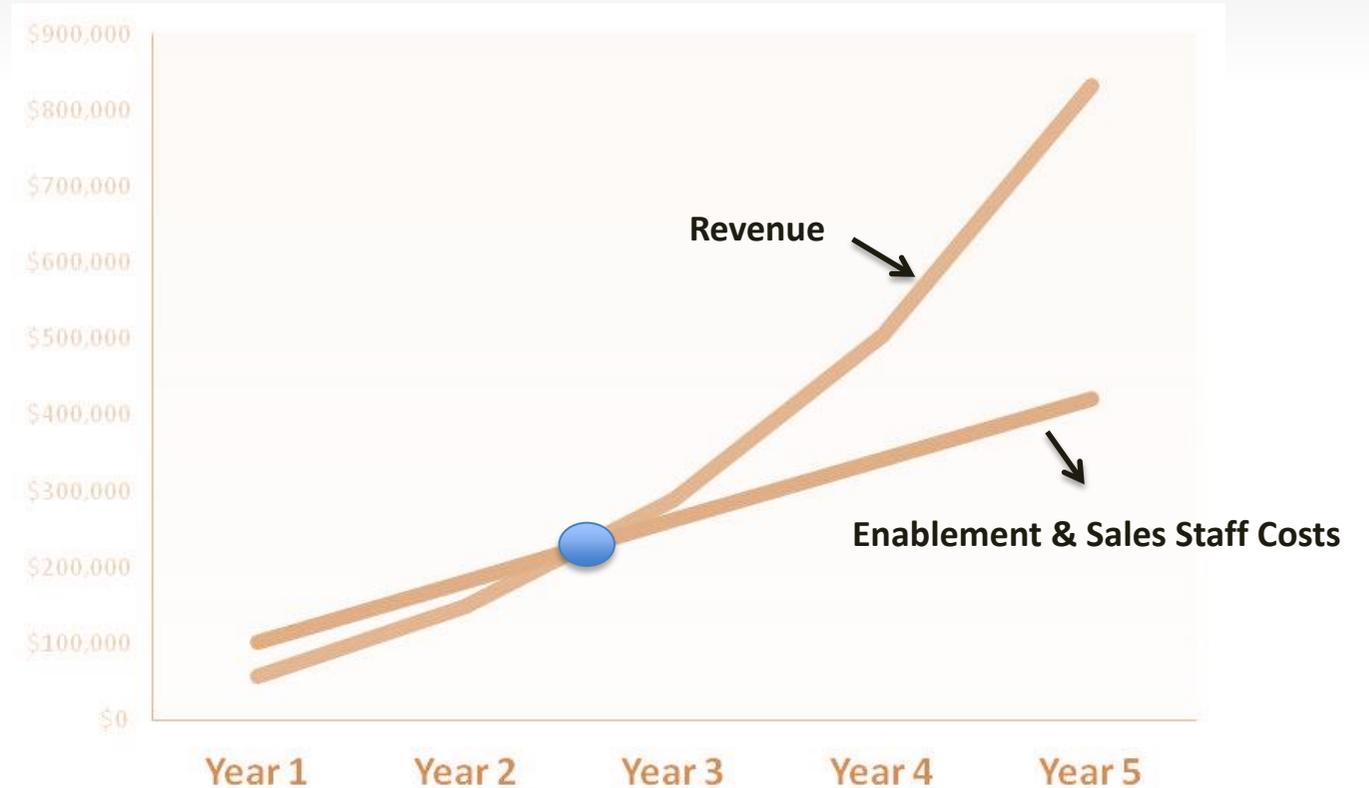
Category	The Questions Partners Ask = What's in it for them?
12.2 CUSTOMER DEMAND	<ul style="list-style-type: none">• What is the size of the target market?• What are the use cases?• How does it solve those business problems?• Are customers asking for it?

12.3 In a Perfect World, Break Even Would Accompany the Partner Value Proposition

Sample Break Even Analysis



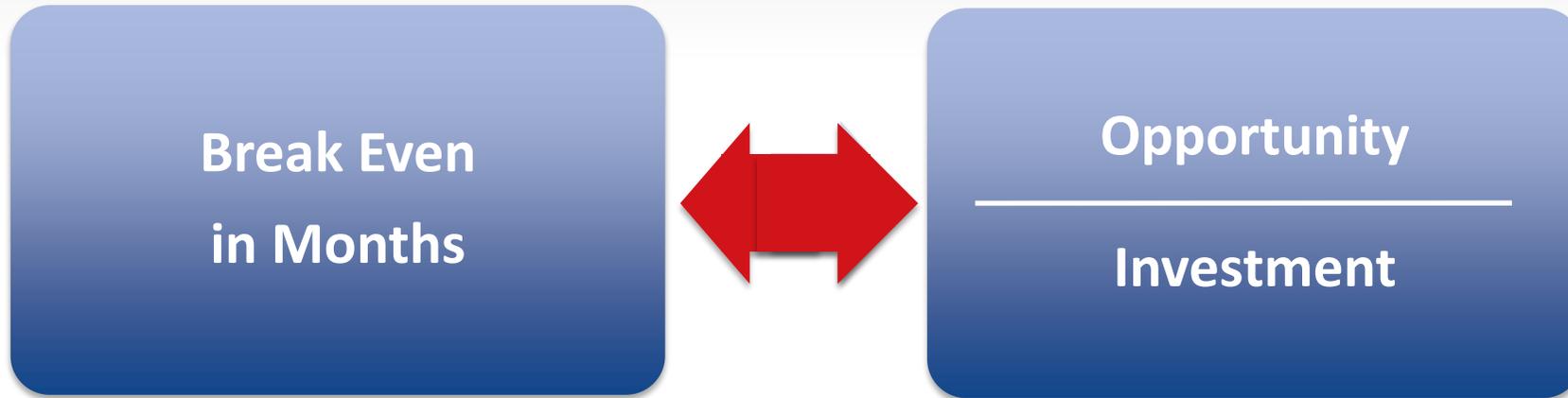
Partners typically invest in technologies where they break even in less than 12 months!



The data contained in this chart is illustrative

Time to Break Even Calculation...It's Simply Math

"I want you to invest..."



"I want you to invest...here's what's in it for you."



Opportunity

Investment

Qualitative:

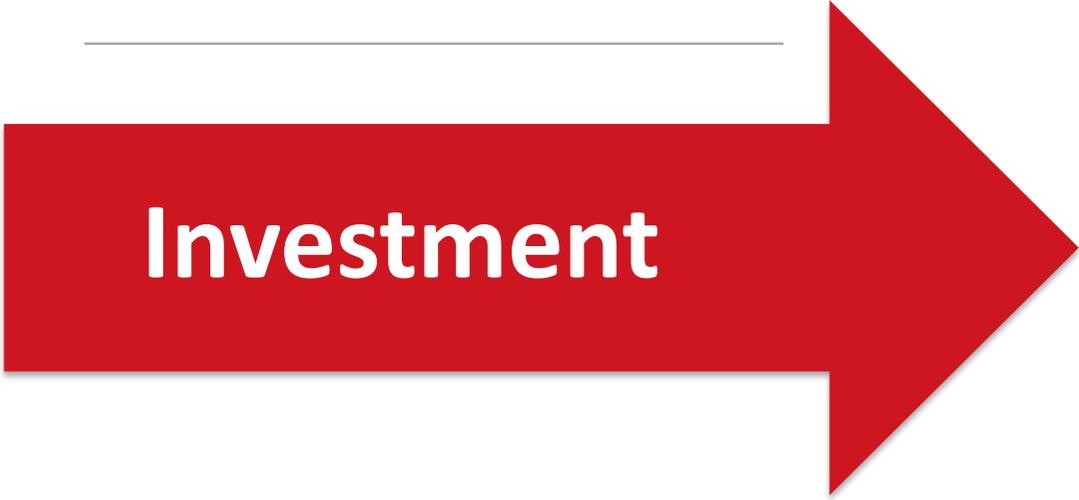
- Innovative and reliable technology
- Brand strength & market presence
- Ability to differentiate in their markets
- Relationship with you, the Vendor

Quantitative:

- **Revenue and profits over a period of time projected by month**
- Incentives
- Program support & cost off-sets (sales, marketing, technical, service program benefits (GETS))

"I want you to invest..."

Opportunity



Investment

- Program fees
- Sales Training
- **Technical Training tuition & travel**
- **Technical Training opportunity cost (technical time lost billing)**
- Certification & testing expense
- Marketing
- Demo Sets, etc.
- Incremental staff to be hired

12.3 Service Attach Rates from the Navigator

Market Segment

Typical Buyer

Market Size & Competition

Customer Benefits

Sales Cycle

- Average Sales Price of the Solution
- Partner Services assumptions

	Your Services	Traditional Resell Offering	Managed Services Offering	
	Pre-sales consulting opportunity: (i.e. Requirements development, POC implementation, planning services, etc.)	10-15% of total system price (For SMBs, mostly at no-charge)	10-15% of total system price (For SMBs, mostly at no-charge)	
	Implementation services opportunity: (i.e: installation, configuration, data migration, etc.)	25-50% of total system price	10-20% of 3 year subscription price	
	Managed Services opportunity: (i.e. monitoring, break/fix support, help desk, patch management, backup/DR)	NA	~ \$550 Per month / per system	
	As a Service Monthly	Basic Service	Total Contract Value @ 36 mos	Pre-/Post-sale Services
SMB		\$1,000	\$36,000	\$9,000/Implementation \$550/month managed services
Mid-market & Dept. Enterprise		\$1,000	\$36,000	\$18,000/Implementation \$550 month managed services

12.3 Profit Potential - Gross Margin Math: MacroSoft

SMB Service	Monthly or OTC	TCV Revenue	GM	TCV Profit	Monthly Profit	OTC Profit
Pre-sales consulting	na	0	32%	\$0		\$0
MacroSoft Service (\$1,000)	MRR @ 36 months	\$36,000	25%*	\$9,000	\$250	
Implementation (10% of \$36k/TCV)	OTC	\$3,600	32%	\$1,152		\$1,152
Managed Services (\$550 @ 36 mos)	MRR	\$18,000	42%	\$7,560	\$210	
*at list price less 10% disc.	Total Revenue Est.	\$63,000	Total Margin Est.	\$17,712	\$460	\$1,152

Mid-market, Dept. Enterprise Service	Monthly or OTC	TCV Revenue	GM	TCV Profit	Monthly Profit	OTC Profit
Pre-sales consulting (15% of MacroSoft \$)	OTC	\$5,400	32%	\$1,728		\$1,728
MacroSoft Service (\$1,000/month)	MRR @ 36 months	\$36,000	25%*	\$9,000	\$250	
Implementation (25% of \$36k/TCV)	OTC	\$9,000	32%	\$2,880		\$2,880
Managed Services (\$550 @ 36 mos)	MRR	\$18,000	42%	\$7,560	\$210	
*at list price less 10% disc	Total Revenue Est.	\$68,400	Total Margin Est.	\$21,168	\$460	\$4,608

Mid-market, Dept. Enterprise On-premise	Monthly or OTC	TCV Revenue	GM	TCV Profit	Monthly Profit	OTC Profit
Pre-sales consulting (15% of MacroSoft \$)	OTC	\$7,500	32%	\$2,400		\$2,400
MacroSoft Box	OTC	\$50,000	25%*	\$12,500		\$12,500
Implementation (25% of \$50,000)	OTC	\$12,500	32%	\$4,000		\$4,000
Managed Services (\$550 @ 36 mos)	MRR	\$18,000	42%	\$7,560	\$210	
*at list price less 10% disc	Total Revenue Est.	\$88,000	Total Margin Est.	\$26,460	\$210	\$18,900

12.3 Profit Potential: Assume 30 Day Lag from Sale to Revenue

Month	Activity	Revenue by Month
January	Hire, Train, Sell, Rev Rec	One Time Charge (OTC) or MRR
February	Selling	
March	Sell, Close one	OTC
April	Close one	MRR
May		
June	Map the Gross Margins from each monthly deal to spreadsheet →	
July		
August		
September	Example!	
October		
November		
December		
January		

Modeling Your ROI Scenario

Over 12 months which of these tasks are completed by month?

Hire
 Train
 Sell
 Rev Rec

Can the Partner close 1 deal/month on average?
During which months?

Might the closed deals be OTC, MRR and which deals are SMB, MM or Enterprise?

Which Gross Margin assumptions go with the deals by month?

Which Investments will you require: (GIVE?)

Half a Sales Rep \$0 YOUR EXISTING SALES CAN SELL?

**Tech Education
Opp Cost** \$?

Marketing \$?

Map Investments to spreadsheet →

12.3 Profit Potential: MacroSoft CloudOne ROI

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Jan	Hire, Train, Sell														
Feb	Sell														
Mar	Sell, Close														
Apr				\$1,618	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460
May					\$1,618	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460
Jun						\$5,068	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460
Jul							\$18,900	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210
Aug								\$5,068	\$460	\$460	\$460	\$460	\$460	\$460	\$460
Sep									\$18,900	\$210	\$210	\$210	\$210	\$210	\$210
Oct										\$18,900	\$210	\$210	\$210	\$210	\$210
Nov											\$1,618	\$460	\$460	\$460	\$460
Dec												\$18,900	\$210	\$210	\$210
Jan													\$1,618	\$460	\$460
Monthly Gross Margin \$				\$1,618	\$2,078	\$5,988	\$20,280	\$6,658	\$20,950	\$21,160	\$4,088	\$21,830	\$4,758	\$3,600	\$3,600
Monthly Investment Costs \$	\$10,008	\$12,208	\$5,208	\$5,208	\$5,208	\$5,208	\$12,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208
*1/2 Sales Rep Dedicated	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208
*Education Opportunity Cost	\$4,800														
MDF Match		\$7,000					\$7,000								
	\$10,008	\$12,208	\$5,208	\$5,208	\$5,208	\$5,208	\$12,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208	\$5,208
Cum Gross Margin \$	\$0	\$0	\$0	\$1,618	\$3,696	\$9,684	\$29,964	\$36,622	\$57,572	\$78,732	\$82,820	\$104,650	\$109,408	\$113,008	\$116,608
Cum Investment Cost \$	\$10,008	\$22,216	\$27,424	\$32,632	\$37,840	\$43,048	\$55,256	\$60,464	\$65,672	\$70,880	\$76,088	\$81,296	\$86,504	\$91,712	\$96,920

Chart spreadsheet →

Gross Margins →

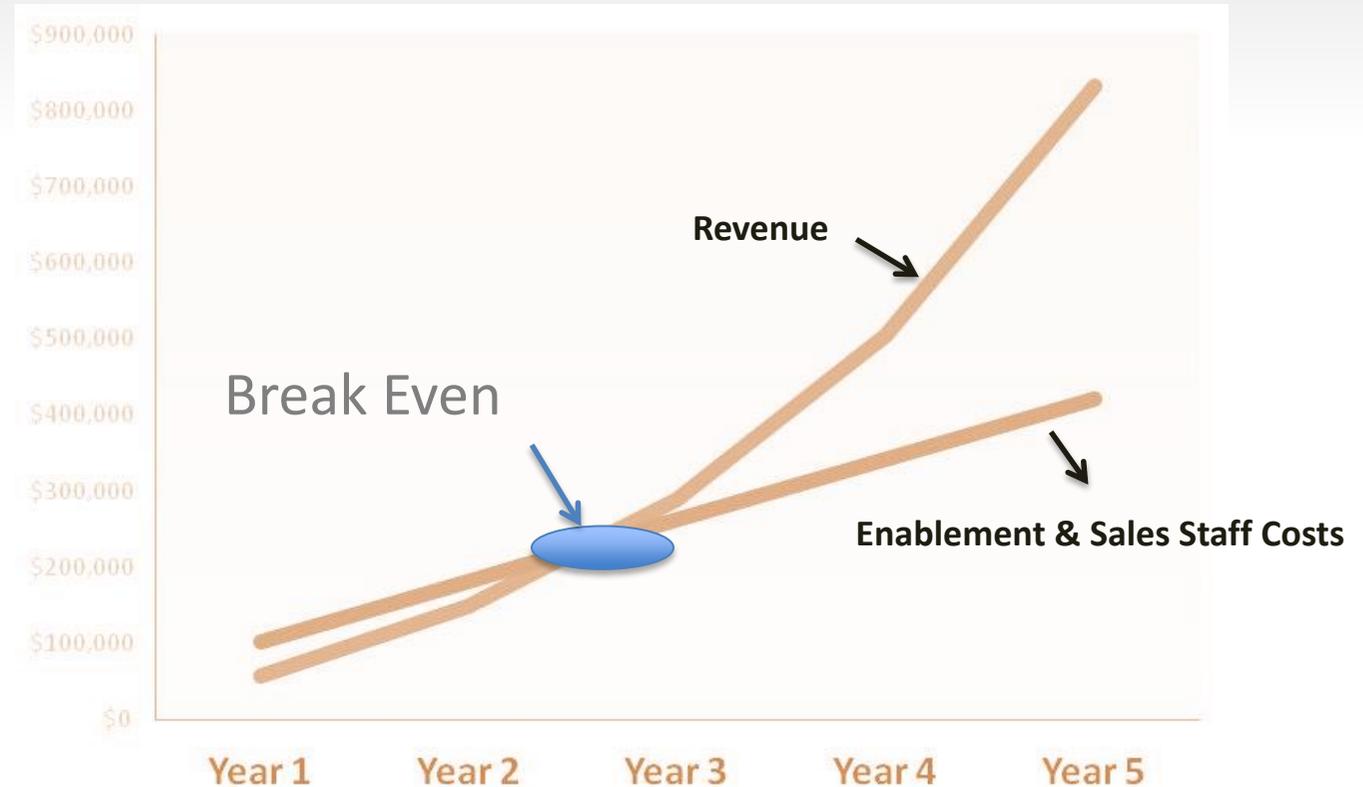
← **Investment**

12.3 In a Perfect World Break Even Would Accompany the Value Proposition

Sample Break Even Analysis



Partners typically invest in technologies where they break even in less than 12 months!



The data contained in this chart is illustrative

12.3 Profit Potential: Assume 30 Day Lag from Sale to Revenue

When you talk partner profitability, you have the option to:

- Talk gross margin opportunities for the product

If you have time:

- You have the option to complete a break even analysis using the spreadsheet as well

WORKSHEET 12.3

Profit Potential: Assume 30 day lag from sale to revenue

Month	Activity	Revenue by Month
January	Hire, Train, Sell, Rev Rec	OTC or MRR
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
January		

WORKSHEET 12.3

Service Attach Rates from the Navigator

Market Segment	Your Services	Traditional Resell Offering	Managed Services Offering
Typical Buyer			
Market Size & Competition	Pre-sales consulting opportunity: (i.e. Requirements development, POC implementation, planning services, etc.)	10-15% of total system price (For SMBs, mostly at no-charge)	10-15% of total system price (For SMBs, mostly at no-charge)
Customer Benefits	Implementation services opportunity: (i.e. installation, configuration, data migration, etc.)	25-50% of total system price	10-20% of 3 year subscription price
Sales Cycle	Managed Services opportunity:	NA	~ \$550 Per month / per system

WORKSHEET 12.3

Profit Potential 12.3: MacroS

	Jan	Feb	Mar
Jan	Hire, Train, Sell		
Feb	Sell		
Mar	Sell, Close		
Apr	Sell, Implement, Invoice/SMB Serv, Close		
May	Sell, Implement, Invoice/SMB Serv, Close		
Jun	Sell, Implement, Invoice/MM Serv, Close		
Jul	Sell, Implement, Invoice/Ent on-prem, Close		
Aug	Sell, Implement, Invoice/MM on-prem, Close		
Sep	Sell, Implement, Invoice/MM on-prem, Close		
Oct	Sell, Implement, Invoice/Ent on-prem, Close		
Nov	Sell, Implement, Invoice/MM on-prem, Close		
Dec	Sell, Implement, Invoice/MM on-prem, Close		
Jan	Sell, Implement, Invoice/SMB Serv, Close		
Monthly Gross Margin \$			
Monthly Investment Costs \$	\$10,008	\$12,208	\$5,208
*1/2 Sales Rep Dedicated	\$5,208	\$5,208	\$5,208
*Education Opportunity Cost	\$4,800		
MDF March		\$7,000	
	\$10,008	\$12,208	\$5,208
Cum Gross Margin \$	\$0	\$0	\$0
Cum Investment Cost \$	\$10,008	\$22,216	\$27,424

WORKSHEET 12.3

Profit Potential - Gross Margin Math: MacroSoft

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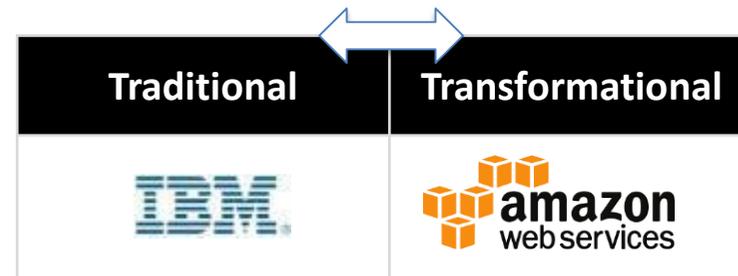
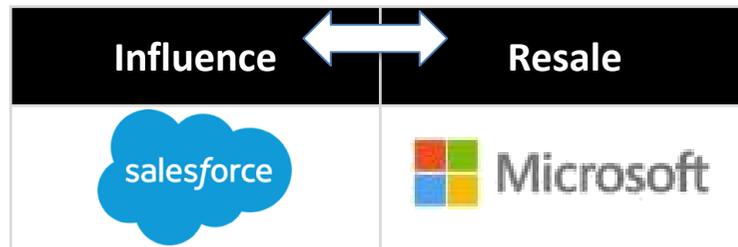
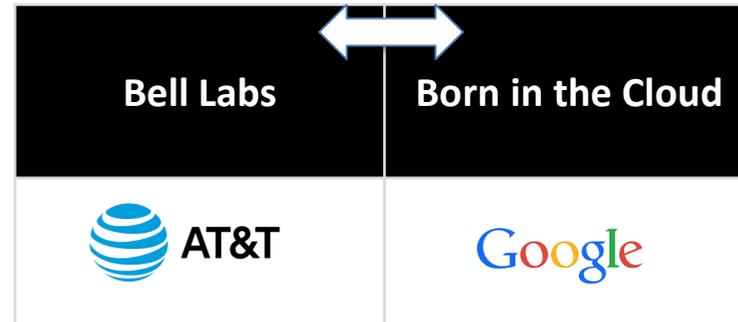
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12.4 Vendor Culture

Category	The Questions Partners Ask = What's in it for them?
12.4 VENDOR CULTURE	<ul style="list-style-type: none">• Can I trust vendor claims?• Is the vendor committed to the channel?• Does the go to market plan favor the channel?



12.5 Synergy & Differentiation

Category	The Questions Partners Ask = What's in it for them?
<p>12.5 SYNERGY & DIFFERENTIATION</p>	<ul style="list-style-type: none"> • Will it set me apart from my competitors? • Will it allow me to become more competitive? • Does it offer the next adjacency to my current skills?

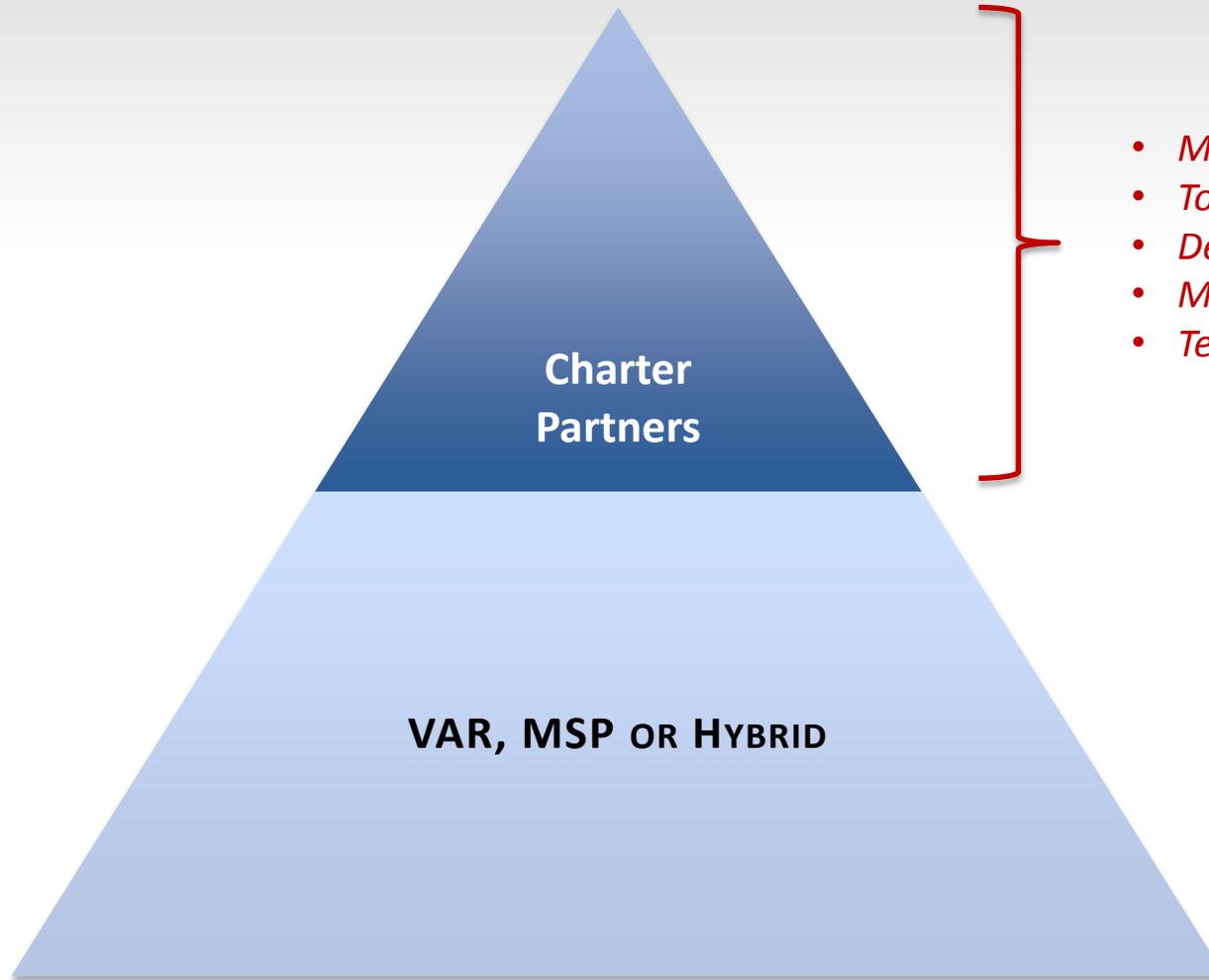
IPED Adjacencies?
In which programs do your targets participate?

Telephony	Unified Comm	Networking	Data Center
<input type="checkbox"/> On-prem PBX	<input type="checkbox"/> VOIP	<input type="checkbox"/> Routers, Hubs	<input type="checkbox"/> Servers
<input type="checkbox"/> Cabling	<input type="checkbox"/> Call Center Integration	<input type="checkbox"/> Security	<input type="checkbox"/> Storage
<input type="checkbox"/> Voice & Data	<input type="checkbox"/> UC/Mobility Integration/SkypeBiz	<input type="checkbox"/> Unified Comm	<input type="checkbox"/> Systems Mgt. Software
<input type="checkbox"/> Managed PBX	<input type="checkbox"/> Managed VOIP	<input type="checkbox"/> Comm as a Service	<input type="checkbox"/> IaaS, BDR, etc.
	<input type="checkbox"/> Mobile Device Mgt.		

Blue indicates Recurring Revenue

"How am I different than every other Cisco Gold?"

You Don't Yet Have a Program with Tiers nor with Tracks for Hosters/MPS versus VARs, however, which Partners are you Recruiting to Start?

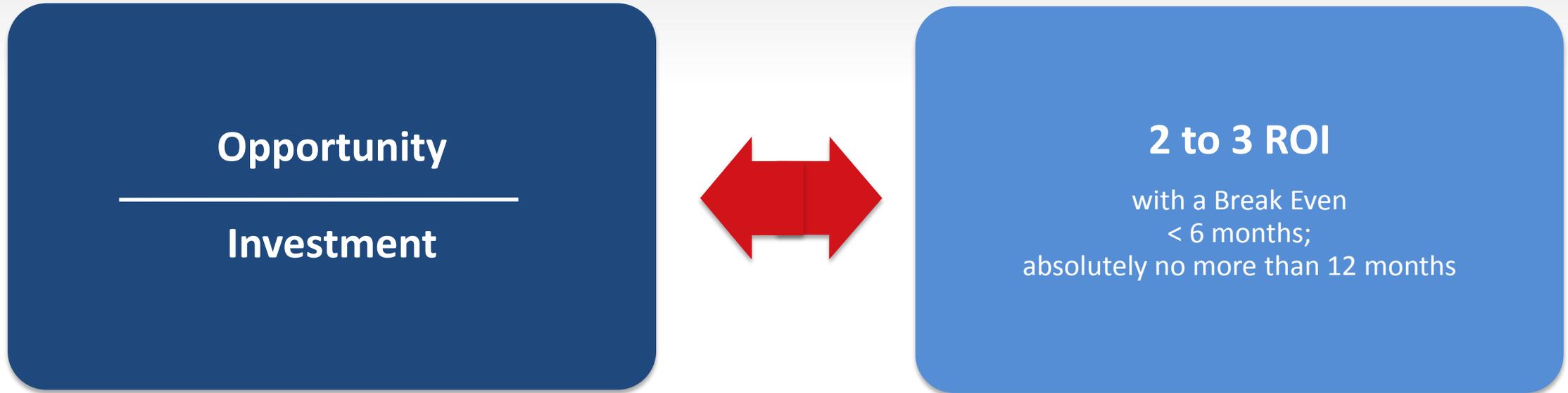


- *Managed Partners*
- *Top group to start*
- *Designated CAMs*
- *May write business plans*
- *Tend to have high value contact with MacroSoft*

How do these Partners differ from the balance who will join the program over the next several years?

**IN
REAL
LIFE**

We Were Asked to Write the Value Proposition



IPED Channel Masters Webinars on Value Proposition

Real Life Examples: Customer Value Proposition IaaS New Service Provider

Target Market

- Mid-market+ data centers
- 500 to 10,000 employee customer segments

Typical Buyer

- Architects
- IT-System-DB-Network Managers
- Application Developers
- Security-Compliance Teams

Compelling Buyer Motivation

- Ease of use when xxxxx; avoids application re-write, different tools or processes
- A need for predictable and consistent hybrid cloud performance
- Robust, enterprise-class support regardless of where the workload resides

Typical Use Cases:

- Backup Disaster Recovery
- Application Development Test Capacity
- Peak Period Processing Capacity

Real Life Examples: This is a Service Rather than an Appliance Proposition

What might you assume to get started?

- Service sold @ xx% discount + rebate
- Utilize 50% of an existing xx skilled sales person for emphasis
- Does not require incremental hiring; utilize your existing sales force
- Utilize existing xx technical skills for on-boarding & service delivery

What might the revenue outlook be for 10 deals in 12 months?

- January: Sales training is completed, leverage existing certification in place on technical side
- February: Selling
- March: first large contract closed @ \$8000/mo; 60 day lag to order and on-board
- April, July, October closes one (1) deal/each month @\$1,800/mo
- May, August, November closes one (1) Dev-Test or BDR deal/each month @ \$3,000/mo
- June, September, December closes one large deal/each month @ \$12,000/mo

Does not yet include your managed, hosting or cloud services

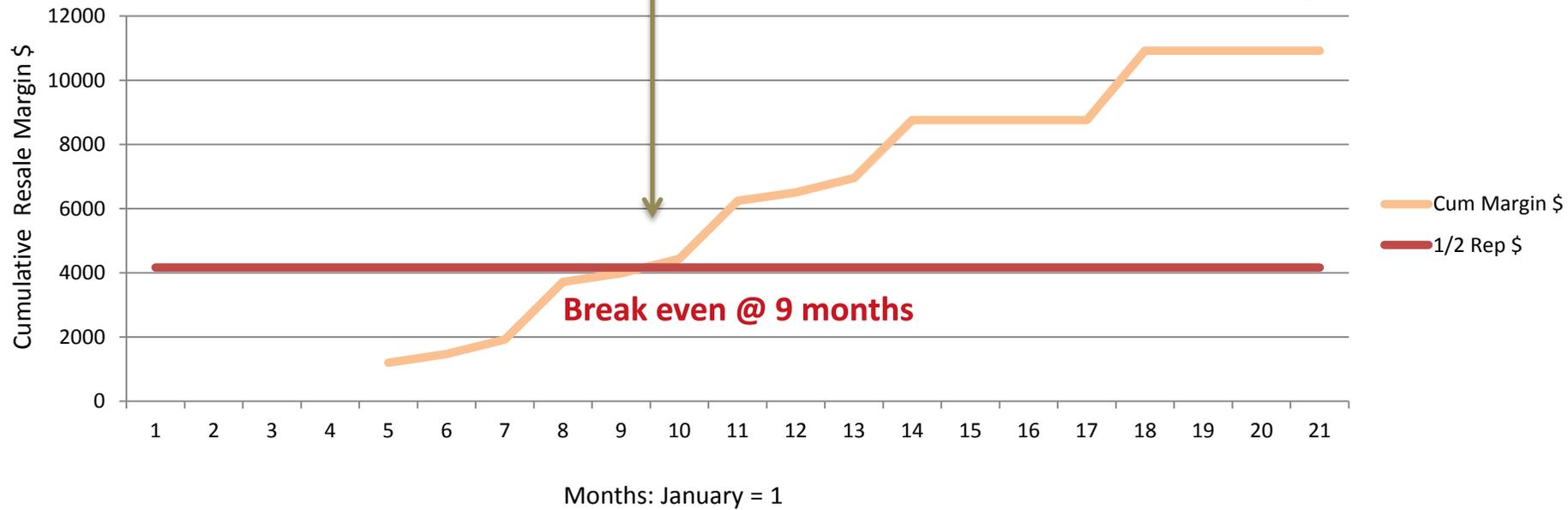
- Your patch management or other managed services are not yet included
- Assumes list pricing
- Demand generation and awareness tasks are completed driving prospective customers both inside your current customers as well as some net new customers landed

Real Life Examples: Sample ROI Analysis on a Service Showing Time to Break Even

Assumptions on previous page are for illustrative purposes only, your assumptions must be used to plot your break even point.

**Break even starting at month 9;
Typical IT partner ROI goal between 6 & 12 months**

Please also include your value add, managed services



ROI Revenue by Month

Month	1	2	3	4	5	6	7	8	9	0	11	12	13	14	15	16	17	18	19	20	21
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept
March					1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200
April						270	270	270	270	270	270	270	270	270	270	270	270	270	270	270	270
May							450	450	450	450	450	450	450	450	450	450	450	450	450	450	450
June								1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
July									270	270	270	270	270	270	270	270	270	270	270	270	270
Aug										450	450	450	450	450	450	450	450	450	450	450	450
Sept											1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
Oct												270	270	270	270	270	270	270	270	270	270
Nov													450	450	450	450	450	450	450	450	450
Dec														1800	1800	1800	1800	1800	1800	1800	1800
Jan															480	480	480	480	480	480	480
Feb																720	720	720	720	720	720
Mar																	960	960	960	960	960
Cum Margin \$					1200	1470	1920	3720	3990	4440	6240	6510	6960	8760	8760	8760	8760	10920	10920	10920	10920
1/2 Rep \$	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166	4166

"Our Solution will offer you the ability to continue your managed services growth."

Each sale is captured by month, delay to revenue estimated, then recurring or one time charge revenue amount shown each month or year.

For accelerators or 36 month up front payments, they are calculated as lump sum payments.

Likely Partner Value Proposition Presentation Components (Order)

In the real world, a competitive program is necessary as partners have alternatives.

Selling that program is critical.

Your time is limited; determine how best to present these in a face to face scenario.

Then present it!

Hint: Introduce yourselves & why you're there!!!

**MacroSoft
CloudOne
Appliance**
Define the solution, customer value prop including: customer use cases, key customer benefits

The Market
Describe the customer target market, competition and market opportunity

Partner Opportunity
*Outline the **Partner Value Prop** product, services and managed offering assumptions and opportunities to profit. Given more time calculate Break Even Chart (do the math).*

Our Investments
Propose a business relationship; outline what the partner is expected to invest and what you will provide as a vendor
Propose your Program Give to Gets

Getting Started
Outline next steps

Cloud One Appliance



MacroSoft

Today's Discussion

**MacroSoft CloudOne
Appliance**

→ The Market

**→ Partner
Opportunity**

**→ Our
Investments**

→ Getting Started

Describe the Solution

Description:

Description:

Feature/Function:

Benefits:

Use Cases:

KEY SOLUTION FEATURES and/or BENEFITS:

-
-
-
-
-

Do You Have Customers with These Needs?

Describe the Market

Indicate:

Market size _____

Growth rates _____

Describe:

Target buyers _____

Competition _____

MacroSoft go to market plans _____

The Opportunity

For partners who meet the Ideal Partner Profile, lay out the opportunity.

Product on-premise revenue and gross margins
Product MRR revenue and gross margins in TCV

Pre and post-sales project based services, and managed services assumptions typical for deals

Describe how the box can be placed on-premise via resale/managed service or how it may be consumed by the partner for a managed service.

Answer how adding offerings that leverage this appliance might differentiate this partner from others who don't offer this appliance or solution? (optional)

**Please use your skills to
title appropriately**

Our Program Investment

Partner requirements:

e.g. **Requirements:** what you must invest

What you GIVE

-

Single-tier channel ready solution: that offers what?

e.g. **Benefits:** what I, the vendor, will provide

To GET

-
-

**Please use your skills to
title appropriately**

Financial Summary of Investment & Return to the Partner

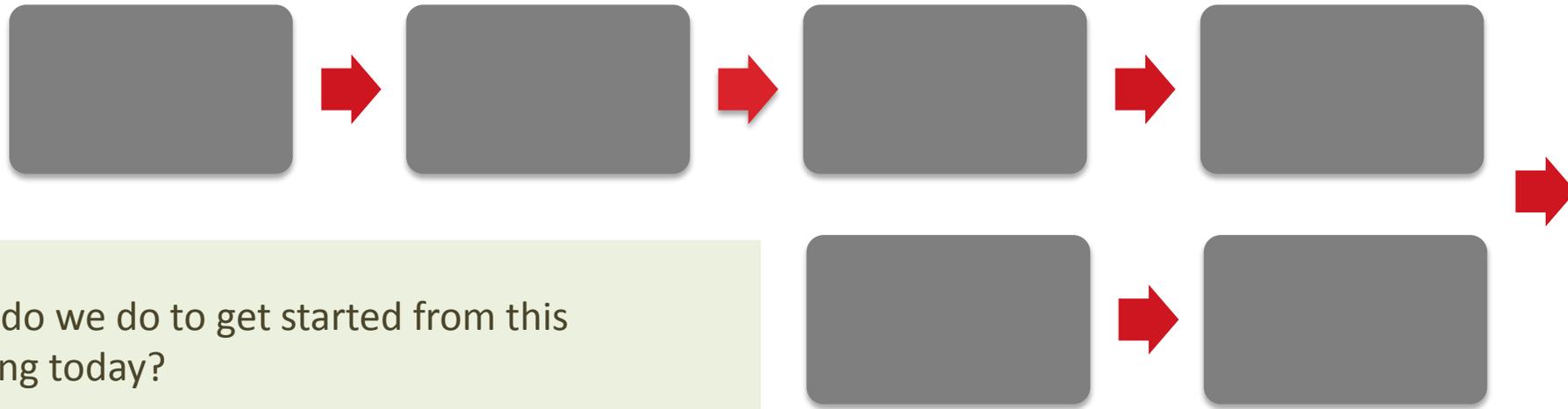
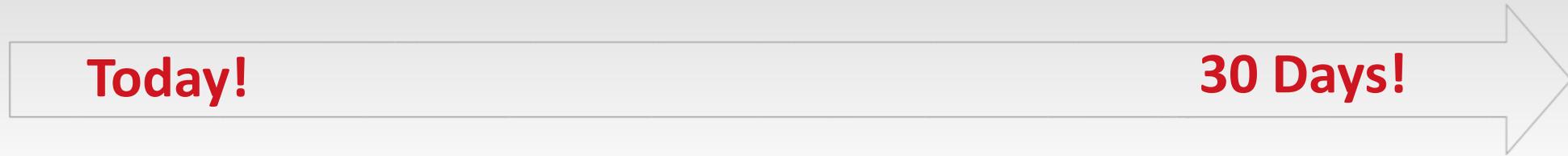
Talk gross margin assumptions if you do not have time to build a full financial analysis...make assumptions regarding the # of deals a partner might sell in 12, 18 or 24 months.

Extend the estimated gross margin math to calculate a Break Even analysis if you have time.

Include an estimate of expenses incurred including education, marketing, staffing and any other costs.

**Please use your skills
to title appropriately**

Getting Off to a Fast Start



**Please use your skills to
title appropriately**

Your Solution Provider Panel... in Real Life



Allen Falcon
CEO & President



Glen Jodoin
*VP Marketing &
Operations*



Mike Hadley
President & CEO



Pete Zarras
*Executive Director,
Microsoft Practice*



Bill Smeltzer
*Executive VP and
Chief Technology Officer*

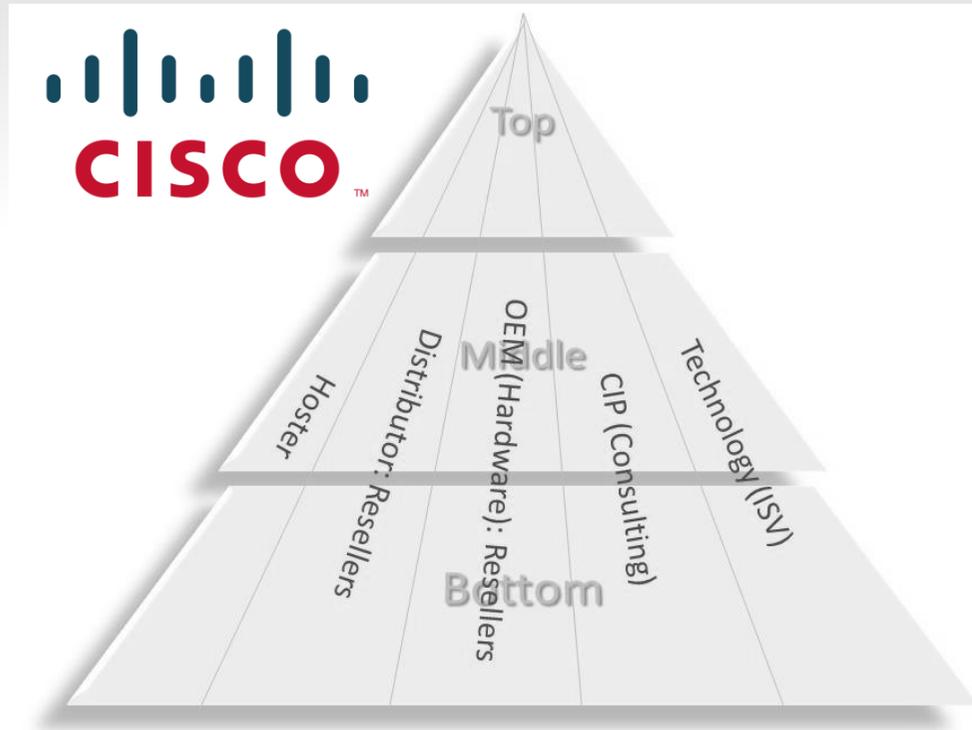
Recruiting Backdrop

- Year round recruiting? or Only when declared?
- Who's responsible for recruiting?
- Who Identifies the Ideal Partner Profile?
- Recruiting few? or Many?
- Who's researching prospective recruits?
 - Targeted: stated profile represents many partners
 - Pinpoint: stated profile representative of a few, critical partners
 - All Who Apply: open to any profile



But Wait!!

There's More!!



Driving Change

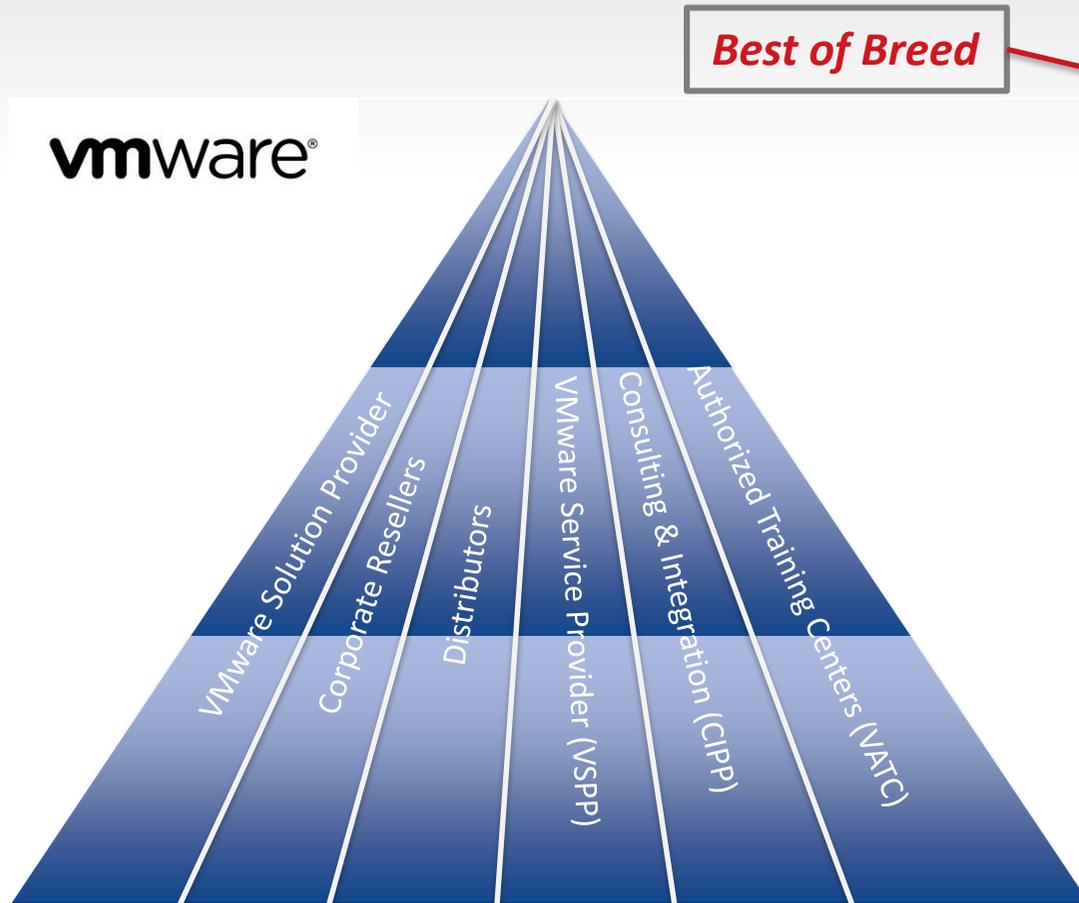
Driving Cloud Adoption by Role:

- ✓ Cloud Builder – designed for those building clouds (private and public)
- ✓ Cloud Provider – designed for those who want to take an offering to the public
- ✓ Cloud and Managed Services Reseller – designed to connect the traditional Cisco reseller to a public cloud provider

2014 Cisco enters the Public Cloud Services Space, competes with AWS, VMware, etc.

Under the new program, partners at the Gold level – still the highest possible tier – need to be actively selling a minimum of four Cisco cloud or managed services offerings, and can only meet that requirement by selling at least one cloud service and at least one managed service.

Partner Program Trend Examples: VMware



VMware Best Practices focuses on helping partners build services and service revenue quickly:

Bundled kit of services wrapped around VMware Software to allow partners the ability to streamline and simplify many repetitive, time-intensive tasks performed in virtualization projects.

SKUd solution from distributors or available direct via download from VMware for higher level partners.

Service Kits also available to partners

Kits that wrap up VMware IP to provide partners with resources and tools to sell services around VMware products.

Includes:

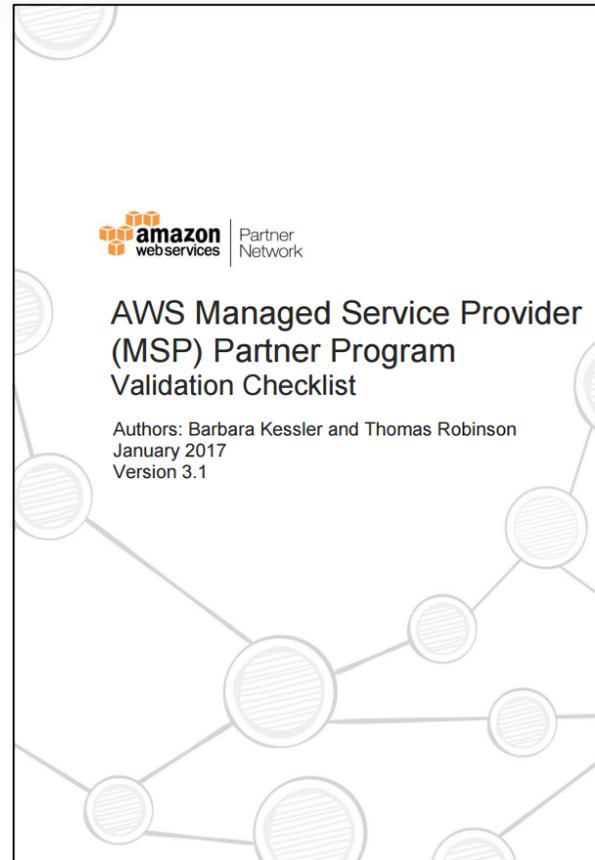
- Checklists
- Best practices
- Spreadsheets

Partner Program Examples: Amazon



Emerging vendors are NOT encumbered by the past.

- ✓ Focused on WHY they need partners and offering targeted programs
- ✓ Focused on specific business models that make sense for their product offerings
- ✓ Building programs that meet their needs sometimes contradicting traditional behavior
 - ✓ i.e. AWS Managed Services Program
 - ✓ Requires validation by 3rd party audit firm
 - ✓ \$3,000 USD audit fee + related travel expenses if applicable
 - ✓ Represented as Audited Managed Services Partners on AWS website/marketplace
 - ✓ According to AWS Partner finder = 93 MSP partners



		Subtract if Does Not Meet Capability	Add if Does Meet Capability	Partner Self-Assessment	Auditor Validation
1.0 Business Health					
1.1 Financial Health	<p>Partner regularly assesses financial health of their business including Altman's Z-Score, Dun and Bradstreet (D&B) Paydex Score, D&B Rating, D&B Financial Stress Score, D&B Supplier Evaluation Risk Rating, or equivalent.</p> <p>AWS MSPs are trusted advisors to customers of all sizes, helping companies make decisions based on their overall goals. In undertaking customer engagements, AWS MSPs take the lead in ensuring customer data is protected and AWS best practices are followed in all areas including the planning and design, migration, and new solution development. The expectation is that these solutions and workloads will be monitored and maintained on an ongoing basis, with the AWS MSP providing regular touch points with the customer with continual recommendations on ways to increase efficiencies. Due to the importance of the role of the AWS MSP, Partners must also show that they have viable businesses to earn and maintain customer trust.</p> <p>Acceptable evidence includes D&B Company Credit Reports (or equivalent for Partner's region) and proof that Partner is assessing and creating plans when risks are identified. Public securities filings for the most recent period are sufficient evidence for publicly traded companies.</p> <p>Articles in the press about the company, analyst reports, and/or statements made by the company on their website will not be considered sufficient evidence to meet this requirement.</p> <p>Any mergers, acquisitions, or divestitures in-process that materially impact a company's ability to deliver AWS Cloud managed services must be disclosed at the time of the audit.</p>	-200	0		
1.2 Financial Planning and Reporting	<p>Partner has processes in place for financial planning, including forecasting, budgeting, and review of financial metrics and reports.</p> <p>Evidence must be in the form of records of financial planning and reviews, and records of collection and review of financial metrics. Public securities filings for the most recent period are sufficient evidence for publicly traded companies.</p>	-200	0		

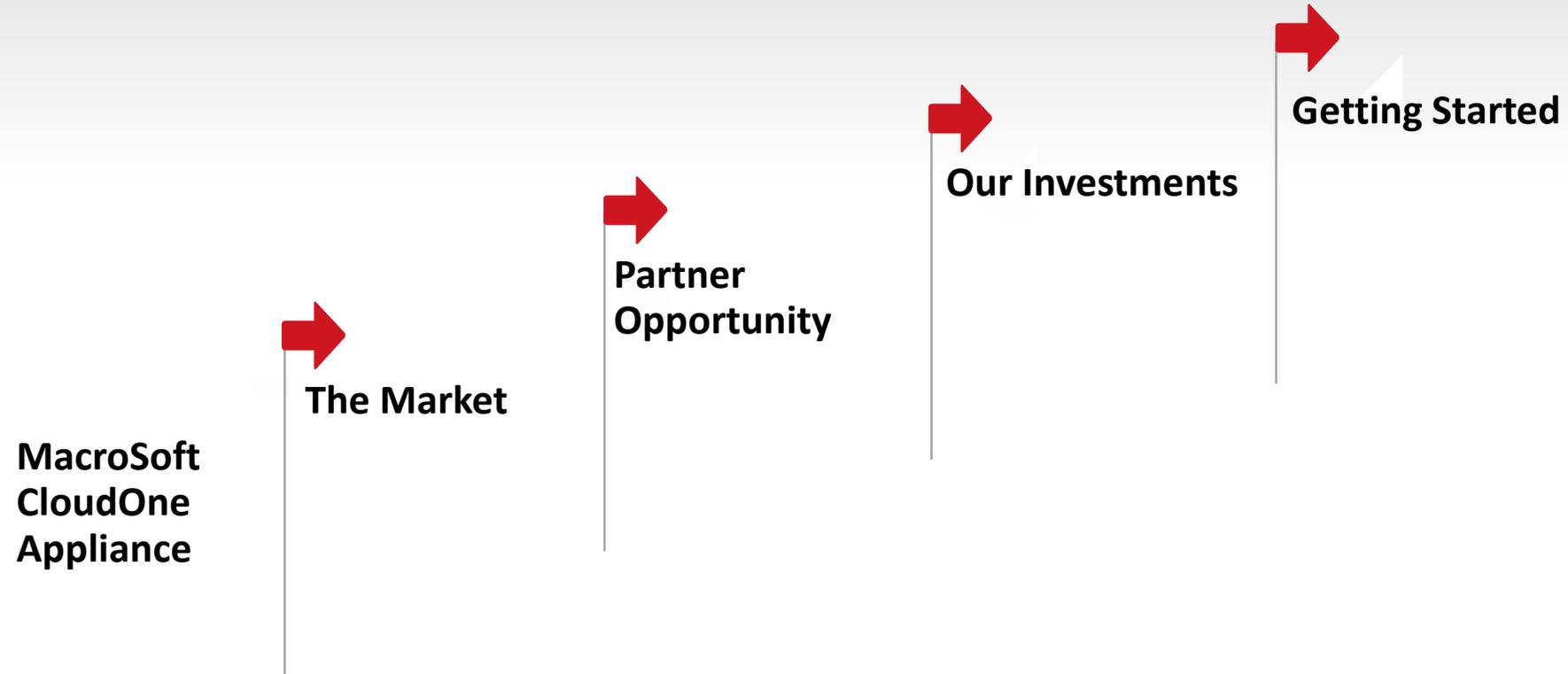
MacroSoft Cloud One Appliance



From a Company You Trust, MacroSoft

“The Single LOB, IoT or Cloud Infrastructure Solution for the SMB,
Upper Mid-market or Departmental Enterprise Customer”

Today's Discussion



Our Solution

In an effort to dramatically simplify Line of Business, IoT and Cloud Computing, an integrated solution is available on-premise or as a service; offering a single device to deploy to any Departmental Enterprise, Mid-Market or SMB customer (private, public or hybrid)

- *Feedback from our Beta Customers, MacroSoft*

KEY SOLUTION FEATURES:

- Comprehensive IoT, LOB or Cloud Management Platform
- Self-contained hardware unit
- Enhanced security threat, operational and customer behavior visibility
- Pre-integrated access to most major public cloud offerings
- Comprehensive APIS, connects to or hosts IoT platform software

DO YOU HAVE CUSTOMERS WITH THESE NEEDS? (USE CASES):

- Managed network or security server
- Departmental Enterprise Private Cloud
- Hybrid Cloud Server
- Backup Disaster Recovery
- Web Based or LOB Applications
- IoT Platform Application Server needs

The Market and Your Services Opportunities

Cloud, LOB or IoT Customer

- ✓ SMB & Upper MM Customer <\$250M Revenues
- ✓ Enterprise Departmental
- ✓ Up to 200 Users

The Market

- ✓ \$2.1B total addressable Market
- ✓ Over 5 years
- ✓ 14.5 CAGR 2015 thru 2020
- ✓ Competitors are multi-vendor converged solutions
 - ✓ One appliance vendor with direct sales

Customer Benefits

- ✓ Reduced Costs
- ✓ Faster Time to Market
- ✓ Reduced Risks: e.g. Security
- ✓ Enhanced operational and customer behavior visibility (Splunk)

Sales Cycle

- ✓ 30 – 60 days SMB, Mid-market
- ✓ 30 – 90 days Enterprise Departmental solution

Your Services	Traditional Resell Offering	Managed Services Offering
Pre-sales consulting opportunity: (i.e. Requirements development, POC implementation, planning services, etc.)	10-15% of total system price (For SMBs, mostly at no-charge)	10-15% of total system price (For SMBs, mostly at no-charge)
Implementation services opportunity: (i.e: installation, configuration, data migration, etc.)	25-50% of total system price	10-20% of 3 year subscription price
Managed Services opportunity: (i.e. monitoring, break/fix support, help desk, patch management, backup/DR)	NA	~ \$550 Per month / per system
Approximately 1 out of 4 customers have stated they would consider this solution to solve additional business problems with your strategic consulting expertise.		

Your Differentiation in the Market is a function of Your Managed Services Capabilities



Cloud, IoT Consulting & Plans

- Customer Workloads
- Application Security
- Availability & Compliance Needs



Implementation

- Migration
- System Interfaces
- Administration



Managed IT Services

- Security & Networking Edge Device
- Including monitoring, application & patch management
- Machine, Operational and Customer Behavior Dashboards (Splunk)
- For the platform or a fully managed LOB application system by you for the customer

An Opportunity to Grow Vertical, Managed or other Emerging Services

As a Service Monthly	Basic Service	Total Contract Value @ 36 mos	Pre-/Post-sale Services
SMB	\$1,000	\$36,000	\$9,000/Implementation \$550/month managed services
Mid-market & Dept. Enterprise	\$1,000	\$36,000	\$18,000/Implementation \$550 month managed services



Targeting managed services & cloud partners with: \$3M+ annual revenues, 25% from managed services with an existing SMB & mid-market install base, access to enterprise customers

Partner requirements:

- >2 managed or cloud service offerings
- partnership with a public cloud provider and a HW, SW, cloud services track record
- half a sales staff dedicated to leadership
- technical staff trained for pre-sales consulting and post-sales implementation

Single-tier channel ready solution offering a direct relationship with us, partner only territories, including a flat 25% discount and performance based rebates:

- no cost training
- \$7,000 MDF to drive pipeline, more is available
- services mentoring, sow in a box, facilitated business planning session

Assume 30 Day Lag from Sale to Revenue

Month	Activity	Revenue by Month
January	Staff, Target Accounts	none
February	Train & Sell	none
March	Close SMB service	none
April	Close SMB service	SMB service
May	Close Mid-market service	SMB service
June	Close Departmental Enterprise on prem	Mid-market service
July	Close Mid-market service	Enterprise on premise
August	Close Mid-market on prem	Mid-market service
September	Departmental Ent. on premise	Mid-market on prem
October	Close Mid-market on premise	Enterprise on prem
November	Close Mid-market on premise	Mid-market on prem
December	Close SMB service	Mid-market on prem
January	none	SMB service

Is this a Reasonable Scenario?

2 months
-Hire, Train, Sell

Then close one/month @ 10 months
2 Enterprise On Prem
4 SMB as a Service
1 Mid-market as a Service
3 Mid-market on Prem

Investments:

Half a Sales Rep \$125,000 fully loaded full time
\$10,417/mo

Tech Education \$4,800 \$1600/day @ 3 days
Opp Cost

Marketing \$7,000 MDF, two increments available, matched \$ set aside in case asked to match

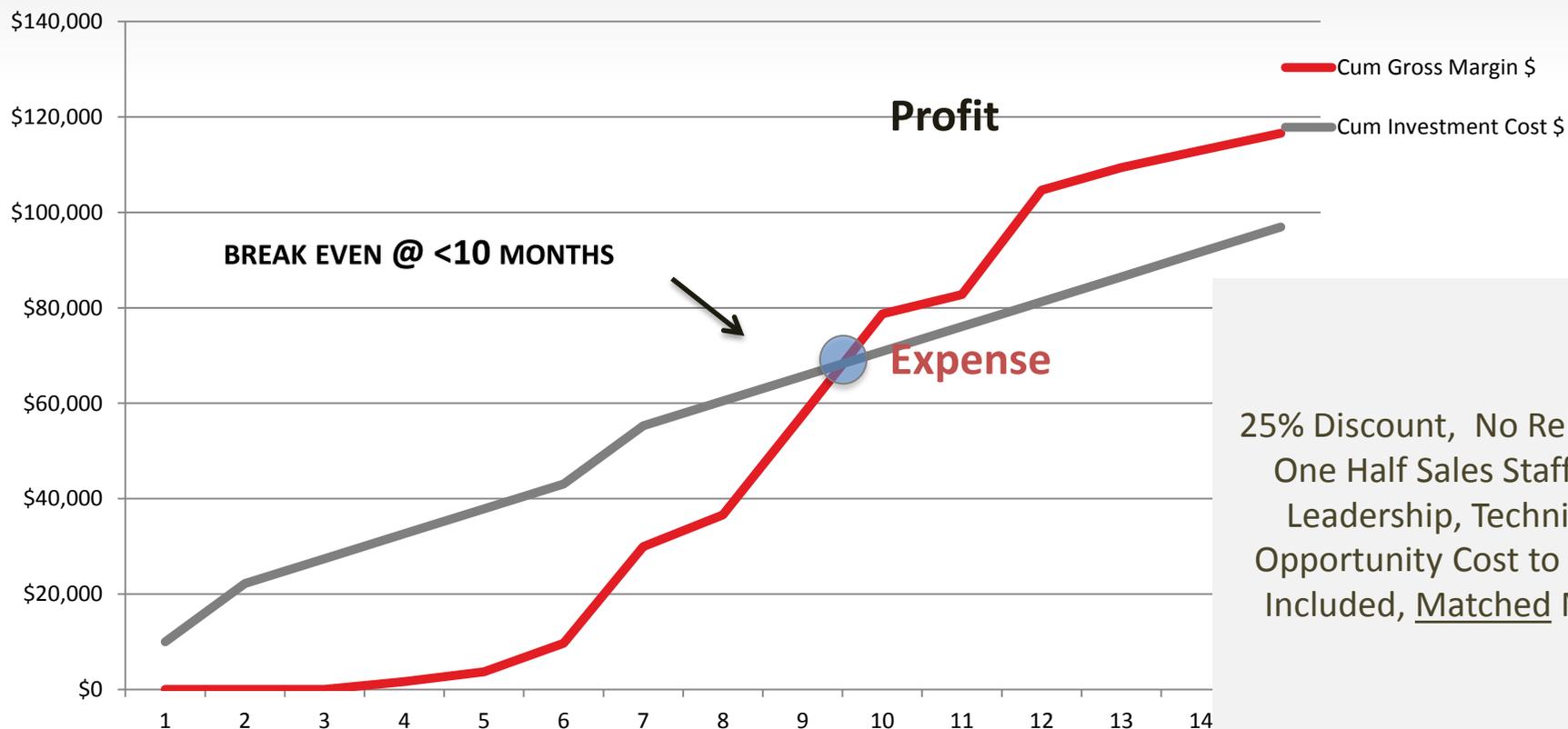
Waived?

Beta Customer Experience Reflected to Project Break Even in 8-10 Mos.

Assumptions available and are for illustrative purposes only, we would like to to plot your break even point with you.

**SAMPLE –
CLOSE 10 SALES
IN ONE YEAR:**

- 2 Enterprise On Prem
- 4 SMB as a Service
- 1 Mid-market as a Service
- 3 Mid-market On Prem

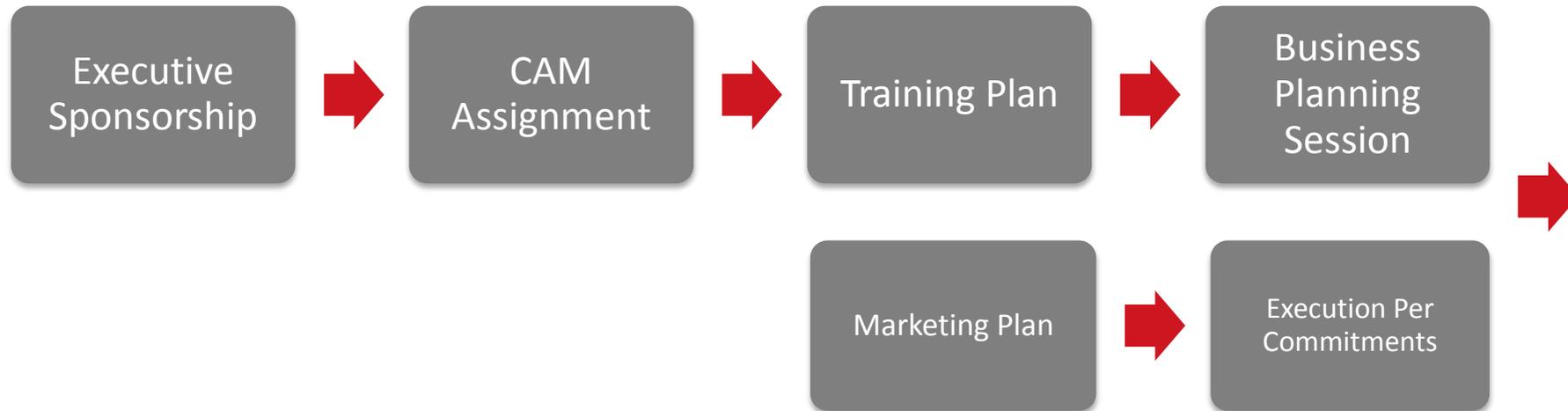


25% Discount, No Rebates, One Half Sales Staff for Leadership, Technical Opportunity Cost to Train Included, Matched MDF

Getting Off to a Fast Start

Today!

30 Days!



Partner Program Development Topics We Don't Have Time to Address

- ✓ Affinity Alliances
- ✓ Two Tier Distribution
- ✓ The role of Service Providers in Two Tier Distribution
- ✓ Trends in Routes to Market usage
- ✓ Real Life Examples of Role based Programs, Converged Infrastructure, Cloud Programs, Services IP for Partners to Fuel Services Capabilities, Born in the Cloud Program
- ✓ Tiers and Levels: Three versus Four
- ✓ Graduation to higher tier levels
- ✓ Consolidation resulting in Broad Product Lines offering Cross Sell opportunities

- ✓ Ease of Use in Single sign-on, single brand with multiple tracks by business model or role
- ✓ Tiered vs Role based discounts
- ✓ Incentives
- ✓ Global considerations
- ✓ Feedback loops: CAM, Advisory Councils, Road Shows, Roundtables
- ✓ Program transformation history: Revenue, Points, Specialization/Certification, Role
- ✓ PRM
- ✓ Forecasting and access to POS through Distribution

For Folks Back Home...

What We Don't Do at Channel Masters

PRODUCT STRATEGY	CHANNEL STRATEGY		PROGRAM DEVELOPMENT			FIELD EXECUTION 	
REQUIRED INPUT	RTM	Capacity	Enable	Market	Sell	Recruit	Manage
<ul style="list-style-type: none"> ✓ Product ASP ✓ Target Markets ✓ Buying Behaviors ✓ Competition 	<ul style="list-style-type: none"> ✓ Routes to Market Selection ✓ Partner Profile Development ✓ Value Proposition Development 	<ul style="list-style-type: none"> ✓ Partner Productivity Assumptions ✓ Capacity Planning 	<ul style="list-style-type: none"> ✓ Sales & Technical Training ✓ Tools & IP Sharing ✓ Field Mentoring or teaming 	<ul style="list-style-type: none"> ✓ Market to, through, with strategy ✓ Demand generation tools ✓ Co-marketing funds & rules 	<ul style="list-style-type: none"> ✓ Pre- and post-sale support ✓ Incentive structures ✓ Pricing and discount models ✓ Deal Registration 	<ul style="list-style-type: none"> ✓ Staffing model ✓ Onboarding activities ✓ Role of distribution 	<ul style="list-style-type: none"> ✓ Program metrics management ✓ Joint business planning ✓ Rules of engagement



Field Execution is where the Rubber Meets the Road, Beyond the Onboarding and Ramping, Business Planning comes into Play

From Program Development & On-boarding to On-going Management

Simulation Phase 2

30-Day Fast Start Plan	90-Day Engagement Plan	6-Month Acceleration Plan	12-Month Business Plan
<ul style="list-style-type: none">✓ Basic Connections, Contracts, Forms, etc.✓ Logistics✓ Introductions✓ Sales Introductions✓ Initial Technical Training Plan	<ul style="list-style-type: none">✓ Technical Training Activities✓ Sales Planning and Targeting✓ Initial Sales Opportunities✓ Systems Alignment✓ Executive Alignment	<ul style="list-style-type: none">✓ Joint Sales Activities✓ Customer Assessments✓ Product Demonstrations✓ Initial Customer Wins✓ Product Delivery & Logistics	<ul style="list-style-type: none">✓ Accelerating Sales Activity✓ Technical Service Development✓ Sales Forecasting✓ Communication Processes✓ Growth Strategies



The Partner Business Plan

A jointly developed plan resulting in an understanding of your partner's revenue mix, investment with competitors, enablement plans, marketing plans and organization. Share of wallet and clear revenue commitments are two critical.

Revenue & Opportunity Planning

Optional: A jointly developed opportunity worksheet identifying the top opportunities for immediate engagement to close.

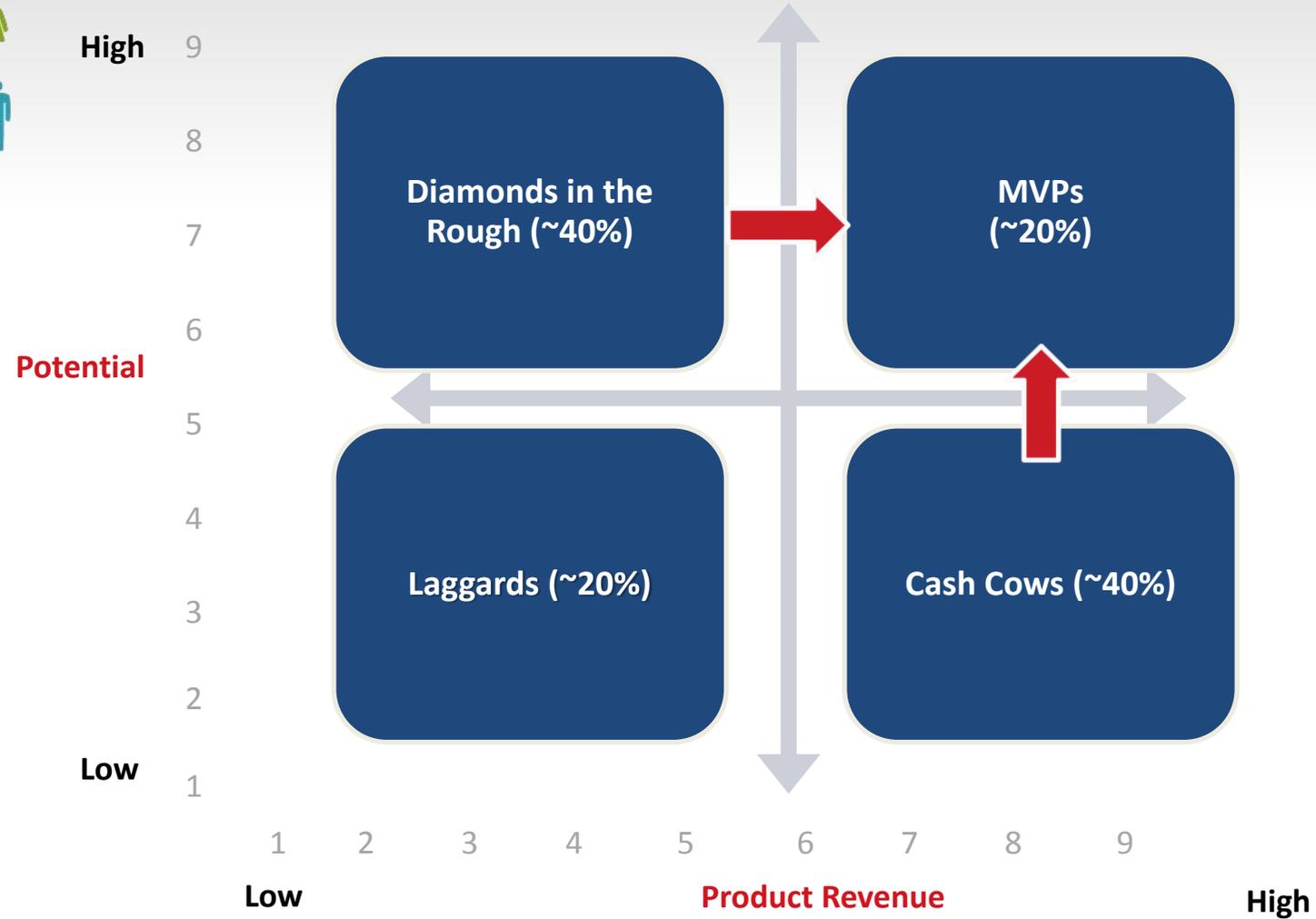
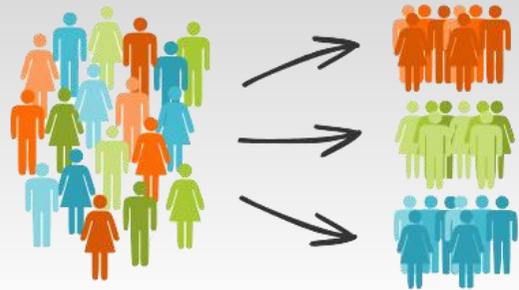
The Quarterly Business Review (QBR)

A structured, quarterly meeting to review progress against quarterly goals set out during the annual Business Plan.

The Call Plan

A structured Partner call preparation template (may be reduced to a checklist) to maximize the effectiveness of your partner call. Clearly prepare your stated goals, anticipate objections, prepare objection handling tactics.

Segmenting Partners Indicates Which to Prioritize for Business Plans



Capacity Planning Templates Help Identify How Many Partners are Required for Recruitment

INFO REQUIRED:

- ✓ Product ASP \$ _____
- ✓ # of Deals an Average Partner can Sell _____/year
- ✓ My annual Quota/Budget \$ _____
- ✓ Recruitment Failure Rate: _____%
*(Historically what % of partners recruited do not achieve **AT LEAST 80%** of the # of deals the Average Partner sells per year?)*

CALCULATIONS:

- Average Partner Productivity \$ _____
*(Equals Product ASP * # of Deals Average Partner Can Sell/year)*
- ✓ # of Partners Required _____
(Equals My Annual Quota \$ \ Average Partner Productivity \$; round up)
- ✓ # of Partners likely to Fail _____
*(Equals # of Partners Required * Recruitment Failure Rate %; round up)*
- ✓ Final # of Partners to Recruit _____
(Equals # of Partners Required + # of Partners Likely to Fail; round up)