



**SUCCESSFUL**  
C H A N N E L S

# Advertise Your Resellers to Accelerate Growth

**Whitepaper Brief:** Learn how to design a performance-driven demand generation system to accelerate business growth for your resellers

## **Key Take-Aways:**

- ❖ Performance-based funding
- ❖ Marketing performance measurement design
- ❖ Syndication, branding and selling tools
- ❖ Self-service marketing tool selection and design
- ❖ Full-service marketing options



## What we have learned about Advertising channel resellers:

Demand generation is the lifeblood of a healthy indirect channel. There are a number of proven practices to manage and allocate funds for higher performance, measure the impact and ROI of marketing investments, and execute effectively. There is no one-size fits all. Learn about the full portfolio of options to build a performance-based channel marketing / demand generation strategy for meeting and exceeding your growth goals.

## Your Successful Channel's "Advertising" checklist:

### A) Marketing Funding Management

- MDF program
- Allocation process
- Published policies
- Approval process
- Additional funding

### B) Marketing Performance Management

- Number of leads
- Lead levels
- Pipeline
- Deal progression
- Closed revenue

### C) Content Syndication / Branding / Selling Tools

- Branding guidelines
- Content syndication
- Sales scripts
- Telemarketing questions
- Lead qualification

### D) Self-Service Through Reseller Marketing

- Email tools
- Event tools
- Social media tools
- Search tools
- List acquisition tools

### E) Full-Service Through Reseller Marketing

- Marketing concierge
- Custom copywriting
- Nurture marketing
- Lead qualification
- Deal progression

**Advertising** and marketing to and through your channel is one of the best investments a channel executive can make to accelerate growth - as long as it is funded based on performance. There are many opportunities to spend your money on marketing, but far fewer are tied to a measurable return on investment. This white paper is compiled from a study of best practices in channel marketing to help guide spending management, marketing performance management, and the selection and deployment of a range of branding and marketing tools to achieve measurable revenue growth and ROI.

Channel marketing funds or MDF (Market Development Funds) are typically allocated using one of three possible methods:

- 1) **Earned MDF:** Allocation based on a percentage of sales
- 2) **Proposal-Based MDF:** Allocation based on individual proposals or funding requests
- 3) **Performance-Based MDF:** The best option is the allocation based on past or forecasted performance

Historically, MDF program allocations were heavily weighted to “Earned MDF” based on a percentage of sales. Over time, this method tended to yield lower ROI because it became an automatic funding method that resellers viewed as enhancing margins versus investing in advertising or demand generation. While this is still the most prevalent methodology for MDF allocation, channel marketers are doing more to ensure that these funds are actually invested in demand generation activities. Proposal-based MDF programs are growing in popularity because they provide more flexibility and allow sales executives to allocate more opportunistically. The downside of this method is that the dollars are not always focused on new demand generation and often used to reward existing customers’ past purchases. Performance-based MDF is the smallest but fastest growing percentage of channel marketing allocation methods. It allows organizations to allocate monies where they will generate the best measurable return on investment for delivering new track-able revenue. This white paper focuses on helping channel marketers implement performance-based MDF programs to generate accelerated revenue and repeatable ROI.

A performance-based channel marketing funding management program allocates, approves and funds channel marketing investments that are most likely to generate new revenues and ROI. They select channel resellers that have a measureable track record for marketing performance and /or invest in new programs with guaranteed or reliably forecasted attractive returns. These programs have well published performance / acceptance criteria for new MDF investments. Examples include an expected 25:1 ROI on revenue pipeline and 10:1 on closed / sold revenue / ROI.

## Best Practices in Marketing Funds Management (MDF Programs):

- a) **MDF Program:** A formalized program where channel resellers can access funding for demand generation when they match with their own funding (typically 50:50)
- b) **Allocation Process:** A transparent process where any reseller that either has a history of measurable ROI or will commit to performance-based funding will receive the company match
- c) **Published Policies:** Well defined and published policies that detail the potential available funds with specific performance metrics (e.g., measurable ROI requirements) for receiving funds
- d) **Approval Process:** A step-by-step work-flow diagram of the submission, approval and allocation process complete with SLA's (Service Level Agreements) for response times at each step
- e) **Additional Funding:** A published policy and process detailing eligibility requirements for resellers to access additional funding on top of standard allocation based on achieving higher performance levels



The overall themes running through MDF program design and management are transparency and ready-access of policies and process to resellers. Many channel companies hesitate to adopt this method due to changing quarterly budgets and the perceived need for additional flexibility to allocate funds. The unintended outcome of withholding these policies is that resellers simply won't bother to access these funds and risk their own monies because of the uncertainty of the MDF dollars. Nearly 30 percent of overall allocated MDF for channel resellers never gets spent or utilized due to this uncertainty. This is a significant lost opportunity because it excludes not only the company investment but also the reseller investment in demand generation activities. The clearer you can make your program and demonstrate your commitment to growing their business, the more likely resellers are to invest their hard earned dollars in your business.

Allocation is one half of MDF funding management and marketing performance measurement is the other half. This is a complex process because there may not a consistent set of definitions of success used by the company, the reseller, the marketing services vendor, or the reseller account manager. Developing a consistent set of measures, along with a management system to track and monitor the successes of your

channel marketing investments will ensure that all players are working in sync to achieve a common goal. Below are a set of metric categories and tracking methods to employ in your marketing performance management system to help measure the return on investment for your channel marketing dollars.

**Marketing Performance Management for MDF:**

- a) **Number of Leads:** Well designed programs define the number of leads by level required to be eligible for funding (e.g., budget, authority, need, timeframe – BANT – qualified leads) that have been nurtured and have expressed an interest.
- b) **Lead Levels:** Top channel executives establish 4-7 sales stages with detailed criteria required, and pay MDF based on the number of leads at different levels.
- c) **Pipeline:** Strong MDF programs measure the economic value of the leads to calculate the “latent value” of the sales pipeline at each sales level.
- d) **Deal Progression:** An excellent investment for MDF are deal progression activities to convert sales pipeline into closed deals. Activities include progressive qualification and proposal development.
- e) **Closed Revenue:** The ultimate measure for MDF investment. Reporting “MDF’s contribution to revenue” is a powerful justification for channel marketing investment.



Pulling all of these elements together in an integrated system where all players are motivated to perform is the ideal design. This can be accomplished if the incentives and payments are aligned with the compliance requirements for your MDF program. Below is a draft process that aligns the program goals with the allocation elements above.

**Best Practice MDF Funding Request Process:**

- 1) Reseller requests funds for program
- 2) Reseller submits lead, pipeline, closed revenue and ROI forecast with funding request
- 3) Channel team reviews and approves based on predetermined acceptance metrics
- 4) Reseller pays for their portion of the marketing program to commence activities
- 5) Qualified leads are delivered and entered into vendor tracking system
- 6) Progressed or closed revenue is updated into vendor tracking system
- 7) Vendor matching MDF funds are released and paid based on validated performance
- 8) Vendor continues to fund reseller marketing programs that generate the required leads and convert into closed deals



Channel advertising and marketing investments come in different shapes and sizes with different objectives. Goals include training and enablement of the reseller staff, awareness building strategies, demand / lead generation activities, and sales support tools. It is important to provide resources and services from all main categories of marketing and advertising to support your resellers.

### Objectives for MDF-Funded Investments:

- 1) **Branding Development:** A range of tools to assist resellers that represent your brand in a compliant and effective manner.
- 2) **Sales Support:** Development of sales tools, sales work-shops and other resources to support the success of channel reseller sales teams.
- 3) **Training:** Delivery of training for resellers and end customers on products and services increases utilization, repurchase, cross-sell and satisfaction levels.
- 4) **Self-Serve Demand Generation:** Tools to help initiated resellers execute email campaigns, events, co-branded materials, and call down campaigns on their own.
- 5) **Full-Service Demand Generation:** Concierge-led marketing services to create and execute customized marketing campaigns to generate sales-ready nurtured and qualified leads.

Channel executives need to consider offering company-endorsed services from all five of these categories to their reseller network. Resellers need different levels of help at different times in order to achieve different goals. A portfolio of MDF demand generation support tools and services allows resellers pick and choose the most appropriate options to meet their individual sales and marketing goals.

### No Cost Channel Reseller Sales and Marketing Support Tools:

- a) **Branding Guidelines:** Provide detailed brand usage guidelines including logos, brand templates, brand treatment and usage formats, and use guidelines on websites, third party sites, and other marketing activities.
- b) **Content Syndication:** Syndicate brand content directly to a reseller's website or microsite to ensure they are presenting the latest compliant content and branding.
- c) **Sales Scripts:** Access to predefined sales scripts organized by sales situation (e.g., initial call, handling objections, competitive take out, etc.).



- d) **Telemarketing Questions:** A set of initial questions for first contact, follow-up on interest, and progressing contacts that can be utilized by the reseller inside sales team.
- e) **Lead Qualification:** Specific qualifications questions including BANT (e.g., budget ranges, authority, need, and timeframe), plus progressive qualification metrics (e.g., current products and services used, key problems / challenges, plans for the future, capital and expense budgets, etc.).



All channel resellers should be able to access these free tools from your portal at any time. These tools allows resellers to build their own compliant sales and web communications strategy. For resellers looking to go beyond this strategy, the next level of demand generation tools are self-service resources to support proactive reseller outreach. These tools are usually paid centrally by the vendor or are made available to your resellers at a modest expense.

**Self-Service Through Reseller Marketing:**

- a) **Email Tools:** There are a number of self-service email marketing tools that can support one-off or periodic outreach emails to a reseller-provided marketing list. These are preloaded with your email templates for easier reseller execution.
- b) **Event Tools:** Event management tools offer resellers the ability to do event participation recruiting, registration and reminders along with a landing page describing the event.
- c) **Social Media Tools:** Self-service tools to help resellers improved their LinkedIn, Twitter, Facebook, and syndication strategies to increase a reseller’s reach to their target audience.
- d) **Search Tools:** Provide access to organic search optimization tools that your resellers can utilize to improve the search results of their website. Also provide access to paid search self-service tools to help resellers build campaigns.
- e) **List Acquisition Tools:** Provide self-service access for resellers to assess their contact lists and acquire new target contacts by themselves.



Self-service marketing tools provide a low cost method for resellers to help themselves build outreach campaigns. However, historically they have very low utilization rates because resellers are not always interested in learning new web applications to help themselves. As small business owners, they try to focus their time and energies on what they know is selling and servicing their clients. It is important to offer self-service marketing tools for initiated resellers who will take on learning new web applications. A way to get higher reseller utilization and execution of marketing campaigns is to employ full service marketing service options.

### Full Service Marketing Options to Offer your Resellers:

- a) **Marketing Concierge:** Marketing advisors to help build custom marketing campaigns and manage all elements of reseller marketing execution.
- b) **Custom Copywriting:** Customized email copy, brochures, and service descriptions that help the reseller highlight their strengths, along with your brand and appeal to their target customer.
- c) **Nurture Marketing:** A multi-touch marketing service that is personalized to individual target customers based on their activities and interests.
- d) **Lead Qualification:** Automated lead qualification services to capture and profile key BANT and other lead qualification data so a reseller's sales team can focus on highest value leads.
- e) **Deal Progression:** Services specifically designed to take qualified opportunities and progress them closer to a sale with additional qualification, needs assessment and draft proposal development.



Successful channel executives employ the full range of sales support, enablement, self-serve and full-serve options to help resellers drive more demand for their brand.

## About



Successful Channels is a services company staffed by a range of channel experts. Successful Channels delivers channel assessment, strategy, implementation and measurement services to help channel executives from all industries make their businesses more productive. Please contact us to discuss your channel growth challenges and improvement opportunity areas.