

# Leveraging Your MDF Program to Drive Effective Channel Marketing

# Michael Gerentine



25+ years of Partner  
Channel  
Management,  
Channel Strategy,  
Marketing, Sales  
Midmarket  
Marketing Executive  
Go To Market  
Planning & Business  
Development

- Prior to joining IPED, Mike was the Global Channel Marketing Vice President for IBM. This included IBM's entire software, hardware and services portfolio. This global responsibility covered establishing the indirect channel strategy, Partner Programs, GTM plans, Communications and Enablement support for their entire ecosystem.
- Before leaving IBM Mike was asked to lead the Global Software Channel Sales team and help accelerate the transformation of the software channel to a subscription SaaS based model from a traditional resell only model. This included assisting partners to transform their business models to support Watson AI capabilities as well as cloud SaaS based solutions.
- Mike also held the Mid Market Global VP role at IBM for several years. This included managing the Brand agency, all Demand Generation and Campaign planning and managing the Geo execution plans through a well defined cadence process.
- Prior to IBM he was the Vice President of Channels and Field Marketing at Vignette as employee 20, from the pre-IPO stage to a \$250M software public company. He was responsible for building the indirect channel strategies, plans, programs and alliance marketing across all geographies.



# Today's Objective

Share insights and personal experience on best practices, areas to focus on and tactics that will maximum your MDF Program dollars and improve ROI

# Leveraging Your MDF Program to Drive Effective Channel Marketing



**Program Structure**



**Funding**



**Campaigns & Content**



**Marketing Enablement**



**Metrics**

# Leveraging Your MDF Program to Drive Effective Channel Marketing



## Program Structure



Funding



Campaigns & Content



Marketing Enablement



Metrics

# Key Considerations



**Establish clear criteria and rules** on what qualifies for reimbursement



**Minimize program changes** .. Too many changes leads to confusion



**Don't over engineer your program**, too many programs create complexity



**Limit** the number of vendor approvals



**Design globally, execute locally** (Program consistency around the world)



Advanced planning .. **Allow for 6-12 month campaign plans** (not every month or quarter)

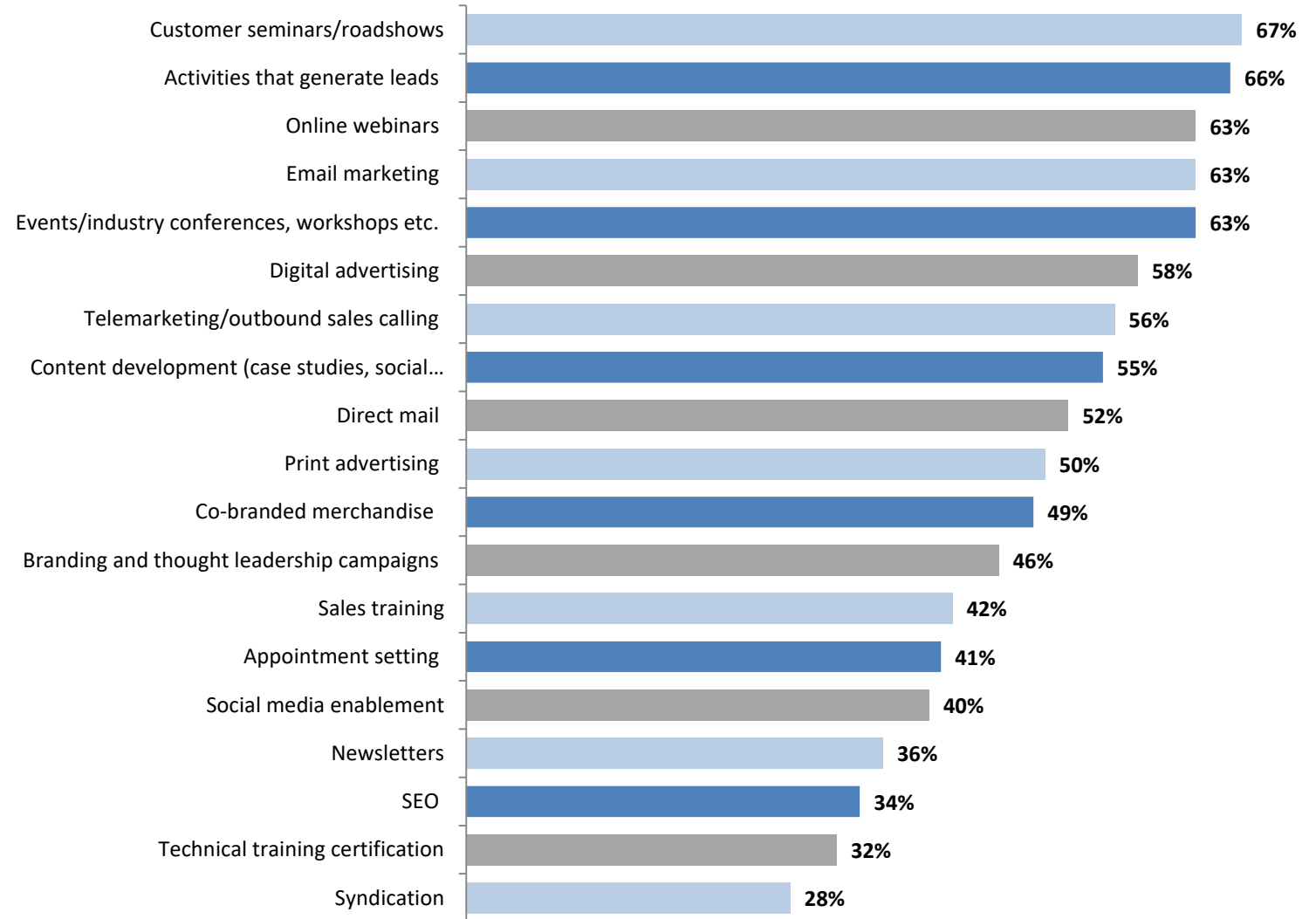
## Keep it simple!

# Program Definition

## Goal of building an MDF Program

- effectively demonstrate your value to channel partners
- create (or help your partners create) customer demand for your products

## Vendor Reimbursable MDF Activities



# Leveraging Your MDF Program to Drive Effective Channel Marketing

- 
- ▶ Program Structure
  - ▶ **Funding**
  - ▶ Campaigns & Content
  - ▶ Marketing Enablement
  - ▶ Metrics



# Key Considerations

- ✓ Understand your company funding model / approach (this is a 2-way street)...  
these are external commitments
- ✓ Understand and secure your full year MDF budget (where possible...allow for changes)
- ✓ Is your Program 100% vendor funded, 50/50, 75/25
- ✓ Be clear on what is funded
- ✓ Simple and fast turnaround on reimbursements



# Understanding How MDF is Funded

There are financial guidelines regarding accounting practices to which your business is accountable - even for MDF. Each company may interpret them differently, so we **encourage you to engage with your financial organization** to help you better understand how they impact your MDF program.

## The two accounting approaches that affect MDF are:

### Operating Expense



- The payment covers a service by the partner that offers **a clear benefit to you**
- The benefit is **clearly separable from the sales** relationship
- The benefit has a “fair market value” and could be purchased **from another source**
- You have obtained **proof of performance** to reasonably estimate true costs

### Contra-Revenue or Chargebacks (revenue reversal)



- Associated with a **specific customer or partner sales** transaction
- Any expense that can be construed to be **part of pricing**:
  - sales allowance
  - promotional bundles
  - returns or discounts
- **Partner driven** and designed vs. vendor-driven

# Is the Vendor in Sync with What the Partner Really Wants?

- Not all vendors fund the same things through MDF.
- Understand the difference between value, preference and habit.
- Set clear expectations with partners for what does and does not qualify for funding under your program.

## Commonly Funded

- P** **V** Co-Marketing Support
- V** Ready-to-Go-Campaigns
- P** Co-Marketing Events
- Communications Programs
- Content Access/Curation (new)
- Digital Marketing (new)  
Ads, Banners, SEO, Social Media
- Print Advertising/Collateral

## Alternative Uses of MDF

- P** Onboarding
- P** **V** Product Champions (funded headcount)
- Sales Training
- P** Technical Training & Certification
- Technical Pre- and Post-Sales Support
- Sales Incentives (SPIFS)
- Building out a datacenter or Center of Excellence

- P** Partner Favorite
- V** Vendor Favorite

Utilization of MDF funds for sales enablement activities is on the rise, but not yet covered by many MDF programs

# Leveraging Your MDF Program to Drive Effective Channel Marketing

- ▶ Program Structure
- ▶ Funding
- ▶ **Campaigns & Content**
- ▶ Marketing Enablement
- ▶ Metrics

# Key Considerations



Effective ROI on campaigns require strong value props and messaging



Identify with the target audience/persona (what makes them tick)



Successful digital marketing requires personalized, rich and targeted content



Partner comments too often are “vendor assets are often generic, all the same”



Is your target audience new or existing?



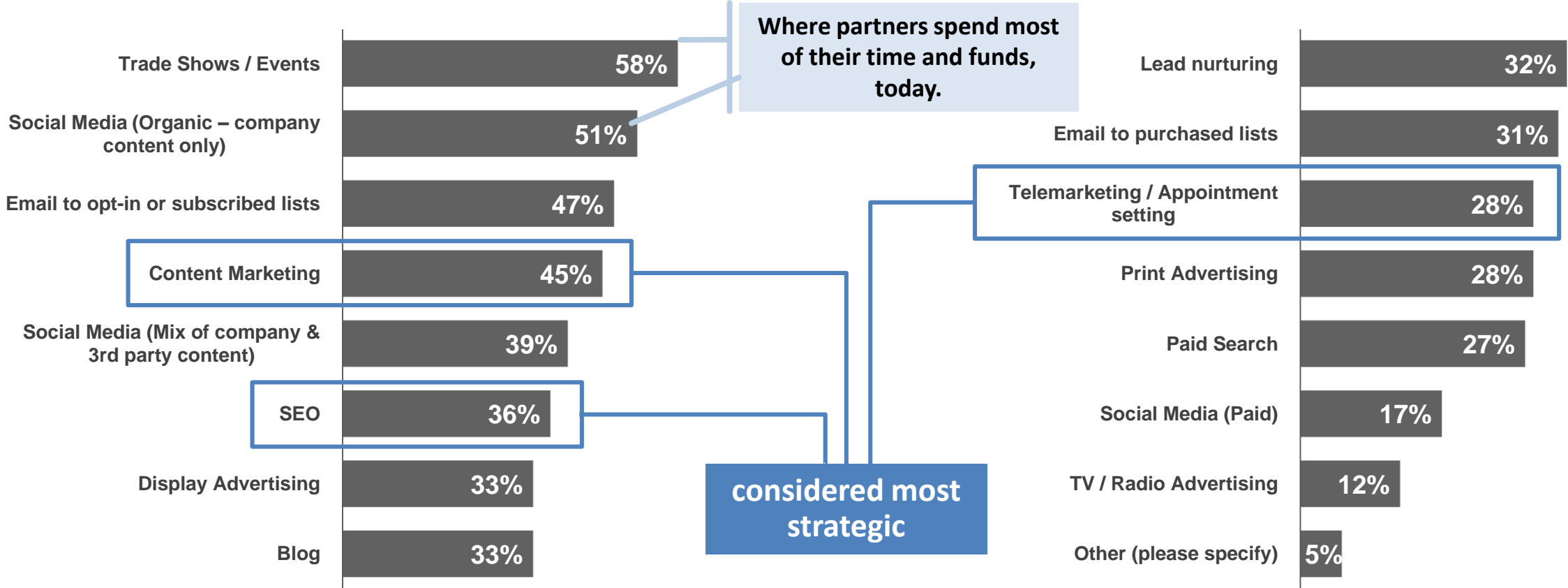
Are your marketing campaign tactics integrated or a bunch of piece parts?



Have you performed an audit on your partners websites?

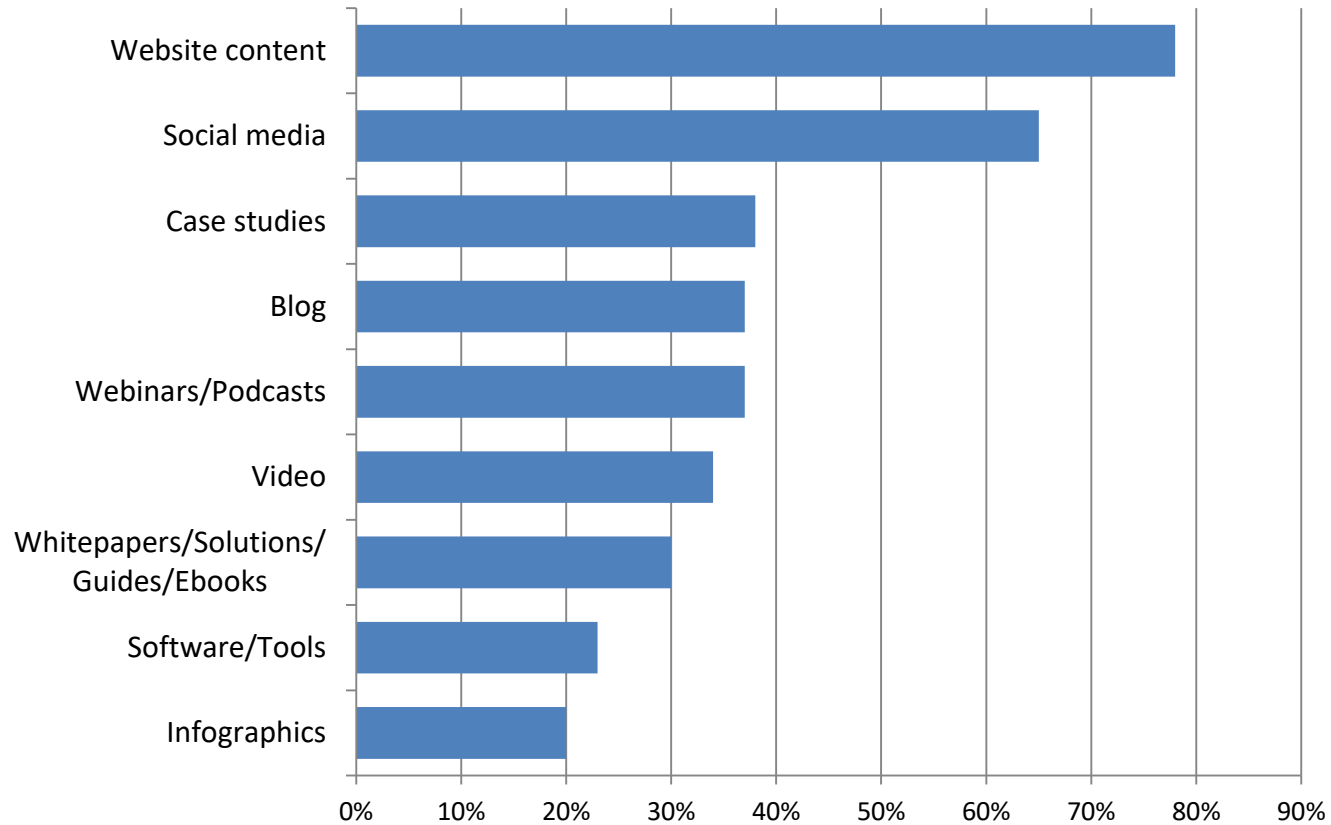
# Old Habits Die Hard

**Content marketing, SEO and telemarketing** are considered by partners to be the most strategic marketing activities but **trade shows, events and social media** visibility are still the most commonly utilized.



# Getting Social with Integrated Digital Campaigns

Most partners focus on a free digital presence  
(website, basic social media presence with static content)



Source: IPED State of Partner Marketing Study



Top-Tier vendors build thought leadership through strategic planning and funding (writing, infographics, video, blogs, campaign coordination)

**Consider Content Sharing and Social Media Funding to Ensure Partner Alignment with Your Campaigns**

- ✓ **Paid** vs. Organic SEO
- ✓ **Content Campaigns** vs Content Posting
- ✓ **Strategic Content** vs. Linked Content
- ✓ **Thought Leadership** vs. Static Presence

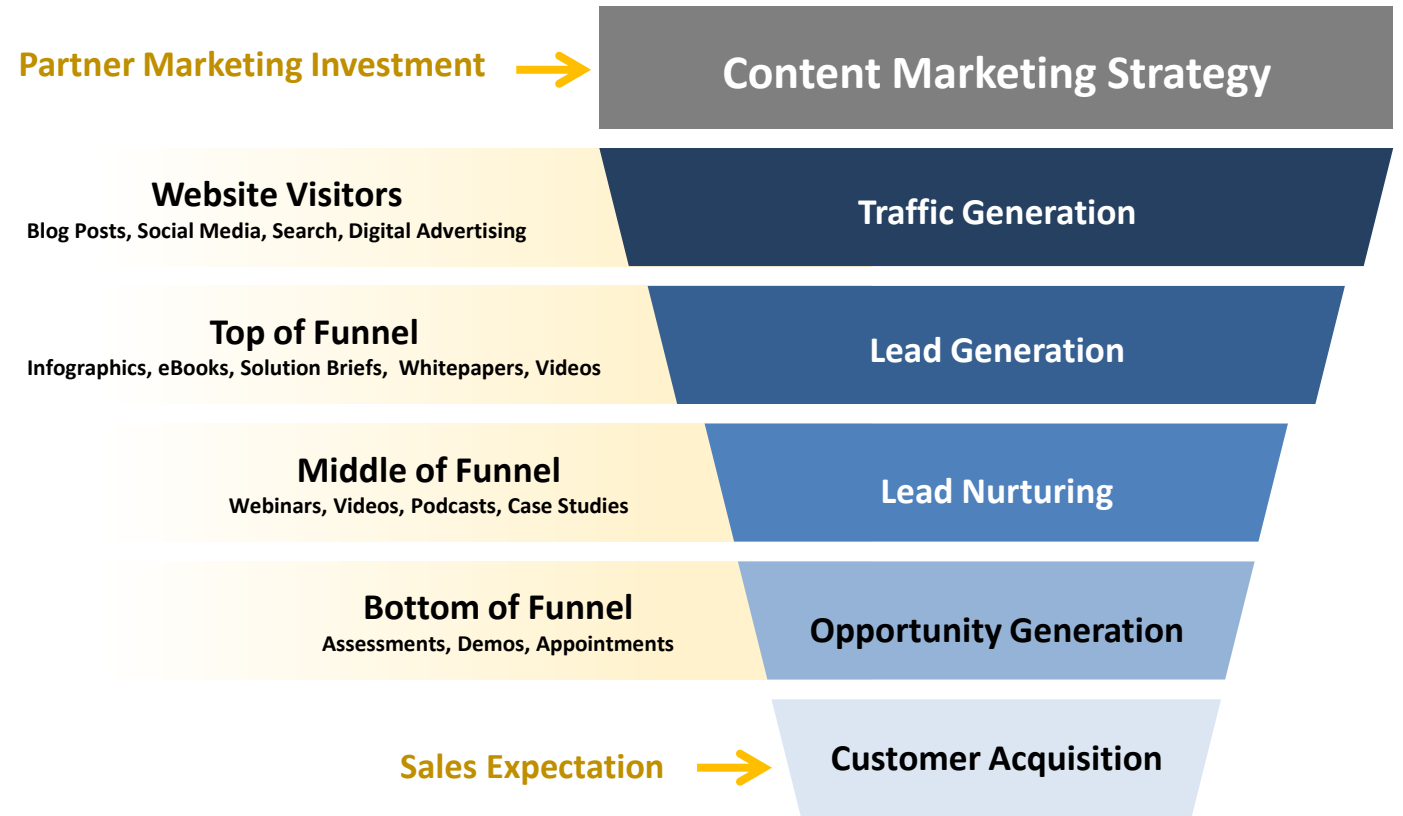
# Good Content Drives Sustainable Campaigns

The goal of co-marketing is to increase demand that will lead to more sales.

Most partners understand the sales funnel concept.

But many don't realize that marketing is involved in the top (TOFU), middle (MOFU) and bottom (BOFU) of the sales funnel.

**Good marketing content**, whether digital or print, is critical to achieving sustainable marketing campaigns that identify, nurture and generate qualified leads for sales.





# Campaigns

mar•ket•ing cam•paign



1. A series of coordinated activities designed to help market a product or service.


*Collins English Dictionary*


MDF funded campaigns should be emphasized and approved over individual marketing activities.


Coordinate partner campaigns timing with your corporate or Brand campaigns.


INTRODUCTION  
**Why Participate?**




**Zero Cost**  
 HPI is completely funding the program for you to help you drive sales.



**5 Minutes**  
 Our program only requires a couple minutes of your time each month.

**Impress Customers**  
 Stay top of mind with your customers so the next time they have IT needs, they think of you.

**Great Content**  
 We craft topical articles each month to engage your subscribers. We also feature offers from HPI for them to take advantage of.

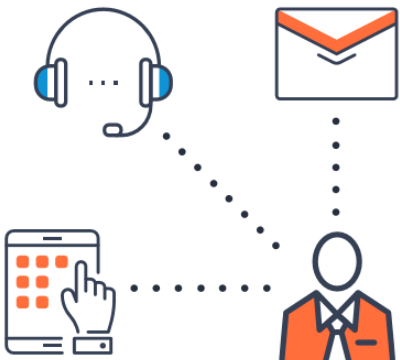
**Grow Business**  
 Get and pro

INTRODUCTION  
**Lead Generation**




We use a combination of action emails and telemarketing to deliver leads to participating partners.

You will also be rewarded for sharing your HPI sales results with our Gift Card Incentive Program.



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  - ▶ Marketing Enablement**
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# Key Considerations



**Clarify What is  
Marketing  
Enablement**

Communications  
Training  
Marketing Support

**CLARIFY**



**Short and Regular  
Emails to Partner  
Community from  
Channel Chief**

(hot links to content  
with descriptive  
subject line)

**COMMUNICATE**



**Sales,  
Technical,  
Exec Audience**

**TARGET**



**Training via  
CBT Online**

**ONLINE**



**Webinars are  
Effective Training  
Tools**

**TOOLS**



**Leverage  
Your VAD**

**VADs**

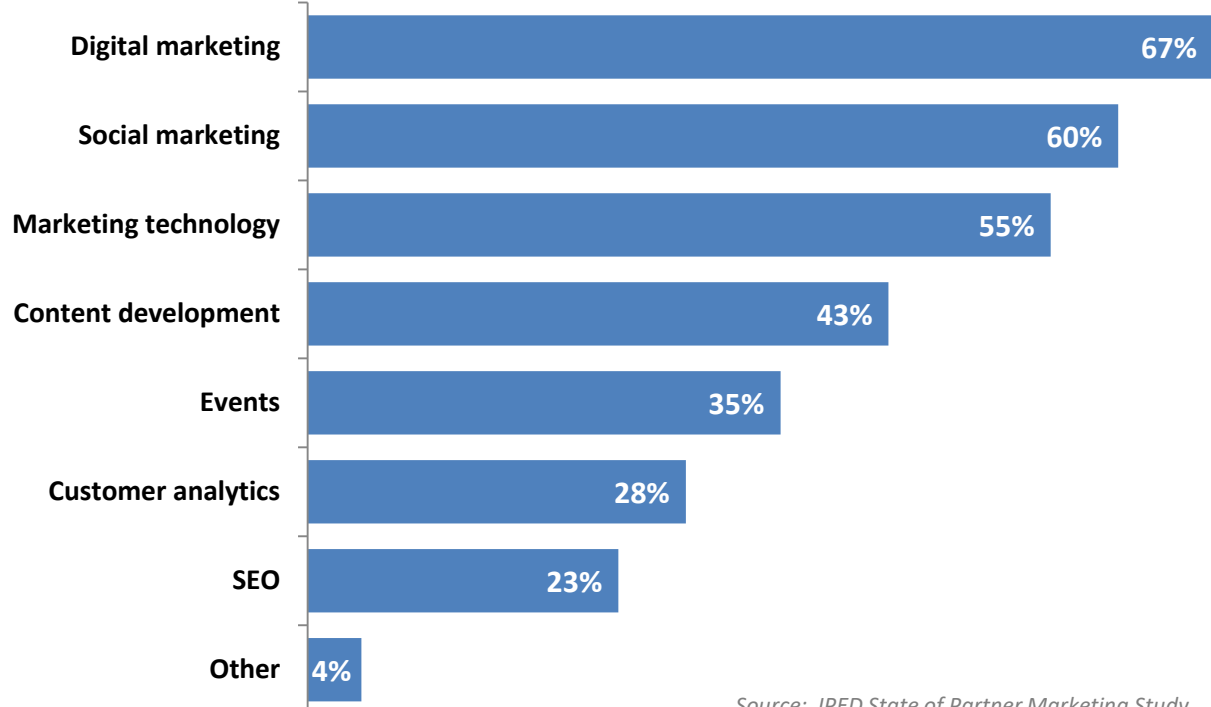
# 4 Top Marketing Skills

Partners Have Gaps In or Lack Marketing Resources and/or Skills

Provide them with training in the following areas:

- Digital Marketing
- Social Marketing
- Marketing Technology
- Content Development

### Skills Desired in New Marketing Employees



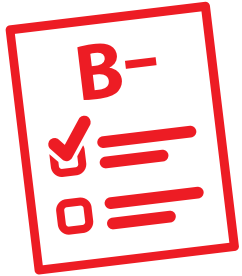
Source: IPED State of Partner Marketing Study



New marketing staff needs digital skills

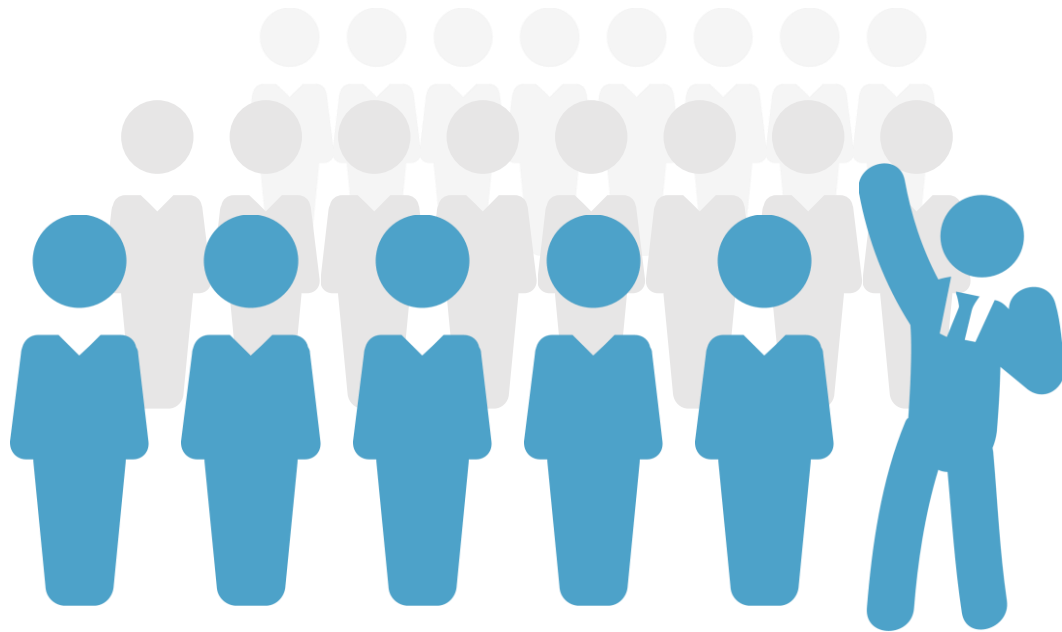
**Training New Talent.** Solution providers are planning to hire new marketing talent. They need vendor training & tools for digital marketing techniques and best practices.

# Communications & Skills



## Room for Improvement

Only 6 vendors in our 2018 Annual Report Card survey scored more than 80 points out of 100 for partner marketing support.



- Simplify processes
- Provide marketing skills development
- Consistent, meaningful communication
- Automate program execution
- Leverage distribution resources

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# Key Considerations

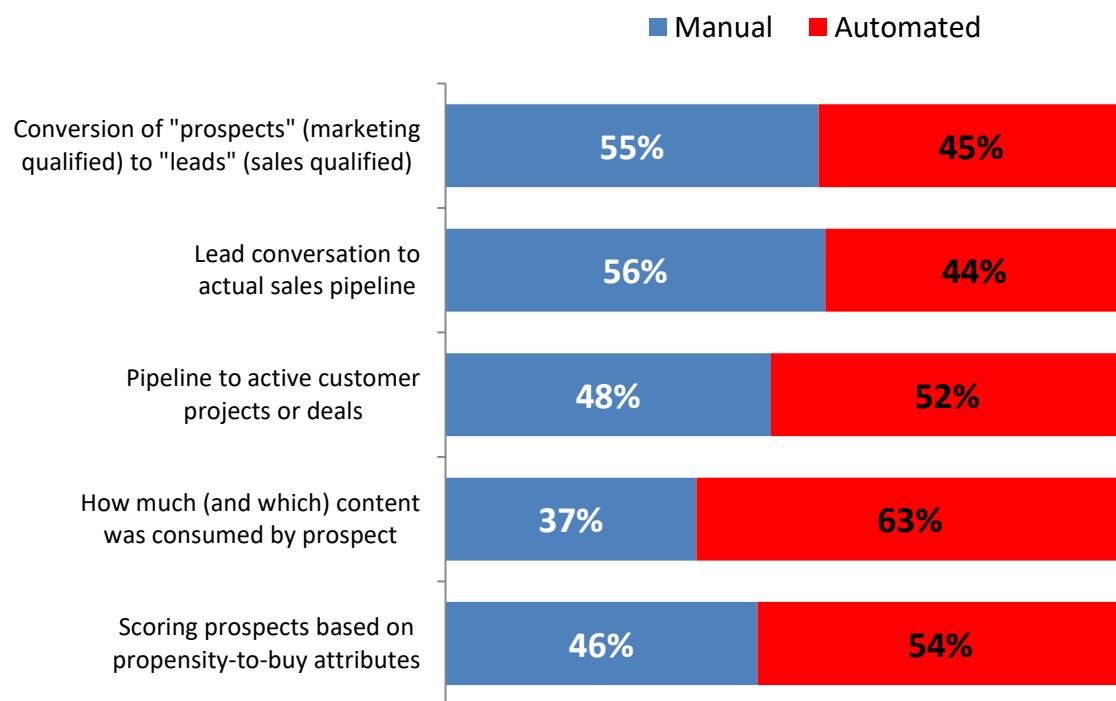
- Focus on the Right Metrics
- Don't Go Overboard
- # Leads Generated vs Dollars Spent
- Actual Deals Closed from Leads
- Create Scorecard, Share with Team



# Measure the Right Things

Effective marketing generates prospects and qualified leads. Effective sales closes customers. Measure both!

## Lead Nurturing Automation Methods



Source: IPED State of Partner Marketing Study

### Select marketing automation tools that provide:

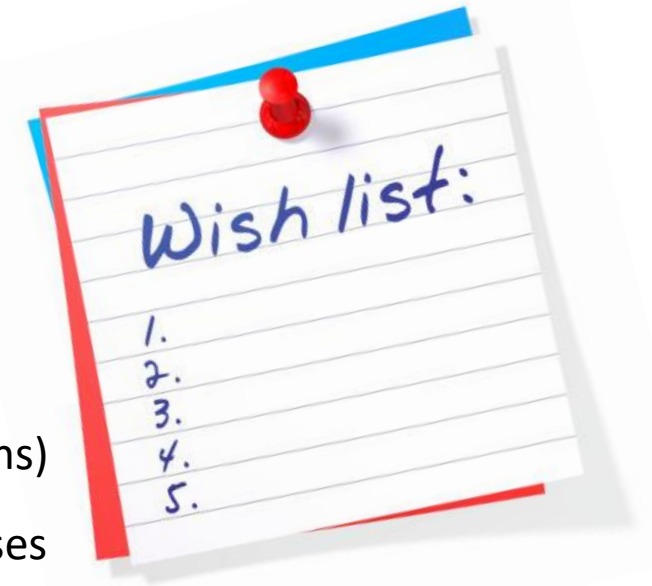
- Complete oversight to marketing
- Engagement and Leads, not just sales conversions.
  - **84%** have no marketing automation system
  - Lead Nurturing is the **#1** marketing use model, yet **>50%** of partners **have no lead nurturing** system or process (manual or automated)
  - About **50%** of those that do track lead conversions do so **manually**



# Partner's Perspective – What They Want From Vendors

## PARTNER REQUIREMENTS TO IMPROVE THEIR MARKETING

- ✓ Robust self-serve content
- ✓ Easily customized content (e.g., client microsites branded to the partner)
- ✓ Access to third party agencies and specialized suppliers (video, digital campaigns)
- ✓ Easy marketing automation to monitor digital lead nurturing campaign responses
- ✓ Designated & consistent marketing staff to help plan sustained campaigns
- ✓ Automated access to proposal-based MDF
- ✓ Vertical market campaign materials & staff with specialized marketing insights



The key to success is how to align the partner's needs with your funding model.

**For More Information Contact:**

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