Partner Recruitment

Phase 2: Recruit The Right Partners

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 understanding of the Customer or Partner Value Propositions from previous meetings*

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

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Now to Articulate Your Value Proposition

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

RECRUIT	ON-BOARD	ENABLE	MARKET	SELL	MANAGE	SUNSET

New Partner Development

Collapse Time to Revenue

Portfolio Management

Q:
- ✓ *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

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| RECRUIT | ON-BOARD | ENABLE | MARKET | SELL | MANAGE | SUNSET |

New Partner Development

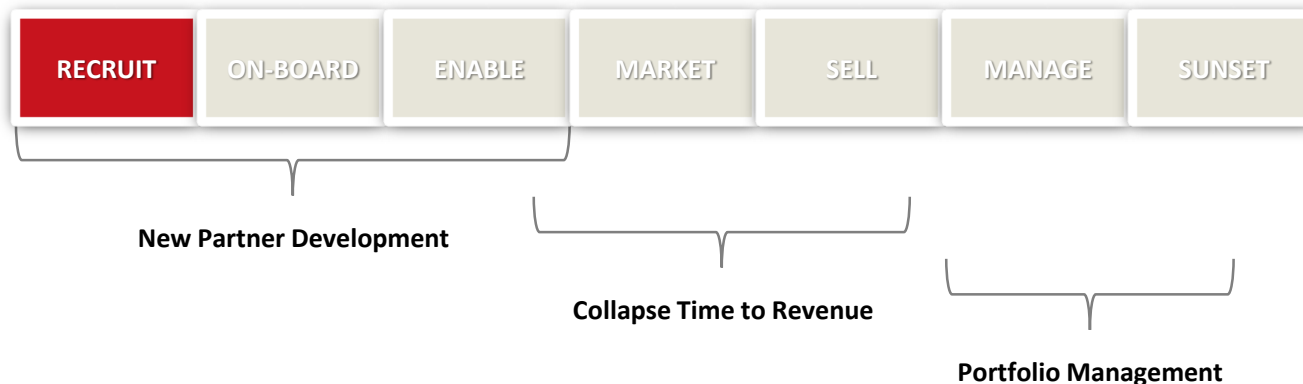**Collapse Time to Revenue**

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Always Be Visible	Reinforce Your Message	Demonstrate Your Value

1.5 MILLION
Solution Providers

MAKE CHOICES EVERY DAY

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Discussion Topics

1 • **The Recruiting Landscape**

2 • **The Value Proposition**

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How do your Partners see their Relationship with you?

VENDOR RELATIONSHIPS

	DEFINITION
STRATEGIC	*Generating a significant amount of revenue, highly involved with them at the sales, marketing and technical levels*
TACTICAL	*Generate a significant amount of revenue with these vendors; product alternatives exist and we are not strategically invested in these lines*
OPPORTUNISTIC	*Infrequent and small purchases, reactive based on our customers' demands*

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Connecting The Channel Dots

What Does the Data Say?

✓ Vendors Intend to Drive More Revenue from Channels

✓ There are Fewer Channel Partners Today than in Years Past

✓ Majority of Channel Relationships are Transactional / Reactive

✓ Majority of Channel Partners Less Than Satisfied with Existing Vendor Relationships

　✓ Higher Rates of Dissatisfaction in the US when compared to the UK for example

Today's Recruiting Landscape
More competition for fewer partners based on tougher standards and lowered expectations with lower budgets / fewer resources

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Partner Recruiting – Process Steps

1 **Identify Target Market & Customer Buying Behavior:** *for the solution being sold, what product, competition and target customer/buying behaviors are you recruiting for?*

2 **Determine Which Partner Business Models Have Access to those Customers:** *based on how customers buy and the skills, solutions or procurement terms the customer desires…note differences in complex or commodity products and enterprise to SMB markets*

3 **Build the Ideal Partner Profile:** *what is the PROFILE of a partner who is likely to succeed in your channel program AND has access to the targeted Customer AND can provide the solution*

4 **Capacity Plan:** *based on the average productivity of a typical partner in the program, how many partners do you need … where do you need them?   (Phase 3)*

5 **Coverage Plan:** *how will you communicate with your targeted Channel Partners … en masse and/or one-to-one? If one to one, how will you engage a Channel Partner in a Value Proposition conversation?*

6 **Write the Value Proposition:** *what are you asking the partner to do, how will differentiate himself and make money as a result? How long will it take?*

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# 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

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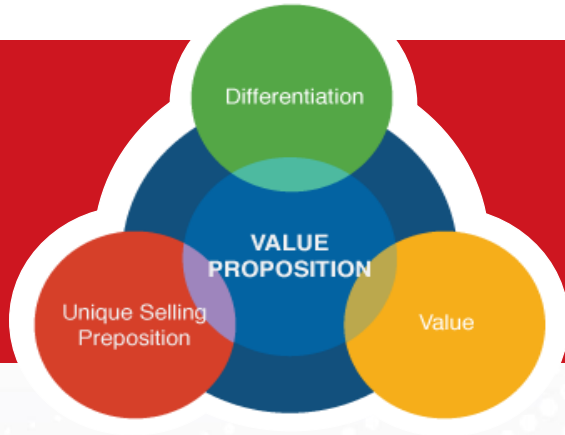
Value Proposition

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?

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

Customer Demand:

Pull vs. Push?

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

Profit Potential:

ROI on Education, Demo Sets, etc.

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

Do the Math for them.

Vendor Culture

Go to Market with Channel?

Vendor Culture: *Is trust established with the channel. What is the go to market plan; where does the channel play? Are Rules of Engagement Trustworthy?*

Synergy & Differentiation

Am I the Correct Profile?

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

Differentiation: *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:

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Vendor Culture

Go to Market with Channel?

Synergy & 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.

What About Other Routes to Market; One Size Does Not Fit All

Partner Type	Account Management Objectives Requiring Program or Contract Support		
ISVs	Development Design Win	Lead with Your Brand	Potential Royalty vs. Resale, less co-sell
DIRECT MARKETING RESELLERS *(DMRs)*	Heads on Call Center Floor	Design into Marketing Campaigns	In-bound vs. Outbound call centers, Spiff Impact is High
SERVICE PROVIDERS	Architectural Design Win	Share of "sell to" Revenue	Often common target VARs-MSPs, co-recruitment?
MSPs	Share & Volume of "sell to" Revenue		

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Partner Value Proposition: Detailed View

Simulation Phase 2

Category	The Questions Partners Ask = What's in it for them?
CUSTOMER DEMAND	✓ What is the Product and/or Solution ✓ Target Market? What Biz Problem does it Solve? ✓ What are the Use Cases? ✓ Do I have customers who can use it? ✓ Would I bet my business on it?
SYNERGY	✓ Does it fit with the rest of my business? ✓ Does it align with my competencies?
PROFITABILITY	✓ How hard is it to ramp up? ✓ What are the GMs? ✓ What is my cost to sell? ✓ What is my cost to support? ✓ What investment do I need to make? ✓ Can I make money selling it?
DIFFERENTIATION	✓ Will it set me apart from my competitors? ✓ Will it allow me to become more competitive?
VENDOR RELATIONSHIPS	✓ Can I trust vendor claims? ✓ Is the vendor committed to the channel? ✓ Does the go to market plan favor the channel?

What is a Customer Value Proposition?

- The Customer Value Proposition is a required piece of information
- The Partner Value Proposition may not be written without it
- Product Marketing is typically the source for Customer Value Propositions
- If you do not provide it; PAMs will make it up!!!

Category	The Questions Partners Ask = What's in it for them?
CUSTOMER DEMAND	✓ What is the Product and/or Solution ✓ Target Market? What Biz Problem does it Solve? ✓ What are the Use Cases? ✓ Do I have customers who can use it? ✓ Would I bet my business on it?

Each Partner Recruitment discussion starts with:
- A request to invest in your solution
- Followed by the Customer Value Proposition
- It doesn't end there…

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Real Life Examples

What Would MacroSoft CloudOne Look Like in Real Life?

Use Case

IBM CloudBurst is a prepackaged and self-contained service delivery platform that can be easily and quickly implemented in a data center environment. It allows the data center to accelerate the creation of service platforms for a wide spectrum of workload types with a high degree of integration, flexibility, and resource optimization, providing an enhanced request-driven user experience, while aiding efforts to drive down costs and accelerating time to market for the business.

Business Problems Solved

IBM CloudBurst combines the necessary hardware, software, and services components to rapidly implement cloud computing. As a single solution, it demystifies the intricacies of implementing a cloud computing model and can enable organizations to quickly realize the benefits and business potential of a dynamic infrastructure. Cloud computing is a services acquisition and delivery model for IT resources, and if used properly, can help improve business performance and control the costs of delivering IT resources to an organization. As a cloud computing quick start, IBM CloudBurst allows organizations to provide the benefits of this delivery model in a defined portion of their data center or for a specific internal project.

Potential benefits include:
- Reduction in operational and capital expenditures
- Enhanced productivity – the ability to innovate more with fewer resources
- Decreased time-to-market for business features that increase competitiveness **Customer Benefits**
- Standardized and consolidated IT services that drive improved resource utilization
- Increased resiliency to market demands
- Improved quality of service for IT consumers

Built upon the IBM System X BladeCenter platform, IBM CloudBurst provides preinstalled capabilities essential to a cloud model, including:
- A self-service portal interface for reservation of computer, storage, and networking resources, including virtualized resources
- Automated provisioning and de-provisioning of resources
- Prepackaged automation templates and workflows for most common resource types, such as VMware virtual machines
- Service management for cloud computing
- Real-time monitoring for elasticity
- Energy management
- Backup and recovery

Partner Value Proposition vs. Customer Value Proposition

Partner Value Proposition

- **Audience**: Partner
- **Answers the Questions**:
  - What is the solution? Customer Value Proposition?
  - What is the customer demand?
  - What must I do to invest?
  - What is my likely return? By when?
  - Will I differentiate myself from my competitors?
  - Do I trust you/your company?

Customer Value Proposition

- **Audiences**: Partner during recruitment value proposition and Customer when Partner sells solution
- **Answers the Questions**:
  - What is the solution? Capabilities?
  - What biz problem does it solve?
  - What is the demand & market size?
  - What are the use cases?
  - Who are the references?

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It Doesn't End with Customer Value Propositions & Discounts…Build a Business Case for Commitment

Beyond "Soft Promises" … Can You Count / Calculate the ROI?

"I want you to invest…"

How Much? ➤ **Enablement & Staffing Costs**
- ✓ *Education/Certification: Class Fee, Travel, Billable Time Lost*
- ✓ *Demo Units, Diagnostic Kits, Support Certification*
- ✓ *Incremental Sales Staff*

How Soon? ➤ **Time to Realize Break Even**
- ✓ *Number of months until expected Product & Services margins (Product revenue + Service attach) exceeds Enablement cost investments*

How Certain? ➤ **Likelihood of Achieving Payback = CONFIDENCE**
- ✓ *Enablement Methodology + Joint Commitments*
- ✓ *Case Studies + Testimonials*

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Methodology: It's Math

"I want you to invest…"

Opportunity

Investment

Qualitative:

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

Quantitative:

- ✓ Revenue and profits
- ✓ Performance incentives
- ✓ Program support & cost off-set (sales, marketing, technical, services)

Methodology: It's Math

"I want you to invest…"

Opportunity

Investment

- ✓ Program fees
- ✓ Training (hard cost & opportunity cost)
- ✓ Certification & testing expense (initial & maintenance)
- ✓ Field mentoring or IP sharing
- ✓ Relationship development and trust
- ✓ Business Process – EODB
- ✓ Strategic planning & audit processes with your teams

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Methodology: It's Math

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Investment →

How Much?

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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!

Revenue

Enablement & Sales Staff Costs

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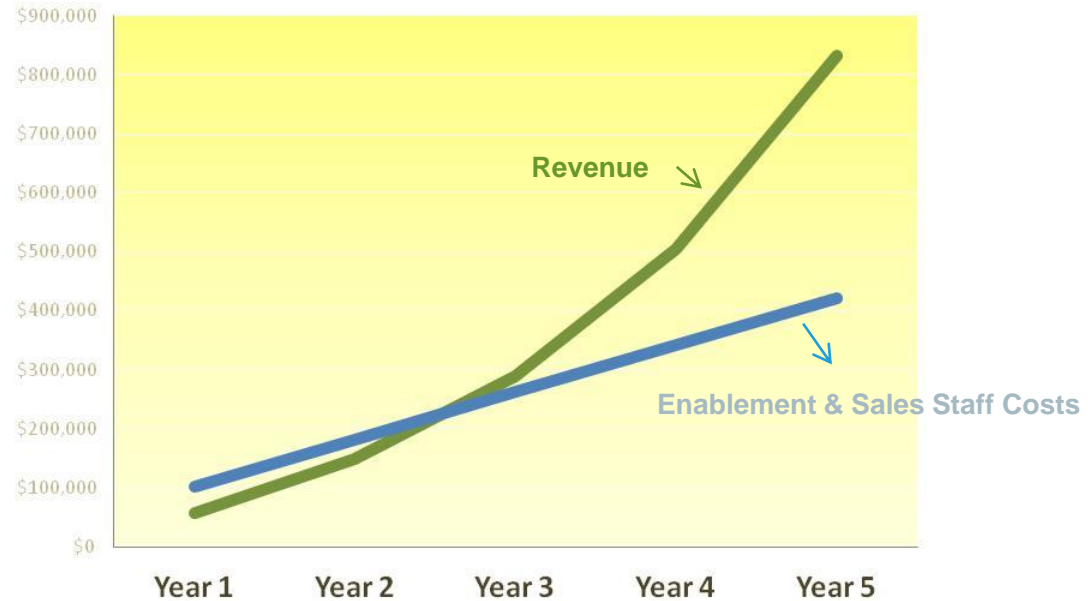
Framework From a Real Client Engagement

"I want you to invest…"

The Public Cloud Service **or** Converged Solution **or** Product including Use Cases

Our Go to Market Direct and/or Channel

Your Opportunity to Make Money

The Program & Enablement Requirements

Getting Started

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Real Life Examples…For Extra Credit ☺

Real Life Examples:
Customer Value Proposition IaaS New Service Provider

Target Market

✓ Mid-market+ data centers

✓ 500 to 10,000 employee customer segments

Typical Use Cases:
- Backup Disaster Recovery
- Application Development Test Capacity
- Peak Period Processing Capacity

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

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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
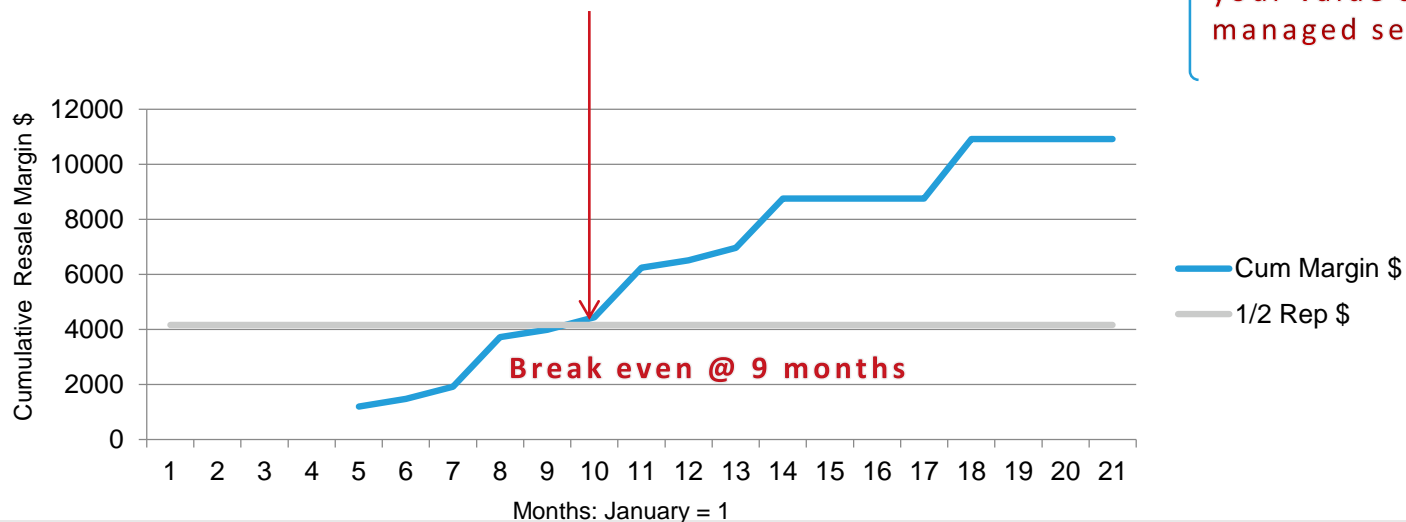✓ June, September, December closes one large deal/each month @ $12,000/mo

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

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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

Cum Margin $

1/2 Rep $

Break even @ 9 months

Cumulative Resale Margin $

Months: January = 1

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Month	1 Jan	2 Feb	3 Mar	4 Apr	5 May	6 Jun	7 Jul	8 Aug	9 Sept	0 Oct	11 Nov	12 Dec	13 Jan	14 Feb	15 Mar	16 Apr	17 May	18 Jun	19 July	20 Aug	21 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.

One Size Does Not Fit All

Product Focused Resellers

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

Simplicity & affordability

Solutions 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 Led 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

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Partner Recruiting – Closing The Deal

Once a Channel Partner Agrees to Join Your Program,

the Effectiveness and Simplicity of your Sign-up Process is Mission Critical

Formal Application – Make It Easy!

✓ Make a simple checklist of all the paperwork to ensure you don't miss any details in the process

✓ Help them fill out the paperwork … no matter how short or long it is

Authorization – Make It Fast!

✓ Provide a specific description of exactly who is involved the approval process, what steps will be taken, and how long each stage of the process will take

✓ Notify the partner of progress throughout the process … even if it's just a formality

Distribution Alignment – Make It Obvious!

✓ If it's necessary for partners to purchase through Distribution, make sure you tell them why … in terms that add value for the Partner!

✓ If there's additional paperwork to be completed … see the "Application" information above

Next Steps – Make It Urgent!

✓ No matter how compelling the reasons were to sign up, if you don't IMMEDIATELY follow up with action that leads to opportunity then "buyer's remorse" will undo the entire process

✓ Be specific – exactly what you'll do, when, why, and what's in it for the Partner

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Team Workshop
Phase 2

Recruit the Right Partners

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Reading the Navigator Handbook

Navigator (Simulation) Overview
- ✓ Pages 5 - 10

The Business Environment

- ✓ Pages 12 - 20

- ✓ The Product: "MacroSoft's Cloud One Appliance"

- ✓ Basic models: ASP ~ $20,000 (also available as subscription w/ ASP~$750 mo)

- ✓ Advanced model: ASP ~ $60,000 (also available as subscription w/ ASP~$2,000 mo)

- ✓ Target market: SMB and Upper Mid-market (50 to 1000 users)

- ✓ Competitive Landscape: one major appliance competitive vendor, though alliance relationships with HW and SW vendors compete also

- ✓ Single tier channel of highly productive HW & SW VARs with solution and managed services capabilities. Annual revenues around $3M+ selling to SMB and Upper Mid-market customers. Page 17.

Phase 2: Recruit the Right Partners
- ✓ Build a Value Proposition Pitch: Pages 22 – 23

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Phase 2: Recruit The Right Partners

Workshop Exercise:

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- ✓ Goal: for your ideal solution provider to join the partner program you have just created

- ✓ Medium: live presentation to the panel

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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 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

Getting Started
Outline next steps

How Partners Will Score Your Presentation

Overall Business ROI:

- *Profitability to their company - top line revenue, bottom line contribution*

Opportunity:

- *Is there a market for the solution? Do they have customers who can use it? Can they make money?*

Enablement:

- *How difficult, in time and money, is it to achieve the stated investment? Will the vendor support them?*

Viability:

- *Does the Program support sound like it will help partners be successful?*
- *Can the vendor deliver?*

Differentiation:

- *Will this solution opportunity differentiate partners from their competitors? Will the capabilities differentiate them in the eyes of their customers?*

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Team Workshop
Phase 2

Recruit the Right Partners

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Solution Description

- **Product Overview**

- **Use Cases**

- **Customer Benefits**

- **Typical Sales Cycle**

- **Average Sales Price of the Solution including Partner Services assumptions**

Please use your skills to title appropriately

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The Market Assumptions

- **Target Customer Segment of the Market**

- **The typical Buyer**

- **Total Addressable Market likely available to this Partner**

- **Competitive Forces in the Market**

Please use your skills to title appropriately

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The Opportunity

- Why this partner was chosen and is important to your Program.

- How their existing capabilities complement this offering or fill in a hole in their offerings.

- How this capability will differentiate them in the market.

- Leads up to the proposed business relationship (next page)!

Please use your skills to title appropriately

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The Business Relationship Proposed

e.g. Requirements: what you must invest

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

Please use your skills to title appropriately

Financial Summary of Investment & Return to the Partner

- e.g. Break Even Analysis (in real life) or assumptions if you run out of time

- Some pseudo-facsimile (provide an overview) as you will likely not have time to build a full financial analysis...

- Include financial assumptions factored into # of deals a partner can sell in a defined period, with margin and services margin assumptions

- Overlay an estimate of expenses incurred including education, marketing, staffing and any other costs

Please use your skills to title appropriately

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Next Steps

- **Where are we today** and

- **what do we do to get started?**

Please use your skills to title appropriately

Keep These in Mind…

Credibility & Believability Matter!!!

- ✓ You are meeting with the Company President/Owner

- ✓ You have 10 minutes to get him or her to "YES"

- ✓ Prioritize on relevant information and get to the point quickly

- ✓ These are real partners, BUT this is a "safe learning environment"

Debrief

✓ What do they want?

✓ What is the value for the customer?

✓ How do they assess vendors?
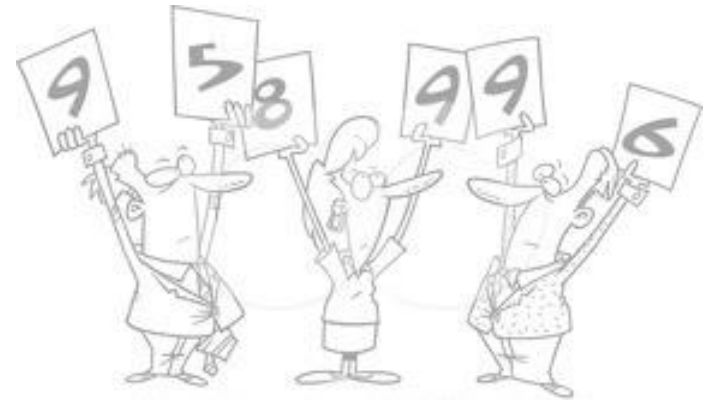
Partner Recruiting – Basic Best Practices

Target / Profile

✓ All partners are NOT appropriate for a single vendor program … but some are

✓ The Ideal Partner Profile determines the characteristics a Partner MOST LIKELY TO SUCCEED

Promote

✓ Communicate with targeted Partner with messages customized to attract + repel … only solicit the IDEAL partner profile

✓ Combine MASS media and ONE-TO-ONE media to achieve awareness, credibility, momentum and opportunity
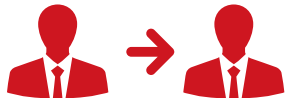
Engage

✓ Utilize a simple, self-service Value Proposition to engage potential partners from mass media campaigns

✓ Deliver the human connection @ Channel Manager layer – enabled and empowered to execute program details effectively

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$$\frac{\textbf{Opportunity}}{\textbf{Investment}} = \textbf{2 to 3 ROI with a Break Even < 6 months; absolutely no more than 12 months}$$

IPED Channel Masters Webinars on Value Proposition

Sample Value Proposition

MacroSoft
Cloud One Appliance

From a Company You Trust, MacroSoft

"The Single Cloud Infrastructure Solution for the SMB & Upper Mid-market Customer"

Today's Discussion

MacroSoft CloudOne Appliance

The Market

Partner Opportunity

Our Investments

Getting Started
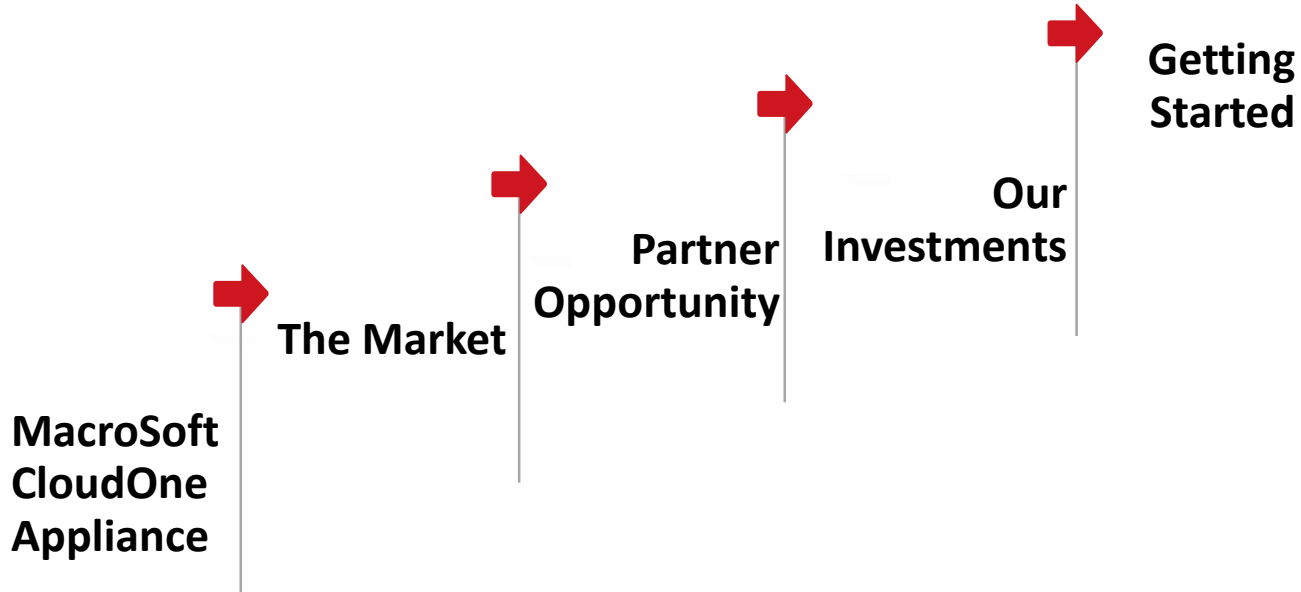
Our Solution

In an effort to dramatically simplify Cloud Computing, an integrated solution is available on-premise or as a service; offering a single device to deploy any Mid-Market or SMB customer cloud environment (private, public or hybrid)

Feedback from our Beta Customers, MacroSoft

KEY SOLUTION FEATURES:

- COMPREHENSIVE CLOUD MANAGEMENT PLATFORM
- SELF-CONTAINED HARDWARE UNIT
- BUILT IN SECURITY AND NETWORK
- PRE-INTEGRATED ACCESS TO MOST MAJOR PUBLIC CLOUD OFFERINGS
- COMPREHENSIVE APIs

Do You Have Customers with These Needs? (use cases):
- Backup Disaster Recovery
- Web Based Applications
- Development and Test

The Market

Cloud Customer

- ✓ *SMB & Upper MM Customer <$250M Revenues*
- ✓ *50 – 1000 Users*

Market Size

- ✓ *$2.1B total addressable Market*
- ✓ *Over 5 years*
- ✓ *14.5 CAGR 2015 thru 2020*

Customer Benefits

- ✓ *Reduced Costs*
- ✓ *Faster Time to Market*
- ✓ *Reduced Risks: e.g. Security*

Your Services Opportunity

- ✓ *Pre Sales Consulting 25%-50% of total solution cost*
- ✓ *Implementation Services: 50% of system price (on-prem)*
- ✓ *Post Sales Services: Varies on support and managed alternatives sold*

Pricing	Basic	Advanced
On-premise	$15k-$25k	$50k-$75k
Users	75-250	250-1000

Basic $25,000	Revenue
Presales consulting	$17,500
Appliance basic	$25,000
Implementation	$12,500
	$55,000

Advanced $60,000	Revenue
Presales consulting	$52,000
Appliance basic	$60,000
Implementation	$30,000
	$142,000

Sales Cycle 90 – 180 days
One Competitor of Significance

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Your Differentiation in the Market is a function of Your Managed Services Capabilities
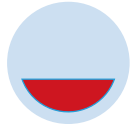
Cloud Consulting & Plans

-Customer Workloads

-Application Security

-Availability & Compliance Needs
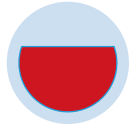
Implementation

- Migration

-System Interfaces

-Administration
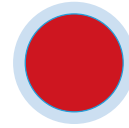
Managed IT Services

-Including monitoring, application & patch management

-For the platform or a fully managed development or application system by you for the customer

An Opportunity to Grow Vertical, Managed or other Emerging Services

Pricing	Basic	Advanced
As a Service Monthly	$500-$850	$1,700-$2,500
Users	75-250	250-1000

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Our Go to Market Leverages Trusted Solution Providers with Existing Customer Relationships

TARGETING **C**LOUD **P**ARTNERS WITH: **$3M+** ANNUAL REVENUES, **25%** FROM **M**ANAGED **S**ERVICES WITH AN EXISTING **SMB** & **M**ID-MARKET **I**NSTALL **B**ASE

Partner requirements:
- >2 cloud service offerings
- partnership with a public cloud provider and a hw, sw, cloud services track record
- dedicated sales staff
- technical staff trained for pre-sales consulting and post-sales implementation
- will train to take level 1 support calls

Single-tier channel ready solution offering a direct relationship with us, partner only territories, including a flat 35% discount and performance based rebates:
- no cost training
- $5,000 mdf to drive pipeline
- services mentoring, sow in a box, facilitated business planning session

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Beta Customer Experience Reflected to Project Break Even in Four (4) Mos.

Assumptions available and are for illustrative purposes only, your assumptions should be used to plot your break even point.

12 MONTH ROI > 3.5

Break Even in Months

ON-PREMISE SYSTEM SALES, WITH PROFESSIONAL SERVICES, 1 DEAL/MONTH STARTING APRIL, ALL BASIC SYSTEMS EXCEPT SEPTEMBER

35% Discount, No Rebates, One Dedicated Sales Staff, Technical Opportunity Cost to Train Included

BREAK EVEN @ 4 MONTHS

Profit

Expense

Profit (y-axis): $0, $20,000, $40,000, $60,000, $80,000, $100,000, $120,000, $140,000, $160,000

Months (x-axis): 1 2 3 4 5 6 7 8 9 10 11 12

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Getting Off to a Fast Start

Today! → **30 Days!** →

Executive Sponsorship → CAM Assignment → Training Plan → Business Planning Session →

Marketing Plan → Execution Per Commitments

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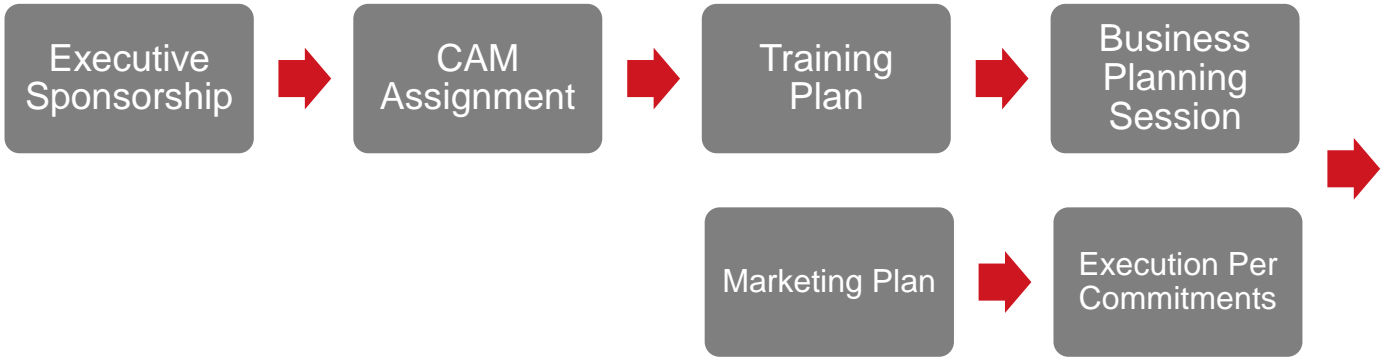
Profit and Expense Timeline

		Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Jan	Hire, Train, Selling												
Feb	Sell												
Mar	Sell, Close												
April	Sell, Implement, Close												
May	Sell, Implement, Invoice, Close					$55,000							
June	Sell, Implement, Invoice, Close						$55,000						
July	Sell, Implement, Invoice, Close							$142,000					
Aug	Sell, Implement, Invoice, Close								$55,000				
Sept	Sell, Implement, Invoice, Close									$142,000			
Oct	Sell, Implement, Invoice, Close										$55,000		
Nov	Sell, Implement, Invoice, Close											$55,000	
Dec	Sell, Implement, Invoice, Close												$55,000
	Gross Margin	$0	$0	$0	$0	$55,000	$55,000	$55,000	$55,000	$142,000	$55,000	$55,000	$55,000	$527,000
	Costs	$15,217	$15,417	$10,417	$10,417	$10,417	$10,417	$15,417	$10,417	$10,417	$10,417	$10,417	$10,417	$139,804
	Sales Rep Dedicated	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417	$125,004
	Education Opp Cost	$4,800												$4,800
	Marketing		$5,000				$5,000							$10,000
	Costs	$15,217	$15,417	$10,417	$10,417	$10,417	$10,417	$15,417	$10,417	$10,417	$10,417	$10,417	$10,417	$139,804

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Assumptions

Basic $25,000	Revenue	GM	Profit
Presales consulting	$17,500	32%	$5,600.00
Appliance basic	$25,000	25%*	$6,250.00
Implementation	$12,500	32%	$4,000.00
	$55,000		$15,850.00
*after 10% discount			

Advanced $60,000	Revenue	GM	Profit
Presales consulting	$52,000	32%	$16,640.00
Appliance basic	$60,000	25%*	$15,000.00
Implementation	$30,000	32%	$9,600.00
	$142,000		$41,240.00
*after 10% discount			

Hire Sales Rep $125,000 fully loaded $10,417/mo

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

Marketing $5,000 to match MDF in two increments

But Wait, There's More!

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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

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