

# 10 Tips to improve the Business Value of Channel Marketing and MDF ROI

eBook



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Many companies invest MDF and resources in partners to grow their business, secure coverage in a cost-efficient way and increase customer satisfaction. While working with indirect channels offers a lot of advantages it also creates challenges in terms of measuring the Return of Investment. To improve business results, you need to look at various elements including people, process and organization. The following 10 tips provide some proven approaches from a marketing perspective. Hopefully you will find a few ideas you can implement in your company.

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# 10 Tips to improve the Business Value and ROI of Channel Marketing

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## 1. Focus on partners with marketing capabilities

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When selecting partners in general or for specific initiatives sometimes companies are identified with great growth opportunities from a sales perspective, while their marketing capabilities are neglected. Channel Marketing is then asked to join the table and support to the best extent. However, if marketing is not a real priority for the partner the likelihood of generating tangible results is rather small. This is unproductive use of resources and can be avoided by adding “Marketing Competency” as a selection criteria. This means having a professional Marketing Manager that is at least to a certain extent dedicated and has the skills and expertise to execute and generate results. Past experience with these partners also help: Do they have a track record? Can they prove that they are able to work with you based on your requirements and systems or will you be on your own? Business results are likely to improve by choosing the right partners from the beginning.

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## 2. Provide clear direction and focus on demand generation in your funding guidelines

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Many vendors invest large amounts of Market Development Funds (MDF) in their partner base to drive growth. Smart companies develop and follow clear investment guidelines that reflect your priorities. If demand generation is your priority, then this should be highlighted. Take a look at what really works. Maybe it is time to get rid of some activities you supported in the past but where you are not able to track results. To incentivize your partners, you might consider increasing the funding proportion for demand generation or lowering payments for non-demand gen activities. What worked in the past and where did you see results? Are you supporting new digital approaches that provide a data-driven view with clear results? If you answer these questions and update your guidelines based on data, your outcomes should improve.

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## 3. Ensure engagement and coverage for existing and new partners

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Successful companies ensure the right level of partner engagement in addition to providing programs, funding and tools. Engagement should not be limited to e-mails or newsletters but also include regular personal conversations. Many vendors have limited marketing resources and with the best will in the world one person can only effectively cover a certain number of partners. Let’s not forget that on the partner side there is also a human person. Many marketers within partners carry the portfolio of multiple vendors so each day they need to decide where to invest their time. Partners need personal engagement, especially when they are new so if you do not have sufficient resources in your own team investing in a concierge service to ensure the appropriate coverage is a good way to improve partner satisfaction, release own resources and ultimately improve business results.

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## 4. Consider an ABM approach aligned with sales to focus your partner efforts

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Each marketer knows that the selection of the right target audience is important to drive results. When working with channel partners and discussing programs this area should get the appropriate attention. One option is to align with sales on a small list of targeted accounts and execute an Account Based Marketing (ABM) approach. Imagine you identify just 20 prospects and reach out to them together through an integrated campaign in the upcoming months. Each meeting you have with your marketing counterpart can cover progress and next steps. Where are the customers in the buyer journey? Where do we need to invest? By doing that you can focus your marketing efforts, show value as you are aligned and be sure to get access to sales results that you generate together.

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## 5. Establish a cadence and set agenda for meetings and calls

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A common agenda for partner marketing meetings with business results on the top of the list helps to establish the right focus. The ABM approach mentioned before could be one topic, lead follow-up would be another. Add anything that helps to truly acquire customers or help to close deals. This means taking responsibility for lead generation which is a true marketing task but also not neglecting the bottom half of the funnel. In other words, working with sales until the deal is closed.

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## 6. Establish the right KPIs to improve customer acquisition and sales pipeline

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When aligning on objectives, you also need to talk about KPIs. Both are linked together and KPIs follow the objectives. First of all, we need to be careful what we call KPI. Recently a company promoted the “26 KPIs to measure the impact of your mobile customer journey”. There are Indicators, Performance Indicators and Key Performance Indicators. The difference becomes clear when looking at a website: The traffic and bounce rate are indicators, Click-Troughs and Conversions are Performance Indicators and Leads and Opportunities are Key Performance Indicators. Performance Indicators are useful to manage your team and set objectives, KPIs is what you want to share with the senior leadership team. If Demand Gen is a priority for you then your KPIs should reflect that and positively influence customer acquisition and ultimately the sales pipeline. In other words, KPIs are leads, opportunities and wins resulting in incremental sales. If you cannot measure leads and opportunities, then you need to identify indicators that relate to demand generation for example specific behavior in your portal like downloads or usage of campaign materials and link it to revenue performance of those partners to identify patterns.

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### 7. Implement PRM and measure ROI at least three times

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What entries do partners have to make when they request funds? ROI is something that is generated only after executing. However, you need a clear view on what you want to achieve before and if we are talking ROI the metric has to be around Demand Generation. Therefore you should check ROI at least three times: When partners request approval for funding, when they ask for payment and sometime later. Depending on the sales cycle this could be three months for example. If you have a PRM system and full visibility in the partner pipeline this is obviously much easier. If not look at objectives and ask what has been achieved. The actual results should guide vendors in future investments.

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### 8. Assign own leads based on (true and data driven) performance

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Each vendor has own marketing efforts and is generating leads. The question is how these are allocated to partners? Is it based on certification status, personal relationship or mainly based on results? As we move more and more into a data-driven environment we should take decisions based on facts and performance. The consequence is easy: Higher performing partners get more leads.

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### 9. Invest time in analytics and dashboards

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If you want to maximize your results in times of limited budgets you need to understand how to systematically collect and analyze data to draw the right conclusions. The ability to generate great results will depend more and more on data-driven skills. Leverage your Channel Marketing Platform and other tools to get a comprehensive view of results that help to drive your business. Build your own dashboard by combining information from various sources and raise the skills in your team. Data provides clarity, the ability to act in real-time and trust in the organization.

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### 10. Increase engagement and loyalty with a TOP 100 partner marketing community program

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20% of your partners will most likely generate 80% of your revenues. We all know this economic law. What can you do to protect this group and possibly even improve their results? Most partners work with multiple vendors which is a challenge for the resources in their marketing teams. Where should they focus their time and efforts? One way to drive preference is to launch a TOP 100 partner community program. The aim is to build a true community, establish strong personal relationships as foundation for future success. Your peers are multipliers, an extended part of the team. Consider a quarterly engagement with an educational webinar by inviting a TOP industry speaker, a yearly event in the last quarter to talk about the strategy and programs in the next year and possibly some awards to recognize their performance. People will appreciate the personal investment as differentiated way to value their engagement.

## 10 Tips to improve the Business Value and ROI of Channel Marketing

We hope this eBook has provided you with ideas on how to improve the business impact of your Channel Marketing efforts. If you have any further questions, please contact [lklaus@marketing-roi.eu](mailto:lklaus@marketing-roi.eu).



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Lutz Klaus has 28 years B2B Marketing and Sales experience in Start-Ups as well as Corporations. He worked in the IT and Telecommunications industry since 1996 for both channel partners and vendors, leading local and international teams at Avaya, Nortel and Juniper Networks. At Avaya he led the EMEA Business Partner program.

Starting in 2006 he looked into ROI and other approaches to clarify the tangible business value of Marketing. In 2016 he founded Marketing ROI Consulting supporting companies to improve the business value of Marketing based on data as recipe for success in our increasingly digital world.

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