



## Seven Market Development Funds That Yield Results

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# Effectively Drive Value For Your Partners and Agents

We frequently see vendors and providers struggling to figure out what would be the right set of programs to use Market Development Funds (*MDF*) or Co-operative (*Co-op*) Marketing Funds effectively to drive value for their partners and agents, and also provide high level of marketing ROI. In fact, there are a few insights that make it easier to do the right things right.

Over the years we have seen organizations that can sell through a channel in an almost sure fire way and increase their return on investment from Market Development Funds (*MDF*) by focusing on a core few programs. These seven programs and ideas certainly do not rule out the opportunity to innovate in other ways, but a good approach would be to allocate more significant portion of your MDF budget across these areas first while setting aside the remainder as discretionary budget for other, creative marketing programs.

## 1. Partner Training

If you have a fee-paid certification program in place, one way to increasing return is to allow up to 80% reimbursement of strategic **training programs**. This can certainly vary quarter by quarter, as you emphasize certain business lines or product lines, but overall, running promotions to waive certification fees is a great way to increase competencies with your partner organization. It also helps create sales momentum as fully trained technicians can engage their internal sales resources to generate demand.

## 2. Installed Base Sales

Organizations with large number of end customers and a broad channel at times struggle to deploy **Market Development Funds (*MDF*)** to drive demand. However, the easiest way to drive near term return is to create upgrade promotions and add-on campaigns for your installed base. In this way, you enable your channel to drive focused campaigns. If you have the ability to track point-of-sales data from your sales organization or your channel teams (distribution, etc.), you can very quickly track return on investment from these programs.

## 3. End User Webinars

Webinars are the most cost effective way to generate demand—yet very few vendors effectively use this mechanism. If you have the right Channel Marketing Automation platform, you are better equipped to drive high levels of attendance to centralized webinars. The **Channel Marketing Automation** platform allows the vendor to present a centralized webinar, while partners are able to drive their existing base of customers and prospects to attend. Security settings mean they don't need to worry about losing those records to the vendor's sales team or other partners. Creating a regular webinar series where you present, but partners drive traffic and follow up to close can provide tangible ROI.

## 4. Appointment Setting for SME and Enterprise Campaigns

To get return from your tele-campaigns, the average selling price needs to be at least 20 – 30x of the program cost. You don't want to spend **telemarketing** or tele-prospecting budget on SMB campaigns, as the average transaction cost tends to be higher in mid-market and enterprise solutions. So, if your tele-campaign cost per partner varies from \$2,000 to \$10,000 (*depending on the activities and countries where you are running the campaign*) then you have to be able to close one or multiple deals in the \$40,000 to \$300,000 range. Therefore, handpicking the campaigns that you want to fund is critical to drive near term results.

## 5. SMB Roadshows

Allowing partners to run modestly funded lunch-and-learn events (*20 people attending with \$1,500 budget*) can be quite effective. However, this doesn't work ROI-wise with transactional products—like firewalls, switches, etc.—that do not have a higher life cycle value. Picking the right products for SMB-focused roadshows is therefore critical, but with the right mix, this can certainly drive consistent deal flow and pipeline increase both for partners and providers.

## 6. Social Selling

The right **Channel Marketing Automation** platform can help your partners to sell socially. This has a low participation cost, but is much more effective than search engine marketing—AdWords or Organic SEO. Networks like Facebook, LinkedIn and Pinterest offer business-to-business social marketing activities. With an integrated approach these could be easily converted into actual sales activities leading to pipeline development. This may be an unfamiliar approach, but can be quickly implemented with the right Channel Marketing Automation platform.

## 7. Marketing Automation

While selecting the right programs is critical to generate ROI from **Market Development Funds (MDF)** activities, an equally if not even more important requirement is to have the right Partner Relationship Management platform to automate the entire MDF process and link to Demand Generation. In order to do this, an organization needs to implement a Partner Relationship Management Infrastructure, and also connect it to a Through Partner Marketing Automation platform. Once done, implementation of MDF programs become easy, predictable and ROI focused.

Vendors also provide demo hardware, software licenses and other tools via MDF for sales purposes, but in our experience it is really hard to track ROI from those activities. Reserve 60 – 70% of the budget for the seven activities mentioned above can increase your ROI substantially.

ZINFI's Partner Relationship Management (*PRM*) platform can provide you with a complete set of integrated Channel Marketing Automation platform. ZINFI's PRM platform comes with an easy to use, fully configurable Market Development Funds (*MDF*) management capabilities, which can support multiple currencies, exchange rates and local languages. Full integration with ZINFI's Market Through Partner Marketing Automation capabilities allows end to end tracking of campaigns and results.

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## Contact Us

### AMERICAS

[sales.noram@zinfitech.com](mailto:sales.noram@zinfitech.com)

6200 Stoneridge Mall Road, Suite 300  
Pleasanton, CA 94588  
United States of America

### EUROPE, MIDDLE EAST AND AFRICA

[sales.emea@zinfitech.com](mailto:sales.emea@zinfitech.com)

27 Galileea St  
Bucharest 1  
Romania

### ASIA PACIFIC

[sales.ap@zinfitech.com](mailto:sales.ap@zinfitech.com)

120 Lower Delta Road, #15-15  
Cendex Centre  
Singapore 169208

