

# The Modern Microsoft Partner Series

What Solution Providers Need to Know to Thrive in the Cloud and Beyond

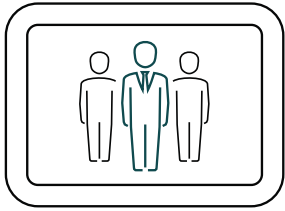


## Part 3: Modernize Sales and Marketing

An IDC eBook, Sponsored by Microsoft



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# Introduction to the Modern Microsoft Partner Series

65% of B2B buyers have already researched and made a purchase decision before they contact a sales rep.

**IDC Research Study, 2015**

The Modern Microsoft Partner series is a collection of five eBooks designed to help IT solution providers on their journey to success in the cloud. The series is full of insights and best practices that cover a variety of critical business topics.

Part 1, "[The Booming Cloud Opportunity](#)," sets up the series and focuses mainly on revealing the compelling evidence around the profitability potential in the cloud. The eBooks that follow are centered on four interrelated topics, and highlight the changes partners make as they grow with a new IT landscape.

This book, "Modernize Sales and Marketing" provides advice and ideas from successful partners who credit some of that success to modernizing their sales and marketing. These partners have not only learned to build and leverage their digital presence, but also understand the new customer journey and capitalize upon that understanding with their sales and marketing activities. An IDC research study with B2B customers found that 65% of them had already researched and made a purchase decision before they engaged with a sales rep, emphasizing why partners must modernize the way they market themselves now.



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Strategy is based on a differentiated customer value proposition. Satisfying customers is the source of sustainable value creation.

**Robert Kaplan and David Norton, Strategy Maps**

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# The Modern Microsoft Partner Series



## The Booming Cloud Opportunity

Undoubtedly, leading partners will be cloud partners in the future. The cloud is growing very fast and cloud-oriented partners are outperforming their peers.



## Differentiate to Stand Out

Successful partners will be known for something. They are masters in a technology, or a vertical, or a business process, often regardless of their geography.



## Modernize Sales and Marketing

Leaders will embrace modern techniques to reach customers, especially since the majority of B2B buyers are now making purchase decisions before even talking to a sales rep.



## Optimize Your Operations

Profitable solution providers will take operations seriously, focusing on repeatable engagements through methodology, automation, and tools. They will be masters at metrics.



## Deliver Customer Lifetime Value

In Cloud economics it is no longer about the deal or the initial sale, it is about customer lifetime value. The successful partner will maintain customers for life by ensuring their clients continually get value out of their solutions.

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Whether this is the first, last, or only eBook you read in this series, it is important to consider the links between the books. If you're able to review the entire Modern Microsoft Partner Series, you will catch common themes that continue through the books. "Modernize Sales and Marketing" builds on the insights of Part 2 of the series, "[Differentiate to Stand Out](#)." While book two brings forward compelling reasons to specialize and differentiate your offering, this book establishes how to reach customers with the right message at the right time.

# Define Your Value Prop— Why you?

Our attempt to reinvent the value proposition that we delivered to our enterprise customers was not only excellence in technology but helping them really define, align and execute upon their strategic visions. We're now very clear on what we do, and what we do well, so we can come up with a very clear offering sets that are both high value and low risk.

**Mark Seeley, CEO, Intellinet**

Before getting into the “secret sauce” of modern sales and marketing, the modern partner must first acutely understand the solutions they sell — and why. What customer problems are you trying to solve? Think less about what customers buy from you, and more about why customers buy from you. In most cases, your solutions and services can be bought through other partners too. The reason why customers buy from you separates your business from the competition and forms the basis of your identity. A refined value proposition should speak to the customer’s specific needs: Do you reduce costs, increase revenue, improve operational efficiency, or achieve any other business outcome? It should also speak clearly to what elements make you different from the competition, be that industry knowledge, customer service, specialist knowledge etc.

Part two of this series “[Differentiate to Stand Out](#)” outlines the benefits of specialization. By tailoring solutions to a specific industry vertical, functional horizontal (such as the finance department), or by delivering specialized intellectual property (IP), you can establish a clear path to grow your customer base while protecting margins. Through deep specialization, an intimate knowledge of customers’ unique needs help partners define their value proposition and ultimately, articulate their brand. What will you be known for?

## The Bottom Line

- Your value proposition will help steer an impactful marketing strategy. Look closely at the needs of your customer base, and understand why these customers choose you over the competition.
- Define your value proposition and build your brand: Are you specialized in an industry vertical or in a functional solution? Look to communicate business outcomes.

# Everyone is in Marketing

We know that we need to be very market oriented. We have a tremendous amount of innovation that happens in the company and we say not everyone's in sales. The sales role is to go and close a deal. We say everyone's in marketing.

**Marc Fletcher, Head of Marketing and Sales, Intervate**

A number of years ago, the phrase “Everyone is in Sales” came into fashion. At its core, this is the theory that your workforce can be engaged in selling at any point. In the digital age, “Everyone is in Marketing” is perhaps more appropriate, and in fact, we heard this specific phrase used by partners that we interviewed.

To be clear, sales and marketing are part of the same overall customer engagement process, so there's no need for any sales folks to feel like they are being sidelined. Rather, in much more fluid IT environments, you should aim for a connected sales and marketing process with clearly defined roles and handoffs.

The end game of having everyone in marketing, is that every role in your business should feel that they have a clear message to use with customers, a mechanism to take customer insights and feedback into the company, and also feel like they have shared responsibility for the customer relationship and satisfaction.

Start with your company differentiation and customer targets, and then define the messages that you want to get your workforce using in their digital interactions. Then selectively engage your workforce in digital or social media activities like blogging or other community engagement. It's important to be selective at the outset – getting “everyone” into marketing right away might not be the best approach if you don't have a formal plan. Aim to build a culture of marketing and social engagement within your company, such that your workforce is truly extending your reach in a credible way.

To be honest, the whole company is about client satisfaction and client experience from the software developers to service delivery guys, the helpdesk... Every single person here is involved in customer experience.

**Scott Osborne, Founder and CEO, Total Synergy**

A number of partners we talked to are on this journey already, and we even heard examples where the CEO leads the charge with a regular blog.

Social selling is also a good area to focus on. Social selling is the process of developing relationships as part of the sales process. Today this often takes place via social networks such as LinkedIn, Twitter, Facebook, and Pinterest, but can take place either online or offline. Many of your workforce will already be engaged with social communities, and these are channels that you can leverage with the messaging you have developed. However social selling is not just about the technology, it's also about building stronger relationships with potential buyers, based on gaining a deeper understanding of the problems they face. So social research can be employed to gain insights into your potential customers, and even unearth common values or demographics.

On the flip side, your workforce can also be used to drive insights back into your marketing and sales engine. For example, your customer-facing staff (whether in customer services, pre-sales, support, or sales) could have insights from their customer interactions that you might use within your digital marketing. We heard examples from partners where the marketing team would have lunches with customer-facing staff to learn what's new with customers, then leverage these insights in their digital marketing campaigns.

Key to success in moving in this direction is doing it with a purpose, as empowering your workforce without clear direction could lead to underwhelming customer experiences. Creating a clear plan, guidelines, and clear messaging will allow your workforce to extend your reach, and be relevant.

## The Bottom Line

- Based on your company differentiation and customer targets, work out the key messages you can look to get your workforce using in their digital interactions.
- Be purposeful around how you execute – have a strategy, share the plan, and then empower your workforce within those guidelines.
- Get executive ownership and engagement in this process; leadership will help develop the marketing culture.

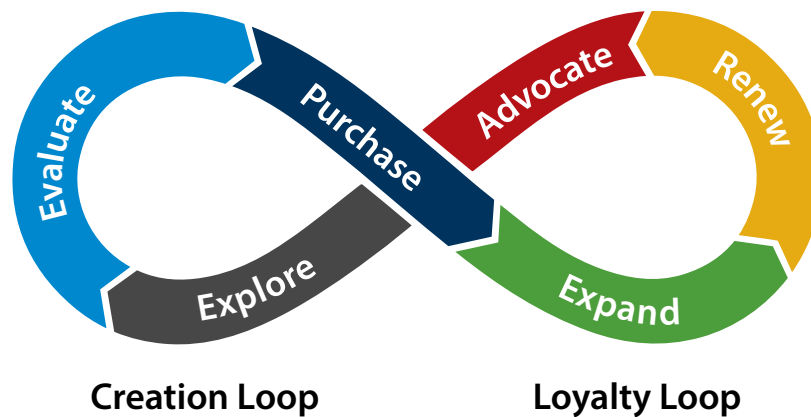
# Think Customer Journey(s)

Once we have those people in our funnel, we have our nurture campaign begin to offer content that we use to start moving them towards a discussion about our product. If they are not interested, then they will stop engaging. But for those who do engage with our content over time, it becomes a signal for us to go have a conversation.

**Ken Clements, Vice President Marketing, Sitrion**

In general, today’s customer is much more educated than they used to be, predominantly because of easy access to information via the internet. Combine this with the wide availability of digital and cloud-based solutions, and it becomes vital to understand customer engagement based on where they are in their buying journey.

In previous IDC research with Microsoft partners, we validated a continuous customer journey that should underpin any sales and marketing activities in the modern cloud era.



We found that cloud customers go through a cognitive process to advance their purchase and use of cloud solutions. They can move forward or backward and even appear to skip steps. But they need to accomplish stage-specific goals before they buy. There are differences in importance and the amount of time spent in each stage for different kinds of customers and regional markets, but at the highest level they share the same decision-making process.

Of course each customer will have their own unique journey. The key is to identify what stage they are in and build content accordingly. For instance, if a customer is at the explore stage, a vertical-specific case study may be an effective asset. If they are already at the evaluate stage, a cloud trial might be more effective — and so on. The point is that partners should align their digital



demand generation activities to these stages and keep pace as their customers' progress. However, thinking about the customer journey in isolation will not ensure success without paying heed to other areas such as sales, service, and support as they engage with customers. Measuring the impact of activities along the customer journey is also very important, and will allow you to understand which engagements are working and evolve your tactics.

One idea that stood out from our partner research was the principle of progressive conversations with customers, with some partners taking that even further into “nurture” or “drift” campaigns that follow up existing leads and effectively move them along the journey.

You can find more details at the Microsoft [Smart Partner Marketing](#) site, including a video which explains the steps of the customer journey.

## The Bottom Line

- Use customer journey thinking to underpin your sales and marketing activities. It is an effective way to connect your sales and marketing assets at each stage, and even develop a common language.
- When you target new markets or segments, use the customer journey principle to build your insights back into your organization to pinpoint activities.
- As your usage matures, you should measure outcomes of your activities along the stages to evolve, expand, and drive continuous improvement.



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Our customer journey is typical for a SaaS company in that much of our audience requires education at each step. We have our website that lists what we do — the value proposition, the features, etc. We track the flow of our site traffic, entry points of where people coming in, reading our content, and signing up for the next step in the process. However much of our audience still prefers to talk to somebody as part of their evaluation. So we enable this offline path as well — these customers are handled through actual conversation, demos, and back and forth Q&A to establish that necessary trust before they become a paying customer.

**Nate Kristy, VP of Marketing, Automational**

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# Go Digital

**38%** of partners offering industry specific solutions optimize their website within the industry or vertical, and invest in SEO and paid search as part of their strategy.

*Source: IDC Survey, n=242, 2016*

By utilizing digital marketing techniques, along with customer journey thinking, we heard some great examples of how partners are driving targeted, measurable activities and ultimately better outcomes from their marketing. Saying “Go Digital” may oversimplify what could seem a very complex process, however digital marketing tools are more readily available, and doing nothing in the digital world is not an option. Luckily, there are valuable resources available to help whether leveraging Microsoft digital assets and knowhow, or by engaging specialized digital agencies.

For better or worse, buyers have become more educated due to increased access to information and misinformation on the internet. Most customers will have done web research prior to making a decision, and certainly prior to reaching out to a solution provider, so it is paramount that your digital presence is both pervasive and impactful within your target market.

If you are relatively new to digital marketing or looking to improve your knowledge, the [Microsoft Smart Partner Marketing](#) site can be an effective starting point. There you will see examples of how to start if you have a small marketing staff, right through to how to invest if you have a larger marketing department. There are partner case studies, best practices and guidance on where to start or expand your digital marketing activities.

Our website is the first place everybody sees our company. So we better be good, and we need to set the example. We have to set a good image. So we've launched a new website, and we are also creating all this new content. For instance, we are publishing two to three blogs a week, and create high quality downloads such as eBooks, whitepapers and so on.

**Eloise Alana Freygang, Chief Marketing Officer, LS Retail**

Because this is such a key tenet for the modern partner, engaging specialists is a good strategy, whether that be external digital agencies, or your internal dedicated staff. Partners having notable success utilizing digital tactics are often doing one or both of these, to really get the most out of their resources. The great news about digital marketing is that it is generally much more measurable than previous marketing tactics, allowing you to redirect resources to the most effective tactics.

### SOCIAL MEDIA PARTICIPATION

**Partners earning 20% or more revenue from new customers are more likely to participate in social media and internet forums for professionals within their target business functions.**



Participation Rate

Source: IDC Survey, n=197, 2016

## The Bottom Line

- Your potential customers are getting information online from other sources, you have to ensure they see yours too.
- If you have not started using digital marketing, either engage a specialist agency or leverage the resources on the Microsoft Smart Partner Marketing site.
- Base your digital outreach on the differentiation, customer driven insights and content that speaks in customer terms. Relevance is key.



We spent a lot of money on traditional lead generation that was really falling very flat because people don't want to be cold called or spammed with emails. We took that out of our marketing mix completely and went to a digital communications model which is much more value add and a much softer approach. For example, we wrote a thought leadership piece where we interviewed a group of architects about what's more important within the firm, design or profitability, which created a debate.

**Scott Osborne, Founder and CEO, Total Synergy**

# Content is King

We spend a significant amount of time generating content. That content can take a number of forms. We now have a regular video series that we produce which is basically filled with content from the real world experience of our consultants having to deploy this technology out in the fields.

**Alex Brown, CEO,  
10th Magnitude**

Given the move to digital marketing channels, this should probably read “digital content is king.” We heard many partners moving toward a mantra of being content driven. This content will be part of your digital presence on your website, but also a key part of your sales and marketing outreach. The development of content should once again be underpinned by and aligned to the customer journey.

Creation of content sits firmly upon the previous principle of differentiation (your message), and the customer journey (their needs) with a view to building relevant, accessible, and timely content. The right content at the right time can shorten the sales cycle. Quality content can also feed your digital marketing efforts in search engine optimization (SEO) or search engine marketing (SEM), so again there should be an indelible link between content creation and digital marketing.

The types of content you create both in format and messaging can really help you to stand out. From thought leadership to demos and “how to” content, it’s important to keep your content fresh, and also ensure the messaging speaks to your customer, addressing the pain points they are feeling and offering your solutions. In terms of formats, we have seen increasing use of video, particularly as video has become a more popular social format.



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The content became the central piece to both our lead generation and our brand. We found our sales cycle shortened considerably when we engaged with them earlier through the marketing cycle.

**Scott Osborne, Founder and CEO, Total Synergy**

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Some of the most impactful forms of content for your prospects and customers are customer references and case studies or success stories. Seeing what customers like yourself are doing is compelling for other customers. Some partners make this a strong part of their content creation, presenting customer stories as a key part of their web presence and also in their digital outreach. Underlying this is a principle most partners could learn from, and that is to have a process where you ask all customers for a reference – whether that be a ‘like’, comment or success story, it will drive insight, content and extend your reach. As one partner put it, “why wouldn’t I ask every customer for a reference?”

### TOP 5 MARKETING TACTICS (PARTNERS IN TOP REVENUE QUARTILE)



Source: IDC Survey, n=95, 2016

## The Bottom Line

- Rethink the way you develop your content – aligning to the customer journey should help customers progress naturally.
- Your content should reflect your differentiation, customer insights, and company DNA.
- Consider media like video which has become more socially acceptable and consumable.
- Focus on making customer success stories and references a key part of your content development.

# Focus Your Marketing on a Few Themes

For 2016, we've got a couple of big themes, centered on digital transformation and business optimization, and we have a full campaign around each one. We build thought leadership guides and around that we do tweets, LinkedIn campaigns, and webinars that may come before or after the guide is published. We'll also do client success stories, hitting on different verticals and telling how solutions work within the different industries. So there's a full campaign around each guide.

**Cate White, Marketing Manager, Microsoft Business Unit, Perficient**

Focusing your marketing efforts on a few themes that drive more engagement with targeted customers will allow you to go much deeper in terms of developing a connected marketing campaign, as well as going deeper on the content creation associated with this.

Having focused themes is another way to start aligning other elements of the modern sales and marketing process, in that it can allow you to test the engagement of your workforce around social and digital elements with a more purposeful approach. It should also lend itself toward building a model to take forward with larger campaigns, enabling you to measure which elements were successful at different stages of the customer journey and how these can be leveraged in future.

We heard some interesting partner examples of how these focused themes can develop into a deeper campaign, with a big focus on investing in the areas that are most relevant to customers, and also those that will drive repeatable business. With a connected digital strategy moving forward, these focused campaign opportunities should rise to the top in terms of volume of customer feedback, and workforce insights.

## The Bottom Line

- Focus initially on a few key themes — this will allow you to invest in a few deeper activities.
- Use these focused campaigns as your learning vehicles. Measure and evolve to drive future activities on a broader scale.



“ Because you have smaller deals that are more recurring revenue, annuity based, what we’ve always had is a revenue based model where your salesperson is also an account manager. And they’re not just incentivized to close the deal, but they’re also incentivized to account manage and stay with that customer for the lifetime of that customer. ”

**Lionel Moyal, Managing Director, Intervate**

# Measure Your Sales and Marketing Process

Being able to track exactly where our leads are coming from and which content pieces are generating those hits is important to us. That helps shape our content. We've probably doubled our new business revenue over the last three years. The lead time has gone from around the average of about 180 days in a sales cycle to about 45 days.

**Scott Osborne, Founder and CEO, Total Synergy**

The good news about digital marketing, is that most elements are eminently more measurable than other forms of marketing. Whether you are investing in SEO, SEM, or website analytics, you have the ability to ultimately track and measure your investments and of course ROI if you work toward connecting your sales and marketing activities and outcomes.

We talked to many partners just starting to develop their measurement capabilities, and others with very sophisticated measures and scorecards already in place. Regardless of how large or small your marketing department is, you must prioritize measurement capabilities. The key here is to try to ensure that you have measures in place where you can across the customer journey. Much like with our end customers' own businesses, these insights will be invaluable as you grow and evolve your sales and marketing activities.

Using sales and marketing tools allows you to automate and improve the overall process, whether you choose Microsoft CRM tools or purpose-built marketing tools like HubSpot (which a number of partners use). Measuring the success of different content types is also important, and will allow you to see what content is resonating, driving more interaction, and ultimately driving conversions if you can make those links. The [Microsoft Smart Partner Marketing](#) site is a source of ideas for what and how to measure, with a number of best practices highlighted.

## The Bottom Line

- Think about your marketing process and measurement as a tool to improve your effectiveness, measure as much as you can, and use the results to adapt your mix.
- Measure content types and see what resonates with your customers.
- Utilize marketing tools to improve your campaign process management and measurement.



# Use the Ecosystem and Extend Your Reach

I think that the era of the closed, very competitive or secretive partner is gone. Partners that do that are not going to thrive.

**Lionel Moyal, Managing Director, Intervate**

The most successful partners are finding new, innovative ways to go-to-market (GTM), often collaborating with other companies to reach more customers. In Part 2 of this series, "[Differentiate to Stand Out](#)," we spoke about the power of partner-to-partner (P2P) activity. These findings emphasized the prospect of partnering with vertically oriented partners to enhance your offering and meet the demand for industry-specific solutions. Not only can joint solutions improve the relevance of your offering, but going to market with partners can extend your reach into new segments and geographies.

Among the partners we interviewed, many of them were forming GTM partnerships, working in concert with IT providers, non-IT businesses, and even building their own channel ecosystems. Not surprisingly, our survey results supported these findings, indicating that partnerships with other channel partners are among the most impactful ways to drive sales and marketing efficiencies. Similarly, 33% of partners in the survey said they use channel partners to reduce the cost of selling (Source: IDC Survey, n=411, 2016).

KBQuest has begun partnering with marketing agencies to help extend their reach. CEO Eric Moy observed marketing agencies trying to build an IT arm, and IT companies trying to build a marketing arm, yet they are rarely successful because they require a very different approach to management.



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49% of partners offering solutions for specific business functions partner with other channel partners to enhance their total solution.

*Source: IDC Survey, n=197, 2016*

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We work through a channel of partners, and this is why we've been successful worldwide. We have about 230 or more partners in 70 countries. Our solutions have been installed in more than a hundred countries. We've got about 4,000 customers, running 55,000 plus stores.

**Eloise Alana Freygang, Chief Marketing Officer, LS Retail**

Although headquartered in Los Angeles, KBQuest is in the midst of forming a partnership with one of China's leading marketing agencies. The plan is to go-to-market with the agency and co-sell together. According to Eric Moy, they would otherwise "have very limited technical capability to tap into that market without help." This partnership could drastically increase the IT service provider's footprint in Asia.

Other partners are looking beyond these one-to-one alliances in favor of forming their own channel partner programs. When you have an offering that has value in the market and can scale easily, then developing your own channel ecosystem is worth evaluating. Cloud People, a Microsoft partner based out of Denmark, eliminated their sales function completely and went "all-in" on a partnering model. Their route-to-market involves heavy investment in marketing (content-rich digital marketing that leverages social media) and trading leads with other partners. What's more, some of their solution sets are white-labeled, and the end customer never sees that Cloud People is behind the product.

### TOP 5 APPROACHES FOR REDUCING SELLING COSTS



Source: IDC Survey, n=411, 2016

## The Bottom Line

- You don't have to do it alone. Look for partnerships both within the Microsoft ecosystem and outside of IT to reach new customers.
- If you have a solution that can support wide distribution, a channel program may be the route for you. Alternatively, looking to work within another partner's program to distribute their offering may enhance your total solution.

# Use Intelligence to Sell

We're now getting much better intelligence from Microsoft that allows us to look at consumption and go back and market to customers. Microsoft just released this in the last week or two, the ability for us to look at our customer data around usage and consumption of Office 365, and they just added in Office 365 ProPlus which was a gap. It's really great.

**Christopher Hertz, President,  
New Signature**

Gathering intelligence and insights both on prospective and current customers (those accounts that you would like to grow) can help steer meaningful conversations. There are many ways to get access to customer information. Some partners have learned to pair their social networking prowess with basic online search skills to identify potential buyers. Other partners are using IP to identify opportunities within new, undeveloped accounts.

The content-is-king strategy we talked about earlier can help drive leads. Blue Rooster, a partner known for building solutions around SharePoint and Office 365, often uses social networks such as LinkedIn to unearth buyers. According to CEO Kevin Conroy, the LinkedIn statistics that show who is visiting your site are often worth looking into. By linking this information with other social and online sources, you can often "triangulate" who is shopping. Creating more content, linking content to your social networks, and actively building your network of contacts can help you sell with intelligence.

Some partners actually build a service offering around the assessment and around our HealthCheck tool and sell it for a profit. Others use it as a loss leader, as a sales tool and know that they're going to make it up on the backend. Because for every pre-assessment where they win the business of a customer – it more than pays for itself.

**Rocco Seyboth, Vice President, Product and Marketing, BitTitan**

You can bring in customer intelligence later in the sales cycle too. Solution providers are beginning to use tools to gain visibility of the customer's environment. BitTitan offers a tool called HealthCheck which, when deployed on a customer's network, assesses the customer's readiness for Office 365 adoption. Following this evaluation, the solution provider can easily communicate and execute the steps needed for a seamless migration. The assessment also identifies upsell possibilities the partner may not already be discussing with the customer. Clear messaging around process requirements accelerates the sales cycle and removes the need for any "smoke and mirrors" during the conversation.

New Signature's Cloud Management Portal for Azure, available via a Software-as-a-Service or as a VM through the Azure marketplace, is a free and simple way for customers to view and track all of their Azure subscription, usage and spending. When a customer signs up, they can choose to share their Azure spending data at an aggregate level. Armed with the customer's usage data and Azure spend commitment, New Signature is able to have very focused conversations around optimizing spend and extracting more value from their Azure subscriptions.

## The Bottom Line

- Train your sales team on social selling techniques to help them better connect with buyers and identify who is 'shopping' on your website.
- Link relevant, interesting content to social media platforms to drive traffic to your pages. When possible, track down prospects visiting your pages.
- Use IP to learn about your customer's environment and IT consumption patterns. This information can help steer clear sales conversations and uncover new ways to add value.

# Identify “Entry Points” or Consider Freemium

There's plenty of demand out there, the question is can you put something in front of a customer at the right time, that demonstrates a very rapid value.

**Alex Brown, CEO, 10th Magnitude**

In the modern selling environment, particularly in dealing with prospects or new contacts within existing customers, identifying “entry points” that resonate and address immediate customer needs is an effective strategy to get a foot in the door. The term “land and expand” from past years is a similar principle. In cloud based solutions, the optics of big savings and/or pay as you go pricing versus the traditional IT upfront cost model can be a way to show fast value to customers and thus enable an ongoing conversation based on the trust gained.

We heard other examples, like a partner who offered a free service which enabled them to get more information about the customer to open further conversations. Freemium versions of solutions or trials which don't require a lot of investment are also good entry points. You can quickly activate a trial for a customer, set them up on a 30-day plan and observe their behavior. This insight can be invaluable to understanding usage and messaging as well as ongoing traction.

Solution providers are learning that initially proposing easy to buy solutions, those that provide a “quick win,” is a great way to acquire net new customers. This approach can take a couple forms. Consider offering a commoditized solution (possibly a simple Office 365 migration) at below market value. Like visible products positioned in supermarkets, low margin solutions can serve as a loss leader that gets you a “hall pass” and into the customer's environment. Once proven, the cross-sell, upsell of more tailored, high-value solutions can begin.

If the loss-leader approach doesn't fit your business model, then consider leading with some of the shorter, repeatable project types that you can deliver with predictable results. Solutions that lead to very tangible results and yield value in terms of visible savings or efficiencies for the customer are very easy to buy and consume.

## The Bottom Line

- Lead with easy to buy and consume offerings that provide customers with a quick win.
- Consider leading with tightly defined solutions with predictable outcomes or widely demanded loss-leaders.
- Develop the relationship, look for more opportunity to add value and grow the account.

# Balance your LOB and IT Targeting

LOB executives will control an increasing portion of IT spending. By 2018, LOBs will control over 45% of IT spending worldwide; in the United States, they will control nearly 65%.

**IDC FutureScape 2016**

The latest IDC research suggests that Line of Business (LOB) buyers are currently involved in 80% of technology buying decisions and that by 2018 will control the budget for 45% of technology decisions globally and 65% in the US alone. This movement of budget over the past few years has been significant, and has been driven by the influx of point solutions that address business needs, along with the move towards what some might call “rogue IT” where LOB users have been able to access solutions that are easily accessible, often cloud based, and certainly more easily deployed.


Because of this move, it becomes increasingly important to market to LOB buyers in their language, looking to solve business problems rather than talk technology. This is affecting vendors as well as partners, and we have seen a real momentum toward technology having an industry focus, even to the point where many are focusing on micro verticals. Increasing this LOB buyer knowledge and insight is a key factor in any partner driving their differentiation, and this may require a retooling or at minimum a refocusing of your pre-sales, sales, and marketing workforce and activities. We heard examples from partners where they had employed external resources to train their workforce in the ways of LOB buyers, and given the large percentage of LOB influence, this is a wise move.

We also heard from partners that it is important not to discount the value of the relationship with IT in your customers — in fact, you can look to play a role as the bridge between IT and LOB. At some point in the maturity lifecycle of a customer, they will certainly look to ensure technology solutions are at a minimum connected, and this is the time where the IT relationship and the partner role is key. Showing value in this way can really bring a partner closer to the customer business, and open up ongoing conversations around future technology roadmaps.

## The Bottom Line

- Really understand who your customers are and which roles own or influence the budget. Get closer to the needs of LOB decision makers.
- Understand the role of IT for your customer and balance your targeting efforts. Are the customers in rogue IT mode, or are they more mature?
- Help the two sides, LOB and IT, to be on the same page. Play a strategic mediator role if necessary.



A group of business professionals in a meeting, looking at a tablet. The image is overlaid with a semi-transparent orange filter. The quote is centered over the image.

“ There’s still a huge amount of benefit in engaging with IT and saying let us help you do this as an IT led project. Because they understand that and it’s a repeatable process. But then once we’re in there, once we’ve got that hall pass let’s start engaging with the business and let’s start then getting them excited about how we help you evolve as a business not just talking about servers. ”

**Dan Scarfe, Founder, Dot Net Solutions**

# Hire the Right People

We look for people with a good mix of skills. An engineering background to understand technology — to talk about technology with authority. And an MBA gives them a good business background as well as the presentation skills we require. It's an expensive recipe but it still works well if you can keep your profits high.

**Balkrishna Heroor, CEO and Principal Consultant, Mactores**

The principle of hiring the right people applies across the sales and marketing mix, and internally as well as externally e.g. marketing agencies. As customers embark on their journey of digital transformation, it becomes paramount to have the ability not only to talk to their short term needs but also their longer term outlook and become a trusted advisor throughout that journey.

Building upon the concept that everyone is in marketing, take a look at the roles within your business that engage with customers. We heard some great examples from partners who said they were engaging their consultants and delivery staff earlier in the customer journey, based on the fact that they know customers are more educated, and therefore need a more in depth delivery based interaction earlier.

Hiring industry knowledge is also a trend we heard from partners. Partners are bringing in and realigning staff that have more specific industry experience, and really driving towards a consultative selling philosophy based on industry specific insights, and customer outcomes.

From a sales specific perspective, our interviews point to a growing trend in using more senior salespeople to engage in consultative selling, moving away from the trend a few years ago where the sales function was being taken on by junior level employees. This was a high volume, high frequency outbound sales model, and it worked because the average buyer wasn't versed as well versed in cloud and other newer technologies as they are today.



We've hired maybe ten people out of the sports industry; one sixth of our staff. Our Sports and Entertainment practice is led by a former SVP with the New Orleans Pelicans and our Analytics practice is led by a Senior Partner who is a former CRO from both ASU Athletics and University of Texas Athletics.

**Andrew Brodie, CEO, SSB**




Specific to modern marketing, we heard two key strategies, one internal and one external. In both cases the underlying driver was to get deeper specialist knowledge in the digital marketing techniques, by either hiring a specialized agency to support your SEO and SEM for example, or internally to have roles that specialize in a particular marketing discipline such as social media or content creation.

A big upside of having industry or discipline specific capabilities in your workforce is that when they engage in social selling activities, they have instant credibility.

### The Bottom Line

- Based on your differentiation and customer journey, look to industry verticals and functional areas to source new staff for your sales and marketing teams. Experts will be able to uncover and speak to pain points.
- Hire specialist marketing resources either internally or externally to enable deeper expertise in modern marketing and social selling techniques.



No one person can know all marketing aspects, and so we hire specialists who know the different fields. So I manage a team of specialists, and they are very good at what they are doing.

**Eloise Alana Freygang, Chief Marketing Officer, LS Retail**

# Modernize Your Compensation

We also goal all of our practice managers. They all have a revenue target. So quite often once we go through that initial stage the sales guy is there to sell with our readiness assessments and stay over the top of the process. But as soon as the consultants are on the ground they semi step back and go on to the next one. And then the practice managers then effectively take on responsibility for selling the migrate stage of the engagement.

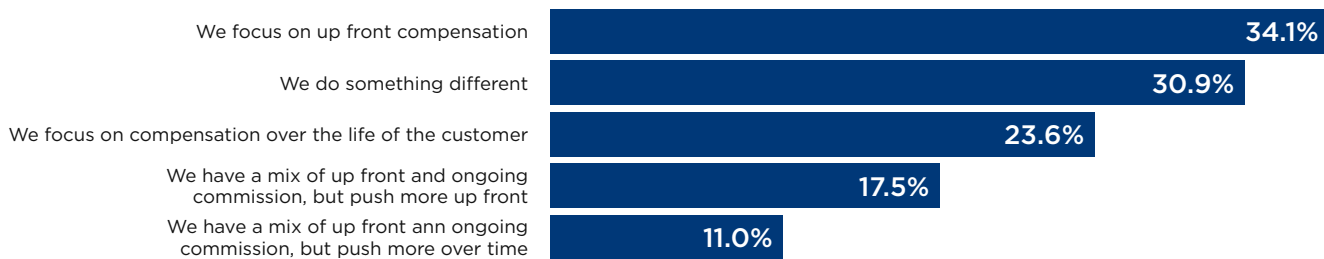
**Dan Scarfe, Founder, Dot Net Solutions**

Sales compensation is one of the #1 things partners struggle with as they modernize. However if everyone is in marketing it follows that you should reconsider your compensation not just for sales, but for all roles that touch the customer journey. We heard many great examples of putting this into practice from partners.

The selling motion has changed from large deals to ongoing smaller deals, with recurring revenue, and sales incentives need to change to reflect this. This transition can be challenging, as you are basically asking your hunters to be farmers. However, with the driver of customer lifetime value, incentives balanced on deal sign up vs renewal and extension should enable your sales roles to have continued success and have the right behavior with customers. If you are focusing on volume cloud-based solutions you have to incent your sales based on volume deal closure, and also consider paying commissions monthly, which reflects the pace of a volume business, as well as rewarding for pace of deal closure.

## SALES COMPENSATION MODELS IN THE CLOUD

*Question. Please choose the answer for each statement that best describes how you are compensating your sales people today on Cloud or other deals that have recurring revenue to your business?*



Source: IDC Survey, n=343 (0% cloud revenue excluded), 2016

Our research also suggested a trend towards consulting and delivery roles being incented differently. Depending on the solutions, these roles are generally being engaged earlier in the customer journey, and as such are important influencers of the customer outcomes. As such incentives for them to support deal closure, and especially to look for other opportunities are being implemented.

### The Bottom Line

- Review your sales incentives – are they driving the right behavior based on your solutions strategy and the current market conditions.
- Identify which staff roles impact the customer journey and consider giving those roles revenue incentives.
- Incentives drive behavior – with a move to a more connected sales and marketing organization, it might be worth considering an overall goal everyone benefits from.

Depending on the solutions, these roles are generally being engaged earlier in the customer journey, and as such are important influencers of the customer outcomes.

# Think Customer Lifetime Value, Not Deal

What we have is a very specific career development track for consultants which will allow them to invest more of their time in business development activities at the expense of their billable activities. We have a very explicit skillset development process there to continue growing their skills and capabilities. And there is a career ladder that consultants who want to play on that side of the business can follow.

**Alex Brown, CEO, 10th Magnitude**

One common thread, and a theme you will continue to hear about across the remaining eBooks, is the principle of customer lifetime value. The final eBook in this series “Deliver Customer Lifetime Value,” will flesh out ideas on how to better serve your customers over an extended relationship. You’ve probably already noticed that the high-value, high-margin, one-time deals are fewer and further between. In response, many cloud-oriented partners are targeting the long tail of revenue streams, with some taking a loss up front so lifetime value is a big driver.

IDC predicts that by the end of 2017 two thirds of the CEO’s of the Global 2000 companies will have digital transformation (DX) at the center of their corporate strategy, and that almost half of IT budgets will be directly tied to DX by 2020. As many of your customers embark on their own digital transformation journeys, this could be the perfect way to lead those customer conversations with them towards a future roadmap conversation, and hence lifetime value.

To bring the lifetime value concept back to the sales and marketing focus of this particular book, the sales function also extends well after the initial deal. Not only are solutions providers embedding a sales and marketing psyche into their entire organization, but they are also coaching consultants on business development and even compensating them on sales.

A number of partners we interviewed discussed adding a sales component to the role of their delivery consultants. Through the delivery process, the consultant is able to learn a particular customer’s needs and identify opportunities for expanding the service. Often the customer, and IT in particular, is more receptive to dealing with a technical person over a salesperson – they speak the same language and have a better understanding of the environment. Consultant-led sales also eliminates the disconnect between the solution promised and the solution that can or should be delivered. If the person selling the project is also leading the project, then contracting and specification is not going to be a problem for your delivery team.

It's all very well to have a sales guy saying, 'Right you need to migrate a load of stuff.' But what does that actually mean as a program of work? That's the kind of thing that really only a consultant can do. And if you're engaging with those IT decision makers on the side, they're far happier to talk to a consultant.

**Dan Scarfe, Founder and CTO,  
Dot Net Solutions**

Whether the sales function is managed by a discrete sales function, account managers, or your consultants, compensation models must map to your account goals. Selling cloud and recurring revenue is a longer play than selling boxes in a single transaction. Your customers are with you for life! – if everything goes as planned. You might look at top-line spending within each account, or you might break out consumption and usage from the up-sell of additional services. In any event, align incentives to both your account objectives and to the roles accountable for reaching those objectives.

Initially, the changes you make might cause waves with your workforce. For example, when moving from an upfront commission model to commission based on recurring revenue, it will take time for salespeople to realize financial gains. Be prepared to address these concerns and others too. Incentives are as much an art as they are a science. Be mindful of any unintended consequences, and maintain your ability to tweak your incentive structures along the way.

## The Bottom Line

- Continue selling after the initial deal. If positioned well, there is plenty of opportunity to add value and grow an account over the course of the relationship.
- Delivery consultants, armed with expert knowledge of the customer's environment, are in a great position to cross-sell and upsell. Consider training consultants on business development and incenting them on sales.
- Map incentive structures to your strategy for account growth. Be prepared to adjust your commission models along the way.

# The Bottom Bottom Line

Modernizing your sales and marketing practices will require a refocusing of your efforts on a number of areas, and underpinning all of these should be adopting a customer journey mindset. We all like to think we place the customer at the center of our thoughts, but the reality is that it is hard to keep your workforce aligned without a clear vision and plan.

Think of these insights as a toolkit of options that you can leverage depending on the context of your business and solutions. As you evolve, you can change the mix of the elements you utilize to modernize the way you market and sell to customers.

Change can be hard, but with the customer firmly at the center of your thinking, and a making a purposeful plan to execute across your teams, we're sure you will see both short-term wins and long-term success.



## 1. Start

- Revisit your company differentiation, what makes a customer want to choose you? The market is moving fast, so it is worthwhile having regular checkups to review this.
- Map out your customer journey and content to serve them at varying stages – leverage your workforce to gain insights and start to use the customer journey thinking as common language in your business.
- Clarify your key sales and marketing themes and engage your workforce in social activities to extend the reach of your messages. Identify initial potential bloggers and social media champions to act as evangelists.
- Review your digital content – do you need to update and refresh? Websites are a classic area that tend to get stale fast, so start there as that is where your customers either first visit you or are driven by future activities. Your website needs to represent your DNA.

- Get professional marketing help – whether that be in the form of investigating marketing tools, or engaging a specialist digital marketing agency. These tools and resources are a way to fast track your progress.
- Visit the Microsoft Smart Partner Marketing site – there are lots of great resources and partner case studies that can help you to define your next steps.



### 2. Grow

- Identify your big key themes, and start to build out a deeper campaign strategy with messaging that can be pushed out via social selling.
- Build out your modern marketing strategy, and share with your workforce. Expand your customer journey thinking and really start to engage your workforce at all stages. Define active roles they will play and garner their insights and feedback to improve the customer journey knowledge.
- Review and improve your measurement of sales and marketing activities. Look to identify and share what is successful and what is less successful, and evolve your plans based on these insights.
- Rethink the way you develop your digital content across the customer journey. Think of ways to stand out, give customers an insight into your DNA and also help them along their journey.
- Keep visiting the Microsoft Smart Partner Marketing site – as you evolve, you will find examples of partners like you who are also evolving that might spark some new ideas.



### 3. Optimize

- Aim for a completely connected and measurable customer journey, using tools and specialist resources that enable you to be more efficient in your customer interactions. Drive towards a company DNA that thinks customer first.
- Expand your social selling efforts by engaging your executives as well as your workforce. Use their credibility to drive more interactions.

- Define customer journeys by customer types and roles – really understand who the target role is who consumes and makes decisions on the purchase, and drive to understand their pain points.
- Hire industry expertise – really look to get closer to the industries and customers you are targeting by recruiting staff with more in depth knowledge and experience of those industries.
- Continually refine and evolve your modern sales and marketing approach. We are in a time of much technology change, and the pace of change means you can't afford to stand still.

Learn more at [aka.ms/modernpartner](https://aka.ms/modernpartner)

