Software Channel Marketing Benchmarks: Measuring Investment Value

**OBJECTIVE**
This study will help software vendors understand their channel marketing investment and staffing efficiencies in relation to target groups such as direct competitors and software vendors at a similar stage of channel development. Results of this study will also allow vendors to make adjustments in channel investment and staffing where required to be competitive or market leading.

**VALUE FOR SUBSCRIBER**
This study will help channel marketing organizations:
- Defend their budgets by showing the value of investments
- Allocate budgets appropriately so they have a positive impact on partner activity and return
- Justify spending in good times and in lean times
- Develop performance measurements to use to allocate budget
- Compare performance against competitors and other groups
- Determine appropriate staffing levels

**KEY QUESTIONS ANSWERED**
- How much investment should I allocate to market development funds (MDF)?
- What are the right staffing levels I need for a balanced channel marketing team?
- How do my channel marketing investments and staffing levels compare to the software industry, competitors, or organizations at a similar stage of channel maturity?
- What are some key techniques to measure the return on each marketing dollar I invest in the channel?

**METHODOLOGY**
IDC collects sensitive investment data from across the software vendor community through its Software Channel Marketing Benchmarks Annual Survey. A large database of "normalized" investment data will be built and analyzed for benchmark and performance trends.

**DELIVERABLES**
**Custom Benchmark Analysis:** Provides an overview and specific comparisons in core financial terms and numbers in channel marketing spend and staffing. Key performance indicator (KPI) results will be shared with clients against target groups, a specific software sector, and all sectors combined. KPIs measured will include the following:
- Channel marketing budget ratio
- Channel marketing investment allocation
- MDF channel investment ratio
- Channel marketing throughput ratio
- Channel marketing investment change
- MDF budget ratio
- Channel marketing program-to-people ratio

Custom analysis will be presented using the following formats:
- **Scorecard Assessment:** Compares all KPIs being measured in channel marketing investment and staff efficiency categories for the individual client against the target group and/or sector. Final analysis provides guidance on KPIs that require immediate action.
- **Performance Matrix:** Plots vendors against two important dimensions – efficiency and effectiveness. These two dimensions are used to compare vendors and position their performance in one of four quadrants: Channel Marketing Leadership, Low Yield, Weak Outlook, and Crisis Potential.

*Note: All items listed above will be delivered in PowerPoint format*
| PROJECT SCHEDULE | Study Launch: February 2008  
|                 | Project Delivery: August 2008 |
| PROJECT TEAM    | Paul Edwards, Program Director, Software Sales Channels  
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