Millions of customers. Your solutions.

Co-sell Playbook
Guidance to successfully co-sell with Microsoft
Welcome!

When we work together, we can accomplish more.

Microsoft is committed to accelerating digital transformation at a global scale with our powerful partner ecosystem. This playbook includes market opportunity information, strategic priorities, co-sell requirements, how-to instruction, and tools to:

1. Identify the addressable market opportunity for your company.
2. Gain visibility to the Microsoft go-to-market strategy.
3. Discover best practices for connecting with customers, other partners, and Microsoft sellers to drive successful outcomes.
4. Build a co-selling operating model for your team using Microsoft resources, program, and tools.

As you use this guide, consider these questions to direct your organization’s co-sell journey:

- What expertise and specialization do your products or solutions bring to a customer?
- What types of customers do you want to target with your solution(s)?
- Are there existing accounts where you want to deepen your relationship?
- What steps does your organization need to take to meet your goals?

What you’ll find here:

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<tr>
<th>Why co-sell with Microsoft?</th>
<th>Co-sell requirements</th>
</tr>
</thead>
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<td>Co-sell defined</td>
<td>Co-sell best practices</td>
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<td>What’s possible</td>
<td>Co-sell in Partner Center</td>
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<td>Microsoft go-to-market priorities</td>
<td>Next steps</td>
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<td>Co-sell framework</td>
<td>Resources</td>
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Already co-selling? Please go to the What’s possible section.
Extend your reach and create valuable customer connections that grow your business.

As part of our shared commitment to growth, co-selling with Microsoft is the path to be discovered, deliver your expertise, and expand your customer footprint for positive customer outcomes. This better-together selling approach delivers enriched value and specialization to help customers with their digital transformation needs.

Together with Microsoft sellers and our commercial marketplace, you may showcase your solutions to millions of customers, bidirectionally share opportunities with other Microsoft and partner sellers, and jointly sell innovative solutions to create valuable customer relationships.

- **Be discovered**
  - Showcase your company’s solutions directly to customers and be discoverable to sellers through the commercial marketplace.

- **Deliver expertise**
  - Enrich customer offerings with your innovative solutions, create sales strategies and account plans through better-together selling.

- **Expand your customer footprint**
  - Increase customer confidence, develop new customer relationships, and strengthen existing ones with Microsoft.
Co-sell defined

Co-sell is any collaborative engagement between Microsoft and the partner ecosystem, including building demand, sales planning, sharing sales leads, accelerating partner-to-partner empowered selling, and delivering marketplace-led commerce for customer digital transformation. Through the co-sell motion, you can enrich customer offerings with your innovative solutions, create sales strategies, and build an account plan.

By the numbers

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner annual contract value</td>
<td>$15.6B+</td>
</tr>
<tr>
<td>Compound annual growth rate in IP co-sell wins</td>
<td>51%</td>
</tr>
<tr>
<td>Faster deal velocity via Partner Center</td>
<td>3.5x</td>
</tr>
<tr>
<td>Monthly active users in our direct web stores</td>
<td>4M+</td>
</tr>
</tbody>
</table>

Every partner can co-sell with Microsoft, with any solution, app, or service offering built on or embedded within the Microsoft solution areas: Business Applications, Applications & Infrastructure/Data & AI, and Modern Work & Security. You can sell or resell a Microsoft solution, collaboratively sell a service or IP offer with another seller or sell another partner’s solution. Learn more [here](#).
What’s possible

Digital transformation is also changing the competitive landscape and customer expectations.

The IDC estimates that by 2023 there will be a $7.1 trillion investment in digital transformation spend across the globe. The lead capture opportunity reaches across all customer segments and can be realized by tapping into the largest customer base in the industry.

$7.1 Trillion by 2023

Expected in digital transformation investment

Source: IDC (2019)

Microsoft works with approximately 13,000 accounts across the commercial and public sectors. Co-selling helps partners engage with Microsoft sales teams to deliver customer success.

With almost 36,000 accounts in this space, these strategic cloud adoption workloads offer the largest opportunities because they close faster and have a broader account reach.

Around 78 million small and medium accounts create opportunities that demand scalable and repeatable solutions. The digital marketplace enables this high volume and large sales velocity most effectively.
Utilizing co-sell to collectively grow business and foster long-term relationships through partner-aligned products and services has never been more important.

Together we can:

- **Add value for the customer**: Innovation through a powerful partner ecosystem, combined with the Microsoft brand, enriches the customer value proposition.

- **Reach additional audiences**: Within existing customers, increased reach cultivates broader customer benefits and selling opportunities.

- **Foster customer trust**: Increased customer trust by combining partner expertise and skills with the Microsoft brand.

- **Offer tailored solutions**: A wide range of solutions to meet customer needs based on Microsoft products.
Microsoft go-to-market priorities

The Microsoft focus around solution areas anchors our selling process with customers. In the sales motion, this approach supports and guides the seller in navigating go-to-market priorities. A solution area engagement is focused on technology transformation—it will have business impact, but the primary driver is the technology or cross-organizational improvement. IT cost reduction, security, and IT service continuity are a few examples.

Business Applications
Solutions, apps, and services built on Dynamics 365 or Power Apps
go-to-market priorities:
- Stay connected to customers
- Rapidly adopt and automate business processes

Applications & Infrastructure/Data & AI
Solutions, apps, and services built on Azure
go-to-market priorities:
- Migrate and optimize existing apps to Azure
- Innovate with new apps, modernize existing apps
- Enable customers for successful cloud usage
- Specialized solution, focusing on Enterprise customers

Modern Work & Security
Solutions, apps, and services built on Microsoft 365, Surface, and Security
go-to-market priorities:
- Enable secure remote work
- Reduce cost and manage risk
- Transform organization productivity
Co-sell framework

When co-selling with Microsoft, you can sell across three channels: Direct customer via Microsoft AppSource, Azure Marketplace, and the solution provider; other Microsoft partners; and Microsoft sellers.

<table>
<thead>
<tr>
<th>Direct customer</th>
<th>Microsoft partner</th>
<th>Microsoft seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build &amp; Publish</td>
<td>Go-to-Market</td>
<td>Engage</td>
</tr>
<tr>
<td></td>
<td>Configure &amp; Enable</td>
<td>Qualify</td>
</tr>
<tr>
<td></td>
<td>Invite</td>
<td></td>
</tr>
</tbody>
</table>

Each channel has different levers and tactics your organization can utilize to drive positive customer outcomes. Most successful customer acquisition activities involve both direct channel as well as partner and seller channel tactics. Be planful in your strategy to use the co-sell motion to align with your organization’s business goals.

Direct customer

Customers can find, try, and buy your solutions via AppSource, Azure Marketplace or the Azure portal. With more than 4 million monthly active visitors from 140
geographies around the globe, the direct channel unlocks the sales and marketing benefits of Marketplace Rewards to accelerate your business.

When you create a your business profile in Partner Center, your organization is listed in the partner directory where customers can find you.

Best practice: Tap into the advice and guidance to optimize your customer-facing listings to drive direct selling and demand generation with the Microsoft Azure Marketplace & AppSource Best Practices Guide.

Microsoft partner

Microsoft has developed the foundation for the largest technology ecosystem in the world. From simple apps to the most comprehensive global implementations, this ecosystem provides opportunities for partners across markets, industries, and continents to deepen their relationships with their customers, Microsoft, and each other.

By configuring your offer to be co-sold through the 90,000 partners in the Cloud Solution Provider program you can reach millions of qualified customers that program serves.

To drive collaborative selling with another partner, co-sell opportunity sharing is now available in Partner Center. Simply invite another partner with a complementary solution to jointly sell, increasing the value proposition to the customer together. This can be done with any Co-sell Ready solution.

Microsoft seller

Microsoft has thousands of sellers actively engaging with customer of all sizes. Solutions with Co-sell Ready status are listed in the Microsoft seller catalog. This enables a Microsoft seller to share a co-sell opportunity with your organization where your solution will better address the customer’s need. In addition, you may also share co-sell opportunities with Microsoft sellers for joint selling.

In some cases, Microsoft incents our sellers if your solution is sold to a customer. Your solution must qualify for Co-sell Incentive status to be eligible.
Co-sell requirements

Being discovered for co-sell across all three channels begins with membership in the Microsoft Partner Network and by publishing your solution in the Microsoft commercial marketplace.

Depending on the co-sell channels you want to pursue there are increasing requirements your offer must meet.

<table>
<thead>
<tr>
<th>Offer type</th>
<th>Offer Requirements</th>
<th>Offer status</th>
<th>Channel enablement</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>› Meet the Microsoft <a href="#">commercial marketplace publishing requirements</a></td>
<td>In Market</td>
<td>› Offer discoverable in Azure Marketplace and/or AppSource</td>
</tr>
<tr>
<td></td>
<td>› Create a business profile in Partner Center</td>
<td></td>
<td>› Business profile discoverable in Solution Provider</td>
</tr>
<tr>
<td></td>
<td>› Offer discoverable in Microsoft seller catalog</td>
<td>Co-sell Ready</td>
<td>› Offer sellable by another partner</td>
</tr>
<tr>
<td></td>
<td>› Ability to share co-sell opportunities with Microsoft or partner sellers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IP</td>
<td>› Provide partner sales contact for each eligible geo</td>
<td>Co-sell Ready</td>
<td>› Offer discoverable in Microsoft seller catalog</td>
</tr>
<tr>
<td></td>
<td>› Upload bill of materials required: (1) customer one-pager, (2) customer presentation deck</td>
<td></td>
<td>› Offer sellable by another partner</td>
</tr>
<tr>
<td></td>
<td>› Optional (3) solution landing page URL, (4) social media channel URL, or other (for example, a case study)</td>
<td></td>
<td>› Ability to share co-sell opportunities with Microsoft or partner sellers</td>
</tr>
<tr>
<td>Services</td>
<td>› Provide partner sales contact for each eligible geo</td>
<td>Co-sell Ready</td>
<td>› Offer discoverable in Microsoft seller catalog</td>
</tr>
<tr>
<td></td>
<td>› Upload bill of materials required: (1) customer one-pager, (2) customer presentation deck</td>
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<td>› Optional (3) solution landing page URL, (4) social media channel URL or other (i.e. case study)</td>
<td></td>
<td>› Ability to share co-sell opportunities with Microsoft or partner sellers</td>
</tr>
<tr>
<td></td>
<td>› Active gold competency in any competency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Azure IP-incentive eligible</td>
<td>› Meet or exceed $100k US dollars Azure Consumed Revenue (ACR) TTM (trailing twelve months) threshold at an organizational level OR reach the $100k US dollars billed revenue threshold with a transactable offer</td>
<td>Co-sell Incentivized</td>
<td>› Microsoft seller receive incentive credit if offer is sold</td>
</tr>
<tr>
<td></td>
<td>› Built with &gt;50% repeatable IP code on Azure</td>
<td></td>
<td>› Preferred solution badging in Azure Marketplace and/or AppSource</td>
</tr>
<tr>
<td></td>
<td>› Meet solution technical validation*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Applications – incentive eligible</td>
<td>› Active enrollment in <a href="#">ISV Connect program</a></td>
<td>Co-sell Incentivized</td>
<td>› Microsoft seller receive incentive credit if offer is sold</td>
</tr>
<tr>
<td></td>
<td>› Preferred solution badging in Azure Marketplace and/or AppSource</td>
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</table>

*Transactable offers automatically meet this criterion as part of the publication process.

**Best practice:** Transactable offers in commercial marketplace benefit you, the customer, and the Microsoft seller. Your transactable offers are added to the Microsoft
price list and can utilize Microsoft’s existing procurement relationships and customer consumption commitment. Plus, both customers and a Microsoft seller can accelerate purchasing and deployment by adding your software to an existing Azure bill.

**Guidance for Co-sell Ready bill of materials**

The bill of materials required to attain Co-sell Ready status is essential to help other sellers understand more about your solution. When uploading these materials consider the following guidance:

- **Define a clear value proposition**
  When creating your bill of materials, it is always helpful to clearly define your solution value proposition and how your solution differentiates you from your competitors.

- **Identify your target audience**
  When building out your materials, be sure to include your defined target audience. Start with an industry focus and a select set of customers from that industry. Once you see some success you can then broaden your scope to other industries and customers.

- **Upload a case study**
  Equip the Microsoft sellers and partners with customer-facing materials that reference our partnership. Consider using the digital go-to-market benefits included with competency attainment or through Marketplace Rewards.

- **Include customer success**
  Both customers and sellers listen acutely when there is a concrete example of a successful engagement that they have access to.
Co-sell in Partner Center

Co-selling with Microsoft is empowered with consistent engagement and management of your leads and co-sell opportunities. When building a co-sell operating model in Partner Center, there are two operating frameworks to choose from: User Interface (UI) or Automated (API). This choice is based on three activities a partner performs to manage referrals and availability of Power Automate Connectors to integrate with a company’s CRM instance.

**Core actions include:**

- **Managing leads.** The process for accepting, declining, and tracking a lead from Microsoft.

- **Managing co-sell opportunities.** The process for accepting, declining, sharing, and tracking opportunities for joint selling with another partner or Microsoft seller.

- **Registering deals.** The process for notifying Microsoft when an opportunity is closed as a win and meets the co-sell requirements for Azure IP Co-sell and Business Application ISV Connect.

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**Sharing Leads and Opportunities**

- Lead is identified with customers
- Qualified lead is shared
- Lead is accepted
- Teams are introduced

**Submitting Deal Registrations**

- Contract is signed
- Deal closed and registered
- Deal Validation + Deal Review
  - The deal will go through validation and review

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Microsoft or partner

Microsoft or partner

Microsoft or partner

Partner

Partner
Building a Partner Center co-sell operating model begins with walking through a few key decision points. Make sure to consult with your organization’s Partner Center admin to understand how your organization has configured Partner Center.

Answer these questions to guide your journey toward choosing an operating model:

- How many referrals will be processed per month?
- How many co-sell or high-volume offerings will be published?
- Does the organization have a CRM system? Does it meet API technical requirements or allow for additional co-sell fields to be added?

**Best Practice:** Review the Co-sell Operating Model Guide to delineate an operating methodology based on the three core activities.
The two operating models to choose from when building a co-sell operating model will help determine the best path to follow when implementing the solution:

<table>
<thead>
<tr>
<th>User Interface [UI] is recommended when a partner:</th>
<th>Automated [API] is recommended when a partner:</th>
</tr>
</thead>
<tbody>
<tr>
<td>› Shares or receives fewer than 30 referrals a month.</td>
<td>› Shares or receives 30 or more, referrals a month.</td>
</tr>
<tr>
<td>› Has multiple co-sell offerings or a single high-volume offer.</td>
<td>› Has more than five co-sell offerings.</td>
</tr>
<tr>
<td>› Has a CRM system that can be updated to include additional co-sell fields.</td>
<td>› Has a CRM system that meets the API technical requirements.</td>
</tr>
<tr>
<td>› Does not have a CRM system.</td>
<td></td>
</tr>
</tbody>
</table>

In addition, when engaged in co-sell opportunities with the Microsoft seller channel there are three different co-sell opportunity sharing scenarios. Not all scenarios are eligible for the Microsoft seller incentive.

**Sharing scenarios**

- **Active co-sell** is where one or more Microsoft sales representatives are actively engaged in the deal. The opportunities can originate from a customer account where a Microsoft sales representative invites you to participate in a co-selling activity or from a partner where they need additional help from Microsoft sales to close the deal. *This scenario is eligible for the Microsoft seller incentive.*

- **Partner-led co-sell** is when you decide to work independently on a deal and don’t want help from a Microsoft seller but do want an incentive to be granted to the Microsoft seller who manages that customer account. Partners have the option to invite Microsoft sellers after creating the deal to make it a collaborative selling activity after initially sharing. The details of the deal are not shared with the Microsoft sales team until the time Microsoft seller help is explicitly sought by the partner. *This scenario is eligible for the Microsoft seller incentive.*

- **Private pipeline deal** is when a partner decides to work independently and doesn’t want help from a Microsoft seller but does want to give pipeline visibility for business planning targets, Partner Influence Number, or other Microsoft reporting. *This scenario is not eligible for Microsoft seller incentive.*
Next steps

1. Publish your solution in Commercial Marketplace
2. Actively manage referrals
3. Create & share deals with Microsoft

Resources

Co-sell resources
- Co-sell with Microsoft
- Co-sell how-to documents for managing referrals
- Cloud Enablement Desk (for partners that do not have a PDM)

Microsoft commercial marketplace
- Publisher Guide for Partners
- Marketplace Support for Publishers

Partner-to-partner
- Build partnership
- Start partnering

Support
- See your options for contacting Microsoft partner support, including opening a support ticket in Partner Center.