

## eBook —

## MINIMUM ADVERTISED PRICE (MAP)







### What is Minimal Advertised Price (MAP)? Why is it so important?

Full transparency: Not to date myself, but I've been building channel partner programs and sales strategies since Dell proudly claimed to be "Direct" (Dell Direct) meanwhile those of us crushing quota were finding real leverage in our own territories by aligning to the very partners we said "we weren't working with". I've seen MSP/MSSP programs balloon into multi-mullion dollar ARR business and even VAR channels contribute > 45% of the overall bookings mix. So, you could say I have some experience in this area, and I have to tell you ... channel partner marketing and sales strategies are not new. Regardless of how you refer to them ... Alliance Partners ... Channel Partners ... Strategic Partners ... Scale Partners ... Value-Added Partners ... Co-Marketing Partners ... Co-Selling Partners ... the objective is always the same – Exponential growth at scale. The following is meant to educate organizations on an often-overlooked aspect of their channel program: Minimum Advertised Price (MAP).



Channel partners are vital for technology companies for a variety of reasons depending on their GTM approach. Even SaaS companies and "yes", even those PLG (Product Led Growth) companies find leverage in their channels when done well. Whether your program is new or in place and scaling – understanding the implications of MAP are essential. One of the least talked about, but most disruptive for channel partners is predictable pricing from the vendor and ensuring that resellers that might compete aren't disrupting and undermining their ability to drive margins.

### What is Minimal Advertised Price (MAP)?

Minimal Advertised Price (MAP) represents the lowest price that a channel partner is allowed to advertise the products for sale on their website. To put things clear for the very beginning, it is important to point out that this rule doesn't define the lowest price by which the product will be sold, but only advertised – typically on a website. Sometimes a picture from a reseller partners website is the best way to show you what happens all the time across channels.

#### Real example from an online catalogue taken 10/25/2022.

The Manufacturers List price is \$15,115.00 – this partner is advertising it for \$7,185.99. Guess what the "New" list price is for this item? Seeing the issue? This represents > 50% off list.







## **Questions for Clarity**

- If I'm a competing partner who registered this deal; is my margin from the manufacturers list price OR this new street price that every talented purchasing agent is aware of?
- Let's assume your program rewards partners who do more volume, regardless of whether it was registered by the partner (i.e., they brought it to you). Could they still lose this deal to a partner that is listing the solution at > 50% off? Of course, they could.
- If concessions were given for a deal by the Vendor; is the concession from list or from the 'street price' that is made available to anyone who cares to look on the channel partners website?

Clearly answering these questions before they're an issue is much easier than once the issue arises.

#### Who benefits from a MAP policy?

Short answer: Everyone benefits. The channel partners see the maturity of your programs/brand and the vendors know that there won't be surprises and channel conflict to deal with

In the end, each company has the last word when it comes to implementing a MAP policy or not. If they decide to proceed with it, the main advice would be to remain consistent and transparent. If used properly, MAP could be beneficial for everybody – it would create a healthy competition between partners, help you build/maintain your brand image and provide customers with the right choice and information.

Please feel free to reach out if you have any questions or we can be of further assistance in incorporating this into your channel programs, fixing issues that exist and mitigating issues this might create. You can always reach us at info@moneyball365.com







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