

Building a marketplace channel practice

A recipe for success



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There's a new recipe for channel growth

The way customers buy software is shifting under our feet. Procurement cycles are no longer measured in months but in clicks. The Microsoft Marketplace is quickly becoming the first stop for discovery, evaluation, and purchase for organizations of every size. A cloud-first strategy often starts with, "What can I find in the marketplace?"

Yet in this new era, one thing hasn't changed: customers still need partners. They need advisors who understand how solutions fit together, who can bundle services around SaaS, and who can help them navigate governance, billing, and deployment.

Marketplaces may change the mechanism of transacting, but they don't erase the need for channel value. In fact, analysts now predict that more than half of marketplace sales will flow through partners. That number will only grow.

Still, persistent myths get in the way:

- "Cloud marketplaces are a competitive threat to the channel."
- "Cloud marketplaces reduce partner profitability."
- "Channel loses control of the customer in a cloud marketplace sale."

Each of these misses the point. Marketplaces aren't about cutting corners or cutting partners out. They're about creating new value:

- **Modernizing software resale and lifecycle management.**
- **Positioning yourself as the ecosystem advisor who customers trust.**
- **Capturing incremental margin through multi-party private offers.**
- **Scaling your reach with faster, cleaner transactions.**

The Microsoft Marketplace is a platform for modern partnering, where discovery increasingly happens digitally but enterprise contracting and lifecycle management remain partner-first through private offers. That's why we wrote this ebook. Think of it as a cookbook: a set of tested recipes for building a Microsoft Marketplace practice in five key stages. Each stage is presented as a "dish," with the essential ingredients, the method to combine them, and best practices along the way.

We've also sprinkled in myths to ignore—the half-baked truths and outdated assumptions that hold partners back. Flip the page, gather your ingredients, and let's get cooking.

1. Build a foundation

Every practice starts with a base. Skip the flour and the bread will not rise; skip executive alignment, and your marketplace strategy collapses before it begins. Strong foundations come from leadership attention, clear ownership, and financial clarity. Partners who treat these steps as “business as usual” often stall later, while those who secure executive buy-in and revisit it regularly set themselves up for lasting progress.



Ingredients

- Leadership commitment
- Access to Microsoft AI Cloud Partner Program (MCAIPP) and Partner Center
- A named executive sponsor
- A program or alliance lead
- A clear finance model for margin versus revenue
- A market perspective validated by analysts

Method

1. **Engage Senior Leadership and get commitment** to secure a top-down understanding of cloud marketplace and channel dynamics vital to success.
2. **Sign up for the Microsoft AI Cloud Partner Program (MCAIPP)** to access resources and guidance to keep your practice aligned from the start.
3. **Name a sales-aligned executive sponsor** who can champion marketplace adoption and keep it visible at the leadership level.
4. **Appoint a program or alliance lead** to manage day-to-day alignment across sales teams and ISVs, so sellers know where to turn for guidance.
5. **Sign up as a Marketplace Channel Seller & complete the Microsoft Publisher Agreement** in Partner Center.
6. **Clarify how your sellers will be compensated on marketplace transactions** by documenting how multiparty private offer (MPO) and Resale Enabled Offer (REO) margin is recognized and attributed to sellers.
7. **Validate your market perspective** with external sources, such as analyst reports or aggregator data, so you can build credibility internally and with customers.

Myth: “Cloud marketplaces are a competitive threat to the channel.”

Truth: Cloud marketplaces empower ISVs to innovate and customers to discover new solutions. They enable channel partners to serve as trusted partners through private offers, co-selling, and new services opportunities.

Season early: Be proactive with your marketplace strategy

Tip: Don't wait until the end of the sales cycle to sprinkle in Marketplace. Bake it into your go-to-market plan from the start—shaping deals, expanding scope, and unlocking co-sell momentum early.

Why it matters: A reactive, customer-led approach positions Marketplace as a last-mile transaction tool, missing out on early-stage commercial benefits. By being deliberate, partners can influence deal architecture, align with ISV sales methodologies like MEDDPIC, and use Marketplace as a lever for stakeholder engagement and value creation. This leads to larger, faster, and more co-sell eligible opportunities.



2. Enable your teams

With the foundation mixed and ready, the next step is preparing your organization to bake the recipe consistently. Success depends on giving sellers structure, clarity, and confidence. Sellers and specialists won't push marketplace deals until they understand how the mechanics work, so defining the process, building a landing page, and layering training helps everyone understand their role.

Ingredients

- A defined “quote to private offer” process
- A customer-facing marketplace landing page
- Training plans tailored to departmental need
- Internal sales enablement materials

Method

1. **Define the quote-to-private-offer process** on how to request and initiate a deal.
Create a one-pager version for internal sales asset pages.
2. **Create a marketplace landing page** for customers, partners, and sellers that differentiates your practice and align to your top marketplace ISVs, your own services propositions, and more.
3. **Deliver sales leadership training** so leaders see how marketplace mechanics work and what’s in it for them.
4. **Deliver specialist team training** to show when marketplace is the right fit versus traditional sales paths.
5. **Train Microsoft and licensing teams** to complement your process and counter muscle memory from non-marketing routes.
6. **Provide sales training that highlights marketplace value** and identify a champion in each group to build trust and lead adoption.

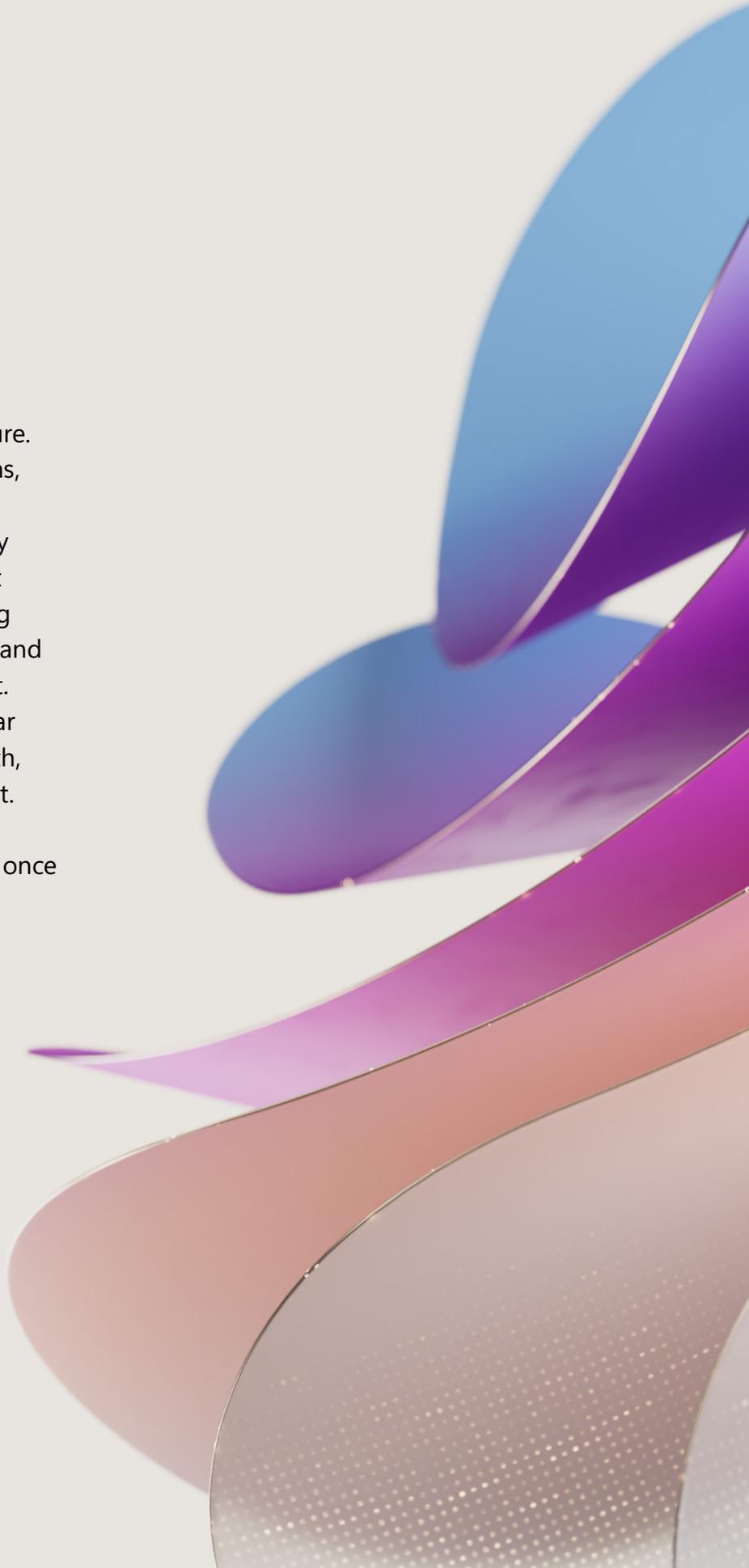
Myth: “Cloud marketplaces reduce partner profitability.”

Truth: Cloud Marketplaces keep partners at the heart of the sales journey from day one. Early co-selling drives innovation and differentiation while private offers extend your value across the full customer lifecycle.

3.

Align operations

Once the batter is mixed, it needs structure. Behind-the-scenes alignment—operations, assets, and vendor partnerships—keeps the practice from collapsing when activity heats up. If different teams hold different opinions, scaling slows down. Establishing clear ownership, a single source of truth, and shared assets keep the motion consistent. The most effective partners establish clear ownership, publish a single source of truth, and scrutinize which ISVs to prioritize first. These choices create the backbone of a scalable practice and prevent false starts once early deals are underway.



Ingredients

- ISV selection and prioritization
- Operational resource alignment
- Customer-facing and internal sales assets
- A published FAQ and single source of truth
- Solution adjacencies mapped to Microsoft teams

Method

1. **Select high-propensity ISVs** that align with your strategy and customer base, focusing on those with cloud-ready teams and motivated sellers—and ask your Microsoft Partner Team for recommendations.
2. **Align operational resources** by clearly defining who owns quoting versus offer creation and issuance. The people placing orders today may not be the ones with Partner Center access.
3. **Develop customer-facing GTM assets** such as campaign pages and messaging that clearly position your marketplace offers.
4. **Create sales enablement materials** including internal one-pagers, call scripts, and email templates so sellers can work from a single source of truth.
5. **Consider publishing a simple FAQ** that could become a single source of truth for how this new resale mechanism is evolving. Truth and trust are key.
6. **Map solution adjacencies to Microsoft teams** to show how marketplace ISVs interoperate with cloud, security, and productivity stacks.
7. **Document workflows clearly** so both sellers and operations staff can follow repeatable steps.

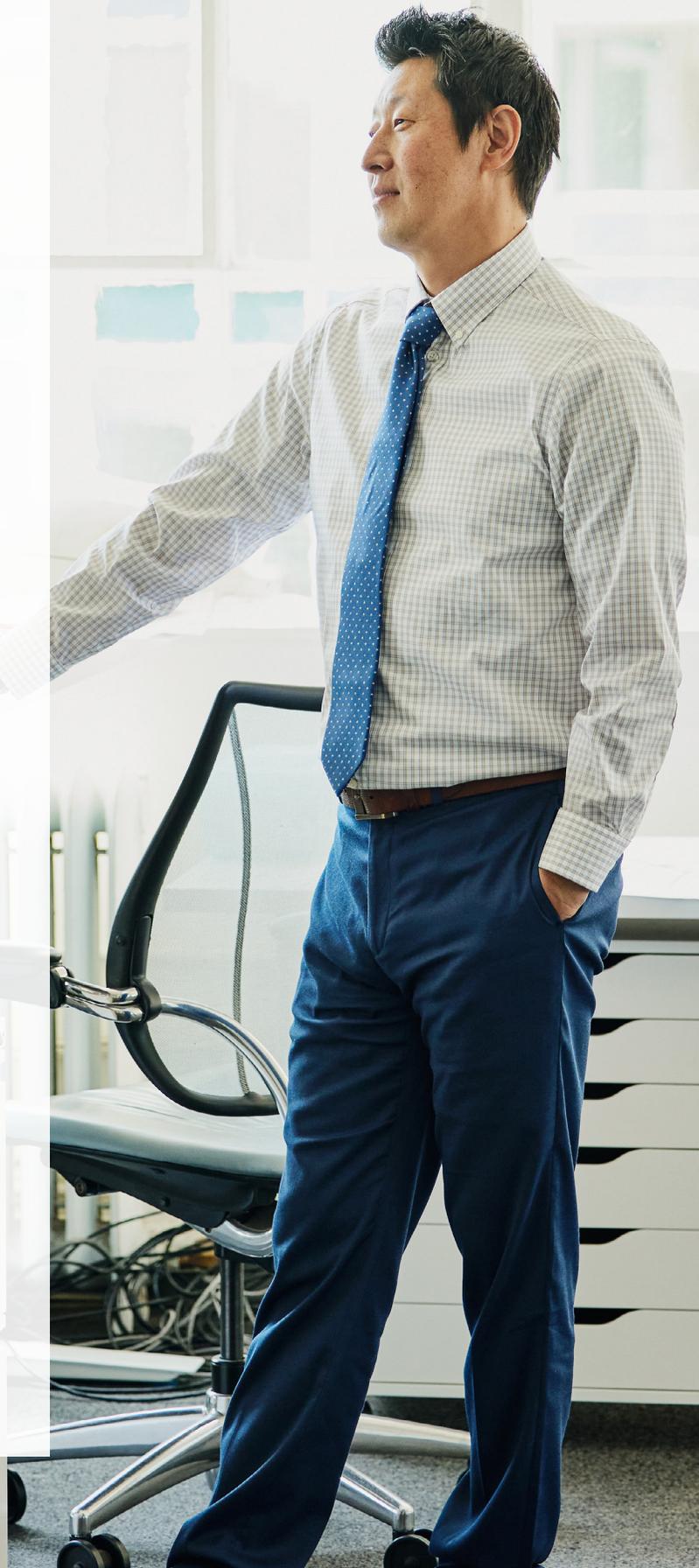
Myth: “Channel loses control of the customer in a cloud marketplace sale.”

Truth: In the Microsoft Marketplace, channel partners control pricing, process, and customer relationships. You own the margin opportunity, whether through multiparty private offers, CSP private offers, or resale-enabled offers.

Cook together: Co-sell with ISVs and Microsoft Sellers

Tip: Marketplace success is a team effort. Partner with ISVs and Microsoft sellers to co-create value, reach new customers, and serve up bigger, more impactful deals.

Why it matters: Co-selling through Marketplace is collaborative and commercially powerful. Deals involving channel partners are often 2× larger, and multiparty engagements unlock new verticals and customer segments. By aligning with ISVs and Microsoft field sellers, partners can amplify reach, build trust, and accelerate deal velocity. Marketplace becomes a platform for modern partnering, not just a procurement tool.



4. Execute with impact

With the prep work complete, it is time to put the dish in the oven. Execution turns plans into measurable outcomes like tracking offers, mapping accounts, and ensuring sellers are compensated fairly. The partners who excel here are disciplined: they track performance, make compensation transparent, and launch repeatable campaigns. Strong execution builds credibility inside the business and trust with customers.

Ingredients

- A clear approach to tracking marketplace margins and number of transactions
- Account mapping and pipeline sharing with Microsoft and ISVs
- ISV-aligned sales campaigns and private-offer promotions
- Compensation plans tied to MPO, REO, and CSP private-offer margins
- Customer success resources and guides

Method

1. **Track margins and transaction counts** consistently to measure performance and build organizational muscle memory around marketplace transactions.
2. **Track and report private offers** to ensure visibility across sales, alliances, and operations. Create a cadence for reviewing offer status so nothing falls through the cracks.
3. **Map accounts with marketplace-aligned ISVs and Microsoft's high-propensity buyer lists** so sellers can spot and pursue opportunities together.
4. **Run ISV-aligned sales campaigns** to give sellers clear propositions and targets.
5. **Promote private offers strategically** with incentives that encourage adoption and repeatability such as Marketplace Rewards and Microsoft migration programs.
6. **Ensure compensation is transparent** by documenting how marketplace margin is credited and publishing comp cadences in your single source of truth.
7. **Share pipeline and forecast data** with Microsoft's channel team and ISVs to align efforts and identify high-propensity customers.
8. **Provide customer success resources** such as guides, the Microsoft Marketplace private offer pre-check, and support contacts so buyers have confidence after the deal closes—essential given the high governance requirements in the marketplace.

Myth: "When it comes to renewal, the ISV will take the marketplace offer direct."

Truth: Microsoft's multiparty private offer and Resale Enabled offer models are designed to keep partners involved throughout the lifecycle—including renewals. These offers protect partner participation and even reduce agency fees for the ISV at renewal, ensuring you maintain margin and customer control rather than losing the relationship to the ISV.

Expand the menu: Go beyond cloud commitments

Tip: Marketplace is a gateway to modern SaaS buying, agile discovery, and enterprise governance. Track transactions to build repeatable success and muscle memory.

Why it matters: Cloud commitments are a great entry point, but the real opportunity lies in the scale of line-of-business SaaS buying. Customers are modernizing their application portfolios and using Marketplace to discover and govern new solutions. Partners who position Marketplace as a strategic buying channel—not just a financial optimization tool—unlock broader engagement.



5. Sustain growth

Now it's all about refining the recipe and serving it again and again. Growth comes from turning early wins into a repeatable practice. You'll move dedicated leads to marketplace, formalize ISV engagement frameworks, and build marketplace-aligned services. Because governance requirements in Azure Marketplace are high, building in pre-sale checks and compliance steps is essential for sustained momentum. Partners who treat growth as an ongoing cycle of measuring, reporting, and rewarding progress are the ones who transform early success into long-term strength.



Ingredients

- A dedicated marketplace sales leader
- A dedicated ISV alliance lead
- Clear goals tied to marketplace outcomes (MBS, private offers)
- A framework for engaging marketplace-first ISVs
- Marketplace-aligned services (advisory, lifecycle management, private marketplace builds)

Method

1. **Assign a dedicated marketplace sales lead** to guide sellers, build pipeline, and embed marketplace into sales motions.
2. **Designate an ISV alliance lead** to manage relationships with marketplace-first vendors and accelerate their onboarding.
3. **Set measurable marketplace goals** tied to billed sales, private offer counts, and multiparty private offer (MPO) margin attribution.
4. **Create an ISV engagement framework** that defines how you support, prioritize, and grow alongside independent software vendors.
5. **Develop marketplace-aligned services** such as digital procurement advisory, lifecycle management, or private marketplace builds.

Myth: “Only large enterprise customers with cloud commitments gain benefit from cloud marketplaces.”

Truth: Cloud marketplaces serve businesses of all sizes, as they deliver fast time to value and elasticity of software solutions. Many small and mid-sized ISVs are “born in the cloud” and go marketplace-first, and customers of every size are adopting marketplace procurement as their platform to innovate and manage their cloud software. This means partners can unlock opportunities across SMB and enterprise segments—not just those with big cloud commitments.

Bring your marketplace practice to the table

Every great recipe ends with sharing it at the table. The same goes for your marketplace journey. After preparing your offerings, you need to serve them consistently to customers, sellers, and partners.

By laying the foundation, enabling your teams, aligning operations, executing with impact, and sustaining growth, you can turn the Microsoft Marketplace into a reliable channel for transformation.

Let's keep cooking.



Download the Marketplace Channel Practice Builder