

Selling Through The AWS Marketplace



Opportunities for Hyper-Growth and Competitive Advantage for AWS Partners

Recent news and interviews highlights the vast opportunity available for Cloud experts and MSPs.

Although AWS has enjoyed colossal scale growth, as [CNBC reports](#) in an interview with Jim Cramer CEO Adam Selipsky, he believes it is still only day one, that only 10% of IT has moved to the Cloud thus far.

TechCrunch [reports](#) how the total XaaS market was worth \$126 billion for Q1 2022, up 26% over the prior year, and that this will double again in three years. 2021 marked a milestone moment when spending on Cloud [surpassed](#) that of traditional on-premise IT. AWS leads the market and in some segments, like UK Government, is [utterly dominating the category](#).

VentureBeat [highlights and explores](#) the opportunity for AWS partners and factors that explain how to achieve competitive advantage and differentiation.

They describe how due to the relatively scarce talent and cloud platform knowledge required 68% of organizations using AWS report they plan to become more reliant on cloud managed or professional services over the next 12 months alone.

59% of respondents report using AWS to increase the speed and agility of launching applications, the top single driver for organizations' selection of AWS. Other key factors include AWS' broad range of cloud services (a driver for 48% of organizations using AWS), the number of regions and availability zones supported (44%) and AWS's utility pricing model (41%).

When it comes to the AWS challenges that organizations seek outside AWS expertise and services to alleviate:

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- 41% of respondents named cloud performance optimization and cost.
- 39% cited building cloud-native applications.
- 38% reported struggling with migrations from legacy infrastructure to AWS.

Other cloud modernization goals that will likely continue to accelerate — such as AI/ML initiatives on AWS and implementing data lakes — were also cited as challenges.

Even organizations self-describing as sophisticated Amazon Web Services users are actually even more driven to rely on cloud managed and professional services.

Among those running more than 80% of their workloads on AWS, 79% plan to rely more heavily on cloud managed services in the next 12 months. Those identifying as being “technology early adopters” show the same eagerness, with 79% of those respondents looking to increase their reliance on external AWS help.

Figure 7: Top Ways Cloud MSPs Demonstrate Value



Q: Which of the following attributes are most important for a cloud managed service provider to possess in order to demonstrate value to your organization? Please select all that apply.
Base: All respondents (n=950)
Source: 451 Research and Mission Cloud Services Future Cloud Direction custom study, 2021

Selling Through the AWS Marketplace

The [AWS Marketplace](#) provides a new sales channel for ISVs and Consulting Partners to sell their solutions to AWS customers.

Jointly with the [AWS Partner Network \(APN\)](#), it helps ISVs and Consulting Partners to build, market, and sell their AWS offerings by providing valuable business, technical and marketing support.

The marketplace caters for multiple categories of vendor solutions, such as by service type like [Business Applications](#) and [Professional Services](#), by capability like [Migration](#) or [DevOps](#), and by industry including [Media](#) and [Government](#).

You deploy your solution as [SaaS](#), [AMI](#), [Container](#), or [Data](#) and make it available for customers around the globe or [certain countries you specify](#). Their [seller guide](#) provides a complete overview of all the product types supported on AWS Marketplace.

It enables you to focus on building your product while the AWS Marketplace manages [metering](#), [billing](#), [collections](#), and [payment disbursements](#), and supports numerous [pricing options](#) for your software including bring your own license (BYOL), pay-as-you-go and long-term commitment plans.

Go To Market Support

AWS provides a comprehensive program of support to accelerate your GTM (Go To Market) strategy, with standardized and custom demand generation packages and [flexible GTM support](#).

You can build your GTM foundation using self-service [AWS Marketplace Seller GTM Academy](#) to develop and execute campaigns and scale your growth with [programmatic access](#) to GTM investments, resources and AWS-led campaign inclusion.

Accelerate Your Software Co-selling Flywheel With AWS

This [Youtube presentation](#) shares how you can drive new business and accelerate your co-selling engine for your software with AWS, hosted by:

- Sabina Joseph, GM, America's Technology Partners, AWS
- Andrew Varhola, Senior Manager, US-West ISV Success, AWS
- Mike Moss, AVP, WW partner field sales, mongoDB

Learn about the AWS co-selling roles, mechanisms, programs to globally connect with the AWS field teams, best practices to get into the mind of the AWS seller and customer, and hear from an AWS Partner about their co-selling journey and keys to their success.

Introduction – Sabina Joseph 0:40

AWS helps tens and thousands of ISVs worldwide to build and grow their business on the platform. One of the foundational elements of growing a business is co-selling.

Co-selling is a sales strategy in which your sales team and the AWS sales team collaborate on a prospect to either develop a net new business or close the current prospect while supporting one another.

Additionally, to establish a brand-new working connection between the two teams at the client. Co-selling is when representatives from both sales teams get to discuss how they can best support one another, comprehend the value offer, and close deals together. The opportunity's value for the customers grows when both teams are involved.

Benefits of Co-selling together with AWS 2:19

The screenshot shows a presentation slide with a video feed of Sabina Joseph on the left. The slide content is as follows:

- Benefits of co-selling with AWS**
- We work together to:**
 - Secure new opportunities
 - Close/grow a deal
 - Expand relationships/network within customer
- Engage Commercial Sector Teams:**
 - Greenfield
 - Startup
 - Small-medium business (SMB)
 - Enterprise
 - Digital native business
 - Independent software vendor (ISV)
- Engage Public Sector Teams:**
 - Government agencies
 - Educational institutions
 - Non-profit organizations
 - Healthcare

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- Access to millions of customers worldwide, who have a relationship with the AWS brand with deep expertise around the breadth and depth of AWS services.
- Access to the mature global sales team who has expertise not just on AWS but also on the various use cases and workloads as listed in the image above.
- Securing many other new opportunities.
- Close/grow at deals.
- Expansion of relationships with customers.

ISV partner co-selling flywheel 3:10

This is where value is being increased and at the same time lowering prices for customers. They start by lowering prices which generates more customers which in time generates more AWS usage and increases footprints across the breadth and depth of AWS services.

With a better together story and value proposition, there will be a demand generation which in turn leads to opportunities. These opportunities are the first steps to starting co-selling. These opportunities lead to more customers' success stories. And then the customers' success stories help to build trust and to replicate that same success story with other customers which leads to a flywheel of other success stories.

AWS Partner Network programs that drive success 5:06.

The three pillars of any successful partnership are co-build, Co-market, and Co-sell. For this process, you will work with the AWS partner organization, AWS marketplace, and the AWE field teams.

The partner development manager and the partner solution architect in the AWS partner organization will help you build and scale your business on the team.

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AWS support across the co-sell journey

To support you, the first step is to join the software path and enroll in the AWS or APN customer engagement program: [ACE](#).

The software path will help you grow your business on AWS with the team's foundational technical review which helps you optimize your solution for mutual end customers. The program provides you with different funding mechanisms, tools, and resources to help you along this journey.

The APN customer engagement program enables our teams (sales and marketing) and AWS teams to work together on opportunities.

The next step is to engage together to build a comprehensive business or partner plan. This partner plan leads to a better together story focused on identifying the use cases towards where demand generation activities are driven at. You can also use the competency program where you can showcase the validated solutions by workloads.

At this point, you can start co-selling together by sharing opportunities in the APN customer engagement tool, ACE. Once you've laid this foundation you can now join the ISV accelerate.

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Benefits of ISV Accelerate Program 9:23

- Trustworthy co-selling relationship.
- Entitlement of a one-time cash incentive called ISV Spiff.
- Co-sell goals with the partner management.
- Sharing of Opportunities to help you generate new business.
- Discount reduction fees for private offers to software companies transacting software solutions on AWS through either AWS marketplace or Data exchange.

AWS marketplace 10:56

From 10m:56s Sabina moves on to explaining the role of the AWS Marketplace, highlighting how over 300,000 customers use the marketplace to find, test, procure and deploy Cloud solutions.

She reviews many partners like Sumologic, CrowdStrike, and startups like Cloudzero to demonstrate how they transact through the Marketplace, and how it speeds up the procurement for end customers. Cloudzero has indicated that being in the marketplace helps them scale their business globally.

When an end customer buys your software solution on AWS Marketplace, the field rep for that end customer retires quota and is also entitled to additional cash incentives. AWS Marketplace has a propensity to buy model, prioritize both opportunities, and score those opportunities, which helps the sales team to accelerate those opportunities and focus on them.

Finally, AWS Marketplace has knowledgeable customer advisors embedded in the field. They will recommend your software solutions to those end customers.

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Andrew Varhola 12:49 – Engaging with AWS

From 12m:49s Andrew Varhola takes the floor to explore engaging with the AWS field teams. There are both Public Sector and Commercial teams; this session focuses only on the Commercial team.



On the left-hand side of this image, you'll see that it all starts with the AWS partner network. This is the partner organization. AWS team members will drive your success in the AWS field, therefore he recommends that you connect with them.

Every end customer at AWS has various roles that include an account manager, solution architect, an inside sales rep, and an ISV success manager. There are also several marketplace resources.

Opportunity types 15:04

Andrew describes how there are two primary types of opportunity classification:

1. Partner originated opportunities that the ISV share with AWS.
2. AWS originated opportunities where opportunities are sourced and shared with the ISV partners.

What is fundamental and foundational to both is ACE, the APN customer engagement tool:

- It is used to engage AWS teams together.
- It provides visibility and builds with AWS sales.
- It will manage your opportunity pipeline and share customer successes.
- It fetches data of any kind of support relating opportunities or any kind of customer.

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How AWS can help 16:16

From 16m:16s Andrew explains the support AWS can provide to progress sales opportunities.

- AWS can help offset POC migration costs, and provide different funding to help move opportunities forwarded too.
- AWS will help at feel acceleration.
- AWS looks for areas that can be expanded within a given account.
- They naturally share more information that we can expand into further account plans.

Factors that motivate AWS sellers to co-sell with you 17:20.

At 17m:20s he identifies the driving motivations that will encourage AWS reps to support your opportunities.

- Customers Value: Since the team is always working backward from the customers, customers' values are always put into consideration.
- Annual Sales Goals.
- Incentives: With the sales goals some incentives provide additional financial benefits.
- Opportunity Value: This is to grow the value and accelerate customer adoption of both the AWS platform and the ISV solution to get them using AWS faster.

What you should know before engaging the AWS account team 18:39

At 18m:39s he offers insights to be prepared with before engaging:

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- Always know the customer's initiative, need, or problem.
- There is a need to enable the sales of both AWS and ISV.
- You should both know why you are partnering on a specific opportunity and within a specific account.
- AWS team is connected and they know who is doing what to drive this opportunity forward.

Examples of ISVs across every segment that have had co-selling success with AWS 19:05

He offers examples of partner success stories at 19m:05s:

- Orca Security and Databricks: These ISVs have expanded their resources and noted the expansion of the AWS resourcing to drive this co-selling out in the field.
- SEE and Redox: They leverage the marketplace as a channel and took advantage of the incentives that AWS has put in place.

Mike Moss's experience with working with the AWS teams 20:00

Andrew hands over to Mike Moss at 20m:00s, who leads MongoDB's global partner organization, to share their experiences from the perspective of an active partner.

From Moss's experience, MongoDB has got about 100 partner sellers tightly engaged with AWS counterparts with the focus on the identification of new, accelerating, and growing existing opportunities, all with the goal of mutual success. In this process, MongoDB has enjoyed considerable sales success together with the team.

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What MongoDB sellers think about co-selling with AWS 20:51

- AWS has a long-standing executive line of business and technical relationships.
- AWS solution architects are viewed as trusted advisors and key to helping customers understand the technical value of the solution.
- Their Marketplace simplifies billing and helps clients draw down against their existing EDP connect.

MongoDB has done lots of transactions with AWS through the AWS Marketplace. We continue to work closely with the AWS team to tee up the next big deal together.

Co-selling with AWS: Best practice and advice 24:40.

From 24m:40s Mike concludes the session by wrapping up with a summary of partner co-selling best practices:

- Get used to your AWS counterparts as early as possible. Build the strategy earlier.
- Be upfront on your asks.
- Don't be afraid to go big together.
- Leverage the program strategically.
- Include success managers.
- Log, close, and track opportunities regularly in ACE.
- Use AWS marketplace whenever possible.
- Take advantage of the AWS solution architects, they are your best and fastest at tech validation on your architecture.

Cloud Marketplaces - The \$250B B2B Sales Channels You're Missing Out On

In this SaaStr Scale webinar John Jahnke, CEO of Tackle.io, and Nicole Wojno-Smith, VP of Marketing, highlight some of the most important conclusions from the [State of the Cloud Marketplace](#).

The Tackle Cloud Marketplace Platform enables a zero-engineering approach to listing, integrating, and managing your Cloud Marketplace business.

Introduction – Nicole (2:06)

Tackle.io published the first of its kind, a State of the Cloud Marketplace report in October. This was as a result of compiling data from hundreds of B2B software customers and suppliers.

Cloud marketplaces provide enormous potential for software vendors to sell more and more quickly. No matter what stage you are in, you may use these sizable and untapped sales channels as part of your go-to-market plan.

Tackle is made of career-long enterprise sellers and engineers who all thought the way of selling enterprise software needed to change.

Transforming Enterprise Software Sales

From 2m:49s John takes over to explain how Tackle is positioned to reflect the transformation of selling enterprise software. Cloud Marketplaces are a new, more efficient way of selling.

Tackle makes it simple to list on these new markets such as the AWS Marketplace, guiding customers like Hashicorp, Druva and New Relic among many others, through the process.

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What is a Cloud Marketplace? (3:47)

At 3m:47s John provides a refresher overview of what a Cloud Marketplace is.

It represents B2B app stores where cloud customers can buy third-party software to run alongside their cloud infrastructure and have it go directly on their cloud bill.

With the high number of marketplaces that exist, their focus is on the three hyper-scale cloud providers which are Microsoft, AWS and Google (4:10). These marketplaces accommodate the ability to sell complex software with simple click to deploy options. A rapidly accelerating percentage of their customers are starting to use the marketplace to transform software procurement.

The Way Marketplaces Work(4:45)

Marketplaces are not only for developers. More features have evolved to support transactions of all different sizes.

These marketplaces support almost all software business models. Your marketplace doesn't have to be 100% self-serve. The marketplace now supports all different types of complex software, and now instead of checking if your competitors are on the marketplace, instead check if your buyers have a relationship with one of the cloud providers. Buyers are used to buying digitally for B2C therefore buying through marketplaces is very convenient.

Marketplaces (6:54) are a win-win channel for both buyers and sellers. They accelerate, direct and channel sales efforts that you already have in place. For sellers, the marketplaces are going to offer an efficient path to customers. They provide access to new budgets and revenue. They are going to accelerate your sales cycle and help get cloud sellers paid as well.

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On the buyers' side marketplaces are going to allow you to quickly procure and deploy software and consolidate all your spend into one single bill.

Factors Driving Digital Buying (7:30)

Major factors driving the evolution of digital buying include the shift to remote work, caused by the pandemic. This pushed 80% of the sales cycle to the digital setting. Other drivers include the rapid acceleration of cloud migration: Cloud-first mandates and more searches on the marketplaces have led the shift to Digital Buying.

Marketplaces offer a faster and easier buying experience to cater for these trends. Buyers like buying in the marketplace because they want to save their time and money, they relieve the headache with procurement teams when purchasing software by already having a contract with your organization. Cloud marketplace allows you to get the software you need and you still get to consolidate all payments into a single billing contract.

At 9m:24s Nicole highlights the top factors buyers report for using marketplaces:

1. **68%** - Simplifies procurement.
2. **54%** - Fast access to tools.
3. **50%** - Consolidate IT spend.
4. **20%** - Burn down committed Cloud spend.

Digital Selling is the New Frontier - John (10:45)

From 10m:45s Nicole hands back to John who explains the overall landscape for Cloud sellers, highlighting the distinction between heterogeneous markets where apps could be deployed across multiple Clouds, versus the vendor specific marketplaces like Salesforce.com or SAP where services are tightly coupled to those markets.

Ultimately the dynamic for sellers is a simple one: Sellers want to sell where buyers want to buy, and the trends described above are what is driving this.

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This shift presents challenges for organizations that traditionally have sold direct - How will they transform their sales operations, embracing more of a content-led engagement? Many lack the time or resources to take on this new model and more crucially, lack the strategic insights required to translate their business model to the marketplace scenario.

At 13m:15s he lists the top reasons sellers want to sell via marketplaces:

- **64%** - Streamline contracting and simplify procurement.
- **64%** - Advance partnerships with Cloud partners.
- **63%** - Gain access to buyer's pre-committed Cloud spend.
- **62%** - Accelerate deal velocity.
- **60%** - Unlock co-sell opportunities with Cloud providers.

On-premise components (16:10)

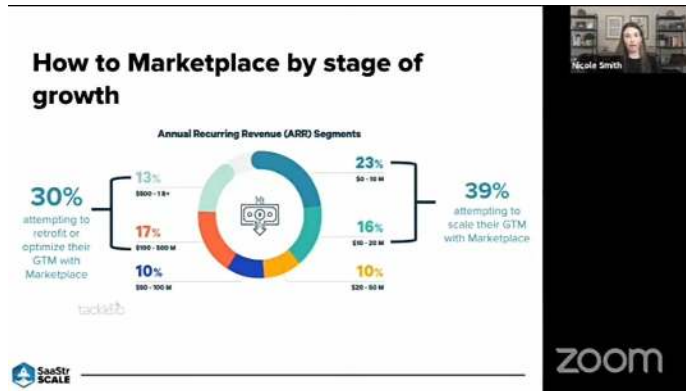
At 16m:10s John fields an audience question, asking if it is possible to get into the Cloud Marketplace if your solution has an on-premise component?

John's answer to this was that all the Cloud providers have slightly different rules about this, but in general the critical success factor is that your product has some components that run on their Clouds, and/or enhance the value of and increase usage of their Cloud services. There are a lot of solutions out there that have this mix.

How to marketplace by stage growth (17:25)

At 17m:25s it switches back to Nicole to explore how you can implement a marketplace strategy, which will vary depending on which stage of growth you are at. This chart breaks down the respondents to the survey based on their ARR stage.

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Nicole summarizes the key dynamics for each stage:

- **\$0-20m** : Early stage ventures are ideally placed to exploit a marketplace strategy from the ground up, like Tackle themselves, who have enjoyed 75% deals closing faster through marketplace than direct.
- **\$20-100m** : This segment is finding deals are 30% larger than those done directly.
- **\$100m-\$1b** : These large enterprises are having to retrofit for the marketplace model and lack the tooling to do this, what Tackle is set up to address. It's a highly impactful evolution for those who operate channel partner programs, as it can be seen as a threat to resellers but offers a route 10-20% more cost efficient. Nicole puts forward CrowdStrike as an example doing this well, where the CEO commented that marketplaces have reduced their sales cycle by 50%.

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How to Marketplace for start-ups (20:00)

At 20m:00s John picks up again to focus on startups, emphasizing that Cloud marketplaces can be invaluable as it sets in place the basic building blocks such as contracting and access to budget, so that reps can focus on the higher value relationship building and proposition marketing.

- Start to validate demand and think about where your customers have a strategic relationship with the cloud providers and if it would be easier to buy your product on their cloud bill.
- Make sure your product offers unique value and you should also complement the cloud efficiently.
- To succeed in the marketplace you need to have a level of repeatability in your selling motion and your pricing.
- Most importantly keep it simple.

How to Marketplace for mature software companies (22:20)

From 22m:20s John moves on to more mature software companies and their opportunities and challenges.

For these organizations the challenge is how to retrofit Cloud marketplaces into their existing GTM programs that they will have invested significantly into.

- Don't wait until you are fully SAASified. Utilize the marketplace as the first step of transforming your procurement model on this journey.
- Think fulfillment first and evolve to organic, not the other way round.
- Help the Cloud providers meet their goals (core service consumption).
- Don't overthink integration and automation to start.
- Ask your buyers about their alignment with the cloud providers.
- Start with the marketplace where your buyers are.

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Finally, think strategically – This is not an easy button, but a multi-year strategic transformation.