

The Co-Op Budget Planning Handbook

4 Steps to Reduce OpEx and Improve Results

By GARY RITKES | President of SproutLoud

Learn more at
SproutLoud.com


sproutloud

Developing a Co-Op Budget can be a very frustrating experience. Unlike most departments where you can easily measure success, Co-Op Partner Marketing includes many factors beyond the Brand's control.

The only question that matters is:

What are we really getting out of our Co-Op Marketing investments with Partners?

Co-Op clichés you are likely to hear

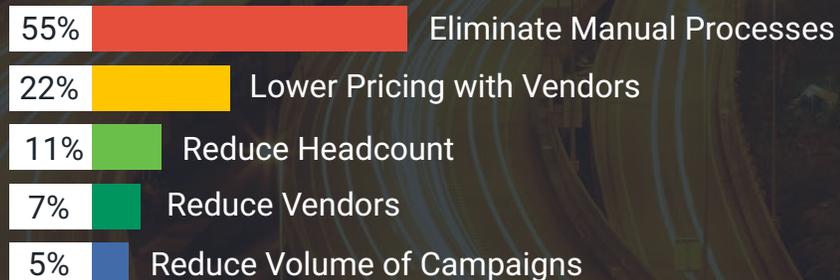
- *"Co-Op is a relationship play, not a marketing play."*
- *"Co-Op ensures we don't lose Partners to the competition."*
- *"Success is defined by Partner adoption and not actual ROI."*

If these responses sound familiar, write this on the whiteboard at the start of the budget meeting:

WE WILL MEASURE THE PERFORMANCE OF CO-OP LIKE EVERY OTHER BUDGET.

There will be a lot of heads shaking and hand-wringing, but it is possible — if you adopt the right technology. Here is a simple four-step process to solve the biggest challenges of Co-Op Partner Marketing.

Most Critical Co-Op Cost Reduction Initiatives



Step 1

Lower Co-Op Costs

- **Challenge:**
Co-Op Claims and Reimbursement is expensive.
- **Solution:**
Move Claims to the cloud and save up to 50% on processing costs.

DID YOU
KNOW?

55%
of Brands say

Eliminating
manual processes
is their No. 1
cost-reduction
initiative.¹

Job No. 1 is to lower costs for Co-Op. And the simplest way to do that is to eliminate manual processes. In fact, in SproutLoud's Channel Marketing Retrospective, 55% of Brands said that eliminating manual processes was their top cost-reduction initiative. Traditional Claims and Reimbursement is a process that's paper heavy, people heavy and incredibly costly. The best way to reduce manual processes and costs is to replace your existing Claims Management Processor with new disruptive cloud-based technology that eliminates paperwork and lowers claims fees by up to 50%.

SproutLoud's Intelligent Funds Management technology uses a simple SaaS portal that allows Partners to submit claims in seconds. And because claims are submitted in the same platform the Partners use for all their marketing activities, there is no paperwork. This automation and speed eliminates manual processes, reduces the number of people managing this administrative nightmare and cuts costs for your Co-Op program.

Step 2

Accelerate Your Speed to Market with Instant Funding

- **Challenge:**

The Claims and Reimbursement model is too slow.

- **Solution:**

SproutPay Instant Funding gets funds in Partners' hands immediately.



Traditional Co-Op Claims and Reimbursement requires Partners to follow obscure guidelines, chase proof of performance documents and then wait, wait, wait to get their reimbursement checks. In fact, 42% of Brands say that it takes at least four weeks to reimburse their Partners for Co-Op campaigns. Indirect Partners are entrepreneurs with limited capital to invest. Asking them to tie up money that could be used for inventory or payroll or customer events is a bad idea.

With SproutPay Instant Funding, Brands attach funds directly to the campaign tactic which ensures those dollars are only being used in Brand-approved ways. Because the only way for a Partner to receive those dollars is by advertising with the pre-approved vendors integrated into the SproutLoud Platform, there is no opportunity for fraud. Instead of waiting weeks for a reimbursement check, the Partner receives the funds instantly as soon as they apply their portion of the funds through the platform. Since this entire transaction takes place in SproutPay, there is no need for claims processing and those funds can be reallocated to actually reaching customers. Fewer dollars out of pocket for the Brand and the Partner means more dollars into market.

Imagine yourself on stage at your Partner Kickoff Event. Now, imagine yourself telling that audience that they will never have to file a claim again. Talk about firing up the crowd.

Step 3

Centralize Co-Op with One Platform

- **Challenge:**

The Claims and Reimbursement process requires using several incompatible systems.

- **Solution:**

SproutLoud's Channel Marketing Automation Platform is your one-stop shop for Co-Op.

DID YOU KNOW?

79%
of Brands

Saw an increase in marketing vendors in 2016.³

Step back and think about your Co-Op Marketing program. You probably have one vendor for Digital Asset Management, another vendor for Ad Building, another vendor for communicating with Partners and even another vendor for Co-Op Claims and Reimbursement Processing. Stop the madness.

SproutLoud's Channel Marketing Automation Platform is a single SaaS solution for all your Co-Op Marketing needs. Brands can distribute assets, attach funds, launch campaigns and measure success from a single online portal. Partners can select campaigns, apply their portion of the Co-Op cost and launch local marketing tactics in minutes using the same simple portal. SproutLoud allows Brands to reduce vendors, simplify processes and get more campaigns into market quicker. No guidelines, no approvals, no administrative work. Just Brand-compliant campaigns executed with world-class vendors resulting in more leads, traffic and sales.

Step 4

Get the Data You Need to Drive Decisions

- **Challenge:**

Co-Op Marketing is so distributed it is impossible to really measure results.

- **Solution:**

SproutLoud Analytics is integrated into every campaign across your network.



Let's be real. You are probably using historical adoption of campaigns or Partner surveys to determine what type of campaigns you will fund this year. But the definition of insanity is repeating the same action but expecting a different result. So if you are creating next year's budget based on last year's adoption – you will never optimize your investments or invest in modern campaign tactics.

SproutLoud's Channel Marketing Automation Platform centralizes all campaign operations into a single SaaS-platform. This allows Brands and Partners to track the performance of every dollar they spend on Co-Op. Partners can see a dashboard of results directly through their Partner Portal. The Brand can see the performance of regions or areas and even compare campaign tactics against each other. Want to know if Social Content Distribution is a better investment than Direct Mail? Now you have the data you need to make that determination.

Conclusion

YOU CAN MEASURE THE PERFORMANCE OF CO-OP LIKE EVERY OTHER BUDGET.

This is the year. It is the year you stop spending a huge portion of your budget on manual processes and outdated technologies. It is the year you eliminate claims from the face of the earth and increase Partner Participation by up to 30%. It is the year you drop redundant and incompatible systems and finally make the cloud work for your Co-Op program and your Partners. It is the year you get real insight into what works and what doesn't so – when the CFO asks, “What are we really getting from our Co-Op Marketing Budget?” – you can stand up and proudly say, “Let me show you.”



Learn more at
SproutLoud.com

T 954.476.6211