

VENDOR ROI CALCULATOR

This resource will walk you through the steps to develop a detailed lead generation strategy that will help you determine the ROI you need to hit your channel goals for growth.

First, let's establish your baseline numbers. You will use these numbers throughout the calculator.

CURRENT CHANNEL REVENUE

What is your company's revenue over the course of a year (gross)?

Example: 1,000,000

DESIRED CHANNEL REVENUE

What is your ideal revenue?

Example: 10,000,000

NUMBER OF YEARS UNTIL REACHING REVENUE GOAL

When would you like to reach your desired revenue?

Example: 10

PROSPECT APPOINTMENT CLOSE RATIO — ALL LEADS (NOT JUST WOM)

What is your average partner ratio of closed deals to total leads?

Example: 20%

TOTAL NUMBER OF PARTNERS

How many partners currently hold an active contract?

Example: 50

AVERAGE NUMBER OF YEARS YOU KEEP PARTNERS

How many years does the average partner do business with you?

Example: 10

APPROXIMATE COMPANY PROFIT PERCENTAGE

Adding income and company net profit together

Example: 10%

TOTAL ANNUAL REVENUE

What does your company earn in over the course of a year (gross)?

Example: 1,200,000

MARKETOPIA AVERAGE COST PER QUALIFIED RESELLER*

*Across all vendors

600

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STEP 1

How Much Additional Revenue Do I Need to Add Per Year to Achieve My Goal?

A. DESIRED CHANNEL REVENUE

CURRENT CHANNEL REVENUE

REVENUE NEEDED TO INCREASE TO ACHIEVE GOAL

—
Subtract bottom from top

Example:

$$10,000,000 - 1,000,000 = 9,000,000$$

B. NUMBER OF YEARS UNTIL REACHING REVENUE GOAL

ANNUAL ARR INCREASE TO ACHIEVE GOAL

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Divide top by bottom

Example:

$$9,000,000 \div 10 = 900,000$$

STEP 2

How Many Partners Do I Need to Add Per Year to Achieve My Goal?

A. CURRENT CHANNEL REVENUE

TOTAL NUMBER OF PARTNERS

AVERAGE ARR PER PARTNER

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Divide top by bottom

Example:

$$1,000,000 \div 50 = 20,000$$

B. ANNUAL ARR INCREASE TO ACHIEVE GOAL

TOTAL PARTNERS NEEDED ANNUALLY TO ACHIEVE GOAL

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Divide bottom by top

Example:

$$900,000 \div 20,000 = 45$$

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STEP 3

How Many Leads Do I Need Monthly to Achieve My Goal?

A. TOTAL PARTNERS NEEDED ANNUALLY TO ACHIEVE GOAL

PROSPECT APPOINTMENT CLOSE RATIO – ALL LEADS, NOT JUST WOM

TOTAL LEADS NEEDED ANNUALLY TO ACHIEVE GOAL

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Divide top by bottom

Example:

$$45 \div .20 = 225$$

B. MONTHS PER YEAR

TOTAL MONTHLY LEADS NEEDED TO ACHIEVE GOAL

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Divide top by bottom

Example:

$$225 \div 12 = 18.75$$

12

STEP 4

What is a Lead Worth to YOU?

A. TOTAL ANNUAL REVENUE

TOTAL NUMBER OF PARTNERS

AVERAGE ANNUAL REVENUE PER PARTNER

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Divide top by bottom

Example:

$$1,200,000 \div 50 = 24,000$$

B. APPROXIMATE COMPANY PROFIT PERCENTAGE

Adding income and company net profit together

AVERAGE ANNUAL PROFIT PER PARTNER

×

Multiply top by bottom

Example:

$$24,000 \times .10 = 2,400$$

C. AVERAGE NUMBER OF YEARS YOU KEEP PARTNERS

AVERAGE LIFETIME PROFIT PER CLIENT

×

Multiply top by bottom

Example:

$$2,400 \times .10 = 240,000$$

D. PROSPECT APPOINTMENT CLOSE RATIO – ALL LEADS, NOT JUST

AVERAGE VALUE OF EACH LEAD FOR YOU

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Multiply top by bottom

Example:

$$24,000 \times .20 = 4,800$$

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STEP 5

What Net Profit Do You Make for Each Lead?

A. AVERAGE VALUE OF EACH LEAD FOR YOU

MARKETOPIA AVERAGE COST PER QUALIFIED RESELLER

1,500

NET PROFIT PER LEAD FOR YOU

Subtract bottom from top

Example:

$$4,800 - 1,500 = 3,300$$

STEP 6

What Is the Value of Leads Over Time?

A. TOTAL MONTHLY LEADS NEEDED TO ACHIEVE MY GOAL

NET PROFIT PER LEAD FOR YOU

TOTAL MONTHLY PROFIT PER MONTH ADDED

×

Multiply top by bottom

Example:

$$18.75 \times 3,300 = 61,875$$

B. TOTAL MONTHS PER YEAR

TOTAL ANNUAL PROFIT PER YEAR ADDED

×

Multiply top by bottom

Example:

$$61,875 \times 12 = 742,500$$

C. NUMBER OF YEARS UNTIL REACHING REVENUE GOAL

TOTAL PROFIT UNTIL GOAL ADDED BY INVESTING

×

Multiply top by bottom

Example:

$$742,500 \times 10 = 7,425,000$$

D. DESIRED CHANNEL REVENUE

TOTAL INCOME FROM INVESTING WHAT IT TAKES TO ACHIEVE GOAL

+

Add top and bottom

Example:

$$7,425,000 + 10,000,000 = 17,425,000$$