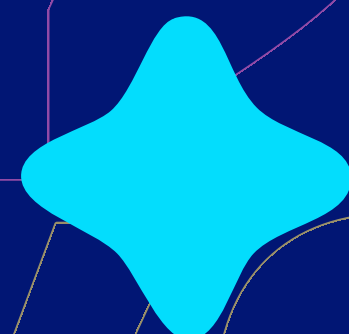


Microsoft

26 FY

26



Marketplace Incentives



The Shortcut Guide for ISVs

Why this Book Playbook Play Exists?

If you're an ISV building on Azure
or selling through **Microsoft Marketplace**,
you already know the opportunity is huge.

But let's be honest: Microsoft's ecosystem can feel like a labyrinth. Incentives are scattered across different programs, the fine print is confusing, and it's not always clear which benefits apply to you (or when).

The good news? Microsoft actually wants you to succeed – and they're putting serious money behind it.

We're talking **millions in Azure credits, cash grants, and go-to-market perks** designed to help ISVs build, certify, and scale.

The bad news? Many ISVs either:

Don't know these programs exist

or

Waste benefits by activating them in the wrong order.

This playbook fixes that. We'll cut through the noise, show you what each program actually does, and explain the smartest way to sequence them so you can unlock the maximum upside in FY26.



The Four **Big Incentive** Buckets

Microsoft's FY26 incentives fall into four main categories. Think of them as milestones in your Marketplace journey:

Founders Hub & ISV Success

→ Build and get Marketplace-ready.

Build & Publish (DCS)

→ Earn cash for achieving Microsoft's gold standard certification.

Marketplace Rewards (MBS)

→ Collect serious credits once your sales take off.

Migration & Modernize

→ Get paid to move enterprise customers to Azure SaaS.

Let's break each one down!

Let's break each one down!

Let's break each one down!

01

Founders Hub & ISV Success

Best for:

Startups and early-stage ISVs getting onto Azure and into Marketplace.

Incentive:

Up to **\$150K in Azure credits** + free tools + technical guidance.



Founders Hub

Designed for startups. Includes Azure credits, GitHub, Visual Studio, and mentoring. If you've got VC backing, you can unlock top-tier credits.



ISV Success

Marketplace-focused. Includes Azure credits, GTM enablement, and co-sell readiness. Requires you to publish a transactable offer.



Smart Play

Start with Founders Hub, max out your credits, then graduate to ISV Success. Don't overlap them – you'll burn through credits faster and leave benefits on the table.

Build & Publish – Designated Certified Software (DCS)

Best for:

ISVs ready to prove technical excellence and forecast Azure consumption.

Incentive:

Up to **\$100K in cash** based on your Azure Consumed Revenue (ACR).

Payouts by Forecast

Annual ACR Forecast	Payout
\$5K	\$5K
\$15K	\$20K
\$50K	\$30K
\$100K	\$60K
\$250K	\$80K
\$500K+	\$100K

Eligibility highlights:

- 01** Must be DCS certified.
- 02** Submit a project-based ACR forecast and pass a 3rd-party audit.
- 03** Show consumption across App, Data, and AI layers (\$100/year minimum each).
- 04** Offer must be transactable for at least 6 months.

Smart Play



DCS isn't just about the cash. It unlocks visibility and credibility inside Microsoft's sales engine. If you want Microsoft AEs to actually prioritize your offer, this is the ticket.

Marketplace Rewards (MBS)

Best for:

ISVs already driving sales volume through Marketplace.

Incentive:

Up to **\$1M in Azure credits**, scaling with your billed sales.

Rewards Structure

Sales Tier	Credit Rate	Credit Cap
Next \$400K	35%	\$140K
\$500K–\$1M	20%	\$100K
\$1M–\$4M	15%	\$450K
\$4M–\$8M	10%	\$400K
\$8M–\$20M	10%	\$1M total

Extra perks:**01** **MACC eligibility:**

Enterprise customers can use Azure budget to pay for your solution.

02 **AE quota retirement:**

After \$100K, AEs get quota relief for selling your product.
Translation: they're financially motivated to pitch you.

Smart Play



Once you cross \$100K, sales can snowball because Microsoft reps finally have skin in the game. The challenge? Getting to that first \$100K. (Hint: DCS + ISV Success help.)

Migration & Modernize

Best for:

ISVs moving enterprise customers from legacy to Azure SaaS.

Incentive:

Up to **\$200K in cash per project** – but only if you are DCS certified.

As an ISV being part of **DCS**, you can tap into these incentives when your **end-customer migrates or modernizes on Azure**.

The payout is tied to:

The Azure Consumed Revenue (ACR) generated from the moment the engagement starts.

The size of the customer contract (ACV).

Tiered Payouts

Tier	ACR Forecast	ACV Forecast	Payout	Duration
XXS	\$5–15K	\$25–75K	\$5K	120 days
XS	\$15–50K	\$75–250K	\$12K	120 days
S	\$50–100K	\$250–500K	\$32K	120 days
M	\$100–250K	\$500K–1.25M	\$64K	200 days
L	>\$250K	>\$1.25M	\$140K	260 days

Incentive Logic (at a glance)

- 01 If you are not DCS certified → No Migration & Modernize incentive.
- 02 If you are DCS certified + customer migrates → Incentives unlocked.
- 03 How much you get = ACR generated (from engagement start) + size of the contract (ACV).

Smart Play



If you're migrating customers, this is where serious money comes in. But it's tightly linked to both ACR and ACV, so timing and contract structuring matter.

The Certification Paths & Universal Criteria

Two ways to reach DCS certification:

01

Path A (Industry ISVs): For vertical solutions. Requires Azure-native stack + Microsoft nomination.

02

Path B (Solution Area ISVs): For horizontal solutions. Requires hitting one of Microsoft's deal/customer/usage thresholds:

03

12× >\$10K deals per year

04

\$4M+ in MBS

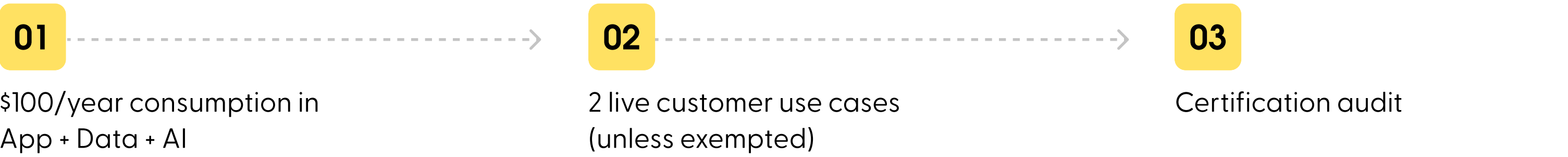
05

30 deals with ≥8 customers

06

50K+ Teams users (auto-qualified)

Two ways to reach DCS certification:



GTM Benefits

Co-sell vs DCS

Benefit	Co-sell	DCS
AE quota retirement (30%)	✓	✓
MACC eligibility	✓	✓
Microsoft GTM funding	✗	✓ (\$40k)
PACR visibility in AE CRM	✗	✓
Microsoft events & exposure	✗	✓
Priority field listing	✗	✓

Key Insight:

- 01 Co-sell unlocks AE incentives and MACC usage after \$100K MBS.
- 02 DCS = all co-sell benefits plus deeper AE engagement (PACR visibility), marketing funding, and priority field alignment.

Smart Play



If you want Microsoft field sellers to treat your product like a priority, DCS is the unlock.

The Fine Print (aka Timing & Limits)

Program	Type	Cadence	Limit
Founders Hub	Azure credits	Monthly (12 months)	\$150K
ISV Success	Azure credits	Program-based	\$150K
Build & Publish	Cash	One-time	\$100K
MBS Rewards	Azure credits	Monthly, post \$100K	\$1M
Migration Grants	Cash	Post-go-live	\$200K/project

No global ceiling — you can combine them all if you play it smart.

Final Word

Microsoft FY26 incentives are **not free money lying on the ground** – they're growth levers that only work if you pull them in the right order. The difference between unlocking \$25K vs. \$1M+ often comes down to **timing, sequencing, and knowing which program to prioritize when.**

Use this playbook to avoid the traps, claim the benefits, and accelerate your Marketplace growth in FY26.

Because at the end of the day:

Microsoft doesn't just want ISVs on Marketplace – they want ISVs winning on Marketplace.