

Channel Marketing Isn't Just For The Enterprise

Introduction

Large enterprises, especially IT vendors, are clearly aware of the value that channel partners create for their companies. For example, according to **CompTIA**, almost two-thirds of core IT products sales — representing **\$200 billion-plus** — are made or influenced by indirect sales channels.

Smaller and mid-size organizations are just beginning to recognize how an indirect sales channel can help grow their business. Indeed, start-up companies participating in the **2017 MIT Sloan CIO Symposium Innovation Showcase** said channel partners will play a key role in the sales and marketing of their products. While most companies rely on direct sales teams at inception,

more start-up firms are considering indirect channels earlier in their development.

Why small and mid-size companies are embracing channel programs — even adopting a partner-first strategy — was the topic of a recent Channel Marketer Report webinar. Joining moderator Jen Spencer, former Vice President of Marketing and Alliances at **Allbound**, to discuss the increasing importance of channel programs and how they can be optimized, were Stephanie Barton, Senior Partner Marketing Manager at **Concerto Cloud Services**, and Rachelle Meredith, Senior Director of Channel Business Development at **BackOffice Associates**.

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The Partner Push

Small and mid-size companies are prioritizing channel programs to enable:

Cost-effective Market Coverage

While internal sales teams are effective, having a sufficient number of sales staff to address every opportunity can be expensive. Channel networks can more efficiently ensure coverage of the expansive territories partners patrol for all the vendors they represent.

Superior Customer Support

The solutions many companies are acquiring to support their business are increasingly complex. With a well-trained partner organization in place, the implementation of new solutions and the support that drives a faster return on investment can be more effectively delivered.

New Market/Territory Expansion

Expanding into new markets or territories can be challenging. Communicating how even the most proven solution applies to a new industry requires a thorough understanding of the customer's

requirements. Forays into new regions can demand a not-easily-acquired understanding of the market's idiosyncrasies. For many vendors, the fastest route to success in new markets or territories is to work with partners who have the knowledge and relationships that prevent costly missteps.

Innovative Perspective

The unique perspectives that partners have into market conditions and customer requirements can help drive business-building innovation. Many partners have a reputation for not being shy about identifying weaknesses in their vendors' offerings or suggesting opportunities for improvement. But active solicitation of partner comments, ideas, and recommendations can result in a steady flow of good ideas, while also fostering stronger relationships.

"One of the biggest benefits of working with a partner is that it increases your sales velocity. Is it easy? No, it's not always easy but it is the quickest means to the end."

RACHELLE MEREDITH,
BACKOFFICE ASSOCIATES

Myths and Missteps

While selling and marketing products and services through channel partners is an efficient and effective way to boost most companies' business, it does require significant attention from a dedicated internal team, as well as program buy-in by the C-Suite and other department heads. To ensure the ongoing success of a partner program, companies need to be wary of these common myths:

Myth One:

If It Ain't Broke, Don't Fix It.

Purposeless meddling with proven formulas is never a good idea. But the dynamic nature of partner relationships and programs requires that companies be vigilant in monitoring how well their partner programs are working.

And what may be working well for one partner — even several of them — may not be a recipe for success for all organizations in your channel.

While replicating successful programs can be an efficient way to enable partner success, experts advise caution. Not all partners are created equal, said Barton, and what works for one organizations may not align well with other sellers.

Creating different programs for partner types can enable them to better align their capabilities with the vendor's goals.

Vendors must be vigilant in reviewing their partner programs to ensure that they are fully aligned with their overall goals, can be easily adopted by their partners, and most importantly, maximize customer satisfaction.

"Many organizations work with channel partners quite frankly to reach markets they may not normally have had access to."

JEN SPENCER,
ALLBOUND



Myth Two: Partner Relationships Are Everything

While it's been a long time since the occasional round of golf and a three-martini lunch were enough to keep a vendor-partner relationship going, many companies have failed to recognize that their partners are looking for so much more.

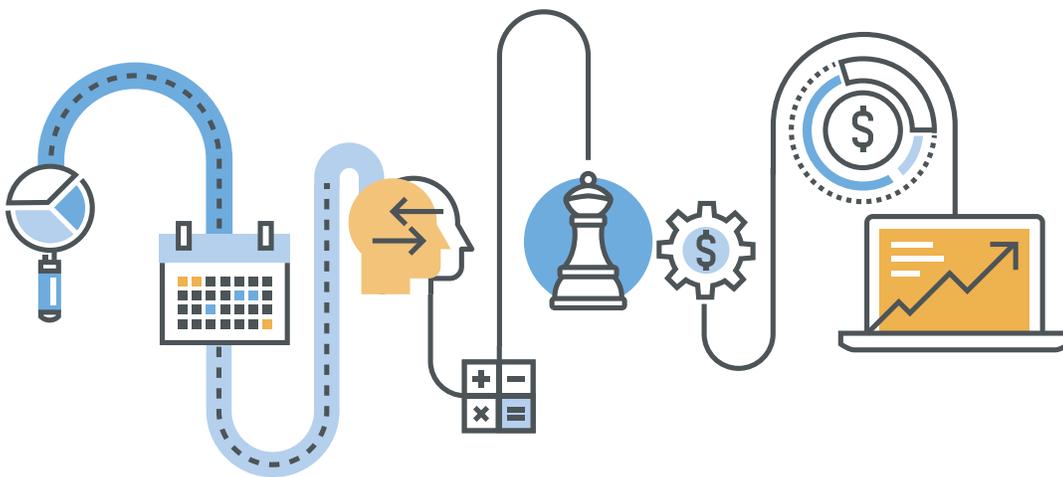
To effectively recruit and retain high-performing partners, vendors need to start with a clearly defined corporate strategy for their channel program. And if companies are indeed going to rely heavily — if not exclusively — on their partners to drive their business, they need to establish a channel-first approach, one that is driven from the top down, and clearly becomes a part of the company's DNA.

To enhance the partner experience, companies need to ensure that every employee understands the value of collaborating with the channel. When a strategy isn't clearly defined and communicated both internally and externally, it will always lead to channel conflict, said Meredith. "The channel conflict will quickly diminish your brand's reputation within not only the channel community, but potentially with your end customers," she added. "You don't want to ever impact those end-customers nor do you want to impact your channel."

Internal marketing teams that are not aligned with channel programs are missing out on their most important message amplification tools. Partners who are denied easy access to the brand's important marketing message often craft campaigns that can create confusion in the market.

"You not only need the actual step-by-step top-down approach of getting the buy-in from top executives. You also need the operational support, the marketing support, all of the elements that you would build into a partner program."

RACHELLE MEREDITH,
BACKOFFICE ASSOCIATES



Partner Recruitment: Choose Wisely

Successful relationships with partners are better ensured when vendors take the time to carefully choose the companies they recruit for their programs. Foremost, vendors need to determine if a prospective partner is prepared to offer their product, solution or service. If not yet ready, it's important to determine a timeline for when partners will be ready to adequately represent the vendor, emphasized Barton.

Vendors also need to understand how partners compensate their employees. Under-compensated sellers simply won't give a brand their best effort. Vendors must examine a prospective partner's base of customers, making sure it's sufficiently solid to reliably generate sales soon and in the future.

For vendors to remain sufficiently nimble to succeed in evolving

markets, it's vital to find partners that express a willingness to adapt their businesses to better represent the vendor. Sellers that are eager to participate in business transformation training are likely to become long-term, dedicated partners.

Partner Personas

Creating a documented partner persona can help vendors developing new programs recruit and select partners more efficiently. Aligning the details of that persona with a joint business plan and milestones can help to ensure that vendors select the right partner to accelerate their success.

It's vital to invest in the right partnerships and ensure that all partners are in growth mode to avoid the classic situation in which only 20% of the partners are providing 80% of the revenue, said Barton.

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When vendors and partners share a vision for growth, communication is clear and concise, and KPIs are mutually determined, both entities can hold each other accountable for the program's success.

"We focus on being entrenched and building a channel partner persona that matches strategic objectives," explained Meredith. "When companies ensure that their partners fit the persona profile, companies set themselves and their partners up for success."

Compensation Alignment

As more vendor and partner relationships transition to recurring revenue models, compensation plans have changed significantly and require greater flexibility. In some cases, vendors will compensate partners for the annual volume generated by a recurring contract. Incentives and other SPIFS can augment compensation to keep partners engaged in building recurring revenue.

It's especially important to be aware of how partners are compensated by other vendors. To ensure that partners prioritize sales of their products, vendors must be vigilant to make their compensation programs competitive with the offerings of other companies.

"Partners likely aren't just selling your solution," said Barton. "If you don't have that compensation alignment with what it's going to take to sell your product, really everything else just flies to the window."

"Partners are focused on their success. They're not just focused on your product alone," added Meredith. "You need to look at their overall product suite and how you can augment their overall product suite and what you bring to the table."

"What partners expect from you and what you expect from them is really key."

STEPHANIE BARTON,
CONCERTO CLOUD
SERVICES



Key Ingredients

Successful partner programs can feature a variety of important components. For small and mid-size companies creating a new partner program or expanding a fledgling effort, experts point to these vital ingredients.

Perfect Partner Portal

Partner portals are “table stakes” for any vendor seeking to sell through an indirect channel, said Barton. It’s vital to create an intuitive online experience where partners can easily access the information about a vendor’s program, as well as its products and services. Because partners may be looking at portals for a variety of brands, it’s imperative that portals feature an intuitive and consistent navigation so partners can find what they need quickly and get back to selling.

Offering bite-sized, but valuable bits of information that can be consumed easily is key. Making frequent updates to a portal with quick training videos, compelling collateral or program news can drive partner adoption and ensure more visits to the site.

Marketing Support

While a growing number of partner organizations realize they need to play a bigger role in marketing the brands they represent, many don’t have skilled people in place to do the job. Vendors can more effectively enlist marketing support from their partners when they provide marketing materials in ready-to-go campaigns.

“Partner portals should never be ‘a crazy black hole.’”

STEPHANIE BARTON,
CONCERTO CLOUD
SERVICES



Vendors should also be prepared to provide more customized support, especially for partners serving specific markets. Increasingly, vendors are assisting their partners with the creation of customized blogs, social messaging and classic collateral such as infographics.

Effective, turnkey marketing materials and programs are proving to be increasingly difficult to create. Instead, vendors are finding greater ROI in providing materials that help their partners adjust to better engage their customers.

Partner Training

Ensuring that your partners fully understand your products, solutions or services can require significant training. Much of the information partners need can be successfully

communicated via portal-delivered self-service systems. Live webcasts are also effective and enable partners to engage with trainers in real time. Communicating more complicated messages or training larger audiences of sellers can often be done more effectively with in-person events.

Training offerings can also be aligned with different partner tiers, making deeper, more customized programs available to more committed channel teams.

Vendors recommend surveying partners often to determine how they prefer to have information and training made available to them.

"I'm constantly surveying our partners to see how they would like to have information served up to them."

STEPHANIE BARTON,
CONCERTO CLOUD
SERVICES

Watch now

