ACHIEVE

Partnering Performance Best Practices 2017

EXECUTIVE EDITION

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Welcome

Thank you for downloading the executive edition of our e-book. When thinking about partnerships, you probably see the channel as a great way to expand your revenue base. And it is, if it is executed correctly. Today's modern channels are different from the traditional "sell/ship/install" relationships we know from 5 years ago. Today's partnering requires more.

This executive edition of our full e-book "Partnering Performance 2017" will give you an overview of the key subjects in the book and share some top level knowledge on the topics most important to today's channel executive:

- How to structure frameworks to support cloud and hybrid channels
- How to effectively ramp and onboard partners
- How to resource your program effectively and efficiently to best serve your partners
- How to go-to-market with your partners

We hope you enjoy this book, and look forward to hearing from you.

Enjoy,

The Achieve Unite Team

Make a Difference Today

This executive edition e-book will give you all the basics to build the programs to support today's channel. Need to learn more, or want help taking your program to the next level? Download the full version or book a session with us today.

Book a Free Consultation

Partner Program Framework

It's important to outline your goals specifically when defining your partner program. Examples of goals include, differentiating from your competition, reaching a new vertical market, building a program that encourages and rewards 'sell with' collaboration. Creating a partner program is no simple task. A program framework will outline all the benefits you can offer to a partner, and all the requirements you'd like to receive from a partner. It will define your relationship and govern the terms of your engagement.

The partner program landscape is in a state of change in 2017. Legacy programs no longer work in today's modern cloud-based marketplace. It is very important to get your framework right to achieve the results you want from the channel.

There are 3 layers to a modern and robust program:

1. Differentiation

   You may think of partners as a revenue channel, but it is actually much more than that. There are many opportunities that partners bring to your business beyond revenue. If you want to capitalize on that, you will need to differentiate yourself from the rest of the pack and embrace everything a partnership can bring you.

2. Engagement

   Your goal here is to get partners completely entangled with all the benefits you are offering, and help them meet the requirements you laid out in your program. Vendor and partner field engagement is a critical aspect to channel success. This is often a recognized component but not well executed at the direct sales level in the field. Often times the teams meet, exchange ideas, and then nothing happens. Having a proactive plan to make those vendor/partner team relationships work well is a key to effective engagement.

   More often than not, vendors jump to enablement as the behavior they want. Presumably because they want to ensure their partners are fully knowledgeable and capable of representing their product in the market place. While that really is a necessary component to any vendor/partner relationship, the degree to which you require it, and the types of training you require will vary greatly from vendor to vendor.

3. Collaboration

   This is where you define how you will work together and with other partners. Establish a cadence and flow of communication. Typically vendors use their partner portal to make information available to partners. Regularly schedule communications such as emailed newsletters, social media or web-based meetings are also used.

Consider that if you make wholesale changes to an existing partner program, a partner may take a considerable time to adapt to and understand the intricacies of the changes. It may take 3-6 months for partners to adapt to the changes from announcement date causing confusion in the channel and poor partner experience and missing out on benefits and falling short on requirements. Therefore it's important to manage the partner program transition carefully with simple and effective communication and partner support. If you are starting a new program, best practice is to give partners a grace period to meet your requirements. Change doesn't happen overnight, when managed properly, program changes lead to new market opportunities and ultimately revenue.

Recruiting the Perfect Partner

With your program ready to go, it's time to start bringing partners onboard with your company.. There are different types of partners available to vendors; and solidifying the right types packaged with your solution offering with the right business model is another critical success factor.
Once you have identified the type of partner you will target, the next step is to determine the demographics of a partner that you seek. Some examples are:

- Size
- Market position
- Vertical markets served
- Existing customer relationships and install base
- Complimentary product portfolio and vendor and service partners that you may be able to leverage
- Partnering commitment – for example, how do they select their vendor partners? How many in each category?
- Company strategy – for example, what is their growth model, ambitions, success track record?

Partner Onboarding

Effectively bringing your partner from novice to expert on your product and program is a critical step to long-term success. Onboarding a partner into your program is a very important series of steps. A full onboarding methodology will cover the period of time until a partner is fully proficient and successful within your program, which could be as long as 1 year of 18 months, depending on your product and program. However, the first 90 days of this process are critical, as research shows that if you don't properly engage and onboard a partner in the first 90 days of a relationship, your likelihood of success with that partner is greatly diminished. Onboarding is a process that builds upon itself over time. In the beginning the vendor will spend most of the effort in getting a partner enabled, but over time the effort should level out, and by the end of the onboarding process, the partner will be self-sufficient enough to handle most of the workload themselves. Success metrics might include key training completed, new joint account sales calls happening, a lead generation campaign underway.

Marketing Development Funds

MDF programs have increasingly become complex and difficult for partners to navigate due to the vast number of vendors they support. Often solutions providers have ten or more key vendors they represent and dedicating a resource to understanding every vendors MDF program is typically not feasible. As a result, MDF funds often go unused or worse they are spent in haste simply to spend the funds leading to a less than optimal ROI. In fact, research shows that up to 40% of MDF budget goes unspent because of this complexity.

A potential windfall of growth can be achieved by implementing best practices partner MDF models. There are two ways to implement MDF, either an accrual based program, where a percentage of sales volume is saved and used by the partner as MDF, or discretionary, where MDF is a budget in item and funds are allocated to a partner based on proposals put forth by the partner and having the vendor agree to the plan.

Accrual based plans reward only those transacting business, so your are limited to what funds are available for emerging partners or strategic partners that have not yet established revenue with you. Under a discretionary model, you are able to use funds based on the strength of the proposal, regardless of revenue stream. In a discretionary model, you can help newer, unestablished partners fuel their business faster than in an accrual plan. Based on the maturity of your program and your partner community, either accrual or discretionary may serve you best.

Partner Promotion and Recognition Programs

Incentives are used to drive a specific behavior that doesn't already exist. For example, you could create incentives based on growing reoccurring revenue models, vertically focused growth, or participation in enablement activities. Traditional incentives involve money in some way, shape or form. Some vendors have elaborate points-based systems that are outsourced to a third party and run in the millions of dollars annually. Other incentives involve rebates based on net revenues that are added to the bottom line of a partners profit sheet. Of course, you don't want to reward the behavior that is already established or individual deal revenue. That just cannibalizes your overall profit and incentive programs are important for rewarding a particular long term behavior, and/or revenue goals in aggregate.

Effective Demand Generation Tools and Programs

Helping partners build their business is a big part of the vendor/partner relationship. Part of that is helping the partner with demand generation activities. Effective demand generation tools and programs are critical component to a modern channel model.

There are many reasons that business development is falling more and more onto the shoulders of the vendor. For better or worse, the changing marketplace with cloud and SaaS and the introduction of recurring revenue models have partners focused on adapting their own business and sales models. In the modern paradigm, vendors have a responsibility to help guide and empower the partner through this transition. Part of that is helping them find the new markets and sales opportunities to sell to.

Help your partners understand the value of specializing in vertical or market-focused business development and guide them with tools and resources. Vendors can demonstrate how partners can win new business, earn higher margins and separate themselves from the competition by employing this approach.

Born in the cloud partners may be lean organizations, with limited staff to support marketing efforts and limited time to devote to marketing and demand generation because most staff holding dual-roles. For these reasons, vendor lead generation is a necessary component to success, and demand generation assistance is a welcomed addition to a cloud partner program.

About Achieve Unite

Achieve is a partnering performance, learning and strategic advisory company built by experts with over 100 years of experience in partnering, channel and collaboration. We believe in actions and partnering with clients for their success. For us, it's not about the theoretical; it's about the actual outcomes.

Find out more by contacting us at achieve@achieveunite.com
or by our website: www.achieveunite.com

Research Shows:

- Companies don't understand the options available for partnering and route to market choices
- Channel motivated companies dedicate insufficient investment / resources applied to the partnerships for success
- Company leadership lacks commitment across organization – indirect go to market is not just a sales initiative
- Speed is of the essence for SAAS companies – they need to get to market fast and don't have room for false starts
- Trust and alignment is not built with partners delaying channel revenue ramp
- SAAS companies often lack the deep understanding required to penetrate the right channel

Why Achieve?

We designed Achieve as a practical and fast way to build the right partnership initiatives and execute simultaneously. Sort of like building a car and driving it at the same time. This practice reduces the time to get to market successfully. We accelerate a company's success by engaging a company in a comprehensive approach to driving and accelerating revenue growth with the indirect channel.