

THE VOICE OF PARTNER

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A DIFFERENT LOOK AT THE PARTNER COMMUNITY

A Vendor's Partner Network is an invaluable asset for those companies that are considering their business partners as integrated members of their sales team sharing a clear common goal and strategy.

How many companies have you seen having a two-way dialogue with their business partner, working together on a joint business plan and leveraging their mutual skills, resources and reputation? Probably not many.

What I have seen frequently are organizations that, through their indirect sales business units are dictating revenue objectives to their business partners, classifying them into categories like Platinum, Gold, Silver, managed and unmanaged, strategic, premium and into other partner categories.

What I have also seen are sales methodology and training vendors recommending a partner planning process. The process is designed to help their Partner Account Managers better structure the yearly business plan that they will have to sell to their distributors, resellers or system integrators together with a strict and accurate reporting system.

As a result of these traditional channel management practices, we now see channel conflicts and partner frustration negatively impacting the organization's sales effectiveness in an ever increasing way

Today innovative organizations have started to look at their business partner network differently.

I have called this new approach "The Voice of Partner" as the partnership is based on a common business growth strategy, a mutual leveraging of resources and capabilities and shared responsibilities.

RECRUITING THE RIGHT BUSINESS PARTNER

You have the network of business partners that you deserve!

Are you a market leader or a market influencer? What is your distribution strategy? Why are you using indirect channels? Do you need to extend your market coverage? Do you need to improve your market penetration or maybe improve your ability to deliver? Do you need to add value to your product?

When you look at the spectrum of business partners, most of them are just looking to get from you some funding for their marketing activities

These partners are rarely committing to fully commit their resources and also failing frequently to deliver the revenue you are expecting. They are short term revenue oriented and the opportunistic types of business partners. Unfortunately they represent the 80% of the total that generate less than 20% of your numbers.

Then you have those companies that are looking to improve their value proposition by adding your products and services to their solution portfolio. These are the solution oriented type of business partners that are motivated by your branding strategy and a joint marketing plan.

The third type of partner relationship is based on mutually shared objectives, strategies and risks. These companies are looking to grow their business in specific markets with an integrated offer. They are interested to discuss and share strategies, to understand your company's vision and marketing direction as well as defining and implementing a joint business plan. They

are willing to invest and dedicate resources and they are expecting to share risks as well.

These two last partner categories are the ones that generate 80% of your indirect revenues.

Now the question is what is the right mix between these 3 categories?

If we are considering your level of risk versus your investment and ROI, you will probably want to have only the third category of partners in your portfolio.

That would be the ideal situation as far as your market coverage is concerned.

How to get there?

THE “VOICE OF PARTNER” APPROACH

The 6 key steps to a successful “Voice of Partner” approach:

1. Understand the reasons for partnering. What are you looking for? What are they looking for? Is there a match?
2. Validate the partner's reasons by analyzing his value chain resources, market credibility, areas of expertise, the company culture, the installed base, recent and past sales successes. If there are some gaps in the value chain, are you both ready to change?
3. Executive sponsorship
4. Mutual sharing of the business growth strategy. Can you reach an agreement on a common goal?
5. A Joint business plan with a common goal, shared objectives, strategies, action plan and bill of resources, critical success factors. A mutual understanding and agreement on the definition of success for the partnership.

6. Creating a common business language by extending your sales methodology, sales process and tools. to your business partner's dedicated resources and management
7. Mutual leverage and shared responsibilities. What do we mean by this?

MUTUAL LEVERAGE AND SHARED RESPONSIBILITIES:

A successful partner relationship is often measured by mutual value which should be clearly defined in the mutually defined meaning of success.

One of the least implemented 'routes' to a successful partnership is mutual leverage and shared responsibilities.

Mutual leverage is what makes the virtual value chain work effectively.

- Mutual leverage starts with the belief that we can learn a lot from the Business Partner's experience and knowledge.
- The principle relies on the fact that depending on each party's experience, knowledge and market credibility, the one with the strongest value and expertise should lead the joint business plan execution in those specific areas of strength. This leadership should be from defining the objectives to delivering the revenue.

This implies that the partnership is based on trust, loyalty and open communication.

It starts by sharing the knowledge in each of these specific areas and the

commitment to plan and develop a joint virtual value chain.

So when we consider this approach, it is then that we realize there is a significant amount of unexploited information that will make the partnership and the partner network far more successful.

- Mutual leverage is also implementing the '3 Levels of Responsibility Matrix', in considering the Partner organization as an integral member of the sales team whether it's a Territory or Account level responsibility and Opportunity and Action responsibility at each stage of the sales process.

Implementing a full "mutual leverage" strategy will require a complete rethink from the traditional "Partner Academy" of that exists in most of the large organizations today.

A full "mutual leverage" strategy can be one of the key business critical success factors in the coming years.

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