



In 2005, indirect sales channels evolved to produce over 65% of gross revenues for some of the world's largest IT vendors.

Many mid-tier IT vendors have adopted channel-centric sales models.

Cisco, EMC, HP, IBM, Microsoft and many other IT vendors allocate millions of dollars annually in channel marketing programs and services to expand their market reach through channel partners.

## Introduction

IT vendors introduced indirect sales channels over 30 years ago first with the introduction of minicomputers and then with PC's for the home and office. The channel was comprised of a simple distribution chain; from a vendor to a distributor to a value added reseller or retail store to the customer.

Today, with all of the layers of distribution channels, designing a product distribution strategy is not complicated. Channel partners such as value added resellers (VARs), systems integrators (SIs), original equipment manufacturers (OEMs), application service providers (ASPs), dealers, agents, retail outlets, etc., are well defined. Entry points and economics are known and all of the required marketing, support and incentive programs are listed in the brochures of major competitors or industry research publications.

Channel program concepts are so similar between some vendors that their channel programs are distinguishable only by their execution and management commitment to the channel and not their content. Even the terminology has achieved a level of standardization.

Regardless of the number of channel tiers, channel marketing programs and financial incentives, the ability to identify, recruit and enable the right channel partners is the real key to building a successful channel that will expand market reach and achieve financial goals.

## Channel Partner Recruitment

Companies count on their channel partnerships to maximize profits, extend market penetration, expand into new markets, reduce sales costs and help customers achieve their full business potential. Recruiting the right business partners is the key to developing or expanding a successful channel program.

### Recruitment Criteria

Establishing clear parameters that define the criteria for identifying, qualifying and recruiting new partners will ensure that the partners that are targeted for recruitment possess the desired competencies and business models you are seeking.

The following is a sample of categories for consideration when developing the criteria and parameters for recruiting new partners.

- Minimum size of the company
- Number of years in business
- Geographic coverage
- Primary markets of focus
- Specific vertical market expertise
- Minimum value add requirements
- Size of companies they sell to: very small, small, medium, large enterprise
- Minimum number of sales and technical personnel
- Specific technical certifications
- Primary and secondary sources of revenue
- Current partner agreements with other vendors

## Recruitment Lists

After you have defined the specific parameters of your ideal channel partner prospects, the next step is to obtain a prospect list that contains these channel partners. You should ensure that the email addresses of the prospective partners are included in the list.

There are many companies that sell lists of all types. In order to ensure you receive the list of prospects you desire, you must be extremely specific when defining your requirements or you will spend time and money attempting to recruit prospective partners that do not align to your criteria.

Based on our years of experience, we cannot overemphasize the importance of accurately defining your recruitment parameters and ensuring the list company you choose has the ability to deliver on your parameters. Before you enter into a contract with a list company you should request they provide a sample list of at least 30 companies they believe align to your criteria for verification purposes.

Some vendors use their distributors to assist them to recruit new two-tier partners. This method typically has proven to yield short term successes. The natural inclination for a distributor is to suggest you pay for a very broad-based recruitment/marketing program with incentives to reach their database of resellers. The distributors will communicate your messages and products and you will typically realize an up-tick in sales for a quarter or two.

Managing the recruitment process yourself or outsourcing the activity has many benefits over relying on your distributors to recruit new partners. One of the major benefits is you will recruit partners that meet your unique qualification requirements and obtain profiles of each partner that will enable you to launch targeted sales and marketing initiatives yourself. This ensures that you will not end up with new partners that never engage with your company and remain inactive.

## Geographic Mapping

Depending upon the type of partners you require, your recruitment program may need to consider the partner density factor. If too many new partners are recruited in the same local territory as other productive partners it may cause conflict and pricing rivalry between the partners. When mapping the geographic locations of your partners, consider each current partner's revenue performance within each territory. Revenue performance usually provides a measurement for potentially replacing certain current partners or staying clear of that territory based on outstanding performance by the current base of partners.

## Launching the Recruitment Campaign

After the target recruitment list has been obtained and verified, prior to launching the recruit campaign the following are categories for consideration.

## Telesales Team

This team must be capable of drilling down and entering into meaningful dialog to stress the benefits of becoming a partner in your program. The telesales team must be knowledgeable and experienced communicating with channel partners, understand your products and services, understand the partner incentive programs, be very familiar with the compelling reasons why your partner program is superior and have crisp and compelling answers to questions such as "Why should I consider selling your products and services?", "How can I make more margin with your products?", and "How price competitive are you?".

The telesales team should also be familiar with categories such as:

- Business models of the partner types that will be recruited, for example, VARs, SIs, PC Resellers, OEMs, etc.
- Top three or four business issues these particular partners have interest in when considering a new vendor
- Key elements of partner programs offered by primary competitors
- Understanding of services and warranty program offerings including authorization requirements and incentives

## Telesales Script

The recruitment script developed for the telesales team should be focused on immediately gaining the potential partners' interest. Too many times we have reviewed telesales scripts that start the conversation discussing the vendors' commitment to the channel and their channel marketing programs. The problem with that approach is that today, almost every major vendor's commitment to the channel and channel marketing programs are virtually the same. You could almost transpose the vendors' names on their channel program brochures because they are so similar in their messages.

Assuming you are not launching a major break-through product with your recruitment campaign, the telesales script should focus on the highest priorities of the partner type that you are attempting to recruit which is typically: "how can I make more margin and be more successful selling your products"?.



## Email, Webinars and FAX

In addition to the telesales team contacting the prospective partners by telephone, other vehicles of communication should be considered to augment the telesales direct calls.

Email messages should be developed with similar messages as the script and contain a call to action. Carefully targeted and compelling emails are an effective vehicle to increase the momentum of the recruitment campaign.

Recruitment webinars provide you with the opportunity to add additional excitement and interest for your recruitment campaign. Webinars are also effective for inviting those partners that indicated an interest in your partner program, but that have not yet made a decision to join. Scheduling these webinars bi-weekly provides your telesales team with another beneficial recruitment tool.

## Initiating the Calls and Recording Results

Electronic call reports and email history logs with dates and comments must be maintained for each individual recruitment target in order to measure the progress and end result of the recruitment campaign.

## Reporting Category Considerations:

- Incorrect contact information should be flagged and new contacts within the target company should be automatically sought to continue the recruitment activity within the company.
- Identify companies that no longer exist, do not meet your program criteria, are not in the IT business or that are current partners. You may be able to obtain new prospect names from your list vendor for certain categories that do not qualify for your program.
- Identify companies that are not interested. The telesales team should obtain the specific reasons why the target partners indicated no interest. This category should be carefully examined to determine if you are able to counter their rational. The information gathered is also key input for later analysis of your program offering.
- Interested companies should be classified in priority order (high, medium, low) for further follow-up. The telesales team should reschedule calls quickly to the high interest category. The recruitment webinars should be utilized to target the medium and low categories.

Identify partners that qualified and completed a partner application form. The application forms should be tracked and reported to ensure the authorization process is timely



## Partner Profiles

At the point of obtaining a partner's commitment to join your partner program, it is important to obtain a profile on each partner. This will enable you to understand the capabilities, solutions, demographics, etc., for all of your new partners. This data can be used later for multiple initiatives including targeted sales and marketing programs by market, solution, geography, etc.

## Post-Recruitment: New Partner Nurturing, Development and Support

Recruiting new partners is the first step. Quickly engaging, enabling and supporting your new partners is your critical next step, otherwise the partners may become just another name on your list of unproductive partners that are not generating the revenue and business results you desire.

Channel partners of all sizes, including partners that purchase through distributors, are now beginning to expect their vendors to provide a higher level of support that will solidify the partnership, strengthen mutual business growth and develop trust and loyalty. In order for this to happen, there must be a catalyst in place to satisfy those needs.

Many IT vendors are turning to outside sources to cost effectively implement and manage the partner engagement, development and support functions. If these services provide sales and technical enablement, education and training and technical support all in one program it becomes the catalyst for a true robust partner nurturing and development program.

## Sample Components of a Partner Nurturing and Development Program

- **Welcome and Awareness** – One of the highest priorities is to quickly engage the new partners and establish a valued and positive relationship. Within 24 hours of being approved and authorized, a nurturing and development team member welcomes the new partners to the vendor's partner program.

It is critically important that this first call communicates categories of "high interest" information that is important to the partners. Otherwise, the partners will have low interest in accepting or returning future calls.

During the first call, the partners should be walked-through the vendor's partner website identifying key sales and marketing tools, provide direction to obtain passwords and IDs, review the recommended sales and technical training courses and ask what their priorities and needs are to get engaged.

At the conclusion of the call, the partners should be emailed information that includes the "high value" information discussed, such as the latest incentive programs, new sales tools, etc., and information for contacting the nurturing and development team.



- **Partner Training** – For most IT vendors, it is vital that the new partners immediately enroll in training courses. The nurturing and development team works closely with the new partners to identify the courses that are applicable to the partners' specific requirements. A team member will work with individuals or the partners' entire team to provide information on categories such as certification, prep materials, online courses, course schedules and assist the partners to register for the courses.

The team maintains the status of partners that have or have not enrolled in training. If a partner has not enrolled, the team periodically contacts the partner to determine their intentions to enroll.
- **Partner Solution Development** – Enabling the partners to easily and quickly port or develop their solutions on the vendor's platform will accelerate the partners' go-to-market capabilities. The nurturing and development team members are instrumental in enabling partners that sell solutions to support their solutions on the vendor's platform. The team provides guidance on using all of the vendor's available technical tools, downloads, drivers, labs, trouble shooting tricks, tips and traps and aligns the partner with the appropriate level of technical support when required.
- **Support for Partners** – Vendors typically utilize their own resources to support the sales and technical needs of their partners that have a direct relationship with the vendor. Today, vendors realize the importance of providing sales and technical support to their partners that purchase through distributors. This is especially important to those vendors have focused on the small and medium market. The route to the small and medium market is through the smaller partners that purchase through distributors.

In order to cost effectively support the small/medium base of partners, vendors may choose high-touch, high-volume and low cost support programs offered by organizations that have years of experience supporting vendors' partners. These programs provide seamless live on-demand chat support, email support and one-on-one live support with subject matter experts.

- **Partner Go-To-Market Plans** – After the partners have been indoctrinated, trained, and their solutions are ready to go, the nurture and development team interfaces with the partners to accelerate their sales activities to ensure the partners are fully engaged and are actively marketing and selling the vendor's products and services.

The team maintains an understanding of the partners' sales-readiness status and provides assistance in whatever category is necessary to begin actively selling. Some of the actions may be to direct the partners to marketing collateral, competitive data, customer presentations, configuration guides, proposal templates or other material located on the vendor's partner website.

Other sales assistance may be in the form of offering the partners sales lead telemarketing campaigns, webinars targeted at prospects located in their geographic sales territory and other assistance designed quickly begin generating revenue with the vendor's products and services.

## About Computer Generated Solutions

Computer Generated Solutions (CGS) was established in 1984 with headquarters in New York City. CGS has over 1,800 full time professional employees, 29 worldwide facilities and customers in 20 countries.

CGS's Channel Enablement Services is a major practice within the company. CGS provides end-to-end channel development services through the most cost effective, comprehensive and innovative channel partner recruitment, enablement, development and support programs.

## Contact Information

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## Conclusion

We started this paper explaining that designing and implementing product distribution strategies today, with all of the layers of distribution channels, are not very complex and it isn't. However, channel partners play a key role in determining the success of your channel program. They are the ones that ultimately influence the customer's final purchase decision. How you choose new partners and enable them are key considerations when planning your channel strategy.

Hopefully, we have introduced concepts that will assist you with your channel strategy decisions. Programs described in this white paper may help you to reach down and engage, enable and support your partners with added value that will assist you to influence your partners to recommend your products and services to their customers.

