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Article

**In Addition to Implementing PRM and CRM Software, What Can
Be Done to Improve Channel and Alliance Performance?**

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In Addition to Implementing PRM and CRM Software, What Can Be Done to Improve Channel and Alliance Performance?

In many companies, PRM and CRM have been purchased to automate channel and alliance processes with promise that these software solutions will greatly improve results and decrease partnership program costs. Companies like ChannelWave, ClickCommerce and Seibel are the leaders in providing these software solutions. Leads can be distributed and followed up on faster. The most qualified partners can be given leads that they are best qualified to sell to. Information can be pushed to the field versus being pulled down by partners. Account conflicts can be reduced because accounts can be more easily registered by partners. MDF fund approval processes can be automated. Partner forecasts can be more easily captured and then distributed in the vendor's organization. New partner selection processes can be automated. Partner performance can be quantitatively measured against expectations. The companies that have implemented these solutions have laid the foundation to gain a competitive advantage.

Due to the recession that began in 2001 and until fairly recently, a couple of things have happened. Many companies have, out of necessity, focused resources and investment away from alliance programs and into a more internal sales and services focus. Non-performing alliances have been ignored entirely. Relationships with partners which were generating revenues have broken down. Many channel and alliance relationships are in a state of disrepair. Vendors are struggling with how to re-engage partners and gain mindshare in order to generate revenue. Partners often represent multiple vendors. Partners have a choice of what they sell, when and to whom. In order to gain mind share and re-engage partners, vendors have taken steps to increase margins paid to partners and redesigned their channel and alliance programs.

So, what can companies do to create change and excitement in their channel and alliance programs? What can be done to gain partner mindshare in the technology and telecom space where the market is so highly competitive? In addition to implementing PRM and CRM solutions to improve efficiencies, what can be done to improve results? Partners are leery of believing that when their vendor announces a new and improved program, that things will be better and that they will be able to sell more and make higher profits. The number of companies that have made such an announcement is somewhat alarming. Vendors believe that announcing a new program will drastically improve results. How can these views be so different? Perception is often reality. If one believes something is true, then it is. If others agree, it becomes reality. Collective agreement becomes truth. Therefore, if a perception is to be corrected, the perception must be addressed, not the reality that it has become. Most corporate and commercial is about presenting information in ways that promote understanding, encourage participation and facilitate the ability to drive results. Acknowledging and defining what people know, as well as, what they perceive, is not a game. Success will come from honesty and a willingness to share information.

A vendor's partners are not the vendor's employees. Partner companies are separate business entities that may have different strategic objectives and goals from that of the vendor. Their motivations and perceptions may be different. These motivations and perceptions must be measured and accounted for as a critical part of a vendor's channel and alliance program measurements. The marketing 80-20 rule applies here. In most vendor companies, 80% of partner revenues that are generated come from the top 20% of the vendor's partners. In same way, 80% of a partnership's ability to generate to meet expectations can be impacted by the 20% of the total variables that represent motivation and perception.

In order to have a complete partnership perspective, more than just quantitative results must be measured. Partner satisfaction should be measured in numerous areas. The combination of all of the satisfaction measurements, when combined with quantitative results can show a vendor where to spend time and money to improve the perceptions, which will, in turn, improve quantitative results. As partners become more satisfied with their relationship with a vendor, mindshare is improved. When partner mindshare is improved, motivation and effectiveness will improve. These improvements are critical to driving performance and improving partner results. It will also improve the utilization of PRM and CRM solutions by partners. Forecasts will come more often and be more accurate. Leads will be followed up on more quickly. Lead results will be posted back to the vendor. Partner accounts and opportunities will be registered more often as trust and mindshare begin to build.

The combination of measuring both quantitative results and the qualitative factors that impact them, and then, making program changes based on the inputs, will increase results, grow the relationship and make for more effective use of PRM and CRM software tools.

For more information, please contact AllianceAnalytics (<http://www.allianceAnalytics.com>) at 312.440.0581 or info@allianceanalytics.com .