

Empowering your channel partners

To effectively equip your channel partner managers and train your channel partner sales force

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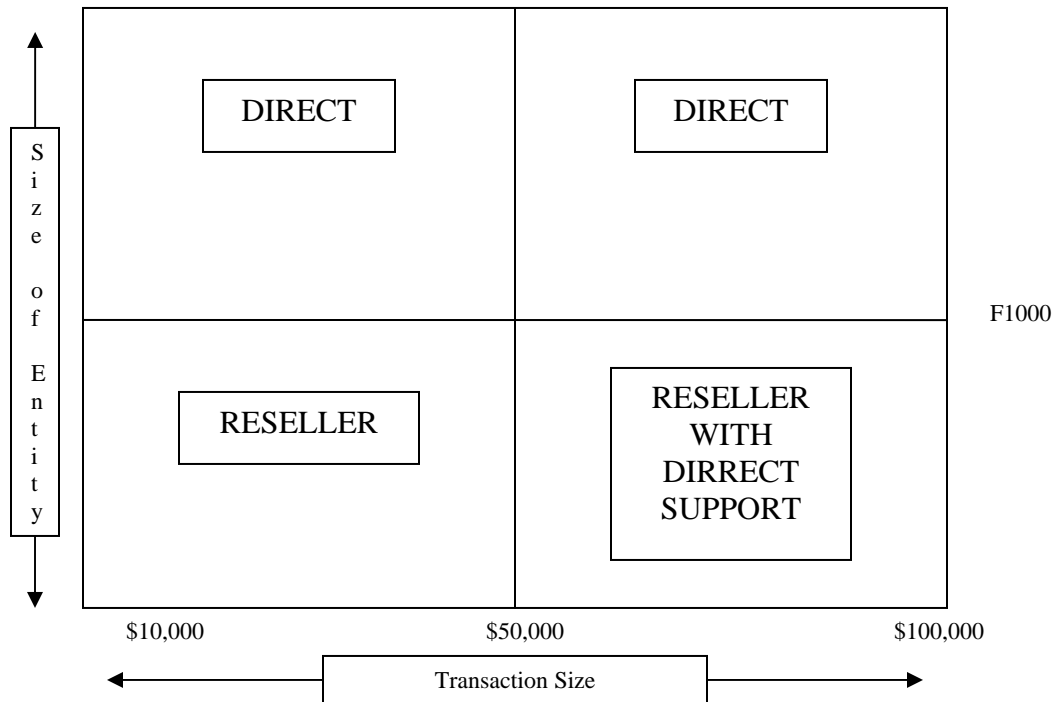
Many organizations are using a blended approach in their go-to-market plans, mixing the use of a direct sales force and an indirect channel partner model. Aside for the traditional challenges such model generates, there are a few truths that need to be acknowledged:

1. Channel partners never create demands for the manufacturers' products and services. That is the responsibility of the manufacturers. The only exception is OEM partner that behave more like end-users and not indirect reselling partner.
2. Channel partners are in business for themselves, promoting their offering, their services, their value added.
3. An indirect channel model is not cheaper than a direct sales model. I can be more expensive when discount points, lead generation programs, special promotions, training, and other incentives are factor into the cost of having such a distribution and coverage model.
4. Channel partners will compete with your direct sales force into your large accounts if their domains of activities are not properly framed and market/geography/industry/specialty focused.

That said there are challenges that are less obvious in using a blended channel approach to marketing one's offering.

COVERAGE MODEL

A critical element in helping mitigate significant headaches is to ensure that your company has streamlined its matching of its transaction size with the size of the entity you want to see covered by channel partners vs. your direct sales force. Here is one simple example illustrating what I am talking about.



Sales organization should also consider addressing the following matters:

- Mapping Geography coverage
- Industry or segment specific coverage specialization
- Specialty skills or offering coverage

We won't address in each and every one of them in this article, although suffice to say that these are paramount to any healthy channel mapping model.

COMMON CHALLENGES IN DIRECT AND INDIRECT SALES FORCE

There are common challenges to any sales person that needs addressing whether they are selling directly or indirectly.

1. *Ability to effectively describe how your offering can be used by your end users to achieve their goals or solve their challenges.*

Channel managers as well as direct sales people believe that if you “show up and throw up” your product features and functions, the prospect will magically understand what to do with IT (your offering) and buy IT from you. Simply put, NOT is the answer to whether this approach of product training and feature presentation is effective. There is this old say: You get delegated to the person you talk like. Any (let me repeat this) any representative of your company needs to learn how to describe HOW your product (offering) can help its potential user solve a problem, satisfy a need, or achieve a goal, and target the conversation to the specific titles they are talking to. If they learn to speak the language the executive speaks, they will only be delegated downward to prove what they say. If they do not talk like the senior executive, then they will get delegated to the people they speak like. This will result in lengthier sales cycle, costly sales engagements, and most probably a “no decision” ending to do business with you.

2. *Sales people are greedy in that if a direct sales person uses an indirect channel, they would want compensation for any business secured in their territory.*

Even though this is a fact of life, it reveals another significant challenge companies need addressing when managing blended sales coverage: Compensation. The best and most effective way to direct and align sales people's behaviors is through their pocketbook. Relating this to the coverage model we discussed above, it is critical to align compensation with the desired company outcome. No more double compensation, no more greedy behavior enabling, and no more pay for no work. Focus the sales force on larger engagements/accounts, and use the focused and managed channel partners for higher volume, lower price point, smaller accounts penetration and coverage. That will generate peace in the ranks and more harmonious market coverage.

3. *Sales people left to themselves will use different selling methods that may conflict with the image the company wants to vehicle (convey), spoil the companies' ability to accurately and reliably manage and grade its pipeline, and cede the client experience to a third party over which little control can be exerted.*

This is a bit trickier. If you are in a dominant market position with your offering, your geography coverage, or your specialty, you can dictate an end user's sales engagement process to your channel partners. If you are not, then it becomes a negotiation. The manufacturer that best influences its channel partners by providing their support, sales tools, conversation-based sales training will be in a much better position to get their sales engagement model embraced.

INDIRECT CHANNEL MANAGERS – OUR FOCUS

I want to focus for a moment on the skills and behaviors a channel partner managers would want to master when dealing with her channel prospect.

1. *Develop a conversational list, a list of the titles she would need to speak with, with each respective titles' goals or challenges they face for which your offering can help achieve or resolve. Some examples of such goals are: improving margin contribution; bring in complementary offering to more effectively address end users' needs; optimize mix of offerings and services; increase sales volume; lower cost of implementation and maintenance support.*
2. *Develop reasons why the channel partner should consider working with you instead of an existing manufacturer already in their portfolio. (This is indeed a replacement game today). Examples are: hot market, hot offering, complete marketing and lead generation program support; higher margin points; training; incentives; quality; good up sell opportunities for the channel partner's own service offering from selling your products/services.*
3. *Create selling tools like success stories, goals and benefits statement to achieve in such a partnership, and competitive responses to predictable objections.*



4. *Prepare your channel partner support plan that includes elements like training, joint call plans, brand marketing, advertising and promotional campaigns, sales support and lead generation programs, order processing, inventory carry over issues, restocking... This is important as many channel partners were burned in the past and you have to differentiate yourself from these past experiences by helping your channel partner see how different you are.*

Once these are in place, engage in a CONVERSATION with your channel partner to learn about their situation. Determine what goals they would want to achieve if they were to consider doing business with you. Identify what challenges they face with their existing manufacturers. Once you have established some level of trust, competency, understanding of their situation, and have shown them how different you are in your approach to selling through partners, then and only then can you start talking offering and how they can use it, (and how their end users can use your offering) to achieve the goals and benefits you have created in their mind.

At this point you may have a qualified channel partner motivated to do business with you and ready to go ahead. Unfortunately this is only the beginning of the courtship. The fact that all parties have agreed to do business together is only a statement of good intentions. Where many channel partnership fail is in the implementation and execution of the contract terms. Here are simple steps you can take to ensure some incremental successes:

1. *Deliver on promises and always inspect what you expect.*
2. *Constantly fight for mindshare through regular visits, training, involvement in deal reviews, joint sales calls, reporting of activities, qualifying the opportunities before many resources are spent, treat the channel partner sales force as an extension to your own (whether you have one or not).*
3. *Deliver the tools and situational conversation prompters and guides to ease channel partners' sales activities. This alone will differentiate yourself from your competition and secure the mindshare necessary to get the revenue you expect.*
4. *Implement the promised programs (lead generation, brand, advertising and other marketing programs) in cooperation with the channel partner.*

Please remember that a channel partner sales force will sell what is easier to sell for the largest margin and quota contribution it can secure. Be that manufacturer and you will succeed. Don't and your sales activities will cost you dearly.

IN SUMMARY

Selling skills are very similar whether applied to a direct selling model or an indirect channel partner model. There are total similarities between a direct sales force and a channel partner sales force. The later is just an extension to your own. Developing effective channel partner managers implies similar rules and behaviors as developing direct sales people. As a quick review your channel partner managers will need to know how to:

- ID target titles to call on
- Learn about the company through some research
- Develop your conversational prompters/guide by title and goal they want to achieve
- Diagnose conversations to learn as much as possible before any prescription (products) is offered
- Learn what has worked for the channel partner in the past and what has not. Adjust your offering to this particular situation

What are the expected benefits you can see from training your channel managers along these guidelines?

- It will make your offering easier to sell by describing how it can be used by the end users
- There will be consistent positioning of your messages and offering across all your channels (direct and indirect) and you will more effectively influence the end-users' experience.
- Product training gets complemented with product usage training. This will enable all to benefit from guided conversational tools developed around your unique capabilities. Their content will facilitate new product and service introduction to the entire channel partner sales force.



- Pipeline and opportunity management will be more consistent across all channels. This will make sales resources allocations more effective, assessment of pipeline more accuracy and reliable, and coaching sales activities at the opportunity level.
- It will make managing channel conflict, grey market activities, and account/opportunity ownership easier.
- Providing channel partner sales force with the option of being trained in this new sales approach can differentiate your company from the other manufacturers in the channel partner's portfolio. This will help you gain incremental mindshare resulting in incremental revenue and increased loyalty.
- It will shorten the ramp up of new channel partner managers as well as channel partner sales representatives should the training be extended to both audiences allowing them to have more effective sales calls and conversations with their prospects.

Many companies have decided to implement a blended selling approach using both direct and indirect sales forces. Indirect selling can be more effective and cheaper than a direct sales model if appropriate coverage mapping is well thought through, and training is provided to the channel managers and the channel partners' sales force. Product training is no longer sufficient. Teaching these indirect sales "agents" to more effectively present HOW your offering can help the end users achieve their goals, solve their problems, or satisfy their needs is the first step. Aligning the compensation to the company objectives and to the expected results from each of the sales channels is also critical. Finally, make sure, if you expect some behaviors and results from your different selling entities, to inspect what you are keeping these entities accountable for.

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