Grow Revenue by Integrating Partner Channels into Your Sales and Marketing Process

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Table of Contents

"For as long as I can remember there has been a strong distrust and even contempt between Manufacturers and their Sales Channels, especially Distributors. Distributors don't trust Manufacturers because they think they will go direct to the End User and cut them out. Manufacturers don't trust Distributors because many Distributors have their own brand of competitive imports that they prefer to sell and only sell the Manufacturers product if their customers insist on it."

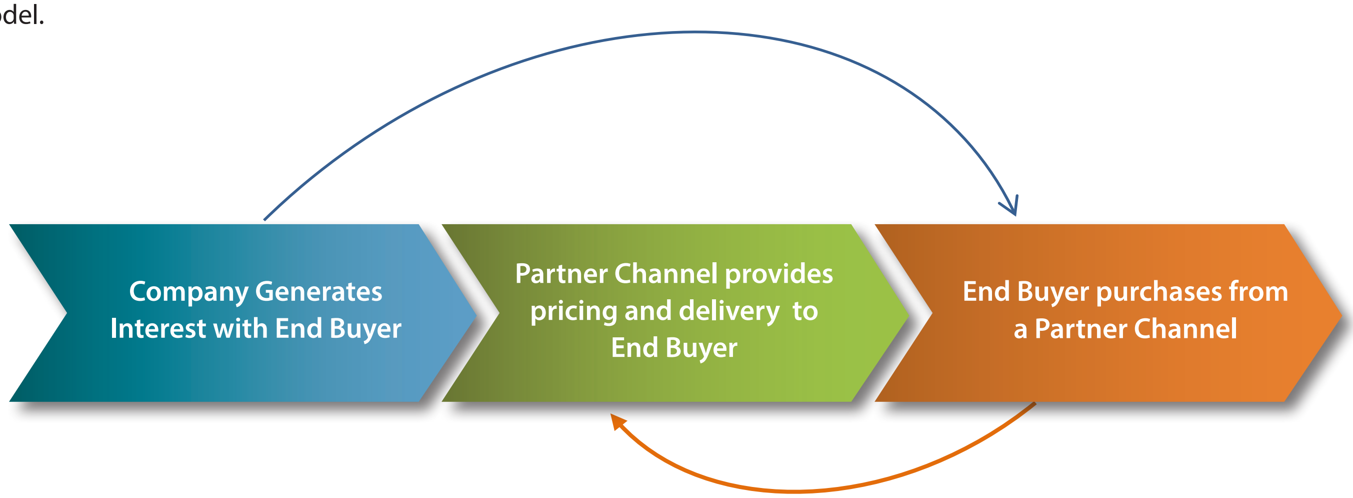
-President NA, Fortune 500 Manufacturer

Partner Channels - the missing link
(Are you out of the loop and out of their minds?)

For companies that sell through Partner Channels (Distributors, Dealers, Retailers, VARs, etc.) it is impossible to domesticate the untamed sales and marketing process and improve business practices without including all of the players in the sales cycle. And when a proven business model is embraced to identify and manage connections between the players, relationships between the three main entities involved in the sales process will be forever strengthened.

• The End buying customer
• The Company's sales force
• Partner Channels that ultimately makes the transaction and delivery of goods to the End buying customer.

Here's the typical path between creating demand to consummating a sale with an End Buyer in a one-step distribution model.



But what's wrong with this picture?

- Once the Company has generated interest with the End Buyer, they are disconnected from the End Buyer and dysfunctionally dependent upon the Partner Channel to push sales of their products into the end zone.
- Checks and balances (and the richest of marketing intelligence imaginable) are lost in this process. Without requiring accountability to report the outcomes of leads generated, the Company's marketing investment in generating demand (leads) goes into a proverbial "black hole". There is only a hope that the Partner Channel will place orders with the Company as a result of the need to replenish inventory.
- It fails to recognize that Companies are continually competing for share-of-mind with their Partner Channels – who many times have hundreds if not thousands of SKUs to sell. They can't possibly know enough about all those products to make informed recommendations to End buying customers.

Six key business applications affected
(The dominos fall)

Sales conversion is not the only part of a Company's business that is impacted by the lack of Partner Channel integration into the sales and marketing process. Each of the following applications suffers when the untamed processes with Partner Channels remains unmanaged:

1. Lead Management *(Who's playing ball? The "New Deal")*
2. Sales Forecasting *(C'mon, are you serious?)*
3. Relationship Management (*Show the love)*
4. Marketing ROI Measurement *(Hey, where's the marketing money going?)*
5. Partner Channel Promotions and Co-op funded marketing programs *(Employee bowling parties or sales bacon?)*
6. New Product Launches *(It's a great product, why isn't it selling?)*

Lead Management (Who's playing ball?)

The most prevalent scenario that compromises Partner Channel relationships (and puts a potential sale in jeopardy) occurs when:

- A lead is generated by a Company
- The Company "dishes off" the lead to a random Partner Channel
- End Buying customers often prefer to purchase from specific Partner Channels. Sales suffer when these players are not connected.

This risky channel conflict occurs when the End Buying customer has only one or two Partners they can purchase from because of an existing contract relationship or preferred vendor status.

Failure to respect existing buyer/customer relationships leaves the Partner Channel with the impression that the Company is hijacking their customers and promoting a competitor Partner. Since all the players are human – and operate from an emotional level - this compromises a basic tenant of trust. It could be the death penalty of the relationship, not to mention, lost sales.

But how is a Company supposed to know about these relationships?

An efficient sales process will link the End-Buying customer to the Partner Channel they prefer to purchase from by including this data field on response forms - and adding this critical information to the marketing database to include in future sales and marketing activities. Capturing this information will assure that the Company brings the appropriate Partner Channel into the deal. Connecting the players and respecting existing relationships will result in happier End Buying customers, more loyal Partner Channels – and more sales.

Lead Management (The “New Deal”)

Without feedback accountability – being brand loyal to the Companys’ products becomes optional. The Partner de-values the sales leads (and the marketing investment required to create them) that they recieve from the Company. To inspire accountability, the Company needs to redefine the currency of Partner cooperation by measuring the sales conversion rates and the experience of the End Buying customers they send their way.

“I (The Company) will send leads (that incidentally, I paid for) to you (the Partner Channel) if you reciprocate by recommending my brand, providing competitive pricing and delivery and a positive experience to the End Buying customer.” Do we have a deal?

Consider also that the Company may have created barriers to connecting the End Buyer to the best-suited (or desired) Partner Channel within the design of their customer-facing infrastructure, specifically, the “where to buy” page on their web site. Too frequently, companies serve up a listing ofPartners by geography or vertical market served. This model removes the ability for a company to deliver leads to Partner Channels in a controlled and measureable manner. It also requires the End Buying customer to jump through extra hoops to find, call and inquire about price and availability. Furthermore, the company gets no credit for driving business to the Partner channel and will be forever unaware of the sales outcomes, an absolute necessity for ROI measurement, and how to improve marketing results.

Sales Forecasting (C’mon, are you serious?)

Another on-going issue with companies, especially those who source their products in Asia, is accurate sales forecasting. Without discovering and tracking “buy/no buy/pipeline plan to buy” End-Buying Customer sales outcomes, sales forecasts are simply guesswork. With End Buying customers and Partner Channels expecting just-in-time delivery of products they need and are extremely adverse to holding inventory of any kind, this poses a risk to the Company either having too little or much inventory in their warehouses . Even if the company has great products, back orders let competitors in the door that can undermine years of loyal buying and sales investment. The value of the relationship with a company can be forever tarnished when product can’t be delivered in a reasonable time period, especially if it disrupts the business of the End Buying customer.

Relationship Management (Show the love)

Relationships will be improved and more products will be sold when companies integrate their Partner Channels directly into the sales and marketing process.

"Integrate"? What does that mean?

Partner Channels typically have several (if not hundreds) of companiess and competitive products they can push to a buyer. The best of breed companies understand that in addition to competing in the marketplace by designing and making products customers want and need, they are also competing for the mental bandwidth … the share-of-mind … of their Partner Channels (and sometimes their own sales reps). One of the best ways to win the mental bandwidth war is to continually supply valuable sales opportunities (leads) that win business. Other methods include providing easy to access and customized catalogs, product sell sheets, technical guides and selling tips, or online training videos that focus on new products launches.

To win the hearts, minds (and wallets) of Partner Channels requires creating and sharing sales opportunities (leads) in a controlled, measureable way. This places your brand and products in front of them on a regular basis. Partner Channels only purchase from the company if there is focused demand for their products. If you help generate that demand – share the fruits of the demand creation process - and make it easy for Partner Channels to close sales and protect deals as a result, they will become loyal brand advocates.

Managing relationships with End Buying customers is critical to growing sales. Never (ever) forget that End Buying customers are consumers at home when they are not on the job (B2B). They'll buy from a company with the same "convince me" selection criteria used to purchase a flat screen TV, laptop or lawn mower. With their consumer hats on, they have come to expect and appreciate prompt deliver, easy access to information and support, and performance value equivalent or greater than the cost. Excellent follow-up, quick price quotes, knowledgeable sales support and just in time delivery is what businesses expect to receive. They will purchase from those companies who truly deliver that level of service with or without Partner Channels.

Effectively integrating Partner Channels into the company's sales and marketing process helps make the required level of service possible. It is a win-win-win for the triangular relationship between a company, Partner Channel and End User customer.

Marketing ROI Measurement (Hey, where's the marketing money going?)

With all the blather about measuring marketing ROI, there is no way (zero, none) for a company to accurately measure ROI from their marketing investment without Partner Channel and End Buying customer feedback.

Many companies are falsely seduced into believing that ROI measurement can be calculated from the number of leads generated, visitors to a website, pages viewed, visitors to a trade show booth, social media chatter and other 'interesting datapoints. But this style of measurement cannot draw a financial line from a discrete marketing event's cost to the incremental profit generated that would satisfy the acid test of a CFO.

Serious problems for a company's business? You bet!

Setting marketing budgets that will support sales goals requires defending a budget with solid numbers. Without ROI evidence, marketing budgets are vulnerable and likely the first to be chopped. The calming news is that with historical, accurate ROI data – and a revved-up business process that will deliver this intelligence - a company has set the table to achieve as high as a 90% accuracy level in how much (and how) they need to invest in marketing to reach sales revenue goals.

Accurate marketing ROI measurement provides a clearer understanding of the marketplace and End Buying customers – and shines a spotlight on high value prospects to target. Driven by information, marketing teams become savvier in determining where, how and when to make marketing investments. This is driven by relating marketing ROI to the business characteristics of the buyer, such as industry type or market segment, responding media type, marketing 'message' and frequency of contact. And with the continual goal of improvement, (spending less to gain more), ROI will increase year over year.

Partner Co-op Marketing Programs
(Employee bowling parties or sales bacon?)

With the ability to tie End Buying Customers to Partner Channels, company-sponsored marketing programs (co-op funds) can be spent in more effective ways (and measure ROI along the way).

This may go against the grain of tradition, but consider a company-funded campaign co-sponsored or co-branded with a Partner Channel.

For example, if a company really knew which Partner Channel an end-buying customer wanted to buy from - (driven from data collected as part of the marketing process)- marketing programs could be executed with a goal of driving business to the preferred Partner Channel who 'owned' the relationship. Typically, the ROI from this type of program is twice as high as traditional co-op spends.

New Product Launches (It's a great product … why isn't selling?)

One of the biggest mistakes companies make in launching new products points to a failure to effectively integrate the Partner Channels into the take-to-market plan.

To push the product, it's going to take more than sending the Partner Channel a new product guide or the latest catalog. Clearly, getting product information to selling partners is necessary, but what they really want is for a company to create buying demand. Without End Buyers "raising their hand" with an interest in making a purchase, Partner Channels take a "wait and see" approach and will only order inventory once buyers are asking for the new product.

Consider the company that executes a series of marketing treatments to launch a new product. This could include featuring the new product at a trade show, banner ads, webinars – and add in an email campaign that targets a list of prospects from a robust marketing database. The End Buying customer exposed to those marketing events responds but can't find a Partner Channel that has the new product in stock and can't wait for that to happen so they purchase a competitor product. How should this be maneuvered? Better yet, how can this scenario be prevented?

Ok, that's a problem. What's a solution?

Imagine a new product launch where the "rules" include only sending leads to Partner Channels who have the product in stock prior to the official launch? When Partner Channels are included in a highly orchestrated attack, sales traction is not only higher - its realized 3-6 months sooner.

Pretty simple – but is it politically doable? It will be if you want to realize successful product launches (and have the technology in place to back it up).

Four key considerations for integrating Partner Channels into your sales and marketing process

1. Some companies have hundreds of Partner Channels and cannot effectively integrate all of them at once. The sheer number can be intimidating. Begin with pointing the integration compass toward the top two tiers based on sales volume. They deserve to be rewarded for their commitment to your business and the sale revenues they generate. And they're most likely to fully anticipate and appreciate the results.

2. Plain and simple, a sales and marketing technology that provides the capability to gather information that connects the End Buying customer to the Partner Channel they prefer to purchase from (or who stocks the desired product) is critical to success. The technology specified needs to include the ability to obtain feedback from the End Buying customer on the buying experience/outcome and measure and track Partner Channel involvement.

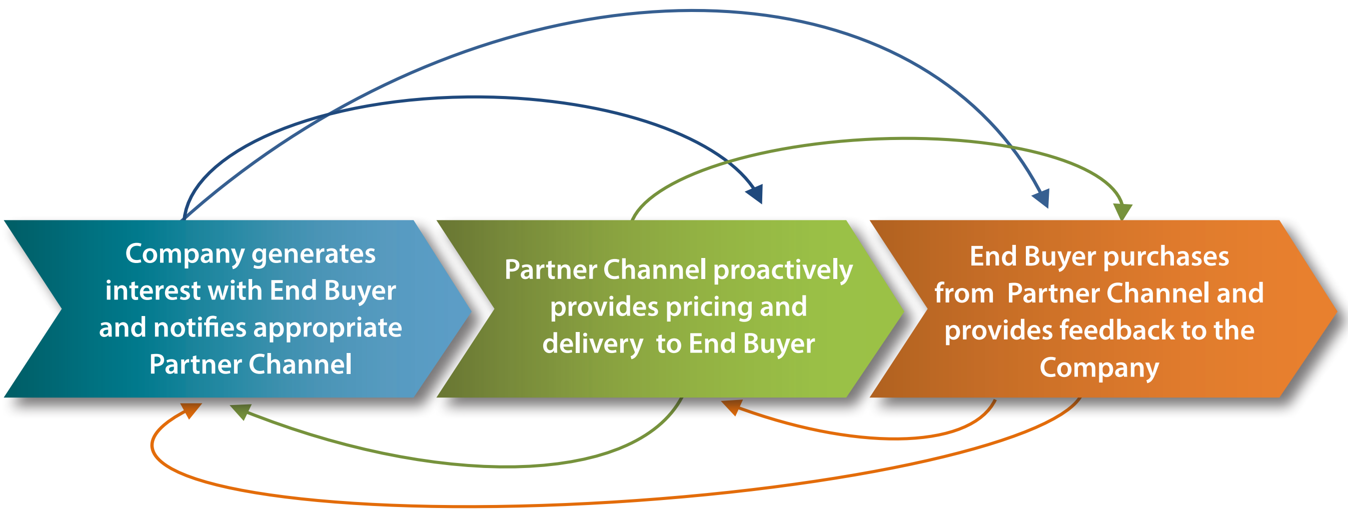
3. Grant captive sales reps the flexibility to choose the Partner Channel that is best matched to close a sale in some cases. Selection criteria can be based on knowing a relationship exists, geography, expertise in a vertical market, relationship objectives or the product lines in inventory. Flexibility is key – as some Partner Channel locations are better performers than others at service, or some just don't stock the product the End Buying customer is interested in.

4. Plan a big promotion to kick off Partner Channel integration. Generating significant demand will help to establish appreciation for the new process and solidify adoption. Make sure Partner training is included. Conduct a communication effort with participating Partner Channels to rally the value of the integrated process. Motivate the sales team (and give them the tools) to continually merchandise success with Partner Channels during the kick-off period to increase buy-in.

Then get ready for a burst of sales mojo!

Conclusion

Integrating Partner Channels into the sales and marketing process can increase sales for a company by as much as 10-20% and profitability by even more. Transforming the business model to embrace this goal will be well worth the effort. When integrated properly, the process flow will take on this characteristic:



As the diagram portrays, the integrated process controls the otherwise untamed portions of the sales cycle leaving less room for attribution and lost sales. In addition, the rich information the Company collects as a result of the improved process provides ground-level intelligence that would otherwise be lost.

About NitroMojo®

NitroMojo is a SaaS that domesticates the untamed business and marketing processes that are unique to companies who sell through Partner Channels such as Distributors, Dealers, Wholesalers, VARs and Retailers. Its unique "secret sauce" features the capture and integration of End Buying customer data and feedback and integrates it into critical organizational processes like Sales, Marketing, Channel Management and Product Management while delivering over 40 dashboards that provide business intelligence and customer segmentation never before possible.

A powerful automated Voice of Customer feature supports a customer centric dialog between companies and their End Buying customers to deliver an actionable sales and a marketing process.

For more information or a demo visit **www.nitromojo.com**