

# What is Channel Management?



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# Building a True Channel Management Program



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# Sales Force Assessment Framework



# Account Segmentation

## Finding Your Ideal Channel Partner

- Local or National Focus?
- Generalist or a Specialist?
- Expert in Field or New Entrant?
- Expertise: Installation, Sales, Customization

Ask Yourself: *What Channel Partners will Serve my Ideal Customer Profile?*



*Many Channel Managers say working with Wal-Mart is a mixed blessing. While they have great scale, margins are squeezed extremely low.*

# Lead Management



## Build Marketing for Channel Partners to Attract Customers

- Marketing Materials
- Website Landing Pages
- Best Practice Sharing
- Devoted Lead Development Reps for Channel Partners
- Vendor Distributed Leads

# Sales Process

## Design and Create a Sales Process for Marketers

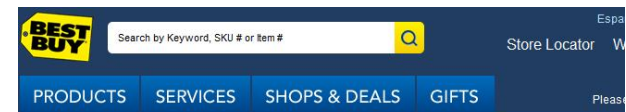
- Is My Channels Partner's Sales Process Aligned with the Buying Process?
- How Do I Incentivize Channel Partners to Train Their Sales Professionals on my Product and on Sales Process?
- How Do I Set Up a System to Provide Exclusivity to a Channel Partner on the Current Sales Opportunity?
- Do My Partners Have Materials for Each Stage in the Buying Process?
- Are my Channel Managers Coaching Their Reps On This?



# How Should My Channel Partners Sell?

- Creating a Standards/ Programs that Require Certain Staff for Desired Channel (Field Reps, Sales Engineers, Consultants)
- Creating Materials for Field Sales, Inside Sales, Website, Trade-Shows, etc?
- Customer Service In-House or Partner Specific?
- Do My Channel Partners Send to End-User retail shops?

***Best Buy's huge recent losses came as buying behavior shifted from Store-Based purchasing to Online Purchasing. Even Lower-Tier Buyers have shifted to websites like amazon.com.***



# Channel Partners Structure/Sizing

- Should I have Multiple Channel Partners in the Same Territory?
- How Many Should I have?
- As Partners Increase, Do Margins Erode to Make My Offering No Longer Attractive?
- How Do I Segment Channel Partners- Geography, Industry, Product, Activity?



*Fast Food Franchisee's Are Often Given Exclusive Radius to the Territory To Reduce Direct Partner Competition*

# Sales Infrastructure

## Creating the Program to Harmonize Vendor – Partner Relationships

- Quota (Volume) and Comp (Margin) Mix
  - Don't cut margin just to get the Whale Partner
- Tiered Channel Partners to Hit Parameters
- Training Programs / Onboarding Programs
- Partner Based Comp Programs (Vacations, Club)
- Key Account Management
- Vendor Program Management

# Creating a Tiered Partner Program

**Note: This Should Always Be a Reciprocal Program. IE – What Do I Get for Moving Up Tiers besides Margin?**

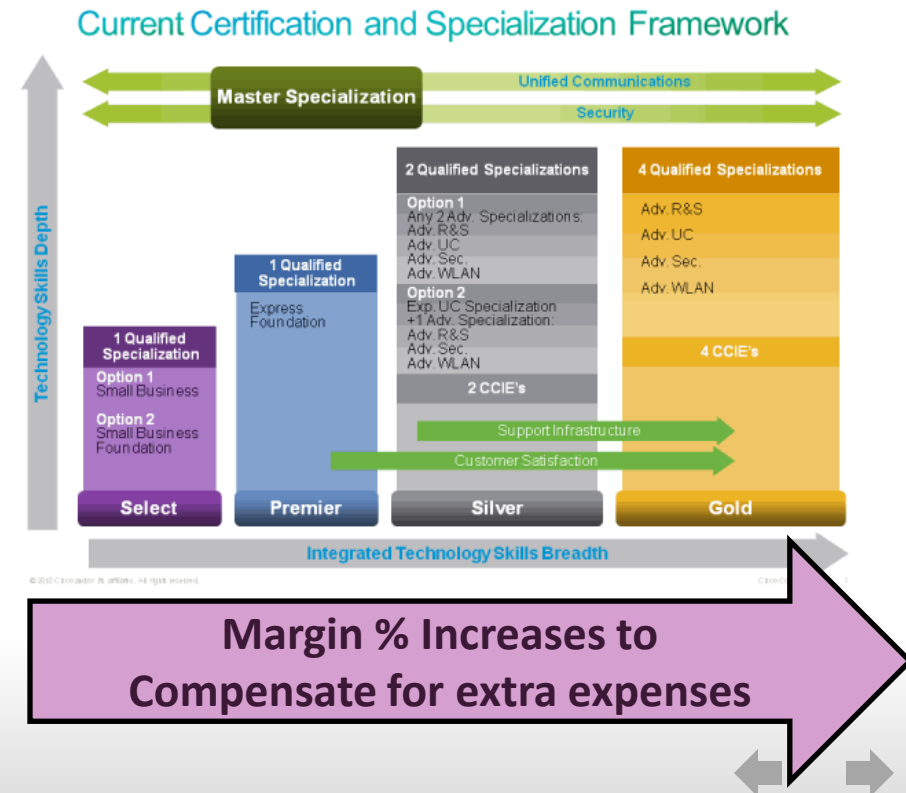
## **Vendor Wants:**

**Expert Sales Reps (Product and Process)**  
**Smooth Implementation**  
**High Close Rates In Competitive Sales**  
**Reputation for High Quality Solution**  
**Maximize Revenues/ Profitability**

## **Partner Wants:**

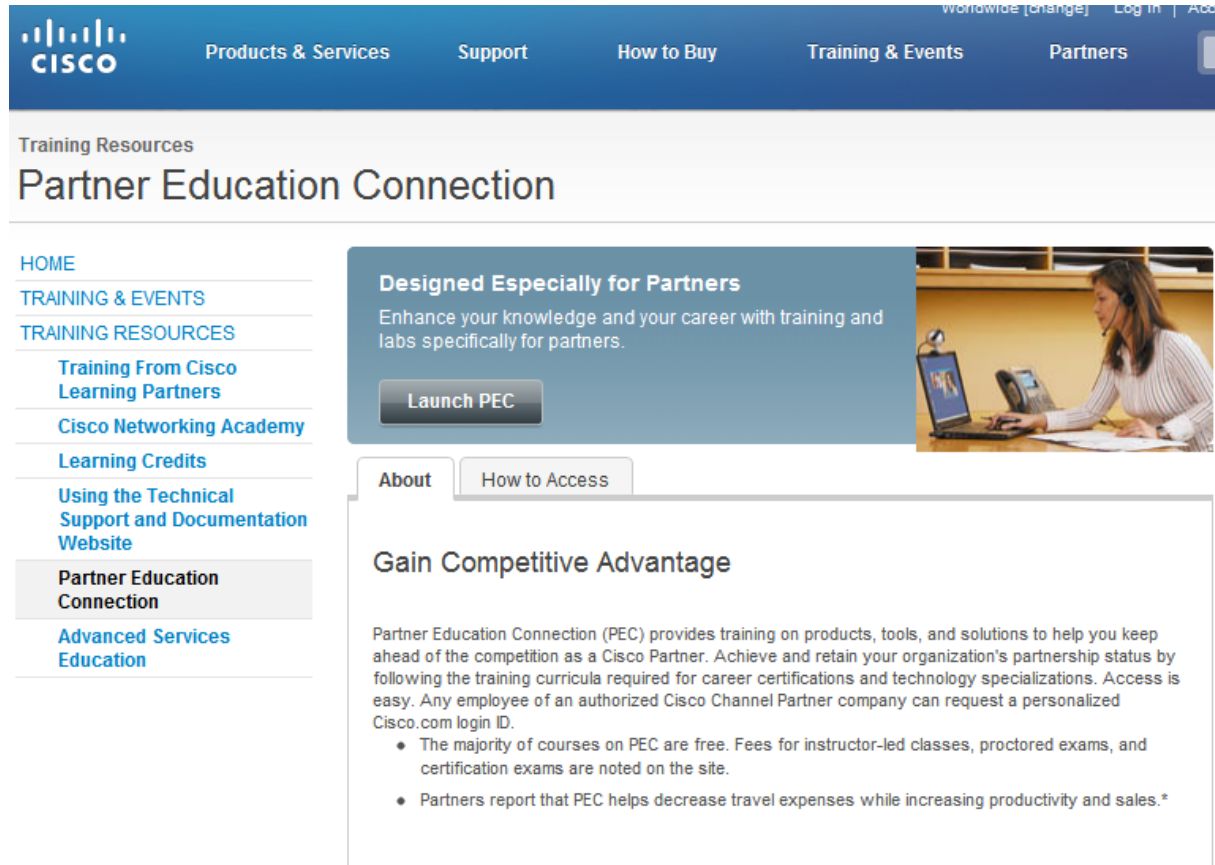
**Great Margins**  
**High Quality Leads**  
**Product with High Demand**  
**Marketing Support**  
**Sales Specialist/Engineer Support**

*CISCO is Widely Recognized as Creating One of the Best Tiered Partner Programs in the IT Industry*



# Partner Training

**CISCO Provides High Quality Training to Channel Partners, Who Must Meet Certain Personnel Requirements in Order to Obtain Certain Tier Ranking. Vendor / Partner Training Payments Generally Vary Depending on Strength of Vendor.**



The screenshot shows the Cisco Partner Education Connection (PEC) website. The top navigation bar includes links for Products & Services, Support, How to Buy, Training & Events, and Partners. The main heading is "Partner Education Connection". A left sidebar lists navigation options: HOME, TRAINING & EVENTS, TRAINING RESOURCES (with sub-links for Training From Cisco Learning Partners, Cisco Networking Academy, Learning Credits, Using the Technical Support and Documentation Website, Partner Education Connection, and Advanced Services Education), and a highlighted "Partner Education Connection" link. The main content area features a "Designed Especially for Partners" section with a "Launch PEC" button and an image of a woman working on a laptop. Below this is a "Gain Competitive Advantage" section with a description of PEC and a list of benefits.

worldwide [change] Log In | Acc

**cisco** Products & Services Support How to Buy Training & Events Partners

Training Resources

## Partner Education Connection

HOME

TRAINING & EVENTS


TRAINING RESOURCES

- Training From Cisco Learning Partners
- Cisco Networking Academy
- Learning Credits
- Using the Technical Support and Documentation Website
- Partner Education Connection**
- Advanced Services Education

**Designed Especially for Partners**

Enhance your knowledge and your career with training and labs specifically for partners.

[Launch PEC](#)



About How to Access

### Gain Competitive Advantage

Partner Education Connection (PEC) provides training on products, tools, and solutions to help you keep ahead of the competition as a Cisco Partner. Achieve and retain your organization's partnership status by following the training curricula required for career certifications and technology specializations. Access is easy. Any employee of an authorized Cisco Channel Partner company can request a personalized Cisco.com login ID.

- The majority of courses on PEC are free. Fees for instructor-led classes, proctored exams, and certification exams are noted on the site.
- Partners report that PEC helps decrease travel expenses while increasing productivity and sales.\*

# Manage Vendor Performance

Vendor/Distributor Scorecard								
Sales	Q2 2012	Q3 2012	% Change	Q4 2012	% Change	Q1 2013	% Change	Trend
Closed Deals (\$'s)								
Closed Deals (# Deals)								
Average Deal Size (\$'s)								
Sales Cycle Length (Days)								
Close Rate (%)								
Vendor Revenue (as a % Distl Suppliers total Revenue)								
Distl Revenue (as a % Vendor total Channel Revenue)								
Pipeline/Forecast								
Joint Total Pipeline (\$'s)								
Total Pipeline (#Opps)								
Next Qtr Forecast (\$'s)								
Next Qtr Forecast (#Opps)								
New Pipeline This Qtr (\$'s)								
New Pipeline This Qtr (#Opps)								
Field Engagement								
# of Distl Reps with registered opps								
# of Distl Sales Reps trained								
# of Distl Sales Engineers trained								
Marketing Effectiveness								
Scorecard	Metric Definitions	Pipeline						

Above is an example of an individual vendor scorecard. Many vendors utilize Channel Management Software to automate tracking of vendors

# More on Channel Management Strategy:

<http://www.salesbenchmarkindex.com/?Tag=Channel+Management+Strategy>



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