



Channel leaders lament not having better visibility into their reseller businesses, but many are at least partially to blame for their woes

Forcing partners to enter data into multiple systems and executing campaigns differently through distributors exacerbates the visibility problem

Communication is key; make it concise, technology-enabled and streamlined for maximum effect

## Improving Visibility in the Channel

In The Who's legendary hit single "I Can See for Miles," the band describes magic eyes that could see right through the haze and uncover the tricks people play. Today's B2B channel leaders could certainly use a pair of magic eyes, as they often struggle mightily to get proper visibility into the results of their efforts.

Those who depend on partners to report on deals and provide general feedback encounter a number of issues; unfortunate is the fact that many are self-inflicted. In this brief, we describe two contributors to poor channel visibility and discuss what can be done to mitigate each, then provide three principles that should guide the creation of channel programs.

### Two Root Causes

Organizations make excuses all the time for why they can't get a clear line of sight into partner activities. Strip away the nonsense, however, and you'll usually find two core issues that drive poor channel visibility, including:

- **Competitive situations.** Partners will refuse to share account-level information if they feel their business is threatened by a supplier's direct sales force or another channel partner. This usually means ground rules have not been set within a channel program, or the program itself is subject to unfair direct sales practices that allow for deal poaching or ambiguous rulings on specific accounts. Organizations that fail to create a level playing field with partners concerning channel deals will not only be hurt by lack of visibility; it also can negatively impact future recruitment efforts or potential alliances. At a minimum, your organization must set guidelines around primary markets and requirements for registering and approving deals, both for direct sales vs. partners and partners vs. partners. Leading channel organizations also attempt to influence partners to register deals by allowing them to fully realize their margin (the profit they make when they resell solutions) when they comply. Some have instituted the concept of placing a 90-day "reseller protect" on newly registered deals, or allow partner reps to participate in incentive programs to encourage them to register opportunities in a supplier's database. Channel partners that permit suppliers to reward individual sales reps may allow these reps to participate in programs where they can accumulate points when registering deals or reporting on closed business. Points are later redeemed for rewards that typically cost suppliers from 1 to 2 percent of sales to fund. In the end, rather than imposing penalties, gain partner mindshare by allowing them to focus



# Research Brief

on the benefits when complying with registration rules; this approach will instill trust in your channel partners as they see the rules apply to everyone.

- **Lack of technology integration.** Lack of integration between marketing automation platforms (MAPs) and deal registration systems used by suppliers, distributors and resellers prevents organizations from knowing which marketing programs are having the greatest impact on partner revenue or how well deals are converting from inquiry to close. As long as suppliers insist on building their own deal registration systems and distributors duplicate their efforts, resellers will have to enter the same data two or sometimes even three times, resulting in lower adoption and subsequent visibility. Best-in-class suppliers address the issue of visibility on a per-campaign basis starting with lead handoff and registration processes by including unique campaign identifiers within lead records distributed to partners. As partners convert leads to registered opportunities, lead records are matched back to the campaign of origin and later populated with updates either from partners or systems (e.g. notification when prospects visit the Web site and consume content). In cases where partners aren't providing regular updates, suppliers may employ channel-experienced teleservices providers that contact the prospect on behalf of the partner, then enter any updates directly into the registration system. If the campaigns are managed through a distributor, registration data is collected from partners in one system, then uploaded into another in batch mode so suppliers can match registered deals with forecasted opportunities.

## Three Guiding Principles

Whether you are adjusting current systems and processes or creating new ones, it's best to bear in mind - and repeat - three mantras throughout the process. They include:

- **Transparency.** What's worse than telling a partner that a lead is rejected? Not letting them know how a supplier arrived at that decision. Be sure to involve partners in the arbitration process, offer partners the proper toolset (e.g. a lead portal) that can be used to check on lead status, and limit the approval process to no more than 24 hours for new leads, as partners should be delivering quick responses to prospects. If any channel conflict arises, each partner (or direct rep) should be permitted to provide input, sharing enough information so that each one can see to what

extent the other is involved with the lead. A predetermined decision process should then be followed by both direct and channel sales management, with a final ruling if needed by a manager of both. Should two partners have an equal shot at closing business with the account, then the first who registered it (barring any unusual circumstances) should receive the assignment, as this will reinforce the significance of registering leads early. Throughout the process, a full audit history should be made available in the record showing when it was first posted, when it was approved or rejected, and what explanations were provided by the final arbiter.

- **Improved communication.** Don't leave it up to partners to interpret the rules; suppliers should promote best practices to enable partners to share leads and register deals. Start by describing channel conflict mitigation processes within your program guidelines. Next, select a notification vehicle (email is best) which will be used to let partners know when a new lead has been received, and whether it has been approved or rejected; each time, provide notification that links back to the partner portal. Once a partner starts working a registered lead, populate the record with any updates (e.g. brief Web reports showing any lead activity) so partners know that your channel managers will be using the record not just to post registered deals, but also to contribute to them. On an ongoing basis, allow partners to email updates or post them directly into the registration record apprising suppliers of any activities on their end as well.
- **Better workflow.** Make it easy for partners to participate in the lead distribution and registration process. Allow them to submit leads without having to log in or learn a new application; many will want to do so immediately after a meeting with a prospect for the first time. Successful approaches begin by offering an HTML form that can be quickly filled out; hitting a "send" button should mail the form into a partner relationship management application. Next, notify a partner immediately when you receive the new lead or post one to take; remind the partner of any time limit to approve or decline a lead, and what will happen if nothing is done. If the lead is declined, again, notify partners why; if approved, register it for them and notify them again when it has been converted. Finally, allow partners to provide input and track any progress, while escalating when necessary based on inputs provided (e.g. customer requests a special discount) as the opportunity is worked.



# Research Brief

## **The Sirius Decision**

Increasing visibility and obtaining better reporting from channel partners is not an issue that can be solved overnight. Suppliers must first root out any sources of conflict that may prevent partners from playing by the rules, then eliminate any redundancy in entering data. Rather than seeking visibility across the board from alliances, distributors and resellers, pilot one campaign with a specific set of partners (e.g. elite resellers) to focus on obtaining metrics throughout the channel waterfall process. Honing in on metrics that describe how leads are converting to registered deals, then being closed by partners, keeps everyone focused on what matters most: growing channel revenue.

