Five Ways
to Engage Channel Partners in the High-Tech Industry

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Introduction

The Role of Channel Partners

Many high-tech companies, including the biggest players in the industry, use channel "partners" to reach a portion of their customers. The experience of many high-tech companies over the past few years demonstrates that indirect sales help open doors to new business opportunities faster, at a lower cost, and with lower risk. For high-tech companies, channel partners assist in marketing and selling their technologies, services, and solutions in markets locally and across the globe. Channel partners can be retailers, distributors, vendors, consultants, value-added resellers (VARs) or systems integrators (SIs).

Channel partners can provide a fast and effective way to penetrate new markets and expand existing customer relationships, allowing high-tech companies to focus on other strategic imperatives and core competencies. Channel partners bring established local-level networks and are closer to customers, and many hardware and software companies are finding that their channel partners influence a significant percentage of their business growth. Channel partners are already a vital part of the high-tech industry including enterprise, consumer, and semi-conductor.
Changes in the Channel

Investing in and collaborating with channel partners is a high priority for high-tech companies. In a survey of 14 large technology companies (revenues of at least $1B), research found that revisiting their channel strategy was one of the top three initiatives cited by CSOs.

Top Sales Effectiveness Initiatives for 2012

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Improving sales rep access to information</td>
<td>57.1%</td>
</tr>
<tr>
<td>Revising/enhancing our lead generation programs</td>
<td>42.9%</td>
</tr>
<tr>
<td>Revising our channel strategy</td>
<td>42.9%</td>
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<tr>
<td>New/additional CRM tools</td>
<td>35.7%</td>
</tr>
<tr>
<td>Revising our sales team structure</td>
<td>28.6%</td>
</tr>
<tr>
<td>Enhancing sales team communications</td>
<td>28.6%</td>
</tr>
<tr>
<td>Revising our sales process</td>
<td>28.6%</td>
</tr>
<tr>
<td>Revising our compensation program</td>
<td>28.6%</td>
</tr>
<tr>
<td>More closely aligning sales and marketing</td>
<td>14.3%</td>
</tr>
<tr>
<td>Analyzing our customer’s buying process</td>
<td>14.3%</td>
</tr>
<tr>
<td>Revising our sales tools to match changing buyer needs</td>
<td>14.3%</td>
</tr>
<tr>
<td>Revising our sales rep hiring strategy</td>
<td>7.1%</td>
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Source: CSO Insights’ 2013 Sales Performance Optimization Study

The high-tech industry is also undergoing an increasing demand for agility, with continual change being the norm. However, research indicates that only 21% of electronics and high-tech companies’ COOs strongly believe they are well-positioned to respond rapidly and effectively to changes in the global marketplace. The constant tide of change is driving firms to rely on channel partners to help identify new opportunities, manage risk, and maximize revenues while managing costs.

This shift in revenue toward the indirect channel has driven increased investment in Partner Relationship Management (PRM) solutions to help achieve the scale necessary to compete. With the rise of Software as a Service (SaaS) and a variety of cloud models enabling high-tech firms to enter new industries and geographies, channel partners are increasingly important as a central component to a company’s growth strategy. Working with and enhancing channel partners is also critical as major industry trends within mobile broadband, consumer demand, and globalization of markets, operations, and product portfolios place pressure on the high-tech industry to rapidly innovate and create more complex solutions. More and more, channel partners will be an integral part of any business change.

Collaboration with channel partners is essential to delivering differentiated value to customers. Companies and their channel partners should use the same tools to enhance their effectiveness.

Managing Partners through Change

Managing partners through a change can prove particularly challenging. The channel is not merely additional sales people within the organization, but is separate entities that need to be mentored, managed, and incentivized differently. Utilizing channel partners is an investment, as programs and strategies should be developed that are responsive to channel partners’ needs and drive them in selling the products and services to the end customer. If high-tech firms fail to make it easy for their partners to sell their solutions, those partners will find other solutions to sell. For example, failure on the part of a reseller to fully adopt a high-tech manufacturer’s CRM system can translate to lost revenue for the high-tech company. If a product or service is easy to sell, partners are better positioned to present it to customers as the option best suited to meet their specific needs.

In this paper we will explore how to appropriately engage and prepare channel partners for a business or technology change. We outline suggested practices for partner analysis and deployment segmentation, partner change management, global partner engagement, and partner adoption.
1. Partner Analytics & Segmentation

**Partner Analytics**

The first step in planning any partner change is to know the partner audience. The team should gather as much partner data as possible from the sales or channel team that manages the partners. Factors to look at include:

- Number of partners and partner end-users
- Tiers of Partners (1-Tier, 2-Tier, Distributor, etc.)
- Partner locations
- Types of partners (gold, platinum, silver, etc.)
- Data for each partner such as quotes per quarter, quote conversation rate, sales revenue per quarter

Based on this data, one can create a partner master list which is used as input to the partner segmentation process.

**Partner Segmentation**

During a large deployment, it is important to segment and target certain partners or sets of partners as “high-touch” or “low-touch.” High-touch partners usually consist of the larger partners in key locations that generate a high amount of orders or dollars per quarter. Low-touch partners are often the smaller, 2-tier resellers that can be managed by distributors. High-touch partners will receive more live training, customized communications, onsite deployment support, and frequent two-way engagement. Low-touch partner may receive more distributor-led or self-paced training, generic communications, and virtual support.

**Deployment Considerations**

After partner segmentation, several deployment considerations should be taken into account to help shape the partner engagement strategy and timeline. For example:

- Executing a “big bang” deployment vs. piloting
- If piloting, piloting to a select group of partners or all partners in a location
- Deploying a set of functionalities or process changes vs. deploying all changes at once
- Blackout periods for fiscal year-end, calendar-end, or shutdowns

When planning the deployments, remember the team is solving for fragmented stakeholders across many companies that have their own business needs and restrictions.

The partner data, partner segmentation, deployment approach, and deployment timeline should come together to create the foundation for the Partner Engagement Strategy.
2. Execute a Partner Engagement Strategy

After segmenting and determining which partners to engage and when, the partner engagement strategy can be developed. Executing a successful partner engagement strategy involves five key components: impact assessment, stakeholder management, training, communications, and deployment plan.

Impact Assessment
The comprehensive impact assessment is the first key input into driving partner engagement. The impact assessment details the technology, process, and policy changes as well as the degree of change to partners. Process design documents and/or technical system documents are a key input for the impact assessment. However the impact assessment takes these a step further by defining impacts at a user and role level.

An important component of the impact assessment is the partner design review. By reviewing prototypes, the degree of change, and the perceived impact, whether positive, negative, or neutral, the project team can react to the partner perspective and incorporate feedback early in the lifecycle.

Stakeholder Management
Understanding and tracking partner stakeholders is an ongoing activity. The project should leverage the relationships that the channels and sales teams have built and begin working with those points of contact. From there, additional key stakeholders at each partner can be identified. A suggested practice is to create a partner contact and activity tracker that lists out each partner organization that is being engaged, the key points of contact, and what activities the points of contact have been engaged in (e.g., design reviews, test events, planning meetings). This essentially becomes the partner information database.

Training
Based on the partner impacts identified, a detailed training curriculum and plan can be created. The training plan should take into account training format (e.g., live vs. virtual), whether to leverage a train-the-trainer model with partner POCs, and collateral to be delivered (e.g., job aids, web-based modules). Training plans should be customized for high vs. low-touch partners accordingly. Influential partner stakeholders can help track and encourage participation in training.

Source: Accenture
3. Manage Partners Globally

Communications
Partner communications are targeted to partners based on the engagement approach identified (high touch vs. low touch) and the degree of change identified in the impact assessment. Key communications include awareness, training enrollment, “get ready” messaging, go-live announcements, and post-deployment support. It’s important to start communications early to build awareness within the partner organizations.

Deployment Plan
The deployment plan is a day-by-day plan that is used to execute the deployments to all partners. It includes the key milestones in the partner deployment timeline, impact assessment, stakeholder management plan, training plan, and communications plan but details them out for each partner or set of partners. When the project scope or schedule changes, or key training or communications dates shift, the deployment plan should be updated.

Once the deployment plan is in place, global engagement with partners can begin. A leading practice for managing partners on a global scale is to set up a “hub-and-spoke” model—with a central partner deployment team at headquarters and a locally-based partner deployment team member at each major location (e.g., APAC, EMEA, Latin America). The central team owns the global deployment plan and leverages the local team members to help execute on it. Local team members are key because they have the cultural and historic knowledge of the partners in their regions. They are also able to easily meet with partners in their time zone, both virtually and onsite.

During the go-live, it is preferred to target some partners for onsite visits based on the deployment criteria (e.g., size, dollar amount, part of pilot group). During the onsite visit, the partner deployment team can train partners on the changes and provide prompt support to produce quicker adoption. Onsite visits should be planned well in advance to help ensure the right partners are targeted, the deployment teams can plan for the visit, and partners can accommodate the team in their space and schedules.

Creating and maintaining a two-way dialogue with partners is vital to success. A continuous feedback loop can be established with partners as soon as the project begins and may include a kickoff meeting, deployment planning meetings, and ad-hoc meetings as needed. The local deployment team members should own their local partner engagement with assistance provided by the central team as needed. This engagement should be continued after go-live in the adoption phase so that partner issues can be surfaced and adoption targets can be met.

Working with a global team and global partners requires the understanding and consideration of cultural differences that may influence business practices. Some factors that influence the deployment and can vary from country-to-country include holiday periods, the need for localization/translation of materials, the importance of on-site meetings, and working hours. The local deployment team members can help navigate these factors.
4. Achieve Adoption

After deployment, the final stage of partner engagement is the support and adoption phase. The key components of adoption include providing partner support, tracking adoption metrics, executing partner campaigns/incentives, and leveraging the internal users to drive adoption. All of these items should be captured in an adoption strategy and plan.

![Adoption Curve](image)

* Typical timeline for adoption based on Accenture project experience

Source: Accenture

**Partner Adoption Support**

A partner adoption support plan is developed to document the support for partners during the immediate weeks after go-live and for long-term steady-state. A leading practice is to provide onsite support for key high-touch partners for a week or two after go-live. This will help to promptly address questions as well as identify blocking issues that need to be resolved by the project team. It is vital to maintain the two-way dialogue between the partners and the deployment team which should have been established before the support phase. Furthermore, the support plan should document how partners should provide feedback after go-live about adoption inhibitors, knowledge gaps, or system defects.

**Partner Adoption Metrics**

Partner adoption metrics should be tracked on a continuous basis by defined areas (e.g., region, countries, operating group) and by defined time frame (e.g., 1 month, 2 weeks). Establishing a cadence to provide adoption readout to leadership, stakeholders, internal users, and partner users is crucial. This provides users awareness on how they are trending and provides leadership with vital information as to which areas require additional support. Along with tracking metrics, there should be established adoption goals in place. These goals should be challenging but achievable.

The adoption goals will be instrumental when conducting any campaigns or incentives to raise adoption. Tracking adoption should be started as early in the program as possible to provide visibility to any early blocking issues that are preventing adoption.
Campaigns and Incentives

Campaigns and incentives help to drive adoption and create a friendly competition amongst users. It should be an equal playing field where anyone can win in any particular round. The parameters for measuring adoption and selecting winners should be clearly defined prior to beginning the campaigns and incentives. Winners should be announced to leadership via newsletters, emails, and/or readouts at “All Hands” meetings to entice users to increase adoption.

The Role of the Internal Audience

Internal users play a critical role in achieving adoption. Internal users must be the early adopters and at the forefront for the partner users. Internal users support the partner users; if they are not adopting, overall adoption will likely suffer severe consequences. Internal leadership should be aligned with the project leadership, and there should be reoccurring executive meetings to understand adoption, key issues, risks, and release information to help ensure continued support from internal functions.
5. Avoid Common Adoption Barriers

There are several common adoption barriers that are often encountered during a deployment. These could include unsatisfactory system quality, a non-intuitive interface, “living in two worlds”, and/or pricing and discounting differences.

System Quality
System quality is an extremely common adoption barrier. Often, a system is released with the intention of relying on workarounds until time and resources are available to address issues. When system quality issues arise, there should be clear communication to the internal and partner users informing them of the workarounds available and when issues are targeted to be fixed.

Non-Intuitive Interface
When a system with a non-intuitive interface is released, it is critical to inform and continuously remind users of the functionality available to them. This can be done via training, highlighting tips and tricks in newsletters, performing demos in meetings, etc. One should find ways to visually remind users of the functionality available and provide them with a way to easily access the materials for future reference. There should also be a mechanism for users to provide suggestions on how to improve the user experience such as through testing events, focus groups, or one-on-one sessions.

Working with Dual Systems
Often when transitioning from one system to another, two systems will run in parallel for a period of them. It can be confusing for users to determine when to use one system over the other. In order to provide clarity and to help users navigate the dual systems, there should be a single source of truth providing direction as to when what functionalities should be performed in which system. Users should be encouraged to utilize the new system for all possible needs unless the functionality is not available. Users should also be provided with a timeline for when the legacy system will be decommissioned (Retirement Plan) and the new system should be fully adopted (Adoption Plan).

Pricing & Discounting Differences
When moving from one system or application to another, there are often changes in the way pricing and discounting occurs, sometimes even resulting in a slightly different price. This is often an extremely scrutinized area for partners since this impacts the bottom line. Extra attention should be focused on training partners to be aware of the possible pricing changes they might experience and the proper protocols to follow when facing those scenarios. Teams should be prepared to provide additional communications and support around pricing and discounting.
Conclusion

High-tech companies recognize channel partners’ importance in meeting topline revenue objectives. Successful collaboration with channel partners helps companies deliver differentiated value to customers and, ultimately, achieve competitive advantage. Many companies are looking to drive improvements by changing aspects of their channel strategies, but doing so can be fraught with challenges. Accenture provides insights into how to engage and prepare channel partners for a business or technology change.
Contacts

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