

SiriusDecisions

Research Brief

SiriusDecisions has identified five key issues that should drive the agenda of channel sales leaders in 2015

Channel leaders need to focus on partner sales capabilities and growth objectives, and invest in technology and resources to better support them

To drive channel sales consistency and performance, many suppliers have established a channel sales operations role, with strategic as well as tactical responsibilities

Channel Sales: Planning Assumptions 2015

In the Oscar Wilde novel *The Picture of Dorian Gray,* a young artist's decadent lifestyle leaves no noticeable evidence on his face or body. However, locked in the attic is a portrait of the artist whose face gradually changes to reflect his internal decay – from its first ominous smile to a sickening visage by the end of the novel. While Dorian was granted his wishes in the short term, his portrait captured the long-term impact of his actions.

Channel sales programs decay when they lack adequate investment, defined objectives or alignment to overarching company goals. Rather than develop partners into self-sustaining contributors, channel sales often aims for short-term wins. The program looks busy and productive on the surface, but the results inevitably show up in missed objectives and failed goals. In this brief, we take a close look at five major initiatives for driving both partner and supplier sales productivity in 2015.

Technology: Just-in-Time Access to Sales Resources

To improve channel sales resources' ability to address buyer needs – and to address the lack of partner portal adoption – channel sales leaders are rethinking their approach to delivering sales tools and content to partners. Many suppliers are augmenting their portal strategies by delivering sales tools and learning content through mobile platforms including tablets and smartphones. Suppliers are also redistributing sales-related content across multiple partner watering holes (e.g. YouTube and LinkedIn channel groups) to maximize their reach.

Recognizing that many partners may not know what sales tools and content are available to them, or the most effective ways to use these resources, many suppliers are aligning resources (e.g. pricing calculators, mini-training modules, playbooks) to specific stages in the selling process. This is achieved by integrating sales force automation (SFA) platforms with channel sales enablement tools that suggest what the highest-performing partner sales reps prefer to use at each stage of the buyer's journey (based on relevancy rankings and collective channel reviews). While some of this integration work can be accomplished with APIs, most channel programs are investing in enablement tools with ready-made connectors to popular SFA platforms.

SiriusAction: Identify which sales tools and content successful partners leverage most, using tracking metrics that describe when and how reps employ these assets (e.g. sent to prospect in followup email), and create relevancy rankings that indicate



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which resources are most effective at each buyer's journey stage. Ensure that the most relevant content and tools are made available to partners in the field, including delivery via mobile devices.

Interlock: Alignment to Partner Business Objectives

Many large channel sales programs is not sufficiently aligned to partners' business priorities. Channel sales leaders need to gain a better understanding of their partners' objectives and sales capabilities or risk losing them. A key focus area is realigning the role of channel inside sales reps. Instead of serving as an overlay function that periodically calls on partners to gather information about business plans or pipeline revenue, the supplier's reps must take a more proactive role in supporting partners – e.g. following up with prospects on partners' behalf or arranging training for partner reps prior to the launch of a new sales program. On the reporting side, rather than calling on partners at the end of each quarter to scrutinize pipelines, channel sales reps should offer data and analytics on target accounts that can help drive partner sales effectiveness.

SiriusAction: Survey partners to better understand their business issues and concerns at each stage of the partner's journey (see the brief "Understanding the Partner's Journey"). Next, determine whether the channel program clearly addresses those issues. If any gaps exist, improve partner support and revise partner communications to create a better partner experience and gain critical mindshare.

Measurement: Growth Metrics Tied to Partner Specializations

To sustain continued growth, channel sales leaders are establishing partner performance metrics to report on whether partners are on track to achieve targets. It's necessary to measure both leading metrics (e.g. partner FTE investments, trained resources) and lagging indicators (e.g. revenue or sales by customer type). To accurately track partner readiness and performance, many suppliers are defining partner specializations (e.g. aerospace and defense partners, workflow partners) and establishing appropriate metrics for each specialization. Partners that have become accustomed to servicing existing customers vs. developing new business or selling into new buying centers are being asked to meet new specialization requirements (e.g. by industry or product line) in order to rise to higher levels

within the channel program. Metrics that track new customers, certifications attained, or the number of selling resources added to sell specific solutions are being added to dashboards to track channel commitments and manage channel growth objectives.

SiriusAction: Identify which areas of specialization are most relevant to the business (e.g. by industry or product line). Define which criteria should be used to qualify partners into these specializations, and use these criteria as leading indicators of performance. Establish at least three levels of certification (high, medium, none) in alignment with a tiering system, then segment partners (see the brief "Segmenting and Engaging Current Partners") and apply resources based on their partners' commitment levels.

Organization/Structure: The Evolving Role of Channel Sales Operations

Because the enablement and support of indirect channel sales require a specific set of skills and responsibilities, many suppliers have established a channel sales operations role. This role reports to the head of channel sales and delivers programs, processes and tools that enable a variety of partner types (e.g. brokers, agents, distributors, systems integrators). Although managing the day-to-day execution of the partner program is a primary function of this role, its responsibilities also include tracking partner sales performance, managing partner onboarding, and mitigating or escalating channel conflict issues. We expect the channel sales operations role to evolve beyond tactical activities to include strategic planning responsibilities, including the creation of capacity planning models, developing partner pricing, setting margins and calculating supplier channel sales compensation. As the demand for greater channel productivity becomes a priority within heavily vested suppliers, the channel sales operations role will become more prominent in terms of helping the function reach indirect sales objectives.

SiriusAction: Identify the range of processes involved in recruiting, enabling and generating leads with partners. Identify the owner of each process, and determine how that resource integrates with the channel program. If there's a lack of alignment, or processes are inconsistently delivered, consider creating a new operations role (see the B-to-B Role Profile "Vice President/Director of Channel Operations" and the brief "First 90 Days: Channel Operations Leader").





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Cloud: New Paradigm Solutions for the Channel

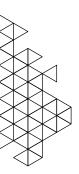
Cloud-based offerings will become mainstream for many channel programs in 2015, and many channel leaders are evaluating what impact they will have on channel sales efforts. While some are recruiting new partners to sell these cloud solutions, others are increasing their partner sales enablement initiatives.

The first step channel sales leaders should take is determining whether current partners are willing and ready to sell new cloud solutions. Most suppliers start by conducting partner surveys and holding advisory meetings to collect data on partner capabilities and better understand the potential impact of the cloud on partners. Suppliers are uncovering and addressing gaps (e.g. the need to train partners to sell solutions vs. products) through new enablement programs or by establishing new tracks within existing programs to accommodate new partner types (e.g. managed services providers).

SiriusAction: Use the SiriusDecisions Partner Assessment Model to assess existing partners' compatibility with new cloud solutions. Decide which type of new cloud partners are required, then begin recruitment and enablement (see the Core Strategy Report "Cloud Computing: Its Impact on B-to-B Channel Sales and Marketing"). Determine what investments and resources will be required to provide coverage for each partner type.

The Sirius Decision

Each year, a new set of initiatives is introduced to optimize partner sales effectiveness and channel program efficiency. In 2015, channel sales leaders will be required to scrutinize their programs and determine whether adequate capabilities are in place to meet upcoming challenges. Whether they are realigning their programs to address new sales goals or establishing new roles or partner training programs to better manage and enable partner success, channel sales leaders must realize that maximizing productivity should not be limited to partner organizations - it also requires the right in-house skills, metrics and strategies.



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