Partner Experience Management, a Sustainable Way to Manage the Channel

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ABSTRACT

Partner management is more than just registering deals and passing leads. In today's highly competitive markets, vendors need to manage partners in a holistic fashion. Partner Experience Management is a way for vendors to truly understand the needs of the channel and manage their businesses to improve the productivity of the channel. This paper discusses the risks associated with poor partner management and the ways in which Partner Experience Management can be a key tool for modern business executives.

the Optera Group

REAL WORLD

"No one intended the removal of maintenance renewals from the partner program to have an effect on end user relations... it was simply efficient. The problem was that the channel lost opportunities for meaningful contact with the end users and their competitors did not!"

At The Optera Group (Optera) we take a unique approach in helping our clients create sustained and profitable relationships with their partners. We don't look at a channel partner as a way to sell another piece of hardware or a way to simply aid in fulfilling a transaction. Rather we see channel partners as a means to extend your ability to address the market – a means to further the reach and influence of your business in ways not possible before.

To do this, we believe it is critical to manage the entirety of the experience of being a true partner. Many vendors devote time and resources to managing the sales transactions of channel partners but neglect key elements in the rest of the relationship. The way you manage the critical aspects of brand, enablement, go-to-market models, partner programs, compensation models, product design, or customer support has significant impact on channel partners and their ongoing relationships with their customers – ultimately your customers. But more often than not these important elements of the partner model are not managed by vendors.

The Problem

The main impact of not managing the entirety of the partner model is the risk of causing significant and long-lasting consequences with the channel. Improper management of a corporate brand can alienate the channel when customers view a vendor as being a direct sales brand. When product design removes the value-add of channel partners it diminishes their ability to establish meaningful relationships with their customers. Poor product support causes long-lasting relationship damage between channel partners and their end customers. Simple changes to partner programs and compensation models can have lasting impacts on end-user relations. All these mistakes, and others, can erode the relationship between you and your channel partners.

Unfortunately for vendors it is much easier for channel partners to switch vendors than most vendors anticipate. End customers have to deal with existing investments and the linkage of products to business process. This often makes switching a very difficult task and creates the feared "vendor lock in." But unlike end customers, channel partners can very quickly stop recommending or positioning your products. Within days a channel partner can sign up with your competitor. In such a case it is not just a single channel partner that is lost but also your relationship with its customers.

The attraction of the channel to most vendors is the amplification effect that the channel can provide – one channel partner creates tens to hundreds of end-user customers. The downside is that loss of a channel partner can equate to the loss of tens or hundreds of end customers. We have seen this happen very quickly and the damage can be extremely difficult, if not impossible, to repair.

What is unfortunate is that most vendors are not organized in a way that permits them to manage or influence the management of all the elements that impact the channel. More often than not channel management resides with the sales organization but the core issues that may be impacting the performance of the channel are coming from decisions and actions taken by other groups – marketing, finance, direct sales, product management, and customer support.

A Solution

In working with clients and observing technology markets over the past decade, we have developed a framework for understanding and managing the entirety of the partner relationship – Partner Experience Management (PEM). Similar to Customer Experience Management, PEM is based on understanding all of the activities that a vendor puts into the market in the course of managing its partners — called its partner management model. It is the combination of these activities that makes each vendor's partner management model unique. It ultimately determines the success that a vendor has with the channel and dictates its competitive advantage in the market.

Chart 1 – Simplified Partner Management Model (Illustrative)

Brand	Enable	Transact	Products	Use	Support	Relationship
Reputation	Mktg. Materials	Leads	Product A	Ease of Use	Tickets	Bus. Mgmt Tools
Relevance	Training	Deal Reg.	Product B	Upgrades	Support Staff	QBR
Freshness	Product Info	Competitive Price	Product C	Downtime	Materials	Partner Conference
	Partner Rep	Ordering	Product D		User Forums	
	Sales Eng	Invoice	Product E			

A Partner Management Model captures all of the activities that your organization presents to partners across all interactions. It is the collection of these activities and how you execute them that creates the value in your partner program.

Once your partner management model is known, a series of measurement techniques is put in place to understand what partners value in the model and how satisfied they are with your performance. Operational metrics are also combined to understand the overall performance of the partner management model. As a result of this process, you will understand the strengths and weaknesses of your partner management activities. Key areas for improvement will become apparent and you will have insight into what the channel truly values in your business.

Why Partner Experience Management Works

More often than not, a vendor does not have a clear view of its entire partner management model and how it is impacted by the whole organization. There is no single place or person responsible for managing corrective action. By defining the partner management model, a tool is created to evaluate and communicate the entirety of the value proposition that you present to channel partners. It also creates the capability to show the importance of various elements of partner management to everyone involved and to express the need for change and improvement. PEM becomes the basis for a dashboard for change driven by senior management, led by a PEM executive.

Chart 2 – Gap Analysis

Brand	Enable	Transact	Products	Use	Support	Relationship
Reputation	Mktg. Materials	Leads	Product A	Ease of Use	Tickets	Bus. Mgmt Tools
Relevance	Training	Deal Reg.	Product B	Upgrades	Support Staff	QBR
Freshness	Product Info	Competitive Price	Product C	Downtime	Materials	Partner Conference
	Partner Rep	Ordering	Product D		User Forums	
	Sales Eng	Invoice	Product E			

After defining the Partner Management Model, a series of measurement techniques are put in place to determine areas of success and areas for improvement in your partner model. This allows for prioritization of investments and programs.

The results of this process will identify key gaps in the experience model and allow you to undertake key improvement projects in areas that have high impact on your partners. This knowledge helps rationalize budget and resource allocation. It also dramatically improves the ability of channel organizations to communicate the need for change internally.

No longer is channel management "just complaining," but instead it has a constructive mechanism to effect change and a program to champion to ensure that improvements are made.

PEM can be deployed globally to compare your organization's performance across all of its operating regions. You can gain key insights into regional differences in what partners value about your business model. Best practices can be identified and you can discover necessary modifications to adapt to local market and sector uniqueness. More importantly the process is sustainable and allows for continuous improvement over time — giving your executives a valuable tool to truly manage the business of the channel.

Why Optera

Optera has developed this approach based on years of research into the needs of end customers and the role of partners in addressing customers. Our approach is born from the desire to define the best method for managing a channel and all of its interactions with your business.

Optera is not just another satisfaction-measurement company. Rather, we come from industry and have a wide variety of experience in designing and developing distribution and go-to-market strategies. We use this knowledge, combined with our deep analytical and research skills, to create a unique approach to partner management. The result of our experience and research is an approach that documents, measures, and allows for management of the entire value proposition that your business presents to the channel.

As part of this approach, we have developed capabilities to:

- Define partner management models
- Validate that the partner's and vendor's views of the partner management model are aligned
- Measure the vendor's performance in executing the partner management model globally
- Provide critical analysis by true business analysts from an executive perspective
- Work with management to define key improvement areas
- Execute root cause analysis to define full requirements for improvement
- Provide overall program management to ensure consistent execution over time

About The Optera Group, LLC

The Optera Group, LLC, (Optera) is a professional services firm specializing in understanding the business value of technology and the management of go-to-market models. Optera advises clients on their market strategies and the way their solutions create value in real-world implementations. Optera has extensive experience in partner and customer satisfaction measurement, business IT alignment issues, and measuring the Definitive Economic Value™ of technology investments.

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