



Leveraging Fractional Engagements for Growth and Scale

A Discussion with Brent Earlewine

QUANTUM CHANNELS

Maximizing the Power of Indirect Routes to Market

- Background
- Our Mission
- Why



Founder, Brent Earlewine



My name is Brent Earlewine, and welcome to the Leveraging Fractional Engagements for Growth and Scale discussion!

I describe myself as a channel guy. I've been in channels for 30 plus years of my career, 100% dedicated to channels and partnerships and indirect routes to market of every shape size and type. I've been in your shoes is usually how I would describe it. I've done everything from being an individual contributor as a channel account manager (or partner account manager) to being a national partner manager, to running regional channel teams, to running national channel teams, to running global channel teams. Along the way, I have done a little bit of everything you can think of when it comes to channels. Such as being responsible for channel programs, channel communications, channel marketing, channel portals, channel incentives, channel partner advisory councils, channel sales and managing channel partners of all kinds. I was nominated and awarded a coveted slot on the channel chiefs list from CRN. Amazing to get that recognition after multiple decades of being dedicated to channels.

Let me give you some background on Quantum Channels. What's the mission? What's behind it? One of the things I've seen over multiple decades in the channel unfortunately is that vendors and companies do a really poor job of providing skills training or upskilling their channel teams with channel specific skills. Certainly, vendors and companies will send their channel teams through sales trainings of all kinds, (which are great), but very, very few (or very sporadically) will they do skills training that's specific to the unique skills that I think are required to be good at doing the job of being successful channel account managers / partner account managers.

That market gap is specifically why I launched Quantum Channels, and why I put together the skills modules and the skills training to fill that gap in the marketplace. Even for myself over the decades, these are the skills that I needed along the way, and I either developed them with outside help, or via experiencing third party trainings or developed on my own through trial and error.

Now I've codified all that hard won experience into what I consider the core channel skills required to be successful in channels as a channel account manager / partner account manager, or channel team, what have you. Some of these core concepts are reflected today in our discussion.

So, with that, let's go ahead and jump into the discussion on how to Leverage Fractional Engagements for Growth and Scale.

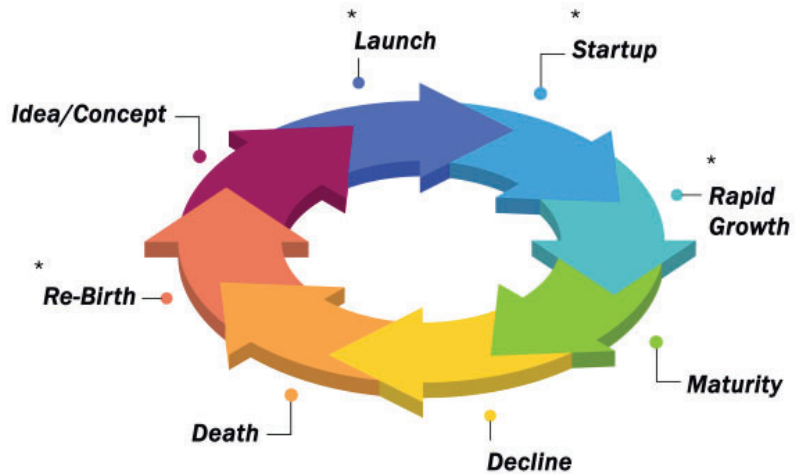
Brent Earlewine

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BUSINESS LIFECYCLE

Why Go Indirect? When and Where do Indirect Channels Make Sense?

- Strategic Choice, Why Channels?
- Launch
- Scale / Rapid Growth Phase
- Re-Birth



The Strategic Choice of Channels and Your Business Lifecycle

I want to talk about indirect channels as a strategic choice, and this is what I mean by that. If you own, run, or are starting or ramping up a company, you have a couple of ways to get to market and access your opportunities.

You can go in a direct fashion, selling directly to your end user or customer, whether that's B2B or B2C. Alternatively, you can choose an indirect route to market. Terms like channels and partners are common here. I define it as an indirect route to market because the definition of a channel or partner can vary greatly depending on the industry, company, and the type of indirect route you choose. Deciding to go through a channel or an indirect route is a strategic choice.

In my opinion, the most effective and fastest way to scale and grow your company is through an indirect route to market, offering many choices. As a company owner, senior manager, or C-level executive, you have to make a strategic choice on how to capture your market opportunity.

On the right-hand side here, I have a version of a typical business lifecycle chart. You might be familiar with Geoffrey Moore's Crossing the Chasm diagram. I've redrawn it differently, adding one or two points.

There are three timeline decision points where an indirect channel or partner might make sense in your business. The first is at the very beginning, when launching your business. You decide how to capture your market share, whether building your own direct sales team or leveraging an indirect channel or partner ecosystem. This decision doesn't have to be made at launch. It's typical in the startup phase to do everything directly.

The second timeline decision is about a year in, once you've established your company, solutions, and have viable customers. This is when you're ready to scale and grow rapidly, turning on and enabling a partner or channel sales ecosystem.

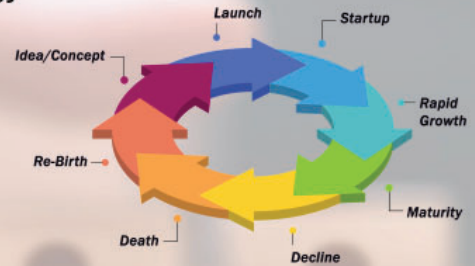
The third phase is the rebirth stage, where you recalibrate your company due to market dynamics or shifts. This is when you reevaluate your market capture strategy, including your channel strategy, ensuring it's current and relevant. Companies may also reconsider their approach, choosing between a channel path, direct-only, or a mix of both.

So, the idea is about making a strategic choice for an indirect channel or route to market and implementing that decision throughout your business lifecycle. This discussion serves as a baseline for understanding when and where this decision gets made and implemented in the business lifecycle timeline. We'll continue to touch on this throughout the session today.

WHEN CAN A FRACTIONAL ENGAGEMENT HELP?

Outside Perspective and Calibration

- Upfront - Define Company Got-To-Market Strategy
- When you Want to Scale
- Re-Vamp/Re-Calibrate Mature Program
- 3rd Party Sanity Check During Market Shifts



When can a Fractional Engagement Help Your Business?

We're now addressing when and why to engage an organization from a fractional channel leadership perspective, assuming you've chosen to go through indirect routes to market and leverage channel partners.

When and where can a fractional engagement help? The timing of engaging a fractional outside leader maps closely to the decision to use channels. It's similar to when we evaluate engaging a fractional leader to assist with our company's strategy.

Right upfront, as a software vendor or technology company, we need to define our go-to-market strategy. What does it look like? How are we going to get there? What's our strategic plan for reaching our business and revenue goals? A fractional channel leader can assist right from the business planning phase, through the launch and startup phase, and then again when you're ready to scale.

Instead of hiring someone full-time, you might engage a part-time fractional leader to help you scale and achieve high growth, potentially 2x or 3x your revenue. Also, during any maturation point in the business lifecycle, you might engage a fractional leader to reassess what you have, what's still valid and relevant, and what needs to change moving forward. This includes revamping and recalibrating existing mature programs or engagements with channel partners.

A sanity check is crucial, especially during significant market shifts, solution shifts, or consumption model changes, which could happen at any point in your business lifecycle. This sanity check during a market shift can bring a lot of value and be a deciding factor in when and why you engage a fractional leader.

For example, in the last six to seven years, we've seen a dramatic shift from on-premise to cloud-based consumption models, flipping business models on their head. This would be a prime example of when and

why you might engage an outside fractional leader for business model revamp and reevaluation. We'll continue exploring this as we go through our discussions.

COST EFFECTIVE EXPERTISE

Significant Value to Cost Ratio

- Access to Seasoned Professionals
- Fraction of the Cost
- Cash Preservation, Smaller/Startups



Value to Cost Ratio

I'm going to talk about the benefits of fractional channel leadership, a concept that applies universally when considering fractional engagement models.

The first major benefit is the significant value-to-cost ratio. Engaging a fractional leader for channels is very cost-effective. You gain access to seasoned professionals on a project-based timeline without the expense and commitment of a full-time employee. This means no extensive HR processes, candidate evaluations, or onboarding, resulting in a highly effective and valuable way to gain feedback and engagement within your organization. This approach is particularly useful for smaller startups or companies in their launch or early funding stages (Series A, Series B) who need to conserve cash while still achieving a substantial impact on their business.

The key consideration here is what you get for each dollar spent. With fractional engagement, the return often significantly exceeds the cost. This model is increasingly recognized across the industry as a viable and valuable option, not just for startups but for companies at any stage of their business lifecycle. It's evident that this isn't only a feasible model but also one that offers substantial benefits to a wide range of companies.

STRATEGIC FLEXIBILITY

Custom and Specific

- Strategic, Flexible Guidance
- Tailored Specifically to Company Needs
- Help Adapt Quickly to Market Conditions



The Power of Strategic Flexibility

The second aspect I want to emphasize is what we'd call strategic flexibility.

This concept revolves around the idea of engaging someone on a fractional basis, rather than hiring a full-time general leader. This approach allows for a specific and tailored needs analysis for your company, especially regarding indirect routes to market. It's an opportunity to bring in someone who can provide laser-focused recommendations, implementations, and projects with a very quick turnaround time, rather than a generalist approach.

This should also include strategic guidance for your company, helping to determine where you want to go, understanding where you're coming from, and what your future state should look like compared to the current or past state. Essentially, it's about enabling your company to adapt quickly to market conditions.

In industries like high technology or software as a service, which I've been involved in for many years, things move extremely fast. It's easy for your business model to become almost overnight irrelevant due to new competitors, market entrants, or consumption models.

So, a fractional engagement is not only customized to your specific needs and markets but also to your solutions, vertical applications, and the surrounding market dynamics. This kind of engagement can be crucial in staying relevant and competitive.

FOCUSED SKILL SET

A Particular Set of Skills...

- Specialized Skills and Knowledge
- May Not be Available Internally
- Invaluable in Steering Company
- Deep Domain Expertise
- Across Multiple Aspects of Channels
- What Works...and What Doesn't



Delivering a Focused Skill Set

The third point I want to highlight is what I jokingly refer to as the “Liam Neeson from “Taken”” aspect, meaning a fractional leader should possess a specific set of skills and knowledge. This is particularly relevant in the realm of channel sales, partner sales, and selling through indirect routes to market. A fractional leader brings a depth of skills and knowledge that may not be available internally, especially for companies new to channels who likely don't have experienced staff in this area.

This expertise can be invaluable in guiding your company both strategically and tactically. A fractional channel leader should have deep domain expertise in various categories. These include designing a channel program, setting up a strategic business plan for indirect routes to market, identifying the ideal partner profile, creating an enablement process, content development, service support, partner communication, co-selling strategies, channel marketing, and budget management.

These domains are complex, and it's crucial to find someone with experience and expertise in them, or who can engage additional third parties for specific domain expertise critical to your business. Channels can be complex but also rewarding, and it's easy to make mistakes. An outside perspective from someone who has been there and knows what works and what doesn't can be immensely valuable. Understanding what to avoid can accelerate progress and prevent repeating common errors. This insight is often worth the investment in the engagement itself.

OBJECTIVE PERSPECTIVE

Fractional Leader - Vantage Point

- Unbiased, Objective Advice
- Fresh Perspective
- Identify Blind Spots
- 3rd Party Perspective



The Value of Objective Perspective

The next aspect I want to discuss is the value of an outside perspective, which shouldn't be underestimated. It's common for organizations to become caught up in their own echo chambers, leading to what I refer to as 'unknown unknowns' - you don't know what you don't know, which can be both dangerous and expensive. You might launch a channel program or recruit partners, only to find that your approach doesn't make sense for your business, resulting in costly mistakes in terms of time and investment.

An external third-party perspective can help you get it right the first time. One key benefit is receiving unbiased, objective advice. An outside fractional channel leader can review your business, processes, and goals, and offer feedback without any agenda or preconceived notions. Whether you take this feedback is another decision, but it's valuable, objective advice based on deep domain expertise.

This fresh perspective is powerful. It brings a new voice to the table, challenging your assumptions and ensuring you are really achieving what you intend to. It also helps in identifying inherent blind spots - those unknown unknowns or assumptions that might not be true. An objective third party can help identify these blind spots, root them out, and suggest ways to mitigate or address them, putting you on the right track.

This outside view is one of the core values of engaging with a fractional leader. Regardless of the depth of engagement, this third-party perspective, combined with a kind of 'sanity check', is incredibly powerful. It's one of the main reasons to consider bringing in someone from an outside perspective. While the expertise and implementation assistance are valuable, this fresh viewpoint is often the most crucial aspect of a fractional engagement.

RAPID IMPLEMENTATION

Fractional Leaders - Time to Value

- Quickly Understand the Business
- Make Immediate Contributions
- Implement Strategies & Drive Results
- Significant Advantage in Fast Paced Technology Market



Time to Value

The next key aspect is the practicality of engaging with a fractional channel leader, notably their ability to provide rapid implementation. This revolves around the concept of time to value, which for a company typically involves revenue generation, turning on a partner ecosystem, recruiting, onboarding, engaging partners, and cross-selling. These actions embody the core reasons for choosing an indirect strategy - to scale and grow your company.

An outside third-party channel leader can quickly grasp the business, particularly in terms of channel strategy. While they might not immediately understand the intricacies of your technology or solution, this is often not essential initially. They can rapidly comprehend the business aspects you're targeting and how to leverage the indirect route to market.

Immediate contributions are another advantage. Whether it's recruiting and onboarding partners, calibrating strategic plans, implementing channel programs, or aligning marketing motions with partners, they can make an impact without the typical ramp-up time needed for new hires. In contrast, hiring a new employee often involves a lengthy onboarding phase, with several months before they begin making a tangible impact.

The purpose of engaging a fractional leader is not just to assess and provide feedback or make recommendations; it's also about implementing strategies and driving actual results. Considering the fast-paced nature of technology and software markets, where things move rapidly, this ability for swift implementation and quick time to value can be a significant strategic advantage. It allows for a first-mover advantage or the maximization of market opportunities through indirect routes.

NETWORK AND CONNECTIONS

Fractional Leaders Can Connect the Dots...

- Robust Network of Industry Contacts
- Potential Partners and Clients
- Extended Ecosystem of Proven Experts
- Tech Stack Vendors



The Magnification Effect of Industry Connections

The next significant point is about the network and connections a fractional leader brings. They often have a robust network of industry contacts across various domains. For example, in the partner community, which includes VARs, system integrators, MSPs, global SIs, and application development houses, they likely have deep connections due to their experience working with these organizations.

This network can be crucial when setting up your strategic and operational plans and identifying ideal partners for onboarding and engagement. A fractional leader can facilitate personal introductions, accelerating and enriching these conversations for both vendors and partners, assessing their compatibility for market collaboration.

Moreover, they might have connections with end-user customers and clients, potentially a good fit for your products or services. This stems from their history and experience in selling similar solutions to these clients, thereby making valuable connections for you.

In addition to partners and customers, most fractional channel leaders have an extended ecosystem of peers and experts with deep domain expertise in channels, partners, channel programs, and indirect routes to market. They can bring these experts to the table for specific needs, offering a curated network of professionals.

Lastly, their knowledge extends to the technology stack needed for running a business and managing channels effectively. This includes familiarity with various partner portals, CRM systems like HubSpot or Salesforce, and other relevant technologies. Their experience in implementing these tech stacks and understanding industry trends can prevent costly mistakes and ensure the selection of the most suitable technologies for your business needs.

Expertise, Perspective, Time to Value, Flexibility and Connections



In Summary

To summarize the four key categories of value provided by a fractional leader, they include:

Expertise and Third-Party Perspective: A fractional leader brings expertise and offers a valuable third-party perspective, acting as a sanity check for your business strategies and decisions.

Rapid Implementation and Strategic Flexibility: They provide a robust and fast time to value from an implementation perspective. This means they can quickly and effectively implement strategies and changes. Additionally, they offer strategic flexibility, able to custom tailor solutions to your specific needs. Whether it's refining a well-functioning part of your business or addressing a complete gap, a fractional leader can adapt their approach to suit your unique requirements.

Connections and Extended Network: The extended network and connections a fractional leader brings should not be underestimated, as they are a significant source of value in any fractional leadership engagement. This encompasses potential partner organizations, prospects, and customers you might want to engage with. A fractional leader usually has an extended network of other experts with deep domain expertise in specific areas, which can be incredibly beneficial.

Technology Stack: Understanding and implementing the right technology stack within your business is crucial, and a fractional leader can guide you in making informed decisions about the technologies you need.

Each of these aspects contributes to the overall value a fractional leader can bring to your business, enhancing various areas from strategic planning to technological implementation.

THE POWER OF ASSESSMENTS

Channel Check 360° FREE Assessment Tool and Report

- No Matter Where You Are on Your Business Lifecycle
- Assess, Plan, Act
- Practical Recommendations
- Initial View, Then Assessment Workshop



Assessing Your Channel Strategy

I want to shift focus to the power of assessments, which is crucial for businesses, especially when considering channel strategies. My approach is summarized as “assess, plan, act,” which is highly relevant when deciding your route to market through channels.

Firstly, it's essential to assess your position in the business lifecycle and decide whether to go direct, indirect, or a mix of both. This assessment helps determine where you're at and where you need to go. For those already engaging in channel strategies, whether in the initial stages or at a more mature phase, assessment is key, especially if market shifts necessitate recalibration.

A fractional channel leader can significantly contribute to this assessment. One approach I recommend is using a free assessment tool that provides a high-level executive summary. This tool asks a series of questions and offers a practical list of recommendations, categorizing aspects of your channel program as red, yellow, or green, to give an initial review of where you stand.

However, this should lead to a deeper level of assessment. A more thorough approach involves a professional, like myself, conducting extensive interviews with stakeholders over several days or weeks. This in-depth assessment provides detailed recommendations, implementation plans, and practical next steps in a workshop format.

This process typically unfolds in three stages. The first level gives a general overview, identifying problems. The second level involves an in-depth workshop to further investigate, including interviewing stakeholders and partners, reviewing programs, motions, content, and enablement. Based on this, you receive detailed recommendations.

The third stage is about implementation. You can choose to implement these recommendations independently, hire someone full-time, or engage a fractional leader for more efficient execution and results-driven approach.

Assessments are incredibly valuable for companies. They offer a straightforward, no-nonsense evaluation from an external perspective, helping you identify what's working well, areas of concern, and significant gaps or blind spots. On the slide, you'll see an image of the initial free assessment tool, an infographic about the workshop-level assessment, and the final step, which is implementation-focused.

You can access our FREE Channel Check 360° Here: <https://assessment.quantum-channels.com/assessment-optin>



Training Available From Quantum Channels

Skills Modules:

High Performance Channel Management

High Performance Channel Management is an exceptional training course, meticulously designed for channel account managers aiming to master the core business skills and behaviors that define best-in-class channel account management. This course emphasizes the behavioral aspects critical for success. You will see and hear what defines High Performance Channel Management as it is mapped out on a continuum of ever advancing versions of the role. Ideal for channel account managers aspiring to reach the pinnacle of their profession, this course empowers them with the blend of skills and behaviors needed to deliver superior performance by aligning with best-in-class behaviors. This course can serve as a roadmap for HR with job descriptions, behaviors, roles and responsibilities and career advancement expectations.

Managing a Portfolio of Partners

Managing a Portfolio of Partners is an immersive training course developed for channel partner managers aiming to optimize their portfolio of partnerships. This course tackles the complexities of managing multiple partners, focusing on how to balance resources, prioritize relationships, and meet varying partner needs. Participants will learn how to evaluate the performance of each partner objectively, identify areas for improvement, and determine strategic steps towards mutual growth. The curriculum also covers crafting personalized partner engagement plans, implementing effective communication strategies, and navigating potential conflicts in a partner-rich environment. It's an invaluable learning opportunity for those striving to maintain a diverse and successful partner ecosystem.

Indirect Opportunity Funnel Management

Indirect Opportunity Funnel Management is an essential training course crafted specifically for channel partner managers looking to master the art and science of opportunity management within an indirect sales model. The course sheds light on how to efficiently identify, qualify, track, and convert sales leads generated by partners into successful deals. Participants will delve into best practices for nurturing these opportunities and maintaining a healthy sales pipeline, including effective collaboration with partners, clear communication, and strategic allocation of resources. This course will also explore metrics and key performance indicators that can be used to monitor and improve funnel performance. It's an essential resource for those aiming to optimize their indirect sales strategy and ensure a robust and profitable opportunity funnel.

Financial Economics of Channel Partnerships

Financial Economics of Channel Partnerships is an in-depth training course designed for channel partner managers seeking to fully understand the financial dynamics that drive successful partnerships. The course provides participants with an analytical framework to evaluate the financial and economic viability of current and prospective partnerships, diving into critical aspects such as profitability, revenue sharing, cost analysis, and risk assessment. Additionally, it explores how macroeconomic trends can impact channel partnerships and offers strategies to mitigate these effects. By gaining knowledge on the financial implications of their decisions, participants will be better equipped to structure profitable agreements, anticipate challenges, and drive economic value from their partnerships. This course is a must for those wanting to build financially sustainable and economically resilient channel strategies.

Proactive Partner Engagement

Proactive Partner Engagement is a comprehensive training module that is specifically designed to equip vendor

sales teams with the necessary skills and strategies to foster successful sales collaboration with channel partners. The course empowers participants with the knowledge and tools needed to proactively engage with partner sales teams, facilitating the creation, discovery, and closure of sales opportunities. Participants will learn effective techniques, engagement frameworks, skills, and relationship-building strategies to maximize partner engagement and drive mutual success. By the end of the course, attendees will possess the confidence and expertise required to establish strong selling partnerships, leverage collective strengths, and achieve remarkable sales outcomes through collaborative efforts.

Recruitment and Coverage Gap Analysis

Partner Recruitment and Partner Coverage Gap Analysis is a strategic training course designed for channel partner managers looking to refine their approach to partner acquisition and coverage optimization. This course focuses on two critical aspects: effective recruitment of partners that align with company objectives and comprehensive analysis of coverage gaps within the existing partner ecosystem. Participants will gain valuable insight into identifying potential partners with complementary strengths, as well as methods for pitching the mutual benefits of a partnership. The course will also delve into techniques for identifying and addressing coverage gaps, using data-driven strategies to ensure market saturation and avoid overlap. The end result is a robust, well-distributed partner network that maximizes market reach and potential revenues.

Joint Business Partner Planning for Growth

Joint Business Partner Planning for Growth is a targeted training course developed for channel partner managers with a vision to foster greater alignment and collaboration with their partners. This course concentrates on the design and execution of joint business plans - strategic documents that outline mutual goals, roles, responsibilities, and key performance indicators. Participants will learn how to involve partners in a collaborative planning process, align business objectives, and establish a framework for joint accountability. The curriculum will also cover how to set up regular reviews of these plans, allowing for dynamic adjustments in response to changes in the market or business environment. Ultimately, this course equips learners with the skills to create and manage joint business plans that drive mutual success and strengthen partner relationships.

Running Effective Partner Meetings

Running Effective Partner Meetings to Drive Business Alignment and Growth is a dynamic training course devised for channel partner managers who want to transform their partner meetings into powerful drivers of business progress. This course underscores the importance of well-structured, purposeful meetings in maintaining alignment, fostering open communication, and promoting joint growth. Participants will explore how to effectively plan and execute meetings, from setting clear agendas and defining objectives to encouraging partner participation and ensuring follow-through on action items. Additionally, the course offers insights into handling tough conversations, providing constructive feedback, and solving conflicts. By mastering these skills, channel partner managers will be able to utilize partner meetings as a tool for reinforcing partnerships, addressing issues promptly, and driving joint business success.

Ideal Partner Profile Strategy and Creation

The Ideal Partner Profile skills module is a dynamic course that is designed to help your channel teams Master the Science of Partner Selection. This training module provides your teams with the practical tools to identify and select the best indirect business partners for your unique needs. Learn a methodical approach to determining WHERE to sell, WHY certain partners align with your goals, and HOW to best engage them. Our course breaks down different partner business models, including VAR, MSP, ISV, and GSI, ensuring your teams understand the nuances and benefits of each. With a clear roadmap, your channel partner management team will be better equipped to streamline recruitment, optimize partner productivity, and reduce onboarding times.

Deciphering Partner Business Models: A Practical Guide

Navigate the intricate landscape of partner business models with our comprehensive training course. Designed

for professionals seeking clarity in the myriad of partnership structures, this module provides a deep dive into the defining characteristics and operational nuances of various business models, including VAR, MSP, ISV, GSI, and more. Each segment is crafted to offer real-world examples, ensuring participants can easily relate theoretical knowledge to their own business contexts. By the end of the course, attendees will possess a clear understanding of each model type, its potential benefits, and its application in diverse business scenarios. Equip yourself with this essential knowledge to make informed decisions and foster more effective collaborations in your business environment.

Skill Modules Delivery Options

- * Modules available in a self-service streaming video format
- * Modules available in LIVE remote training sessions (Module by Module or as a series)
- * Live 2-3 Day in Person Training (All Modules, or a Deep Dive Workshop on a particular subject area)
- * Custom Options Available Based Upon Client Needs

All Modules 2-3 Day Live In-Person Training

On-site at Client's location of choice. All modules delivered in an interactive face-to-face environment. A workshop format with group breakout sessions, advance homework, team deliverables and the critical in-person learning dynamic.

Professional Coaching and Skills Audit

If you are looking for 1:1 Professional Coaching, then let's set up some time and do a Skills Audit. This will allow us to map out exactly where you need specific skill building and skill expansion.

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Driving Indirect Revenue Growth Through Superior Channel Management Skills Training,
Fractional Channel Leadership, Assessments and Consulting Engagements