Top 10 Mistakes Channel Teams Make...

And How to Fix Them

A Discussion with Brent Earlewine

QUANTUM CHANNELS

Maximizing the Power of Indirect Routes to Market

- Background
- Our Mission
- Why

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CHANNEL CHIEFS

Founder, Brent Earlewine

My name is Brent Earlewine, and welcome to the Top 10 Mistakes Channel Teams Make... and How to Fix Them 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 in 2022. Amazing to get that recognition after multiple decades of being dedicated to channels.

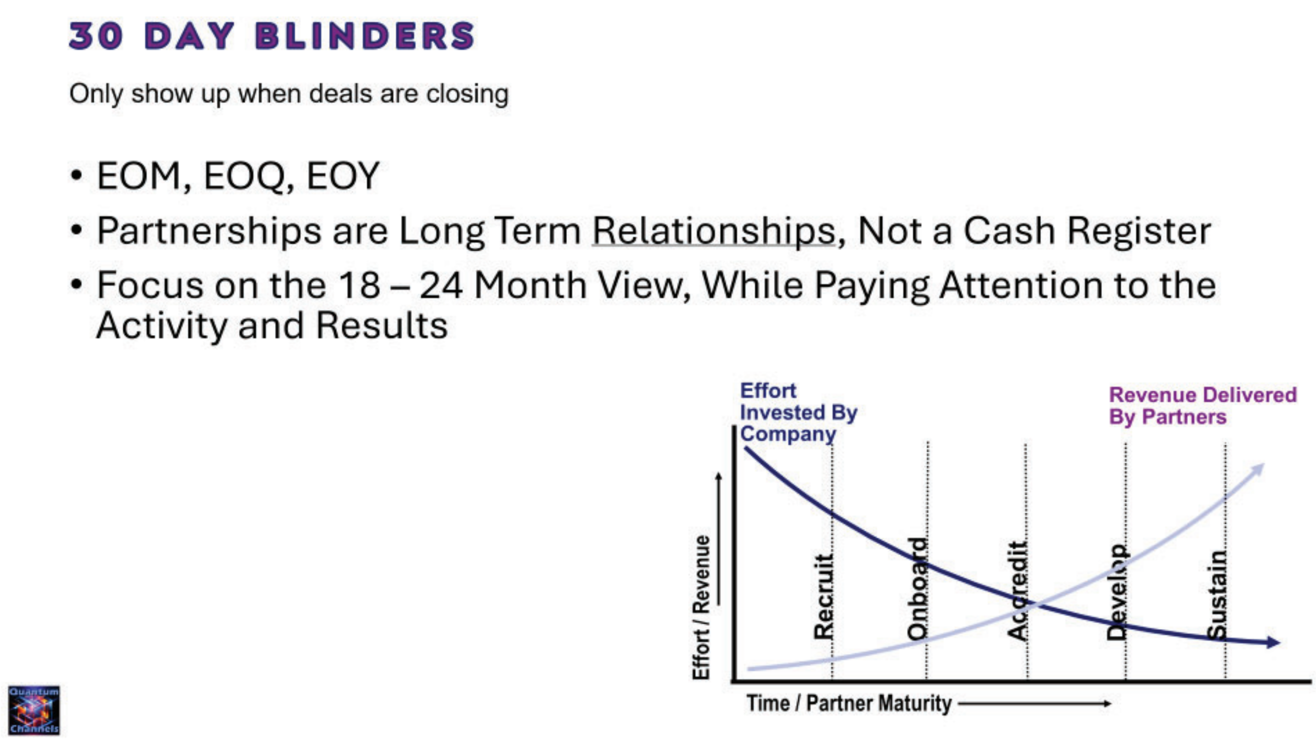
Let me give you some background on Quantum Channels. What's the mission? What's behind it? One of the things I've seen over multiple decades in the channel unfortunately is that vendors and companies do a really poor job of providing skills training or upskilling their channel teams with channel specific 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 top 10 mistakes.

Brent Earlewine



30 Day Blinders

This mistake is extremely common. Well, they are ALL common, but we've been there. It's the end of the month, it's the end of the quarter or it's the end of the fiscal year, and we are very focused on revenue attainment as channel teams. We're in sales after all and we're communicating with the partners, but what are we communicating about? We're communicating about; "Where's that deal? Did it get it ordered? Did you get the PO from the customer? When are you going to place the order with us?" Because everybody's chasing results.

The challenge with that type of communication is very, very straightforward. Which is we default to that kind of interaction with the partners more often than we really should. It's okay to focus on the activities and the results. That's certainly why we're here. That's how we get paid, and that's how the partners make money. But at the end of the day, what we really need to focus on is understanding that partnerships are long-term relationships.

You can't just view partners as a cash register. And when I say long-term, my horizon view that I've always done and recommended my teams to do is focus on at least the next 18 to 24 months. This means a long term view into the relationship, from a communication path with a partner, from a planning process to what are we doing together, and how are we going to get there?

Don't make the mistake of focusing only on the end of the month, end of the quarter, or end of the year. What you'll find, if you haven't already, is that partners get really tired of these conversations after awhile where they get a phone call or email or a text or whatever from you or one of your team members and it's like, "Oh no, they're just going to ask me about a deal. They don't really care about my business, they just care about that purchase order and the cash register ringing".

I mapped out part of a life cycle with a partner from a relationship perspective in the chart on the bottom right. The idea being from the left to the right would be the maturity of the relationship and length of the relationship with a partner potentially as a brand-new partner. But, as that partner or relationship matures, as the relationship gets further out onto the timeline, there is a distinct shift in the amount of effort required from channel teams to engage with the partner and support, to the amount of revenue delivered by the partner. I don't think partners ever become completely self-sufficient, but they certainly get better over a longer period. So, you may find as you look at your partners, if you've got mature partners, they may need less handholding and less focus just on the relationship versus when they were newer into your partner program or newer to you as a partner, specifically as an individual that's supporting that relationship. There is some good give and take out over a longer timeline, but you need to understand where you're at in that timeline and then act accordingly in support of that relationship so you're not defaulting to just asking about the deals. Focus on the long view all while still paying attention to the activity and results.

Lack of Recruitment Gap Analysis

If we look at the next one, this one's a little bit deeper of a subject. This is actually the focuse of one of my skills modules that I have mapped out for you, but the mistake is not doing proper recruitment and gap analysis. And what I mean by that is I've seen anyone from senior sales executives to CEOs of vendors to regional sales leaders say; "Sales are down, we need more partners, go sign more partners, more partners, more partners, more partners".

And the answer to that is let's pause. Let's take a time out. Do we need more partners, or do we just need more activity from the partners we already have? The answer is usually we just need more activity from the partners we already have. Recruiting partners is extremely important, but it has to be done in a thoughtful fashion. So, be sure you're doing it for the right reasons, not just because you're trying to throw additional bodies at a problem. The problem being - not enough activity, not enough funnel, not enough sales.

You are better spent trying to invest heavily in increasing activity with whom you already have relationships with versus trying to go out and just sign a whole bunch of new partners. Now there's several caveats to that. A couple of caveats may be if you've got a new product launch, or a new direction on your solutions, or you're coming to bear in the market as a vendor and you need different types of partners for very specific reasons. Then recruitment may need to be front and center for what you and your teams need to be doing.

I always like to start with an ideal partner profile. Almost every vendor company on the planet has an ideal customer profile, usually very well baked, very well thought out. Who are our target customers or clients or prospects? Who's going to buy our stuff? It is <u>not</u> as common to have a very well thought out or robust ideal partner profile (IPP). What kind of partner, what kind of partner type, what size and scope should they be, what kind of capabilities should they have, where they might be physically located, what skills they may have on tap inside the organization, etc. Building out that Ideal Partner Profile to me is one of the first steps that we really need to do from a recruitment and gap analysis perspective once we decide that we need to do recruitment as a significant motion.

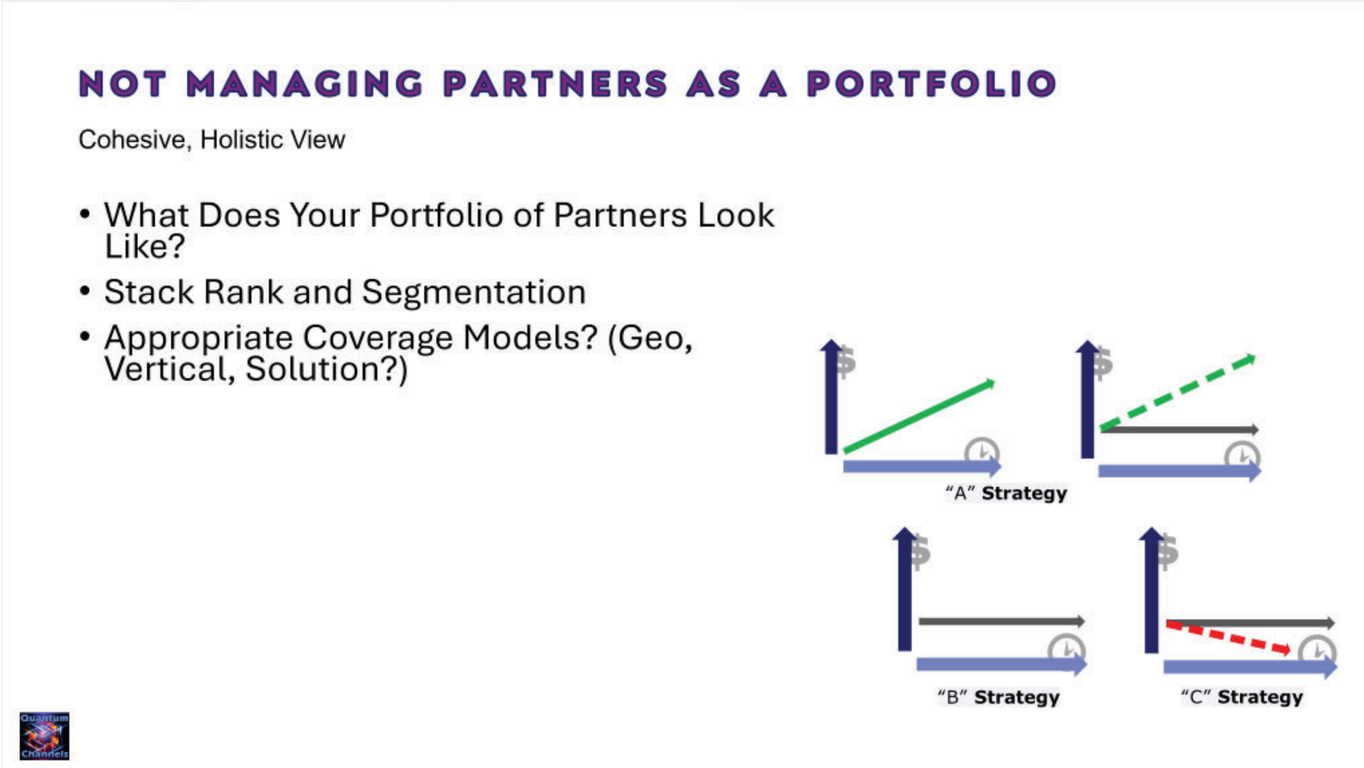
And then the next piece of that, once you identify your partner profile, is that you can go find names of companies that fit that profile. And then where and why do you need those partners? So usually, I talk about white spaces from a coverage perspective. It could be geographical white space, it could be a vertical white space, or it could be a solution white space.

White space is all about understanding where you either have not enough coverage or no coverage at all and you need to figure that out. With an understanding of whitespaces in hand, then you identify your ideal partner profile, and go identify the companies that fit that profile, and then engage in recruiting conversations. You have to understand whether they are interested in partnering with you as a vendor versus somebody else. At the same time, making sure you're still very clear on your own reasons to partner with them.

And then you can start to map out the future potential. What I'd say on the bottom right image, is that this is my recruitment methodology I have in the training skills module. The underlying current here is that this is all about progressive mutual engagement. What I'm advocating is that this is all about joint market opportunity with the new partner to make sure it is mutually beneficial for both businesses.

We'll talk about this concept again here a little bit later on, but what is really important is that the recruitment conversation must be all about their independent third-party businesses. This is a discussion about, "Hey, I see an opportunity, do you see the same opportunity?" Or "do we see new opportunity together that we can go create, take advantage of and close"?

So again, this is a much deeper conversation on recruitment, how to recruit, how to find, how to have that recruitment conversation and then moving them through an onboarding process.



Managing Partners Individually

This is another big mistake that I see in channel teams. This is the focus on another one of our skills training modules, but it's very common that channel teams will only manage their partners individually. So, what you'll see is they do a really good job on managing partner number one, and partner number two, etc. individually.

IE - Where are they at in the partner program? What are the KPIs and metrics we're using to measure the success of that individual partner, whether it's certifications, deal registrations, funnel and sales, or whether it's whatever.

What I don't see very often at all, and I think is a huge miss, is seeing channel teams manage all their partners holistically as a portfolio. So, looking at all of them at once with more of a higher-level view. This cohesive kind of view into all my partners. For example - If I'm running a region and I've got 35 partners, instead of just looking at each partner and going through the motions 35 times, I want to look at all the partners at once and then map them out on a portfolio view on profiles of success if you will. And you'll see on the bottom right of the above image, I have very simple methodologies.

I want to place my partners in one of three "buckets". An A partner, a B partner, and a C partner. It's an easy way for channel teams to stack rank or stratify their partners to get a good holistic view of all their partners at once. And this will play into where you see gaps or whitespace where you might need to recruit for different reasons. Effectively the A partners or an A strategy, are partners that are either brand new or have very high growth potential for you. So perhaps they have very good alignment on what you're trying to bring to market or they're an existing partner and they are on a growth path themselves as a company, and as a partner they have great alignment with you. A partners are essentially where your high growth rates are going to come from.

The B partners or the B strategies by contrast, are typically partners that you've had for a long time. They're very stable, they're solid performers. They perform every quarter, every year. These are the ones that are probably doing 80% of your revenue today as a vendor in your channel ecosystem. They may not be on a high growth path, but it's probably going to be very stable, very solid, and incremental growth. So maybe small single digit growth, but still very, very good revenue for you and for them. And they're most likely in the middle of their lifecycle of their relationship with you.

And then the C strategy or C partners are partners that you probably have, and everybody's got them. These are the partners that are at the end of their own business life cycle and they're in decline. Or conversely, it could be a solid business organization, but they're just in decline with you. Maybe they picked up a competing vendor and they have started to shift their allegiances and their attention, but for whatever reason they're in decline.

I encourage channel teams to look at all of your partners, and then map them into one of those three categories. You don't need more. You don't need to make it more complex than it needs to be. And then essentially once you've done that, now you've got a holistic view of your portfolio and then we'll talk about what you can do with that view once you have it. This also plays into individual partner plans, partner by partner, which I think are critically important. But then ultimately if you do a portfolio view, you will have a portfolio plan as well.

PARTNER LIFECYCLE MANAGEMENT

Weed and Feed

- Where are Your Partners on THEIR Lifecycle Curve?
- Do They Want to Grow?
- Can They Afford to Grow?
- Are they Capable of Growing?

CORPORATE/ BUSINESS LIFECYCLE

Lifecycle of a Business

LIFECYCLE OF A BUSINESS

Not Understanding Where Your Partners Are in THEIR Lifecycle

Another big mistake that I see all the time is not understanding or managing their partners from a partner's lifecycle perspective. And here's what I mean by that. As businesses, your partners are going to be at their own spot somewhere on that curve. Bottom right is a decent chart to understand the concept. Where are they at as a business? Are they in startup mode? Is it a brand-new organization? Are they in high growth mode? Are they in the maturity piece of that curve? Are they into some sort of decline? And that decline can be permanent, right? So, it could be a spiral and eventually they go out of business, they retire, whatever the case may be, or it could be some form of rebirth where they reinvigorate the company, they latch onto new solutions, new markets, new verticals, new vendors or perhaps engage in some sort of merger or acquisition.

What I'm advocating for here are really two things. One, understand where your partners are as a business on the business lifecycle. And once you understand that, then that will help you start to map your activities with them. And then there's a couple of key questions that you should be asking because again, you should be looking at this through the lens of a business and understanding them as a business, not just a name on your partner program.

Do they want to grow with you? Can they afford to grow? Do they have cash on hand and are they capable of growing? Let me just kind of peel those apart a little bit. They may not have a desire to grow. It's very common. You'll hear a phrase I use all the time, I love it, which is "two cars and a boat". And what I mean by that is some partners as a business are perfectly happy where they are.

"I got a couple of nice cars in the garage. I have a boat to go out on the lake on the weekend with my family. I'm making enough money, I'm fat, dumb and happy. I don't know that I want to grow any more than I'm right now. I'm not sure I want to be any bigger as an organization. I've reached my goals and I just want to maintain it", which is good enough for them.

If you're assuming that your partner is automatically going to do high double-digit growth for you year in, year out, you're probably making a false assumption because it's not in alignment with where they are as a business and as a business owner.

The second big question is, can they afford to grow?

Not every partner has a bunch of cash on hand. Cash is king in business and cashflow is critically important. They may not have the cash on hand to invest in new growth initiatives, new marketing campaigns, or maybe they can't afford to add additional sales headcount. Maybe they can't afford to open a new sales branch in a territory where you need it. Or whatever the ask may be, they simply might not be able to afford what you want them to do. So, you need to understand, do they have the ability to grow? Can they afford it? They may or may not, right? So don't just assume because you've got this great growth idea, "Let's go grow together" that they will want to do it. They may like the idea, but they may not be able to execute against it.

And then are they capable of growing? This is a tough one for channel teams. Not every business owner at a partner is good at running their business. They may not have the business acumen to grow, or they may only have a business acumen that gets them so far, which is perfectly okay. There's nothing wrong with that.

You don't want to make assumptions that their capabilities from a business acumen perspective will allow them to go from a $10 million partner to a $20 million partner or a $20 million partner to a $100 million partner and so on and so on. Some people reach the natural limits of their own capabilities without bringing in outside help and outside talent, which they may or may not be interested in doing.

So, do they want to grow? Can they afford to grow and are they capable of growing? Once you understand the answers to those questions, then that will lead you to the last point here. Which is I have listed as "Weed and Feed". You should be feeding the ones that want and are able to grow with you. And then eventually you may have partners that you need to exit from your program and relationships. That's the weeding part.

That's perfectly normal. It's very healthy. In fact, I don't think vendors do enough of the weeding or the "firing of partners", if you will. They just leave them on the books. And, again, very common, you'll see vendors say, I have 800 partners in my program and 120 of them are doing 90% of the business. Well, what are you doing with the rest of them? Why are they there? They're taking up resources. Should they even be there any more? Either re-engage with them and identify where they fit in your partner portfolio, or say "thanks, but no thanks" and move on. It's healthy for you, it's healthy for them.

Not Understanding Actual Market Opportunity, and How Much It Costs to Execute Against It

I'm probably going to say this on every topic, but I think this one's a deep conversation as well. I don't know that channel teams do a great job understanding the actual market opportunity. And there's two major components to this discussion. The first one is understanding and being able to articulate to the partners what you expect of them and what you want them to be responsible for attaining.

What is the market opportunity? What's the total addressable market? Whether that's geographically based, vertically based or solution based? If it's a healthcare vertical focus for a particular solution and a partner engagement, do we know who the actual companies are by name that we're trying to target? Who fits that ideal customer profile? Who's in our backyard? Who do we already have a relationship with? Who do we need to go reach out to that we've never talked to before? And applying that across a geographical understanding and a solution set understanding as well.

It gets you down to having good business conversations with the partner, by mapping out all of the nitty gritty details that what we need to do. IE - Here's where our opportunity actually lies. These are the names of the companies we're going to go chase. Now let's talk about how we're going to go do that. When discussing and understanding market share for me as a vendor versus competitive vendors, there is not just a competitive landscape understanding, but a complimentary landscape that is important to understand as well. For example, who are the other vendors that typically are attached to my solutions or surrounding my solutions? What vendor is next to, underneath, or part of a purchase from a customer? So having more of a holistic view from a competitive and complimentary vendor solution perspective is imperative.

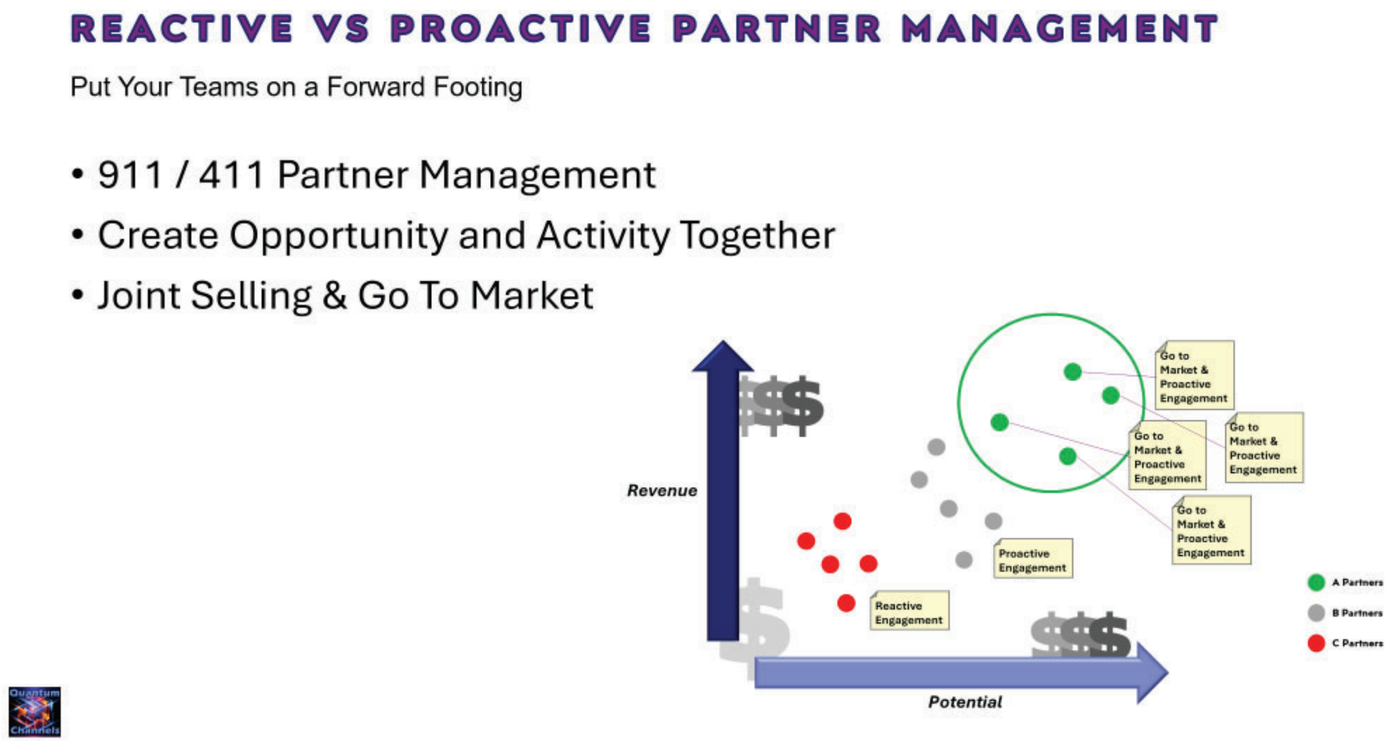
Then that should lead us to; where is the actual growth opportunity for both of us? Where's the joint opportunity and what are we selling and who are we going to sell it to? The second piece of this image is the bottom right. I spend a fair amount of time here trying to understand what are you really asking that partner to do? I like to break it down into four simple quadrants. You'll see across the top of that chart, current / new and then down the left-hand side, current / new. And essentially one is the markets or customers, that's the left-hand side.

Products and solutions are across the top. Essentially, you're asking the partner to do one of four things or some combination thereof.

First one, I'm going to sell the same stuff to the same customers. That's current. Current, same. That's the Penetrate box. We just want to sell more of the same stuff to the same people or the same markets and just keep on going and continue to try to grow that way. That's the easiest to do with existing partners and it requires the least amount of new investment because these motions are already in place. Customers and partners are already on board, and customers are already buying. You get market share.

But as soon as you shift into trying to acquire new customers for the same solutions or sell new solutions to the same customers, now you're starting to require some additional effort and investment on behalf of the partner. If you're trying to sell new solutions to the same customers or same markets, that's the Launch box. If you are selling new markets and customers in the same stuff, that's the Develop. IE, trying to get into additional markets.

Then the bottom right is new/new. This is the Diversification box if you will. And that is where you'll see the best growth. This is kind of a business rebirth, new solutions, new markets, and new verticals. It's also the most expensive for partners and sales teams to do because you're essentially trying to establish market share. You're trying to get new customers, you're selling new solutions, new value props. It's the most difficult, and requires the most investment and takes the longest to actually see traction. So again, this is a deep discussion. This is worth an an entire discussion all by itself, but just understanding what you're asking the partner to do. And the four quadrants are a great way to put some framework around it and really articulate, this is what we want to do, this is where we want to go chase. And we're going into it with our eyes wide open, so we know what kind of effort, investment, and time it's going to take to see success in any of those types of initiatives.



Reactive vs Proactive Partner Management

The mistake that I see is being mostly reactive with partner management and partner engagement. It's not uncommon. We see it every day. We all get the 911/ 411 calls from partners; The 911's = "I got a problem, I got an issue, I got an emergency, you have to help me fix it". Or the 411's = "I don't understand this. Where can I find this information? Help me do this, help me do that".

Our days can get consumed with that 911 / 411 kind of stuff, and then suddenly you skip forward a month, three months, six months, and you haven't done anything proactive with the relationship with any of your partners because you're so busy just putting out forest fires. So again, two main discussions here. One, trying to put yourself on a proactive footing, especially with a short subset of your partners.

You're not going to be proactive with everybody. It's okay to be reactive with what we labeled as the C partners. Those are the partners that are in decline, they're not engaged. You can still get a long tail of revenue out of C category partners. But when I said C definition of a partner and C strategy, the strategy with a C partner who's in decline or at the risk of decline is that you shift to more of a reactive footing with those relationships. So, if you look at the chart on the bottom right, you'll see three kinds of groupings of dots. The dots represent individual partners, color coded for those three types of partners that you've put them into from a definition perspective. And then this is where you start to see the actual strategy take place. So, the C partners are in red reactive engagement. I'll certainly respond. They've got deals with them, we'll get stuff closed, and it can be a really good long tail of revenue. But in general, I'm not putting a lot of time, a lot of effort or investment into those partners because I see them in decline (assuming I can't reverse that trend).

And then the B partners, those are your solid stable partners. They've probably been with you for a while, they're doing the bulk of your revenue. I'm going to be proactive with them. They're doing great business. They're in the middle of their lifecycle relationship arc with me. I'm going to invest in them, I'm going to engage. They're delivering a lot of revenue for me. So, they're absolutely on my proactive list. But then if you look in the top right, I'm going to have a short list of partners that fall into my A category and then that's my A strategy, which means

I am going to be overly proactive with those partners because they have high growth already or have high growth potential for me. I'm going to over-invest in time, effort and initiatives because I know that's going to pay off. Typically A partners represent the future of where I am trying to get to as a vendor.

With the A partners, we start to move towards actual go-to market kinds of engagements. We create opportunities together instead of just responding. We are proactively chasing a new market, or mutually creating a new market, or chasing a new vertical, or launching new solutions. So very, very proactive with A partners. And we're still being proactive with the B partners as well. But the level of investment is much more ramped up with the A category partners, high growth or high growth potential, where my money's going to come from. I'm going to keep engaging with the B's because I'm making most of my money there, but the future growth percentage is really going to come from those A partners.

NON-ALIGNMENT OF BUSINESS STRATEGIES

JOINT Market Opportunity

- Partner Goals and Strategies vs Vendor Goals and Strategies = GAP
- Where Does it Align?
- Beneficial to BOTH Parties?

Non-Alignment of Business Strategies

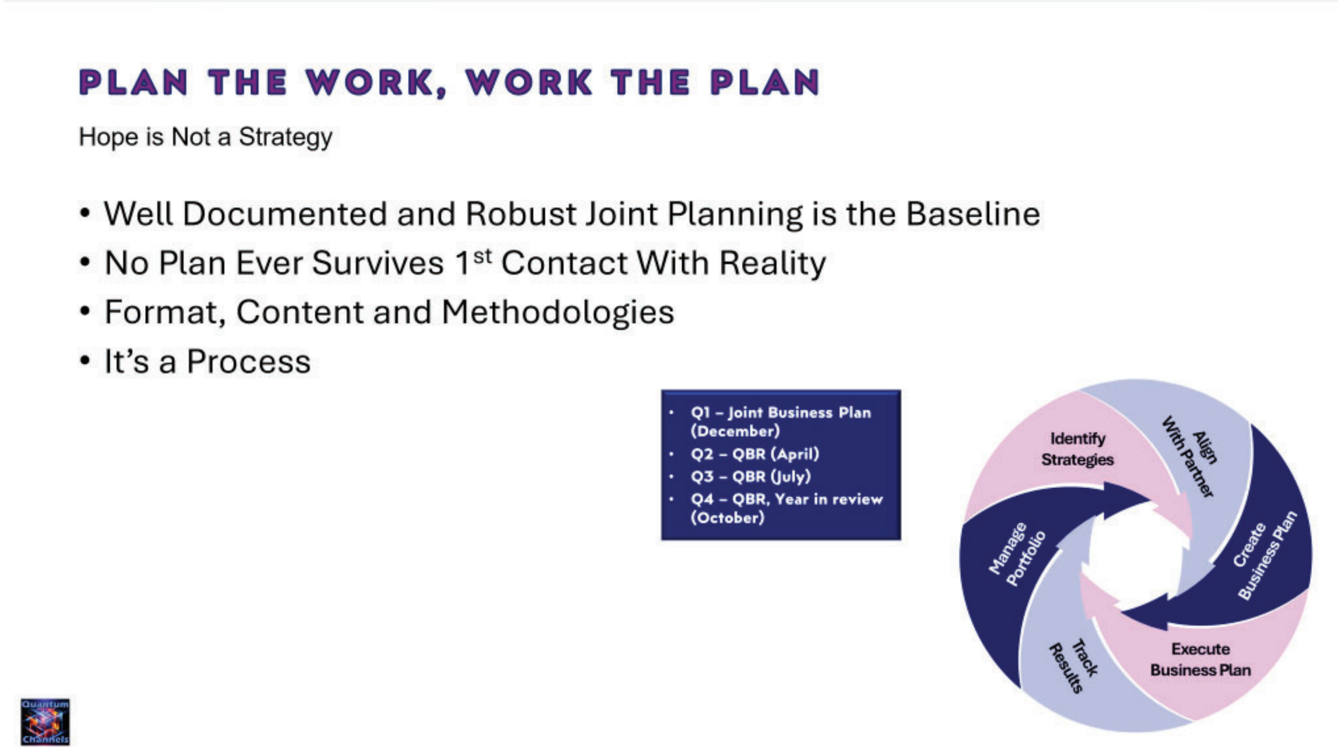
With this common mistake, we start to get into a little more, let's say esoteric kind of discussions. This is all about non-alignment of business strategies. If you keep in mind that they're an independent third-party business then you need ot understand that their goals may or may not align with you.

And here's a couple of examples of what I mean. Their goal for example, is that they may not be interested in a lot of growth, and you are. So that's certainly a misalignment of goals between you and the partner. Or another type of business misalignment could be that you're simply one of several vendors on a partner's portfolio lineup. Let's say you're one of many, and maybe you're simply not a priority for them. They're a priority for you, but you're not a priority for them. Maybe you're a second-tier vendor to them and they sort of pay attention to you, but you're really not their "fastball".

That also shows up in regards to solution sets where they may very be focused on a solution set that's not yours, or perhaps they used to be very focused on your solution set, but now they've shifted their business and they're chasing something else instead as their new high growth focus. Simple example, maybe they've been a communications partner of yours for the last five years, 10 years, but now they're chasing cybersecurity. So, it's an example of a solution set misalignment. What you need to understand is you have to go through and evaluate your existing partners, (and you can also do this obviously with new recruitment partners and your ideal partner profile), and try to figure out where you have gaps in the alignment on business priorities between you and them as a business. Always keeping in mind that ideally, true alignment is something that should be beneficial to both parties.

It's very common that vendor channel teams tend to be very focused on what's beneficial to them by putting blinders on and not understanding or engaging in what's beneficial to the partner as well. At the same time, when and where you have that alignment, once you spend the time to identify it and have the discussions, and put the plans together, that's where you see real growth. But again, usually what I see as a mistake as channel teams are making an assumption that my priorities are the business partner's priorities and that is not necessarily always the case. The challenge here over a long enough timeline is that the priorities for the partner will change because their business changes. They will see new opportunities, new paths to growth, something will happen in the business that will push them one way versus another. So, this business strategy alignment process is one that never ends.

As you're having those discussions with the partners on what are their business priorities, it's always a good idea to keep this front and center during quarterly business reviews, year in review discussions, business planning discussions etc.. This way you can make sure that if something has changed in their business since the last time you had conversation, you'll know about it. Because what you'll find is that whatever your understanding is this quarter or this year could turn stale and turn out to be no longer applicable as you move forward in time with that particular partner.



Plan the Work, Work the Plan

Which will lead us right to one of my favorites, Plan the Work, Work the Plan.

Hope is not a strategy. I'm a big fan of making sure that you actually plan the relationship with the partners, and document it. I will tell you a couple of things; well-documented and robust joint business planning is table stakes. That's a baseline starting point for anybody that's ever been on one of my channel teams. I find that teams are much more successful by documenting it. And by documentation I mean that you don't just write down your own goals by yourself. You're documenting the conversations and agreements you have with the business partner on the path forward. You would think this is pretty straightforward and pretty basic concept, but you would be astounded at the lack of quality you see out in the vendor channel teams when it comes to business plans and documentation of initiatives with their business partner teams. You might see really good ones with a couple of partners. It is very rare that you see that level of quality across a large percentage of partners in a vendor's ecosystem that are driving most of the revenue.

And it's a shame. With this said, I will tell you that one of my other favorite quotes is, "No plan ever survives first contact with reality".

So, you sit down, you have conversations with a partner, you document it, and I will tell you in no uncertain terms that what looks good and sounds good on paper, may or may not always work out the way that you planned.

That's certainly okay. This is a process and it is designed and should be treated as such. You have to have the conversations, you document them, you start to put it into play, put it into action. When you find something that did not work out the way that you thought it would, you tweak it, you update it, and then you replace it with something else. Conversely, when you find the stuff that is working really well, you double down and triple down. So, you see kind of the circle on the bottom, right of the image above.

This is a never-ending process. You have the conversation with the partner, you align on the initiatives, you start to document, you start to execute, and then later you come back and evaluate. You see whether it's working or not. You tweak, you update, and then you keep on going. This is the core type of lifecycle management of the partner relationship.

Additionally, I'm always astounded to find that there's a large percentage of vendor channel teams that don't have a really good calendar expectation on when to do joint planning, or QBR's and how to have those conversations. Not only is it the documentation of plans and QBR's, but it's also the <u>process</u> and <u>methodology</u> of having conversations with the partners. And again, I have a whole skills module on this focused on; Who are you going to have the conversations with, What's the structure of the conversation? How long does it take? How often do you have it?

I don't necessarily care about the format of the documentation or where it's stored. However, I have some opinions that they should be embedded in something like Salesforce or a good PRM platform for example. (This is certainly ideal so everybody can get to it and update it. It's easier, especially as responsibilities and team members might change). But at the end of the day, I don't care if you stick it into an Excel spreadsheet, a PowerPoint presentation, whatever. It's more about the <u>quality</u> of the conversations, and the <u>execution</u> and the <u>evaluation</u> that I think is much more critical for proper documentation and planning with your partners.

NOT TREATING PARTNERS AS INDEPENDENT BUSINESSES

Partners are in it for profit

- They Don't Work For You, They PARTNER with You.
- Channel Partners are Independent 3rd Party Businesses
- They Are in it to Make $

Partners Don't Work For You

This is another big one for me, and I unfortunately think vendor channel teams get caught up in this mindset where they think that the partner works for them. Never forget that a partner is an independent third-party business. They don't work for you; they partner with you. They have made a conscious choice wherein they think about their futures and their growth potential and the money that they expect to make lies with you as a vendor. They can change their mind at any time, but once you go into conversations with the partners and keep the idea of them as an independent business front and center, you will find that the business relationship alters dramatically in a positive way. It will influence every interaction that you have with them.   From a conversation and initiative perspective, this is all about how do I help this business owner find mutually beneficial opportunities or how can I help them take advantage of opportunities in the marketplace.

When we do that, they make money, AND I make money. This is ultimately what you need to make sure is embedded in everything you're having as a conversation with a partner. They're in it to make money, they're in it to make a profit. If they don't see the growth opportunity, if they don't see the cash they can make, if they don't see the growth for their own business, more than likely they're going to say, "yeah, that's interesting. Not for me. I'm going to go do this instead". So please understand that partners are independent third-party businesses.

This also leads to a skillset discussion with your channel teams. And the big thing there is can your channel teams read a profit and loss statement? Can they talk about basic financial concepts from an accounting perspective? Can they really talk through ROI on an initiative with a partner? Do they understand what it costs that partner to do X, Y, and Z?

If you think back a little earlier in the discussion about common mistakes channel teams make, we spent some time on the idea that those four quadrants of sales motions, new stuff to new customers, same stuff to same customers, what have you, and having the understanding of what's the financial impact of what that type of initiative means to the partner. Instead of just assuming, hey, it's a good idea. The partner's going to pay for this and everybody's happy. Maybe they will, maybe they won't. You need to have a business level conversation with them because they're a business and they've got to manage their own cashflow. They have to manage their own growth opportunities and manage where they invest their scarce resources and who they invest them with.

NOT TREATING CHANNELS AS A STRATEGIC CHOICE

Strategy, Dedication and Long-Term Commitment

- Half in, or Half out
- The Political Winds of Change
- Indirect Routes to Market are the Fastest Way to Scale and Grow

Not Treating Channels as a Strategic Choice

This is the number one reason why channel teams fail. And this is near and dear to my heart. I've gotten scars on my back over the years from seeing teams and companies do this. The number one reason I see channel teams fail, (and this is a little bit higher up from some individual contributors, more at a company decision makinglevel), is a vendor not treating channels as a strategic choice. And here's what I mean by that.

Very common issue I see is that vendors and companies are half in or they're half out. "Yeah, we do channels, we also do direct sales, we do a little bit of all the above. Yeah, we like partners, cool, they bring us money. Yeah, I'm not sure I can really afford paying these crazy partners. What are these commission rates and deal registration financials beenefits, and should we really have partners? Why can't we just do it ourselves?" You get the idea.

The half in / half out kind of mentality is a killer. As a vendor or as a company, I believe very firmly that you need to make a strategic choice. You are either going to do indirect routes to market, so you're going to have partners of some kind. It doesn't matter what the partner definitions are and there's lots out there that may be a better fit for you as a business model versus others. Or you're going to be primarily a direct selling organization.

There's nothing wrong with that. There are certainly benefits from both strategic directions. But I will tell you that making that strategic decision upfront is what the critical decision point is. Whatever decision you make, then you have to align everything else behind it. This means investments, people, resources, programs, cash, marketing, you name it.

Everything flows down from making that strategic choice on what's the primary way I'm going to get to market and the primary way I'm going to capture my market opportunity. It is also about who and what does my salesforce look like.

The second discussion point is; what are the political winds of change?

I've seen this repeatedly over the decades. You may end up with a particular senior leader or a CEO or a senior VP of sales that might love channels. "We're all channels, go, go, go"! And then for whatever reason they rotate out of the organization and the replacement individual says, "Yeah, I'm not so sure about this channel thing, I think we're going to shift more to direct selling".

Then you skip forward another couple of years and they rotate out out of the organization as well. And then you get the next leader in that goes, "Yeah, rah, rah, rah channels!". I've seen that dynamic rotate and rotate and rotate. And you know what, the partners end up with whiplash because they're trying to understand, "Hey, as a vendor, are you in this channel thing or are you out? Make up your mind".

Simply put, the political winds of change can be a killer as well. That's a lot more difficult to manage because the senior leaders are making decisions on where a business is going to head as a vendor, and they are more than eligible to make whatever decision they want. But when you look at this from the partners perspective, the partners have long memories. They will remember that you suddenly had a senior leader for two and a half years that wasn't so friendly to channels.

And when the new leader comes in and wants to reengage, they're going to think, "I don't know if I should trust you this time. Should I invest my scarce business resources into what's going on for you as a vendor? Or are you going to change your mind again in two more years? And now I've invested time, effort, money, people and you've gotten fickle again and you're no longer primarily channel driven".

So those two things that are being kind of half in half out, not making a really good strategic choice, and two, the waffling in and out with changes in leadership. Those are really, really big mistakes that I see over and over again. I will tell you, in no uncertain terms, my opinion is, (and this has proven out by research over decades from third parties, from consulting firms), that the fastest way to scale and grow a business, especially in the high technology industry, is through and with partners of some kind.

Now we can have lots of good discussions and arguments on what kind of partners, what size business models, etc., however all that's kind of beside the point. You can figure out those details, but the fastest way to scale and grow your business is through and with partners, and the simple reason is they are a force multiplication factor. Essentially, they are additional people out in the street that are selling on your behalf. This is assuming that you are supporting them properly, you're engaging with them properly, you're investing in them. And you've got team members that are very specifically focused on those relationships to recruit them, to onboarding, to supporting, to co-selling, to what have you. The force multiplication is why it scales faster and grows faster across the board. So, my opinions are very strong here since I am channel guy, I'm not a direct selling guy.

I'm sure somebody else could have a different opinion, which is perfectly fine. But I believe in channels, I believe in the power channels. I am convinced because I've seen it first hand. Partners are the fastest way to scale and grow your business. But what it requires is the strategic choice up front to be indirect as a business model and it requires a long-term commitment to indirect routes to market as how you're going to run and grow your business.

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.

www.Quantum-Channels.com

Brent Earlewine - Founder and Principal Consultant

Brent@Quantum-Channels.com

412-298-4486

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