

TURN YOUR  
**COSTLY PRM**  
INTO A REVENUE MACHINE



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ABSTRACT



**Has** your PRM system fallen off a cliff? Is it not getting enough visits, or is it just not meeting the needs of your channel partners? Partner Relationship Management (PRM) systems are always seen as a "must have" for almost all company channel programs. But industry research shows that partner engagement, as reflected in PRM applications, withers on the vine without a well crafted incentive program to drive it. So, what's holding channel partners back from fully utilizing your PRM portal/apps?

Before we delve further, ask yourself, **are you satisfied with the amount of time your channel partners spend using your PRM portal, or the number of times they log in to the PRM portal in a month?**

- Do they maintain and update their profile on the platform?
- How many of their employees are registered on the platform?
- Do all your channel partners use your deal registration app to the fullest?
- If they do, do they all fill it out correctly? Are they missing any information?
- Are they adhering to the rules that you set for deal registration?
- Are they doing it on time, or are they doing it a couple of months later?

If you are satisfied with the introspection, use this eBook as an information guide to fuel your already successful PRM portal. However, if the above questions ignited a reality check, use this eBook to find out what's missing in your PRM portal and how you can give it the kick it needs.

Most PRMs are seen as a "field of dreams" – build it, and your channel partners will use it. But that seldom happens, because there is nothing really in it for them. A successful PRM contains all the features that will drive partner engagement, and convert them from passive to active representatives of your brand. It is all about partner enablement – but in reality, PRM enablement alone is a one-way street. By definition, the word "partner" implies that both parties have skin in the game. When it comes to PRM, that's not the case – there's nothing in it for the partner.

And that's why PRM engagement is so low (it has been hovering in the low teens for several years now).

**Great** partner experience is essential, but not enough to drive engagement, performance, and results.

## SOME STATS:

The utility value is reflected in the relatively small size of the PRM market -- **\$679 million** -- vs. CRM, which clocks in at **\$45 billion**. It shouldn't be that way - there are many more channel partner users in the world than direct employee users, which speaks of questionable PRM value due to a lack of partner engagement.

## HOW DID PRM COME TO BE?

Channel partners have existed in tech companies' ecosystems for over 20 years now. Companies started initially managing these relationships via manual processes. However, owing to the evolving market scenario, these channel partners' fast-changing needs and expectations have rendered in-house developed portals of organizations obsolete. Partners now want a personalized support service, to do away with complicated processes, and to be provided with dedicated support in marketing, sales, and service delivery for end customers. This could only be done through automation. Enter PRM.

Through PRM automation, you can deliver all the content, information, and various types of enablement apps (MDF, deal registration, CPQ) and everything else that a channel partner needs to represent your solution and value to the market successfully. And PRM automation scales well in terms of supporting a large number of partners.

Even though the original premise around PRM was to automate processes for channel partners and cut costs, companies ended up spending a fortune on setting it up and customizing it. Yet the average number of channel partners that log in to a tech company's PRM portal is 12-15 %. Additionally, companies often end up finding a gap between their expected business outcomes versus actual channel partner performance.



## HOW TECH COMPANIES RATIONALIZE AND GROW THEIR PRM INVESTMENT

Tech companies typically invest in PRM when they reach 50-100 channel partners.

It doesn't take long, in terms of having attracted channel partners, that tech companies and manufacturers realize that channel partners need more than the company's public website to support their partner ecosystem. And yet, they can't extend their CRM licenses to channel partners, for obvious reasons having to do with security.

So, the need for a partner portal with partner-select content is deemed to be paramount. Following closely on the portal's heels, then, are some communications mechanisms in the portal. And the first PRM app rolled out is typically deal registration. From there on, a PRM system can evolve to encompass training and certification, market development funds management, configure-price-quote, help desk, a partner locator, and more.

The problem is that PRM content, after initial ingestion, is of little value to partners. Deal registration is little more than a submit-approve form. And the communications channels found in most commercial PRM products are underwhelming or absent, so companies resort to SMS, Twitter, and other external communications mechanisms. Therefore, from an early-stage optimization standpoint, it's hard to justify the price-value of PRM.

This brings us back to the question – why waste millions of dollars to implement all those partner enablement applications if only a few partners will use them?

For most companies, PRM is seen as the knight in shining armor that will save their channel partner program from falling through the cracks. So they implement it to check the box but fail to encourage or motivate their channel partners to utilize it regularly.

## HOW DOES PRM WORK FOR YOU THEN?

Most PRM solutions miss the mark because of the absence of a key element – Incentivization – that binds together the entire PRM enablement spectrum for partner marketing, selling, and support.

It is only when you begin mapping incentives to the partner activities you enable via various PRM apps that things start to change dramatically (for the better).

Once you introduce incentives for partner' behaviors', channel partners have a reason to engage. This shows that you are equally invested in their growth as they are in your brand. That you and they are in this together. Not just to drive revenue, even though that's a natural place to start an incentive program, but by focusing on your desired business outcomes: increased revenue, customer experience, brand building, product knowledge sales & support competency, etc. When you start getting all the behavior revenue-driving gears turning, your PRM engagement can jump by order of magnitude, increasing the revenue quotient exponentially.

# WHAT DO CHANNEL PARTNERS VALUE?





## Money?

Well, yes. But your **engagement and support** also matter.

Certainly, your incentive reward's monetary value has a lot to do with the rise in portal engagement. After all, channel partners are in the business to make a profit too.

But it's also about the signal you send with your incentive programs. That you are investing in your channel partners because you want them to grow, to be better, and that you have a stake in their development.

Moreover, your incentive investments should reflect your corporate objectives. Whether you want to enter a new market, grow your customer footprint, amplify your brand, or be known as an exemplary Customer Experience provider. Your incentive strategy should reflect these goals, and by doing so, you are making your channel partners stakeholders in your company's strategic objectives, leveling them up to strategic partners.

## INTENT IMPERATIVES OF INCENTIVES PROGRAMS

The average number of incentives a tech company fields over one year for its channel partners is in the mid-teens. The main idea is to design channel and PRM strategies on a full-year basis, and several tech companies are already doing this. It can be done with two intentions in mind:

- 1. You are in this together with them:** You need to show your channel partners and communicate to them where you're investing and that you want to bring them along. For example, in the annual strategy meeting, your company decides to expand in the APAC region to grow your customer base there. All of these important decisions should be reflected in your incentives program, so that channel partners not only know what you want them to do, but why you want them to do it.
- 2. Great incentive programs help them grow:** Tech companies want their channel partners to be more effective and productive in marketing, produce more leads, and perform more marketing activities. The built-in enablement apps (MDF, CPQ, Training, etc.) can help channel partners develop necessary skills. There are different ways in which companies can incentivize them and drive results in terms of the number of leads that turn into closed opportunities or the behaviors that drive those results, like the number of activities that they run through the enablement apps.

**Note:** Not every single partner may need a lot of help or investment for marketing, so you have to be selective and use a smart segmentation strategy to target the right channel

**Declining participation** - You have the same number or percentage of channel partners participating and engaging in your incentive program for a while now.

**Declining ROI** - You are pumping more money in your rewards budget for your incentives program, but the results that you're getting are not rising accordingly.

**Rising costs** - Is it costing you more to build new incentive programs? Are you spending heavily on its design, launch, and management?

**Can't scale** - This is a key issue. While you want your participation to grow, your systems aren't able to manage your channel partners' needs.  
**Takes too long to design/field** - Many companies outsource their end-to-end fielding of incentive programs to agencies with the hope to see it soar, only to suffer from bog-down.

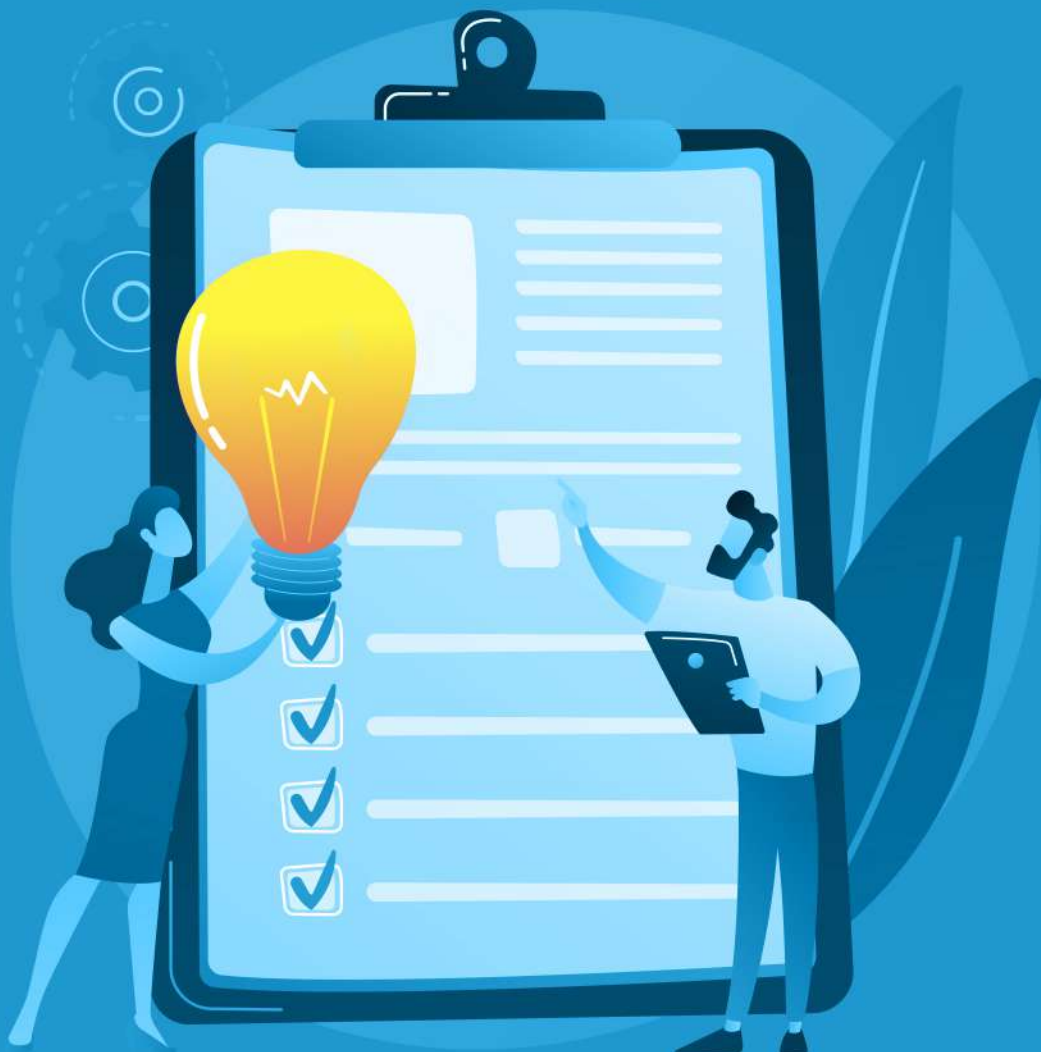
**Takes too long to get results** - And agencies (or your own under-powered analytics) can take weeks to get post-incentive results, which delays your next new incentive .

**You're attempting to manage a growing, changing program -- and partner ecosystem -- using a spreadsheet** - It certainly can't scale and employ the sort of innovation that you want to put into your program today.

You need to think about your incentive program, not only in terms of what you're going to get out of your channel partners, but as a means to engage your channel partners, to bring them more closely into your fold, and give them a better partner experience. Give them the ability to monitor their own performance, the ability to decide which of your programs to participate in, and the ability to apply the different types of incentives that you do in the way that they believe is most important for them strategically. Give them a choice and give them a great partner experience.



# INCENTIVES LIGHT UP YOUR PRM





**When** you pair an incentives program with PRM enablement, PRM utilization goes up from the low teens to about 80%. That engagement has the implied benefit of generating more revenue. Incentives that align with known actions and behaviors result in successful outcomes and ensure optimal results.

## INCENTIVIZABLE BEHAVIORS THAT FIELO SUPPORTS

PRM apps represent the actions you want your channel partners to take, i.e., the behaviors you want them to adapt and grow in.

**Fielo supports over 40 behaviors out of the box in categories ranging from sales and marketing to partner engagement and customer experience.**

Utilization of enablement apps like **Opportunities, MDF, CPQ, Training, and Portal Activities** represent common incentivize behaviors. Other activities like **qualifying leads, business plans, case/tickets, and certifications** are also incentivized to foster the type of well-rounded business partners representing your biggest growth channel of the future.

Fielo also incentivizes **sales behaviors** that are not limited to just **revenue** (i.e., Opportunities Closed-Won) – the obvious starting point for channel incentive programs – but **forecasts, quotes, contracts, solutions, orders**, and the all-encompassing **opportunity development**. *With Fielo, you can track Opportunities from inception through close, reward partners for time goals, or for simply following your sales methodology.*

## KEY TAKEAWAYS

- **PRM is not a field of dreams:** Even though PRM is sometimes treated as a field of dreams, having the notion that just by having a PRM portal in place will get channel partners will rush to take advantage of it. It would help if you had some incentive to do it.
- **Incentives are about much more than money:** They are a catalyst for alignment, collaboration, and business growth.
- **Fielo makes incentives simple** with QuickStart pre-populated modules.