



Partner Programs The Complete Guide

The channel partner/vendor relationship can get pretty complicated which is why building a Channel Partner program is not only efficient but also powerful. Even some of the biggest manufacturing and tech companies, including Microsoft, VMWare, Caterpillar and thousands of others, have invested their time and money into building one. According to Crossbeam, 93.1% of organizations have said that the partnerships they created have a measurable impact on revenue. Additionally, within 61.1% of those organizations, leadership looked at channel partner leaders as their peers.

Despite all of the positives, creating a successful one can be difficult to execute. It takes time, effort, and most importantly, strategic planning.

What is a partner program?

Channel partners collaborate with vendors to promote, recommend and sell one or more of the vendor's products or services. They aren't directly employed by the vendor, but instead, brought in as 3rd party organizations such as distributors, resellers, wholesalers and licensed service providers that are rewarded for their performance in increasing sales and driving revenue.

A partner program's main function is to organize and keep track of the actions and performance of channel partners. Additionally, a program helps facilitate and maintain communications between a channel partner and a vendor.

How does a partner program work?

Within a partner program, there are usually 7 main pillars that make up the functionality.



How does a partner program work?



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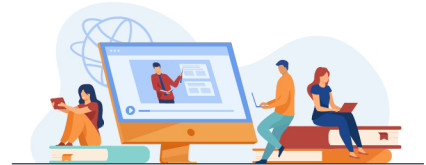
Value proposition

Define a **value proposition** for your partner program

2

Content

Build a **content** platform that educates your channel partners in the form of text, video, papers, comparisons and industry news; so that they can converse about your products and services



3

Deal registration

Build a **deal registration** platform

4

Incentivize

Identify customer centric sales behaviors and **incentivize** their adoption

- Use goals and rewards to motivate channel partners to promote, recommend and sell more



5

Training

Build a **training** platform that provides **eLearning and certifications** which can validate the expertise of the channel partner and also position them favorably with the customer

6

Support programs

Build **support programs** that help channel partners to:

- Earn and keep track of **MDF**
- Enable special pricing and automate quote approval through the **CPQ** module
- Upload their profile and unique attributes on the **Partner Locator**



Content

Partners gain access to content that has specific relevance for them. For example, product knowledge, product specifications, price lists. It becomes a great resource to keep track of existing products or services as well as any updates that may come from the vendor.

Deal registration

Vendors generally offer deal registration and enable partners to submit deal registration forms through the partner portal. The vendor will review the lead, and if approved, give priority to that partner to close the deal.

MDF

A program helps partners earn and keep track of MDFs (Marketing Development Funds) which are used to pay for marketing materials and to help promote the vendor's product.

Configure Price Quote (CPQ)

The Configure Price Quote (CPQ) module enables special pricing and automated quote approval to sales reps, channel reps and channel management team members.

Partner locator

A feature that enables the partner to provide their profile and unique attributes so that customers can find them based on specific search criteria.

Training

Most programs provide some form of training which could be as a course, white papers, sales scripts, competitor comparisons and presentations. Providing these becomes a critical pillar to help partners have a deeper understanding of the vendor's offerings which will help with customer interactions and sales.

Incentive program management

A partner program strategically uses goals and rewards designed to motivate channel partners to promote, recommend and sell one or more of a vendor's products or services.

Some companies consider incentives to be the flagship element of a program because it has the ability to drive sales.

Why are incentives important in a partner program



According to a Marketplace Study by the Incentive Federation,

between the years 2013 and 2015
the use of channel rewards among businesses rose 15%,
with companies spending upwards of \$17 billion on channel programs alone.

Generally, companies tie incentives to organizational goals, such as sales targets. The reason why it is considered by some to be the most important aspect of a partner program is because it leads to a lot of great results and can drive many aspects of the selling process. For example, the criteria for completing an incentive could be based on:

- Sell a specific amount of product within a quarter or a year
- Reach a revenue target
- Selling a set quantity of a specific product
- Selling a product in a set period of time
- Sold products to a specific market or vertical

If a partner meets the incentive criteria, they are usually rewarded with spiff, rebates and MDF. But I want to discuss with you the secret to building a successful partner program and what so many people get wrong.

The key ingredient to building a successful partner program

As we discussed in the previous section, the incentivization pillar built into your program is extremely important and the examples in the section above shows how companies utilize it to increase sales. But here is the secret that not many companies realize. What if you were to take the 7 pillars and look at it a different way.

You should be looking at incentives as the way to motivate partners to engage with the other 6 pillars.

The fundamental reason why this is important is because every aspect of a vendors program is based on the actions of the channel partners (Registering deals, MDF spend, training) and every action is based on a behavior.

When you incentivize the right behaviors, you get the right results.

The important aspect is to select behaviors that not only encourage the completion of your objective, but the behaviors that drive them — for example, if you want your channel partners to sell more of your product, you would incentivize the behaviors that lead up to the sale. That means rewarding them for watching training videos, bringing in additional leads as even sales funnel objectives like giving a product demo.

Here are a few examples of how to supercharge your program.

Content

Having all your partners read up on your products or services is critical from them to properly sell. For new members, why not reward them for downloading each of your whitepapers or watching all of your product videos.

Deal registration

Incentivize your resellers to register deals they are pursuing, which can give you a better forecasting pipeline. Moreover, it provides you with the opportunity to reach out to individual value-added resellers (VARs) and offer assistance, education, or more information that could

MDF

Incentivize your resellers to register deals they are pursuing, which can give you a better forecasting pipeline. Moreover, it provides you with the opportunity to reach out to individual value-added resellers (VARs) and offer assistance, education, or more information that could close the deals. Incentivize a partner for each deal they enter into the portal. Or even better, incentivize them for a longer goal like submitting 100 deals within 90 days.

Training

A channel partner can only sell high volumes of your product if they really understand how it works and why it can benefit a customer. To do so, they need to undergo a significant amount of training on your product and how best to sell it. So, set up rewards for your channel partners who undergo a certain amount of training, such as product demos.

So when behaviors are incentivized to drive more action, a program runs more efficiently and effectively, leading to more sales and revenue. This mindset will completely alter the way you think of building a partner program and will also change how successful you are.

Conclusion

As mentioned before, a partner program is made up of 7 critical pillars which are tied together through a web-based portal:



Incentives that are built into partner programs are a great tool and considered the most important part because they have the ability to boost sales related activities. An incentive's main function is to help align organizational objectives to the partners actions. But the secret to success is not just to incentivize sales activities, but the other 6 pillars of a program. Channel partners will become more motivated to work towards company goals and will be rewarded for being an active participant in a program.

Remember that every action of a channel partner is based on a behavior and you should be creating incentives that not only encourage the completion of your objective, but the behaviors that drive them – for example, if you want your channel partners to sell more of your product, you would incentivize the behaviors that lead up to the sale. That means rewarding them for watching training videos, bringing in additional leads as even sales funnel objectives like giving a product demo.