

## bChannels Best Practice Update

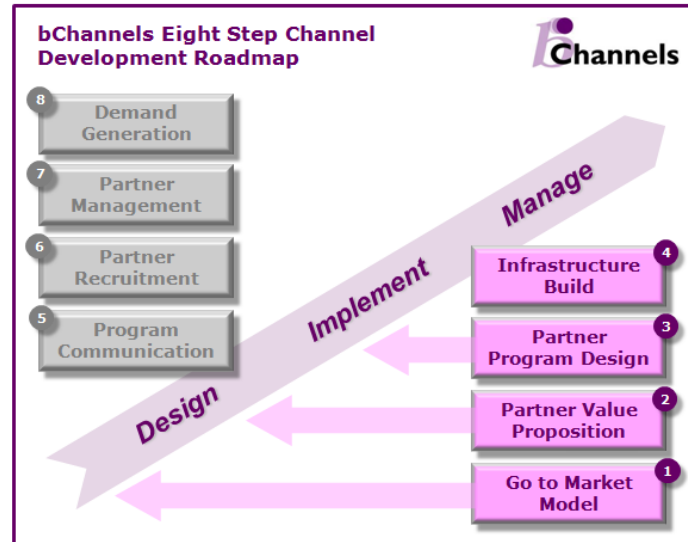
### Eight Step Channel Roadmap

bChannels consultant Chris Marshall explains the eight key steps in the evolution of an indirect channel model. \*

“Many of our clients look for a proven model that can act as a reference point for channel engagement”, explains Marshall. “Something that allows them to understand where they are in the evolution of their channel program versus other vendors. We’ve developed an eight step model.”

#### Step 1 - Go to Market Model

The GTM defines routes to market based on customer buying behavior. Typically we ‘cluster’ target markets by region, by product, by vertical, and so forth. We interview customers in each cluster to build an understanding of the role that partners play in purchase, integration and support of technology solutions. As we’re dealing with larger vendors the GTM is usually being regularly refreshed to align it with changing markets, technologies and with emerging types of partner.



#### Step 2 - Partner Value Proposition

The Partner Value Proposition details the vendor’s offer to potential channel partners. It needs to explain the market opportunity, the customer value proposition and lay out the benefits and requirements of partnering with the vendor. Like the GTM, the Partner Value Proposition needs to be refreshed as markets and channels evolve.

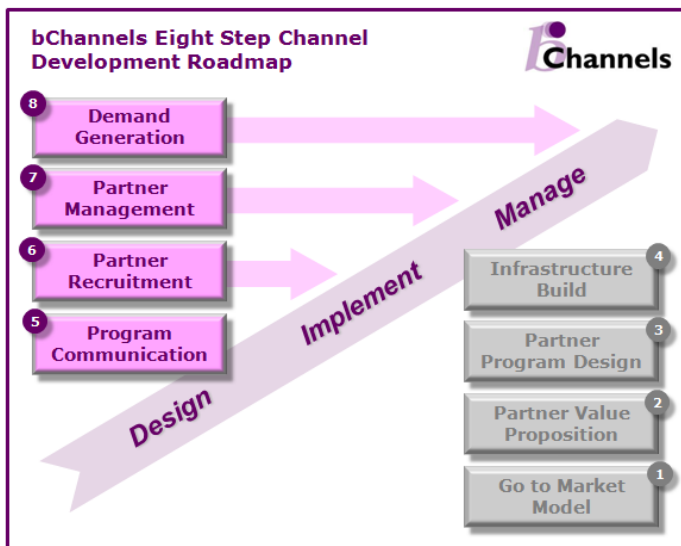
#### Step 3 - Partner Program Design

The Partner Program will segment partners into levels based on their commitment to the vendor. Most modern programs are flexible so they allow partners to align with various aspects of the vendor’s technology portfolio and gain benefits for acquiring skills and becoming specialized as well as for revenue generation.

## Step 4 - Infrastructure Build

Systems and processes need to be established in order to manage partner relationships. Typically there will be a PRM system at the centre, interlocking with infrastructure to manage rebates, co-operative marketing, special pricing and so on.

"We refer to steps one to four as *design and implementation*", says Marshall. "We expect vendors to move through a cycle of design and implementation once every two to three years, as they re-align their program to changing market conditions and emerging technologies. Program re-design is an important part of the ongoing channel engagement process." Steps five to eight are about ongoing program management.



## Step 5 - Program Communication

Communication through Channel Account Management is just as important as communication direct to partners. "We're often asked by clients to look at perceived weaknesses in the partner program communication process," explains Marshall, "but we end up back at Step 1 and Step 2, focusing on the customer and partner value proposition." Great communication process is no good without compelling content.

## Step 6 - Partner Recruitment

"The classic mistake," points out Marshall, "is to start at Step 6. Go out to recruit partners before you have the value proposition and the program in place."

## Step 7 - Partner Management

Ease of doing business is a key focus for most vendors. Effective partner management process is a part of this. Channel Account Managers have a key role here, whether they are field based on part of a telephone account management program.

## Step 8 - Demand Generation

Channel partners expect vendors to help them 'make the market'. In some sectors this means that the vendor must generate leads for the partner, in other sectors thought leadership and brand presence may be more important. Most vendors will also provide the partner with tools, and possibly also funding, to make the market for themselves. All these are valid options.

## Weakest Link

"Most of our clients have mature channel programs", says Marshall, "so they have invested in every one of the eight steps in the model. The question is always: where is the weak link? Value proposition? Communication? Partner Management?"

As Marshall explains, "your channel engagement model is only as strong as the weakest link in the chain."

## bChannels Analysis

Knowing your own strengths and weaknesses is part of winning any battle. We have used the eight step model with many clients to identify areas where they should benchmark against industry best practice.

bChannels offers proven methodologies focused on each of the eight steps, including:

- Customer-led go to market strategy development
- Partner program value proposition benchmarking
- Indirect channel account management best practice

bChannels is a specialist in the development and management of indirect partner channels for companies in the technology market. We work with many of the world's leading technology businesses.

Every quarter we run an Executive Forum where we bring together a small group of senior channel marketing executives from non-competing vendors to discuss a specific issue and share best practice.



**bChannels Executive Forum May 2008  
'Selling Services Through Channels'**

If you are interested in attending an Executive Forum, or you would like to know more about our services in general, please contact Matt Rowland-Jones on +44 (0) 1865 368587 or [matt@bchannels.com](mailto:matt@bchannels.com). You can also visit our website at [www.bchannels.com](http://www.bchannels.com).

\* Please note that the opinions expressed in this document are the personal views of the interviewee and should not be taken as representative of the approach of the company for whom the interviewee works.