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### THE EVOLUTION OF SOFTWARE CHANNELS

Craig Manning works with Hyperion, the global leader in Business Performance Management software. Hyperion has customers in more than 90 countries and a network of more than 600 partners. \*

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#### **What is influencing the development of software channels today?**

In the software industry today, now more than ever, there is focus on margin – both in terms of driving revenue and increasing efficiency. The indirect channel is getting more focus. Partners offer software vendors customer reach and selling efficiency.

“The key word here is enablement” says Manning, “giving the partner the tools and the skills to sell.” He adds: “you have to train partners to the same level that you would expect to train your direct sales force.”

Hyperion has developed an effective channel in EMEA by focusing on quality over volume. “We are certainly targeting the M rather than the S in SME” he says. “My approach has always been to build strong relationships with well-selected partners, rather than to over-recruit and let partners fight it out amongst themselves.”

Focus on enablement and partner quality is an approach that has been adopted by other vendors in the BPE market, including Business Objects and Cognos.

#### **What is the possible future impact of Software as a Service (SaaS)?**

Subscription access to software - and the channel impact that this might have - is on the agenda of all the major software vendors. Hyperion is no exception. This is being driven by increased partner focus on professional services and by growing end customer demand for outsourcing.

It is important for vendors to get the financial model right. “Many companies are struggling with this” says Manning, “it’s a big move away from license and maintenance revenues.”

There is focus on the role of integrators and service providers, specifically in relation to delivery of solutions to customers in the mid-market. There is opportunity for significant growth, but it is important that service levels and support processes are well defined.

#### **What has worked best when recruiting partners to sell software solutions?**

Manning is a great believer in leveraging existing skills and relationships. “We often approach integrators who are working with Hyperion solutions” he explains, “to see if we can take the relationship further – it’s a lot easier than starting from scratch.”

The traditional approach is database acquisition and partner profiling, but time to revenue is clearly reduced when dealing with partners who already have skills and who are developing the right markets.

### **What is the role of distribution in the software channel?**

There is clearly a role for distribution to support more packaged applications. For more complex solutions, where services and support play a critical role, many companies in the BPM market work directly with reselling partners.

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## **bChannels Analysis**

'Partner Enablement' is a phrase we hear more and more, particularly in relation to software channels. Vendors are choosing partners more carefully and investing more in partner relationships.

SaaS – and service delivery in general – is a key issue in this industry. Channel business models are evolving and there is no end-to-end best practice vendor to reference.

Smaller integrator partners are a great source when building channels, particularly in more remote EMEA geographies.

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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 July 2007  
'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).

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\* 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.