



A Technology Market Overview

The Information and Communications Technology (ICT) market represents 7-10% of the U.S. GDP. With seemingly little differentiation between products/service offerings and design of channel market incentive programs, competing in this environment is challenging. A company must ensure that channel partners are thinking of their product, rather than that of their competitors. Speed to market, creativity, ease of use, and frequent communication are key to capturing share of mind and market.

HMI understands these challenges and invests in the resources to assist clients in capitalizing on their competitive advantage. It's our job to help you incent your channel. Whether you're in the hardware or software side of the business, HMI has the expertise to accelerate your sales channel performance.

HMI works with hardware and software providers who go to market through:

- > *Value Added Resellers (VARs) or direct salespeople typically supported by sales engineers*
- > *Distributors (like Tech Data, Ingram Micro, Black Box, and others)*
- > *Dealers/Integrators/Resellers*
 - *And their sales organizations/sales engineers*
- > *End-users (who may buy from a dealer, a distributor, or the technology provider)*
- > *ISV's (Independent Software Vendors)*

INDUSTRY PERFORMANCE CHALLENGES

Challenges for high-tech companies include:

- > *Capturing salesperson share of mind*
- > *Supporting long sales cycles*
- > *Continuous new product development and accompanying product launches which are supported through training initiatives and product promotions*
- > *Lead follow-up*
- > *Product education and training (particularly selling bundled solutions)*
- > *MDC tactics and strategy*
- > *Tracking sales to end-users/dealers, which frequently are the key points of influence*

Our clients' program participants frequently include every stakeholder in the sales process. Not just the "distributor" but also the distributor/VAR salesperson who makes the solution recommendations to the reseller. And some programs reach further, not just to the "reseller" or "Integrator" but to the reseller sales person or sales engineer that decides which product to recommend to the end-user.





Technology providers have historically:

- > Utilized short-term (quarterly) promotional initiatives to influence VAR salespeople and stimulate demand
- > Conducted promotional strategies to gain visibility with customers or offered product-specific rebates
- > Utilized performance incentive initiatives to reach their dealers

Distributors typically:

- > Develop supplier-specific marketing initiatives to support key suppliers (hardware and software) with some programs that are cash-based and others that are short-term promotions
- > Need tools to differentiate themselves in the marketplace given that many suppliers support multiple distributors. Capturing discretionary business is one of the keys to generating sustainable growth. Dealer/reseller loyalty strategies that drive engagement can help companies optimize their performance, ensuring improved sales and profitability

PERFORMANCE MARKETING SOLUTIONS

Performance incentive strategies are well accepted marketing practices within the technology industry. HMI has significant experience in developing strategies that:

- > Reward long sales cycles through “steps to the sale initiatives”
- > Enable dealers, resellers and end-users to be recognized through a unique product “claims” process
- > Convert quarterly spiff initiatives into an umbrella strategy that enables frequent, geo-targeting and SKU-specific promotional campaigns
- > Encourage dealers/resellers to frequently repurchase from distributors and technology providers
- > Enable distributors to coordinate multiple supplier initiatives
- > Recognize top VAR and VAR salesperson performance
- > Encourage bundled solution selling
- > Integrate LMS into the performance incentive strategy
- > Co-ordinate MDC tactics within the performance incentive strategy

HMI SOLUTIONS

Some of HMI's solutions include:

- > POI Automated Engagement Tracking & Approval, Claims and Workflow Solutions (Distributor- Principal, Sales Person, Sales Engineer Partner Principal, Sales Engineer)
 - Ability to track non-sales generating activities for steps to the sale strategies
 - Adaptable to a company's business model and practices

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- > *Global Pulse Reporting - Global, Regional and Program Roll-Up Reporting Dashboard*
- > *Insight Net and Communication*
 - *Integrated marketing communications and reporting system to facilitate sales capture and data mining, enabling an “evergreen” marketing tool*
- > *“Single sign on” capabilities to integrate into CRM, PRM and LMS portals*
- > *Over 10 different Promotion Modules that can be themed to message and demographics*
- > *On-Demand Communications and eStatements*
- > *Integrated surveys and quizzes to stimulate engagement*
- > *Rewards tailored to target markets*
- > *Program and business analytics*
- > *Program research (including conjoint, casual and predictive modeling)*

Additionally, these strategies can be deployed within the U.S. or to support multi-national initiatives.

HMI DELIVERS RESULTS

HMI’s experienced team delivers for technology companies:

- > *Reaching reseller salespeople is a challenge. A global manufacturer of power supply products sought to convert from a cash-based spiff program to a performance-oriented strategy designed to incent rather than act as an entitlement and support compensation.*
*The program, with differing products in each country, utilizes a claims process. Within 18 months of launch, the program is now in 48 countries, **has more than 8,000 reseller salespeople registered who have recorded more than 70,000 claims.** Rewards vary by country and include merchandise, travel, gift cards, debit cards and credit through distribution.*
- > *Have you questioned the effectiveness of a cash-based incentive strategy? Do you find that administering your partner incentive program time-consuming while also diverting the productivity of your personnel? The fastest growing developer of cyber security solutions had these concerns. Additionally, they recognized that their long sales cycle was not best served by quarterly promotions and growth into international markets was complicating incentive program management.*
HMI recommended a “steps to the sale” strategy supported by its OnDemand platform, enabling them to reward for training, meetings, placing evals/conducting demos and sales throughout the sales cycle. Claims are reported by salespeople and routed to regional channel managers for verification. Participants earn points redeemable for tens of thousands of rewards.
*Results – Reallocation of two people’s time, **increased sales force engagement and an acceleration of activity and sales.***



> Frequently cash spiff programs (yes, debit cards are cash programs) targeted at a VAR sales force turn into sales compensation entitlement programs. A leading provider of data, server, and storage networking infrastructure solutions found that their sales organization was no longer excited about their debit card program, and their supplier offered no ideas. Additionally, the program had limited participation with most of the budget being earned by top performers.

The client sought idea generation, creativity, administrative support and reward flexibility. HMI automated the administrative process, deployed OnDemand (and included debit and gift cards as a reward options) and recommended an annual “points per product” strategy coupled with quarterly themed promotions to address specific initiatives.

Program participation has increased, more activity is being conducted and sequential sales increases have been achieved... **resulting in an engaged channel.**

ABOUT HMI PERFORMANCE INCENTIVES

With over 30 years of experience, HMI Performance Incentives (HMI, Inc.) is a leading full-service performance improvement company focusing on channel loyalty initiatives, sales/customer incentives, employee engagement programs, and group travel. HMI's tailored strategies help numerous Fortune 1000 companies increase company sales, improve market share, enhance loyalty, and generate profits. Based outside Boston, MA., HMI continues to expand its global presence, offering client services in over 80 countries worldwide.