



Build, scale, and optimize your channel.

**PRM SOFTWARE AS POWERFUL AS YOU NEED IT TO BE**

# The ROI of PRM How to Construct a Successful Business Case



# ROI

**With over 70% of the world's products now being sold through independent distribution channels the value of fielding a "connected, motivated and optimized" channel workforce has never been greater.** New advances in PRM

(Partner Relationship Management) technology are moving it quickly in front of CRM as the technology of choice to engage, manage and develop your distribution channel. Today, the leading PRM technology—the LogicBay Performance Center™—delivers a completely unified suite of solutions. Serving as your partner portal it will manage all content from sales sheets to videos, deliver and manage all training, execute sophisticated MDF and related co-op and rebate programs, support lead registration, enable best practice sharing, provide all marketing/communications functions and fully align your channel behind your corporate vision and goals.

**In short, it can revolutionize the optimization of your distribution channel, allowing you to engage, manage and develop your channel like never before.** The result is a

truly "connected" but independent field force motivated and trained to sell, service and support your products at the highest possible level.

With such a revolutionary solution to channel optimization how should you go about justifying it to your organization? Can it really provide all these advantages and still be affordable? The answer is a very emphatic yes! But to persuasively make your case you will need to construct a powerful business analysis that shows how your company can receive all the benefits of the most powerful PRM in the industry and save money at the same time. Below are four important components of a persuasive business case for implementing PRM.

## **#1 Point Out Strategic Benefits and Top-Line Revenue Impact**

Be realistic. You may not be the only manufacturer or service organization competing for the attention of your partners. You also have to accept the fact that your distribution channel is largely comprised of independent businesses—they do not work directly for you! To promote their loyalty and their attention requires a PRM solution, along with strategic planning and tactical execution. To succeed will mean a considerable lift to your bottom line.

Your distribution channel will benefit greatly from a PRM solution. Greater sales, lower warranty and support costs and increased customer satisfaction are just some of the tangible and immediate benefits that will go straight to your top-line. Here are common benefits derived from implementing PRM. These benefits, collectively, significantly enhance and increase revenue across your partner network.

- Real-time access to sales information
- Better trained workforce
- Faster ramp-up of new partners and their new employees
- Faster ramp-up of sales & services teams
- A fully aligned channel (behind your vision & goals)
- Actionable intelligence (KPIs and metrics)
- Lower warranty costs
- Reduced user support cost
- Sharing of best practices and efficient access to experts
- Compliance validation and risk management

## #2 Detail Hard Cost Savings

A PRM system will create its own budget by eliminating legacy costs in excess of the PRM cost. These are dollars that go straight to the bottom line. Here are typical hard cost savings opportunities that are common when companies deploy a PRM:

1. Replacing legacy “application-specific” systems with a new PRM
  - i. Content management systems.
  - ii. Learning management systems.
  - iii. Motivation & incentive management systems.
  - iv. Reporting & dashboard systems
  - v. Portal systems
  - vi. Dealer/distributor contact databases
  - vii. Numerous CRM tools
2. Eliminating internal IT expenses with a cloud-based solution.
  - i. Hardware costs
  - ii. Software & database costs
  - iii. Infrastructure costs
  - iv. IT management costs
  - v. Partner support costs.
3. Improving efficiencies
  - i. Lower administration costs with a single system to administer
  - ii. Reduced record keeping costs.

## #3 Calculate Initial ROI

A PRM solution will provide a strong ROI regardless of the size of the implementation. And the actual application of PRM may vary from Fortune 100 companies to start-ups and from industry to industry because it's a very

agile and flexible solution. In this example, we're assuming a full PRM deployment to a distribution channel of roughly 20,000 global users.

1. First Year Hard Cost Savings (based upon a channel size of 20,000 individuals spread throughout your partner network):
  - a. Elimination of annual cost of legacy systems
    - i. Content management licenses: \$100K
    - ii. LMS licenses: \$200K
    - iii. Motivation & incentive systems: \$75K
    - iv. Portal systems: \$200K
    - v. Reporting/dashboards/social networks & misc. \$100K
  - b. Elimination of annual internal IT expenses
    - i. Hardware upgrade costs: \$25K
    - ii. Software & database costs: \$50K
    - iii. Infrastructure costs: \$50K
    - iv. IT management costs: \$150K
    - v. Partner support costs: \$125K
2. Top-line revenue benefits: ~\$500K

<b>First Year Hard Cost Savings:</b>	<b>\$1,075,000</b>
<b>Top Line Benefits:</b>	<b>\$500,000</b>
<b>Total =</b>	<b>\$1,575,000</b>
<b>Less annual cost of the PRM:</b>	<b>\$400,000</b>
<b>Return before investment:</b>	<b>\$1,175,000</b>
<b>Return before investment:</b>	<b>\$1,175,000</b>
<b>Cost of the system:</b>	<b>\$400,000</b>
<b>Return: 3</b>	<b>294%</b>

In summary, for every \$1.00 invested in the LogicBay PRM you will receive ~ \$3.00 in return.

## #4 Cite Real-world Successes

There are many real-world case studies available to help you make the case for PRM at your company. LogicBay's PRM has been deployed successfully for some of the world's largest corporations like Caterpillar to some of the smallest franchise systems like Mosquito Squad. A number of case studies and additional information needed to build the case for PRM is located on LogicBay's web site at

<http://www.logicbay.com/resource-center/case-studies/>

LogicBay provides services to assist organizations with building the business case for PRM. We bring our experience in doing so with over 50 implementations to organizations to help build the specific ROI model that fits your organization.

## About LogicBay

LogicBay's Performance Center is an example of a modern partner relationship management system that integrates the four best practices of channel management identified above and can work seamlessly with every major customer relationship management system for a smooth flow of information. Manufacturers and other companies looking to improve and grow their indirect sales channel can take a closer look at a PRM in action by taking our free online solutions tour. The tour includes a demonstration of how a PRM like the Performance Center integrates with CRM.

The Channel Performance Jumpstart Program LogicBay offers a free Channel Performance JumpStart Program. In this program, you'll work with us to develop a channel management framework that focuses on a specific business initiative that you are facing. The JumpStart

Program will help you test a PRM-based approach to supporting your channel partners. After you sign up for this program at NO COST to your organization, a dedicated LogicBay professional will work with you to develop a channel management program that focuses on a specific business initiative that is meaningful to you, following LogicBay's signature PRM framework.

## About the Author

Paul Tobin is an Executive Vice-President of LogicBay Corp. and responsible for thought leadership, strategic consulting, marketing and sales to Fortune 500 companies that sell and service their products through dealers, distributors and franchises. Paul works with these companies to develop strategies to deploy global portal solutions and the inherent components of these solutions, including marketing and communications, performance management, new product introductions and training and development. Paul's clients include Caterpillar, NMHG (Hyster/Yale), Daimler Trucks North America, Mercedes-Benz, 3M, Meritor and others. Paul can be reached at [paul.tobin@logicbay.com](mailto:paul.tobin@logicbay.com).

## LogicBay Performance Center

LogicBay's Performance Center can capture your sales process, enforce its compliance in your channel, train and prepare your sales force for success, and measure their progress. Take a look at how a successful performance management system functions by learning about our [software](#).

## The Channel Manager's Blueprint Program

Not sure if a measured partner relationship management program will help your company

reach the next level? Let's find out.  
Through the channel manager's blueprint program, we will deliver a PRM blueprint to address any potential problems you may be facing in your indirect sales channel (even if that problem is not yet having an indirect sales channel).

**LogicBay Software helps you  
build, scale, and optimize  
your channel.**

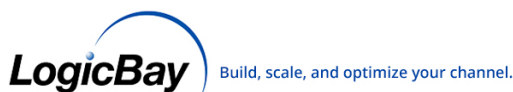
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## **THE CHANNEL MANAGER'S BLUEPRINT FROM LOGICBAY**

Get **EXPERT** analysis  
and **ACTIONABLE**  
Recommendations to increase  
partner sales.



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