



INSIGHT

Unblock **your channels**

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Introduction

Every sales director and channel manager is focused on boosting sales, but sometimes it's not always clear what the most effective way to achieve this is. In this article Phil Brown, director at OneGTM, discusses findings from recent research his company conducted, together with The Leadership Foundations, that helps give some insights in what technology vendors can do to improve their channel sales.



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Earlier this year we conducted some research with 250 channel sales executives in IT and Telecoms, in conjunction with The Leadership Foundation, to find out what makes sales channels successful. The participants were a mix of senior managers, board members, first line management and non-management and participants were questioned about their relationships with vendors and what was needed to maximise the effectiveness of channel partnerships.

The results of this research were released in our report, 'What Channels Need to Succeed 2012' which hopefully makes very interesting reading for anyone looking to improve the effectiveness of their channel partnerships and ultimately to boost sales this year.

More insight please

Our research found that 59% of the channel salespeople said that better insight into market trends, competitor activity and customer needs would have a significant impact on sales performance. Sales execs are hungry for more market intelligence and information so they can engage effectively with potential customers. They recognise that today's customer is very discerning and sophisticated and they need to have strategic conversations rather than discuss products and technology.

Vendors also need to invest in their brands. 66% of participants claimed that investment in vendor brands has a significant impact on their sales performance. In addition, 59% said that brand strength was the number one reason they would choose between two vendors with similar products, followed by the quality of pre and post sales support (45%). The commercial terms offered by vendors were deemed less important, cited by only 36% of respondents.

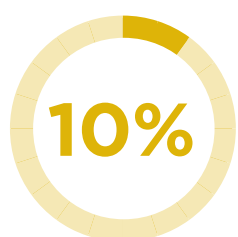
They also need to invest in product and technology training. Over half (51%) of sales executives identified product and technology training, and having good sales leads as the most valuable asset to them. Additionally, 55% said that better products and services training would have a significant impact on sales. With the majority of participants in the survey selling technology products from more than six different vendors, it is unsurprising such emphasis was placed on having good product training.

Just 8% of respondents rated the support they receive from vendors as excellent, while half said it was good - so there is plenty of room for improvement in many areas. And whilst 61% said they thought their marketing activities was aligned to their vendor's marketing, 17% said it wasn't and 22% were unsure.

Top frustrations

In terms of the top frustrations facing channel sales execs, inflexible product pricing from vendors was highlighted by 37%, the lack of vendor support for individual sales by 22% and insufficient training and education for sales teams on products and technology by a further 22%. Other problems included poorly managed conflict with direct sales, the lack of support for 'go to market' planning and failure to protect sales margins.

The research also revealed that channel salespeople want regular communications from their vendors, but don't want to be overloaded. Over half (51%) said they prefer monthly contact, 31% weekly and 17% quarterly. Email is the preferred means of communication for 73%, closely followed by face to face meetings.



Just 10% said that social media was an effective way of communicating with partners

Social media not the answer to everything

Just 10% said that social media was an effective way of communicating with partners, suggesting that all of those vendors investing heavily in social media programmes to engage their channel, shouldn't neglect more traditional communication routes, as well as ensuring they use social media only where appropriate, rather than seeing it as the solution for all channel communications needs.

Social media does, however, present an opportunity for vendors, and it is increasingly being used by all types of businesses to engage customers in a much more personal way. But simply having a Twitter or Facebook account isn't good enough. As the medium dictates, it needs to be actively used to build an interactive dialogue, which means not just regularly posting content but also responding to comments, feedback and questions submitted by partners. If you're not prepared to invest the time in actively maintaining your social media presence then think twice before announcing it as your latest, greatest initiative.

Channel hungry for more information and support

This research clearly shows the channel is hungry for greater knowledge, information and support from vendors in product and technology training and sales execs need this kind of information to engage effectively with customers. Customers don't simply need a product demo and a price; they want advice and insight to help them work out how to solve the challenges they face, and to navigate the mass of technology options available to them. The vendors who enable their sales channels to have such conversations are more likely to be successful than those who focus on pushing product.

However, the challenge for many vendors is how to tap into the knowledge, market trends and customer drivers that exist within their organisations and deliver it to their channels in a usable format. Most companies are sitting on a wealth of knowledge that could be incredibly valuable to their channel partners but many aren't very good at externalising this knowledge.

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Recommendations

Based on these findings, we recommend that vendors review their channel enablement programmes and look at how they can provide greater insight and intelligence to support their channel's sales and marketing, including how best to communicate this. We now know the channel is keen to receive this type of support and will respond positively to those who deliver it.

Vendors should be ensuring that channel partners are fully engaged in their thought leadership and market insight programmes, particularly where these are part of the demand generation model.

Vendors also need to have in place a proper integrated communications plan which utilises a mix of methods to deliver the range of information and interactions that channel partners need. Social media has a place, but don't forget it's just ONE of the tools at your disposal, don't rely on a Twitter feed to build the engagement and commitment you need.

Given that all channel support has a cost, vendors should also ensure that they segment their partners based on actual and potential value, and be prepared to invest in more intensive support for those partners that justify it.

It's important not to ignore the value of your brand in the channel. Partners are more likely to invest in a relationship with you, if they see you investing in **the market th**

This research also highlighted that greater support is need from vendors in some key areas including product and technology training, market intelligence and sales leads. Market conditions are very tough out there, margins are tighter than ever and customers are increasingly sophisticated and discerning.

In many segments the channel needs to work harder than ever to win sales. Vendors should be aware of the competitive nature of the market and the fact their partners are working for a number of vendors. They should be providing the best market intelligence, training and marketing plans to make it as easy as possible for their partners to sell their products. It is down to vendors to invest in their brands and customer support and ensure partners have the latest market intelligence at their fingertips at all times.

Do all this and I have no doubt that sales will increase. Investing appropriate time and effort in your channel partnerships will reap rewards, and in today's tough business environment this has never been more important.

This article was originally carried in Winning Edge magazine.

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About the author

Phil Brown

Phil has more than 20 years sales, marketing and general management experience in the technology, telecoms and online sectors. His career includes launching a new, online business for a major telco, building a SaaS business from the ground up, closing multi-million pound sales, helping create a global partner programme for a leading software vendor and running a successful consulting company. As OneGTM's strategy and planning expert, Phil works with clients to ensure they have the right strategies in place to achieve their goals and effective plans to execute them.



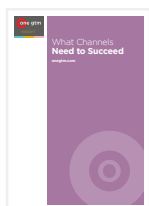
About OneGTM

OneGTM specialises in helping B2B technology companies to deliver integrated go-to-market programmes that drive profitable growth. We have delivered successful results for a range of clients in the ICT sectors, including Symantec, Cable & Wireless Worldwide, Telstra, Sanyo, Tools Group, Admiralty and AboveNet.

Our end-to-end capabilities, from strategic planning through to market positioning and demand generation, help our clients succeed, by ensuring that all go-to-market activities are fully aligned and highly effective.

We have a particular focus on channel enablement. Our experienced team understand how channels operate and what they require to be successful. We can help define the frameworks, methodologies and programmes to ensure sales channels are fully engaged - and we can create the toolkits they need to deliver.

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What Channels
Need to Succeed



Sales and marketing best of
enemies or sworn friends

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