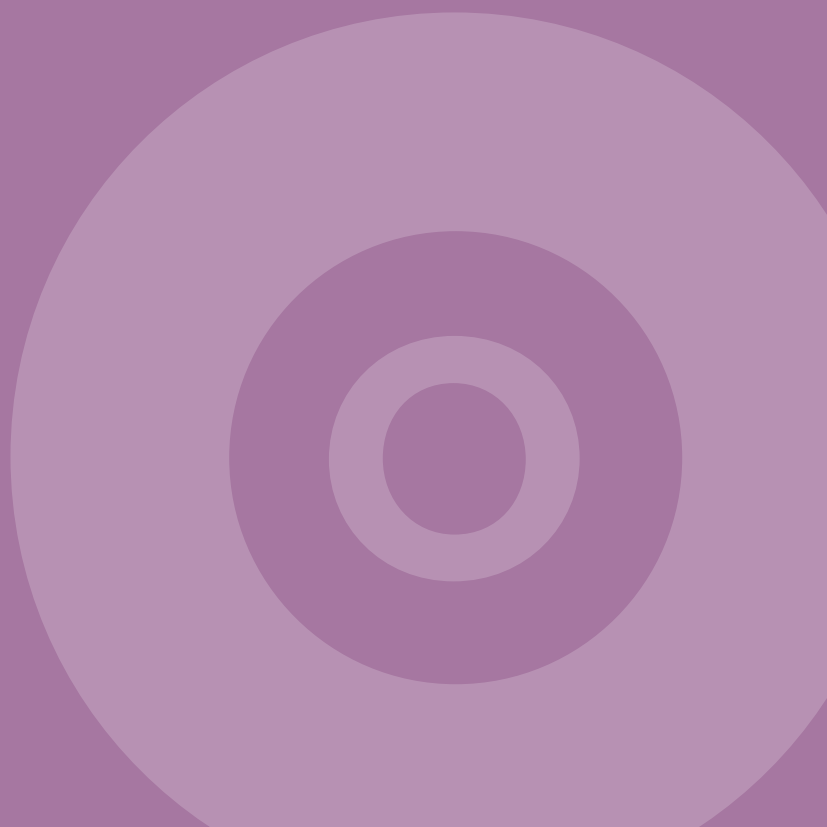




INSIGHT

What Channels **Need to Succeed**

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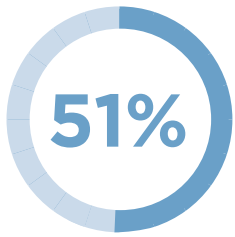
Executive Summary

The 2012 'What Channels Need to Succeed' survey was carried out by The Leadership Foundation on behalf of OneGTM in January 2012. The primary objective was to gain insight into the attitudes of sales channels towards the support provided by vendors and in-house marketing departments, in order to help inform our clients' future go-to-market programmes. The survey asked 250 participants, working across a mix of managerial and front-line sales roles in the technology and telecoms industries, a range of questions designed to understand how they want to be supported and what they believe would have the biggest impact on their sales performance going forward.

The survey provided some interesting findings about the relative value that channels place on a range of activities including training, market insight, lead generation, sales tools and brand awareness. Some of these findings may challenge existing perceptions about what it is that sales professionals value.

The key findings included:

- Channel salespeople place great importance on brand. Greater investment in brand awareness was regarded as the most important thing that vendors could do to drive increased sales. Brand was also identified as the most significant factor when a salesperson was deciding between two vendors with broadly comparable products.
- Sales channel want to be provided with more insight on the latest market trends, competitor activity and customer needs in order to better equip them to engage with today's demanding B2B buyer.
- Of the support being provided today, 'product and technology training' and 'sales leads' are the two aspects that are most highly valued. However the majority of participants felt that better product training would still have a significant impact on sales performance, suggesting room for improvement in this area.
- The top three frustrations facing channel sales are inflexible product pricing from vendors, lack of vendor support for individual sales and insufficient training and education for sales teams on products and technology.
- Channel sales people want regular communications from vendors, but not overload. The preferred frequency is monthly and the preferred format, by a large majority, is e-mail. Social media is the least favoured method.



51% of participants perceived training on products and technology and sales lead generation as most valuable from vendors.

About this report

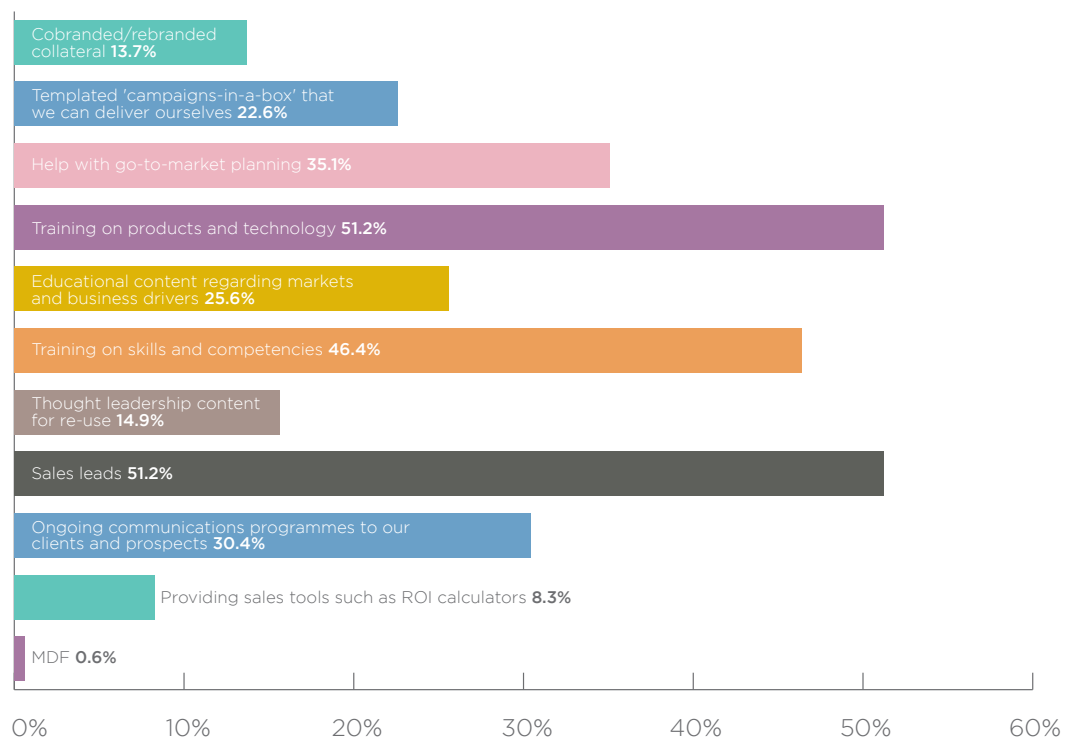
To understand what it is that sales channels need to succeed, OneGTM commissioned The Leadership Foundation to carry out primary research into the attitudes of channel sales executives and managers towards the support provided by vendors and/or in-house marketing departments. This report highlights the key findings from the survey.

250 UK participants were surveyed, all working within the technology or telecoms sectors, of which half were female and half were male. Participants were segmented by seniority level: 19% were senior management, 41% were non management, 34% were first line management and 6% were board level. Just over 80% of participants worked within a company employing over 50 people and 81% sold their own company's products and services. Participants also varied in terms of how many vendors' products they sold on a regular basis; 23% sold one or two, 26% sold three to five, 25% sold six to 10 vendors and 23% sold more than 10. The participants were geographically spread throughout the UK.

What are the most valuable support features from vendors?

- The support features perceived as most valuable from vendors were training on products and technology, and sales lead generation, with both being ranked as highly valuable support features by 51% of participants. This indicates that these two factors are of great importance when building successful channel relationships.
- Training on skills and competencies was the second most highly ranked feature, with 47% rating it as a most valuable support feature, followed by ongoing communications programmes to clients and prospects with 30%.
- The least valuable support features were found to be providing sales tools, such as ROI calculators (8%) and Marketing Development Fund (MDF) (0.6%).

Which support features do you currently find most valuable from the vendors you work with?

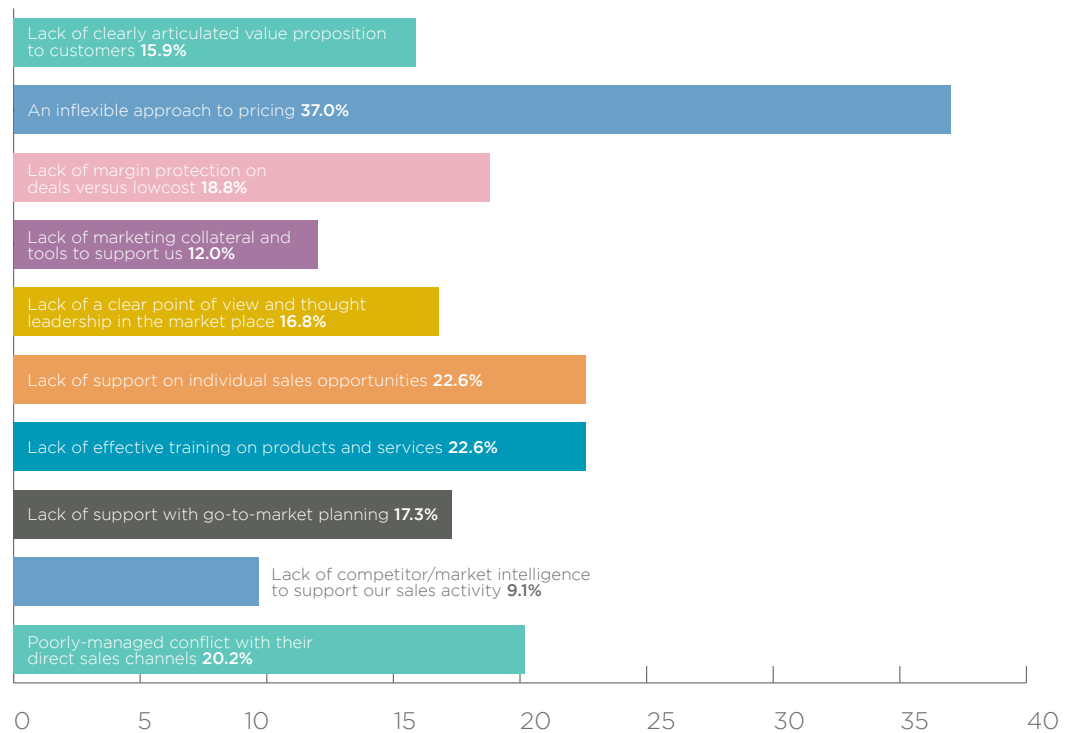


The most frustrating attribute of vendors was an inflexible approach to pricing.

What do you find most frustrating about your vendors?

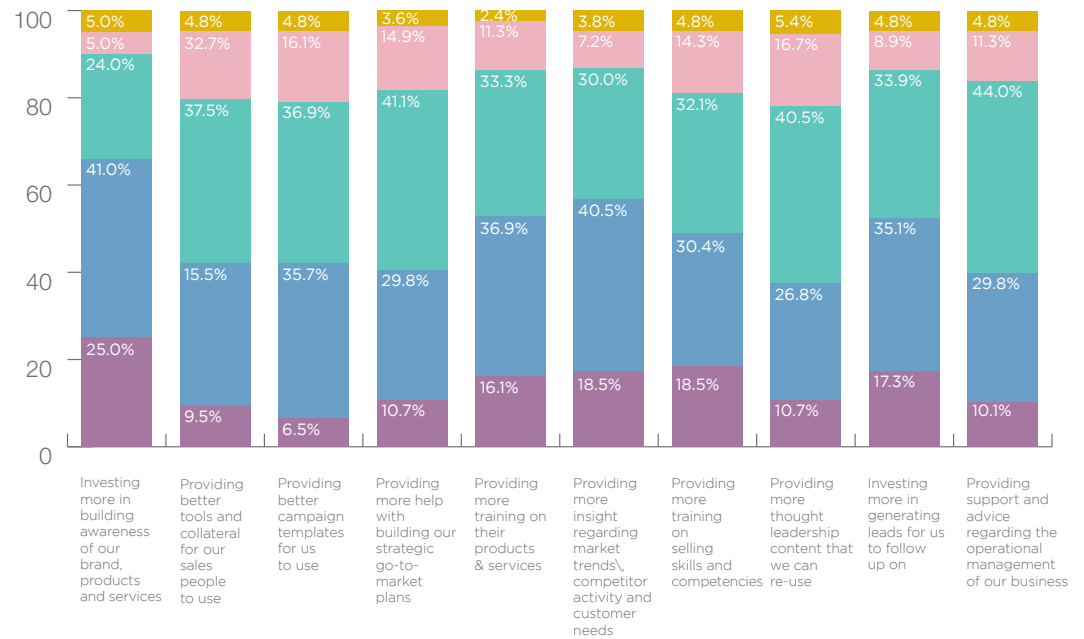
- The most frustrating attribute of vendors was an inflexible approach to pricing, for which over a third highlighted this as a primary source of frustration.
- Joint second was lack of support on individual sales opportunities and a lack of effective training on products and services, with 22.6% of participants finding each of these most frustrating.
- Other common problems include poorly managed conflict with direct sales, the lack of support for 'go to market' planning and failure to protect sales margins.

What do you find most frustrating about the vendors that you regularly work with?

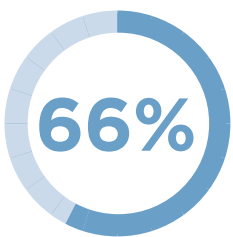


What impact would various marketing activities have on increasing sales?

What level of impact do you believe the following vendor activities would have in helping you drive increased sales?



■ No impact
 ■ Limited impact
 ■ Moderate impact
 ■ Good impact
 ■ Very high impact



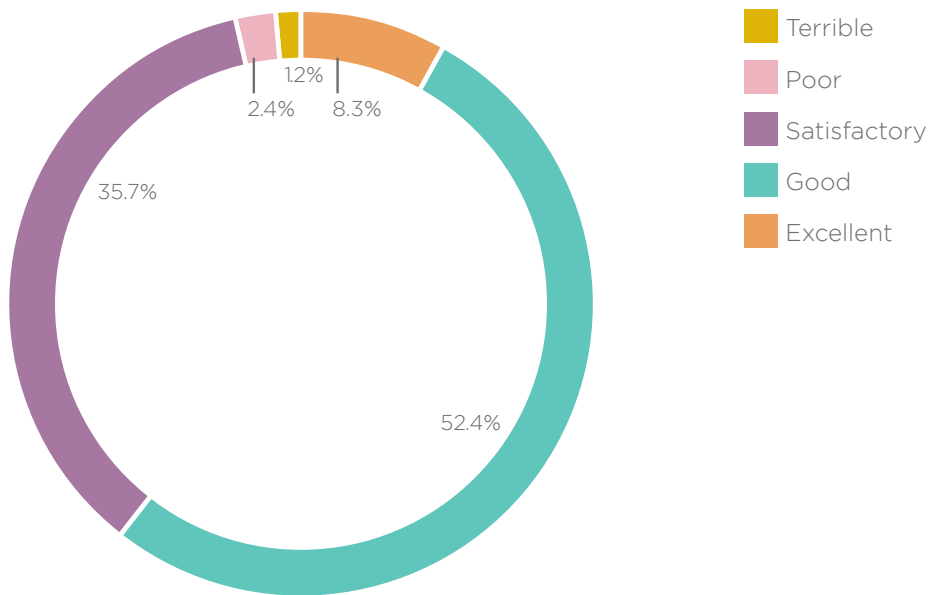
Investment in brand awareness as having the highest impact on sales, 66% of participants rating.

- Investment in brand awareness was viewed as having the highest impact on sales, with a cumulative total of 66% of participants rating it as having a very high or good impact on increasing sales.
- Insight regarding market trends, competitor activity and customer needs was viewed as having the second highest impact on sales, with a cumulative total of 59% of participants rating it as having a very high or good impact on increasing sales.
- The third most influential activity in terms of increasing sales was believed to be more training on selling skills and competencies (18.5% rated this as having a very high impact), and investing more in generating leads to follow up on (17.3% rated this as having a very high impact).
- Support with the operational management of the channel partner's business was regarded, perhaps unsurprisingly, as having the least impact on sales.

How do you rate your vendors support & alignment?

- Half of participants rated their vendor's support as good and 35.7% rated it as satisfactory. However, only 8% rated their vendor support as excellent, suggesting space for improvement.
- When asked if they felt their go-to-market activities were well aligned with those of their vendors, 61% said yes, 17% said no and 22% were unsure. This suggests a need for more effective communication between suppliers and distributors.

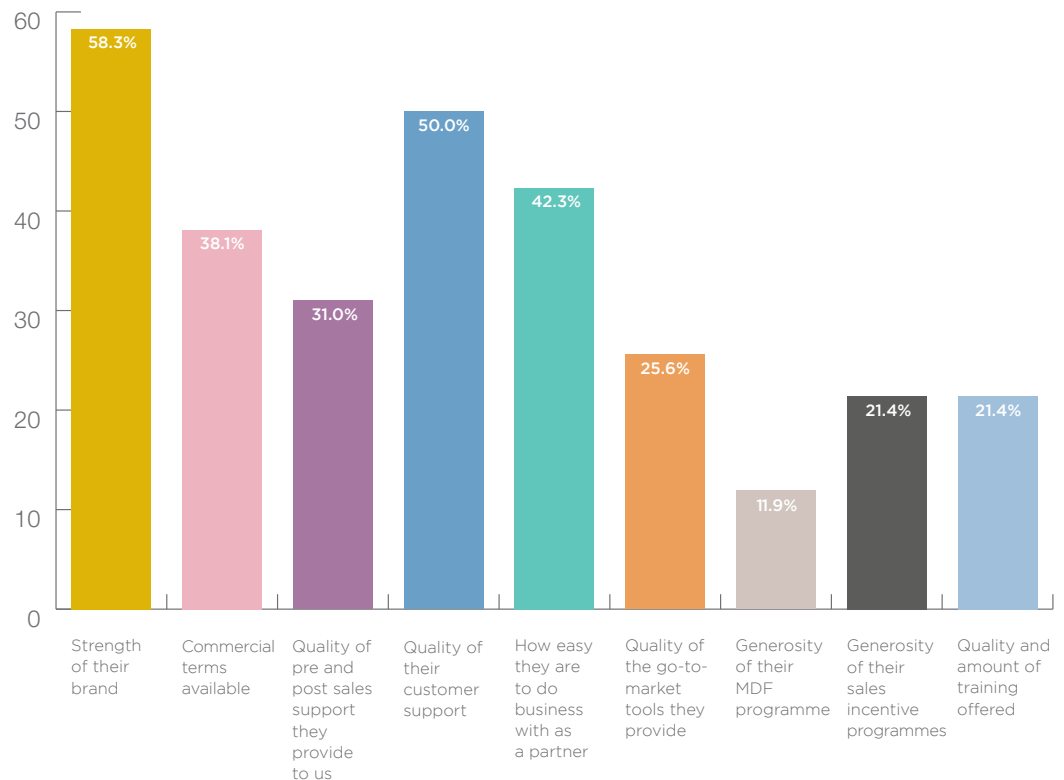
Overall how would you rate the support you receive from the vendors that you work with on a regular basis?

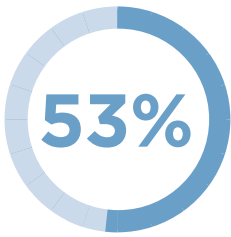


What are the most important factors in choosing a vendor?

- When selecting between two vendors with broadly comparable products, the most important factor for 58.3% of channel salespeople was strength of brand, closely followed by quality of customer support (50%).
- The third most popular factor was how easy they were to do business with (42.3%). The least important factor was generosity of their MDF program (11%), which may reflect the fact that 75% of participants were non-management or first-line management, and therefore would perceive no direct benefit from MDF. However, it is important to note that all factors saw at least 10% of participants rating them as important; therefore none should be discounted.

When comparing two vendors with broadly comparable products, which factors are most important in determining who you work with?





53% said one-on-one meetings were one of the most effective means of communication.

The sales executives and sales managers surveyed clearly indicated a desire not only for better training on products and technologies, but also better market insight.

What is the most effective way for vendors to communicate through & how regularly?

- Half of participants said they would like to hear from their vendors no more than on a monthly basis; 30% said weekly and 17% said quarterly. Regarding methods of communication, the majority of participants reported to prefer email bulletins (73%).
- 53% said one-on-one meetings were one of the most effective means of communication.
- The least favored method was social media including Twitter and Facebook with just 10% rating this as an effective way for their vendors to communicate with them.
- The findings therefore show that vendors should be communicating on a monthly basis through the use of both email and face to face meetings. There may also be a need to use social media more effectively to ensure suppliers are not disregarding this method of communication as unimportant.

Implications for vendors

- The survey reveals that sales channels are keen to be more informed and better equipped by their vendors and in-house marketing departments. The sales executives and sales managers surveyed clearly indicated a desire not only for better training on products and technologies, but also better market insight.
- This may reflect the fact that technology buyers today are looking for different things from sales people. They don't engage with them simply to get a demo and a price, they want advice to help them navigate the best technology options for their business. The vendors who enable their sales channels to have such conversations are more likely to be successful than those who focus on pushing products.

Based on the results of the survey we recommend that vendors re-evaluate:

- How they better exploit the knowledge and insight that exists within their own organisation about market trends and customer drivers, and deliver that out to their channels in a useable format?
- How could the training they provide to their sales channels on products and technology be made more effective to meet the demand from channels for improved support in this area?
- Are they investing enough in building their brand, given the importance that their channels place on brand awareness?
- Are they easy to do business with? – also a key factor when channels are choosing between vendors.
- Do their pricing processes and policies allow appropriate levels of flexibility to enable salespeople to secure deals?
- Are they communicating with their channels at the frequency, and via the medium that their channels prefer?



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.



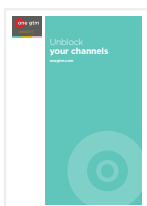
About OneGTM

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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Unlock your channels



Winning business through the channel: the need for change

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