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## ENHANCING YOUR PARTNER RELATIONSHIPS BY DEVELOPING YOUR PARTNERS' PIPELINE

By LeAnn Castillo & Christopher Lower

In 2005 the number of marriages in the US that failed actually fell to only 43% (according to the US Census Bureau), yet the number of "Business Marriage" failures in the Channel Sales Category, rose to it's highest point of 50%, as reported in a 2005 survey by Gartner Research Group.

The number of failed business relationships is alarming onerous when we consider approximately 80% of Technology Manufacturers are utilizing partners to distribute their products (Gartner). Companies are relying on these relationships to make and keep them profitable, yet it is a flip of the coin chance that you will fail or succeed with that partner relationship. Is that a chance your company is willing to take?

What can be done to change the odds? Like any good marriage both parties must be willing to work on the relationship regardless of which one appears to be at fault.

Channel Partners have two major complaints. First is the lack of sales leads provided from the Technology Manufacturer, and second, is that they are not always offered the best competitive price, often shifting loyalties as needed to get the better deal.

Technology Manufacturers also have complaints of their own. They feel that the partners don't spend enough time and effort on driving their product lines. They also feel that the channel partner is relying on the manufacturer's business development team too heavily for sales support.

This creates a catch-22 for the technology manufacturer. On one hand, the manufacturer went into the channel sales to reduce sales costs. They planned for rapid growth, scalability, and access to the partner's customer base, all the while outsourcing the sales efforts. On the other, the partners are looking for sales support from the manufacturer's resources leveraging expertise only found at the producer level.

To make this relationship last, both parties must be willing to work on the following three key issues: Alignment between the Technology Manufacturer and the Partner, Clear and concise Strategy and Communication planning, and joint investment in Sales and Revenue Building. We'll explain in further detail:

### **Alignment between the Manufacturer and Partner:**

Partnering success is achieved by alignment of objectives and processes across both organizations. Aligning your business value systems includes openly disclosing information and giving feedback, creating trust through actions and words, resolving conflicts and solving problems, and having a clear vision of the future.

Trust in the partner relationship goes a long way towards building a basis where the partners and distributors will both feel good about the pricing and markups involved. In a trusting relationship, loyalty

can be built which may prevent partners from hopping from one manufacturer to another just to get the best price.

### **Clear and Concise Strategy Plan and Communication:**

Communicate, communicate, and communicate. Just like in a marriage, open and honest communication is vital to a long-term, productive relationship. A communications plan must be developed once the partnership is established keeping targets and commitments in front of each organization within the partner company in order to drive the agreed upon objectives to reality.

Two-way communication is vital to creating the trust that is mandatory for continued success. Partners must know that their opinions and feedback are listened to and acted upon and the reasons for non-action are shared. By discussing with each partner the expectations, listening to their input and making appropriate modifications, shortcuts that are likely to cause delays, or bad deals, are avoided.

### **Joint investment in Sales and Revenue Building:**

In the end it is the ability to drive business that marks a successful partnership. The Manufacturer needs to offer extensive support to all partners and the partner needs to participate in marketing plans that will impact revenue growth. The joint marketing plan should include the traditional market support programs, ; joint branding and value proposition, marketing collateral, incentive programs, technical and sales training, technical support, and a complete channel sales kit which includes product information, pricing schemes, presentations and competitive analyses. Often the most important ingredient - qualified leads – is not considered.

Providing leads or building the pipeline for the partner is a key element to insure both parties win. Leads can come from several effective sources that can be worked on by both parties. The partner's database, usually the first target, can be effectively marketed to by leveraging the Manufacturer's Brand and the multiple tools available to reach prospects such as: telesales, email, webcasts, podcasts, direct mail, etc. Campaigns can be jointly supported or even handled by an outside agency.

By working together at tradeshow and events, the partner gets higher visibility, and a chance to get in front of early stage prospects. The Manufacturer can support pieces like white papers, advertising, prizes, sponsorships, and keynote speakers, helping to drive traffic.

A coordinated Web Marketing position may be the most cost effective activity, although it is often overlooked. The power of the brand and leveraging the new partnership can drive traffic to both websites.. The partner needs to have a branded presence on the web that includes direct links with the Manufacturer's site and an effective branded landing site. Properly integrated a web presence enables the full utilization of webmarketing tools including Search Engine Optimization, Pay-per-Click advertising, RSS feeds, customized content, webcasts, podcasts, blogs, and other online sales tools and presentations.

As in all marriages, a happy medium must be found. In order to improve the odds of partner relationships succeeding and to lift the sales numbers enabling all parties to win, there has to be a true partnership where both parties are willing to work together to see a relationship that lasts until the golden years.

*It's only appropriate that this article was written as a partnership:*

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