

Partner Program Readiness Self Assessment



AIM

AEUSA International Marketing (AIM)
5791 153rd Ave SE, Bellevue, Washington 98006 USA
Tel. 1-425-208-5430 www.aimcorpinternational.com

For Hewlett-Packard DSPP Members

One of the most effective ways for independent software vendors (ISVs) to expand market penetration nationally and internationally is to build a high performing partner channel. To do so requires considerable planning and application of best practices. While a comprehensive partner program that enables your partners to actively and self sufficiently win and support new customers needs to be tailored to the individual needs of your company, products and markets; you can still make a valid assessment whether or not your current approach is sufficient by taking this self-assessment.

WHAT IS A PARTNER PROGRAM?

It is the detailed framework that defines:

- The internal roadmap for establishing and growing a partner channel.
- The processes, benefits and resources for partners to grow a profitable business with you.
- The roles and responsibilities of the partner and your company in this partnership.
- The set of business terms and requirements under which partners will operate.

WHAT ARE THE OBJECTIVES OF A PARTNER PROGRAM?

The objectives are to:

- Accelerate growth by building a self sufficient partner channel that provides market reach, sales engagement and implementation expertise for your products.
- Enable partners to establish and grow a profitable new business from the sales of your products, services and subscriptions.

WHAT ARE THE BENEFITS OF A PARTNER PROGRAM?

The benefits include:

- Faster time to sales – the program's benefits, resources and training, help partners to sell sooner.
- Scalability and Repeatability – structured processes flow easily through your organization while maintaining quality and consistency that any number of partner managers can follow.
- Professionalism and Credibility - professional looking partner documents that have been thoroughly thought through establish credibility with partners – especially the big ones.

YOUR PARTNER PROGRAM READINESS

The following is a check list of the key components that make up a partner program. Please review and rate the availability of each component to assess your company's partner program readiness.



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HOW MANY PARTNERS DO I NEED?

A high performing partner channel is not measured by the number of partners but how many partners are pro-actively pursuing new sales self sufficiently. Recruiting too many partners in one geographical area can create an unhealthy competitive environment where multiple partners cannibalize each other's business development efforts. Too few partners will leave opportunities unaddressed. To determine the right number of partners needed; research the number of possible customers in a geographical area, estimate how many customers will be in the market for a solution each year. This will give you an estimate of the number of opportunities. Divide this by the number of sales per partner to determine how many partners are needed.

- Have you built a geographical/vertical market coverage map?

WHAT IS AN IDEAL PARTNER?

The recruitment of anyone that is willing to sign a reseller agreement can cause you to waste much time and resources servicing non-performing partners. If your current channel follows the 80-20 rule (80% of revenue comes from less than 20% of partners) then there is room for improvement. Recruit only the partners that fit well into your ideal partner profile. The ideal partner will have three key attributes:

1. The ability to reach the market to continuously generate leads.
2. The ability to effectively close sales and provide quality on-going support.
3. The willingness to allocate resources to marketing, selling and supporting your product.

- Do *more* than 20% of your partners generate more than 80% of your channel revenues?

- Have you developed your own ideal partner profile?

HOW DO I CONVINCE NEW PARTNERS TO SELL MY PRODUCT?

Partners will want to sell your product when they realize that there is a strong business case that will yield new revenue streams. Building a business case requires an understanding of how many potential customers are addressable in their area, how your products differentiate in the market, what will be the partner's return on investments and a set of attractive business terms.

- Do you have a list of potential customers in the partners' area?

- Have you developed the compelling competitive advantage value propositions provided by your products to partners?

- Have you developed the HP products and services pull through scenarios that your products create when delivered as solutions by partners?

- Have you developed a three year *partner* return on investment model?

___ YES ___ NO

___ YES ___ NO

___ YES ___ NO

___ YES ___ NO

___ YES ___ NO

___ YES ___ NO

___ YES ___ NO



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HOW DO I MAKE PARTNERS SELF SUFFICIENT QUICKLY?

Partners will become self sufficient more quickly if they have allocated sales and technical staff that have been formally trained on your products. This will be enhanced with ideal customer profiles to help them identify opportunities and apply the right customer value propositions to win them. A competitive positioning guide is key to partners' ability to self sufficiently deal with the competition.

- Do you have a partner sales & product certification program?
- Do you have a set of ideal customer scenarios?
- Have you developed a competitive positioning guide by customer scenarios (not product features)?
- Do you have a first three months ramp up activity plan for new partners?

HOW DO I MAKE PARTNERS FOCUS ON MY PRODUCT?

Partners will focus if the business case is compelling, new revenue streams are generated, your product has a pull through effect for the partner's other products and services and if the effort invested in sales development is well justified by the returns. Some tools that can maintain focus on activities with your products include an executive sponsored joint business plan, a marketing plan supported by a marketing development fund (MDF), a tiered discount structure which rewards more sales and quarterly business reviews by executives.

- Do you develop annual joint business plans with your partners?
- Do you develop a joint marketing plan with your partners?
- Do you have a co-operative marketing development fund ?
- Do you review the progress against the business plan at the executive level quarterly ?

WHAT ELSE SHOULD I CONSIDER?

- Have you constructed customer scenarios where HP specific innovation in products and services provide an important differentiator for your solution?
- Do you assess a potential partner's vertical industry knowledge?
- Does your product enable the partner to become a trusted adviser to their clients?
- Do you look for partners with a compatible culture (e.g. "hunter" Vs "farmer")?

HOW IS OUR PARTNER PROGRAM READINESS?

Each of these areas are an important element of a complete and effective partner program. If you answered "NO" to any of these questions then you have a readiness gap that needs to be addressed.

To find out more about building your partner channel, contact Paul Solski, Managing Director, AIM, at paulsolski@aimcorpinternational.com or Tel: 1.425.208.5430