



Partner Business Planning

Continuing Education for IPED Channel Masters

ChannelMasters®

THE **CHANNEL** CO.™

IPED® Consulting

Discussion Topics

1

Business Planning Defined

2

The Forms, the Process and the Participants

3

The Partner's Perspective

4

The Partner Manager's / Channel Manager's Perspective

5

Q & A

Business Planning

The IPED definition...

The process of setting specific goals for a partner account, determining a strategy for achieving those goals, and approaching the *collaborative* business planning process with those goals in mind.



A Business Plan is **NOT**:

- *An Account Plan*
- *A Sales Plan*
- *A Partner Reporting Tool*

Each Partner Interaction can be a Moment of Truth

A Jointly Developed Business Plan results in you understanding your partner's business

- ***What keeps him/her up at night? Challenges he/she is facing?***
- ***Growth aspirations***
- ***Investment strategies in your product***

A Negative Moment of Truth

- ***My agenda, my revenue goals***
- ***What have you done for me this month, quarter***

A Positive Moment of Truth




- ***Speak his/her language, deal with his/her concerns***
- ***Address the concerns of his Role***
 - *Owner/Executive*
 - *Sales*
 - *Technical*
 - *Marketing*

My CAM and their team is my advocate & business advisor!!

How do your Partners see their Relationship with you?



Not all partners are inclined to build a joint business plan with you

		DEFINITION
 50%	STRATEGIC	<i>Generating a significant amount of revenue, highly involved with them at the sales, marketing and technical levels</i>
 25%	TACTICAL	<i>Generate a significant amount of revenue with these vendors; product alternatives exist and we are not strategically invested in these lines</i>
 25%	OPPORTUNISTIC	<i>Infrequent and small purchases, reactive based on our customers' demands</i>

Industry Perspective on the Current Situation with Business Planning

Strategic importance to the partner	<ul style="list-style-type: none">• Understand where you are important and where you are not. Commit time accordingly.• Align with their priorities• Revenue may not be their goal; determine what's strategic to them (GM, Security, differentiation, etc.)
Willingness to share	<ul style="list-style-type: none">• Build trust first
Time commitment	<ul style="list-style-type: none">• Yours and theirs. If they don't have the time to do this, they don't have the time to drive your joint business
Access to the right people	<ul style="list-style-type: none">• See above...• Keep it simple, focused and relevant to the audience

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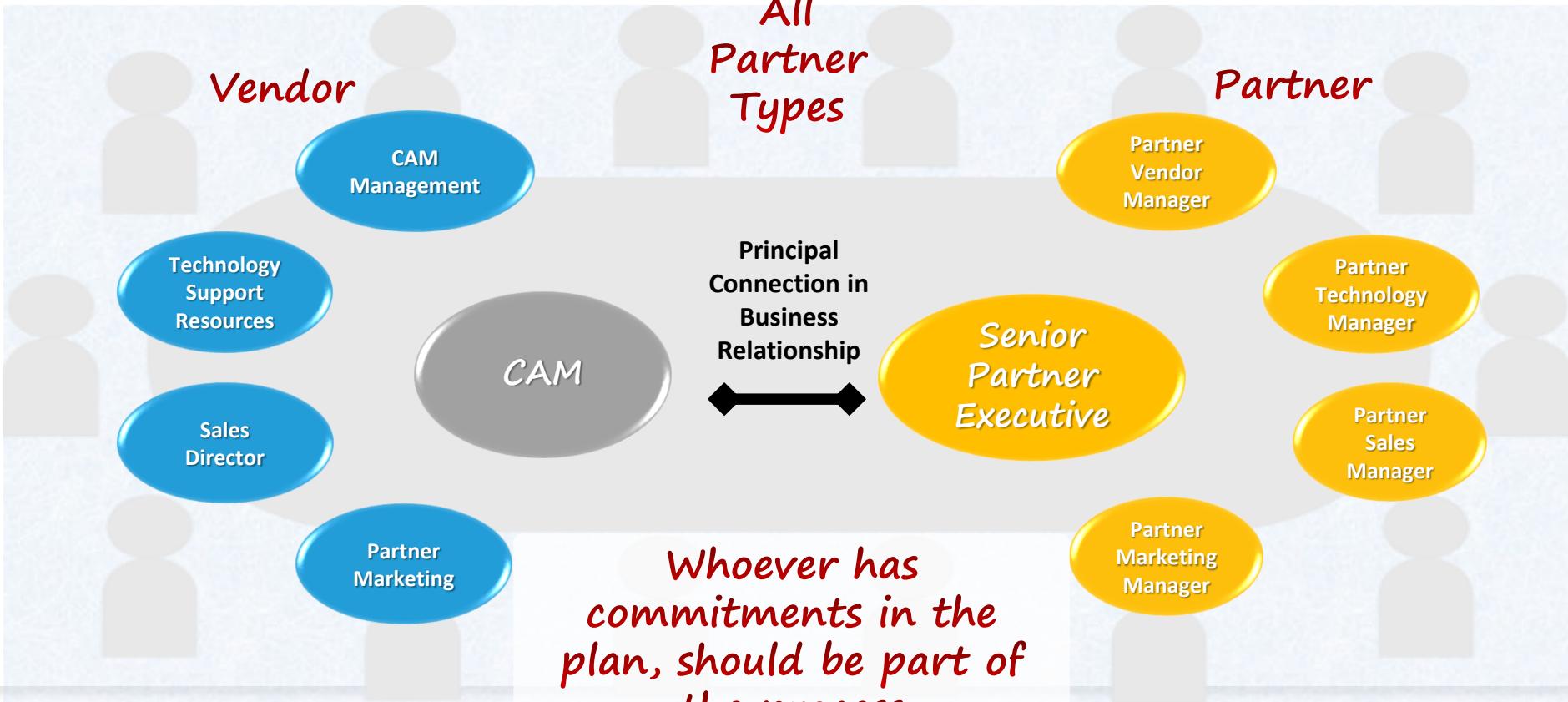
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The Partner Manager's / Channel Manager's Perspective

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Q & A

Who Participates in the Planning Process?



Building Effective Partner Business Plans



Section 1:

The Partner Business Plan

A jointly developed plan resulting in an understanding of your partner's revenue mix, investment with competitors, enablement plans, marketing plans and organization. Share of wallet and clear revenue commitments are two critical



Section 2:

The Quarterly Business Review (QBR)

A structured, quarterly meeting to review progress against quarterly goals set out during the annual Business Plan.



Section 3:

The Call Plan

A structured Partner call preparation template (may be reduced to a checklist) to maximize the effectiveness of your partner call. Clearly prepare your stated goals, anticipate objections, prepare objection handling tactics.

Start with Who's Who When are you at a Decision Maker?

Partner Contacts	Name	Phone	Email	Comments
Principal				
Sales				
Marketing				
Technical or Services				
Relationship Manager				
Other				

- **Formal: The Organization Chart**
 - Understand key players and the decision making processes.
 - Understand what key business issues and pain each needs to address.

- **Unwritten: The Influencers & Decision Makers**
 - Actual decision makers may be at different levels in the organization.
 - Influencers may be your best sponsors.

The next step is to develop JOINT goals that meet the needs of both organizations

This step should be a joint activity between you and the "key partnership/business development leader" from the partner.

III. Partnership Objectives		
Partner Strategic Business Goals:		PARTNER GOALS
Vendor Strategic Business Goals:		YOUR GOALS
Joint Partnership Business Goals:		MUTUALLY ALIGNED GOALS

Move on to focus on your relationship and your product revenue.

V. Vendor Product Revenue Plan												
	Q1			Q2			Q3			Q4		
	Plan	Actual	YoY %	Plan	Actual	YoY %	Plan	Actual	YoY %	Plan	Actual	YoY %
Product 1:												
Product 2:												
Services 1:												
Services2:												
Total Revenue:												
YTD Total:												

Ask for the revenue commitment for the year

Bridge to competitors & share!!

VI. Share of Wallet Assessment — Prior Sales results by competitor with this partner (% or rank)					
	Product 1	Product 2	Services 1	Services 2	Total
Biggest Share					
#2 Share					
Etc. Others...					
Total					

Share of wallet may not be relevant for all partner types..

Brainstorm goals & action items in support of desired revenue performance.

SALES	
<p>GOALS: <i>What are your goals around how to beat your sales numbers with this partner this year? Items should include: sales programs and initiatives that will increase the probability of hitting your sales numbers</i></p>	
<p>Develop and build 3X revenue pipeline Significantly Improve knowledge and expertise in the sales teams Drive flagship/reference accounts sales top 100 customers</p>	
<p>OBJECTIVES: <i>What specific objectives must be met to achieve each of the goals above?</i></p>	
<i>Objective</i>	<i>By When</i>
1.	
2.	
3.	

Start with
Sales and
Marketing

Brainstorm goals & action Items in support of desired revenue performance.

MARKETING	
<p>GOALS: <i>What are your goals related to driving pipeline via marketing activities. Items should include: marketing programs that will increase the probability of hitting your sales numbers</i></p>	
<p>Educate existing customers on new Solutions Improve brand perception and customer experience on website(s) Create awareness for with top 100 customers</p>	
<p>OBJECTIVES: <i>What specific objectives must be met to achieve each of the goals above?</i></p>	
Objective	By When
1.	
2.	
3.	

Start with Sales and Marketing

Brainstorm goals & action items in support of desired revenue performance.

What skills and/or enablement is required?

ENABLEMENT	
GOALS: <i>What are your goals around Enablement with your partner as they tie to your sales this year and future years?</i>	
<p>Create “region based” go-to-expertise for each product offering</p> <p>Cross train on new Cloud offering</p>	
OBJECTIVES: <i>What specific objectives must be met to achieve each of the goals above?</i>	
<i>Objective</i>	<i>By When</i>
1.	
2.	
3.	

Brainstorm goals & action items in support of desired revenue performance.

STRATEGIC INITIATIVES	
<p>GOALS: <i>What are the goals around a defined set of strategic initiatives designed to jointly grow the partner and Vendor business. Typically these are Initiatives that require action now, but revenue may lag by several quarters.</i></p>	
<p>Drive business expansion by creating a managed services practices Expand company footprint in 2 new markets in 2105 Double down on cross selling to new customers industries</p>	
<p>OBJECTIVES: <i>What specific objectives must be met to achieve each of the goals above?</i></p>	
<i>Objective</i>	<i>By When</i>
1.	
2.	
3.	

Building
 the
 foundation
 for
 on-going
 success.

We now have a Joint Business Plan!

We understand how decisions are made

- *Formal Organization Chart*
- *Informal Networks*
- *Included players with plan commitments*

We understand our Partner's Business

- *Business Model, Company Revenues and Growth, Top Goals or Issues*

We set a joint Revenue Goal in addition to:

- *Product Revenue, Enablement & Marketing Goals and Tactics*
- *Speak their language, deal with their concerns*

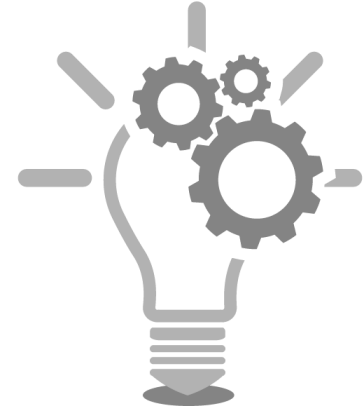


*Next
Keeping the
Plan Alive!*

The Quarterly Acid Test



Replicate Success?



Plan to Remedy!!

Quarterly Business Reviews (QBRs) keep
Annual Business Plans from desk drawer death!



Quarterly Business Reviews (QBRs) keep Annual Business Plans from desk drawer death!

Top Opportunities				
Opportunity Name	Customer	Revenue	Close Date	Product(s)
1.				
2.				
3.				
4.				
5.				
Key Activities				
Key Activities		Assigned Owner	Due Date	
1.				
2.				
3.				
4.				
5.				
Significant Developments (past 3 months) – Major achievements or setbacks. Changes in management. Changes in the competition.				

With the Business Plan in hand, track progress of stated goals

Utilizing the Call Plan Template to Increase your Credibility

Meeting Objectives
1.
2.
3.

Partner Expectations of Meeting What is success from the partner's point of view?
1.
2.
3.

Agenda & Request for Partner Commitments
1.
2.
3.

Is there alignment?

Are we addressing both tactical actions as well as revisiting strategic direction?

Thoughts to consider...

Are you able to differentiate your solutions benefits?

What are the top 3 strengths?

- Does your Partner value them? Does the customer value them?
- Are they unique to you?
 - Are you saying the same thing as your competitors?
 - Do you have a unique capability? Greater ROI?
- Can you prove your strengths?
 - If challenged, are they defensible?
 - Benchmarks, references, case studies, etc.

Lead with the benefit and what it means to your partner and his customer...

- Benefit → then Feature / Function
 - Benefit - It means this....
 - Feature - It is this....
 - Function - It does this....

Tools to increase your credibility while driving commitment to your solution set...

A Joint Business Plan

- To understand the Partner Organization, Business Characteristics, Goals & Objectives
- With negotiated annual Revenue, Product, Enablement and Marketing Goals
- Including insight to your competition and your share of the Partner's business

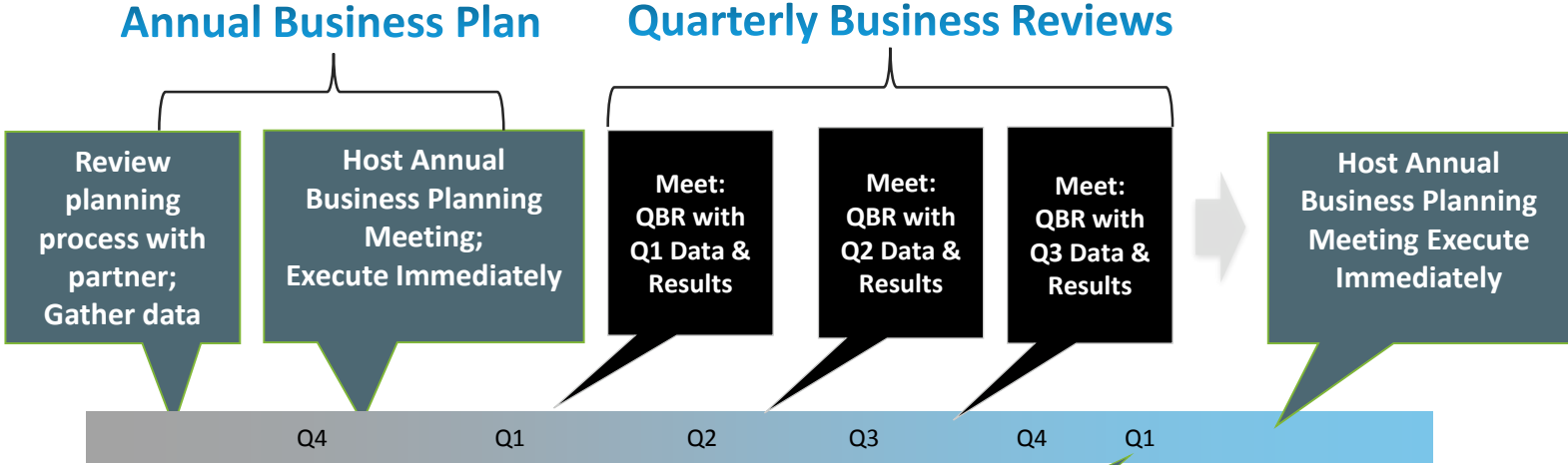
A Quarterly Business Review (QBR)

- To jointly track progress against quarterly goals
- An opportunity to chart Course Corrections or Replicate Successes

A Call Plan

- To set up the “ASK” for Commitments to our Product Set and Revenue
- Ensure continued action on strategic initiatives

TYPICAL Partner Business Plan Process Timeline



- **This is a two way Negotiation and Commitment**
- **Do not write this plan without the Partner**
 - *Be prepared...pull relevant data off Salesforce*
 - *Team with Partner Primary Contact to prepare*
- **May take a few iterations before 100% complete**

Review planning process with partner. Gather data.

Discussion Topics



Business Planning Defined



The Forms, the Process and the Participants



The Partner's Perspective

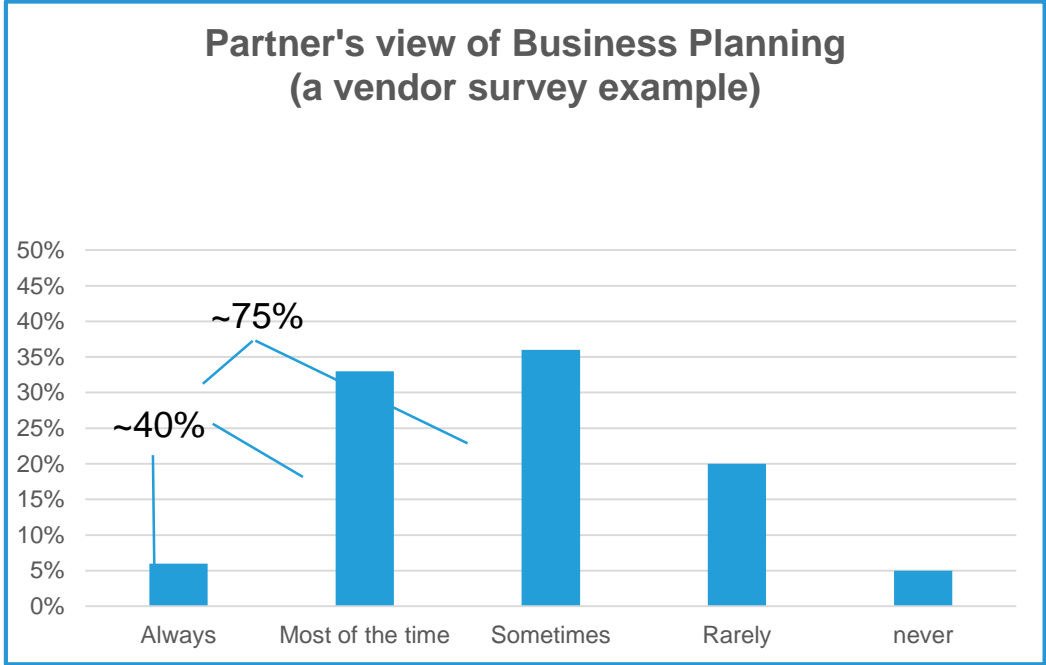


The Partner Manager's / Channel Manager's Perspective



Q & A

Process takes time....and it is not for every partner



Does Business Planning help support my business needs?

But it took several years to get to this point

In recent IPED Study, 40% of Vendors stated that Business Planning was one of the top 5 important organizational challenges to address

What partners say about business planning

"I use vendor business planning as a way to hold my team accountable for our commitments"

CEO, \$4B SI partner

"it [business planning with vendors] only works if my account manager has a clue about what we do"

Owner, Small partner



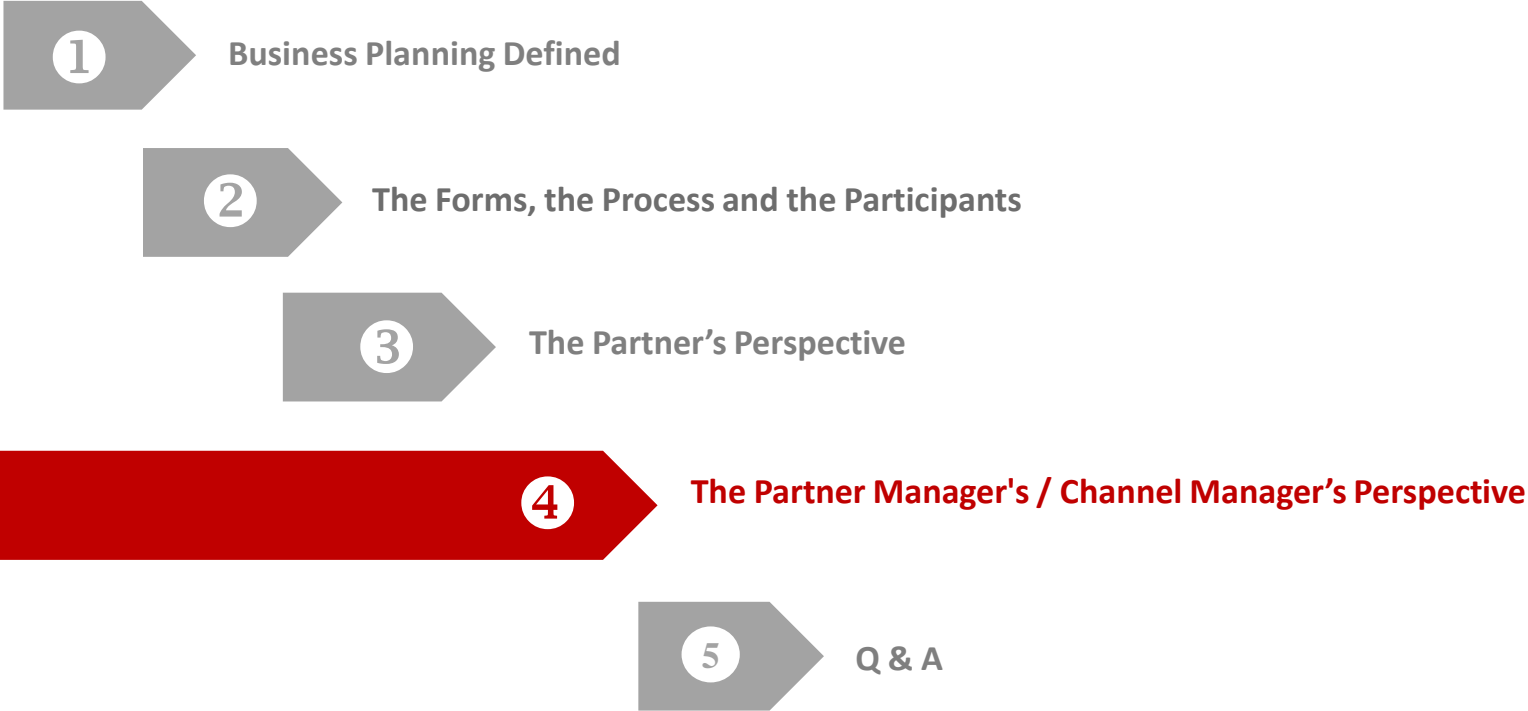
"...If done right, allows me to gain the commitments I need from my vendor. I use the process as a two way street to better understand the vendors direction and how it aligns with my company's direction"

Owner, ISV partner

"I participate because I know it is important to the vendors, but more often than not, it is too complicated and does not really help me."

VP, National Reseller

Discussion Topics



“This Stuff Really Works”

“This Stuff really works!!! I now have their attention and they are looking at VENDOR as a partner trying to help build their business”

Partner Manager

“PARTNER is completely re-launching their company so for their new executives this was very helpful.”

Partner Manager

“I know PARTNER well, but did not expect the outcome from the planning session....he wants to work on something where he can be special to someone at VENDOR ... so wants to focus on the Healthcare vertical”

Partner Manager

“During my Planning session I learned that they are still working under the old reseller model with a 90/10 product to service mix, which is very unhealthy. “

Partner Manager

Input from Partner Managers working with other IT vendors on business planning

“This Stuff Really Works”

“The presentation and action plan helped them communicate their plans and helped guide some of their decision making”

Partner Manager

“I presented to the team at PARTNER and asked what they see as the companies 3 top initiatives.... While they answered with the correct answer, the President shared with me that they did not exactly have the meanings interpreted correctly...the session help the team clarify the direction.

Partner Manager

“I am new to the region and this process gave me instant credibility”

Partner Manager

“I built a plan on a page that I can jointly work with partners and Avnet”

Partner Manager

“Building OUR plan grounded in THEIR Financials has been HUGE!”

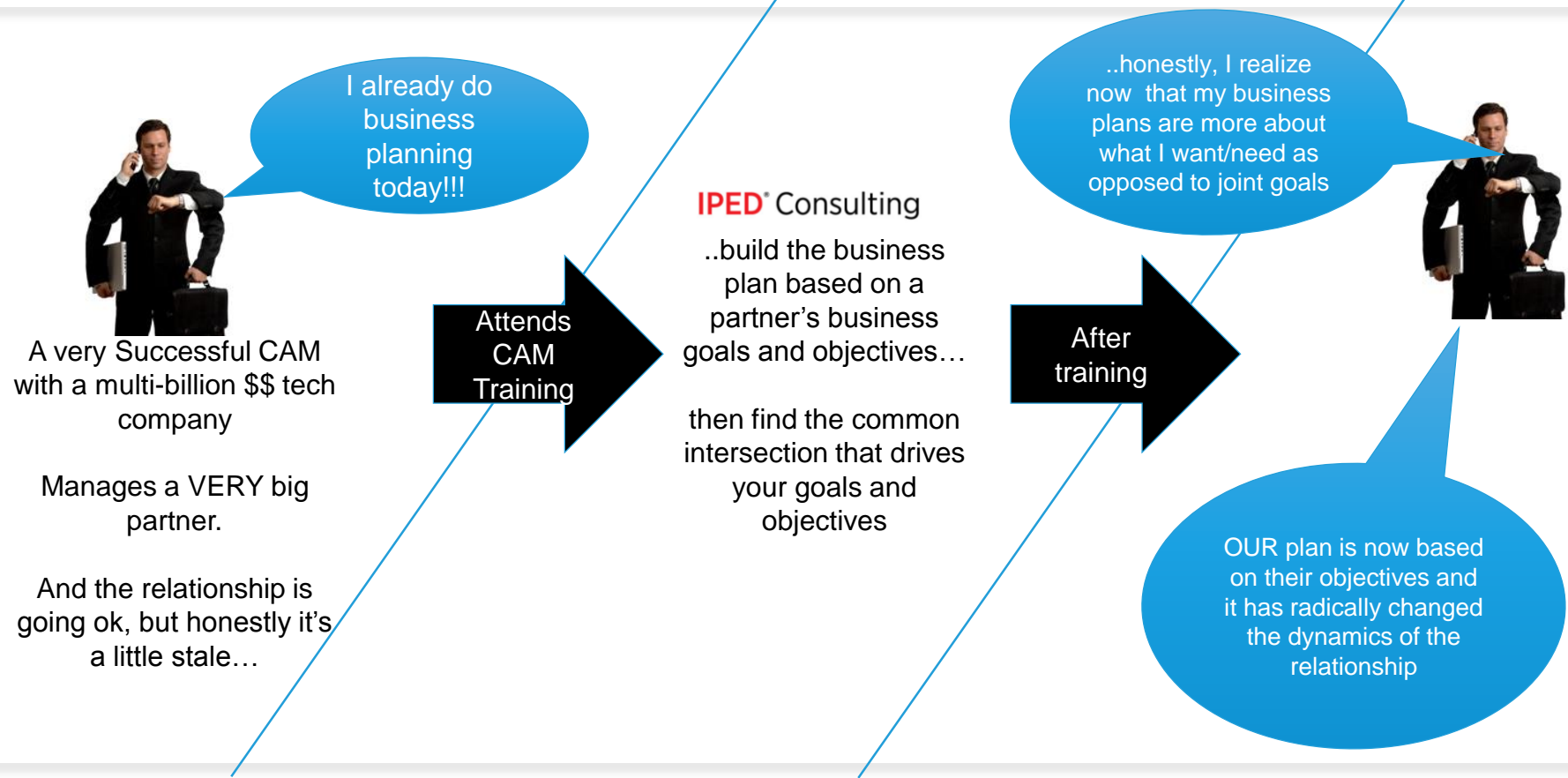
Partner Manager

“My partner was really struggling on the services side. My plan now includes mentoring from our local PS group.”

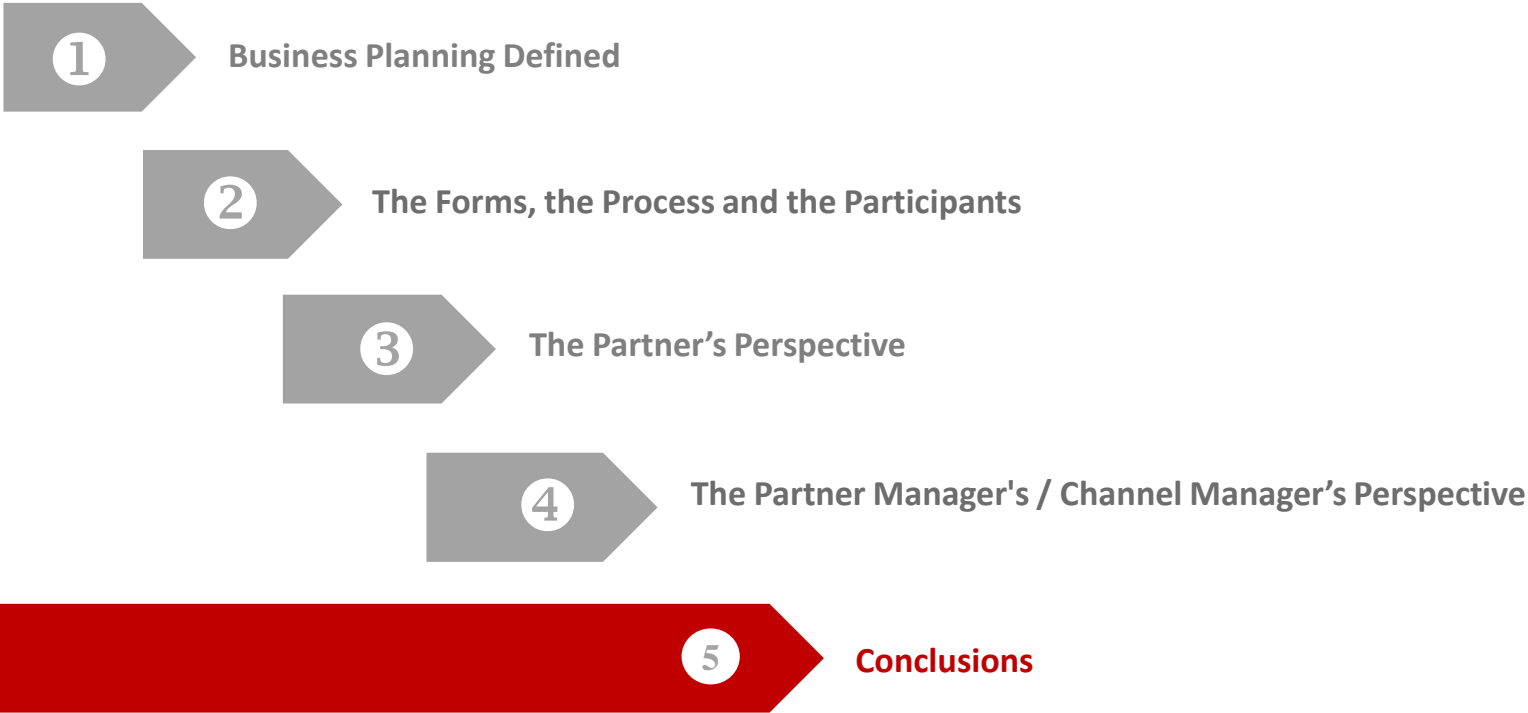
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A case study...let me tell you a real life short story



Discussion Topics



How Will These Business Plans Differ?

Distributor



Recruit, enable, sell

DMR



Often = fit into their plans

SI



Typically more complex, alliance based

ISV



Very development focused



Business Planning – Keys To Success

Business Planning can be a lot like exercising

...doing it every once in awhile has little impact

...but staying with it consistently can produce tremendous results..



*IPED Keys to
Successful Partner
Business Planning*

1. Gain joint commitment– this is not a management exercise
2. Earn the right – know the partner’s business
3. Plan based on partner’s goals
4. Keep it simple
5. Keep it realistic
6. Focus on the process (the process is more important than the form)
7. Engage the right team members
8. Follow-up, follow-up, follow-up... (In calls, in meetings, in QBRs)

Where will this take you....

From	TO	How
<p>A Basic Plan</p>	<p>A Committed Plan</p>	<p><i>Developing a joint plan with mutual commitments</i></p>
<p>My Goals / Their Goals</p>	<p>Our Goals</p>	<p><i>Understand their business environment (and the financials)</i></p>
<p>Action items</p>	<p>Action plan tied to strategic goals</p>	<p><i>Annual plan linked to QBR execution</i></p>
<p>Focus on ALL partners</p>	<p>Invest time in the right partners</p>	<p><i>Business Planning process with willing partners</i></p>

Questions?

THE **CHANNEL** CO.™

Thank You



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