

3 Steps to Effective

# PARTNER RELATIONSHIP MANAGEMENT



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# INTRODUCTION

Partner management has been transformed. More businesses are adopting a distribution channel as a sales strategy to give partners more choice in whom they can do business with. Across all industries, businesses bring in 35% of their revenue from indirect sales. Some industries, such as automotive, tech, and manufacturing, can see a whopping 75% of sales coming from partners. Because technology makes so many more vendors' products accessible, the competition for partner mindshare is incredibly intense. In this e-book, we outline the best way to choose the right partners, the requirements of partner relationship management (PRM), and the best practices for success with partners.

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## CHAPTER 1

### Choose the right channel partners.

An indirect channel program helps many companies expand their sales footprint, increase service and delivery capabilities, and improve customer engagement with measurable results. Whether you are an established company wanting to enhance current relationships or a startup looking to recruit a handful of partners, working with third-party channel partners has its value and place within a comprehensive go-to-market strategy.

As the market moves toward new business models, working with the right partners is even more critical. Advancements in technology are pushing sales and marketing executives outside their comfort zone. Before you choose a partner, remember this key point: No two partners are the same. Finding the right match is vital, otherwise you risk wasting precious time and resources. Here are a few suggestions to help you identify an ideal partner and improve the likelihood of success.

## FIND THE GAPS

It's important to identify the right partner and the right opportunity. You want a partner that fits your needs and can help you take advantage of the opportunity to increase scale, sales, service coverage, and more. You can't choose your partner until you know your end goal. Here are a few examples of the types of partners out there that may help you meet your specific needs.

- **Partners for sales reach.** When you don't have enough salespeople in a particular market or segment, or when you want to break into a new vertical or industry, the right partner may be one that offers additional sales reach. In this case, you want access to the companies and relationships a partner may hold.
- **Partners for delivery and implementation.** You can see an opportunity ahead and anticipate a huge growth spurt, or increase in pipeline volume or demand. The new business is great, but it comes with additional engineering and production requirements. Your technical bench may not be able to scale fast enough. In this instance, indirect channels are a great way to augment your technical staffing limitations by working with implementation and consulting partners.



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- **Partners for solutions, support, and maintenance.** Your product is great at doing A and B, but your customer needs a solution that does A, B, and C. The best way to round out your portfolio is to partner with another company that can deliver this third customer requirement. Then you can create preintegrated bundles or solutions that allow customers to experience seamless implementation as well as faster time to market.

### CHOOSE YOUR PARTNER WISELY

Once you've determined your partner type, it's time to take a wide lens to see whom you should recruit. Take sales reach as an example. The natural inclination when recruiting new partners is to look for the top partners in the industry you are interested in, which tend to be the ones that have the largest sales force or top-line revenue. But don't make the mistake of being distracted by the size of the company. Capabilities, culture, and willingness to engage are other factors that determine whether a partner is right for you. Develop a short list of prospective partners by industry, geography, technical capabilities, and the other partnerships they have that complement your portfolio. Just be sure to have a reason besides "they are the largest."

### DON'T OVERCOMMIT

In partner recruitment, one of the biggest mistakes you can make is to be too aggressive with your goals. This approach can bury you, especially if you are constrained by the amount of resources allocated to the effort. It's ambitious to say, "I'm going to recruit 10, 20, or 100 partners, onboard them, train them,



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and have them out on sales calls.” All of this takes time, anywhere from 30 days to 6 months, depending on how complex your solution is, and how rigorous your certification and training curriculum is.

Always remember that partners have to learn your product, technology, or service – they can’t just walk out the door and sell for you. You need to provide the training and support to make it happen. It’s incredibly important to create a target list built on realistic expectations.

### **KNOW WHEN TO WALK AWAY, AND WHEN TO STAY**

Too often companies expect the same kind of a return from their channel sales as they do from their own internal teams. The fact is, there simply isn't the same kind of control. Many companies will pull the plug too soon if they don't see results fast enough; then they have to start all over again. They can lose months of training and investment when it was only a matter of time before a return would materialize.

Instead, it may be prudent to help your partners. See if there is a way to accelerate their onboarding efforts with more training, shared business planning sessions, or lead sharing. Clear and well-defined KPIs will help identify and benchmark those partners that may (or may not) work out in the long run.



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# CHAPTER 2

Understand how PRM and CRM work together.

## PRM BACKGROUND

Once you've identified the right partner, it's important to select the right technology to help manage the partner relationship. The tech, manufacturing, and automotive industries all recognize the value of PRM technology. One important and often overlooked issue that holds back PRM is the term “partner.” It is not universally used across all industries. The following is a short list that shows how different industries describe their partners.

Industries	Partner Term
Technology	Value-added reseller, channel partner
Financial services, insurance	Agent, broker
Automotive, industrial products, telecommunications	Dealer

Whatever term a company uses, partners share the same business objectives. Companies must recruit the right partners, train them to sell the right products and services, help them generate profitable business opportunities, and empower them to improve the end customer experience.





Unfortunately, many of the companies that could benefit from this technology forgo evaluating PRM applications because they just don't identify with PRM terminology. This leads companies to build custom portals that fail to deliver the capabilities partners need. Companies then lack the agility to adapt to business changes, and can suffer from limited integration to their core CRM system.

### **PARTNERS NEED A BLEND OF PRM AND CRM**

PRM applications built on a broader CRM platform are able to address the pitfalls of custom portals and niche provider approaches. Making CRM actionable for partners and providing for a more collaborative go-to-market approach are key challenges most companies face. For example, partner or channel managers would benefit more from leveraging CRM analytics to gain insights on customer segments, compared to partner coverage and performance. The foundation of any PRM strategy is to provide clarity to both the partner and the channel manager on the joint pipeline and shared business objectives. The technology industry recognizes the value of blending PRM and CRM to create a better experience for partners. Tech companies use this new blended approach to improve partner recruitment, manage partner profiles, intelligently distribute leads, optimize market development funds, and create quotations.

At its essence, PRM is all about making it as easy as possible for a third party to conduct business on your behalf. In some cases partners have a choice in what products they sell. Ease of doing business is often a



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deciding factor for those selling on your behalf. Rather than list each industry and how PRM adds value, the key takeaway is that PRM has a definitive value proposition, no matter what industry you're in. The following are some guiding principles to keep in mind when creating a partner relationship strategy:

- Do not get caught up with PRM as a term. Instead, focus on the value PRM delivers to help external partners sell more and improve their service experience.
- Make sure PRM is part of your overall CRM strategy to align your go-to-market strategy with your partner performance and end customer needs.
- Leverage a PRM application that is agile enough to integrate seamlessly with CRM applications and data, as well as provide the extensibility to quickly support changing partner needs.
- Incorporate multiple channels, such as mobile and social technologies, to boost company, partner, and customer collaboration.

This is not an exhaustive list of capabilities but more a set of guiding principles. The bottom line is that if your company relies on external partners (regardless of what they are called), PRM should be at the top of your priority list.



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## **CHAPTER 3**

### **Create a winning partner engagement strategy.**

In order to be successful with partners and to truly accelerate channel sales, companies must blend technology with business transformation.

#### **PROVIDE THOROUGH AND EASILY ACCESSIBLE TRAINING**

Your interactions with partners help shape your customers' perception of your company and brand. It's essential to invest in partner training to make sure your partners have a thorough knowledge of your products and services, and how to deliver them according to your company's standards. For example, up-to-date online training videos and documentation can augment in-person sessions so partners can educate themselves when it's convenient for them. Also, all training materials must meet your partners' varied needs. If your partners are operating in a Spanish-speaking environment, you should provide training in Spanish in addition to in English. For training on mobile devices, make sure it's in other languages as appropriate and on operating systems.

#### **FOSTER INTERACTIVITY AND ENGAGEMENT**

Make it easy for your partners to work with you by ensuring that they're set up with the digital and personal connections they need to be successful.



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*Digital connections* include access to the online systems your partners need to retrieve or store information, such as CRM and financial software, price lists, and product catalogs. There is evidence that using rich digital content in product information drives sales: Hubspot [reports](#) that 64% of users are more likely to buy a product online after watching a video.

*Personal connections*, such as a partner manager or technical support lead, are your partners' human points of contact in your organization. Partners value being part of peer communities. It's where they can connect with each other to share best practices and help solve common challenges. Of course there are risks in not fostering interactivity and engagement – and they are not just in lost business opportunities. When a partner is faced with a challenging situation, your brand and reputation can be put in jeopardy. In the social media age, it's easy for frustrated partners to voice their complaints online.

### **TAKE RESPONSIBILITY FOR PROBLEMS**

It's inevitable that at some point a customer will complain to you about what a partner has or has not done. Never blame your partner when a customer comes to you unhappy about a problem, even if the partner is indeed the cause. Instead, apologize to the customer and promptly work with the partner to turn the situation around and ensure the customer is satisfied. Customers expect your partners to be an extension of your business. Partners must be knowledgeable about your products and services, and able to work with you directly when problems arise. When something goes wrong, the customer will ultimately hold you and your partner both accountable.



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# CONCLUSION

As partner management continues to evolve, it pays to stay ahead of the changes by setting up your indirect sales channel for success. You can do this by always keeping three things in mind: Choose the right channel partners, understand how PRM and CRM work together to make partners successful, and create a winning engagement strategy for your partners.

Now, see how Sales Cloud PRM can help your partners onboard faster and sell more.

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