

IDC: Analyze the Future

Software Partnering and Alliances Group

July email update

Ramp to Revenue with Partners

In the previous issue, we announced that the IDC Software Partnering and Alliances Group has recruited a select group of independent consultants and consulting organizations into its Authorized Implementation Partner (AIP) program. In this issue, Norma Watenpaugh, Principal of the Phoenix Consulting Group, has contributed to the SP&A email update with her own views on ramping to revenue with business partners.

Partners are an integral part of any company's go-to-market strategy: They provide complementary capabilities to deliver a more complete solution to customers and create a competitive differentiation for the partners involved. Partners can also be a source of industry expertise or application domain expertise, as well as an extension of a company's sales force either through a resale relationship or through 'trusted advisor' influence. Finally, partners can be crucial sources of technical expertise and consulting services that support product implementation.

In all these cases, the advantage of partnering is that it creates leverage. A company can extend its own capabilities with far less up-front investment in time, headcount, and dollars than it would take to build these capabilities in-house. While some companies have taken a Darwinian approach to partnering, signing up all comers and letting the market sort them out, most have become more strategic and selective in their partnering. Effective partnering still takes investment and management.

As any seasoned partner manager knows, signing the partner contract doesn't signal the end of an engagement, but only the beginning. Partners are businesses and their success, and yours, is dependent on how well you engage them beyond the initial excitement of issuing the press release. As with any new venture, there is a development phase, a go-to-market phase and a sales cycle to manage before you see revenue. Finally, you need to continually manage new growth opportunities to maintain that revenue stream.

Recruitment

Nothing is more important than starting out right. Careful partner selection and appropriate expectation setting will go a long way toward ensuring that the objectives of a partnership can be met, especially if these objectives are revenue related.

- *Recruit partners with a proven track record in the markets or industries you are targeting.* They have established customer relationships and the expertise to be successful. They can significantly shorten the time it would normally take your company to acquire the expertise and to build a reputation in a market.
- *Understand the business model of your partner candidates.* Solution partners typically call higher in the organization than partners who focus on selling commoditized technology. Leveraging these relationships can shorten your sales cycle and often result in bigger deal size. But also understand what value you bring to your partner and what value the partnership brings to customers. Make sure you have a win-win-win proposition for all parties involved – you, your partners and your customers.
- *Be clear about how you expect to measure success.* Is it by number of new accounts? Is it deeper penetration of existing accounts? Who tracks and reports these metrics? What is the level of management visibility?

Technology Enablement

Depending on the type of relationship, there may be joint technology development, deep or cursory product integration and transfer of information requirements. Are you prepared to support your partner's needs to the level of the technology relationship planned? Do you need to provide training or need to be trained? What are the provisions for technical support? Do you have or need access to your partner's engineering organization? Are certifications required?

Ensuring that you and your partner both have the appropriate access to technology, support and information is critical to staying on the path to revenue.

Go-to-Market Planning

A press release is not a go-to-market plan. At the very least, a go-to-market plan provides sales tools to aid you and your partner's sales teams to articulate the value proposition of your alliance to prospective customers. How does one plus one equal three for your customer?

This must be followed up with events and lead generation activities that effectively communicate this value proposition to your joint customer base. The advantage of joint marketing is that it is an opportunity to share costs and gain new customers.

Sales Engagement

This is where the rubber meets the road. If you were to ask one of your sales reps, "How do you work with Partner X?", and the response included the name of the partner sales counterpart, the accounts they were working on together and why they have an edge in the sale because of this partnership, then your partnership is working. How many partnerships actually achieve this?

Sales engagement is achieved through many factors. Clear rules of engagement are necessary and need to be understood by both partners at the field level. It is also important that the selling teams work out their account issues and account plan before stepping in front of a prospective customer. The last thing you want is to air any channel conflict to a customer.

Growth Management

Keep a good thing going. Once you have a productive, revenue producing partnership, you need to continually renew that relationship. That means beyond the day-to-day, tactical issues of joint selling, you should look for new opportunities to partner. Perhaps that will be around products about to be released by either party, or new markets that you jointly target.

Effectively and diligently managing the partner development lifecycle through all its phases, not only assures the success of the partnership, but can also accelerate the time it takes to realize revenue from a partnership. Enabling your partner's success is enabling your own.

Norma Watenpaugh is Principal of Phoenix Consulting Group, which provides partnering and marketing consulting services tailored for today's tough economy. Ms. Watenpaugh has extensive experience in partner strategy, alliance management and program development. She has built bootstrap partner programs in startup environments and has scaled those programs to handle the needs of thousands of partners, leveraging hundreds of millions of revenue. She is an Authorized Implementation Partner of IDC's Global Software Partnering and Alliances Group and is the Chapter President of the Silicon Valley Association of Strategic Alliance Professionals.

For more information on IDC's Authorized Implementation Partners, please refer to

[IDC's Authorized Implementation Partner Program Page](#)

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