



Making Partner Managers Winners

What They Need to Succeed

Building the skills of an effective Partner Manager has far reaching impact. The role of partner manager is to enable innovation, growth and competitive advantage through partnerships and they need a full toolbox for the job.

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SUCCESS THROUGH COLLABORATION

Companies that develop strategic partnerships are more successful than their peers.

2012 CEO Study, IBM

INVESTMENT IN TALENT TO GROW AND INNOVATE

To many organizations, alliances and strategic partnerships are “the new way businesses grow and innovate,” particularly as they experience a rising profile within the C-suite. As partnership alliances become an increasingly important source of innovation for companies, they are integral to future success. One study cites that 51% of CEO’s want to prioritize innovation and access to new technologies through partner initiatives. Another 46% of survey participants note a preference for partner initiatives to instead focus on ways to access new customers.¹

Companies that develop strategic partnerships are more successful than their peers.² Best practice research from Phoenix Consulting Group has shown that the most effective alliances are those that are directly aligned to the corporate strategy as well as deeply collaborative when developing the partnership. This is accomplished by involving senior leadership, stakeholders, and partners in designing the strategic intent of the partnership³.

Partner Management as a profession seems to be gaining in stature and recognition. Partnering professionals are taking on a very expansive role in managing partnering activities across business units and across functional boundaries even though their management role is usually confined to one of influence and alignment. As remarked by **one** of our colleagues Steve White, an Alliances Analyst at IDC, “Alliance managers are general managers, but without teeth.”

Partnering professionals come from all walks. It’s an interesting question to pose to a large group of partner managers: “How did you come into the profession?” Some come from technical backgrounds, others from sales or marketing, as well as those from project management backgrounds. Each brings a different perspective and skill set. Effective partner managers must be able to unite the interests and energies of employees across various business units and functions to a shared vision and more importantly, to respect the role that each group contributes to the successful operation of the partnership.

¹ 18th Annual Global CEO Survey, PWC 2015

² *Leading Through Connections: Insights from the Global Chief Executive Officer Study*, IBM 2012

³ *Alliance Best Practices Research: Revealing the Leading Practices of High-performing, Go-to-Market Technology Alliances*, Phoenix Consulting Group 2013

When you look at the composite of skills required by a partner manager, it goes beyond the soft skills of relationship management. While soft skills are important, a partner manager also needs a strong complement of business management skills including: strategic thinking, financial and business acumen, and a sound understanding of industry trends and the competitive landscape.

Partner Managers should position themselves as not merely managing a relationship or even partner sales, but as managing a business with the capacity to deliver innovation, new streams of revenue and bottom line impact. Businesses with a robust partner program have come to realize that the partner management role is an excellent training camp for the next generation of leaders.

With talent management coming to the forefront of corporate thinking these days, businesses should be strategic in enabling and developing the full suite of general management skills of their partner managers to drive innovation and incremental growth opportunities.

THE ROI OF TRAINING

Effective management and training is without doubt a crucial ingredient for success. The challenge for any organization is measuring and justifying the investment in training. One statistic that clearly shows the value of training comes from a 2014 IBM study. IBM found that 84% of employees in top performing companies believe they are receiving the necessary training to be effective in their role, compared to only 16% of employees in the worst performing category.

Successful companies and managers recognize that internal training is important, but how does this translate to partner management and alliance training? At LearnCore, one client case study showed a 95% reduction in time spent managing partner issues, especially support tickets after implementing an end to end training program for partner managers on both sides of the alliance. This innovation in training provided the ability for partner managers to focus on growing the strategic partnership.

According to the Center for Economic & Business Research, for a company with an estimated 50 employees, the cost of onboarding and training a new hire averages \$40,000. Another study cites that 62% of new hires are more likely to stay with employer when training is provided. Reducing the cost of turnover preserves your investment in highly skilled partner professionals.

As business and alliances become more and more complex, training is the only way to stay ahead of the competition and ensure the success of both internal and external employees and partners.

TRAINING LEADS TO RETENTION

“62% of new hires are more likely to stay with employer when training is provided.”

Center for Economic & Business
Research

SKILLS DEVELOPMENT NOT KNOWLEDGE TRANSFER

Traditional learning and training paths are based purely on knowledge. The assumption can be made that with knowledge our employees and partners can be successful. It is true that the more knowledgeable our alliance partners are, the more likely we are to be successful. However, the missing element comes when this knowledge needs to be applied through experienced judgement. Our employees and partners will only be as successful as their ability to use their knowledge effectively.

Skills development takes both ongoing coaching and practice to ultimately lead to mastery and predictable success. Learning by doing is nothing new to organizations. The challenge is when this learning is taking place on the job. The time it takes for an employee to learn by trial and error can be extremely costly to the organization and the strategic partnership as a whole. By providing training that focuses on developing skills, your partner managers can be “partner ready” from the first conversation. This is also true when we look at enabling our alliance partners to act as an extension of our brand. Whether they are negotiating on your behalf or selling and supporting your products, it is imperative that they know how to collaborate and communicate effectively.

One approach that has been used in certain industries for many years is certification. By engaging channel partners in training you can also incentivize them through achievement levels, turning training into a career progression tool instead of an annoyance. People naturally fall back on what they feel most comfortable doing. By enabling your partners to collaborate effectively through training, these skills translate directly into confidence, leading to stronger partnerships and greater impact to the bottom line.

THE ROI OF AN EXPERIENCED PARTNER MANAGER

“The value to IBM of a discipline and well managed alliance process is demonstrated by an immediate increase partnership performance...as much as 35%. Highly skilled and experienced alliance managers are integral to that success rate.”

Mark Hanny, IBM VP of Alliances

Skills, Aptitudes and Attitudes of Highly Collaborative Partner Managers

There are key differences in skills, aptitudes and attitudes of a highly collaborative partner. They are skilled at adapting to an ever changing environment and operating in a world beyond the traditional organization boundaries. Their ability to collaborate is what provides them the relationship power necessary for success. These skills are often considered ‘soft skills’ but in fact are ‘hard’ to master and are not easily quantified.

Several studies have been done through the Association of Strategic Alliance Professionals to better determine what skills are commonly found in the successful partner manager. Below is a profile of the collaborative professional based on research.

WORK STYLE CHARACTERISTICS OF SUCCESSFUL ALLIANCE PARTNER MANAGERS

The study *'Today's Alliance Professional....Tomorrow's Strategic Leader'*, 2009⁴ sought to reveal what was characteristic of the workstyles of successful partner managers. The relevant workstyle characteristics are listed below. Note that these characteristics are similar to those of a successful leader, and support the idea that partner management is a great training ground for general management. Characteristics of successful partner managers include:

- Ability to lead and influence
- Willingness to take initiative with little or no supervision
- Strategic/global thinkers seeking and creating opportunities
- Capable of dealing with high levels of ambiguity
- Highly innovative, dynamic, creative, independent thinkers
- People-oriented with high empathy
- Highly cooperative, preferring to work in teams
- Effective at networking across organizational boundaries
- Apt to flex rules to get things done (likely to suffer in bureaucratic environments)

ATTITUDES AND VALUES

A special report *"Alliance Culture: It's in the DNA"*⁵ discovered that certain attitudes and values must be present in the alliance manager and must be part of the organizational culture in order to breed success. These include:

- Empathy
- Conflict Harmonization
- Flexibility
- Cooperation
- Mutuality (I don't win unless we both win)
- Restraint in use of Power
- Strategic View
- Trustworthy
- Proactive

In fact the researchers found that while adoption of collaborative business processes are on the rise, the adoption rate alone does not seem to be driving success rates. A critical component is the cultural values of the organization.

⁴ Today's Alliance Professional...Tomorrow's Strategic Leader, American Management Association, Society of Human Resource Management, and the Association of Strategic Alliance Professionals, 2009

⁵ *"Alliance Culture: It's in the DNA"*, A.P. de Man and D. Luvison, Association of Strategic Alliance Professionals, 2011.

LEADERSHIP SKILLS

"Alliance managers are general managers without the teeth."

Steve White, Alliances Analyst IDC

COMPETENCIES AND SKILLS

Based on the requirements outlined by the Association of Strategic Alliance Professionals⁶ in order to be successful as a partner manager and to achieve certification in the profession, the alliance manager must have developed skills that are not only specific to managing an alliance but also to broad business and industry knowledge along with an in depth understanding of their own organization.

These competencies and skills are broken into four categories in order to organize thinking around them.

- Core skills are the skills that operationalize the partnership so it can be managed efficiently.
- Context skills include those that are softer and more leadership and people oriented, which help make the partnership run more effectively.
- Business and industry skills are functional business skills paired with understanding the common practices and landscape of the particular industry.
- Company skills are those specific to the culture, norms and the practices that exist within a particular company.

The critical skills are listed below. The partner manager needs all of them, but the partner savvy company embraces them across the organization. APPENDIX A lists the specific skills for collaboration and which roles within an organization require them.

Critical Skill Set

- Managing the Alliance Lifecycle
- Stakeholder Alignment
- Managing Performance
- Conflict Resolution
- Harnessing Diversity to Capture Innovation
- Change Management
- Influence without Authority
- Managing up, down and sideways
- Financial and Business Acumen
- Critical Thinking
- Leading Virtual Teams
- Cultural Sensitivity and Savvy
- Collaborative Selling

⁶"*The ASAP Handbook of Alliance Management: A Practitioner's Guide*"; Association of Strategic Alliance Professionals, 2013

A SPECIAL CALLOUT TO COLLABORATIVE SELLING

While partner managers need many skills to orchestrate collaboration between partnering organizations, one critical skill for customer facing partnerships is to orchestrate collaborative selling. Collaborative selling is the last mile in customer facing partnerships and is critical to their success. It bears a more comprehensive treatment of how the skills and competencies of collaboration are integrated into the sales process. This skill set is often not given the attention it deserves and is often dismissed as not that different from more traditional sales competencies. One channel account manager reflected that they were subjected to a sales training event where the trainer had just cut ‘customer; out of the materials and pasted in “partner.” The training did not take into account that channel sales goes beyond basic selling skills but also requires business acumen to understand how your company products and services fit into the partner’s business model. Nor did it acknowledge that the channel partner is on the frontline with the customer with the channel manager is in a supporting role.

SALES TRAINING IS NOT PARTNER SALES TRAINING

“We had three days of sales training that was a search and replace of customer for partner.”

Channel Account Manager

In one organization, it was found that the same resources to support one direct sale would support six with partners. The win rate was higher through the direct model, but even at a 50% win rate with partners, the company could leverage **three** times the business through partners with the equivalent investment. This example highlights the importance of effective collaborative selling in order to gain those multipliers of success.

MINDING THE GAP

ASSESSING COLLABORATIVE CAPABILITY

Understanding the current state of collaborative competency is the first step to becoming more successful at business relationships. An assessment should appraise the partner management processes but also look at the ‘soft’ side of collaboration. The skills matrix in Appendix A is a great starting point to begin the assessment of collaborative capability with the organization.

Does your team have the skills and competencies to collaborate effectively? While partner managers need to be masters of the art, this competency needs to extend to other members of the extended team who must contribute and work within the partnership’s plan of execution. Does your sales organization know and understand how to collaborate with a partner in a sales pursuit? The executive sponsor also needs to understand their role and the fundamentals of fostering a culture of collaboration.

Do you as a company embrace the cultural values that are conducive to successful collaborative outcomes? Does working toward mutual gain come naturally to your culture?

DEVELOPING TRAINING PROGRAM

After assessing the company's capability and that of the individuals in the key roles, you are in position to gauge the skills gap and develop a training curriculum to build the skills within the partner management team and within the broader extended team who need to engage in the collaborative effort. This would include the sales professionals who will be expected to engage with the partner counterparts.

The best partner training puts employees of both partners through the same training together. This process facilitates a common understanding of how to build effective partnerships, work in collaborative ways, and build trust and relationship among the team members.

EMBEDDING BEST PRACTICE INTO THE BUSINESS

Training alone rarely changes behavior or embeds new value into the culture. Training has a half-life; after 3 days most learners have forgotten half of what they heard in class. One of the challenges of professional development is retaining the knowledge and incorporating new skills into the day to day business practice. Training is best retained when it is immediately applied to the job role supported through a structured approach such as on the job tools and templates.

COACHING AND MENTORING

Ongoing learning and motivation to change are critical to maximize effectiveness. Providing on going coaching and mentoring to partner managers and extended team members provides continued support and advice as they encounter challenges in collaboration.

THE COLLABORATION IMPERATIVE

In today's hypercompetitive environment, organizations are becoming increasingly dependent on business collaboration to compete successfully - creating new value networks, tapping into new sources of innovation, and driving growth through strategic partnerships. Organizations need to ensure they can deliver on their strategic objectives by leveraging high performing collaborative partnerships and alliances. The skills required to manage these complex collaborative relationships have now become critical value-creating competencies. Hence executives need to be confident in the skills of their partnering professionals and partner managers need to be able to demonstrate their knowledge and capabilities against internationally recognized standards and global best practices. With businesses becoming more dependent on strong partnerships and internal collaborative capability, **it is imperative!**

A STRATEGY FOR SUCCESS

With businesses becoming more dependent on strong partnerships and internal collaborative capability, investment in collaborative, value-creating skills is IMPERATIVE!

APPENDIX A

COMPETENCIES OF HIGHLY COLLABORATIVE PARTNERSHIPS

Skills	Partner Managers	Extended Team	Executives	Sales Team
Core Skills				
Alliance strategy	❖		❖	
Partner Selection	❖		❖	
Portfolio/Ecosystem Mgmt	❖		❖	
Scorecarding & Metrics	❖			
Governance	❖			
Partner Agreements	❖			
Win/Win Negotiation Skills	❖	❖		❖
Creating Joint Solutions	❖	❖		
Stakeholder Alignment	❖			
Executive Sponsorship	❖		❖	
Managing Co-opetition	❖			❖
Cultural Awareness	❖	❖	❖	❖
Joint Business Planning	❖	❖	❖	❖
Context Skills				
Communications Skills	❖	❖	❖	❖
Conflict Resolution	❖	❖	❖	❖
Influencing Others	❖			❖
Interpersonal Skills	❖	❖	❖	❖
Virtual Team Leadership	❖		❖	
Change Management	❖		❖	
Decision Making	❖		❖	
Business Acumen	❖		❖	
Leadership	❖		❖	
Strategic Thinking	❖		❖	
Business and Industry Specific				
Go to Market Strategy	❖	❖	❖	❖
Collaborative Marketing	❖	❖		
Sales Enablement	❖	❖		❖
Field Engagement	❖	❖		❖
Collaborative Selling	❖	❖		❖

