



Optimizing Partner Investment

Partner Surveys are one tool that can aid Partner Management in understanding how to optimize the investment in their partner programs and in specific strategic alliances. Partner surveys can reveal much about the health and viability of your partner ecosystem and reveal strengths and weaknesses of your most strategic relationships. Partner surveys can be designed to achieve many benefits:

- Gain insight and perceptions of key stakeholders regarding the health and perceived value of your most important relationships,
- Address relationship issues before they impact performance,
- Discover unmet needs in enabling your partners to succeed,
- Measure partner loyalty and inclination to promote your products and technology,
- Discover which partner preferences and benefits drive partner satisfaction and behavior,
- Measure changes in partnership performance over time, and
- Measure the effectiveness of specific partner campaigns and initiatives.

Best practices in partner management advocate measuring partner success in multiple dimensions similar to the balanced score card methodology used by many companies to measure corporate performance. Measuring the soft factors such as partner satisfaction and trust are just as important as measuring the hard factors of financial and operational performance. Companies often measure the hard performance factors through their corporate information systems, but the most effective way to measure the soft factors is through partner surveys. Research has shown that the soft factors are critical to successful alliances and the ability or willingness of the partner community to create customer value based on your products and services. Healthy partnerships have been shown to deliver higher performance and contribute more to corporate value – as measured by the hard factors.

When to deploy Partner Surveys?

Partner surveys are ideally incorporated as a standard component of a company's partner program and delivered at regular, consistent intervals. Annual surveys are common, but surveys should be deployed after major program developments to measure the impact of changes and their reception by your partners. Regular surveys will aid in spotting trends early which may represent opportunities or weaknesses in your partner community. Timing partner surveys with your corporate planning cycle provides insight and data for setting program priorities and funding decisions.

Investment Guidance

Partner Surveys can reveal the strengths and weaknesses in your program and help you make fact-based decisions on where to invest.

Best Practice

Measure partner success in multiple dimensions: hard measures - financial and operational performance and soft measures - relationship health and satisfaction.

Partner satisfaction and loyalty metrics are incorporated in the standard governance of top partner organizations and partner managers and executives are goaled and even compensated on the results.



What kinds of surveys are there?

For large partner communities, the most common approach is a web based e-survey in which responses are easily captured and managed through automated analytical tools. For a large partner community survey results are statistically analyzed and very quantitative. Surveys directed to large partner populations are more programmatic in nature and focus on the benefits, requirements, and processes. This type of survey is often augmented by one on one phone interviews with a selected sample of the population to drill down into specific issues that the e-survey may have revealed.

Surveys directed to Strategic Alliances may be more relationship oriented and can be highly customized with questions that may be unique and specific to the alliance. The phone interview is often very useful in these types of alliances where qualitative responses are very revealing and serve to strengthen these high-touch relationships.

One emerging practice is to also survey your company's partner managers and executives and compare those results to those of the partner. This can reveal where there are differences in perceptions and assumptions on the health and success of the relationship. These are areas that can be proactively addressed to increase partner performance and head off friction.

Surveys can also be structured to measure the impact of specific partner program elements, marketing campaigns or initiatives. One example would be a survey specifically targeted to gauge the effectiveness of training programs offered to partners.

How to deploy?

How you approach surveys and manage follow up is critically important. A well-crafted communications plan prior to the survey deployment can greatly impact the response rate and the quality of responses. Response rate can be improved by engaging the entire partner organization to mobilize and encourage partner responses. Communicating how the survey results will ultimately result in action and benefit the respondents is also important. Communications after the survey are equally important. Surveying your partners in itself sets some expectation that you will act on their responses and something will change. If there is no change or follow up communication of your findings, you may actually negatively impact partner satisfaction. Shortly after you've analyzed results and decided upon a course of action, this should be communicated back to the survey population and attributed to their feedback. This will also result in increased response and quality on the next survey.

Partner Satisfaction

Phoenix Consulting Group bases our partner satisfaction survey on the IDC's Program Assessment Tool which was co-developed with PhoenixCG. This enables comparison of partner satisfaction responses to an objective benchmark of program capabilities.

Partner Health

Partner Health Diagnostics are based on the Association of Strategic Alliance Professionals Partner Health Survey Service. This survey is based on a question library compiled by some of the leading experts in the field of alliance management.



How to apply results to investment decisions?

No one report or measure will tell the whole story. Mean ratings of the responses is the most common measure to determine how a partnership or partner program 'scores' on a benefit or attribute.

The quadrant chart below is only one example of a report that can be generated in a survey. This report correlates overall partner satisfaction to specific benefits or program elements. Based on this correlation, this analysis yields insight on which program benefit or relationship attribute has the most importance on overall satisfaction.

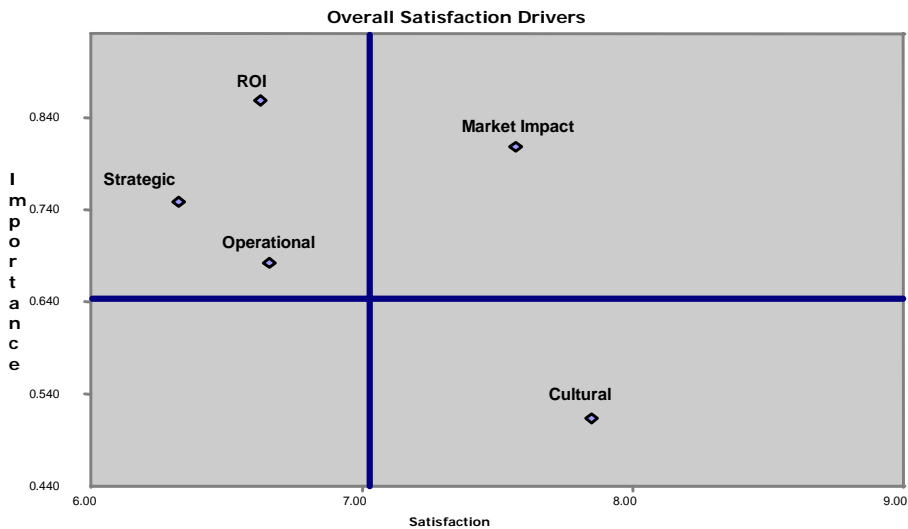
In the upper right quadrant are items that have a high satisfaction rating and correlate to a high impact to overall satisfaction rating with the partnership. These are items that may represent competitive advantages in your program. Based on this information you should consider whether to invest more heavily in these areas or perhaps communicate your advantage more aggressively.

Items in the upper left quadrant are items that also have a high impact on partner satisfaction, but partners in general are not happy with them. These are obvious opportunities for improvement.

Items that appear in the lower quadrants have less influence on partner satisfaction, and may lead you to re-evaluate the level of investment that you allocate to them.

Applying results

Because companies have limited resources, quadrant analysis is useful in revealing priorities for investment in improvement opportunities.





Why use a third party?

A third party or outside consultant can be more effective in conducting the survey and interviews than in house staff. Partner responses can be kept confidential and therefore may be more candid. When partner identity is protected, partners may be more forthcoming in expressing their opinions and concerns. A third party will be less biased in the analysis and interpretation of results, giving unshaded feedback to partner managers and executives. They may also be able to give you benchmark perspectives with respect to your competitors or other companies with similar business models.

How to build stronger partnerships?

Follow up with communications and a plan of action as soon as you've analyzed the survey results to demonstrate to your partners that their feedback is valued and will result in continuous improvement.

Tracking execution of these action plans is incorporated into the alliance governance process to ensure that there is team follow through to build a stronger alliance.

Best Practice

Companies who highly value their alliances and understand the impact of a strong relationship on alliance performance, follow up the survey findings with action plans to address points of weakness and to leverage strengths into new opportunities.



About Phoenix Consulting Group

Phoenix Consulting Group specializes in best practice partner strategies, programs and marketing for companies who seek to transform their partnering practices to produce predictable performance or tune their existing partner programs to gain more effectiveness.

Phoenix consultants are seasoned professionals with practical expertise and a commitment to driving corporate growth and building shareholder value through high performance channels and alliances.

Phoenix Consulting Group stays on the forefront of partnering best practices through our alliances and affiliations. Our founder, Norma Watenpaugh serves on the board of directors of ASAP and is the chair of the Best Practices Committee for the association.

As an IDC Authorized Implementation Partner, Phoenix Consulting Group is among a select group of consultants that complement IDC's research and strategic advisory services by providing the experience of seasoned practitioners to help you through the implementation process.



CASE STUDY: Partner Satisfaction Campaign

Situation:

A large enterprise software company had a fragmented partner strategy and organizational structure. Organizations with functional responsibility for partners resided in many different areas of the companies. There was no central organization to field inquiries for partners especially technology partners who had no assigned partner management. When VARBusiness Magazine conducted their Annual Report Card Survey of partner satisfaction, it was not surprising that the company's partner program ranked eighth out of eight candidates in the industry category.

Solution:

The company had recently realized that a strong, competitive partner program was the strategic avenue to fuel the next ramp of growth for the company. Substantial new investments in staffing, programs, and infrastructure were made in the partner organization which was unified under a single functional organization. However, there was still skepticism in the partner community as to the commitment of the company to a partnering business model.

The partner marketing organization conducted a partner satisfaction survey to determine the source of dissatisfaction from the partner community. Several items came to the fore. First by far was "ease of doing business". Since this is not easily interpreted into actionable objectives, the management of the organization began a call down program to contact each partner which had ranked the company in the last quartile in this category. This call down in itself went a long way in improving partner relations with the company, since each partner was personally contacted by a senior manager of the company. The call down revealed that one of the major obstacles to ease of doing business was that there was no single point of contact for partners to direct questions, inquiries, etc. "No human to talk to". Many were surprised and unaware that the company had recently instituted a Partner Response Center even though it had been announced in partner newsletter.

Partner Marketing designed a "high touch" campaign directed at the partner community by creating a number of communications pieces that prominently highlighted the Partner Response Center (PRC) and carried the message that the company was directly addressing the issues in "ease of doing business". Communications elements included:

- Post Card Mailing announcing the Partner Response Center
- Prominent posting of the PRC phone number on the partner portal
- Recognition/thank you gift to partners with Partner Response Center number engraved
- Quick reference Rolodex card with PRC and other partner contact information
- PRC number listed on all partner collateral, partner press releases, etc.

Results:

The following year, the company's ranking in the VARBusiness report rose to second in the field of contenders.