

THE ESSENTIALS

**STRUCTURE YOUR
PARTNER
PROGRAM**

BY ANDREAS PHILIPP

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**HOW TO
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YOUR PARTNER
PROGRAM**

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Well, I'm too old to pimp, and too young to die, so I'm just gonna keep playin'. Clark Terry (Jazz Trumpeter)

ABOUT THE SERIES "THE ESSENTIALS"

With „**The Essentials**“ I would like to pick up detailed topics from the area Sales and Marketing and provide fundamental considerations to the reader.

PARTNER PROGRAMS; WHAT TYPE OF PARTNER DO YOU REALLY WANT?

To develop a market, expand your business area or simply grow your existing sales channel, Partner and a solid partner program is essential. The following short abstract gives you a guideline how to select and to categorize your Partner Network. It will give you an understanding about the types of Partner and the terms you use and do we have a common meaning.

In general a Partners in business, are persons or a company or an organization, that helps you to sell your products, in every step of your marketing and sales process

**„IT'S NOT ABOUT HAVING THE RIGHT
OPPORTUNITIES. IT'S ABOUT
HANDLING THE OPPORTUNITIES
RIGHT“**

The number of partners and the "size" of the companies says nothing about the quality of your partner network. Only if you are clear about the importance of the partner in terms of

its contribution to your value creation, you could evaluate its importance. When considering what types of partners you want, do consider what capabilities you need to meet your business plans and where in your business process you want capabilities to fit?

ELEMENTS OF THE VALUE CHAIN

Here are the definitions we will use to evaluate the contributions of the different partners.

Leads	Qualified	Sales	Customer	Delivery	Support	Product
Getting engagement and interest form prospects	Qualifying that there is a business opportunity	Present, Demo and generate Proposals for your Offering Close the Deal!	Management of Customers and do upselling, new product introduction, ..	Professional Service to implement and technical and business wise.	Customer Support level 1+2	provide active Product input, feedback, features, directions

Furthermore, we will now look at the different typical types of partners and analyze their contribution to the building blocks defined above. The colors represent the level of responsibility by type of the partner. Green means clearly responsible, Orange could be taken responsibility, depends on Partner.

INDUSTRY PARTNERS

Industry Partners typically refer to Trade Associations, Industry Organizations and membership groups of different types who usually bring specific companies and/or professional members together in for events and information sharing. A vendor may list such organizations as partners as

they may be members and active within the organizations. This type of partner is typically over rated and usually are a marketing communications partner for shared content or sponsorship and not a proactive sales partner, thus the Orange color on Leads.

Leads	Qualified	Sales	Customer	Delivery	Support	Product
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AFFILIATES, NEWS CHANNEL

Usually linked to web-based news portal, news channels, and affiliates may divert web traffic from their site with an advertisement or highlighted text pointing to the vendor and referring to dedicated person in our organization.

These are a type of Referral partner. Online digital product vendors may also use the term of Joint Venture Partner, for pay-per-sale relationships, for resell or traffic referral.

Leads	Qualified					
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AGENT

An Agent is responsible for the sale, winning the customer, but doesn't own the customer contract. They may be responsible for Customer Management and seeking further business. There are many types of sales Agents. Some Agents may have a single large customer and work with a number of vendors into this single customer. Others Agents may have very niche industry sector contacts and represent multiple vendors into their sector. Other Agents, may be 100% with a single vendor.

Leads	Qualified	Sales				
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CHANNEL PARTNERS

This is the minimum qualification for a reseller. This is a reseller who sells only our products and has the customer relationship. Installation or maintenance is optional and must be clarified on a case by case basis.

Leads	Qualified	Sales	Customer	Delivery	Support	
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VALUE ADDED RESELLERS

VARs are Resellers that typically adds value through system delivery, implementation, system integration, application development, product training and localized customer support. VARs are typically System Integrators of some type; they are providing implementation of your solution but also integrating into the customers' existing systems.

There are System Integrator companies of many different sizes and specialties; Global, Regional and National, general focus and industry focused.

Leads	Qualified	Sales	Customer	Delivery	Support	
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DISTRIBUTORS

Distributors work with many vendors and usually with a great number of resellers, small and large and of many types. Some examples of large global distributors are Computer 2000, Ingram Micro, Tech Data, Avnet. They typically

distribute high volume products that sell through the IT Services companies.

Leads	Qualified	Sales	Customer	Delivery	Support	Product
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VALUE ADDED DISTRIBUTORS

Some Distributors also provide additional value added services for their vendors and corporate customers such as full technical support, licensing management and solution sourcing. Distributors typically had very large businesses in computing hardware sales and with the growth of cloud computing and cloud based businesses Distributors' businesses and services have been changing significantly.

Leads	Qualified	Sales	Customer	Delivery	Support	Product
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SERVICES PARTNERS

A local consulting services company, business or technical, may be required in your implementation and support stages but also may be required in your sales process. Services Partners are typically paid for their involvement and yet may also be resellers as defined above. Services Partners likely need to be trained and certified in the vendor solutions to be a partner.

Leads	Qualified	Sales	Customer	Delivery	Support	Product
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TECHNOLOGY PARTNERS

If you have Technology Partners, then you are their ISV/ OEM partner. You are helping them sell their technologies as

part of your product. Technology partners are typically the responsibility of the product management or technical leaders.

Leads	Qualified	Sales	Customer	Delivery	Support	Product
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