
Channel Program Management

**Strategies, Tactics &
Techniques**

Anand Subramaniam

“Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.”

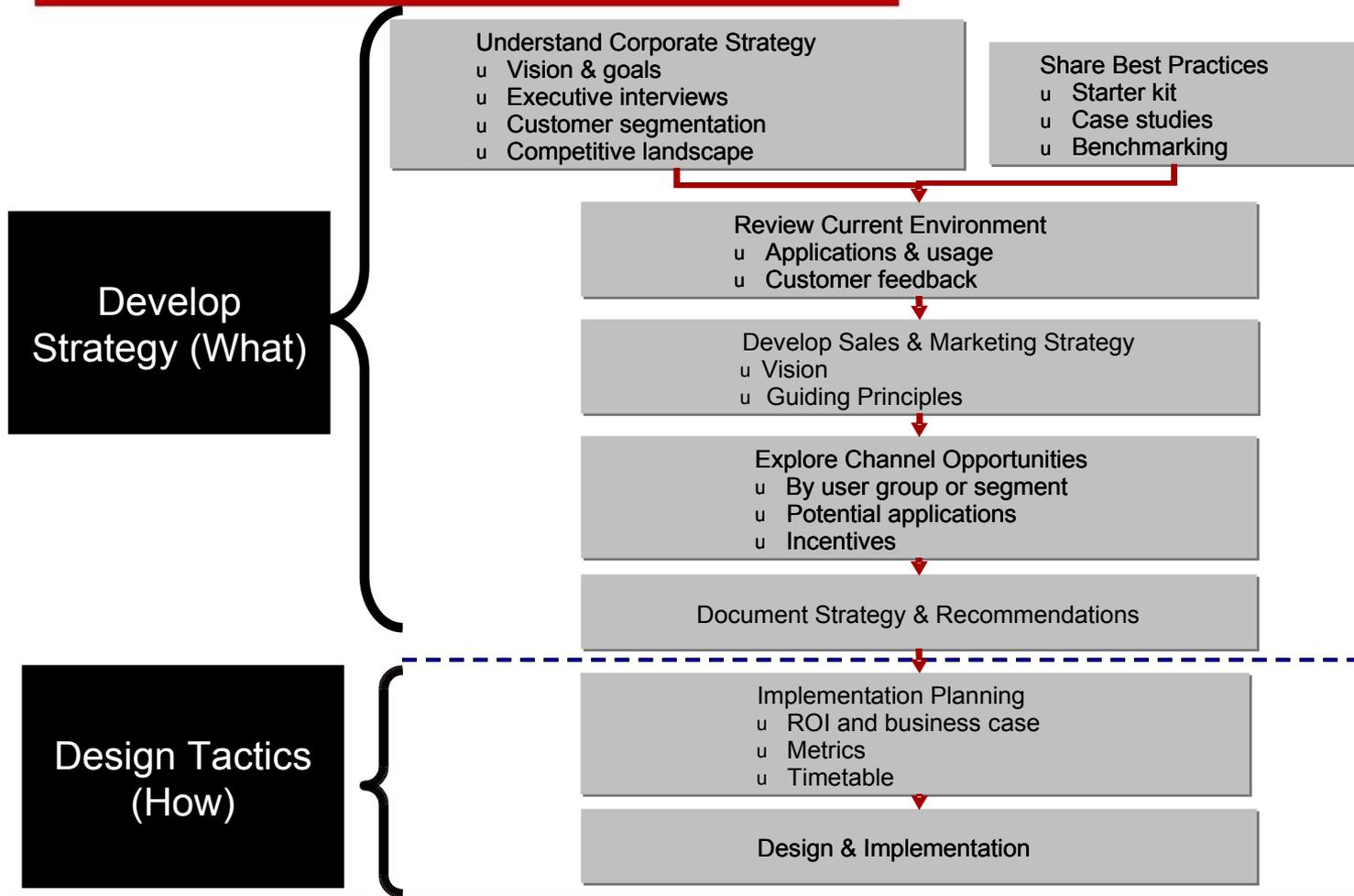
- Sun Tzu

Highlights

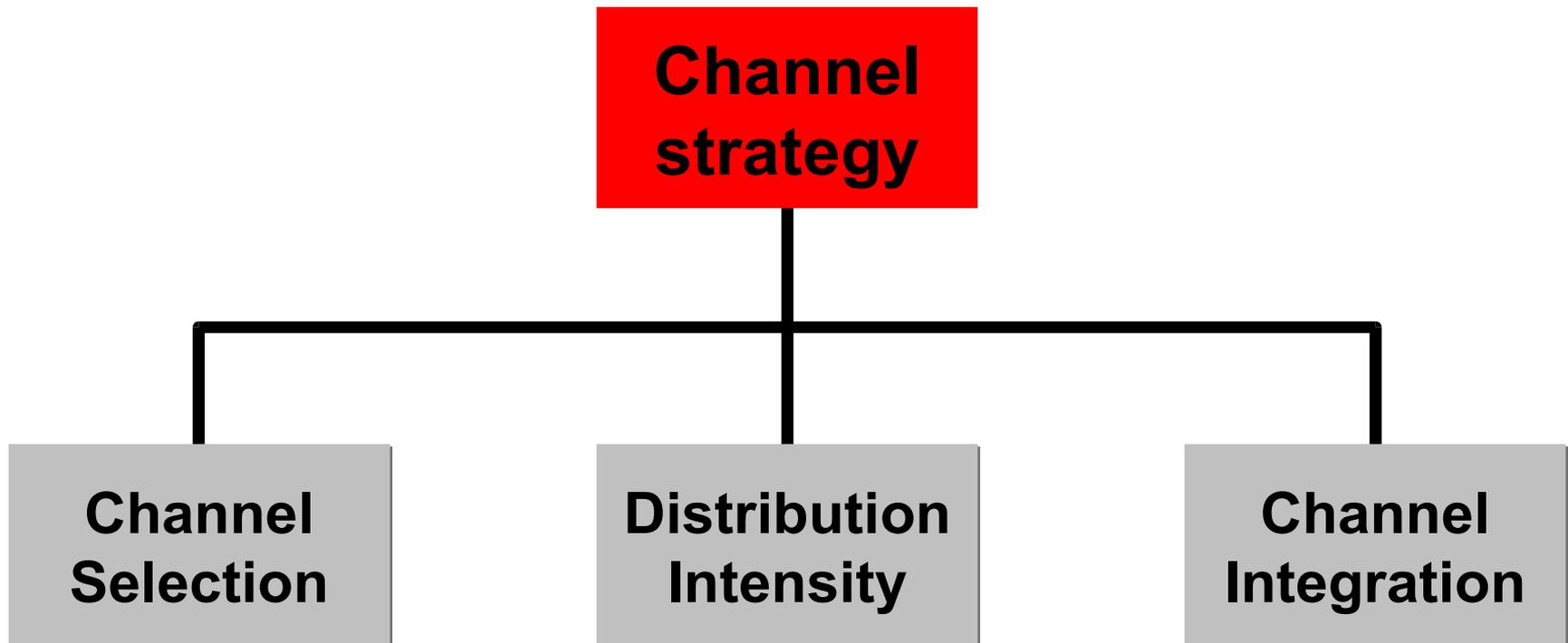
- Conceptual Overview
- Frameworks
- Channel Program – Strategies
- Channel Partner Model
- Channel Program – Tactics
- Channel Program – Tools & Techniques

Conceptual Overview

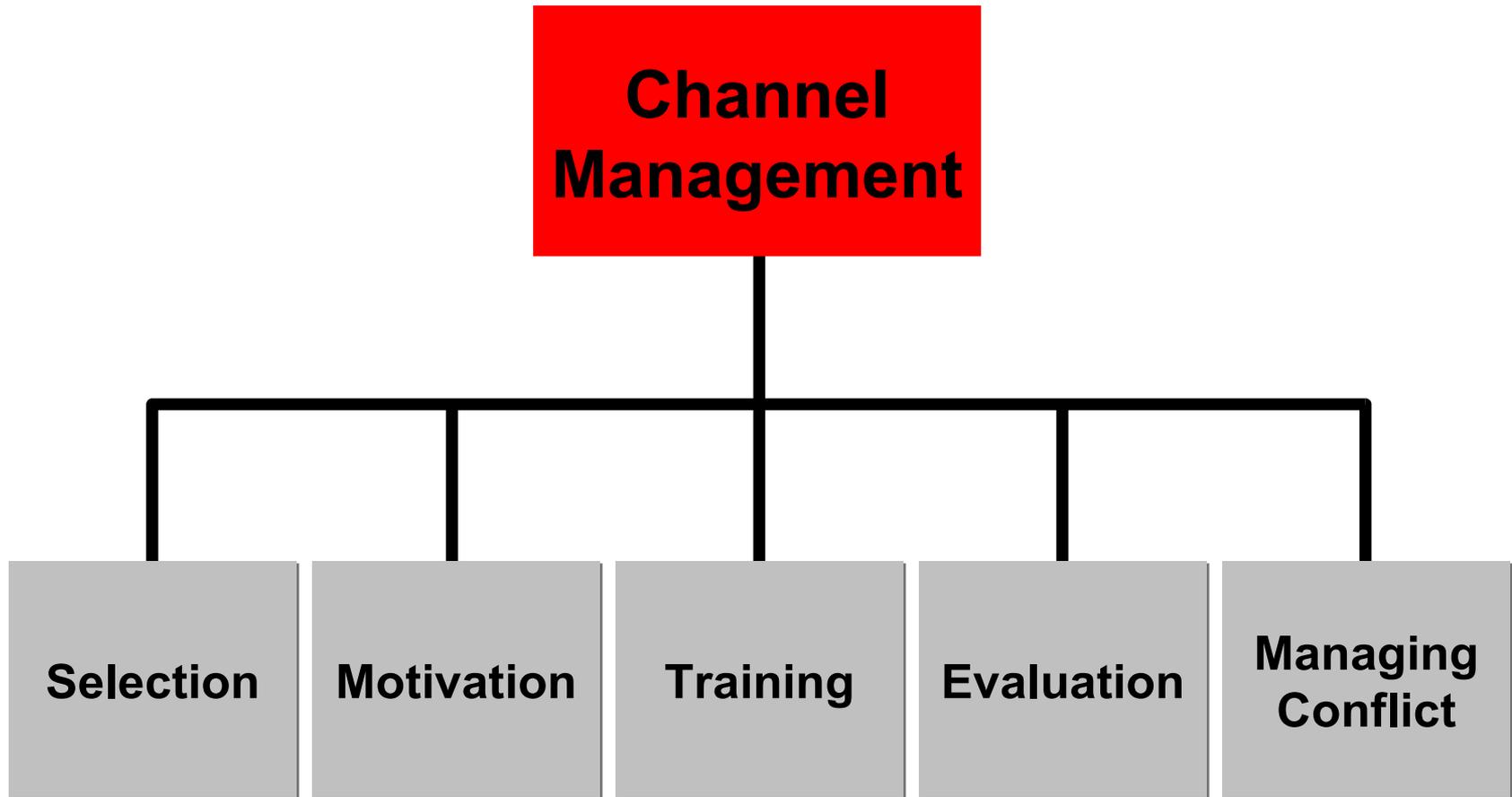
Alignment to Corporate Strategy



Channel Strategy



Channel Management



Channel Program Priorities

**Well defined Go-to-Market Strategies
(Segment, Target & Positioning)**

**Balanced Demand & Supply
Programs & Process**

**Clear demarcation
between Direct & Indirect Engagement
Models**

**Centre of Excellence
(CoE) for Process,
Tools, Techniques,
Systems**

**Comprehensive &
Standardised
Partner Program**

**Realistic Pipeline &
Revenue Forecasts**

Challenges

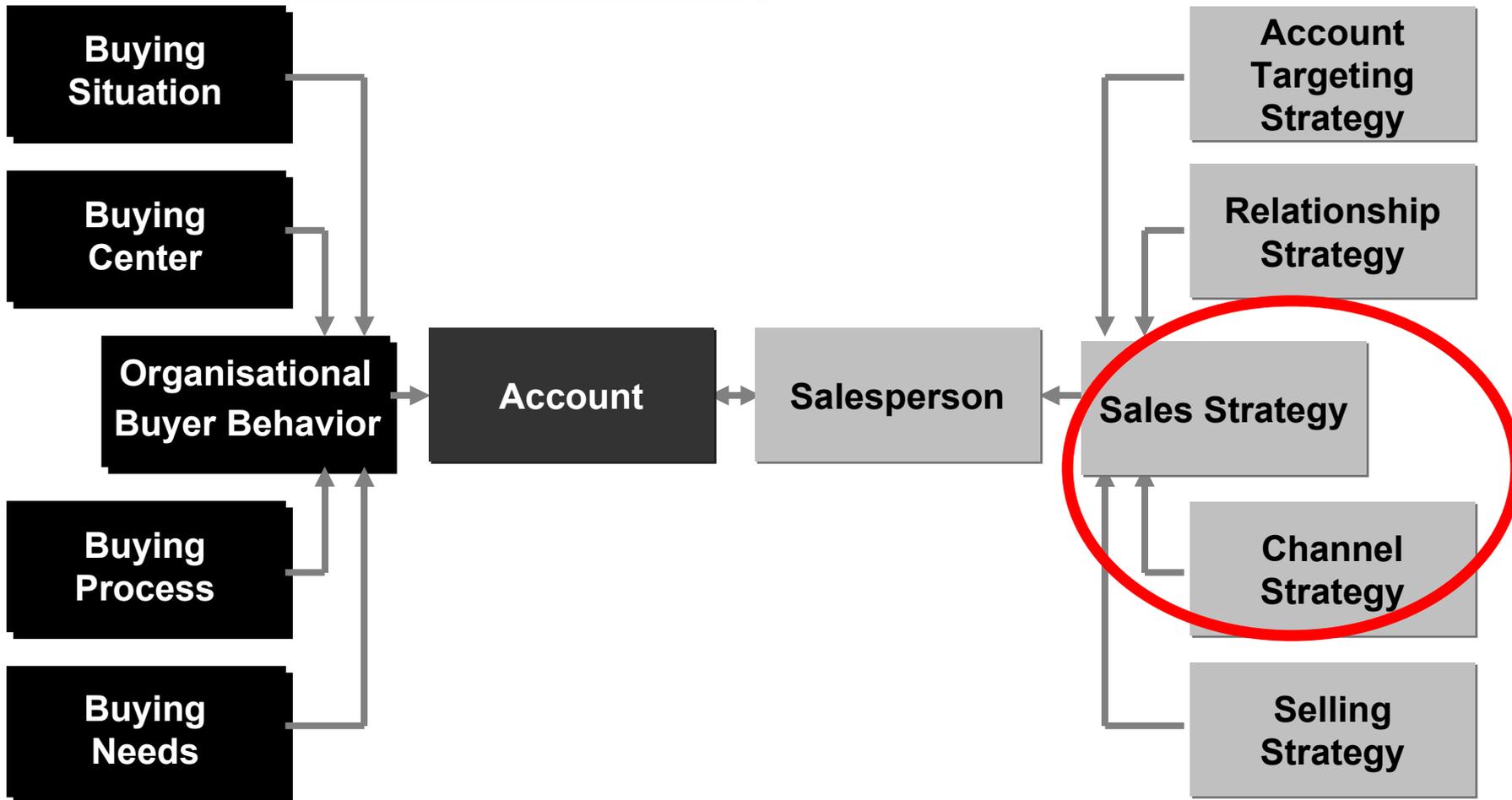
- Is the company ready for the channel?
- What are the distribution challenges?
- What can channel partners do for the company?
- How will products and / or services reach the end user?
- What are the channel realities & engagement model?

Challenges (Contd.)

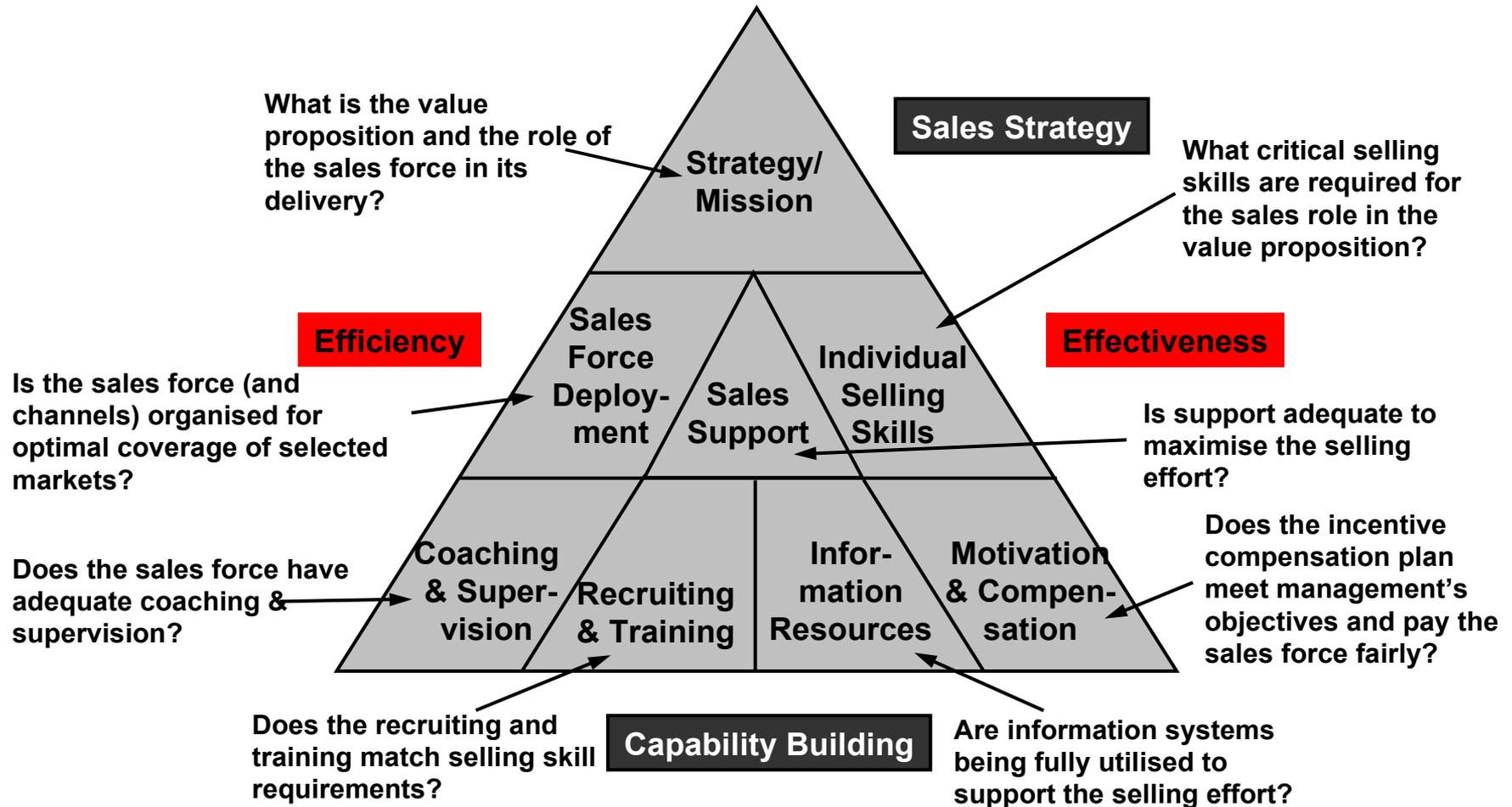
- What will it take to develop a channel program and recruit channel partners?
- For the channel sales & marketing, what process & tools will be required?
- How will channel conflict & rules of engagement be handled?
- How will costing, pricing and discounts be handled?

Frameworks

Buyer / Seller Framework



Sales Strategy Framework



Channel Program Framework

Support

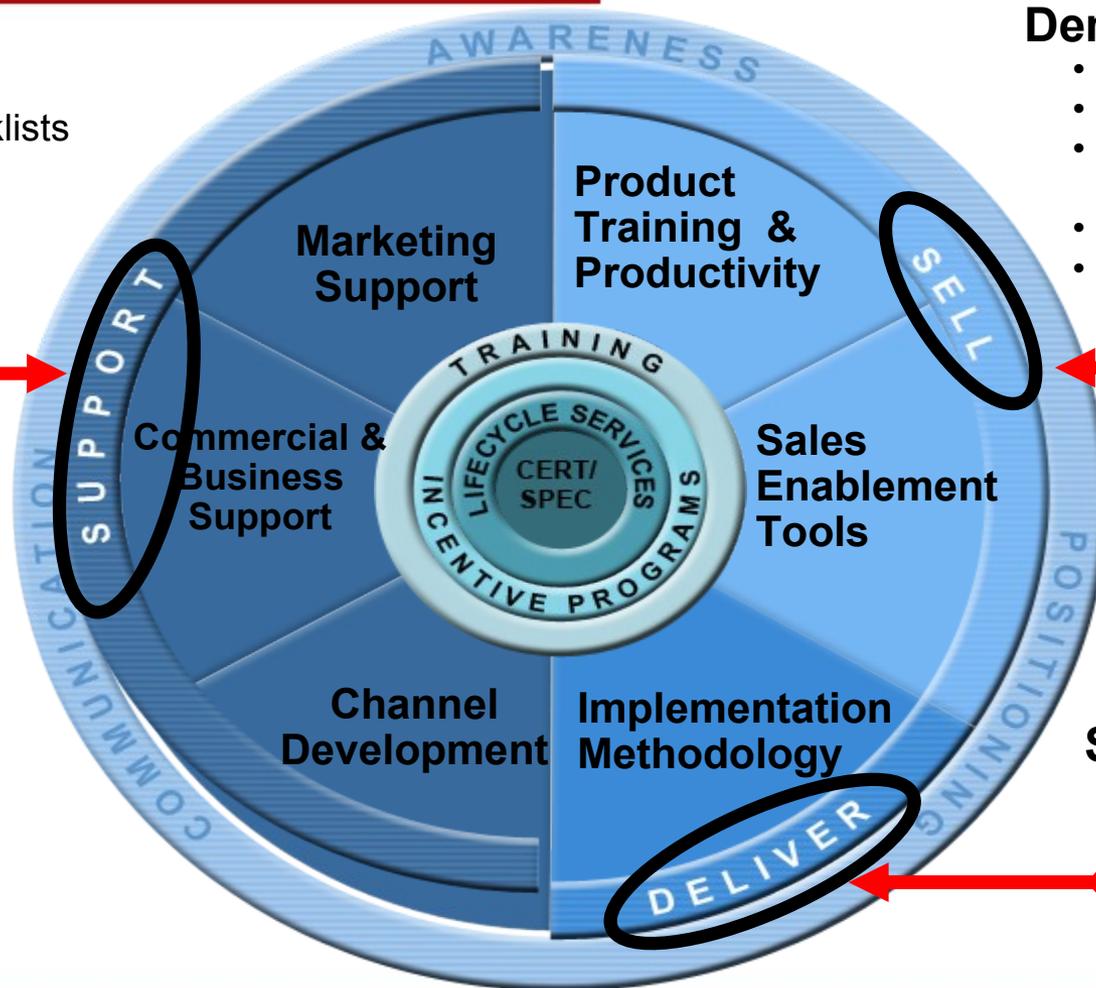
- Program
- Process & Checklists
- Support Tools

Demand

- Product Training
- Sales Process
- Sales Readiness Checklist
- Value Positioning
- Tools

Define:

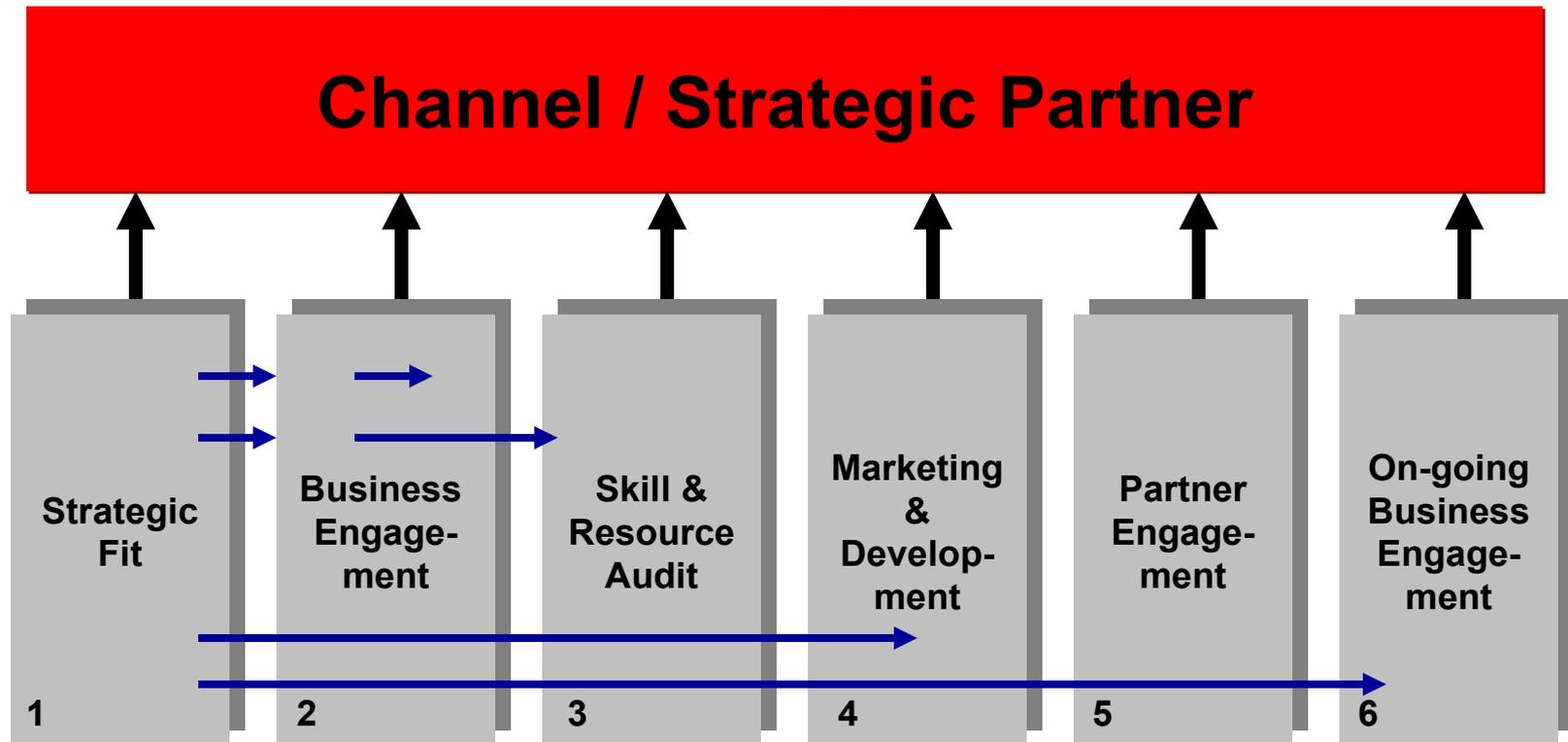
- Who are you going to serve?
- What are you going to offer?
- How are you going to deliver?



Supply

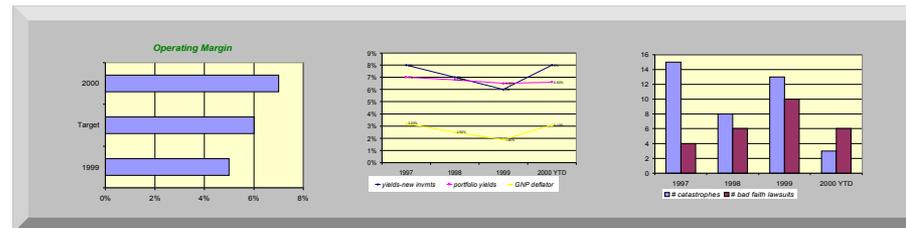
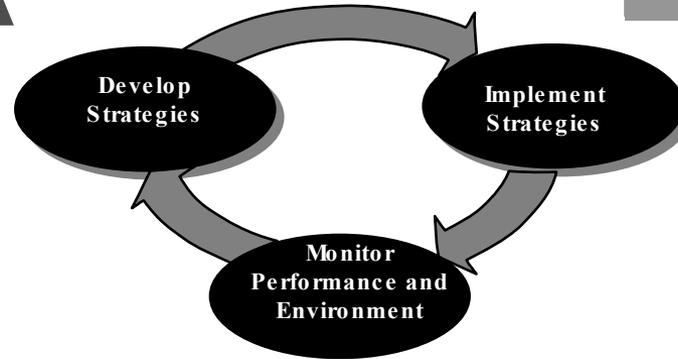
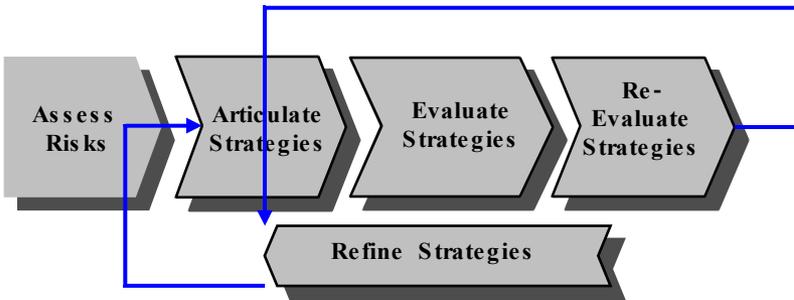
- Methodology
- Partner eLearning Connection

Partner Selection Framework



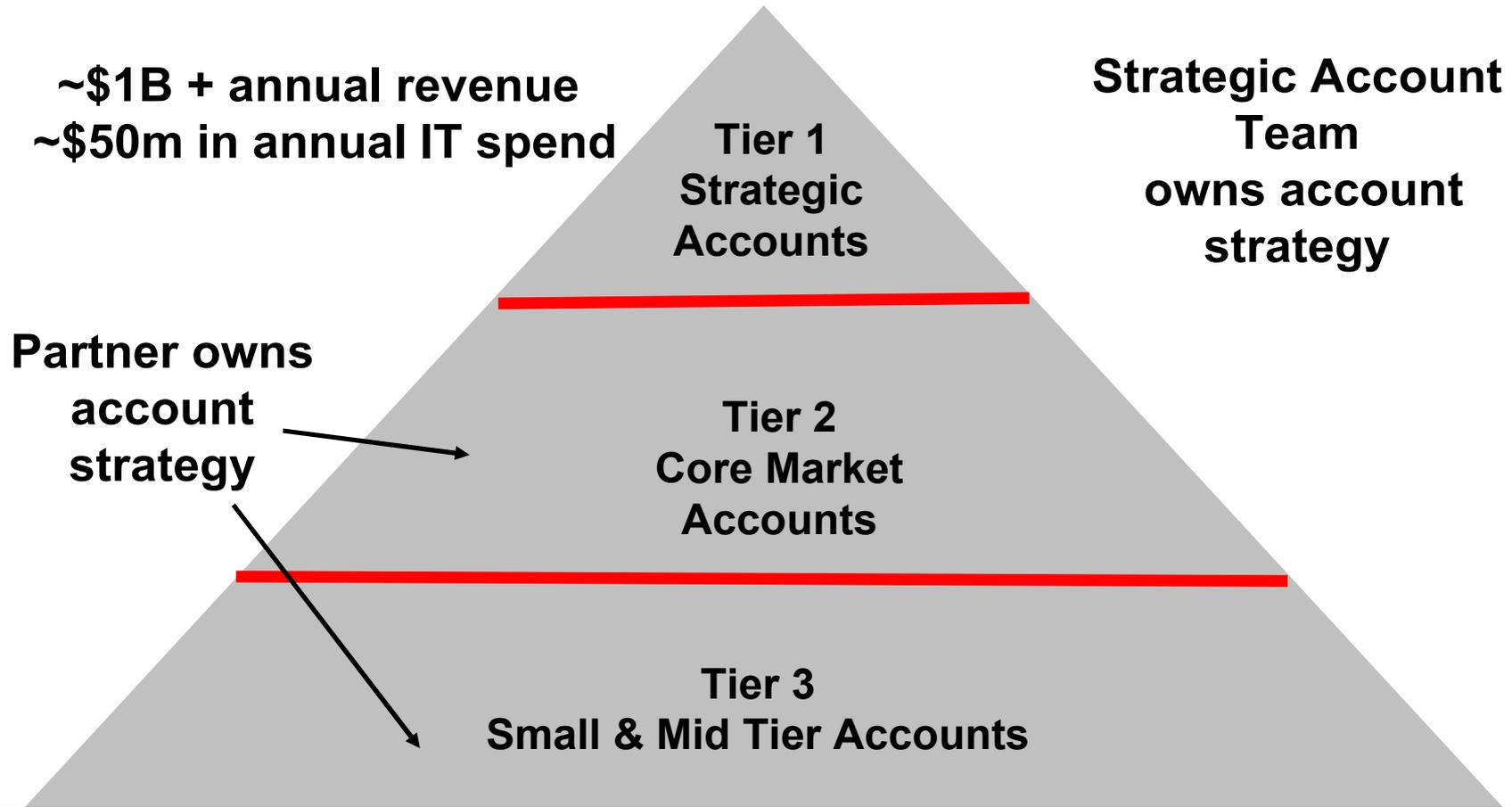
1 ~ 6 – Consists of Checklist, Process, Metrics, Evaluation Criteria

Program - Risk & Governance Model

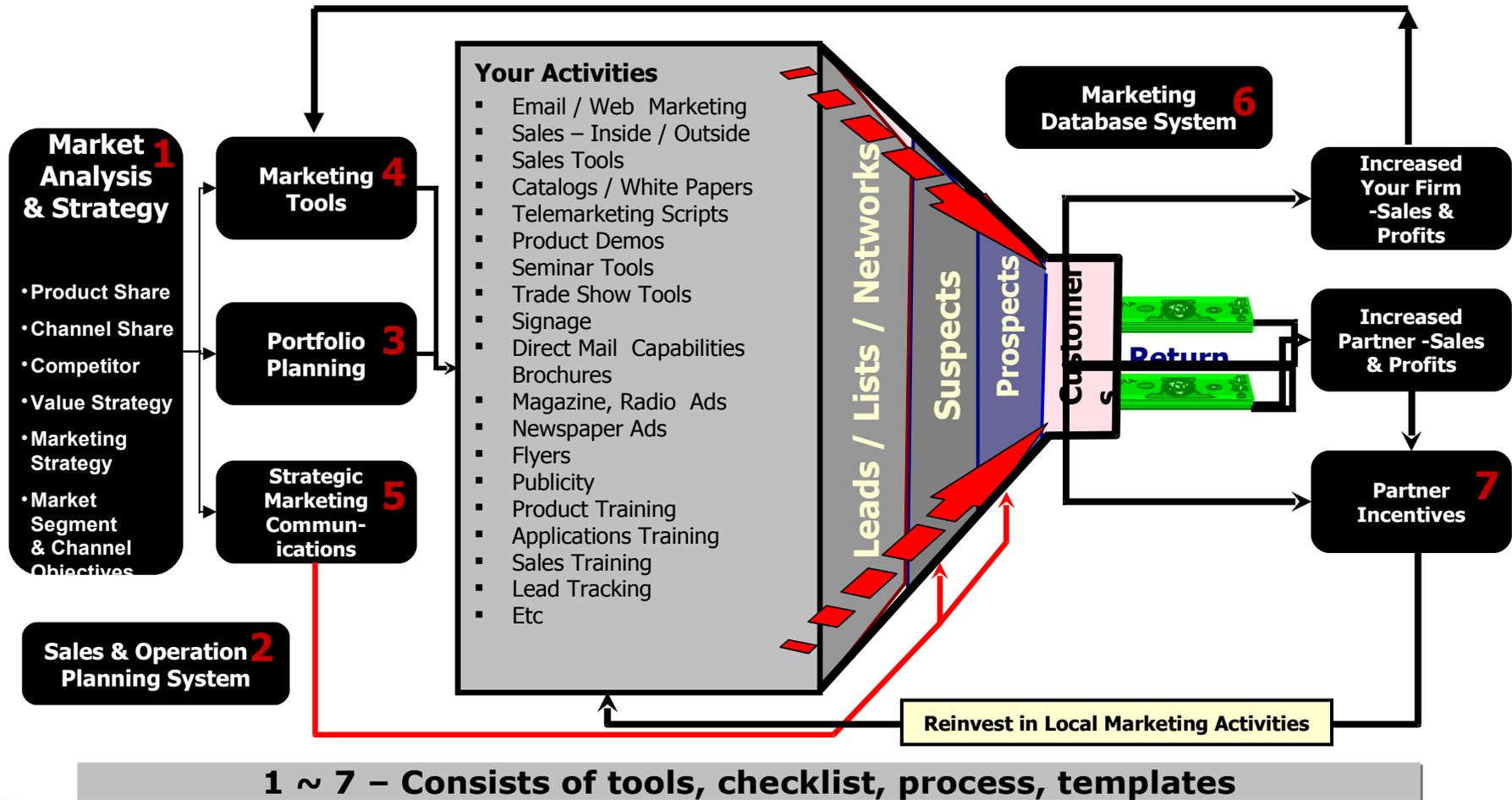


Channel Program – Strategies

Market Reach & Customer Accounts



Marketing Strategies



Channel Program Design

- Target customer (needs & wants) and assess market maturity
- Recognise the need & decide on the channel design
- Define distribution - objectives and tasks
- Choose the best channel structure
- Select the channel partners
- Channel objectives
 - Goals, outcomes, initiatives
 - Specific segments to serve & service level targets
 - Best channels to use and cost to serve
- Channel alternatives
 - Types of intermediaries (direct & indirect)
 - Number of intermediaries (intensive, exclusive, selective)
 - Responsibilities (pricing, services, territory)
- Channel evaluation
 - Criteria (economic, adaptive, control, distribution)
 - Management (select, manage, motivate, train, support, goals, targets, resources, tools, recognition programs)

Starts with Target Customer

- What do they need?
- What are they willing to pay?
- What channels do they use today?
- How do they want to do business?
- What drives them to make a purchase?
- What kinds of experiences are they seeking?
- What specific actions would cause them to increase their spending?
- What channels are they planning to migrate and / or use over the next year?

Aligned to Market Maturity

- Who are the key purchase influencers?
- Will you target a narrow or broader market?
- What is going to be in-sourced / out-sourced?
- What distribution channels exist at present?
- Who are the major players and their market share?
- What distribution channels need to be developed?
- What is your product / service offering – narrow or broad?
- What resources are required in order to be competitive?
- What is the potential to develop a new market or to fulfill needs within an established market?

Go-to-Market Strategies

- To achieve growth & profitability
 - Segment, Target & Positioning (STP)
 - Innovation & new product development
 - Helping customer to implement a solution
 - Identify new markets (Blue Ocean Strategies)
 - Developing strategic alliances & marketing programs to leverage partner strengths
 - Acquiring the skill and bandwidth to solve specific business problems

Product & Pricing Strategies

- New Product Planning & Development
 - Education & training
 - Channel partner input & fit with existing marketing mix
- Product Life Cycle
 - Introduction, growth, maturity, decline
- Strategic Product Management
 - Brand & service strategies
 - Product differentiation, positioning
 - Product line expansion and contraction
- Pricing
 - Channels, competition, cost, market

Guiding Principles

- Define channel scope
- A clear understanding on channel strategy outcomes
- Customer experience linked to corporate goals
- Future plan along with the required funding
- Understand target customers & cost structure
- Define partners' role in the sales process
- Build a strong base of partners
- Develop robust and attractive channel policies
- Define & implement change management strategies
- Define roles & responsibilities
- Build a strong channel support infrastructure
- Measure and manage channel performance

Critical Success Factors

- Creative and critical thinking
- Cross functional collaboration
- Good understanding of the target customer
- Clearly defined & integrated strategies
- Senior management commitment and involvement
- Readiness for change (ADKAR model)
- Time, budget, resource commitments
- Clear and logical sales & channel framework
- Consistent communications to partner community
- Standardise - policies, procedures, processes, tools, structure, systems etc

Channel Partner Model

Perfect Partner Profile

- Relevant customer base
- Established channel structure
- Training and development culture
- Recognised brand and major player
- Acknowledged to be “Best in Class”
- Skilled at sales & technical expertise
- Financially sound and reliable trading history

Building the Channel

▪ Partner Selection

- Identify corporate goals
- Best positioned for target market
- Clearly defined roles & responsibilities
- Targets, objectives, outcomes, business plan etc well articulated
- Well developed resource - competencies & capabilities

▪ Organisation & Environment

- Communication
- ROI benchmarking
- Channel education
- Account coverage
- Conflict elimination
- Marketing programs (tools)
- Product selection / service charters
- Compensation / commission structure
- Well defined help desk / support infrastructure in place
- Training, certification & mentoring program
- Sales & lead management programs
- Automated process, robust systems (CRM)

Retaining Partners

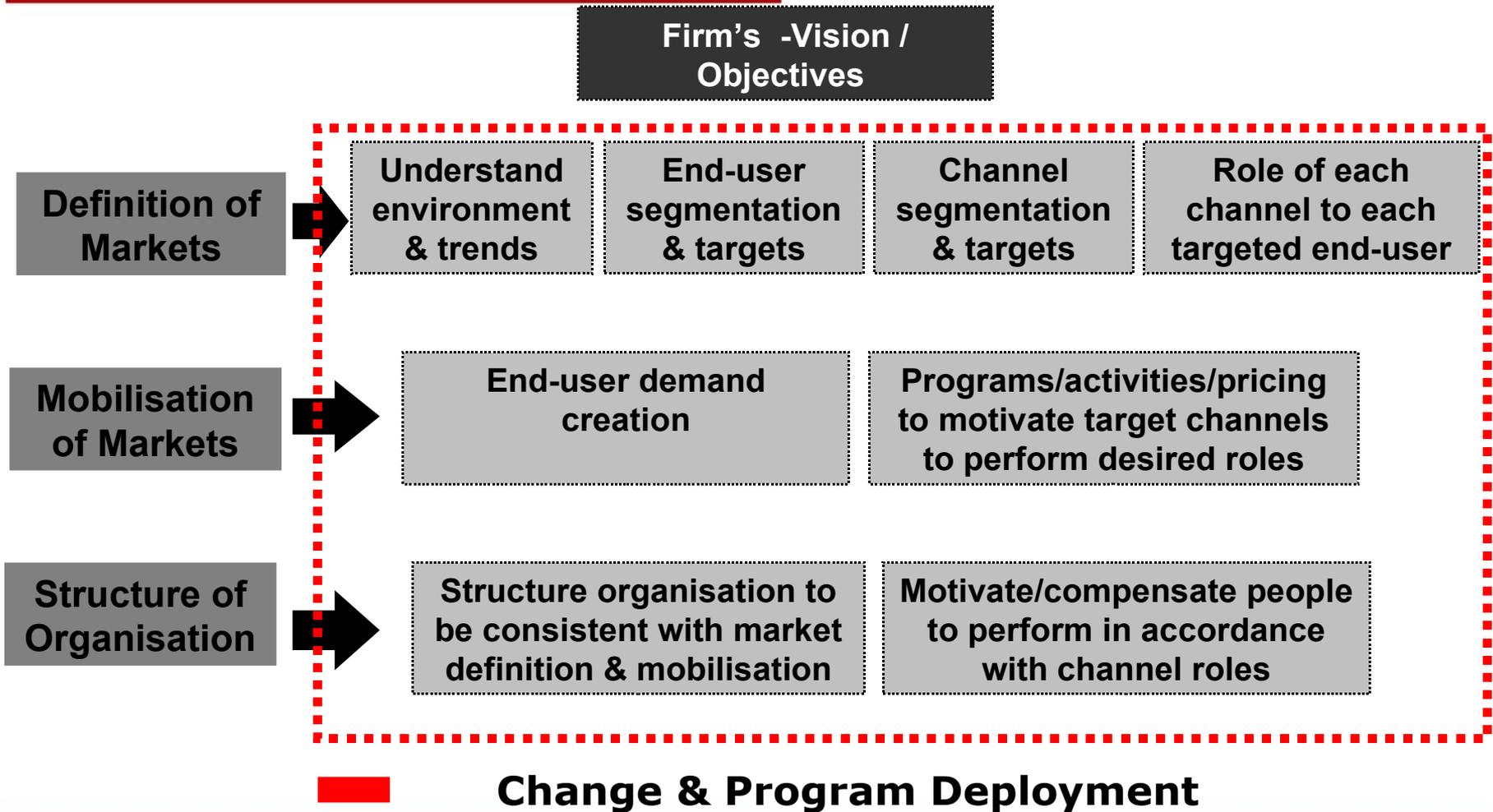
- Long term view
- Strong brand identity
- Clear communications
- Best products & services
- Building trust with openness
- Compelling value proposition
- Treated as equal
- Ease of doing business
- Recognition of unique capabilities
- Shared expertise....train, support & mentor
- Continuous training / education / improvement

Channel Program – Tactics

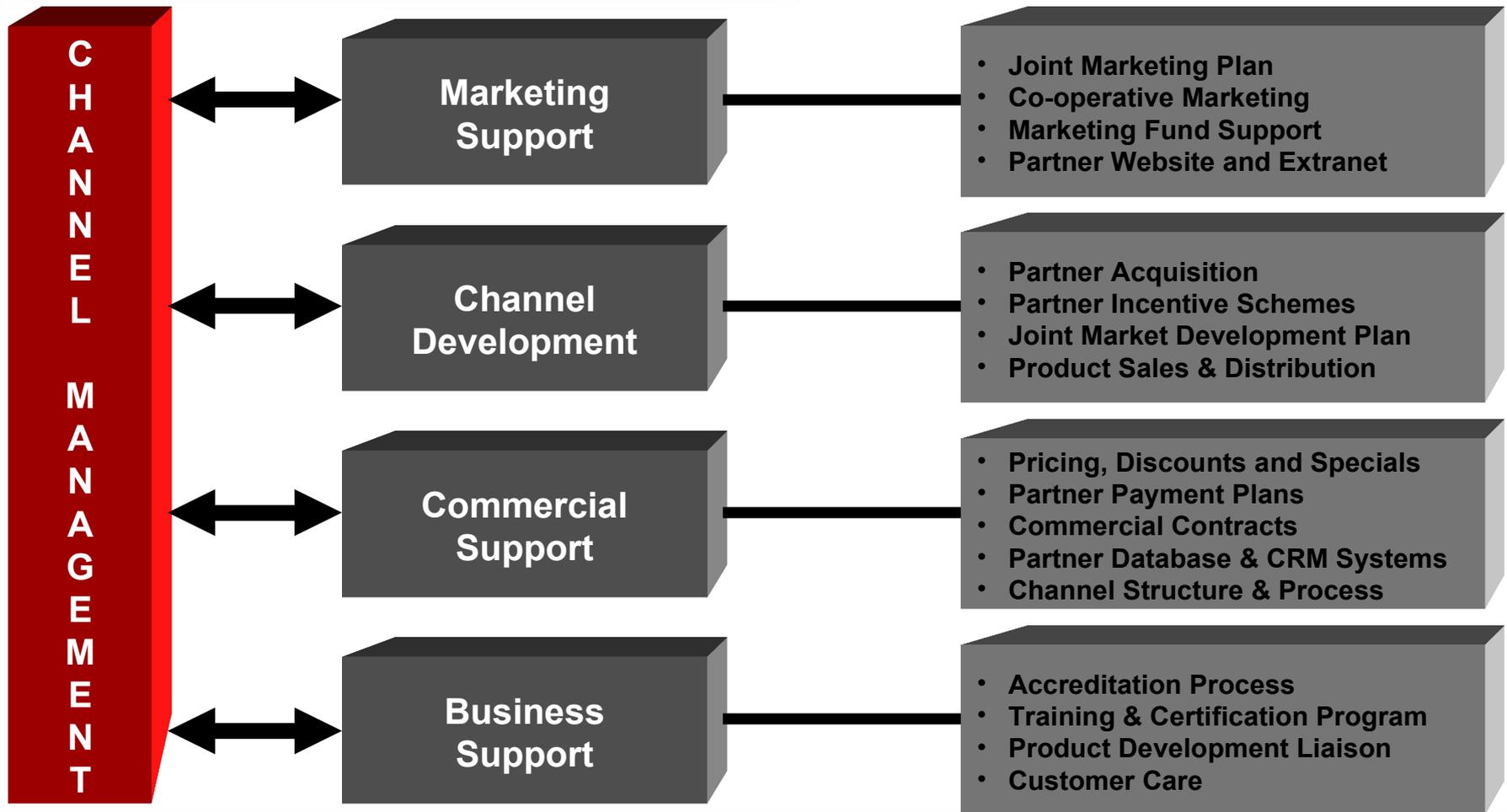
Tactical Plans

- Input - jointly developed channel strategy & business plans
- Develop tactical marketing plans for the region
- Establish list of pre-qualified prospect for each region
- Launch branding and advertising programs
- Develop support structures, process & programs
 - Contracts
 - Commercial
 - Marketing
 - Processing
 - Technical & customer service
- Develop teams, build capabilities & measure productivity

Change / Program Management



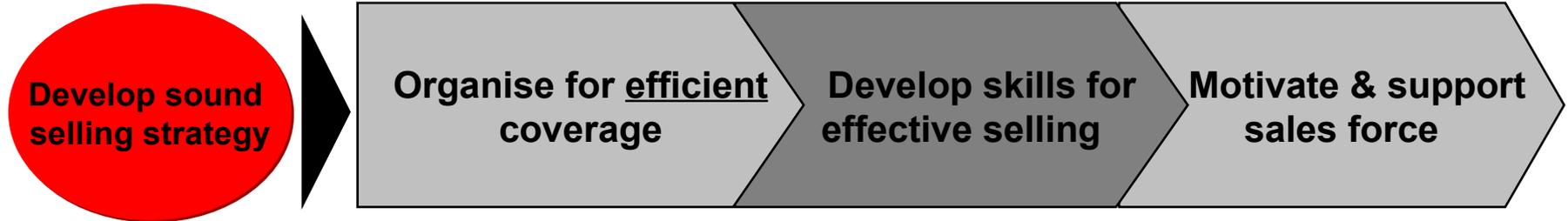
Channel Support Structures



Direct & Indirect Sales Teams

	Efficiency	Effectiveness
Definition	How to get in front of the right customers, for the right amount of time, at a minimum cost	Once there, how to maximise sales potential
Process / Checklist	<ul style="list-style-type: none"> • Territory design / coverage • Activity reporting systems • Compensation systems • Sales support 	<ul style="list-style-type: none"> • Selling skills • Account strategy • Application knowledge • Effectiveness models
Drivers	<ul style="list-style-type: none"> • Systems • Structures 	<ul style="list-style-type: none"> • Recruiting • Training • Coaching
Metrics	<ul style="list-style-type: none"> • Coverage • Call rates • Cost per call 	<ul style="list-style-type: none"> • Sustainable margins • Repeat business

Building Capabilities



Clear segmentation

Explicit objectives, goals and priorities

Winning selling proposition

Realistic time frame/expectations

Right structure

Right size

Territory / account

Assignments for adequate coverage

Define necessary skills

Develop training, recruiting and coaching programs for:

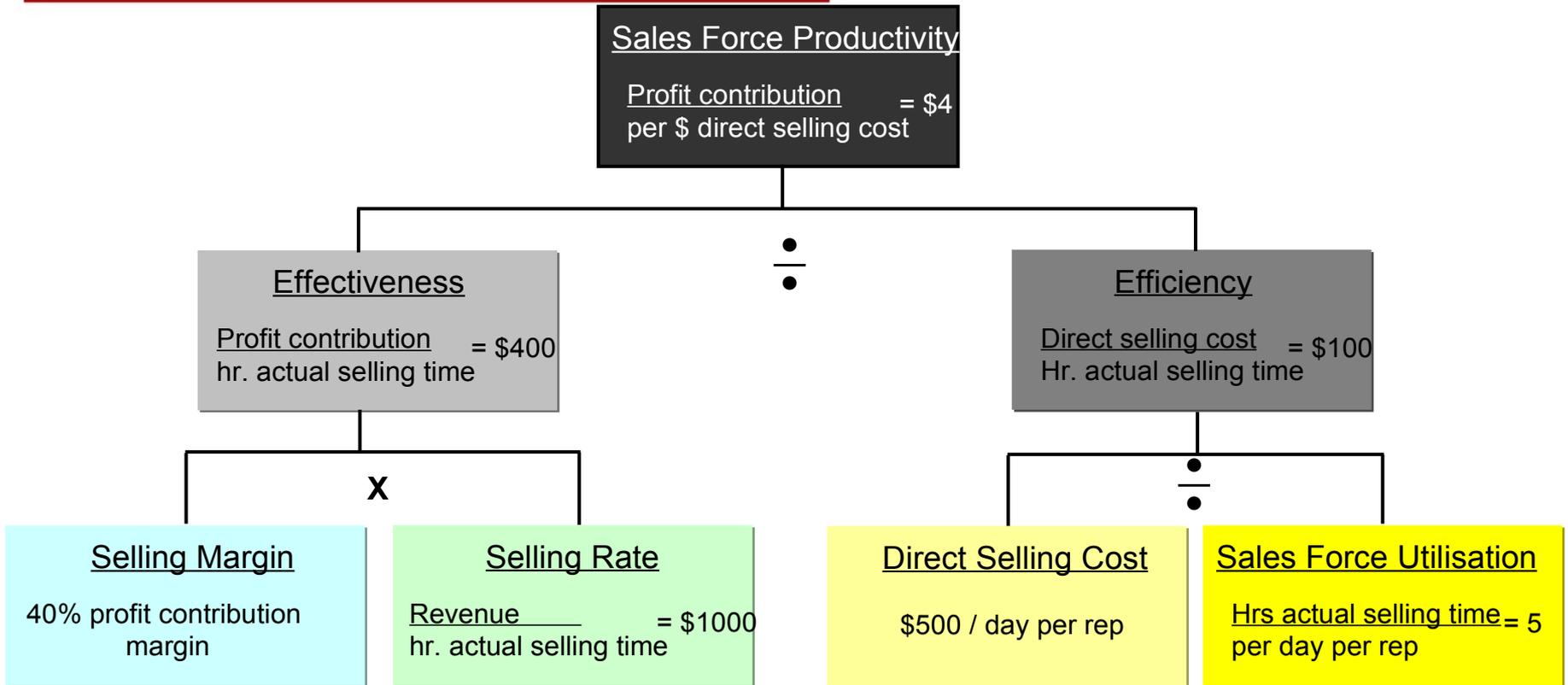
- Product knowledge
- Buying process
- Sales methodology
- Planning & execution

Align measurement and reward systems:

- Compensation
- Recognition

Provide necessary organisation support (systems, etc.)

Measuring Productivity



- Compensation plans
- Sales tools
- Value proposition

- Skills assessment
- Partnerships
- Territory / opportunity planning

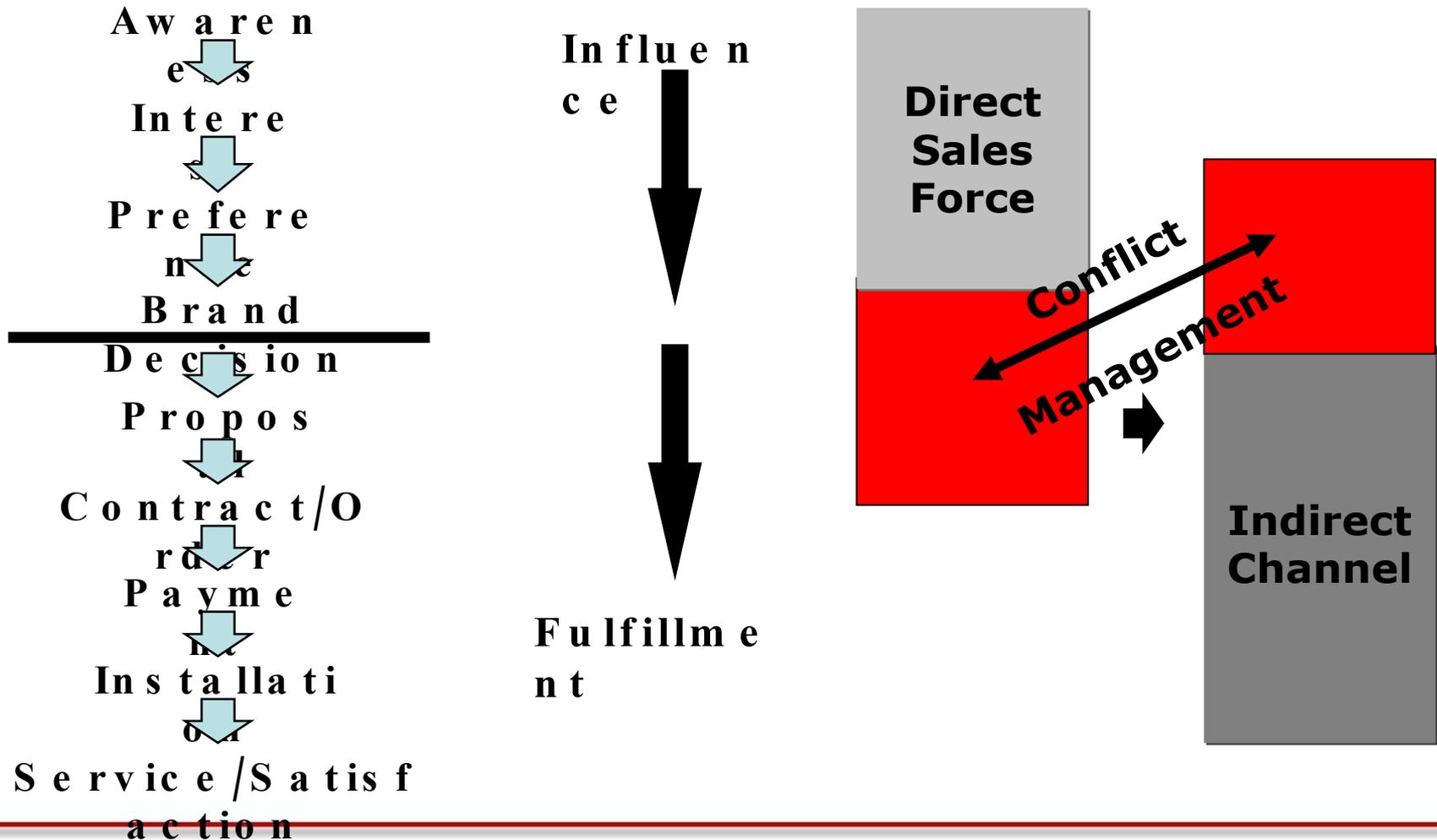
- Reduced overhead costs

- Centralised sales admin
- Sales force automation

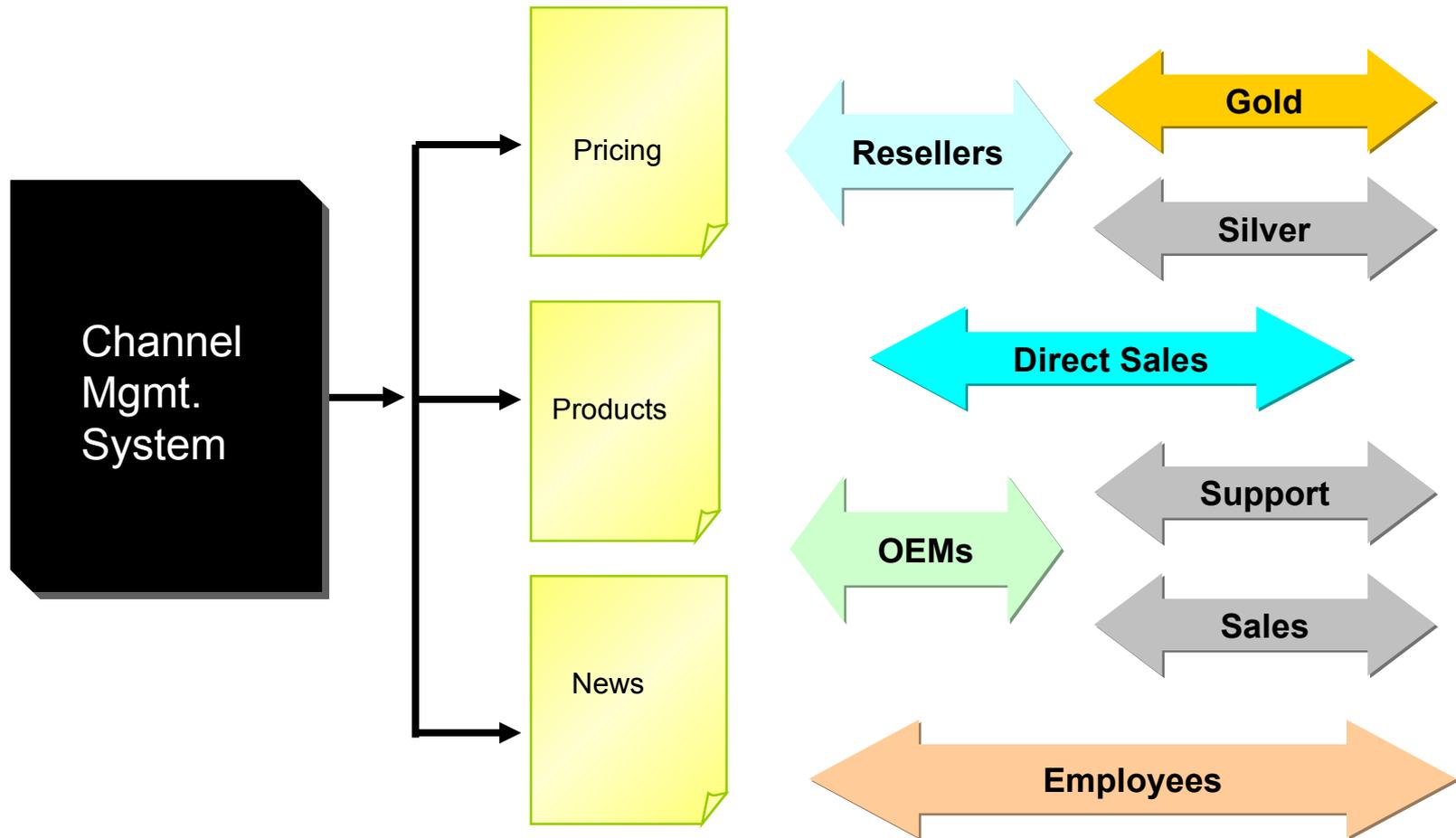
Distribution Attributes

- Pre and post sale support
- Financing – loans, leasing programs
- Product availability & delivery consistency
- Value added services – education, configuration & commissioning

Managing Channel Conflicts



Channel Automation

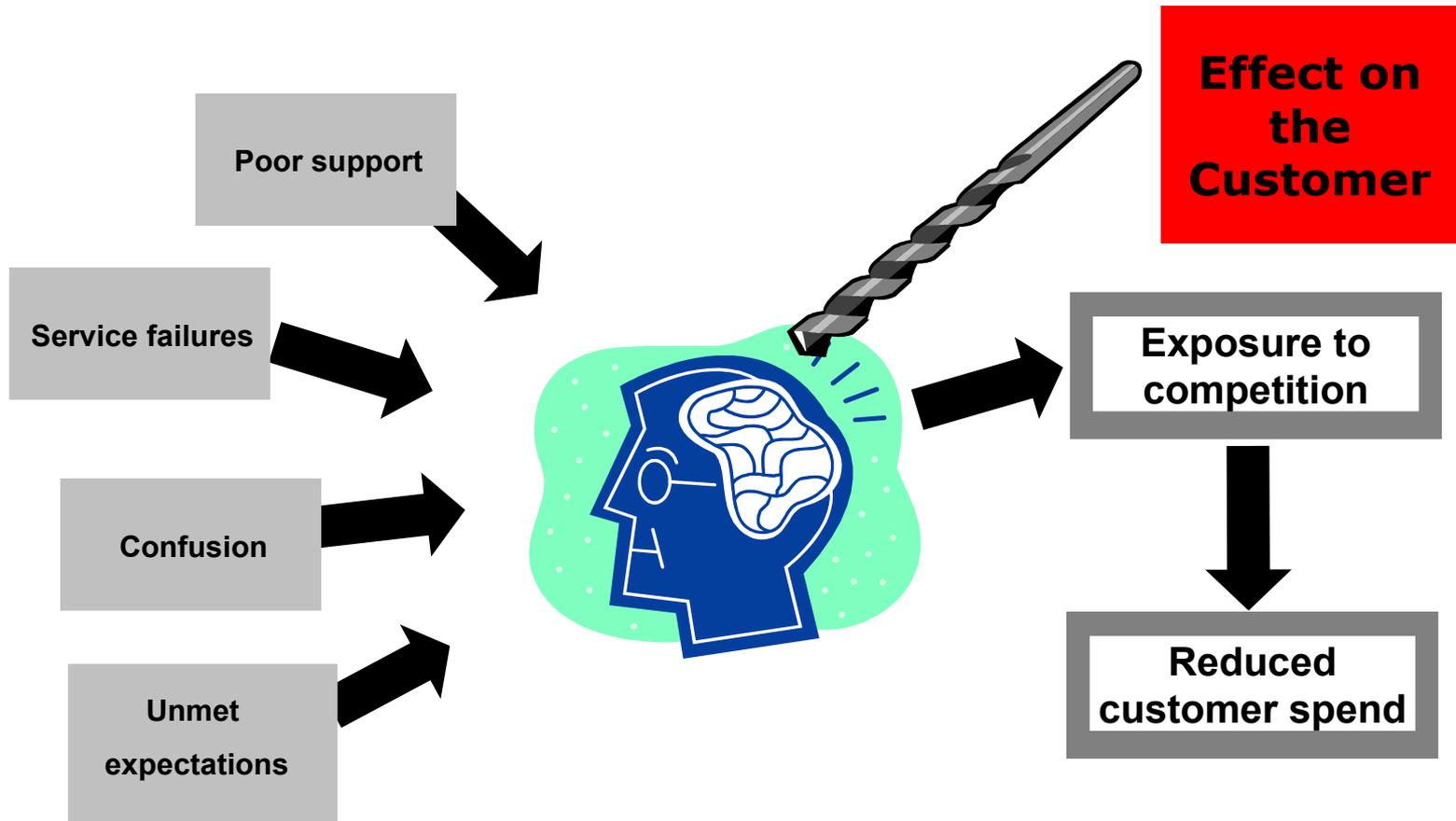


Example - Transition Project

<p>Program & Policy Coherence</p> <ol style="list-style-type: none"> 1. Implement Program & Policy Changes 2. Develop Initiatives 3. Develop Long-Term Policy & Program Strategy 4. Program Evaluation 	<p>Organisational Development</p> <ol style="list-style-type: none"> 5. Organisation Review 6. Change Management Strategy <ol style="list-style-type: none"> a) Internal Communications Strategy & Framework b) Implement Leadership Development Program c) Restructure Program Functions and Align HO and regional responsibilities d) Implement Training Plan 7. Channel Realignment / Roles & Responsibilities 	<p>Service Delivery Management Framework</p> <ol style="list-style-type: none"> 8. Service Delivery Model & Standards 9. Develop Access Strategies 10. Service Delivery Contract Mgmt 	<p>Channel Development</p> <ol style="list-style-type: none"> 11. Channel Strategies <ol style="list-style-type: none"> a) Framework b) Channel Integration c) Web enabled Tools 12. Branding Implementation 			
<p>Governance & Accountability</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 33%;"> <ol style="list-style-type: none"> 13. Governance <ol style="list-style-type: none"> a) Risks b) Protocol c) Audit & integrity </td> <td style="width: 33%;"> <ol style="list-style-type: none"> 14. Inter-Partner Engagement 15. Formal Engagement of Stakeholders </td> <td style="width: 33%;"> <ol style="list-style-type: none"> 16. Internal Governance: Business Planning Framework </td> </tr> </table>				<ol style="list-style-type: none"> 13. Governance <ol style="list-style-type: none"> a) Risks b) Protocol c) Audit & integrity 	<ol style="list-style-type: none"> 14. Inter-Partner Engagement 15. Formal Engagement of Stakeholders 	<ol style="list-style-type: none"> 16. Internal Governance: Business Planning Framework
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<p>Enterprise Management & Business Continuity</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 33%;"> <ol style="list-style-type: none"> 17. Long-term System Solution <ol style="list-style-type: none"> a) Interfaces b) Business Case development c) Secure External Access 18. Privacy Framework 19. Enterprise Strategy 20. Controllership Review </td> <td style="width: 33%;"> <ol style="list-style-type: none"> 21. Scale up Contingency, Security & Disaster Recovery <ol style="list-style-type: none"> a) Continuity of Operational Plan b) Operationalise IM/IT processes c) Reassessment of Delivery Environment </td> <td style="width: 33%;"> <ol style="list-style-type: none"> 22. Operationalise Financial Processes <ol style="list-style-type: none"> a) Establish Approval Process b) Integrated Budget and Forecasting Process c) Operationalise Forms & Tools d) Implement PMO Processes 23. Business Process Re-Engineering 24. Records Management </td> </tr> </table>				<ol style="list-style-type: none"> 17. Long-term System Solution <ol style="list-style-type: none"> a) Interfaces b) Business Case development c) Secure External Access 18. Privacy Framework 19. Enterprise Strategy 20. Controllership Review 	<ol style="list-style-type: none"> 21. Scale up Contingency, Security & Disaster Recovery <ol style="list-style-type: none"> a) Continuity of Operational Plan b) Operationalise IM/IT processes c) Reassessment of Delivery Environment 	<ol style="list-style-type: none"> 22. Operationalise Financial Processes <ol style="list-style-type: none"> a) Establish Approval Process b) Integrated Budget and Forecasting Process c) Operationalise Forms & Tools d) Implement PMO Processes 23. Business Process Re-Engineering 24. Records Management
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Channel Program – Tools & Techniques

Lack of Processes



Tools & Techniques

- **Market Surveys and Consumer Research**

- Quantitative and qualitative market and consumer studies
- Quick scan market survey, customer experience management
- Distribution & pricing surveys

- **Marketing Strategy - Development and Implementation**

- Strategy and planning objectives, resources and tools
- Selection criteria matrix and project coordination
- Market spend analysis - efficiency and effectiveness Audits

- **Portfolio Strategy Development**

- Identification of profit pools, cost / benefit analysis
- Design brand / product / packaging matrix
- Long term planning and resources allocation

- **Brand Positioning and Development**

- Positioning statement
- Design briefing and implementation
- New product and packaging development including framework

- **Pricing Strategy**

- Market and customer segmentation
- Brand-price - trade off assessment and pricing strategies
- Customer solution pricing
- ROI analysis

Tools & Techniques (Contd.)

- **Sales and Channel Management**

- Sales & channel strategy & infrastructure
- Commercial policy design
- Trade marketing and incentive programs

- **Distribution Development**

- Wholesale / retail mapping
- Commercial agreements, contracts, service level agreements
- Warehousing and transport agreements (3 & 4 PL)

- **Marketing and Sales Organisation**

- Capabilities assessment, organisation design and training
- Proposals, sales process, templates, bids, RFP / RFI, business case, white papers
- Reporting dashboards and follow up systems (work flows)

- **Market Entry and Matchmaking**

- Feasibility studies
- Search of potential partners and set up meetings
- Logistical support during market visits
- Due diligence, risk matrix and post integration

- **Set up - Managing Legal Presence and Local Offices**

- Create limited liability company, joint venture (JV)
- Organise and / or manage local office
- Open bank accounts and arrange company registrations
- Assistance with customs and tax formalities

Customer Experience

- Repeat business
- Internal productivity gains
- Shorter transaction times
- Closer customer relationship
- Reduced support requirements
- Increased revenues, profits, ROI
- Sales force assessment and rating
- Monitor and measure success criteria
- Continually seek feedback & improve
- Customer satisfaction measurement

Example - Process Domains



“If everything's under control, you're going too slow.”

- Mario Andretti

Good Luck

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