Channel Management Roles:

# Partner Development Manager

partnerpath

How to Organize a Successful Channel Management Team

# Partners Want More

Today's solution provider expects more from the vendor engagement process than ever before. It's no longer enough to simply get a welcome email from a channel manager and login credentials to the partner portal. Partners want more hands-on support, better guidance on business investments and faster deployment of resources to achieve a quicker return on their vendor relationship.

In fact, most partners say they expect to start selling within the first six months of a new vendor relationship and to achieve an average ROI of 200 percent in the first 12 months.

At first blush it might be easy for vendors to dismiss these expectations as overly demanding. But solution providers are making a significant investment based primarily on faith and financial guesswork. If those guesses don't pan out, the relationship will sour and result in wasted efforts for both parties. More critically, while the vendor may be inconvenienced by wasted time, a partner's business could be devastated.

Meanwhile, changing customer habits and an increasingly competitive IT sales environment are putting pressure on solution providers to adopt new service models and full solutions to meet customer needs.

In light of all of this, we at PartnerPath believe vendors need to start transitioning partner management from a program management function to a strategic business partner within the next five years.

The future Channel Account Manager (CAM) will be a prospect hunter with senior executive skills, a deep understanding of partner business models and a strong background in building team relationships. We call this next generation CAM a Partner Development Manager.

Partner Development Managers (PDMs) are more proactive and more focused in their recruitment efforts. They've got the intuition and the skills to design the best match between the needs of both vendor and solution provider.

This is a leadership position that will encourage successful long-term relationships even in the face of tough economic times and shifting channel business models. If you can only have one role in your channel management team, it needs to be the Partner Development Manager.

## Partner Development Managers and the Partner Value Equation

Your channel partner prospects aren't willing to risk an investment in a new vendor relationship without some assurances that they'll see meaningful returns. After being burned by unsupportive vendors and facing increasing pressure from the economy and changing business models, partners want to work with vendors who offer a total package we call the Partner Value Equation.

Are you doing everything you can to put your channel support strategy in line with this equation?

## Partner Value Equation

$$\frac{\text{Opportunity}}{\text{Investment}} = \frac{\text{2-3 X}}{\text{ROI}}$$

1) Compelling Business Proposition
2) Partner Investment

# What is a Partner Development Manager?

Partner Development Managers think differently than traditional Channel Account Managers. Create a hiring profile for this new role that will attract and identify a more business-savvy, sales-oriented and entrepreneurial spirit.

But don't get us wrong, full props to Channel Account Managers. Our recent projects and research has shown these traditional channel liaisons are deeply embedded in the day-to-day upkeep of existing partner accounts and sales tasks. It would be unfair and unrealistic to pile on the added responsibility of recruiting and building an engagement model around a new breed of partner.

By adding Partner Development Managers to the mix, vendors can better compete for prospective partners' time and attention. It takes a seasoned business manager to engage tomorrow's cloud-first partner. A Partner Development Manager should not only have the ability to research, identify, qualify, sell-to and recruit cloud providers, but also to establish a team relationship where vendor and partner can build solutions together.

Partner Development Managers should embrace the hunt and have a desire to promote the vendor to partners, help uproot the competition, and also be tech savvy. As vendor technologies and partner business models focus more heavily on on-demand and subscription services, new conversations develop around software and services. Engagement has become the most crucial step in determining channel relationship success.



"Since SAP added the Channel Recruiter role our time-to-revenue with partners has increased. Partner selection has become more thoughtful and we have brought on higher quality partners."

*– John Scola, VP Partner Recruitment & Excellence*

# Align Channel Roles to the Partner Lifecycle

Through our many client engagements and vendor interviews on this topic, we believe it has become imperative to establish and refine partner management roles to match and support the phases of the partner development lifecycle. We identify the lifecycle in five steps: Attract, Engage, Enable, Ramp and Manage. Ideally, organizations shouldn't be dumping Channel Account Managers in lieu of Partner Development Managers. Instead, these two roles should be working in concert for maximum engagement throughout the partner lifecycle.

When working together with Channel Account Managers and other channel team members, a Partner Development Manager offers high touch early in the lifecycle. The PDM designs and facilitates a strategic relationship with partners while the CAM manages operational tasks not automated through a Partner Relationship Management (PRM) system.

The first priority is to find the right partners by matching your company goals with partner needs, then explore and define the benefits of working together. It's more critical today than ever before for channel leaders to understand, own and sell the value a vendor brings to their prospective partner. They must convey to a partner how an investment of time and resources will result in increased profitability and productivity. Vendors need to actively foster the new Partner Development Manager role as a savvy hunter who understands business and technology and acts as a team leader.

| Channel Account Manager | Phase | Partner Development Manager |
|---|---|---|
| ▸ Qualify partners from leads<br>▸ Execute contracts<br>▸ Recruit into vendor program | **Attract** | ▸ Research and identify partner targets<br>▸ Qualify fit and interest<br>▸ Initial business relationship<br>▸ Understand and align the partners' business model |
| ▸ Program enrollment<br>▸ Contract administration<br>▸ Initiate on-boarding process | **Engage** | ▸ Contract negotiations and administration<br>▸ Program enrollment<br>▸ Introduction to virtual team<br>▸ Develop business plan |
| ▸ Establish path to certification<br>▸ Transition to training and marketing resources | **Enable** | ▸ Establish and manage enablement track with virtual team<br>▸ Technical training guidance<br>▸ Pre-sales training<br>▸ Sync with Partner Marketing Manager to offer guidance and support for campaigns<br>▸ Linkage with field account managers for mentoring |
| ▸ Broker sales collaboration with field teams<br>▸ Pipeline/forecast tracking<br>▸ Order tracking | **Ramp** | ▸ Personal co-selling support<br>▸ Facilitate partner-to-partner collaboration<br>▸ Lead generation and pipeline development |
| ▸ Sales pipeline and forecast management<br>▸ Revenue monitoring<br>▸ Renewing contracts | **Manage** | ▸ Manage multi-region or multi-practice partners until fully ramped in all regions or disciplines<br>▸ Transitions or teams with channel manager |

Moving a partner past the attract stage to the engage and enable stages is the proverbial cliff many Channel Account Managers fall off as they try to progress partners through the lifecycle. At the enable stage, which sets up future sales, technical and marketing success, the partner is introduced to the vendor team to establish ongoing relationships and accelerate the success of the partnership. This stage is where the PDM relationship becomes especially critical for partner success.

It should be noted, it may take a while to move a new partner through the lead generation and sales development processes. In fact, enablement is often an ongoing and never-ending process as products and services are always evolving. But once a partner has met certain enablement criteria established by the channel team, they are transitioned to a Channel Account Manager for the final lifecycle stage: manage. CAMs own the growth and evolution of the relation-ship. This hand-off point may vary depending on the complexity and depth of the partnership.
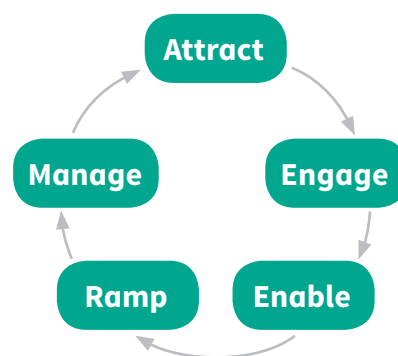


ThePartner Development Manager becomes a coach, teacher and facilitator – leading the partner management team which provides sales, marketing, technical and operational support. This unified team will help a partner ramp steadily and successfully to achieve ROI faster, all while keeping functional overlap and operational complexity to a minimum.

# The Role of PDM as Channel Team Leader

It might take a village to raise a channel prospect successfully, but true prosperity will only follow if that village has a strong leader. The division of labor between operational enablement support and strategic business development is key to things running smoothly within the confines of a vendor's organization. But in order to keep the seams from showing and prevent partnerships from losing early momentum, channel teams need a leader to paint a vision and rally the troops. This is where a Partner Development Manager shines.

Once a new partner is recruited, the Partner Development Manager acts as the quarterback of the partner engagement and enablement team consisting of technical, partner marketing, partner operations, training, support and services resources.

## Technical Solution Specialist:

▶ Owns tech contacts and relationships

▶ Guides training and certification

▶ Assists in Pre-Sales, Lab, POC

## Partner Marketing:

▶ Assists partner with campaigns

▶ Accountable to MDF funds

▶ Joint go-to-market activity plans

## Partner Operations:

▶ Ensures partner access to systems

▶ Tracks partner performance

▶ Activates finance elements

## Training:

▶ Develops partner enablement path

▶ Executes in-person and online training
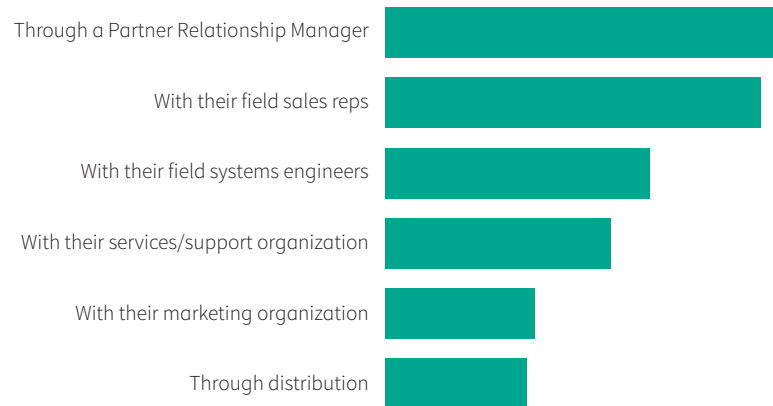
▶ Manages certifications and specializations

## Support:

▶ Provides 2nd- and 3rd-level support to partners

▶ Develops support packages and pricing for partners to resell

▶ Manages partner access to support knowledge base

## Services:

▶ Defines professional services offerings

▶ Accountable for customer satisfaction

▶ Develops services methodologies for partners

## How do partners prefer to engage with vendors?



| | |
|---|---|
| Through a Partner Relationship Manager | |
| With their field sales reps | |
| With their field systems engineers | |
| With their services/support organization | |
| With their marketing organization | |
| Through distribution | |

*Data from our 2016 State of Partnering Report: <u>10 Trends for a 2020 Vision</u>*

This division of labor is key. Vendors are discovering how inefficient and costly it is to have their channel resources distracted from higher-level partner development activities. Large technology vendors have begun to move the day-to-day administration and program support issues away from the Partner Development and Channel Account Managers to the roles of partner program support and partner help desk.

A Partner Development Manager serves as the knowledgeable expert who understands a solution provider's business goals, go-to-market initiatives, technology strengths and services capabilities. It is his/her responsibility to set the plans and plays of who, when and how the other team members will assist the partner along their path to revenue and market success.

The next generation of solution provider expects to be mentored by the vendor's team in sales, market positioning, business development and solution provisioning. These expectations include face time, business investment discussions, side-by-side sales training sessions at the customer site and best-practice mentoring sessions.

The PDM coordinates a combination of fully planned and measured resources with a common set of growth objectives and aligned hand-offs.
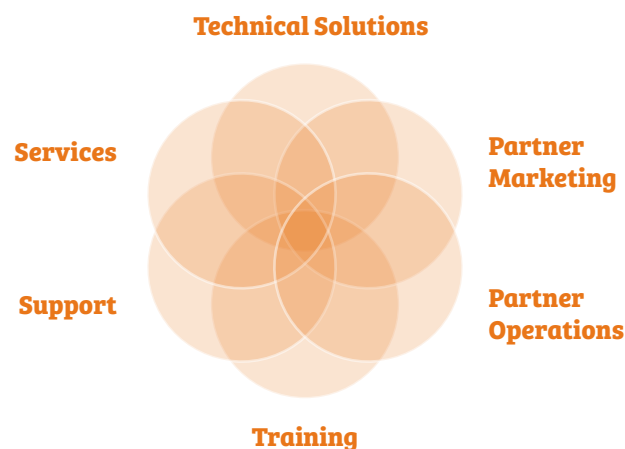
# Partner Coverage and Logistics

With so many ways to collaborate and communicate virtually today, vendors need to design appropriate partner coverage models.

Traditionally, partner types and tiers have been the most common organizing principle for determining a partner coverage model. Partners who do not meet target revenue goals or higher program qualifications are often engaged via tele-managed resources, distribution, inside sales, a partner resource desk or self-service partner portals.

Forward-looking vendors are reconsidering their coverage strategy to focus on quality not quantity of their partnerships. Vendors are trying to be more effective with their managed partners, while reinforcing their unmanaged partner business with self-service support. Smaller vendors don't have the luxury of granular coverage and typically assign partner managers for large geographic regions and share the technical solution specialist and inside sales teams for partner support.

Regardless of their size or channel maturity, vendors are typically not able to fund enough dedicated channel resources to adequately assist all partner types and tiers. Hey, we could all use more resources. Channel Account Managers usually support and manage 30 to 40 enabled partners in an assigned region/geography.

The challenge lies in determining how many partner prospects and new recruits a Partner Development Manager can manage, knowing partners will always be at various on-boarding stages. When partners pass their first successful year they may transition to a Channel Account Manager's responsibility, while the Partner Development Manager will continue to find and nurture new partners. On average, vendors with an established Partner Development Manager role manage 8-12 partners in the on-boarding process at any given time.

Vendors face increasing pressure to rationalize the unique contribution and ROI from each partner-facing investment. Vendor CFOs and financial management teams cut back heavily on partner-facing roles in the last couple of years only to realize it starved their partner

| Vendor Role | Distribution | Inside Manager | Channel Account Manager | Partner Development Manager |
|---|---|---|---|---|
| **Primary Recruitment Focus** | May recruit from existing resellers | Inbound recruit calls | Recruits to fill territory needs | Researches, identifies, qualifies and recruits |
| **Partner Touch Points** | Low-volume, unmanaged VARs | Silver and bronze volume VARs | Select gold and platinum VARs | On-boards new partners; may team-manage national or multi-practice partners |
| **# of Partners Managed** | >100 | >100 | 30-40 | 8-12 |
| **Enablement Duties** | Owns enablement and management directly | May assist CAM in management tasks | Manages inherited partners passed from Partner Development Manager or teams on key partnerships | Manages enablement team and acts as a liaison to direct partners to the right team members |

quality, decreased partner satisfaction and negatively impacted their ramping process. As the Forrester report on Realizing Return on Channel Investment indicates, "CFOs, having dealt with understanding internal operations profitability over the last two decades, are casting their accountability spotlights externally – on their companies' investments in their channel partners and supporting channel programs."

Thus, performance metrics need to be developed and regularly, systematically, measured. Performance objectives are not a nice-to-have anymore – they are an imperative, so all parties see a strong ROI for the partnership. Creating and managing these metrics are challenging but necessary to define the KPIs required to attract, retain and recognize a high-performing Partner Development Manager.

The measurements and metrics for a Partner Development Manager is a challenge because of the critical partner incubation function, which likely will not result in much revenue in the first year. The PDM and the traditional CAM should have complementary roles, both accountable to unique, measurable milestones in the partner development cycle.

In order to attract and retain the right talent for the Partner Development Manager role, it is vital to provide a compensation plan that recognizes and rewards the efforts to hunt for new partners and the ultimate outcome of those efforts – increased revenue. Compensation should be tied to the metrics of the value-based partner program including tracking rewarding for recruiting, on-boarding, enablement, certifications, partner growth, industry wins and high customer satisfaction.

How will these value-based metrics affect compensation? The old adage applies – people do what you pay them to do.

## PartnerPath Recommendations

When partners don't feel well-supported by their vendors, don't see signs of early returns in their relationship investments or don't achieve measurable milestones, loyalty to their vendor goes out the window. In this challenging and dynamic environment, vendors need to keep the partner experience as a top priority throughout the development lifecycle. The Partner Development Manager plays a crucial part in keeping priorities straight.

This role will help vendors ramp new partners during the critical first 12 to 18 months and set up partners for success going forward. Upfront vendor investment with the right combination of resources and benefits, along with patience and dedication, will drive measurable success for a new partnership.

### Five partner management imperatives every technology vendor should consider:

1. Make sure the partner management team understands and supports the Partner Value Equation in all partner interactions.

2. Invest in the Partner Development Manager role with a entrepreneurial and hunter skill set. If you can only have one role – let it be the Partner Development Manager.

3. Establish clear role definitions with measurable metrics for each stage of the partner development cycle. Be willing to create new compensation plans to reward those development metrics.

4. Clearly link the interdependencies and accountability of the partner management team to the key elements of partner growth, maturity and productivity.

5. Keep it as simple as you can – adding complexity detracts from partner value.

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If you believe a partner channel is the key to profitable, scalable growth, you are amongst friends. We grew up on the channel and bring over 19 years of deep industry experience to help companies succeed with rapidly-growing partner ecosystems. We achieve this by effectively designing, implementing and optimizing channel and alliance models.