Channel selling: Four factors for success

6-min read

The challenge

If you've been in business for a while, you've probably faced this challenge: you've identified a largely untapped market for your product or service but your knowledge of that region or sector is limited. You want to test the waters but, without further investigation, investing in new staff or infrastructure isn't yet justified.

This is when you discover an organisation that already has the know-how or distribution resources in place.

What if they could test the market for you?

After a few conversations, the deal's done and you now have a presence in a market that could transform your business. You sit back and wait for the sales to flow in.

But that flow actually looks more like a slow trickle, and you're left wondering where things have gone awry.

Let's take a look at why channel selling often fails and the four factors that can make or break a successful channel partnership.

Identify your ideal channel partner

Ask a sales director about their ideal customer profile, and they'll probably be able to describe it in detail – right down to their favourite show on Netflix. However, this is not always the case when it comes to partnerships. So, the first step is to decide who you actually want or need to work with.

To hone in on this profile, you need to identify whether:

- You're looking for a) exclusive relationships or b) organisations that have a wider reach but also offer your competitors' products or services;
- They align with your long-term business objectives and values;
- They have the capacity and expertise to help you achieve your goals.

Once you've answered these questions, you'll have a better idea of the type of organisations you should be targeting. You've also got a framework against which you can audit your existing partnerships. Your objectives may have changed since those relationships began – do your current partners still fit into your business and sales strategy?

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And, most importantly, are they producing the desired results?

Ensure your channel partner is engaged

While the idea is that your channel partner is doing a lot of the heavy lifting for you, you can't expect them to do all the work. While incentivisation is important, and we'll explore that in a bit more detail, you also need to ensure that they have all the tools they need to sell your product or service successfully.

In other words, you need to take the same approach as you would in managing and coaching your sales team. This involves taking a tailored approach and getting to know the business, creating a true partnership with a long-term strategy. Simply running the occasional webinar with your partners won't cut the mustard.

Alan Morton, joint managing director of SBR, says:

> "We've seen the biggest success between clients and their channel partners is when they've taken some of their sales techniques and imparted that on the partner sales team."

Unfortunately, our research has revealed that 60% of organisations that sell through channel relationships don't have a partner programme or process in place. Rather than being proactive, they sit back and hope for the best.

An integral part of this process is to create a joint business plan.

The purpose of the joint business plan is to establish:

- Why the partnership has been created;
- The win-win scenario for both parties and how this will be executed;
- The collaborative objectives;
- What all this actually means in terms of tangible activity moving forwards.

The most essential element here is setting expectations. If both parties are aware of what the other expects, then both parties can be held to account. This reduces the chance of any unpleasant surprises as the relationship develops.

Track as much channel data as possible

One of our favourite sayings at SBR is, "Without data, all we have are opinions." However, according to our research, 40% of organisations that are involved in channel selling don't track as much data as they could. This is integral to maximising partner relationships.

Without data, you don't know:

- How often partners are pitching your product or service;
- How often your partners are pitching a competitor's solution rather than yours;
- If there are certain solutions that are selling better than others.

If you don't know what the problem is, then you can't figure out how to best help your partners – whether they need better information at the prospecting stage or coaching on handling specific objections.

Create the right incentive

When you have the right data, it's easy to spot problems early on. If you're not getting the results you hoped for, this could be down to the fact that your partner's sales team, to be blunt, don't think it's worth their while.

Again, this is something that needs to be addressed in your joint business plan. You must be very clear about what you're offering in terms of remuneration, as well as selling the benefits of your long-term relationship. In other words, they need to know how it's helping their organisation as much as yours. A simple way of demonstrating this is with a commission calculator. To nobody's surprise, most salespeople are money-oriented.

In addition, at an organisational level, you need to emphasise the potential revenue and profits that can be achieved by selling your solution.

As Tim Hillier, former principal consultant for SBR says:

> "A good partner manager, much like a good sales manager, is someone that's looking to unlock that discretionary effort - to inspire the partner and ultimately the wider sales organisation team to go out and sell more of your products and services."

To discover more about partner selling, let's talk growth.

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