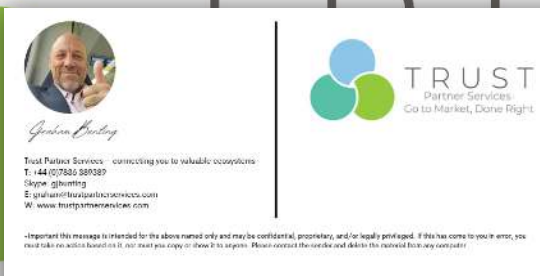


# So, you're thinking of building a reseller channel?



Graham Bunting - Channel Advisor and Catalyst

# Channel guide

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It's always sensible to start with

## WHY?

Why do you want to develop a channel sales capability? This is a critical honesty question ... is your expectation that the right partners will take you into new opportunities or are you looking for scale more for coverage? Do you believe it will reduce your efforts in marketing etc? If so, then this is a false expectation because the channel expects you to provide them with leads and to drive the brand - perhaps

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## AND CRITICALLY ALSO

Ensure you have a clear understanding of the partner's motives for partnering with a vendor in a particular market. Are they looking for a large brand and a pair of coattails to ride on or something niche and potentially unique to differentiate themselves?

## Your options?

✓ Recruit a/some salesperson/people?

- Know what you're looking for? What good looks like?
- Have the ASK to set objectives, monitor, coach and train/manage?
- Understand the timeline from recruiting to successful consistent selling?
- *hint: it isn't a few weeks*
- Have a process to develop opportunities?

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## ✓ Sell off the page?

- Is your product bought or sold?
- What's the "investment to achieve regular sales volumes and value?

## ✓ Sell via other third parties - a CHANNEL - "with, to, and through plus affiliate"

## What's your why?

- What do you believe engaging with channel partners offers you?
- What will it cost you and what return are you expecting? And critically when?
- How do you know this? What research have you done and what validation have you sought?
- Are your products and solutions being sought and bought or sold from cold?

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- What customers and reference sites do you have?
- Who has bought from you and why?
- What training and training materials do you have in local language - how is this delivered and tested?
- What lead generation are you undertaking and planning?
- What support is required and what infrastructure do you have especially in local time and language?

## Why ?

- What marketing tools, collaterals and resources do you have for the channel to use?
- What support services do you have for the channel and is it free or chargeable. What SLA will be in place. What if you fail to meet them?
- What's your proposition and portfolio roadmap and is it publicly available?

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- What competition do you have. How do you stack up against them honestly?
- What margins are available for the reseller And what can they surround your proposition with in terms of additional value?
- What investment do you expect them to make to sell your solution, in terms of training resources etc?
- What are the prerequisites for selling, what skills and knowledge do you need or expect them to have?



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## Why?

- What's your plan to mitigate and fill those gaps?
- What type of resellers do you need?
- Do you need a distributor? Why?
- What are your customers like and why will they want your products?
- How will you handle customer sales inquiries?
- How will you address clients who insist on buying directly from you
- How will you manage channel conflict?
- How will you handle complaints?
- What is on your marketing calendar in terms of events and activities? What is your budget to spend?
- What's your warranty and how will you manage it?
- Any accreditation required? What and why and how is it achieved. Why will you want it need it?

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## Tips #1

Understand your motivation for considering a sales partnership?  
Be clear on why you're choosing an indirect sales model and what implications that has for your business

Be under no illusion that we are in an attention deficit society, and it all begins with ATTENTION.

Create all the tools your resellers will require and ensure you have some case studies and use-cases to help them with positioning.

Be clear about your channel requirements, for example, make sure you're clear on how many channel partners will you recruit and why this number? Clearly model the structure of your go-to-market to know the number of tiers you require. For example -will you be looking to appoint a distributor and if so why what would their role be & what's the margin chain?

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## Tips #2

Know your GTM holistically - what services are required pre-sale and post-sale.

Know who can provide across all channel types. Have a clear delivery model for training & implementation to support and future knowledge transfers. Also, ensure that these augment the channel and don't compete.

Understand the complexity of your offering and decide if you require an accreditation process for partners to be authorised to sell and support.

Establish if you will require services partners to help scale and support your sales growth - this can be a limitation of growth if you don't have sufficient services personnel to match sales.

One of the nicer problems to have.

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Know who your customers are in absolute detail. This is critical not only to shaping your message but also to know how to get to them through channels and therefore which channels address this same market?

Ensure you're crystal clear about the money opportunity as the salespeople in the channel are generally motivated by money and success. Therefore, your offering needs to clearly address those two motivations as table stakes

## Tips #3

Plan how you're going to motivate the salespeople to take action - Getting salespeople to change what they're doing currently to sell your offering isn't an overnight action, if at all. Understand what's involved for them to want to add your solution into their own offerings and talk to their customers and prospects about it

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Know that the business owner wants to be clear that taking your offering is congruent with their business mission and aligns with their current portfolio, so spend some time "looking through their eyes"

Shape your offer to clearly communicate how to address the implications for the business owner in terms of additional skills required for sales, support and training staff, as well as what this looks like as an investment of cash. Will this distract from business as usual? Does this make sense for them (I know it will for you)

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## Tips #4

Have a clear plan to support new channel partners to grow into successful partners? What will you do for them and what implications does this have for your business resourcing and finances? Communicate this clearly and reaffirm regularly.

Know your numbers - How quickly do you expect to see a return on your effort and investment, and are you being realistic or simply optimistic because you know and love your offering?

Know your partner commercial picture and be crystal clear on how quickly your partners will see a return on their effort and investment? Again this **MUST** be pragmatic and realistic for them to buy into.

Know your competitive landscape - What other similar offers are there in the market that will compete with you for mind share? Know all about them in order to address the inevitable questions.

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And a big one - Do ensure you have all of your processes documented and make sure that doing business with you is as friction free as possible. No one, and I mean no one, likes arriving at a place where a customer is impacted because your reseller partner didn't know about something you forgot to tell them - it is not a good look is it?

## Tips #5

Start with a clear plan and know what mindshare you're expecting from critical areas of the reseller's business, and how might this impact your expected results? Be clear on how you impact this and what your execution plan looks like and execute aggressively. Have a clear policy and execute confidently as to how you will address inevitable channel conflict? Have a clear policy on lead generation and lead distribution and how you will ensure that you will not compete with your channel. Some customers may insist on buying directly from the vendor putting you in competition with your channel? How are you planning to address this? You must be forensic about the partner margin opportunity and plan to help advise and guide closely to ensure partners can maintain a decent margin as your channel grows?

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## What about overseas?

The overseas channel is an extension of the other issues PLUS some added complexities: Language barriers - conversational and product documentation Support burden 24/7 Time barriers Travel? Nuances of culture/demand US have a concept of MANUFACTURER AGENTS which can work (self-employed agents essentially) Legal/local law issues Data sovereignty etc

## Eco-systems

Your partner community should also contain other eco-system elements. For example, if you are a forklift truck business, you know that your customers are probably also going to buy pallets, so establishing partnerships with a pallet vendor might be a smart idea.



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Or if you are a print and copier reseller, for example, you might consider partnering with IT sales and support businesses and telecoms and contact centre vendors. You are invariably supporting the same customer, so developing co-selling and referral strategies is smart.

There are also ways of creating an eco-systems marketplace perhaps, where other vendor offers can be approved and tested. This offers customers comfort to know that they are buying into something bigger and potentially more supportive of their mission. Buying into pre-integrated solutions always feels more comfortable especially for SMEs as there can be a perception of high costs to integrate systems.

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## About the author



I'm a husband to one, and father to five delightful children (they are all no longer children, but independent adults) and my boxer/bull terrier cross Cally who is always pleased to see me, and since Feb 2021, I am also a very proud and somewhat besotted Granddad to three grandsons.

I have a deep knowledge of the indirect sales channel regardless of the "product", gained from decades working at all levels across the value chain and probably uniquely from strategic planning to operational execution.

I also recognise the value of building an ecosystem that goes beyond the vendor/reseller relationship too. This last point is often the one most ignored and perhaps the most valuable long term,

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Contact me here



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