

The CCI Journal

What Channel Partners Really Want

CCI recently conducted an online survey of the tens of thousands of channel partners who utilize our online solutions every day. The survey asked them specific questions about their partnering experiences with manufacturer-vendors and what they want and do not want from those relationships. This article summarizes the results of that survey.

With Q3 upon us it's time to start thinking about results; results of this year's channel and trade promotion programs and the results that can be attained in 2006 when extracting key learnings from 2005. At CCI we believe the channel is a worthy investment for any manufacturer, and we further believe that investments require ongoing and thoughtful consideration before they can begin to yield returns. CCI recently concluded a survey of channel partners, and we'd like to share the results of the survey with you.

The Survey Questions

Using our own online Survey Tool, we posed eleven questions to channel partners who access our solutions each day. This audience is comprised exclusively of the resellers, dealers and distributors who market and sell on behalf of a manufacturer-vendor. The questions asked:

1. What is your primary role within your company?
2. How many manufacturer-vendors do you partner with in a resale capacity?
3. How many of your manufacturer-vendors offer channel programs like co-operative marketing funds, lead programs, sales incentive programs, co-branded marketing programs, etc.?
4. In the following two questions you will be asked to rank the importance of manufacturer-provided resources as they pertain to the success of your business. What is the most important resource for your business?
5. What is the least important resource for your business?
6. If you could change one thing about your relationship with one of your manufacturer-vendors, what would that one thing be?
7. In the following three questions



you will be asked to rank each of the top three challenges that you regularly experience with the manufacturer-vendor(s) using the list below.

8. What is the #1 (biggest) challenge?
9. What is the #2 challenge?
10. What is the #3 challenge?
10. What is the best reward your manufacturer-vendor(s) can provide to you when they ask you to address their goals (i.e., increased sales of a product, providing POS data, etc.)?
11. What is the least effective reward your manufacturer-vendor(s) can provide to you when they ask you to address their goals (i.e., increased sales of a product, providing POS data, etc.)?

Results: Emerging Themes

Approaching partners to gain their perspective opens the door to meaningful dialogue that, when heard and applied, can reap significant rewards for both parties. Additionally, collecting data in a survey format can often validate information that exists anecdotally, or it can provide new information about trends,

needs and challenge areas. The survey we conducted with channel partners in June provided this type of information and more.

Partners Value Co-op and MDF Funding

One of the emerging themes from the survey was how much channel partners value co-op and MDF funding. Over 50% of those who responded said that co-operative marketing funds are the most important manufacturer-vendor provided resource for their businesses. This response exceeded all other possible answers by well over 30%, answers that included:

- > Qualified leads in a closed-loop system
- > Accurate point of sale data
- > Co-marketed templates that may be customized online
- > An option to specify their own answer.

While the majority of channel partners who use our system are logging in to manage a co-op or MDF program budget, we still found the response to this particular survey question interesting

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BOB DOUGLAS JOINS CCI AS REGIONAL SALES MANAGER

Bob Douglas recently joined CCI as the Regional Sales Manager responsible for business development and sales in the Midwest area of the United States.

A TPMA 2002 "Hall of Fame" member, Bob is a recognized professional with more than 20 years of experience in trade promotion program management. During his career Bob has developed and implemented programs for clients in industries such as automotive, telecommunications, marine, consumer goods, clothing, furniture and hardware, and for a wide range of distribution channels.

Bob can be reached at bob.douglas@CCionline.biz or 586.268.5574.

CLIENT CASE STORY

CCI is pleased to provide one of our many client case stories to CCI Journal readers. The case story illustrates how this client incorporated feedback from its channel partners to create a program that was mutually beneficial.

The Client

This Fortune 500 company ("manufacturer") provides software and services to over 3 million end users worldwide, and theirs is the software standard in the industries they serve

The Client Challenge

This manufacturer routinely offered multiple 30 to 90-day sales incentives and other promotions using a revenue reduction model. Each program targeted three audiences: manufacturer sales reps, channel partners (principals) and channel partner sales reps. The programs were difficult to communicate, track and pay, and relied on an off-line system consisting of spreadsheets and disparate databases. Program utilization was low and there were concerns that the Sarbanes-Oxley Act could deem any one of the programs non-compliant.

The Solution

CCI conducted a needs assessment and it was clear that one of the key management issues of the programs was the company's inability to clearly

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The way I see it...



Bill Kelly is VP of Sales for CCI and helps companies define objectives, evaluate strategies and implement programs that achieve measurable results.

Key Learnings from the Channel

Former corporate CEO's sentenced to jail terms. The war in Iraq. The Sarbanes-Oxley Act. The rapid pace of technology. The Internet. All of these things impact the global economy and the choices that are made in business. What does it take to go to market and remain competitive today? How do companies keep pace with legal requirements, business trends and the needs of their channels and customers? More specifically, how can channel managers develop and manage programs that are timely, effective and resilient? While there is no panacea, there are answers to these questions, and resources to address the challenges the questions pose.

What if you could get meaningful business analytics from your channel partners?

If your company has not done so already, we recommend surveying channel partners and end customers at least once every six months. It's been my experience that one of the best forms of business intelligence is regular contact with those people who are in direct contact with the end customer. For CCI clients that means working directly with channel partners, and we encourage our clients to develop systematic ways in which they may gather and analyze feedback directly from partners on a regular basis. The CCI Survey Tool is one way this can be done in an online, real-time format. Your

company can create multiple-choice question and answer sets, and channel partners are able to login and take the survey at their leisure. You then have access to a dashboard where analytics by question are viewable at any time.

Surveys are important, but surveys can only tell you so much. Face-to-face meetings, telephone conversations and other forms of interactive communication are a necessary complement to other feedback mechanisms. Without personal relationships, channel partners and customers are less invested in your company's success and will be less willing to provide honest feedback.

What have you done for me lately?

The results of CCI's recent Partner Survey provide an excellent foundation for conversations with your channel partners. Based on the data from that survey, we were able to clearly see that channel partners value co-op and sales incentive programs and, by a large margin, they have few other challenges with their manufacturer partners. This is a key learning from the industry that any channel-driven company can utilize. For starters, calling partners to tell them the results of this survey may be an effective way to open dialogue about what your partners really want from you. The mere fact that you are engaging in these types of conversations with your partners may be enough.

CCI solutions can provide a stable and resilient platform for channel programs that partners will utilize and for data that will benefit both you and your partners. With hierarchical views, real-time online data and analytics and the ability to manage multiple programs, CCI solutions will make the answer to, "What have you done for me lately?" a simple, "More than you can imagine." ❏

For more information on key learnings from the channel, please email Bill Kelly at bill.kelly@CCIONline.biz.

Channel Partners

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and validating. After conducting a needs assessment with most of our prospective clients, we often recommend that they offer co-op or MDF as part of the tools for partner use. We have the ability to help clients develop co-op and MDF programs that tie back to company and channel objectives, and our focus is on developing easy-to-manage programs that channel partners will utilize. CCI's ProgramsPro® platform and Fund Management Module are highly effective online solutions designed to manage co-op and MDF programs that will delight manufacturers and partners alike.

Cash-based Sales Incentive vs. Points

Another of the themes that emerged from the survey was one we had witnessed ourselves. That is, channel partner principals want cash-based sales incentive programs that allow them to distribute the rewards as they see fit. A whopping 41% of respondents said that these types of sales incentives are the best reward a manufacturer-vendor can provide when asking partners to address specific goals.

Conversely, 27% said that the least effective rewards are point-based programs that are available on a per-participant basis. This would include sales incentives where each partner sales representative could individually earn and redeem points that are used to purchase specialty items such as golf clubs and vacations.

In Conclusion

At CCI we have seen more companies offering multiple channel programs rather than simply making co-op funds available to their partners. This shift may have its roots in any number of things including the call for improved accounting practices from Sarbanes-Oxley and the changes in buying habits of businesses and consumers due to a fluctuating economy. Regardless of the

reason, more and more companies are looking at B2B rebates and other legal sales incentive programs as another way of supporting and incenting channel partners.

CCI's Rebate Module may be added to the ProgramsPro platform to assist companies with a variety of sales incentive programs including loyalty programs, growth programs and product-specific revenue generating programs. Some of our clients also use the Rebate Module to manage and track product trade-in programs that are redeemable by channel partners.

Offering co-op or MDF programs and at least one other program to support the channel are just two of the useful pieces of information that may be gleaned from the CCI Partner Survey. ❏

To see the complete results of the survey, please log on to: www.CCIONline.biz/journalsurvey

What's New @ CCI

IS CCI RIGHT FOR YOU?

CCI HAS DEVELOPED AN ONLINE SELF-ASSESSMENT QUIZ THAT ALLOWS YOU TO DETERMINE WHETHER OR NOT WE HAVE THE RIGHT SOLUTIONS TO MEET YOUR SPECIFIC BUSINESS NEEDS. IF YOU HAVE BEEN WONDERING IF CCI IS RIGHT FOR YOUR COMPANY, PLEASE TAKE THE QUIZ BY VISITING OUR HOMEPAGE TODAY. YOU'LL FIND THE "IS CCI RIGHT FOR YOU?" LINK IN THE LEFT SASH.

Refer-A-Friend

Just in time for 2006 programs, the CCI Refer-A-Friend Program is back. This very popular program allows you to refer a potential client to CCI and - in return for a meeting with a company you refer - we'll send you your choice of one of three gifts, each valued at \$200. Get gift details and refer a friend today at www.CCIONline.biz/refer.

Survey Winner Announcement

CCI would like to thank the users of our system who contributed to our collective learning by participating in the recent online survey cited earlier in this CCI Journal. We held a random drawing and Kyl Nakaoka of Progressive Communications, Inc., is the winner of a new Apple iPod mini. Congratulations, Kyl, and thank you!

New Employees at CCI

In response to our clients' needs and to our own growth, we're still adding new employees. Some of the latest additions to the CCI family include:

- > Michael DeBarros, Sales Executive
- > Janine Allard, Client Engagement
- > Joe Machado, Client Services
- > Mike Wylie, Information Systems
- > Erin Hagarten, Office Manager

CLIENT CASE STORY

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understand who was participating in each and how effective the programs were in meeting business objectives. Moreover, the various channel participants had provided valuable feedback but the manufacturer was uncertain about how to incorporate it and still meet their own goals. CCI helped re-develop the existing programs and implemented a solution that included the ProgramsPro® platform, the Fund Management and POS Solution Modules, and the Registration Tool.

Now, using the Registration Tool, sales reps and channel partners go online and register to participate in one or more programs. By doing so, both the sales rep and the manufacturer are able to see not only who is participating in

which of the programs but also how each participant, each region and each area is doing - all in real time.

CCI receives POS reports from the manufacturer that are uploaded, aggregated and normalized automatically in the POS Module, allowing for accurate data to populate the appropriate fields in tracking and payment reports. A simple maintenance screen allows the manufacturer to load significant program information. The Fund Management Module automatically creates a report to pay participating sales reps accurately at the end of each promo, and it also tracks tax limits so that 1099's are issued appropriately.

The Results

There is a significant cost savings in both the reduction of over-payments and the number of resources required to

track each of the incentive programs, which increased the ROI. All of the programs are now streamlined and far more efficient, as everyone involved receives automatic notifications and/or has access to a real-time system that provides information, tracking reports and payout information.

The solution also provides internal controls that automate processes according to business rules ensuring that this client remains compliant with Sarbanes-Oxley requirements for classifying and reporting costs appropriately.

An ancillary benefit is that the channel partners are eager to provide sell-through data to the manufacturer, thus making it possible for the client to ultimately gain truer and greater insights into inventory levels and other relevant information. ❏