



The CCI Journal

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Deal Registration Best Practices

Over the course of the last 18 months, many channel-driven companies and industry experts have lauded deal registration and opportunity management programs – with good reason. Deal registration programs, when well planned and executed, can be very positive for all three parties in the equation: vendor/manufacturer, channel partners and end customers.

Deal registration programs can add both depth and breadth to channel relationships, resulting in increases in loyalty and sales while decreasing channel conflict (vendor-to-channel and partner-to-partner) and the length of the sales cycle. No wonder deal registration programs were regarded as a channel panacea; the general consensus seemed to be that if a channel-driven company offered its partners a deal registration program, channel nirvana would be achieved. Like anything new or different, deal registration programs have been touted as “it” and have also received their fair amount of criticism. With time and experience the truth let itself be known, and the net result is a set of best practices that can be applied in the future.

A BRIEF HISTORY

The original intention of deal registration programs was for vendors to increase channel sales by knowing where genuine opportunities existed, providing guaranteed or additional margins to the partner who registered the deal, and protecting the end customer from a barrage of competing salespeople. It was first believed that deal registration programs could only work in situations where the price point was high and the sales cycle was long. Moreover, vendors who thought that visibility into the complete channel sales pipeline would be a win-win for both their companies and their partners conceived deal registration programs.

As with anything new, the holes in the original design of deal registration were quickly apparent, and just as quickly remedied in many cases. Perhaps one of the more significant gaps was the lack of consideration for the impact on channel partners by some companies. Elements such as trust, education and



communication were often taken for granted resulting in channel suffering and poor program results; the sense of urgency to bring deal registration to market caused oversights that, in turn, generated less than stellar results.

SUCCESSFUL DEAL REGISTRATION PROGRAMS

All successful channel programs - including deal registration programs - require the same elements, which CCI has included in several white papers (see, for instance, the Articles & White Papers section on www.CCionline.biz). In summary, the key elements are:

- Establish a business objective
- Conduct market research
- Develop an executable strategy
- Create controls
- Keep it simple
- Education and communication

When applied to deal registration programs, the categories above can yield positive results; Let's look at each briefly.

ESTABLISH A BUSINESS OBJECTIVE

A mutually beneficial business objective must be established before any other

work on a program can start. The objective should be clear, measurable, achievable and something to which both the vendor and the partners can aspire.

CONDUCT MARKET RESEARCH

Do extensive research. Talk not only to your executive management but also to people in the field who deal with the competition and with the end-customers daily. Include the sales organization as well as the partners.

Market research should also include researching laws, resources and other elements that will impact the decisions made and actions taken with regard to channel program development and management. Your Finance Department or Certified Public Accountant is a source of valuable information such as guidance about whether or not your company accounts for costs as expenses or as revenue reduction and how to reclassify expenses in the case of program exceptions.

Market research should be an educational experience that validates the

CCI ANNOUNCES PROFESSIONAL CONSULTING SERVICES OFFERING

Companies are tasked with providing their channel partners and participants with effective programs and tools to aid in marketing and sales efforts. With limited time and resources this can be a daunting task, especially if one's area of expertise is not in channel program development or management.

In December CCI announced the official launch of its Professional Consulting Services offering (PCS). PCS address the challenges our clients often face and protects companies against risks such as delayed time to market, unexpected program costs, low partner adoption and utilization rates, and diminishing returns on investment.

Using our own proven methodologies, CCI Professional Consulting Services offers you the ability to outsource some or all of the elements of developing or assessing your channel programs. From research, analytics and gap analysis to creating programs that will meet your objectives and navigating through the silos in your company's organization, CCI's PCS team has the hands-on experience to give your programs the head start they need in order to attain positive, measurable results.

The competency areas for our services include:

- Program Readiness
- Process Analysis
- Program Development
- Program Adoption, Rollout & Communications
- Project Management
- Program Analysis
- Research
- Training
- Channel Assessments
- Sales/Point of Sale Analytics
- Second-stage PRM & CRM Implementations

Investing in the success of your channel programs on the front-end can save you untold sums of money and time on the back-end, and will increase your return on investment. Find out how CCI Professional Services can complete your solution and optimize the success of your programs by calling us at 888.260.2667 today. ❧

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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

The Importance of Program Readiness

What's required for a 90-day, no risk channel program implementation?

Clients often come to CCI looking for a no risk way to bring their critical channel programs to market quickly and with industry best practices in place. With over 20 years experience and a team of experts - some of whom have worked in the channel itself - CCI has a proven platform and deployment methodology that assures rapid implementation of best of class channel programs. Program Readiness is an important first step in the process of implementing a channel program, and our methodology includes the following elements.

Define the vision

In addition to establishing a business objective, it's important to define and share a vision to reach consensus. It's all well and good for one person or department to establish a business objective and subsequently attempt to convince others to participate; it's another to co-develop the vision associated with a business objective and work towards it together. Defining the vision includes establishing one "point person" as well as decision-making points and assigning owners to their respective areas of responsibility. It's a task that requires forethought and diplomacy.

Program definition

Defining a program requires consideration of many components including the measurable business objective, the vision, and the incorporation of data gathered from market research. "Big picture" thinking and attention to detail are both required as program definition includes keeping the objective in mind while thinking through the essential minutiae such as program terms and conditions, eligible products and partners, program administrative scenarios and financial elements. Program definition also necessitates working with several departments within one's organization including Legal, Finance, Purchasing and Information Systems, in most cases.

Data

Data drives decisions. Having access to reliable data in a timely manner is a defining moment in the process of

Program Readiness. This step alone can cost companies weeks - even months - of time that would otherwise be used to develop and deploy an effective channel program. By identifying what types of data will be needed, where it may be found, how often it is updated, defining the necessary file formats for data delivery, and forming agreements with the people who source the files for you well before program implementation, companies can save themselves costly delays and errors.

Define rules and processes

Business rules, payment processes, workflow and communications are significant program elements, and they need to be thoroughly considered within the context of the program objectives and the available resources on both the administrative and partner sides. Again, much of this work must be done together with your company's Legal and Finance teams and it can take time.

Reporting needs

Once the program, data, business rules and processes are defined, it's much easier to decide what kind of reporting is needed and possible. Who needs to see program reports and how often? What data will they need in order to glean the analysis required for their areas of responsibility? Does the program as it's defined enable the capture and reporting of the data all stakeholders will need?

Program adoption, training, rollout and communications

All participants must be informed of, trained on and communicated with well before a program is implemented and launched. Creating excitement and buy-in both internally and with partners is an essential part of program success. Much of the preliminary work in this area can be conducted at the Vision stage of Program Readiness, but the work here is ongoing. We recommend developing a plan that addresses adoption, training, utilization, rollout and communications both early and often over time, as well as measurements and fallback plans.

Final thoughts

There is no substitution for Program Readiness; it assures an on-time implementation of channel programs and all but guarantees higher rates of adoption and utilization. Minimize the risk and the costs of program implementations by conducting a Program Readiness assessment of your current and future programs. ❏

To find out more about CCI conducting a Program Readiness engagement for your company, please call me at 888.260.2667, extension 210.

Deal Registration

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need for a deal registration program or informs you of other ways to achieve the established objective. In either case market research will guide the next step.

DEVELOP AN EXECUTABLE STRATEGY

Once an objective has been established and market research has been conducted, a strategy may be developed. The strategy should map back to the objective and will act as a roadmap for program development. For instance, the research may dictate that it's most advisable to develop a program in which only Tier One partners may participate, or it may indicate that integrating a deal registration system with other systems (i.e., co-op program management) will increase the likelihood of partner adoption and utilization.

CREATE CONTROLS

Confidentiality, rules of engagement (i.e., how to register an opportunity within a division of a company versus registering an entire company, territorial restrictions and how they apply to deal registration, etc.), published deal registration criteria and enforcement policies - all of these elements must be considered, defined and created well before the implementation and launch of a program. Additionally, internal controls as mandated by the Sarbanes-Oxley Act (Section 404) are an important part of any financially based program and include requirements around separation of roles and maintenance of records. Therefore, any deal registration program should be developed with internal controls in mind.

KEEP IT SIMPLE

Program development, implementation, execution and management is complicated enough on its own, so it's advisable to keep it simple wherever possible. Some "keep it simple" best practices include:

- > Create easy to understand program guidelines, terms and conditions, and rules of engagement. This should include clear criteria on what constitutes a legitimate deal and your company's definition of each stage of the sales cycle. Programs that are easy to understand are also simple to manage and track, and partners can participate without a huge time investment which increases adoption and utilization;
- > Pay partners at predictable rates and times;
- > Integrate programs to provide partners with a mix of offerings that, together, are designed to empower the

channel with the tools they need to market and sell your products most effectively.

EDUCATION AND COMMUNICATION

Communicating, educating and training channel partners and internal constituents on not only the nuts and bolts of the program but also on why the program was conceived is a critical step in both the development and ongoing management of any channel program. In the case of new or additional programs, these steps are even more important in an attempt to overcome skepticism and distrust and to create opportunities for learning and retention of important information.

OTHER TIPS

- > Offer incentives for partners that meet important criteria of the program. For instance, if the sales cycle of your products tends to be long, it may be valuable to see deals registered earlier rather than later. If that's the case, consider providing rewards to partners who register legitimate deals early in the sales cycle (with "early" being defined by your company).
- > Enforce the rules.
- > Assure confidentiality and a "no conflict" policy by including territorial restrictions and non-compete clauses, and by providing view-only access to registered deals, as applicable. For instance, if you have a direct sales force that can compete with as well as sell in tandem with partners, it may be advisable to require direct salespeople to register specific types of deals, change their commission structure or limit their approval and view access into registered deals.
- > Do not limit deal registration to financial rewards such as credits, rebates and additional margins. Find out what types of rewards are most valued by the partners and try to offer a reasonable variety of rewards in your deal registration program.
- > Don't try to manage it all in-house. As with most channel and trade promotion programs, the total costs of developing, implementing, executing and managing a program oneself can be prohibitive. Outsourcing to experienced and reliable experts can mitigate risk, reduce the total cost of the program, increase the upside, and produce highly favorable results.

For more information on best practices around channel programs or to find out more about CCI's Deal Registration Module, please visit www.CCIonline.biz or call us at 888.260.2667. ❏

CCI Sponsors Channel Focus North America

Now in its ninth year Channel Focus North America is the conference that defines the strategies and tactics that leading vendors are using to grow their businesses. The conference has built a reputation for

producing the finest speakers who share how they are combining radical new thinking and proven strategies to successfully open up new and re-define existing channels, as well as sharing their channel sales and marketing methodologies.

The 2006 Channel Focus North America Conference is being held in Miami,

Florida, on April 25th and 26th. CCI is a proud sponsor of this annual event, and Bill Kelly, CCI's Vice President of Sales, will be presenting a session entitled, "Reaching out to tier two and tier three VARs- how do you do it?"

Visit www.baptie.com for conference details and to register today. Don't miss out

on your chance to receive \$200.00 towards one individual registration for the 2006 Channel Focus North America Conference by making a qualified referral to CCI before March 30, 2006.

For complete details on how to refer a friend and save \$200.00 please visit www.CCIonline.biz/refer today.