

# Adding Worth to Your Channel Program's **Value Proposition**



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Adding Worth to Your Channel Program's Value Proposition

## Introduction

In the channel environment, change happens at a continuously rapid pace. Partners who add significant value in the cloud and become trusted advisors to their clients are treated as equal business partners by leading technology vendors. This development puts the vendor's value proposition front and center. A compelling and effectively communicated value proposition is essential to gaining mindshare with current partners and recruiting new ones. This eBook provides a clear framework to understanding the value proposition and its need for reinvention in the age of digital transformation.



## It's Time for a Seismic Shift

Businesses need partners for different reasons than they did in the past. Partner implementation services are being marginalized through vendor promises of simpler technology experiences in the cloud. Customers no longer see partners as an essential part of the implementation of new applications – they think they can click the buttons themselves. But the challenges of using those applications to improve business productivity and solve operational problems are where customers continue to need help.

Businesses are bombarded with marketing messages suggesting that the cloud eliminates technology headaches. The value propositions of software vendors make it seem so simple. Google claims, “All you need to do your best work, together in one package that works seamlessly from your computer, phone or tablet.” Microsoft says, “Run your small business better with Office 365.” The list goes on, but the point is that statements like these reinforce the idea that software today is “easy as pie.” With hardware a thing of the past, businesses don't think they need a technology provider — just buy the licenses and off you go; simple as that, right? Not exactly. Many partners have war stories of the customers who did just that and now have cloud-based inefficiencies and disconnected business management applications. Vendors must craft value propositions for partners and customers that identify the challenges they are facing and convince them of the joint effort it takes between them to deliver a seamless business solution to the end user customer.



Adding Worth to Your Channel Program's Value Proposition

## Adding It Up for Today's Partner Value Proposition

Arguably one of the most important components of a new partner recruitment toolkit is your value proposition. However, many suppliers either bury their value proposition in generic buzzwords or don't figure it out at all. Lets break it down and define the key ingredients for creating a compelling value proposition.

- **Audience.** The first step is identifying the ideal partner profile you hope to recruit, along with the people within the partner organization involved in the vendor selection process. Starting with the audience helps create business propositions more relevant and persuasive to the audience and avoids recruitment pitches that are merely product descriptions in disguise.
- **Business Need.** Successful recruitment begins with understanding the target partner's needs and motivations, then building a partner business proposition explaining how you might meet them.
- **Financial Return.** A partner recruiter must be able to demonstrate that they can quickly and efficiently make money selling their offering. This means answering three fundamental questions:

**1** How much investment is needed to start selling and supporting a vendor's offering including training, staffing, and equipment?

**2** How much time will it take to break even on the investment?

**3** How much earnings can a partner make? Considerations should include average deal size, margin, pull-through services revenue, and cost savings driven by partnership.



- **Value Driver.** Beyond addressing the profit opportunity, the vendor must explain how the partnership will deliver value to the prospective partner's business and address their most urgent needs. Possible topics include brand strength; product quality and momentum; commitment to channels; and partner success, entitlements, and operational excellence.
- **Distinction.** Think of financial return and value deliverables as basic requirements of a game. Winning the game is contingent upon outlining a benefit that is important to the target partner and not readily available from your competitors.
- **Evidence.** A strong partner business proposition supports its assertions with qualitative or quantitative proof points. It relies on the results the product and partner program have produced to validate that the supplier can deliver on its assertions.

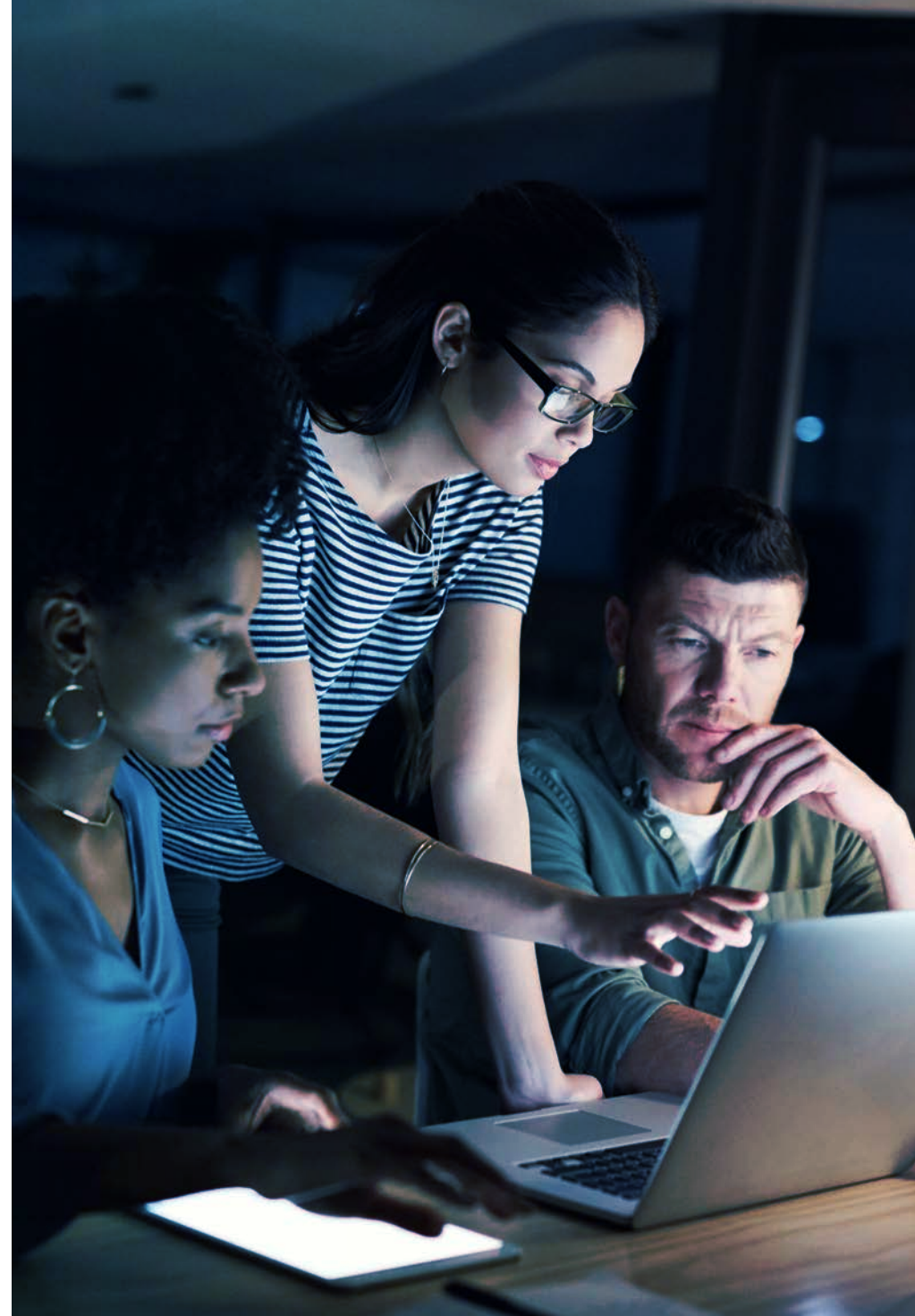
It's critical for channel sales and channel marketing to work together to test the perceived business proposition with current and potential partners to demonstrate your value, ability to deliver, and relative position to the competition.

## Closing

Often, partner value propositions are created from a vendor's perspective and done with an "after the fact" approach, adding up the benefits partners receive through a partner program. However, this approach has no relevance to whether such a value proposition has real value for the partner, nor does it necessarily accomplish what is important to them in terms of increased revenues, market share, and profitability. Only through careful listening and understanding a partner's business model can you craft a partner value proposition that is truly compelling.

### The Critical Role of Software

With the right software in place vendors are able to gain a fuller understanding of the impact their decisions have on revenue management strategies and objectives. The ideal software solution provides daily monitoring and tracking of performance against the plan, allowing users to see the numbers, see what's working, and see what to do next. Being able to nimbly adjust the remaining plan is paramount to reaching annual objectives for volume, revenue, and profit. Vistex is here to help companies achieve leading practice behaviors.



## Deployment Options | Run it your way

Whether you decide to run your systems on-premise, in the cloud or in a hybrid environment, with Vistex solutions your organization is empowered with unprecedented visibility into any program and performance. Gain deeper insight and enable fact-based decisions to drive revenue, control cost, minimize leakage, and streamline processes. With a range of deployment options for all your programs, you choose the way that works best for your business needs.

### Add the right option for your business



On-Premise



In Cloud



Hybrid

### How Vistex Adds Value

With the rising cost of customer acquisition, the rapid pace of innovation and intense competition for market share, high tech companies must monitor program performance, drive demand and protect margins for critical revenue growth. Vistex enables high tech companies through an integrated solution that manages the full breadth of direct and indirect channel management including CDM, contracts, pricing, ship & debit, rebates, Co-op & MDF, incentives and IP royalties. High tech companies can now improve profitability through automation of complex programs, insights into program performance, incentive calculation accuracy, overpayment avoidance, increased compliance, streamlined reimbursements, and better manage the entire revenue management lifecycle.

### About Vistex®

Vistex solutions help businesses take control of their mission-critical processes. With a multitude of programs covering pricing, trade, royalties and incentives, it can be complicated to see where all the money is flowing, let alone how much difference it makes to the topline and the bottomline. With Vistex, business stakeholders can see the numbers, see what really works, and see what to do next – so they can make sure every dollar spent or earned is really driving growth, and not just additional costs. The world's leading enterprises across a spectrum of industries rely on Vistex every day to propel their businesses.

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