

Through the Partner Lens: Crafting a Compelling **Value Proposition**



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Introduction

In the eBook *Adding Worth to Your Channel Program's Value Proposition*, the case was made for the necessity and timeliness of partner value propositions that keep up with digital transformation and other 21st century challenges. Once you consider its role in partner relationships, it is incumbent to craft something that is not only compelling but relevant to everyone along the channel chain. What is essential in crafting a partner value proposition through a partner lens is to avoid making this an internal process without listening to and getting input from your partners, or treating partner input as an afterthought. Best practices start with a blank slate and spending time with your partners who represent various business models and markets.

The more you attempt to understand the partner's market niche – including factors specific to their local geography – the better able you will be to present an argument for why *you* are the right choice for them. Look to tailor your pitch to their needs and be willing to make slight adjustments in contract negotiations to create an offer they can't refuse. Small compromises bring big boosts to partner sign ups.



Through the Partner Lens: Crafting a Compelling Value Proposition

Listening and Learning

The process of crafting a compelling partner value proposition requires asking your partners a series of questions. Their answers are an elemental part of creating a winning partner value proposition.



What are your objectives?

What do you aim to do with this products or service you're buying from us?



How will you measure success?

What metrics will determine if your purchase from us has met your objectives?



What will you gain from a successful experience doing business with us?

Are you making this both organizational and personal?



How will you decide the right vendor and service for you?

Are you able to put a partner profiling process in place?



What is holding you (the potential partner) back?

What challenges are you trying to overcome in growing your business?

The last question helps the vendor identify weaknesses in a (potential) partner's business model and organization. It will help you, as the vendor, determine whether this partner has the capability to be a solid business partner. It will also help identify certain services the vendor may offer that bolster these perceived weaknesses.

Once you have the answers to these questions, as well as answers to your other qualifying questions, you're ready to start formulating an offer showcasing how your products and services will deliver the desired partner value.



Street Cred

A winning value proposition is only believed when backed with examples. Provide potential partners with case studies and testimonials that exhibit the success stories of your business relationships. Results say everything.

You'll find that vendors with premature value propositions focus heavily on the strength of technology alone, with a cursory view of how to make money. Vendors in the middle of a channel maturity cycle have a more diverse value proposition, based on product strength, profitability, support structures, and business relationships. The advanced, channel-centric organizations provide a very detailed value equation by partner type. This allows the recruited partner to understand the working relationship with a new vendor as well as the investment required by the partner team. This value is well defined, and the partners are all trained at the field level for consistent delivery.

Vendors realize they are competing for partner mindshare, and the best-of-the-best develop compelling value propositions displaying the clear business case for each individual partnership. Successful customer case studies, sales/technical training and financial incentives and discounts, as well as MDF and deal registration are keys to piquing partner interest.

Keeping it Real

Partners look at the entire experience when selecting a vendor, not just the profit side of the equation. As a vendor, you have no choice but to deliver on the fundamental elements of the partner experience. Anything less, and you'll find yourself scratching for mindshare and wallet share, while simultaneously playing catch up. Put yourself in the shoes of the partner, and ask yourself what would be important to see how it adds up if it were your investment?

Buyers and partners alike are struggling to differentiate between solutions on the market, particularly when sales pitches are drenched in ineffectual buzzwords and industry jargon. Here are a few tips to ensure your company stands out from the rest:

Stay real and down to earth. Don't go overboard on buzzwords, even if you find them effective in buyer-targeted marketing. Make sure partners understand what your product *actually* does.

Have specific use cases handy. Understand what core problems your product solves and how it solves them.

Know your competition. Be able to explain how your offerings are superior and why. This is particularly crucial when dealing with partners who work with several competing vendors.

Let partners in on future plans. Go as far as to ask for their input and keep them in the loop on new product and service enhancements in the months or years to come.

Focus on lowering your partner's cost of doing business.

Growing revenue and acquiring new customers are certainly key priorities but showing partners how you can help them lower the business costs is an important differentiator.

Be easy to work with. Ease of doing business is the biggest determinant for partners. Even if a competitor is offering higher margins or more rewards, if they have a particularly burdensome workflow it's often not worth it for partners. They want to work with vendors who make it possible for them to do their jobs effectively, with minimal extra effort. An important aspect of this is automation and automated workflows that reduce the amount of effort to conduct business. Anything you can do to streamline your workflow, unclog communication bottlenecks, and get vital materials to your partners more smoothly will help maintain their loyalty.

Reporting the Results: How it All Adds Up

Once a vendor has effectively developed, communicated, and implemented the partner value proposition, the challenge becomes clear: how do you keep partners motivated to invest time and resources to proactively promote your solutions?

A vendor must communicate the value of the business relationship by demonstrating both the qualitative and quantitative benefits. One way to maintain top-of-mind awareness is to share visual reports and dashboards showing the ongoing benefits (programs, rewards, discounts, training, new customers gained, etc.) the partner derives from the relationship.

This reporting is most effective when displayed in dashboard format, presenting the correlation between the partners' efforts and the direct financial and other benefits they receive as a result. It is even more effective if this kind of reporting is expanded to show how a partner can further increase and expand these benefits by hitting incremental performance benchmarks through tailored actions and investments.





Conclusion

Digitization and automation in the channel help amplify the results of an effective value proposition. Partners want simplification, but they also still want a personalized experience. Digital transformation is the foundation, but vendors must emphasize a personal or “high touch” approach for partners as well, providing targeted information needed for each partner at critical moments. By understanding their business model and helping them realize how they can add it all up by wrapping their own products and services around yours, you will be able to better meet the needs of the customer while helping your partner grow their own business.

The Critical Role of Software

Once you've addressed these key factors, having the right software in place allows you to earn your street cred with a well defined value proposition that displays a clear business case for each individual partnership.

Recommended Reading: *Adding Worth to Your Partner's Value Proposition*

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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®

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