

Technology Leader Increases Service Revenue With Targeted Training & Incentives

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The client, a leading supplier of networking equipment, sells its solutions and services through 11,000 resellers to small- and mid-sized businesses around the world. Its partners did not understand the monetary value in selling its branded services—and what this could mean to their bottom line. They were concerned that, if they re-sold the vendor’s services, they would lose ownership of the end customer following the sale. As a result, sales of the vendor’s branded services through its partners lagged considerably. Sixty percent of products were not covered by service contracts, signifying an immense potential for protecting

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customers and putting more dollars in partners’ pockets.

The company worked closely with Vistex, to increase service revenue by developing a strategy to clearly communicate and demonstrate the value to its partners, and to enable them with critical tools. The solution included a robust training and communications component, paired

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with targeted incentives to drive profitable behavior. A marketing web portal, online presentations and videos, and quiz modules were designed to educate partners about the virtues of selling the client's branded services. Essential to the solution was a continual stream of new content through the portal and consistent communications to partners, targeted by role. Equally critical to success was ongoing management and fulfillment of targeted incentives using Vistex's Channel Rewards software.

By partnering with the Vistex team, the vendor achieved a triple-digit increase in service bookings—and earned an award for increasing its sales effectiveness—within the first year of the program. Its participating partners not only doubled their year-over-year revenue, but also significantly increased product sales. Ultimately, the vendor realized more than \$500M in incremental services revenue within four short years—and is currently on track to outpace itself.

Turning Talk into Action

We all acknowledge that selling services, rather than simply moving boxes, grows more important every day. Vistex partnered with the client to move from talk to action. The client's objective was clear—to grow service revenue through its 11,000 partners around the world who focused on small- and mid-sized businesses. A solid strategy was essential to making this a reality and focused on five primary areas: partner training and enablement, partner motivation, partner communication, demand generation and measurement. A key to the overall design of the program was to make it available to every partner without exception. The impact—incremental revenue of \$500M with results still growing. Originally launched in the US and Canada, the program has since been rolled out globally.

Keep Training Simple

At the time of program launch, only one-third of the vendor's more than 11,000 resellers had ever sold a service

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contract. The vendor anticipated a 50% growth in the SMB segment, making education a primary goal. The underlying premise of training development was to keep it simple through basic training guides, videos and at-a-glance information with 10 easy questions. More than 4,000 sales representatives were trained at over 1,000 reseller companies within the first year, and this number is steadily growing. New training is introduced each quarter, focused in areas that most closely align with the vendor's business objectives and priorities.

Motivate Partners with Relevant Rewards

Incentives have been a significant element in encouraging partners to engage in the program. The program rewards resellers at both the team and individual levels as they complete training modules and sell services. The more points they earn, the more eligible they are for prizes. The vendor offers high-tech giveaways and joint marketing funds each quarter. Vistex's Channel Rewards solution has made it eas-

ier for the vendor to deliver these rewards to their partners around the globe—without breaking the bank—while clearly viewing and analyzing ROI. Using this simple, transparent system, vendors can drive preference and loyalty among their channel partners across the partner lifecycle—from recruitment through retention—with support for various languages, local currencies, and tax options that reduce future VAT/GST reclamation efforts.

Team Up to Generate Demand - and Achieve Success

Joint marketing has been an important ingredient in the success of the program—extending resources for both the vendor and its global partners. Marketing funds are awarded on the basis of product sales and training completion points in six-month increments, and these funds are used to promote the vendor's services. To make these promotions an easier proposition for partners, the vendor offered a campaign builder through which partners could initiate and

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Since program launch, the vendor has achieved more than \$500 million in incremental revenue while participating partners have doubled their revenue

manage marketing campaigns with the choice of eight pre-built campaigns. Activities include direct mail, telemarketing, web site support, and lead generation.

Clear, Consistent Communication is Key

Effective communication to partners of this new program was critical to its successful adoption. The first goal was to clearly communicate a solid value proposition to partners—and this came in the form of higher sales and higher margins. By selling services, partners could increase cash flow and margins while penetrating new markets and improving competitive advantage.

Measure and Evolve

Results are crucial—and the ability to measure and evolve efforts based on these results is imperative. Since program launch, the vendor has achieved more than \$500 million in incremental revenue while participating partners have doubled their revenue. Most importantly, partners have not only increased the sale of services, but also the sale of products. The bottom line—the program has garnered the vendor a far more loyal and engaged partner base.

Make More. Keep More. Grow Smarter.

