# Channel Executive Council EMEA Roundtable Summary

**Lisbon, June 2024**

## Motivating and engaging with partners if you're not one of their biggest vendors?

A discussion on how to build and expand relationships with partners when you're not one of their primary vendors.

## Overview

Most partners deal with 10 – 16 vendors, meaning all but the very largest vendors (e.g., Microsoft) manage some of, or all, their partner relationships where they are a small part of the partner's business. This can either be due to the nature of a vendor's business, where the offering only covers a small portion of the tech stack, or due to competitors handling the majority share of the partner's business.

At the Channel Executive Council EMEA meeting in June in Lisbon we held an open conversation on how vendors can actively grow mindshare and business with partners where they are a minor vendor. The conversation highlighted the importance of understanding the partner's viewpoint for such relationships. Vendors need to not only develop their own product, but also their interoperability with the wider technology ecosystem. It also raised the importance of distribution in managing the long tail, but also its limitations in building trusted, lasting partner relationships for vendors.

Under Chatham House Rules, none of the participants are identified and the conclusions coming from this discussion are open to all.

## Discussion Highlights

- The overall market is sufficiently large and growing fast enough to support a wide range of vendors. It is therefore only natural that a vendor holds many partner relationships where their product and engagement is not a top priority.
- Partners are naturally focused on their largest vendor relationships, which often come with a depth of relationship (experience and expertise) and trust.
- It takes time to build this trust, which provides a significant barrier for vendors with limited resources. Building this relationship requires an open-minded approach focused on demonstrating how the vendor can support partner growth.
- Self-awareness is vital. If you have a specialized offering, recognize how you fit into the overall partner offering – e.g., could you support growth in service revenue, or help drive AI implementation at customers. Above all you need to help solve the partner's problems or white space.
- Vendor size matters. Smaller vendors should focus on how their offering opens new markets or complements the partner's existing offering. For larger vendors the challenge is greater since building share of wallet often involves displacing an existing vendor. For all sizes of vendor continuously building momentum (i.e., not losing focus) through data, success stories and finding champions within the partner is vital.
- There is an inherent paradox that needs to be overcome. The best relationships are based upon a personalized touch, but this only makes financial sense for the largest relationships. Smaller relationships are often managed in bulk, or as part of the "long tail", which often provides the opposite experience. Growing share therefore requires careful program prioritization:
    - Partner programs for smaller vendors need to be as simple and as automated as possible. e.g., remove rebate, Deal reg etc. and make sure we don't add promises as part of a general program which will not be relevant. Will partners doing limited business realistically warrant MDF and other more complex items? Automate as much as possible, remembering that if partners have 10-16 vendors will you warrant the time and effort to complete the paperwork?
    - Training is vital in building partner mindshare and internal champions. Consideration is required on whether to incentivize training, as well as the best medium (webinar, web-based, or in person) for delivering this.
    - Partners do not operate in isolation – partners talk to other partners so creating partner evangelists, sharing insights from a partner's peers, and understanding the communities they are part of can greatly help build your influence.
- Traditional partner tiers (precious metals) and distribution models are a particular challenge in growing relationships. Partner outreach is a requirement to ensure a vendor isn't forgotten, but it must be well judged – relevant and providing future hooks for building business & relationships.
- A single on-line hub for partner technical support can work but often fails as, only rarely can it be sufficiently customized to provide valuable content for a smaller partner. Smaller partners require an escalation process where partners who need it can escalate and quickly talk to a person who can help.

- Tools and technology can automate parts of onboarding and marketing, but are better used as an enabler for CAMs / PAMs in doing their jobs rather than a replacement.
- A Partner Relationship Management system provides scale, but can never fully replace person-person engagement. It can however support partner segmentation and help provide more tailored content. It is also a vital record of prior engagement to ensure conversations are not needlessly repeated. AI can also help ensure partners get the information they need quickly and easily.
- For certain partner types, notably MSPs, vendor consolidation is a growing trend. MSPs typically sell a stack of technology, which helps reduce time & actual costs in maintaining relationships (e.g., multiple QBRs, training). Vendors working with such markets need to develop a strategy to ensure they have sufficient scale or ecosystem benefits to be one of these vendors, multi-tenancy is a must.
- Building a successful channel program is all about people and communication. The most productive means of identifying "hidden gems" in the long tail are:
    - Breaking down any silos between direct sales and channel teams to identify opportunities
    - Direct feedback from customers (either existing or target) also provides valuable information to support growth
    - Working with other vendors in your ecosystem also provides upsell and growth opportunities
    - Automating as much as possible can increase the number of partner accounts covered by each CAM and can help ensure that communication is of sufficient quality to drive future growth and partners feel valued.
- New AI tools, using mass datasets from websites, can also help identify and segment partner offerings. Combining this data with an understanding of a vendor's core strengths, such as most productive verticals or solutions offered, offers new opportunities

## Conclusions

The most valuable partner relationships are based upon trust, which takes time to build. For all but the very largest vendors managing and growing relationships with partners where you are not a Top 3 vendor is a core part of the channel program.

- **Partner – Vendor relationships take time to build:** Trust is built through time through quality, personal / personalized interactions. This is hard to achieve through traditional distribution, or for partners in the lowest tiers of traditional channel programs
- **Less can be more for Partner Programs:** When time & attention is limited, simplicity is vital. Training is the most important long-term component in building comfort and advocates for a vendor's offering.
- **Help partners achieve their goals:** Stressing how your product is better than your competitors is often counterproductive. Partners care far more about how your product can enhance *their* existing offering, or help drive priorities such as service revenue or AI offerings.

- **Build on your successes:** Momentum is vital and it can run both ways. It is vital not to waste a partner's time, for instance by covering the same ground in your communications. Curated content and training can also be provided at scale.
- **Communication and collaboration is key in identifying "hidden gems":** Direct sales teams, existing customers and other vendors in your ecosystem all hold valuable information that can support the identification of "hidden gems". This can be supplemented by new tools and PRM systems that support CAMs / PAMs in building relationships.

Above all partners want to make money. Vendors can support this by being simple, predictable and profitable. Communication needs to respect the cost of a partner's time and attention. Engagement needs to be focused and relevant that builds on prior conversations.

[END]

In partnership with: