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Energize Your Sales Channel

By Janet Gregory

Selling products and services through a sales channel is a very effective way to expand your business. As with all relationships, you need to keep things fresh, interesting and growing. The golden rule to energizing your sales channel is that “**it’s not about you, it’s all about them.**”

Sounds one-sided? It is. And it isn’t.

It is one-sided because the *actions* that you take to energize the sales channel need to address *their* interests and motivations. Companies are a lot like people. They respond well to things that interest them. The sales channel will invest time and energy into activities that will benefit their business. If you want the sales channel to take notice, take action and achieve greater results, then figure out what’s in it for them.

It isn’t one-sided because the *results* of energizing the sales channel will benefit *your* business. Your company established a sales channel to achieve results that it was unable to achieve alone. The sales channel expands your business in ways that you may not be able to do alone by providing access to a different set of customers, providing a more complete solution to customers and extending the reach of your organization. Invest in the sales channel to access customers, to offer complete solutions and to extend reach; business growth will result.

Selling products and services through a sales channel is a very effective way to grow both businesses. The purpose of a successful relationship between supplier and sales channel is for both businesses to...

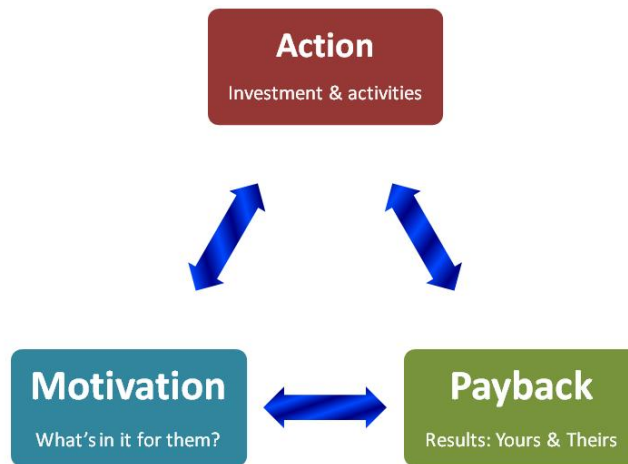
**Sell more,
Make more money, and
Meet customer needs.**

Let’s use a fictitious company, ExampleCom, to help illustrate this. ExampleCom is a communications vendor that sells products both direct and through sales channels. Their business originally started with a direct sales force and later added a sales channel. The sales channel helped to increase sales by expanding geographic coverage that was just not cost effective for direct sales operations. This resulted in increased sales for both ExampleCom and the sales channel; everyone was making more money at the top line and the bottom line while meeting customer needs.

It is a balance because the actions that *really* energize the sales channel will result in growth of your business and their business.

- Balance is like applying Newton's law of motion to business "to every action there is an equal and opposite reaction." *Translation to Energize the Sales Channel:* Actions that energize the sales channel will result in sales growth. Actions that de-motivate the sales channel will slow business growth and cause sales channels to defect to other vendors.
- A balance sheet in financial accounting is where assets equal liabilities plus owner's equity. *Translation to Energize the Sales Channel:* Sales results equal action and investment of both the vendor and the sales channel. Poor sales performance equals inadequate (or incorrect) investment and motivation.

ExampleCom found balance easy to achieve in the early years. The same marketing campaigns, sales training and incentive programs were rolled out to both direct and channel sales. It was easy in the early years for ExampleCom, there was little overlap or conflict between direct sales and channel sales. This was a successful partnership. ExampleCom and their sales channel shared the same motivations, so that a similar set of action delivered results that pleased everyone.



Companies with a mixed go-to-market plan that combines channel sales and direct sales have the most difficult time finding balance. Depending on how the scales of the sales balance are tipped, de-motivating attitudes toward the sales channel can range from complacency to repulsion. Too often the words "necessary evil" are heard in the hallways of companies with mixed channels. This does not need to be the case.

ExampleCom's business was successfully growing as the communication industry was expanding, becoming more competitive and more complex. They were happy with their growth but internal friction was growing between direct and channel sales operations. They were continuing to roll out the same programs to direct and channel but were finding that the results were not meeting their expectations. Direct sales responded with strong performance but the channel

was not. You could hear people in the hallways question the value of the sales channel. ExampleCom considered running sales and marketing programs *only* for direct sales. The relationship was shifting from partnership to symbiotic. At the coffee station one morning there was discussion that “Channel partners were their own independent business, so they should run their own programs. They should invest in their business; we shouldn’t be spending our time and money. We get better results from direct sales.”

A vendor has clarity of purpose, focused on their business and product offerings. Members of the sales channel carry multiple vendor products which will require a vendor to vie for mind-share. This is quite often the primary fuel for negative attitudes toward a sales channel. Recognizing and embracing the fundamental difference that vendors are single-track focus while sales channel members are multiple-track focused will help better identify what motivates the sales channel.

It is a benefit, not a disadvantage, that sales channel members carry multiple products and offer a variety of services. This multi-track focus is precisely why the sales channel is important to your business. Customers look to your sales channel to deliver a more complete solution, than you can alone. The sales channel provides broader and deeper geographic coverage than you can alone. They add a layer of expertise and provide customers with choice necessary to making informed decisions.

ExampleCom had been advancing its products and adjusting its business to meet the demands of the changing communication industry. ExampleCom was now a public company and driving results were a top priority. Members of ExampleCom’s sales channel were also changing their business as customer needs grew more complex. Customers wanted a local “partner” that would help them make multiple vendor products work together to solve business problems. Customers wanted the local “partner” to provide implementation, training and on-going support. The sales channel had been advancing their product portfolio and adding new areas of expertise to meet the demands of customers as their needs changed.

You are fighting for mind-share. To energize the sales channel apply actions, energy and investment in activities that will benefit the channel while yielding the results you are looking for. Energizing the sales channel is about motivating *them* to action. Companies are a lot like people; all motivation is internal, the channel must be self-motivated. Your marketing and sales programs must appeal to their internal drivers. The sales channel will not respond or take action unless *they* want to. They will *want to* if you know what’s in it for them (See article [“Re-master Your Sales Channel”](#) on the KickStart Alliance website).

The motivation for each member of your sales channel may be slightly different but priority groupings will be apparent. Pick the predominant channel priorities and design your sales and marketing programs to align with them. The KickStart Alliance team can help you build successful sales and marketing programs specific to your business.

ExampleCom conducted some customer advisory board meetings which provided clear identification of the value that the sales channel delivered to customers. This in turn revived ExampleCom’s understanding of the added value that the sales channel provided to their own business. ExampleCom developed

an action plan in collaboration with their sales channel that resulted in sales success. Below is a brief summary of the program.

Channel Offers Multiple Similar Products

- Motivation
 - Channel offers multiple products and wants to provide customers with a choice.
 - Vendor wants involvement in more buying decisions.
- Actions
 - Vendor provides comparative grids, case studies, critical qualifying questions and sales training.
 - Vendor & channel jointly develop product portfolio position for best customer fit.
 - Channel provides website visibility, sales comp and expertise.
 - Joint webinars and/or seminars to help educate customers on how to make the right decision.
 - Joint incentive programs for competitive wins, customer case studies & sales success stories.
- Payback
 - Customer makes informed decisions.
 - Channel becomes a trusted advisor and wins long-term relationship.
 - Vendor products or services are selected and wins more business.

Energizing the sales channel can be simple and straight-forward. Lose the lip service and build programs that motivate the sales channel. Follow the golden rule when designing programs and your channel partners will be your strongest advocates. **It's not about you, it's all about them.** But, that's only if you want them to sell more, make more money and meet customer needs.

Janet Gregory is a veteran sales executive and co-founder of KickStart Alliance. For assistance with sales strategy, sales planning, training, compensation or any aspect of sales operations, contact [Janet](#). Janet leads the sales readiness practice at KickStart Alliance. For help in aligning sales & marketing for results contact any member of the [KickStart Alliance team](#).