

# Activating All Resellers Within Your Indirect Channel Network

**Whitepaper Brief:** Learn how to turn inactive resellers into active ones, by motivating, defining business impacts, and implementing an enhanced communications plan

## Key Take-Aways:

- ❖ Understand reseller's needs
- ❖ Qualify your brand's impact
- ❖ Quantify your brand's impact
- ❖ Show them how they'll make more money
- ❖ Demonstrate how they'll differentiate their business with your brand



## What we have learned about **Activating** channel resellers:

Many of your resellers are registered with you just in case they come across a new sales opportunity, even though they are not actively selling your brand. Learn how to make the business and market case to get behind your brand to accelerate their business growth. Resellers respond and become active with brands that are easy to sell, align with their business strategies and help them rapidly grow their revenues and profits.

## Your Successful Channel's "Activate Resellers" checklist:

### A) Define your reseller's motivations

- Business needs
- Motivations
- Brands sold
- Brand sales
- Skills

### B) Qualify impact of your brand

- Brand value
- Bundling
- Complementary
- Collaborative selling
- Business reputation

### C) Quantify impact of your brand

- One year
- Product margin
- Gross margin
- Dollars
- Total revenue

### D) Communicate the impact of your brand on your reseller's bottom line

- How-to
- Pricing training
- Brand partnering
- Calculators
- Forecasting

### E) Communicate how your brand will make it easy for reseller's success

- Selling tools
- Closing tools
- Case studies
- Role playing
- Market statistics

**Activating** your channel is the biggest opportunity to generate accelerated revenue for your business this year. For the majority of companies using an indirect channel to sell and service their business, 20 percent of the resellers receive 80 percent of the revenue. Imagine the impact to your top and bottom line if you are able to activate the other 80 percent of your channel network to generate new deals. This white paper defines proven practices to activate your passive channel resellers and improve their productivity and revenue generation.

Moving the 80 percent of your channel resellers from passive to active status starts with understanding their needs and motivations. The sooner you can figure out what drives their behavior, the sooner you can get them moving to drive your revenue. Business people like to do things they understand, are comfortable doing, and are confident they can be successful doing. Below is a summary of factors to carefully study about your channel reseller network to help activate their selling and marketing efforts.

### **What You Need to Know About Your Channel Resellers**

- ❖ **Business Needs:** Understand their business goals, priorities, success barriers, resource requirements, staffing support needs, training, and marketing support needs
- ❖ **Motivations:** Understand their fears, concerns about competition, pending regulations, attitudes toward growth, and perceptions about the future
- ❖ **Brand's Sold:** Maintain an inventory of current brand's sold and the role they play in the reseller's business
- ❖ **Brand Sales:** Monitor the top three brands that your resellers sell and how they support these brands
- ❖ **Skills:** Monitor and record the skill levels and specialties of your channel network



Companies / suppliers that understand and deliver on the needs and motivations of their indirect channel network always get a disproportionate share of their attention. If your company can become the vendor that is perceived to understand their needs better than anyone else and can make it easier for them to be successful, you can get a greater share of their time. If you can demonstrate that you are meeting reseller needs and will follow through and deliver on these needs, you'll be in an excellent position to activate a good number of your passive resellers.

Assuming that you have surveyed your resellers and elicited their input on your business strategy, you can use this knowledge to build your "activation" case to your resellers. One

key strength that you have is the value of your products and brand, and how they help the reseller’s business. A reseller’s value proposition is heavily influenced by the “borrowed equity” that comes from the brand they choose to sell. This equity is the free value you provide to help resellers penetrate new accounts, open doors, and provide instant credibility in the market. It is important to remind your resellers of these brand attributes and reinforce these value dimensions within your channel activation efforts.

**Making the Brand Impact Case to Your Resellers:**

- ❖ **Brand Value:** Demonstrate how this borrowed equity can make a reseller’s business much bigger and more of a player in your local marketplace
- ❖ **Bundling:** Highlight packaging opportunities with other reseller brands to increase average transaction size and appeal to more customers
- ❖ **Complementary:** Highlight how the sale of your brand can help drive complementary reseller delivered services for enhanced revenue
- ❖ **Collaborative Selling:** Provide collaborative selling opportunities with your in-house staff
- ❖ **Business Reputation:** Provide guidance to resellers on how they can enhance the positioning and packaging of their brand, leveraging the equity of your brand



Your resellers recognize the value of using your brand to build their business. But they don’t always fully leverage this feature or understand how to put your brand into action to generate more sales. A “how-to” workshop approach on making your case to your resellers will help reinforce these values and help them modify their website, messaging, product and services packaging, and other selling and marketing strategies to support revenue growth.

Once you have qualified the impact of your brand on a reseller’s business, quantifying the impact makes this analysis more tangible in dollars and cents. There are limits and/or regulations on how much guidance suppliers can provide their resellers on pricing and packaging of your products with your reseller’s solutions. However, is useful to provide illustrations and exhibits of potential revenue and profitability scenarios they could realize from selling your products. This kind of guidance can be delivered as a part of business and financial management training that could be offered to your resellers. This allows you to highlight the financial impact that will come from selling your products and services, and will serve as a tool to help your reseller’s build their own pricing policies and margin strategies.

## Quantifying the Impact of Your Brand for Your Resellers:

- ❖ **One Year:** Create illustrations of your brand’s economic impact, including average deal size, estimated number of deals, and average one year revenue
- ❖ **Product Margin:** Provide calculations of typical product margins earned from your product and the margin possibilities resulting from accelerating growth
- ❖ **Gross Margin:** Create margin calculators to help estimate gross margin potential for their business
- ❖ **Dollars:** Communicate the margin dollars that result from direct sales and indirect services margin sold with your products
- ❖ **Total Revenue:** Highlight the overall impact to gross revenues with modest increases in market penetration in their local area



Resellers have a good sense of what they can do in their local market with your brand. However, they don’t often calculate the total revenue, margin and profit impact of an expanded selling strategy. Take the time to actually do the math for them and provide the tools to help them calculate the impact themselves. They are looking for relatively easy paths to profitable growth; if you provide them with a road map and an illustration of how this can be achieved, you will **activate** them to support your brand.

Now you have a better idea of the kind of exhibits and tools that should be put into the hands of your sales team and your resellers. The key to changing their behavior is to provide the tools that are most likely to be used by your resellers. Keep in mind that pricing, packaging and selling your solution is not something they do every day. Hands-on, how-to tools that resellers can use in their daily activities are the most useful and are more likely to change their behaviors.

## How to Communicate the Impact of Your Brand on a Reseller’s Bottom Line

- ❖ **How-To:** Build a “how-to” guide for resellers to leverage your brand with actions they can take on their website, in their campaigns, in their sales scripts, and other communications to differentiate their business
- ❖ **Pricing Training:** Help your resellers go beyond simple cost-plus pricing to create differentiated packages that are difficult to compare, offer good value and great margin



## How to Communicate the Impact of Your Brand on a Reseller's Bottom Line (continued):

- ❖ **Brand Partnering:** Identify and negotiate brand partnering opportunities with other complementary solutions to increase market appeal, average deal size and enhanced reseller margins
- ❖ **Calculators:** Provide your resellers with web-based or spreadsheet-based margin calculators to help visualize the margin potential for these differentiated pricing strategies
- ❖ **Forecasting:** Provide web-based or spreadsheet-based forecasting calculators and tools to help resellers estimate revenues, product sales, margin, profitability and ROI

You won't be the only vendor saying you can generate revenue by selling more of your products, it is demonstrating specifically what this can mean to a reseller's revenue, gross and margin and ROI. Take the extra time to actually calculate the impact to revenue, or provide the tools for your resellers to do it themselves.

One of the biggest misses for vendors is failing to provide the folks on the front line the support they need to close deals. Reseller sales executives are on the front line where relationships are built and where deals are won or lost. Reseller sales executives will tell you they need strong closing tools to get a prospect from simply "interested" to "ready to sign a Purchase Order". Below are some pragmatic tools that will help separate you from your competitors and win the hearts of the reseller sales team.

### Closing tools to Win Hearts of Reseller Sales Teams:

- ❖ **Selling Tools:** High value tools for reseller reps include "handling objections," "how your brand is different," and "reasons to buy" briefs to use with prospective customers
- ❖ **Closing Tools:** Providing reps with TCO (total cost of ownership) calculators and competitive advantage summaries can help push deals over the edge
- ❖ **Case Studies:** Examples of your brand's solution in action with other customers adds credibility to the sale
- ❖ **Role-Playing:** Involving reseller reps in role-playing sessions to put these selling tools into action is highly valuable for practical experience in selling situations
- ❖ **Market Statistics:** Providing reseller reps with statistics on superiority metrics, market trends, and other insights with cited sources adds credibility and authority





You have already made an investment in your approved resellers. The lowest cost and highest return activity you can employ is getting these existing on-boarded resellers to produce more than they are producing today. Winning their hearts and providing them with tools to help them succeed can yield substantial increases in revenue and profits for your business.

**Five things you can do to activate passive resellers in your network:**

- ❖ Define motivations
- ❖ Qualify Impact
- ❖ Quantify Impact
- ❖ Bottom Line
- ❖ Easy Success



## About



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