The Seven Success Factors of Partner Marketing

and how to use them in your business

A research paper undertaken by coterie
in association with the University of Huddersfield

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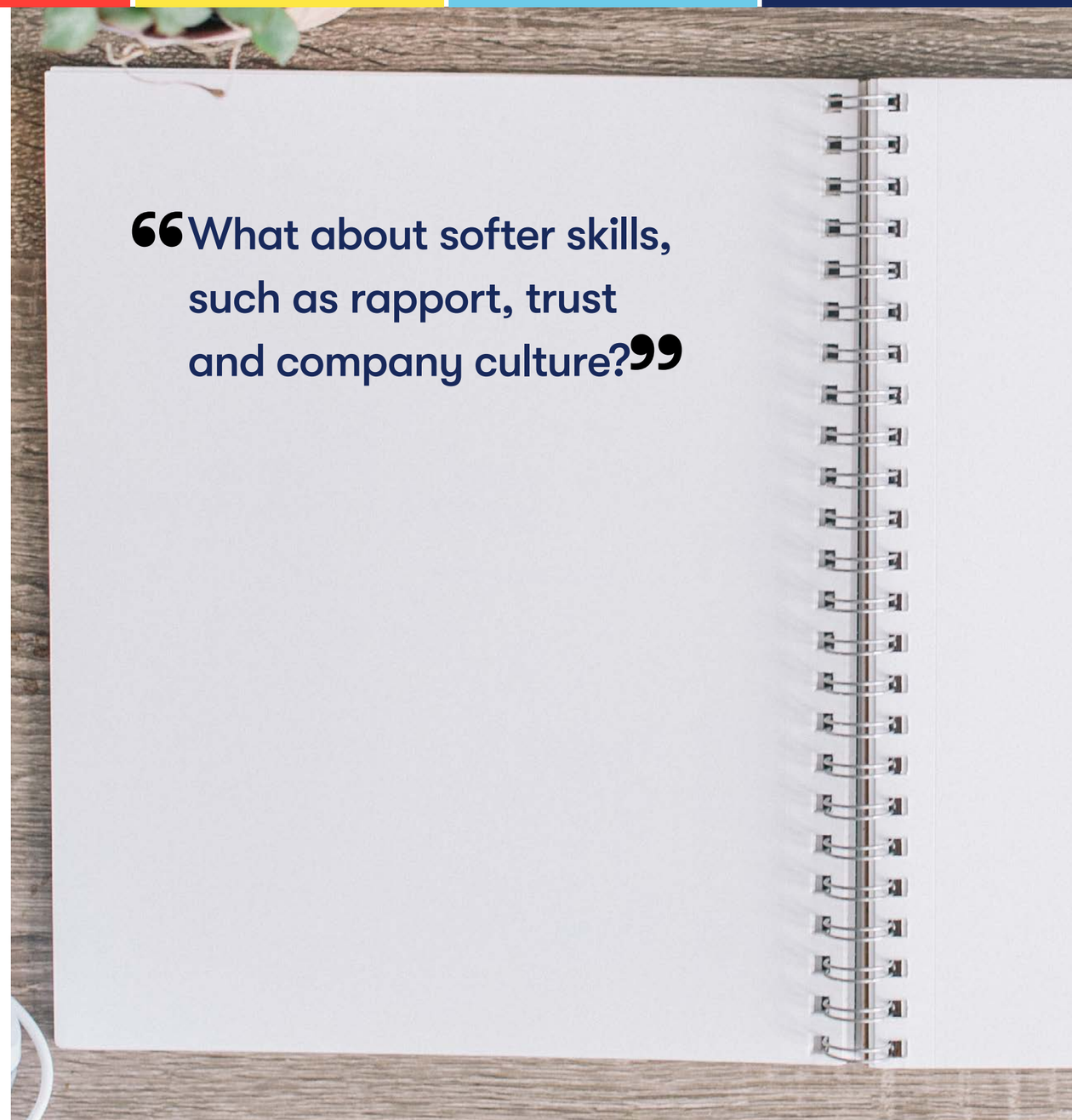
Summary of the research

Does Partner Marketing really help to make your business successful?

The answer is a glittering '**yes**' if you're an Apple, Nike or Microsoft and have formed partnerships that go on to light up the world – but more often than not, a dismal '**no**' for the thousands of other companies whose hard work fizzles out into nothing more than an expensive box-ticking exercise. **coterie** wanted to find out how to make Partner Marketing work for every business.

The concept of Partner Marketing has been around for years yet we still have very little insight into why some partnerships work and others simply don't. **Is it all down to money, tools and resources or do human factors influence the outcome?**

Working with The University of Huddersfield, **coterie** conducted a research project to explore the reasons why IT and telecoms businesses are choosing to take their products and services to market through partner channels, and what the factors are that impact success or failure. Importantly, the research looked beyond the obvious tangible influences and explored the role that softer skills, such as rapport, trust and company culture have to play.



Key findings:

When exploring the success factors of Partner Marketing, consistent themes began to emerge which we have classified in to three macro categories:

1 People
2 Strategy
3 Culture

Our research showed that these three factors were not stand-alone; there were significant relationships between them which subsequently influenced success.

So, in answer to the question; 'Does Partner Marketing really help to make your business successful', by which we mean to create successful business outcomes and fulfil the promises offered by each partner – there is no doubt that with all three elements; people, strategy and culture in place at all times, the answer is YES.

By thorough investigation of this research, **coterie** is now able to offer practical recommendations, and resource, for businesses who want to make the most out of their Partner Marketing investment and to provide them with the best return.



Introduction

The increasing complexity of IT solutions, and the need for interoperability between technologies, has led to a significant growth in partnerships (e.g. Android and Apple). As enterprise customers look to digitally transform their businesses, their focus is shifting towards solutions that deliver total business outcomes and they are becoming less interested in the individual technological elements. They want to be able to buy and consume products and services that work together, across hybrid environments and multiple locations. Increasingly this is delivered through partnerships and Partner Marketing.

Estimates suggest 'upwards of two-thirds ($2.5 trillion) of IT products and services sold to U.S. businesses flow through, or are influenced by indirect channels in some way.' CompTIA 2016

Even when a defined Partner Marketing approach is taken, the potential for greatness can be negatively affected by time wasted in endless meetings, unspent marketing development funds, unspecified processes and inadequate skills and training. Add to this the growing impact of cloud computing, and the shift to an overarching service orientation, and it's safe to say that while Partner Marketing programmes have the potential to change profit streams dramatically, this will only happen if Partner Marketing is done with the right partner, in the right way, at the right time and with the right marketing activity.



Research questions

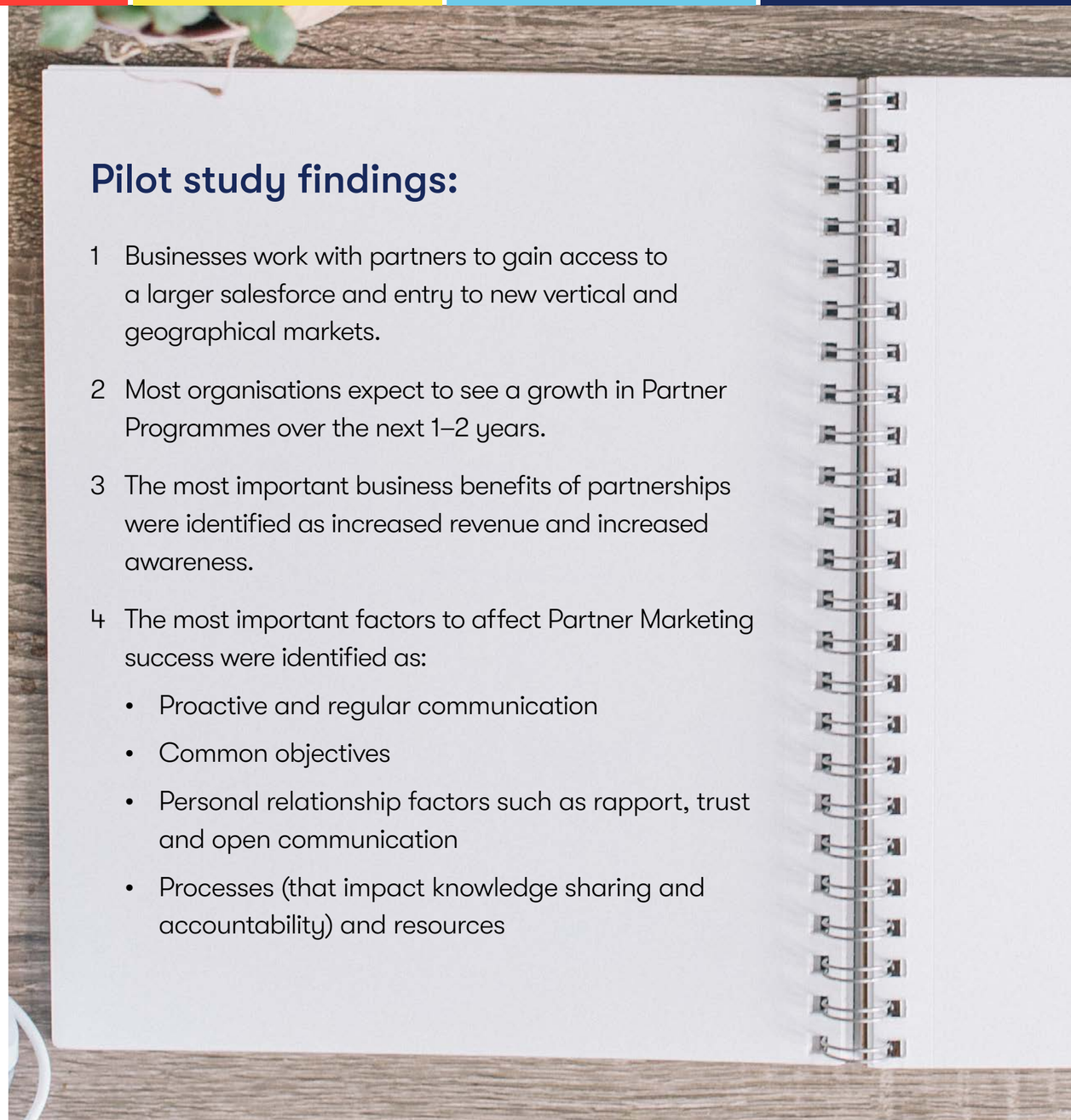
The research we undertook was to find out what it is that really makes Partner Marketing a success. We broke this crucial question down into three sub questions so that we could accumulate answers to give us the necessary data to deliver a succinct and comprehensive resource pack for businesses to develop on:

1 What are the principle objectives for engaging in Partner Programmes?

2 What are the identifiable factors facilitating or obstructing Partner Programme success? Of these, are some more important than others?

3 What organisational, personnel and managerial factors impact upon Partner Programmes positively or negatively?

Our research included an online pilot survey and a series of semi-structured, qualitative interviews with specialists in the IT and telecoms industry.



Pilot study findings:

1 Businesses work with partners to gain access to a larger salesforce and entry to new vertical and geographical markets.

2 Most organisations expect to see a growth in Partner Programmes over the next 1–2 years.

3 The most important business benefits of partnerships were identified as increased revenue and increased awareness.

4 The most important factors to affect Partner Marketing success were identified as:

- Proactive and regular communication
- Common objectives
- Personal relationship factors such as rapport, trust and open communication
- Processes (that impact knowledge sharing and accountability) and resources

Seven Success Factors

Building on the pilot study finding and through a series of qualitative interviews with specialists in the IT and telecoms industry, the research uncovered detailed information relating to individual experiences of Partner Programmes. Across different organisations, industries and geographies common themes emerged: **The Seven Success Factors.**

On analysis, these seven factors fell in to three macro categories:

1 **People**
Human factors; Marketing skills, proactive communication and rapport

2 **Strategy**
the importance of decision making and offering a differentiated proposition

3 **Culture**
the availability of resources and the significance of managerial support

Two key questions emerged from our analysis;

If we know what makes Partner Marketing successful, why is it not happening consistently throughout the industry worldwide?

And;

What do businesses need to be doing within each of the macro categories to drive successful Partner Marketing that delivers positive business results?



Taking each of the macro categories in more detail, let coterie tell you the answers ...

People

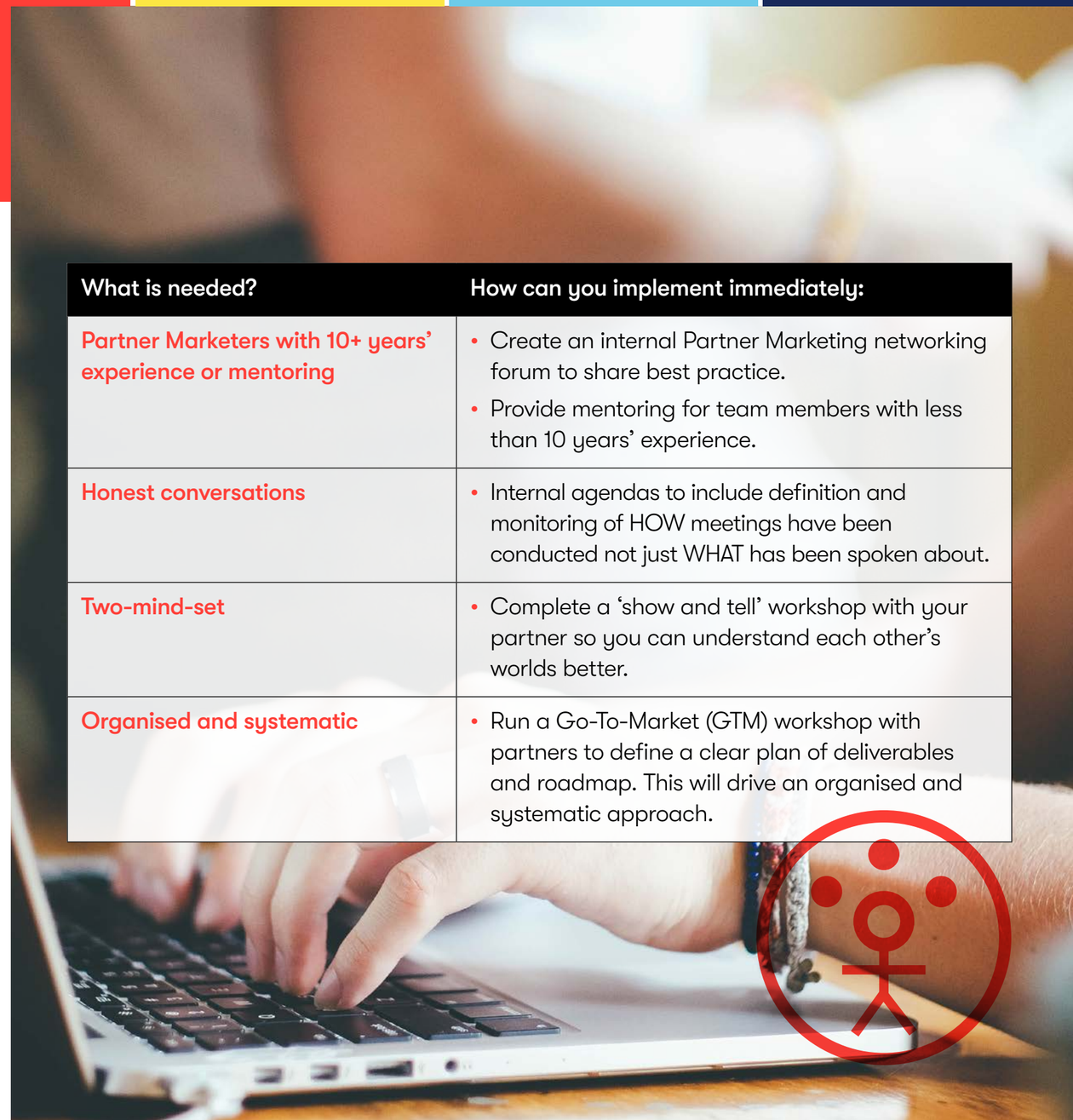


People: How to get the most out of your Partner Marketing network

1 Marketing Skill:

> “Most relationships don’t fail because of the good things, it’s all the bad things that happen along the way. You have to get some of the bad stuff out of the way before you can move on.”

Experience and maturity of the Partner Marketers is crucial, with the general consensus of respondees agreeing that somebody who had a varied background, and could therefore draw on a wide knowledge base, understanding what was required and to be able to work within the partnership is what makes a truly effective Partner Marketer. “If you came into a Partner Marketing role within an organisation new, not having done it before, I think it would take 10 years to build up those skills and get there.”



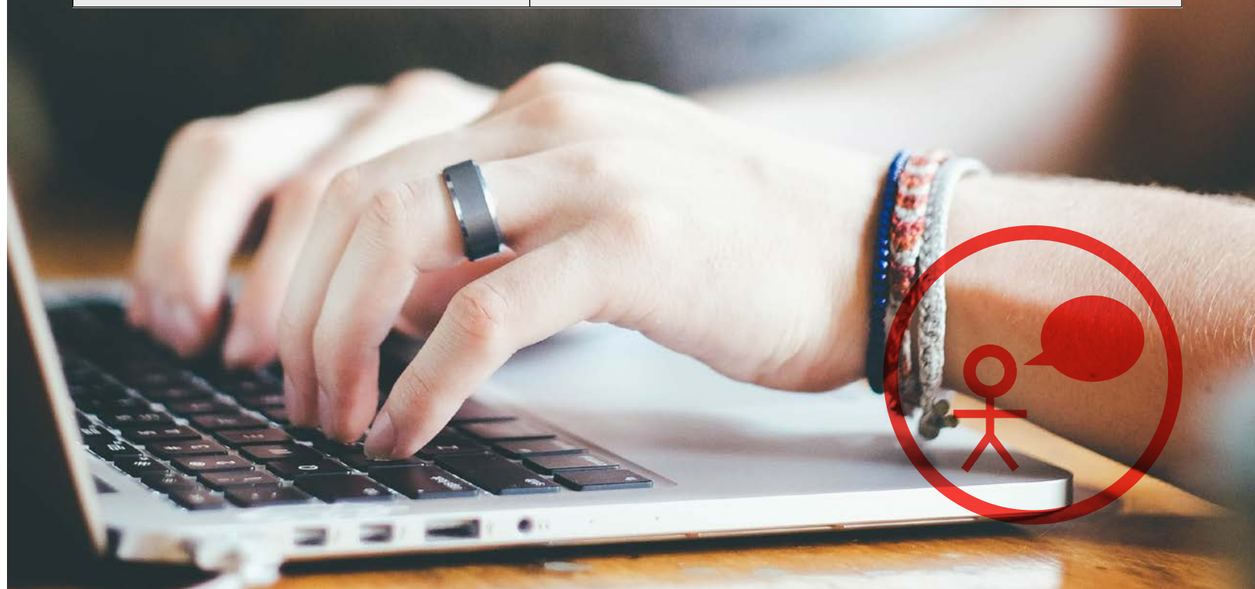
What is needed?	How can you implement immediately:
Partner Marketers with 10+ years’ experience or mentoring	• Create an internal Partner Marketing networking forum to share best practice. • Provide mentoring for team members with less than 10 years’ experience.
Honest conversations	• Internal agendas to include definition and monitoring of HOW meetings have been conducted not just WHAT has been spoken about.
Two-mind-set	• Complete a ‘show and tell’ workshop with your partner so you can understand each other’s worlds better.
Organised and systematic	• Run a Go-To-Market (GTM) workshop with partners to define a clear plan of deliverables and roadmap. This will drive an organised and systematic approach.

2 Proactive Communications:

Partner Marketing now goes beyond traditional Channel Marketing, and has many crossovers with enterprise marketing roles, making Proactive Communications (both internally and partner-to-partner) more important than ever before:

> “As Partner Manager, you have to go into a bit of a sales mode and promote the partner into the different sales teams, hold joint meetings with the partners’ Account Managers, account map and do all that sort of stuff.”

What is needed?	How can you implement immediately:
Regular communications across YOUR organisation	• Build a joint GTM plan with YOUR internal communications included; assign a Programme Manager to deliver it within your organisation so it definitely happens.
Governance to drive proactive communications	• Set-up monthly / quarterly partner reviews with key stakeholders and add to scorecards to ensure consistency.
Systematic internal communications to sales colleagues	• Build joint GTM plan with internal comms included; assign a Programme Manager to deliver it.
Consistent PR, networking and media	• Build joint GTM plan with external comms included; assign a Programme Manager to deliver it.



3 Rapport:

Talking and collaborating together emerged as making a big difference and this ultimately comes down to rapport. There appeared a clear need to work with people who, not only truly want to engage, but who also have an understanding that time is needed for partners to get to know one another.

> “It’s not just a matter of having a relationship with your partner, it’s having time to have regular contact … because it creates trust and credibility with your partner.”

Furthermore, it is also essential to work with people who do what they said they would: “Nothing irritates me more than having meetings and you invest your time in meetings or lengthy phone calls and nothing ever happens.”

What is needed?	How can you implement immediately:
Strong relationships	• Integrate ownership / responsible owners earlier on in the decision-making process, so you can start to build strong relationships. Ensure consistent teams are working with partners, so they have time to build relationships.
Single point of contact	• Agree collective roles, responsibilities and second-in-command, before commencing all key activities.
Drive organisational buy-in	• Run peer-to-peer partner meetings e.g. your Ops Director with the partner’s Ops Director – with clear objectives and GTM. Then review, communicate and gain internal sign-off.
Honesty and trust	• Set internal expectations around how we can improve mutual trust. Soft skills training for key Partner Marketing individuals can support this requirement.



Strategy



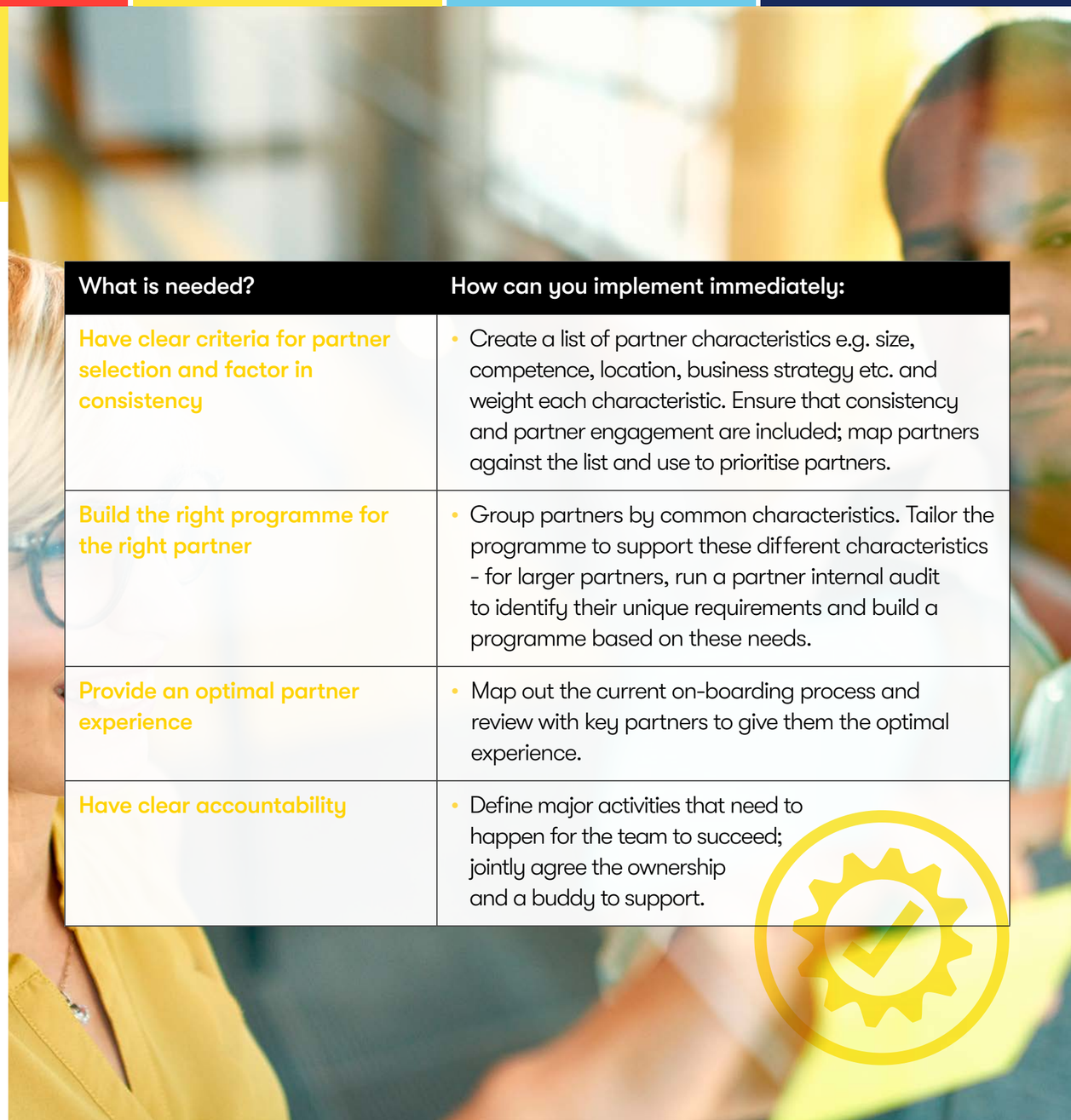
Strategy: How do you make sure your marketing strategy supports successful Partner Marketing?

4 Decision Making:

Rather than a broad-brush approach partners want, and expect, a tailored approach designed to fit with their business.

> “We’re not trying to do ‘one-size-fits-all’. We’re tailoring our approach to each segment, each type of partnership, and then making sure we can monetise that partnership in the right way.”

Partners also want to see their partnership is a priority – for both parties: “In some cases it’s true that we don’t always have priority for the other company. Sometimes we want to do more things that they don’t because they don’t see this partnership as a priority for communication.”



What is needed?	How can you implement immediately:
Have clear criteria for partner selection and factor in consistency	• Create a list of partner characteristics e.g. size, competence, location, business strategy etc. and weight each characteristic. Ensure that consistency and partner engagement are included; map partners against the list and use to prioritise partners.
Build the right programme for the right partner	• Group partners by common characteristics. Tailor the programme to support these different characteristics - for larger partners, run a partner internal audit to identify their unique requirements and build a programme based on these needs.
Provide an optimal partner experience	• Map out the current on-boarding process and review with key partners to give them the optimal experience.
Have clear accountability	• Define major activities that need to happen for the team to succeed; jointly agree the ownership and a buddy to support.

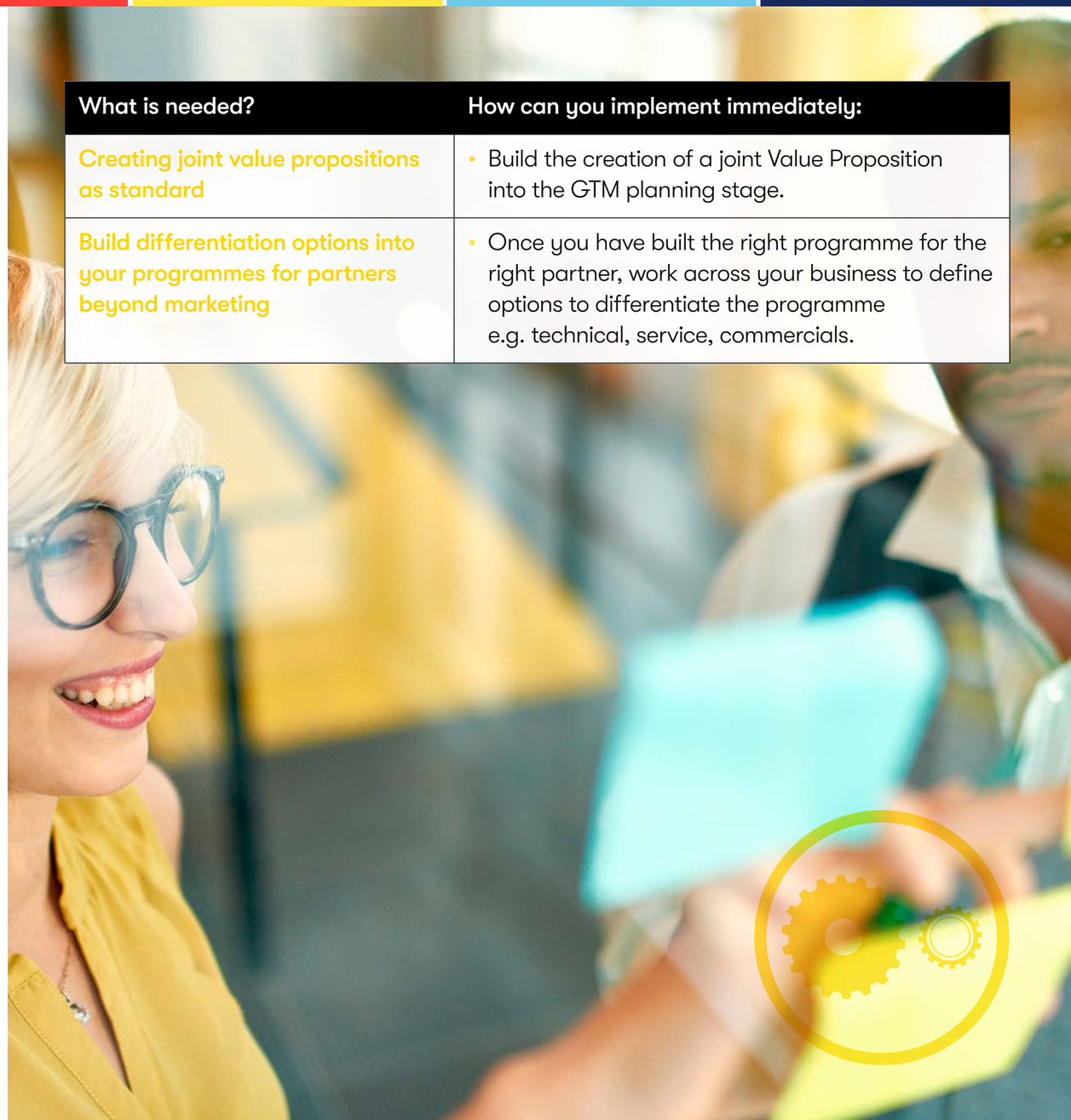
5 Differentiated Propositions:

Differentiated Propositions play a much wider role than simply being a marketing tool; “The key for me [sic] it’s not just about the marketing message. I would look at it in terms of the broader sense of marketing – can I package it up differently? Can I price differently? Can I serve it differently? – because I can’t just do it in the messaging.”

How the joint proposition is communicated to the customer is also important:

> “In my mind, it’s two brands coming together to differentiate that explains what you are doing and you do it in a way in which the customer doesn’t have to learn more ways to interpret your message – that’s vital to the success.”

What is needed?	How can you implement immediately:
Creating joint value propositions as standard	• Build the creation of a joint Value Proposition into the GTM planning stage.
Build differentiation options into your programmes for partners beyond marketing	• Once you have built the right programme for the right partner, work across your business to define options to differentiate the programme e.g. technical, service, commercials.



Culture



Culture: How do you create the right corporate culture so that Partner Marketing can flourish?

6 Resources:

Partner programmes are often judged (rightly or wrongly) not by what resources or benefits they offer, but how much of a difference do they really make. Partner Portals clearly have an important role to play, but only when they offer highly available and relevant information in a few clicks.

Prioritisation of partners is also critical as resources are often so limited and MDF/BDF are highly important factors in demonstrating, "…the seriousness of a partner programme… comes from the fact you're putting money on the table to work with the partners…investing in the relationship and partnership." What is clear is that that win:win is always the best basis for any kind of partnership –

> "A good Partner Marketing resourcing model would be where you could actually see the joint benefit for both parties from the marketing campaign."



What is needed?	How can you implement immediately:
Use partner portals to support partner engagements	• Link face-to-face tools with the portal e.g. link off and train marketing teams to use the portal as a support tool.
Give your partners greater control over funding	• Create business case policies for MDF.
Run joint partner planning as standard	• Add joint planning into your governance and quarterly QBR.
Make more of your experts and promote them to partners	• Create a catalogue of speakers and experts – and promote this to partners via internal comms / video / newsletters.

7 Managerial Support:

> "One thing I have learnt is that if you do not have the sponsorship from an executive level, things will not get pushed."

A truly partner-centric culture is a rare thing, and to achieve it often requires a huge cultural shift. Increasingly, marketing is playing a critical role in pushing partnerships and collaboration up the organisational ladder: "You've got to have the revenue [expectation] otherwise they don't do partnerships. You have to put it in context. So, you clear market understandings, clear market expectations and it's the marketing people that can do that."

What is needed?	How can you implement immediately:
Drive executive support within your organisation	• Regular reviews and updates on partner activity / ROI; run peer-to-peer executive sessions.
Create a true partner-centric culture	• Define the culture together as a team – how you want this partnership to be; use this for all main aspects of the partnership, including associated aspects such as recruitment and commercials.





Conclusions

Conclusions

This research set out to find out what makes Partner Marketing a success? What is it that businesses do when they get it right? Is it something that can be bottled and re-created by countless marketing teams to come, like a robotic process? And why are so many organisations failing?

Undoubtedly, Partner Marketing is now being viewed as a critical part of the marketing mix, particularly in the IT sector – where partnerships are being driven as much by the consumers' desire for choice, and solutions, that deliver outcomes as by the technology and innovation.

Developing partner programmes gives access to larger sales forces and entry to new vertical and geographical markets; something if attempted alone, would more often than not be cost and/or time prohibitive. The positive outcomes are clear: increased revenues and improved market awareness. With this in mind, growth in partner programmes over the next 1-2 years seems inevitable and vendors will need to respond by providing an increasing level of support through sales and marketing tools to support joint sales initiatives.



Conclusions continued

However, as the research demonstrated, real Partner Marketing success is driven from something much deeper than sales and marketing tools. It is something borne out of clearly defined strategies creating propositions that bring organisations together to offer something different to the market. It comes from executive leadership, informing and guiding decision making and pro-actively creating cultures where Partner Marketing has a real place at the table when it comes to growth. And it comes from people – the heart and soul of the individuals tasked with the responsibility of Partner Marketing: from their passion, determination and will to make partnerships successful. People who are not there simply to tick boxes or allocate funds but dedicate their time to building strong relationships on a foundation of trust, rapport and open communication.

Our conclusion is simple.

> For Partner Marketing to work, to be successful and to fulfil the promise offered by each partner, it's critical to have all the elements of people, strategy and culture in place and at all times. Businesses that do not embrace this fully will be limited in their potential; they will be leaving the door wide open for competing organisations to build stronger, more trusted and more strategic relationships with their partners, reaping the benefits that this brings.

Partner Marketing is not easy to be good at. But the best things rarely are.



To keep up to date on Partner Marketing best practice, go to **www.coterie.global**

References:
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