

BEST PRACTICES IN DEAL & OPPORTUNITY REGISTRATION

Over the last few years, deal registration programs have evolved from simple mechanisms for providing additional margins to partners to closed loop systems that are designed to influence partner behavior that impacts key business objectives. Also, deal registration programs that were targeted primarily where the price point was high and the sales cycle was complex are now increasingly aimed at products that have lower price points and shorter sales cycles. In response to the changing landscape of channel programs, many companies have re-thought and re-launched their deal and opportunity management initiatives.



A BRIEF HISTORY

The original intention of deal registration programs was for vendors to increase channel sales by knowing where genuine opportunities existed, providing guaranteed or additional margins to the partner who registered the deal, and protecting the end customer from a barrage of competing salespeople. It was first believed that deal registration programs could only work in situations where the price point was high and the sales cycle was long. Moreover, vendors who thought that visibility into the complete channel sales pipeline would be a win-win for both their companies and their partners conceived deal registration programs.

As with anything new, the holes in the original design of deal registration were quickly apparent, and just as quickly remedied in many cases. Perhaps one of the more significant gaps was the lack of consideration for the impact on channel partners by some companies. Elements such as trust, education and communication were often taken for granted resulting in channel suffering and poor program results; the sense of urgency to bring deal registration to market caused oversights that, in turn, generated less than stellar results.



SUCCESSFUL DEAL REGISTRATION PROGRAMS

In summary, the key elements are:

- Establish a business objective
- Conduct market research
- Develop an executable strategy
- Create controls
- Leverage system and human resources to create and deliver sustainable benefits
- Deploy quickly with a well-researched feature set
- Keep it simple
- Education and communication
- Resolve conflict quickly

When applied to deal registration programs, the categories above can yield positive results; Let's look at each briefly.

ESTABLISH A BUSINESS OBJECTIVE

A mutually beneficial business objective must be established before any other work on a program can start. The objective should be clear, measurable, achievable and something to which both the vendor and the partners can aspire.

CONDUCT MARKET RESEARCH

Do extensive research. Talk not only to your executive management but also to people in the field who deal with the competition and with the end-customers daily. Include the sales organization as well as the partners. Market research should also include researching laws, resources and other elements that will impact the decisions made and actions taken with regard to channel program development and management. Your Finance Department or Certified Public Accountant is a source of valuable information such as guidance about whether or not your company accounts for costs as expenses or as revenue reduction and how to reclassify expenses in the case of program exceptions. Market research should be an educational experience that validates the need for a deal registration program or informs you of other ways to achieve the established objective. In either case market research will guide the next step.

DEVELOP AN EXECUTABLE STRATEGY

Once an objective has been established and market research has been conducted, a strategy may be developed. The strategy should map back to the objective and will act as a roadmap for program development. For instance, the research may dictate that it's most advisable to develop a program in which only Tier One partners may participate, or it may indicate that integrating a deal registration system with other

systems (i.e., co-op program management) will increase the likelihood of partner adoption and utilization.

CREATE CONTROLS

Confidentiality, rules of engagement (i.e., how to register an opportunity within a division of a company versus registering an entire company, territorial restrictions and how they apply to deal registration, etc.), published deal registration criteria and enforcement policies – all of these elements must be considered, defined and created well before the implementation and launch of a program. Additionally, internal controls as mandated by the Sarbanes- Oxley Act (Section 404) are an important part of any financially based program and include requirements around separation of roles and maintenance of records. Therefore, any deal registration program should be developed with internal controls in mind.

LEVERAGE SYSTEM AND HUMAN RESOURCES TO CREATE DELIVER SUSTAINABLE BENEFITS

Allocate adequate resources to serve partners and resolve issues. It is not reasonable to expect the system software to do everything or almost everything. Client or partner support teams working in tandem with a robust deal registration tool can best serve the strategic and tactical interests of the company and partner. This approach also provides valuable feedback in defining improvements and enhancements to the application. Don't try to manage it all in-house. As with most channel and trade promotion programs, the total costs of developing, implementing, executing and managing a program oneself can be prohibitive. Outsourcing to experienced and reliable experts can mitigate risk, reduce the total cost of the program, and produce highly favorable results.

Deploy quickly with a well-researched core feature set. Once an objective has been established and ideas and approaches have been validated, a strategy that allows for quick deployment and delivers immediate benefits should be developed. The strategy should map back to the objective and act as a roadmap for future program development. For instance, it may be most prudent to deploy the deal registration application for one division or region, obtain real world feedback, make modifications and then deploy to other divisions and regions. Also, it might be advisable to develop an initial program in which only top tier partners participate. You may even decide that integrating a deal registration system with other systems (i.e., growth incentive rebates and co-op program management) will increase



the likelihood of partner adoption and utilization. Start with a well bounded definition of system capabilities, set reasonable expectations and over deliver.

KEEP IT SIMPLE

Program development, implementation, execution and management is complicated enough on its own, so it's advisable to keep it simple wherever possible. Some "keep it simple" best practices include: > Create easy to understand program guidelines, terms and conditions, and rules of engagement. This should include clear criteria on what constitutes a legitimate deal and your company's definition of each stage of the sales cycle. Programs that are easy to understand are also simple to manage and track, and partners can participate without a huge time investment which increases adoption and utilization; > Pay partners at predictable rates and times; > Integrate programs to provide partners with a mix of offerings that, together, are designed to empower the channel with the tools they need to market and sell your products most effectively.

EDUCATION AND COMMUNICATION

Communicating, educating and training channel partners and internal constituents on not only the nuts and bolts of the program but also on why the program was conceived is a critical step in both the development and ongoing management of any channel program. In the case of new or additional programs, these steps are even more important in an attempt to overcome skepticism and distrust and to create opportunities for learning and retention of important information.

RESOLVE CONFLICT QUICKLY

Assure confidentiality and a "no conflict" policy by including territorial restrictions and non-compete clauses, and by providing view-only access to registered deals, as applicable. For instance, if you have a direct sales force that can compete with as well as collaborate with partners, it may be advisable to require direct salespeople to register specific types of deals, change

their commission structure, or limit their approval and view access into registered deals.

OTHER TIPS:

- **Offer incentives for partners that meet important criteria of the program.** For instance, if the sales cycle of your products tends to be long, it may be valuable to see deals registered earlier rather than later. If that's the case, consider providing rewards to partners who register legitimate deals early in the sales cycle (with "early" being defined by your company).
- **Enforce the rules.**
- **Assure confidentiality and a "no conflict" policy by including territorial restrictions and non-compete clauses, and by providing view-only access to registered deals, as applicable.** For instance, if you have a direct sales force that can compete with as well as sell in tandem with partners, it may be advisable to require direct salespeople to register specific types of deals, change their commission structure or limit their approval and view access into registered deals.
- **Do not limit deal registration to financial rewards such as credits, rebates and additional margins.** Find out what types of rewards are most valued by the partners and try to offer a reasonable variety of rewards in your deal registration program.
- **Don't try to manage it all in-house.** As with most channel and trade promotion programs, the total costs of developing, implementing, executing and managing a program oneself can be prohibitive. Outsourcing to experienced and reliable experts can mitigate risk, reduce the total cost of the program, increase the upside, and produce highly favorable results.

The new generation of deal and opportunity management systems delivers a rich set of business benefits to companies that have mastered the full scope of deployment and maintenance challenges. For more information on best practices around channel programs or to find out more about CCI's software and solutions for deal registration, please visit www.channelmanagement.com or call us at 888.260.2667.