

Improving ROI on Channel Investments through

Joint Marketing Planning

Creating Joint Marketing Plans between Marketers and their Channel Partners provides mutual benefits, including improved alignment of sales and marketing strategies, accurate and forecastable sales targets and business outcomes, and informed investment decisions. Planning processes, however, have historically been labor intensive and cumbersome, thereby limiting their use to large partners who warrant the investment in time and money. Automating Joint Marketing Planning streamlines the process, enabling its use for a broader partner base - resulting in greater ROI on channel spending and improved channel relationships overall.

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A channel Joint Marketing Plan is defined as:

“The collaborative effort between a Marketer (vendor, manufacturer) and a Channel Partner (reseller, distributor, retailer, etc.) to align business goals (including strategies and tactics) across a pre-defined period (usually 3-12 months).”

The benefits of the process are:

“Joint Marketing Planning provides both parties with a mutually beneficial business outcome (for example, sales) that is both realistic and predictable. Further, the plan provides a basis that allows Marketers to determine where to optimally invest both time and resources, as well as track progress of goal attainment at key milestones throughout the plan’s lifecycle.”

As an emerging trend for channel Marketers, Joint Marketing Planning provides many benefits in that it.....

- **helps define the alignment of business goals** and confirms that the stated alignment has been mutually acknowledged.
- **captures the most current profile information about the Channel Partner**; this profile information may be used to plan resource allocation or, in aggregate, provide a foundation for a territory gap analysis.
- **provides a forward view of the sales and marketing activities** planned by your Channel Partner(s) - ideally providing an opportunity to influence the outcome. Plan attainment can be forecasted and monitored for any one partner or across a broader partner base.

Chapter 1: The Planning Process

Historically, the planning process involved a series of 1:1 interactions between the Marketer's Account Manager and the partner's management contact to achieve the following outcomes:

- **Share information** related to the Marketer's upcoming products or initiatives.
- **Profile of the Channel Partner's strengths, weakness, opportunities, and threats (SWOT)** as it relates to their individual business.
- **Reach a mutual decision** as to how the Marketer's offering (products, services, and support) can help the Channel Partner capitalize on opportunities and overcome weaknesses.
- **Define specific objectives and related goals**, along with associated strategies and tactics required for goal attainment.
- **Define resources** required on behalf of the Marketer to help the reseller achieve stated goals (usually expressed as sales and marketing assistance, funding, training, or other contributions).
- **Secure approval** to commit the required resources on behalf of the Marketer.



Chapter 2: Limitations of the Traditional Planning Process

For all these merits, it may seem odd that many Marketers haven't yet embraced Joint Marketing Planning (JMP) as the foundation of a multi-channel go-to-market strategy (GTM).

JMP adaption is prevalent in industries such as consumer packaged goods, where any one retailer may be responsible for a sizable portion of a manufacturer's annual revenue goals. Yet, for Marketers who rely on hundreds or even thousands of Channel Partners, the aforementioned "gain" is often outweighed by the "pain" of conducting the joint planning process, as the planning process itself was historically fraught with shortcomings as listed in the table to the right.

As these are very real barriers to adaption, JMP practices were limited to relatively larger partners whose revenue justified the expense. And due to its limited exposure, any limitation could be overlooked or compensated for through training or other business processes.

Issue	Description
Workload intensive	Relies heavily on dedicated manual processes. These manual processes are needed to both create the initial plan and provide continual status updates throughout the life of the plan.
No roll-up reporting	Roll up reporting enables management to possess both a micro view of all planned activities (including resulting sales and marketing funds committed to help execute the plan) for an individual partner, <u>and</u> a macro view of the collective efforts of all partners, facilitating accurate forecasting.
Non-standard data between plans and authors	As a manual process, key data points are often not consistently furnished. For instance, one plan may designate goals based on increased sales (percentage value) and another may specify goals in terms of targeted value (number value). While both values are practical and measurable goals, the data from one cannot be compared or combined with the other (to facilitate roll up reporting).
Dedicated effort required for mid-period reporting	Compliance monitoring is another labor intensive and potentially inaccurate and inconsistent component. Joint marketing plans require continual updating at each milestone throughout their lifecycle through dedicated processes—adding to the workload of either the Account Manager, the Channel Partner, or both.
Funding approval & claiming processes are managed outside the plan	Executing the many strategies and tactics approved within the plan often required reimbursement from the Marketer in the form of Co-op or MDF allocations (or similar), as well as other resource commitments. These related processes were typically managed outside the plan through separate systems. While clearly related, the decoupling of these processes added program complexity.

Chapter 3: Marketing Planner Formats

While joint planning is most often thought of as a “process,” the plan itself typically begins and ends with some form of a templated document (or online form) that includes general information about the partner, a summary of business challenges, a listing of specific objectives and goals for the planning period, and associated strategies and tactics to achieve them. While there are different planner formats in practice (such as the popular CHAMP format), the following data is common to all of them, and is categorized into two distinct groupings:

Channel Partner Overview and Profile Information	Business Goals, Strategies And Tactics For The Period (for example, quarterly or yearly)
<ul style="list-style-type: none"> ▪ Contact information ▪ Revenue history ▪ Market focus or positioning ▪ Service capabilities ▪ Certifications attained ▪ Sales and Marketing staffing, capabilities, and contact information ▪ Value proposition or positioning statement (to their customers and to you as a reseller) ▪ SWOT analysis ▪ Summary of business goals, and how your offering will help them achieve their goals 	<ul style="list-style-type: none"> ▪ Definition of objectives, complete with measurable business goals ▪ Strategies and tactics associated with each initiative, including planned costs and dates ▪ Marketer initiatives slated for support (for example, promotions, product launches, etc.) ▪ Planned ROI from each activity ▪ Summary of the source of funds and other resources required to execute the plan

Chapter 3: Marketing Planner Formats

Of the aforementioned data sets, the information found in the first group is more static and less likely to change from one planning period to the next. Conversely, the information contained in the second set of data is the more dynamic of the two, requiring significant updating from period to period. Frequent maintenance is also needed for the plan to be effective as a living document, providing accurate and timely information to stakeholders to report attainment of specific actions at designated milestones within the plan.

As the plan is most typically compiled in advance of the planning period, the data as initially authored contains only forecasted results for the goals (business outcomes), costs, and ROI expected from each activity. Clearly, the plan would be more insightful for all stakeholders if it also included “Actual” information for all those categories at the planning period’s conclusion—and even at key points throughout the plan’s lifecycle to monitor (and influence) progress along the way.

Comparing “Actual” to “Forecast” is a measure of success and indicates the level of commitment from the partner. The metric also establishes a benchmark for realistic levels of attainment which may be referenced in the future by the partner or shared (indirectly) with other partners. The insight inherent in employing JMP practices helps to build benchmarks and best practices over time that will benefit all partners and improve the ROI of all channel investments.



Chapter 4: The Opportunity—Broader Utilization Through Automation

Marketers have a prime opportunity to adopt a planning process that is easier, more effective, and more insightful for partners and client stakeholders alike. The advantages and the drawbacks of employing a JMP process have been discussed throughout this text. However, utilizing a new generation of JMP tools such as that offered by CCI helps Marketers leverage the benefits of the planning process while minimizing (or even eliminating) much of the previously inherent drawbacks.

What's more, the planning tool itself can integrate, or even replace, the process used to manage traditional Co-op or MDF programs; this means that updating the plan to reflect current status and furnish accurate "Actual" metrics is concurrent with claiming for reimbursement. This process integration thereby streamlines administrative processes while encouraging the reporting of updated and accurate data. Because the JMP process is automated, administration is streamlined and data is standardized. Using this simplified approach, the benefits of joint planning can be extended to virtually all partners—without the need for a high-touch engagement or other drawbacks associated with the traditional planning process.

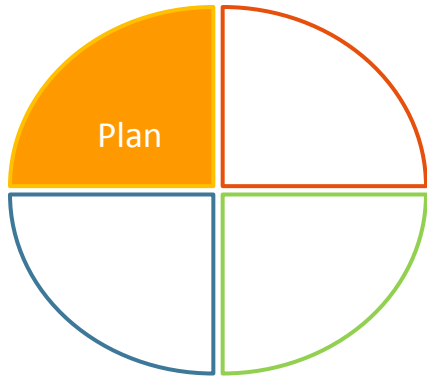
Automating the Planning Process

Automating the planning process and integrating reimbursement processes streamlines administration at each phase of the planning cycle, while greatly improving insight for those who fund the program.

The following pages illustrate the advantages of JMP automation for each step of the plan's lifecycle.

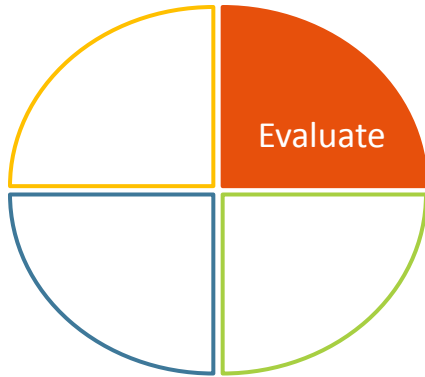


1. Plan: Simplify plan development for practical use with a broad partner base



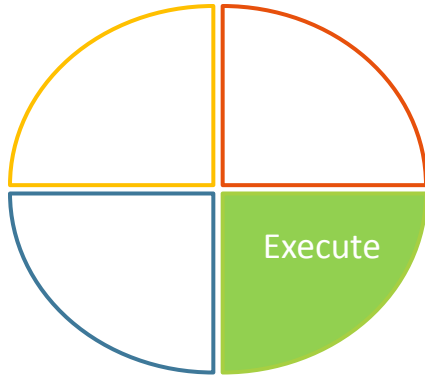
Traditional Methodology	Next Generation Methodology	Business Benefits
Data supporting objectives are often not normalized, making it difficult to compare plans between multiple partners	Data is normalized across all business objectives and forecasted outcomes, including statement of goals, costs, and forecasted ROI for each activity	Less training and interaction is required to author the plan
Achieving normalization and alignment among vendor goals requires high-touch engagement from the Marketer	As data is normalized and the format established, JMP can be initiated by the partner with minimal account manager involvement	Partners can self-author the plan with minimal supervision and deliver predictable and comprehensive content
Authoring plan requires one-to-one interaction	The online tool allows on-demand review and formatted fields minimize error entry – one-to-one interaction to author plan not required	JMP benefits can be extended to more partners—not just large ones

2. Evaluate: Simplify plan review, monitor revision history, and forecast results



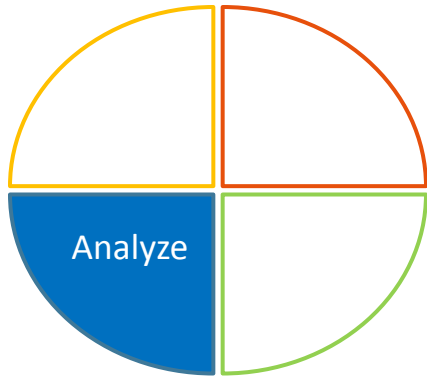
Traditional Methodology	Next Generation Methodology	Business Benefits
Approval processes are manual, so version control and maintaining a history of comments throughout the review process can be cumbersome	Review processes are automated; a record of all approval activity is available throughout the life of the plan	Dialog and comments are clear—streamlining communication and approval processes
As data is not normalized, evaluating plans for multiple partners can be unmanageable	Plans are easier to review as data is normalized across plans	More efficient review process
Once the plan is approved, assigning funds to offset planned costs is usually managed separately	Funding approval and assignment is managed within the application	The funding process is integral to the planning process—simplifying both and reducing program complexity for all parties

3. Execute: Integrate reimbursement to streamline processes and monitor progress



Traditional Methodology	Next Generation Methodology	Business Benefits
Reimbursement processes are managed separately	Reimbursement is managed within the system as an extension of JMP	Processes are simplified
Plan owners must remember to update the plan throughout the execution process to keep other stakeholders apprised of progress	As partners apply for reimbursement, they are prompted – and required – to update metrics and costs on completed activities, thereby delivering ROI calculations (comparing forecasted to actual performance)	Partners are motivated to keep the plan current and accurate, as reimbursement is dependent upon submission of updated information
Hierarchical views of progress-to-date are difficult to evaluate, as data formats aren't standardized and roll-up reporting isn't readily available	Automation can demand adherence and completeness (no shortcuts), as well as provide a standardized format for all entries	Roll-up and hierarchical reporting is facilitated, giving near real-time status and progress reporting to stakeholders at all levels

4. Analyze: Measure ROI, track results vs. plan, and develop best practices

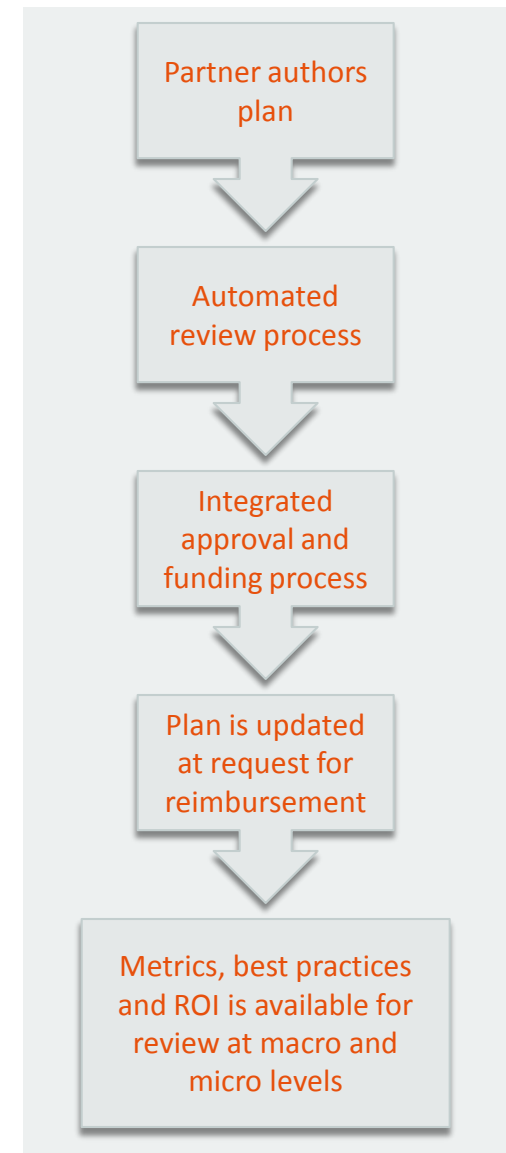


Traditional Methodology	Next Generation Methodology	Business Benefits
<p>Similar to the above, “final” results of JMP attainment need to be furnished via separate dedicated processes, including costs, goal attainment figures, and ROI numbers for reconciliation</p>	<p>Final results are entered into the plan for all metrics (goals, ROI, and costs) before the plan is closed as part of the marketing fund reimbursement process</p>	<p>Stakeholders have more insight than ever before across both macro and micro views of channel performance resulting in enhanced insight —thereby simplifying and enhancing future investment decisions</p>
<p>Again, hierarchical views of the outcome are difficult to achieve without standardized data formats and roll-up reporting</p>	<p>Roll-up and hierarchical reporting is facilitated, providing both Actual and Forecasted reporting to stakeholders at all levels</p>	
<p>If Excel-based tools are being used, many of the final calculations are subject to human error</p>	<p>Calculations are automated to deliver an accurate comparison of Goal vs. Actual results across multiple dimensions (costs, ROI, and business outcome vs. plan)</p>	

Chapter 5: An Applied Example

As a result of automation, smaller partners (even unmanaged partners) can take advantage of JMP benefits—even as a precondition to accessing MDF funds. Here's an example:

- The primary partner contact (owner/manager) can complete the plan with minor input and direction from his or her Account Manager because data entered into the plan is normalized.
- Normalized data means also that the review of the plan by vendor stakeholders is simplified. All comments and interaction about the plan are maintained on the plan itself, throughout the plan's lifecycle.
- Once approved, funding may be assigned, allowing the partner to be reimbursed in the future for shared marketing activities once they are completed. Funding is an integral part of the plan review/approval process.
- As the approved marketing activities are performed, the partner updates the plan with any changes in status, ROI information, and final costs as preconditions for reimbursement. Because the partner wants prompt reimbursement, the plan is updated accurately with each reimbursement request. Therefore, throughout the plan's lifecycle, the plan is naturally kept current with all final data.
- At the end of the planning period, stakeholders at every level can view results, including business outcome, costs, and ROI. Armed with this data, management can evaluate the individual partner's contribution and development on a continual basis, with minimal intervention. This will help maximize any development opportunities for partners assigned to a lower tier by identifying the ones who are most capable of growth.



Conclusion

Automating the Joint Marketing Planning (JMP) process can streamline business processes and extend its utilization and benefits to a broader partner base.

The rewards of JMP are compelling, and automation increases those advantages, resulting in greater impact on your business' bottom line and that of your partners'.

Automating the process gives Marketers the option of when, where, and with whom to use a high touch planning engagement—not as a requirement of the process, but rather as an a business development methodology. Consider automation to attain a complete picture of planned program activities, expenditures, and projected business outcomes. Use the living plan as a collaborative tool to organize, influence, and monitor partner execution.

Attain a complete picture of planned program activities, expenditures and projected business outcomes

About CCI

CCI delivers comprehensive incentive solutions to optimize sales channel performance. As an enterprise software and services solutions provider, CCI enables channel marketers to manage and measure sales and marketing programs throughout their demand chain, resulting in greater spending efficiency and improved program effectiveness. CCI provides a combination of on demand software, professional services and program management. CCI's Professional Services team applies best practices to define and deploy programs that meet your business goals. Equally powerful is CCI's software. Delivered as SaaS, CCI automates your channel programs and partner activity for increased visibility, measurement and ROI. Once deployed, CCI Program Management delivers services such as contact center support, auditing and payment services to ensure operational efficiencies. CCI is proud to work with market leading companies in technology, telecommunications and entertainment such as Autodesk, Qwest, SonicWall, Sony Playstation and many more.

CCI
7250 Redwood Boulevard
Suite 105
Novato, CA 94945
USA

T: 415.472.5100
E: info@channelmanagement.com