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Channel marketing system integration – A dual challenge

To deliver successful channel marketing results you need systems and processes that are integrated across both:

- Channel marketing programs (MDF, co-op, deal and lead registration, rebates, etc.) and
- Enterprise and external data sources.

- Creating a “single version of the truth” that enables actionable reporting and analysis.

Data integration capabilities can generally be categorized as either interconnected or tightly coupled. Tightly coupled systems provide a full spectrum of capabilities including real time integration with enterprise systems and involve high levels of

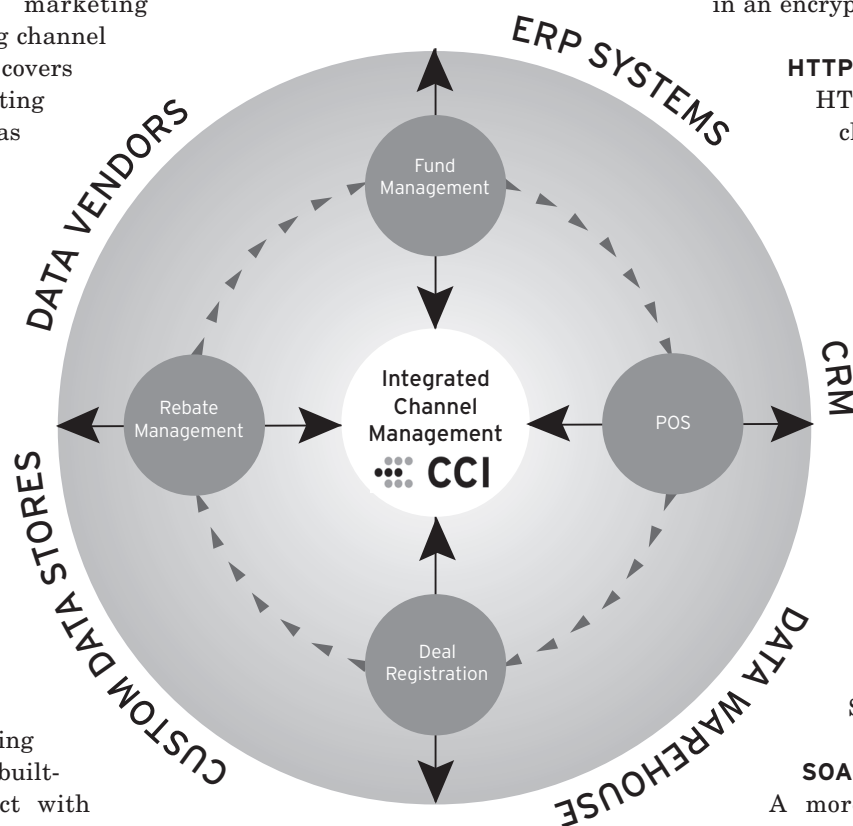
Secure File Transfer Protocol (SFTP)
Secure File Transfer Protocol (SFTP) is the most commonly used method of information transfer. While CCI usually hosts the SFTP site, the client can also host it. SFTP transmissions occur on port 21 and are authenticated via a private logon. CCI hosted SFTP sites are secured by a username/password combination. The information stored on the SFTP site is not accessible by anyone other than the client, the CCI IS Team and CCI's software products. Sensitive information is sent in an encrypted format.

The CCI Fall 2005 Journal covered the critical importance of integrating and interweaving channel marketing programs for maximizing channel effectiveness. This issue covers common ways of integrating enterprise data as well as external sources such as Dun and Bradstreet with marketing systems. Effective data integration across programs, enterprise systems and proprietary data sources is key in delivering and executing successful channel programs, driving revenue, generating loyalty and maximizing channel marketing returns on investment.

The benefits of a marketing system that provides a built-in capability to connect with enterprise systems and external data sources include:

- Elimination of redundant and inconsistent data
- Access to the right data at the right time
- Enhanced and actionable decision making
- Ability to interconnect marketing systems without the expense of acquiring new tools
- Utilizing valuable IT resources more effectively
- Conservation of time by not writing custom code for integrating with channel marketing subsystems

maintenance and resource usage. Practical interconnection provides many of the same benefits but has the advantage of being faster to set-up, easier to maintain and typically involves minimal use of IT resources and time. Following are some of the ways in which our clients connect their marketing systems to enterprise and third party systems are:



HTTPS Post

HTTPS post involves the client's web applications “post”ing a form to CCI via port 443 (SSL) with agreed upon parameters. The page being referenced responds to the request and performs the proper action. The action could be saving the “post”ed data to the CCI database or returning information via another POST to the calling site. This mechanism is secured using Secure Socket Layers over HTTPS.

SOAP/Web Service

A more advanced method of information transfer is achievable through the use of Web Service or SOAP calls. CCI can communicate with external Web Services and pass and receive information according to the rules of the Web Service.

Information Exchange

Any information captured by CCI can be returned to the client. The most common information requested is customer information, which is often sent to CCI using single sign-on (SSO). During SSO the client can transmit

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SIGHTLINE (POS) CASE STORY

CCI IS PLEASED TO PROVIDE ONE OF OUR MANY CLIENT CASE STUDIES TO JOURNAL READERS. THE CASE STUDY ILLUSTRATES HOW THIS CLIENT INTEGRATED THEIR POS DATA TO REDUCE COSTS, IMPROVE CHANNEL VISIBILITY AND ULTIMATELY MEET THEIR BUSINESS OBJECTIVES.

CLIENT CHALLENGE

Almost every company can use clean point of sale (POS) data as a tool for competitive advantage. The challenge is in obtaining POS data in an actionable format and coupling it with additional external data sets and channel data. This was the case with one of our clients, an industry-leading computer hardware manufacturer.

Our client has a complex distribution network that includes direct sales as well as one and two-tier distribution structures. Adding a level of complexity, this manufacturer also sells to OEM's who sell to distributors who, in turn, sell through resellers, VAR's, etc. This distribution structure presents a unique problem; the transfer of goods between OEM's and distributors can generate redundant and superfluous POS data and result in inflated channel program accruals. To calculate their POS and manage their channel programs, the client used manual processes that did not provide a way to authenticate the POS data submitted to them, and provided minimal insight into their programs. They ended up awarding program accruals without solid backup data.

SOLUTION

Our solution automated the process of receiving, scrubbing and normalizing vendor data sets, while simplifying the process for channel partners. The system virtually eliminated data integrity issues, thereby minimizing OEM and distributor fraud. This decreased program costs by over 25%, improved channel insight, and provided greater analytic and reporting capabilities. We provided this client with a comprehensive solution that increased market coverage and profitability while significantly reducing time spent on administrative activities.

The way I see it...



Bill Kelly is CCI's Executive Vice President and he helps companies define objectives, evaluate strategies and implement programs that achieve measurable results.

Lead Management Best Practices

Companies often spend millions of dollars on lead generation activities without getting a reasonable return in terms of quality or numbers. Outlined below are suggestions that can help you maximize the return from your lead generation activities while ensuring you keep acquisition costs within your targeted range.

Measure and reduce lead aging time

Unlike fine wines, leads do not age well. Reducing the period between when a lead comes in to the manufacturer or vendor and when the lead is made available to a partner/reseller is a key variable in increasing close rates. Research and client feedback validate the positive relationship between short lead turnaround times and close rates. Vendors in a variety of sectors indicate that the rate of closure is significantly greater when dealers received leads from their vendor within 5 working days, as opposed to longer lag times. Given this, ensure that your lead qualification and assignment process qualifies leads quickly, and your partners have online access so that they can pull their leads easily and in a timely manner.

Reduce dealer contact-to-prospect time

Research and client feedback demonstrate that the majority of leads are

never acted on because, among other reasons, they do not get to the right people at the right time. There is a strong relationship between rapid lead follow-up times by a partner and close rates. Research also indicates that the rate of closure is nearly 3 times greater when resellers respond to their prospects within 4 days of getting their leads, as opposed to a response time of 60 days or greater. Providing a self-selecting automated system for dealers to easily choose their leads for active follow up is a key ingredient in improving lead follow-up. Vendors should offer incentive(s) to dealers for early responses, such as more leads next time, financial rewards, advancement to next tiering level, etc.

Provide dealer with mechanism for initial feedback response to vendor

The timeliness of initial dealer feedback is a key factor in reducing sales cycle times and increasing close rates. Initial dealer feedback is an important metric to gauge the early success of a vendor's marketing campaign in generating targeted leads.

Analyze dealer closure rates

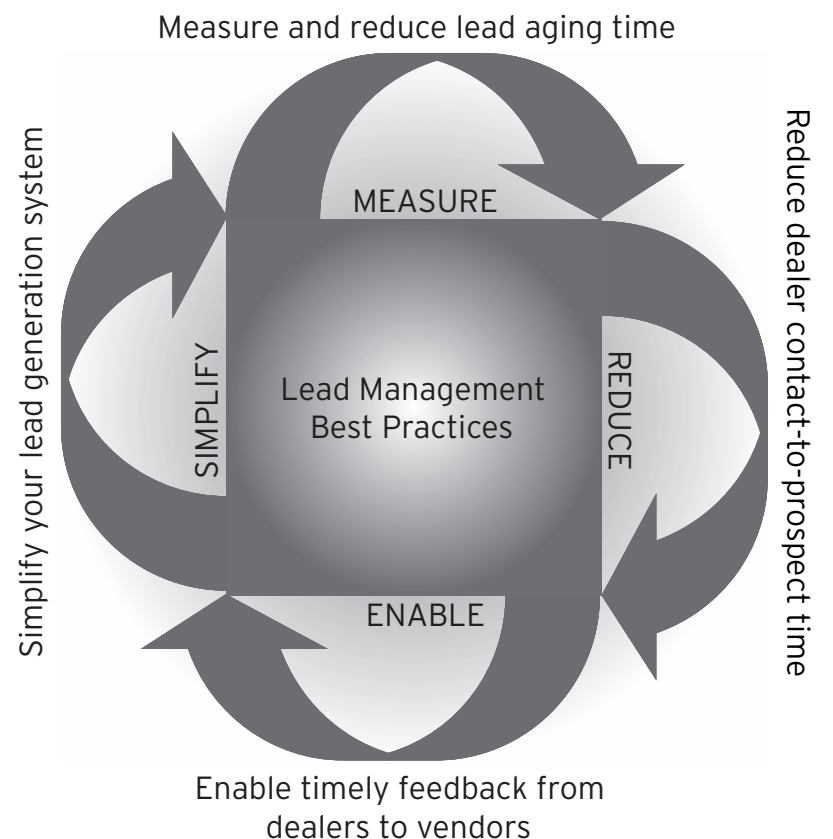
Closure rate is the percent of closed sales per number of leads. To increase these rates, ensure that your lead management system provides thorough standardized reports so you can drive key performance indicators such as:

- Track and close new vs. installed base business per your business objectives
- Market share and the uptake rates of new products or services
- Accounting for product/service demand cycles on periodic basis (quarterly, seasonal)
- Customized metrics that are key indicators of future channel growth

Establish efficient processes for report gathering, distribution, and analysis in your lead management system. Ensure that the vendor automates these reporting processes with a hosted web portal solution that provides comprehensive

reporting on the effectiveness of marketing lead generation campaigns. Monitor key performance indicators that give you a cost per lead per campaign. This will enable you to maximize campaign spend effectiveness.

partners and for internal lead management processes. Establish efficient processes for information workflow in the lead management system by automating these processes with a hosted web portal solution, and provide program guidelines



Simplify your lead generation system

Lead management system considerations include implementing an automated, closed-loop feedback process for tracking leads from generation to resolution. Motivate dealers to report on the results of their contacts with the prospect and use the KIS (Keep It Simple) principle for information requested from

to dealers for efficient generation, delivery, and feedback of lead information. Implementing, refining and improving your lead management system with feedback from partners and internal organizations will ensure that your program generates a revenue stream that enables your enterprise to meet and exceed business goals. ❖

Channel Marketing System Integration

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customer information including name, address, phone #, etc. The key between CCI and client databases is referred to as the "Client Customer Number." It is often an Oracle ID, SAP ID, Vendor ID or other client ID.

BENEFITS OF EXPERIENCE

CCI's hosted Service Oriented Architecture (SOA) platform was designed from the ground up to be able to interconnect in a flexible and cost effective way with enterprise systems and outside data sources. CCI's deep experience means that it has developed extensive knowledge of how to solve important data integration issues. Our hosted system was built with client interconnection needs in mind. Our platform offers:

- > **Centralized and secure global data**
 - A centralized, integrated data store with secure global access

ensures that channel sales and marketing departments can view, manage and analyze information from a ready-to-use data base. This ensures actionable reports from that integrated data.

> Reliable and scalable platform

- Costly business interruptions and lost data are minimized to ensure that your company receives the information it needs in near real-time. With servers located in secure co-location facilities, CCI provides maximum uptime and minimum maintenance downtime.

> Flexible integration capabilities

- Automated enterprise information integration and data upload, cleansing, normalization and aggregation allow companies to realize significant efficiencies and corresponding cost reductions.

Automation preserves data quality and integrity, improves competitive position through faster analysis and reporting, and aids in compliance issues by providing fully auditable data trails.

> Actionable and informative

- A logical and intuitive interface with actionable dashboards and reports is a pre-requisite for an integrated marketing system. For channel sales and marketing departments, that means more

time marketing and selling and less time processing and data gathering.

Because the CCI ProgramsPro platform is a Service Oriented Architecture system, it easily integrates customers' existing IBM, Oracle, SAP, Siebel Systems and proprietary solutions. The CCI platform extends these solutions through highly productive, easy-to-use channel management tools and applications that touch vendors, suppliers and channel partners. ❖

REFERRAL REWARD

CCI has thrived through the recommendations of our clients and friends. We are offering a \$500 gift card reward that can be earned by giving us the name of an associate who participates in a CCI demo. No strings attached - just call Cathy Day at 888-260-2667 x219 or email her at cathy.day@CCIONline.biz with the name, number and company of the referral. If they are a qualified prospect and agree to a CCI product demo that is conducted by February 28, 2007, we will send you the \$500 thank you gift card.