

# The COVID-19 Pandemic's Impact on What Partners Need From Channel Programs

An Analysis of What Partners Value & Need in Today's New Normal

## Impact of COVID-19 on Channel Partners & Vendor Channel Programs

The impact of the COVID-19 coronavirus pandemic on individuals, organizations and communities has been profound. We focus—and rightly so—on the devastating health crisis, but the toll also extends to the economy as lockdowns led to layoffs and business closures. The consequences for local and global economies are easily quantified, but the impact on channel partners that sell business solutions and, more specifically, how they interact with vendor channel programs is more difficult to ascertain.

To better understand how channel programs must evolve to meet new realities, we commissioned Forrester Consulting to survey channel partners about what support and resources they find most valuable now. We asked how their needs have changed since the pandemic and going forward. This report reveals the survey results and identifies areas where vendors can change or shift the emphasis in their channel programs to align with partners' needs today and in the near future.

## Key Findings

The Forrester survey, which was fielded nine months into the pandemic, covers not only partners' initial responses to the COVID-19 crisis but their experiences in transitioning to the new normal. The results revealed the following advice for vendors:



### **Create Opportunities for Partner Learning**

The pandemic has underscored the ongoing shift in business buyer habits toward online product research and partners' needs to develop digital selling skills, embrace online marketing capabilities and adopt future-forward solutions. In turn, partners are seeking training in all of these disciplines. They value it. They need it. They're ready for it. As a result, training, development and enablement will play a more significant role in creating value for partners and vendor channel programs moving forward.



### **Prioritize Partner Communications**

Uncertainty about the future—for customers and themselves—is driving partners to seek guidance and advice from channel leaders who can illuminate the path forward in the changing marketplace. Partners also need ongoing communication about expectations, earning criteria, program eligibility and ways to drive value from the relationship.



### **Elevate the Partner Experience**

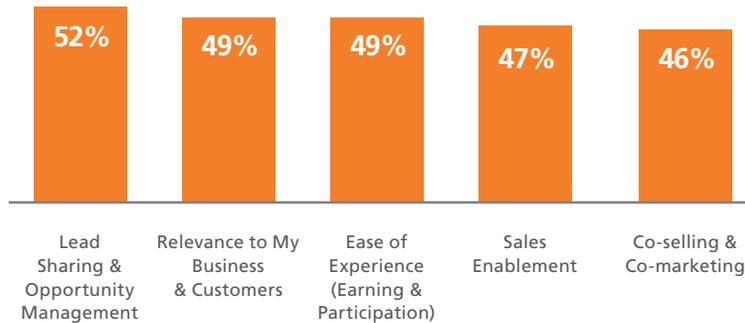
Ease of partner experience will continue to be a key element in successful channel programs. No matter their role in the organization, industry or size, partners we surveyed say they desire less complicated programs, vendors that are easy to work with and a streamlined experience. The partner experience, above all else, should guide decisions to create or evolve vendor channel programs.

## What Partners Value in Vendor Channel Programs Before & After COVID-19

To understand how vendor channel programs must evolve in a post-COVID-19 world, we need to understand the program elements partners valued before and after the pandemic.

Our survey found that before the pandemic, a majority of partners (52%) valued "lead sharing and opportunity management" most highly, followed by "relevance to their business and customers," and "ease of experience" in earning and participating in channel programs. Rounding out the top five were "sales enablement" and "co-selling and co-marketing."

## What aspects of vendor programs did you find most valuable before the pandemic?



Base: 208 U.S. channel partner owners and channel partner sales reps, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

Since the pandemic, partner priorities have changed to focus on go-to-market strategies. The pandemic accelerated the fundamental shift to online buying as lockdowns forced customers to research solutions online and take virtual sales calls in increasing numbers. This trend upended the in-person sales process for many partners that lacked digital marketing and selling skills.

## What aspects of vendor programs did you find most valuable today?



Base: 208 U.S. channel partner owners and channel partner sales reps, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

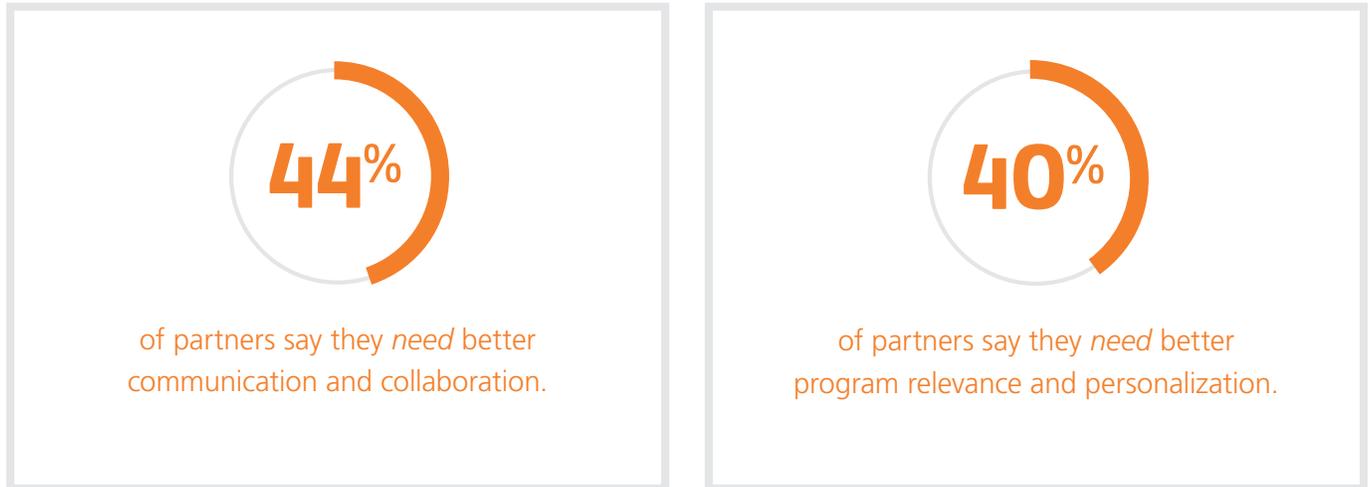
This shift in partner priorities is demonstrated by the rise of “marketing enablement” into the top five most valued channel program elements; before COVID-19, it was valued as the fourth-lowest element. Partners that historically relied heavily on their sales teams now need to add in digital marketing, pinpointing the opportunity for vendors to help partners figure out how to market and sell to digitally-savvy buyers.

“Clear and frequent communication” also has risen in importance, sharing the No. 1 spot with “lead sharing and opportunity management.” At the height of the pandemic, some partners reported significant increases in communications from vendors. Those that didn’t were left in the dark, wondering what would happen to them, the program and their customers. Uncertainty about the future—for customers and themselves—is driving partners to seek guidance and advice from channel leaders who can illuminate the path forward in the changing marketplace. Partners also need ongoing communication about expectations, earning criteria, program eligibility and how the vendor can help them to weather the storm and adapt to the new buying landscape.

“Ease of experience” will continue to be a key element in successful channel programs. No matter their role (e.g., owner, sales representative, technician or marketer, etc.), industry or size, partners we surveyed say they desire less complicated programs, vendors that are easy to work with and a streamlined user experience. The partner experience, above all else, should guide decisions to create or evolve vendor channel programs.

### What Partners Need

In addition to asking partners what they *value* most, we also asked them what they truly *need* from vendor programs due to the pandemic. The two highest responses include:



Both answers underscore the growing need for a better partner experience and suggest vendors can improve the partner experience with the following strategies:

### Better Communication & Collaboration

Communications and collaboration are cornerstones of any successful vendor channel program, yet partners identify these activities as areas for improvement. Perhaps this finding is not so surprising in the aftermath of the pandemic when uncertainty reigned. However, it's cause for vendors to be even more mindful of their communications and collaboration plans, including timeliness, frequency and, most importantly, clarity. Consider multiple avenues for communications—mobile, web, email, text, calls, etc.—to reach partners by their preferred method or the best method for their situation (e.g., a text may be appreciated by partners who are in the field). Multichannel communication also is a great step toward creating a more personalized experience as noted below.

### Greater Personalization & Relevance

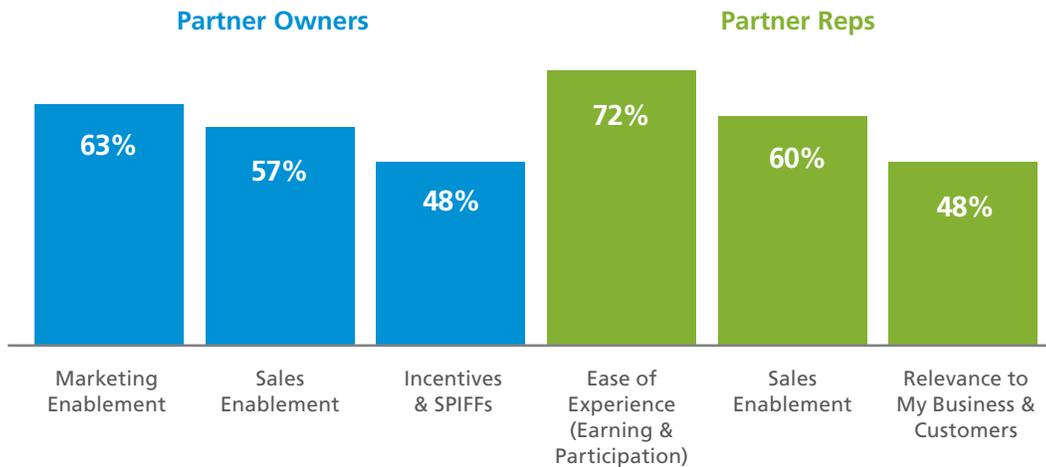
Another way that vendors can impact ease of experience is by ditching the one-size-fits-all program and making it more personalized and relevant to each partner. Personalization means providing customized learning experiences, incentives and rewards based on partners' roles or specializations. It also may include offers, materials and support based on the types of customers that partners serve. Advanced segmentation, partner journey mapping and engagement strategies can align earning and achievements with partners' abilities to produce results. Personalization is best delivered via a partner experience portal that aggregates siloed channel technology and tracks progress, eligibility, enablement and training all in one place.

## What Partners Value in Vendor Channel Programs Varies by Their Role

To get a more holistic picture of what partners value and need most from vendor channel programs, we sought to determine whether an owner’s needs differ from those of a sales representative. According to our survey results, the answer is, “Yes.”

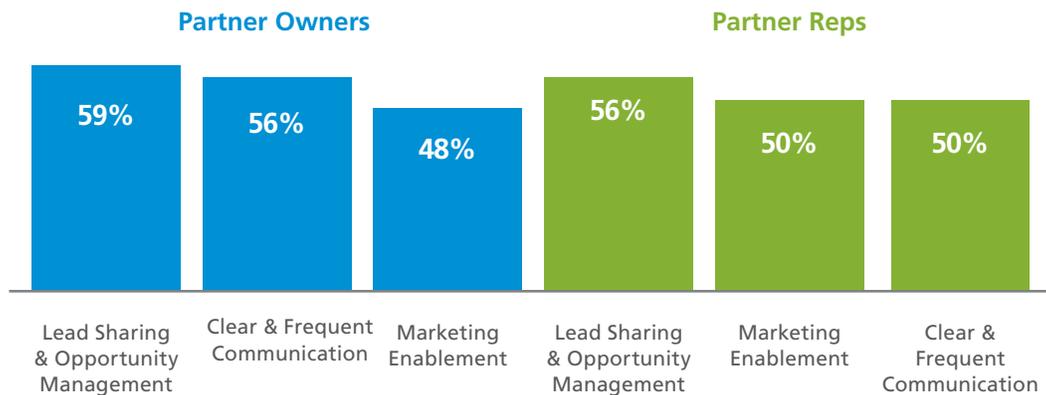
Looking at the top responses by partner role highlights vendors’ needs to segment and, ideally, personalize a program to the participant. Before the pandemic, for example, partner owners and partner reps shared only “sales enablement” in their top three most valuable vendor channel program elements. Following the pandemic, the top three elements are the same for both roles.

### What aspects of vendor programs did you find most valuable before the pandemic?



Base: 54 U.S. channel partner owners and 50 U.S. channel partner sales reps, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

### What aspects of vendor programs do you find most valuable today?



Base: 54 U.S. channel partner owners and 50 U.S. channel partner sales reps, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

Shifting to needs, however, shows some nuances in preferences by role. While they agree on “better communications” as the No. 1 need, sales reps expressed a greater need for “better onboarding and education” and “lead sharing and opportunity management” compared to other areas than did partner owners.

### How have your needs for vendor programs changed since the pandemic?

#### Partner Owners

|   |   |
|---|---|
| 1 | We need better communication and collaboration.         |
| 2 | We need better sales enablement.                        |
| 3 | We need different monetization of services.             |
| 4 | We need better marketing enablement.                    |
| 5 | We need better program relevance and personalization.   |
| 6 | We need different incentives and motivation.            |
| 7 | We need better onboarding, education and training.      |
| 8 | We need better lead sharing and opportunity management. |

#### Partner Reps

|   |   |
|---|---|
| 1 | We need better communication and collaboration.         |
| 2 | We need better onboarding, education and training.      |
| 3 | We need better sales enablement.                        |
| 4 | We need better lead sharing and opportunity management. |
| 5 | We need different monetization of services.             |
| 6 | We need different incentives and motivation.            |
| 7 | We need better marketing enablement.                    |
| 8 | We need better program relevance and personalization.   |

Partner reps, who are on the frontline selling customers, expressed a greater need for onboarding, education and training than did partner owners, who are less likely to be selling solutions.

Base: 54 U.S. channel partner owners and 50 U.S. channel partner sales reps, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

These survey results suggest vendors can better meet sales reps’ needs by working on:

#### Onboarding

After recruiting partners, you need to activate them—ideally through an onboarding journey that reaches each partner where they are on their own distinct path. Make sure partner onboarding is not tied to a physical date, but rather a self-paced workflow beginning when partners sign up or six months later. The key to great onboarding is to ask yourself what will help partners simultaneously take action quickly and continue to actively engage in the program. If the partner already worked through onboarding but hasn’t taken action, attract their attention with a special offer. To accelerate engagement during onboarding and beyond, target laggards by offering catchup or fast-start options.

## What Partners Value in Vendor Channel Programs Is Influenced by Industry

We know from experience that industry influences what partners value in vendor channel programs. To drill down on the specifics, we polled partners in the Technology, Manufacturing and Insurance industries to find out what channel program elements were most valuable before and after the pandemic.

Before COVID-19, we found overlap among the industries. Each one's top three most valued channel program elements indicate a desire for ease of doing business, including "clear and frequent communications," "relevance to my business and customers" and "ease of experience." However, the Insurance industry partners stand apart from the others in ranking "clear and frequent communications" last while both Technology and Manufacturing partners valued communications in the top three.

### What aspects of vendor programs did you find most valuable before the pandemic?



Base: 54 U.S. technology partners, 51 U.S. manufacturing and materials partners, and 55 U.S. insurance partners, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

After COVID-19, each industry tackled its own challenges as well as common ones, including enabling remote workforces, filling digital marketing gaps and engaging in virtual selling. The single most important channel program element to partners—across industries—in the new normal is the value they place on "lead generation and opportunity management." This result is no surprise considering partners' needs to find, generate and close leads in an environment that prizes digital marketing and selling skills, which most partners lack.

Other channel program elements most valued today include "marketing enablement" and "training and development programs." Both reflect partners' needs to evolve their skill sets. So, vendors should ensure their enablement programs and training modules are refreshed to meet the changing market, or partners will seek support elsewhere. Keep in mind that self-elected training and knowledge gains may only go so far; incentives will play a role in motivating and engaging partners to pursue skills development courses and certifications.

## What aspects of vendor programs do you find most valuable today?



Base: 54 U.S. technology partners, 51 U.S. manufacturing and materials partners, and 55 U.S. insurance partners, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

Understanding what partners *value* in vendor channel programs reveals what's done well today. Asking what partners *need* from a vendor program highlights potential areas for improvement. In this case, nearly half of partners across industries expressed a need for "better communication and collaboration" from vendor channel programs.

## How have your needs for vendor programs changed since the pandemic?

| Ranking | Technology   | Manufacturing & Materials                                  | Insurance  |
|---------|--|--|--|
| 1       | 55%<br>We need better program relevance and personalization. | 45%<br>We need better communication and collaboration.     | 45%<br>We need better communication and collaboration.     |
| 2       | 44%<br>We need different monetization of services.           | 41%<br>We need different monetization of services.         | 40%<br>We need better lead sharing/opportunity management. |
| 3       | 43%<br>We need better communication and collaboration.       | 37%<br>We need better lead sharing/opportunity management. | 40%<br>We need better onboarding/education/training.       |

Nearly half of partners across industries expressed a need for "better communication and collaboration" from vendor channel programs since the pandemic.

Base: 54 U.S. technology partners, 51 U.S. manufacturing and materials partners, and 55 U.S. insurance partners, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

These results track with what ITA Group has found when working with vendors that seek our assistance with improving partner sales, engagement and service levels. We find the lack of ongoing and relevant communication often is accompanied by a disconnect between the program structure and participating partners' needs.

Our survey results suggest that vendors can better meet partners' needs by engaging in the following activities:

### **Ongoing & Personalized Communications**

Proactive and frequent communications with partners can help them better understand how to derive value from your channel program. More touchpoints create greater opportunities for partners to interact with your brand and program. Take care to go beyond announcements of new promotions and solutions to include ongoing communications to engage and activate partners.

Communications work best when targeted to partners based on their engagement levels, role in the organization or specialization by product, vertical or customer type. Reinforce your messages with integrated campaigns across digital channels (e.g., web, email, text, social) and traditional channels (e.g., print and events). Also, vary the source of the communications with some delivered by corporate and others coming from channel managers.

Since you're unlikely to be the only vendor courting partners, take care to establish your company's unique value proposition for partners. For best results, pair your unique value proposition with strong brand messaging and creative that breaks through the deluge of noise.

### **Voice of the Partner Programs**

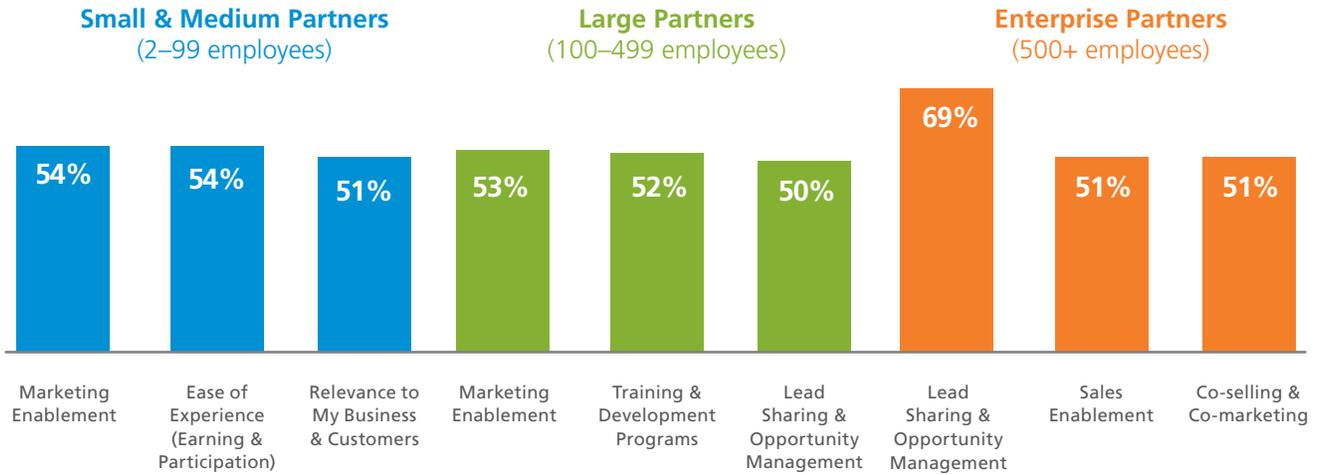
The best way to find out what your partners value and how to motivate them is by asking them directly. Giving partners a voice enables a collaborative feedback loop that can give you a competitive edge. If you don't already have a Voice of the Partner Program, it's easy to start one using sentiment surveys, focus groups and partner advisory boards, etc.

## **What Partners Value in Vendor Channel Programs Shifts by Size**

Our COVID-19 channel impact survey also explored how partners' sizes influence what elements they value in a vendor channel program. Does the number of employees in a partner organization make a difference in what they want from a vendor? Common sense indicates it does, and the data backs up the hypothesis.

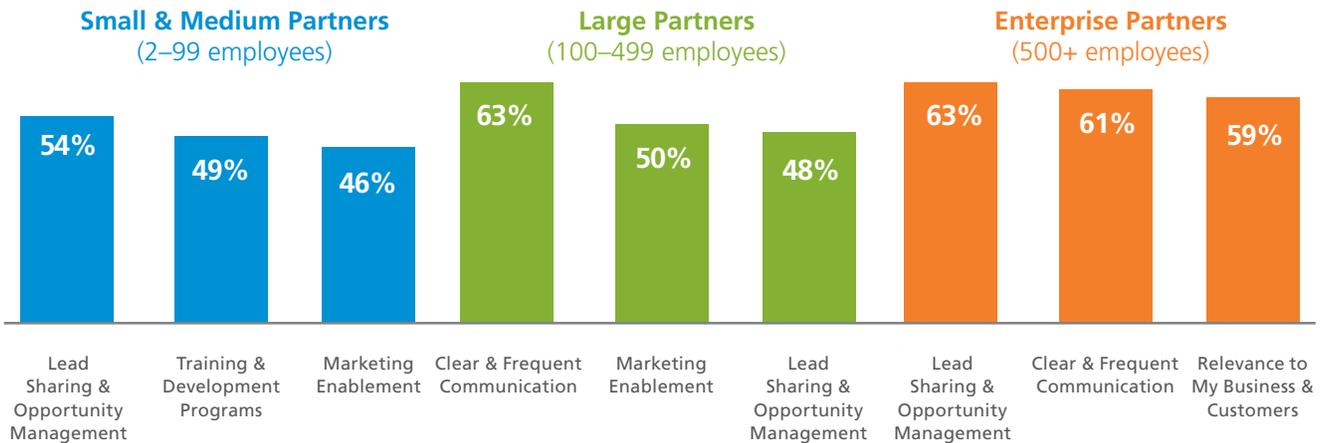
Before the pandemic, partner organizations of varying sizes prioritized vendor program elements differently from one another, with sales and marketing enablement being common to all. After the outbreak, the elements they valued most in a partner program shifted more toward "lead sharing and opportunity management" and "training and development programs."

## What aspects of vendor programs did you find most valuable before the pandemic?



Base: 85 U.S. small and medium partners, 64 U.S. large partners and 59 U.S. enterprise partners, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

## What aspects of vendor programs do you find most valuable today?



Base: 85 U.S. small and medium partners, 64 U.S. large partners and 59 U.S. enterprise partners, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

We also asked partners what they *need* in vendor programs and found some differences from those responses compared to what they *value*. The results provide vendors with direction on keeping elements that partners value and adding or improving elements partners need.

Small and medium partners with fewer than 99 employees say they value “lead sharing and opportunity management” and “training and development programs” but need “different incentives and motivation” and “better communication and collaboration.”

Large partners with 100-499 employees and enterprise partners with more than 500 employees both say they need “better program relevance and personalization,” indicating an area of improvement for vendors serving larger partners with a greater breadth of partner roles and/or specializations (e.g., vertical markets).

### How have your needs for vendor programs changed since the pandemic?



#### Small & Medium Partners (2–99 employees)

We need different incentives and motivation.

We need better communication and collaboration.



#### Large Partners (100–499 employees)

We need better program relevance and personalization.

We need better marketing enablement.



#### Enterprise Partners (500+ employees)

We need better communication and collaboration.

We need better program relevance and personalization.

Base: 85 U.S. small and medium partners, 64 U.S. large partners and 59 U.S. enterprise partners, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.

No matter the size, partner organizations value and need training and development, indicating opportunities for vendors to improve skills development programs.

### Skills Development

When adding or improving skills development programs, four key phases drive success:

#### 1. Define your focus through skills gap analysis.

This exercise will help you understand who (what roles and partner types, etc.) *need* to develop skills as well as how fast skills development needs to happen.

**3. Motivate partners to complete skills development training.** Constant communication reinforces foundational messages and promotes training opportunities, helping to build excitement around acquiring new skills while mitigating fear and change overload.

#### 2. Build awareness through communication.

Change can be uncomfortable, especially if partners are in a vulnerable position because they lack needed skills. Clear and compelling communication is critical to the successful launch of your skills development initiative.

**4. Reinforce progress by offering incentives and recognition.** Create momentum for skills development by rewarding and recognizing partners for milestones along the way. This practice is essential to reinforcing learning and sustaining long-term behavior change.

## Conclusion & Recommendations for Vendor Channel Program Investment

As we emerge from the pandemic, vendors' best course of action to improve their channel programs is to talk to partners. Surveys or focus groups can shed light on the makeup of your partner base, what makes your program great (or not so great), the partner experience and what you need to do to adapt to the market going forward.

Immediately, you should consider a few critical short-term channel program investments to help your partners leave the impact of the pandemic in the dust:

### **Motivate Partners to Learn with Behavior-based Incentives**

Training, development and enablement will play a significant role in creating value for both vendors and their partners as programs move into the future. The quickest way to make strides in this area is to incent partners to consume training and content that's ready today. Consider making certifications or training a prerequisite to earning program benefits or higher revenue tiers. Alternatively, make courses part of product launches or incentives, or offer a multiplier for attending online programs. Self-directed learning will only go so far; motivating partners to complete their training is vital.

### **Improve Communications & Collaboration with Greater Clarity, Frequency, Relevance & Personalization**

Partners need ongoing communication about expectations, earning criteria, program eligibility and ways to drive value in the partnership. They also expect channel leaders to light the path forward in the changing marketplace. Vendors can fulfill this need by increasing the frequency and relevance of to-partner communications. Create or hire a partner marketing agency to produce targeted communications that are segmented and personalized to partners based on their engagement levels, organizational roles, and areas of specialization. Don't skip over program branding, which is key to establishing a clear value proposition, an eye-catching identity and a promotional calendar to break through the deluge of communications partners receive daily.

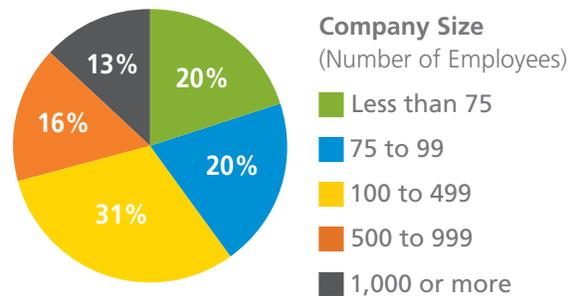
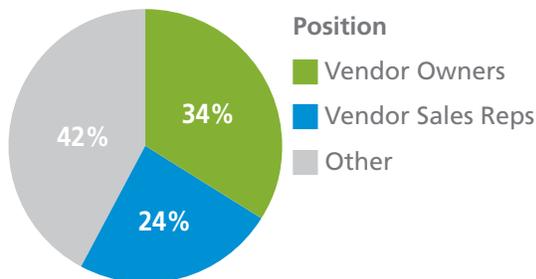
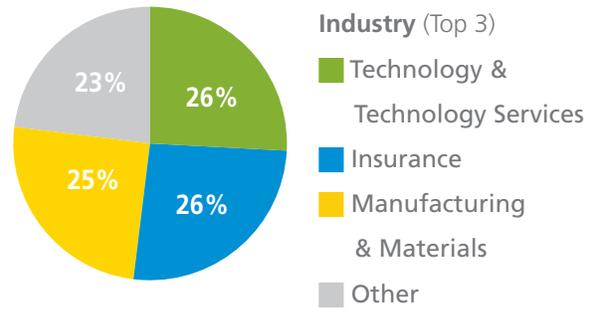
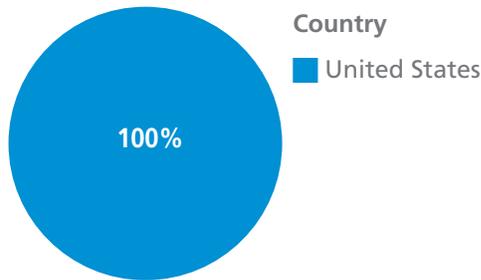
### **Improve the Partner Experience by Mapping the Partner Journey**

Make changes to your channel program based on their impact on the partner experience. Mapping the partner journey is the first step to understanding how to change, adapt, or evolve a vendor channel program. To begin, consult with your existing partners to explore how their journey aligns with new buyer's journey. Identify where your program elements and experts can plug in to ease steps on partners' paths to profitability and improve the overall partner experience.

## Methodology

This report is based on research commissioned by ITA Group and performed by Forrester Consulting, which surveyed 208 U.S. channel partner owners and channel partner sales representatives who are responsible for or have insights into channel partner relationships and/or incentives. The custom survey began and was completed in November 2020.

### Demographics



Base: 208 U.S. channel partner owners and channel partner sales reps, responsible for or with insights into channel partner relationships and/or incentives. Source: A commissioned study conducted by Forrester Consulting on behalf of ITA Group, November 2020.