

# Introduction to Channel Partner Ecosystems

Businesses are undergoing a paradigm shift. The very nature of competition, the ways customers buy, and how companies go to market is changing. A recent Accenture survey showed 76% of business leaders expect their current business models to be unrecognizable in five years. The reason? **Ecosystems.**

Put simply: A channel partner ecosystem is a new way to think about the go-to-market strategy you already have in place—a **new mindset that includes all the partners inside your distribution channel.**

While most executives have plans to or are already building an ecosystem to respond to threats of disruption—like the ones hitting our markets pre- and post-COVID—many channel leaders are discovering how challenging it can be to drive results, discover best practices and also navigate the evolving landscape of their partner ecosystem.

While you may want to throw your hands up in frustration, there is some good news.

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**The inherent complexity of ecosystems can be overcome through a shift in mindset and updated blueprint.**

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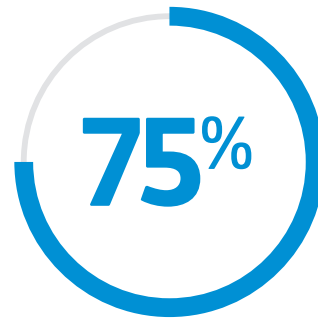
The shift in mindset means changing your process for understanding what and who is included in your ecosystem, and how they fit into your strategy.

It's no longer good enough to sign up anyone who says they will sell your product—or even put every partner into the same program you've got in place today. The partner landscape in any industry is too varied to offer a one-size-fits-all strategy because your partners are:

- > A finite resource
- > Being approached by competitors
- > Impacting your buyers journey at every stage
- > Often responsible for over half your revenue

So if you're in the business of making money through your channel partners—and, really, aren't we all?—listen up.

**Here is the new blueprint.**



of world trade flows through indirect channels



of world trade flows through direct sales

—World Trade Organization



**100%**

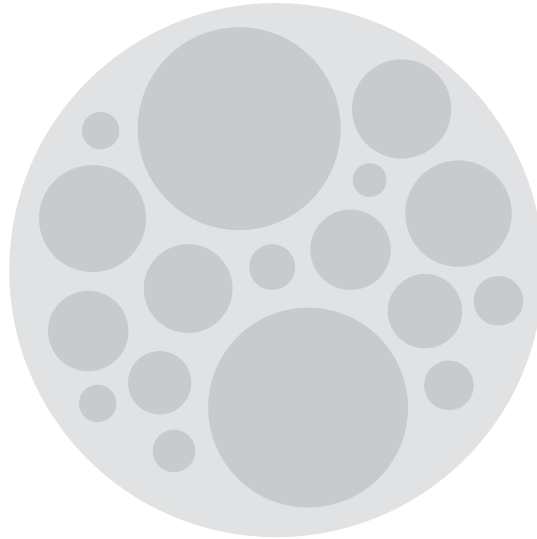
of leaders surveyed said driving sales through channel partners was a priority and they had nearly three times more partner-influenced sales.

—Deloitte

## Visualize Your Ecosystem in a New Way

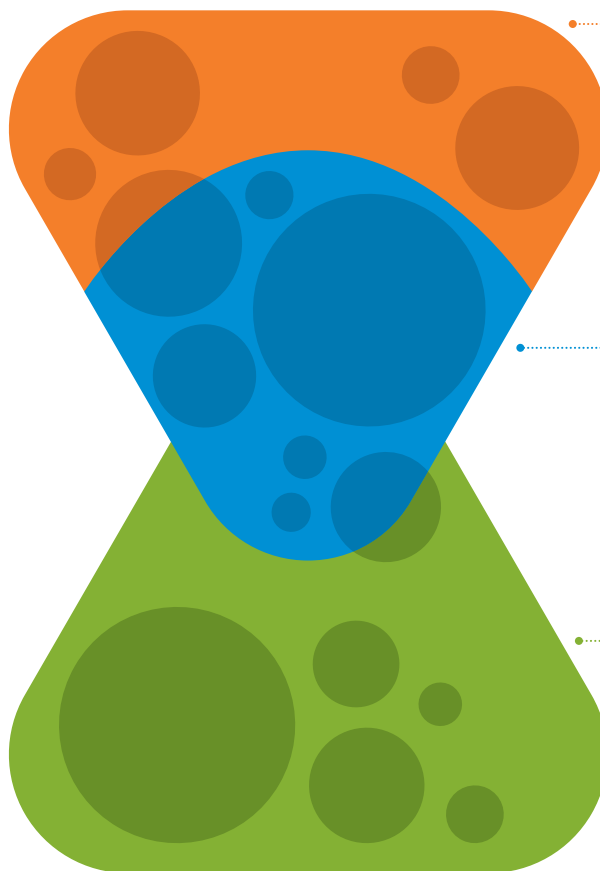
It's time to move beyond the old way of looking at your partners by their label and type (where everyone has a bucket and gets put into the same program) like this:

### Channel Partner Program



### Channel Ecosystem Strategy

Instead, metaphorically toss all of your partners into your marketing and sales funnel and swirl until you can think about and treat them like this:



●.....○ **Influencer**

Someone with the ability to influence a potential buyer by promoting, recommending and referring a product or service either online, in person or some other way.

●.....○ **Transactional**

The segment of your partner ecosystem that plays a role in sourcing, producing, distributing and selling your products and services.

●.....○ **Retention**

A retention channel is helping you retain, reactivate, renew, upsell, utilize and cross-sell your brand.

## No Need to Reinvent the Wheel—Just Revise It

Embracing your partner ecosystem is by no means telling you to scrap everything and start over. You have programs and partners in place that will never go away. So what does it mean? It's easiest to think about by breaking your partners into segments.

### Continue Supporting Traditional Partners

You've got programs in place right now for your partners. You also know all partners are not created equal. Only a small fraction of those partners are bringing revenue to the table, according to the survey previously mentioned.

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**And of those, only the top quintile of partners are collaborating with you at a level that accounts for a significant portion (more than 60%) of your channel revenue.**

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These are what we call your **transactional partners**. Your classic partner program with traditional tiering based on performance plays well here. And it's not a bad model—nor is it going away anytime soon.

A strategy for these programs may have a few different partner types, such as VARs, MSPs and technology partners (telcos, agents, integrators, etc.) and gives them sales and support perks based on revenue volume. It may have looked (or still does) something like this: ○.....●

Depending on your channel strategy and program sophistication, you may also have:

- > Content and enablement resources
- > Special incentives for your top partners
- > PRM systems
- > Advanced partner marketing
- > Outreach/support for a few new partner types (e.g., integrators, developer communities, etc.)

These traditional tiered programs are still relevant. In fact they're perfect for the transactional partners you already have who are delivering revenue. **But what about the bulk of your partners who are enrolled in your current program? You know, the ones who aren't exactly performing how you thought they would?**

BRONZE	SILVER	GOLD
Program Benefits		
✓	✓	✓
✓	✓	✓
	✓	✓
	✓	✓
		✓
		✓
		✓
		✓

## Separate & Reevaluate Non-Transactional Partners

These are the partners you've got in your program who might be showing high engagement but don't seem to bring dollars to the table in the traditional sense. You know the ones: taking all your training, downloading the materials, showing interest in speaking with account managers. Clearly they want to work with you—so what gives?

Some of these partners could be playing at the **top of the funnel helping you build your pipeline** through referrals, lead generation, word-of-mouth influence or the occasional recommendation. ○

Others could be helping you **grow adoption with clients and renew business**; think about the integration specialists connecting you to the rest of a customer's business, or the MSP who layers in recurring services that align with your offering—they are just as invested in seeing the client stick with your products and services as they are theirs. ○

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**These non-transactional partners are helping influence the sale and retain the business.**

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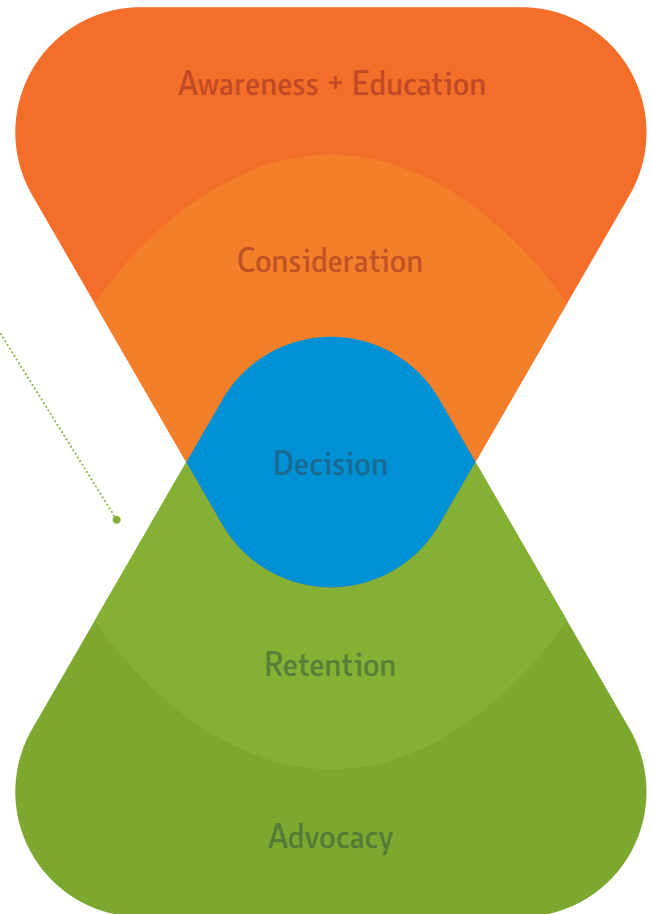
Here is where the ecosystem mentality really comes into play. You have to start thinking about these partner types differently. The way they interact with your brand and the value they derive from working with you is different from a transactional partner. And it has to be—you can't tie direct revenue to them, so there is no percent of the sale, no new customer bonus, and no rebates to pull out of our traditional incentives box and hand to them as a reward for working with you. But they're still an integral piece to the revenue puzzle—especially in a channel ecosystem strategy.

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**Why shuffle your partners and change your mindset? Because every partner you have is working for you in some way. How you've historically "labeled" or "siloed" them is likely doing you a disservice.**

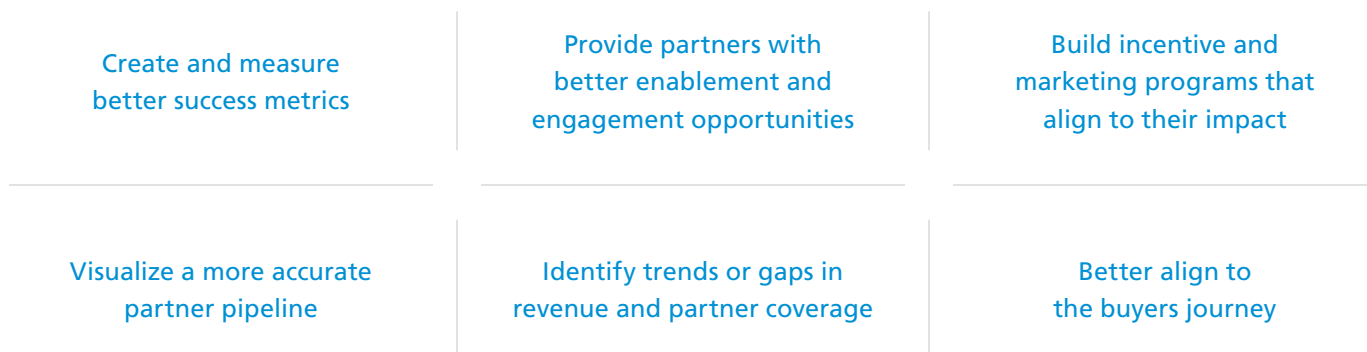
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## Marketing & Sales Funnel



By aligning your partners with their impact to your marketing and sales funnel and the specific behaviors they do in support of your brand, you'll be able to realize a wealth of short- and long-term benefits.

### Benefits of Aligning Partners to an Ecosystem Strategy

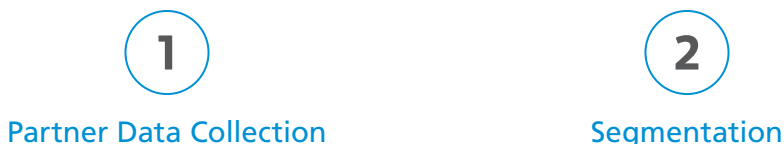


Ultimately, the blueprint for designing your channel partner ecosystem is this: **Identify and map your partner segments—then find a home (and a program strategy) for your trifurcated *influencer, transactional* and *retention* channels.**

### Benefits of Mapping Your Partner Ecosystem

Mapping your partner ecosystem is step number one in understanding how all your partner segments work together and for your brand. Even if you're not ready to tackle the full spectrum of your ecosystem, mapping is where you must start. There are still many improvements that can be made in an existing channel strategy by understanding your unique partner ecosystem.

**The two most important factors that will help you map your ecosystem are:**



A renewed focus in both areas will take your sophistication level up a notch resulting in giant improvements to the success of an existing program (as well as dictate strategy for others).

**Putting in the legwork to set the partner data and segmentation stage is what will lead to effective mapping.**

Only after that's completed can you have an accurate idea of how to proceed with programs and optimizations for your channel ecosystem.

Once you commit to the new partner ecosystem mentality you can find your path and start to realize all the benefits that await: Benefits for your partners. Benefits for your company. And benefits for your customer.

Here are a few of the ways you can positively impact your program once you've completed a data collection, segmentation and mapping exercise:

#### **Partner Recruitment**

- > Define ideal partner characteristics
- > Score partners (using profiles/segmentation)
- > Add more qualified partners
- > Identify trends or gaps in revenue and partner coverage

#### **Partner Enablement**

- > Identify how segmentation and profiles impact partner experience
- > Provide partners with better enablement (training, materials, resources, incentives, marketing, etc.)

#### **Partner Performance**

- > Introduce motivational techniques to increase revenue
- > Shift partners to recurring revenue products and/or services
- > Sell new products and/or services
- > Create optimized transactional channel incentive programs
- > Increase lead generation

#### **Customer Experience**

- > Create a consistent experience
- > Improve alignment to their buying journey

#### **Business Performance**

- > Develop actionable insights through better partner reporting and channel data
- > Prove ROI of programs
- > Create and measure better success metrics
- > Build incentive and marketing programs that align to ecosystem impact
- > Visualize a more accurate partner pipeline
- > Align to the buyers journey better
- > Build brand equity and increase awareness

### **Take Control of Your Ecosystem**

As more and more businesses build their partner ecosystems, companies that do not actively build and embrace these new partner types will flounder in a competitive global market.

A step you can take right now? Get your key channel partner stakeholders together and identify and document your data sophistication level (we recommend involving some experts). You can do this! Take control of your ecosystem—start thinking differently and make room for more than just traditional partners to change how you go to market with a channel ecosystem.

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Our 50+ years of expertise in creating cohesive channel partner experiences lays the groundwork for the trust, loyalty and brand advocacy that ultimately drive results such as increased sales, partner satisfaction and a stronger ROI. But that's only the beginning. A strategic blend of front-end research, channel partner strategies, real-time data and analytics, and tailored incentives is what gets the job done.

**Ready to Learn More About Channel Ecosystems?**  
**We're Here to Help—[itagroup.com](https://www.itagroup.com)**