

PARTNER ENABLEMENT

HOW TO ENABLE YOUR PARTNERS TO WIN
THE TALENT WAR SO YOU ACHIEVE YOUR
CHANNEL GOALS



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CHANNEL STRENGTH THROUGH STRONGER PARTNERS

THE CHALLENGE

For decades manufacturers of software, hardware and peripherals have wrestled with how to optimize partner engagement while maximizing the return on their investment. Although offerings differ, all channel partner programs are a mix of service and support levels; rewards and incentives for revenue generation; varying degrees of certification requirements; and marketing programs designed to drive leads and opportunities to the highest performing Partners.

One reason why programs are so similar is because manufacturers have a limited ability to maintain Partner allegiance and influence revenue generation. The cold stark facts are Partners do not work for the manufacturers. There is only so much “carrot and stick” that can be used to motivate desired behaviors in the over engaged marketplace in which Partners compete. **The tipping point for growth is to improve Partner execution through their employees – the people or “talent” required to perform certain activities on behalf of the manufacturer.**

The number one reason for this disconnect is: Key Partners lack the business skills to effectively hire, fully engage, develop and retain key talent. Most channel partner owners and executives we serve share 5 common characteristics - They:

1. Were superstar technologists, consultants, and salespeople who decided to start their own company;
2. Enjoy their work;
3. Value their supplier relationships;
4. Tolerate long, stressful hours of work; and
5. Are not good managers of people.

Your Partners are not alone in struggling to hire great talent and fully engage their people yet studies have proven that a fully engaged workforce simply performs better.

*In studies within the service industry, we found that **sales were 23% higher for those workers classified as ‘engaged’** over those workers that were not engaged in the work they do. **They also represented a 46% lower turnover ratio** than their not engaged counterparts* - Gallup Management Journal, Sept. 2003

In a poll conducted by Maritz Research in June 2006, the findings show *“the extent to which employees felt their companies cared about them, the degree to which they trusted their leaders and believed their leaders to act consistently, were at least twice as important as pay and nearly three times as important as benefits in predicting employee engagement. **Only 9% of Americans describe their relationship with management as ‘extremely positive’ and 49% describe the relationship as ‘lukewarm’ or ‘negative’.**”*

*Franklin Covey did a survey of 23,000 employees in key industries awhile back. **Only half of the respondents said they felt satisfied and fulfilled with the work they had accomplished at the end of the week.***

It’s easy to blame it on the employees, but the problem lies with the executives running your Partner organizations. These company founders and leaders are typically good people who are very capable, yet they lack the systems, training and discipline to manage talent effectively.

IBM has recently undertaken a major initiative to more fully engage great people. IBM has announced they now believe companies relying on technology or manufacturing cannot dominate markets indefinitely. *“That’s why Palmisano (IBM’s CEO) chose to center IBM’s business strategy on the belief that its people are, and will continue to be, IBM’s key market differentiator. **HR and talent management – not computers – are IBM’s core business.**”* (HR Magazine, April 2007)

If you want your Partners to compete as an extension of your company then you need to invest in their ability to hire better people, manage them effectively, develop them constantly and retain them from headhunters or burnout. If your Partners do not have competent managers leading the best people to compete for business on your behalf, then your company will always be challenged to achieve its goals. The stakes are very high. The ability to drive revenue lies in the balance.

*“In a study of 107 companies, the companies that had the highest engagement scores during a 3-year period reported an average of an **87% increase in sales, 86% increase in market share, and 57% lower turnover.**”* (Quantum Market Research, 2002)

The talent war is real. There are not enough good people to meet every company’s needs. Therefore let us review how some leading companies that are Success With People Clients are enabling their Partners to hire, manage, develop and retain top talent so they gain a competitive edge in their desired markets.

THE SOLUTION

When David Russell, CEO of our company and author of the 5-Star rated Amazon book, **Success With People**, speaks at channel events, he often asks the question: “*How many of you have your current job because the #1 thing you want to do is manage people?*” The audience always laughs.

It is not that these leaders are incapable. The issue of managing talent is stressful in part because 90-95 percent of them have no training in how to manage, engage, and empower people. They grow their business to 10-15 employees and struggle to grow profitably beyond that because they lack the management skills. Often they choose to merge with another company or are acquired to solve the problem, but this just makes the situation more complicated.

The challenge we constantly hear from vendors is the biggest constraint to revenue growth is **Partner capacity to sell, implement and support** their solutions. Too many manufacturers focus on technical and/or sales certifications to improve Partner competitiveness but *the primary obstacle is management skills*.

Success With People recently completed a 3-month program with the Partners of a major software vendor. The goal was to improve their ability to hire, manage, develop and retain top talent. The program included:

1. An organizational assessment of each Partner to identify their strengths, weaknesses and productivity loss involving hiring, managing, developing and retaining talent.
2. A sample behavioral and values assessment of a key employee to learn how our assessments can help hire better people and more fully engage existing employees.
3. 5 Web seminars to teach our proven hiring system, management strategies, a process for employee development and retention strategies.
4. 2 Job benchmarks to identify the behavioral and motivational characteristics of superstar employees and provide a comprehensive job description, key performance indicators, behavioral-based interview questions and sample recruiting ad so Partners can hire the best possible candidates.
5. 3-4 Hours of consulting / coaching with each Partner to focus on their urgent needs involving talent.

92% of participating Partners surveyed after the program indicated they would recommend the program to other partners. **88%** believed the program has made their hiring process more effective. As a byproduct of these efforts, a number of these Partners have

subsequently hired us to do additional work with them to really establish new or improved hiring systems, review compensation strategies and resolve employee issues.

We will be introducing software in September 2007 to fully implement what we teach so Partners and their core vendors can work more closely together to fully engage their employees to win more business.

Here are some quotes from various Partners that participated in this Success With People program:

“I think that Microsoft got it right when they contracted your firm to assist with this program – I would encourage them to expand this offering to all the Dynamics partners (and possibly the classic partners some day).”

David Bitel
Director, Business Productivity Solutions
Center for Computing Resources, LLC

“I wanted to take a moment to tell you what a tremendous impact you have had on our processes for hiring and motivating employees. We have been a managed partner for 17 years with Great Plains first and then Microsoft Dynamics... Your approach and program have been just what we have needed to start retooling the current staff for motivation to improve productivity and increase tenure. The greatest impact has been on filling the open slots we have now and are planning to create. How we evaluate recruits and place them within our organization to gain the best traction for growth is a painful planning process that you have made clear and insightful. We have made a huge commitment to focus on adding staff and would have made serious missteps if it were not for your program and guidance...”

Iris Schimke
CEO
Express Information Systems

“The team at Success With People has given us tools and processes that will not only help us to recruit great people, but also to keep them happy employees. We will be using these practices for years to come.”

Lee House
President
I.B.I.S.

“Success With People has helped us revise our hiring process by adding structure to the overall scope of looking for quality people. We have hired the wrong people in the past only to find that fact out after we’re heavily invested into someone. With the Success with People methods, we can now fine tune our selection and hiring process. We look forward to working with them in the future.”

Bryan L. Wilton, CPA.CITP, MCP
President
InterDyn Progressive Group

THE SUCCESS WITH PEOPLE SYSTEM

What's in it for you and how do you implement across a diverse channel? These are good questions that are answered through two key Success With People deliverables:

- I. We train, coach and consult to enable your Partners to implement and maintain a complete system to hire better people, manage them effectively, develop them constantly and retain them longer.

- II. Our **ManageToWin.com**TM software not only helps your Partners, it also provides valuable data to YOU to help you make better channel decisions. These data points include employee turnover, compliance to best practices, alignment with job benchmarks and compensation practices. You can also extend your best practices through the software to Partner employees on an opt-in basis by the Partner.

The following is a quick overview of the Success With People system so you can see how it enables your Partner executives to more fully engage their most valuable assets – *their employees*.

1. SYSTEMATIC POWER

Systematic Power is a commitment to have systems established and followed for hiring, managing, developing and retaining talent. We teach your Partners how to be systematic in talent management rather than emotional (gut decisions). The result is Partner leadership becomes more consistent, clear and inspiring. Employees have careers rather than jobs.

2. UNDERSTAND HOW YOU (each Partner employee) MAKE A DIFFERENCE

Partners extend their company vision through focusing their people on why their work is making a positive difference in the world. This increases their passion to deliver excellence and strengthens their desire to stay with the company long-term.

3. LOI: LIVE IT – OBSERVE IT – IMPROVE IT

Your channel partners need to establish practices to help the employees experience the core value your business provides customers – both product and services. Only by pursuing all three aspects of *LOI* can your Partners maintain a superior customer experience. Many Partners have their employees using their products and services so they understand firsthand the value their solutions provide to customers (“*Live It*”). Most Partners also have some of their people observing how clients use their solutions (“*Observe It*”). This information enables Partners to identify unique ways to serve clients better, yet too often Partners fail to fully exploit what they learn because they lack a system for fully considering this valuable knowledge and implementing it (“*Improve It*”). We help them establish a system so this valuable data is used to beat competitors.

4. SANCTUARY

The glorification of entrepreneurship deceives many Partners to work frenetically for their business rather than strategically working on their business to build it into a stronger, lasting entity. Focusing on activities increases stress and lowers productivity. This removes the leaders' ability to visualize the steps necessary to grow their organization and forces employees to overlook opportunities to improve efficiency and effectiveness. *Sanctuary* is about taking regular breaks during the day to Rest (have a healthy snack, exercise, meditate...); Reflect (remove all distractions and let your mind focus); and evaluate Risk as it pertains to key priorities. The difference in a person's career can be dramatic.

5. SUCCESS PLANS

One of the key challenges we find with all our Clients is the inability of their employees to achieve key objectives each day. *Success Plans* are a to-do list on steroids. They help channel partners and employees focus on what's most important each and every day. They focus people on clear, measurable, attainable results. We help people create a simple plan and then hold themselves accountable to work the plan.

6. PASS THE BATON ON JOB RESPONSIBILITIES

Channel partners need to write clear, detailed job descriptions for all of their positions. Too many partners have job titles, but no documentation of a formal job description. The belief is the company operates like family and everyone knows what to do. This is just not true and it also creates a legal liability. Vendors hire us to write comprehensive job descriptions that can be distributed to their key Partners as a tool for improved hiring, better employee engagement, to lay the foundation for performance reviews and to increase retention as employees understand their career path within the organization.

7. RIGHT PERSON – RIGHT JOB

Our experience has been that most channel partners hire by gut feeling and emotion, rather than facts. People are not a Partner's greatest asset unless they have the right people in the right jobs. When you take a systematic approach to hiring, you increase your ability to hire great people rather than hiring convincing interviewers. Increased focus needs to be placed on better qualifying the candidate before hiring them and a stronger onboarding process for new employees that gets them fully engaged quicker.

8. COMPENSATION THAT PAYS

The bottom line is compensation communicates more about a channel partner's company values and personal integrity than any other aspect of their relationship with their employees. We have found that channel partner pay plans are all over the map for salespeople, consultants, developers, project managers, and other employees. Good compensation plans ensure profitability and aid in the retention of employees by combining Base Pay, Benefits and Performance Pay (incentives).

9. LISTEN MORE

The No. 1 reason employees quit their job is a poor relationship with their boss. *Listen More* means Partners must meet with their direct reports monthly to just listen. The objective is to find out how the person is doing; whether your company meeting their expectations; what are customers saying; and more. Leaders need to answer questions, affirm the individual's contribution and help them overcome obstacles. If you want results from your Partners, then you need to help them develop stronger, more consistent relationships with their employees.

10. GOALS THAT WORK

In general, channel partners and their employees do a poor job of setting and achieving goals. Instead they live day-to-day reacting to customer events and business needs rather than applying their knowledge and skills to positively respond to opportunities. Partners need to define their system for writing goals, and then encourage employees to write the first drafts of their goals. After agreeing to a final version then leaders need follow-up consistently to help employees achieve company goals and those set by key vendors.

11. HALFTIME REVIEWS

Using the employee's job description and goals as a foundation, channel partners benefit from quarterly mini-reviews and an annual performance review to confirm they are committed to each employee's success. These meetings should be similar to a coach's meeting with a player or team at halftime. Confirm what is going right; what is going wrong; and how to proceed to achieve success. Another benefit is performance documentation helps your Partners avoid expensive employee lawsuits.

12. COACH – DO NOT PLAY

Coaching but not playing means Partners teach their people how to think, rather than just tell them what to do or do it themselves. For your Partners to experience consistent, profitable growth they have to develop their employees to be better at their work than themselves. It does take some time, but it also addresses the second most important need of employees: To be developed and understand their career path within your channel partner's organization.

MANAGEtoWIN™ SOFTWARE

MANAGEtoWin™ software from Success With People gives vendors three key competitive weapons you do not have today:

1. Software that automates the employee performance management process so your Partners become much more effective leaders who can grow their business with your company. ***This enables your Partners to become more effective leaders who are more capably growing their business.***
2. The ability to push your best practices to achieve goals, develop skills and follow through on your initiatives to each Partner employee's desktop on an opt-in basis by each channel partner. ***This enables you to more fully engage your Partners in your key initiatives.***
3. Data on Partner employee turnover, goal achievement rates, certification levels, and other valuable talent management information on an opt-in basis by each channel partner. ***This gives you a much clearer picture of the true capabilities of your Partners.***

This more complete Partner engagement and talent-related data enable your organization to make better channel decisions including which Partners:

- Receive market development funds;
- Are key priorities for your account executives; and/or
- Actually fit your ideal profile of a profitable channel partner?

Channel Partners are yearning for a better, and more time effective way, to hire, manage develop and retain great employees. MANAGEtoWin™ is the first talent management solution designed specifically for channel partners and vendors to work together for mutual gain.

MANAGEtoWin™ generates key data points that improve the competitiveness of both channel partners and vendors. Data such as hiring and retention statistics, certification career paths, status against vendor-supplied goals, job benchmarks, and compensation plan structure can all be accessible if the partner “opts in.”

Here are some of the key benefits for vendors when your channel partners use MANAGEtoWin™:

Compliance to Programs

- Employee headcount – technical, sales
- Certification levels of all applicable staff
- Employee turnover as it relates to certified staff
- Status of Vendor-supplied goals

Increased Revenue From Existing Partners

- Improve employee retention
- Increase goal achievement rates
- Improve employee engagement by partner managers
- Improve business skills of partners so they grow their business

Increase Vendor – Partner Synergy

- Vendors extend best management practices to partners
- Vendors can extend goals with milestones, activities and content that are trackable
- Vendors can leverage data from the ManageToWin™ community to encourage improved partner business practices
- Vendor has a better view of how each partner is managing the people side of their business

The information is anonymous, but can be grouped by geography, product line, certification level, and more. MANAGEtoWin™ is multilingual and new field names can be added for reporting or benchmarking.

Success With People is different because we teach systems for improving performance. Microsoft, Cisco, Intel, Tech Data, Catalyst Telecom and their Partners are engaging our company to improve the way they hire, manage, develop and retain top talent. The *Success With People* system helps leaders save time, better focus on key priorities, and increase revenues through more fully engaging employees.

We've found that ideas alone provide leaders a quick high but no lasting impact. The *Success With People* system implemented through MANAGEtoWin™ software is a complete, automated, easy-to-use system to transform talent dysfunctional channel partners into champions.

In conclusion, our work with channel partners and data from other industries clearly proves vendors that improve the talent management skills of their Partners increase vendor opportunities to grow their business.

ABOUT THE AUTHOR

Bob Bachman started in the computer industry with IBM, then moved on to increasingly rewarding high-technology sales positions before joining the Great Plains Software organization. He worked at Great Plains for 9 years where he was recognized annually for both sales revenue and his contribution to the Great Plains Partner community. He left the organization shortly before it was acquired by Microsoft. Bob's channel development tenure, when combined with his subsequent experience with training companies, gives him a solid foundation for his work with Success With People clients.

ABOUT SUCCESS WITH PEOPLE

Success With People, Inc. offers coaching; consulting, assessments and services focused on helping entrepreneurs, managers and executives build stronger, more productive relationships with employees that increase opportunities for company growth and profits. The *Success With People Club* offers custom-produced monthly Leadership Coaching CD's and on-call help for people to become more effective leaders. In September 2007 the company will introduce MANAGEtoWin™ full employee engagement software, the first solution designed specifically for channel organizations as well as independent organizations. Clients include Microsoft, Cisco, Intel, Tech Data, Catalyst Telecom and over 100 channel partners.

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