

The Golden Rule to Channel Partner Success

BY THERESA THOMAS AND BRAD McEVROY

Independent distribution is critical for a variety of industries. Researchers estimate 75% of all sales are made through channel partners. However, companies that use channel partners face one big challenge: They have no direct control over their resellers.

Channel partners are independent businesses. The owners and employees of these autonomous companies cannot simply be told what to do. They must be persuaded to take specific actions. Because of this, sales incentive programs are an effective means of improving channel partner performance.

These programs influence behaviors, encourage increased sales, and inspire loyalty with win-win approaches. A recent study found that 48% of all companies with over \$1 million in annual sales use non-cash incentives to influence their partners. Why are these programs so popular? Investments in channel incentives and promotions pay off. These programs can easily generate 15%, 25% or even 50% increases in eligible product sales during the program period.

There is one golden rule for those selling through channels. *Results come by gaining the discretionary time and attention of your partners and their people.*

Programs offering non-cash rewards like travel and merchandise are specifically designed to gain more time and attention without being confused with compensation. But these programs require planning, time and resources to operate. Here are a few helpful tips to get the most from them.

Secrets of Channel Sales Incentive Success

A company can maximize its channel programs by understanding a few secrets that help move the needle by gaining the time and attention of channel personnel.

- Gain management buy-in for the program first
- Set attainable sales goals
- Engage them early with steps-to-the-sale rewards
- Consolidate program assets into one website
- Use product training to help your channel sell more effectively

Gain management buy-in for the program first.

Ask permission to operate a program and show management how it will benefit them. Skipping this step is the quickest way to doom a program.

Set attainable sales goals. People ignore goals perceived to be out of reach. If you are setting sales goals for a channel partner or their team, look at their previous sales. Add a reasonable stretch with valuable awards for hitting an



attainable goal. Encourage continued performance with larger awards for achieving even higher sales.

Reward steps that lead to a sale to keep them engaged.

Offering small rewards for demos, quotes or proposals can gain opportunities, move them through the sales funnel and keep participants engaged.

Consolidate program assets into one website.

Use a turnkey technology to consolidate all your messaging, tracking and materials. The website should include individual accounts for each participant. This allows you to communicate effectively based on the person's role. It also lets you provide resource materials, sales claims processes, leaderboards, feedback and personalized progress reports.

Provide product training.

Training is always discretionary, so it's important to appropriately incentivize it. Integrating product training into your program with rewards for completion provides channel salespeople the knowledge they need to sell more.

An experienced partner is invaluable in helping you develop your channel program. Look for one skilled at designing rules structures, offers a variety of awards and provides the right technology to consolidate all the elements of your program. This will simplify the program for you, make it easily accessible for your participants, and improve your results.

Theresa Thomas is Vice President, Strategic Solutions, at Hinda Incentives. Brad McEvoy, founder and CEO of Hinda's technology partner, Kademi, has worked at the leading edge of dealer, partner and channel programs for over a decade.

Learn more about how Hinda Incentives can boost performance from your channel partners by visiting [Hinda.com](https://hinda.com) or emailing Ric Neeley at rneeley@hinda.com.