



BEST PRACTICES DEAL REGISTRATION

Seven secrets to creating a
successful deal registration
program

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EXECUTIVE SUMMARY

Deal registration programs have recently shifted from a channel program differentiator to a must-have. This white paper introduces seven best practices in channel deal registration that are essential to the success of any deal registration program - and that are also central to the design of the BlueRoads solution. Companies implementing these seven best practices quickly see significant increases in both the number of registered deals and related revenue through the channel.

SEVEN SECRETS FOR SUCCESS

Deal registration programs provide a fundamental value proposition. They allow vendors to financially reward partners that are helping them grow market share. In fact, deal registration programs have become so crucial in preserving partner margins that poorly-crafted or poorly-enforced programs can cost vendors business.

There are three primary issues in channel business for which sophisticated deal registration systems provide the answer:

- Getting better visibility into the entire opportunity universe to improve planning and forecasting, as well as positively influencing deals early in the sales cycle.
- Reducing a partner's margin erosion through extra discounts. This supports the investment in prospects with longer sales cycles and protects against losing the deal due to competitive price dumping.
- Preventing channel conflict - keeping deal disbursement among the channel harmonious and appropriate.

Companies implementing deal registration systems are invariably looking to solve at least one of these pervasive problems. To do so, vendors must thoroughly analyze aspects of their channel processes and relationships that may not necessarily be top of mind. Utilizing the following Seven Secrets will help ensure a successful deal registration program that drives significant revenue growth.

1. Understand the partner's perspective

For many channel partners, the growing popularity of deal registration programs is forcing them to weigh the benefits of participation (e.g., pricing incentives) against the cost of internal resources required to administer participation. Because program success is directly correlated to partner adoption, vendors should carefully consider the partner's perspective and automate as much of the process as possible. Vendors should also provide partners with the ability to track registration status online in real-time. This reduces inefficient status check phone calls and emails, benefiting both parties with reduced program support and administrative costs.

2. Align the program with corporate objectives

It is essential to understand how key program elements can drive the partner behavior required to help the company achieve its overall goals and objectives. Deal registration program elements fall into five general categories:

Eligible Products. Focus on the products and services that best support overall corporate objectives. If a vendor needs to jumpstart market share for a new product introduction, then the program should allow registrations of new-product deals and the incentives should offset the partner investments required for them to come up to speed on the latest technology. Conversely, if maintaining market share for well-established low-margin products is a goal, then the program should reward loyal partners by providing margin relief.

Deal Size: Establish a minimum revenue amount for eligible deals.

Disclosure. Establish a minimum number of days prior to closure that a deal must be registered in order to be eligible, and reward disclosure behavior accordingly. If a vendor requires improved channel revenue predictability, then the program incentives should be skewed to reward partners for disclosing deals earlier in the sales cycle.

Closure. Establish a maximum number of days during which the deal must close in order to be eligible for incentives. Select a closure timeframe that is realistic yet provides an incentive to get the deal done. If a typical sales cycle is 90 days, consider setting the closure threshold at 120 days to provide partners with a reasonable cushion.

Eligible Partners. Establish partner eligibility criteria that are aligned with the other elements of the program, specifically product or market mix and deal size.

3. Provide privacy protection for unapproved deals

Many deal registration programs fail because the most important partners refuse to register hot and strategic deals. The crown jewels for any partner are its customer and prospect data. If the partner registers the data, they are exposed. If they don't, the vendor is unable to decide whether or not to approve the registration.

Breaking this stalemate requires both sides to give a little. Partners must be able to register deals with a high degree of confidentiality. If the vendor approves the registration, detailed information is exposed. However, if the vendor does not approve the registration, the details remain confidential and the privacy of the deal is protected.

4. Publish and enforce the program rules

Of all the factors critical to the success of a deal registration program, effective communication and consistent enforcement of program rules may top the list. Vendors must create simple, clear criteria for deal registration submissions and approvals. This information must be published and supporting processes must be put in place to ensure the rules are well enforced. The rules should be communicated within the context of the registration process to avoid misunderstandings.

5. Automate and integrate the process

Many deal registration programs fail because only one part of the process has been automated - registration. Yet the success of the program is not measured by the number of deals registered, but rather by the number of registered and approved deals that resulted in revenue. Vendors looking to increase channel revenue and predictability as a result of these programs must look at the full lifecycle of a deal. This means automating and integrating the entire registration-to-closure process.

6. Identify deals in critical sales stages

One key component of a successful deal registration program is providing partners with sales assistance to win the business. The ability to quickly identify strategic opportunities in critical phases of the sales cycle will enable both parties to collaborate efficiently and allocate resources properly. Automating and integrating the end-to-end process is the first step. Next, vendors must provide partners with an easy way to keep deal status up to date. If the update process is too difficult or resource intensive for the partner, deal status will grow stale and the program will not be operating at optimum effectiveness.

7. Measure, model, and tune the program...and measure again

The last, but certainly not the least, success factor is program measurement. Optimizing program performance requires a closed loop of timely, accurate and meaningful information. Vendors must have a mechanism in place to track program performance in a timely fashion, ideally real-time. This allows manufacturers to model programs based on real data, not just gut instinct, and tune them within a relevant timeframe to maximize results.

These Seven Secrets are the crucial elements to building deal registration programs that are mutually-beneficial for both the vendor and the partner. In short, a little empathy, a little critical thinking about strategy and objectives, and a strong focus on end-to-end process integration will go a long way.

SUMMARY

A profitable channel pays dividends for both vendor and partner. But most partners need help from the vendor to reach profitability, and vendors always benefit from increased partner visibility and process participation. Smart and

strongly-enforced deal registration programs improve returns for both parties. They help partners build profitable businesses and reward value-based selling by protecting margins. This, in turn, motivates partners to share pipeline information, which increases channel revenue predictability for the vendor, and helps improve closure rates through assisted selling. As a final benefit, automation can keep administrative costs to a minimum as the program scales throughout the entire partner community.

ABOUT BLUEROADS 5

BlueRoads provides on-demand channel management software and expertise to help companies market and sell more effectively through indirect channels. BlueRoads 5 empowers partner sales reps to actively participate in closed-loop sales and marketing processes, enabling companies to increase channel performance and predictability.

BlueRoads 5 combines the quick time-to-market and low overhead of a complete solution with the fast and easy customizability provided by a modular architecture. The Foundation System provides the base of the solution and manages administration and the business process backend, while Modules provide user-facing functionality.

BlueRoads 5 Modules, built on a 20-year understanding of indirect business processes, are added to the Foundation System as required to accomplish targeted business objectives. While powerful individually, the suite of Modules provides the highest value by interoperating in a closed-loop system to optimize end-to-end channel processes.

For more information on the BlueRoads Deal Registration Manager module and its unique privacy protection capabilities, please contact your local sales representative at 650.349.8500 or visit www.blueroads.com.