

PARTNER EXPERIENCE TRENDS

THROUGH THE LENS OF THE PARTNER JOURNEY

Providing a superior customer experience (CX) has been a much-hyped business imperative in the age of digitalization. Today, however, we have a newer concept to consider in the technology industry: the partner experience (PX). Specifically, how technology vendors and the indirect channel partners that sell, refer or consult around their products relate to one another – and most importantly how that’s changing. And it is changing.

The primary shift is in the relationship dynamic. The power equation has morphed from one in which vendors held all the cards to one in which partners have more leverage. It’s not adversarial, to be sure, but rather more balanced. For decades, partners have served as extended sales forces for vendors they aligned with and as such were beholden to sets of incentive goals and other requirements in order to move up the ranks of a tiered partner program system of benefits. Today, the balance is much more even and the partner journey more nuanced, which we will cover in this paper.

Key topical areas to think about:

Defining partner experience: Like many subjective concepts, definitions vary. PX is no different. This is a concept that needs refinement and reflects different stakeholders.

Partner experience elements: From recruitment to onboarding to management and retention. Partner viewpoints/vendor viewpoints.

Partner program trends: What matters in terms of features, resources, program structure, is changing. What are the new priorities?

The partner journey and impact of new types of partners: Non-transactional partners – i.e. influencer types, alliance partners, consultants are mushrooming across the channel. How are vendors addressing their differing needs?

Metrics: How do we measure success, both on the vendor side and partner side AND customer side.

“ *Partner Experience is the ability for both entities to find joint success and identify ways to work together to both meet their objectives.*

– CMO of a partner company



PARTNER EXPERIENCE: RULES OF THE ROAD

Some history. Think back 20 years if you can. The technology industry was dominated by a handful of key infrastructure players such as IBM, Hewlett-Packard, and Cisco, along with Microsoft on the software side of the house. Nearly all the channel partners working with that first group were hardware/infrastructure resellers, while the others sold software licenses. Some did both. At the time, the supply chain was quite linear: vendor to distributor to partner to customer.

Likewise, back then the go-to-market and business branding approaches were vastly different than they are today. At the time, most resellers tethered their worth and brand to the vendors whose products they sold. It was their calling card in every sales pitch. Business cards (remember them?) were emblazoned with logos touting Gold or Platinum Certified status with a certain vendor, while partner web homepages touted expertise in said vendor's products over almost all else.

The move to managed services shifted this situation as providers needed to build their individual brand reputation in order to ink customers to recurring revenue contracts and keep them renewed. But the real changing force in the vendor-partner dynamic has been cloud computing and the embrace of an as-a-service world for many companies in the widescale business of technology.

There are a couple reasons this is the case. The cloud era has abstracted much of the technology itself from the end customer's purview. Other than on-premises hardware, much of today's technology is being consumed from the cloud, including software as a service, storage, backup and

“*You can't tell a product-only story anymore. If you are not easy to work with, they don't have the time for you*

– Channel Leader, Fortune 500 vendor

disaster recovery services, networking infrastructure and beyond. The customer cares mainly about what service they are being provided to solve or advance a business problem or desired outcome. Regaling customers with a detailed description of expertise in a certain vendor's hardware, for example, means less today from a sales and marketing approach than consulting around emerging tech and business results.

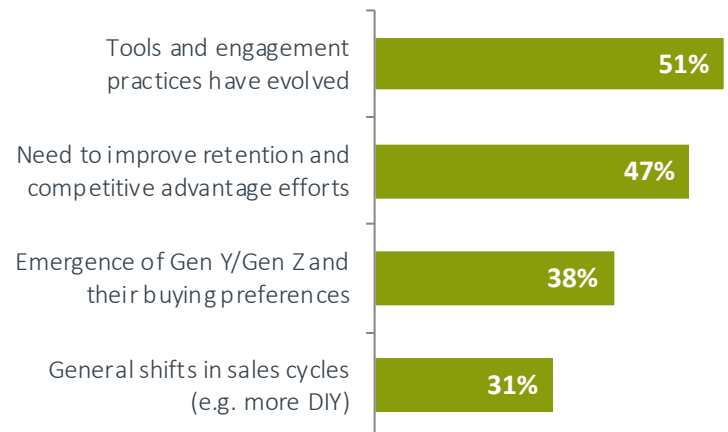
55%

Percent of channel partners that report a significant shift in buying power and influence among CMOs, CFOs, CDOs, and other non-traditional IT purchase centers.

As noted, the continuing evolution of the customer experience (CX), often driven by the customers themselves, mirrors the forces changing the partner experience (PX). The flip side of many of the findings from CompTIA's *Customer Experience Trends in the Channel study* apply to partner experience thinking.



Channel Partner Reasons to Improve CX Mirrors the Reasons to Improve PX



WHAT IS PARTNER EXPERIENCE?

There's no one-size-fits-all definition for what optimal partner experience means for one company or another, though there are commonalities that have emerged from the interviews conducted and other anecdotal research.

For a vast majority of partners, the ease of doing business ranks highest in the why-should-we-work-with-this-vendor department. It ranks higher than even the profit-making opportunity in many cases. Just as with customer experience trends, which CompTIA has explored extensively in the following report, Customer Experience Trends in the Channel, today's partners have myriad choices of whom to work with and those who strip hassle and pain out of the entire process, including recruitment, onboarding, management, compensation, and other pieces of the relationship lifecycle are increasingly the go-tos.

The other main takeaway in the quest to figure out what defines partner experience? Everyone has responsibility. Vendors, distributors and partners each have skin in the game. And most of that gets back to the discussion of open and honest communication and working together.

Trust is also a key factor in whether the vendor-partner relationship and overall experience is successful. Trust takes many forms, including such things as reducing or eliminating channel conflict between a vendor's direct sales team and its indirect partners or ensuring that deal registration plays by the rules that are established.

On average, CompTIA research has found that most channel firms work officially with between five and eight vendors on a regular, strategic basis (see [CompTIA State of Channel study](#)). Although at the upper end, it could be 15, and in some cases 20 or more. Adding to the flux, the past three years has seen the vendor-partner relationship grow more complex, for a variety of reasons:

- Partners demanding more engagement from vendors
- Partners want to work with vendors they perceive to be invested in their business
- Services-driven businesses changing partner needs
- Emergence of the influencer/consulting-focused partner has changed program needs/preferences
- Partner IP has become a critical piece of their business
- Service/support models have emerged as a dominant factor in the health of the partner experience



Our channel success used to be related to product. Now it's about who can engage better, who can help with customer business problems and enable their growth.

– Channel Chief, hardware vendor

What the channel experts say

What I need to do, what do I get, and how do I do it. Make it easy and somewhat enjoyable, and clearly benefits me.

– VP of Products, channel incentives company

We define the partner experience as the way our partners interact with us and the feeling they get from those interactions.

– CMO, master telecom agent

Definition: creating positive touch points for how a partner does business at our company at every juncture. How they refer business, receive support, interact with sales and every touch point is an interface on how they interact with you.

– Channel Leader, large e-commerce vendor

It's about partner's experience with vendors and vendor's experience with partners. Sum of all experiences the partner has across all touch points with the vendor. From the supply chain, operation, sales, marketing, and services. And it's the sum of all parts and all of the different engagements of your business. And how do you deliver optimal partner experiences – how easy it is to do business across the entire lifecycle.

– Global Channel Chief, telecom vendor

Partner experience – they don't need me and are completely independent. And then they can drive the results.

– Channel Chief, hardware vendor

Partner experience involves helping with go to market and strategy; and solutions and even in distribution. We must do a better job of building partnerships; solution plays and working with the ecosystem. Our company has an alliance and ecosystem team and we have 175 tech alliances and we're going to market with 20 of them ... and we're very partner experience focused.

– North American Channel VP, large security vendor

What does the word partner imply? How do they feel about us? They feel we're a partner when they know us, they can feel my pain ... we want partnerships not clients. A vendor swoops in and handles their piece and swoops out – a partner is engaged with the solution. They can anticipate and react as if it's their own business and proactively create solutions.

– CEO Digital Agency

See Appendix for more insights.

COMPTIA PARTNER JOURNEY FRAMEWORK

Doing

Consideration [for working with a technology vendor]



Thinking

- What is the revenue/growth opportunity?
- How will my customers respond?
- What are the risk/reward tradeoffs?
- What is the vendor's market position?

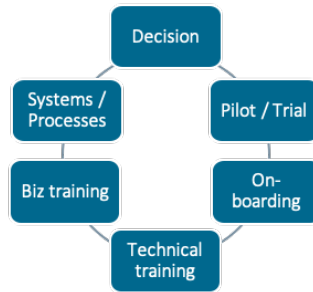
Feeling

- Is this partner the right fit (e.g. culture, size, reputation, position in market, etc.)?
- What if the experience goes bad?
- Could my company lose money?

Experience

- Impressions during awareness building / needs identification stage
- Rating of exchanges during research / evaluation
- Assessment of vendor program details
- Overall experience

Conversion [to a formal relationship with the vendor]

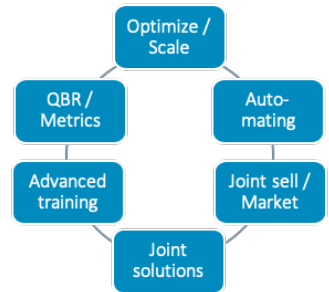


- What are the key factors in the decision?
- Is there any outstanding uncertainty / risk?
- How does their on-boarding, training, and systems compare to other vendors?

- Is this a strategic, tactical, specialized, or ad hoc relationship?
- Can I see taking this to the next level?
- How are staff feeling about this so far?

- Impressions during the decision-making and pilot/trial stage
- Rating of on-boarding process / systems
- Rating of technical and business training
- Overall experience

Commitment [to maintaining long-term win-win relationship]



- What will it take to scale the partnership?
- How can BPA improve my margins?
- How to optimize joint selling/solutions efforts?
- Do QBRs and metrics meet my needs?

- Is the ROI in line with my expectations?
- Have the inevitable hiccups in the relationship been adequately addressed?
- Is this vendor still a good long-term partner?

- Rating of efforts to scale and automate
- Rating of joint selling/marketing/solutions
- Rating of advanced training
- Rating of QBRs and metrics
- Overall experience

Note: framework examples are for illustrative purposes; not intended to be a comprehensive list of all components.

How partners decide whom to work with in today's environment is a process that features many considerations. These can range from assessing the revenue potential of the relationship to a more detailed examination of a vendor's reputation in the market, the quality and content of its partner program, and its communications skills, and promotion of their partners' businesses. The graphic above outlines some of the stages a partner might go through during the decision-making process: Consideration, conversion, and commitment.

The consideration stage is all about background research, a due-diligence review of the vendor before pursuing the relationship. Parts of this stage are simple gut-level analyses about things like potential culture fit; other parts feature a series of what-if questions as basic as "Could my company lose money in this relationship?" Finally, as a partner completes this awareness-building and needs identification, they should also rate the overall experience in terms of the ease of finding information about the vendor, its products, services, and program offerings and requirements.

The conversion stage means the decision to partner has been made, but it's nascent. The onboarding and initial training facets of a new vendor relationship are being set in motion, and now is typically the time when partners start to define the level of relationship they envision, whether that is

strategic, tactical, vertically specialized, etc. It's also a good stage to check in with staff involved with building this new relationship to see how they are feeling about the process so far. Like the consideration stage, it is a good practice to rate the experience and take note of how well or not things like onboarding, technical and business training have been going.

The last stage is commitment. The partner-vendor relationship is established and now is the time to think about how to build upon it and scale. This could include deciding how to take on new services lines or solutions or how to improve profit margins with the vendor by deploying business process automation or participating in quarterly business reviews. By this time, a partner is in a good position to rate the entire experience with the vendor and make long-term choices about the direction of the relationship. Many partners at this stage rate the quality and availability of advanced vendor-provided training, the success of joint selling and marketing, communications and the ease of doing business, and, of course, revenue and profitability performance.

“ Partner experience metrics conundrum: many metrics with no one standard

See Appendix for more insights.

NEW TYPES OF PARTNERS, NEW PARTNER NEEDS

According to a recent Forrester report, there have been notable shifts in the types of partner program incentives vendors are offering in the last four years. The numbers are staggering. Forrester notes a whopping 571% increase in incentivizing non-transactional referral partners; a 200% increase in recognizing electronic reseller/retailers; a 124% increase in service provider eligibility. Conversely, they note a 23% decline in the inclusion of volume resellers in their channel incentive programs, which is likely attributable to the shift away from hardware sales as the foundation for channel businesses. Of course, this is not to imply hardware and infrastructure are unimportant, but in the context of partner journey and end customer needs, solutions must encompass the software, data, and emerging tech elements.

The changes noted above no doubt reflect the shifting partner landscape, specifically in situations where the vendor-partner power dynamic has changed. But there's a caveat: these massive percentage gains also reflect a statistical reality of starting from a small base. For example, a vendor may double the number of next-generation partners in their portfolio, but it may result in only a relatively small share of their overall channel portfolio. Directionally, all signs point to continued momentum, but it will inevitably be uneven and take time.

Partner ecosystem is the new channel – Why?

- Technology solution partnerships and go to market compensation/joint models are equal in importance.
- Community engagement is key across multi-channels: physical, online, social.
- Influencers are highly relevant.
- Reseller/MSP is the point of solution integration or the “last mile” to the user.
- Today's partners have more suppliers and product lines to choose from than ever.
- MSP is using the product only, and that's fine. We call all our users – partners.
- Recruiting has always been a thing – but role of distribution shifts to a community builder and ecosystem facilitator.

Partner experience success criteria

- Sales and marketing engagement
- Deal registration
- Increased level of services support from vendors and distribution
- Lead generation
- Social media/digital marketing
- Marketing platform that works with their existing tools and databases
- Shared analytics
- Marketing platform for direct access to real-time data to measure what's working and adjust what is not
- Easy to use platforms and marketing tools

These successful vendors can conduct joint planning with their partners in a seamless fashion. They share resources with partners without borders. They look at the relationship success metrics much more holistically. What this amounts to is the concept of Partner LifeTime Value®, which is the application of the the same types of Customer LifeTime Value measurements that companies have been applying for years. PLTV amounts to using common sense on the sales front line and making life easier for our partners.

RESEARCH METHODOLOGY

CompTIA and channel-focused consulting firm AchieveUnite Inc. worked jointly to explore new dynamics that are fueling the importance and imperative of an optimal partner experience today. A series of qualitative interviews were conducted with both vendor and channel firm executives to determine what is critical to partners today in their relationships with vendors, and, more importantly, how those priorities influence whom they choose to work with.

CompTIA is responsible for all content and analysis. Any questions regarding the study should be directed to CompTIA Research and Market Intelligence staff at research@comptia.org.

CompTIA is a member of the market research industry's Insights Association and adheres to its internationally respected Code of Standards and Ethics.

APPENDIX

Additional insights from channel expert interviews:

Training and Enablement – new currency

Process and position are more important than the product; so specialization and ease of doing business and knowing how to interact is important.

You have to equip me to do my job and that's training and enablement – and you have to invest.

It's not just product training – it's about telling my partners how to compete, and how to win with my solution.

Sales Support / Co-Selling

High importance because we can't expect our partners to know about every single technology. A great way for the partner to be seen as the trusted advisor!

The best reps are good at this.

This is part of the support/success equation for you and the partner.

There are complexities and factors that need to be taken into consideration.

Demand Generation –mixed reviews

Demand generation and Brand are critical together.

Demand Generation is a must for partners who want to work on their business vs in their business.

(flip side) This is low importance because if they should be promoting their capabilities and not the vendors they represent.

Demand Generation is a 3 – whose responsibility and it depends on the company.

Demand Generation – it's critical – on a scale of 5 – we have to help them with demand gen.

Brand Marketing – mixed reviews

Cobranding is important! The partner has to have an identity – so that's critical.. MSP may be the primary brand ...but the opportunity to have flexibility is critical.

We have so many sole proprietors – they can't distinguish their personal brand from their corporate brand.

Channel Marketing: Branding is so important to help them with clarity of their messaging and leverage the assets we have.

Joint Planning

It's a bigger scope that we need to look at for joint planning...not just sales funnel.

How can you be successful if you don't have a map?

This ties back to expectations – both sides really understanding what each side wants to accomplish.

One to Many Partner Automation (PRM)

Fine balance. Have to be careful.

Cookie cutter doesn't work.

Don't separate PRM Automaton Systems, Marketing and portal. They need to be on one platform.

Need a Marketing platform that works with their existing tools and databases

Analytics are a must-have within any platform

APPENDIX

Partner Experience Metrics: many metrics with no one standard

- Net promoter scores
- Quarterly surveys
- Predictive analytics
- Revenue growth
- Measure engagement: tools, satisfaction, opening email, accessing portal, leveraging training, open rates of newsletter, town halls
- Revenue and correlation to local events
- Transaction frequency, ramp to revenue for new partners, opportunity sizes and growth,
- Advisory forums & councils
- Training and platform utilization rates
- Year over year revenue growth
- Deal registration
- Growth in net new logos
- Ecosystem solutions sales
- Share of partner wallet and growth potential

What's changed in partner experience the last 3 years? Why it's far more complex:

- Partners demand more engagement
- Partners only want vendors they perceive are very invested in their business
- Services driven businesses are driving the changes across needs and expectation have with their vendors.
- Emergence of the Influencer ... Customers have been engaging more and more with outside consultants
- Doing business with partners is much more complicated
- The business models are way more complicated
- Hard to categorize people how we used to
- Subscription models increase complexity
- Vertical selling and partnering is more important
- Partner IP is critical
- Partner service and support models are as important or more important than the actual solution/product the vendor sells.

Everyone owns partner experience?

- *It should have an executive sponsor and be a company philosophy. Partner First!*
- *Strong agreement that responsibility sits across functions.*
- *Most Common quote! Everyone has responsibility .. it's just like a customer experience.*
- *It's the vendor's entire company and function who own and interact with the partner.*
- *You have to really take a best in class experience and bring that forward in your automation: LinkedIn, Gamification.*
- *There's a partner experience champion – needs to be cross functional executive/highly collaborative and ability get functions aligned around a mission.*
- *Graphical, digital, easy to use experience.*
- *The roles: BD Team, Field Account Managers, Systems Engineers, Sales Operations, Supply Chain, Channel Programs and Enablement and Marketing.*
- *PRMs – what's a PRM -partner portal – pain in the ass – run the business with a partner portal and you end up in the lower quadrant – it's a component of it that is nice: Deal registration, FAQs, knowledge base, and automated emails and junk like that ... *Helping the businesses grow – and focusing more on their business than our products ... solutions – you become the trusted advisor .*
- *It's hard because it's not in the channel team's control but it's a force of the whole company and the whole company has to be aligned on all of this – or your partners have a bad experience.*