

Implementing a PRM solution: Choosing the right elements

A partner relationship management (PRM) initiative is not something to be taken lightly. And not all PRM offerings are created equal. As with any solution of this scope, there is a right way and a wrong way to go about selecting and implementing a PRM solution. Missing out on key components will fail to deliver the value you expect. At the same time, you don't want to over-invest in capabilities you don't need.

Also keep in mind that not all partners are the same - nor should they be treated the same. A good PRM system should be flexible enough to communicate differently with and support various partner tiers and designations.

Given that many people are unfamiliar with the ins and outs of PRM systems, or tend to compare them with CRM-like features and functions, it is essential to understand the components that are making PRM the effective channel management tool it is today.

So what are the elements that comprise a successful PRM system that delivers optimum value? Following are some key building blocks to consider when choosing and implementing a PRM solution.

The Basics

Today's PRM solutions come in a number of shapes and sizes. When determining the right type for your business, first consider what your partners and their salespeople need to make them successful. You should also identify communications and processes for automation, as well as understand where the system and its components will deliver added value. Those components can range from sales tracking and reporting to education and training tools.

Any good PRM system therefore should be able to track individual training milestones and performance levels. This information is vital in terms of mapping sales performance versus training levels and identifying areas of weakness and/or potential retraining needs.

Document storage capabilities are also critical factors in a PRM solution since they ensure that critical information is easily accessible for salespeople. In order to be effective, partners need access to top quality selling tools such as competitive analysis reports, sales scripts, and white papers, along with the usual brochures and product sheets.

A good PRM system should also provide an invaluable resource for delivering ongoing information on product information, company news, industry updates, etc. to channel partners. In doing so, it will help elevate your messages above the "industry noise level" to keep the focus on generating sales.

Sales Tracking and Incentives

Partner salespeople are not like an internal sales force. They may not be all that motivated to sell your product, so it is easy for them to switch to a competitor at a moment's notice. The best way to maintain their focus on selling your branded products is strategic incentives that provide them with both compensation and recognition.

However, it is not enough to simply implement incentive programs and track overall sales on a scheduled basis. In order to maximize their value and effectiveness, incentive programs must be accurate and flexible enough to focus on product upsells and bundles versus run rate business, as well as be able to deliver rewards quickly and frequently in order to maintain momentum.

A PRM system should also have the ability to allow partner salespeople to register their sales electronically for faster validation and reward issuance. Rewards themselves can be measured in “points” or dollars as long as the vehicle for delivery encourages them to spend their rewards within the system. Points accounts and reward cards in fact are excellent examples of incentive rewards that build loyalty and are measurable. By allowing the salespeople to use their points or rewards in a PRM system, they are constantly motivated to access the system and focus on your offerings rather than your competitor’s products.

With the right PRM solution, vendors can also financially and geographically measure in real time the performance value of individual partners, analyze results, and determine where investment and resources (i.e. people, marketing dollars, etc.) should be allocated. A high performing partner with 100 sales representatives may be logging impressive sales for example, but how can a vendor know that all of those people are selling its products? With a PRM solution, vendors will always know which salespeople deliver the most value for the dollars spent, as well as which to concentrate on in terms of training and/or conversion to your brand to ensure they are performing well.

Reporting and Measurement Tools

The effectiveness of channel relationships should be measured on an on-going basis. Since a PRM system can serve as the backbone measurement tool for measuring the effectiveness of sales channels and individual partners, a good solution should also have the capability to provide a variety of useful reports. These need to go well beyond the “sell through” reports that companies generally receive from their partners and provide detailed sales figures down to the salesperson level.

A PRM system should also have the ability to collect sales data to validate the sale prior to the reward payment. Beyond the issue of validation, that information can be used to compile a powerful database of customers and product information and provide a basis for the measurement of each partner’s sales productivity.

Finally, a PRM system should allow vendors to manage and customize reports to meet specific product, partner and/or financial reporting requirements.

Education and Communication

Partners do not have the advantages of a direct sales force, since they generally do not have the level and quantity of contacts, including in-house marketers, engineers and other salespeople. A successful PRM rollout demands advanced preparation, clear messaging and effective training for partners. In simple terms, the ability to make a channel partner productive is directly proportional to the effort you put into training that partner on a PRM system. It is essential to prepare them to be as effective as possible when selling your products and/or services.

While training is typically a high demand, labour intensive process, a well-architected PRM system can deliver product training, education and testing online for partners and their individual salespeople. Users simply access the system at a time that is most convenient for them to learn the material or complete a test without the need to schedule on-site, or after hours training sessions at partner offices. Ultimately, an effective PRM approach can lower your education costs while increasing retention rates.

The Bottom Line

While every vendor has different needs and channel strategies, the ability to track performance, motivate sales staff and deliver critical information is essential to maximizing the competitive value of PRM. One important value proposition now being offered is the ability to access these capabilities without having to spend dollars on infrastructure builds, software licensing fees and upgrades, and ongoing maintenance. With the right SaaS model, vendors can leverage the services they need, scale up or down according to market changes and turn their PRM investment into a stronger profit-making tool.

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