



20 Point Guide for International Growth

Achieving Channel Excellence

Developing an effective channel is a key to successful international growth. However, an effective, profitable channel can take years to build. Before you start to recruit channel partners to enter new markets and expand on an international basis, ask yourself the following questions:

Do you have:

- **A sound Value Proposition**
Your Value Proposition defines the business case to present to potential channel partners. It should be clear, concise and better than your competitors.
- **A clear understanding of your target markets and countries**
A thorough understanding of the market sectors you wish to target and an understanding of the language and cultural diversities of these markets is essential.
- **A clear understanding of the end user buyer behaviour**
You should have a thorough insight into the needs of the end users in your target markets including where they like to buy from.
- **A clear understanding of the needs of your potential channel partners**
Establish from the beginning what support and training is needed, what keeps channel partners satisfied, motivated and focussed, how to build their trust, the type of commercial arrangement that would suit them, their business goals and how you will be able to build long lasting partner relationships.
- **A channel strategy in place**
Your channel strategy should be in line with your overall business goals and Value Proposition. Your channel strategy should take you from where you are now to where you want to be.
- **A set criteria for the type of channel partner you need**
Before recruiting channel partners, write a wish list of exactly what type of partner will maximise sales opportunities in your chosen target markets. Remember quality not quantity as you don't always need a lot of partners. However, you do need those that will be effective.
- **A effective way of segmenting your channel partners**
Conducting segmentation analysis of potential end users from your target markets will provide information to effectively segment your potential channel partners.
- **An understanding of potential partners operating history**
How long have your potential partners been in business? Are they financially secure? How established are they in the markets you wish to target? What is their management structure?
- **An effective means of finding and recruiting potential channel partners**
Finding the right channel partners is a challenge. Establishing what their business aspirations are and ensuring that they meet the criteria on your wish list can be long process.

- **An accreditation process in place**
An accreditation process will help to ensure that channel partners fully understand your products or services. This also encourages commitment from potential channel partners.
- **Training programmes in place for channel partners**
Product training programmes can be incredible motivational vehicles for channel partners. For international partners, online training or running the training locally is sometimes a good option.
- **Sufficient sales and technical support in place for channel partners**
It is important to take into consideration the language diversities and different time zones when putting sales and technical support in place for channel partners.
- **Sufficient lead generation and reporting procedures in place for channel partners**
Providing qualified leads and demand creation programmes will not only help your channel partners to increase sales of your product, but will also give you a competitive edge and keep channel partners focussed on your business.
- **Procedures in place for pricing issues, exchange rate variations and margin allocation**
Currency transactions can affect profitability. Water tight accounting procedures need to be in place to minimise exposure.
- **Dedicated channel partner programme**
A dedicated channel partner programme is a distinct competitive advantage. Before presenting your programme, closely research your competitors offering to ensure that you stand out against the crowd.
- **Allocated co-op funds for channel partners**
A well monitored process for allocating funds will ensure that approved funding is used effectively.
- **Dedicated marketing collateral for channel partners to utilise**
Making it easy for channel partners to utilise marketing collateral will ensure that your corporate message is clear and consistent. Channel partners should be able to adapt collateral where necessary for local use.
- **A process to ensure effective channel communication**
The more thoroughly you communicate with your channel, the better your relationships will be with them. This can be through both formal communication - contracts and policies and informal communication - managing relationships.
- **A process for dealing with potential channel conflict**
Channel conflict does happen and if ignored, it does get worse. However, if there is a process in place to deal with areas such as sales quotas, margins, named accounts, territories and if there is effective communication channels, then conflict can either be avoided or if it does happen, resolved easily.
- **An effective means of reviewing channel performance**
Regular reviews including performance against sales targets, effectiveness of your sales and marketing initiative, partner satisfaction with the delivery of support and service, forecasts and business confidence/feedback is gained from this process.