

# **The Partner Operating Model**

A GUIDE TO PREDICTABLE  
ECOSYSTEM REVENUE

Frie Pétré



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# Preface

Welcome to *The Partner Operating Model*. Congratulations! The fact that you are reading this book means you have grasped the urgency of defining and redefining how companies conduct indirect sales. Like in any transformation, adopting new ways of thinking follows the path outlined by Rogers' Diffusion of Innovation theory—a topic I studied with great care during my doctoral studies as a PhD candidate in Innovation Management at the Louvain School of Management in Belgium.

Drawing upon my nearly two decades of expertise in indirect sales, I have written this book as your guide to making a pivotal transformation in the sales and marketing landscape.

My journey began in the corporate world with fast-moving consumer goods giants like Beiersdorf (which owns brands like Nivea) and Danone (which owns brands like Activia), where collaboration with retailers illustrated not only the power dynamics in a distribution partnership but also the potential of growing consumer categories if companies can establish partner trust. My first entrepreneurial venture then taught me the hard lessons of navigating market access controlled by powerful intermediaries in the media space. This experience helped me launch a management consultancy aimed at companies selling indirectly. This venture caught Ernst & Young's (EY) attention and was acquired, sparking a new idea.

Fascinated by how Software as a Service (SaaS) had dramatically impacted direct sales, I founded Qollabi to bring similar predictability and scalability to indirect sales.

We stand at the brink of a transformation as significant as the revolution brought by Customer Relationship Management (CRM) and marketing automation tools over the past decade.

I aim to demystify indirect sales, emphasizing its emerging role as a stra-

tegic asset. I designed this book to give you the knowledge to understand the strategic importance of established and new indirect sales models and implement them effectively within your organization.

In the following pages, I'll share more about my journey from corporate giants to entrepreneurial ventures, highlighting the lessons learned and the insights gained along the way. Each experience has contributed to developing the Partner Operating Model—a framework designed to revolutionize how businesses approach indirect sales. Through real-world examples, practical frameworks like Trust, Analysis, Commitment, Accountability, Measurement (TACAM), and actionable strategies, this book will empower you to understand the strategic significance of indirect sales and implement effective solutions within your organization.

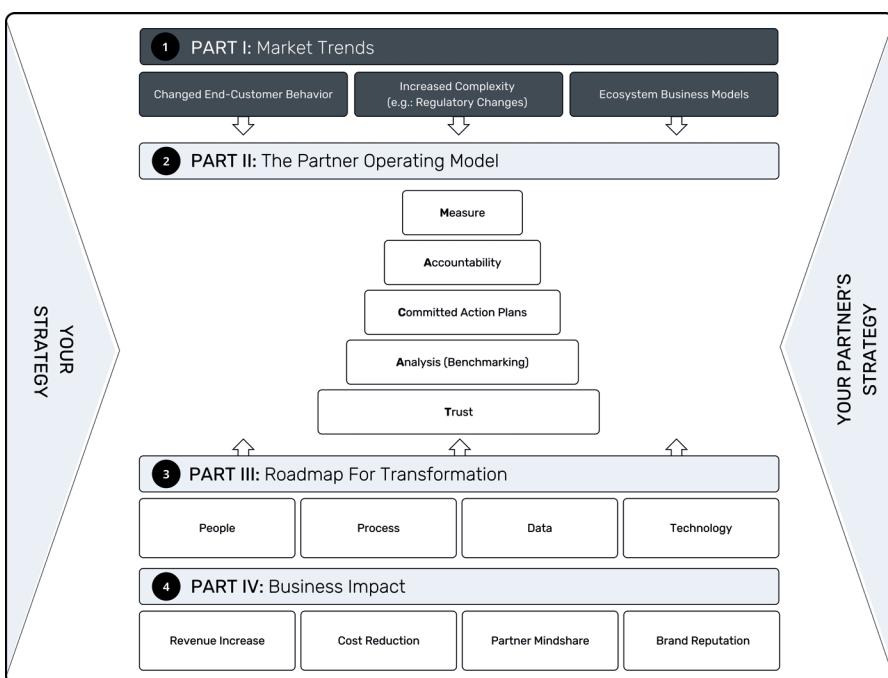
Even if you don't currently associate your work with indirect sales, it's important for anyone in sales and marketing to understand how the landscape is evolving to depend more on partner relationships. So, let's embark on this journey together, embracing the transformation of indirect sales as the next significant evolution in the business world.

***Frie Pétré, Founder, Qollabi***



# PART I

## Market Trends



## CHAPTER 1

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# Indirect Sales Transformation, Demystifying Ecosystems

I had the unique experience of spending part of my youth before the internet era and part of it during its rise. It is fascinating to reflect on the transformative journey catalyzed by the internet age. I recall biking miles to rent the latest James Bond movie or swapping Commodore video games on floppy disks. Later, all those things we used to go out for became available online, though not exactly on the right side of the law at first. And while I first relied on physical maps for a bike trip with friends to the South of France, only a few years later we bought our bikes online and navigated our second trip using our Garmins.

Moreover, I still remember how as kids in the ‘80s we were blown away by Michael Knight talking to his watch to call his self-driving car KITT (Knight Industries Two Thousand) — “*an advanced, artificially intelligent, self-aware, and nearly indestructible car*” — (Wikipedia) in the ‘80s series Knight Rider.

We dreamed of a world where this would be possible. Today we stand on the brink of a reality once considered purely fictional, where artificial intelligence and interconnected devices permeate our daily lives — how cool!

— PART I —



*Without GPS, we lost our way to the South of France and landed in Chaponnay—last night's 'Camping Survival' memories were our only guide.*

Yet, as far as we have come technologically, what stands out in the examples below is how, even though the internet has enabled direct online access to so many things, intermediaries have remained relevant for certain purchases, albeit in transformed roles. In the table below, I provide an overview of this change.

Product / Service	PRE-INTERNET		POST-INTERNET	
	What we did	Intermediary role	What we do now	Intermediary role
Movie Rentals	Biking 6 miles to rent from a store	Physical rental stores	Streaming online (initially through less legal means)	Online streaming platforms, rating platforms
Video Games	In store or swapping floppy disks at school (less legal means)	Physical retail stores	Downloading via online platforms	Online marketplaces, like Steam, epic games Store
Bicycles	Purchasing at physical stores	Physical retail stores	Online shopping for bikes	E-commerce platforms, influencers, Retail stores
Travel	Travel agency and travel guides	Gather possibilities based on travel experiences friend or travel agency	Online search and arrangement or via (online or offline) travel agency	Travel blogs, online agents, referral agents, influencers
Navigation/ Maps	Using physical maps for navigation	Stores with physical maps and travel guides	Using digital GPS devices like Garmins, smartphones with built-in map apps	Free services, like Google Maps, Apple Maps

Like almost anything in life, change is the only constant in business. We have seen seismic shifts in how companies engage in commerce in the modern paradigm. One of the most intriguing developments has been indirect sales. Companies like Forrester have calculated that partnerships, resellers, and various channels conduct 70% of world trade. With the arrival of digital channels, understanding and strategically navigating changes in indirect sales channels is crucial for sustained success for any company selling indirectly.

As the examples in the table show, different types of transformations have occurred in different categories. Some, like traditional map navigation, have mostly moved away from the general consumer market to focus on B2B interactions. Meanwhile, others, like travel, have seen a mixed transformation. In this case, some consumers independently plan every part of their trip online. In contrast, others blend old habits with new options, using online and offline resources to book complete vacation packages through a travel agency.

In any case, most industries have been questioning over the last few decades what the role of the intermediary would become with the arrival of the internet. Although the examples highlighted relate to interactions with end-consumers, they reveal the significant underlying shifts that occurred in the context of intermediaries selling to a consumer and another business. These shifts affect the entire ecosystem.

In this book, I define an ecosystem as encapsulating the diverse network of organizations, technologies, and relationships necessary to create and deliver value to end-customers. I intend to demystify the rise of the ecosystem economy and to provide structure to help you navigate the changing landscape

*“With the arrival of the internet, two things happened:  
Some customers became better informed, others just  
started following the recommendations of others, like  
influencers and ratings.”*

***Theo Slaats, Partner, Deloitte Digital***

**ecosystem<sup>1</sup>**

[ ee-koh-sis-thum, ek-oh- ]

noun

A system formed by the interaction of a community of organisms with their physical environment.

An analogous complex of interdependent elements, especially when forming an operating unit or having some physical or cultural cohesion.

*The meaning of ecosystem*

## The Internet's Direct Impact on Indirect Sales Channels

When the internet first came around, many thought it would be the end of traditional ways of selling, like physical stores or selling door-to-door. People expected online shopping to take over completely. But things didn't go as planned. Instead of entirely becoming the new way people shop, the internet became an entirely new channel, adding value to the old ways. With so much online information, customers have become smarter and more careful about buying. They started doing their homework before making purchases, looking for the best options, and seeking advice when it was time to decide.

This move changed the game for middle-level salespeople. While certain direct sales positions became obsolete and replaced by algorithms, brick-and-mortar stores and intermediaries continued to hold significant importance.

However, why hasn't the internet completely taken over the roles traditionally held by indirect sales partners?

For one, the role of the intermediary changed. Instead of just selling products, which a website can do, these partners have become experts, guiding customers through a more complicated buying process.

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<sup>1</sup> Dictionary.com (2020). Ecosystem. Retrieved March 10, 2024, from <https://www.dictionary.com/browse/ecosystem>

This change was especially apparent with the rise of cloud software. Before, software sales partners mainly just helped sell the product. However, with everything moving to the cloud and being accessible to buy online, these partners had to offer more advice and help, showing customers how to switch to cloud services and make the most of them. This shift meant salespeople had to keep learning and evolving to stay valuable to their customers.

*“The role of indirect salespeople has shifted from a primary focus on sales transactions and order processing to a more strategic role that involves digital marketing, data analysis, and customer relationship management in a globally connected environment. Their value now lies more in providing solutions and strategic insights than in merely facilitating transactions.”*

*Theo Slaats, Partner, Deloitte Digital*

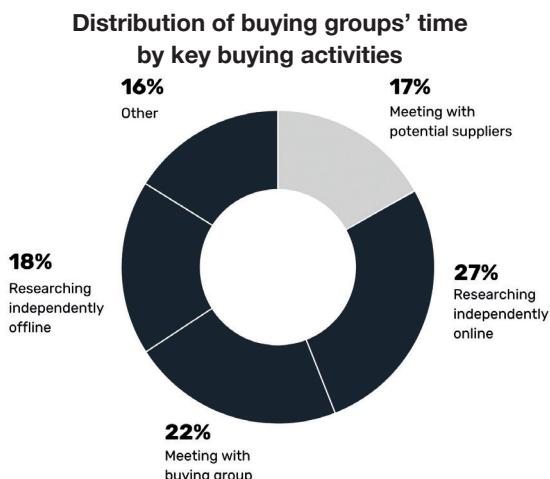
## Transforming B2B Sales: From Transaction to Partnership

Consumers are not the only ones doing their homework. B2B buyers also tend to compare their options and ensure they have the correct information before purchasing. This shift requires new types of business relationships.

Companies seeking partners want more than just someone to sell them something. They are seeking partners who can help solve their problems and their customers' problems. This means partners should understand the end-customers' needs and guide clients accordingly. They have to offer valuable advice and services, not just products, helping buyers through every step of their purchase. Moreover, the internet has broadened many businesses' reach from local to global markets, so partners have to be able to support that shift as well.

## Beyond Face-to-Face: The Transformation of B2B Sales in the Digital Era

Gartner's "Future of Sales 2025" report, highlighted by contributor Kelly Blum, emphasizes the necessity for B2B sales to adopt a digital-first approach in response to evolving customer buying preferences, a change accelerated by COVID-19. That's because by 2025, a predicted 80% of B2B sales interactions will occur over digital channels.



Source: 2020 Gartner Digital B2B Buyer Survey  
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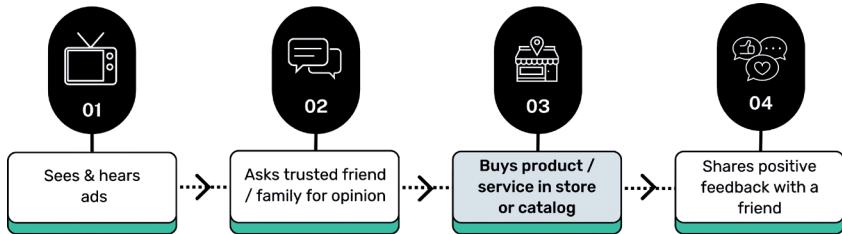
*Gartner Digital B2B Buyer Survey, 2020<sup>2</sup>*

Moreover, the report suggests that sales reps will become just one of many channels in a digital-first buying environment. Interestingly, it points out that buyers spend only about 17% of their purchase consideration time in meetings with potential suppliers. This minimal direct engagement underscores the importance of digital tools and strategies for sales reps to effectively connect with and serve customers, even if the interactions are not always direct. To reduce the risk of lost sales in this new environment, organizations must rethink how to best serve customers, like providing more digital resources that buyers can review independently.

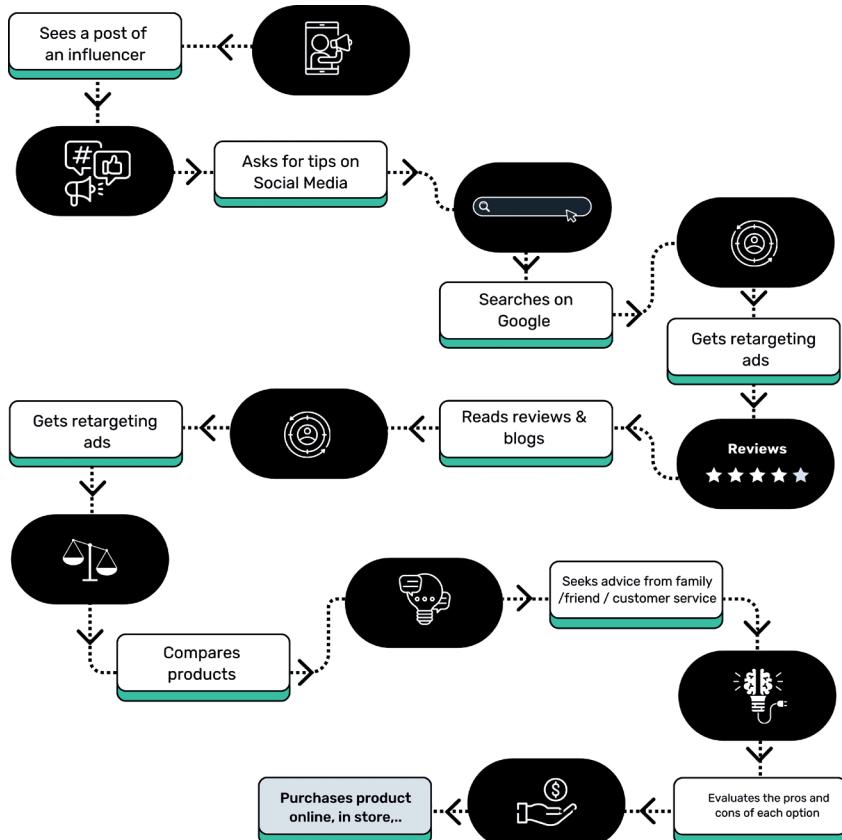
<sup>2</sup> Gartner. (n.d.). The new B2B buying process. Retrieved March 17, 2024, from <https://www.gartner.co.uk/en/sales/insights/b2b-buying-journey>

— The Partner Operating Model —

**PRE - SOCIAL MEDIA**



**POST - SOCIAL MEDIA**



## Tech Industry: How the Transition to SaaS (Software as a Service) and Its Impacts on Partnerships

The shift to the SaaS model has revolutionized the way partnership teams operate. Traditionally, partnerships in the tech industry revolved around reselling and OEM (Original Equipment Manufacturer) models, where the end product was a finished product distributed through various channels. However, in the SaaS era, the product is continually evolving, and the route to market has less friction from a distribution perspective, necessitating a different approach to partnerships.

Understanding this shift towards SaaS and its implications for partnership strategies is essential for businesses aiming to stay competitive. By adapting to these new models, as discussed below, companies can better align their operations with the current trends and anticipate future developments in the industry. This strategic alignment is not just about adopting new technologies but also about rethinking how teams collaborate and how partnerships are structured to drive mutual success.

### The Evolution of Partnership Models in the SaaS Era

#### Co-Sell and Collaborative Partnerships

The partner role has evolved dramatically with the rise of the co-sell model, which emphasizes collaborative sales efforts. Partners now go beyond mere reselling; they add significant value by integrating third-party technologies, leveraging cloud marketplaces, and collaborating with other service organizations. Additionally, direct sales teams are now increasingly working alongside indirect partner sales motions. This holistic approach enhances the product and the likelihood of joint sales success while delivering tailored solutions that drive customer success.

#### Platforms and Tech Partnerships

The advent of SaaS has revolutionized data portability between independent software vendors through investments in application programming interfaces (APIs) and using a platform-oriented GTM strategy to foster development investments from partners.

## – The Partner Operating Model –

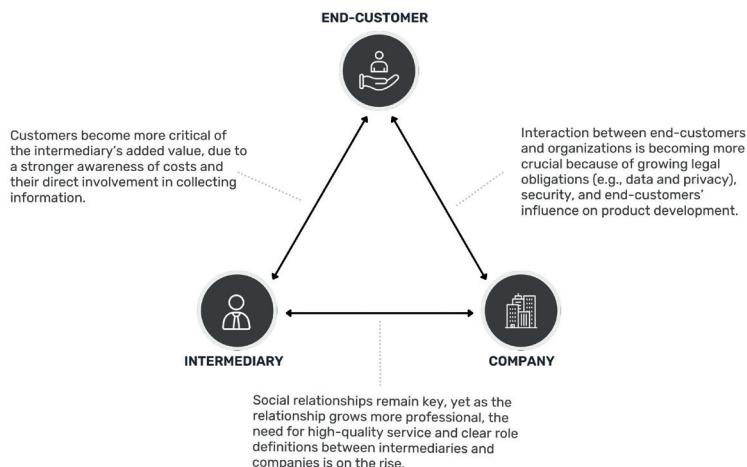
This development enhances the functionality and reach of SaaS products, making tech partnerships more crucial than ever. Additionally, the shift in the capital markets in 2023 made it even more critical to collaborate with tech partners in building integrations because software companies have found they cannot as quickly hire more engineering talent in the economic climate. However, customer expectations have remained constant or have increased. They have to work with tech partners to service those customer demands because they cannot do everything in-house anymore.

### **Marketplaces:**

Creating an environment where customers can quickly identify and procure complementary technology and services to your solution is an increasingly valuable investment. High-growth software companies are utilizing these marketplaces, and multinational cloud service providers that want to drive software utilization that also raises the consumption of their cloud services. Companies like HubSpot, BigCommerce, and Stripe benefit from featuring their technology and service partners on their marketplaces, earning revenue from successful referrals and closed deals while driving up customer retention. Most companies in the technology space are now either joining a partner marketplace or embracing their own development if their ecosystem of partners is broad enough to warrant it.

**Chris Samila, Co-Founder, Partnership Leaders**

### **Changing environment leads to changing relationships between end-customer, intermediary, and company**



## Rethinking Intermediary Roles Across Industries

These changes are not just happening in the tech world. New partnership models are also making waves in the financial services industry. Online services that compare different financial products and sometimes even offer direct access have changed the game. This development has pushed financial services intermediaries to focus on more complicated market areas.

### What Has Changed for Financial Service Providers

“The role of indirect salespeople has evolved from a pre-internet focus on in-person sales and order-taking to a more strategic, digitally-enabled approach due to technological advancements such as e-commerce, CRM systems, and mobile technology. The expansion of global markets, increased competition, and changing customer expectations have necessitated a more consultative selling style. Social media and greater access to information have made consumers more informed and self-sufficient (customers followed the consumer behavioral changes). At the same time, data analytics tools have shifted sales strategies to insight-driven approaches. Additionally, legal and economic factors have influenced sales roles, pushing for greater compliance knowledge and cost-efficiency in operations.”

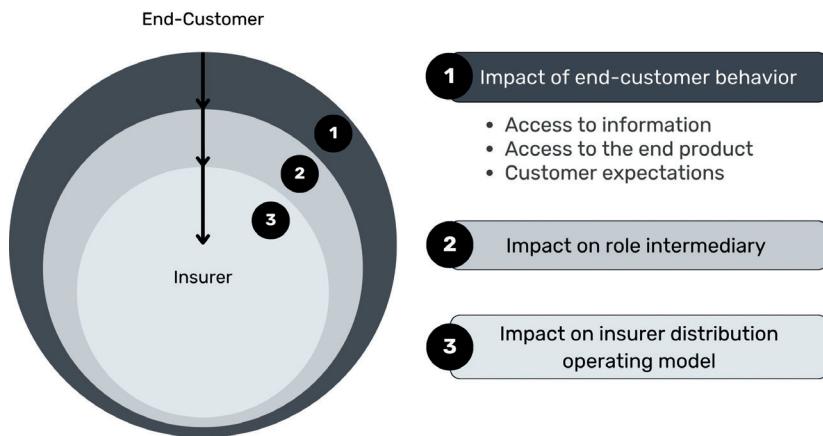
**Theo Slaats, Partner, Deloitte Digital**

*“We should be aware that a new game is playing where ‘mega brokers’ are changing the game. They can take over the client relationship and, with their scale and increased digital features, potentially push the insurer out of the market where potentially only the reinsurer will remain.”*

**Eline Van Havenbergh, Director, Monitor Deloitte**

## – The Partner Operating Model –

### End-Customer behavior impacts the distribution operating model (outside-in)



### Why now?

Jay McBain, Chief Analyst of Channels, Partnerships, and Ecosystems at Canalys, summarizes well the impact of the changing end-customer behavior in the B2B tech and IT industry.

“We have a new digital-savvy, consumer-like end-customer with a different psychology, behavior, and buying journey. These new buyers surround themselves with upwards of seven different partners in a customer journey that now never ends. From the first 28 moments of a B2B considered purchase before vendor selection to the new ways products and services are procured and provisioned to the retention and renewals that rely on deep integrations, stickiness, and enrichment every 30 days forever, the partner ecosystem strategy is now more important than ever.

The pressure is increasing on channel and partner leaders to deliver at a new level of scale, complexity and personalization and to figure out the people, processes, programs and underlying technology that will drive competitive advantage in the decade of the ecosystem.”

**Canalys<sup>3</sup>**

<sup>3</sup> Canalys. Have the industry's channel chiefs really moved to an ecosystem model? Canalys. Retrieved March 17, 2024 from <https://www.canalys.com/insights/Have-the-industry-s-channel-chiefs-really-moved-to-an-ecosystem-model>

## Building a Predictable Partner Operating Model

Looking ahead, we need to figure out how organizations can change to keep up with new challenges. The solution is to create a reliable, science-driven way of managing partnerships that's as detailed as the direct sales strategies used in customer management systems.

This approach involves lining up what partners can do with what customers need, using strong teamwork and sharing data. It's a plan that shows how much modern businesses value partnerships and offers a clear way for them to grow in the digital world. Just like CRM changed direct sales

## Shaping the Future of Sales

Managing ecosystems and partnerships has become a key part of a winning sales strategy in today's digital age.

The change in how we sell will not just happen in the future. It is happening right now. It is a call to action for us to innovate, form partnerships, and bravely move into new areas. Now is the time to get involved, be part of the shift, and see the benefits of unlocking the potential in the exciting arena of indirect sales.

For companies working through these changes, starting with awareness is critical. By seeing the power and possibilities of indirect sales channels, businesses can drive growth, encourage strong teamwork, and make sure that adding value is central to every partnership.

In this new paradigm, just guessing what will happen next is not enough. We have to actively build the future, expand it, and, most importantly, ensure we build partnerships to sustain changes that will continue to happen.

A crucial first step to shaping the future is to engage your partners by asking them about the significant changes and opportunities they encounter.

## The ecosystem era has arrived: 71% of CEOs believe ecosystems are crucial to their company's success.

The term “ecosystem” comes from biology and initially refers to “a biological community of interacting organisms and their physical environment.” Ecosystems in a business context refer to networks of organizations that collaborate to strategically leverage assets such as goods, services, and distribution channels.

### The purpose of these ecosystems is threefold:

- 1. Creation and capture of new value:** By collaborating, the organizations within the ecosystem can create and capture value that would not be possible for them to achieve independently.
- 2. Reduction in cost of value delivery:** The ecosystem enables a more efficient value delivery process, reducing costs through shared resources and capabilities.
- 3. Facilitation of new market entry:** Ecosystems can open opportunities for organizations to enter new markets that may have been inaccessible or unfeasible to tackle alone.

### Within such ecosystems, two fundamental types of organizations play critical roles:

- 1. Integrators:** These organizations contribute added value to the ecosystem with the specific aim of leveraging this collaboration to enter markets.
- 2. Orchestrators:** These organizations focus on pooling and managing resources from various members of the ecosystem to deliver value that would be impossible to deliver alone.

### Example:

- **Insurer:** integrator (delivering products)
- **Broker:** orchestrator (pools different solutions and insurance products)

However, we are also seeing insurers move toward an orchestration level by integrating adjacent services for clients (e.g., wellness programs).

**Governance:**

Each role has different business models, KPIs, and governance needs to achieve the desired outcome.

**Based on conversations with Lawrence Landeloos, founder at Onegrid, and an article by Sarafin<sup>4</sup>**

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<sup>4</sup> Sarafin, G. (2022, January 23). The CEO Imperative: How mastering ecosystems transforms performance. EY. Retrieved March 20, 2024, from [https://www.ey.com/en\\_gl/alliances/the-ceo-imperative-how-mastering-ecosystems-transforms-performance](https://www.ey.com/en_gl/alliances/the-ceo-imperative-how-mastering-ecosystems-transforms-performance)

## Conclusion

Reflecting on the journey from the pre-internet era to today's digital age highlights technology's transformative power. From renting movies and using physical maps to online shopping and GPS navigation, the internet has revolutionized our lives. Despite these changes, intermediaries remain vital, evolving into strategic partners in indirect sales channels. Companies must adapt to these shifts for sustained success.

The rise of digital channels has not only altered indirect sales but also the role of intermediaries. They now offer expertise and strategic guidance, going beyond transaction facilitation. This transformation is a part of a broader shift toward collaborative ecosystems that deliver value through diverse networks.

The next chapter will explore strategies for thriving in this new ecosystem. We will examine the Predictable Revenue Operating Model, the Inbound-Marketing framework, and the emerging Nearbound and Ecosystem-Led Growth methodologies. These models transform direct and indirect sales, helping businesses navigate modern ecosystems and foster growth-driving partnerships.

As we move forward, we will uncover tools and techniques for building a robust Partner Operating Model (POM) essential for achieving predictable ecosystem revenue.

## CHAPTER 2

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# Be Prepared for the Decade of the Indirect Sales Channel

Since the turn of the century, direct sales and marketing have undergone massive changes. A similar transformation is underway in indirect sales. Let's look at it from the angles of changes in process, people, data, and technology.

### First, we had CRM for Direct Sales

*Predictable Revenue: Turn Your Business Into a Sales Machine with the \$100 Million Best Practices of Salesforce.com* is a book co-authored by Aaron Ross and Marylou Tyler. Published in 2011, the book draws from Ross's experiences while he was working at Salesforce, where he was instrumental in creating a revolutionary sales model that helped add over \$100 million in recurring revenue.

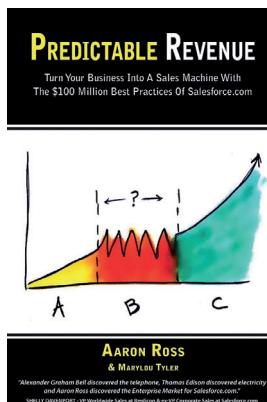
The core premise of “Predictable Revenue” is centered around the concept of creating a scalable and predictable business sales model that eschews traditional cold calling in favor of what Ross calls “Cold Calling 2.0.” This approach involves using email and other innovative prospecting techniques to generate new leads and nurturing a sales system that separates

prospecting from closing, allowing sales teams to specialize and become more efficient in their roles.

## The Predictable Revenue Operating Model

As introduced by Ross, the *Predictable Revenue* approach fundamentally transformed the sales landscape with companies that adopted its methodology, especially in how they structure their teams and develop their talent. This transformation departed from the traditional model, where each salesperson was responsible for the entire sales process, from prospecting to closing.

Under Ross's model, roles became more specialized, leading to the creation of specific positions such as Sales Development Representatives (SDRs) focused solely on prospecting and generating new leads, Account Executives (AEs) concentrated on closing deals, and Customer Success Managers (CSMs) dedicated to ensuring customer satisfaction and up-selling. This specialization required new capabilities, including advanced communication skills for SDRs, adept negotiation and closing skills for AEs, and strong relationship management for CSMs. Companies adopting this approach have seen improved efficiency and productivity in their sales teams, as each member could focus on and hone the skills most pertinent to their specific role.



*Predictable Revenue* by Aaron Ross<sup>5</sup>

<sup>5</sup> Aaron Ross and Marylou Tyler, *Predictable Revenue: Turn Your Business Into a Sales Machine with the \$100 Million Best Practices of Salesforce.com* (2011)

On the process side, the *Predictable Revenue* model introduced a seismic shift from the old to the new. Traditionally, sales processes were often ad-hoc, heavily relying on individual salespeople's ability to manage their pipelines, from cold calling to closing deals. This approach was inefficient and made sales forecasts unreliable because of unstructured processes and data gathering. With the introduction of specialized roles and a focus on creating a predictable sales pipeline, companies adopt more structured, stage-gated sales processes. This new mode emphasized qualifying and nurturing leads, with a clear delineation of responsibilities at each sales funnel stage. As a result, sales became more predictable and scalable, with systematic processes to generate, qualify, and convert leads into sales. This shift improved sales efficiency and enabled better forecasting and planning, as companies could now rely on a more consistent and predictable flow of leads and conversions.

The adoption of the *Predictable Revenue* methodology had profound implications for how companies manage and utilize data. Previously, sales data might have been fragmented and inconsistently recorded by salespeople who had their own processes, making it difficult to analyze or predict trends accurately. However, with the new emphasis on structured sales processes and specialized roles, companies began to collect a wealth of data at each stage of the sales funnel more systematically.

This data included detailed information on lead generation sources, conversion rates at each stage, and customer lifetime value, among other metrics. With this information, companies could refine their sales strategies, identify the most effective lead sources, and allocate resources more efficiently. This data transformation also facilitated a more analytical approach to sales management, with data-driven decision-making becoming a cornerstone of the sales strategy. Companies could now predict revenue more accurately, tailor their sales tactics to match the buyer's journey, and continuously optimize their sales processes based on real-time data.

Technology also played a crucial role in transforming the Predictable Revenue approach, mainly through adopting and integrating sophisticated CRM platforms. These technologies became the backbone of the new sales

model, supporting the specialized roles, processes, and data management strategies that companies implemented. CRMs allowed for the automation of critical sales tasks, such as lead tracking, contact management, and performance reporting, significantly increasing sales operations' efficiency. Moreover, CRM platforms became invaluable for managing the data generated by structured sales processes, providing analytics and forecasting tools that helped sales leaders make informed decisions.

Beyond CRM, companies also began to leverage other technologies, such as marketing automation tools and advanced data analytics platforms, to enhance their sales capabilities further. These technological advancements enabled a seamless flow of information across different stages of the sales funnel, ensuring that leads were nurtured and followed up promptly, thereby maximizing the chances of conversion. Adopting these technologies, underpinned by the “Predictable Revenue” methodology, has empowered companies to build more scalable, efficient, and ultimately successful sales operations.

**Key Components of the “Predictable Revenue Operating Model” Include:**

**Seed-Nurture-Grow:** A methodology for developing customer relationships and sales strategies over time, focusing on long-term growth rather than immediate sales.

**Specialization of sales roles:** Dividing the sales team into specialized roles, such as prospectors (who focus on generating new leads), closers (who focus on converting those leads into customers), and account managers (who focus on upselling and maintaining relationships with existing customers).

**Creating a sales pipeline:** The book details strategies for building a pipeline that consistently generates new leads and opportunities, ensuring a steady flow of revenue.

**Creating a sales pipeline:** The book details strategies for building a pipeline that consistently generates new leads and opportunities, ensuring a

steady Predictable Revenue that has been highly influential among start-ups and established businesses. It offers a blueprint for structuring sales teams and processes to achieve growth. Numerous companies looking to replicate Salesforce's sales model's success have adopted and adapted its principles.

#### RECURRING REVENUE OPERATING MODEL

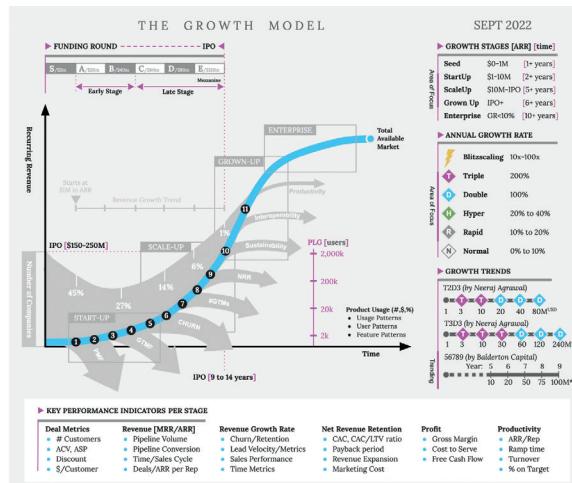
► ELEVEN MOMENTS THAT MATTER  
As a company follows the growth curve, it has to navigate across a series of moments. These moments are of scientific significance to the growth trajectory of the company

- ① **Revenue Model**  
Price and Pricing Model:
  - Monthly, Annual, Multi-year
  - Setup, Installation cost
  - Usage fees
  - Payment & Refund terms
- ② **Founders**  
Founders-Led Sales, Marketing, and Customer Success:
  - Disruptive post-SM in ARR
  - Retain Founder DNA through transition
  - Make it part of Onboarding
- ③ **Data Model**  
Uniformly measuring data:
  - Establish agreed volume metrics across the how-to
  - Track conversion metrics
  - Develop market intelligence
- ④ **Go To Market Model**  
Align all GTM motions to ACV:
  - Different GTM motions
  - 1 GTM for each \$10M in ARR
- ⑤ **Repeating**  
Do more of what works, and stop doing what doesn't work:
  - Capture actions proven to work
  - Create a feedback loop to deliver the same result
- ⑥ **Growth Formula**  
Formalistic expression of a process, causing recurring revenue:
  - Define the key metrics as a function of time
  - Run scenarios (impact)

Learn everything there is to know about Revenue Architecture



Winning by Design™



Recurring Revenue Operating Model by Winning by Design<sup>6</sup>

## Inbound Marketing: The Next Evolution

*Inbound Marketing: Get Found Using Google, Social Media, and Blogs* is a book by Brian Halligan and Dharmesh Shah, the co-founders of HubSpot, a leading inbound marketing and sales platform. The book, first published in 2009, presents the concept of inbound marketing, a strategy that focuses on attracting customers through content and interactions that are relevant and helpful rather than interruptive.

The book's background stems from the authors' observation of a fundamental shift in consumer behavior. They noticed that traditional marketing techniques, such as direct mail, telemarketing, and advertising, were becoming less effective as people began to use the Internet to search for in-

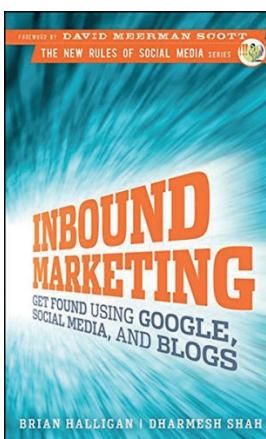
6 Winning by Design. (2023, May 26). The operating model for recurring revenue. Retrieved April 9, 2024, from <https://winningbydesign.com/resources/research/the-operating-model-for-recurring-revenue/>

— The Partner Operating Model —

formation, products, and services. Consumers increasingly ignored these interruptive marketing messages, leading Halligan and Shah to propose a new, more effective approach.

Inbound marketing, the book outlines, revolves around creating quality content that naturally draws people toward your company and product. The authors built the methodology around four actions — Attract, Convert, Close, and Delight — that companies must take to obtain visitors, leads, customers, and promoters. It emphasizes the importance of blogging, SEO, social media, and content creation to attract customers rather than fighting for their attention through outbound methods.

The book has influenced how businesses approach marketing and sales, emphasizing a focus on digital tools and techniques to attract customers. It also laid the groundwork for the inbound marketing movement and HubSpot's subsequent growth into a significant player in the marketing software industry. The principles detailed in "InboundMarketing" have become foundational to digital marketing, sales, and customer service strategies worldwide, stressing the importance of being easily found online, engaging with customers on their terms, and creating content that attracts and retains an audience.



*Inbound Marketing* by Brian Halligan & Dharmesh Shah<sup>7</sup>

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<sup>7</sup> Brian Halligan and Dharmesh Shah, *Inbound Marketing: Get Found Using Google, Social Media, and Blogs* (Hoboken, NJ: John Wiley & Sons, 2010)

## The Inbound Operating Model

The inbound operating model affects multiple areas of an organization, including:

**People:** The inbound methodology necessitated new roles and skill sets within organizations. Unlike traditional sales and marketing roles, often focused on outbound tactics such as cold calling and mass advertising, inbound marketing created a demand for content creators, SEO specialists, social media managers, and data analysts.

These roles focus on creating and distributing valuable content, optimizing online presence for search engines, engaging with audiences on social media, and analyzing data to inform strategy. Additionally, sales teams evolved to work closely with marketing to ensure leads move seamlessly through the funnel, emphasizing a consultative sales approach over aggressive selling tactics. The alignment between marketing and sales, often called marketing, requires both teams to develop new capabilities in communication, collaboration and shared use of technology and data.

**Processes:** HubSpot's inbound marketing methodology shifted companies from an interruptive marketing model to a permission-based and customer-centric one. They replaced traditional processes prioritizing volume and reach with strategies designed to attract, engage, and delight customers. Marketing strategies now start with content creation to address potential customers' needs and questions, followed by using SEO and social media to ensure that users can find the content.

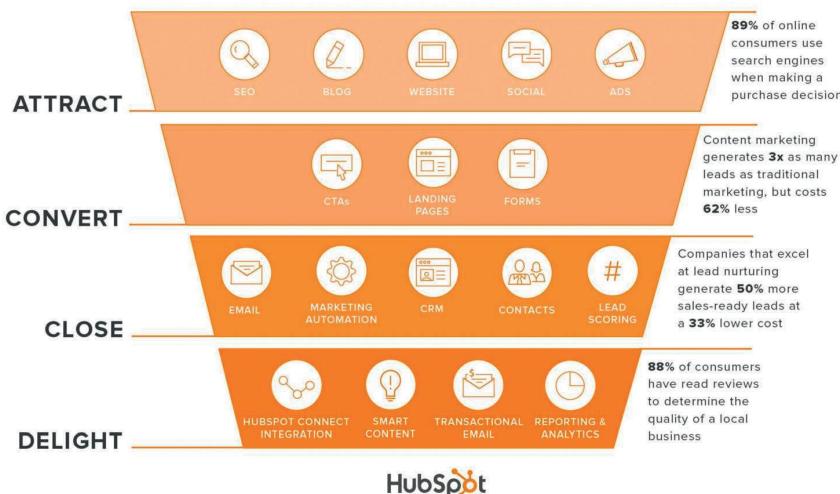
Lead nurturing processes were also transformed, focusing on providing value and building relationships over time rather than pushing for immediate sales. This change necessitated the development of new workflows and internal processes to support content production, distribution, analysis, and closer integration between marketing and sales departments to ensure leads are effectively managed and converted.

**Data:** The adoption of inbound marketing has led companies to prior-

## – The Partner Operating Model –

itize different data types, emphasizing website traffic, conversion rates, engagement metrics, and customer behavior insights over traditional sales volume and reach metrics. HubSpot's platform and methodology encourage the use of data analytics to understand how content performs, how visitors interact with websites, and what drives conversions. This focus on data has transformed companies' data models into more customer-centric, enabling businesses to tailor their marketing and sales efforts more effectively to the modern buyer's journey. Companies now leverage data to create personalized marketing campaigns. Score leads based on engagement and fit and continuously optimize their strategies based on real-time feedback and analytics.

**Technology:** HubSpot is an excellent example of how technology is changing to support the shift to inbound marketing. It's all-in-one marketing, sales, and service platform integrates tools for content management, social media marketing, email marketing, lead management, and analytics. This technology ecosystem enables companies to implement and manage the different pieces of their inbound marketing strategies more efficiently and effectively.



*Hubspot is a pioneer in structuring the inbound funnel<sup>8</sup>*

<sup>8</sup> Casey Bourque. (2017, March 23). inbound marketing hubspot tools. Web Design Phoenix. Retrieved March 14, 2024, from <https://www.webdesign-phoenix.com/inbound-marketing-with-hubspot-platform/inbound-marketing-hubspot-tools/>

Beyond HubSpot, the inbound approach has driven the adoption of related technologies such as marketing automation, CRM systems, and analytics platforms, all designed to enhance the ability of companies to attract, engage, and delight customers at scale. These technologies support a data-driven approach to marketing and sales, facilitating a deeper understanding of customer needs and behaviors and enabling more personalized and impactful customer interactions.

## **The Evolution of Inbound Methodology and Its Impact on Traditional Channel Sales**

I asked Chris Samila, co-founder of Partnership Leaders — probably the largest community of partnership leaders in the world — about the impact of the Inbound Methodology on indirect sales. The following paragraphs shed an attractive light on how this led to the transformation toward the era of Ecosystem-Led Growth.

### **The Knowledge Arbitrage Era**

Traditionally, resellers and partners functioned as intermediaries, providing crucial knowledge to potential buyers who struggled to find information about available solutions independently. They acted as a form of “knowledge arbitrage,” where their understanding of products and services bridged the gap between vendors and prospects.

In this model, partners played a pivotal role in educating buyers about potential solutions. Their expertise and insider information often influenced purchasing decisions, creating a significant reliance on their guidance.

However, the advent of inbound marketing has profoundly transformed this dynamic.

### **The Shift With HubSpot’s Inbound Methodology**

The inbound methodology introduced by HubSpot enabled vendors to engage directly with prospects. This change in approach altered the role of traditional partners, shifting their focus from merely informing buyers about the existence of solutions to adding value through tailored services. Partners could no longer rely solely on product knowledge as their differ-

entiator. Instead, they needed to emphasize the wrap-around services that could maximize their clients' utilization of technology. By doing so, they remained relevant in a rapidly changing sales environment.

### **Managed Service Providers and Cybersecurity: A Unique Case**

Despite this shift, managed service providers (often referred to as MSPs, not to be mistaken for Mutual Success Planning (MSP) as used in this book) continue to influence cybersecurity significantly. The high velocity at which new vendors enter the cybersecurity market creates a complex environment, particularly for clients, school systems, and government agencies that lack specialized staffing to keep up with technological changes.

For these clients, MSPs are invaluable. They still act as knowledge brokers, guiding clients through the maze of emerging cybersecurity vendors. The proliferation of solutions, combined with the pressing need to address various security challenges, maintains the relevance of MSPs.

In this sense, the cybersecurity market appears to be a step back in time. Clients rely heavily on MSPs to navigate the vast array of options. They seek MSPs' expertise to identify suitable solutions amidst the thousands of vendors entering the market each year.

### **The Evolving Role of the Buyer**

#### *From Passive to Proactive*

As inbound marketing became more widespread, the buyer's role shifted dramatically. Previously, buyers passively waited for partners to tell them what to purchase. However, with vendors engaging directly through inbound marketing, buyers became more proactive in their search for solutions.

#### *Product-Led Growth and the Trial Culture*

Moreover, the rise of product-led growth (PLG) empowered buyers to trial solutions independently. This ability to evaluate technologies firsthand has disrupted the traditional channel sales model. Intricate enterprise sale processes no longer bound buyers, as they can now assess products directly.

## Nearbound and Ecosystem-Led Growth

While the inbound methodology has changed businesses, and as shown above, the role of the intermediary, the Nearbound methodology, as coined by the French partner technology company Reveal, signals a comprehensive change in how companies form and utilize business partnerships, especially in the B2B SaaS sector. This methodology applies to the growing role of partnerships in today's business models, which touch multiple company areas.

"I believe partnerships can and should be an activation lever that is directly embedded in the momentum that is already present throughout the company—marketing, sales, success, product, and ops," says Simon Bouchez, co-founder and CEO of Reveal.

Jared Fuller, chief partnerships and ecosystem officer at Reveal and co-founder of nearbound.com, adds, "Partnerships are not merely confined to a single department; they are a strategic element that should be integrated across all departments and phases of the customer journey."

The Nearbound methodology focuses on using the combined strengths of different companies to grow together, with a particular emphasis on selling together and building a network of partners.

"Nearbound is a go-to-market strategy that consists of leveraging the full power of your ecosystem, i.e., the companies near you, to influence your entire revenue funnel from lead acquisition to customer retention," explains Bouchez.

"Nearbound shifts the focus from the partnerships' activity—the act of creating business connections—to the partnerships' impact. And it simultaneously shifts the way partnerships operate within your organization," he adds.

One key aspect of this methodology is strategic selling alongside partners, detailed in a structured nine-step process. This process helps companies

## — The Partner Operating Model —

identify and focus on the most promising partnership opportunities that could significantly boost sales and revenue.

“Nearbound is the augmentation of who you work with into your sales process, not just how you sell to them,” says Fuller.

“Nearbound marketing means marketing with, and not through, people who already have relationships and operate in the same spaces as your target market,” he adds.

It is a detailed approach to choosing the right partners and ensuring these partnerships align with the company’s long-term goals and can bring about substantial benefits.

“When you start to reveal the partners who surround our buyers, tap into them when there’s a genuine need for help, and come to us with a lifeline, that’s when you gain believers and have an impact on the sales cycle and bottom line,” says Bouchez.

“What will set you apart is your network of successful customers and partners who trust you,” adds Fuller. “Partnerships are not merely confined to a single department; they are a strategic element that should be integrated across all departments and phases of the customer journey.”

Ultimately, this methodology can make life easier for your marketing team.

“With nearbound, marketing teams can surround the market with influence and focus on target accounts with partners. Marketers don’t need to be the loudest voice to reach customers if they partner with the most trusted voice,” says Fuller.

Reveal’s US-based competitor, Crossbeam, introduces a similar concept called Ecosystem-Led Growth (ELG). Their advice on selling together effectively stresses the need for strategies based on solid data, clear communication, and shared goals among partners. It is about creating a robust

network of partnerships where every participant contributes something valuable, thereby strengthening the network and increasing its potential to attract leads and make sales. This strategy requires integrating systems and processes between partners to share data and insights effortlessly, helping to spot and seize the best opportunities.

Bob Moore, CEO and co-founder at Crossbeam, summarizes this methodology as follows:

*“Ecosystem-Led Growth is a go-to-market motion that focuses on partner ecosystems as the primary way to attract, convert, and grow customer relationships. Underpinning ELG isn’t just about partner teams, it’s about go-to-market strategy. It unlocks prolific and efficient playbooks that allow companies to maintain high growth rates in an era where cash is king and AI is changing everything we know about demand generation. Only in organizations where buy-in exists across sales, ops, and partnerships can a real ELG strategy be transformational. Fortunately, the modern partnership stack has put this kind of collaboration within reach of any company.”*

How does ELG look? For one, account mapping is essential at every stage of the customer relationship, helping identify shared customers and prospects between partners. This technique is vital for finding opportunities to sell together and market across companies, allowing partners to strategically align their efforts on targets with a high likelihood of conversion. The aim is to adopt a sales and marketing approach that is more unified and focused on the customer, leveraging each partner’s strengths to offer more tailored and practical solutions.

Overall, both the Nearbound and ELG methodologies encourage companies to adopt a more cooperative, informed, and customer-centric strategy for going to market. This action shifts the B2B sales and marketing landscape away from direct sales and toward the collective power of partnerships, which proves to be a more efficient and stronger route to growth.

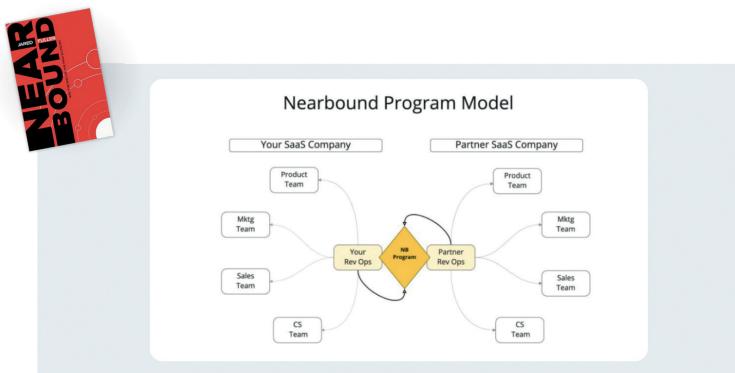
With shifts in market conditions and technology, the business processes

## – The Partner Operating Model –

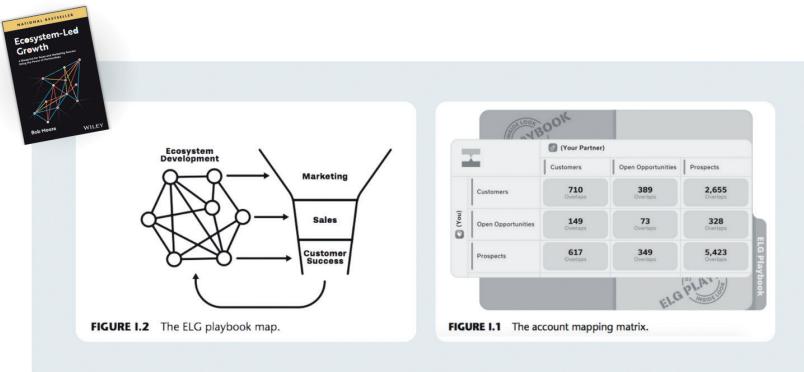
needed by and available to partner teams evolved, creating the need for a new Partner Operating Model (POM).

*“Account mapping has always been done by partnership teams, but it was historically a manual process filtered through tools like Excel. The advent of SaaS and modern tooling like Crossbeam and Reveal allowed this business process to be highly streamlined and made much more secure, thus freeing modern partner teams to find new ways to collaborate now that they had more actionable partner relationship data at hand.”*

**Chris Samila, Co-Founder, Partnership Leaders**



Model from the book *Nearbound*<sup>9</sup>



Graphs from the book *Ecosystem-Led Growth*<sup>10</sup>

9 Jared Fuller, *Nearbound and the Rise of the Who Economy* ([Nearbound.com](http://Nearbound.com), 2024)

10 Bob Moore, *Ecosystem-Led Growth* (Wiley, 2024)

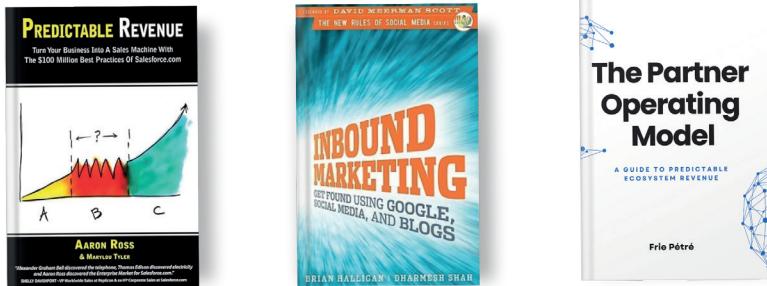
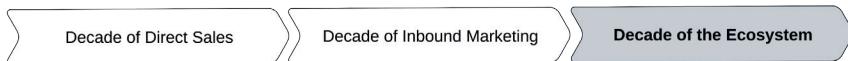
## Introducing The Partner Operating Model (POM): A Guide to Predictable Ecosystem Revenue

Nearbound and ELG significantly contribute to the need for an operating model that covers the most essential parts of the partner lifecycle. Account mapping is only one aspect of achieving predictable ecosystem revenue. Similar to the Predictable Revenue Operating Model for direct sales and the Inbound Marketing Operating Model, we need a new, holistic Partner Operating Model (POM), which we will dive into in more detail in the next part of the book. This missing operating model will take us into the next evolution of sales — the decade of the ecosystem. The need for this new model was the primary mission when I launched Qollabi, and that is why I wrote this book: to make partner success predictable.

The POM approach brings about significant changes within companies, especially in the roles of their team members and the skills they need. This strategy, which focuses on building solid relationships with other businesses to grow together, creates new job titles like Partner Success, Enablement, and Alliance Managers. These roles are vital for finding, building, and maintaining partnerships that help both companies grow. People in these roles need skills beyond just selling or marketing. They must be good at planning, building relationships, and working with tools and practices that help companies work well together. This shift allows companies to reach new customers and markets through their partners, opening up new growth opportunities.

The processes within companies also change dramatically with the POM approach. Before, companies primarily relied on their efforts to find customers and grow. Now, with POM, there is a shift to working with partners and combining efforts in selling and marketing. This shift means rethinking how to attract and deal with potential customers, with a big focus on working together with other companies. The aim is to make these efforts more coordinated and strategic, helping each other enter new markets more smoothly. This joint effort can make reaching customers more efficient and effective, benefiting all involved.

## The Decade of the Ecosystem



Data becomes even more crucial with the POM approach. As companies start working closely with partners, they get access to more information. This accessibility is not just about knowing who the customers are but also understanding market trends and how well the partnership is doing. The challenge is to bring all this information together in a way that helps make good decisions. Companies must update how they handle data, ensuring they can look at information from different sources together. This type of management helps ensure that the partnerships are working well and that they focus on the right growth opportunities.

On the technology front, adopting the POM approach means companies need better CRM systems that can handle partnerships. These systems must manage the complexity and scale of working alongside other businesses. Modern CRM systems fail to manage partner relationships, typically lacking features like strategic partner planning, collaboration-focused tools, and goal-oriented execution. CRMs focus on direct customer interactions but do not offer cross-company dashboards, co-selling strategies, and joint marketing campaign management for effective partner collaboration. They also miss structured business reviews and comprehensive partner performance insights, which are essential for refining partnership strategies and maximizing the potential of collaborative efforts. Integrating specialized tools can help bridge these gaps by providing tailored solutions for partner relationship management.

— PART I —

Dimension	Direct Revenue Operating Model	Inbound Marketing Operating Model	Partner Operating Model (POM)
<b>People</b>	Created specialized roles for prospecting, closing, and account management. Focus on <b>specialization</b> and <b>efficiency</b> .	Roles centered around content creation, SEO, social media, and data analysis. Emphasis on attracting customers through <b>content</b> .	Introduction of partnership managers and alliance strategists to foster <b>business relationships</b> and <b>strategic alliances</b> .
<b>Processes</b>	Shift from traditional sales to structured, stage-gated sales processes. Emphasis on <b>lead qualification</b> and <b>nurturing</b> .	Shift from interruptive marketing to permission-based, customer-centric strategies. Focus on <b>attracting, engaging, and delighting customers</b> .	Shift towards collaborative go-to-market strategies, leveraging synergies between companies for mutual growth. Focus on <b>co-selling</b> and <b>ecosystem building</b> .
<b>Technology</b>	Adoption of CRM systems for managing <b>specialized sales roles</b> and pipeline.	Utilization of all-in-one marketing platforms like HubSpot to support <b>content creation, distribution and analytics</b> .	BRM (Business Relationship Management) systems as add-on to CRM that support <b>partnership management, account mapping, and joint pipeline management</b> .
<b>Data</b>	Focus on sales data, conversion rates and customer behavior insights. Use of data to <b>refine sales strategies</b> .	Emphasis on website traffic engagement metrics and customer insights. <b>Data-driven marketing strategies</b> .	Expanded 2nd party data access through partnerships, focusing on market trends, <b>partner development and joint opportunities</b> .

## Conclusion

As we've explored, the evolution from direct to indirect sales channels has been transformative. This shift, driven by methodologies like "Predictable Revenue" and "Inbound Marketing," has significantly reshaped sales processes, roles, and data utilization. The adoption of CRM platforms and advanced analytics has further enhanced these changes, enabling greater revenue prediction accuracy and strategy refinement.

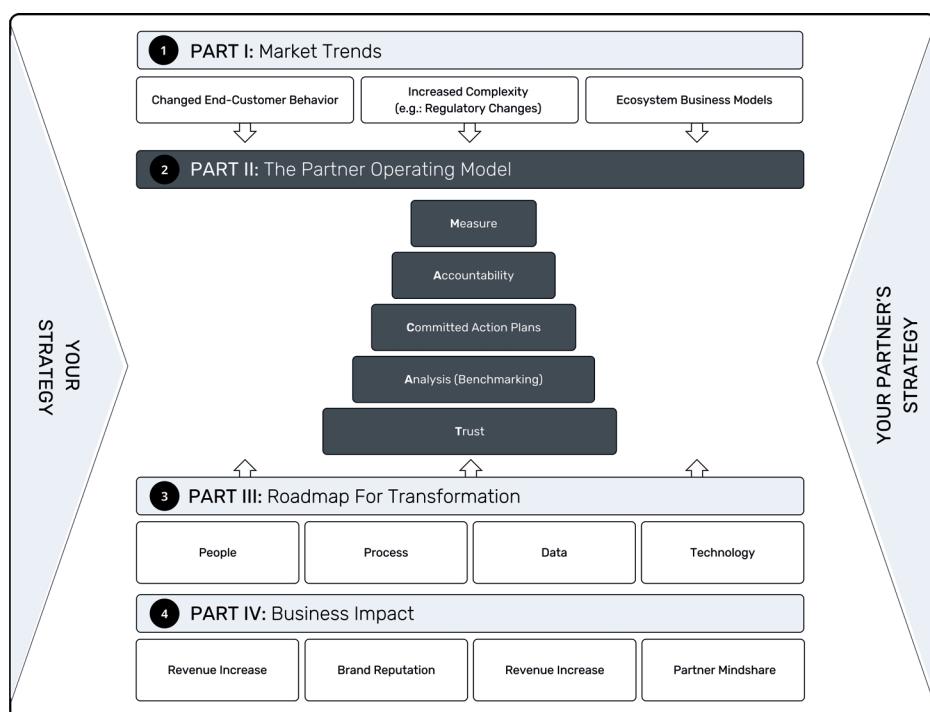
The rise of indirect sales addresses modern business complexities. This model introduced specialized roles optimizing each sales funnel stage, making sales more predictable and scalable. CRM and marketing automation tools support this structure, fostering a data-driven approach that enhances sales management. HubSpot's inbound methodology shows the impact of aligning marketing and sales around the customer journey, creating more engaging and effective strategies. This customer-centric approach is essential in today's market.

The indirect sales model will become even more critical as we move forward. Chapter 3 will discuss why businesses must leverage indirect sales, exploring its historical roots and modern implications. We will examine how companies can use indirect channels to expand reach, reduce costs, and innovate for long-term success.

The upcoming chapter will also highlight the importance of partnerships and ecosystem strategies in today's interconnected world. We will explore how the POM offers a blueprint for predictable ecosystem revenue, setting the stage for the decade of the ecosystem, and mastering indirect sales channels is essential for thriving in a competitive landscape.

## PART II

# The Partner Operating Model



## CHAPTER 3

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# Why Businesses Need to Leverage Indirect Sales

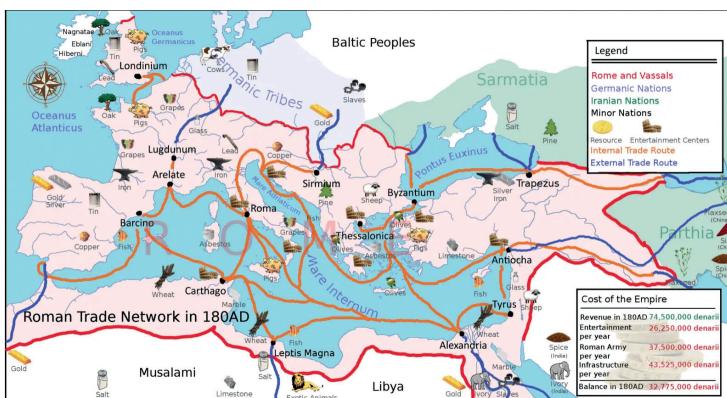
In today's business world, staying ahead means knowing your customers and reaching them effectively and efficiently. Indirect sales have become an essential strategy for businesses looking to expand their reach without bearing the heavy costs of direct sales operations. This chapter explores why indirect sales has always been a fundamental part of doing business but is undergoing a transformation. It is not just an option to transform but a necessity for modern businesses, especially those looking to scale, innovate, and compete globally.

*"To remain competitive tomorrow, companies must think today about what their distribution model of the future will look like. This involves a multi-year transformation roadmap that considers not only technology but also skills, data, and internal and external processes."*

*Cédric Deleuze, Partner, Deloitte Digital*

## From Trade Routes to Digital Highways: The Transformation of Indirect Sales

Indirect sales have been a foundation of business strategy for thousands of years, evolving alongside the marketplace and technological advancements. This approach, which involves selling products or services through third-party channels rather than directly to end-customers, has roots in the earliest forms of trade. Initially, it was about reaching customers far and wide without the producer needing to travel distances. As trade routes expanded, merchants and traders became the essential links connecting producers with distant markets, facilitating the global exchange of goods long before the term “globalization” was coined.



*Indirect sales in Roman Times<sup>11</sup>*

In the picture above, you can see an overview of the Roman trade network around 180 AD. Nothing has changed compared to our daily lives today. Computer chips still are produced in the East, and need to be shipped, assembled, and distributed worldwide. As long as we live in a capitalist society where goods are traded, we will always need indirect sales channels in some shape or form.

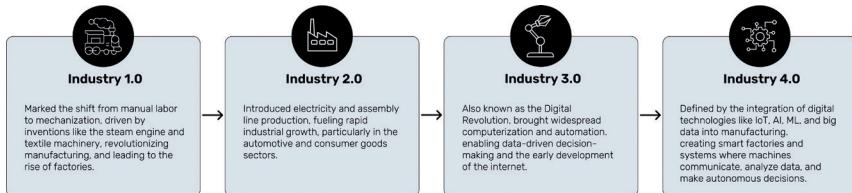
With the Industrial Revolution came mass production and the need to distribute goods efficiently. This period marked the significant growth of

<sup>11</sup> Trueman. (2015, March 16). Ancient Rome and Trade. History Learning Site. Retrieved March 15, 2024, from [https://www.historylearningsite.co.uk/ancient-rome/ancient-rome-and-trade/?utm\\_content=cmp-true](https://www.historylearningsite.co.uk/ancient-rome/ancient-rome-and-trade/?utm_content=cmp-true)

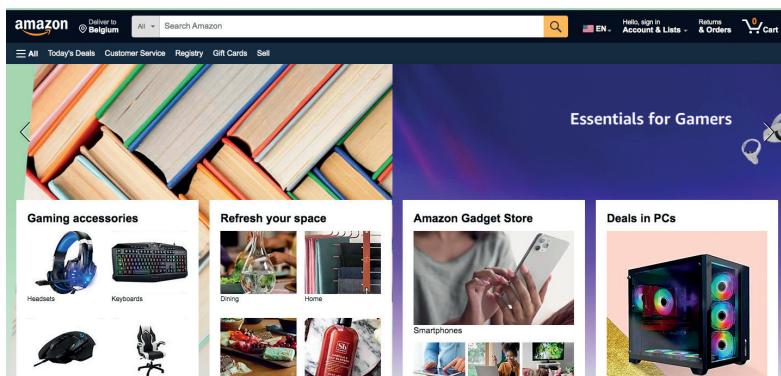
## — The Partner Operating Model —

wholesalers and distributors who specialized in moving products from manufacturers to retailers and eventually to consumers. This era set the stage for modern indirect sales, laying the groundwork for the systems we recognize today.

### The Progressive Eras of Industrial Advancement



In the twentieth century, they introduced more structured forms of indirect sales, such as franchising and dealership networks. These models allowed businesses to expand their brand and reach new markets while ensuring consistency and quality. During this time, the concept of sales agents and brokers also became more formalized, acting as representatives for a range of products and services in specific markets.

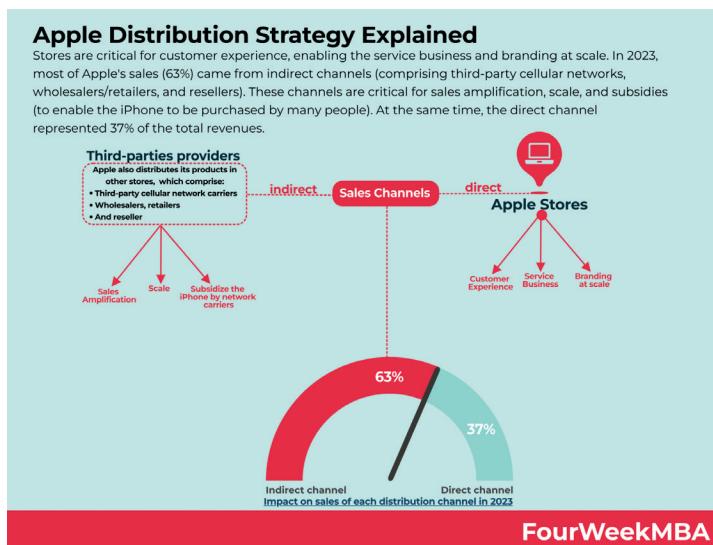


*Amazon.com*

The digital revolution transformed indirect sales again. Online marketplaces like Amazon and eBay became the new intermediaries, offering businesses unprecedented access to global markets with relative ease. Similarly, affiliate marketing emerged, leveraging the internet and social media to promote products to a broader audience without traditional advertising.

Throughout its history, indirect sales have shown remarkable adaptability, reflecting broader economic, technological, and societal shifts. Today, senior leadership and managers of companies engaged in indirect sales continue this tradition of connecting producers with global consumers more efficiently. As the marketplace continues to change, particularly with the rise of digital platforms and the increasing importance of data analytics, the indirect sales model offers a blend of traditional business wisdom and cutting-edge strategy. This approach allows businesses to expand their reach, leverage external expertise, and focus on their core competencies while navigating the complexities of the modern global economy.

Consider how a company like Apple, even with its vast network of retail stores, still relies on indirect sales channels to scale.



*Indirect channels represent more than direct channels at Apple. (Cuofano, 2024)*

## Key Reasons for Indirect Sales

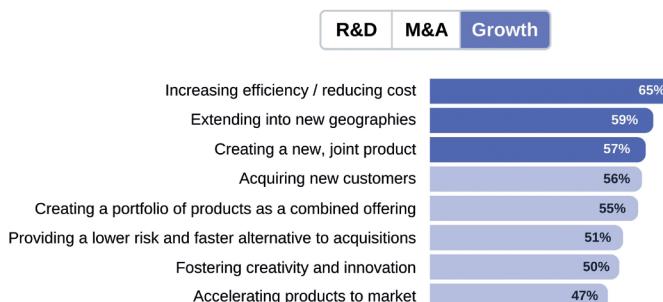
Indirect sales strategies allow companies to leverage third-party channels to sell their products or services, effectively broadening their market reach, reducing operational costs, and enhancing market penetra-

tion with insights and expertise from partners. These strategies are crucial for companies looking to scale quickly, enter new markets efficiently, and focus on their core competencies. Here are eight examples illustrating the benefits of indirect sales across various aspects:

- Broader Market Access
- Cost Savings
- Local Market Insights
- Focus on What You Do Best
- Faster Market Entry
- Risk Sharing
- Increased Visibility
- Flexibility and Scalability

#### **Advantages of ecosystem business models over traditional business models**

% of respondents with a high-performing ecosystem citing a specific advantage



*Ernst & Young's research<sup>12</sup>*

### **1) Broader Market Access**

Expanding into new markets is challenging. Indirect sales channels make it easier to use partners with a foothold in these markets. This foothold means companies can reach more customers across different regions and industries without starting from scratch.

<sup>12</sup> Sarafin, G. (2022, January 23). The CEO Imperative: How mastering ecosystems transforms performance. EY. Retrieved March 27, 2024, from [https://www.ey.com/en\\_gl/alliances/the-ceo-imperative-how-mastering-ecosystems-transforms-performance](https://www.ey.com/en_gl/alliances/the-ceo-imperative-how-mastering-ecosystems-transforms-performance)

*Example: Spotify's expansion into new geographic regions often involves partnerships with local telecom providers, which bundle Spotify's music streaming service with their offerings. This strategy allows Spotify to quickly access a broad customer base without requiring extensive local marketing efforts.*

## **2) Cost Savings**

Building and maintaining a direct sales team and sales infrastructure is expensive. Indirect sales allow companies to avoid these costs, saving on salaries, training, and other overhead associated with a large sales force.

*Example: Amazon Marketplace enables independent sellers to leverage Amazon's vast platform to reach millions of customers worldwide. Considering the inbound traffic on Amazon, sellers save significantly on the costs associated with developing and maintaining their own sales websites and infrastructure. They may not need a sales team that is as large.*

## **3) Local Market Insights**

Local partners know their markets inside out. They understand the cultural nuances, regulatory requirements, and customer preferences. This local knowledge is invaluable for companies entering new markets or tailoring their products to meet local demands.

*Example: McDonald's and Pizza Hut' can attribute their success in the international market to their franchise models, where local franchisees adapt the menu and marketing strategies to align with local tastes and cultural practices, ensuring the brand's relevance and appeal across diverse markets. Having franchisees means McDonald's and Pizza Hut do not have to open new restaurants directly.*

## **4) Focus on What You Do Best**

*Local partners know their markets inside out. They understand the cultural nuances, regulatory requirements, and customer preferences. This local knowledge is invaluable for companies entering new markets or tailoring their products to meet local demands.*

*Example: McDonald's and Pizza Hut' can attribute their success in the international market to their franchise models, where local franchisees adapt the menu and marketing strategies to align with local tastes and cultural practices, ensuring the brand's relevance and appeal across diverse markets. Having franchisees means McDonald's and Pizza Hut do not have to open new restaurants directly.*



*Pompeii Pizza: Hotter than Vesuvius!*<sup>13</sup>

## 5) Faster Market Entry

Time is crucial in business. Partnerships can expedite market entry, enabling companies to seize opportunities faster than building a direct presence from scratch. Partnerships are critical in regions like South America, where local resellers use them daily. Leveraging local resellers accelerates the legal ability to sell in these markets and helps navigate complex tax regulations effectively.

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<sup>13</sup> This picture I took in 2020, shows a well-preserved example of a local “Pizzeria” in Pompeii (Naples), which was buried by the eruption of Mount Vesuvius in 79 A.D. Archaeological finds have shown that Pompeii had imported goods like spices, fabrics, and glassware, indicating connections with other regions within the empire. If I could recommend one place in the world to visit, it would be this one. It’s an incredible feeling to step back almost 2000 years in time and see that life today isn’t so different after all.

*Example: Uber's rapid global expansion was facilitated by partnering with local drivers and leveraging existing transportation infrastructure. This strategy allowed Uber to quickly establish a presence in new cities and countries without significant upfront investment in vehicles or staff.*

## **6) Risk Sharing**

Entering new markets comes with risks. Working with partners allows companies to share these risks, making exploring new territories or launching new products less daunting.

*Example: In the pharmaceutical industry, companies often form partnerships to develop and market new drugs. These collaborations allow firms to share the financial risk associated with drug development, which can be exceptionally high due to the possibility of failure in clinical trials.*

## **7) Increased Visibility**

Entering new markets comes with risks. Working with partners allows companies to share these risks, making exploring new territories or launching new products less daunting.

*Example: In the pharmaceutical industry, companies often form partnerships to develop and market new drugs. These collaborations allow firms to share the financial risk associated with drug development, which can be exceptionally high due to the possibility of failure in clinical trials.*

## **8) Flexibility and Scalability**

Indirect sales channels offer the flexibility to scale up or down quickly in response to market changes. This agility is a significant advantage in today's fast-paced business environment.

*Example: Microsoft's network of resellers and consulting partners allows it to scale its sales efforts up or down based on demand for its software products and services. This flexibility is crucial for adapting to the rapidly changing technology landscape and customer needs.*

## Authorized Underwriting Agent

In the insurance industry in The Netherlands, ‘authorized underwriting agent’ or ‘managing general agent’ refers to a unique arrangement where insurance companies delegate their underwriting authority to specialized agents or intermediaries (authorized agents, known as “Authorized Underwriting Agents”). These agents have the power to accept applications, underwrite, and issue policies on behalf of the insurer.

This delegation enables insurers to concentrate on their core functions, such as product development, market analysis, and enhancing the overall quality of their services. Meanwhile, with their deep understanding of the local market and direct contact with clients, the authorized agents can provide tailored insurance solutions, ensuring a better fit for customers’ needs and a more efficient undertaking process.

## The 5 Types of Indirect Sales Networks

Understanding the different types of indirect sales networks is crucial for selecting the right partners and strategy. These include:

### 1. Resellers and Retailers

These partners buy products to sell to end consumers. They are the bridge between the company and the customer, crucial for companies that want to reach a broad consumer base without relying only on their stores.

### 2. Distributors and Wholesalers

These channels facilitate bulk sales. They purchase large quantities of products and distribute them to smaller retailers or other businesses. They are key for companies looking to distribute their products widely.

### 3. Agents and Brokers

Agents and brokers, on behalf of companies, sell their products, often in specific markets or sectors, like finance and insurance. They do not own the products but earn a commission on sales, making them a cost-effective option for expanding sales reach. There is also a trend toward white label-

— PART II —

ing products to help both parties grow sales.

*“In the insurance industry, we see a trend towards white labeling for specific niches and mega brokers.”*

***Eline Van Havenbergh, Director, Monitor Deloitte***

Industry	Examples of Various Partnership Types (Non-Exhaustive)
Tech	<b>Affiliate Marketing:</b> Amazon's affiliate program allows bloggers and website owners to earn commissions, broadening Amazon's market reach. <b>Strategic Alliances:</b> Apple and IBM partner to combine IBM's enterprise capabilities with Apple's devices, enhancing product offerings.
Telco	<b>Infrastructure Sharing:</b> Verizon and AT&T share cell towers to reduce costs and expand network coverage. <b>Co-Marketing Agreements:</b> Telco companies bundle services with smartphones for mutual benefit, like T-Mobile offering Netflix subscriptions.
Financial Services	<b>Bank-Fintech Partnerships:</b> J.P. Morgan collaborates with fintech companies to offer innovative banking solutions. <b>Cross-Border Payment Alliances:</b> Mastercard partners with local banks to facilitate global payments, speeding market entry.
FMCG	<b>Distribution Networks:</b> Coca-Cola utilizes a global network of bottlers and distributors for market access. <b>Co-Branding Initiatives:</b> GoPro and Red Bull co-brand events and content for increased visibility and market reach.
Manufacturing	<b>Joint Ventures:</b> Ford and Volkswagen partner on electric and autonomous vehicles for shared innovation. <b>Contract Manufacturing:</b> Apple uses Foxconn for manufacturing, focusing on design and technology.
Insurance	<b>Broker Networks:</b> Insurers like AIG use brokers to expand market reach with local insights. <b>Authorized Underwriting Agents:</b> Dutch insurers delegate underwriting to authorized agents, enhancing operational efficiency and focusing on product development.
Banking	<b>White Label Banking:</b> Smaller banks use the infrastructure of larger banks to offer services under their own brand, saving on technology costs. <b>Strategic Fintech Partnerships:</b> Banks partner with fintech firms like Stripe for payment processing, benefiting from technological advancements without the internal development costs.

## 4. Affiliate Marketing

This digital-first approach uses affiliates to promote products through online channels. It is performance-based, with affiliates earning a commission for each sale, making it a low-risk way to increase online sales. Although a very efficient promotional channel, it does require increased IT back-end complexity for well-regulated industries (e.g., financial services).

## 5. Strategic Alliances and Partnerships

These relationships go beyond selling, involving collaboration on product development, marketing, and more. They are about creating mutual value and opening new opportunities for innovation and market entry.

Joint ventures, for example, are strategic collaborations between two or more companies designed to achieve specific business objectives by pooling resources, expertise, and market access. These strategic partnerships go beyond commercial transactions, focusing on shared goals such as product development, market expansion, and innovation.

## Disadvantages of Indirect Sales

Indirect sales, while beneficial in many ways, also have some disadvantages. Here are a few:

### 1. Reduced Control

With indirect sales channels, you may have less control over how you present, market, and sell your product. This lack of control can lead to branding, messaging, and customer experience inconsistencies.

### 2. Dependency on Intermediaries

Relying on intermediaries such as distributors, resellers, or retailers means your success is tied to their performance and priorities. It can directly impact your sales if they prioritize other products over yours or their business struggles.

### **3. Lower Margins**

Intermediaries typically take a portion of the revenue as their cut, reducing the overall margin for the manufacturer or primary seller. This reduction can impact profitability, especially if the margins are already tight.

### **4. Channel Conflict**

Conflict may arise between different sales channels, such as direct sales conflicting with indirect sales or conflicts among various intermediaries. This conflict can lead to inefficiencies, cannibalizing sales, and strained relationships.

### **5. Limited Customer Insight**

Indirect sales channels may cause limited access to direct customer feedback and insights. Gathering valuable information about their preferences, needs, and buying behaviors can be challenging without direct interaction with end-customers.

### **6. Added Complexity**

Managing multiple intermediaries across various regions or markets can be complex and time-consuming. Coordinating logistics, inventory management, and communication among different parties can become challenging, especially as the distribution network grows.

### **7. Brand Dilution**

If intermediaries do not align with your brand values or fail to represent your product effectively, it can dilute or damage your brand reputation.

Overall, while indirect sales channels offer the potential for greater reach and market penetration, businesses must carefully weigh these disadvantages. Being aware of them can help you proactively develop strategies to mitigate risks and maximize the benefits of a broader distribution network.

*“In Japan I worked with resellers that would actually print out screenshots of our product and translate the English words throughout the product into Japanese. They provided a printed binder with all translated screenshots to customers. They got quite disgruntled when we updated the UI or naming convention of the features, thus requiring updates to the binders... to many customers.”*

***Chris Samila, Co-Founder Partnership Leaders***

## The Decade of the Ecosystem

While businesses have to weigh these benefits and risks, the overall train has already left the station to some extent. The emergence of the “Decade of the Ecosystem” — as McBain calls it — compels a shift beyond traditional indirect sales models toward a more collaborative and integrated approach due to the increasing complexity of customer needs and the rapid evolution of technology.

In his speeches, McBain highlights a significant change in businesses working closely together, where teamwork, joining forces, and forming partnerships are crucial to success worldwide. This idea is based on the fact that in today’s world, which is very focused on digital technology and customer needs, no single company can fulfill every customer need by itself. The complex nature of technology and the fast pace at which customer expectations change mean that companies must work together more, using each other’s strengths, resources, and access to markets to offer complete solutions.

Ecosystems help organizations add value by mixing different products, services, and technologies to address complicated customer issues, innovate more quickly, and move into new markets more smoothly. This way of working together creates a supportive environment where everyone involved can grow and succeed. The “Decade of The Ecosystem” is not just a passing phase but a critical strategy for companies that want to stay ahead and keep up with the rapid changes in the global business landscape.

With all the moving parts in the ecosystem alongside the existing indirect sales channels, a new level of orchestration is needed. As touched on in Chapter 2, and as we are about to explore more, this is where an innovative, novel Partner Operating Model (POM) comes into play.



*The Decade of The Ecosystem by Jay McBain<sup>14</sup>*

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<sup>14</sup> With his personal advice and support, Jay McBain has been instrumental in guiding myself and Qollabi in the shifting trends and market dynamics. Here is presenting the Decade of The Ecosystem when working as Principal Analyst at Forrester. Source picture: Naylor, B. (2023, October 19). Forrester's Jay McBain: 'There's no single trusted adviser anymore.' Retrieved March 30, 2024, from <https://www.channelfutures.com/channel-sales-marketing/forrester-s-jay-mcbain-there-s-no-single-trusted-adviser-anymore>

## Conclusion

As we conclude Chapter 3, it is evident that leveraging indirect sales is no longer just an option but a critical necessity for businesses aiming to scale, innovate, and compete globally. The evolution of indirect sales, from ancient trade routes to modern digital marketplaces, underscores its enduring relevance and adaptability. Today's business leaders must recognize the transformative potential of indirect sales channels, not just for broader market access and cost savings but for harnessing local market insights, sharing risks, and achieving faster market entry.

Looking ahead to Chapter 4, we will explore how implementing a new Partner Operating Model (POM) can help organizations navigate the complexities of indirect sales. This model will provide a structured approach to managing partnerships, building trust, conducting a thorough analysis, ensuring commitment, maintaining accountability, and embracing continuous measurement. By adopting this model, businesses can transform their indirect sales strategies into predictable and scalable operations, ensuring sustained growth and market leadership in the ever-evolving global landscape. Prepare to explore how this framework can drive your business forward, leveraging partnerships to their fullest potential.

## CHAPTER 4

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# How to Succeed With Indirect Sales: Implementing a New Partner Operating Model

## Scaling With Certainty: Building a Predictable Operating Model for Indirect Sales

Companies are increasingly looking toward collaborative strategies in the current business era, which is marked by rapid technological change and complex customer demands. The drive toward an interconnected ecosystem of partnerships is reshaping the traditional approach to indirect sales, making it clear that no single company can fully satisfy the diverse needs of the modern customer on its own. This evolving business landscape necessitates a collective approach, where leveraging partners' combined strengths and market access leads to more comprehensive solutions and innovative offerings.

For senior leadership and managers operating within indirect sales channels, these changes underline the critical importance of a well-crafted operating model — a Partner Operating Model (POM). Such a model is a vital navigational tool, providing a clear structure engaging in and managing the complexities of business partnerships and the multifaceted indirect sales environment. It becomes an essential blueprint for aligning

collaborative efforts, ensuring the company remains competitive and can seize new opportunities in a dynamic global market. As we look ahead, embracing a POM tailored to this new reality is beneficial and essential for sustained growth and market leadership.

## What Is an Operating Model?

### Abstract Definition of an Operating Model

Before getting too deep into the POM, we should make sure we are on the same page with the foundations of what an operating model is:

An operating model is a framework that outlines how a business functions across various areas to achieve its goals. The framework specifies how a company leverages its resources — people, processes, data, and technology — to efficiently and effectively reach these objectives. However, an operating model transcends daily operations, providing a strategic overview of the interconnections and interdependencies among different business areas, setting the stage for scalable growth and adaptability in a dynamic market environment.

## The Need for a Defined Operating Model

Operating models should not exist as just theoretical frameworks. They should be clearly defined and actionable. Here are five examples of famous operating models that have helped shape the success of their respective companies, illustrating various dynamics behind operational strategies:

### Toyota Production System (TPS):

*Dynamics: Efficiency, Quality, Continuous Improvement*

**Description:** The Toyota Production System is a cornerstone of the automotive industry's manufacturing philosophy, emphasizing lean manufacturing principles such as Just-In-Time (JIT) production, where they only order materials

as needed for production. TPS also focuses on Kaizen, or continuous improvement, where employees at all company levels are encouraged to

suggest and implement improvements to the manufacturing process. This model has led to high levels of quality and efficiency, setting industry standards.

### **Spotify's Squad Framework:**

*Dynamics: Autonomy, Cross-functional Collaboration, Scalability*

**Description:** Spotify's operating model organizes employees into "squads," small, cross-functional teams working autonomously on specific features or products. Squads are part of larger "tribes" focused on related areas of the business, with "guilds" and "chapters" cutting across these for shared learning and best practices. This structure supports innovation and responsiveness to change, allowing Spotify to scale effectively while maintaining startup-like agility.

### **Netflix's Culture of Freedom and Responsibility:**

*Dynamics: Innovation, Employee Empowerment, Accountability*

**Description:** Netflix's operating model is heavily influenced by its corporate culture, which emphasizes freedom and responsibility. Employees are given substantial autonomy to make decisions and are encouraged to innovate, but this freedom comes with the expectation of high performance and accountability. This model has enabled Netflix to disrupt traditional media, continuously adapt its business model, and maintain leadership in the streaming industry.

### **Apple's Integrated Product Development:**

*Dynamics: Integration, Quality Control, Brand Consistency*

**Description:** Apple's operating model integrates design, product development, and marketing to ensure that its products meet the highest standards of quality and innovation. This approach allows for a high degree of control over the end-to-end product lifecycle, from conception to production and sales. Apple's focus on design thinking and customer experience is embedded throughout its operations, resulting in products that are not only technologically advanced but also resonate strongly with consumers.

Each operating model illustrates different dynamics that can drive a company's success, from fostering innovation and efficiency to enabling scalability and maintaining quality. They highlight the importance of aligning the operating model with the organization's strategic goals and the external environment in which it operates.

## **Amazon's Two-Pizza Team Model**

### *Dynamics: Agility, Innovation, Scalability*

**Description:** Amazon designed its Two-Pizza Team model to foster innovation and agility within the organization. It keeps its teams small enough to be fed with two pizzas, emphasizing the importance of small, autonomous teams that can innovate quickly without the bureaucracy that comes with larger groups. This model supports rapid decision-making and allows Amazon to scale by adding more independent teams, each focused on specific customer experiences or product features.

## **Operating with People, Processes, Data, and Technology**

Before diving deeper into the POM, it is important to consider the four dimensions of an organization — people, processes, data, and technology— that can collectively be referred to as the foundational pillars or core components that define how an organization operates, competes, and innovates in its industry. These dimensions are critical for strategic planning, operational efficiency, and achieving business objectives.

Collectively, they underscore the importance of integrating these dimensions to drive organizational success, adapt to changes, and maintain competitive advantages.

## **Learning from Winning By Design and MEDPICC to Introduce The Partner Operating Model**

The book's first part explored how the past 20 years have been transformative for direct sales and inbound marketing. This period saw the emergence of groundbreaking technologies and business practices, many of

which have since become integral to the operations of numerous firms. It is time to start building a scalable and predictable POM.

Before we discuss the specifics of the POM, it is crucial to reflect on the lessons learned from the direct sales model. This examination will not only enrich our understanding but also guide us in effectively adapting and applying these insights to our partnerships.

## **Scaling Direct Sales Success: The Art and Science of Winning by Design's Sales Methodology**

Winning by Design is a consultancy that specializes in helping businesses optimize their sales operations and strategies. Its approach to an operating model is centered around what it calls “The SaaS Sales Method.” This method focuses on designing and implementing a scientific, scalable, and sustainable sales process.

Winning by Design’s operating model is tailored to the needs of SaaS businesses, but many of its principles can be applied to other industries looking to modernize their sales operations. The model’s structured yet adaptable nature makes it suitable for companies aiming for sustainable growth in a competitive and ever-changing market.

### **The Key Components of Winning by Design's Operating Model Include:**

**Customer-Centric Approach:** At the heart of the model is a focus on the customer lifecycle, emphasizing customer success and long-term relationships over one-time sales. It is about understanding the customer journey and aligning the sales process with the customer’s needs and decision-making process.

**Blueprints for Sales Activities:** The model’s heart is its playbooks for different sales activities, essentially step-by-step guides for executing sales strategies. These blueprints ensure that sales teams can replicate successful actions across different scenarios.

**Data-Driven Decision Making:** Data is used extensively to drive decisions at every stage of the sales process. The model establishes metrics to measure the effectiveness of each activity, and continual iteration is encouraged based on the data collected.

**Sales as a Science:** Winning by Design treats sales as a science, applying rigorous testing, measurement, and analysis to improve sales outcomes. This approach involves developing hypotheses, experiments, and validation steps to optimize sales techniques.

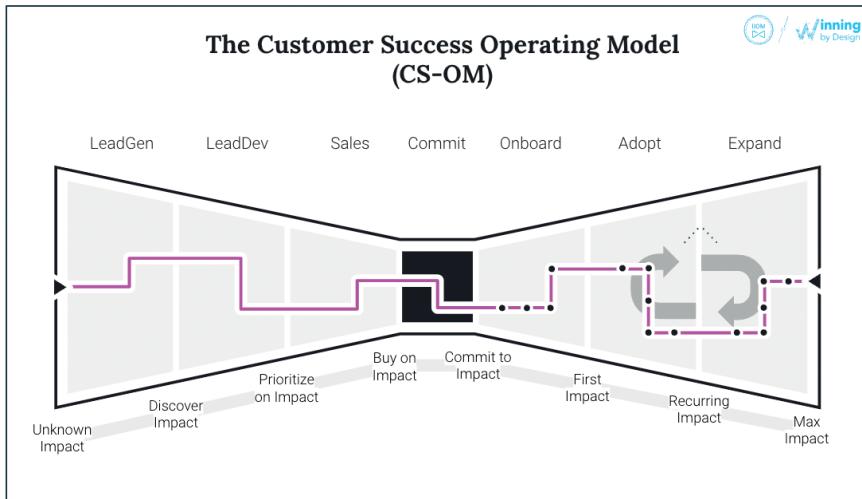
**Scalable Processes:** The model advocates for processes that can scale with the growth of the business. It strongly emphasizes training and development, ensuring that the sales team has the skills and knowledge to adapt to changing market conditions.

**Technology Enablement:** Modern sales tools and technologies are integral to the operating model. The model leverages CRM systems, automation tools, and other sales enablement platforms to streamline the sales process and provide valuable insights.

**Collaborative Selling:** The approach promotes a collaborative selling environment, where sales, marketing, and customer success teams work together to close deals and ensure customer satisfaction. This approach includes aligning goals and sharing information across teams.

**Revenue Operations (RevOps):** Winning by Design emphasizes the importance of RevOps in aligning sales, marketing, and customer success to drive growth. This involves consolidating operations, analytics, and workflow processes to maximize revenue potential.

**Continual Learning and Iteration:** The operating model is not static. It involves continuous learning and iteration. The sales process is constantly refined based on feedback and changing market dynamics.



*Winning by Design has been instrumental in developing predictable operating models in direct sales<sup>15</sup>*

## Sealing the Deal with MEDDPICC: A Strategic Framework for Sales Excellence

MEDDPICC (or MEDPICC) is an acronym for a thorough qualification methodology used in sales to evaluate the quality of potential deals. Each letter represents a specific aspect of the deal that must be assessed. While this framework is not traditionally described as an “operating model,” it is a critical part of the sales operating model within organizations that use it. It helps organizations standardize the process by which sales opportunities are qualified and pursued, contributing to a more predictable revenue stream.

The MEDPICC sales methodology traces its origins to the early 1990s when the Parametric Technology Corporation (PTC) sales team developed MEDDIC to enhance their sales process.

<sup>15</sup> One of the operating models, as presented by Winning By Design, helps organizations to understand the process from finding new customers to expanding revenue among customers.

Source: Winning by Design. (2023, May 26). The operating model for recurring revenue. Retrieved April 9, 2024, from <https://winningbydesign.com/resources/research/the-operating-model-for-recurring-revenue/>

The original framework, consisting of Metrics, Economic Buyer, Decision Criteria, Decision Process, Identity Pain, and Champion, laid the foundation for strategic deal qualification. Over time, it evolved into MED-DPICC by incorporating the Paper Process and Competition elements and later streamlined into MEDPICC. This methodology profoundly impacted businesses by providing a structured approach to understanding key factors influencing purchasing decisions. By emphasizing metrics and aligning with the economic buyer's needs, sales teams using MEDPICC can effectively qualify and close deals, ultimately increasing sales efficiency, improving win rates, and fostering more robust customer relationships.

Here is an explanation of each component:

**M - Metrics (or Money):** This refers to quantifiable measures of the solution's financial impact on the customer's business. It is crucial to understand whether the customer has the budget or can demonstrate a strong return on investment (ROI).

**E - Economic Buyer:** This person has the financial authority to make the purchasing decision. Identifying and understanding the economic buyer is critical, as they ultimately approve the expenditure.

**D - Decision Criteria:** These are the standards or processes a customer uses to purchase. They include understanding the factors they will use to evaluate and justify the solution.

**D - Decision Process:** This outlines the steps the customer will take to decide, including the timeline and milestones.

**P - Paper Process:** This involves the documentation, legalities, and administrative tasks required to finalize the sale, such as contracts, procurement processes, and other paperwork.

**I - Identified Pain:** Identifying the customer's pain points or challenges that the product or service can address is essential. The identified pain must be significant enough for the customer to act.

**C - Champion:** A champion is a person within the customer's organization who supports and advocates for the vendor's solution. This person

helps navigate internal politics and can influence the decision-making process to an internal or external factor that drives the timeline of the purchase.

**C - Competition:** Understanding the deal's competitors is crucial. This knowledge helps tailor the sales approach and differentiate the offering.

**Other Cs that are sometimes mentioned:**

**C - Compelling Event:** This deadline or event creates urgency for the customer to decide. It could be related to an internal or external factor that drives the timeline of the purchase.

**C - Company Priority:** Ensuring that the opportunity aligns with the strategic priorities and initiatives of the prospect's company.



*The Wolf of Wall Street explaining his operating model to his team.<sup>16</sup>*

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<sup>16</sup> In this scene, Leonardo DiCaprio embodies Jordan Belfort, the Wolf of Wall Street, as he unveils his groundbreaking operating model to his team. While the methods might raise eyebrows, the image captures a pivotal moment showcasing the power of an operating model to reshape a business. The Wolf of Wall Street (2013) Leonardo DiCaprio Martin Scorsese (dir) Moviestore Collection Ltd, purchased from Moviestore Collection Ltd / Alamy Stock Photo.

MEDDPICC and Winning by Design both emphasize structured and data-driven approaches to sales, focusing on crucial decision-making criteria, understanding customer pain points, and ensuring alignment with economic buyers. The world of partnerships and indirect sales needs a similar paradigm. This context is where a POM becomes essential. By incorporating a POM, businesses collaborating with partners can enhance their strategic alignment and operational efficiency, ensuring they remain competitive and innovative in a dynamic market.

## **Crafting a Partner Operating Model for the New Era of Indirect Sales**

My new POM is rooted in a deep understanding of the complexities of indirect sales based on nearly two decades of hands-on experience. Throughout my career, I have navigated various indirect sales models with unique power dynamics.

In the early days with Fast-Moving consumer goods (FMCG) giants like Beiersdorf and Danone, I was immersed in the complex power dynamics between large retail distributors and manufacturers. There, I learned the value of fostering a collaborative category mindset, recognizing that a united approach with retailers can enhance profits for all involved parties.

My first venture into entrepreneurship brought me face-to-face with the might of intermediaries within the media space. My co-founder and I introduced an innovative advertising medium — replacing traditional metal clothes hangers with cardboard ones featuring printed ads, distributed freely across a network of dry cleaners. Despite the initial success and selling over 300,000 hangers, which you might still find in European closets, our venture succumbed to the overwhelming influence of media agencies and buyers controlling market access. This experience was a pivotal learning moment about the weight of intermediaries.

Moving forward, I established a management consultancy, guiding large insurance and telco firms through the labyrinth of their commercial strategies, particularly within indirect sales models.



*Advertising in the wardrobe with a cardboard clothes hanger<sup>17</sup>*

Our expertise drew the attention of Ernst & Young, leading to an acquisition that affirmed the significance of our niche.

Building on these diverse experiences, I launched Qollabi with a singular vision: to make partner success predictable. Inspired by the emergence of SaaS and having attended the inaugural SaaStr conference—the largest gathering in the SaaS industry—our mission has been to reimagine indirect sales. We strive for the same scalability and predictability in operating models and supporting technologies that have revolutionized direct sales. This experience has been a testament to the power of indirect channels and the critical need for a structured approach to harness their full potential.

17 Back in the day, my Co-Founder Nik Schotsmans (left) and I experienced firsthand the influence of our FMCG end-customers' indirect sales partners (media agencies). Despite having the backing of a study by the internationally renowned research company GfK, which showed one of the highest ad impact scores ever recorded, we reconsidered our activities after a few years. Back then, my hair was still as abundant as our optimism for disregarding the intermediary.

## The Components of the New Partner Operating Model (POM): TACAM

In my mission to make partner success predictable, not just a stroke of luck or art, I've developed a POM based on five components that I will call TACAM:

1. Trust
2. Analysis
3. Commitment
4. Accountability
5. Measurement

TACAM is built on two foundational pillars:

1. The first is the model of how effective teams operate. When two or more companies join forces, it is like a multi-skilled team uniting to achieve shared goals. This concept was heavily influenced by Patrick Lencioni's widely acclaimed work on team dynamics, *The Five Dysfunctions of a Team*.

### The Five Dysfunctions of a Team

Patrick Lencioni's book *The Five Dysfunctions of a Team* outlines five interrelated issues that undermine the effectiveness of a team:

1. **Absence of Trust:** This foundational dysfunction occurs when team members are unwilling to be vulnerable within the group. Without trust, a team cannot be completely open with one another, which is essential for building strong relationships.
2. **Fear of Conflict:** When teams lack trust, it leads to a fear of conflict, where team members avoid engaging in unfiltered, passionate debate about ideas. Instead, they resort to veiled discussions and guarded comments.

3. **Lack of Commitment:** A team that is unable to openly express their opinions during discussions will not fully commit to decisions, leading to an environment where ambiguity prevails.
4. **Avoidance of Accountability:** Without a clear commitment to a plan of action, team members often hesitate to call out peers on their actions and behaviors that seem counterproductive to the team's good.
5. **Inattention to Results:** When team members prioritize their individual needs (such as ego, career development, or recognition) over collective goals, the team suffers from inattention to results.

Lencioni argues that these dysfunctions can be overcome through cohesive leadership, structured team processes, and a collective focus on team achievement over individual success.

### Patrick Lencioni's Five Team Dysfunctions



*Lencioni's influential model<sup>18</sup>*

2. The second pillar is built on the real challenges and feedback the team at Qollabi received from our users and clients. Over four years of ongoing development and in-depth collaboration with some of our most forward-thinking customers, including names like Atlassian, Alcatel Lucent, Nationale Nederlanden (NN), and Datacore, we have pinpointed seven critical problem statements on the next page that businesses encounter in partnerships.

<sup>18</sup> Beyersdorf, N. (2015, May 27). Patrick Lencioni's five team dysfunctions [Slide show]. SlideShare. Retrieved April 1, 2024, from <https://www.slideshare.net/slideshow/patrick-lencions-five-team-dysfunctions-48670463/48670463>

## — The Partner Operating Model —

### Common Problem Statements With Partnerships, as Identified by Qollabi's Product Team

- 1 *"I lack a structured process for identifying potential partners, understanding the status of our relationship, and evaluating them effectively."*
- 2 *"I find it challenging to onboard vetted partners smoothly and establish clear next steps."*
- 3 *"I need to develop a shared definition of success and secure commitment from stakeholders."*
- 4 *"I am missing a comprehensive view of the Objectives and Key Results (OKRs) that both my partner and I need to accomplish."*
- 5 *"It is difficult to keep my partners informed about our shared objectives and maintain their motivation throughout our collaboration."*
- 6 *"I am uncertain whether I am taking the right actions and what I should prioritize next."*
- 7 *"Compiling and reporting on the progress of my partnerships to all relevant stakeholders is time-consuming."*

### Problem Driven Solution Design

Find & Vet Partners	Onboard or Launch	Prove Success	Scale
I lack a structured process for identifying potential partners, understanding the status of our relationship, and evaluating them effectively	I find it challenging to onboard vetted partners smoothly and establish clear next steps	I need to develop a shared definition of success and secure commitment from stakeholders  It is difficult to keep my partners informed about our shared objectives and maintain their motivation throughout our collaboration	I am missing a comprehensive view of the OKRs that both my partner and I need to do  I am uncertain whether I am taking the right actions and what I should prioritize next  Compiling and reporting on the progress of my partnerships to all stakeholders is time-consuming
<b>How Qollabi solves it</b> <ul style="list-style-type: none"><li>• Partner profile benchmark</li><li>• Third-party data integration</li><li>• AI Partner profile fit</li></ul> 	<b>How Qollabi solves it</b> <ul style="list-style-type: none"><li>• Partner onboarding guidance</li><li>• Onboarding stages overview</li><li>• AI customizes the onboarding process based on each partner's needs</li></ul> 	<b>How Qollabi solves it</b> <ul style="list-style-type: none"><li>• Shared Workspace with mutual success plan (MSP)</li><li>• AI smart digests and updates</li><li>• Social proof and motivation</li><li>• Automate outreach with scheduled AI updates</li></ul> 	<b>How Qollabi solves it</b> <ul style="list-style-type: none"><li>• Aggregated partner plan and sales funnel</li><li>• Plan vs Realized Reports</li><li>• Next Best Actions</li><li>• Automated Reports</li></ul> 

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## The 5 Elements of TACAM

Inspired by Lencioni's work, TACAM has five key elements:

### 1. Trust

The heart of any partnership is trust, forged through transparency about each party's strengths and weaknesses. Understanding and respecting each other's profiles, strategies, and objectives is vital. By sharing critical data that may not be otherwise available to one another, partners can engage in more meaningful and productive dialogues.

### 2. Analysis

Benchmarking performance against peers drives improvement and growth. In partnerships, sharing data and insights — wisdom, in essence — is invaluable. This practice should encourage comfortable conflict; while harmony is comfortable, it can stifle the discovery of new avenues for growth.

### 3. Commitment

Commitment emerges from the fertile ground of constructive conflict. It is about agreeing to pursue a familiar path, even when opinions diverge. As automobile heavyweight Henry Ford said, "Coming together is a beginning, staying together is progress, and working together is success."

### 4. Accountability

A commitment without accountability is merely an intention. Accountability acts as the backbone of a partnership, ensuring a rigorous approach where checks and balances are not just welcomed but integral to the process. It ensures that each partner is accountable and their collective efforts are directed toward shared success.

### 5. Measurement

Adopting continuous measurement and agile methodologies is akin to the evolution seen in modern, high-performing teams. It empowers business partnerships to be nimble, adjusting and honing strategies based on real-time feedback and results. This approach is essential for maintaining relevance and achieving sustained success in today's fast-paced market.

## The Partner Operating Model



## More Than an Operating Model

TACAM is not just an operating model. It is a strategic compass for navigating the complexities of indirect sales partnerships. It instills a structure where mutual goals are set and met with consistency and reliability. As we move forward, senior leaders and managers must recognize the transformative power of such a framework. It ensures that partnerships are not left to chance but that companies systematically manage them for growth, efficiency, and resilience.

The following chapters will explore how companies can apply the TACAM framework to their unique ecosystems. In the last part of the book, we explore the transformation businesses must undertake in terms of people, processes, data, and technology to align with this model, setting the stage for a future where indirect sales channels are as robust and predictable as their direct counterparts.

## Stress Testing the Operating Model

Both the Direct Sales Operating Model, inspired by *Winning by Design*, and the TACAM Operating Model for indirect sales underscore the importance of a predictable, science-based, and data-driven approach to sales and partnerships.

Central to both models is the emphasis on harnessing data to drive decisions, fostering a methodical and analytical environment where actions and strategies are measured and optimized for efficiency and effectiveness.

The quest for scalability is evident in both models. They advocate for processes and systems that can grow and expand in tandem with the business, ensuring that the approach to sales and partnerships does not become obsolete as operational scale increases.

Both models recognize that evolving processes are essential to maintaining a competitive edge. They require teams and partners to embrace continual learning and apply iterative improvements to their methods.

In essence, both operating models are blueprints for building robust, fu-

— The Partner Operating Model —

ture-proof sales and partnership mechanisms anchored in data, scalable in their design, and ever-improving through adopting new technologies and processes.

Feature/Approach	Direct Sales (Winning by Design)	TACAM (Indirect Sales)	Shared Similarity
<b>Core Principle</b>	Customer-centric approach focusing on the customer lifecycle	Trust as the cornerstone, emphasizing understanding and respect	Emphasis on relationship understanding and long-term success
<b>Decision Framework</b>	Data-driven decision making at every stage	Analysis and benchmarking performance for growth	Reliance on data and analytics for informed decisions
<b>Approach to Execution</b>	Sales as a science with rigorous testing, measurement, and analysis	Commitment emerges from constructive conflict, promoting a rigorous approach	Methodical and systematic execution
<b>Adaptability and Growth</b>	Scalable processes that grow with the business	Continuous measurement and agile methodologies for sustained success	Focus on scalability and adaptability
<b>Technological Integration</b>	Technology enablement through modern sales tools	Sharing insights and wisdom, indirectly pointing to the use of technology for data sharing	Use of technology to enhance processes
<b>Team and Cross-Functional Dynamics</b>	Collaborative selling with alignment across sales, marketing, and customer success	Accountability ensures checks and balances, implying a need for team coherence	Collaboration and alignment within the organization
<b>Operational Strategy</b>	Revenue Operations (RevOps) to drive growth	Accountability and measurement to ensure shared success	Strategic alignment to maximize growth and efficiency
<b>Continuous Improvement</b>	Continual learning and iteration based on market feedback	Adoption of agile methodologies for nimbleness and relevance	Commitment to ongoing refinement and improvement

## Conclusion

Chapter 4 focused on creating a reliable and scalable operating model, highlighting the need for a structured approach to managing business partnerships. By combining the strengths and market access of different partners, companies can offer better solutions and meet the diverse needs of modern customers.

In Chapter 5, we will explore the key role of trust in building and maintaining successful partnerships. Trust is the foundation of collaboration, and knowing how to build and maintain it is essential for creating goodwill with stakeholders. We will discuss ways to develop trust-based relationships using insights from well-known frameworks and real-world examples.

## CHAPTER 5

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# Trust: Create Goodwill With the Right Stakeholders

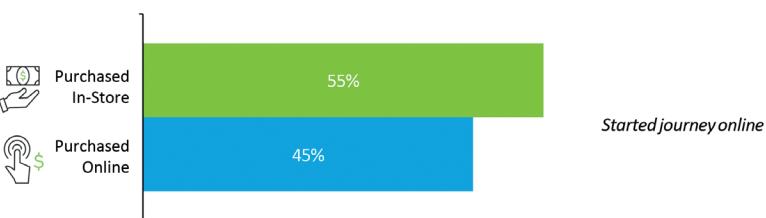
### Why Omnichannel Is the Norm

Recent reports from Deloitte and McKinsey highlight the evolving consumer preferences toward a blend of online and offline shopping experiences, known as omnichannel retailing. Despite the convenience of online shopping, many consumers still value the tangible experiences offered by brick-and-mortar stores.

Consumers are increasingly embracing a mix of physical and digital channels for their purchases, according to research by Deloitte US (2021). This research suggests that while online shopping grows, traditional in-store experiences remain significant for consumers. For instance, 55% of shoppers who started their journey online make their purchases in-store.

**55% OF SHOPPERS WHO START THEIR JOURNEY ONLINE MAKE THEIR PURCHASES IN-STORE**

Figure 4: Where Shoppers Started Their Journey Compared to Where They Made Their Purchase<sup>1,2</sup>



Source: InSightIQ Consumer Retail Channel Choice Survey 2021

<sup>1</sup>Thinking about your most recent shopping experience for INSERT PRODUCT CATEGORY, which of the following best describes how you started the shopping experience?; <sup>2</sup>Did you purchase in-store or online?

*Results of the Deloitte study<sup>19</sup>*

Furthermore, while e-commerce plays a central role in driving profitable growth in consumer goods, offline touchpoints remain very important, according to a report by McKinsey & Company (2022).

In Europe, McKinsey's research highlights the need to reset the e-commerce model to achieve profitable growth. This reset involves a strategic shift toward effectively integrating online and offline channels, recognizing the enduring appeal of physical stores for consumers. By leveraging omnichannel strategies, retailers can capitalize on the strengths of both digital and physical channels to drive growth and profitability in the European market.

The trend toward omnichannel retailing is evident across different regions and consumer demographics. While online shopping is increasing, offline shopping still provides the most value.

*"Trust is the foundation of all successful client relationships.*

*Without trust, there can be no genuine partnership."*

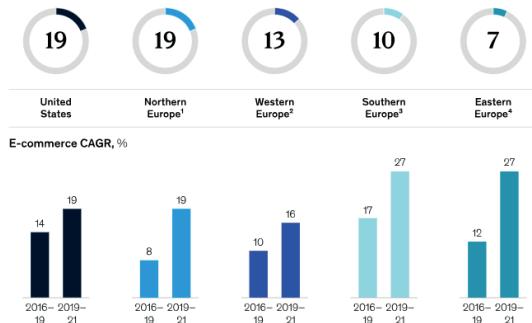
***Green et al 2011***

<sup>19</sup> Deloitte Digital. (2022). Consumer preferences embrace a mix of physical and digital. Retrieved April 4, 2024, from <https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/offerings/offerings-20220125-insightiq-ccia-consumer-preferences-embrace-a-mix-of-physical-and-digital.pdf>

## — The Partner Operating Model —

Heterogeneous European consumer goods markets demonstrate varied levels of e-commerce share of sales and growth.

E-commerce share of value sales, 2021, % of consumer goods industry



<sup>1</sup>Finland, Norway, Sweden, and United Kingdom.

<sup>2</sup>Austria, Belgium, Denmark, France, Germany, Ireland, Netherlands, and Switzerland.

<sup>3</sup>Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia, and Ukraine.

<sup>4</sup>Source: Euromonitor annual data 2021. E-commerce nonstore value of retail sales across alcoholic drinks, apparel and footwear, beauty and personal care, consumer health, cooking ingredients and meals, dairy products and alternatives, eyewear, home and garden, hot drinks, personal accessories, pet care, tobacco, soft drinks, staple foods, tobacco and hygiene, and toys and games.

McKinsey  
& Company

Results of the McKinsey & Company study<sup>20</sup>

## Trust-Based Selling

My good friend Raj Bhatia, the former Sales Excellence Leader for US Insurance at Deloitte Consulting, introduced me to some foundational books on business partnerships. These books included David H. Maister, Robert M. Galford, and Charles H. Green's *The Trusted Advisor*, Green's *Trust-Based Selling*, and Andrea P. Howe and Green's *The Trusted Advisor Fieldbook*. These books focus on the importance of trust in professional relationships, particularly in consulting, sales, and client services.

In *The Trusted Advisor*<sup>21</sup>, Green suggests that professionals must focus on the client's interests, provide valuable advice beyond just selling services, and create a relationship based on reliability, openness, and intimacy. The book introduces the Trust Equation as a formula to quantify and improve trustworthiness.

20 Cordoba, I., Donovan, C., Magni, M., Moulton, J., & Phillips, S. (2022, September 21). Resetting the e-commerce model to achieve profitable growth in Europe. McKinsey & Company. Retrieved April 30, 2024, from <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/resetting-the-e-commerce-model-to-achieve-profitable-growth-in-europe>

21 Maister, D. H., Green, C. H., & Galford, R. M. (2000). *The Trusted Advisor*. Simon and Schuster.

*Trust-Based Selling*<sup>22</sup> extends these concepts into the sales domain. It emphasizes that the traditional sales approach, which often prioritizes closing deals over the client's best interests, is less practical than a trust-based approach. The trust-based selling method advocates for understanding the client's needs, being transparent, and recommending solutions that align with the client's best interests, even if it means recommending a competitor's product.

Trust cannot be demanded or bought. It must be earned through consistent actions and behaviors that demonstrate integrity, reliability, and a genuine concern for the client's welfare.

*The Trusted Advisor Fieldbook*<sup>23</sup> builds upon the ideas of the previous books and provides tools and checklists to help professionals apply these principles in their work. It aims to develop the skills and behaviors that foster trust with clients.

Across all three books, Green argues that trust is the foundation of successful professional relationships. He therefore recommends sincerity, reliability, and client focus as the keys to becoming a trusted advisor in any industry. He even provides a formula for trust, as explained below.

### **The Trust Equation: The Mathematical Foundation of Trust in Business Partnerships**

The Trust Equation developed by Green is a methodical framework that outlines the key ingredients for trust among individuals, suggesting that trust can be cultivated and enhanced. The equation is:

$$\text{Trust} = (\text{Reliability} + \text{Credibility} + \text{Intimacy}) / \text{Self-Orientation}$$

22 Monty, D. A. (2014). *Trust-Based selling: Finding and Keeping Customers for Life*. Apress.

23 Green, C. H., & Howe, A. P. (2011). *The Trusted Advisor Fieldbook: A Comprehensive Toolkit for Leading with Trust*. John Wiley & Sons.

However, what do these variables mean? Consider the following definitions:

- **Reliability:** Meeting promises and being prepared for meetings; showing integrity and showing up with strategic insights.
- **Credibility:** Perceived as knowledgeable and trustworthy; being an expert in one's domain.
- **Intimacy:** Empathizing and forging deep personal connections; being authentic and showing a genuine interest in partners' goals.
- **Self-Orientation:** Balancing one's interests with those of others; focusing on what benefits the partner, and prioritizing quality over self-interest.

In addition to looking at the individual variables of the Trust Equation, consider what these all mean together and how the equation can be used:

- **Interconnection of Trust Components:** Strengthening trust by improving credibility, reliability, and intimacy while reducing self-orientation. These factors are interdependent: a shortfall in one potentially impacts the others.
- **Building Trust in Practice:** Demonstrating expertise and transparency, fulfilling commitments reliably, connecting with empathy, and prioritizing partners' interests over self-interests.
- **The Trust Equation's Wider Applications:** This concept is applicable beyond personal interactions, extending to business transactions, leadership, and organizational culture. One can build more robust and successful partnerships by comprehending and refining these aspects of trust.
- **Reflection and Improvement in Partnerships:** Reflecting on partnerships through the Trust Equation can illuminate areas for improvement and guide you in effectively enhancing these relationships.
- **Embracing the Trust Equation:** Adopting the Trust Equation involves being open and authentic, committed to nurturing relationships founded on mutual respect and trust.

## Trust in The Workplace

### The Trust Advantage: How Neuroscience Enhances Workplace Performance

J. Zak (2017) explores the significant impact of trust on employee engagement, productivity, and company performance, grounded in neuroscience research. Zak's work highlights how the brain chemical oxytocin is crucial in fostering trust within organizations, leading to numerous positive outcomes. Through various experiments and data analysis, Zak identifies eight management behaviors that can effectively build a culture of trust, including recognizing excellence, stressful challenges for teams to overcome, giving job autonomy, enabling job crafting, sharing information broadly, building relationships, promoting personal growth, and showing vulnerability.

Zak's research reveals that employees in high-trust environments report:

- 74% less stress
- 106% more energy at work
- 50% higher productivity
- And many other benefits to those in low-trust companies

These findings underscore the importance of managerial practices that nurture trust and the profound effects such practices can have on organizational success. Additionally, Zak points out that high-trust companies enhance employee well-being and achieve better financial performance, indicating that trust can be a significant competitive advantage. The article concludes by emphasizing the leader's role in defining reality, supporting their team, and fostering an environment where trust can thrive, ultimately leading to higher performance and satisfaction.

As we will explore further, trust is critical to building successful partnerships.

## Embracing Vulnerability: The Secret Ingredient for Team Trust

Lencioni — who inspired my TACAM framework — also views trust as the foundation of a functional team. He defines “trust” as the confidence among team members that their peers’ intentions are good and that there is no reason to be protective or careful around the group. In this environment, a vulnerability-based trust allows team members to be open about their weaknesses, mistakes, fears, and behaviors. This type of trust is crucial for building a cohesive team, as it encourages open communication, risk-taking, and accountability, laying the groundwork for genuine collaboration and collective success.



*The power of vulnerability<sup>24</sup>*

## Trust in Partnerships

For Partner Account Managers and Channel Account Managers, success hinges on their ability to build trust and work well with others inside and outside their organizations. They must show partners why their solutions are valuable and maintain good relationships worldwide.

By focusing on big-picture results instead of getting caught up in day-to-day tasks, these professionals can drive better collaboration and long-term success.

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<sup>24</sup> Elon Musk, in a classic “hold my beer” moment, trying to bend physics to his will. The picture captures him, all smiles, in the midst of a “Did that just happen?” scene, making vulnerability look almost as cool as his inventions. US-transport-automobile-Tesla-Musk by Frederic J. Brown, purchased from Gettyimages

Equipping the partnerships team with data on the sales process is crucial for maintaining alignment and trust. Many Account Executives (AEs) focus on closing deals, often overlooking the partner's perspective in a co-sell motion. This approach can lead to misalignment and potential trust issues. Only highly experienced AEs typically adopt a more sophisticated, long-term mindset that considers the partner's situation. By providing the partner teams with detailed data on the co-sell process, companies can ensure that all parties remain synchronized, fostering a collaborative environment and reducing the risk of trust breakdowns.

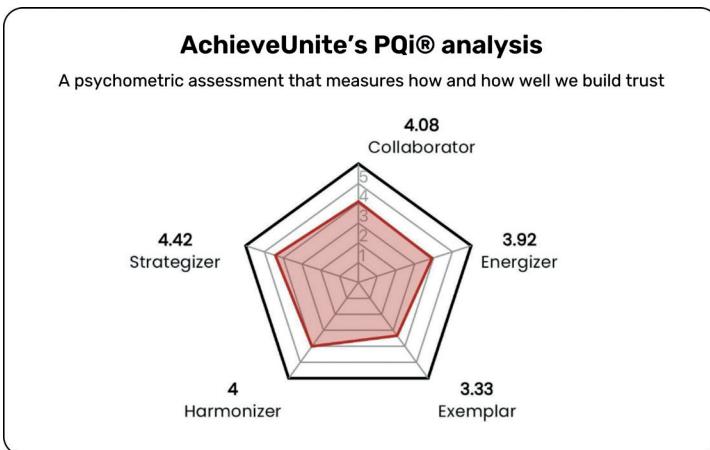
They also need to be good at explaining how their work helps the company, like understanding how their deals affect profits and business growth. Thinking of themselves as the boss of their area, they should seek help from finance, marketing, and other departments to reach their goals. Using data smartly helps them make their case and keep partners on board for shared success.

Jessica Baker is a crucial member of AchieveUnite Inc., an organization re-owned as The Partnering Success Company. AchieveUnite specializes in helping organizations thrive by developing trusting and dynamic partnerships. Working closely under the visionary leadership of Theresa Caragol, Baker wrote several articles suggesting that trust is not merely an aspect but the essence of successful collaborations. She offers the Partnering Quotient Index (PQi®) tool to help understand and enhance team dynamics for stronger partnerships (AchieveUnite, n.d.).

*“Trust is very important in collaborative partnerships. With our PQi® tool, we know that regulating emotions is one of the trust-building strengths. Our ability to read both ourselves and then helping others do that, builds trust.”*

***Theresa Caragol, Founder and CEO, AchieveUnite***

— The Partner Operating Model —



*An example of the results of AvhieveUnite's PQi® analysis.*

## Conclusion

Chapter 5 explored the importance of trust in building strong partnerships and maintaining goodwill with stakeholders. We highlighted how trust-based relationships can significantly impact business success. Trust, grounded in reliability, credibility, and intimacy, creates genuine partnerships and fosters collaborative environments.

As we move into Chapter 6, we will explore the role of meaningful data-driven conversations in enhancing business outcomes. By understanding how professionals benchmark their performance and use data for strategic advantages, we will uncover methods to drive partnership growth and innovation. This chapter will provide practical insights into leveraging data to compare and improve, setting the stage for successful, outcome-focused strategies.

## CHAPTER 6

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# Analysis: Have Meaningful Conversations With Outcome-Driven Data

### People Like to Compare Themselves

The tendency for people to compare themselves with others is deeply rooted in socio-psychological and anthropological frameworks, reflecting our inherent social nature and survival instincts. From an evolutionary standpoint, comparison served as a crucial mechanism for assessing environmental threats and opportunities, guiding resource allocation, social alliances, and competition decisions. Psychologically, social comparison theory suggests that individuals seek to understand themselves and their place in the social hierarchy by evaluating their abilities, achievements, and qualities of others. This drive is motivated by a fundamental desire for self-enhancement, belonging, and identity formation. Comparing ourselves to others helps establish social norms, define values, and navigate the complexities of social interactions. It also plays a critical role in motivation, self-improvement, and pursuing excellence by setting benchmarks and aspirations.

One of the most influential frameworks in understanding social compar-

son comes from Leon Festinger's Social Comparison Theory, which proposes that individuals have an innate drive to evaluate their opinions and abilities by comparing themselves to others (Wikipedia, n.d.). Another key figure, Albert Bandura, introduced the concept of social learning theory, which emphasizes the role of observing and modeling the behaviors, attitudes, and emotional reactions of others, further enriching our understanding of social comparison. These foundational theories have been pivotal in exploring how individuals determine their social and personal worth, leading to a deeper insight into human behavior and motivation.

### **Leon Festinger's Social Comparison Theory**

Beneath our detailed schema of Festinger's social comparison theory, you will find the distinct dimensions that underpin our understanding of social behavior. On one end is the "Upward Comparison" — where we look at those who seem to excel beyond us, serving as benchmarks for personal growth and aspiration. Conversely, the "Downward Comparison" allows us to view individuals facing more challenges than us, offering a sense of relative competence and gratitude. Then there is the "Lateral Comparison" — observing our peers to gauge how we measure up in a more immediate social context. This framework is not just theoretical. It is a practical tool for understanding dynamics in both personal development and professional environments, minus the distractions of everyday digital noise.

	Upward Comparison	Downward Comparison
Positive Effects	Hope, Inspiration	Gratitude
Negative Effects	Dissatisfaction, Envy	Contempt

## **Professional Benchmarking: Tapping Into the Power of Social Comparison**

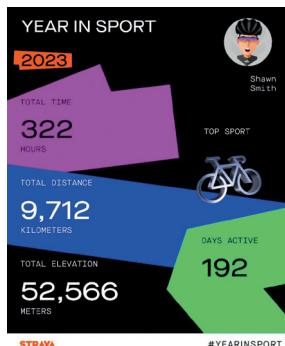
People are naturally curious about how they stack up against others in their professional lives, too. This interest often extends to data about their peers,

as it provides a concrete way to measure success, progress, and areas for improvement. In the professional realm, understanding peer data can spark motivation, inspire new goals, and offer insights into best practices and strategies that lead to success. It gauges where one stands in a broader context, identifies trends, and makes informed decisions to enhance performance or address gaps. Data about peers serves as a benchmark, helping individuals and organizations see their position relative to others and plot a course for where they want to go.

## Examples of Unlocking Growth Through Benchmarking

The following examples from the consumer sphere not only highlight the effectiveness of benchmarking but also illustrate its potential to drive significant improvements and innovations. I see tremendous potential in applying the same underlying principles in a B2B or B2B2C context.

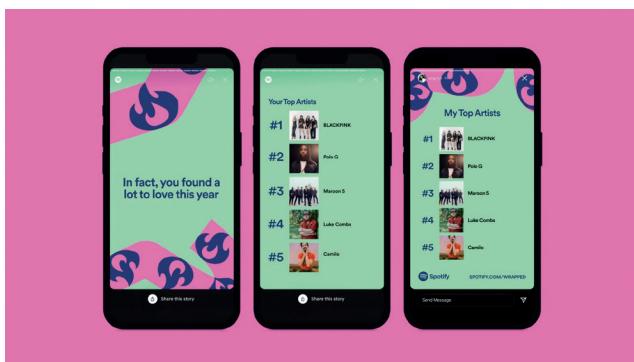
**Strava's Year in Review:** Strava, a social network for athletes, offers its users a “Year in Review” feature that showcases their annual achievements, such as distance covered, elevation gained, and broken personal records. This feature lets users see how their performance compares to past years, motivating them to set new goals. Furthermore, Strava’s Community features enable users to compare their achievements with friends and fellow athletes, encouraging a healthy sense of competition and camaraderie.



*Shawn Smith's 'My Year in Motion:  
A Strava Recap of 2023'<sup>25</sup>*

<sup>25</sup> Smith, S. (2024, March 16). My Year in Motion: A strava recap of 2023. Shawn Smith. Retrieved April 9, 2024, from <https://shawnsmith.com.au/my-year-in-motion-a-strava-recap-of-2023/>

**Spotify Wrapped:** Spotify's Wrapped feature provides users with a personalized summary of their listening habits over the year, including top songs, artists, genres, and total minutes listened. This feature allows users to reflect on their musical journey and encourages sharing on social media, creating a viral phenomenon each year. Spotify Wrapped effectively uses data to create a personalized experience, fostering a deeper connection between users and their music and enabling peer comparisons through shared summaries.



*Example of Spotify Wrapped<sup>26</sup>*

**Netflix's Use of Big Data for Content and Recommendations:** Netflix's Use of Big Data for Content and Recommendations: Netflix analyzes vast amounts of data on viewer preferences to personalize recommendations and decide what content to produce or acquire. By benchmarking viewing habits and content performance against peer and industry data, Netflix has created highly successful series and movies (Seleryt, 2019).

These examples underscore the transformative potential of benchmarking, providing a roadmap for others seeking to leverage peer data and social comparisons for strategic advantages.

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<sup>26</sup> How Spotify's wrapped campaign for 2022 came together. (2024, May 23). Retrieved April 10, 2024, from <https://www.itsnicethat.com/features/spotify-wrapped-campaign-identity-2022-graphic-design-301122>



*The different types of data that Netflix uses<sup>27</sup>*

## Understanding Benchmarking in the Context of Partnerships

Benchmarking in partnerships is like having a roadmap for success. It helps you understand your strengths and weaknesses compared to others. Think of it as a reality check that shows you where you can improve and where you're leading the pack. It's not about copying what others are doing but learning from the best and adapting those lessons to your unique situation.

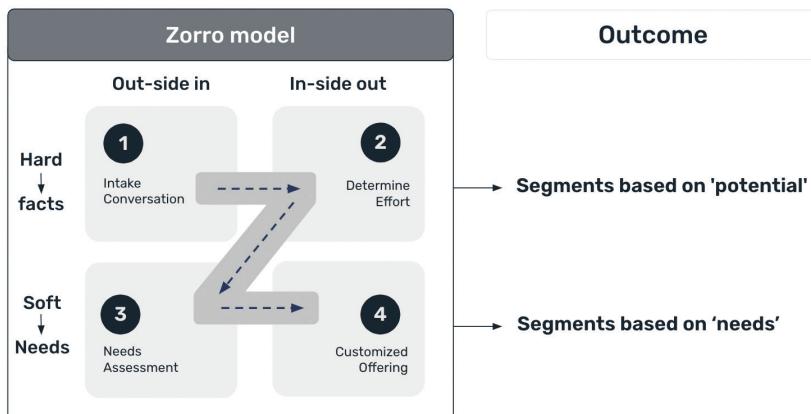
### Know Thyself

Tech giants like Cisco and Microsoft have leveraged partner scoring systems to streamline their indirect sales strategies, focusing on partnerships that drive sales and align with their strategic objectives and brand values. Tech is not the only industry that uses benchmarks to differentiate its partner ecosystem, reward high performers, and encourage others to elevate their contributions. It is the essence of segmentation models across multiple sectors, such as insurance.

For example, Baloise Belgium, a subsidiary of the Swiss insurer, applies a similar approach and invites its commercial teams to drive its partner conversations based on an evaluation criteria system that leads to a mutual success plan.

<sup>27</sup> Selerity. (2019, April 5). How Netflix used big data and analytics to generate billions. Selerity. Retrieved April 10, 2024, from <https://seleritysas.com/2019/04/05/how-netflix-used-big-data-and-analytics-to-generate-billions/>

In this way, the model establishes a common ground for all parties and motivates them to move from point A to point B.



*Partner conversations based on needs and potential<sup>28</sup>*

## The 5-Step Process of Setting Benchmarks and Standards

Setting benchmarks and standards is not a one-size-fits-all process. It starts with identifying key areas you want to excel in. Then, you look for partners, competitors, or industry leaders who are the best in those areas. Once you know what the “best” looks like, you set realistic goals for achieving those standards. It is a cycle of measuring, learning, and improving.

Specifically, the five steps to setting benchmarks and standards include the following:

1. **Identify Key Performance Indicators (KPIs):** Decide what is important for your partnership’s success.
2. **Research:** Find out who is doing it best and their numbers.
3. **Set Goals:** Based on your research, set realistic targets for improvement.
4. **Implement Changes:** Make the necessary adjustments to reach those targets.

<sup>28</sup> Shared by Jan Scheepers, the Director of Corporate Brokers & Broker Development at Baloise Insurance Belgium. (presentation, February 10, 2024)

5. **Measure Again:** See how much progress you have made and adjust your goals as needed.

Effective benchmarking involves a comprehensive understanding of the industry landscape, including competitive dynamics and customer expectations. It requires gathering relevant quantitative and qualitative data to establish realistic and aspirational goals. In the context of partner scoring, benchmarks are not just about sales performance but also encompass partner contribution, capabilities, coverage, commitment, consumption, and credibility, collectively known as the 6Cs model in partner scoring frameworks, as elaborated by Spur Reply, a consultancy specializing in the indirect partner motion.

## The Spur Reply Scoring Model

The Spur Reply Scoring Model, which employs the 6Cs model, ranks partners based on Contribution, Capability, Coverage, Commitment, Consumption, and Credibility, as detailed below. The 6Cs provide a comprehensive view of partner performance and potential. By applying this model, companies can make more informed decisions, such as allocating resources best, incentivizing partners, and enhancing their channel ROI (Flynn, 2022).

CONTRIBUTION	CAPABILITY	COVERAGE	COMMITMENT	CONSUMPTION	CREDIBILITY
Sales velocity	Skill level	Market focus	Competitive alignment	Customer lifetime value	Customer satisfaction
Revenue	Certifications	Customer wins by segment	Growth rate	Churn, ARR	Survey responses, reviews

*The Spur Reply Scoring Model<sup>29</sup>*

## The 6Cs:

### 1. Contribution

**Definition:** Measures the direct financial impact of a partner, focusing on revenue generation and sales velocity.

<sup>29</sup> Flynn, R. (2022, August 21). How to Use Partner Scoring to Increase Channel ROI. Spur Reply. Retrieved April 17, 2024, from <https://spur-reply.com/blog/partner-scoring-channel-management>

**Application:** Identify top-performing partners based on sales data before prioritizing those consistently contributing to revenue growth. This process involves analyzing sales frequency, reach (number of customers), and yield (average deal size).

## 2. Capability

**Definition:** Looks at a partner's ability to sell and support your products effectively, including their technical expertise and sales acumen.

**Application:** Gauge partners based on the number and depth of certifications, completed training, and their overall proficiency in delivering solutions to end-customers.

## 3. Coverage

**Definition:** Measures the extent and effectiveness of a partner's market reach, including geographic territory and customer segmentation.

**Application:** Analyze partners' market focus to ensure they align with strategic targets, evaluating their impact in desired market segments and their ability to tap into new or under-served markets.

## 4. Commitment

**Definition:** Assess the partner's dedication and alignment to your business goals, considering the extent to which they prioritize your products and collaborate on strategic initiatives.

**Application:** Evaluate the depth of the partnership through engagement in co-marketing activities, alignment in business planning, and willingness to invest in joint go-to-market strategies.

## 5. Consumption

**Definition:** Evaluate how effectively partners drive the end-customer's adoption and usage of products or services.

**Application:** Assess partners' ability to upsell, cross-sell, and expand cus-

tomer usage over time. This dimension is particularly relevant in subscription-based and SaaS models, where customer lifetime value is crucial.

## 6. Credibility

**Definition:** Accounts for partners' ability to drive customer satisfaction.

**Application:** By ensuring customers can share feedback on their experience through customer satisfaction surveys and reviews, vendors can maintain visibility into the end-user experience while tracking the impact partners are driving.

## Final Thoughts on Benchmarking

Benchmarking as part of partnerships is critical for building long-term, successful networks. By taking a strategic, data-driven approach to partner management, you can optimally allocate resources to foster growth and innovation and gain competitive advantages. Moreover, as indirect sales channels continue to evolve and become more relevant, the role of benchmarking will undoubtedly become even more significant.

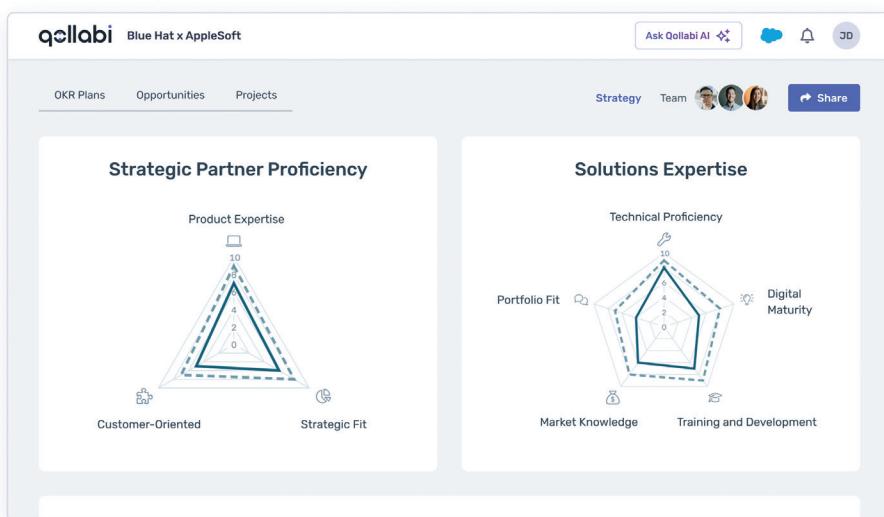
## Further Resources for Setting Benchmarks and Standards

For those looking to explore this topic further and who are seeking credible sources online, I recommend starting with industry reports from consulting firms such as Accenture, Bain, BCG, Canalys, IDC, Capgemini, Deloitte, EY, Forrester, Gartner, McKinsey & Company, which regularly publish insights on channel strategies and partner management. Additionally, professional associations like the Technology Services Industry Association (TSIA) and the Channel Institute offer valuable resources, including best practices and case studies on effective benchmarking and partner scoring methods. These platforms provide a wealth of information that can help elaborate on the importance of benchmarking in partnerships.

— PART II —

Additionally, consider the following websites:

1. **Harvard Business Review (HBR.org):** Offers case studies and articles on benchmarking best practices.
2. **The Benchmarking Network (benchmarkingnetwork.com):** A resource for finding benchmarking studies and connecting with benchmarking professionals.
3. **American Productivity & Quality Center (APQC.org):** Provides benchmarking and best practices research across various industries.
4. **Business Finance Magazine (businessfinance.com):** Features financial benchmarking and performance measurement articles.
5. **Supply Chain Quarterly (supplychainquarterly.com):** Offers insights on benchmarking in supply chain management.



Benchmarking Analyses in Qollabi

## Conclusion

Understanding the power of social comparison and benchmarking is crucial for fostering personal and professional growth. By leveraging data-driven insights, individuals and organizations can set realistic benchmarks, inspire improvement, and drive innovation. As we have seen through various examples, comparing oneself or one's business to peers illuminates areas for improvement and sets a course for future success.

In the next chapter, we will explore the concept of Commitment and Accountability through the lens of PartnerSuccess Managers. Much like personal trainers, these managers tailor strategies to meet the unique needs of their partners, ensuring mutual growth. We will explore the foundations of this role, the daily practices, and how to navigate challenges with agility. Through a continuous improvement cycle, the chapter will outline how to maintain and enhance partnerships effectively..

## CHAPTER 7

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# Commitment and Accountability: Predictable Mutual Success Planning

## Partner Managers and Personal Trainers: Introducing the Partner Success Manager

You might have noticed that I have often referenced personal or consumer-oriented examples. This inclusion was intentional because managing partners is essentially about managing people or, more accurately, coaching them. A successful partner manager is similar to a personal trainer—this is the logic behind the concept of a Partner Success Manager.

### The Foundation of Success: Assessment and Customization

Just as a personal trainer begins their journey with a new client by assessing physical strengths, weaknesses, and goals, a Partner Success Manager starts by evaluating their partner's business health and aspirations. This initial, critical phase sets the stage for tailored strategies that meet unique needs. This phase might mean customizing workout plans for the personal trainer to build strength or improve endurance. Similarly, the Partner Success Manager role involves developing a bespoke plan addressing specific market challenges and business goals.

*"Within our partner ecosystem, our partner program encourages business partners to specialize in specific domains. By doing so, they can better support complex end-customers by working together. Our vision is that one business partner is unlikely to handle everything for a client, but rather that multiple partners will collaborate to address different needs, each focusing on their specialty."*

**Claudio Soland, SVP Global, Go-to-Market and Services,  
Alcatel-Lucent**

## Daily Practices: Motivation, Accountability, and Collaboration

The core of both roles lies in the daily grind, where motivation, accountability, and collaboration play pivotal roles. A personal trainer encourages their trainer to push beyond their perceived limits, holds them accountable to their fitness goals, and collaborates by adjusting workout plans based on progress and feedback. Similarly, the Partner Success Manager motivates their partner to embrace new market strategies, ensures they stay on track with their business objectives and collaborates on refining sales approaches based on evolving market dynamics and partner feedback.

## Navigating Challenges with Agility

Both personal trainers and Partner Success Managers face various challenges, such as resistance to change and unexpected setbacks. In response, they must exhibit agility, adjusting their plans and strategies to overcome obstacles and capitalize on new opportunities. Adapting is critical to sustaining progress and achieving long-term success, whether that means modifying a workout to prevent injury or pivoting a go-to-market strategy in response to competitive threats.

*“Today, managing a wide network of partners often results in challenges like a lack of focus, securing commitment, and knowing which partnerships deserve deeper investment. By providing clear direction, reliable, and predictable processes I see an increased efficiency, productivity and partner loyalty amongst our teams.”*

**Mesut Sengoez, VP of Global Sales Operations, Datacore**

## From Assessment to Achievement: A Continuous Cycle of Improvement

The journey doesn't end with achieving the initial goals. Both roles are characterized by a continuous cycle of assessment, planning, execution, and re-evaluation. This iterative process ensures sustained improvement and adaptation to new challenges and goals. Just as a personal trainer sets new fitness milestones for their client, a Partner Success Manager helps their partner identify and strive for new business objectives, ensuring continued growth and success.



## From Customer Journey to Partner Journey

Over the last few decades, customer journey mapping has become a cornerstone of understanding and enhancing the customer experience. As the internet revolutionized how consumers interact with brands, companies recognized the need to adapt their business processes to meet evolving customer expectations regarding service and product offerings.

### Understanding Customer Journey Mapping

Customer journey mapping is essentially a way for an organization to step into its customers' shoes and chart the entire process, from initial engagement and purchasing to using the product or service and then on to either buying more products and services or eventually parting ways with the company. The critical aspect of customer journey mapping is to understand this journey not from the traditional inside-out perspective but from what the customer experiences.

**Simon Anthonis, Partner, EY VODW**

### The Importance of the Customer Journey Mapping in Today's Business World

In recent decades, there has been a growing trend and belief that focusing more on customer intimacy and placing the customer at the heart of business strategy as a unique selling point can provide an organization with a competitive edge. Customer journey mapping is a method to achieve this focus on the customer.

The value of customer journey mapping lies in its ability to reveal the customer's perspective, clarifying where there may be friction and where customers find joy. It is not just about the product; it is about the often hidden journey and the interactions with customers that help maintain their loyalty, encouraging them to stay, return, or develop a more profound loyalty.

## From Business Process Mapping to Customer Journey Mapping

Before customer journey mapping became common, business process mapping was the inside-out equivalent, which involved outlining an organization's processes and technology. At that time, companies did not center on the customer's experience, yet many of the principles applied were not so different from those used in customer journey mapping today.

The customer journey encompasses various touchpoints where customers engage with a brand. It is crucial for businesses to recognize and understand customer emotions and actions at each of these stages. This involves a shift from looking inward to adopting an outward, customer-focused perspective.

*“You need to look not just at what’s happening internally, but really see your processes and interactions through the eyes of the customer.”*

*Simon Anthonis, Partner, EY VODW*

This approach is what we might call “original journey mapping.” By integrating customer journey mapping with business process mapping, you gain a comprehensive view of both the front-end customer interactions and the back-end processes and systems within your business.

Integrating the customer journey and business processes gives you insights into how challenging it is to change a customer interaction. For example, if you deeply integrate an interaction point in your customer journey map into specific processes or software that are difficult to change, then the cost and effort to make those changes are significantly higher. Thus, it becomes clear that every aspect is interconnected, bringing together business processes.

## From Customer Journey Mapping to Partner Journey Mapping

Switching from focusing on customer journey mapping to also looking at partner journey mapping involves understanding how these two areas depend on each other and what they need to succeed. Knowing the customer journey is crucial because it helps shape effective strategies for partners, such as helping them improve their websites to better meet customer needs based on their online search habits. This action makes partners more effective in serving the customer and keeps their role necessary in the overall customer experience.

Once the foundation is solid, companies can explore additional strategies to add value. For instance, big data and artificial intelligence can help predict which customers might buy more products. This insight can significantly help partners target their sales efforts more effectively, leading to higher earnings.



*Building blocks of partner journey mapping*

Further, companies can offer strategic advice to their partners based on detailed market research, identify key target groups, or provide competitive intelligence. However, such sophisticated strategies will only be effective if essential product quality and process efficiency are in place. These advanced efforts may be ignored or used elsewhere without a strong foundation.

## Interconnected processes for increased partner satisfaction

Optimizing the partner journey is not just about making administrative tasks like finding documents or filing claims easier for partners. It ensures these actions are executed and meets the customer's primary needs, leading to a smoother and more satisfying customer experience. This optimization demonstrates that the connection between satisfied partners and customers is not just about transferring happiness from one to the other but about creating better, interconnected processes that meet modern efficiency expectations.

"If you have a clear understanding of the customer journey, you can use this knowledge to support your partners better and provide them with the tools they need to be successful, which in turn leads to a better customer experience," said Anthonis.

Thus, partner journey mapping, if combined with customer journey mapping, not only boosts partner satisfaction but also significantly impacts consumer happiness and business performance, creating a competitive edge in service delivery.

## Impact on Business Operations

Adopting customer journey mapping has led businesses to overhaul their operations, often significantly enhancing customer-facing and internal processes. For example, Amazon revolutionized online retail by analyzing customer journeys, leading to innovations like one-click ordering and personalized recommendations. Similarly, Disney has mastered the art of the customer journey in its parks and resorts, leveraging app-based experiences to minimize wait times and improve guest satisfaction.

These examples highlight how deeply understanding the customer journey can transform business operations, making them more customer-centric and efficient.

In Chapter 10, I will dedicate an entire chapter on processes and how the partner journey serves as a blueprint for transforming your partner process.

## Qollabi's Partner Journey

### Onboard

- **Kickoff:** Initiate a call involving executive team members to set expectations, understand partner priorities, and create a sense of shared mission.
- **Executive buy-in:** Guaranty the right stakeholder buy-in by engaging executives early.
- **Define Success:** Agree and commit to the partnership's first mutual success points and negotiate objectives and activities to achieve these success points.
- **Account Mapping:** Share commercial overlap to identify low-hanging fruit.

### Develop

- **Create Joint Value:** Create a “better together” narrative to position the partnership externally and internally.
- **Training:** Equip partners with tailor-made training, certifications, and up-to-date resources, such as marketing collateral, case studies, and product information.
- **Install Cadence:** Establish a regular pace of touchpoints with the right stakeholders and ensure leadership is included in a steering committee.

### Win

- **Focus Account:** Define win-win scenarios (through commercial and technical alignment) with a mutual account.
- **Client-facing:** Craft compelling messages to showcase the value proposition effectively. Use focused, account-based sales and marketing tactics.
- **Pilot:** Run a first successful pilot solving for the value proposition defined above. Document the pilot and market the success story.
- **Governance:** Engage in knowledge sharing and support through regular stakeholder meetings to ensure commitment.

## Deliver

- **Equip for Execution:** Ensure internal and partner teams can continue first success stories in partnership (awareness, training, resources, knowledge)
- **Joint Steerco's:** Grow to a more in-depth understanding of partners and develop a mutual success plan for a continuous partnership.
- **Testimonial:** Market joint success through end-customer use cases and testimonials.

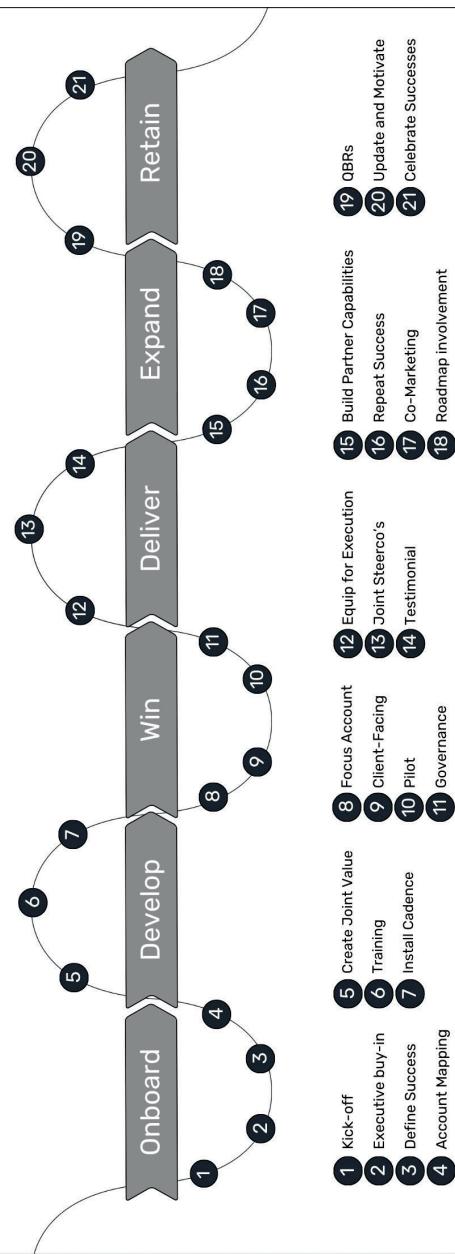
## Expand

- **Build Partner Capabilities:** Expand the partner capabilities in different applicable domains (e.g., services, co-selling, product knowledge, markets).
- **Repeat success:** Leverage partners to penetrate new markets and audiences, motivating them to drive broader reach.
- **Co-marketing:** Incorporate digital marketing strategies to optimize outreach and attract new joint opportunities. Relatedly, PR plans should be established in defined regions.
- **Roadmap involvement:** Give partners access to the product roadmap and provide the opportunity to share feedback

## Retain

- **QBR:** Engage in a recurring, active dialogue for feedback, addressing partner concerns and adapting the partnership success plan for long-term satisfaction.
- **Update and Motivate:** Foster partner loyalty through regular updates, recertification programs, and opportunities for growth and collaboration.
- **Celebrate Success:** Maintain a cycle of continuous engagement with mutual success plan updates, newsletters, and training updates, and celebrate success by recognizing achievements to reinforce the partnership's value.

## Qollabi's Partner Journey



© Qollabi, 2024

## The Mutual Success Plan (MSP)

A Mutual Success Plan (MSP) is a strategic framework that aligns goals, resources, and strategies to ensure collective success. It is a plan that serves as a roadmap, detailing how all stakeholders will collaborate and support each other to achieve shared objectives.

In the context of partnerships, the role of an MSP is crucial in ensuring that partnerships are structured, purpose-driven, and geared toward achieving results that benefit all parties involved. By laying out a clear plan and objectives, an MSP helps partners work together more effectively, leading to mutual success and long-term collaboration.

A Mutual Success Plan is no new concept. If you are part of a for-profit organization, you work in a setting filled with goals, objectives, targets, and critical results. It is not just company-wide goals. Many organizations have established regular performance review cycles. In these reviews, individual goals and key results are assessed and set. Think of it as your personal Mutual Success Plan with your company. A highly effective approach that has stood the test of time is the OKR methodology, which stands for Objectives and Key Results. Incorporating OKR methodology elements into the MSP will enhance its effectiveness with organizational goals.

### Driving Mutual Success: Aligning Goals in Partnership

You always end up at a point where interests align in a partnership. You must agree on core Key Performance Indicators (KPI). This boils down to collection, return, and efficiency in the insurance market. These are three areas where both parties' interests are aligned. Then, it is about setting ambitious goals for each of these KPIs. Depending on their experience, brokers can either chart their path to achieving these goals or seek help from the Account Managers. Mutual Success Planning is all about committing to setting ambitious goals and creating a solid action plan.

Accountability is crucial for the success of the Mutual Success Plan (MSP). It is up to the Partner Success Manager to gauge how much leeway they can give in executing the plan. MSPs should be clear and understood by everyone involved.

**Jan Scheepers, Director Corporate Brokers, Baloise Insurance**

## Embracing the Chaos with OKR Management

Objectives and Key Results (OKRs) are a framework for setting and achieving goals, widely recognized for aligning and motivating organizations. Their inception can be traced back to Intel under Andy Grove and was later popularized by John Doerr, especially within Silicon Valley, including Google (Wikipedia, 2024).

### The Birth and Evolution of OKRs

OKRs emerged as a systematic approach to goal setting, answering the fundamental questions: “Where do I want to go?” and “How will I know I’m getting there?” This framework was designed to set ambitious goals with clearly defined, measurable results, promoting organizational transparency and alignment.

### The Essence of OKRs

The core of OKR lies in its simplicity and flexibility, which is why it has been adopted across industries, from tech giants to retail organizations. An OKR consists of an Objective, i.e., a clearly defined goal, and Key Results, which are measurable outcomes that track progress toward that goal.

### The Power of OKR in Harnessing Order

Living amidst professional chaos, where missed deadlines and jumbled priorities are all too common, requires a powerful solution. OKR management is that solution, offering a lifeline to those seeking to bring order, focus, and strategic alignment to their roles. With OKR, you orchestrate a world where efficiency reigns, and each task is a note played to perfection in the melody of productivity.

### The Art of OKR Management

Mastering OKR management is an art. It requires blending strategic planning and optimizing organizational resources with flawless execution. In other words, you must balance efficiency with effectiveness and maximize your outputs without sacrificing quality and focus.

## Transforming Partner Management With OKR

For partnership professionals caught in a whirlwind of collaborations and projects, the clarity and structure provided by OKR management are invaluable. It is about setting a strategy and having a robust system that brings order to potential chaos by leveraging the time-tested trifecta: People, Processes, and Technology.

## Practical Insights and Lessons on OKRs

Several best practices emerge from these examples. Limiting OKRs to a manageable number avoids overwhelming employees, and tying them to strategic objectives ensures that daily work aligns with broader company goals. Regular review meetings are critical to maintaining momentum and addressing challenges in real-time.

### Pioneering Examples of OKR Success

**Google:** This is the most cited example, with Google having used OKRs since its early days to scale from a small startup to a global tech leader. OKRs at Google are transparent, enabling every employee to see their peers' focus areas and fostering a culture of openness and continuous improvement.

**LinkedIn:** Jeff Weiner used OKRs to align individual goals with the company's mission, turning them into a tool for creating urgency and driving performance. LinkedIn's approach was to set a few high-impact OKRs to maintain focus on what truly mattered.

**Adobe:** The company transformed its performance review system with OKRs, introducing a continuous "Check-in" program to replace annual reviews. This shift improved employee satisfaction and led to a significant drop in voluntary attrition.

**Microsoft:** The tech giant utilized OKRs to clarify priorities and streamline communication, mainly through collaborative tools like Microsoft Teams, which helped integrate strategic priorities into daily conversations and operations.

## The Future of OKRs

With the rise of remote work and the need for agile responses to market changes, OKRs have proven to be more than a passing trend. They have become a staple in modern management, providing a framework that supports the growth mindset necessary in today's dynamic business environment.

For further reading and detailed case studies on how various companies have successfully implemented OKRs, we recommend the following resources:

## Are QBRs Dying?

Channel and Partner (Account) Managers' traditional approach of using quarterly business reviews (QBRs) to evaluate performance is becoming outdated. QBRs, which are based on looking back at past performance, are losing relevance in a world where real-time communication and updates are commonplace, much like hearing personal news directly through social media rather than waiting for periodic dinner parties.

The term “quarterly business review” is inherently flawed. “Quarterly” suggests a pace that is too slow for the rapid movement of modern business, but “Business” seems redundant or unclear in its purpose. Finally, “Review” implies merely looking back, whereas the focus should be on proactive analysis and planning. In the valuable time spent with partners, it is essential to prioritize strategic foresight rather than retrospective assessment.

QBR, therefore, fails businesses in three ways:

- 1. Focus on Past Results:** They concentrate solely on what has happened without providing actionable insights for future strategies.
- 2. Limited ROI Insights:** Their static nature offers little return on investment insights and requires significant preparation resources—resources companies could use more effectively to build relationships and plan strategically.

3. **Time-Consuming:** These reviews lag behind current business needs and take up valuable time that companies could redirect toward more impactful activities, such as identifying and pursuing growth opportunities.

To stay competitive and agile, businesses should adopt dynamic collaboration tools that offer continuous, real-time updates, resembling the instant flow of information we experience in our personal lives. This shift involves utilizing relationship management (BRM) solutions, i.e., partner collaboration platforms and enhancing CRM platforms for indirect sales. BRMs provide a clearer picture of indirect sales revenue and are more effective in facilitating joint action plans and accountability with partners.

Implementing BRM platforms allows Channel and Partner (Account) Managers to focus on building relationships and driving sales rather than getting bogged down by administrative tasks. This approach saves time, fosters better alignment with partners, and leads to more successful outcomes, eventually reaching a point where the static nature of QBRs becomes obsolete.

Executing partner plans remains challenging due to a lack of accountability and commitment. To overcome this, partner plans should be clearly defined, assigned, and accessible to all stakeholders, ensuring everyone involved is accountable for their part of the plan. Regular follow-ups, focusing on mutually beneficial activities, and maintaining open communication are vital practices that ensure the execution of partner plans. By holding each other accountable and staying in constant communication, partners can effectively execute plans, leading to successful partnerships and business growth.

While the rise of real-time communication tools and platforms has introduced more dynamic ways to manage partnerships, QBRs remain relevant due to their structured, strategic value. QBRs offer a dedicated time for deep reflection on performance, long-term strategy alignment, and the opportunity to address broader business objectives that may be overlooked in day-to-day interactions. They also provide a formal setting to discuss

## – The Partner Operating Model –

performance metrics and strategic adjustments and foster accountability, ensuring that both parties remain committed to their shared goals. Therefore, despite the advancements in real-time communication, QBRs still play a crucial role in maintaining a balanced and comprehensive approach to partnership management.

### Joint Business Planning and Strategic Alignment:

“Develop a joint plan with clear objectives, target markets, and roles — do not wait for the vendor to come to you with a plan; go to them with yours! This plan should include a roadmap for product integration, marketing, and sales strategies.”

JS Group blog<sup>30</sup>

### Why joint business plans and QBRs are outdated and often don't work

#### BEFORE



#### AFTER

The screenshot illustrates a modern, integrated platform for joint business planning. The interface is clean and organized, replacing the cluttered 'before' state with a streamlined workflow. Key features include a user profile, quick action buttons, and a central communication hub.

*How mutual success planning and BRM make partner engagement and collaboration more agile.*

<sup>30</sup> Schijns, J. (2023, November 14). Co-Selling in today's technology channel: Synergy in action. JS Group. Retrieved March 18, 2024, from <https://www.jsnow.com/single-post/co-selling-in-today-s-technology-channel-synergy-in-action>

## Conclusion

Chapter 7 clearly portrayed the Partner Success Manager (PSM) role, comparing it to a personal trainer who assesses, customizes, and motivates for mutual success. Both personal trainers and PSMs tackle daily challenges, adapt strategies, and focus on continuous improvement through regular reviews and collaboration. This comparison showed how essential it is for a PSM to drive commitment, accountability, and agility to achieve lasting success.

Chapter 8 focuses on measuring partner objectives and tying them to broader company goals. We'll explore how the changing digital landscape impacts partner value, including the "Death of the Cookie" and new email rules. This chapter will introduce new ways to evaluate partner contributions using a points-based system that reflects diverse partner roles and activities.

As we look ahead, Chapter 8 will provide practical insights on adapting to these changes and optimizing partner programs to ensure they remain effective and relevant. This transition will help you understand how to measure and align partner efforts with overall business success, ensuring that partnerships continue to drive growth and efficiency in a rapidly evolving market.

## CHAPTER 8

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# Tying Partner Objectives to Wider Company Objectives

### Redefining Partner Value in the Digital Age

The shift toward a more extensive set of partners (some might refer to these ecosystems), coupled with the impending “Death of the Cookie,” (see next section), marks a significant transformation in how companies assess and value the contributions of partners in revenue generation. This evolution demands a move beyond traditional tier-based incentive structures to a more nuanced and comprehensive points system.

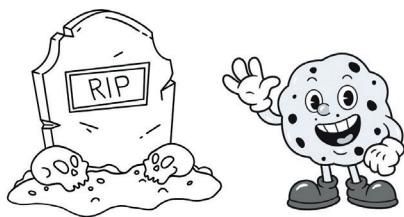
### What Is the Death of the Cookie?

The “Death of the Cookie” refers to the gradual phasing out of third-party cookies, which have been essential tools for digital marketers to track users’ online activities and target ads more effectively. This shift is primarily driven by growing concerns over privacy and data protection, leading to significant changes in how user data is collected and utilized for advertising. Companies like Apple and Mozilla have taken steps to block third-party cookies by default in their Safari and Firefox browsers, respectively, and Google has announced plans to do the same in Chrome. This move will affect nearly 90% of web traffic, making it much harder for

advertisers to track users across the internet (Langford, 2024).

### **Understanding the “Death of the Cookie”**

The “Death of the Cookie” represents a pivotal shift from reliance on third-party cookies to challenging conventional online advertising methods. This shift underscores the growing importance of first-party data and compels businesses to adopt innovative marketing strategies that ensure personalization without third-party cookies. Adapting to this new reality requires focusing on first-party data collection, enhanced customer data management, and exploring alternative targeting methods, such as contextual advertising.



### **Beyond the Cookie: Adapting to New Email Compliance Rules**

The other major factor disrupting traditional marketing is the significant changes in email regulations, with Google and others cracking down hard on spam and unsolicited mail. Starting in 2024, new guidelines from Google and Yahoo will enforce stricter email authentication and lower tolerance for spam complaints. Businesses sending bulk emails must now adhere to stringent rules, including maintaining a spam complaint rate below 0.3% or risk temporarily blocking their domains. This crackdown is almost as impactful as the “Death of the Cookie,” compelling businesses to rethink their outbound email strategies. For SDRs, repeated spam flags can lead to severe consequences, emphasizing the importance of leveraging partner relationships. By utilizing trusted channels through partnerships, companies can navigate these regulations more effectively, ensuring better deliverability and maintaining trust with their audience.

## Evolving Partner Management

A more extensive ecosystem, particularly amidst this cookie/data compliance evolution, requires a forward-thinking approach by acknowledging partners' diverse roles — not only at the point of sale but throughout the entire customer engagement lifecycle. From raising awareness to fostering long-term loyalty, a points system is a way to recognize and reward the varied contributions of partners, including those non-resell activities that catalyze new opportunities, revenue, profit, and retention. Leading companies, including Microsoft, VMware, Smartsheet, and Okta, are at the forefront of transitioning to points-based models that more accurately reflect the multifaceted value partners bring in a post-cookie world.

### Are We Evolving Toward a Partner Points-Based System?

A hot topic in partner communities is the concept of transitioning partner programs to a points-based approach. Below are some pros and cons based on my summarization of a popular Slack thread in the Partnership Leaders community.

#### Pros:

- 1. Flexibility and Inclusivity:** A points-based system allows for a broader range of partner activities to be recognized and rewarded, catering to diverse partner strengths and contributions. Partners can excel in enablement, certification, or sales and compensate for lesser achievement in other criteria.
- 2. Motivation and Engagement:** By assigning points for various achievements, partners are motivated to engage in a broader spectrum of activities that benefit both the vendor and themselves. This system encourages continuous improvement and involvement in the program.
- 3. Dynamic Segmentation:** Points enable dynamic segmentation and tiering of partners based on their performance across different dimensions, allowing for more nuanced recognition and support levels.
- 4. Alignment with Objectives:** The flexibility to assign points for key criteria helps ensure partners are aligned with the vendor's strategic objectives, such as increasing sales, improving product knowledge, or expanding market reach.

**Cons:**

- 1. Complexity and Administration:** Implementing and managing a points-based program can be complex, requiring robust systems for tracking, calculating, and reporting points across diverse activities. This may demand significant administrative effort and technological support.
- 2. Potential for Confusion:** With various activities contributing to points, there is a risk of creating a system that is too complicated for partners to understand or engage with effectively, potentially diluting the focus on critical outcomes.
- 3. Perceived Inequity:** If tiers are achieved through very different paths (e.g., high enablement but low sales, or vice versa), there may be concerns about fairness and partner satisfaction. This situation could lead to dissatisfaction among partners who feel the system does not accurately reflect their values and efforts.
- 4. Alignment Challenges:** Ensuring the points system aligns with internal measures and compensation plans can be challenging. Discrepancies between the emphasis placed on different activities within the points system and internal priorities can lead to conflicting incentives and behaviors.

In conclusion, while a points-based partner program offers the potential for greater flexibility, engagement, and alignment with strategic objectives, it is essential to be aware of how it also adds complexity, administration challenges, and the need for clear communication and alignment with broader business goals.

## Adapting to a New Framework of Partner Incentives

The shift toward a post-cookie era and the rise of a broader partner- ecosystem necessitate reevaluating how we measure partners' impact. Adopting a points-based system could be a versatile and inclusive framework to acknowledge the broad spectrum of partner contributions. A points-based system would help ensure incentives are in sync with the evolving customer engagement and acquisition dynamic in this digital age.

## Microsoft Partner Network: Structured Success Through Tiered Membership

A famous example (before shifting to its Cloud Partner Program) of a company that used to categorize its partners into tiers based on revenue and provide corresponding benefits was Microsoft with its Microsoft Partner Network (MPN) program. Microsoft Partner Network offered several tiers of membership, including Gold, Silver, and Action Pack, each with its own set of requirements and benefits:

### Gold Partner:

- **Requirements:** Achieving certain revenue thresholds, demonstrating expertise in specific Microsoft technologies through certifications, and providing customer references
- **Benefits:** Access to software licenses, technical support, marketing resources, training materials, and co-selling opportunities with Microsoft sales teams; priority placement in the Microsoft Partner Directory; eligibility for additional incentives and rewards

### Silver Partner:

- **Requirements:** Meeting revenue targets and demonstrating competency in specific Microsoft technologies through certifications
- **Benefits:** Access to software licenses, technical support, marketing resources, training materials, and co-selling opportunities with Microsoft sales teams; recognition in the Microsoft Partner Directory; potential qualification for certain incentives and rewards

### Microsoft Action Pack:

- **Requirements:** Paying an annual subscription fee
- **Benefits:** Access to internal-use software licenses, technical support, training materials, marketing resources, and development tools for internal use; access to Microsoft cloud services for demonstration and testing purposes

These tiers provided Microsoft partners with clear goals to strive for and offered tangible benefits based on their level of engagement and contribution to the Microsoft ecosystem.

## The Vulnerability of Partner Management Roles in Economic Downturns

Economic downturns present significant challenges across various sectors, notably in technology and consulting. During these periods, partner management teams, pivotal for business growth and expansion, often find themselves on the frontline of workforce reductions. This highlights a broader issue of how economic challenges impact essential roles tied to a company's growth strategy.

### The Critical Role of Partner Success Managers

Partner Success Managers play a crucial role in a company's expansion and innovation efforts, focusing on market expansion, customer success, and product development through partnerships. However, their contributions to revenue and growth are not always immediately visible compared to direct sales channels. This lack of visibility can lead to misunderstandings about the value of partner programs in the boardroom, potentially resulting in budget cuts or layoffs as companies aim to reduce costs.

### Risks of Reducing Partner Management Teams

Reducing partner management teams carries significant risks, including the loss of valuable partner relationships, decreased market coverage, and a slower recovery due to a weakened ecosystem. Effective management of channels like resellers, affiliates, and technology partnerships is crucial for maintaining productivity. Scaling back in these areas can diminish partner satisfaction and performance, ultimately affecting a company's competitive edge in the market.

### Strategies for Preserving Partner Management Roles

To mitigate these risks, companies should focus on enhancing their partner programs' visibility and perceived value. This focus involves investing in partner management platforms and analytics to understand better and communicate the ROI of partnership programs. Building a company culture that values and understands the strategic importance of partnerships can also ensure these programs receive the necessary support, even during economic challenges.

By adopting these strategies, companies can not only safeguard their partner management roles but also position themselves for a more robust recovery and sustained growth in the aftermath of economic downturns.

## Straight Talk on Partnership Success: What Really Matters

Two years ago, I witnessed a great conversation between Sarah Wang, General Partner at Andreessen Horowitz, and Bob Moore, CEO of Crossbeam, during the SuperNode Event in Philadelphia in 2022. They highlighted the importance of partnerships in driving revenue, shortening sales cycles, and increasing conversion rates — elements crucial for thriving in a competitive market.



*Sarah Wang, General Partner at Andreessen Horowitz,  
with Crossbeam CEO Bob Moore.<sup>31</sup>*

As Wang pointed out:

1. “Partnerships are more important than ever — specifically, because you are bringing in pipeline, shortening sales cycles, and increasing conversion rates.”
2. “Partnerships are a ‘need to have’, not a ‘nice to have,’ especially in this environment.”

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<sup>31</sup> Crossbeam. (n.d.). Andreessen Horowitz’s Sarah Wang: The best performing companies are prioritizing partnerships. Crossbeam. Retrieved March 20, 2024, from <https://www.crossbeam.com/resources/videos/andreessen-horowitz-sarah-wang-the-best-performing-companies-are-prioritizing-partnerships/>

3. “Partnerships is the #1 hire that we hear our early companies are making. Our best-performing companies are relying very heavily on partnerships.”

They also touched upon the challenges and opportunities in measuring partnership success. As valuations become more grounded in growth and efficiency, partnerships stand out as a critical factor in a company’s valuation. This position emphasizes the need for partnerships to be more than just strategic alliances — they need to generate tangible ROI, contributing directly to a company’s bottom line.

## **Navigating the New Fundraising Landscape: The Role of Efficient Partnerships**

Another challenge is the changing fundraising market, which now values efficiency alongside growth. This shift demands that partnerships contribute to expanding the customer base and enhancing operational efficiency. This contribution means proving their direct impact on revenue and efficiency for partnership teams, going beyond traditional roles to become central to a company’s growth strategy.

## **Partnerships Reimagined: From Revenue Dead-Ends to Growth Catalysts**

The conversation at Supernode also shed light on the changing perception of partnerships. Previously seen as a domain where revenue things die, the current market conditions underscore the need for partnerships to be actively managed and measured for their contribution to growth and efficiency. This need involves integrating partnerships deeply within the sales process, making partnership success measurable and aligned with the company’s strategic goals.

## **The Future of Business: Integrating Partnerships for Measurable Success**

In summary, measuring partnership success is crucial for navigating the current market dynamics, where efficiency and growth are paramount. The challenges lie in demonstrating the tangible ROI of partnerships and inte-

grating them into the company's growth strategy. As partnerships become more central to operational efficiency and revenue generation, their success becomes a critical metric for a company's overall performance.

*"Partner success depends on more than just collaboration — it's about nurturing engagement and enabling partners to sell effectively. By prioritizing partner enablement and measuring its impact, we can accelerate time to value, empowering partners to thrive and drive profitability faster than ever before."*

**Jennifer (Teves) Rooney, Strategic Partner Operations Manager, Check Point Software Technologies LTD**

## The Science of Success: How Businesses Thrive on Scientific Methodologies

Incorporating scientific principles into business has revolutionized how companies operate, innovate, and compete. How can we learn from these evolutions and apply them in the context of partnerships?

### The Evolution of Science in Business

Historically, business decisions were often based on intuition, experience, and conventional wisdom. However, as the complexity of the market and technology increased, the need for more rigorous, evidence-based decision-making became apparent. This shift led to the adoption of scientific methodologies in business, which gained significant momentum in the twentieth century with the rise of management science and operations research.

One of the earliest examples of this transition is the application of the Taylor System, or Scientific Management, developed by Frederick Winslow Taylor in the late nineteenth and early twentieth centuries. Taylor proposed using scientific methods to study work processes to improve efficiency. This methodology laid the groundwork for future scientific approaches in business, emphasizing measurement, analysis, and optimization.

Further examples of scientific methodologies in business:

## **Lean Manufacturing**

Originating from the Toyota Production System, Lean Manufacturing is a methodology focused on minimizing manufacturing system waste while maximizing productivity. Toyota's success with lean manufacturing transformed the automotive industry and inspired countless businesses across various sectors to adopt principles.

## **Six Sigma**

Developed by Motorola in the 1980s, Six Sigma is a set of techniques and tools for process improvement. It aims to improve output quality by identifying and removing the causes of defects and minimizing variability in manufacturing and business processes. Companies like General Electric have famously implemented Six Sigma, attributing billions in savings to the methodology.

## **Agile Methodology**

Initially conceived for software development, Agile methodology promotes adaptive planning, evolutionary development, early delivery, and continual improvement, all while encouraging rapid and flexible responses to change. Companies like Spotify have successfully applied Agile principles, enhancing their product development process and corporate culture.

## **Data Analytics and Big Data**

The rise of big data has enabled businesses to analyze vast amounts of information to uncover patterns, trends, and associations, particularly relating to human behavior and interactions. Companies like Amazon and Netflix have leveraged data analytics to provide personalized recommendations, optimize their supply chains, and predict future trends, significantly contributing to their market dominance.

## **A Framework for Applying Scientific Methods in Partnership Management**

Using scientific methods in partnership management involves a clear,

step-by-step process similar to the scientific method. Here is a practical guide to this approach:

1. **Observation:** Begin by closely observing and gathering information about how your partnerships function, partner behaviors, and market trends affecting your collaborations.
2. **Hypothesis Formation:** Based on your observations, develop theories that explain what you have observed or predict future outcomes in your partnerships. For example, if you notice that certain types of content shared between partners lead to higher engagement, you might hypothesize that increasing this content type could enhance partner performance.
3. **Experimentation:** Test your hypotheses. This could mean trying out new strategies in a limited capacity, such as A/B testing different communication strategies with partners or launching pilot programs to explore new collaborative initiatives.
4. **Analysis:** Carefully examine data from experiments. See what the results tell you about the validity of your hypotheses. Did the new strategies work as expected? Why or why not?
5. **Implementation:** Use the insights from your experiments to make informed decisions and improvements. These insights could mean rolling out successful strategies more broadly across your partnerships or refining your approach based on what did not work.
6. **Review and Iteration:** Keep a close eye on how these changes impact your partnerships. Continuously refine your strategies based on ongoing observations and data analysis to enhance your partnership outcomes.

In summary, integrating scientific principles into partnership management can help organizations navigate the complexities of modern collaborations more successfully. By employing these methods, organizations can not only optimize their existing partnerships but also lay the groundwork for future innovative collaborations.

## Predicting Partner Success

For partner professionals, it is crucial to demonstrate the tangible impact

of partnerships on closing deals. This demonstration means navigating complex data to pinpoint how partner involvement influences outcomes. Employing multivariate data analysis—though challenging due to intertwined variables and the difficulty in distinguishing cause from effect—is essential. Professionals need to swiftly manage this complexity, illustrating the specific contributions of partners in a way that is both compelling and credible. Successfully doing so validates the partnership strategy and secures ongoing investment in these collaborative efforts.

## The Impact of the Partner Success Manager on the Deal

Adopting a science-based approach to evaluating the effectiveness of partnership managers is crucial for fostering stronger partnerships. By systematically analyzing various metrics such as deal closure rates, partner engagement levels, and co-marketing successes, companies can identify the behaviors and strategies that lead to fruitful collaborations. KPIs should include quantitative data on partnership revenue growth, qualitative feedback on partner satisfaction, and the frequency of successful joint initiatives. Through this analytical process, organizations can distill best practices, enabling partnership managers to replicate successful tactics and continuously improve their approach to managing and expanding partnerships.

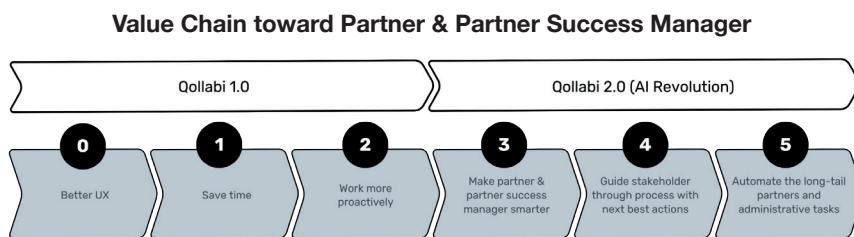
*“I think we can make this very simple for the market. You are focused on three things: pipeline (marketing), revenue (sales) and retention (customer success). If you want partnerships to work and your target is 30% of your business then one-third of marketing plays, one-third of sales focus and one-third of CS focus should be on partner initiatives. As a partner leader, you need that commitment from each organization.”*

**Jared Fuller, Chief Partner & Ecosystem Officer, Reveal**

## Measuring the Mutual Success Plan (MSP)

In terms of partnerships, the ultimate goal of a science-based approach is to make a Mutual Success Plan predictable. When we launched Qollabi, we were able to provide an overview of the correlating leading and lagging

indicators. Although it required manual analysis, it was a good starting point for a predictable partner success model. With the arrival of AI, we were able to accelerate our company mission in months dramatically. Today, we are not only able to provide predictive analytics, but we have also launched our beta version with Next Best Actions based on market best practices and partner profiling.



AI's role in analyzing vast amounts of data and identifying patterns has provided actionable insights, optimized performance, and ultimately drove partner success. These innovations helped Qollabi to be at the forefront of supporting a predictable partner operating model.

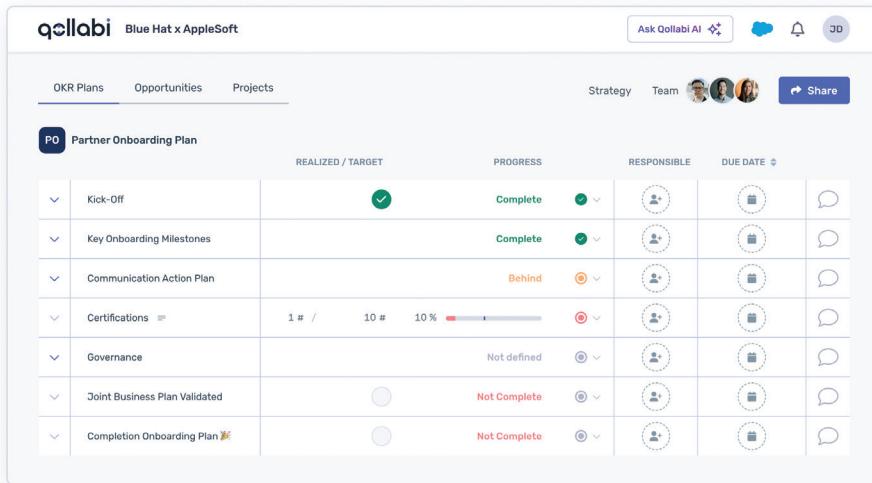
## Two Use Cases for a Mutual Success Plan

### 1. Onboarding a Partner

The onboarding phase is crucial. It welcomes new partners into the ecosystem, laying the foundation for a strong and mutually beneficial relationship. This phase begins with the partner's registration in the Partner Portal, followed by a kick-off session and partner profiling, which helps understand the partner's capabilities and goals. Establishing key onboarding milestones provides a clear roadmap of progress and expectations. For example, a fundamental result in this phase could be achieving a set number of trained sales representatives within the partner organization, facilitated by conducting targeted training sessions. A communication plan, including, for example, joint sales narratives and press releases, effectively announces and endorses the partnership. Ensuring partners are well-versed with the products or services through certifications and setting up a governance model with regular reviews are also pivotal. This phase ends with validating and completing the joint business plan, ensuring that both

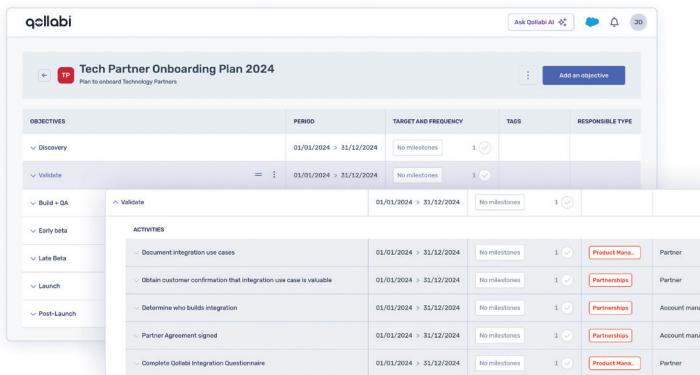
## — PART II —

parties are aligned and committed to the shared objectives.



The screenshot shows a 'Partner Onboarding Plan' in the Qollabi interface. At the top, there are tabs for 'OKR Plans', 'Opportunities', and 'Projects'. Below that, a navigation bar includes 'Strategy', 'Team', and a 'Share' button. The main content area displays a table titled 'PO Partner Onboarding Plan' with columns for 'REALIZED / TARGET', 'PROGRESS', 'RESPONSIBLE', and 'DUE DATE'. The rows represent various milestones: 'Kick-Off' (Complete), 'Key Onboarding Milestones' (Complete), 'Communication Action Plan' (Behind), 'Certifications' (1 # / 10 #, 10 % progress), 'Governance' (Not defined), 'Joint Business Plan Validated' (Not Complete), and 'Completion Onboarding Plan' (Not Complete).

*Partner Onboarding Plan in Qollabi on the Shared Space<sup>32</sup>*



The screenshot shows a 'Tech Partner Onboarding Plan 2024' in the Qollabi interface. It features a sidebar with project phases: 'Discovery', 'Validate', 'Build + QA', 'Early beta', 'Late Beta', 'Launch', and 'Post-Launch'. The main area displays a table with columns for 'OBJECTIVES', 'PERIOD', 'TARGET AND FREQUENCY', 'TAGS', and 'RESPONSIBILITY'. Under the 'Validate' phase, there are several activities listed with their respective timelines and responsible parties. Activities include 'Document integration use cases', 'Obtain customer confirmation that integration use case is valuable', 'Determine who builds integration', 'Partner Agreement signed', and 'Complete Qollabi Integration Questionnaire'. Each activity has a status indicator and a 'Product Mana.' or 'Partner' label.

*Templated Partner Plan in Qollabi*

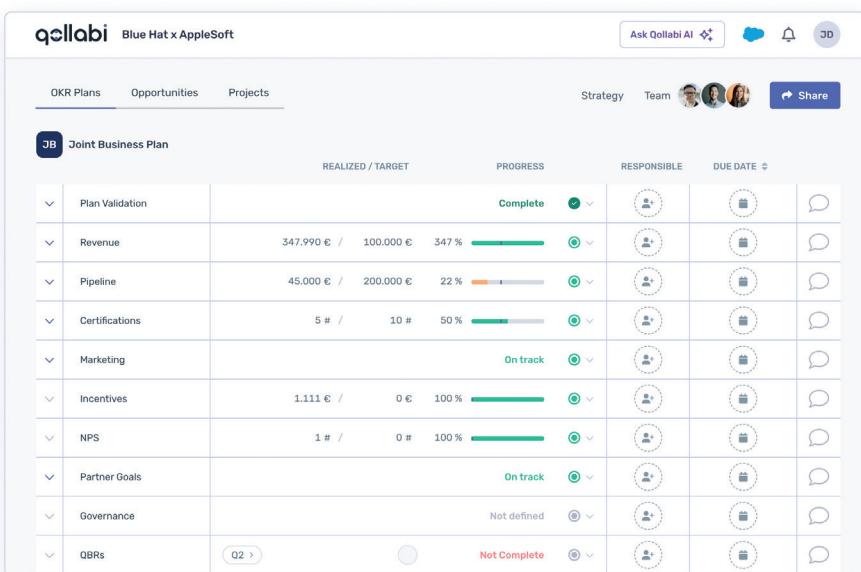
## 2. Formulating a Joint Business Plan

After the onboarding phase, the next step is to create a joint business plan. This plan is the blueprint for shared success, detailing the collaborative efforts required to achieve the objectives. It establishes partner goals and

<sup>32</sup> Shared Space is a separate page in Qollabi where partners have access to and where the collaboration between partner and partner manager happens.

## — The Partner Operating Model —

validates the joint business plan through mutual acceptance. Setting revenue targets for different segments and outlining strategies for pipeline development is critical for financial planning and growth. The plan also includes certifications to ensure expertise in products or services and identifies marketing activities to promote the partnership. Regular QBRs are instituted as a governance mechanism, allowing for ongoing assessment and alignment of the partnership's direction and achievements. Within this phase, a key result could be generating a specified joint sales pipeline, with corresponding activities including joint sales calls or marketing events.



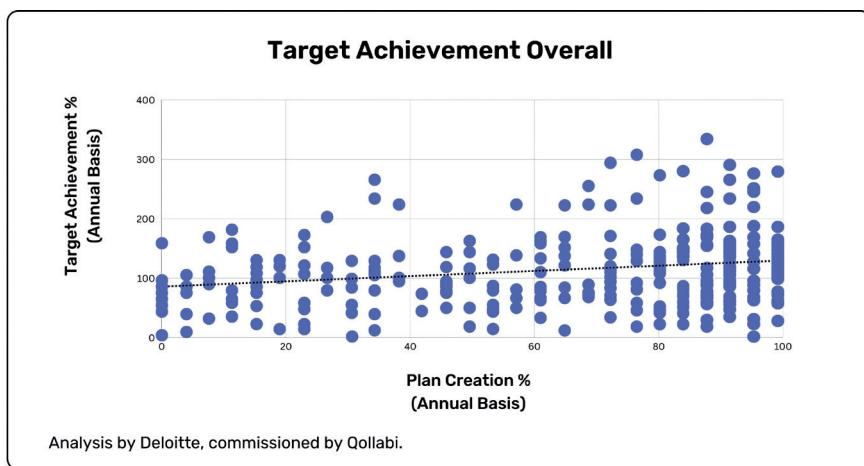
*Joint Business Plan in Qollabi*

These stages underscore the MSP's role as a structured yet flexible framework to guide the partnership toward achieving mutual goals. By integrating clear objectives with strategic activities and measurable key results, such as specific revenue milestones or certification completion rates, the MSP ensures that both partners are aligned in their efforts and accountable for the partnership's success.

## Measuring Mutual Success

Measuring mutual success forms a critical component for MSPs, where the practical measurement of success hinges on the impact of specific activities on critical results. The utilization of the OKR methodology is central to this approach, as it delineates mutual goals into tangible outcomes (key results) and deliverables (activities). This structure not only simplifies the recognition of achieved goals and the identification of necessary adjustments but also facilitates the differentiation between leading indicators (activities) and lagging indicators (key results).

One of the core strengths of this approach is its ability to predict outcomes. By defining objectives and associating them with specific activities, the MSP methodology fosters a predictive model of success. This model is based on actionable data, ensuring success is a tangible and achievable target. This predictive nature is a departure from the traditional, one-dimensional, primarily vendor-driven plans. Modern MSPs, in contrast, champion a mutual vision of success, emphasizing that the success of one party is inherently linked to the prosperity of the other.



Moreover, MSPs incorporate a continuous evaluation system through regular governance activities, such as monthly reviews and QBRs. These activities enable both parties to consistently measure progress (using lagging

indicators) and refine their strategies to ensure alignment with the desired outcomes. This ongoing evaluation and adjustment process is critical to maintaining the relevance and effectiveness of the partnership.

## Mutual Success Plan (MSP) Summary

Creating a Mutual Success Plan (MSP) is a collaborative process between partners to achieve a shared vision of success. The purpose of an MSP is twofold: for vendors, it is about creating more predictable business outcomes and enhancing partner engagement; for partners, it is about gaining clarity on expectations, resources, and support to achieve mutual goals. Traditionally, MSPs were often one-sided, with vendors dictating terms primarily serving their interests.

This approach has shifted toward a more balanced and interactive model, thanks partly to adopting the OKR methodology. It starts with defining clear objectives and key results, setting the stage for a predictable and mutually advantageous partnership. Through this method, partners and vendors can hold each other accountable, ensuring both sides are committed to the partnership's success.

Creating an MSP goes through different phases in the Partner Journey. The company should design each step to promote a deep and productive partnership.

The Mutual Success Plan signifies a significant evolution in partnership management, moving beyond mere transactional interactions to cultivate lasting, mutually beneficial relationships. Through strategic planning, precise execution, and diligent measurement, MSPs provide a framework for partners to achieve collective success. This success is underpinned by a clear focus on objectives, key results, and activities, which serve as leading and lagging indicators, guiding the partnership toward its goals.

## Tech Use Case: Unveiling the Power of Partner Unit Economics for Business Growth with Anaplan<sup>33</sup>

In an enlightening session organized by Partnership Leaders Coda Product Partnership Leaders Brianna Strauss and Anaplan Strategic Technology Partnerships Senior Director Chris Badger, they explored the critical yet often overlooked concept of partner unit economics, shedding light on its pivotal role in steering businesses toward sustainable and profitable growth. Their discussion aimed to demystify partner unit economics's complexities, making it accessible and actionable for businesses eager to leverage partnerships for success.

### The Essence of Partner Unit Economics

With his extensive experience in partnerships and alliances, Badger highlighted the transformative journey of Anaplan's partnership with AWS. This collaboration not only showcased rapid revenue growth—from \$1.3 million to a staggering \$30 million within three years—but also underscored the importance of adopting a data-centric approach to evaluate and enhance partnership efficiency. As Chris elaborated, partner unit economics transcends mere revenue generation, encompassing a broad spectrum of KPIs that quantify the value partnerships bring to the table, not just in direct financial terms but across various organizational functions.

### A Holistic Approach to Partnerships

The dialogue between Strauss and Badger emphasized the need for businesses to adopt a more comprehensive view of partnerships, recognizing their significant impact across the entire customer lifecycle. In today's idly evolving market landscape, marked by a shift from unfettered growth to profitable expansion, the role of partnerships has become increasingly many-sided. Badger pointed out that modern partnerships extend beyond traditional channels, influencing customer acquisition costs, net retention rates, and overall customer satisfaction. This broad impact necessitates a

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<sup>33</sup> Partnership Leaders. (2024, March 15). Achieving a Profitable Growth Strategy through Partner Unit Economics [Video]. YouTube. Retrieved April 29, 2024, from <https://www.youtube.com/watch?v=8P0pU2hHRXk>

## Cross-Functional Alignment

	Data	Sales	Customer Success	Product	Finance	Operations
Leader	CMO	CTO	CCO	CPO	CFO	COO
<b>Goals</b>	<ul style="list-style-type: none"> <li>Increase brand awareness</li> <li>Top of funnel growth</li> </ul>	<ul style="list-style-type: none"> <li>Increase revenues</li> <li>Sales process efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Higher adoption</li> <li>Lower attrition</li> <li>Faster expansions</li> <li>Increase customer satisfaction &amp; loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Understand customer needs</li> <li>Deliver product roadmap</li> <li>Launch innovative solutions</li> <li>Increase customer value</li> </ul>	<ul style="list-style-type: none"> <li>Reduce costs, increase margins</li> <li>Capital efficiency</li> <li>Mergers &amp; acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>Employee productivity</li> <li>Streamlined operations</li> <li>Cost effective routes to market</li> </ul>
<b>Partner unit economics (PUE) metrics*</b>	Lead conversion Lead cost Campaign ROI	Revenue Win rate Avg deal size Sales cycle		User adoption Churn rate Net retention rate CAT or net promoter score	Customer acquisition cost Customer lifetime value Customer ARR by # integrations	

\* Note: Typically PUE measures partner attached/involved vs. direct/no partner involvement metrics

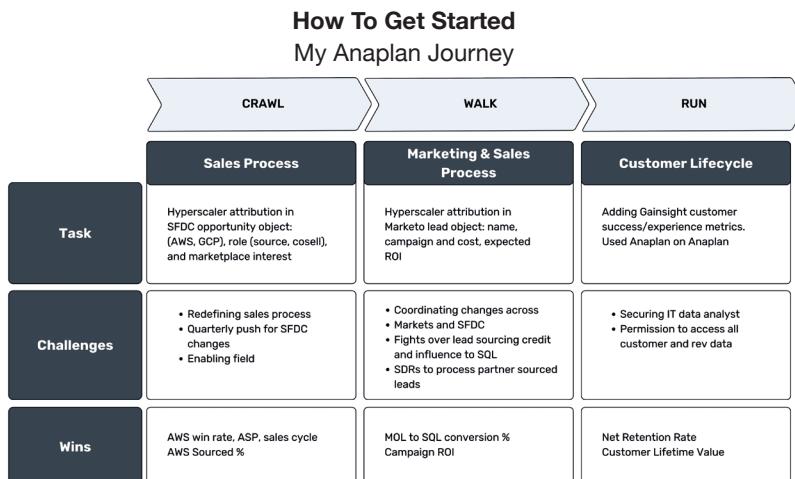
deeper understanding of and integration of partner unit economics within the strategic framework of businesses.

## Navigating Cross-Functional Alignment

One of the session's key takeaways was the critical importance of cross-functional alignment in maximizing the benefits of partnerships. Badger shared insights into how Anaplan leveraged partnerships, particularly with AWS, to boost sales and marketing efficiency and enhance product integration and customer success outcomes. By effectively communicating the quantitative and qualitative benefits of partnerships across different departments, businesses can foster a more collaborative and informed approach to partnership management.

## From Concept to Practice: Implementing Partner Unit Economics

The journey from understanding partner unit economics to successfully implementing it involves a strategic, phased approach. Badger outlined a “crawl, walk, run” methodology, starting with essential sales process integration and gradually expanding into more complex areas like marketing alignment and lifecycle metrics analysis. This incremental approach allows businesses to build a solid foundation of partner-related data within their systems, enabling more sophisticated analysis and decision-making over time.



## The Road Ahead: Harnessing Metrics for Strategic Advantage

In essence, Strauss and Badger's discussion illuminated the critical role of partner unit economics in shaping a company's growth trajectory. By adopting a holistic and data-driven approach to partnerships, businesses can optimize their current operations and pave the way for sustainable, profitable expansion in the competitive market landscape.

*“Understanding the financial aspects of their operation is fundamental for any Chief Partner Officer (CPO). Equally crucial is knowing the key performance indicators (KPIs) that matter to each CXO counterpart. By highlighting the tangible improvements in these KPIs when partners are engaged, the CPO not only opens eyes to the value of the partner ecosystem but also substantiates their seat at the executive table. This strategic insight into financial metrics and partnership impact is what sets apart successful CPOs in today’s competitive business environment.”*

**Chris Badger, Head of Technology Partnerships, Kyriba**

### About Partnership Leaders

Partnership Leaders (PL) is probably the biggest community for those at the forefront of business partnerships. It includes some of the best people in this area from all over the world. Asher Mathew, Tai Rattigan, and Chris Samila started this community and helped the Qollabi team and me understand what their customers need. The top technology companies worldwide leverage the Partnership Leaders network, insights, and education as the source of truth for modern partnership excellence.

## Conclusion

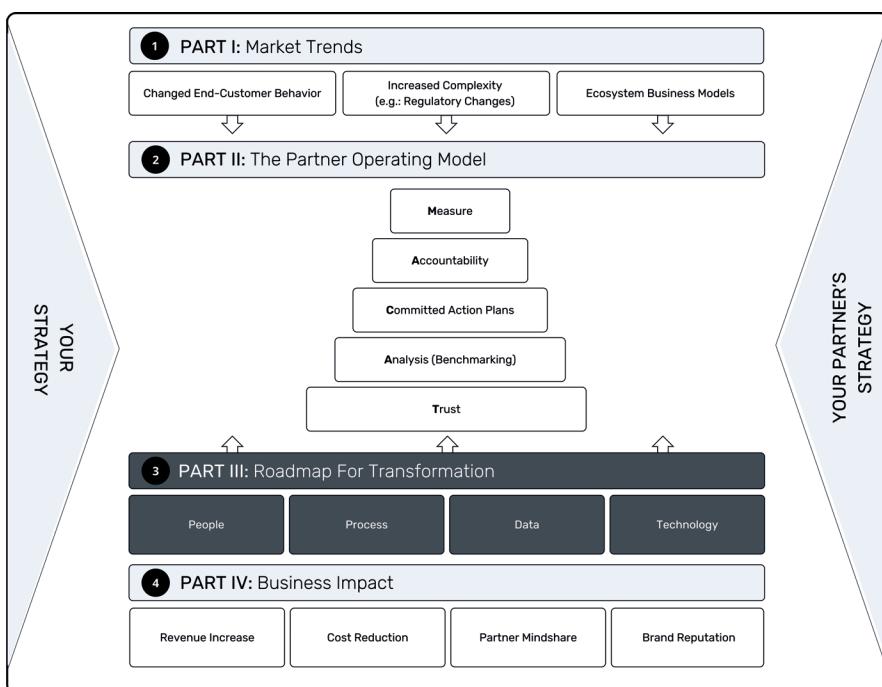
Chapter 8 has shown the profound shift in how companies need to value and measure their partners in this evolving digital landscape. Traditional tier-based incentive models are becoming obsolete, necessitating a more adaptable and comprehensive points-based approach. This shift is a reaction to the “Death of the Cookie” and a proactive strategy to navigate new email compliance rules and the broader regulatory environment.

Leading organizations like Microsoft and Okta are pioneering this transformation, emphasizing partners’ multifaceted contributions throughout the customer engagement lifecycle. These companies are setting the stage for a more dynamic and inclusive way of recognizing partner value, which aligns better with partners’ diverse activities, from raising awareness to driving long-term customer loyalty.

In Chapter 9, we will explore the critical role of people in this transformation. We will discuss the emergence of new roles, such as the Chief Partner Officer and PartnerSuccess Manager, and the essential skills and capabilities needed to thrive in this new ecosystem. These roles are pivotal for fostering strategic partnerships and driving mutual success. The focus will be on building and nurturing the right talent to adapt to these changes, ensuring that organizations can effectively manage and leverage their partner ecosystems.

## PART III

# Roadmap for Transformation



## CHAPTER 9

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# People

### Introducing New Capabilities and Profiles

The journey to a successful Partner Operating Model begins with your team. As we dive into a world where partnerships are essential, roles like Chief Partner Officer and Partner Managers become crucial. They bring a mix of sales, strategy, and relationship-building skills. This section will guide finding, growing, and using the talent needed for solid partnerships.

### Every Large Transformation Requires New Skill Sets and Roles

As discussed in Chapter 1, the development of “Predictable Revenue” as an operating model for direct sales led to the arrival of new functions such as Sales Development Reps, Business Development Reps, Account Executives, and Customer Success Managers. Likewise, this new ecosystem era has spawned new roles.

## The Arrival of the Chief Partner Officer and Chief Broker Officer

The role of the Chief Partner Officer (CPO) marks a significant evolution in the corporate hierarchy, reflecting the growing importance of strategic alliances and partnerships in today's business landscape. This position, which emerged prominently in the early twenty-first century, signifies a strategic pivot toward valuing and managing corporate partnerships at the highest level. The CPO oversees and cultivates relationships with external organizations, aligns partnership strategies with the company's overall business goals and ensures that these collaborations contribute significantly to growth and innovation. The introduction of the CPO role underscores the recognition that, in a globalized economy, forging and nurturing strategic partnerships are critical for staying competitive and adapting to rapidly changing market dynamics. This strategic emphasis on partnerships encourages a more collaborative approach to business, with the CPO playing a pivotal role in steering the company toward fruitful alliances and new opportunities.

*“In the dynamic landscape of modern business, partnerships have emerged as the cornerstone of sustainable revenue generation. At Partnership Leaders, we set out to elevate the role of partnership teams. From our research we learned that a new C-Suite role is needed, one that brings together all partnering functions to unlock ecosystem value for their company. This ecosystem value results in better build, buy and partner decisions. Companies that elevate their partnership leaders to Chief Partner Officer are innovating at the business model level vs functional/program level. These CPOs will lead their companies to long-term success.”*

*Asher Matthew, CEO, Partnership Leaders*



*CPO (Chief Partner Officer) loading T-shirt, Catalyst*

## Understanding Capability Building

Capability building involves identifying critical skills and competencies required for the organization's success and implementing strategies to develop these areas. It is a comprehensive approach that includes training programs, mentoring, on-the-job learning, and other educational activities. The goal is to create a workforce that is adaptable, skilled, and ready to meet the challenges of the market.

## Popular and Successful Capability Assessment Models

Several capability assessment models have been developed to help organizations systematically identify their strengths and areas for improvement. These models provide a framework for evaluating the existing capabilities against the desired state and developing plans to bridge the gap.

**SWOT Analysis<sup>34</sup>:** One of the simplest yet effective models, a SWOT analysis helps organizations assess their internal strengths and weaknesses and external opportunities and Threats.

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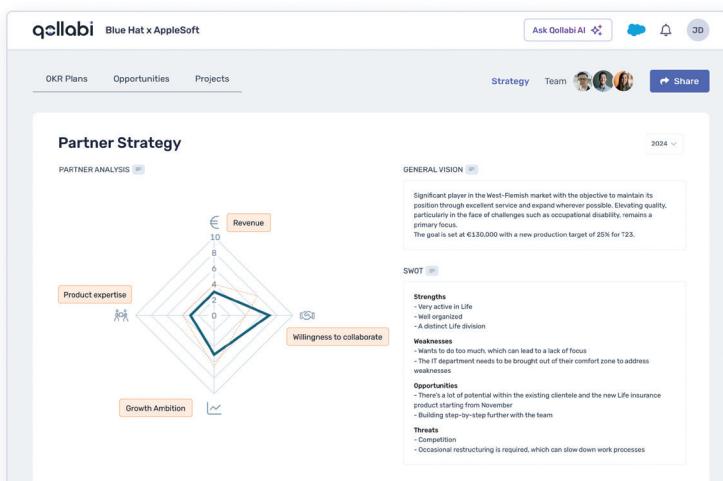
<sup>34</sup> The basis for SWOT analysis is often associated with Albert Humphrey, who led a project at the Stanford Research Institute (now SRI International).

## — The Partner Operating Model —

This analysis provides a clear overview of the organization's current position and where it needs to focus its capability-building efforts.

**McKinsey 7-S Framework<sup>35</sup>:** This model is a comprehensive approach that focuses on seven internal elements of an organization. These elements, including Strategy, Structure, Systems, Shared Values, Skills, Style, and Staff, need to align for the organization to be successful. It is particularly useful for understanding how changes in one area can influence others, providing a thorough understanding of comprehensive capability development.

**Balanced Scorecard<sup>36</sup>:** While traditionally used as a strategic management tool, the Balanced Scorecard can also be adapted for capability assessment. It evaluates organizational performance from four perspectives: financial, customer, internal business processes, learning, and growth. This multifaceted approach ensures that capability-building efforts are aligned with the organization's strategic objectives.



*Partner Strategy in a Spider Chart in Qollabi.*

<sup>35</sup> Consultants Robert H. Waterman Jr., Tom Peters, and Julien Phillips developed this model with a team at McKinsey & Company in the early 1980s. It was introduced in their book “In Search of Excellence.”

<sup>36</sup> Kaplan, R. S. (2021, November 22). The Balanced Scorecard—Measures that Drive Performance. Harvard Business Review. Retrieved March 13, 2024, from <https://hbr.org/1992/01/the-balancedscorecard-measures-that-drive-performance-2>

*“When we introduced the SWOT analysis feature in Qollabi, we anticipated it would add depth to Partner Success Managers’ strategic planning. But what really surprised us was its longitudinal impact. Users quickly expressed their interest — before diving into anything else, they showed us how crucial it was to build that kind of insight. The feature does not just provide a snapshot of their competitive position at any given moment but also a narrative of their evolution. They can look back over the years to see how their partners’ internal strengths compensated for weaknesses and how external opportunities were leveraged against threats. This continuous, year-over-year perspective is invaluable. It transforms the SWOT analysis from a static report into a dynamic, strategic diary that informs not just the present but the future trajectory of their businesses.”*

*Kamelia Koleva, Product Manager, Qollabi*

## Implementing Capability Building Strategies

After assessing their current capabilities and identifying gaps using these models, companies must develop targeted strategies to enhance their organizational capabilities.

This can include:

- **Customized Training Programs:** Designing training programs tailored to the specific needs identified through the capability assessment.
- **Mentoring and Coaching:** Pairing employees with more experienced mentors or coaches to facilitate on-the-job learning and development.
- **Cross-functional Projects:** Encouraging employees to participate in projects outside their usual scope to gain new skills and perspectives.

- **Continuous Learning Culture:** Promoting a culture that values ongoing learning and development and encourages employees to take initiative in their personal growth.

Organizations can build a strong foundation for sustained success and competitiveness by systematically assessing their capabilities and implementing focused development strategies.

## Silos and Consistent Customer Experience

Organizations typically align their teams based on functional roles. Salespeople talk to other salespeople, and partnership managers deal directly with their counterparts. While this might seem intuitive, it often leads to significant challenges and dysfunctions, such as:

**Siloed Communication:** Communication tends to be restricted within the same functional areas. This leads to a lack of holistic understanding across the organization about the goals and objectives of the partnership. Each department may only see a part of the picture rather than understand the entire landscape of the partnership.

**Misaligned Objectives:** Different teams or departments may have varying priorities and targets, leading to conflicts or misalignment regarding the overall partnership goals. For example, sales teams might focus on hitting revenue targets, while partnership teams prioritize strategic alignment or market penetration.

**Limited Knowledge Sharing:** The specialization of roles can restrict the flow of information, leading to situations where not everyone involved in the partnership has access to the same knowledge. This can impede decision-making and slow down strategic initiatives.

**Inconsistent Customer Experience:** When teams operate in silos, the customer experience can suffer. Different teams might provide conflicting information or fail to communicate changes effectively to customers.

## Capability Building According to the Partner and Partner Manager Profile (Examples)

Partner Types	
Transactional Partners	Advise & Implementation Partners
Soft Skills + Tactic Skills + Strategic Skills	Influence Partner Event Organizer Technical Integration Market Place / MSP Super Connectors Alliance / Corporate Broker Thought Leaders / Investor Relations
Skill Set Partner Success Manager	(eg: Referral Partners / Small Size Broker Small Broker (eg: Reseller/SMB Broker) Large Partner (eg: Distributor / Large Broker)

## An end-to-end operating model rests on three fundamentals.



### Stretch goals

Define strategic targets at the group level.

Aim for breakthrough performance that no individual function can achieve.

Make cross-functional teams accountable for performance.



### Radical simplicity

Simplify and standardize the entire operating model, including job descriptions, capability definitions, and cultural values.

Start with the end-to-end processes, to make changes that promote speed, agility, and efficiency.



### A retooled culture

Ensure organizational and cultural change to keep a laser focus on collaboration and ensure high levels of execution.

Invest in leadership capabilities to sustain reform.

McKinsey&Company

*McKinsey & Company's model on how to make collaboration across functions a reality<sup>37</sup>*

## Making Collaboration Across Functions a Reality

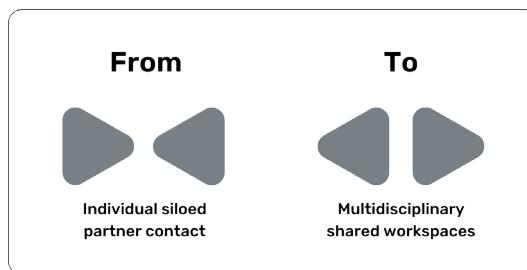
To overcome these challenges, businesses can adopt an integrated partnership model emphasizing cross-functional teams and open communication. Here is how such a model can be structured:

**Cross-Functional Teams:** Instead of having sales speak only to sales, and partnerships speak only to partnerships, create cross-functional teams that include members from all relevant areas — sales, partnerships, marketing, customer service, and even product development. This ensures that every team member understands all aspects of the partnership and can contribute to shared goals.

<sup>37</sup> McKinsey & Company. (2016, March 3). Making collaboration across functions a reality. McKinsey & Company. Retrieved March 20, 2024, from <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/making-collaboration-across-functions-a-reality>

**Unified Communication Platforms:** Implement tools that facilitate seamless communication across teams. Platforms like Slack, Microsoft Teams, or Asana can help maintain a central repository of updates, discussions, and partnership documents accessible to all stakeholders.

**Regular Alignment Updates:** Make frequent updates via various communication channels that involve representatives from all cross-functional teams. Use these updates and meetings to discuss progress, address challenges, and realign goals as necessary. This helps maintain clarity and consistency in partnership goals.



**Shared Workspaces and Metrics:** Develop shared workspaces that track key performance indicators relevant to the partnership. This visibility ensures that everyone is aware of how the partnership is performing against its goals and helps in making data-driven decisions.

**Collaborative Training and Development:** Organize joint training sessions for all team members involved in the partnership. This enhances skills and fosters a more robust understanding and personal relationships among team members from different functional areas.

**Customer-Centric Strategy:** Ensure all teams are aligned to deliver a cohesive customer experience. Companies can achieve this by regularly involving customer-facing teams in feedback loops and using quick resolution strategies for issues.

**Transparent Feedback Mechanisms:** Establish precise and transparent mechanisms for feedback within the teams. This should include not just performance feedback but also strategic and operational feedback that can help in refining the partnership approach continually.

## The Evolution of Partner Account Management to Partner Success Management

### The Shift from Channel to Ecosystem

The transition from traditional channel and partner strategies to a more inclusive ecosystem approach marks a significant evolution in how businesses collaborate and co-create value. This shift requires a transformation in the skill sets and mindsets of what are usually called partner or channel account managers. In Chapter 8, we introduced the idea of a “Partner Success Manager,” emphasizing their transforming role toward a holistic understanding of partnership dynamics and the interconnected nature of modern business networks.

### The Role of the Partner Success Manager (PSM) Today

The role of PSMs has grown in complexity, requiring a broad understanding of the entire partnership portfolio and the ability to act as a conduit between various stakeholders. Think of PSMs as quarterbacks for internal and external resources, connecting the dots across different functions and driving results through influence and collaboration.

AchieveUnite Inc., a leading channel consultancy and training company, has established a deep science-based understanding of what it takes to build the right capabilities for a Partner Account Manager. This understanding is not just theoretical but practical and credible. AchieveUnite CEO Theresa Caragol, through conversations with industry leaders Marc Monday, Michelle Hodges, and John Muscarella, distilled the following key insights:

### Focus on the Joint Business Plan and Strategic Goals

To excel at your job, focus on achieving precise, impactful results rather than staying busy. Align your efforts with your organization’s key goals, ensuring your work directly contributes to its success. Avoid the common pitfall of equating busyness with productivity, like replying to emails. Your ability to drive tangible outcomes and value, not by the volume of tasks

completed, measures actual progress. Prioritize work that has a meaningful impact, steering clear of activities that do not advance strategic objectives.

*“If you want to be great at your job and be recognized, be sure that the joint business plan and those metrics roll up really tightly, that you’re super clear on how you’re delivering on value. Because if you decide to go out and build a partnership that has nothing to do with your company’s value drivers, you’ll be in trouble.”*

**Michelle Hedges, Global Channel & Alliances Chief, Ivanti**

## Becoming a Marketing Powerhouse

Partner Account Managers today need to possess marketing acumen and understand how to position their brand and offerings to partners effectively. This involves being adept at internal marketing, showcasing the value of the channel within the organization, and assisting partners in their marketing efforts to end-customers.

*“A trap that a lot of people get caught in, and I’ve seen it every day, [is] where it’s all responding to emails. I’m being responsive. I’m getting them. I’m providing them. That’s not results, that’s activity. The sooner team members can identify the difference and focus on the results, the better off they will be. Being results-oriented in the territory or the partner you’re supporting, that’s what you must really be focused on.”*

**John Muscarella, VP of Channel Sales, Cox**

## From Relationship-Building to Strategic Influence

While traditional relationship-building remains valuable, the future-ready Partner Account Manager goes beyond the traditional bonding on the golf course. The core of motivating partners and aligning with go-to-market strategies lies in demonstrating unequivocal value. These managers must articulate how partnering can lead to mutual financial success, operational

efficiencies, and enhanced market positioning.

They cultivate authentic and strategic influence, leveraging data-driven insights and proactive collaboration to drive quantifiable outcomes. This includes:

- Identify ideal partners aligned with your company's goals.
- Assessing their fit through in-depth analysis, not just casual interactions.
- Onboarding them effectively by understanding their motivations and building a joint business plan with clear metrics for success.

*“Your job as a Partner Account Manager is also marketing, and if you don’t think you’re a marketer, then you’re in trouble because you need to market internally. What’s the value of the channel? You need to market to the partner: What’s the value of my brand? And importantly, you need to help that partner market to their customer. And too many times I’ve seen traditional legacy partner account management resources say that’s not my role, it’s for the marketing department. But we all must do it.”*

**Marc Monday, Senior VP of Sales, Sage**

## **Own Your Continuous Learning and Development, Expand Your Role**

Taking charge of your professional growth is crucial. Understand what skills and development are needed to excel in your current role and future aspirations. Creating a detailed plan to acquire these skills, whether through resources within your organization or externally, is essential. Proactively advocating for your development and seeking opportunities to enhance your capabilities is crucial to ensuring continuous progress in your career path.

## **Soft Skills**

While technical knowledge is a prerequisite for Partner Account Managers (or their counterparts/alter-egos Channel Account Managers, depending on the organization), it's their soft skills that truly make a difference. These skills are the key to navigating complex scenarios, building authentic relationships, and fostering collective efforts within the partnership network.

- **Emotional Intelligence:** Understanding and managing emotions for stronger relationships.
- **Communication:** Clearly articulating ideas to influence stakeholders.
- **Active Listening:** Building trust by truly understanding partners' needs.
- **Problem-Solving:** Collaboratively solving issues to strengthen partnerships.
- **Negotiation:** Reaching win-win agreements for mutual benefit.

*“You are ultimately responsible for your career. Get clear on ‘What’s it going to take for me to be good in this job and what development do I need?’ Then build yourself a plan to go out and go after that. As you look at future roles as well, work backward: What are the skill sets that I need to do it? Advocate for yourself and reach out either into your company or into the market to be able to build those experiences going forward.”*

*Michelle Hodges, Global Channel & Alliances Chief, Ivanti*

## Provide Meaningful Data-Driven Insights

As established in Chapter 4, a foundation of the Partner Operating Model is the ability to drive meaningful, data-driven conversations. This step includes understanding and articulating how partnerships impact the broader organizational goals, such as revenue, profit margins, and cash flow. Acting as their business domain’s CEO, PartnerAccount Managers must draw on a wide range of expertise to drive their partnership’s success, from finance to marketing strategies. Based on data analytics, this holistic view enables them to make informed decisions, demonstrate their value, and strategically guide their partners toward achieving mutual objectives.

## Financial Services Use Cases: From Firefighter to Strategic Coach

### Partnering for Success: Nationale-Nederlanden's Innovative Approach

Nationale-Nederlanden (NN) is spearheading a transformative journey in partnership collaboration. By redefining the traditional intermediary model, NN is adapting to change and driving innovation within the industry.

#### A Strategic Shift

A strategic repositioning to foster closer ties with intermediaries is central to NN's approach. Léon van Riet (CEO et al.) and Harry van der Zwan (ChiefCommercial et al.) led this initiative, significantly deviating from conventional practices. The creation of an organizational segment underscores NN's commitment to elevate the role of intermediaries as strategic partners.

#### Empowering Intermediaries

NN's innovative strategy prioritizes empowerment, recognizing intermediaries' diverse needs and preferences. From tailored digital solutions to flexible integration options, NN equips intermediaries with the tools they need to succeed in an increasingly dynamic marketplace.

#### Collaboration for Growth

At the heart of NN's approach is a collaborative spirit to foster mutual growth. By embracing cross-functional collaboration and knowledge sharing, NN is strengthening its partnership network and unlocking new avenues for innovation and expansion.

*"Intermediaries are no longer one-size-fits-all. Each intermediary is unique, and we adapt to their needs, and those of their clients. Smaller intermediaries, perhaps in the SME sector, may rely on portals, while larger ones prefer direct system integration via APIs. There's a spectrum of preferences. Ultimately, we ensure intermediaries seamlessly connect"*

*to our digital products and services, ensuring smooth operations. This includes streamlined login procedures, services like the human capital planner, or solutions for enhancing client sustainability. It also involves providing data and benchmarking insights to strengthen intermediaries' positions."*

***Harry van der Zwan, Chief Commercial Officer Brokers & Partnerships, Nationale-Nederlanden (NN)<sup>38</sup>***

## **The Arrival of the Partner Success Manager: Baloise's Model for Account Management**

Baloise, an innovative insurance provider, has devised a model to empower its account managers (ACMAs) to adapt their roles and approaches based on the sophistication of their intermediary relationships. This strategic framework aims to position Baloise as a leader in the insurance domain and foster more profound and mutually beneficial partnerships with intermediaries.

### **Understanding the Evolution of Intermediary Relationships**

Baloise's model delineates four distinct stages in the evolution of intermediary relationships, each requiring a unique set of competencies and approaches:

#### **Stage 1: ACMA as Sales**

At this initial stage, the focus is on positioning Baloise and its products within the domain of the ACMA. Key skills for this stage include:

- *Strong product knowledge:* ACMAs must deeply understand Baloise's insurance products and their benefits.
- *Sales expertise:* ACMAs should possess excellent sales skills to promote Baloise's offerings to intermediaries effectively.

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<sup>38</sup> Based on amweb.nl article, Retrieved March 20, 2024, from:<https://social.qollabi.com/rBD-JOmn1>

## Stage 2: ACMA as Advisor

Moving beyond simple sales, ACMA moves into an advisor role. Here, the emphasis is on providing informed guidance to intermediaries. Key skills for this stage include:

- *Consultative approach:* ACMA must be adept at understanding the specific needs and challenges of intermediaries and providing tailored solutions.
- *Relationship building:* Building trust and rapport with intermediaries is essential for establishing long-term partnerships.

## Stage 3: ACMA as Consultant

Reaching the final stage, ACMA transforms into a strategic consultant for intermediaries. Their role extends beyond product recommendations to offering comprehensive advice on broker operations. Key skills for this stage include:

- *Analytical skills:* ACMA must be able to analyze data and market trends to provide insights and recommendations for improving broker operations.
- *Strategic thinking:* ACMA should possess a strategic vision and the ability to identify opportunities for growth and innovation in broker partnerships.

## Stage 4: ACMA as Business Partner

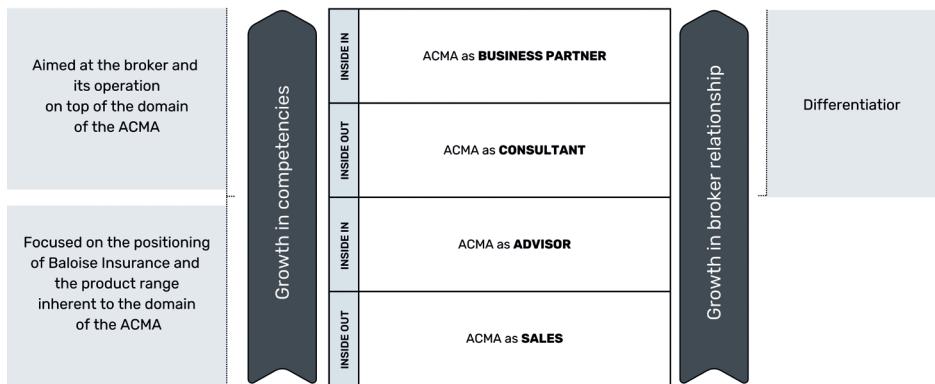
The final stage represents the highest point of the model, where ACMA becomes a true business partner to the intermediaries. At this level, ACMA collaborates closely with intermediaries to drive mutual success. Key skills for this stage include:

- *Collaborative mindset:* ACMA must be willing to work closely with intermediaries, aligning goals and strategies for mutual benefit.

– PART III –

- *Value creation:* ACMA should focus on creating value for intermediaries by offering unique insights, resources, and support tailored to their needs.

### Evolution of the ACMA



*The Baloise model which distinguishes the four stages in the evolution of intermediary relationships.<sup>39</sup>*

<sup>39</sup> Shared by Jan Scheepers, the Director of Corporate Brokers & Broker Development at Baloise Insurance Belgium. (presentation, February 10, 2024)

## Conclusion

People play a pivotal role in driving the success of a Partner Operating Model. We've explained the importance of new roles, such as Chief Partner Officer and Partner Manager, underscoring their strategic significance. These leaders are essential in building and nurturing partnerships, using their sales, strategy, and relationship management expertise to propel organizations forward.

By implementing comprehensive capability-building strategies and fostering cross-functional collaboration, businesses can break down silos and enhance communication. This method ensures a consistent customer experience and aligns departmental goals with partnership objectives. Adopting successful capability assessment models like SWOT Analysis, McKinsey7-S Framework, and Balanced Scorecard can help identify strengths, weaknesses, and opportunities, guiding organizations toward continuous improvement and innovation.

Chapter 10 will explore the processes that underpin a future-proof Partner Operating Model. We will examine how to organize partner selection, onboarding, and relationship management, ensuring that every step contributes to a robust and adaptable ecosystem.

## CHAPTER 10

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# Processes

### End-to-end Process Mapping

The heart of a future-proof Partner Operating Model is its strategic use of partnerships, its ability to embrace change, and its foresight to anticipate trends. From the initial stages of partner selection and onboarding, to the ongoing management of relationships and the measurement of partnership effectiveness, each process is a vital component in maintaining the overall ecosystem's resilience.

There are several ways to identify the most crucial partner processes. In line with our argument in Chapter 7, when we discussed the importance of Partner Journey Mapping, I propose you improve your processes based on your ideal partner journey.

*“Companies must reimagine their business processes to integrate the customer journey with the partner journey in an end-to-end way. CRM is the essential starting point for understanding customer needs and interactions. Building on this foundation, Business Relationship Management (BRM) solutions should be implemented to enhance collaboration, optimize workflows, and drive value across the entire business ecosystem.”*

***Laurent Smekens, Partner, Deloitte Digital***

## Step-by-Step Process for Enhancing your Partner Journey

The partner journey encompasses several critical steps, from identifying potential partners to cultivating deep, mutually beneficial relationships. A good starting point is to make a high-level scorecard of the critical path with the highest priorities, challenges, and potential improvement strategies as an example.

Partner Journey Stage	Key Processes	Potential Challenges	Strategies for Success
Discovery and Onboarding	<ul style="list-style-type: none"><li>Identifying potential partners</li><li>Due diligence and selection</li><li>Onboarding and integration</li></ul>	<ul style="list-style-type: none"><li>Misalignment on expectations</li><li>Onboarding obstacles</li><li>Right stakeholder buy-in</li></ul>	<ul style="list-style-type: none"><li>Clear communication and shared goals</li><li>Streamlined onboarding with training and support</li></ul>
Building Engagement	<ul style="list-style-type: none"><li>Prove first success</li><li>Establishing communication channels</li><li>Continuous training and support</li></ul>	<ul style="list-style-type: none"><li>Communication breakdowns</li><li>Lack of joint initiative success</li></ul>	<ul style="list-style-type: none"><li>Regular check-ins and collaborative tools</li><li>Clear objectives for joint projects</li><li>Joint marketing and sales initiatives</li></ul>
Performance Management	<ul style="list-style-type: none"><li>Setting performance metrics</li><li>Feedback loops</li><li>Innovation and adaptation</li></ul>	<ul style="list-style-type: none"><li>Misaligned expectations</li><li>Stagnation</li><li>Keep excitement</li><li>Stakeholder engagement</li></ul>	<ul style="list-style-type: none"><li>Regular performance reviews and dialogue</li><li>Culture of innovation</li></ul>
Growth and Expansion	<ul style="list-style-type: none"><li>Exploring new markets/Opportunities</li><li>Deepening the relationship</li></ul>	<ul style="list-style-type: none"><li>Risk management</li><li>Resource allocation</li></ul>	<ul style="list-style-type: none"><li>Collaborative risk mitigation</li><li>Commitment to resource investment</li></ul>
Longevity and Renewal	<ul style="list-style-type: none"><li>Renegotiating terms</li><li>Celebrating successes</li></ul>	<ul style="list-style-type: none"><li>Complacency</li><li>Renewal resistance</li></ul>	<ul style="list-style-type: none"><li>Continual value addition and relationship deepening</li><li>Transparent negotiation on renewal terms</li></ul>

## Unveiling Partner Archetypes: A Blueprint for Collaboration

In Deloitte's research paper, "*Redesigning partner experience in Industry 4.0*"<sup>40</sup>, the management consultancy adds an exciting view to the partner journey. It looks at it through the lens of partner archetypes, each contributing uniquely to the value chain. They identify the following: Delivery Champions, Joint Innovators, Selling Allies, and Ecosystem Pioneers.

<sup>40</sup> Stefanita, C., Kawamura, J., & Schroeck, M. (2020). Redesigning partner experience in Industry 4.0. Deloitte. Retrieved April 5, 2024, from <https://www2.deloitte.com/xe/en/insights/focus/industry-4-0/partner-ecosystem-customer-experience-outcomes.html>

Each necessitates tailored engagement strategies to harness their full potential, as discussed below. Companies can cultivate a thriving partner ecosystem by understanding and addressing the unique needs and pain points of these archetypes.



*The new partner enablement process as shared by Deloitte*

## Crafting Tailored Value Propositions

Effective partner engagement articulates a compelling value proposition that resonates with each partner archetype. This engagement entails deeply understanding partners' strategic goals, capabilities, and market positioning. Customizing value propositions to address these elements ensures partners are aligned and motivated to drive mutual success.

*“When rolling out a partner model and collaborating with partners, you can't calculate everything. Sometimes you just have to jump into the deep end of the pool and swim. You might go under for a moment, but you'll definitely learn something. No decision or no action is not the better option. 25 years in the channel has taught me this.”*

*Tine Vandenbreeden, Global VP Partner Enablement, SAP*

## Designing Adaptable and Supportive Partner Programs

Flexibility and support are crucial to designing partner programs that accommodate the diversity of partner archetypes. Such programs should balance consistency with adaptability, enabling partners to navigate the sales process efficiently, access essential resources, and achieve profitability.

## — The Partner Operating Model —

Simplifying program structures and incentives can significantly enhance a partner's ease of doing business.

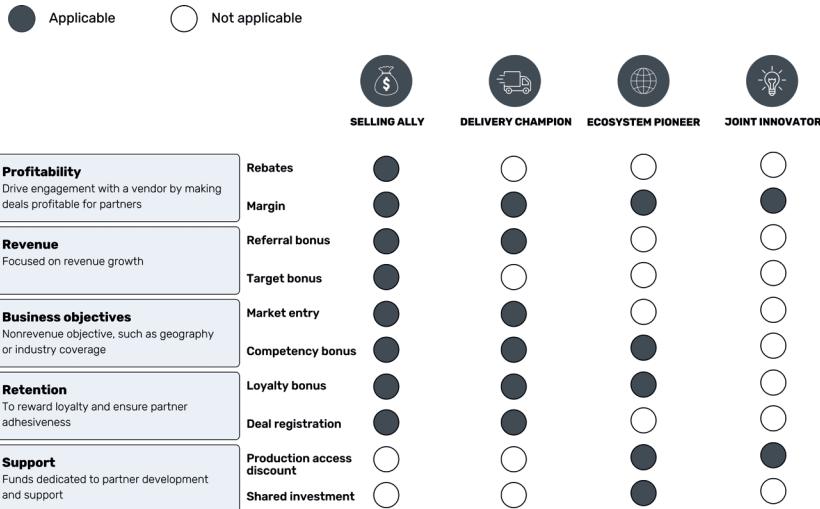
### Relative importance of partner enablement steps by archetype



## Simplifying Incentive Structures for Maximum Impact

Incentives play a pivotal role in motivating and rewarding partners for their contributions. However, overly complex incentive structures can hinder participation. Streamlining these incentives to focus on tangible outcomes such as revenue growth, market expansion, and customer retention can drive more focused and effective partner actions.

### Incentive type applicability for different archetypes



Source: Deloitte analysis

## Leveraging Metrics for Strategic Alignment and Success

Measuring the success of partner engagements requires a nuanced approach beyond traditional financial metrics. Incorporating customer satisfaction, enablement effectiveness, and market impact into the evaluation framework provides a more holistic view of partnership performance. This strategic alignment ensures that vendors and partners work toward common goals and deliver on the promise of mutual value.

*“Partner relationships need to focus on mutual success. Hence, it is critical to align business goals, which can be achieved by developing a joint business plan that clearly outlines objectives and expectations from partners and provides quantifiable and relevant measures of success.”*

*From Redesigning partner experience in Industry 4.0*

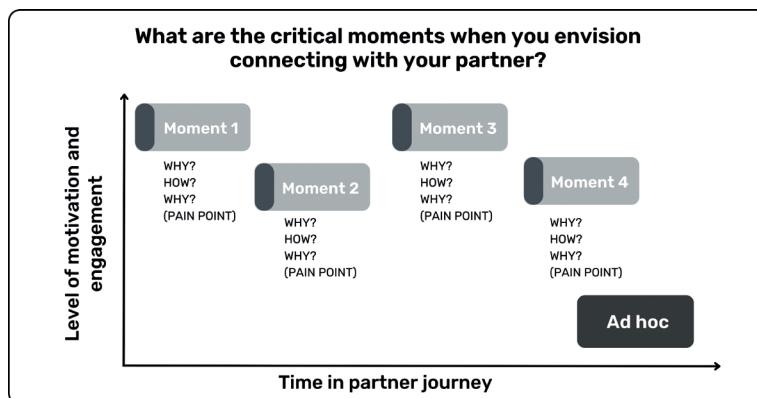
## The Most Critical Process Steps

Several critical processes can go awry, leading to partner dissatisfaction and potentially harming the business relationship. Below are some common challenges I see in partner management, with examples of practical solutions to overcome them. We will return to these solutions in the technology chapter.

### Working in Silos

#### *The Problem*

One of the fundamental challenges in partner management is the risk of working in silos. Different departments within an organization may interact with partners independently, leading to a disjointed experience. This misalignment can cause partners to receive inconsistent information or, worse, to miss out on crucial details necessary for successful collaboration.



#### *Solutions*

**Cross-Functional Teams:** Establish cross-functional teams that include members from sales, marketing, product development, and customer service. This ensures that all departments are aligned in their communication and objectives regarding partners.

**Unified Partner Strategy:** Develop a unified partner strategy that clearly outlines how to manage and communicate with partners. This strategy should be accessible to all departments involved in partner management.

## Deal Registration Clarity

### *The Problem*

Deal registration, the process where partners register sales opportunities with the leading company, is often challenging. For example, partners might be unclear on the procedure for registering deals, leading to missed opportunities and frustration.

### *Solutions*

**Clear Guidelines:** Provide clear, easily accessible guidelines on how, when, and where to register. These guidelines might include step-by-step guides or even training sessions for new partners.

**Automated Deal Registration Systems:** Implement automated deal registration systems that simplify the process for partners. These systems can provide instant feedback and updates on the status of registered deals.

## Data and Performance Incentive Management: Ensuring Transparency

### *The Problem*

Managing performance incentives like discounts and bonuses is often complex and opaque. Partners may be waiting for payments without clear communication on amounts or timelines, leading to dissatisfaction.

### *Solutions*

**Transparent Incentive Programs:** Create transparent incentive programs with clear payment criteria and timelines. This clarity can help set expectations and reduce confusion.

**Automated Tracking Systems:** Utilize automated systems to track sales and incentives. These systems can provide real-time updates to partners about their performance and expected incentives.

## Partner Portal Accessibility

### *The Problem*

Partner portals, designed to streamline communication and resources, can become a point of contention due to complexity and accessibility issues. Partners may struggle to connect or navigate a multitude of digital solutions.

### *Solutions*

**User-Friendly Design:** Ensure the company designs the partner portal with user experience in mind. Simplify navigation and make critical resources easily accessible.

**Single Sign-On (SSO) Capabilities:** Implement SSO capabilities to reduce the hassle of logging in. Allowing partners to access the portal using their existing credentials can save time and avoid frustration.

## **Attribution: Fair Recognition of Contributions**

### *The Problem*

Attributing sales and successes accurately to the right partners is increasingly challenging, especially with the arrival of the “Death of the Cookie,” as described in Chapter 8. Ensuring fair and relevant partner attribution is crucial for maintaining trust and motivation.

### *Solutions*

**Advanced Tracking Technologies:** Adopt advanced tracking technologies that can accurately monitor and attribute sales to the correct partners, even in a cookie-less digital environment.

**Transparent Communication:** Communicate transparently with partners about how attribution is determined. This can include sharing data and metrics used for decision-making.

## **Multi-Partner Collaboration and Channel Conflicts**

### *The Problem*

Channel conflicts can arise quickly when multiple partners are involved in

the same opportunity. Managing these relationships and ensuring all parties are reasonably recognized and rewarded requires careful navigation.

## Solutions

**Secure Shared Workspaces:** Create secure, shared workspaces where all relevant team members from different partners can collaborate. Ensure these spaces have appropriate viewing rights to protect sensitive information.

**Clear Conflict Resolution Policies:** Establish clear policies for resolving channel conflicts, ideally before they arise. These should include steps for mediation and fair treatment of all parties involved.

Overcoming these challenges in partner management processes requires a blend of strategic planning, technology, and transparent communication. By addressing these areas proactively, organizations can build stronger, more productive relationships with their partners, paving the way for mutual growth and success.

The screenshot displays a shared workspace interface with several panels:

- Top Left:** A circular profile picture of a man with glasses, identified as "John Doe, Senior Manager at Acme Insurance". A message bubble says "Hi Max, welcome to our shared workspace. How does this plan look like?" with a "Comment" button.
- Top Right:** A sidebar for "Salesforce CRM Acme Insurance" with "Connected", "View integration", and "Open Salesforce" buttons.
- Central Top:** Buttons for "Ask Onfido AI", "Share", and "Copy link".
- Central Middle:** A "Strategy" section with tabs for "Team" and "Plan".
- Left Column:** "Quick actions" include "Call Max to invite him to Belgium-Denmark soccer game" (Not complete, 0% progress).
- Left Panel:** "Your AI generated digest" for an "Upcoming OKR update". It includes fields for "Subject" (OKR update), "Email" (with a dropdown menu for "B", "J", "M", "Z", "A", "O", "H", "Hs", "Ht"), and "Hi [Partner's Name]". A note says "I hope you're doing well! Just a quick note to also together and to highlight some upcoming milestones." Below it, an "OKR objective" is listed: "OKR objective name = 200.000 € / 240.000 € (\$82% completed)".
- Middle Panel:** "Excellent Brokers Plan" and "Service Plan" sections. The "Excellent Brokers Plan" shows objectives like "10% turnover increase in product X" (April, 500 € / 8.333 €, 6%, "on track"). The "Service Plan" shows "NPS" (2024, 90 # / 100 #, 90%, "on track") and "Shift to Digital Channels" (2024, 6 # / 10 #, 60%, "on track").
- Bottom Panel:** "GENERAL VISION" section with a 3D hexagonal chart titled "CULTURAL STRATEGIC HUB". It shows "TRENDS" for "Assurfin: 7" and "Assurfin target: 8" with an average of 6. A note says "Steady growth, no specific strategic goals".
- Right Panel:** "Share your workspace" section. It lists "Anyone with access to the shared link" with "can view" and "Copy link" buttons. It shows a "Team" list with three members: "John Doe (OWNER)" (owner, can edit), "jana.hansper@assurfin.com (pending invitation)", and "Max Müller (MEMBER)" (member, can view). A "Invite" button is present.

*Shared Workspace with Automated Updates and AI-driven Next Best Actions*

## A Guide to Accelerating the Co-Selling Motion

The co-sell motion is one of the hottest and perhaps most instrumental processes of the last few years. To clarify, co-selling is the active collaboration between salespeople and partner managers across companies so they can source, influence, or accelerate a sales process.

*“The current co-selling motion is broken. Most sales reps and partner success managers today email around lists of customers and prospects in hopes of finding a partner who can help them sell into an account. These ‘random acts of co-selling’ are a time-consuming process, not secure, and can’t be tracked. Co-selling needs a total transformation. Salespeople need partners more than ever, and companies need to invest in the co-selling platforms, processes, and automation necessary to scale this critical go-to-market program.”*

**Cassandra Gholston, CEO, PartnerTap**

Ecosystem and Partner Evangelist Kristine Stewart of Spur Reply explains the importance of workflow development when it comes to co-selling:

“Let’s face it - co-selling has no chance of success without a concise focus on opportunity management and the collaboration required across all cross-team members. Processes and the workflows that serve them play a crucial role by establishing structured methods for institutionalizing that collaboration and maximizing sales outcomes. They help streamline the joint selling, enabling them to work efficiently together toward shared revenue goals<sup>41</sup>. ”

Stewart summarizes the following processes and workflows that are important in co-selling. It is crucial to establish these processes collaboratively and to regularly review and refine them based on feedback, enabling everyone to work efficiently together toward shared revenue goals.

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<sup>41</sup> Stewart, K. (n.d.). Relationship selling: A guide to accelerating the Co-Sell motion. Retrieved April 7, 2024, from [https://8392622.fs1.hubspotusercontent-na1.net/hubfs/8392622/Reports%202023/Relationship%20Selling%20-%20A%20Guide%20to%20Accelerating%20the%20Co-Sell%20Motion\\_SR.pdf](https://8392622.fs1.hubspotusercontent-na1.net/hubfs/8392622/Reports%202023/Relationship%20Selling%20-%20A%20Guide%20to%20Accelerating%20the%20Co-Sell%20Motion_SR.pdf)

**Alignment:** Co-selling involves coordinating the efforts of multiple teams from different organizations. Establishing clear processes ensures everyone is aligned on goals, objectives, and strategies, minimizing misunderstandings and conflicts.

**Opportunity Management:** A well-defined workflow helps manage the end-to-end sales process in co-selling. It outlines the steps in identifying, qualifying, and progressing opportunities, ensuring smooth transitions between the co-selling partners.

**Lead Generation and Distribution Processes:** These help determine how leads are generated, shared, and tracked. They include identifying lead sources, defining lead qualification criteria, and establishing rules for distributing leads to the appropriate partner sales teams.

**Communication and Collaboration:** Effective communication and collaboration are critical in co-selling. Processes and workflows establish regular communication channels, define meeting schedules, and specify the information and updates that must be shared between the partners.

**Joint Account Planning:** Co-selling often involves jointly targeting specific customer accounts. Account planning processes ensure that both partners are aligned on account strategies, roles and responsibilities, and action plans to maximize the chances of success.

**Deal Registration and Management:** Deal registration processes help partners formally register and track joint sales opportunities. These processes enable better visibility, avoid conflicts, and provide clear guidelines for managing shared deals.

It is paramount that the right technology supports these process workflows. CRM systems and sales tools are traditionally all designed to let sales reps collaborate internally. Therefore, Gholston recommends considering the following three areas when buying co-selling software.

1. An account-centric approach that connects sales teams and partners around mutual customers and targets prospects for account-based

co-selling. This approach requires an ecosystem platform that gives you secure, clean digital rooms to share data and instantly map millions of accounts with partners to identify all the potential new logos and expansion opportunities with each partner.

2. Co-sell automation that makes it easy to run data-driven co-sell workflows and instantly connect your sellers and partners' sellers when they both opt-in.
3. Co-selling attribution is used to track and measure all the new pipelines and the revenue sourced and accelerated by each co-selling sales play.

## Where to Start? Frameworks for Designing Frictionless Processes

User stories and “Happy Flows,” as defined below, are not only instrumental tools in the product development process. Companies can employ these methodologies to enhance partner program processes and exceed partner and end-customer expectations.

### Understanding User Stories and Happy Flows

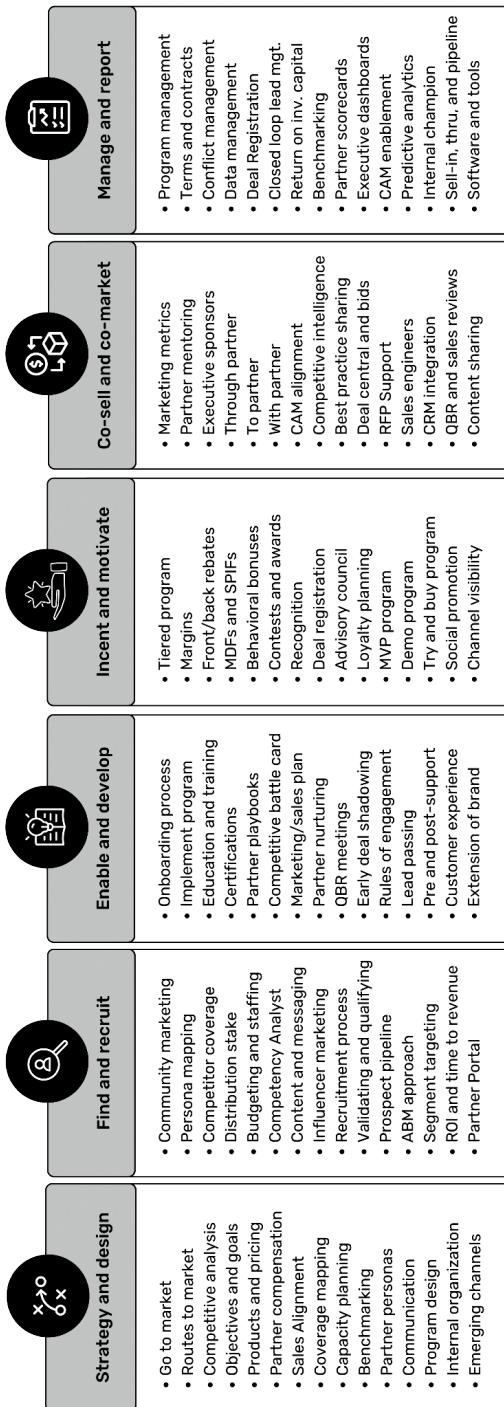
*User stories* are short, simple descriptions of a feature from the user or customer’s perspective. They typically follow a simple format: As a [type of user], I want [an action] so that [a benefit/a value]. This format helps keep the focus on the user’s needs rather than the technical specifics of how to fulfill those needs.

*Happy flows*, also known as “Happy paths,” refer to the sequence of actions the customer performs to complete a task successfully without encountering any errors or obstacles. They represent the optimal user journey through a product or service.

### The Role of User Stories and Happy Flows in Product Teams

Product teams utilize user stories and happy flows to anchor their work on user needs and experiences. This approach ensures that the development process is not just about building features but about solving real problems

## Channels, partners and alliances framework



for real people. By focusing on user stories, teams can prioritize features based on the value they deliver to users rather than technical novelty or complexity.

Happy flows, on the other hand, help design intuitive and frictionless user experiences. By mapping out these optimal paths, teams can identify and eliminate potential pain points, making the product more accessible and enjoyable.

## **Incorporating Design Thinking**

Design Thinking is a problem-solving framework that encourages teams to focus on the people they are creating for, leading to better products, services, and internal processes. It consists of five phases: Empathize, Define, Ideate, Prototype, and Test. This iterative process ensures that the final product is innovative and closely aligned with user needs.

User stories and happy flows are precious in complex processes like partner management. They help break down complexity into manageable, user-centered pieces. By focusing on individual user stories, teams can tackle complex challenges one step at a time, ensuring that each solution adds real value for the user. Happy flows, meanwhile, ensure that the overall process remains coherent and navigable even as it grows in complexity.

## **Importance in Complex Processes**

User stories and happy flows are precious in complex processes like partner management. They help break down complexity into manageable, user-centered pieces. By focusing on individual user stories, teams can tackle complex challenges one step at a time, ensuring that each solution adds real value for the user. Happy flows, meanwhile, ensure that the overall process remains coherent and navigable even as it grows in complexity.

## **Further Application in Partner Management Processes**

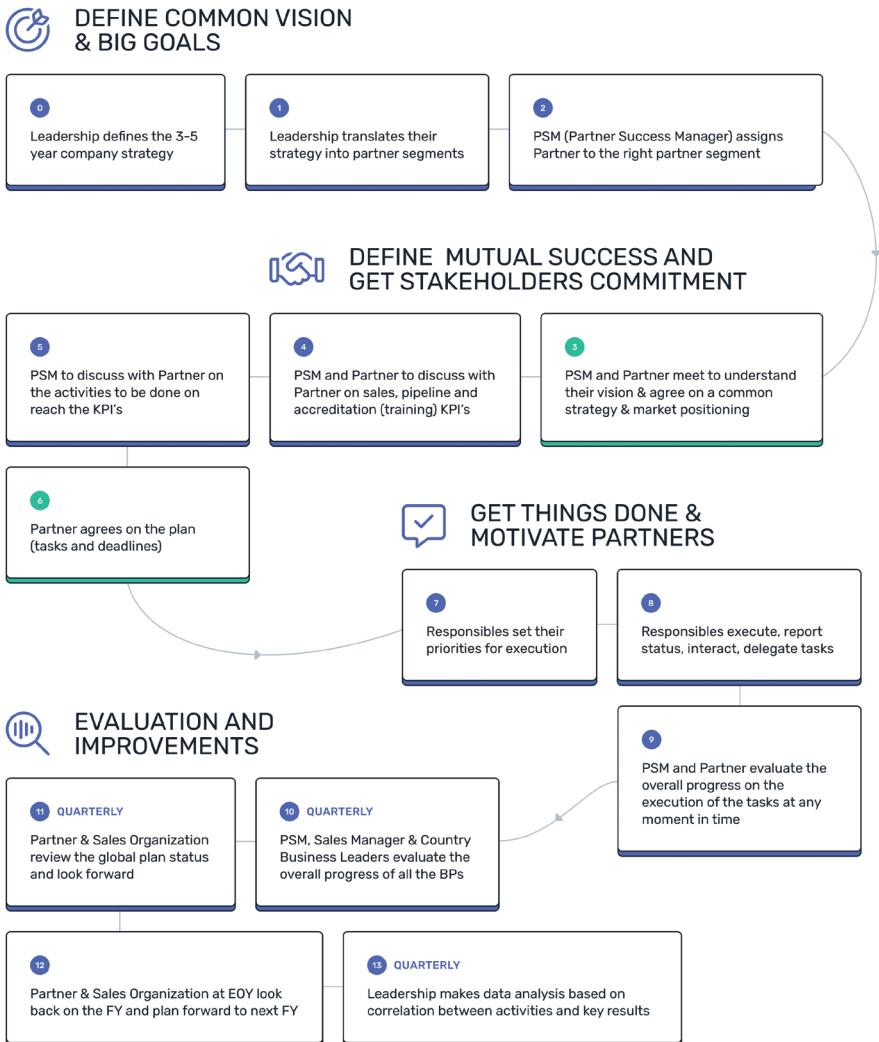
When extending these principles more specifically to partner management processes, it becomes crucial to consider both the end-customer and the partner's processes. In this context, user stories help articulate the needs

and goals of both parties, ensuring that any solutions developed enhance the relationship and processes between the business and its partners and between the partners and the end-customers.

Similarly, mapping out happy flows for both the end-customers and the partners ensures that the process is optimized for all users involved. This dual perspective ensures that the partner management process supports seamless interactions, facilitating a stronger partnership and, ultimately, a better end product for the customer.

In conclusion, integrating user stories and happy flows into partner management processes encourages a deep understanding of all stakeholder needs. This approach promotes solid and productive partnerships that deliver exceptional value to end-customers.

## Happy flow - Business planning



## Conclusion

Chapter 10 explores the pivotal role people play in driving the success of a Partner Operating Model. We've discussed the importance of new roles, such as Chief Partner Officer and Partner Managers, underscoring their strategic significance. These leaders are essential in building and nurturing partnerships, leveraging their sales, strategy, and relationship management expertise to propel organizations forward.

By implementing comprehensive capability-building strategies and fostering cross-functional collaboration, businesses can break down silos and enhance communication. This process ensures a consistent customer experience and aligns departmental goals with partnership objectives. Adopting successful capability assessment models like SWOT Analysis, McKinsey7-S Framework, and Balanced Scorecard can help identify strengths, weaknesses, and opportunities, guiding organizations toward continuous improvement and innovation.

As we look ahead to Chapter 11, we will explore the processes that underpin the future-proof Partner Operating Model. We will examine how to streamline partner selection, onboarding, and relationship management, ensuring that every step contributes to a robust and adaptable ecosystem. Join us as we uncover the essential processes that drive effective partnerships and set the stage for long-term success.

## CHAPTER 11

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# Data

### The Data Paradox: What's the System of Record?

Despite the advances in data collection and analytics, organizations often struggle with the “data paradox”—the phenomenon where having more data does not necessarily lead to better decision-making. As data sources and volumes multiply, managing and integrating this data becomes increasingly complex, leading to issues with data quality, consistency, and accessibility. This paradox highlights the critical need for robust data management strategies and advanced tools to effectively turn vast amounts of data into actionable insights.

### The Dawn of Data Warehousing

In the late 1980s, data warehousing emerged as a solution to the growing need for businesses to access and analyze large volumes of data. Initially, data warehousing was about consolidating data from various sources into a single repository. This consolidation aimed to provide companies with a comprehensive view of their operations and customer interactions, enabling better decision-making. The early data warehouses were revo-

lutionary, offering previously unattainable insights due to the dispersed nature of data across different departments and systems. However, data needs soon changed.

## **Evolution and Increasing Complexity**

As technology advanced and businesses grew, so did the complexity of data warehousing. The 1990s and early 2000s internet era brought about an explosion of data types and sources, from web interactions to Internet of Things (IoT) devices, adding complexity to data management. Data warehouses evolved to accommodate both structured data and unstructured and semi-structured data. The introduction of Big Data technologies and concepts further expanded the capabilities of data warehouses, allowing for the storage and processing of vast amounts of data in ways that were impossible before.

However, this evolution also introduced new challenges. The increased complexity made data management more complex and required sophisticated tools and expertise. Integrating data from a growing number of sources into a cohesive warehouse became daunting. Ensuring data quality and consistency across different systems added another layer of difficulty, often leading to discrepancies and reliability issues..

## **The CRM Era and the System of Record Question**

The arrival of CRM systems marked a significant shift in how companies managed their customer interactions. CRMs became essential for tracking customer information, sales activities, and communication histories. Centralizing business operations like this raised the question of what should serve as the system of record — the authoritative source of truth for a company's data.

Ideally, companies wanted a single system of records to ensure the consistency and reliability of data across the organization. With its comprehensive view of customer interactions, the CRM is a natural candidate for this role. However, the reality was more complicated. Other systems, such as Enterprise Resource Planning (ERP) software, also contained critical operations, finance, and supply chain management data. This multiplicity

of critical systems made designing a single system of record challenging.

## **Multiple Sources of Truth**

With multiple sources of truth within an organization, data often becomes siloed in different departments, each with its systems and databases. For instance, the marketing department might use a different system to track customer engagements than the sales department uses to manage sales interactions. This disparity can lead to conflicting data about the same customers or transactions.

## **Data Integration and Quality**

While the need for a single records system became apparent, integrating data from various sources is a significant challenge. It requires technical solutions for data integration and policies and procedures to ensure data quality and consistency. The process often reveals issues with data duplication, inaccuracies, and outdated information, which must be addressed to maintain the integrity of the system of record.

## **Changing Business Needs**

Another challenge is that since business needs and technologies are constantly evolving, the system of record needs to be adaptable. What works as a system of record today may not suffice tomorrow. Keeping the system of record relevant and up-to-date is an ongoing challenge that requires flexibility and foresight.

## **Leveraging AI for Business Challenges**

One effective solution to these evolving challenges is integrating Artificial Intelligence (AI). AI can significantly enhance data management by providing real-time data integration, ensuring data quality, and offering predictive insights that keep systems relevant and forward-looking. AI-powered tools can automate data consolidation, detect inconsistencies, and suggest corrections, making data management more robust and reliable. Below, I will explore how AI opens up a new paradigm.

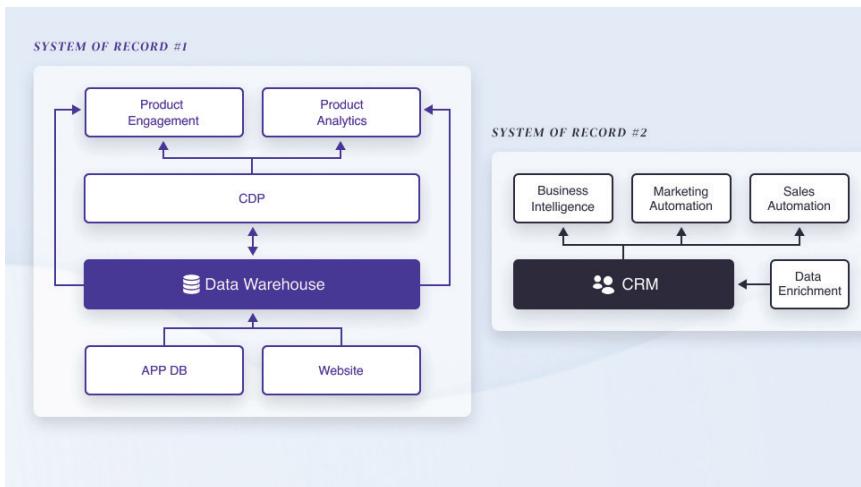
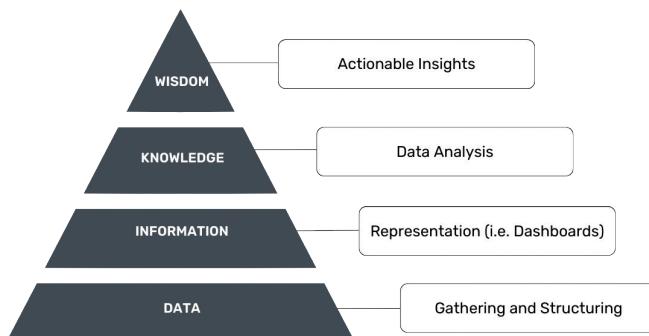


Figure: Disconnected System of Records in the GTM teams<sup>42</sup>

## AI: The New Paradigm in Data Utilization

### The Evolution of Data Utilization

The journey of data utilization in enterprises has historically been a tiered progression — from raw data to actionable wisdom. This process has been pivotal in shaping how companies strategize, make decisions, and create value.



DIKW pyramid before AI: multiple steps, resources and capabilities

<sup>42</sup> Pohl-Zaretsky, I. (2022, March 24). Is the data warehouse the new system of record?: Living in a data warehouse first world. Pocus. Retrieved April 18, 2024, from <https://www.pocus.com/blog/is-the-data-warehouse-the-new-system-of-record>

## **Data: The Raw Material**

Data in its raw form is initially simply a collection of facts and figures—sales numbers, customer interactions, inventory counts. It is akin to the raw ingredients in a pantry. Without processing, they cannot create a meal.

## **Information: The First Transformation**

The first level of transformation is turning data into information. This step involves organizing the raw data into an understandable format that can highlight relationships or trends. For example, compiling sales data into a report shows how sales have trended over the past quarter.

## **Knowledge: Adding Context**

Knowledge comes from analyzing this information to understand the reasons behind the trends or patterns. For instance, understanding that a spike in sales was due to a successful marketing campaign provides knowledge about what strategies work well

## **Wisdom: Informed Action**

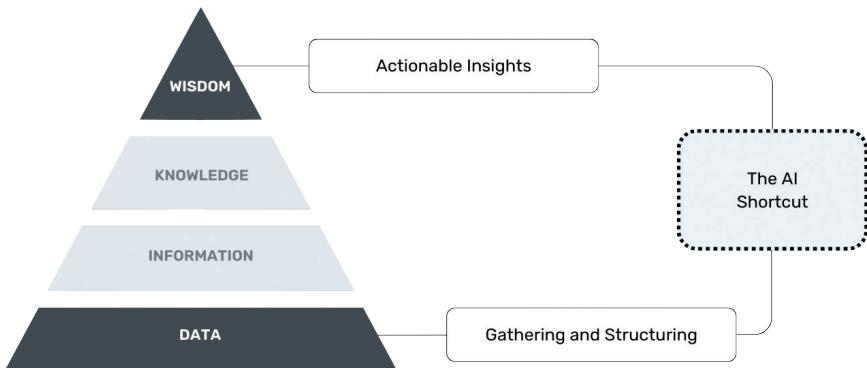
Wisdom is the stage where insights are converted into strategic actions. Knowledge that a particular marketing strategy works well can lead to wise decisions, such as allocating more of the budget to it in the future.

## **Disruption by AI**

AI has significantly disrupted this linear progression. AI's capacity to analyze extensive volumes of data at incredible speed enables businesses to leap from data directly to wisdom, bypassing the intermediary steps that traditionally required more time and human intervention.

## **From Data to Wisdom: The AI Shortcut**

AI algorithms can identify patterns and make predictions that would take humans much longer to uncover. For example, AI can predict customer behavior, identify fraud, and optimize logistics without human beings having to manually comb through the data to convert it into information and then knowledge.



*DIKW pyramid after AI: 1 step, limited resources and capabilities*

*“Modern companies are sitting on a gold mine of user and product data, but until now, only teams like analytics and engineering have had direct access. By layering AI tools on top of an existing data warehouse, companies can empower their non-technical teams like marketing, customer success, and sales to build data-informed reporting and strategies on their own. This unlock allows teams to move faster with experimentation and iteration, giving them a huge competitive advantage.”*

**Alexa Grabell, CEO and Co-Founder, Pocus**

## AI's Impact on Decision-Making

The introduction of AI alters the decision-making landscape by providing insights that are not just reactive but proactive. AI can anticipate market trends, customer needs, and even potential operational issues before they arise, enabling companies to be more agile and forward-thinking.

Example: Predictive Analytics in Retail

In retail, AI systems analyze customer data and predict future buying patterns. This is not just information or knowledge but actionable wisdom that can inform stock levels, marketing strategies, and even the development of new products.

## Reorganizing for AI Integration

For companies to harness AI's full potential, they need to make fundamental changes to their organizational structure and processes.

tal changes to their data operating models.

## **Data Accessibility**

Organizations must ensure that data is accessible for AI systems to analyze. This means breaking down silos and integrating data across departments, creating a unified data ecosystem.

## **Quality and Governance**

Data quality is paramount. Companies must invest in systems and processes that ensure the data fed into AI systems is accurate and clean. Moreover, companies must establish governance protocols to manage AI decision-making's ethical and legal implications.

## **Talent and Culture**

Companies should cultivate a culture that understands and embraces AI. This culture includes investing in talent that can work alongside AI — e.g., interpreting its findings, providing feedback, and applying a human touch to AI-driven decisions.

## **Continuous Learning and Adaptation**

AI is not a set-it-and-forget-it solution. Organizations must be committed to continuous learning and adaptation as AI systems evolve and improve over time. This commitment requires a feedback loop where human input and AI output inform each other.

## **Strategic Alignment**

Lastly, integrating AI into the company's strategic vision is crucial. Leadership must be clear about how AI fits into the company's goals and how it can be used to create competitive advantages.

## **Integrating Second-Party Data into Sales, Marketing, and Customer Success Workflows**

Understanding the nuances between different types of data is crucial for optimizing business workflows. First-party data, which a company col-

lects directly from its customers, is highly valued for its accuracy and relevance. Third-party data, sourced externally, offers a broader but often less precise view of consumer behaviors.

Second-party data has emerged as a vital new type of data asset. This data type is another organization's first-party data, shared through a trusted partnership. It bridges the gap between first- and third-party data, providing unique insights without the broad generalization that often accompanies third-party sources. This collaborative approach allows businesses to enhance their data strategies by integrating valuable insights from partners, improving targeting and personalization efforts.

Chris Samila, Co-founder of Partnership Leaders, describes the evolving landscape as follows: “You can think about partner relationship data as a second-party data which complements third-party data (information that an organization collects from external sources rather than directly from its own customers or users) and first-party data (data your own company procures through direct relationships). You now also have the ability to utilize this partner relationship data in the workflows of other teams like sales, marketing, and customer success that historically lacked visibility into this valuable datastream.”

#### Relative importance of partner enablement steps by archetype

	Basic	Pro	Expert
<b>Save Time</b>	Flag partners needing attention based on performance metrics	Forecast partner performance and support needs based on trends	Suggest partner plan and forecast to partners
<b>Work more proactively</b>	AI sets reminders based on engagement history	Auto-generate action plans for emerging co-selling opportunities	Suggest next best actions with tailored AI insights from knowledge base
<b>Become Smarter</b>	Generate automated reports on partner performance trends	Create dynamic, real-time analytics dashboards for partners	Produce predictive partner success metrics
<b>Guide Stakeholders</b>	Deliver real-time updates using data-driven AI prompts	Provide instant guidance with AI-powered personal assistance	Customize the onboarding process based on each partner's needs
<b>Automate Processes</b>	Automate outreach to partners with scheduled undates	Automate onboarding processes	Automated dynamic partner planning and forecasting cycles

## Data Ambiguity: A Killer of Partner Clarity

A well-executed channel data management (CDM) strategy is not a luxury but a requirement for those seeking to make indirect sales a competitive advantage.

### The Complex Choreography of Data Management in Partner Organizations

Effective data management within an organization requires seamless integration across all sectors. The complexity of this task is magnified in the context of partner management, where multiple stakeholders must align their distinct data inputs. The vendor/carrier is responsible for ensuring that these diverse data sources work in concert to support a cohesive strategy. Discrepancies in data integration can result in inconsistent information, negatively impacting performance analysis and decision-making processes.

Effective partner management is heavily reliant on the strategic use of data. The absence of a robust, comprehensive CDM strategy can present significant challenges for technology vendors, especially when dealing with indirect market routes.

*“Many vendors lack the fundamental element that makes policies, processes, and systems work efficiently and effectively: reliable data.”*

**Bryn Nettesheim, VP Professional Services, Channelnomics**

Strategic data use translates well into the rise of AI in partnerships. AI is at the top of many executives' minds. However, it is essential to remember that the success of an AI implementation depends on more than just understanding this new technology. It also heavily relies on the availability and quality of the data.

While AI promises to revolutionize partnership management, the foundational requirement remains meticulously curated data. As shared by Alli-

ances & Channels Consulting Co-Founder Serge Costa, the reality is that approximately 80% of partnership processes are inadequately digitized, making historical data sporadic at best and non-existent at worst. This gap highlights the urgent need for digital transformation in managing partnerships and recording data.

The key is having access to clean, accurate, and well-integrated data and ensuring that this data adheres to stringent governance standards. Therefore, effective AI deployment in partnership management hinges on an organization's ability to enforce robust data governance, establish regular audits, and seamlessly integrate AI capabilities with existing systems. These steps will foster a data environment ripe for AI to function and thrive, transforming raw data into actionable insights that drive strategic partner management decisions.

### **Don't Wait for Your Data and IT Team: The Power of 3 Qualitative Questions**

The book *The Coaching Habit: Say Less, Ask More & Change the Way You Lead Forever* by Michael Bungay Stanier explains that asking quality questions leads to deeper understanding and engagement.

This is incredibly pertinent in business partnerships, where the complexities of collaboration require a nuanced understanding of each party's goals, challenges, and perspectives.

Three qualitative questions drawn from the principles outlined in *The Coaching Habit* that can significantly enhance partner interactions include:

- 1. “What’s on your mind?”** This open-ended question invites partners to share what is most important to them, setting the stage for a focused and relevant conversation. It signals a genuine interest in their current priorities and challenges.
- 2. “And what else?”** Stanier describes this as the “AWE” question. It encourages deeper reflection and exploration, often uncovering underlying issues or additional insights that were not initially apparent. This question helps peel back the layers of a partner’s initial respons-

es, revealing more about their needs and expectations.

3. **“What’s the real challenge here for you?”** This question cuts to the heart of the matter, prompting partners to identify the core issues they are facing. It helps move the conversation beyond symptoms and toward the root cause of challenges, enabling more effective problem-solving and collaboration.

By incorporating these questions into interactions with business partners, leaders can foster more open, trusting, and productive partnerships. Stanier’s principles not only improve the quality of conversations but also empower partners to articulate their thoughts and concerns more clearly. This approach deepens mutual understanding and aligns efforts to achieve shared goals, demonstrating the profound impact of quality questions.

*“Knowledge is a process of piling up facts,  
wisdom lies in their simplification”*  
**Martin H. Fischer, CTO, I&I Versatel**

## Conclusion

Chapter 11 concludes with a clear understanding of the “data paradox” and the evolution of data warehousing. Despite its abundance, we have explored how data can become challenging if not managed well. We have seen the rise of data warehousing as a solution to handle large volumes of data, evolving from simple repositories to complex systems accommodating various data types. Maintaining a single system of record amid multiple data sources remains critical. AI’s potential to enhance data management by ensuring quality and providing real-time insights is a beacon of hope in this complex landscape.

As we look ahead to Chapter 12, we will transition from discussing data to exploring the role of technology in modern partnerships. The evolution of partnership strategies and the tools that support them are essential for adapting to the industry’s ever-changing needs. We will discuss the shift from traditional methods to innovative solutions that enable better collaboration and success. Join us in Chapter 12 as we navigate the dynamic world of technology and its impact on building and maintaining strong, effective partnerships. The journey from understanding data to leveraging technology promises to be exciting and enlightening.

## CHAPTER 12

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# Technology

## The Transition From Traditional to Modern Partnerships

The evolution of partnership strategies in technology is not just about adopting new tools but also about understanding the changing needs discussed in Chapter 1. While traditional channel partnerships remain crucial in specific sectors, there is a rapid expansion in the variety of partnership models, particularly within tech companies. This diversification necessitates the development of the tools used to manage these partnerships, which are rapidly evolving.

### The Role of New Tools in Modernizing Partnerships

The shift in the partnership landscape is partly driven by the inadequacy of old tools to meet new demands. Today's partnership strategies require solutions specifically designed to support dynamic and diverse go-to-market motions. My aim in this chapter is to show this gap by exploring both existing technologies and the potential for new solutions that could revolutionize partner collaboration and management.

## Navigating the Partner Technology Maze

With many acronyms, varying tech solutions, and vendors claiming to address numerous challenges, companies often find themselves lost in a jungle of options. The result is frequently a compromise on solutions that are not purpose-built, leading to poor user experiences and inefficiencies.

### Added Complexity

Many tech vendors market their solutions as silver bullets capable of solving various partner management issues. However, these solutions are often not purpose-built for a specific problem and lack integration with core business systems, such as CRM platforms. This mismatch can lead to a disjointed experience and, ultimately, more complexity for the managing organization and its partners.

### A Call for Simplification and Consolidation

The path forward involves a fundamental shift in how companies approach partner tech. Simplification and consolidation of technology solutions, grounded in a deep understanding of the partner journey, is crucial. Here is how organizations can navigate this transformation:

#### Starting With the Partner Journey

The first step toward simplification is to focus on the partner journey, understanding the unique needs and challenges partners face at different stages. This approach ensures that the technology solutions developed or adopted are relevant and add value to the partners. Companies should map out the entire partner lifecycle, from onboarding to growth and beyond, identifying key touchpoints and areas where technology can enhance the experience.

#### Prioritizing Integration

Integration should be a core consideration, particularly with native CRM systems. The reliance on makeshift solutions, such as using I-frames to embed external applications into a CRM, creates a disjointed and often frustrating user experience. Instead, partner tech solutions should seamlessly integrate with existing CRM packages, enabling a unified view of

partner activities and facilitating better communication and collaboration.

## Emphasizing Purpose-Built Solutions

Finally, design thinking principles should guide the development of partner tech solutions. This approach involves empathizing with users, clearly defining the problems, ideating on solutions, prototyping, and testing. Solutions should be purpose-built, addressing well-defined problems specific to partner management. This focus ensures that the technology not only serves its intended purpose but also delivers a superior user experience.

### The Arrival of Marketplaces

One particularly fascinating evolution is the arrival of new types of marketplaces, which can be seen in different industries.

For example, in the tech industry, we see the inevitable and increasing importance of cloud marketplaces, which offer many opportunities for technology companies and systems integrators to package their services more effectively.

In the financial services market, reinsurance platforms play a crucial role in the global insurance industry by providing necessary tools and services to manage and transfer risks efficiently and effectively. These platforms aim to improve efficiency, transparency, and connectivity within the reinsurance market, often leveraging technology such as cloud computing, data analytics, and sometimes blockchain to enhance the processes involved with risk transfers. Moreover, AI and data analytics use in reinsurance is becoming increasingly significant.

AI analyzes large volumes of data quickly, improving decision-making and operational efficiency. These technologies are helping re-insurers and insurers manage complex risk portfolios and adjust to evolving risk landscapes, such as those caused by climate change and cyber risks. Overall, the trend toward digital transformation in reinsurance is growing, with platforms playing a pivotal role in modernizing the industry and ensuring better risk management and operational efficiency.

## Major Cloud Marketplaces

**AWS Marketplace:** Provided by AmazonWeb Services, AWS Marketplace features a vast range of business software and services that can be integrated with AWS's cloud environment. It supports various data analysis tools, security applications, and business applications. AWS Marketplace is known for its extensive selection and integration with AWS's extensive cloud services.

**Microsoft Azure Marketplace:** This marketplace offers both Microsoft-developed and third-party software and pre-configured services to work with Azure. A key differentiator is its strong emphasis on Microsoft products and services, making it ideal for businesses heavily invested in the Microsoft ecosystem.

**Google Cloud Marketplace:** Google's offering includes applications and development stacks that can be quickly deployed on Google Cloud. It focuses on developer tools, data analytics, and machine learning solutions leveraging Google's AI and data management strengths.

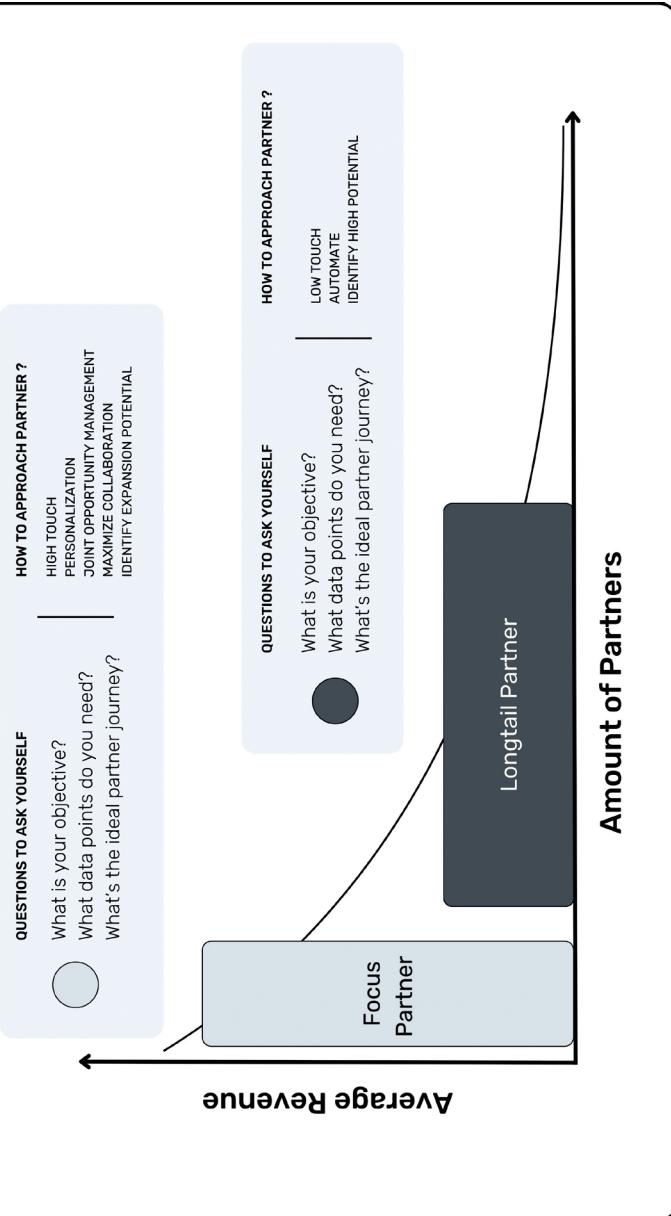
### Major Reinsurance Platforms

**Aon's Reinsurance Solutions:** Aon is a leading global professional services firm that provides a broad range of risk, retirement, and health solutions. Aon's Reinsurance Solutions offers advanced analytics, catastrophe management services, and consultancy to help clients manage volatility and improve performance.

**Swiss Re:** Swiss Re is one of the world's leading risk assurance and insurance providers. It specializes in traditional risk transfer, risk pooling, and risk quantification capabilities. It also focuses heavily on research and data analytics to innovate risk assessment and financial strategies.

**Munich Re:** Munich Re is known for its comprehensive range of reinsurance and insurance services covering the entire value chain of both fields. It differentiates itself by offering tailored solutions and being heavily involved in digitizing the insurance and reinsurance processes.

## Focus Partners vs Long Tail Partners



## Your Partner Journey Defines Your Priorities

In the jungle of partner management solutions, simplifying technology choices is crucial for fostering robust relationships and streamlining operations. I see Deloitte's seven steps of the partner journey as a comprehensive framework that can be used here:

**The partner journey, as outlined by Deloitte, consists of seven critical steps:**

1. **Partner Onboarding:** The crucial first phase where partners are integrated into the company's ecosystem.
2. **Goal Alignment:** Establishing and synchronizing objectives to ensure mutual success.
3. **Product / Service Education:** Providing partners with the necessary knowledge about products or services.
4. **Sales and Marketing Training:** Equipping partners with strategies and skills for effective selling and promotion.
5. **Partner Tools:** These tools help partners in sales and marketing efforts.
6. **Product and Resources Updates:** Keeping partners informed about the latest product developments and resources.
7. **Partner Feedback:** Engaging in a two-way dialogue to receive and act on partner input.

(Stefanita et al., 2020)

## Simplifying Success: Four Tech Categories

To navigate these steps efficiently, we can simplify partner tech into four streamlined categories:

### 1. Alignment and Collaboration

Alignment and collaboration are the bedrock of a successful partnership. Utilizing Business Relationship Management (BRM) tools like Qollabi can enhance the strategic alignment by providing a centralized platform for managing and nurturing these relationships. Account mapping tools

such as Reveal, Crossbeam, and PartnerTap allow for uncovering mutual customers and prospects, essential for coordinated market efforts.

## 2. Education

A well-informed partner is a powerful ally. Learning Management Systems(LMS) are transformative tools that centralize and standardize product and service education. They provide a repository of training materials, courses, and certifications that partners can access to stay up-to-date with the company's offerings.

## 3. Equipment

Equipping partners with the right tools is a catalyst for empowerment. Deal registration and lead management systems streamline the sales process, while Channel Marketing Automation (TCMA) and Partner Relationship Management (PRM) systems bolster marketing efforts. Company-hosted partner hubs serve as one-stop shops for resources, and automation tools can reduce the administrative burden, allowing partners to focus on driving sales.

## 4. Reporting

Finally, understanding the impact of your partners is vital. Channel analytics and performance tracking, possibly through robust Business Intelligence platforms, offer real-time insights into the efficiency of partner activities. CDM systems help manage and interpret sales data. Tools like 360 Insights can simplify the management of channel incentives and programs.

By consolidating the partner journey into these four technology categories, companies can create a more cohesive and streamlined partner experience. Each category addresses a specific area of the journey, reducing complexity and enhancing focus. This strategic consolidation enables businesses to support their partners through every step of the journey, fostering stronger relationships, improving partner performance, and ultimately driving mutual growth and success.

## The Progressive Path to Partnership Proficiency: Crawl, Walk, Run

The journey of a thousand miles begins with a single step. This ensures that businesses grow their partner capabilities in tandem with their operational maturity, avoiding the pitfalls of rushing into complex systems or processes prematurely. Let's explore how organizations can effectively scale their partner technology stack by following this structured approach.

### Laying the Groundwork: The Crawl Stage

#### Starting with the Essentials

In the initial “crawl” phase, organizations focus on laying a robust foundation. This stage is about setting up simple, yet effective systems and processes that can be easily adopted by small partner teams. This is the time for establishing clear procedures and ensuring that partners are onboarded with a thorough understanding of shared goals and objectives.

#### The Power of Simplicity

Here, simplicity is the key. Tools like onboarding checklists, mutual success plans, and basic account mapping spreadsheets provide the framework for a transparent and manageable start to the partnership. Education takes the form of custom workshops tailored to meet the unique needs of each partner, ensuring a high engagement level from the get-go.

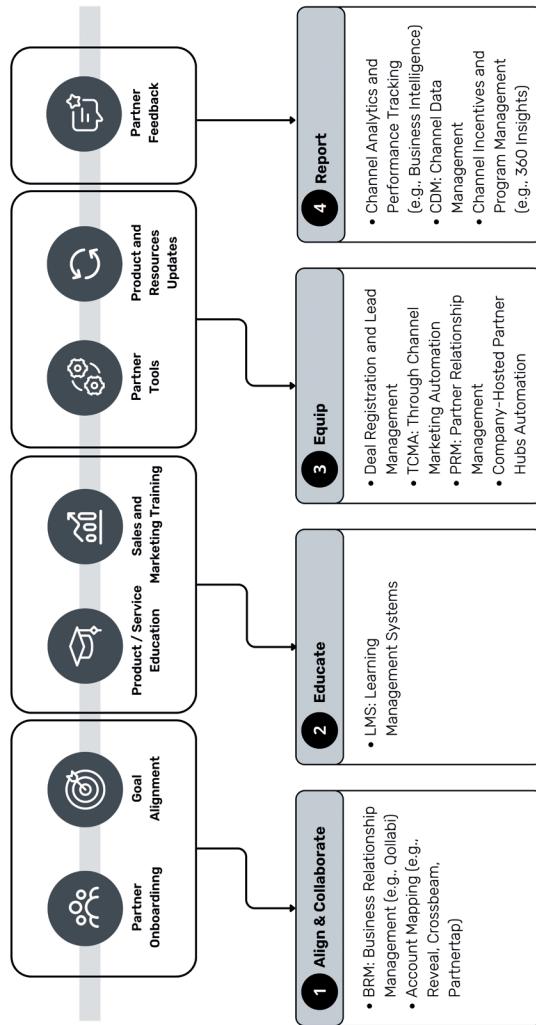
### Building Upon the Base: The Walk Stage

#### Structuring for Growth

The “walk” phase introduces more structured approaches as partner teams grow and their activities increase. This stage is characterized by digitizing educational content and introducing stand-alone BRM and account mapping solutions. These technologies shape a more strategic approach to partner management without overcomplicating the processes.

## Technology Overview

### 7 Steps of Partner Enablement



**INTEGRATE BETWEEN AND WITH SYSTEM OF RECORD (CRM/DATA WAREHOUSE)**

## **Creating a Blueprint for Success**

The technology serves as a blueprint for success at this mid-level of proficiency. Digitized sales and marketing content become readily accessible, and regular business reviews are instituted to foster a culture of continuous improvement and strategic alignment. This phase is where the partnership begins to create a clear path forward, setting the stage for more sophisticated integrations and collaborations.

## **Achieving Symbiotic Synergy: The Run Stage**

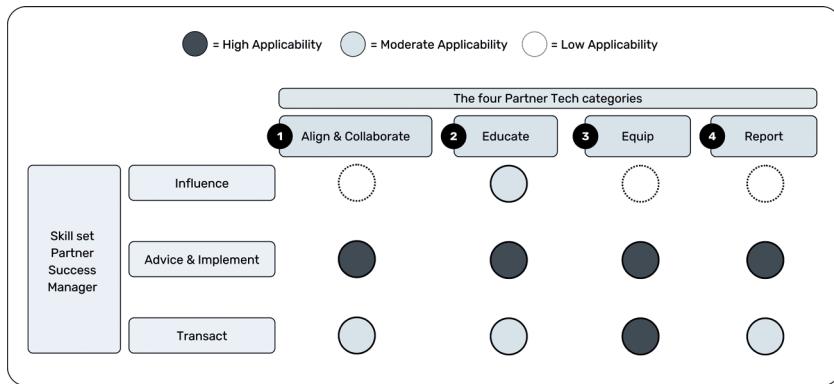
### **Integrating and Scaling**

In the “run” stage, large partner teams benefit from an integrated and scalable approach. Technologies are no longer standalone solutions but have become natively integrated into the company’s core systems, such as CRMs or data warehouses. This seamless integration is crucial for effectively managing complex relationships and large volumes of data.

### **The Peak of Partner Technology**

A scalable LMS, centralized deal registration, PRM, and advanced reporting mechanisms illustrate the peak of partner technology. These tools offer real-time updates on partner tasks, performance, and strategic objectives, facilitating high agility and responsiveness.

### Tailoring Partner Technology to Relationship Types and Partner Success Manager Skill sets



*Technology is not the holy grail: the choice of a partner technology solution heavily depends on the type of partner relationship and the required capabilities of the partner success manager.*

### Matching Maturity With Technology

The crawl, walk, run approach is not just about implementing technology; it is about matching the right level of technological sophistication with the maturity of the partner organization. By doing so, companies ensure that partners are not overwhelmed by the complexity they are not yet ready to handle, which can lead to disengagement and inefficiency.

### The Roadmap to Excellence

This crawl, walk, run approach is a roadmap to operational excellence in partner management. It allows organizations to grow their partner programs organically, ensuring that each new technological capability introduced builds upon a well-established foundation. By carefully scaling up their technological stack, organizations can navigate the journey from small-scale operations to sophisticated, large-scale partnerships with clarity and confidence.

### Technology: Crawl-Walk-Run Roadmap

Partner Success Teams	CRAWL	WALK	RUN
	Proof Success	Create Blueprint	Integrate & Scale
	Small	Medium	Large
1 Align & Collaborate	<ul style="list-style-type: none"> <li>• Partner Onboarding Checklist</li> <li>• Partner Mutual Success Plan</li> <li>• Account Mapping Spreadsheet</li> </ul>	<ul style="list-style-type: none"> <li>• Stand-alone BFM solution (e.g. Qollab)</li> <li>• Stand-alone account mapping solution (e.g. Reveal, Crossteam, Partnertrap)</li> </ul>	<ul style="list-style-type: none"> <li>• CRM &amp; Account Mapping natively integrated with the System of Record (CRM/Data warehouse)</li> </ul>
2 Educate	<ul style="list-style-type: none"> <li>• Custom Made Workshops</li> </ul>	<ul style="list-style-type: none"> <li>• Educational Content Digitized and Accessible</li> </ul>	<ul style="list-style-type: none"> <li>• Scalable LMS</li> </ul>
3 Equip	<ul style="list-style-type: none"> <li>• Partner Training Document</li> </ul>	<ul style="list-style-type: none"> <li>• Sales &amp; Marketing Content Digitized and Accessible</li> </ul>	<ul style="list-style-type: none"> <li>• Centralized Deal reg / PRM / Poral / TCMA etc</li> </ul>
4 Report	<ul style="list-style-type: none"> <li>• Monthly Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>• Install MBRs/QBRs (Monthly/Quarterly Business Reviews)</li> </ul>	<ul style="list-style-type: none"> <li>• Real-time Partner Tasks and Next Best Actions, Performance Updates, Digests on OKRs and Opportunities</li> </ul>

*Build your tech stack step-by-step to support expanding partner collaboration.*

## The Imminent Disruption of Indirect Sales Channels: Deloitte's Vision on an Integrated Ecosystem<sup>43</sup>

### Adapting to Micro-Eras

Modern businesses must remain agile to successfully navigate through “micro-eras”— i.e., short periods of intense change driven by new technologies, shifting consumer behaviors, and market volatility. These periods require a distribution approach that is both flexible and responsive.

*“Thriving in micro-eras demands more than agility; it compels organizations to proactively refine their distribution strategies, ensuring they can swiftly adapt and consistently outpace technological shifts and market dynamics”*

**Louis Bannah, Manager, Deloitte Digital**

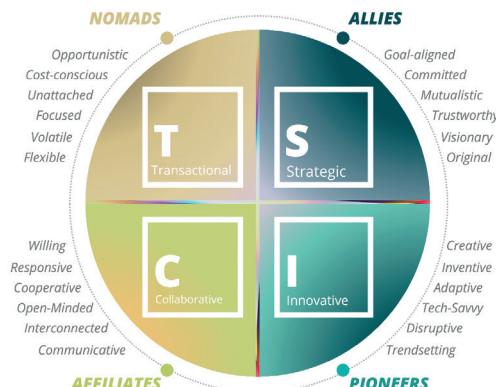


Figure: The different type of partner as portrait by Deloitte Digital

### Importance of Partner Segmentation

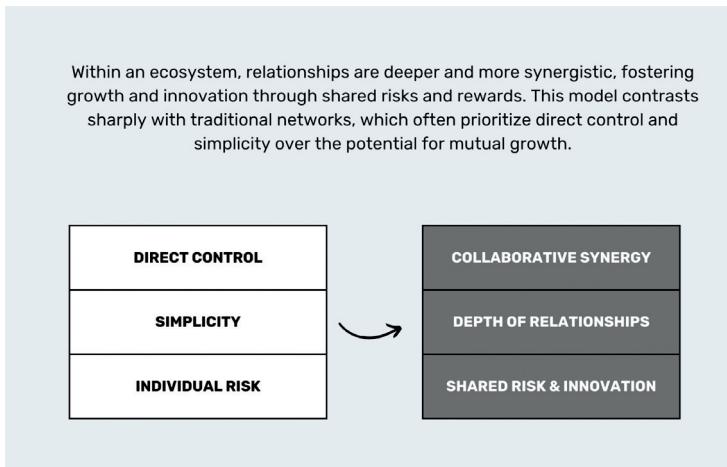
Understanding the diversity among partners is critical in refining distribution strategies. For example, “Transactional” partners, who are primarily

<sup>43</sup> Bountzoukos, E., & Bannah, L. (2024, May). The Imminent Disruption of Indirect Sales Channels: Embracing an Integrated Ecosystem. Deloitte Netherlands. Retrieved May 14, 2024, from <https://www2.deloitte.com/nl/nl/pages/customer-and-marketing/articles/the-disruption-of-indirect-sales-channels.html>

cost-driven and may have fluctuating loyalty, are different from “Strategic” partners, who are committed to collaborative growth and shared visions. Recognizing and engaging different partner types can drive organizational growth and foster robust partnerships.

## Building an Integrated Ecosystem

Moving toward an integrated ecosystem involves creating more collaborative relationships with partners. This ecosystem supports co-development initiatives and market expansion and incorporates cutting-edge technology and innovative practices from partners.



*The relationship shift from traditional networks to an ecosystem*

*“Becoming the ‘Champions of the Ecosystem’ is what will set organizations apart from their competitors. Their advantage lies within their ability to harness the right data and insights at scale and pace, driving consistency throughout their markets. This proactive approach to partner management is driven by a transformative strategy that elevates the champion to unprecedented levels of excellence and influence.”*

*Eustache Bountzoukos, Director, Deloitte Digital*

## Standalone CRM: The Starting Point

CRM systems have traditionally been the engine behind customer management strategies. Their strength lies in capturing customer data and managing interactions, which is invaluable for executing focused and targeted campaigns.

## BRM and CRM Side by Side: Domain Expertise Unlinked

A standalone CRM system effectively manages customer relationships, including a separate BRM system that recognizes the distinct domain of business relationships. Each system's independent operation allows for domain specialization but also introduces potential missed opportunities due to the lack of integration. Still, having both provides:

**Scalability and Flexibility:** Each system can scale independently, providing flexibility in choices and adaptability to specific needs.

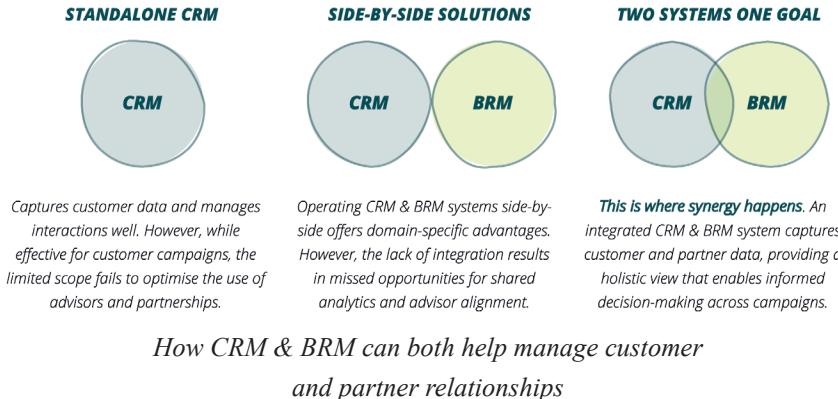
**Dedicated Analytics:** Individual analytics and reports cater to distinct areas, ensuring domain-specific insights.

## Two Systems, One Goal: The Integrated Approach

While there is value in having both a CRM and BRM separately, the highest potential lies in integrating these systems. A unified system captures a holistic view of customer and partner data, enabling informed decision-making and synergized campaigns.

*“When CRM and BRM systems are integrated, they become more powerful than the sum of their parts, harnessing real-time data to enhance decision-making across every touchpoint of customer and partner interactions.”*

*Eustache Bountzoukos, Director, & Louis Bannah,  
Manager, Deloitte Digital*



## Collaborative Success: Maximizing Mutual Benefits

Integrating CRMs with BRM tools like Qollabi elevates the partnership from mere administrative interactions to dynamic collaboration. This synergy breaks down barriers and fosters an impactful relationship, setting the stage for mutual success. It also provides benefits such as:

**Maintaining Partner Preference:** Automation and system-generated messages align goals, making your organization a preferred strategic partner.

**Knowledge Distribution:** An agile framework for knowledge sharing ensures that you and your partners benefit from shared insights, fortifying the partnership.

In conclusion, according to Deloitte, unifying CRM and BRM systems is pivotal for the success of any organization's distribution. It streamlines processes and deepens customer and partner relationships, driving strategic growth and establishing a competitive edge in the market. The integration of these systems is, indeed, the new DNA of distribution success.

## Conclusion

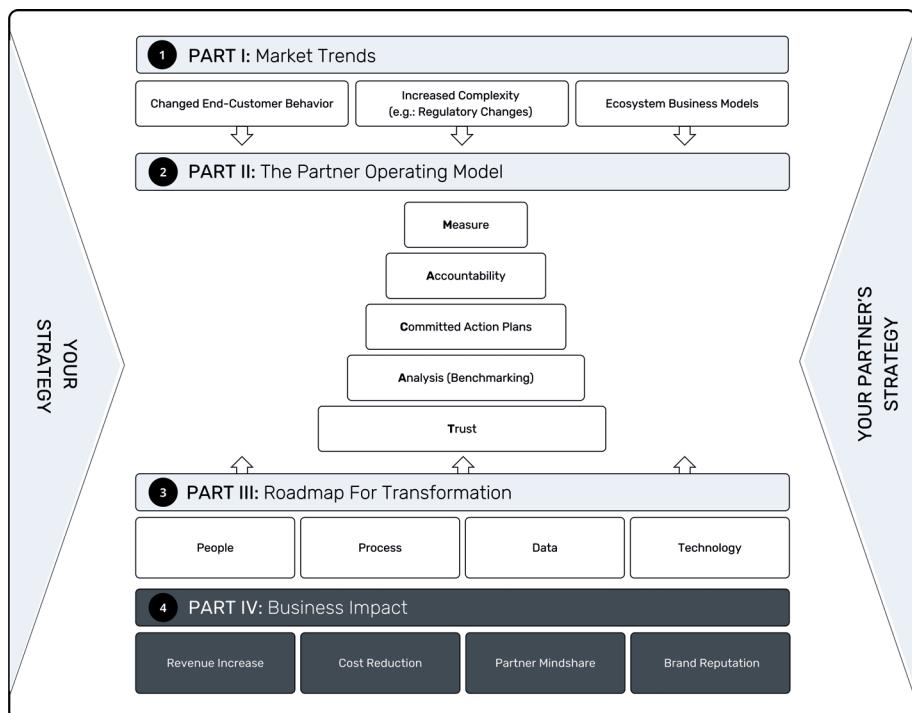
Technology is not merely a set of tools but a fundamental driver of partnership evolution. The shift from traditional to modern partnerships reflects a broader transformation within the industry, where new tools and marketplaces are reshaping how companies collaborate and grow.

Navigating the partner technology maze is complex and underscores the need for simplicity and consolidation. Organizations can create a seamless, efficient, and effective partnership ecosystem by focusing on the partner journey and emphasizing purpose-built solutions.

Chapter 13 will discuss the tangible impacts of implementing the Partner Operating Model. We will uncover a well-executed partner ecosystem's strategic, operational, and financial benefits by examining research and evidence from leading consultancies like McKinsey, Ernst & Young, and Boston Consulting Group. This exploration will highlight how ecosystem strategies foster growth, resilience, and long-term success, providing a comprehensive understanding of the power of partnerships in the modern business landscape.

## PART IV

# Business Impact



## CHAPTER 13

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# Evidence

In this chapter, we consolidate evidence detailing the impact that implementing the Partner Operating Model, as presented in the form of TA—CAM can have on your organization. Drawing from research by esteemed consultancies and communities with deep expertise in the domain, these analyses will provide a layered understanding of the strategic, operational, and process-driven facets of partner ecosystems.

### **McKinsey: Growth and Resilience Through Ecosystem Building<sup>44</sup>**

#### **Main Takeaway**

Effective ecosystem strategies can provide significant near-term benefits and promote long-term growth and resilience for organizations. Building ecosystems in complementary sectors is highlighted as a crucial path for

<sup>44</sup> Freundt, T., Jenkins, P., Khan, H., Rab, I., & Kabay, T. (2023, May 23). Growth and resilience through ecosystem building. McKinsey & Company. Retrieved May 6, 2024, from <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/growth-and-resilience-through-ecosystem-building%20%20>

growth, enabling companies to unlock value at lower risk than independent efforts. The article underscores the importance of diversification and enhancing customer value through ecosystem building while addressing the challenges and critical actions necessary for successful implementation.

## **The Genesis of Ecosystem Strategy**

Though relatively recent in formal acknowledgment, the concept of an ecosystem strategy has roots deep in the history of strategic business development. Tech giants like Alibaba, Amazon, and Microsoft have long championed the cause, leveraging strategic alliances across sectors to craft integrated value propositions centered around customer needs. Today, this approach has transcended its tech origins, becoming a mainstream strategy for companies across various industries. Nearly half of resilience leaders now prioritize ecosystem strategies as a key driver of growth and durability.

## **The Opportunity and Challenge of Building Ecosystems**

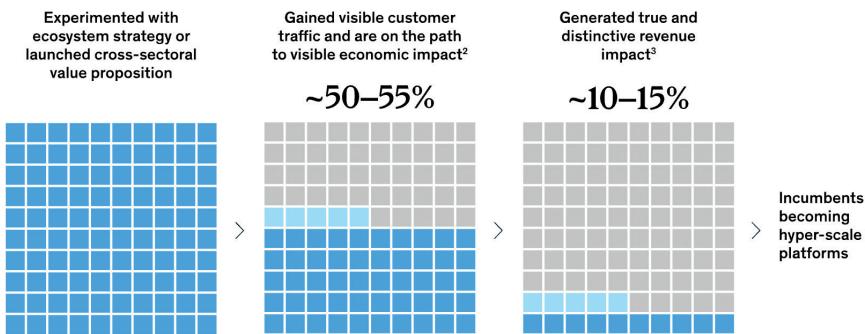
Building a thriving ecosystem is no trivial task. Only a fraction of incumbents can claim to have derived distinctive non-core revenue through their ecosystem initiatives. However, the potential rewards are monumental. Fueled by such ecosystems, the integrated network economy is projected to represent a staggering \$100 trillion value pool by 2030, accounting for approximately one-third of global sales output. This estimate underscores the immense economic significance of ecosystems in the future marketplace.

## **Near-Term Benefits and Long-Term Resilience**

Ecosystem strategies stand out for their long-term value-creation potential and immediate impact on business performance. Companies can enhance their growth sectors by venturing into new value pools and diversifying revenue streams, leading to improved valuations and more robust financial health. In the near term, ecosystem strategies facilitate accelerated customer acquisition, heightened customer loyalty, and enriched customer insights, driving rapid growth and enhancing the customer experience.

**Ecosystem building can be complex, and many organizations fall short of reaching the impact they set out to achieve.**

Analysis of 100 incumbent companies' ecosystem strategies and their success over time, 2019–22<sup>1</sup>



<sup>1</sup>Incumbents used in sample are defined as established companies, often market leaders, in a particular industry that have moved to noncore activities (excludes Alibaba, Alphabet, Amazon, Baidu, Google, Netflix, and Tencent). The sample composition did not change from 2019 to 2022.

<sup>2</sup>Defined as a sizable amount of customer usage, based on company size and customer type (eg, B2C vs B2B). Quantitative metrics include monthly active users, app downloads, and gross merchandise value.

<sup>3</sup>Defined as revenue generated directly from ecosystems: quantitatively, meaning more than 5% of total revenue; or qualitatively, meaning indirect revenue uplift in core estimated to be more than 5% of total revenue, based on expert analysis.

Source: McKinsey Ecosystem Strategy Hub; McKinsey analysis

McKinsey & Company

## Overcoming Implementation Challenges

Despite the clear advantages, many organizations struggle to realize the full potential of their ecosystem strategies. Success requires a nuanced approach, encompassing the identification of complementary sectors, a focus on customer value, strategic partnerships, effective governance, data integration, and impact measurement through tailored KPIs. Addressing these areas with precision and foresight is crucial for overcoming the inherent complexities of ecosystem building.

## The Path Forward

As the global economy continues to integrate, the urgency for companies to adopt and refine their ecosystem strategies has never been greater. The potential for a \$100 trillion integrated network economy is promising, as consumers across various sectors are ready, creating an ideal environment for ecosystem growth. For companies willing to navigate the challenges, the rewards of ecosystem building—both immediate and long-term—offer a compelling case for action (McKinsey & Company, 2023).

## **Ernst & Young (EY): The CEO Imperative: How Mastering Ecosystems Transforms Performance<sup>45</sup>**

### **Main Takeaway**

The strategic adoption and mastery of ecosystem business models emerge as a pivotal imperative for CEOs and business leaders aiming to drive transformational growth, enhance performance, and accelerate innovation within their organizations. By integrating diverse partnerships and leveraging the synergies across various entities, ecosystems contribute significantly to revenue growth and cost reduction, enhance operational efficiencies, and foster innovation. High-performing ecosystems, characterized by strategic management, dedicated leadership, and operational autonomy, demonstrate superior financial performance and market resilience. As the business landscape continues to evolve, the ability to effectively manage and capitalize on ecosystem opportunities will define the success of forward-looking organizations, making it essential for leaders to embrace ecosystem strategies as a core component of their growth and value-creation agenda.

### **Cost Reduction of 12.9%**

Ecosystem business models have emerged as significant value drivers across various industries and geographies. An ecosystem approach enables organizations to create and participate in a network of partnerships, synthesizing the capabilities and offerings of diverse entities to serve comprehensive customer needs. This model promotes innovation and operational efficiencies and accelerates growth by tapping into new markets and customer segments.

According to a comprehensive study involving over 800 business leaders, ecosystems account for an average of 13.7% of total annual revenues, underscore the reduction of costs by 12.9%, and contribute to an increase in incremental earnings by 13.3%. These figures highlight the tangible financial benefits that ecosystems can deliver, underpinning their strategic

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<sup>45</sup> Sarafin, G. (2022, January 23). The CEO Imperative: How mastering ecosystems transforms performance. EY. Retrieved March 27, 2024, from [https://www.ey.com/en\\_gl/alliances/the-ceo-imperative-how-mastering-ecosystems-transforms-performance](https://www.ey.com/en_gl/alliances/the-ceo-imperative-how-mastering-ecosystems-transforms-performance)

importance in today's business environment.

However, ecosystem performance varies significantly. High-performing ecosystems, distinguished by their strategic management and execution, drive considerably greater cost savings and revenue growth compared to their lower-performing counterparts. In fiscal year 2020, entities with high-performing ecosystems reported superior revenue growth and net profit margins, demonstrating the effectiveness of well-curated ecosystem strategies.

## **Strategic Imperatives for Ecosystem Mastery**

The mastery of ecosystems necessitates a focused approach, encompassing the ecosystem's strategic alignment, governance, and operational management. Leaders of high-performing ecosystems employ several best practices to maximize the value derived from these models:

**C-Suite Engagement:** Active involvement of senior leadership ensures strategic clarity and alignment, with 77% of high-performing ecosystems benefiting from regular reviews at the executive or board level.

**Dedicated Oversight:** Establishing functions to track progress and identify potential partnerships enhances the quality and effectiveness of the ecosystem, as observed in 76% and 74% of high-performing ecosystems, respectively.

**Operational Autonomy:** Allowing ecosystems to operate independently within strategic guardrails fosters agility and innovation, contributing to outsized results in 68% of high-performing cases.

**Financial Commitment:** Investing in ecosystems through dedicated budgets facilitates timely and effective execution, a practice adopted by 65% of high-performing ecosystems.

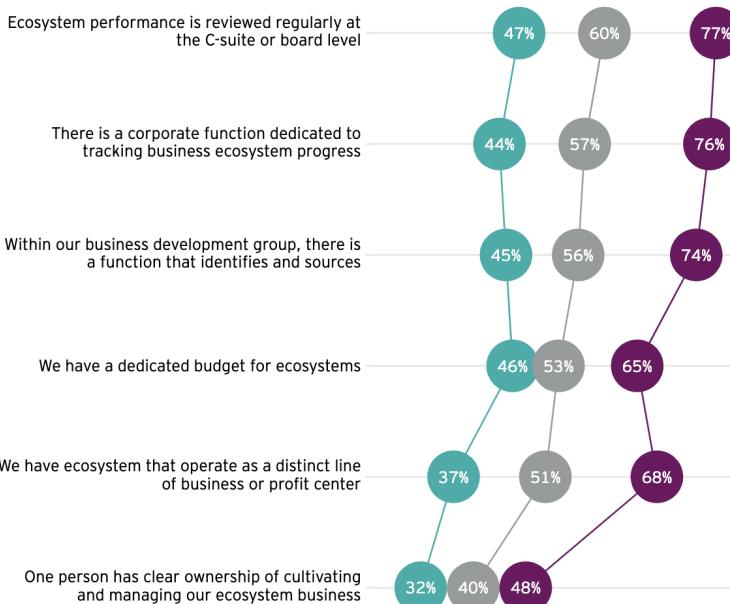
**Leadership Ownership:** Appointing a Chief Ecosystem Officer, as seen in 48% of high-performing ecosystems, ensures focused leadership and the achievement of strategic objectives.

Overall, addressing challenges such as aligning on common goals, resolving disputes, ensuring participant fit, and navigating data interoperability is critical for successfully integrating and optimizing ecosystem models.

### Best practices for mastering ecosystem

% of respondents citing a specific best practice

● Low performing ecosystems ● Overall ● High performing ecosystems



*Leaders of top ecosystems often cite benefits over traditional methods in three main areas*

### Transformative Impact and Future Directions

Ecosystems offer a pathway to incremental improvement, transformative growth, and innovation. Organizations can effectively leverage ecosystem models to transcend traditional industry boundaries, foster collaboration between large incumbents and nimble disruptors, and drive innovation at scale. The strategic integration of ecosystems into the corporate fabric marks a new era of business where collaboration, agility, and innovation are at the core of value creation.

For CEOs and business leaders, the imperative is clear: To navigate the complexities of today's business environment, embracing and mastering ecosystem business models is not just an option but a strategic necessity. By fostering high-performing ecosystems and making them a foundational part of their growth strategy, organizations can unlock unparalleled opportunities for performance enhancement, innovation, and transformational performance. The journey toward mastering ecosystems is complex and challenging, but the rewards are substantial, marking a new chapter in the evolution of business strategy and leadership (Sarafin, 2022).

## **Boston Consulting Group (BCG): Your Indirect Sales Need Your Direct Attention<sup>46</sup>**

### **Main Takeaway**

In the dynamic technology industry, indirect sales channels, such as distributors and resellers, are critical, contributing over 70% to tech vendors' revenues and facilitating expansion into new markets and segments. However, shifts toward cloud-based "as a service" models and channel players' consolidation demand that vendors rethink their strategies and incentives. To maintain and grow channel sales, vendors must embrace cloud services while supporting traditional sales, streamlining sales processes, aligning incentives between cloud and traditional models, and modernizing relationships with channel partners. Vendors must leverage their indirect sales channels effectively and successfully navigate the evolving technology landscape.

However, resting on these laurels in an era of rapid technological and market shifts is a mistake. The evolving preferences for technology procurement, such as the increasing demand for "as a service" models, consolidation of channel players, and the diversification of distributor and reseller offerings, necessitate a reevaluation of vendor-partner dynamics. To sustain and potentially accelerate channel sales growth, vendors must navigate these changes precisely, focusing on five pivotal strategies, as the

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46 Soumbasakis, J., & Merchant, J. (2022, April 14). Your indirect sales need your direct attention. BCG Global. Retrieved May 9, 2024, from <https://www.bcg.com/publications/2019/indirect-sales-need-your-direct-attention>

graphic below specifies.

## Embracing “As a Service” While Upholding Traditional Models

The cloud revolution, characterized by subscription-based procurement, demands that vendors ensure channel partners are equipped and motivated to sell cloud solutions. However, the persistence of traditional sales, particularly where IT needs are predictable, means vendors must simultaneously bolster traditional and cloud-based sales avenues. Achieving this balance involves facilitating easy-to-sell solutions, identifying and nurturing born-in-the-cloud partners, and structuring incentives to equally valorize cloud and traditional sales.



*The 5 rules that vendors can use to optimize their sales channel*

## Optimizing Incentive Strategies

As the channel landscape consolidates, creating a compelling value proposition for distributors and resellers is paramount. Vendors must craft incentive formulas that attract and retain top-performing partners. This action requires a blend of early-pay discounts, rebates, and targeted incentives that align partner efforts with strategic objectives, such as market penetration or customer segment expansion.

## Modernizing Partner Relationships

The effectiveness of the indirect sales channel is contingent upon clear, transparent, and mutually beneficial vendor-partner relationships. Strategies include defining direct versus indirect sales boundaries, demonstrating executive commitment to the channel, leveraging partner data for joint sales strategies, and minimizing administrative burdens. These efforts aim to solidify trust, streamline operations, and enhance collaborative ventures.

## Strengthening Channel Enablement

Vendor enthusiasm and channel effectiveness through robust training programs simplified pricing and configurations, and solutions that are easy to bundle with complementary offerings. Facilitating partners to add value through services is also crucial, ensuring they have ample incentive to prioritize and promote a vendor's products.

## Reassessing Channel Support Organization

Finally, vendors must calibrate their support infrastructure to the needs of their channel ecosystem. This involves balancing autonomy with necessary support, ensuring partners have the resources to succeed without micromanagement. Establishing channel neutrality among field reps to prevent biases toward direct sales is also essential for maintaining a healthy, productive channel dynamic.

## Navigating the Evolving Channel Landscape

The indirect sales channel remains a potent avenue for growth in the tech sector, yet its landscape is shifting rapidly. Vendors must adapt by reevaluating their approach to partner relationships, incentives, and support structures. By embracing the duality of cloud and traditional sales models, optimizing incentive strategies, modernizing partner relationships, strengthening channel enablement, and reassessing support mechanisms, vendors can navigate these changes and thrive within them. The future of indirect sales necessitates direct, strategic attention to remain a viable and vibrant path to growth (Soumbasakis & Merchant, 2019).

## Deloitte: The Power of Planning and Execution in Partner Success<sup>47</sup>

### Main Takeaway

Effective planning is the cornerstone of any successful business strategy. It allows organizations to set realistic goals, allocate resources efficiently, and track progress toward key objectives. This section examines the substantial impact that both plan creation and execution have on an organization's financial performance, emphasizing the importance of these processes in operational success.

### The Importance of Planning

The act of planning is akin to preparing for a shopping trip with a list—it streamlines the process, ensures all necessary items are purchased, and saves time, which can be better spent on other valuable activities.

In a business context, planning serves a similar function. It provides a clear roadmap for companies to follow, ensuring they remain focused on their goals and can allocate their mental bandwidth to innovation and improvement.

*“In preparing for battle I have always found that plans are useless, but planning is indispensable.”*

**Dwight D. Eisenhower**

### The Impact of Plan Creation

Deloitte's study, commissioned by Qollabi, underscores the critical role plan creation plays in achieving business targets. Their analysis of over 400 partner plans within Qollabi revealed a stark difference in performance based on whether a plan was made. Organizations with comprehensive plan creation saw an average of 120% of target achievement,

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<sup>47</sup> Deloitte & Qollabi. (2022). Why business planning predicts partner success. Retrieved April 6, 2024, from [https://assets-global.website-files.com/6426e3d406500308acd97ef5/642e-8a26e1d77066c909e3d8\\_Deloitte\\_Study\\_on\\_Qollabi.pdf](https://assets-global.website-files.com/6426e3d406500308acd97ef5/642e-8a26e1d77066c909e3d8_Deloitte_Study_on_Qollabi.pdf)

compared to only 80% for those without set objectives. This 40% increase in target achievement is a testament to the value of meticulous plan creation.

## The Importance of Plan Execution

While creating a plan sets the stage for success, executing that plan is where the real impact is felt. Deloitte's findings show that plan execution is even more indicative of performance. For instance, a partner manager who updated 60% of their planned activities and achieved an impressive 135% of their target while failing to execute any part of the plan resulted in achieving only 75% of the target — a significant 60% increase in performance due to plan execution.

**0%** of plan creation leads to an average of **80%** of target achieved  
**100%** of plan creation leads to an average of **120%** of target achieved



*The analysis shows a significant correlation between making a plan, following up on a plan, and achieving targets.*

## Rigorous planning and follow-through

The evidence presented in this research highlights the indispensable nature of effective planning and execution in enhancing a company's bottom line. Organizations that commit to rigorous planning and follow-through processes are more likely to achieve their objectives efficiently, leading

to cost savings and increased profitability. In today's fast-paced and ever-changing business environment, adopting a dynamic planning process that allows for quick adaptation to market shifts is crucial.

## Crossbeam: An overview of evidence<sup>48</sup>

### Main Takeaway

On one of its blogs, Crossbeam provided an overview of evidence drawn from discussions with seasoned partnership professionals, underscoring the profound impact that well-executed partner programs can have on a business's trajectory. Cultivating partnerships offers a multifaceted approach to revenue generation, sourcing qualified leads, and accelerating business growth. Notably, statistics from Crossbeam's research elucidate the substantial benefits of such collaborations:

**Revenue Generation:** Evidence shows that partnerships can lead to increased revenue. For instance, Microsoft attributes 95% of its revenue to its partners, while Shopify's partner ecosystem generated a staggering \$6.9 billion in 2019.

**Ecosystem-Qualified Leads (EQLs):** Partnerships open doors to new, untapped customer bases, creating opportunities for lead generation from trusted sources.

**Efficient Sales and Upselling:** Data reveals that partnership deals not only close at a higher volume and quicker rate than other sales deals but also cause upsells that are three to four times more frequent and larger.

**Operational Objectives and Key Results (OKRs):** Partnership strategies benefit the partnership teams and help other departments meet and exceed their OKRs.

**Venture Capital and Funding:** Strategic partnerships can be a key differ-

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<sup>48</sup> Kelly, Z. (2022, August 30). Every stat we have that proves the value of partnerships. Crossbeam Insider. Retrieved April 28, 2024, from <https://insider.crossbeam.com/resources/every-stat-we-have-that-proves-the-value-of-partnerships>

entiator in raising capital, with VCs often favoring companies with robust partner-generated pipelines.

**Customer Retention and Churn Reduction:** Integrating with tech partners can significantly increase product use and customer retention, making the product more ingrained in users' workflows and harder to replace.

**Market Expansion:** Partnerships enable businesses to enter and establish themselves in new markets more efficiently and effectively than alone.

**Future-Proofing Strategies:** In a business environment marked by rapid change, partnerships offer a resilient and adaptable avenue for growth, innovation, and survival.

Overall, the data and insights provided by Crossbeam serve as a compelling argument for the value of partnerships and ecosystem-led growth practices. Companies that leverage these strategies witness immediate benefits in revenue and market reach and position themselves favorably for future growth and success in an ever-evolving business landscape. As Dwight D. Eisenhower's wisdom suggests, planning — and, by extension, fostering partnerships — is essential for any organization striving for excellence and durability in today's competitive arena (Kelly, 2022).

**Best Practices**

*Survey respondents reported that ecosystems are contributing on average 13.7% of total annual revenues, 12.9% in cost reduction and 13.3% in incremental earnings.*

The CEO Imperative: How mastering ecosystems transforms performance (EY)

Metric	With Partners	Source
Win Rates (partner sourced)	46% higher	GTM Partners' Revealed Customer Research
Win Rates (partner influenced)	99% higher	GTM Partners' Revealed Customer Research
Sales Cycle	11 to 50% shorter	GTM Partners' Revealed Customer Research
Marketing CAC	25% to 8X lower	Deal Marketing
Revenue Growth	200% more with partners	Partnerstack   Monday.com
Customer Lifetime Value	20 to 33% higher/longer	Anaplan
ARR with ≥ 3 integrations	250% greater	Anaplan

*Overview of Best Practices for Partner Performance KPIs presented during a Partnership Leaders webinar<sup>49</sup>*

<sup>49</sup> Partnership Leaders. (2024, March 15). Achieving a Profitable Growth Strategy through Partner Unit Economics [Video]. YouTube. Retrieved April 29, 2024, from <https://www.youtube.com/watch?v=8P0pU2hHRXk>

## Conclusion

In Chapter 13, we have seen the transformative potential of the Partner Operating Model. Evidence from top consultancies like McKinsey, Ernst & Young, and Boston Consulting Group illustrates how strategic, operational, and financial benefits emerge from well-executed partner ecosystems. Effective ecosystem strategies not only bring immediate growth but also build long-term resilience.

Our journey emphasizes that building a thriving ecosystem requires more than just intention. It demands strategic planning, dedicated leadership, and a commitment to fostering valuable partnerships. The impressive figures—such as ecosystems contributing to a significant percentage of total revenues and the potential \$100 trillion value pool by 2030—highlight the immense economic significance of these strategies.

The upcoming chapter will explore the critical role of transformation and change management in implementing these ecosystems. We will outline the methodologies and strategies essential for navigating the complexities of organizational change, focusing on managing transitions smoothly and effectively. We will examine historical and contemporary approaches to change management, using CRM implementations as a paradigm to understand the challenges involved.

## CHAPTER 14

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# Transformation and Change Management

### Understanding Change Management

Change management is a comprehensive term encompassing all processes designed to prepare and support organizational change. It includes methodologies to ensure changes are implemented successfully and sustainably so the intended benefits are realized. The core of change management is its ability to minimize the impact of change on employees, preventing disruption while maximizing benefits for the organization.

### Historical Overview of Change Management Methodologies

One of the most widely recognized change management methodologies is ADKAR, which Prosci developed<sup>50</sup>. ADKAR stands for Awareness, Desire, Knowledge, Ability, and Reinforcement. This model emphasizes the need to address change individually, supporting employees through the transition to ensure that organizational changes are effective. The success

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<sup>50</sup> Prosci Inc. (2023). The Prosci ADKAR Model. Prosci. Retrieved April 29, 2024, from <https://www.prosci.com/methodology/adkar#:~:text=The%20word%20is%20an,%2C%20Knowledge%2C%20Ability%20and%20Reinforcement.>

of ADKAR and similar models lies in their structured approach to managing the human aspect of change, ensuring that transitions are as smooth and efficient as possible.

## CRM Implementations: A Paradigm of Change Management

CRM systems stand as a prime example of the need for effective change management. Implementing a CRM system is not merely a matter of software installation but involves a profound transformation of business processes, workflows, and culture. It requires a change management approach that spans years to implement the system and align it with organizational goals, adapt business processes, and ensure that employees are fully engaged with the new system.

The implementation of an extensive CRM system involves several abstract components of change management, such as:

- **Strategic Alignment:** Ensuring that the CRM implementation is in line with the organization's strategic goals.
- **Stakeholder Engagement:** Engaging with all stakeholders to understand their needs and concerns, ensuring their buy-in for the CRM initiative.
- **Communication Plan:** Develop a clear and effective communication plan to keep all stakeholders informed and engaged throughout the CRM implementation process.
- **Training and Support:** Providing comprehensive training and support to users to ensure they have the necessary knowledge and skills to use the new system effectively.
- **Continuous Improvement:** Implementing a framework for continuous feedback and improvement ensures the CRM system evolves with the organization's needs.

# Capturing the value of partnerships is a journey

The value of an integrated partner strategy can be huge, yet its key to anchor it in your Operating Model

OPERATING MODEL			
TEAM	FUNCTION	BUSINESS	ORGANIZATION
PARTNERSHIP MATURITY			
PARTNER STRATEGY	<ul style="list-style-type: none"> <li>No integral partner strategy</li> <li>Bi-lateral agreements</li> <li>Disconnected OKRs</li> </ul>	<ul style="list-style-type: none"> <li>Functional partner strategy</li> <li>Limited definition of OKRs with partners</li> </ul>	<ul style="list-style-type: none"> <li>Business-wide partner strategy</li> <li>Integrated OKRs and joint review</li> <li>Cross-business alignment</li> </ul>
DATA	<ul style="list-style-type: none"> <li>Limited data shared with Partners</li> <li>Relative high risk due to ad-hoc data exchange setups</li> </ul>	<ul style="list-style-type: none"> <li>Functional data shared with partner, mostly ad-hoc basis</li> <li>Poor alignment across functions with same partners</li> </ul>	<ul style="list-style-type: none"> <li>Business aligned data sharing agreements with partners</li> <li>High involvement of data-teams business and partners</li> </ul>
TECHNOLOGY	<ul style="list-style-type: none"> <li>Limited technology that enables partner collaboration</li> <li>Traditional and best effort collaboration means</li> </ul>	<ul style="list-style-type: none"> <li>Basic collaboration tools implemented within functions</li> <li>Limited integration with partner systems</li> </ul>	<ul style="list-style-type: none"> <li>Integrated technology platforms for partner collaboration</li> <li>Basic analytics for performance tracking</li> </ul>
WAY OF WORKING	<ul style="list-style-type: none"> <li>Documentation of agreements in e-mail, excel or word</li> <li>Lack of standardized processes for partner interactions</li> </ul>	<ul style="list-style-type: none"> <li>Function-specific collaboration protocols established</li> <li>Fragmented approach to partner engagement across functions</li> </ul>	<ul style="list-style-type: none"> <li>Cross-functional collaboration frameworks developed</li> <li>Semi-structured agreements for joint business planning</li> </ul>
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## The Role of External Consultants

Partnering with external consultants like Deloitte, EY, and Accenture can be invaluable for large CRM implementations. However, boutique firms can also play an instrumental role. These organizations bring a wealth of experience and expertise in change management, helping to navigate the complexities of CRM implementation. They can provide strategic guidance, support the development of effective change management plans, offer training and support, and help to ensure that the CRM system is aligned with the organization's strategic objectives.

## The Essence of Change Management

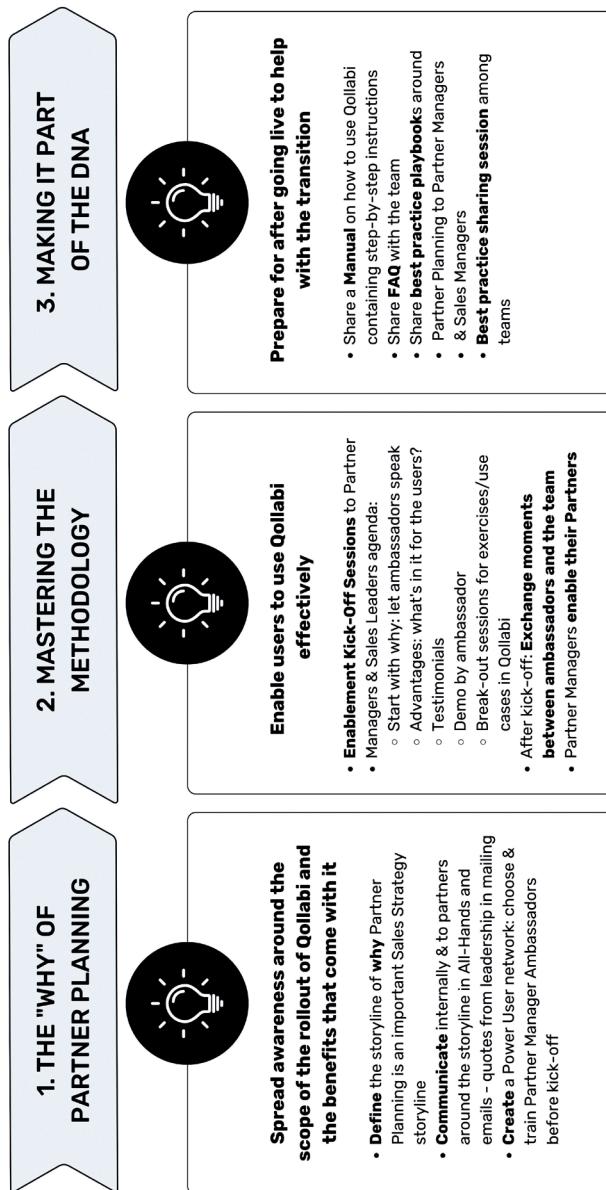
At Qollabi, we recognized early on that introducing new technology invariably brings change. The approach to change management is predicated on understanding and addressing three critical levels:

1. **People:** This includes leadership, channel sales direction, channel operations, channel managers, and channel partners. The approach strongly emphasizes ensuring that all individuals involved are prepared for and supportive of the change.
2. **Processes:** This involves examining partner planning, activity-based management, quarterly business reviews, and other relevant processes. The team works to ensure that these processes are optimized to leverage the new technology effectively.
3. **Technology Integration:** This section focuses on the BRM solution and its integration with core systems such as Salesforce, Microsoft Dynamics, PRMs, and partner portals. The team aims to ensure that the tools provided are effective and seamlessly integrated with existing systems.

Continuous evaluation of these three levels—people, processes, and technology—is essential for a change to be deemed successful. This evaluation is conducted in partnership with the customer through quarterly steering committee meetings.

# Change Management Framework

— The Partner Operating Model —

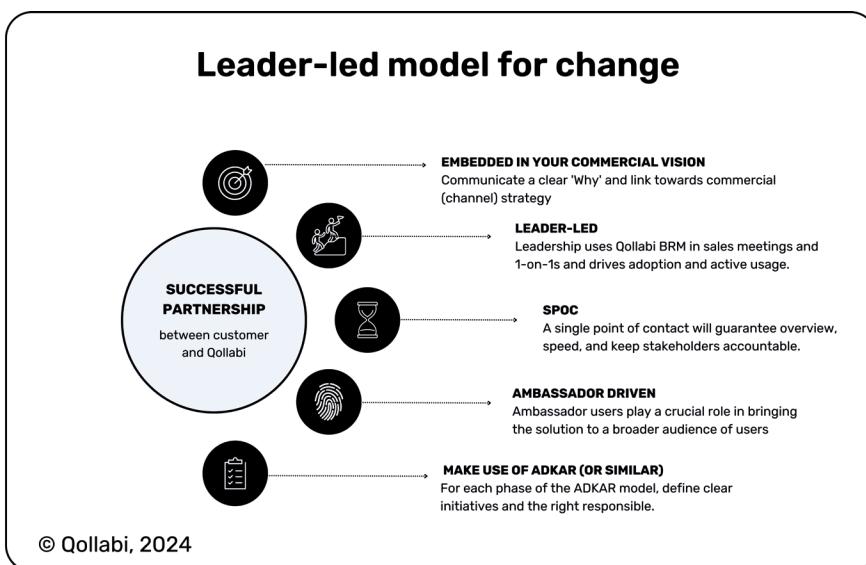


## The Implementation Journey

Qollabi's experience has shown that all implementation projects typically follow a particular trajectory, with various stages of acceptance and adaptation among users. To address this, the customer success team offers tailored training and support for different user groups, including testers, innovators, and early adopters, throughout the different phases of implementation. This bespoke approach ensures that each user receives the support they need to fully leverage the BRM solution regardless of their stage in the adoption curve.

## Unique Model for Change

Qollabi has developed its model for managing change to guarantee the successful rollout of its implementation projects. This model is designed to address the specific needs and challenges that come with the adoption of new technologies within channel organizations. By focusing on the three critical levels of people, processes, and technology and providing tailored support throughout the implementation journey, the Qollabi team ensures that its clients and their partners can maximize the benefits of its BRM solution.



## Conclusion

The last chapters demonstrated the importance of effective change management. We've explored how methodologies like ADKAR provide structured support for individuals, ensuring smooth transitions during organizational changes. By focusing on strategic alignment, stakeholder engagement, clear communication, and continuous improvement, companies can achieve successful (partner) technology implementations.

The role of external consultants, whether large firms like Deloitte and EY or specialized boutiques, highlights the value of expert guidance in navigating complex changes. Their experience in developing tailored change management plans and offering ongoing support is invaluable.

The lessons from change management underscore the need for careful planning and support in any transformation. With the right approach, organizations can manage change effectively and leverage it as a powerful driver of growth and innovation. This approach sets the stage for the future, where embracing change is not just necessary but a strategic advantage.





# Closing Summary

This book has taken you through the transformative journey from the pre-internet era to today's digital age, showcasing the critical role of technology in reshaping our daily lives and business operations. It has been structured methodically to provide a comprehensive understanding of the evolution and significance of indirect sales and partnerships, concluding with the implementation of a Partner Operating Model (POM).

We began by exploring market trends, focusing on how the Internet has revolutionized indirect sales channels. This initial section highlighted the transformation of B2B sales from transactional interactions to partnership-based relationships. We explored the tech industry's shift to SaaS, rethinking intermediary roles, and the necessity of a Predictable Partner Operating Model.

Next, we introduced the need for a structured approach to indirect sales, similar to the methodologies of "Predictable Revenue" and "Inbound Marketing." This part of the book explained how these models, traditionally used in direct sales, inspired us to provide a model that fits the indirect sales environment and addresses modern business complexities.

In the following chapters, we broke down the components of the Partner Operating Model, summarized by the acronym TACAM (Trust, Analysis, Commitment, Accountability, and Measurement). We emphasized the importance of trust in building solid partnerships and maintaining goodwill with stakeholders. Trust-based relationships significantly impact business success. We discussed strategies for fostering these relationships.

We also examined the role of data-driven insights in enhancing business outcomes. Meaningful data-driven conversations are essential for benchmarking performance and driving innovation. The introduction of Partner Success Managers (PSMs), who play a role similar to personal trainers, underscored the importance of commitment, accountability, and agility in achieving mutual growth.

We then focused on measuring partner contributions and aligning them with broader company goals. The discussion explored alternative methods, such as a points-based system that accurately reflects partners' diverse activities, from raising awareness to driving long-term customer loyalty. This section highlighted the need for precise measurement and alignment to ensure that partnerships contribute effectively to business success.

The book also addressed the human element in driving the success of a Partner Operating Model. We introduced new roles, such as Chief Partner Officer and Partner Success Managers, emphasizing capability-building strategies and cross-functional collaboration to break down silos and enhance communication.

Further, we explored the evolution of data management and the role of AI in modern partnerships. Effective data utilization and innovative solutions are key to efficiently navigating the partner technology landscape.

Finally, we presented evidence from leading consultancies like McKinsey, EY, Deloitte, and BCG to illustrate the strategic, operational, and financial benefits of well-executed partner ecosystems. These ecosystems not only foster immediate growth but also build long-term resilience. We concluded by discussing the critical role of effective change management in implementing these ecosystems, focusing on strategic alignment, stakeholder engagement, and continuous improvement.

In summary, the book is structured to guide businesses through the transformation needed to embrace indirect sales and partnerships as strategic advantages.

Companies can navigate the disruptions in today's indirect sales channels by adopting a Partner Operating Model based on Trust, Analysis, Commitment, Accountability, and Measurement (TACAM). In an era where ecosystem thinking and partner-driven revenue are crucial, "The Partner Operating Model: A Guide to Predictable Ecosystem Revenue" provides the tools and strategies needed to stay competitive and win.

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— *If you want to go fast, go alone. If you want to go far, go together* —  
As cited everywhere, from leadership seminars to yoga classes — original author unknown, probably still running fast and solo.

# Getting Started

I hope you found valuable insights in the book — now it is time to put it into practice!

Scan the QR code below to receive more information on the following:

- Sign up to receive the Partner Operating Model newsletter and podcast episodes
- Learn more about our joint-value proposition with Deloitte
- Engage with Qollabi's beta user community
- See a Qollabi demo



I would be happy to stay in touch with you through LinkedIn.  
Feel free to add or follow me @Frie Pétré or <https://www.linkedin.com/in/friedrichpetre/>.



# Notes

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