

MAXIMISING ROI WITH YOUR
CHANNEL PARTNER
INCENTIVE PROGRAM

WHITEPAPER



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Increased sales. Improved engagement. Better cut through. That's what vendors can gain from an effective Channel Partner Incentive Program - but only if done right. It's all too easy for programs to fail, either because they go stale, aren't adequately communicated, or were never properly planned in the first place.

This shouldn't put you off, however - the amount you stand to gain is too great to forego a reseller program. At **Power2Motivate**, we know exactly what makes a Channel Partner Incentive Program work, which is why we've created this e-book to ensure you're getting the most out of your investment.

HOW DOES A CHANNEL PARTNER INCENTIVE PROGRAM WORK?

Vendors (often in the IT, manufacturing and automotive industries) use Channel Partner Incentive Programs to drive certain desirable behaviours among their resellers, with the ultimate goal of increasing revenue. Resellers are rewarded for completing a certain action - examples include hitting sales targets, signing up a certain number of new customers, or attending a specified number of training sessions.

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HOW DOES A CHANNEL PARTNER INCENTIVE PROGRAM WORK?

There are many benefits to using such a program:

- **Achieve brand cut through:** Channel partners normally stock products from several different brands, including your competitors'. Offering an engaging reseller program will help to make your brand stand out from the rest, encouraging them to sell your products over the competitions'.
- **Increase revenue:** The best Channel Partner Incentive Programs don't just incentivise sales, but also other activities such as product training. The more information a reseller has about your products, the better they'll be able to sell them.
- **Improve communication and awareness:** Reseller programs only work if you communicate them properly. Otherwise your partners won't even know the program exists. This gives you the perfect opportunity to introduce regular communication with your resellers where you might not have had it before, helping you improve information sharing and generally helping to keep your brand front of mind.
- **Track your channel partners' performance more easily:** By introducing a range of different behaviours to incentivise, you have the chance to deep dive into your channel partners' performance, going beyond simple sales information to really get a holistic view of how they're doing. This allows you to better target resellers in future.

So, now that we've convinced you channel partner incentives are 100 per cent worth it, let's look at how to make your program effective.



MUST DO'S FOR YOUR CHANNEL PARTNER INCENTIVE PROGRAM

To realise the benefits described above, it's important to follow certain channel partner incentives best practices. There are a number of absolute non-negotiables that will help make your program a success:

1. REWARD MORE THAN JUST SALES

It's all too easy to assume a Channel Partner Incentive Program must solely incentivise sales - after all, an increase in revenue is what the vendor wants, right? Well there are many different behaviours that go into improved sales that you will miss if all you reward is hitting sales targets. That's why in a study conducted by the Incentive Research Foundation, across the board, top performing companies were more likely than average companies to favour goal-based structures in their programs

Other activities to reward include:

- New customer acquisition.
- Attending training sessions.
- Taking part in product demos.
- Going to events.
- Year-on-year revenue growth.

Incentivising these behaviours will help to create a more holistic channel partner program that will see you increase your revenue much more effectively than if you only reward sales targets.



2. CREATE A SOLID COMMUNICATION PLAN

As we've mentioned above, you could have the best reseller program around, but if you're not communicating it effectively you aren't going to see success. It's important you consider what channels you will use to communicate - emails normally work best, but LinkedIn, Twitter and Facebook are also effective mediums to communicate on. Whatever you decide, you need to make sure you're communicating regularly to keep interest and awareness up.

3. TIME IT RIGHT

Sales come in natural cycles, and it's important you don't start your incentive during a downturn. An incentive scheme isn't going to get your channel partners out of a trough, and could do more harm than good if resellers start losing morale because they're missing out on prizes.

Power2Motivate Executive Vice-President Mark Robinson knows how important this is: "Your incentives scheme must be proactive, not reactive - you need to think about it as a long term commitment that will help sales people sell harder when they are already doing well. This will help to create the behavioural changes you need to see real ROI from your program."

That said, you can still think about program life cycles. There will always be natural dips in engagement, especially the longer your program runs, so planning ahead for those and introducing promotions is a great way to maintain interest. For example, running a double points week could help to motivate resellers (you just need to make sure you communicate this well in advance so they can prepare for it).

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4. INTRODUCE PROGRAM TIERS

Not all channel partners are the same, so you shouldn't treat them the same in your rewards program either. Instead, introduce different tiers of incentives. The top tier can offer the best prizes, and be reserved for those top performing resellers that deliver excellent results time and time again. The lowest tier, on the other hand, can be for newer partnerships, and incentivise easier to complete actions like product training. By providing them with more product information, you give those newer resellers the tools to move up the tiers.

When introducing levels, you also incorporate an element of gamification into your program, which will help keep partners more engaged.

5. REVIEW SUCCESS REGULARLY

Finally, it's essential you regularly review program success to make sure you're generating the ROI you had hoped. Do this by using an incentives platform that allows you to track performance in real time - this will also help your channel partners know how close they are to certain targets and what they need to do to move up a tier.

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INCREASE ROI WITH A CHANNEL PARTNER INCENTIVE PROGRAM FROM POWER2MOTIVATE

Power2Motivate has years of experience helping to create successful Channel Partner Incentive Programs.

Our comprehensive reporting feature allows you to track ROI in real time, while our global rewards gallery means your resellers can choose from thousands of prizes.

We're there for you right from the beginning, helping you structure your program in order to get the best results possible, as well as communicate it throughout so that engagement doesn't drop off.

If you'd like to find out more about what Power2Motivate can do for your channel partner relationships, please contact the team today.