

## Want To Grow Your Sales Channel? Think Of It Like Dating

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Valentine's Day season is an excellent time to highlight the similarities between sales channel optimization and dating. With both types of relationships, there is the upfront work of figuring out what you want in a partner, the pursuit, the courtship, and the active give and take of a relationship.

I recently got a call from the CEO of a 40-person medical device startup. He was disappointed that his European sales channel was not delivering the forecasted revenue. Six months ago, his team went to a European trade show and his product was the hit of the show. They immediately signed up 20 sales distributors and then waited for the money to roll in.

Six months later, they were still waiting. How could they have not been successful? What went wrong? How does a company go from being the hit of the show to virtually no orders?

After meeting with the senior management of this company, I compared my thoughts on their sales channel challenges with my associate Ralph Vetsch. Between the two of us, we have almost 40 years of sales channel experience and equally important, we have been married to our wives for a combined 45 years.

Essentially, this company made five common mistakes with their sales channel.

### **1. Lack of preparation**

This company failed to adequately think through their goals for their sales channel before it went to the European trade show. They took a "Ready, Fire, Aim" approach by not doing the necessary upfront preparation. The key to a successful sales distribution partnership is to develop a list of criteria for your ideal partner. If my client had done this, they would have been prepared for the onslaught of potential distributors.

Not doing your homework is like asking friends for introductions to prospective mates without giving them any idea what types of people you want to meet. Meeting tons of people can be fun and exciting, but usually you end up wasting your time. And with channels just like in relationships, opposites do not generally attract. They fight.

## **2. Unclear value proposition to the sales channel**

The company did not think through its value proposition to the channel. Why will their life/business be better if they work with you? It is important to understand the mindset of a potential channel partner in order to develop an effective channel value proposition. This includes a compensation plan that motivates the channel partners. You should carefully review how complementary your offering is to their current offerings. Will it represent a new product or direction for the partner or does your product offer something that helps them leverage their other products?

## **3. Lack of rules of engagement**

Often overlooked are the dos and don'ts of working together. This is even more pronounced when working with channels internationally, but also applicable domestically with unique cultures, rules, behaviors. As a dating relationship gets off the ground, it is critical to set clear ground rules. How do you decide where to live or what movies to watch?

With channel partners, questions to answer include:

- What do you want the channel partner to do?
- Do you want to close deals or generate leads?
- How will your channel partners coexist with other partners?
- Who provides support or implementation services?
- What will you do if a customer calls you directly instead of working through the partner?

Whether in a dating relationship or a channel relationship, it is better to over communicate the seemingly obvious than be disappointed.

## **4. Failure to prepare and train**

Launching a new sales channel is similar to launching a product. It is critical to have a story about a successful sale in order to prove to the channel that your value proposition resonates and the product can be effectively sold. Like a direct sales force, a sales channel will need training and tools on how to sell your product and how to interact with your company.

Of course, providing the sales channel with the most current sales tools and training is an ongoing process. And this is true of long-term personal relationships as well.

Even though Ralph and I have been married for a combined 4 1/2 decades, our wives are convinced we constantly need training.

## **5. Lack of care and feeding**

A critical mistake made by many organizations is they feel once the sales channel is established, they don't have to worry about selling since the channel will take care of it automatically. Like any sales force, a channel must be managed properly. Often, a company will take "a more is better" approach to the sales channel. Unfortunately what often happens is that you are spread too thin to support your channel adequately.

The relationship with a channel partner continually evolves. You need to continue to invest in the relationship to enable it to grow. This can be particularly difficult for a company with limited resources that wants to expand into different regions.

Channel partners require attention and love, just like spouses. Even the best partners will have issues with the product or service and require assistance in a variety of ways.

The medical device company simply did not have the resources to support almost 20 channel partners.

I led the medical device company through a channel goal setting and prioritization exercise to reduce the number of European distributors from 20 to two. As a result, customer adoption in two selected countries dramatically accelerated, and the cost of supporting their distribution channel dropped significantly.

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