

BY JIM FOGARTY

The Annual Sales Channel Check-up

THE TRANSITION FROM SUMMER TO FALL OFTEN SIGNALS THE BEGINNING OF THE ANNUAL PLANNING PROCESS FOR MANY COMPANIES.



Management asks sales teams to develop sales forecasts and evaluate sales resources as part of the overall planning activity. Successful sales force planning requires that the sales team step across the hallway and work closely with their counterparts in the marketing department. Jointly they should assess year-to-date performance and consider market conditions as a means to set expectations and identify required changes to the go-to-market approach.

As the combined team sorts through the issues and defines the strategic sales initiatives for 2008, a quick check of the underpinnings of the go-to-market approach helps to ensure that the forecasts and anticipated changes are appropriate.

Check the Sales Strategy

A company's sales strategy is a three-legged stool supported by its target markets, value propositions and sales processes. A clearly defined sales strategy is the foundation of every go-to-market system and the cornerstone of it is the target markets. Sales and marketing teams must ensure that their target markets are still appropriate and defined clearly. Without clear targets, the team cannot focus the marketing investments and sales efforts on the most attractive and accessible opportunities.

For each target market, the marketing and sales team must ensure that their value propositions still meet the needs of the end customers and remain competitive. The

final leg of the stool is the sales process. Marketing and sales teams should confirm their assumptions about the key sales situations and their understanding of the end customers' buying processes. The sales processes that the sales teams use to sell their products and services must stay aligned with the end

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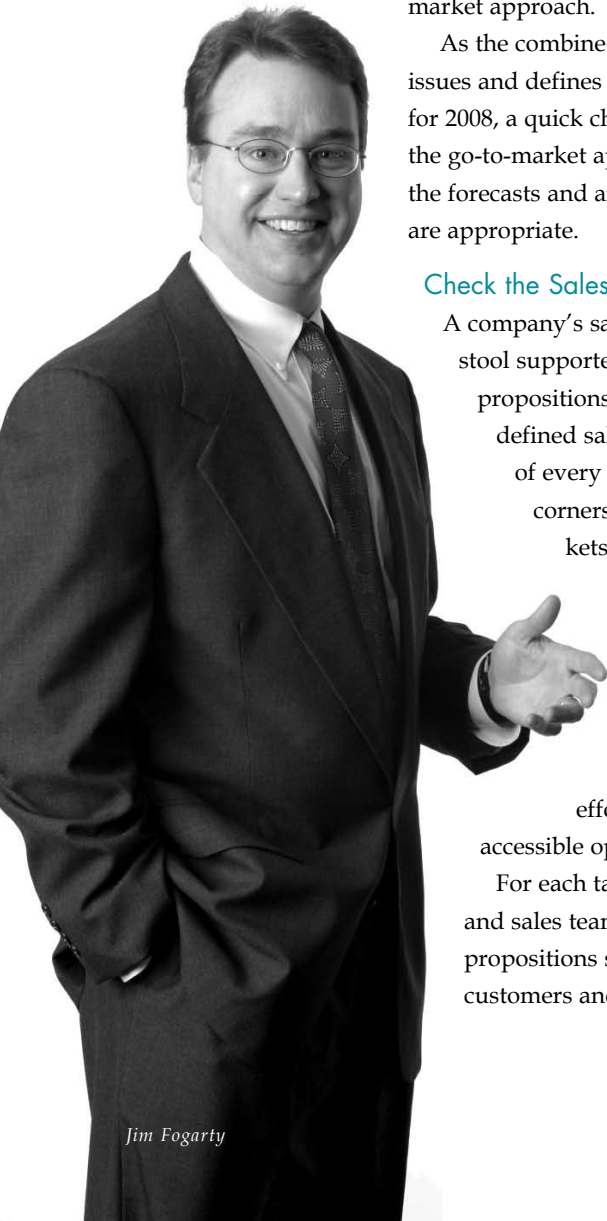
customers' buying behaviors and expectations.

Review the Channel Map

The marketing and sales team should also check to ensure that their sales resources are still aligned against the right target markets and execute the appropriate steps of the sales processes. Planners must carefully align and coordinate the roles and responsibilities of the direct and indirect sales channels. This step is critical for managing channel conflict and driving sales effectiveness and efficiency. Specific "rules of engagement" and a carefully constructed compensation plan (for direct reps and indirect channels) are two tools critical to the alignment process.

As end-user customer targets or their buying behaviors change, the channel map must evolve. A quick check to ensure that the sales resources are deployed correctly ensures that the company is using the best resources to execute the sales strategy.

Once the team is comfortable that the sales strategy



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and the channel map are current, it can be confident that its go-to-market system is on solid footing. With these building blocks in place, it is also a good time to ensure that the sales resources have the characteristics and capabilities to perform and the company is enabling their activities.

Evaluate Sales Resources

For direct sales people, the idea of “top-grading” the sales force is well-understood and practiced by many companies. The same concept applies to indirect sales channels. Comparing performance against plan and assessing the ability of a company’s indirect sales channels to meet performance expectations is critical to ensure that the company has the right resources to drive its sales strategy and meet its business objectives.

Whereas many companies have position descriptions, competency models and various tests to qualify their direct sales people, few companies have analogous tools to qualify and evaluate their indirect channel partners. Creating and using an “ideal channel template” to evaluate the indirect sales channels on an ongoing basis is an important practice. The ideal channel template outlines the critical attributes that make an indirect channel partner successful. The template considers a variety of characteristics of a sales channel including its marketing and sales resources, skill sets, operating characteristics, management skills, business objectives and financial resources.

Using an ideal channel template to ensure that the company is working with qualified, capable and willing channel partners is critical to the success of a go-to-market system that involves indirect channels.

Enable Sales Activities

Sales resources, whether direct or indirect, invest extraordinary amounts of time preparing to interact with prospective and existing customers. For many sales people, only 20%-25% of their time is

spent face-to-face with customers and prospects. Often, they spend up to 40% of their time searching for and cobbling together information that they want to use in these personal interactions.

Many companies have invested significant time and resources implementing customer relationship management (CRM) systems and partner portals to enable the activities of their sales resources. An emerging approach extends the capabilities of these systems by helping sales people intuitively find and dynamically tailor the sales tools or assets they use in their client interactions. This approach, known as sales enablement, maps sales assets with sales situations and selling processes so that sales people can quickly find and adapt the tools they need. It reduces non-productive time so that they can focus more attention on the critical activities of selling.

SUMMARY

A quick review of a company's sales strategy and channel alignment is an important step in the annual planning process. Marketing and sales teams must ensure that the foundation of the go-to-market system is still intact as they consider strategic initiatives for the coming year. Once the team is comfortable that it is on sure footing, it can evaluate potential changes and enhancements. Ensuring that the company is employing qualified and committed indirect sales channels and enabling the activities of its sales resources are two options the team can pursue to enhance the effectiveness of the marketing and sales system.

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