

Your channel strategy

- How to get it right



So you've researched your markets, you know where to focus your resources and you know what you want to achieve....

Now you need to decide whether to do it alone or if forming key alliances will help you reach your target accounts.

Going it alone

Establishing a direct presence in a market take time and cost money. You will need to find, manage and pay for a resource to sell into your target market. However, the main advantage of having a direct presence is control – control over day-to-day activities, of how business is conducted and by whom.

Partnering up

Doing business through channels partners will allow you to leverage their reach and relationships very quickly, reducing your time-to-market (and in many instances time-to-money!) and your overall costs, making it a relatively easy way to enter a new market.

On the downside however, this will often mean a reduction of your overall profit margins and a slight lack of control / direct access to customers, as the relationship are build with your channel partner and not necessarily with you.

Many businesses decide when first looking to expand into a new market that creating a sales channel is the best decision, at least until there is enough return to justify creating a direct sales presence.

The options in sales channel

If you decide that partnering up to form a sales channel is right for your company, there are various ways that you can set up.



1. Strategic global partnerships

Establish strategic partnerships with multinational / large companies that can give you a global reach instantly

2. Regional or local partners

Establish relationships with smaller players that have relationships or are existing suppliers to some of your key target accounts

3. Sales agents

Build and work with a network of individual sales agents than give you access to new accounts, based on the relationships they have

Typically, in the area of mobile communications, a strategy that incorporates more than one of these models has proven to work quite well.

How to choose the 'right' channel partners

Finding, selecting and deciding who is going to become part of your channel needs time and attention. Depending on the area within mobile communications that your business operates, it might be quite challenging to identify the right partners. Choosing the wrong partner can set you up for failure. The wrong partner simply won't generate the level of sales you demand and you'll have wasted precious time finding unprofitable relationships, and more seriously, potentially damaging your reputation.

As with any other sales activity, to find the right partner you will need to:

1. Identify 'who' are potential partners
2. Qualify them based on your objectives / criteria for that market
3. Entice them to do business with you
4. Negotiate and agree terms of business

Finally, once the channel partner is chosen and an agreement is in place, a channel programme is essential. As with Account Management where customers are looked after, similarly in Channel Management it is important to define the activities that will keep the partners educated, motivated and empowered to work on the company's (the principal) best interests.

acceleron can assist you setup channel partnerships. This involves identifying, qualifying and selecting partners, negotiating the terms of a channel partner agreement and educating, motivating and empowering them to promote and sell your products and services.

