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The Right Way to Handle Partner Business Using Salesforce.com

Get tips for using CRM to work partner business effectively.

By **David Taber** | **June 30, 2009**

In many B2B companies, the sales organization is the single most expensive function in the business. Improving sales reps' leverage should be the primary job for the CRM system.

One of the most dramatic ways to improve sales effectiveness is to harness and manage channel partners — VARs (value-added resellers), sales agents, distributors, OEMs (original equipment manufacturer) and system integrators — for better market coverage. When done correctly, these business partners can improve market reach and profitability at the same time — not a bad trick in times like these.

Achieving a healthy partner business means putting in place a dozen business-practice and policy changes, including little things like territory definitions, rules of engagement, compensation plans, contract terms and measurements, that take patience and tenacity. To keep this article brief, let's assume you're on the right track with those business issues.

So what do you need to do with a Salesforce.com system to make the associated business processes pay off?

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If your partner already uses Salesforce, you can use a feature called Salesforce-to-Salesforce to share data in a systematic and continuous way. This is the über-cool solution, because it provides transparency and real-time updates for shared records. If your partner uses a different SFA (Sales Force Automation) system or if he or she is unwilling to integrate with your company through Salesforce-to-Salesforce, you can't expect members of the partner organization to log in to your company's Salesforce instance.You'll need to have some sort of a partner portal to address this issue.

Beyond the above-mentioned Salesforce features, the best practices to keep your company's partners as productive as possible are as follows:

- Make your company's internal document library and collateral available to the partners, either through a dedicated partner portal or access to your company's intranet content management system.
- Score leads (or at least rank them hot/warm/cold) and prequalify them before you send them over to your partner, to help your partner manage its lead flow. Sending junk leads is bad for productivity and doesn't build a good partnership. Make sure the leads are as high quality and fresh as the ones you give your own lead-cultivation/nurturing people.
- Send leads to individual reps, not just partner companies. This will improve their lead-response time by hours, if not days. Using Salesforce workflows and APEX code, you can automatically route leads according to the partner's territory definitions (although this gets really hairy if you have multiple partners).
- Route the highest-value leads (the ones that appear to be the biggest deals) to the best-performing partners. Of course, it takes a while before Salesforce has enough data to indicate who those best-performing partners are, but this best practice leads to even higher-performing partner relationships.

- In Salesforce, mark leads you've sent out with the partner's name (using a custom pick list field or, if you have many partners, via a lookup field).
- Do not send a given lead to more than one partner. Let each partner know that each lead you send is an exclusive opportunity for that partner. Make your lead routing to partners flawless to avoid creating a mess.
- Monitor the progress of the partner's lead qualification, conversion, and opportunity development. Establish a waterfall model (with norms for conversion time and percentage) and compare the partner's performance to it.
- If your partner's sales process requires approvals from your channel manager, make sure that approvals are handled in a timely manner using workflows and alerts to escalate any delayed approvals.
- In reviewing the partner's forecast and performance-against-goals, use Salesforce data as the basis for all discussions so that the partner understands how important it is to keep the system's data updated and clean.
- After you've got a few quarters' worth of data in the system, ask the marketing staff or perhaps a finance analyst to look at partner productivity, creating a profile of what makes a good partner and what makes a dud. Use these analyses to guide your partner recruitment efforts going forward.

To the extent possible, leverage Salesforce to make the company's partners feel like equals, with the access and information they need to succeed. If they feel like they are part of your company's team, they'll be a more effective extension to your selling efforts.

But what about the leads and opportunities that a partner sends you?

Set up a lead entry and opportunity registration system for partners that's available on a 24/7 basis. In this partner system, provide links to documents that very clearly describe the rules of engagement and deal qualification for the partner, so the partner knows what to expect and how to "work the system" in your company. Salesforce's PRM features and Partner Portal are great for this, but some clients use a home-brew system that leverages SOAP APIs instead.

Make a habit of accepting leads and deals, even if they seem a bit dubious. Nothing angers a partner more than "instant rejections" by your company's sales reps. If they do have to reject a partner's input, make sure the reps send an explanatory email that is as polite as it is complete.

Within Salesforce, you'll also want to do the following:

- Make sure the partner leads are routed to the proper sales rep or product specialist on your team, using lead assignment rules or triggers (for complex situations).
- Make sure that the leads, contacts, and opportunities are properly attributed to the individual referrer's name (a custom field) and the partner company (custom pick list) and make sure that they are included in the campaign that's been set up for each partner).
- Use workflows and email templates to send an acknowledgment email from the receiving sales rep to the partner, thanking the partner for the referral and providing full contact information for the two sides' reps to connect with each other.
- Monitor your progress with the leads and opportunities sent your way, and keep the partner informed with reports or dashboards. Use workflows to make sure that progress on deals doesn't stall and to remind accounting personnel to send referral fees when deals close. You want your company's partners to feel that information access and measurement is a two-way street.
- Drive the partner's incentive fees off of Salesforce data. While the calculation of incentive checks is always complicated (and is best done by the finance folks), make sure that all relevant data (including co-marketing funds) are stored within Salesforce.
- Create reports and a dashboard for your partner manager to see performance on an ongoing basis.

The overriding goals of these system and business process enhancements should be to:

- Build the trust level between you and your channel partners.
- Increase the likelihood that your sales team will view their channel as a resource, rather than a source of competition.
- Improve the coherency of your communications to customers and partners.
- Remove as many "speed bumps" as possible, streamlining complexities that slow down customer interactions and hand-offs between your sales team and your partners.

By properly configuring Salesforce, you can get much higher leverage and measurability out of your business partners, with market coverage and profits to match.

David Taber is the author of the Prentice-Hall book, "Salesforce.com Secrets of Success," and the CEO of SalesLogistix.

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