

# Incentive Insights

## Incentive Insights: Building a Business Plan for Your Partners

*Perks WW asked partner companies to evaluate 17 different channel program features. Forty-six percent of the respondents gave dedicated account management five out of five stars, making it the top choice of the 17 options.*

To get ahead in the current channel environment, you must distinguish yourself as more than just another supplier. Partners expect a true business relationship with vendors in which the vendor works closely with the partner's management team to solve business challenges and drive revenue. The first step toward building this relationship is developing a comprehensive business plan that will drive partner enablement.

A business plan developed with top-tier partners requires thorough preparation and setting the expectations and the responsibilities of the vendor and the partner. It is important that the plan is brief. Asking your partners to prepare a lengthy business plan will bring little response and will suggest a lack of commitment from the partner.

Specific key performance indicators (KPIs) for partners should include key objectives from their business plan that are clearly measurable.

The following metrics are examples of KPIs to track:

- Total revenues per quarter
- Average revenues per sales person per quarter
- Number of transactions per quarter
- Pipeline ratio to sales
- Number of new customers gained per quarter
- Number of sales events executed per quarter
- Number of marketing activities planned and executed
- Number of sales and technical staff who took PSW training and became certified

### Checklist for Kicking Off a Business Plan Discussion

A successful business plan requires partner buy-in of your company’s strategic goals and objectives plus an agreement to achieve the agreed-upon KPIs, but don’t forget that your partners will expect the relationship to be a two-way street. In addition to getting partner commitment, take care to explore their expectations and provide insights into how the partnership can create growth for both organizations. Here are seven questions to ask during your conversation:

- How can we (the vendor) support your strategy?
- How would you characterize the unique value you bring to us (the vendor)?
- How would you characterize the unique value we can bring to your business?
- How would you characterize the unique value we bring together, through our partnership, to the market?
- What goals do you have for our partnership over the next 2–3 years?
- What expectations do you have of us (the vendor)? How can we be sure to meet those expectations?
- What expectations do you think it is fair for us to have of you?
- How can we be sure you will meet those expectations?

Partner Initiatives	Vendor Initiatives
<ul style="list-style-type: none"> <li>• What are your growth drivers? What initiatives are you employing to leverage your growth drivers?</li> </ul>	<ul style="list-style-type: none"> <li>• Which of these initiatives seems most attractive to you in terms of your own initiatives and business objectives?</li> </ul>
<ul style="list-style-type: none"> <li>• When will these initiatives start and end?</li> </ul>	<ul style="list-style-type: none"> <li>• How do you see this initiative helping you achieve your own business goals?</li> </ul>
<ul style="list-style-type: none"> <li>• Have you employed any of these initiatives in previous years? Were they successful? If not, what changes are you making to make them successful?</li> </ul>	<ul style="list-style-type: none"> <li>• Do any of these initiatives present a new or different way that you could grow your business?</li> </ul>
<ul style="list-style-type: none"> <li>• When do you typically do your fiscal year planning?</li> </ul>	<ul style="list-style-type: none"> <li>• Which of these initiatives represents the biggest opportunity for your organization?</li> </ul>
<ul style="list-style-type: none"> <li>• How long would you characterize your top three big bets over the next 6–18 months?</li> </ul>	

### **Recommendation**

Quarterly business reviews (QBRs) are essential to the success of a business plan and to partner growth. Make it a habit to assess your partners' quarterly performance against agreed-upon KPIs from the business plan. If you are relying on manual processes to create partner QBRs, it's time for an update. An automated, best-in-class QBR development tool will remove 90% of your administrative burden, freeing up time to work on partner commitments to growth. The new best practice is to create all business plans, scorecards, and marketing plans in one system to instantly create customized and meaningful QBRs for your partners. The marketing plan information should flow into your market development fund (MDF) tool, automatically approving activities committed in the business plan.