

Starting Out Right



Authorized
Implementation
Partner

Agenda

- The Challenge
- Case Studies
- Situation Analysis: *What to do, When*
 - Product Adoption Lifecycle
 - Market Segmentation Models
- Partner Assessment and Readiness: *Choose and Enable Successful Partners*
- Metrics

The Challenge

“We need partners Who can bring Incremental business”

“We don’t have sales coverage in some geographies”

My customer won’t buy unless we have a turnkey solution

“Our cost of sales to small customers is killing us!”

“How can we get a market position in biotech?”

“We Need it NOW!”

What is going on ?

- Offer a complete solution
- Provide expert services
- Industry expertise
- Need market coverage
- Reduce cost of sales

Strategic Imperative

IDC estimates that 40 to 60 percent of the \$1.1 trillion in IT purchases for 2003 will flow through by partners.

A Tale of Two Case Studies

Criminal Justice Market

Situation Analysis

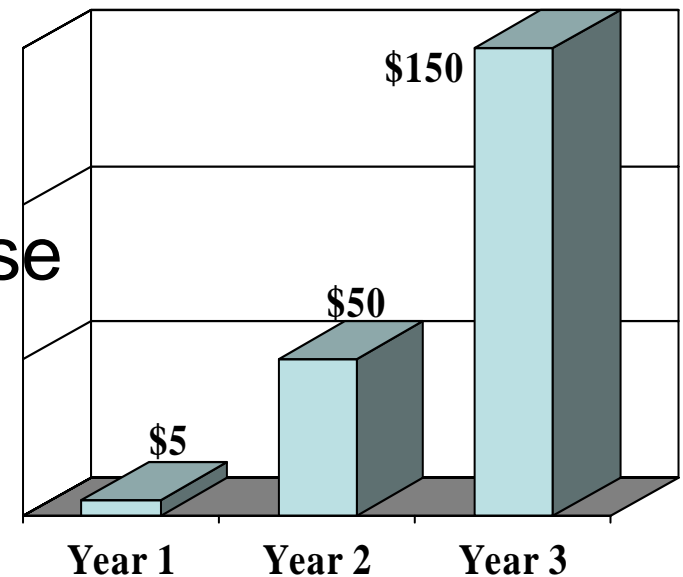
- Had Money and a Compelling Need
“War on Crime” “War on Drugs”
- Insider Market
- Solution Buyer - Not Technology Buyer
- No Entrenched Competitor
 - Existing Solution Providers < \$5M

Criminal Justice Market

Concentrated Partner-centric Strategy

- Recruited
 - Key Application ISVs
 - Systems Integrators and
 - VARs with industry expertise
- Provided marketing and sales engagement

Market Segment Revenue



EMEA Solution Providers

Situation Analysis

- Company newly acquired a “tornado” product
- Two sales people in Europe
- Marketing Campaign created 5000 leads
- Crisis in sales coverage, capacity, expertise

EMEA Solution Providers

Resale/Influence Channel

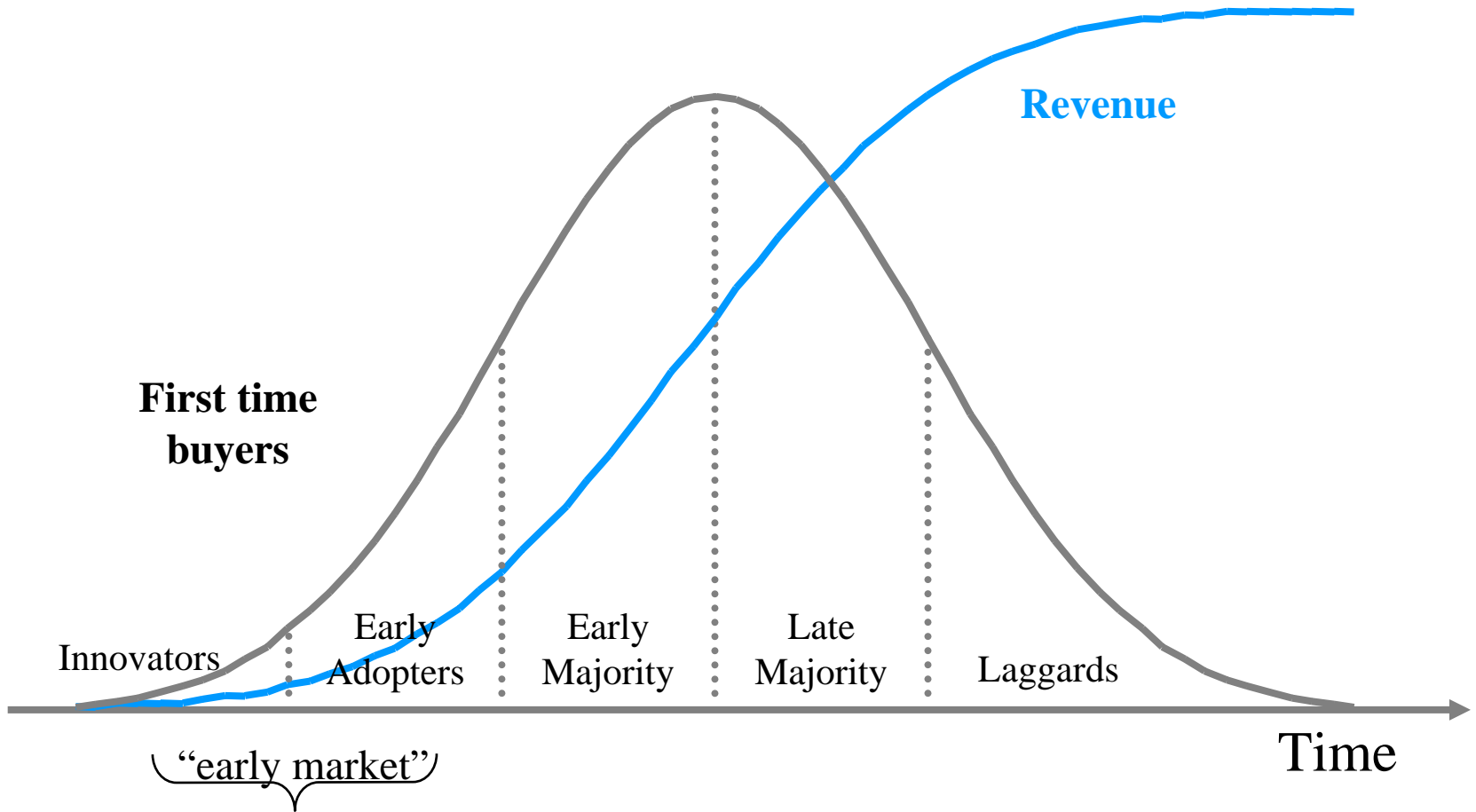
- High velocity channel
- Recruited and trained 96 Solution Providers in First 6 months
- Leveraging 30% EMEA revenue and nearly 100% of new product revenue in First Year

Situation Analysis: What to do, When

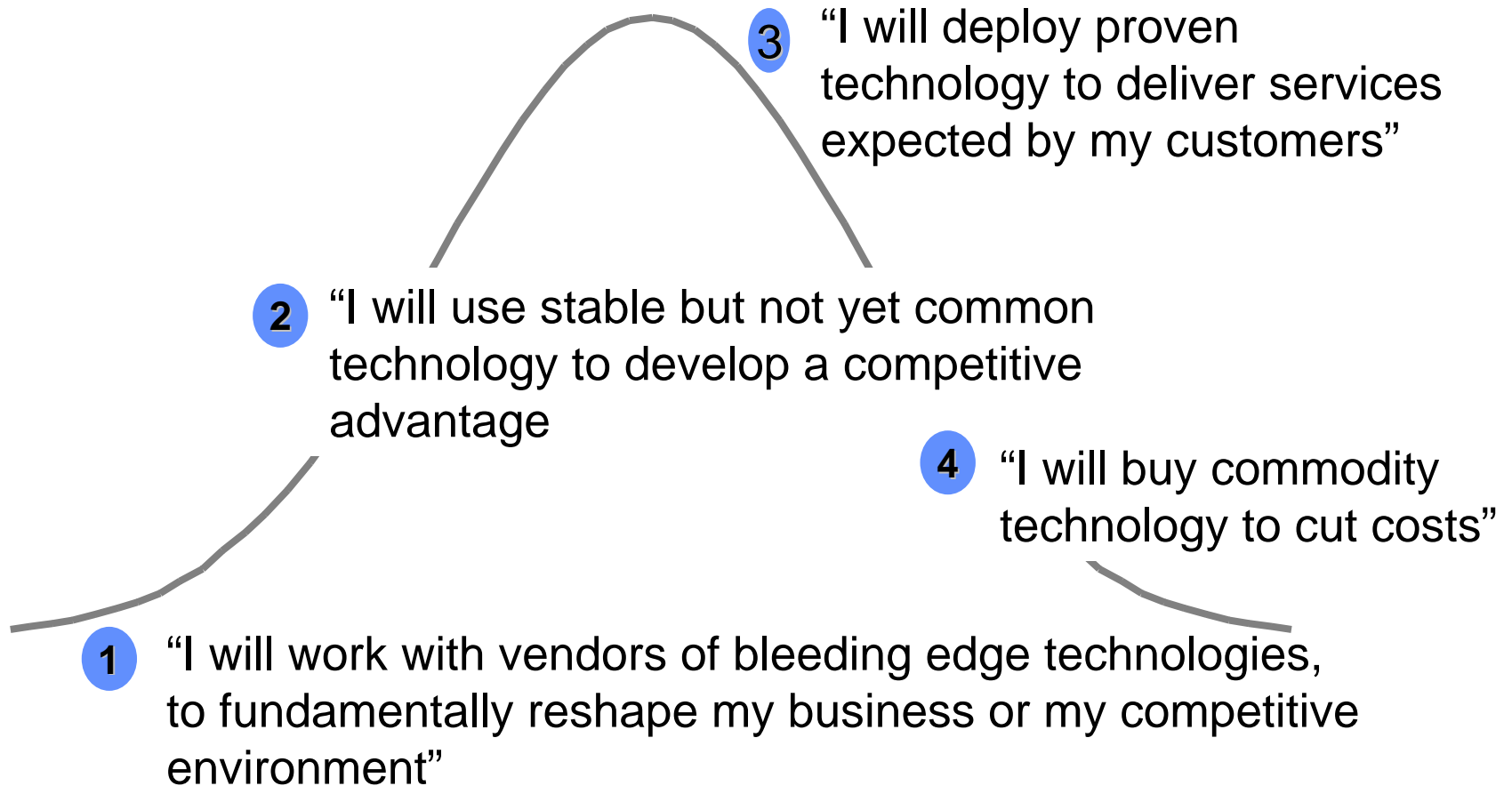
Always Start with the
Customer

- Product Adoption Lifecycle
- Market Segmentation

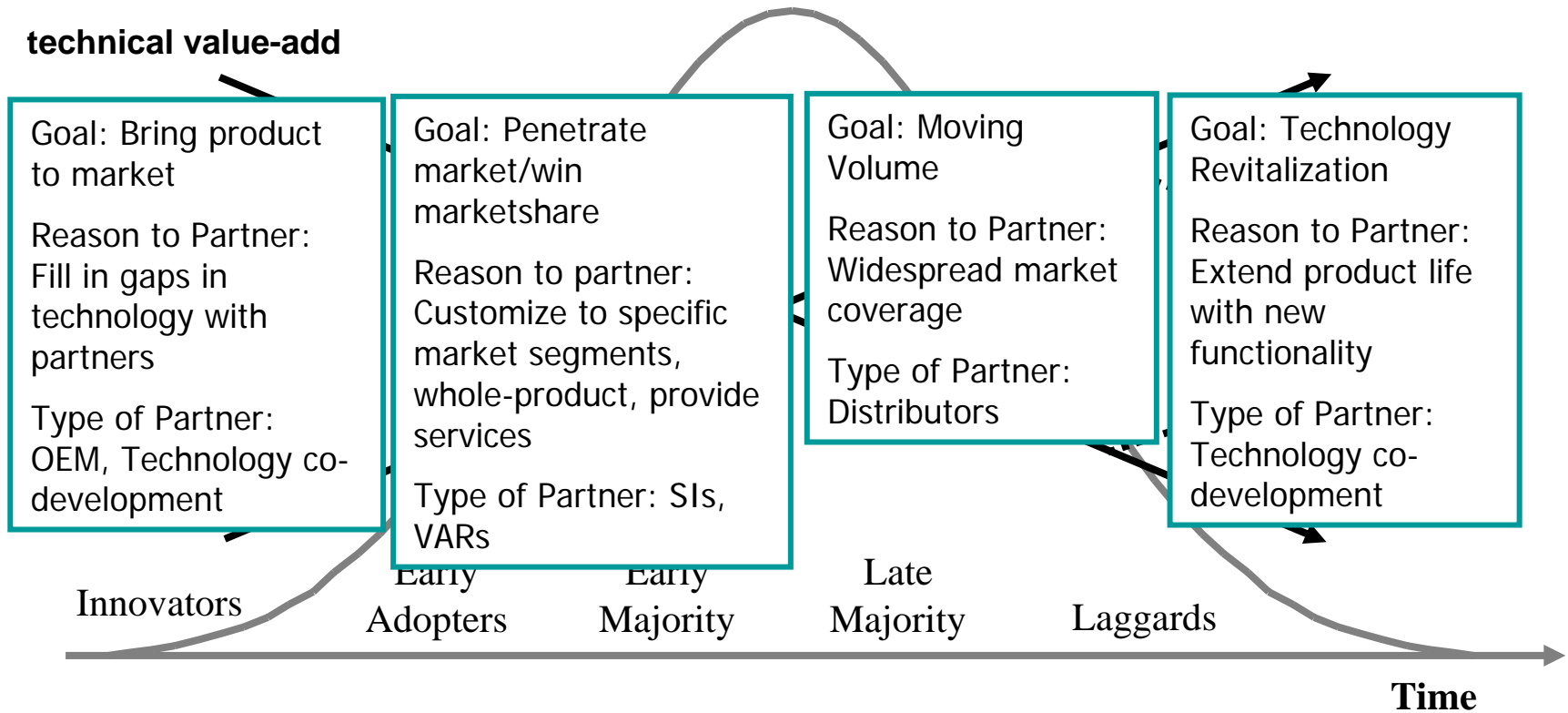
Product Adoption Life-cycle



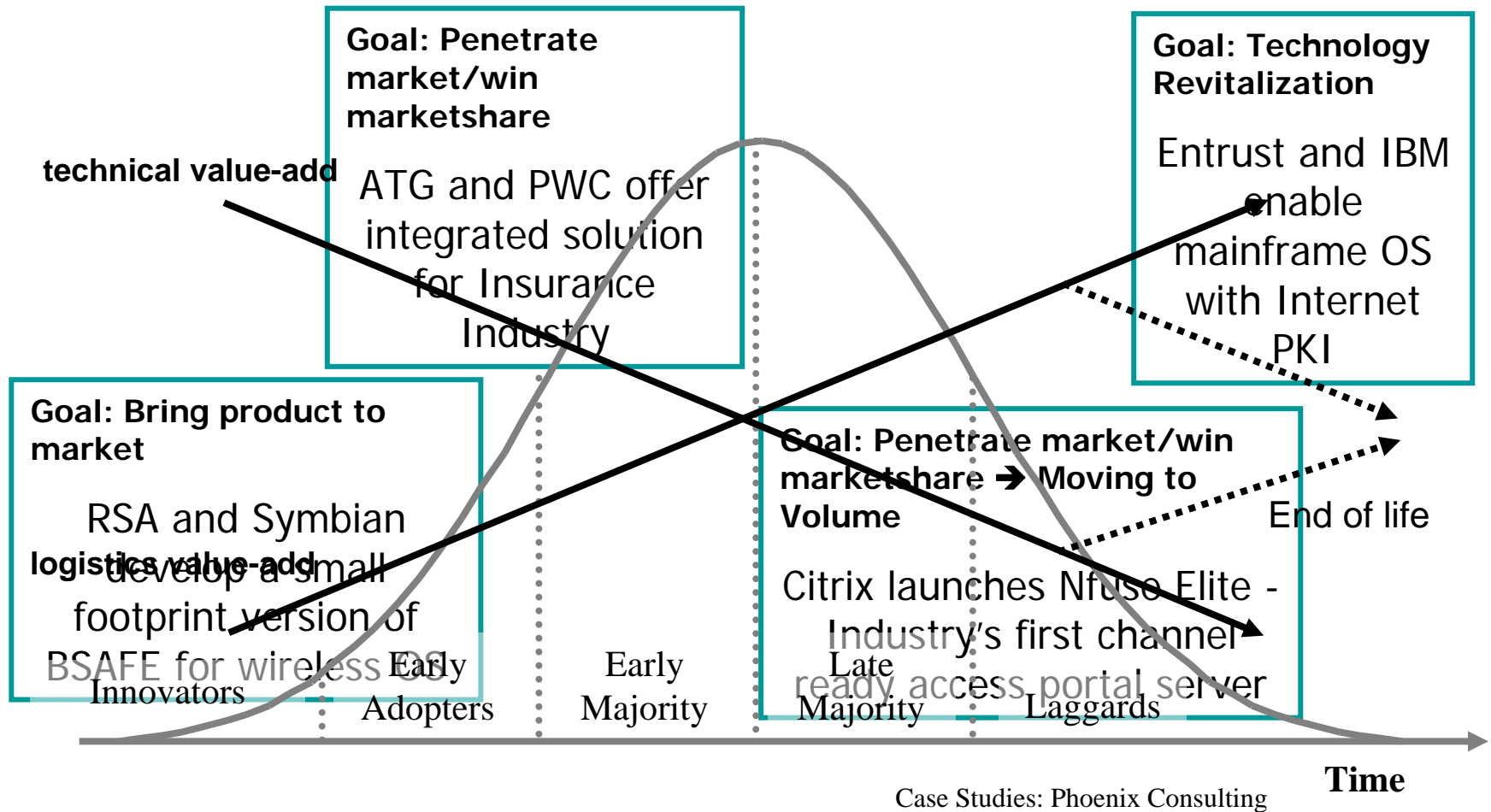
Buyer motivations



Partnering Requirements



Partnering Examples



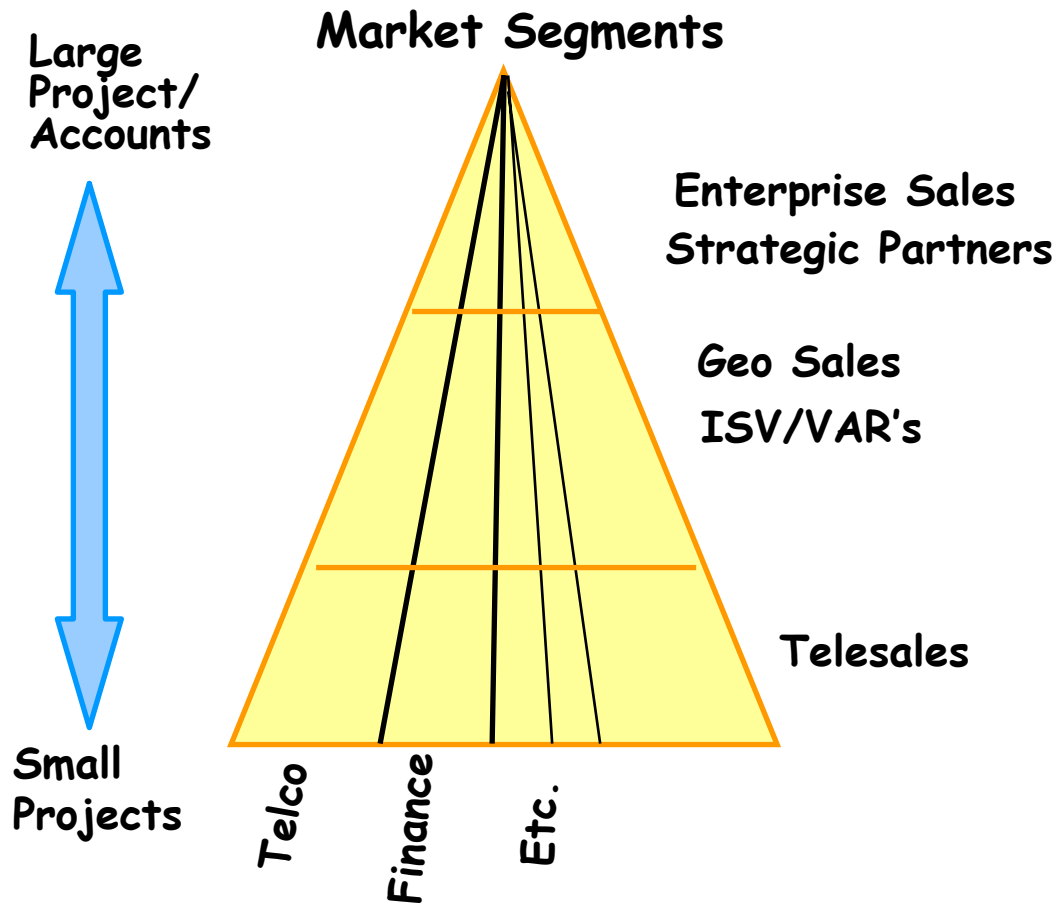
Market Segmentation

Multi-dimensional Exercise

Enterprise Size X	Small, Medium, Large
Industry X	Telco, Gov, Health, etc.
Solution X	Customization, EAI
Geography X	U.S. EMEA, Asia
Channel	Direct, SI's, VARs, Retail

Solution Partner Program

EMEA Market Segmentation



ISV/VAR Value-Add "Specialties"

- Vertical S/W application
- Tools S/W integration
- Market/customer knowledge
- Consulting/support skills
- Marketing/distribution
- Etc.

Federal Market Coverage Model

		Lead Generation	Lead Qualifying	Pre-sales	Fulfillment	Post-sales	Account Management
	National Fed Sales	Teamed and Large Deals					
	Program Management			Teamed and Large Deals			
Sales Channels	Major Govt Primes	Teamed = >\$10M Large = \$2M-\$10M Medium = \$500K-\$2M Small = <\$500K		Teamed and Large Deals			
	Govt Integrators			Medium and Small Deals			
	Govt VAD GSA	Small Deals					
	Govt Master Reseller	Small Integrators					
	Direct Sales & Marketing	Medium and Large Deals					
	Telemktg				Small Orders		

Partner Assessment and Revenue Readiness

Enable Successful Channel Partners

- Win/Win/Win Partnerships
- Partner Business Models/Needs

WIN/WIN/WIN Partnerships

Partner Math: $1 + 1 > 3$

- How do you benefit from the partnership?
- How does your partner benefit?
- How does the partnership create greater customer value?

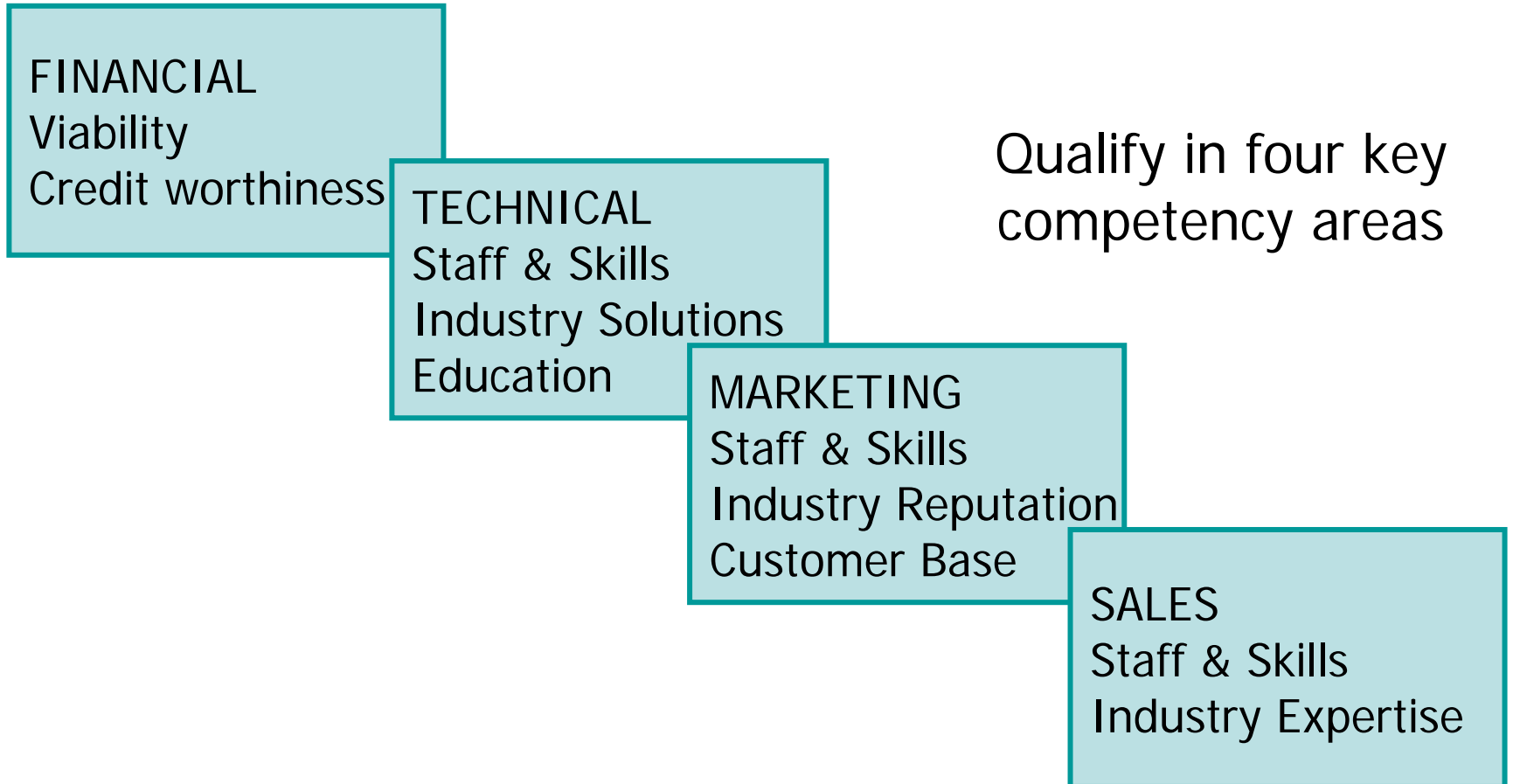
Partner Business Models

Business	Technical Partners	System Integrators	VARs	Distributors
Revenue Source	Intellectual Property	Development Services	Implementation Services	Margin/ Volume
Customer Value Prop	Complete Product	Customize Product	Turn key solutions	Easy Availability
		Industry Solutions		Low Cost
Partner Value	Complete Product	Influence channel	Market Access	Logistic Support
	Influence	Market Access	Logistic Support	

Partner Ready Checklist

	Business Model	Technical Partners	System Integrators	VARs	Distributors
		<i>Intellectual Property</i>	<i>Dev Services</i>	<i>Implement Services</i>	<i>Margin/Volume</i>
Needs					
Technical Specs		✓			
Product Documentation		✓	✓	✓	
Early Access to Roadmaps		✓	✓	✓	
Early Access to Product		✓	✓		
GA Access to Products			✓	✓	✓
Joint Eng Relationship		✓			
Developer Support		✓	✓		
Installation/Config Service			✓	✓	
Designed in Service				✓	✓
Technical Training		✓	✓	✓	
Service Training				✓	
Sales Training				✓	✓
Marketing Support				✓	✓
Packaging/Bundling				✓	✓

Partner Assessment



Set Expectations

How are you going to measure success?

Technical Dimension

- Joint development
- Reduce risk through integration
- Industry Solutions
- Training/Certifications

Sales and Marketing

- Increase credibility and exposure
- New accounts in new markets
- Increase market share

Set Management Expectations

What does it take to achieve success?

Time
Investment
Infrastructure
Commitment

Management Visibility and Accountability

Track Progress



Do's and Don'ts

- Do set channel objectives and metrics up front
- Don't wait to the end of the year to measure progress
- Do assign sufficient staff and budget to be successful
- Don't reassign direct sales to channel sales
- Do concentrate on the first early wins
- Don't expect channel partners to bring you leads and deals unless you are doing the same
- Don't underestimate the importance of executive commitment, involvement, and resolve

Critical Success Factors

- Trust
- Setting Expectations
- Sustainable WIN/WIN/WIN Value Prop
- Communications
- Executive Commitment