



Making **Lead Management** Work for Your Channel Sales



The foundation of your lead management efforts always depends on your overall channel management philosophy.

Lead management appears to be extremely complicated for organizations selling through the channel. However, it doesn't have to be that way. While it does require some planning, developing and deployment—along with a lot of persistence—most organizations can do it right with a bit of guidance and careful planning. Yes, it can get complex if you are a very large enterprise account, and have competing sales motions—direct (internal) sales and indirect (channel) sales—but even in that case things can be done properly with a certain level of dedication and focus.

// Thoughtful planning of your channel strategy is critical in laying the foundation for your lead management framework. When you align your channel strategy with your lead management tactics, the chances that lead management will work for your channel go up exponentially. //



Let's take a moment and explore from a partner perspective why most **lead management** efforts tend to fail. In most cases a vendor organizes lead management around their own needs instead of the needs of its partner base. Vendors typically focus on maximizing their own returns instead of focusing on partner returns. This is in direct conflict with the core tenet of **channel management**. If a vendor does not focus on partner profitability as a primary driver or motive for the partner to engage with a vendor, then the foundation of the partnership is on the shaky ground from the very beginning. Lead management that is not designed to protect the partner's interest is highly unlikely to succeed. This is why it is very important to think through the purpose of lead management as you develop a strategy for applying it.

Channel sales is about sales. We can never forget that. The purpose of **lead generation**, whether it is vendor-led or partner-led, always needs to begin with the end in mind: the closing of a transaction. In this context, designing a system with the partner's perspective in mind is very important. There are a few unique strategies or concepts like "shark tank" and "round robin" and so on that are interesting and do work occasionally. But most partners hate the idea that if they are late on a deal for some reason or other they may lose it to another partner. Fear is not generally an effective motivator, especially when you have multiple ways to escape. Therefore, if you are considering lead management for your channel, start with a specific commitment or named account as a focused way to start.

It is better to have a few partners in your lead management programs that work instead of having the majority of your channel be part of those programs just for the sake of inclusion. In the latter cases, partners end up being insecure about what might happen to those leads and whether they will eventually be able to complete the sale. While certainly you want to provide options to your end customers and therefore competition among your partners, that only works with a highly mature channel where you have enough leads to share. If you're just feeding little fish to big ones, that approach will almost never work.

The foundation of your lead management efforts always depends on your overall channel management philosophy. Do you drive your sales through a broad, overly distributed channel, or do you drive your sales via a focused narrow channel with a limited set of partners? Lead management can provide an answer or an approach to dealing with this fundamental question.

Lead management tends to work best with a narrow channel where a few partners have dedicated sales territory and have a focused approach to who they serve, and where the vendor works with them to grow those accounts or segments. If, on the other hand, a vendor is perceived as a "big brother" and overdistributes via a broader channel, then partners will almost always be afraid of losing money on their marketing and sales investments. It is very important to have clarify your thinking about this before you begin to drive a specific lead management agenda.

Yes, there are cases, as I noted earlier, where a "shark tank" or open account approach can work, but even in that case you need to limit how many partners pursue a specific lead and determine what criteria you are going to use to select those partners. If you open up a potential prospect to too many partners you risk irking the end users with a plethora of hungry sales rep reaching out. A balanced approach of three to four partners selected based on their reach, expertise and ability to support the end-user needs probably makes the most sense.

Thoughtful planning of your channel strategy is critical in laying the foundation for your lead management framework. When you align your channel strategy with your lead management tactics, the chances that lead management will work for your channel go up exponentially. We see this every day among our clients who have done a good job in thinking this through, as opposed to those who are just trying to deploy lead management for the sake of doing what they think they are supposed to do. I sincerely hope your organization belongs to the former group.



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