



Channel Management: Why Thinking Long-Term and Acting Short-Term Matters



Every one of these questions is critical, and each requires a deep level of thinking that can happen only from a longer-term perspective.

Jack Welch is famous for **saying**, “You can’t grow long-term if you can’t eat short-term. Anybody can manage short. Anybody can manage long. Balancing those two things is what management is.” This is what I call walking and chewing gum. I know it may sound like a cliché, but nothing is more important in **channel management** than this fundamental principle of balancing long-term and short-term objectives. Let’s discuss why this is the case.

“ To answer these questions and take actions based on meaningful insights requires a multi-quarter approach, and in many cases it takes a multi-year approach. ”



I've written before about the **multiple challenges of channel management**. Let me focus on a few that are particularly relevant to today's topic:

1. Most channels are managed (number wise) on a quarterly basis
2. Most channel activities are quarterly-focused
3. Most **marketing** and **sales** activities require a process-based, longer-term approach
4. Channel partners do not report to a vendor—they are their own boss
5. Reorganization in most large companies changes channel directions quite frequently
6. Lack of automation and access to data provide very little insight into causes and effects related to programs
7. A majority of vendors rely on a small portion of partners driving most of their revenue while continuing to support a very broad channel

I could keep adding to this list, but these seven are sufficient to make my point. With all of these challenges, there are basically two forces at play: activities with short-term goals, but also activities that have longer-term impact. Channel management happens on a quarterly basis, so that's certainly short-term, but most sales and marketing activities need to be managed with a longer-term focus. Partners do not report to vendors, so they don't necessarily respond to ad hoc programs. Most companies that sell through the channel lack insight into who the productive partners are and why. They may have a partial answer to this question—i.e., who sells the most—but they rarely know much about why those partners are more successful.

The reality is very little can be done in a channel with a short-term focus, yet the majority of our activities tend to be driven on a 90-day cycle. Allow me to make a very strong statement after working with hundreds of major companies driving sales through channels of all kinds (technology, manufacturing, finance, retail, automotive, etc.): The only way a channel can be

managed to higher levels of performance is to engage in longer-term strategic thinking that is executed on a quarterly basis.

What I am saying, essentially, is that companies need to figure out how to rationalize their channels. In other words, they need to be able to answer the following questions:

1. Which partners sell the most and why?
2. What do we need to do to make less productive partners more productive?
3. How do we make the next group of partners align their business objectives with ours, and incentivize and enable them to sell more of our solutions?
4. What programs are most effective when it comes to various aspects of channel management— e.g., recruitment, engagement, enablement and management?
5. How do we align our internal infrastructure better to provide real-time dynamic feedback to our execution?

Every one of these questions is critical, and each requires a deep level of thinking that can happen only from a longer-term perspective. To answer these questions and take actions based on meaningful insights requires a multi-quarter approach, and in many cases it takes a multi-year approach.

Unfortunately, constant re-organizations within vendor firms and changes among channel organizations have a tendency to keep most vendors' focus on the short term. This leads to behaviors that are highly transactional: offering more discounts, random partner recruitment, sporadic training, inconsistent demand generation activities, and so on. But the best way to do more with less and get a higher return is to take what Jack Welch said to heart. Make sure you are surviving in the short term, but don't neglect to think long-term to drive your products, processes and people to increasingly higher levels of execution.



www.zinfo.com

Contact Us

AMERICAS

sales.noram@zinfitech.com
6200 Stoneridge Mall Road, Suite 300
Pleasanton, CA 94588
United States of America

EUROPE, MIDDLE EAST AND AFRICA

sales.emea@zinfitech.com
Davidson House
Forbury Square, Reading
RG1 3EU, United Kingdom

ASIA PACIFIC

sales.apj@zinfitech.com
3 Temasek Avenue
#21-00 Centennial Tower
Singapore 039190