What Is **Partner Relationship Management**

This article provides a high-level overview of what partner relationship management is

We have discussed earlier what channel management is and why it matters. Assuming that you now know what channel management is and are interested in finding out how to do it more effectively, then your next question might be, "How do I manage our relationships with the channel partners?" The discipline that embodies the principles and tactics of managing channel partners is called partner relationship management (PRM) or channel relationship management. In this article we will discuss the basic steps that a company has to take for effective partner relationship management.

> " Just as customer relationship management is about managing customers, partner relationship management is also about managing a set of partners. However, partner relationship management requires much more advanced capabilities. "

As we have discussed in earlier articles, channel management is about the following core activities:

1. **Partner recruitment** – The goal here is to reach out to and build relationships with potential channel partner organizations that can sell and support a vendor's solution.

2. **Partner training** – The goal here is to ensure partners' functional teams are properly trained on how to market, sell, deploy and support a specific solution.

3. **Partner enablement** – The goal of these activities is to provide partners with the right tools and tactics to develop a market, sell to the customer base and then serve.

4. **Partner sales** – The goal here is obvious – go out and generate demand and then close transactions to drive revenue.

5. **Partner management** – This final step entails managing partner performance to increase revenue and profitability.

Partner relationship management focuses on all aspects of these five core activities. In order to manage partner relationships effectively, an organization obviously needs partner programs, processes, policies, people and platforms. Let's take a few minutes and explore each of these aspects of partner relationship management:

1. **Partner programs** – For any approach to partner relationship management to work, it is essential to clearly define and plan various types of programs related to partner recruitment, onboarding, training, incentives, demand generation, sales and more.

2. **Partner management processes** – Partner management process steps must be clearly defined so all of a vendor's cross-functional team members

know exactly which forms to fill out, which approvals they need to secure, how to escalate processes for special pricing or incentives, and so on.

3. **Partner policies** – This is essentially about clearly defining dos and don'ts. For example, sometimes vendors have products that can only certain types of partners—who have certifications and competencies—can sell. Sometimes a certain government-issued certification is required to sell. The parameters around all of these activities require clearly written policies.

4. **People** – Programs, processes and policies don't work without the right people in place. So, as we discussed in the "What is Channel Management?" article, various functions like channel marketing, sales, legal, finance and operations need to be able to work together to drive channel management. That means the right people, the right structure and the right skills are all essential.

5. **Platforms** – Last but not least, in this age of business process digitization, it is essential to have partner relationship management software in place to automate programs, process, policies and various workflows. This software must be able to automate partner recruitment, onboarding, enablement, training, marketing, sales and incentives management.

I hope this article provides a high-level overview of what partner relationship management is. Just as customer relationship management is about managing customers, partner relationship management is also about managing a set of partners. However, partner relationship management requires much more advanced capabilities.

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