

CHANNEL SABOTAGE:

Is Your Channel Marketing
Strategy Undermining
Your Sales Team?

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EXECUTIVE SUMMARY:

If outdated Channel Marketing practices are distracting your Channel Sales team with administrative issues, then they're not focused on enabling your Partners to sell. Answering questions about marketing programs, tracking down reimbursement checks and even delivering marketing materials take time away from helping Partners position and sell your products.

In this article, we will examine how traditional Channel Marketing practices can sabotage your Channel Sales efforts.

- Partners find Channel Marketing highly complex and turn to sales for answers.
- Sales spends too much time trying to help Partners with claims and reimbursement problems.
- Equipping Partners with marketing materials turns sales teams into delivery workers.
- Complex Channel Marketing causes very costly Partner churn.

Set Your Partners Up for Success

Executing a strong Channel Partner program requires a lot of moving parts.

- You have to hire a great Channel Sales team that understands a local territory.
- Those Channel Sales reps need to find the right Partners.
- The Channel Sales team needs to onboard those Partners with training and tools to close customers.
- Long-term growth is driven by sales representatives who nurture Partners, helping them build product expertise and community relationships.

But the reality is that Channel Sales teams waste a lot of time trying to solve administrative

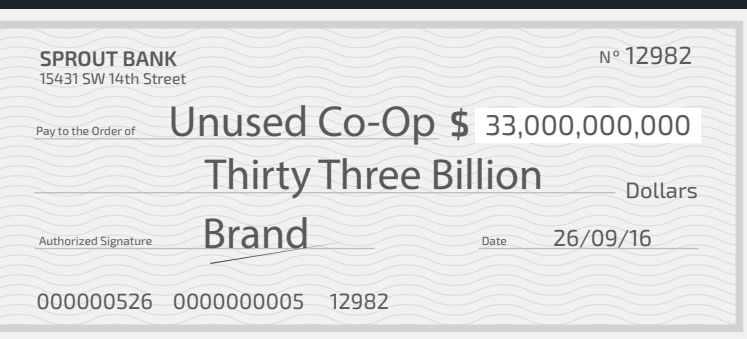
issues caused by complicated Channel Marketing processes. The classic Channel Marketing approach lays the burden of success squarely on the shoulders of your Channel Sales reps. This leads to too much time talking about marketing and too little time talking about sales. **The result: frustrated Channel Partners, overloaded Channel Sales teams and dismal sales results.**

What if today's innovations in marketing automation technology could revolutionize your Channel Sales approach?

Let's look at how technology can solve some of the most annoying challenges your Channel Sales teams face every day.

Challenge No. 1: 'Where's My Check?'

Co-Op advertising programs, where the Brand and the Local Partner cooperatively pay for marketing tactics, can be a powerful way to create traffic and drive sales. But the antiquated administrative process of approving and distributing funds is so time consuming that often Partners opt not to participate. While 83 percent of Brands believe that Partner marketing programs can impact sales, local businesses leave about \$33 billion earmarked for Co-Op advertising untouched. Now that says something doesn't it?¹ The process must be pretty broken if over \$30B of free money is left on the table.



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of Co-Op funds
go unused

From your Channel Partners' perspective, it isn't hard to understand why they're so frustrated:

→ Co-Op advertising is a time-consuming process:

If you are an Independent Partner, you know success is driven by face-time with potential customers, understanding their needs and offering real solutions to their problems. But if Partners want to take part in Co-Op advertising, the process itself means they need to be in the back office fighting a highly complicated process. Partners must:

- 1) Find an ad that will resonate in the local market.
- 2) Customize the ad, which takes time, and may incur local agency fees.
- 3) Submit the ad to the Brand for approval, and wait.
- 4) If it's rejected, revise the ad.
- 5) Resubmit the ad for approval, and wait — again.
- 6) Once the ad is approved, work with local media outlets on ad placement.

¹ "The State of Co-Op and MDF: Benchmarking the Success and Failure of Co-Op and MDF Programs," Gleanster Research, October 2015, p. 4.

- 7) Pay all ad costs up front and out of pocket.
- 8) Submit a reimbursement claim after the ad is published.
- 9) Then, wait weeks for the reimbursement to arrive.

→ Up front payments for Co-Op advertising are tough on Local Partners:

Let's say your Channel Marketing team offers a Co-Op Newspaper Ad with costs evenly split between the Brand and the Channel Partner. In reality, the Channel Partner pays 100 percent of the ad costs in advance, and the Brand reimburses its 50 percent later — only after the ad is published and a claim is submitted. If reimbursement takes six weeks or more, then paying for overhead, inventory and even employee payroll could be affected.

So while your Channel Sales team is fired up and ready to train Channel Partners on how to be more successful selling, they're being bombarded with administrative questions and complaints as soon as they walk in the door:

- "I submitted an ad for approval five days ago and haven't heard back from marketing."
- ... "My reimbursement claim was rejected, but I don't understand why."
- ... "My reimbursement claim was approved five weeks ago, but I still haven't been paid."
- ... "So, where's my check?"



Getting It Right: The SproutLoud Solution



As a Channel Sales leader, you know that putting a well-trained Channel Partner in front of a local customer is what drives sales. The key is to eliminate unneeded administrative work for your Channel Partners and, consequently, for your Channel Sales team.

The solution: Take the obstacles of time and money out of the equation and simplify the entire process. SproutLoud's Channel Marketing platform is a game changer that uses the latest technology to simplify marketing execution, amplify the power of your spend and accelerate local Channel Sales.

SIMPLIFIED CAMPAIGN EXECUTION

Simplified Campaign Execution makes pre-approvals, invoices and paperwork obsolete. Your Channel Partners select from pre-approved, customizable assets through a cloud-based portal and launch campaigns with point-and-click ease. This eliminates the vicious cycle of submitting, awaiting and resubmitting approval requests — which means there's no need to ask the Channel Sales team to get involved in marketing execution.

Intelligent Funds Management gives your Channel Partners instant access to funds earmarked for Brand advertising with SproutPay Instant Funding. Once Channel Partners find a campaign tactic and select it online, they can instantly access the Brand's Co-Op funding through SproutPay by simply using a credit card to pay their portion. There are no pre-approval requests, no "floating" the Brand's portion of the ad, no reimbursement claims and no begging the Channel Sales team to track down their money.

INTELLIGENT FUNDS MANAGEMENT

LOCAL MARKETING AUTOMATION

Local Marketing Automation instantly executes the selected tactic on the Channel Partner's behalf. This means that — instead of being trapped in the back office, haggling with media outlets and struggling to keep up with Social Media — your Channel Partners are on the floor working with your Channel Sales team to understand more about your products and how to be successful selling them.

Challenge No. 2: The Trunk Full of Collateral

In my 18 years of helping build indirect Channel programs, I have consistently heard one complaint from senior management: "Our Partners aren't using the right materials!"

When your executive team visits brick-and-mortar Partner locations, they inevitably find that a Partner is using old signage or displaying outdated offers. Even promotional items maybe last year's models. When sitting down with service-oriented Partners that don't sell to customers in stores, executives find similar problems. The Partners might have the wrong marketing collateral or one-sheets of expired promotions. They may even be outfitted in last year's branded clothing.

The reason this happens is that the Channel Sales team is often responsible for delivering these items to Partners.

Don't believe me? Do a trunk check. Go to any Channel Sales reps or field marketing reps you have and ask them to open their trunk or the back of their SUV. I can tell you what you are going to find: posters, standees, huge stacks of collateral and probably multiple demo items or giveaways.

The sad part is, if you had opened a Channel Sales rep's trunk in 1965 or 1985, you probably would have seen the same thing. Brands have acclimated to the idea that this is the way Channel Marketing and Sales works: your field team is the primary funnel by which all marketing is delivered to Partners.



This is wrong for so many reasons:

→ INEFFICIENT AND EXPENSIVE

First, this outdated process is very inefficient. With centralized asset distribution and an incredibly competitive shipping market, it is far cheaper to send items — posters, collateral, POS displays — directly to Partners.

→ ROOM FOR ERROR

Secondly, depending on Channel Sales to deliver marketing materials opens the door to significant human error. Marketing is creating huge amounts of collateral that should be put in front of customers. Having a salesperson or field marketing manager try to keep up with what goes where creates a less than ideal result. Some items will be lost. And there will be inconsistency in which pieces were delivered to Partners.

WASTE OF TIME

→ Most importantly, asking field teams to deliver materials takes precious minutes away from the limited time they have to focus on selling.

Imagine that a field marketing manager or Channel Sales rep has 20 Partners in their territory. They want to get to every Partner every week. That is four Partners per day. If the rep wants to spend at least an hour with every Partner, half of every

day is dedicated to coaching and training Partners. Toss in travel time, internal sales meetings and administrative work that probably takes up the rep's entire week.

Now, let's focus on that hour. Imagine that the Channel Sales rep shows up at 10 a.m. The Partner is ready and available. First, the rep has to make sure it is ok to bring in the materials without disrupting customers. By the time the rep gets the Partner to give them the go-ahead, five minutes are gone. Next, the rep goes to get the materials from the trunk, and another five minutes gone. Explaining what's what to the Partner and helping with display takes another five minutes. That's 25 percent of the total time the Channel Sales rep has to talk to Partners about selling — but instead, it's been dedicated to administrative work.

Let me say that again: 25 percent of the time that should be dedicated to helping your Channel Partners sell more of your Brand products is lost to administrative work. Partners need to understand how to probe for need, how to recognize pain points and how to align product benefits with those pain points to drive more sales. If you believe, as I do, that sales is a craft and not a talent, then losing a quarter of the time that should be dedicated to coaching Partners is totally unacceptable.



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Getting It Right: The SproutLoud Solution

The SproutLoud platform takes the Channel Sales team, or field reps, out of the marketing equation. Partners log into their custom Partner Portal and see all the collateral, POS materials, promotional items and clothing they need in one simple web-based portal. They are able to order these items with a click of the mouse, and both their portion and the Brand's portion of the payment is applied immediately through SproutPay. The items — and we are

talking everything from a new brochure to a plexiglass display frame — are shipped directly to the Partner location.

Now, let's say that you believe there is value in having your field team talk to Partners about the latest and greatest items on a campaign — no problem. Partners can still engage on these items, but you are still getting back over 15 percent of that sales coaching time back.

SproutLoud automates Channel Marketing
so sales can focus on, well, sales.



Challenge No. 3: The Marketing Helpdesk

As we have discussed, Channel Marketing is hard and your Independent Partners are not marketing experts. But guess what? Neither is your field sales team. If you are allowing Partners to use your Channel Sales team as a resource for marketing guidance, you probably are not only wasting valuable sales time, you might be wasting money as well.

Delivering a highly targeted campaign that uses digital and traditional tactics to drive customers from awareness to consideration to decision takes a lot of expertise. In fact, the top three challenges local business owners face with Brand marketing programs are finding the right program, customizing marketing materials and getting reimbursed.² But understanding how to align Pay-Per-Click Search Advertising with Social Media Campaigns is not what you hired a Channel Sales manager to do. So, why would you put them in a position to help Partners make those decisions?

Top Three Challenges for Local Business Owners:



Local Partners are incredible assets for a Brand to have. They know their community. They understand how to drive sales. But they have a lot of questions about marketing:

- "Which campaign should I use?"
- "How much should I invest?"
- "Which vendor is best for executing Dynamic Digital Display Ads?"
- "What customization should I add to a campaign?"

All these questions are valid, and they all need a valid answer. But even if your field marketing team had the expertise to answer them, it would still take valuable time away from sales focused training.

² Ibid., p. 13.

Getting It Right: The SproutLoud Solution

SproutLoud's platform takes a lot of the complexity and questions out of Partner marketing. When Partners login to their Partner Portal, they will see all the tactics that are available to them. The Brand funding offer is attached directly to the campaign tactic, so making decisions on which tactics to launch is simple.

The execution of those tactics is handled by SproutLoud's Marketing Service Provider (MSP) ecosystem. MSPs are over 40 of the world's best marketing vendors for virtually every tactic your Partners could need. Since SproutLoud ensures that MSPs are delivering best-in-class execution, your Partners no longer have to worry about which vendor to choose which means fewer questions for your sales team.

The actual customization of the asset by your Local Partner is simple as well. All assets are presented in highly dynamic templates. During enrollment, SproutLoud helps Partners preload all their location and contact information, along with any imagery or logos they would like to use in ads. This automation allows Partners to customize ads in minutes instead of paying out of pocket for local agency help.

Regardless of how strong the technology is, it is expertise that always drives success.

That's why SproutLoud's Expert Marketing Support takes the burden of guidance off your Channel Sales team. SproutLoud's Local Marketing Coordinators will proactively reach out to your Partners and help them understand every function on the platform. With SproutLoud's Digital Diagnostics product, Local Marketing Coordinators can help each Partner understand how their digital presence compares to top competitors. They then use this data to advise Partners on the right tactics to launch to improve leads and sales.

SproutLoud's software, services and support will turn your Channel Partners into expert marketers.



Challenge No. 4: Channel Churn



It doesn't matter what industry you are in, losing Partners hurts. Whether you lose a Partner to the competition or have to fire a Partner for poor performance, the cost of replacing that distribution point in your Channel strategy is significant.

Most Brands commit IT resources to help Partners execute marketing and sell their products. This could include CRM software, POS systems and portals to check the latest pricing or promotions. Turning down a Partner that has integrated all these systems requires IT to dedicate time and headcount to terminating access and keeping the Brand secure.

Channel Partners also have significant resources in their possession. Whether this involves demo products or just POS materials, getting a field marketing rep or Channel Sales manager to their location to retrieve these items distracts from their core mission: selling.

Whether the Channel Partner decided to stop carrying your products or was let go for poor performance, this change can harm the Brand's reputation in that community. Customers that purchased your products from that location or Partner will have questions about the change — and whatever the answers may be, it won't shine favorably on your Brand.

Finding a new Partner to replace the one you lost also takes tremendous effort. Searching the local community, qualifying that Partner and having them pass all the background and credit checks takes time. Every day that you are onboarding is a day you are losing potential sales.

Assuming that most Brands have extensive qualification checks when adding a new Partner, failure is usually caused by just a couple of factors.

First, the Partner didn't understand the value of the product or how to effectively position it. This failure falls directly on the Channel Sales team's shoulders and is most often caused by the Partner not getting enough sales support.

Secondly, the Partner doesn't market their business or the Brand's product effectively. This is most often caused by Partners not participating in Brand marketing. In fact, according to recent report by Gleanster Research, 75 percent of local businesses don't participate in Brand marketing programs because they aren't sure it is a good investment. And 57 percent of Partners, who opt not to use Co-Op, decline to participate because the process is so difficult.³ Failure to market effectively in their local market means less traffic, less sales and maybe loss of their Brand affiliation.

³ Ibid., p. 9.



75%

of local businesses don't participate in Brand marketing programs because they aren't sure it is a good investment.

Getting It Right: The SproutLoud Solution



Helping Partners be successful will not only increase total sales but also keep the Partner ecosystem stable. Less churn of Partners means less time, money and effort spent trying to keep the lines of distribution flowing.

SproutLoud has solutions for the major problems that cause Partners to fail.

First, our SaaS-based Partner Portal simplifies Channel Marketing, so more Partners will invest in Brand campaigns. And because Brands can use SproutPay Instant Funding to distribute marketing dollars directly through approved campaign assets, Partners will execute the effective tactics that the Brand prefers.

Because the Brand's funds are instantly applied, Partners can invest more money in campaigns each month. Better marketing

means better sales, which keeps Partners happy and eliminates churn.

As we discussed, not understanding how to probe for need, position products or get customers to close is the responsibility of the Channel Sales team. Partners usually fail here because they haven't had enough face time with their local Brand representative.

By automating much of the work associated with local campaign execution, SproutLoud removes sales teams from the Channel Marketing equation. With no collateral or promotional items to deliver and most marketing questions being answered by SproutLoud, Channel Sales teams can focus 100 percent of their time with Partners on probing, positioning and closing. That level of coaching helps Partners become much more effective at capturing potential sales.

The Next Evolution of Channel Sales



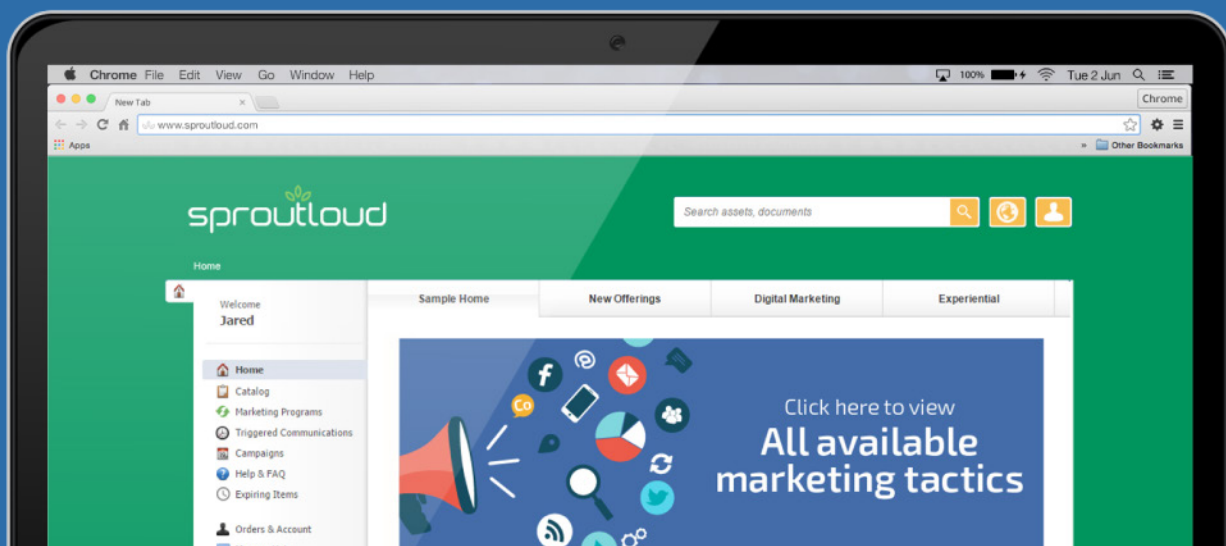
As a sales leader, you know that success in Channel can drive exponential growth for your Brand. But the complexity of traditional Channel Marketing processes often leaves the field sales team holding the bag. Tracking down reimbursements, outfitting a store with Brand materials and answering questions about local marketing tactics — all this takes away from the core mission of every great Channel Sales manager: to drive more sales. Losing and replacing Partners in a local market disrupts the flow of distribution and takes days or weeks of productivity away from the Channel team.

At SproutLoud, we have developed local marketing solutions that allows Channel Sales teams to focus on sales. By simplifying the development and execution of Partner

campaigns, SproutLoud can remove the burden of administration from your field sales team. Because SproutPay Instant Funding takes all the red tape out of paying for local campaigns, your Channel Sales team can spend more time coaching on sales techniques instead of calling a claims processor to hunt down a reimbursement. SproutLoud improves the effectiveness of Partner marketing by automating the execution of campaigns through best-in-class vendors and providing expert guidance through our Local Marketing Coordinators.

If you care about growing your Channel Sales numbers, then SproutLoud is the one marketing tool that your Sales team can't do without.

SproutLoud's Channel platform is the one marketing tool that Sales can't do without.





**Learn how to accelerate
local Channel Sales** →

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Everything You've Been Told
About Channel Marketing
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