

How Vendors Will Work with Channel in 2011

Written by Bob Snyder
21 May 2011

The vendors spend a lot of time, money and resources wondering what's on the mind of the channel. It's only right that once a year we flip that question and ask: *What's on the vendors' mind for this year?*

And that's exactly what **Amazon Consulting** does in its report **2011: State of Partnering**, its annual survey of the partnering plans and priorities of the IT vendor community. Based in Silicon Valley company, Amazon Consulting is a partnering services firm that uses this study (now in its 5th year) to look at the challenges, priorities, metrics and investments of technology vendors as they attempt to invest and go to market via indirect channels.



We talked with Amazon Consulting VP, **Beth Vanni**, about how 2011 may be different. After all, we're coming out of a global recession that smacked almost everybody financially. Vendors traditionally embrace channels most lovingly during tougher times and then...well, you know the cycle.

Amazon Consulting surveyed 100 IT vendors and 34 were outside No. America. Mostly large vendors (more than \$1 billion in sales) with a "heavy" software orientation and including 51% who profess a "global orientation."

According to the Amazon Consulting report (link at bottom of this article), these **vendors see three main growth strategies for 2011**

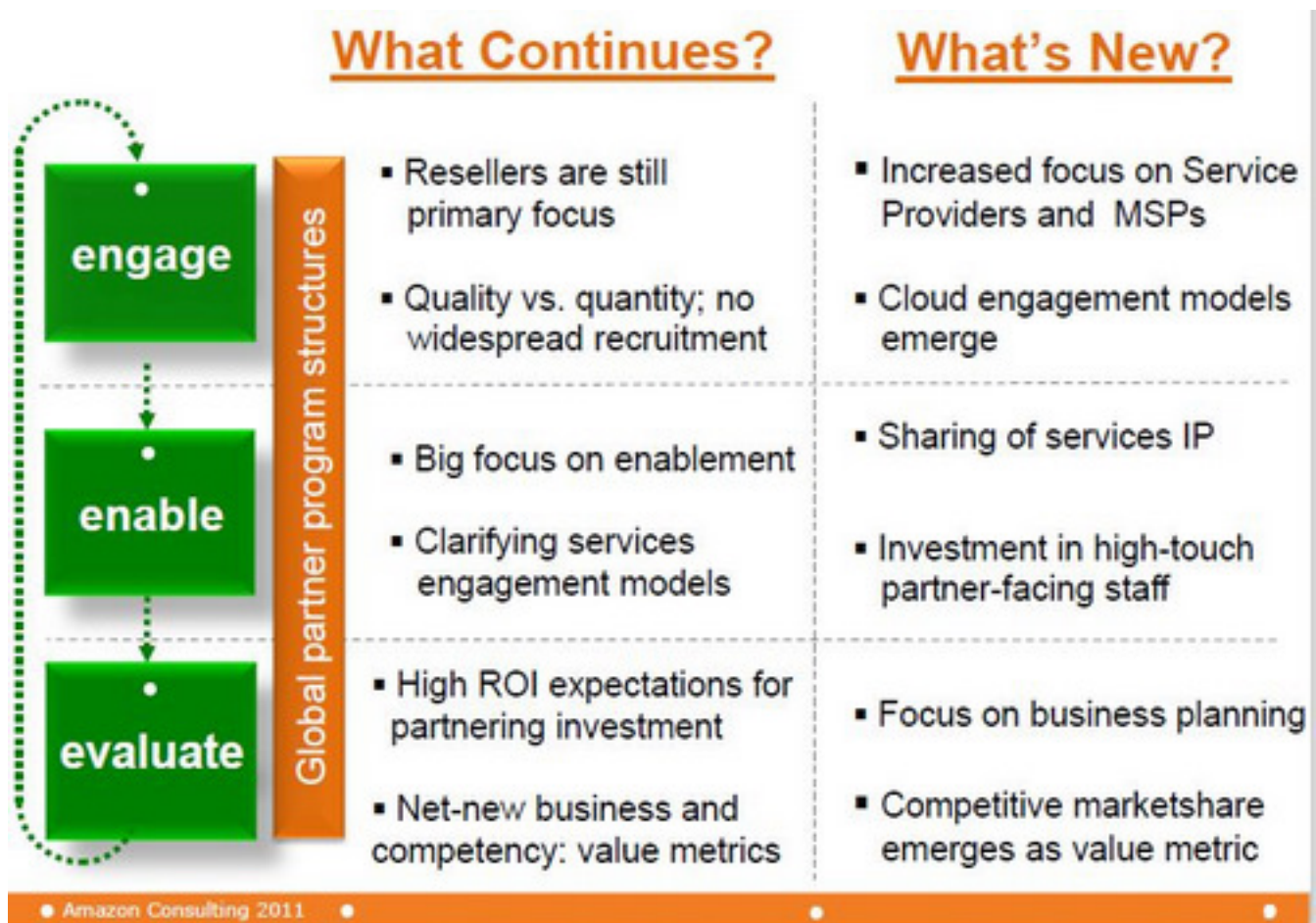
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- Focus on new business
- Focus on MSPs & service providers
- Build cloud engagement models

In a way, you could say all three are about "New Business." MSPs and SPs are new channels who will generate "New Business" for vendors. And building cloud models will be another way to generate "New Business."



This would seem to be confirmed by this Amazon Consulting report that explains how vendors plan on measuring your value in 2011. Last year it may have been the number of customers served but-- as the recession clears-- **vendors want to come back to measuring how much New Business you will write** (And they are next most

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interested in your evolving technical expertise and your competitive market share gains).

In 2011, vendors say they will put their money behind these goals: "partner profitability plans" for vendors will mean for this year a focus mainly on **business planning** and **lead generation**.

Vendor priorities, overall, in 2011, as Amazon Consulting determines from their analysis of the survey, are:

1. Increasing sales competency
2. Getting partners to invest in building solutions
3. Being easier to do business with...

(Bless them on the last point but let's hope they mean their own sales competency as well as ours as partners.)

Resellers are still the most strategic sought-after partners, followed by system integrators. But MSPs and service providers continue to grow in importance. More than 30% of vendors surveyed already focus on service providers/carriers: but 20% plan to actively engage Service providers/carriers in 2010. With the migration to services, the decline in profitable voice traffic, the telcos, VNOs, carriers and others want the new IT business. And large vendors plainly are interested to talk to these large, well-funded organizations with lots of cable-pullers on the street and more cellphone shops than you can shake a smartphone at...

(As if the telecom industry has not been a pain in the side of IT for years...trying to claim the internet as their own, trying to install pay-as-go on internet usage, limiting infrastructure with their only-if-we-must 10-year CAPEX plans, and just generally moving slow and being in the

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way all the time...)

With everyone in the channel trying to come to grips with cloud, it's significant that **nearly half the vendors plan to engage partners for SaaS/Cloud** (with no plans to sell direct). Where channel will find out it's a brave new world:
40% plan to deliver cloud products direct and then use partners as resellers or agents.

If that holds true when implemented, 40% of your largest software vendors will want you to work on commission or new cloud-payments.

While most vendors engage in **strategic planning with their top tier partners**, 48% will want to extend that to the next tier of partners.

Regarding **skills improvement priorities for 2011**, there will be a continued focus on **pre-sale s prospecting sk**ills, now considered the most popular of channel programmes. After that, there's a vendor wish list, ranked in order, that spells out what vendors want from partner skill sets in 2011...

- Enhancing post-sales professional services delivery
- Selling and marketing an annuity-based service based on our technology
- Enhancing technical skills with some deeper product technical specialization
- Developing a vertical solution or vertical selling approach to key industries
- Understanding needs and selling value to line-of-business decision makers

P2P collaboration, not surprisingly in our eyes, ranked low in priority, as only 11% of vendors plan to increase P2P collaboration as an overall priority. Social media, however, is planned for outbound marketing and vendor/partner collaboration.

Partner management staff, discounts and deal registration remain the top three highest ROI investments that vendors hope to use in 2011.

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There's a lot more good insight in this research, but here's what all this info boils down to if you are a Solution Provider...

Essential Solution Provider Guidance for 2011 (Amazon Consulting)

1 Planning will put you on the map: Make sure the process drives mutual accountability

2 Service providers are the “it” channel: New support, incentives & teaming models from vendors

3 Make the cloud real : Experiment with engagement models and test your vendors' commitment

4 Get a real marketing plan: If you don't have a plan and staff, this is the year to leverage the vendors'

5 Leverage new enablement resources: vendors are investing in services and sales IP –get your fair share

Vendors can also find their own Guidance in this report from the link below.

Go [Amazon Consulting, 2011: The State of Partnering](#)

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