

The Channel's Leadership is Bifurcating

Written by Braham Shnider
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It has been much discussed that traditional channels leadership is ageing whilst as the same time we have many channel start-ups being led by young entrepreneurial leaders. I believe in combination with many of the disruptive technologies we are at an Inflexion point which needs action now!

Start-up Channels shareholders desire for high risk / rewards is its main reason for early market success

- Start-ups receive substantial investments with the expectation of high risk and high potential reward
- As a consequence a small number of these start up channels receive most of the value creation of new solutions, technologies and disruptions
- For newer technologies and solutions Start-up Partners are often the source of early market success

The traditional Channel's shareholder aversion to risk seems to be its biggest hurdle to future success

- Most Partners founded pre-internet are led by an ageing leadership adverse at taking risks, constrained by both public and private shareholders expecting EBIT and cash flow growth quarter on quarter

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- They generally do not have an appetite for mid to long term investment
- New capital is only available for acquisitions which need to be immediately EBIT accretive
- As a consequence they miss most of the value creation and risks associated with the creation of new solutions, technologies and disruptions
- Transformation to new business models with different result / risk profiles will require a change in both shareholder expectations and management skills

Vendors need to take a more active role

- Proactive engagement of Start-ups and young entrepreneurial changeless especially for early market success
- Recognise many existing Channel Programs (focused on Vendor branding, targets, benefits, etc.) are creating false economies and artificially propping up Partners where the real Customer benefit is not clear and redirect some of these Channel programs investments to

1. Proactively drive Channel succession planning
2. Upskilling Channel leadership
3. Provide investment funding with the expectation of high risk and high potential reward which is required for business transformation

Feel free to reach out to me to discuss or even better let me know if I can help you in your channels of the future.

Braham Shnider is a channel management expert, strategic thinker, change agent, and implementer of innovative hybrid sales models for global companies in more 30 countries. Braham was the founder and served as CEO for 13 years at Channel Enablers, a global channel training provider for vendor channel teams and channel consulting solutions company with expertise in multi-channel routes-to-market. He negotiated the sale of Channel Enablers to Miller Heiman Inc. in 2013. Braham continues to work with a select few global clients on their next generation channels and partner ecosystems.

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