

## 5 Key Elements of Channel Management

Channel savvy companies profitably grow their sales and market share through their direct and indirect sales channels. To enable and support consistent performance, they design and execute structured processes to manage their sales resources. The five key elements of these processes include:



### Analysis and Plan

Channel savvy companies analyze their markets and the performance capabilities of their sales resources. They quantify the size of the market and their market share. They understand how much of the market they address, cover, quote, and win. Through this structured analysis, they understand what limits their market share and, importantly, the actions they must take to profitably increase it.

Channel savvy companies also evaluate the performance capabilities of their direct salespeople and portfolio of channel partners. They understand the degree to which each of their sales resources have the characteristics, capabilities, and willingness to successfully cover and serve their target customer segments. They also understand the ability and willingness of each sales resource to grow their sales and increase their market share. Channel savvy companies perform this analysis so their sales and channel managers can develop and execute territory plans that align with their business strategy and growth objectives.



### Target and Recruit

Channel savvy companies target, recruit, screen and engage with direct salespeople and indirect channel partners that meet their specific requirements. For each type of sales resource, they create a profile of an ideal candidate which explicitly describes the characteristics and capabilities required to successfully market, sell and support its products and services. Channel savvy companies ensure their sales and channel managers consistently use these profiles to qualify, recruit and hire candidates.



### On-board and Ramp-up

Channel savvy companies define and structure a process to effectively and efficiently bring new sales resources on-board and reduce the time it takes each one to generate revenue. Channel savvy companies understand that the first 90 days represent a honeymoon period that they can use to engage with each sales resource and convert each one to a champion for it. Channel savvy companies create explicit ramp-up plans with each sales resource. For indirect channel partners, their plans include the short-term training, marketing, sales, technical support, logistics, inventory, performance management, etc. activities required to accelerate (minimize) the “time-to-revenue.”



### Manage and Grow

Channel savvy companies define and execute an explicit process to manage their on-going relationships with their direct salespeople and indirect channel partners to improve their long-term performance. Channel savvy companies use a structured performance planning process which includes setting performance expectations and creating plans for marketing, sales, training, service, inventory, etc.; track and measure sales pipelines (when appropriate); track, measure and review performance relative to an appropriate mix of leading, coincident and lagging indicators; recognize and celebrate successes and address performance problems; off-board non-performers and proactively fill market coverage gaps.



### Execute

Channel savvy companies employ a structured management process that instills the rigor required to consistently execute the key components of the sales and channel management process and drive more consistent performance.

They periodically review and refine their channel strategy and management processes to optimize coverage, market share and profits. Through the discipline of this process, channel savvy companies employ sustainable practices that drive higher and more consistent sales performance.

The 5 Key Elements of Channel Management enable companies to realize higher and more consistent results from their channel strategies. The process helps companies transition from idiosyncratic practices of individual sales and channel managers to consistent ones that drive results.

If you'd like to discuss channel strategy, channel program or channel management issues with FL&A, then you are welcome to contact Jim Fogarty at [jfogarty@franklynn.com](mailto:jfogarty@franklynn.com).