

## Growability Focus Creates ROPI (Return On Partner Investment)

The demand for growth is inevitable. Next year you will be asked to sell more, spend less and thus improve your ROI. Your partners are part of the growth solution and need to be appropriately selected and managed. Vendors need to have a plan to increase their channel partners' sales value relative to costs.

The sales value includes:

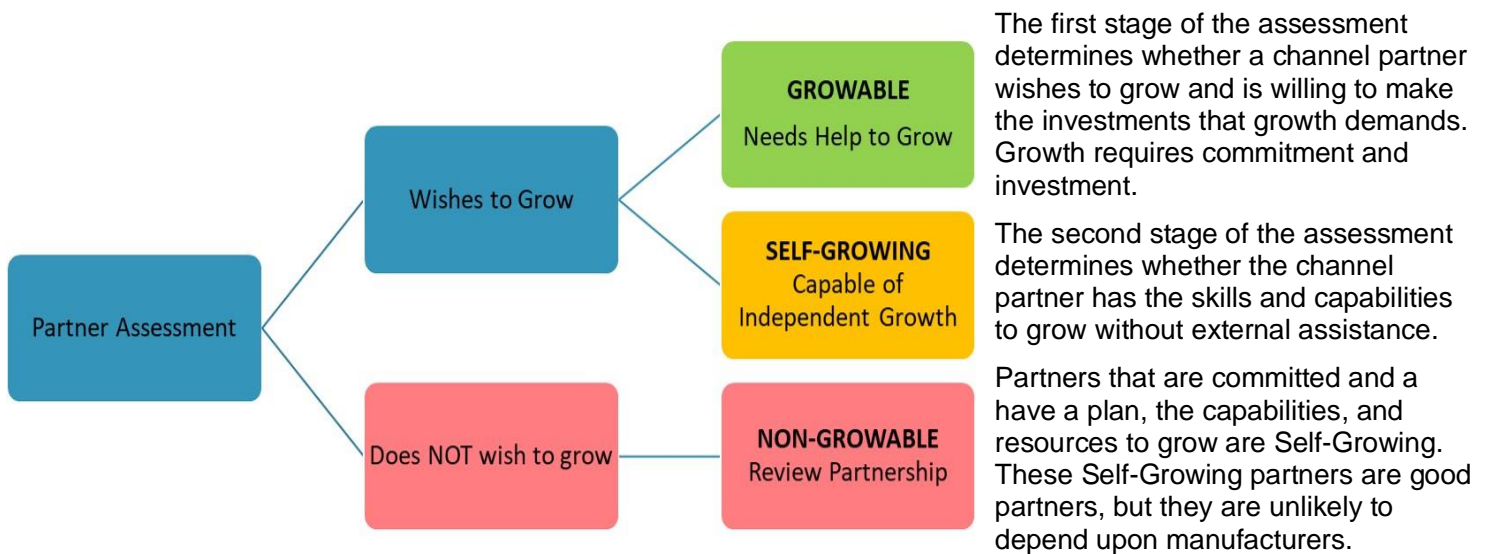
- Sales leads they generate (often projects)
- Sales for which you invoice them and the predictable income it represents
- Customer service they provide
- Customer retention/loyalty they generate (future sales)

The costs include:

- Discounts given to the channel partners
- Account management and sales support you provide the channel partners
- Additional marketing and promotion specific to the channel partners
- The costs of logistics, technical support, sales administration, and credit

Frank Lynn & Associates has found that to achieve a better ROPI, organizations need to target:

1. Channel partners that are interested in growth and willing to bear the investments to generate it
2. Channel partners who are able to grow AND want the manufacturer's help to achieve it



Any growth needs to be win-win, both the channel partner and the manufacturer must profitably grow. If the manufacturer grows but the partner does not, then the partner will resent its increasing dependence on the manufacturer. If the partner grows but the manufacturer does not, then the manufacturer will reduce focus on the partner.

Partners that wish to grow **AND** need the manufacturer's support are **GROWABLE** partners. Growable partners may need technical support or management mentoring. Where the gaps in their capabilities can be addressed by manufacturers, a mutual dependence is formed. These Growable partners are the best focus for management and year over year will repay this focus with improved ROPI.

*FL&A helped a commercial paper supplier develop local supply through specialized cleaning distributors that needed more support but provided more brand and sales commitment.*

*FL&A advised a leading pump company to develop value-added sales channels that focused on technical, value-based sales rather than price.*

If you believe that partner growability is important to your organization and the sales growth you seek, then FL&A can help. Feel free to contact Stephen Martin at [smartin@franklynn.com](mailto:smartin@franklynn.com) for further discussion.