

Communiqué

Leveraging Channel Management to Improve the Performance of a Channel Strategy

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At its core, channel strategies define the mix of direct and indirect sales resources companies use to execute their sales strategies¹. Companies with high performing channel strategies use robust sales and channel management processes to proactively manage them.

When companies have unstructured and idiosyncratic channel management practices, their sales results are often inconsistent. When management teams identify channel management practices as a root cause that limits the performance of a channel strategy², then it can drive higher and more predictable sales results by instilling more discipline and rigor in them.

Since channel management involves a broad set of activities³ (see Figure 1), management teams benefit when they initiate deliberate and practical transitions from unstructured and idiosyncratic practices to structured and consistent processes.

Figure 1— The Key Elements of Channel Management



Different channel management activities provide greater performance benefits at different stages of the evolution of a channel strategy. Therefore, management teams can align the changes they make with their companies' priorities and the stage in the evolution of the channel strategy to maximize the benefits of them (see Figure 2).

Figure 2—Channel Management Performance Drivers

| | | Stage in Evolution of Channel Strategy | |
|---|---------------------------|---|----------|
| | | Early | Late |
|  | Assess and Plan | Quantify and assess market share; identify limiters; align channel strategy | • -----> |
| | | Analyze markets and the performance of the channel partner portfolio; identify gaps; create territory plans | • ----> |
|  | Target and Recruit | Create profiles of ideal channel partners | • |
| | | Design recruiting process and create supporting tools | • |
| | | Train field sales team; initiate recruiting process | • |

Figure 2 (continued)

| | | Stage in Evolution of Channel Strategy | |
|-----------------------------|--|--|---------|
| | | Early | Late |
| Onboard and Ramp-up | Design onboarding process | • | |
| | Create training to support onboarding process and train internal functional team members to execute it | • | |
| | On-board new channel partners | • | -----> |
| | Design commercial ramp-up process; train internal team to execute it | • | |
| | Ramp-up new channel partners | • | -----> |
| Manage and Grow | Design business plan templates, train channel management team, and initiate business planning | | • |
| | Design sales funnel management process and initiate sales funnel reviews | | • |
| | Define performance metrics, design performance scorecard, and initiate periodic performance reviews | • | |
| | Design and initiate recognition and reward process and programs | • | |
| | Design and initiate performance improvement process | | • |
| | Design and initiate off-boarding process | | • |
| Execute and Optimize | Design, initiate, and consistently execute channel management cadence | • | -----> |
| | Periodically evaluate and evolve channel management processes and practices | | •-----> |

To increase the odds that the changes become embedded behaviors and deliver the desired results, management teams benefit from executing intentional transition plans that include training their field sales teams in the evolved processes and continuously coaching them.

You are welcome to contact Jim Fogarty at jfogarty@franklynn.com if you would like to discuss the channel management process and the approach to evolving it.

¹ Reference the FL&A article, “Ten Core Elements of a High Performing Channel Strategy”, for a description of a channel strategy and the elements of it: <https://franklynn.com/wp-content/uploads/2024/10/Ten-Core-Elements-of-a-High-Performing-Channel.pdf>

² Reference the FL&A article, “What Limits the Performance of a Channel Strategy? – Assess the Core Elements to Identify the Root Causes”, for a discussion of the process to identify the root cause(s) of performance limiters: <https://franklynn.com/wp-content/uploads/2024/11/What-Limits-the-Performance-of-Your-Company-s-.pdf>

³ Reference the FL&A article, “The Five Key Elements of Channel Management”, for a description of each element of the channel management process: <https://franklynn.com/wp-content/uploads/2022/06/5-Key-Elements-of-Channel-Management.Communique.pdf>.