

## Business to Business Channel Strategy Aligns Cross-Functional Teams with Market Opportunity and Cost to Serve

### Industry & Client Situation

A leading technology company had experienced success over the past several years launching high performance products targeted at the large enterprise market. Selling into this segment required the company to build direct sales and marketing capabilities and establish relationships with a relatively narrow set of channel partners. As this business matured, the company looked to expand into the Small & Medium Business (SMB) market with a more expansive product offering. To effectively reach this new market segment, the company needed to develop a new set of go-to-market capabilities.

### Approach

A small Bridge team working with a globally dispersed client team of sales, marketing, and channel managers addressed this opportunity with the following process:

- Performed interviews with a cross-section of existing and potential channel partners to understand the major drivers of their business—there were a very broad range of players with very different value propositions to the end-customers;
- Conducted a value-chain analysis to quantify where the various product volumes flow from manufacturers through the channels to end-customers;
- Segmented the broad set of channel partners into five distinct channel types along with a characterization of whether they were more relationship based partners, looking for higher levels of support and more detailed technical information, or more transactional partners, more interested in the latest promotional programs;
- Established priorities across these five channels based on volume of business and cost to serve (personnel required to build and maintain relationships and well as marketing activities with associated costs);
- Used this analysis to gain alignment across all the client organizations that touch and support end-customers and channel partners;
- Established integrated performance dashboards to monitor ongoing progress;
- Integrated data sources, tools, and performance metrics into the quarterly regional planning processes.

The new tools and processes were initially piloted in one region; feedback and learning were incorporated, and then rolled out to other regions.

### Results

The new channel management process became a cornerstone for the client's growth strategy in the business to business market. One of the biggest benefits of the work was the creation of a common set of vocabulary and metrics to align the geographically dispersed organization around the highest priority channels.

While a senior leader in the corporate office characterized the effort as “the best analysis I’ve seen”, the channel managers stated that “this is the best regional planning we’ve ever done”, as the strategy, tools and processes were implemented.