

# OPTIMIZING CHANNEL ALIGNMENT

A program to develop collaborative advantage

8-Week Program (Aug 14 – Oct 2, 2023)

Aug 14	Aug 21	Aug 28	Sep 05	Sep 11	Sep 18	Sep 25	Oct 2
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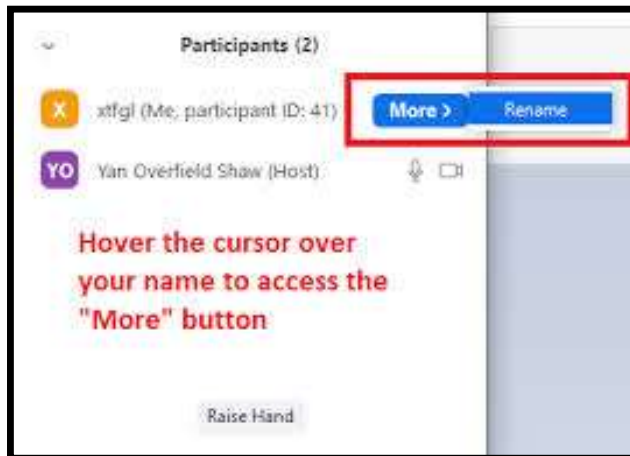


Leading the  
Channel Forward®

**ACT**vantage

# Zoom Platform Instructions

- Please Add Team # to your name, by clicking 'Rename' option
- **Example**
  - J Doe [Team 1]



First Name	Last Name	Team #	Company
Josh	Pinkard	Team 1	Martin Supply Inc.
Peter	Vagnoni	Team 1	Line Drive
Jessica	Mendez	Team 1	Norton Saint-Gobain
Cory	Kizielewicz	Team 1	SBD
Hannah	Shaw	Team 1	SBD
Hector	Flores	Team 2	US Tool Group
Jake	Bowen	Team 2	Line Drive
Hunter	DeFrees	Team 2	Norton Saint-Gobain
Jason	Motta	Team 2	SBD
Jacob	Puleo	Team 2	Kennametal
Caroline	Harris	Team 3	Vallen
Matt	Coovert	Team 3	Norton Saint-Gobain
Darryl	Woods	Team 3	SBD
Sergio	Escalona	Team 3	Kennametal
Bill	McElhaney	Team 3	Cutler Industrial Sales
Fernando	Segovai	Team 4	Durrie Sales Company
Anja	Taylor	Team 4	ARCH Cutting Tools
Marc	Jamrose	Team 4	SBD
Sam	Stancato	Team 4	Kennametal
Will	Barrett	Team 4	3M
Tristan	Moncier	Team 5	SBD
Taelor	Simmons	Team 5	SBD
Eric	Kenney	Team 5	Kennametal
Cynthia	Gabriele	Team 5	Netplus



# Optimizing Channel Alignment Certification in 8 Weeks

## Program Overview

ISA Channel 2.0 Framework

Channel Alignment Framework – Research

Program Overview & Course Approach

## Channel Goals

Supplier Perspective

Assess your current channel goal-setting process

Translate firm-level financial goals to channel goals

Identify critical success factors for achieving channel goals

## Channel Growth

Distributor Perspective

Learn to diagnose distributor growth challenges

Comprehend the key elements of the generating growth framework

Learn about nine growth strategies used by distributors

## Channel Focus

Learn to identify the right channel partners.

Assess existing channel partner performance.

Leverage purchase order data for channel relationship.

## Channel Compensation

Understand the trade-offs in channel compensation focus.

Learn about channel compensation comprehensively using 11 forms of capital

Measure the effectiveness of channel compensation elements.

## Channel Alignment

Assess your current channel alignment process.

Connect channel stakeholders' interest to create channel alignment.

Apply the channel alignment framework as a channel relationship tool.

Understand how to quantitatively measure channel alignment.

## Channel Evolution

Understand the implementation factors for channel management processes.

Learn four phases of implementing channel performance analytics.

Real-World Example.

## Roadmap: A Plan of Action

Learn to adapt to channel forces.

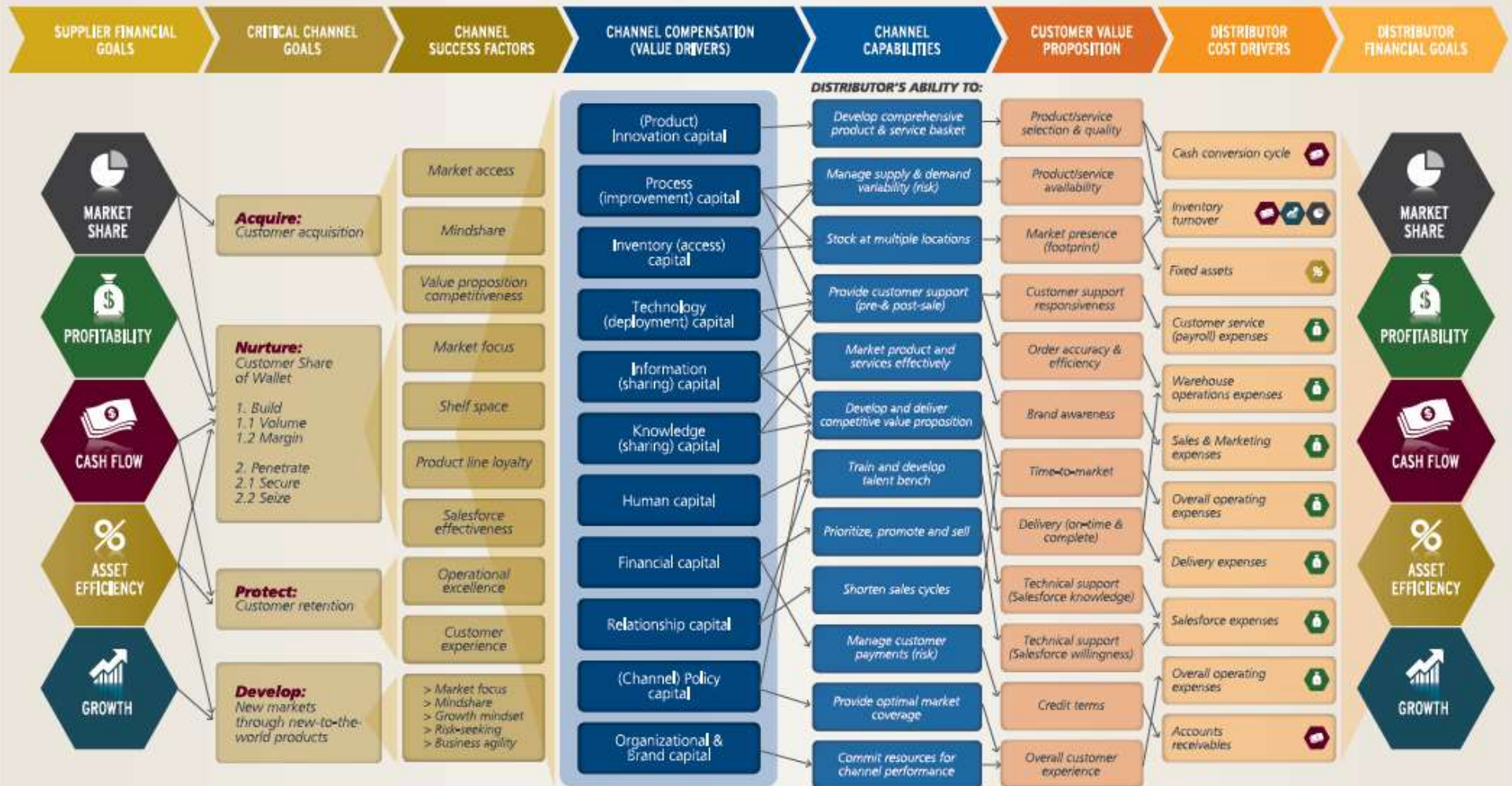
Comprehend the five principles of channel advantage.

The Roadmap: How to apply this at your company

*8 Weeks, 75 Minutes Each Week.*

# CHANNEL ALIGNMENT FRAMEWORK

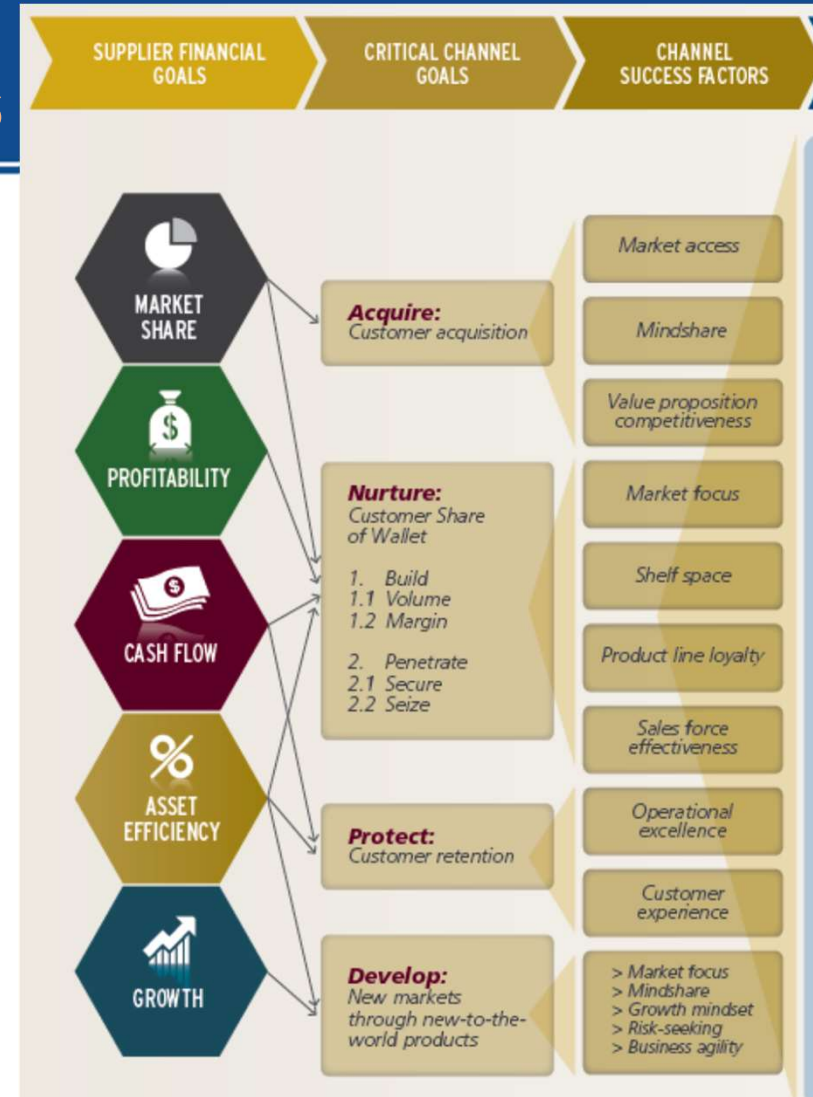
Supplier • Distributor • Customer







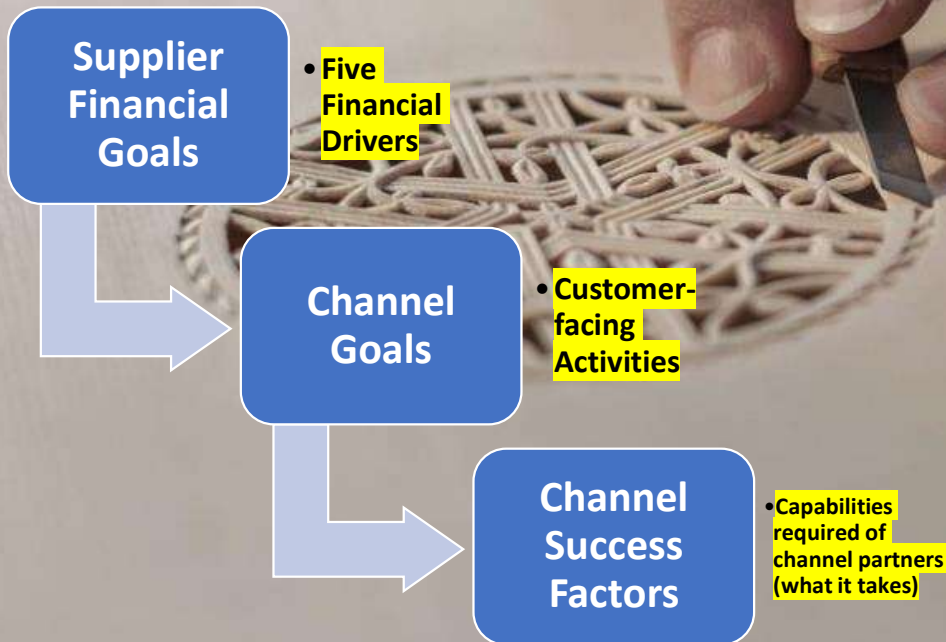
# Connecting Financial and Channel Goals to Channel Success Factors



## Discussion: Group activity – 10 minutes

1. What is your current channel goal-setting process? What recommendations would you make to your current goal-setting process based on the 3-step best practice discussed?
2. What are the Channel Success Factors [CSF] required for your firm to achieve your financial and channel goals?

Each group is required to summarize and send their responses.





## **1) Current Goal Setting Processing? What recommendations would you make with the 3 step best practice discussed?**

**Recommendation: Analysis of current data and having agreement upfront with a sign off.**

## **2) Channel Success Factors Required for your firm to achieve your financial goals and channel goals?**

- **Creation of a specific market focus – build a better intelligence and have a good stock of where we are...**
  - **How do we get into the market? Do we need acquire someone in that market to grow it?**
  - **Do any of our customers already have some market focus? Can we nurture and develop it?**
  - **Can we protect any wins that we have or do we need to develop the market focus?**



## TEAM 2

### 1. What is your current channel goal-setting process?

1. The current channel goal-setting process is established with the organization's financial goals as the over-arching framework. Once financial goals are established, channel goals go an additional layer deeper and focus on what needs to be executed to drive those financial goals. For example, if the financial goal is to improve market share, the channel goals will determine if that share gain will be attained via new customer growth, existing customer growth, new product development, or other means.

### 2. What **recommendations** would you make to your current goal-setting process based on the 3-step best practice discussed?

1. If acquiring new customers/markets is the goal, **need to understand your value proposition**
2. Nurturing and protecting existing customer base with particular emphasis on your "core" customers

### 3. What are the Channel Success Factors [CSF] required for your firm to achieve your financial and channel goals?

Below are some success factors that were brought up by the team

1. Protecting relationships through incentives, NPD
2. **Prioritize core customer base**
3. **Operational excellence** via plant efficiency, lead times, service level
4. Pricing and promotional strategy, customer programming (rebates, coop marketing funds, etc)





# TEAM 3

## 1) Current channel goal setting process

Identify through a suppliers KPI what the supplier's financial goals are and communicate within the company all the way to the sales team. The **more transparency** given **can help deliver the message** of how a sales force can devise a sales strategy.

Top Line growth is great for market share but needs to be accompanied by bottom line growth.

1. Build/Penetrates - Identify and follow the supplier's financial goals with strategies of new customer, existing customer, or new business development.
2. Alignment -Setting and following the plan in place
3. Geographical Limitations - **Consideration of different regions which may not align universally so perhaps different channel goals may differ depending on region or geography.**
4. Retention
  1. It takes much longer to gain new business than to retain and grow existing business.
5. Measurement and **Alignment of Success Factors for Future Campaigns** and Strategy
  1. Reach
  2. Marketing
  3. Salesforce (CRM)
  4. Analytics



## TEAM 4

- **Financial Goal:** Profitability/Margin Enhancement
- **Channel Goal:** Setting margin pipelines/goals in CRM platform. Goals should be set to 50% over target, knowing the realistic hit rates will be closer to 25-30% over target
- **Channel Success Factor:** Utilize resources such as specialists/technical sales individuals to assist each pipeline goal



# TEAM 5

- **Question #1**

- **Step 1:** Define Overall goal and objective sets – Determined by Business Executives or Business unit leads
- Outline overall goal
- **Determine required check points or elements** ( i.e. In accomplishing 10% growth you must all implement 5% growth in these 2 categories and sell 20% NEW products)
- Establish the metrics in which the goal is being measured against ( \$\$\$, Engagement, clicks, completed sales etc.)
- **Step 2:** Financially Ability
- Financial breakdown of the goal ( i.e. What is it going to cost to achieve?/ What investment is needed)
- Determine Financial metric ( Top line/Margin enhancement or Savings)
- Outline how the metric is to be calculated and tracked
- **Step 3:** Execution
- Determine/Deliver Communication of goal to all relevant parties
- Outline & Ensure all departments or business units know their role and expected participation in achieving this goal (marketing, finance, ops, sales etc.)
- Act and implement all **customer facing activities** ( Sales communication to customers ect.)
- Monitor and Supervise adjust course if needed
- **Step 4:** Postmortem
- Audit financial metric
- Did secondary objectives get met?
- To what % was this goal accomplished

- **Question #2**

- We feel that all channel success factor are needed to achieve the bulk of corporate goals however directly these are **the top 3** we feel provide the most ROI
- Nurture – Market focus and shelf space
- Protect - Customer Experience (constantly improve and develop the best experience possible)
- Develop – Market focus and Mindshare



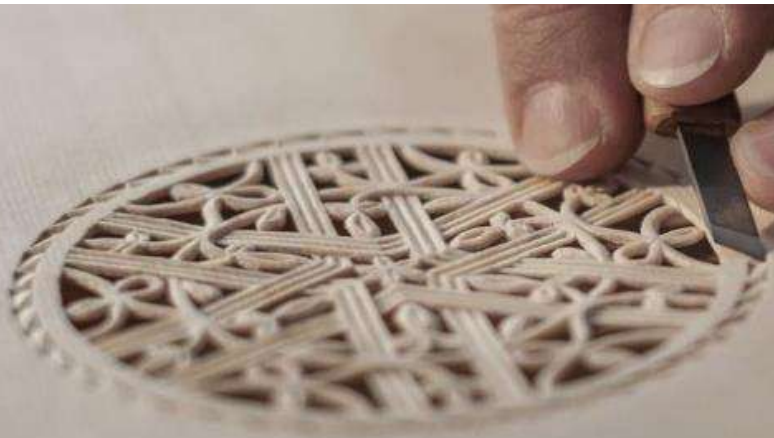
## Learning Objectives – Week 3

### Channel Growth [Distributor Perspective]

- Learn to diagnose distributor growth challenges
- Comprehend the key elements of the generating growth framework (from distributor perspective)
- Learn about nine growth strategies used by distributors

Discussion: Individual Activity – 5 minutes (Type in the chat window)

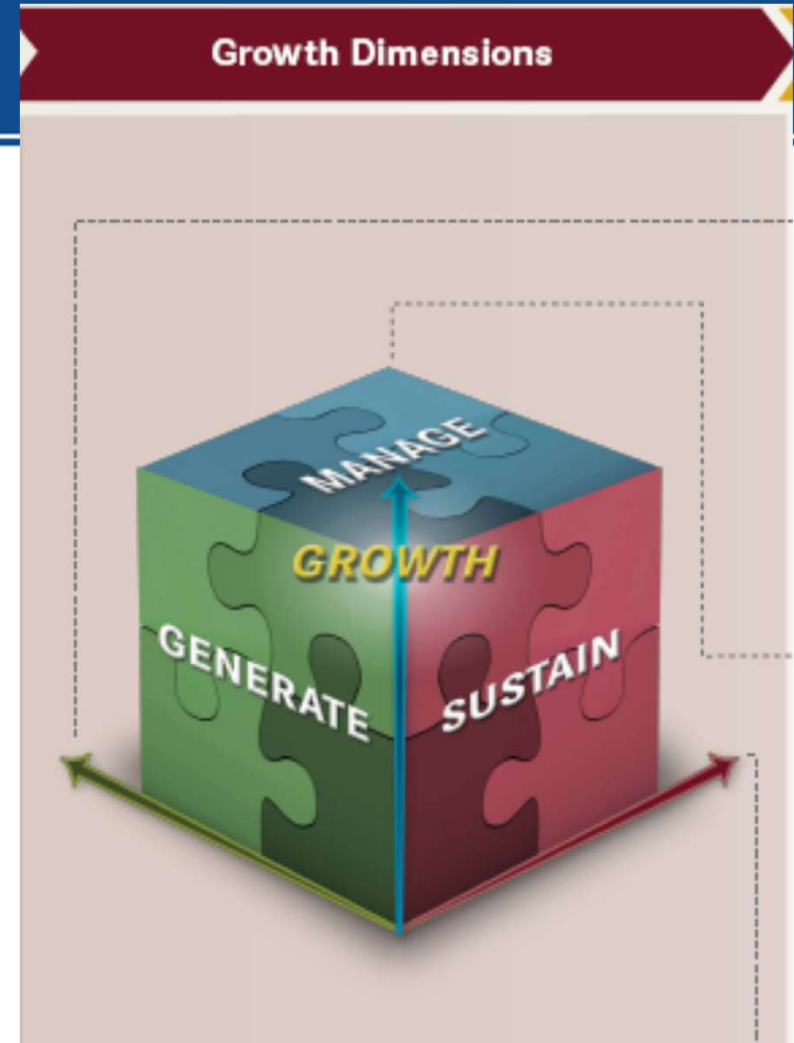
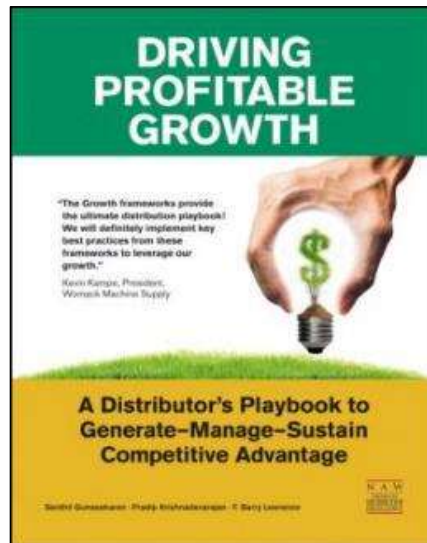
What are the different growth strategies pursued by distributors or your channel partners?



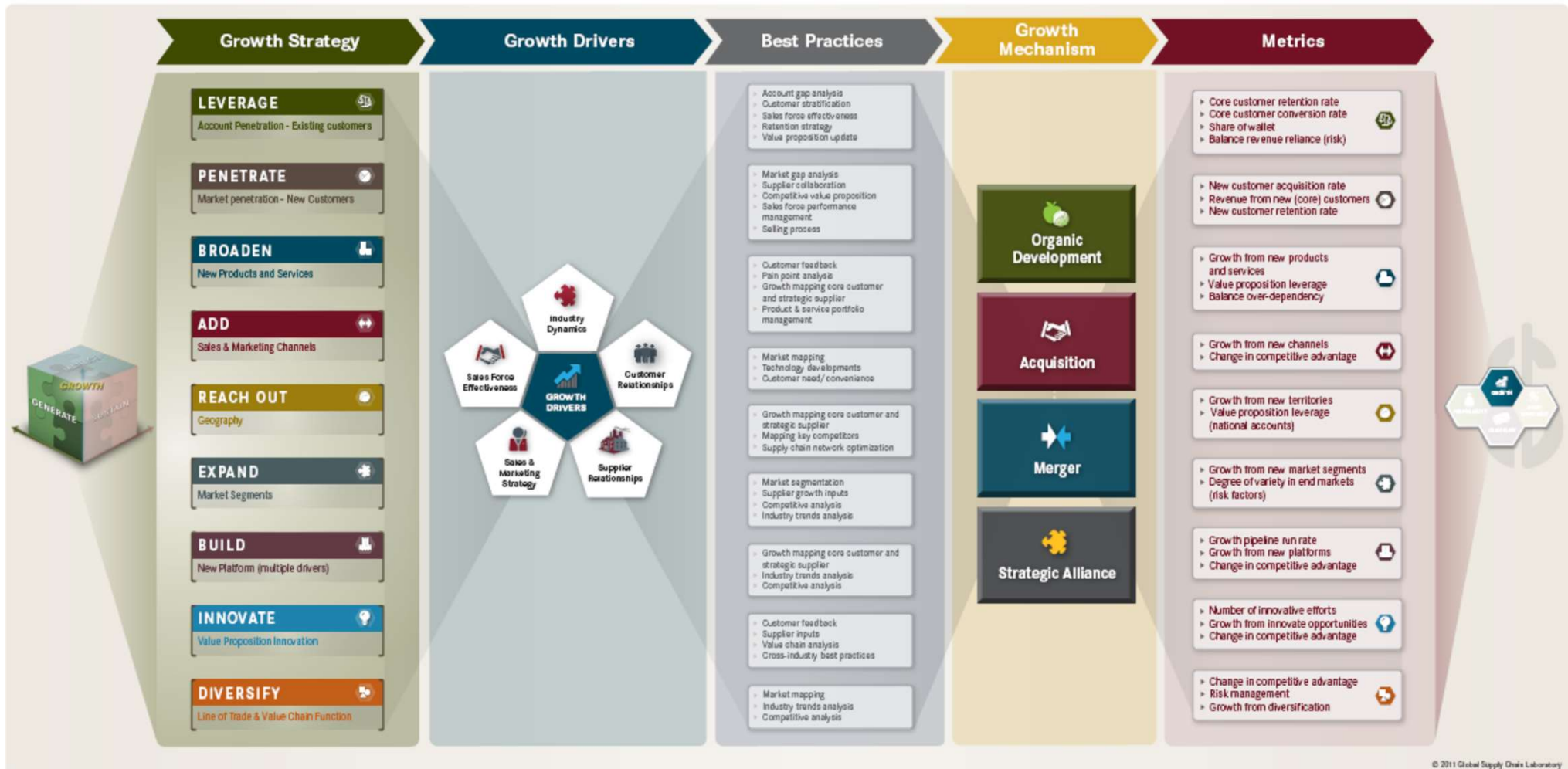




# Growth Framework



# GENERATING GROWTH FRAMEWORK



# Definitions

## ➤ Growth Strategy

- 9 ways to grow revenue

## ➤ Growth Drivers

- 5 ways to convert a growth strategy into a specific growth opportunity

## ➤ Best Practices

- Required strategic analytics for converting strategy into specific opportunity

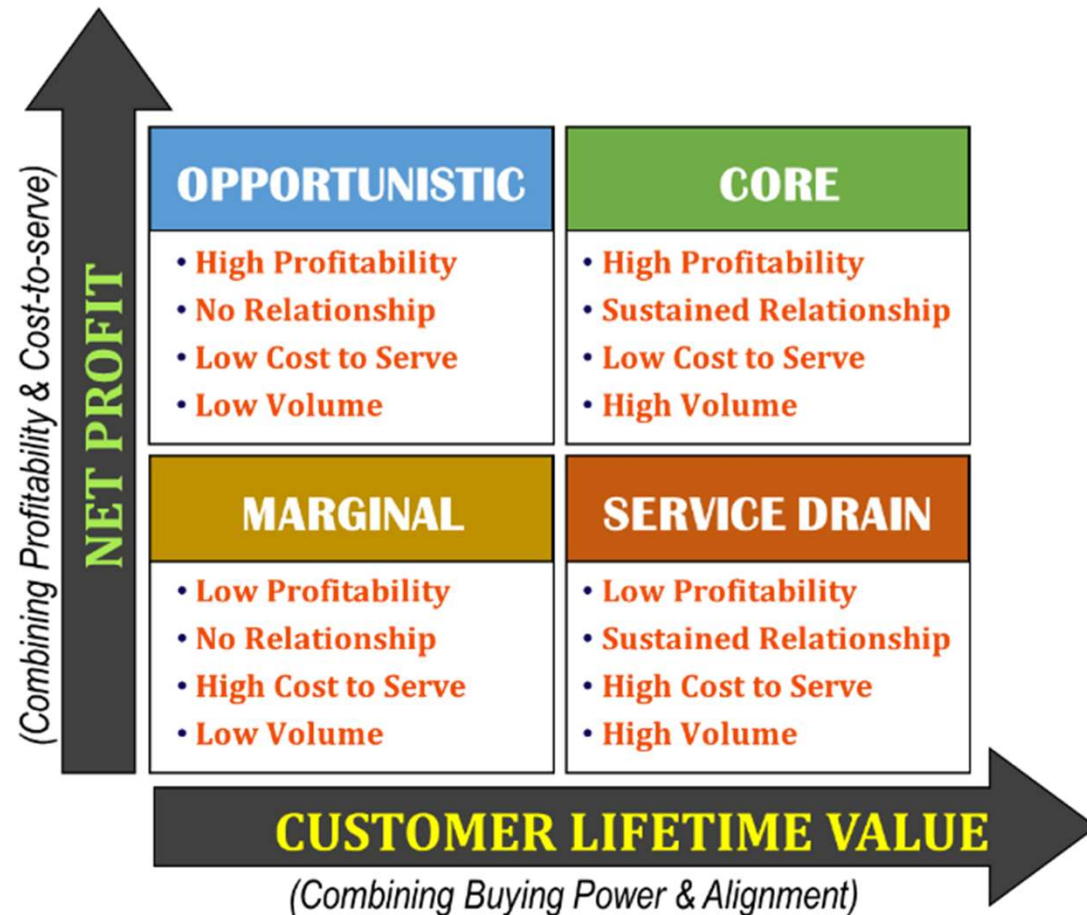
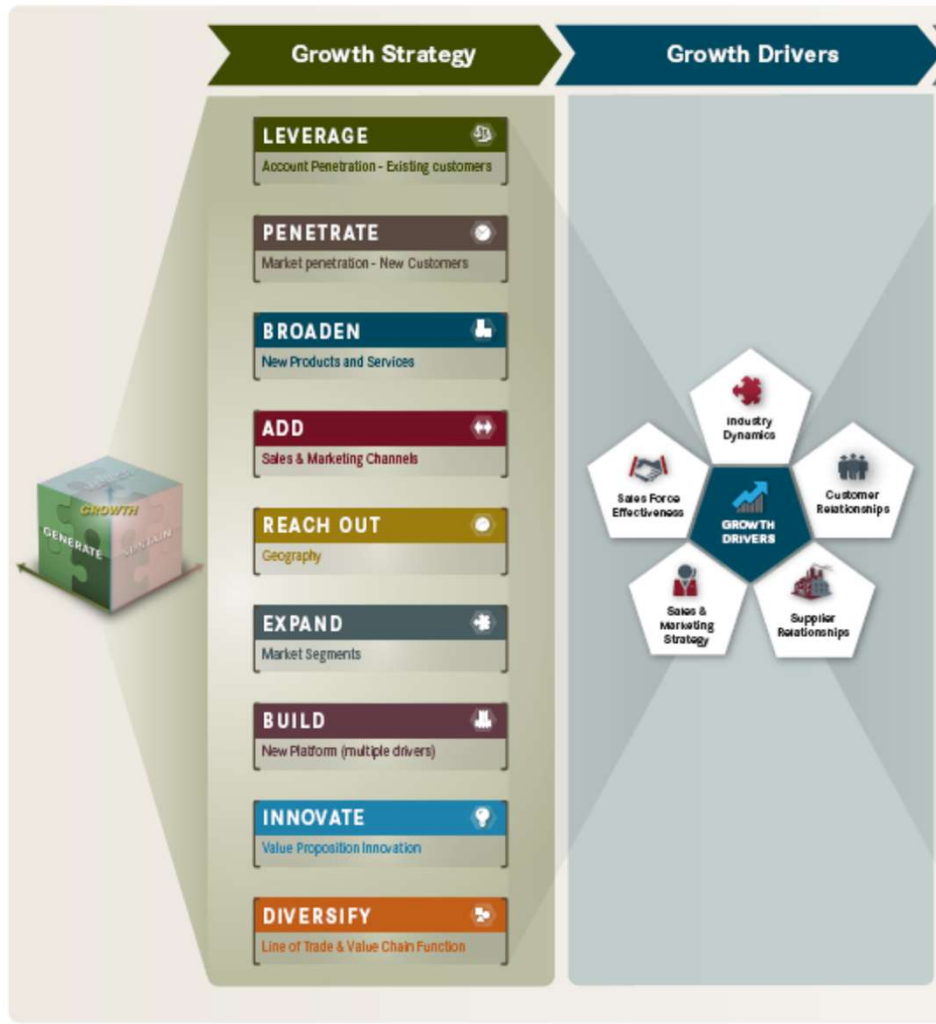
## ➤ Growth Mechanism

- 4 ways to implement a specific growth opportunity

## ➤ Metrics

- Measures for each growth strategy

# CUSTOMER STRATIFICATION: THE FOUNDATIONAL GROWTH ANALYTICS



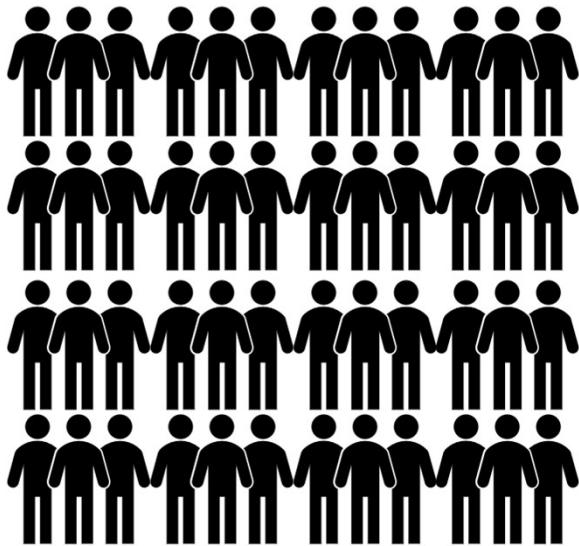




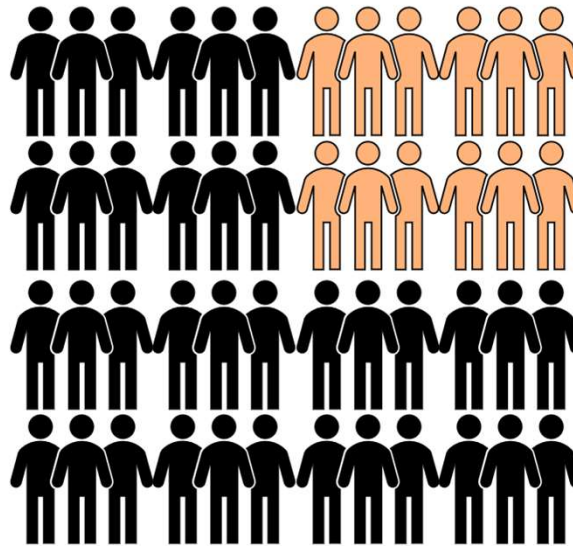
# Driving Account Growth

All customers are NOT created equal

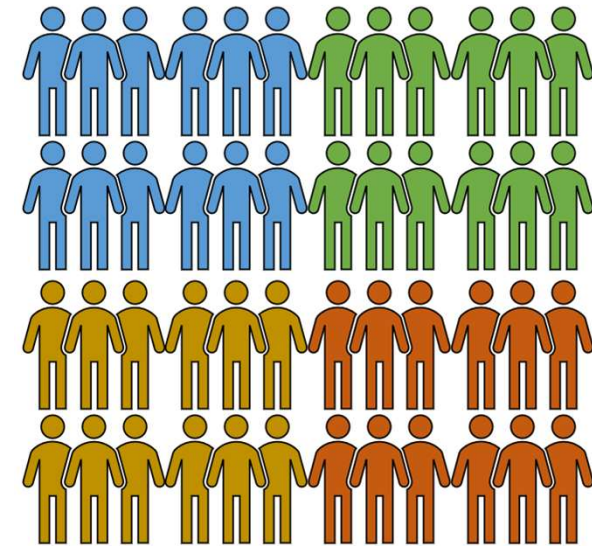
All customers are  
created equal



**80-20**



**CUSTOMER  
STRATIFICATION**



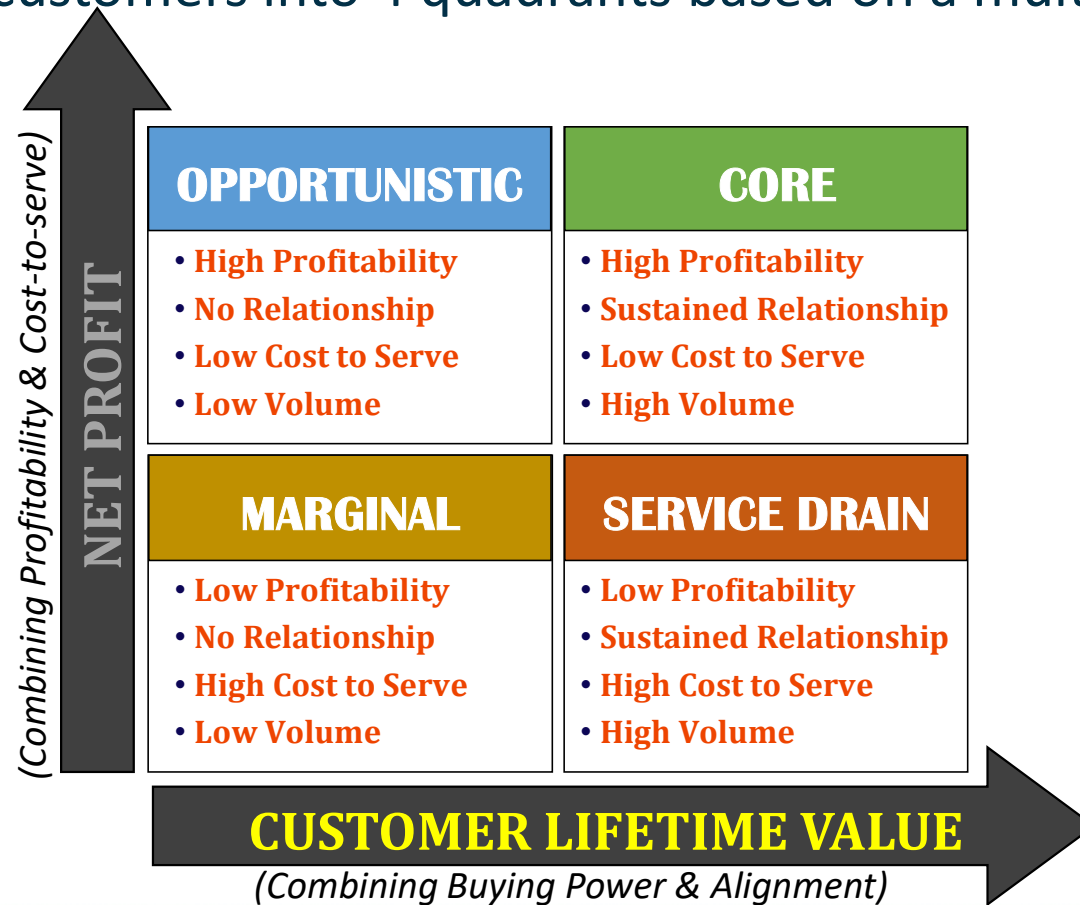
- Companies do not have unlimited resources.
- Customers have different needs and preferences.





# Customer Stratification

Segmenting customers into 4 quadrants based on a multi-factor ranking approach





# Account Growth: Three Key Decisions



Whom to call?



What to talk about?



What to cross-sell?



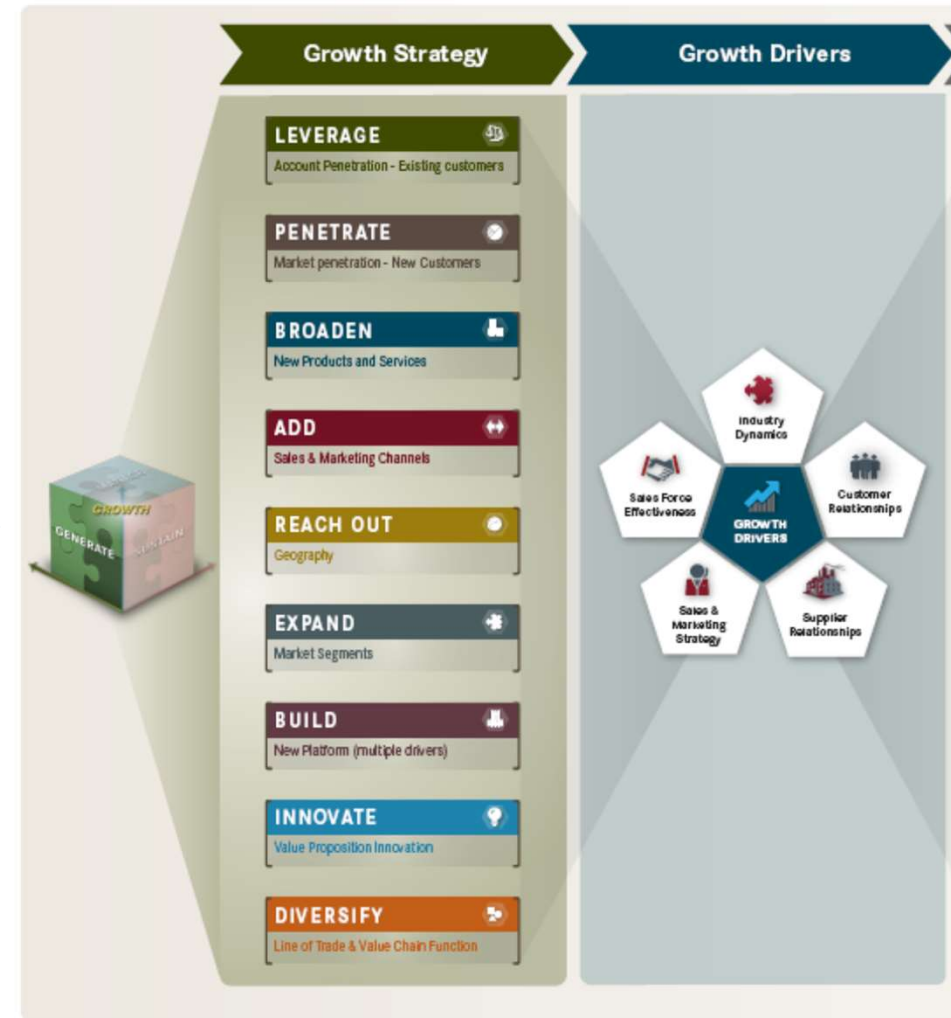
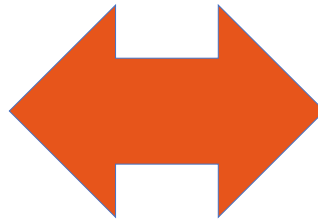


## Real-World Case Study

- Channel Growth Platform
- Implementing customer stratification  
as a channel growth tool



# CHANNEL GROWTH: ALIGNING SUPPLIER AND DISTRIBUTOR PERSPECTIVES





## Discussion: Group activity – 10 minutes

- 1) Having learned both perspectives, what will you change in your conversation about growth strategies/practices?
- 2) What are the different growth strategies you would recommend for your channel partners?

Each group is required to summarize the responses when we come back.



# Contact Information



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