



Sales Channel Strategies

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What this session will not address

- How to sell and close? How to establish relationships with CxOs, how to get meetings with them etc
- How to craft the right message – that is a marketing exercise
- How to motivate Sales People? How to get more productivity out of your sales people?
- The specifics of Sales Compensation?
- Legal matters and negotiation of agreements

Only Focus – Sales Channel Strategies

Possible Channel Strategies

- Direct
- Thru OEMs
- Thru VARS
- Thru Distributors
- Thru Independent Reps
- Direct thru the web
- Thru partnerships
- A combination of one or more of the above
- Arrangement to just sell, market, co-market, or some combination thereof
- Many variations on who provides support?
- Many variations of fulfillment options?
- Strategies may vary depending at different stages

Discussion Topics

- Do Customers buy directly from startups in this space ?
- What are the prevailing sales/distribution model in particular industries
- Who are the marquis partners in the space?
- Who are the types of channels/partnerships that are possible
 - OEMs, VARs, Distributors, other
- How do you cover international markets?
- What type of channel (s) do I need to bring my product to market?
 - Do I need a hybrid channel ?
- What's required to develop adequate coverage ?
 - What's the minimum required to get started, what's required for success?
- What else is critical to make sales channel successful
 - Sales Engineers, Channel Marketing, Distribution Network Etc.
- What is critical to look for in your lead Sales Executive?
- Are there any Gothas?

Our Panelists

- Gary Breitbord – Networking
 - Vice President Sales, Sonus Networks
- Steven Harper – Software
 - Partner, The Brenton Group
- Michael Slemmer – Professional Services
 - Principal, The Collaborative



Channels in Networking

Gary Breitbord

What Are You Selling and to Who?

- Consumer vs. Business
- Service Provider vs. Enterprise
- Revenue Enhancing vs. Price/Performance
 - Cost containment
- Core vs. Edge vs. Desktop/Home
- Integrated Solution vs. Point Product

These answers will guide your channel strategy.

Channel Strategy Decisions

- Sales/Fulfillment
 - Direct/Direct
 - Direct/Channel
 - Channel/Channel
- Product Stage: Beta/FCS/Production/Volume
- OEM: Labeling/Integration
- Value Add Resellers (VARs) vs. Distribution
- Partnerships: The “Ecosystem”

Channel strategy evolves with product and business maturity.

Keys to Success With the Channel

- Customer Reach
 - “Feet on the Street”
 - Relationships
 - Geography
- Knowledge: Product/ Application/ Industry
- Marketing Capabilities: Air Cover/ Branding
- Support Capabilities
 - Breadth: “Feet on the Street”
 - Depth: “Big Man/Small Man”

Channels “eat” margin. What do you get in return?

Things to Consider

- Product Manageability
- Logistics/Operations
 - Inventory and Order Management
 - Sarbanes/Oxley and Accounting concerns
 - Import/Export experience
 - Fulfillment
 - GSA Contract
- Investment in the Channel
 - Right amount of resource: Sales, SE, Marketing, Support, etc.
 - At the right time: Beta/Launch/Production/Volume
 - “Coop-etition”

Leverage the channel to maximum benefit.



Channels in Software

Steven Harper

Channel Thinking as a Software Start-up

- Conjunction / Pronoun Strategy thought process
 - Who
 - Relationships – Individual
 - Company
 - When
 - At what point do we partner?
 - What
 - What kinds of Channels are available
 - Where
 - Geographic penetration
 - How
 - Reseller / Referral / VAR
 - Why?