INDUSTRY DEVELOPMENTS AND MODELS

A Blueprint for Partner-to-Partner Networks: The P2P Collaboration Framework

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IDC OPINION

It is often believed that partnering between companies is easy. Two firms agree that it is in their best interest to work together, so they do a deal or a project together. The deal or project is successful, so they try to do it again, and this time it fails because of miscommunication, assumptions made by one party or another, and so on. No one intended that a failed project would happen, but they also did not have a plan to make the project successful. The reality of successful and repeated partnering is that it is hard work. Casual, deal-oriented partnering may appear to be easy to do, but there are many opportunities for risk, mistakes, misunderstandings and, ultimately, failed projects. Successful and repeated partnering enables successful client projects as well as a successful partnership that leads to tremendous business growth. To create that successful partnership, it is necessary to understand the steps to get there. This study recommends a standard framework, the partnering collaboration framework, for channel partners to work with other channel partners and mutually grow their businesses and nurture customer relationships. The term *channel partner* is defined as those independent information technology firms that are associated with large software and hardware vendors (e.g., Microsoft, IBM, Oracle, HP, and SAP) but are not generally software vendors themselves. Typically, channel partners are known as value-added resellers (VARs), systems integrators (SIs), solution providers (SPs), and independent software vendors (ISVs). Highlights include:

- The Partnering Collaboration Framework, a framework of 10 business functions across 4 collaboration levels that describes how channel partners can create successful and repeatable working partnerships with other channel partners
- Detailed descriptions of each business function and corresponding collaboration levels
- Recommendations for channel partners looking to begin partnering and for software vendors to support partnering initiatives

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IN THIS STUDY

This IDC study describes the *Partnering Collaboration Framework,* a framework of 10 business functions and 4 collaboration levels that describes how channel partners can create successful and repeatable working partnerships with other channel partners.

The *Partnering Collaboration Framework* was created by Per Werngren, former worldwide president of the International Association of Microsoft Channel Partners (IAMCP). Werngren has spent the past decade developing the IAMCP as a worldwide association for partnering in the Microsoft ecosystem.

SITUATION OVERVIEW

It is often believed that partnering between companies is easy. Two firms agree that it is in their best interest to work together, so they do a deal or a project together. The deal or project is successful, so they try to do it again, and this time it fails because of miscommunication, assumptions made by one party or another, and so on. No one intended that a failed project would happen, but they also did not have a plan to make the project successful.

The reality of successful and repeated partnering is that it is hard work. Casual, deal-oriented partnering may appear to be easy to do, but there are many opportunities for risk, mistakes, misunderstandings and, ultimately, failed projects. Successful and repeated partnering enables successful client projects as well as a successful partnership that leads to tremendous business growth. To create that successful partnership, it is necessary to understand the steps to get there.

P2P Networking Ecosystem

A common definition of the word "partner" is one that is united or associated with another in an activity or sphere of common interest. In the information technology business, channel partners are associated with a hardware or software vendor and have usually signed a legal agreement defining the relationship. The channel partner may have agreements with multiple vendors.

But how does the channel partner work with other channel partners that may have a similar relationship with the hardware or software vendor? Are they competitors for the customer's attention and business? Or is there an opportunity for the channel partners to work together on business opportunities and perhaps form their own partnership independent from that with the hardware or software vendor?

What Happens When Partners Work Alone?

Partnering is hard work. It takes time and money to build relationships and develop trust. It can be much easier and faster to work alone, not to mention keeping all the revenue in your own pocket.

But does it make sense for partners to work alone? As stated, partnering, by definition, is all about collaboration. Few of us, or our companies, have all of the skills, knowledge, or abilities to meet the needs of all of our customers. Actually, by insisting on working alone, we are potentially at risk of losing business for the following reasons:

- Customers are underserved and will look elsewhere for an organization that can meet their business requirements.
- There will be a lack of technology, industry, or subject matter expertise.

- There will be a lack of capacity or geographic coverage.
- Customers view your organization as a nonessential vendor rather than a trusted advisor.

All of these reasons lead to reduced revenue and reduced profit for your organization.

Why Partner with Other Partners?

So when does it make sense to partner with other partners? The answer is more often than you think. Perhaps you have a prospective customer that is a chain of retail shops and is looking for a business intelligence solution. Your company has an extremely competent team of business intelligence architects but lacks specific retail industry experience. If you partner with another organization that has the needed industry experience, your company can come up with a really compelling proposal for the customer. Then after delivering successfully on the first opportunity, you can develop marketing campaigns and a pipeline of business with your new partner. The result is that both companies can grow their market opportunity and business for a very low cost and little risk.

Research conducted by IDC in 2013 on 389 channel partner companies provided the following reasons for engaging in partnering activities:

- Increased sales/marketing coverage in current and new geographies
- Solution-specific expertise
- Customer-specific knowledge and expertise
- Industry-specific expertise

In this research, the channel partners told IDC that partnering activities were valuable because they:

- Increased market reputation and market share
- Enabled channel partners to better compete and win business deals
- Increased overall profitability
- Covered resource and solution gaps in current offerings

Partnering activities should be considered as part of an overall business plan to determine if they make sense for a company's business model.

Partnering Collaboration Framework

Partnering with other channel partners needs to be approached with care. Both parties need to understand the level of their commitment to each other and build enough trust in the other organization and its people to feel comfortable sharing business strategies. We often use frameworks or models to describe a process and provide a road map on how to move through it.

The *Partnering Collaboration Framework* illustrates the 10 business functions that must be considered when looking to partner with another organization. There are 4 levels of maturity for each business function. It is not necessary to be at the same collaboration level for each business function as the goal is to understand where your company is today and where it wants to be in the future. Use the pieces of the *Partnering Collaboration Framework* that make sense for your business and evolve over time. You should also use the *Partnering Collaboration Framework* to evaluate companies that you want to partner with and determine their collaboration level in regard to partnering with your company.

Table 1 summarizes the framework for the Partnering Collaboration Framework, which is described in detail in the sections that follow.

TABLE 1

Partnering Collaboration Framework

	Basic	Reactive	Proactive	Dynamic
Joint business planning	None	Ad hoc	Activity based	Annual plan with regular follow-up
Leads and pipeline	No sharing	Ad hoc, no structure	Share specific campaigns; some structure but outcome not measured	Shared process to generate leads; scheduled pipeline reviews; in-person meetings
Agreement	No template	Rely on handshake or deal-specific contract	Letter of intent	Formal contract that defines all aspects of the relationship
Sales compensation	No compensation for partnering	Ad hoc compensation for partnering	Alignment of referral and project-based compensation	Rationalized campaign-based compensation
Market messaging	None	Only when asked or in response to an opportunity	Ad hoc messaging; recognition of partners and capabilities	Fully integrated marketing
Geography	Locally only	Locally only	Gain access to markets in other geographies	Strategically use partnering for broader geographical coverage
Resource utilization	Subcontractor	Opportunity based	Predefined rates for shared resources; access to architects for sales activities	Integrated resource planning covering multiple competencies
Readiness and certification	No plan	Ad hoc, opportunity based	Joint partner training in overlapping areas; joint planning to reduce overlaps	Formal plan to earn certifications; use strength in combined advanced certifications to win customers
Product and customer support	None	Ad hoc as customers report problems; may have spreadsheet tracking system	Single point of contact (SPOC) for support; scheduled meetings to review customer and product issues	SPOC for support with shared CRM to proactively resolve and track customers and product issues
Customer relationships and satisfaction	None	Ad hoc; some 1:1 customer meetings to understand experience with each partner	Proactive management of customer satisfaction; shared references	Shared responsibility and action for customer service regardless of fault

Source: IDC, 2015

Levels of Partnering Collaboration

There are four levels in the Partnering Collaboration Framework: basic, reactive, proactive, and dynamic. Getting to dynamic level may be challenging, but worthwhile, for those that choose partnering as a key strategy. Most organizations should be able to reach the proactive level in most business functions.

Basic

Basic is the lowest level of collaboration in the framework. At the basic level, organizations are subcontracting on projects if trained and available resources are available. There are no formal agreements or joint plans to target a market together.

Reactive

Reactive partnering is generally opportunistic or deal oriented. The partners generally come together for a specific customer or project and then go their separate ways when the deal or the work is done.

Proactive

Proactive partnering is when the partners start working together more frequently. They may hold some ad hoc meetings to review market plans and project resourcing. Proactive partners may develop and execute a marketing campaign together and informally share leads and develop a sales pipeline. At most, the partners sign a letter of intent that describes their working relationship.

Dynamic

Dynamic is the highest level of collaboration in the framework. At the dynamic level, partners work together strategically to expand the scope of their mutual businesses. Partners are developing joint business plans to develop products and solutions, strategically broaden geographic or industry coverage, execute on joint marketing plans, and train or staff resources. There is generally a defined process to resolve customer or product issues. These partners often have a contract or other agreement that clearly defines the relationship between their companies.

Partnering Collaboration Framework

There are 10 partnering business functions to track and increase collaboration levels. These business functions, which are described in the sections that follow, are:

- Joint business planning
- Leads and pipeline
- Agreement
- Sales compensation
- Market messaging
- Geography
- Resource utilization
- Readiness and certification
- Product and customer support
- Customer relationships and satisfaction

Joint Business Planning

Joint business planning is the activity of meeting with your potential partner and exploring business opportunities. It's fine to begin with an unstructured process and determine if it makes sense for the organizations to explore a deeper relationship. A key issue to address is identifying gaps in your company's offerings and where the companies can begin to complement each other's business.

The discussion does not need to be limited to only two companies; a third company may help get the conversation going. But it is best to start small and evolve the process.

The following points describe joint business planning at each level of the Partnering Collaboration Framework:

- Basic. At the basic level, it is unlikely that the partners are doing any joint business planning. At this level, the partnering is probably opportunistic and deal specific.
- Reactive. Joint business planning at the reactive level is ad hoc. Perhaps it's occurring in only one portion of your business or between specific sales representatives who have a good relationship. The two companies may have had a good experience partnering on a previous deal and are now open to repeating the process.
- Proactive. When partners are ready to move to the proactive level, joint business planning has become a regular activity. The focus may only be on a part of the business, such as a practice or a specific sales team. The business plan is probably documented in a slide deck but may not be formally signed off. The business plan is reviewed occasionally and updated, but not according to a regular schedule.
- Dynamic. At the dynamic level, the joint business planning is formal and generally published in some format. It is happening across the organization, not just in specific practices or teams. There is usually an annual process to develop the joint business plan and gain buy-in from stakeholders at both companies. The plan is reviewed regularly, at least quarterly but preferably monthly or even weekly, and updated as it progresses. There will also be formal measurements in place to track the progress of the business plan over time.

Leads and Pipeline

To build a business, all organizations have a process to gather leads and build a pipeline. When sharing those leads and pipeline, it is very important to trust the team with which you are sharing and have buy-in from the company leadership before sharing this information.

Once there is an agreement to share leads and pipeline, there needs to be a process and a mechanism for sharing. It is important that the organizations commit to a joint sales process for shared leads and pipeline. A spreadsheet can be used to begin but will be quickly out of date and suffers from version control. The best solution is generally a shared customer relationship management (CRM) system, but that requires a great deal of trust and probably a formal agreement between the companies.

Part of the process may be to begin with a single opportunity that neither company could win on its own but together the companies make an unbeatable team. Regardless of the outcome of the opportunity, develop a joint demand generation activity to create a pool of shared leads. It's also best to be generous, which sounds warm and fuzzy, but being generous often results in getting more than was given up.

The following points describe leads and pipeline at each level of the Partnering Collaboration Framework:

- **Basic.** At the basic level, there is typically no sharing of leads and pipeline between the organizations. The partnering opportunity is probably limited to a specific deal, and not enough trust has been earned on either side to warrant sharing a high-value resource like a lead or an opportunity pipeline.
- **Reactive.** At the reactive level, there is some ad hoc sharing of leads and pipeline but no structure to the process. The sharing may happen as part of a periodic conference call between sales teams to review specific opportunities.
- **Proactive.** Proactive sharing of leads and pipeline is generally limited to specific campaigns. There is some structure to the process, but the outcome is rarely measured, so it can be hard to demonstrate success except anecdotally.
- **Dynamic.** At the highest level of partnering collaboration, organizations are not just sharing the pipeline and leads but are working together to actively generate leads and build a pipeline. There are scheduled pipeline reviews and occasional in-person meetings. The sharing of the leads and pipeline needs to be part of the core DNA of both sales teams.

Agreement

Formal agreements and contracts are not the friendliest topic, but they are necessary. The foundation of the relationship between partners is trust. It's easy to point to examples where there is only a handshake agreement and everything worked out fine and others with a very tight contract where the relationship became bitter and difficult. However, it really is best to document the relationship and expectations and/or deliverables in writing and agree to it.

Again, start small and draft a memorandum of understanding. It could be as simple as a letter with bullet points explaining the intent of the relationship. The wording of the memorandum is important and should equally benefit both parties. Try to identify all aspects of the relationship and think through potential scenarios. Also, the relationship should not be exclusive; leave room for both partners to work with other partners independently or invite a third partner into the relationship.

Make sure that the memorandum is signed by senior people at both partners who are legally accountable for such agreements. Then set up a process to review the agreement on a regular basis to ensure it is working for both partners. At some point, the partners may find it necessary to have a formal contract, reviewed by the legal team, to continue the relationship.

The following points describe agreement at each level of the Partnering Collaboration Framework:

- **Basic.** At this lowest level of collaboration, there is no formal agreement for partnering between the organizations.
- **Reactive.** A handshake or a deal-specific contract is the type of agreement found at the reactive level. It's a logical place to start to build trust between the organizations because being able to depend on someone on the basis of a handshake is an important first step.
- **Proactive.** An agreement between the partners at the proactive level is generally limited to a letter of intent describing the overall plan to work together and describing joint deliverables. The letter of intent may not be legally binding as a formal contract would be, but it forms a strong foundation to the relationship.
- **Dynamic.** At the dynamic level, the partners have a formal contract that defines all aspects of their relationship. The contract typically includes language about pricing, compensation,

response rates for customer issues, training of personnel, investment in marketing, and ownership of intellectual property.

Sales Compensation

For partnering to be really successful, it is important that the sales compensation model rewards the behavior. It is possible that while the business is being built, the overall deal margin may be lower because of overhead costs of partnering, but do not punish the sales representative for that. Most sales representatives are coin operated and focused on the present deal, not the future opportunity being created through the partnership. If sales representatives believe they will make more money for themselves by going after a deal alone rather than as a partnership, they will generally opt for going it alone.

Also, the sales management team should take care to align the compensation for partnering opportunities. Every company is different and has its own twist on compensation models, but be sure that the compensation is fair for all involved in the partnering opportunity. In addition, if partnering becomes a core process for the organization, soft awards and recognition are very important. Most people appreciate being recognized publicly for a job well done.

The following points describe sales compensation at each level of the Partnering Collaboration Framework:

- Basic. At the basic level, there is typically no compensation for sales to participate in partnering. If a shared opportunity happens, each party is compensated based on the guidelines established by its own company as if it worked on the deal alone. The compensation paid to the individual team members may vary widely and seem unfair to one party that may have contributed even more to the deal. There is no alignment between the organizations.
- Reactive. Sales compensation at the reactive level happens on an ad hoc basis for partnering. There may be a deal-specific compensation plan done on an exception basis, but there is nothing routine and consistent.
- Proactive. At the proactive level, sales compensation starts to align between the participating organizations in a consistent manner and across multiple deals. The compensation may take the form of referral fees or project-based compensation, but it is published, fair, and equal to the participants.
- Dynamic. At this highest level of partnering, sales compensation has been rationalized by the organizations to meet the needs of the specific sales campaign. There may be joint incentives that are shared equally across the teams.

Market Messaging

Market messaging is the partnership's public identity. Both companies may be a member of a formal partnering organization like the International Association of Microsoft Channel Partners or the International Association for SAP Partners (IA4SP). The partnering companies may want to give themselves a name as did 1NService, an international community of advanced technology integrators. In these cases, it may be appropriate to declare allegiance to the partnership by including a logo on business cards, Web sites, and collateral.

Generally, by partnering with another organization, it is possible to get more value from the company's marketing spend. The companies may be able to jointly develop collateral, share exhibition space at a trade show, or run a joint seminar series. Ultimately, for the partnership to continue to grow, it is important to have a joint marketing plan that details events, timing, investment, and deliverables. The plan will make it possible to measure the return on investment for the joint marketing efforts.

The following points describe market messaging at each level of the Partnering Collaboration Framework:

- Basic. At the basic level, there is usually no market messaging to indicate that the organizations are working together.
- Reactive. At the reactive level, market messaging is only provided when it is asked about or created specifically in response to an opportunity. There is a real possibility for confused and inconsistent messaging as the sales team is probably coming up with a "just in time" response without considering the long-term impact.
- Proactive. Proactive marketing messaging results in some ad hoc activities, perhaps joint collateral describing a specific project or a service. There is often some visibility for the partnership on the company's Web site that acknowledges partners and their capabilities.
- Dynamic. At the highest level, the market messaging for the organizations is fully integrated and consistent. Their respective Web sites, collateral, and advertising include information about how the companies work together. They may choose to exhibit together at industry events or run their own joint events. There is typically a joint marketing plan that is published and agreed to by the participants.

Geography

Partnering is a terrific way to expand a business geographically. While much business today is conducted electronically, there's still a need to connect with people personally and meet face to face. When choosing to expand the business, it is important to focus on a particular place that makes sense. If the business is based in Northern California, it may make sense to find a partner in Southern California or to expand into a new territory like the northwest states of Washington, Oregon, and Idaho. Or, perhaps your business is based in Brussels (Belgium) and serves customers throughout the Benelux region, in which case it may make sense to partner with a company in Frankfurt and expand into Germany. This type of partnering is often a good first step before setting up a company office in a new state or country.

If the company is part of a formal partnering network such as IAMCP or 1NService, it's easy to use regional or national meetings to find potential partners. Most of these events have networking events or a scheduling tool to use for setting up 1:1 meetings with potential partners.

The following points describe geography at each level of the Partnering Collaboration Framework:

- Basic. Partnering is generally happening on a local basis only.
- Reactive. At the reactive level, there is no real change from the basic level. The partnering is still happening locally, but the size of the geography may have increased.
- Proactive. Proactive partnering on geography creates access to markets in other geographies where one of the partners does not currently have a presence.
- Dynamic. At the dynamic level, the organizations strategically use their partnership for broader geographical coverage. The partnership can increase the critical mass of resources available for projects.

Resource Utilization

The ability to share resources and increase the available market opportunity are two of the primary benefits of partnering. Customers today are demanding access to the most competent and talented workforce available to be on their projects. Partnering allows companies to expand the quality and the quantity of the available resources to a larger pool of customers and projects.

To effectively utilize resources across several organizations and make the partnership look like a single entity, it is necessary for both organizations to commit to a joint price list or a revenue sharing model. Focus on and increase the skills and expertise that your company is known for, and choose partners that can deliver on areas that are not your core competency. If your resource pool includes a single human resources specialist within a pool of medical records and content management specialists, consider working with your partner to transfer the individual with the noncore skills.

Also, be sure to share the workload. If one of the partners suddenly has too much business for its employees, call in the partner to give it first crack at the available projects. It may be useful to have a regular resource planning meeting to fill open slots.

The following points describe resource utilization at each level of the Partnering Collaboration Framework:

- Basic. Basic resource utilization is just subcontracting additional resources when they are needed. It is an inexpensive method to add resources just in time, but the company runs the risk of the preferred resource not being available or needing to pay a premium rate.
- Reactive. At the reactive level, resource utilization is opportunity based. Resources from both partners may be included in a one-time proposal, but there may be no agreement on rates and titles.
- Proactive. Proactive resource utilization starts to align the resources, titles, rates, and competencies. The partners may publish a jointly agreed-to rate sheet and discount structure. The partners may also share access to architects to help with sales activities and technical design projects for customers.
- Dynamic. At the highest level, resource utilization is a planned activity. The partners will generally create a resource plan to ensure that they have sufficient resources on staff and hiring plans to secure additional personnel as the companies grow. The partners will also coordinate hiring, so as not to compete and overpay for resources, and may choose to hire resources with skills in different but complementary competencies.

Readiness and Certification

Many software and hardware vendors have formal readiness and certification programs. The emerging trend is to enable partners to move up the rank of partner tiers based on demonstrated competency. This means that tracking the certifications earned by the individuals on your staff is increasingly important to your business and you need to know where there are gaps in certifications and enable your staff to finish their training and take the appropriate exams. It is becoming more common to find that the partners that are being promoted by software and hardware vendors are those that have met and exceeded the competency requirements of the partner program.

As part of the resource planning exercise, the partners should review the CVs of all resources. The CVs should be in a consistent format and clearly identify certifications earned by the individual. The partners may choose to develop a joint training and certification plan so they can best leverage investments; for example, why train all of the resources on financial management systems when it may make more sense to train half on supply chain systems instead.

The following points describe readiness and certification at each level of the Partnering Collaboration Framework:

- **Basic.** At the basic level of partnering, there is generally no joint plan for the training and certification of resources. Employees are training or take certification programs either through their own initiatives or based on an ad hoc training budget or plan.
- **Reactive.** Depending on the opportunity, at the reactive level, the partners may train or certify employees just in time for a client engagement. Again, no joint plan is being worked on, but the partners may coordinate which resources are trained to avoid extra expenses.
- **Proactive.** At the proactive level, the partners may pool resources to share training costs in overlapping areas but also conduct joint planning to reduce overlaps. At this level, there may be a written plan, but it is informal and may not have been signed off by all stakeholders.
- **Dynamic.** At the dynamic level, the partners generally have a formal plan to earn certifications and use their combined strength in advanced certifications to win customers. With the advent of competency-based partner programs, vendors are beginning to promote only "competent" partners to internal sales teams and customers.

Product and Customer Support

At some point in every project, there is a customer issue. The software doesn't work, the hardware didn't ship on schedule, or a process doesn't work as designed. Before all of this happens, the partners need to have a process in place to identify, track, and resolve the customer issue. There's plenty of time later to decide who is at fault, if that's really important. But first resolve the customer issue.

Most companies start with a spreadsheet of reported issues. This is fine but can be quickly outgrown. With the proliferation of SaaS-based customer relationship management and professional services automation (PSA) systems available in the marketplace, there are many choices for a shared system to track customer issues and measure various key performance indicators such as time to resolution. A shared CRM/PSA can also provide information about training needs for both employees and customers as well as identify potential periods when support needs increase based on call volume.

Having a defined product and customer support process in place can pay off in other ways as well. Share your process with the software or hardware vendors. They may choose to hold up your process to other partners as a best practice. There may also be an opportunity to begin participating in product reviews or other activities with the development team. The additional visibility can result in benefits such as speaking opportunities or exposure to more customers.

The following points describe product and customer support at each level of the Partnering Collaboration Framework:

- **Basic.** At the basic level of product and customer support, there is no active engagement to resolve joint customer issues before they occur. Customers may go directly to the vendor for support or report problems to the channel partner via a phone number or an email address. It is possible that one partner may know about a customer issue while the other does not.
- **Reactive.** Addressing product and customer support at the reactive level is ad hoc and dependent on customers reporting problems. The partners may track customer issues in a spreadsheet that is shared and managed across the organizations.

- **Proactive.** At the proactive level, the partners have probably assigned a single point of contact (SPOC) for managing joint customer support. The SPOCs and other team members participate in regular scheduled meetings to review and address outstanding customer and product issues. They may also include representatives from the software vendor in these meetings. The partner's software vendor may offer a program to help in this area; for example, Oracle has the Multi-Vendor Support Program. Another resource is the Technical Support Alliance Network (TSANet), to which the software vendor may belong. The TSANet Web site provides some articles and newsletters that may be useful.
- **Dynamic.** Building on the single point of contact that begins at the proactive level, the dynamic partnership often includes a shared CRM and service-level agreement to respond to customer and product issues within a specific amount of time. Using a SaaS-based CRM/PSA allows easy access to all parties and prevents issues being missed or incorrectly handled because of out-of-date spreadsheets. A documented and agreed-to support process and regular meetings are necessary to properly serve the customer.

Customer Relationships and Satisfaction

Developing long-standing customer relationships and measuring customer satisfaction are key ingredients to a successful business. Often customer references make the difference in winning a deal. Plus, customers talk to each other all the time, and it's important that they speak positively about the work your partnership did for them. It's also important that the customer has a consistent and successful experience working with all partners on the project. For smaller partners, customer relationships are developed and satisfaction is monitored anecdotally on an ad hoc basis, which can make measurement difficult.

By working together, partners can pool resources to proactively measure customer satisfaction across their entire customer base. Customer references and success stories can be shared as well, reducing the overall cost of marketing. As always, a standard process to track and measure customer satisfaction is an important tool. Many software vendors include a customer satisfaction process as a membership benefit, but if they do not, there are many resources available to help with the process.

The following points describe customer relationships and satisfaction at each level of the Partnering Collaboration Framework:

- **Basic.** At this lowest level of partnering, there is usually no joint process to develop and measure customer relationships and satisfaction. Most likely, each organization is working independently to keep the customer.
- **Reactive.** At the reactive level, the partners generally have an ad hoc process in place for customer satisfaction. They may conduct 1:1 meetings with customers, but not on a regular schedule. The findings tend to be anecdotal and difficult to measure consistently over time.
- **Proactive.** At this level, the partners may begin a joint process to proactively measure customer satisfaction. They may also gather joint customer references and publish success stories.
- **Dynamic.** At this highest level of partnering, dynamic partners step up to a shared responsibility and action plan for customer service regardless of fault. Again, resources available at TSANet can provide an example of this type of "no fault" customer support. The partners most likely have a regular customer satisfaction survey and publish results to the customers and quickly follow up on actions.

FUTURE OUTLOOK

Partner-to-partner networking has been happening since the first channel partners started reselling vendor products and adding their own services. But while the concept and the activity are not new, the evolution of social media technology has created new platforms and opportunities. Also, the methods of partnering have matured, which enables the development of standard frameworks, like the Partnering Collaboration Framework.

IDC expects that partnering between channel partners will become more formal and structured, as well as more frequent overall. This may result in more formal agreements between channel partners for their partnering relationships. Ultimately, these relationships may lead to channel partners merging their businesses.

ESSENTIAL GUIDANCE

Recommendations for Channel Partners

Your competition (i.e., other channel partners) is already working together to win business, so it is in your best interest to evaluate partnering activities. First, take advantage of existing resources offered by your software vendor. This means publishing your company's profile on the partner locator, which makes it easy for other partners to find you. Attend partner conferences and participate in networking activities. Go online and join relevant LinkedIn groups, follow your vendor's partner program on Twitter, and "like" your vendor's Facebook page. Another potential resource is your distributors (e.g., Ingram Micro, Tech Data, Arrow, and Avnet) that may also offer resources for members of their distribution network to partner. The partner program Web site for your software vendor or distributor is often a good place to start to find these resources.

Also, use the *Partnering Collaboration Framework* to understand your company's own readiness to partner and to evaluate companies with which you might partner. The *Partnering Collaboration Framework* is an effective tool to understand where your company is today and what it will take to move to the next level of maturity. Then you can decide if that makes sense for your company to make the investment required to move further along the partnering maturity path. The model will also help you choose a partner whose affinity for partnering is aligned with your own and that is prepared to make similar investments in time and resources.

Recommendations for Software Vendors

Many of your channel partners have been figuring out how to work with each other for years. The wave of new technology, social media, and online collaboration in recent years has made it easier for channel partners to find one another and build a relationship. It's great that this is happening organically, but it's better if the software vendors participate in and support these partnering efforts. Ultimately, the partners will sell more software and services, which in turn will benefit the software vendors. Among the ways software vendors can support these efforts are as benefits of their own partner program and through participation in public social media communities such as LinkedIn and Facebook as well as formal, yet independent, associations of channel partners.

As part of the standard partner program, the software vendor may create a formal partner networking group, with a secure environment for the partners to use. The partners can share intellectual property they may have created, connect with one another, get answers to questions, and so on. IBM and SAP provide relevant examples of such programs. IBM PartnerWorld ValueNet Connections provides a platform for members to connect with other IBM Business Partners. The SAP PartnerEdge P2P Network is a secure online sales and marketing tool that enables SAP partners to share with one another and expand their market reach. In addition, many vendors offer partner conferences that create opportunities for partners to meet in person. At many of these conferences, software vendors offer a place and/or scheduling tool for partners to connect with each other formally. Finally, many software vendors provide partner locator or directory tools that can be easily used for partners to find one another.

Most software vendors have created LinkedIn groups, Twitter feeds, and Facebook pages specifically for members of their partner programs. Generally, these platforms are used for vendors to communicate with their partners and vice versa, but the partners can also leverage them to communicate with one another.

If the channel partners have created their own independent organization, it may be in the software vendor's best interest to support these organizations. For example, Microsoft partners have created the International Association of Microsoft Channel Partners and SAP partners have created the International Association for SAP Partners. Vendors can support these types of organizations by providing content assets, Webinars, and other resources including active participation.

Software vendors that have not implemented one of the abovementioned methods are advised to do so, perhaps starting with a public social media platform such as a LinkedIn group, specifically for their partner community. If the partners have already started such a community, then the software vendor should join it and participate. Over time, the software vendor and the partners together will determine where to evolve the mechanism for partnering. It may be that the public platforms are suitable for everyone's needs. What is most important is that the software vendor support and participate in these collaborative efforts with the partner community.

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Related Research

- *Partnering in the 3rd Platform: Spotlight on Cloud* (IDC #256447, June 2015)
- *Partnering in the 3rd Platform: Spotlight on ISVs* (IDC #256118, May 2015)
- *Partnering in the 3rd Platform: Spotlight on Mobility* (IDC #255141, April 2015)
- *Partner Participation in the 3rd Platform: The Keeners, The Establishment, and the In-Betweeners* (IDC #254353, February 2015)

Synopsis

This IDC study describes the *Partnering Collaboration Framework,* a framework of 10 business functions and 4 collaboration levels that describes how channel partners can create successful and repeatable working partnerships with other channel partners.

"IDC believes that P2P collaboration is even more important than ever in the era of the 3rd Platform. Solution providers that want to leverage their skills with mutually beneficial relationships should use the Partnering Collaboration Framework to understand their company's own readiness to partner and to evaluate companies with which they might partner." – Marilyn Carr, director, Software Channels Research

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