



Accelerate Consulting

**7 REASONS  
WHY YOUR  
COMPANY SHOULD  
CONSIDER  
SELLING THROUGH  
SALES CHANNEL  
PARTNERS**

# 7 Reasons why Your Company should consider Selling through Sales Channel Partners



John D. Rockefeller once said “I’d rather have 1% of the effort of 100 men than 100% of my own effort.” You can see there’s logic in his thinking....

Why wouldn’t your company consider working through sales channel partners? The key question is whether the payoff for your company and the partner is sufficient and mutual cooperation can be achieved. Can a partner bring sufficient benefit and is there enough margin in the deal to share?

There is a process to partner selection and, while not guaranteed to succeed, it will certainly increase the chances of success. We know of the stories we’ve heard where people have spent and wasted so much time on channel partners and then decided that their business just doesn’t work successfully with external partners.

Some points to consider if your company should you be looking at working through sales channel partners:

# #1

## Leverage Existing In-Market Relationships and Capabilities

The fastest route to a decision maker is through someone who already has an existing relationship. The right sales partner is already embedded in your target customers and in your target market and can get to the decision makers faster. With the right industry sector and solution focus and the relevant capabilities as sales channel partners they can help you sell your products.

A sales person's personal contact list is of great value, but the true strength and depth of a commercial relationship is often with the company leaders and throughout the company itself.



# #2

## Reducing your Cost of Customer Acquisition



With existing commercial relationships and the right capabilities your cost of customer acquisition can be greatly reduced. One of the biggest costs in sales is spending time with the wrong prospects or opportunities. The challenge is prioritising who you spend your time with and is mainly based on the information quality from the prospective customer.

Compared to you paying sales people along with travel expenses and the elapsed time it takes to establish good customer relationships, what chance is there that this investment can get a greater return on a results basis than with a partner who is already a known quantity and can get in the door?

## #3

### Get Customers Quicker

With existing commercial relationships you get real feedback more quickly, you can better qualify the opportunity, you can assess the full needs faster you can allow the target customer to de-risk the decision faster and gain a faster sale.

If you have a partner who is already delivering services into the target customer and has quality relationships to get prompt and accurate information, you can adjust your approach to meet their needs or decide on the pace of the sale.



## #4

### Increasing Market Reach



You can enter multiple markets faster through establishing an in-market presence through credible channel partners who can bring much strength and influence to getting into target prospects. Market assessment and market engagement can happen faster while you start to build a sales pipeline with minimal investment.

In getting your channel development and partner engagement model right, then you can execute in multiple markets and have new markets being developed in quick succession or at the same time at a fraction of the cost and timeframe to setting up a direct sales office.

#5

## Becoming a Multiple Headed Dragon – Stronger Brand and Presence

To dominate a market you need to lead the market. Through multiple strong players spread across the markets you can build an organisation with many leading influences through associated brands.

If you are not working with in-market channel partners then you are competing with them. If you have them on your side then you can have multiple tentacles in multiple markets.



#6

## Increasing Shareholder Value



With greater reach into markets you are increasing your company's potential and thus increasing your company's shareholder value.

If you can sell higher margin products/licences while allowing your partners to take some of the implementation services then you are increasing your overall gross margin and increase your shareholder value.

# #7

## Courtship for Acquisition

It is estimated that in up to 50% of acquisitions that a prior partnership relationship existed. If your business is seeking an exit at some point in the future then partnering with potential target acquirers might be a good start.

Equally if you're thinking of acquiring companies then partnering with them initially allows you to get to know them and whether the relationship will work.

Sales Channel Partners doesn't mean the same for every company, every product and every target customer type. Much depends on what it takes to sell and deliver your products and services and what role Sales Channel Partners can play in this process.

So, to follow John D. Rockefeller;  
If you can get 1% of 100 partners time to enable you to sell your product, would that deliver better results than 100% of your time?




Adapted via Tenego



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