



Why technology vendors should outsource their VAR recruitment activities

Top 10 Benefits from Outsourced VAR Recruitment

by Brian Berlin

Executives of companies in the IT channel are awakening to the benefits of outsourced VAR recruitment. Why? It's simple. Done well, VAR recruitment is time-intensive and requires total focus in order to be effective. Most vendors don't have the internal resources to dedicate to this activity. And forcing channel sales managers to split time between recruiting and selling will diminish the effectiveness of both activities.

Straightline Strategies has helped its clients understand that a critical stage in the VAR

recruitment process is a formal program pitch, either by phone or in person. This initial "pitch" meeting allows the vendor channel reps to qualify resellers in a formal, unhurried fashion, enabling good judgment and selectivity. This environment also provides the reseller an opportunity to really examine the vendor's program and products against the competition and their markets. Most reseller organizations are small to mid-sized businesses, with active owners who are very busy people. If they're willing to commit to the required amount of time to review a vendor program in detail, they're already a decent prospect.

If you're looking to build the business case for outsourced VAR recruitment, Straightline Strategies can share best practices, case studies and client testimonials from companies that have chosen to focus their channel managers and channel teams on partner on-boarding and activation, shortening the time to revenue. In the meantime, here are some of the benefits our clients are experiencing.

1. **Cost Efficiency.** A vendor that has three channel sales managers devoting 50% of their time to pitching resellers can drive the cost per meeting to over \$1,400. Compare this to a per-meeting cost of \$825 with Straightline utilizing one professional teleprospector. Many managers overlook the true cost of their employees. A channel sales manager making a base salary of \$75,000 incurs a fully-loaded cost of \$112,500, using the generally accepted human resource factor of 1.5% of base (which still doesn't factor in management bandwidth). If three channels reps at this salary level combine to book 10 total program presentations per month, the cost per meeting is exorbitantly expensive. Not to mention that these reps took a 50% hit to their selling time. Meanwhile, one Straightline teleprospector obtained the same number of meetings, making the outsource model 45% more cost-effective and 50% more efficient.

Forcing channel managers to conduct their own recruitment increases costs and lowers productivity

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The economics simply don't work for conducting this part of the process internally. In the example, these three channel managers have managed to book 10 formal program pitch meetings, but now that they've conducted those meetings, they have to move into a closing phase. They won't achieve a 10 meeting output again until they've exhausted their current pipeline of prospects.

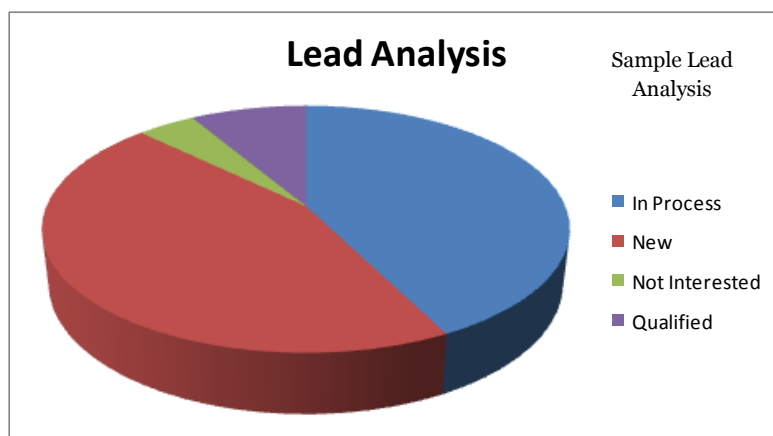
The Straightline teleprospector, on the other hand, may actually produce a higher gain in

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appointments over time. For every appointment above 10, outsourcing to Straightline becomes four percent more cost effective and 15% more efficient. Not only that, but the top of the funnel remains full of new prospects for the channel team.

2. Better data. When we conduct a campaign on behalf of our clients, we log everything in their CRM system, so there is a great amount of reportable detail about the conversations. After seeing the kind of data we provide, our clients know right away they could never staff and execute a campaign like ours internally.

Total Unique Accounts Contacted	Total Calls Made to Accounts	Number of Calls to the Contact to Get Meeting	Webex	On-site	Total Meetings	Avg Calls Per Account	Ratio of Calls to Meetings	Ratio of Connects to Meetings
Calling Statistics Summary Example								
91	293	293	3	2	5	3.22	58.60	58.60



3. Time to market. We can have you talking to qualified reseller prospects in 10-14 days. It can happen that fast. But if you try to do this internally, you'll have to deal with all kinds of distractions: meetings, inertia, scheduling, etc. We don't have those roadblocks, so we can focus on booking meetings with the right resellers.
4. No additional headcount needed. Depending on your recruitment goals, if you tried to utilize your own people to identify, contact, qualify and commit target prospects, you would need to either isolate your channel team's activities to cold-calling, or hire more channel sales representatives. These days it's hard to justify headcount when you can outsource this activity to professionals.
5. Increased sales productivity. You have precious resources and you need to aim those resources at revenue creation. Focus your resources on making the program pitch, signing

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new resellers and kick-starting the revenue creation process. Our job is to create these opportunities.

6. Better market coverage. We've talked to hundreds of VARs who were unaware of our client's program and solutions until they spoke with us. We have the advantage of covering a lot of ground, talking directly to a lot of decision-makers, and getting commitments to meet. In conjunction with channel marketing activities, vendors can effectively gain better market coverage in getting the word out.
7. Bigger pipeline of higher quality prospects. While your team is busy signing resellers and creating revenue, we're continuously filling the top of the funnel with fresh prospects.
8. Better marketing spend. If your channel marketing budget is heavily weighted towards trade shows, email blasts and trade magazine ads, you can wisely divert some of that spend towards a more effective outsourced teleprospecting campaign. Holding a conversation in real time is much more effective than chasing tire kickers.
9. Increased competitiveness. We're first in line to receive immediate feedback from the target contacts. Many times we help facilitate discovery that shows our client's messaging may be missing the mark. With this information, we can calibrate talk points on the fly to zero in on reseller pain points.
10. More selectivity. The bigger the pool of prospects, the better chance you have of selectively signing the cream of the crop. Let us boil the ocean and give you the opportunity to build a short list.

Branding activities have little effect on partner recruitment

If your company is a vendor in the IT space and you're seeking to gain speed and efficiency in a new or current channel partner recruitment program, consider outsourcing the prospecting process to a qualified, professional 3rd party firm. If your offerings are channel-ready, you'll see a quick gain in the acquisition of qualified partners.

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“I outsourced pipeline development and appointment setting to Brian...he helped to select our target markets, and then set appointments with those accounts. Brian was great at listening and understanding our key selling features, who would value our products, and then coming up with a strategy and subsequent successful execution.” VP Sales, Content Delivery Network vendor

“Brian and his team are responsible for building awareness, giving an overview of our program and scheduling formal meetings. Let me say that Brian kept has kept us busy while continually recommending ways that Straightline Strategies, Inc. could help take on even more of the workload helping us scale our operations. His team has over delivered each step of the way. Brian is a great and fun person to work with and I enjoy our continued working relationship. If you are building a Sales Channel, Brian is a go-to guy.” *Channel Sales Manager, Software ISV*

“Brian provided expert service to our organization as we developed new channel markets for the company. Brian and his team understands the channel and know how to quickly and effectively recruit and activate channel partners. Additionally Brian and his team provided valuable input and direction on the necessary program elements needed to build a channel program. If you are looking to accelerated sales and sales process Brian and his team are a great asset.” VP Sales, Storage Vendor

“Brian wowed us from the first impression. His expertise in channel architecture and dynamics accelerated our program development efforts 2-3X. He has consistently impressed me with his combination of work ethic, level of effort, and resiliency to the dynamics of day to day business. He's not afraid to get his hands dirty and can crank out deliverables like no one I've seen. Brian has done a tremendous job generating investment in our program at all levels and I'd recommend him with absolutely no reservations.” *VP Sales, IP Telephony*

About the Author

Brian Berlin is founder and President of Straightline Strategies, Inc., a full service outsourced sales, marketing and business development firm specializing in planning, process, prospecting and pre-sales support for technology firms. Learn more by visiting www.slssinc.com or write him directly at brian@slssinc.com.
