

# Technology Leader Increases Service Revenue With Targeted Training & Incentives

The client, a leading supplier of networking equipment, sells its solutions and services through 11,000 resellers to small- and mid-sized businesses across the globe. Partners were reluctant to resell the vendor's branded services for fear that they would lose sight of the end customer following the sale. Because of this confusion, their partners did not understand the monetary value in selling these services and the impact it could have on their bottom line. As a result, sales of the vendor's branded services through its partners lagged considerably. Nearly 60 percent of products were not covered by service contracts, signifying an immense potential for protecting customers and putting more dollars in partners' pockets.

**Within four short years, the vendor realized more than \$500M in incremental services revenue**



### Overview

Working closely with Vistex, the client was able to increase service revenue by developing a communications strategy that would demonstrate the value to its partners and enable them with critical tools to be successful. The solution included a robust training and communications component, paired with targeted incentives to drive profitable behavior. A marketing web portal, online presentations and videos, and quiz modules were designed to educate partners about the virtues of selling the client's branded services. Essential to the solution was a continual stream of new content through the portal and consistent communications to partners, targeted by role. Equally critical to success was ongoing management and fulfillment of targeted incentives using Vistex's channelRewards software.

By partnering with the Vistex team, the vendor achieved a triple-digit increase in service bookings—and earned an award for increasing its sales effectiveness—within the first year of the program. Its participating partners not only doubled their year-over-year revenue, but also significantly increased product sales. Ultimately, the vendor realized more than \$500M in incremental services revenue within four short years—and is on track to outpace itself.

We all acknowledge that selling services, rather than simply moving boxes, grows increasingly important every day. Vistex partnered with the client to move from talk to action. The client's objective was clear—grow service revenue through its 11,000 partners around the world who are focused on small- and mid-sized businesses. A solid strategy was essential to making this a reality and focused on five primary areas: partner training and enablement, partner motivation, partner communication, demand generation and measurement. Key to the overall design of the program was to make it available to every partner without exception. The impact—incremental revenue of \$500M with results still growing. Originally launched in the US and Canada, the program has since rolled out globally.

## Solution

At the time of program launch, only one-third of the vendor's resellers had ever sold a service contract. The vendor anticipated a 50% growth in the SMB segment, making education a primary goal. The underlying premise of training development was to keep it simple through basic training guides, videos, and at-a-glance information with ten easy questions. More than 4,000 sales representatives were trained at over 1,000 reseller companies within the first year, and this number is steadily growing. New training is introduced each quarter, focused in areas that most closely align with the vendor's business objectives and priorities.

### Motivate partners with relevant rewards

Incentives have been a significant element in encouraging partners to engage in the program. The program rewards resellers at both the team and individual levels as they complete training modules and sell services. The more points they earn, the more eligible they are for prizes. The vendor offers high-tech giveaways and joint marketing funds each quarter. Vistex's channelRewards solution has made it easier for the vendor to deliver these rewards to their partners across the globe—without breaking the bank—while clearly viewing and analyzing ROI. Using this simple, transparent system, vendors can drive preference and loyalty among their channel partners across the partner lifecycle—from recruitment through retention—with support for various languages, local currencies, and tax options that reduce future VAT/GST reclamation efforts.

### Team up to generate demand - and achieve success

Joint marketing has been an important ingredient in the success of the program—extending resources for both the vendor and its global partners. Marketing funds are awarded on the basis of product sales and training completion points in six-month increments, and these funds are used to promote the vendor's services. To make these promotions an easier proposition for partners, the vendor offered a campaign builder through which partners could initiate and manage marketing campaigns with the choice of eight pre-built campaigns. Activities included direct mail, telemarketing, web site support, and lead generation.

### Clear, consistent communication is key

Effective communication of this new program to partners was critical to its successful adoption. The first goal was to clearly communicate a solid value proposition to partners—and this came in the form of higher sales and higher margins. By selling services, partners could increase cash flow and margins while penetrating new markets and improving competitive advantage.

## Results

Results are crucial—and the ability to measure and evolve efforts based on these results is imperative. Since program launch, the vendor has achieved more than \$500M in incremental revenue while participating partners have doubled their revenue. Most importantly, partners have not only increased the sale of services, but also the sale of products. The bottom line—the program has garnered the vendor a far more loyal and engaged partner base.

## About Vistex®

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