



Executive Summary

There is a continuing, and often widening gap between companies' goals for their channels and the channels' abilities to achieve those goals. Channel marketing investments are down, and many participants are confused about marketing in the new digital marketing era. Simply throwing more Market Development Funds (MDF) at the problem is not the answer. In fact, millions have been wasted on MDF that has achieved little in driving predictable bookings

A different answer is needed to:

- Drive predictable results through the channel,
- Weed out weaker participants, and
- Recruit and build a new breed of digitally savvy VARs.

Frantz Group has created a Channel Diagnostic Service enabled by a powerful Marketing Diagnostic Tool. The tool allows VARs to assess themselves on up to 95 different questions across marketing foundation skills, revenue production disciplines, and alignment of their offerings with your strategies. Working with Frantz Group, VARs get clarity on where they need to improve, while channel owners get insight on where to make the best investments. The tool is available through a service pricing model that allows channel participants to achieve benefits quickly with a very small investment in time and money.

- Increase returns on MDF in 90 days
- Drive to specific targets across your channel
- Drive to self-sufficiency without losing viability
- Leverage the Frantz Group network to help your VARs drive results fast
- Improve channel management coaching and VAR development quickly

The Key Challenges

Global competition could not be more intense. The recession ravaged capital budgets, and investors remain tepid. Investments have had to generate very direct returns, and buyers are even more careful to select things that minimize risk.

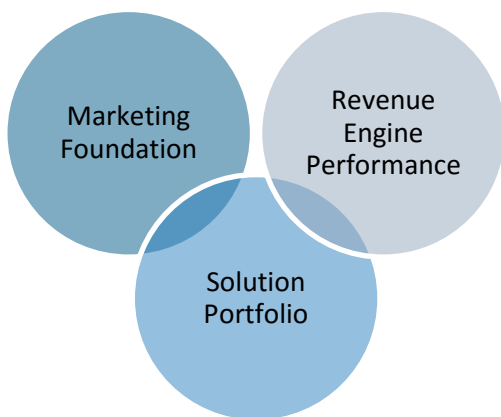
In this difficult environment, channel managers have their work cut out for them. Channels have been damaged, perhaps more severely, by the economic downturn. Marketing budgets and staffs were minimized as VARs focused on customers and the narrowest set of offers that could keep the lights on or capture scarce buyer dollars. Shifts in marketing techniques have left channel participants reluctant to increase marketing budgets – the popular theory being, “the old techniques” are no longer working. All of this confusion impacts channel management. Companies are gearing up to launch new offers and compete for emerging potentially rising investment dollars, but the channel isn't ready.



The days of free-flowing MDF have come to an end, and well they should. Over the past 3 years, MDF has achieved little predictable results. According to one global channel executive, “Pipeline coverage globally is our chief concern. We’ve got to teach VARs to hunt their own meat.” Millions spent on MDF into the channel have often returned little to no pipeline.

All this may leave you wondering, “Where to start?” Do I need new VARs that understand the new marketing and sales world? Do I need to re-do all of my collateral? Is more MDF needed? How much should my VARs spend to get the pipeline up? What training do my VARs need? How do I find the best techniques across a global VAR network? Who are the right VARs to invest in, how much? The questions are seemingly endless.

Channel Marketing Diagnostic Insights



Start with specific insights across up to 95 different dimensions. – Accelerating channels is no longer possible with broad brush programs and companies can no longer afford expensive point in time consulting engagements to understand barriers to performance and find the optimal leverage points. At Frantz Group, we’ve built over 50 years of collective experience driving results through channels into an online diagnostic that identifies specific gaps. In 60 days or less, you’ll learn more about each VAR and motivate the channel to achieve another level of self-sufficiency.

We help close the gap in 3 critical areas of revenue performance:

Marketing Foundation – Benchmarks on Skill

Tougher markets require better skills to compete and win. The Marketing Diagnostic assesses both online and offline skills ranging from understanding the local market through leveraging the appropriate modern marketing techniques. Each VAR will get a specific picture of how they perform versus best practices.

Marketing Foundation Skill Areas Assessed:

- Data management
- Market management
- Integrated direct marketing execution
- Lead management
- Aftermarket pursuit of wallet share and satisfaction

Nothing like a little competition and clarity to motivate change.



Revenue Engine Performance – Insight on Ratios



You can't know which skill gaps really matter if you don't know which areas of the revenue engine are broken. This is the mistake broad-brush programs make. Presuming that everyone will succeed if you just stand up a marketing microsite with standard collateral misses the reality that each VAR is its own revenue production engine. Some struggle creating or even using messaging. Others keep hiring "producers," wondering why they can't seem to "re-produce" the great results that came when they hired that deal killer back in 2007.

The Marketing Diagnostic puts an end to that haze of confusing symptoms. Through carefully worded questions and just the right level of personal support, we help VARs understand the actual ratios that underlie their revenue product engines.

What will your VARs and channel account managers do with analysis like the picture above? We also peer into cross-sell, up-sell and ongoing account penetration. How much more clarity could you achieve on pipeline, bookings and moving the needle forward? What would your VARs do with that knowledge?

Solution Portfolio Alignment – Clarity on your Offers an Channel Readiness

There's another link in the chain of performance: solution portfolio alignment. Through the past several difficult years, many VARs retrenched to selling services to existing customers or narrowed to the fewest offerings they knew the most about. Simply put – they're not selling what you need them to sell to drive market success. Their offering portfolio and skills no longer line up with where the market and revenue is happening.

Frantz Group's diagnostic approach also determines how aligned each VAR is, in fact, based on looking at percentages in marketing funding, skill assessments, and other critical metrics that reveal how aligned and ready your channel is for the market opportunities you see.

Key Solution Portfolio Analysis Areas:

- Offering mix vs. strategic target
- Level of enablement against target
- Gap analysis of bookings vs. plan
- Bookings growth vs. market growth
- Wallet share vs. competitive alternatives within VAR



Process Designed to Optimize Your Economics

If this were just some very complete assessment tool, it would have the same unpredictable effect that many books, process changes philosophies and consulting engagements have... but it is NOT merely an assessment tool. Each channel participant receives a private assessment and recommendation session. Often this helps VARs “hear” the truth outside the pressure of their channel account managers. We also work with channel account managers to get them focused on the fewest actions in the fewest VARs to meet or beat targeted results. The survey helps get beyond anecdotes of who’s ready and focus on facts and detailed comparisons.

We’re in market quickly. In 4 to 6 weeks, you’ll have a tailored survey and communications plan ready to go. A typical survey process should run for 45 days to maximize results, but this means you can be pursuing dramatically better results in one quarter’s time and the VARs will be equally enlightened and motivated to change through the comparative assessment.

Costs, normally shared with the VARs, are decidedly light both up front and on an ongoing basis. Typical program costs are in the thousands per VAR participant, making it easy for everyone to generate results.

Last, we’re not focused on fancy advice and binders. We’re focused on generating results... for the channel master and for each VAR participating in the process. So, we focus the survey to drive targeted results, and participate throughout the year, to help drive the results.

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