**Ralph Vetsch & Channel Readiness**

**Doris**: Hello, and welcome to another edition of Globalocity Radio. I’m Doris Nagel, CEO of Globalocity, experienced sales growth consultants. We focus on helping companies with indirect sales channel strategy and implementation, international expansion, product management processes and portfolio management, and effectively partnering with other organizations. We’re passionate about helping companies be more successful, improving both revenue growth and profitability. Our approach is decidedly hands-on and practical. Our goal is always to leave our clients with systems and processes they can easily maintain long after we’ve finished the project.

We’re delighted to have with us today as our guestRalph Vetsch. Ralph is a 5-time VP of Sales, having worked for startups to publicly traded companies. He has both a bachelor’s degree in Mechanical Engineering from Rensselaer Polytechnic Institute and a master’s degree in Computer Science from New York Institute of Technology.

He has worked in a variety of industries, geographies and product types, with direct and the five main indirect sales channels (what Ralph calls “cinco de channels:” Distributor, Rep, Services company, OEM, and Influencer). Through his extensive experience in working with and even being a channel partner, he recognizes first-hand the challenges when a company is not channel ready.

In 2015 Ralph started 10th Opus with the goal of helping companies realize their full revenue potential for startups and new growth high technology companies. He is in the process of writing a book entitled “Faster Revenue Through Channels” due out in 2018, so be watching for it!

He’s here with us today to talk about a topic that isn’t addressed often enough – sales channel readiness.

Ralph, before we talk about channel readiness, it might be helpful to define what you mean by “channel.”  People use this term in lots of ways, and it might be helpful to elaborate on this.  What do you mean by channel?

***Ralph:*** *When people think of channels, most think of indirect channels like distributors that are separate sales organizations from the company. This could be distributors, where they’re taking title to your products, or people who sell on behalf of a company, like manufacturers reps where the title transfer occurs from the supplier. There are other channel types like OEMs and systems integrators that we will not get into today but most of these variations are built on top of this model, whether or not the selling organization takes title.*

*But there are also channels within companies. This is something a lot of companies miss – this channel aspect to going to market. The challenge is that it looks like a direct sales organization, which is often very obvious in smaller companies with a direct sales team. But, as companies get larger and start adding more products group and product portfolios, and maybe have multiple products within those groups, their selling model actually starts to more like a distributor, or indirect sales channel, without them even being aware of it. This is much more similar to a distributor who has sales people who have multiple product lines that they need to represent. If your direct sales people should represent 3,4, o4 5 different lines with multiple products, they now are very similar a distributor. If companies knew they had to interact with a distributor, they’d know that how you go to market needs to be more mature with product marketing and things like that, but they often forget about this same dynamic with their internal sales force, and the results often show this.*

*That is why when we refer to channels we speak in terms of direct and indirect because both are impacted by not being channel ready.*

**Doris**: You know, I saw this when I worked in corporate America, especially in international. Each product group would have its own sales people. But when it came to subsidiaries outside the U.S., most of these sales people were what I called “big bag” sales people who were expected to carry several different SBU products. And wow -- that was very challenging for them, because they then had to try to run interference with several different business units, each of which had its own way of doing things.

***Ralph****: Good point. And you bring up something interesting when you talk about international. Too many companies just think, “Hey let’s expand to Europe.” An analogy I use is ski slopes. If you’re in the U.S., you might be on a green run, maybe occasionally a blue, a little more difficult. But when you get to Europe, you’re more on a black diamond run, because there are such cultural differences, and Latin America can be the same. And when you get to places like China or particularly Japan, and you’re on double black diamond runs. A lot of moguls and trees. So people who think, “Let’s go to China, there’s so many people there. Let’s just grab 1% and it’ll be great.” Well guess what? You’ll never even get that 1 percent without proper preparation.*

**Doris**: Or you’ll wish you’d never gone there because you’ve gotten so banged up on those big moguls! OK, so now we’re clear on what a channel is, let’s talk about “Channel Readiness.”  What’s that mean to you?

***Ralph:*** *It means a lot of different things. Of course, some of it depends on the product, and the geography you’re trying to get into, and the kind of company that you are.*

*But essentially, it breaks down into a number of key areas to consider each with multiple elements to each:*

* *First, there is being* ***Marketing Ready****: That means you have basic things like product cut sheets and brochures, positioning and understanding of the competition, in the right language and for the right vertical. You have presentations, you have brochures and information from your website that can easily be accessed. In fact, the website is particularly critical because now many people just go to your website before even engaging you to figure out if it’s worth their time.*
* *Next, there is being* ***Product Ready****. I’ve seen numerous examples where companies launch a product without even having the proper, basic certifications in place. They try to launch in Europe, for example, without worrying about say, RoHs compliance. They think, “Hey, let’s just get a few orders.” And unfortunately, if you don’t have the certifications in place, you can be either heavily fined, or even excluded from that market, and it becomes really hard to get back in.*
* *You also have to be* ***Support Ready****. Things like if you need spare parts for your product, how will you process them, how and where will you stock them, how will you handle returns. Often companies that are growing quickly think they’ll just address it later, but later comes mighty fast.*
* *Next is being* ***Sales Ready****. This is really where companies often “wing it” because they count on the skills or expertise of the sales people. But as you move into hiring new sales people, or move into a new vertical market or geography, not having that sales fluency in an engagement can really make things move more slowly, and can really add to the cost of sales. So it’s key to understand things like basic objections people will get, how to handle the competition, basic product positioning, elevator pitches, how to code the product – all the basic sales things.*
* *And then there’s being Company Ready. These are things like credit checks and credit terms. Say you have a sale to Latin America, are you going to extend credit or expect cash upfront? If credit, what are reasonable payment terms? You know, I heard from a distributor in Italy that the average payment term from customers to a distributor there is 260 days. In the U.S., everybody operates at net 30, so there’s a major disconnect. So when your Italian distributor is taking 90 days to pay and you think they’re in violation of your contract, they’re still waiting for their customers to pay them.*

**Doris**: You’re expecting the distributor to essentially act like a bank.

***Ralph:*** *I remember one of the distributors I worked had a major Italian car manufacturer as a customer, and they would regularly pay him in 2 years, so a major mismatch. And that needs to be factored in. Another thing is contracts – you know, specifying governing law is New Jersey or Massachusetts, but what’s that really going to mean with a Japanese distributor?*

*Finally – and I see this over and over – there is a need for readiness around Rules of Engagement and Lines of Communication. What happens in a territory? What can a distributor or even a direct sales rep expect from the company in terms of support in terms of engaging customers and how to go to market.*

**Doris**: Even just setting out how to engage the supplier. I’ve had distributors tell me how difficult it is to get resolution on a particular issue from a supplier. Some of them just resort to calling all over the company, which of course drives the supplier organization completely bananas, but this is because the supplier didn’t lay out what was supposed to happen to resolve that kind of issue.

**Doris**: So, obviously, there’s a lot to do to be channel ready. Why is it important to be “channel ready”?

***Ralph:*** *Well, we keep talking about being channel ready and how important it is, but being channel ready is really about the ability to transfer the knowledge to another sales organization so you can achieve revenue, faster. The idea is to have revenue happen sooner. I’m a big believer that revenue cures a lot of problems in companies. It helps you drive growth, you can hire more people… and the faster you get to that revenue, the better.*

*And that’s what channel readiness does for you. It how you can be successful fastest with the least amount of direct interaction. Another key around the need to be channel ready is the ability for a company to scale their operation. The less the channel readiness the longer and more expensive the cost of sales for ramping the channel, regardless of indirect or direct sales.*

*You’ve heard the expression “ready, fire, aim,” and I see that a lot. Companies are often so eager to go out and take over a territory or move into a new market without a lot of upfront preparation.*

*And that’s why I call Japan a double black diamond. They are very, very cautious there. I think the expression is that it takes 3 hours to watch “60 Minutes” in Japan, because they really want to examine it and analyze it, and make sure that you’re the real deal. And if you try to go too quickly, it can actually hurt you and take you longer.*

*Even in the U.S., because let’s face it -- customers have become very jaded. Companies go out of business or products don’t live up to expectations, so it’s really important to take the time to put your best foot forward.*

*While it’s very challenging and expensive to go into a new market or launch a new product, it is infinitely more expensive to re-launch. If you should go back out because you stubbed your toe, had some product issues, or you didn’t hire the right people, it’s much, much harder – and much more expensive – to go out and do it over. That’s the importance of being channel ready.*

**Doris**: I was struck by a quote in the chapter of your upcoming book that you were kind enough to share with me – it was very interesting, by the way, and I can’t wait to read the whole book. But you wrote, “Another factor in being channel ready is understanding what you want and expect from your channel. This understanding then needs to be combined with what the channel needs in order to achieve that want and expectation.”

In my own experience, mismatches in expectations are some huge reason why strategic partnerships, including those with indirect channel partners, but even frankly those within your own company among departments, are often frustrating and ineffective. Can you elaborate on this comment?

***Ralph****: Thanks for picking that out, Doris. It’s really boils down to figuring out how you motivate and what is important to each channel partner, and really understanding at a fundamental level why they want to work with you and what they want to accomplish. It’s similar to sales management 101 – one of the first things you learn is to understand the goals of each of your sales team. Do they want a new house, or a new car, or a promotion, and you try to tap into that.*

*With distributors, it’s the same. Are they looking to get into new customers? Maybe with their flagship products, they may be excluded from some customers because a competitor has that account locked up. But your product may actually help them get into those customers. So it’s a way of leading in. Even though it may not drive the same revenue as one of their flagship products, it allows them to move into other areas of their territory they were otherwise excluded from because they didn’t have a product before that those customers were interested in.*

*It might also be around driving services. Some partners like systems integrators are really focused on driving services and services revenue, and really being able to understand that will really help you understand if that distributor is a good product fit, or even a good company fit. And the litmus test that I use with this – because most distributors have a mixture of both products and services -- you have 2 deals – both are 10 million dollar deals, but you can only chase one. One has 9 million in products and 1million in services, the other has 9 million in services and 1 million in products. And guess what? Those that choose the 9 million in products, then they’re primarily a product company. Those that choose the deal with the 9million in services are fundamentally a services company. And if they say they want to chase both, well then they’re probably just trying to hedge their bets and really don’t know who they are.*

**Doris**: Lots of companies are really not channel ready, as you’ve defined it. What happens if a company isn’t really channel ready?

***Ralph****: There’s usually some key indicators of a lack of channel readiness. You know, 90% of people surveyed think they are above-average drivers. Of course, that’s not possible. Similarly, if you ask a bunch of sales people if they’re bad negotiators, none of them will say they are. Yet, mathematically, 50% of them should be better negotiators that the rest. Everything is a bell curve, right? I think channel readiness is a bit like that. Companies all think they’re fine – they’re getting some revenue, right?*

*But there’s usually certain telltale signs that a company isn’t as channel-ready as they think they are. One is that it tends to take new sales people – whether direct or distributors -- a long time to get ramped up. Or they tend to have a high turnover rate of sales people because they “can’t sell” – the same people who went through numerous interviews and had past success now suddenly can’t sell for some reason – there might be something else going on. Another is companies that flip between using direct sales and distributors, back and forth. Yet another telltale sign is companies that experience success with their direct sales in their home market, but are just not successful in a new market, or with distributors in more remote markets, such as international, and are struggling to figure out why that is.*

*Another is the lack of a documented sales process. I can’t tell you how many companies – even large companies –don’t even have a documented sales process of what’s supposed to happen at each step. Even with something as simple as tele-sales with a 1-hour conversation should have a documented process –certain things are supposed to happen at certain steps, and the better you understand these steps, the better your results.*

*I’m a big Patriots fan, and it’s a bit like a football game. In the last Super Bowl, it wasn’t an accident that they won – they followed a process. And even more importantly, people ran routes. If you look at the pass to Edelman, he had 3 defenders on him, but Brady threw to a certain spot, and Edelman ran to that spot, and even with 3 defenders on him, he was able to get open. Some companies send people around and hope they get open. Others follow a documented process, and that’s channel readiness.*

*And the last key indicator is that you’ll find the channel tends to abandon you. I’ll give you a story. There was a consumer products company who was doing a new product test market launch in Denver. One of their competitors had seen that they were doing this, so they went out and purchased ALL of this company’s test products. The company doing the test was convinced that the new product was going to be a sure success. So they went out and did the whole launch, and it was an absolute failure – they just didn’t test enough – they just had their happy ears on.*

**Doris**: I know in an earlier offline conversation, you said that companies that are not channel ready can still sometimes be successful because they depend on “tribal knowledge” of their staff instead of being channel ready by having their policies and procedures documented and agreed, but struggle when they are ready to introduce and manage a new or different channel. Can you elaborate on that?

***Ralph****: You know, I’m our listeners are sales managers or are working with sale people. Everyone knows there are rock stars in the sales organization. One of the characteristics of many companies that are not channel ready but are still successful is that there a few key people who are the more astute and experienced sales people know who to call to ask a question or get certain key pieces of information. Usually they’re at headquarters or pretty close to headquarters, or they have some inside people they work very closely with. Those people know that Freddy is the guy to go to help put together the quote. Or call Michelle, she knows how to get that new brochure or presentation. It’s that inside knowledge or how to win against a competitor, or call this guy – he knows how to win these kinds of deals. And it’s that internal tribal knowledge that the most astute or experienced people know because they’ve been there the longest tend to know because they’ve learned it over time.*

*But if you’re a new person, or worse, in a remote area – like a distributor in Japan –it can be very difficult because you don’t have this information or that inside conduit. Companies may think they’re doing great because they’ve got some sales, but it is not scalable. So they’ll open up a new remote office or hire some distributors, and they don’t know to call Freddy or Michelle, and by the way, Freddie is already so busy with his existing sales team that he doesn’t have time to help out – it’s not part of his quota, it’s not in his job description, and he’s already overworked already. And that’s why channel readiness is so important to allow a company to scale.*

*That’s why some smaller companies can still be successful, but when they reach a certain size or take on a new or different business model, things fall apart.*

**Doris**: It is definitely hard for people who are working remotely. Field sales people will tell you stories of how difficult it is if you’re not at corporate. That difficulty gets multiplied when you’re talking about an external company like a distributor. You might have 2, 3. 4 business meetings per year, maybe only 1 or 2 of those are even in person. The rest of the interactions are ad hoc that just happen over time, and over time you slowly put together “oh, that’s how that gets done,” or “oops, that didn’t work.” And it’s pretty easy to see how distributors who aren’t that patient, or all that interested in the first place, or maybe are frustrated with other aspects of the relationship – simply say “go away, you’re not worth investing my time and energy with, because you’re just too difficult to deal with.”

***Ralph****: Just to elaborate on that, it’s like 2 neighbors who do home renovation projects. One spends $50K and shores up the foundation and replaces the windows and gets a new roof. The other spends $50K and gets a nice new kitchen. Wow – that looks great – everybody’s excited about the kitchen. Nobody gets excited about new windows or a roof. But at the end of the day, these things are so important. And while all these processes seem like a lot of work and time and effort, it really does prepare a business for the long haul. As opposed to spending a bunch of money on a new kitchen and now you have beautiful brochures and big trade show booths that look great, and there’s a lot of splash, but doesn’t last very long because the underlying foundation isn’t there.*

**Doris**: So if you want to flip the house – meaning make some quick transactional sales – then focus on the kitchen. If you a business that’s scalable and grows steadily over time, then focus on the foundation.

***Ralph****: Oh yeah. And there are probably people out there saying I’m ready to flip my company and sell it, and I want to re-do my kitchen. But that’ll come out pretty quickly in any serious due diligence process.*

**Doris**: So it’s tough to be channel-ready in all respects because it touches on a lot of aspects of how a company operates. Does a company really have to be ready in all respects in order to get started?

***Ralph****: No, they don’t. In fact, many companies listening to this pod cast are still getting started—they’re not channel ready – they’re in the “figuring it out” stage. But I’m willing to bet even more mature companies are thinking “I’ve got revenue, so I must be channel ready.” Or… “I’m probably good because we’ve already got a bunch of distributors, and sure it’s not perfect but it’s working.”*

*With many things and being channel ready there are 3 problems. There are Today problems, tomorrow problems and down the road problems. The today problems are the things that will kill you immediately. Then there are tomorrow problems that will also kill you, but you’re never going to get to those if you don’t make it through today. Then there’s the “down the road” problems that you also must address because you’ll get there very quickly.*

*Today problems are things like: do I have a price sheet, how do I quote the product, do I have a contract for this customer? How to I handle this return? How do I invoice this customer? The basic stuff. While obvious, not always done.*

*Tomorrow problems quickly become today problems. Examples of this include; product support, training a customer, having product materials and product specs, a way to for the channel to get support.*

*Down the road problems are things like handling spare parts, handling competition, managing trade shows effectively, product support.*

*Every company for sure is dealing with today problems for sure. But what’s important is looking at each aspect of channel readiness and methodically chipping away at each of the steps we’ve already discussed. – assessing each step of the way. That’s when you can really become much more successful.*

**Doris:** My partner, Mike Hunter, is especially passionate about ensuring companies invest in adequate onboarding for their channel partners.  Do you agree with him?

***Ralph****: I really do. And I see this even with direct sales teams. I think a lot of companies don’t invest enough to even get their own employees operational. They usually send them out on the road for a week to do a ride-along with another sales person, and then send them out to get busy selling.*

*So companies are not investing enough in the channel. They don’t have a sustained process to work with a channel partner or even a remote field sales person to really move them along the learning curve and make them truly independent. I think some of has to do with budgets, people are really busy, people get re-allocated. Some of it is because the underlying fundamental things we’ve talked about are not in place. For example, how to handle a particularly entrenched competitor that maybe isn’t in one geography but is present in a new market you’re entering.*

*But there’s another factor at work, and that’s really understanding your partner and his situation-- you touched on this earlier in this podcast. It’s about really understanding your partner, what it takes to make them successful, and what they need from you to really be successful.*

*For example, some partners like systems integrators derive the majority of their revenue from billable services. Some of them even have a requirement to be say, 70% billable. So there’s very little time for these people to do a training class other than vacations, weekends or evenings. If you require a partner like this to come to your offices to attend a training class for week, even if the class if free, the partner should pay for travel, and they get a double whammy because these people are not billable for that period of time. The supplier thinks, “wow, we did everything right – we had a great training program for the distributor, but the person just didn’t show up. Time to find a different partner.”*

*I equate this winning an argument with your wife. You can be right, ……but you are sleeping on the coach. So what did that get you?! So it doesn’t matter if you’re right – that you made the investment in a good onboarding, but if the training doesn’t achieve the right outcomes with your channel partners, it doesn’t matter. A company needs to explore alternatives that meet the needs of the channel – what else can I do to make my new partners successful. Many companies spend all their effort in recruiting and signing new channel partners, but significantly less effort onboarding the partners. But the success of and amount of effort required to do the actual onboarding is directly dependent on a company’s level of channel readiness. Less ready, more onboarding support will be required. Equally critical to the onboarding is the investment after the onboarding. This is where you solidify the onboarding investment.*

**Doris**: Good advice. A lot of companies are not really “ready” as you’ve defined it, what should you do?  My sense is that many companies are overwhelmed with the idea of implementing everything needed to be channel ready. And it can be a lot – a giant wall of things to do, where to begin? What advice would you give to them on how/where to get started?

***Ralph****: The first to being cured is recognizing you have a problem. The goal is of being channel ready is to generate the most revenue possible with the least amount of involvement from you – being channel ready is not a goal in of itself. The goal is revenue, and channel readiness is a predictable way to get your there.*

*A good way to think of the journey to getting your channel productive is think of it as a person hiking to the top of a large and high mountain with a big backpack, because there will obstacles along the way – that’s a given. The more channel-ready you are, the faster and easier you’ll make it to the top. Areas where you are not channel ready make the pack heavier. It takes the channel longer to ramp. It involves more hand holding on your part, which is expensive. It takes you longer to get to the top of the mountain with a heavy pack; maybe you even need to take breaks, it’s painful, you may even need to change partners along the way. Areas where you are channel ready make the pack lighter. The channel starts getting some success. Their sales people start pushing your product. A lighter pack will ascend the mountain top faster.*

*I would start with those areas where you can make the most impact – to make things easier for your partner. Review the types of questions coming from the channel to your inside team. Look at logs and analyze them. Categorize them where you can so you can start to see if there are patterns. See if there are things you can do that would eliminate these from occurring in the first place. This should be done for pre-sales and post sales.*

*The other thing that is* ***really*** *a biggie is that most companies often don’t do or follow is to establish clear rules of engagement and communicate these. That means how a company will act under certain circumstances in a particular territory. Because that’s what distributors do for you – they introduce you and your products to their customers. And these customers are also customers for their other products. And trust me, most of them are paranoid. They remember 10 years ago when another supplier was introduced to their customers, and things were great, until they dropped the distributor and then went direct. They all have stories – baggage, head trash – that gets in the way of having a healthy relationship with you.*

*I call this the cause-effect-effect phenomenon. It’s when something occurs, and then 2 downstream things that happen, but the 2 are actually not related. To give you an example, I was listening to the radio one day during the morning when one of the stations was running a bit where a person could appeal to the radio station to find out what transgression their significant other was guilty of. They would call then poor unsuspecting slob at their place of work pretending to be the phone company and as a sign of the phone company’s appreciation for their business they would send a dozen roses to anyone they wish with a message attached to the card. You know where this is going.*

*This one morning a very distraught wife called in because her husband just got a major promotion and had been working very late hours. He also had a very attractive secretary and every time the wife would call the office the secretary would answer and she and her husband would be laughing. SOMETHING MUST BE GOING ON!! So of course, the secretary gets the roses, but it was to thank her for all the extra work for the big acquisition they’d been working on.*

*It somewhat similar with channels. Say, you have a new exec who visits a channel partner’s territory. They decide to visit one of the distributor’s customers directly, because the exec knows the customer, and the distributor is busy. Then of course the distributor finds out about it, and thanks, “Wow, they didn’t call me or involve me; they’re calling my customers directly -- something must be going on!” So, they take their foot off the gas and they’re not pushing your product as much, and now revenues are down. And before you know it, the trip is not about saying hello to customers, it’s about finding a new distributor. That’s cause-effect-effect.*

*Nothing will cause a channel to take their foot of the gas faster than if they think they can’t trust you. This happens when you do not follow basic rules of engagement which will be put upon you unless you define them yourself and articulate and follow them with your channel partners.*

**Doris**: I think you seen earlier – that when you don’t have clear rules of engagement and there’s cross-communication, you start to lose trust. There’s a lot of research out there – and certainly it’s been our experience -- that the number one predictor of alliance success is trust. Nothing ruins a partnership faster when there is poor communication and lack of conflict resolution processes – even when there are good intentions -- and trust breaks down. It is very difficult to get trust back once broken.

***Ralph****: Yep, I completely agree. And now I’m going to take a swipe at my bean-counter friends. They often think that distributors make too much money. Well, that’s logic. But trust is an emotional thing, and emotion will always trump logic. And that’s why having that basic trust in place is so important. Let’s face it – why is rapport-building such an important skill worked on in Sales Training 101? Because you need to build trust with customers. It’s the same with your channels. You’ve got to continue building that trust with distributors so that not only will they want to continue to work with you, but to capture as much of their mindshare as possible, and the only way to do that is if they trust you.*

**Doris**: Good advice. Are there certain instances where you do not need to be “channel ready”?

***Ralph****: Not many, because channel readiness has such a big impact on a company’s ability to be successful. The one exception might be the OEM channel model. OEMs are companies that take your product and resell your product as their own – probably under their label -- or maybe they take a component you make, like a motor or say a software driver, and they embed your product in theirs. In that case, with the exception of the product support process, you really don’t need to be channel ready – in fact, your OEM will probably redefine what the product looks like and how it goes to market. You’ll have other challenges, because it can take you a long time to get the product specified and qualified and you just have to hope you’ll get the sales ramp from the all the effort you put into getting chosen by the OEM and all the work getting qualified. Depending on the type of OEM arrangement you can make the argument that you need to supply less of this upfront process and product maturity, however having this information will allow you to anticipate where your OEM channel might struggle in the future when rolling out your product. That would probably be the only exception to being channel ready.*

**Doris**: I think a lot of companies know they need to be doing more to support their channels (and be more channel ready). They’ll tell you that, or you can suggest it and they nod their heads, yet they just don’t do it. Why do you think that is?

***Ralph:*** *That’s the million dollar question, isn’t it? It’s maddening when you see companies in this situation. It’s kind of like describing the color red to a blind person. You can try and try, and they just won’t get it. I’ve seen this often with different channel approaches. So, say, there’s comfortable with distributors, but they try to introduce a rep model – which can be enormously successful in certain instances, then they have a problem. Finance people in particular have a really hard time – they’re used to distributors and the buy-sell arrangement – the price you sell to them. But in a rep model, you’re suddenly writing the reps a big commission check, and now they look at it as an expense. And they think, “Wow – look at all this money we’re giving up – we’re already paying the channel manager a commission in the form of a salary, so we’ve gotta cut something.” I see this over and over.*

*I think everyone is very busy and often there is pressure to “get revenue” that outpaces the readiness side. These companies will get revenue, but are often disappointed when the expected ramp does not materialize. So they attribute it to the sales channel not selling enough, and they make a change, where the new partner is not much better. They may also attribute it to their channel manager that he is doing an ineffective job of managing the partners and make a staff correction, also with mixed results.*

*But I think one of the bigger reasons which is something I continually see is that many times companies don’t even recognize the need or what it takes to be channel ready. At some point you can start to describe the color red as being the warmth of the sun, and maybe the understanding starts and you build from there.*

**Doris**: That’s it for today, folks. Ralph, thanks again for being our guest today.

***Ralph****: It’s a pleasure, Doris – I really appreciate it. Great questions. I look forward to hearing future podcasts, and watching your company grow.*

**Doris**: I hope our listeners have enjoyed learning about channel management, why it’s so important to be channel ready, and some tips on how to become more channel ready.

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Thanks again for listening.