

PARTNER RELATIONSHIP MANAGEMENT SOLUTIONS

THE THIRD WAVE IN SALES AND MARKETING TECHNOLOGY

TABLE OF CONTENTS

- Introduction
- Why do you need PRM?
- Components of PRM
- What makes PRM solutions a necessity in today's environment
- PRM Market Dynamics
- Conclusion

Emergence of PRM Solutions

The rise of the internet and “www” boom during 1990s triggered a new way of doing business, where enterprises started to have early digital footprints, and explored new channels to reach out to the customers. Since then, the software market has changed with every passing day, and the change has been the most significant for Marketing and Sales functions. Large and small companies have added direct and indirect channels to reach out to their customers and prospects. While this drastic adoption of Marketing Technology platforms has solved many of the unique challenges observed in direct sales process, indirect sales still rule the B2B market.

As per an article by Jay McBain, Principal Analyst, Channel Partnerships & Alliances, Forrester, around 75% of the global B2B trade takes place through indirect channels involving a multitude of partners which become important engagements for companies given the scale of impact they have on global trade. PRM Solutions enable channel professionals in managing these engagements smoothly and efficiently, by taking care of the entire partner lifecycle and empowering the channel partners in driving more sales.

▶ Around 75% of the global trade takes place through indirect channels.

Companies have invested in PRM since the early 2000s, but as CRM started to grow significantly in the mid-2000s, it challenged PRM as the core source of truth for indirect sales. PRM then went through a retrenchment period before it rebounded in the past five years as a critical horizontal platform

Jay McBain, Forrester analyst

Solutions catering to marketing, sales and customer support functions, whether direct or through partners, have been into existence for a long time. However, business investments in these solutions have not been uniform, with CRM witnessing the highest growth in the early years, followed by marketing technology platforms in the previous decade.



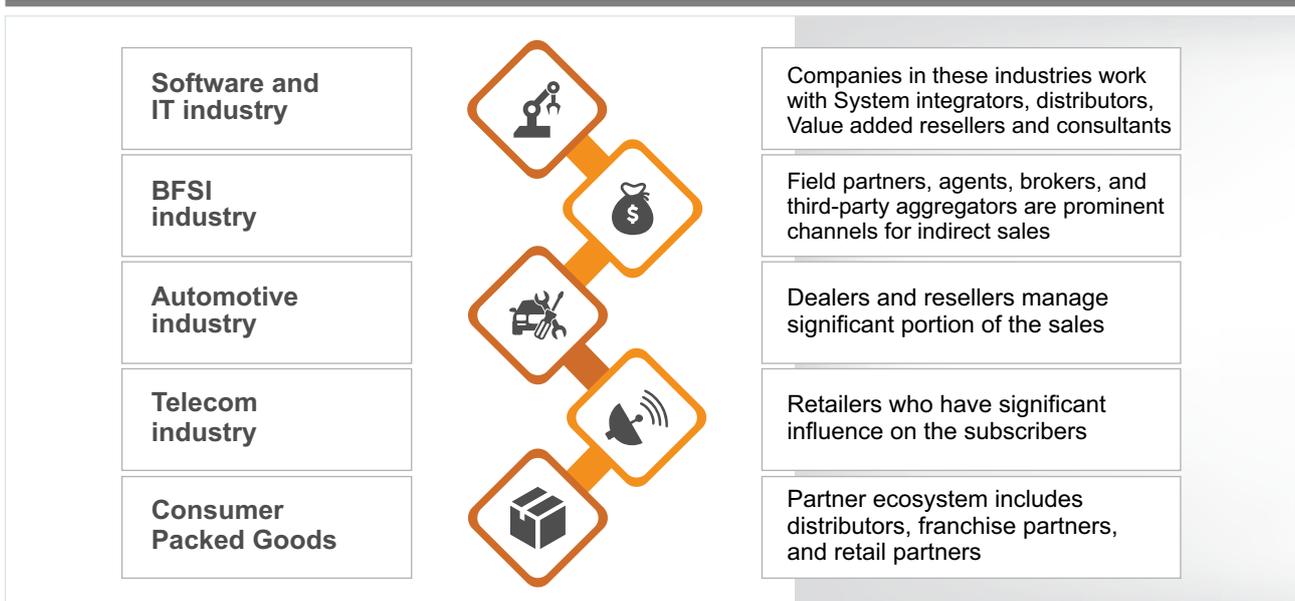
But the advent of digital transformation has created a range of new channel partners in the ecosystem who demand personalized relationships and special attention. As PRM solutions can resolve these challenges, companies have started investing more in PRM leading to a rebound in recent days.

Types of partners

The word “partner” in Channel Partners can be associated with multiple important players in the ecosystem. The indirect sales ecosystem channels may include logistic partners, wholesale and roaming partners, vendors and suppliers, and digital service partners to name a few. Further, retail channels, value added resellers (VARs), system integrators (SIs), original equipment manufacturers (OEMs), or even product/service vendors, all constitute a significant chunk of channel partner ecosystem, depending on the organization's business model.

A PRM suite streamlines the entire sales operations, thereby reducing time, effort, and minimizing duplication. The early adoption of PRM solutions started when technology and software enterprises looked to nurture their relationship with partners in their ecosystem, but with the upcoming digital wave, this has extended to cover other industries like CPG, hospitality, retail, and many more, giving rise to specific set of partners in each of these industries.

FIGURE: 1 TYPES OF PARTNERS EXISTING IN DIFFERENT INDUSTRIES



This complex environment demands managing these partners more like influencers, advocates, and alliances than traditional resellers. In the current scenario, companies have started to look at their channel partners as strategic partners engaging with them for common business goals, which include the following:

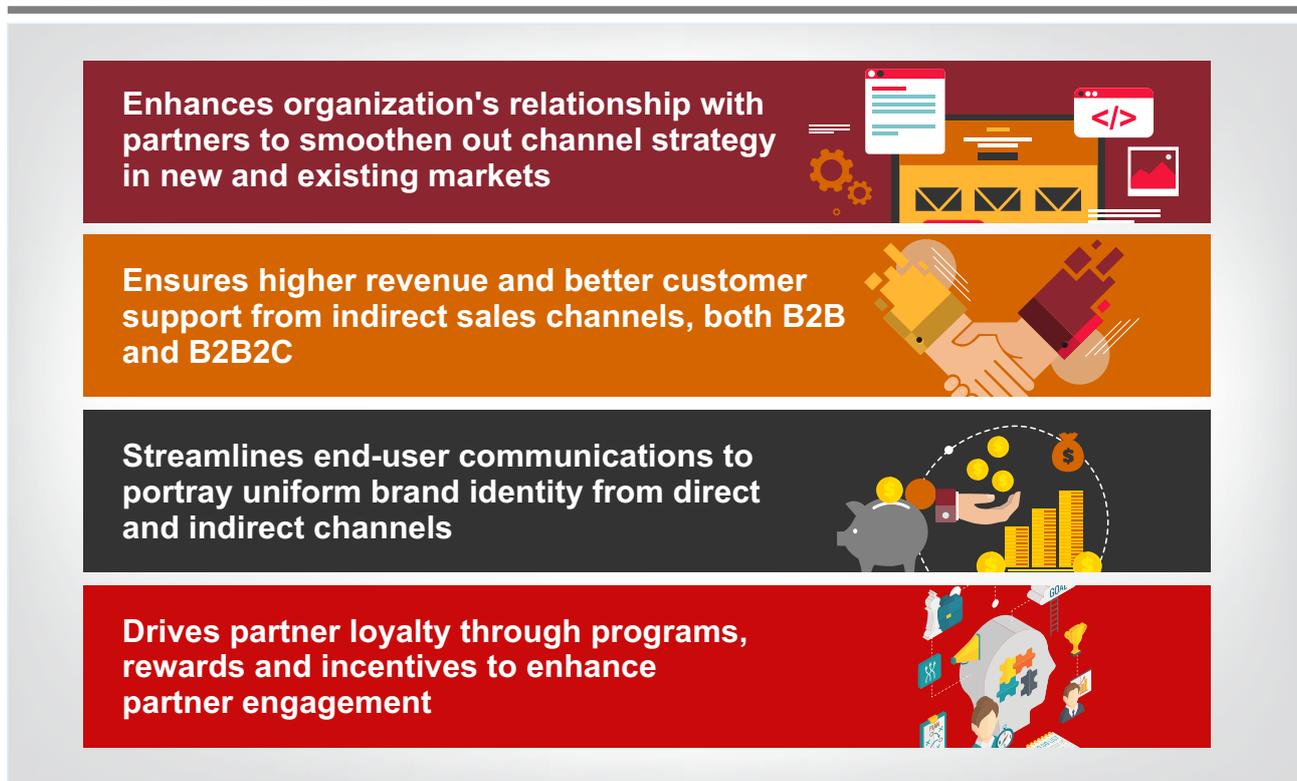
- Enhanced revenue through channel partner sales and marketing
- Higher reach in new geographies or regions difficult to manage
- Enhanced customer support driven by local partners
- Gather market intelligence via established partner ecosystem

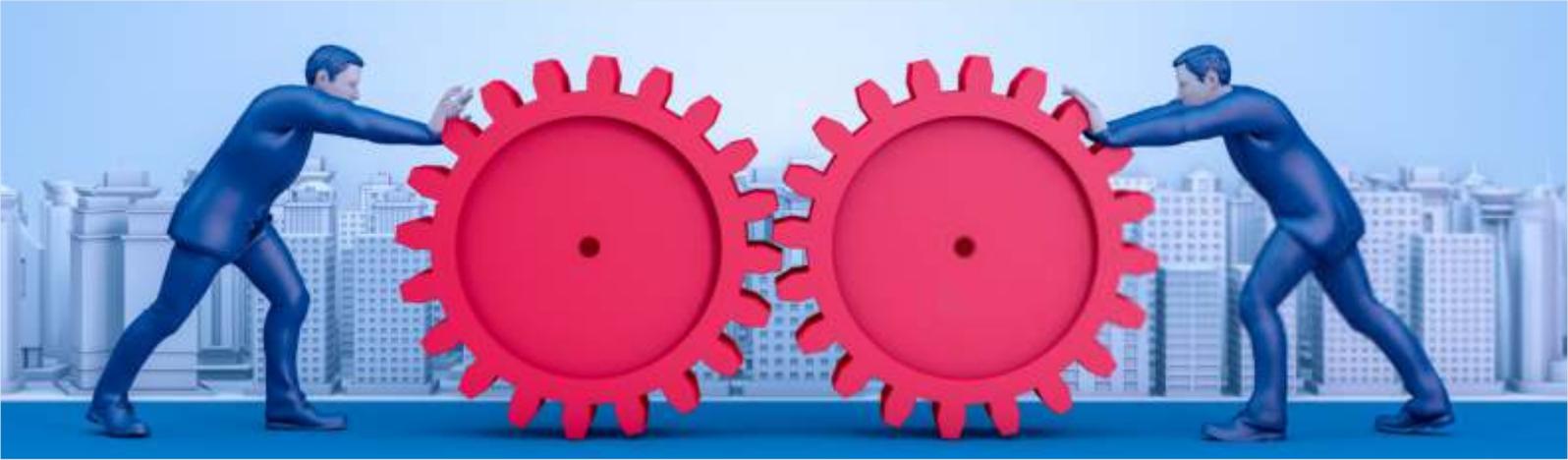
With such a wide variety of partners but similar business objectives, companies are increasingly turning to PRM solutions to streamline and manage all their partner-related processes.

Why do you need PRM?

Channel partners have existed in the sales ecosystem for over 20 years now, and companies started with managing these relationships through their manual processes. However, owing to the evolving market scenario, the fast-changing needs and expectations of these channel partners have rendered in-house developed portals of organizations redundant. Partners now want a personalized support service to do away with complicated processes, and being provided with dedicated support in areas such as marketing, sales or even services for end customers. A comprehensive solution covering all the modules necessary to manage the channel partnerships (as mentioned in the next section) is what they are investing in.

FIGURE: 2 Benefits of PRM solutions





Components of a PRM solution

As mentioned previously, PRM solutions bind together the entire ecosystem for indirect selling, and support the organizations in managing channel partners throughout their lifecycle:

FIGURE: 3 COMVIVA CHANNEL PARTNER MANAGEMENT SUITE



Partner Recruitment and Onboarding

The journey of a channel partner with an organization starts with the on-boarding process and continues henceforth. PRM solution assists partners with hassle-free automated onboarding supported through digital document verification, releasing both the enterprises and the partners from long tiring process of getting them onboard. Creating a hierarchy of access at the partner's side ensures that the top management official also has a consolidated view of activities under him. This hierarchy also ensures that requests made, such as a purchase order, is approved by multiple parties before getting executed.

Partner Lifecycle Management

The solution creates a profile for the partner, taking into consideration the partner's business model, governance model, hierarchy structure, and other organizational details including sales planning, go-to-market, capacity planning, and contracts based on regulatory compliance. Further, the platform also provides content management portal for the organization and partner that offers access to the learning and training modules as well as other necessary documents. Based on the training performance, partners can be granted certifications.

PRM platforms support partner segmentation and targeting to assist organizations with identifying the right set of partners for their environment. Few of them also support to-channel marketing in order to attract the partners.

To- & Through-Channel Marketing

AI and Machine Learning have empowered companies to know their customers inside out, being fully aware of their choices and behaviors, and suggest the next best action for them. Aspirationally, these companies want to replicate the same offers and recommendations on their indirect sales channels as well to flaunt a uniform brand image across all the points of presence.

PRM solutions, being fully integrable with marketing stack and modules such as decisioning engine, CDP, etc., allow for these Next Best Offer recommendations through their channel partners. In a B2B2C environment, this provides a great opportunity for cross-sell/upsell, thereby enabling increased offer uptake rates through indirect sales. PRM solutions also support Marketing Development Funds (MDF) management to support the marketing initiatives of local channel partners, and allow streamlining co-marketing initiatives such as co-branded assets and campaigns.

Channel Sales Enablement

Leveraging new age technologies, PRM solutions assist organizations by providing smart tools for sales execution. Channel professionals can easily track sales activities, get updates on delayed deliveries, track the movement of their inventories, and leverage these data to plan their salesforce more effectively through sales analytics. PRM solutions also support co-selling initiatives and lead management.

Further, a set of PRM solutions enable advanced analytics to forecast inventory replenishment, thereby forecasting the demand from partners, optimizing safety stock limits for business continuity and predicting the future procurement dates.

Few of the PRM solutions provide customized tools for field sales partners which assist them in optimizing their routes, guided selling and geo-fencing, lead registration through smart applications, and gather market intelligence through on-ground surveys.



Rewards, Incentives and Loyalty

Enterprises focus on fostering brand loyalty among channel partners by creation of loyalty management programs to drive higher engagement with each partner and thereby higher sales from them. While most of the PRM solutions segment partners into Gold, Silver, etc. categories simply based on the sales value, few leverages advanced segmentation techniques based on attributes such as recency, frequency and monetary value of sales, to optimize revenue realization and inculcate a spirit of competition among the channel partners.

PRM solutions also enable real-time revenue reconciliation allowing partners to realize benefits out of loyalty programs. These solutions provide a dedicated portal for real-time redemption of reward points which the channel partners can either redeem in exchange of other products, or can use them as payment option during replenishment of their stocks.

Partner Business Operations

PRM solutions are also beneficial for channel partners as they assist partners in managing their day-to-day business operations effectively. The superior official in hierarchy is able to monitor and manage performance and drive efficiency in the operations of field partners. Leveraging intelligent tools such as field-partner mobile app and smart route planning, the solution effectively maps field partners to physical stores, thereby ensuring optimization of stock and business continuity at each outlet. Many of the PRM solutions also support multiple modes of payments for purchase orders made by the partners, such as reward points, credit, upfront digital payment, etc.

Service, Support and Reporting

PRM platforms ensure smooth functioning of business by providing advanced visualization and reporting dashboards for both the partner and the organization. These platforms also enable technical support mechanisms such as trouble ticketing and grievance redressal. Few of the platforms also provide channel partners a self-care portal where they can access a birds-eye view of all the information available with them. This is linked to communication systems where partners can chat with the organization in real-time. Other sources for resolving partner's challenges include knowledge repository and partner community.

What makes PRM solutions a necessity in today's environment?

While the central mechanism for maintaining this relationship will remain the same, the advent of new business models and upcoming technologies has led to the emergence of critical requirements in channel partner ecosystem, which are being answered by PRM solutions.

Personalized treatment and advanced categorization

With a huge variety of channel partners working with the organizations today, there cannot be a “one-shoe-fits-all” approach to cater to the demands of these partners. Further, managing channel partners through simple Gold, Silver, Platinum tiers has been outdated now. With the enormous data available with organizations, the need of the hour is to create a performance score based on robust analytical models which will not only act as a driver for partner loyalty, but also assist the organization in advanced segmentation and targeting of partners. Few of the PRM solutions have already progressed on these lines, leveraging technologies like AI, ML and predictive analytics.



Forecasting and Predicting

An important differentiator in PRM market today is the usage of new age technologies. AI, ML and predictive analytics are not only beneficial in categorizing channel partners based on range of attributes, but find more relevance in real-time tracking of channel partner activities and inventory forecasting. Here, real-time refers to end-to-end sub-second decisioning, from an event occurring in the ecosystem, to an interaction with the end-customer, and from the time new data is received to the time it can be used in decisioning. This ensures revenue maximization and business continuity through optimized safety limits of operations at physical stores.

Driving partner loyalty in an era of increased competition

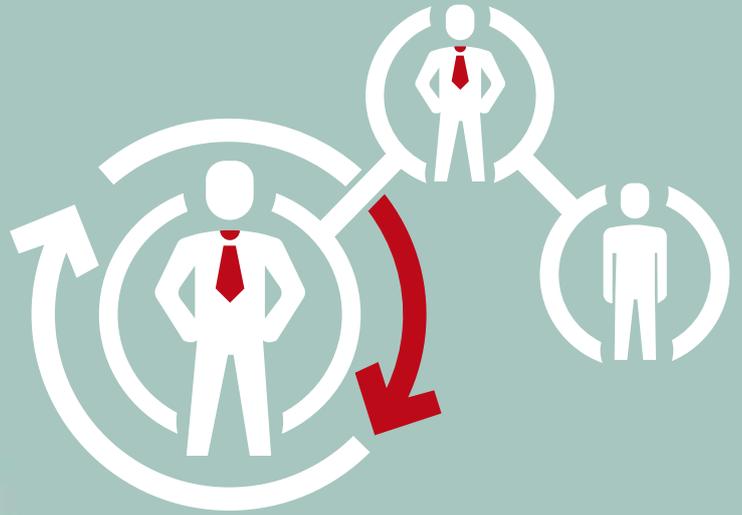
Owing to increasing impact on businesses, channel partners are working with various organizations at a time, creating an increased competition among the enterprises to convince channel partners sell their products over others'. This has resulted in channel partner loyalty facility. Besides leveraging emerging technologies to drive partner loyalty, organizations also use gamification and special programs to capture partner's attention. This loop is closed through the provision of a redemption portal, which allows partners to redeem their loyalty points in real-time.

Sales Enablement (Content Management)

An important challenge organizations encounter today is to reflect a uniform brand identity through their channel partners. An effective sales enablement program requires comprehensive training materials and reference guides to help channel partners gain an insight about the organization and its strategy so as to align their sales mechanism accordingly. Some PRM solutions support partner certification based on these training guides to recognize partners which reflect the organization's values. It also allows the channel partner users to create (with or without the organizations) and store specific content for running campaigns and programs. It also acts as a collaboration platform between the two parties. This is particularly useful in organizations managing a wide scale of channel partners.

Lead management and market intelligence

All the efforts of channel sales strategy boils down to generating leads through such initiatives. There has been an increased focus on lead management and lead tracking mechanisms through channel partners. Some of the solutions also provide a lead score based on supporting evidences to provide differential treatment to the leads. Further, gathering information to assess the pulse of the market is another pressing need for organizations and several PRM solutions offer a dedicated tool to cover the local information and provide an analysis to the channel professionals.

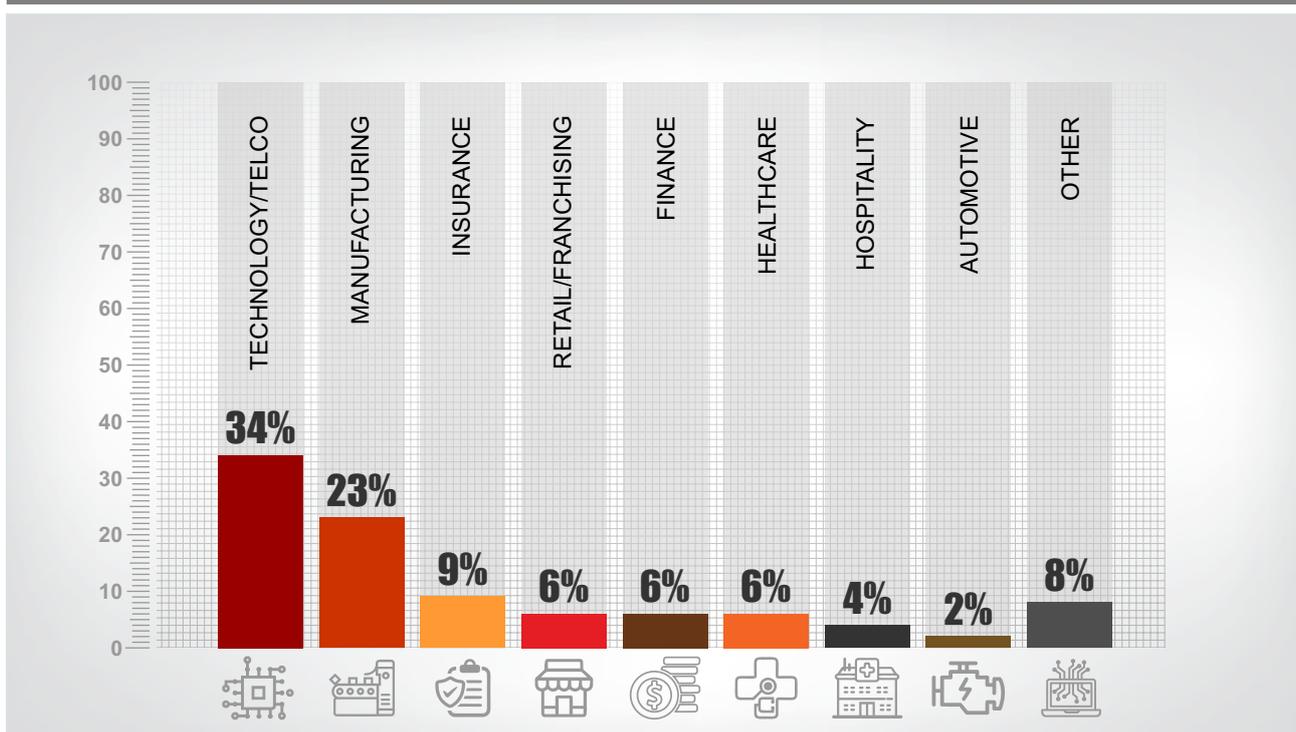


PRM Market Dynamics

According to Principal Analyst Jay McBain from Forrester Research, investments in PRM solutions are expected to rise significantly in the next five years. PRM software market is expected to grow to \$679 million by 2023, a CAGR of 14.2%. An additional \$971 million will be generated by 2023 in downstream technology services in this ecosystem.

PRM is a horizontal solution serving indirect channels in all 27 industries.

FIGURE: 4 THE TOP INDUSTRIES BY REVENUE



With high investments going into PRM solutions recently, the market has been streamlining and has witnessed some dynamic movements in the recent past. Mergers and acquisitions is a frequent activity in this market, with vendors looking to come up with a comprehensive offering and thereby complementing their solution through acquisition. Some of the M&A activity is also targeted to expand market reach, either horizontally or vertically. The digital transformation wave has hit all the major industries, resulting in the emerging requirements for PRM solutions as discussed previously, which has led larger solution providers to look out for industry-specific solutions. Market experts from Gartner and Forrester expect that M&As will continue to be a feature of the PRM software market for some more time.

CONCLUSION

A wide variety of PRM vendors have entered the market in the past few years, some of them catering to end-to-end requirements of channels sales professionals while most of them focus on a specific niche category. Further, many industry-specific offerings have been developed either by new or existing vendors in the recent past, allowing enterprises to follow industry-specific processes and workflows. These vendors often act as thought partners for the enterprises, also supporting them with advisory requirements for their channel strategy. For a successful channel strategy, a two-way relationship between the organization and solution provider is essential.

Comviva, being a leading provider of PRM solution, is helping enterprises drive maximum benefits out of their channel partners. To know about our solution in detail, or to understand more about managing channel partners effectively, contact us.

¹ <https://www.channelmarketerreport.com/2018/11/forrester-focuses-on-partner-relationship-management-solutions-in-wave-report/>

² Market Guide for Partner Relationship Management Applications

³ <https://searchcustomerexperience.techtarget.com/definition/partner-relationship-management-PRM>

⁴ Market Guide for Partner Relationship Management Applications

⁵ Market Guide for Partner Relationship Management Applications

⁶ Market Guide for Partner Relationship Management Applications

⁷ <https://www.channelmarketerreport.com/2018/11/forrester-focuses-on-partner-relationship-management-solutions-in-wave-report/>

About Comviva

Comviva is the global leader of mobility solutions catering to The Business of Tomorrows. The company is a subsidiary of Tech Mahindra and a part of the \$21 billion Mahindra Group. Its extensive portfolio of solutions spans digital financial services, customer value management, messaging and broadband solution and digital lifestyle services and managed VAS services. It enables service providers to enhance customer experience, rationalize costs and accelerate revenue growth. Comviva's solutions are deployed by over 130 mobile service providers and financial institutions in over 95 countries and enrich the lives of over two billion people to deliver a better future.

For more information, please visit www.comviva.com

Regd. Office

A-26, Info City
Sector 34
Gurgaon 122001
Haryana, India
T: +91-124-4819000
F: +91-124-4819777

South Africa Office

P.O. Box 37324
Overport
4067, South Africa
Tel: +27 31 268 9800
Fax: +27 31 209 9573

UAE Office

Tel: +971 43 687808
Fax: +971 43 687809
Office No. 1401/1408/1409
14th Floor, Al Shatha Tower
Dubai Media City
Dubai, UAE

UK Office

Level 2, Cyberhouse
Molly Millars Lane, Wokingham
Berkshire RG41 2PX,
United Kingdom
Tel: +44 118 989 0144
Fax: +44 118 979 3800

LATAM Office

Av. Corrientes 880 Piso 11
C1043AAV - Buenos Aires
Argentina
Tel: +54 11 37248000

All trade marks, trade names, symbols, images, and contents etc. used in this document are the proprietary information of Comviva Technologies Limited.

Unauthorized copying and distribution is prohibited.

©2019 Comviva Technologies Limited. All Rights Reserved.