



Outbound Channel Management

**Managing and Expanding Customer-Facing
Supply Chain Partnerships**

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About ChainLink Research

ChainLink Research, Inc. is a Supply Chain research organization dedicated to helping executives improve business performance and competitiveness through an understanding of real-world implications, obstacles and results for supply-chain practices, processes, and technologies. The ChainLink Inter-Enterprise Model is the basis for our research; a unique, real-world framework that describes the multi-dimensional aspect of links between supply chain partners.

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Executive Summary

Whether it's booking a flight or requesting the status of a flight, or checking the status of an order or placing a new order, the frustration we endure while doing business can become massive. We've all "Been there" at one time or another, whether calling from a crowded place or while holding a cell phone to our ear in a tight embrace—and why?

Because the automated "attendant" on the other end of the line cannot quite make out our "command" to it....usually because of the tiniest bit of background noise, or maybe it is just having a bad day. The flight from Atlanta to Austin can be interpreted as the flight from Atlanta to Boston, resulting in incorrect flight information going out to an unsuspecting party. Or the maze of options, keys to press, frequent flyer or shopper numbers to enter can be daunting. And how many times have we received an "invitation" in the mail to join a "frequent something" program that we are already a member of? And has anyone tried to return online purchases to the retail store, only to be told, "Sorry, but we don't stock or accept that item here." And the age-old nightmare of trying to get reliable tech support for that laptop or camera we recently purchased, only to be placed on hold, or bounced around to countless different "desks" for an extended period of time, and when we do get a "live individual," they are 15 times zones away and speak another language as their "mother tongue" with English as a distant second.....a very distant second.



Customer perception of business transactions is not always negative, since some positive interactions do occur. But it sometimes seems that those are few and far between, and in many instances those positive experiences occur *only* after a very bad experience has happened and only then as a means of "making it up" to the innocent consumer, thus seeming not really all that positive.

We may chuckle at the horror stories mentioned above, but when it comes to the bottom line for businesses, it is no laughing matter, especially when stories like the ones above cause a customer to "tell all of their friends" or more importantly, to take their business elsewhere.

These frustrating experiences are a *direct* result of decisions made every day by Manufacturers, Distributors, Retailers, Service Providers and Technology Providers. Executives and middle managers are constantly faced with making the policy, process and technology decisions necessary to be effective in managing their business channels—single or multiple channels; what/when to outsource; how many channels to use and what products to push through which channel; which skills and associated organizational models to put into place; what to spend on mailing and marketing campaigns; and which technologies to implement

to monitor and synchronize the whole host of channel management business processes and data across multiple business partners. The success of every business depends in large part upon the company's ability to make timely, accurate and well-informed decisions in the Channel Management area of the Enterprise Supply Chain.

So you may say, "Same old stories." regarding the scenarios mentioned above....**but**, you won't yawn and say, "Same old research." when you have finished reading this report.

HOW THIS REPORT IS ORGANIZED

This report explores a number of areas that are critical to successful channel management:

How real companies are mastering channel management challenges—diversification vs. single-face-to-the-customer; moving to a blended direct/indirect channel strategy

Key emerging best practices—in partner relationship management, organizational structures for multi-partner participation and single-face-to-the-customer operational philosophy

Deciding what's in and what's outsourced—how companies make these decisions, what has worked and not worked, and what are the decision points and business processes that must be managed for success

Channel management technologies—what software solutions are needed in companies, and what initiatives are on the horizon for the underpinning solutions and technologies to support channel management business processes. For these technologies we will look at the delivery architecture options as well as key strategies that the vendors are employing to assure domain expertise throughout their technology/product lifecycle.

Who Should Read This Report

The audience for this report includes:

- Sales
- Channel Management Executives and Professionals who deal with the complexities of managing multiple channels across a variety of industries
- Solution and Technology Providers
- OEMs and Manufacturers
- Distributors and Channel Partners

ChainLink examines the world of Enterprise Supply Chain through its **3Pe** philosophy—**Policy, Process, Performance**, and the underpinning *enablers*. Using this philosophy as a framework, the important Conclusions drawn on Channel Management from the latest research at ChainLink are:

POLICY: Engineer an organizational shift in mindset from the old paradigm of handing off responsibility to a channel partner, to the new paradigm of treating channel partners as an extension of your enterprise. This shift in operating philosophy is a holistic approach that creates a virtual central organization with a cohesive business strategy that presents one face to the customer.

PROCESS: Start from the customer and work back to ensure a positive customer experience. When you are designing business processes, ensure that they are validated from the customer experience perspective.

PERFORMANCE: Use a value-based approach towards measuring and incenting partners in the channel. In order to determine how a partner is performing, consider using performance metrics beyond sales volume or revenues, such as quality of delivery and fulfillment, expertly trained personnel, consumer-oriented customer service practices and processes, etc.

ENABLERS: Demand solid domain expertise from software vendors, during the sales cycle, the implementation phase, and the ongoing operational lifecycle of the software product.



So, why should you read this report? One word: RISK.

If you are responsible, or involved in any way in managing or operating channels in your enterprise or for a customer, or providing an underpinning technology for managing channels, this report is a *must read*. That is because the risk of failure while facing the challenges of defining, managing, or operating a channel, or providing a technical solution for a channel management activity, without knowing about the hard-learned lessons contained in this report, is far too great.



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