

Not sure what Value your channels are adding?

As a principle, the value chain is rapidly being superseded by the concept of the business ecosystem. An ecosystem can be summarised as one where all the elements of the value-creation and supply process are recognisable from the end-user customer's perspective. For channel distribution strategy, this is a revolutionary concept.

ICDL has developed a Skills Acceleration process that introduces the principles of Business Acceleration into your channel strategy, creating value producing alignments in every area. Resellers are empowered and motivated, distributor relationships are strengthened, and you have full engagement where appropriate.

So, how does this work?

The starting point for transforming distribution is the creation of pull rather than push throughout the channel. This in itself is not a new concept. For years, retail organisations have used the concept of 'point of sale marketing' as a means of creating a demand for their products from the end user at point of purchase. So why do more organisations outside the obvious consumer product market not do this? They don't think that way.

Most organisations who sell through distribution believe it is the distributor's job to create their own demand, and fail to even analyse how well their channels are performing for them, compared to their competition. Even fewer companies understand that it is their job to create demand all the way through their channels.

Why is this?

Most companies consider their channels as customers, someone to sell to. How can this be? No distributor is going to buy anything from a company if they cannot see how they are going to sell it



on. To be really successful, organisations have to regard distributors as part of them. The organisation has selected to go to market through distribution for a reason, maybe market knowledge, maybe the ability to add further value to the offering. Whatever the reason, demand creation cannot be abdicated to the distributor, otherwise, the organisation has put its own success outside of its control. What organisation would want to do that? Yet this is what many organisations still do.

To change this requires effort, commitment on the part of the management, but most importantly, a clear understanding of what needs to be done, and what the result will be. This is often the piece that eludes most management teams, and hence no action is taken to better integrate the distribution channels into the organisation. Result, more of the same, or, in many cases, actually, less of the same at a lower cost.

Distributors have a business to run, grow and expand in their own right. To win more of their mindshare, and through this, gain a greater focus from the distributor's sales team on your offering, and hence get more revenue and margin, takes effort.

If more companies invested the efforts of their sales and marketing teams onto the creation of demand in their markets, and used this demand to win better business through their distributors, then the distributor will focus more effort on their offerings, and a virtuous circle of sales success has been created. If not.....!

ICDL is in business to enable you to maximise market demand for your offerings, and hence enable you to create more virtuous circles with more distributors. Through this, your offering will be perceived better by the end users, you will gain marketplace competitive advantage and from this, revenue and margin growth.

How do we do it?

This transformation is achieved through the application of the same principles of value creation for the end user that drives all of our thinking. Understand what the end users want, identify how value is added throughout the distribution system, and adapt your business to deliver maximum value, and

hence create maximum competitive advantage at point of touch with the customer.

This is done through four primary elements:

1. Understanding your market
2. Aligning your business
3. Getting more from your customers
4. Winning more opportunities

Understanding your market

The foundation of Business Acceleration is a meaningful insight into the structure and culture of the needs and preferences of your ultimate end users. ICDL's thinking and workshops will embed the principles of research and analysis at the core of your business thinking. ICDL's field-proven techniques guide you rapidly to the key sources of data and equip you with the skills and techniques you need to interpret your findings and apply them, through your channels, to your customers.

Aligning your business

The process of alignment requires a true understanding and evaluation of the capabilities of your own business, and of your channels. This is a rigorous and challenging exercise, which can identify competitive strengths you may never have recognised and highlight crucial gaps in your portfolio, whilst determining what value is being added by each of your channels. This process will ensure you maximise your return from your channel, whilst ensuring your channels gain most value from working with you. ICDL's thinking and business frameworks help you re-aligns your business to deliver maximum winning performance.

Getting more from your customers

Opportunities come in two forms, those that you proactively create, and those which you respond to. The ability to proactively create opportunities is dependant simply on how much you know about your ultimate end customers. Once you have a detailed level of understanding about their needs, you then need to be able to energise the channel to apply this thinking and approach. Through the advanced



application processes in ICDL's workshops, coupled with your new knowledge of the needs of your end user customers, gained through previous modules, you and your channel can create new and highly valuable opportunities well before they become visible to the general marketplace, or, if you are already in a reactive bid, you can help your channel move up the value chain to sell on what the customer really values and through this increase your and their Brand equity whilst winning more business.

Winning more opportunities

Within any sales organisation there is a system operating which determines the level of success that the organisation can achieve. This is based on the premise that organisations have a view of how they 'normally' position their offering; which leads to an 'expected' customer response; which in turn leads to the organisations perception of their market positioning being 'reinforced'; which leads to a 'revenue ceiling'. This system is what is called a 'self fulfilling prophecy', acting as a 'revenue ceiling' on the channel. To energise your channels to achieve more, you need to enable them to take a look at their opportunity profile from a fresh perspective. This changes the dynamics of their system, by changing how they position your offering, which in turn elicits positive feedback from the customer. This in turn changes their perception of what can be achieved, raising their game, and increasing the perception of your value in the mind of the end user. This then generates more revenue and channel loyalty for you. To achieve optimal results, ICDL's workshops would be run jointly with channel sales teams and channel managers.

Francis says that, "This transformation has been a challenging yet fun experience because it brings a more creative and team based approach to solving customer problems at the business level".

Joe Francis, Director World Wide Sales Operations, Streamserve Inc

For more information on how ICDL can help you, call us today on +44 (0)118 979 8433 or e-mail enquiries@thebusinessaccelerators.com

Intellectual Capital Development Limited
Longstaff House, 47a Denmark Street
Wokingham, Berkshire RG40 2AY
T: 0870 203 1010
T: +44 (0)118 979 8433
F: +44 (0)118 979 9998
enquiries@thebusinessaccelerators.com
www.thebusinessaccelerators.com