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How to Improve Your Channel Partners' Lead Generation Campaigns (Vastly) -- Lessons From Cisco

SUMMARY

Even if you offer co-marketing funds, the fact is many of your smaller channel partners (resellers, VARs, dealers, etc.) aren't great at marketing.

They live to sell to prospects -- not get a lead gen campaign out the door.

That's why 11 months ago, Cisco started testing a new channel marketing tactic that involves more actual marketing. Discover exactly what they tested and their lessons learned:

CHALLENGE

As Lincoln Havens sees it, most companies like Cisco rely on two tactics to drive a stream of sales leads to channel partners and resellers:

- Bombardment marketing, "where you reach out to the end user, get them interested and then pass them off to partners."
- Joint marketing funds, "where partners have to meet a qualification process to be reimbursed for programs."

Both types of programs work well for larger, fairly sophisticated partners selling into big companies. However, Cisco wanted to expand aggressively into small to medium companies (SMBs).

Thing is, SMBs often trust other local SMBs more than the big nationals when choosing complex products and services such as legal, accounting services and technology.

So, if you want real SMB market traction, you may need to reach out via local channel partners who are also SMBs.

So, in July 2005, Cisco launched a new marketing group to focus on this niche, and Havens was named Marketing Manager of it. Now he had to figure out what made SMB channel partners tick.

CAMPAIGN

Rather than making any assumptions, Cisco did the smart thing and surveyed SMB channel partners. "It was interesting to learn more about how they were set up and what they were looking for from us. One of the biggest things they said they needed help with was marketing."

Turns out that most smaller partners fell into one of two camps:

- Engineers and techies with no sales or marketing staff
- Sales-driven organizations with no marketing staff

That common "no marketing staff" inspired Havens' team to create a new test program -- the Marketing Play Menu.

The team tested the idea in late summer 2005 with a handful of volunteer partners who got the test for free. Then they rolled out a full-throttle nine month trial in October 2005. Here's how it worked:

Step #1. Invent your menu and line up vendors

The big idea was to create an entire menu of specific preconfigured marketing campaigns that

partners could purchase ala carte. Each program included everything required, from media and list buying to creative and production.

Programs ranged from campaigns perfect for sales-heavy organizations to those just right for engineering-driven companies. Options included campaigns such as a direct mail postcard plus a quick follow-up telemarketing blitz to generate leads (including the script and the human to make the calls).

Five keys to success:

- All creative was co-branded so local prospects would see the local partner's names and logos. For example, a typical direct mail postcard featured the local dealer's logo on both sides. (See link below for sample.)
- To ensure program scalability, no substitutions or divergences were allowed from the menu options. You could order that Caesar salad but not substitute blue cheese dressing.
- Cisco lined up vendors to handle the campaigns en masse to take advantage of bulk discounts. (See hotlinks to several of those vendors below.) Although partners had to pay a fee for their menu section, the cost was substantially lower than if they'd run the campaign on their own. (For example, most wouldn't have wanted to pay DM list rental minimums for 5,000 names when there were only a few hundred names in their ZIP selects.)
- Partners couldn't use Joint Marketing Funds for the program, but they could use a credit card and pick only one month's worth of campaign at a time.
- Campaigns included an ice breaker offer giving the partner a great excuse to talk with their prospects beyond the awkward, "Do you want to buy something?" Offer options included ROI calculators, security assessments, ROI assessments and a visit from Cisco's Network on Wheels.
- (The latter is an airport shuttle-style van tricked out as a moveable Cisco showroom loaded with the latest gear. The company had eight of these circling the country.)

Step #2. Include CRM and tracking software

Every menu item included lead tracking software with real-time reporting to make it easier for partners to manage the leads on the back end. The software could track every lead all the way up until sale if needed.

It also tied into Cisco's own management system so Havens' team could learn more about how each partner handled leads. They could spot potential problems -- were they sending too many leads? The wrong quality? Too few leads? Leads outside your chosen territory?

Havens notes, "If I'm overwhelming you with leads you don't want or need, then the program doesn't work. My goal is for partners to say, 'Hey I want more leads!' instead of stuffing leads down partners' throats."

Step #3. Send out sales reps

Havens coordinated with a team of 20 field sales reps who converged on Cisco for extensive training about the new menu and software programs. Then each rep was sent out into the field with a consultative selling mission -- find out which marketing program would be perfect for each partner and get them to try it out.

The goal was to get 800 marketing menu-takers in the next nine months.

Step #4. Train your new clients

Aside from training the partners on the lead management software, Havens also assigned an account rep to each signed menu client to hand-hold them during the campaign.

Some partners didn't know quite what to do with a new lead, they'd never been fed leads before. Others wanted a bit of advice about future marketing campaigns.

The goal was to keep partners so happy with the campaign -- its cost, its ease of use and its effectiveness that some would renew the campaigns and continue using Cisco's marketing services.

RESULTS

Cisco's team beat their goals, landing 831 menu program clients in nine months. These partners wound up buying a total of more than 1,800 menu campaigns -- so the average partner was happy enough with their first experience to continue the marketing relationship.

Partners loved the idea of customization. The act of shopping through the menu to pick out just the right campaign to suit their strengths and weaknesses was enormously appealing to them. They also liked to co-brand creative.

The CRM software was a mixed success -- smaller partners adored it because it made their lives so much easier. Larger partners tended to move their leads off it into their own pre-existing CRM system fairly quickly, so the benefit wasn't huge.

Havens is continuing the program this fiscal year; however, he has made two significant changes based on lessons learned:

Change #1. Target channel partners more selectively

Havens learned a lot about which sorts of SMB partners this campaign could really turn things around for, and who the program didn't fit as well. This year he's optimizing the campaign to serve a smaller 'sweet spot' group of partners rather than aggressively going after everyone.

Change #2. Offer six-month deals

Why sell month to month if you can get happy partners to sign up six months at a time? Now Cisco's team offer both options.

Useful links related to this article

Creative sample of typical co-branded direct mail postcard:

<http://www.marketingsherpa.com/cs/cisco/study.html>

eCoast Sales - Cisco's central vendor for the partner program, providing much of the CRM, campaign execution (DM, telemarketing, email, etc.), list purchasing, reporting and ROI tracking:

<http://www.ecoastsales.com>

EIMS LeadTracking.com - software package that Cisco used (with tweaks) to track leads for some partners:

http://www.eims.biz/eims/LeadTracking_com.shtml

Worldata Inc. - source for most of the postal direct mail lists

<http://www.worldata.com>

IMNInc - email service provider that provided the backbone for email newsletter plays

<http://www.imninc.com>

MAC Meetings & Events - vendor behind the Cisco Network on Wheels initiative

<http://www.macmeetings.com>

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<http://www.cisco.com>