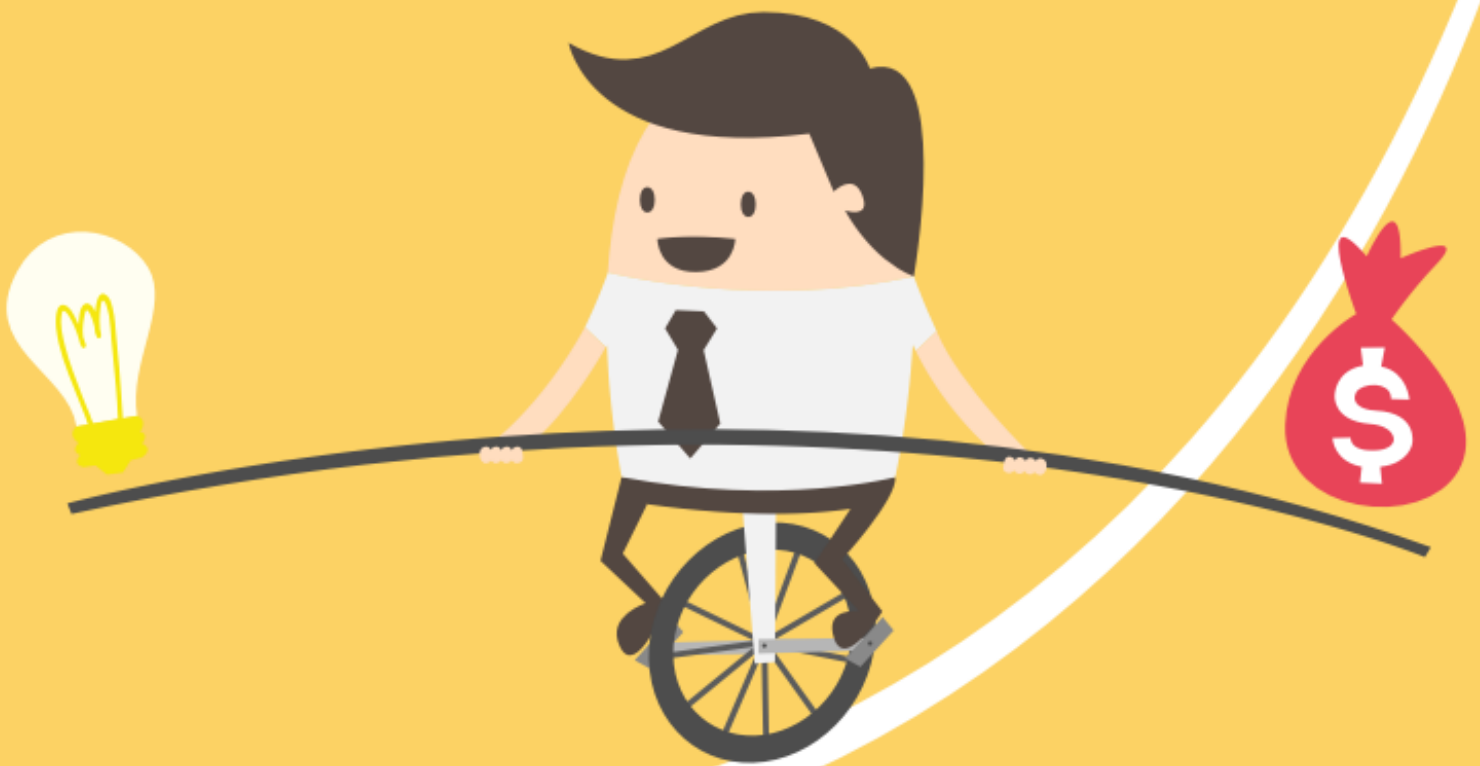


Channel Partner Analysis



Framework vs Feelings

Selecting the right Value Added Reseller (VAR) partner is a critical decision that can significantly impact your market penetration, revenue growth, and brand positioning. This framework provides a systematic approach to evaluating potential VAR partners across seven key criteria. Each criterion has been weighted based on its strategic importance to partnership success, though these weights can be adjusted to reflect your specific business priorities.

The total score provides a quantitative basis for comparison, but remember that partnership decisions should also consider qualitative factors and strategic fit. Use this tool as a starting point for deeper due diligence and partnership discussions.

1. Year 1 Unit Forecast (Weight: 20 points)

Momentum is everything in channel partnerships. A partner's Year 1 unit forecast tells you how serious they are about your product and whether they have the pipeline to make this partnership worth your investment. This isn't just about optimism, it's about whether they've done the groundwork to understand their market opportunity and have real deals in motion.

Strong partners come to the table with concrete forecasts backed by specific opportunities. They've already identified target accounts, mapped out their approach, and can articulate why their customers need your solution. Weak forecasts often signal that the partnership is more aspirational than strategic; they like your product but haven't committed the resources to sell it effectively.

Scoring Guide

1. Score: 0-20 units (minimal commitment, likely testing the waters)
2. Score: 21-50 units (moderate interest, but limited pipeline)
3. Score: 51-100 units (solid foundation with identified opportunities)
4. Score: 101-500 units (strong commitment with robust pipeline)
5. Score: 501+ units (transformative partnership with exceptional potential)

This unit range is more associated with a capital equipment. To prepare your unit range consider the total annual forecast for your product and the channel partner's contribution to that total forecast.

2. Category Selling Capabilities (Weight: 16 points)

Your VAR partner's selling capabilities determine whether they can effectively communicate your value proposition and close deals. This goes beyond just having a sales team; it's about their experience with digital solutions, their understanding of the technology, and their track record in this specific market segment.

Framework vs Feelings

Look for partners who already sell adjacent digital products. They understand the buyer's journey, speak the language of digital transformation, and have established credibility with decision-makers. The number of sellers matters, but selling acumen matters more. A small team of experienced digital specialists will outperform a large team with no relevant experience. Review their historical selling results; what have they sold, to whom, and how quickly did they ramp up?

Scoring Guide

1. Score: No category or adjacent category sales experience
2. Score : Limited category sales, primarily traditional products
3. Score: Moderate category sales capabilities, some relevant experience
4. Score: Strong category sales team with proven results
5. Score: Leading category sales in their segment t item #1

3. Strategic Alignment (Weight: 6 points)

Strategic alignment runs deeper than just liking each other's companies. It's about whether your organizations are fundamentally compatible in how you operate, what you value, and where you're headed. Culture misalignment creates friction that no contract can solve. If your partner values aggressive discounting and you're focused on premium positioning, you're going to clash.

Evaluate core competencies; do they excel where you need support? Are they investing in capabilities that complement your roadmap? Consider potential M&A scenarios: would acquiring or being acquired by this partner make strategic sense? Finally, assess brand alignment. Do their brand values and market positioning enhance or dilute your own? Partners with strong strategic alignment become true extensions of your business, not just third-party sellers.

Scoring Guide

1. Score: No strategic alignment, potential conflicts
2. Score: Limited alignment, transactional relationship
3. Score: Moderate alignment, compatible business models
4. Score: Strong alignment, shared vision and values
5. Score: Key strategic alignment, potential for deep partnership or M&A

Framework vs Feelings

4. Unique Commercial Offer (Weight: 9 points)

If your partner is bringing the same offer to market that everyone else has, why would customers choose to buy through them? A unique commercial offer gives the market a reason to care about this partnership. Maybe they bundle your product with complementary services that create exceptional value. Maybe they've developed a financing model that removes barriers to purchase. Maybe they have exclusive access to a speciality group or customer segment.

The best partnerships create something genuinely new for the market. This could be a novel integration, a unique service wrapper, an innovative business model, or a value proposition that competitors can't easily replicate. An industry-unique offering doesn't just drive sales; it creates defensibility and gives both partners a competitive advantage. Without differentiation, you're just adding another channel that looks like all the others.

Scoring Guide

1. Score: Nothing unique for the market, commodity offering
2. Score: Minimal differentiation, standard value-add
3. Score: Moderate differentiation, some unique elements
4. Score: Strong differentiation, compelling value proposition
5. Score: Industry-unique offering that creates significant competitive advantage

5. Channel Conflict (Weight: 8 points)

Channel conflict can destroy partnerships before they deliver results. When you bring on a new VAR, you're not operating in a vacuum; you have existing relationships, commitments, and territorial agreements to consider. Will this new partner compete directly with your current VARs for the same accounts? Will they undercut pricing or make promises that other partners can't match? Are you about to damage valuable relationships that took years to build?

Assess both the likelihood and severity of conflict. Sometimes minor overlap is manageable if the benefits outweigh the risks. Other times, bringing on a partner that directly threatens your top-performing VARs is strategic suicide. The best new partnerships either serve completely different segments, bring capabilities your existing partners lack, or have such strong differentiation that competition is minimal. Be honest about what level of channel conflict you can tolerate, and factor in the cost of managing it.

Framework vs Feelings

Scoring Guide

1. Score: Will significantly damage current relationships
2. Score: Moderate conflict expected, requires careful management
3. Score: Some overlap but manageable with clear rules of engagement
4. Score: Minimal conflict, mostly complementary coverage
5. Score: No damage to current relationships, serves distinct segment

6. Technical Support Capabilities (Weight: 16 points)

Products don't sell themselves, and they certainly don't implement themselves. Your VAR's technical support capabilities determine whether customers have a great experience or a nightmare. This is especially critical for complex digital solutions that require configuration, training, integration, and ongoing support. A partner with weak technical capabilities will create support tickets that flood your team, damage customer satisfaction, and ultimately hurt your brand.

Evaluate the size and expertise of their technical support team. Do they have certified technicians who know your product category inside and out? What's their average response time? How do customers rate their support quality? The best partners are recognized as industry leaders in technical support; they become a competitive advantage for your product, not a liability. They can handle escalations, provide advanced troubleshooting, and deliver training that drives adoption. Without strong technical support, even great sales capabilities won't deliver sustainable success.

Scoring Guide

1. Score: No technical support team, rely entirely on manufacturer
2. Score : Limited technical support, frequent escalations required
3. Score: Adequate technical support for basic needs
4. Score: Strong technical support team with relevant expertise
5. Score: Recognized as industry-leading technical support, competitive advantage

7. Access to New User Base (Weight: 4 points)

One of the primary reasons to bring on a VAR partner is market expansion. If they're calling on the same customers you already reach, the partnership adds complexity without adding opportunity. The question is simple: does this partner give you access to users and segments you can't effectively reach on your own?

Framework vs Feelings

The ideal partner owns a well-defined, underserved segment of the market. Maybe they dominate a specific geography, vertical, or practice type. Maybe they have deep relationships with a customer demographic that doesn't currently use your products. This access isn't just about logos, it's about relationships, trust, and credibility in markets where you're unknown or unproven. Partners who bring genuine access to new users accelerate growth and reduce customer acquisition costs. Partners who chase the same accounts you're already pursuing just create noise.

Scoring Guide

1. Score: Calling on same users, no new market access
2. Score: Minimal new user access, significant overlap with existing coverage
3. Score: Moderate new user access, some unique relationships
4. Score: Strong access to new segment with limited current penetration
5. Score: Own a well-defined segment of the market with exclusive relationships

VAR Partner Scoring Matrix

Note: The weights assigned to each criterion reflect a balanced approach to VAR evaluation. However, you should adjust these weights based on your specific strategic priorities, market conditions, and business objectives. A partner serving a strategic new segment might warrant higher weight on; Access to New User Base, while a partner in a mature market might require higher weight on ;Technical Support Capabilities.

Framework vs Feelings

Criteria	1	2	3	4	5	Total
Year 1 Forecast						
Category Selling						
Strategic Alignment						
Commercial Offer						
Channel Conflict						
Technical Support						
Access to New Base						
					Total	

Framework vs Feelings

How to Use This Scoring Matrix

For each criterion, select the score (1-5) that best represents the prospective partner's capabilities. Multiply that score by the weight shown in the criteria column to calculate the weighted score for that criterion. Sum all weighted scores to determine the total partnership score.

Interpretation Guidelines: As the criterion weight needs to be set based on your business needs; apply the tool to established VAR (best performing and worst performing) to establish your score range; then apply the tool to your prospective VAR and evaluate the results.

Remember that these scores provide a framework for evaluation but should not replace judgment, relationship assessment, and strategic thinking. The best partnerships combine strong quantitative scores with genuine cultural fit, shared vision, and mutual commitment to success.