

CATALYST

the **MARXGROUP**

Business Strategy | Marketing Communications

August 12, 2004

Leveraging the Channel Opportunity

By Tom Marx and Tom Herndon

The July issue of [Strategy+Business](#) (published by Booz Allen Hamilton Inc.) states, "Most companies' organizational structures and management incentives frequently discourage -- and sometimes even obstruct -- the collaboration and communication between the operations, sales and marketing functions that are essential for cost-effective customization."

At a recent Automotive Communications Council event, Willi Alexander (President of Parts Depot, Inc.) stated that he finds that better results occur when marketing people talk to marketing people, rather than sales people talking to marketing people.

In the book [Good to Great](#), Jim Collins (<http://www.jimcollins.com/index.html>) writes about the importance of getting the "who" right, before resolving the "what" -- and the need to have *a highly collaborative environment that fosters open communications between teams.*

Here are our thoughts on the subject:

We're all playing the same game: Win business. Gain customer loyalty. Move products through the channel. At the end of the day, does it really matter who had "the great idea" in the first place?

Sales people are different human beings than marketing people. Their personality types, goals and job functions are uniquely distinctive. Sales people look more from a 'get the numbers' perspective and tend to be focused on now. Marketing people tend to be more strategic and brand-centric, with their focus on the longer term. In short, you hire the marketing people to get marketing success, and sales people to get sales success.

Leveraging the channel opportunity is more than closing sales. It's about developing a partnership with your customer so you are no longer seen as just another vendor.

Collaboration between Marketing and Sales needs to become second nature. Our goal here is to show how effective the sales process will be if your sales people *prefer* to have their in-house marketing partners talk to your customers' marketing people. Your marketing team would go in to protect the goals of your sales team.

(continued)

If Marketing sees the opportunity, they would collaborate and communicate with sales to uncover and deliver highly leveraged and effective marketing programs.

With this tag-team mentality between Sales and Marketing, your customers should not even notice any changes in the sales process. What they will notice is that their needs are being met. What they will notice is that they have a highly proactive vendor/partner.

Here are a couple of examples of successful implementation of this collaborative strategy.

- 1. A sales rep for a manufacturer of automotive replacement parts finally opened the door to a major retailer. Instead of trying to close the business on his own, the rep requested that the sales manager bring the marketing team to a strategy meeting. A dynamic sales and marketing program was presented to the retailer. During the meeting the retailer expressed their appreciation for the effort, which they deemed was 'so far beyond the expected' that the business was soon rewarded.*
- 2. An importer was struggling to get a major customer to purchase a second product line. The sales team, after two years of trying to meet this challenge, brought in Marketing. Marketing designed and implemented a co-branded promotion with the hook of incentivizing the distributor to take on the additional product line – which they did.*
- 3. Another manufacturer was perceived by most of its clients to be a second-tier supplier. Although the sales team had been complaining for years about the packaging and sales materials, corporate management did not realize the significance of the lost business. Finally, the VP of Operations insisted on bringing Ops, Sales and Marketing into a strategy session. Everyone agreed on a course of action, and all products were rebranded. Within 12 months, significant sales victories were happening and existing barriers to sales were starting to drop.*

In all three examples, without collaboration between the sales and marketing teams, these significant opportunities would have been lost.

One more important distinction made a major difference – the direct interaction by the marketing team with the customer's marketing team. Popular corporate culture pulls for Sales to be the team that takes the lead with customers, with marketing normally thought of as an in-house function. Sales can enhance CRM by encouraging a strategic collaboration between their own in-house marketing partners and their customers' marketing departments – to *join together and do whatever it takes so that sales can make more sales.*

It's not about who takes the lead for collaboration. Sometimes it's Sales, sometimes it's Marketing – and sometimes it's Operations. When 100% alignment on goals is present, everyone is watching everyone else's back and anyone can take the opportunity to lead the customer, the conversation, whatever, towards all teams winning.

Everyone on the team needs to trust that if Sales doesn't notice the opportunity, Marketing will get proactive and act first towards beginning the leverage process.

This is good CRM. This is leveraging the channel opportunity.

END