

Welcome to IF Consulting's weekly e-mail newsletter

July 19, 2002

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

This newsletter is also available as a PDF on our Website (<http://www.i-f.com/E-comLinks02.htm>) if you want to download a version for your hard copy file.

Microsoft serious about channel partner satisfaction

The engagement of a new channel management team is just the first of many significant changes Microsoft has planned for its marketing channel strategy. In a move to improve relationships with channel partners, the company will now reward executives and sales staff based on both partner and customer satisfaction.

Instigated early in July, the new program represents a major change for the company. As well as a new channel management team and financial incentives to stimulate partner satisfaction, mechanisms will be put in place that protect partner interests as the company continues its transition to the .Net Web services platform.

The changes planned will be closely watched by Microsoft's 810,000 channel partners. In recent years, the consequences of a nationwide slump in IT sales, field-sales conflicts with Microsoft Consulting Services (MCS), Microsoft's expanding services agenda and frequent turnover in the vendor's channel leadership have left channel partners feeling demoralized.

<http://www.crn.com/sections/coverstory/coverstory.asp?ArticleID=36155>

IF Comment

It is amazing how many channel principals invest so much time and effort trying to woo the best partners, only to treat them poorly through neglect, underinvestment in support, or by deliberately competing against them. Microsoft realises it can't reach all of its desired market using its own efforts, so it works closely with its channel partners to do so.

Importantly, most channel partner relationships are not exclusive. Channel partners may have many suppliers and their sales teams will work harder for those principals that make it easy to do business with them, and who support them with the tools and training that they need to sell their products and services.

It is not good enough for a software supplier to benchmark itself against other software suppliers. Systems integrators, for example, have to deal with software suppliers, hardware suppliers, carriers, consultants and other players in order to create their solutions. They will work with the "team" of players that will help them do this as easily as possible.

Helping partners customize solutions adds real value to the relationship. It moves the supplier away from being just a "box seller", while allowing the partner to provide a 'much higher margin' solution. By investing the extra time and money, Microsoft helps both their customers and their channel partners to win.



Marketing Channel
Strategy Consultants
Maximizing shareholder value
through creating the best routes
to market

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Snippets

The online travel sector may be faced with intervention by Congress if the American Society of Travel Agents (ASTA) has its way. An ASTA representative stated " the e-commerce marketplace for travel services is being distorted and misused by airlines who seek collectively to dominate the Internet space, and indeed all distribution channels, while throwing roadblocks in the way of competitors."

http://ecommerce.internet.com/news/news/article/0,,10375_1429111,00.html

With a technique comparable to that of traditional vagabonds, the virtual hobo may have found a way to "mark" user-friendly territory. Hoboes of the wireless world can now use a set of easy-to-draw symbols to identify the nearby presence of wireless networks for laptop and palmtop users.

<http://www.iht.com/articles/64471.htm>

The Economist reports that the telecoms bust is at least ten times bigger than the dotcom crash that has grabbed the majority of headlines in recent years. The rise and fall of telecoms may, in fact, come to be known as the largest bubble burst in history. Telecoms firms have run up total debts of around US\$1trn.

http://www.ebusinessforum.com/index.asp?layout=rich_story&channelid=2&categoryid=12&title=%3Ci%3EThe+Economist%3A%3C%2Fi%3E+Telecoms+crash+is+biggest+rise+and+fall+in+business+history&doc_id=5784