

## Welcome to IF Consulting's weekly e-mail newsletter

November 22, 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.

### Channel partners can make or break channel principals' fortunes

CRN, a magazine dedicated to the distribution of technology solutions, put out a special report this month listing the top channel principals. The criteria for selection of channel principals included: policy and program innovations, revenue their company generates through channel partners, their willingness to support the channel publicly and the number of years they have dedicated to channel activities.

Effective channel leaders can empower their partners to enhance direct-sales or help penetrate crucial markets. Channel-generated sales for IBM, for example, have grown tenfold over the past decade, contributing 33 percent of the company's annual revenue in the 2001 financial year. On the other hand, principals who don't understand the value of their channel partners and neglect to build programs that will ensure channel loyalty can send all their partners scurrying to represent the competition.

<http://www.crn.com/Sections/CoverStory/CoverStory.asp?ArticleID=38433>

### IF Comment

The article we have summarized this week supports a lot of what IF Consulting has found over the years. Channel relationships are just that. The best channel principals - not just the channel manager - work with their channel partners to achieve joint goals. The principals work inside the company to make sure that company resources, staff and processes are all aligned to fully support channel partners in the performance of their roles. Principals also work in the field with channel partners to regularly monitor, measure and manage their partners' performance, as well as provide assistance through training, counseling and other initiatives.

Commitment is a two-way relationship. If channel principals deliver commitment they will in turn receive it from their partners. At the end of the day, the article is quite right when it says that "effective leaders can mobilize an army of solution providers to augment their direct sales organisation or extend their reach..."

### Snippets

This week, travel company Expedia launched a new corporate travel service. Expedia Corporate Travel is targeting the small businesses with annual travel budgets of \$2 million or less. The decision was made on the basis that 20% to 30% of bookings on its consumer Web site are made by small businesses.



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

IF Asia Pacific Pty Ltd  
An International IF Company  
ABN 38 970 704 536

390 St Kilda Road Melbourne  
Victoria 3004 Australia  
Telephone +61 3 9867 8822  
Facsimile +61 3 9866 3969

email [channels@i-f.com](mailto:channels@i-f.com)  
[www.i-f.com](http://www.i-f.com)

USA

Europe

Australia

Latin America

[http://www.forbes.com/2002/11/19/cx\\_pp\\_1119expedia.html](http://www.forbes.com/2002/11/19/cx_pp_1119expedia.html)

Thomas Friedman, in his best-selling book, *The Lexus and the Olive Tree*, argues that no two countries with McDonald's restaurants have ever gone to war. The author claims that when a country reaches a stage of economic development where it has a middle class big enough to support a McDonald's network, its people are opposed to going to war - instead they want some of the things that economic development brings, like eating at McDonald's.

<http://biz.thestar.com.my/news/story.asp?file=/2002/11/20/business/wsmac&sec=business>

Gerry Harvey, Executive Chairman of Harvey Norman, an Australian retail chain, got a few things off his chest this week at the company's annual general meeting. As well as discussing details of the company's international expansion plans and pleasing sales results, Mr Harvey stunned reporters when he announced he was thinking about creating a chain of ice-cream stores.

<http://www.smh.com.au/articles/2002/11/19/1037697668318.html>

### **Share the Knowledge.**

If you have colleagues who would be interested in receiving our weekly email please forward this e-mail to them.

IF Consulting publishes "Our View", a quarterly review of topical marketing channel issues. Samples are available on our website. To receive "Our View", please return this email with your address details.

To unsubscribe, please reply with "unsubscribe" AND a copy of the email address to be removed.

IF Consulting is a leading international marketing channel strategy consulting firm with over 30 years experience in a vast number of industry sectors. See our website for further information.

<http://www.i-f.com>