

Welcome to IF Consulting's weekly e-mail newsletter

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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.

Four channel programs become one

IBM has announced a major shake up of its marketing channel strategy. The new approach involves a revamp of its four PartnerWorld channel programs into a single offering.

Although IBM will be announcing more details over the next two months, a spokesperson has said that the overhaul aims to provide a range of increased benefits for channel partners. Frank Vitagliano, IBM's vice president of Global Distribution Channels explaining IBM's rethink said, 'Many partners have told us that we have to figure out a way to streamline [the program].' Vitagliano also said that the simplified program is designed to make it easier for partners participating in one or two of IBM's channels to take full advantage of the computer giant's complete product and services portfolio.

Although some channel partners have welcomed the changes in the belief that the new program will increase the range of products available to resellers, others are not convinced. Jay Tipton, vice president of solution provider, Technology Specialists, said that putting all of the various IBM product and services information under a single Web site could just make it harder to find specific product and services information. "I still don't know who my IBM [channel] rep is," he said.

The new program coincides with IBM's recruitment efforts aimed at Hewlett-Packard and Sun Microsystems partners.

http://www.crn.com/sections/news/Top_News.asp?ArticleID=48618

IF Comment

IBM's updated channel offer may be packaged as a means to boost channel partner profits, but more likely Big Blue is attempting to make a virtue of necessity. If the tech giant's channel management program is making it difficult for channel partners to sell its products and services, then it too is losing incremental revenue, and a smoother sales channel is needed.

Interestingly, there is no information offered on how many years the previous four-track system with its Personal System, Software, Systems & Services, and Developers designations, was in place. In today's market for technical products and services, such discrete definitions have gone the way of the dodo. Whether IBM's channel partners call themselves 'system integrators' or some other term, most technical product and service providers nowadays wear many hats, so as not to surrender any potential revenue streams to competing vendors. In all likelihood, this reorganization of channel management structures comes in response to channel partner dissatisfaction and/or decaying channel financial



Marketing Channel
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contribution in key sectors.

Finding itself at daggers-drawn with competitors such as Hewlett-Packard, Oracle, Microsoft and Sun Microsystems, a channel principal like IBM cannot afford to make itself difficult to do business with.

Snippets

7-Eleven, Inc. has upgraded its application and selection process for prospective suppliers. The company's New Vendor/Supplier Application uses Internet-based technology to capture information from firms that want to provide products and services to 7-Eleven. Kathy Walsh, 7-Eleven director of emerging technology said, "The New Vendor/Supplier Application streamlines the process of getting the newest products and services to market faster for both 7-Eleven and its potential suppliers."

[http://new.stockwatch.com/swnet/newsit/newsit_newsit.aspx?bid=U-pDAW027-U:SE-20040324&symbol=SE&news_region=U&name=7-ELEVEN%2BINC&title=7-Eleven\(R\)](http://new.stockwatch.com/swnet/newsit/newsit_newsit.aspx?bid=U-pDAW027-U:SE-20040324&symbol=SE&news_region=U&name=7-ELEVEN%2BINC&title=7-Eleven(R))

According to this article in the China Daily, China's retail sector is getting used to competition from its foreign rivals. Although anxiety remains as the World Trade Organization's full market-opening deadline nears, many have displayed confidence to carry on. Representing the home retail sector, the general manager of a renowned Chinese shopping mall chain said, "China's future retail leader might not be us, but without any doubt it will be a home-bred company."

http://www.chinadaily.com.cn/english/doc/2004-03/24/content_317528.htm

After losing a trademark dispute in February, Capri Coffee franchises are facing a name change next week. Capri's franchisees were given the option to convert to Saxby's Coffee, a different concept launched by the former Capri president, or to retain the Capri concept and address the name change. At least eleven franchisees have abandoned the franchise altogether and operate independent shops in a deal negotiated by the group's lawyer.

http://www.rockymountainnews.com/drmn/business/article/0,1299,DRMN_4_2735034,00.html

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