

Selecting the Right Business Partners

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The overriding factor in partnering is that both organizations make money - how and when cash is generated needs to be explicitly understood by both parties. Before entering into any relationship make sure that you have enough information to ensure success and the bandwidth to manage the relationship with the same amount of effort as you would your own staff.

Get answers to the following questions:

A successful company with competent management

Are they profitable, growing, well funded?

Are their people happy, motivated and successful?

Do they pay their bills on time?

What are their trading terms for payment? (Remember your Royalty Payments)

Operating History

How long have they been in business?

How has the management team changed in that period, and for what reasons?

Physical Environment

Are their premises suitable? (if demonstration is to be done on-site)

Is reception welcoming?

Is the office tidy?

Are phones answered promptly?

Are the people suitably dressed?

Corporate Development Plan

What is the Management team's plan for the development of the business?

Are there any obvious clashes?

Third Party Experience

Do they have any experience with other Business Partners, and who are they?

What difficulties have they experienced?

Web site

What is their Web Site like? Is it easy to read and navigate?

How will they display your product information?

Will you provide links to and from your own site?

Who will be responsible for updating your product information?

A skilled marketing team

What is their current Marketing Plan, and can they show you one?

What marketing are they doing for their existing products?

Who is paying for marketing?

Remember - poor products can outsell superior ones, if well marketed!

Competent support staff

There is no point in having an additional revenue stream if your reputation for support is going to be ruined.

Are they going to be responsible for handling support issues or will they just pass them through to your team for resolution?

A highly knowledgeable, motivated and successful sales force

Is the Sales Team successful, happy & well motivated?

How will they handle sales leads you pass to them?

How are quotas agreed and set?

Who trains their staff, where are they trained and at whose cost?

What about new people starting, what reporting do you require and when?

Knowledge of your product area

What experience do they have of your product area?

Do they have experience of selling to your products buyer type?

Knowledge of your market positioning

What experience do they have of your products market positioning?

Knowledge of your planned priority markets

What experience do they have of your Priority Markets?

Do they know the companies and the players?

A suitable existing customer base

Do they have a customer base suitable to your product?

Does their base give them experience of selling to the ring type of buyer?

Does it give them experience of the sort of sales cycle they can expect from your product?

A commitment to dedicate marketing, sales & technical resource to your product

What level of human resource are they prepared to commit to your product in the critical areas?

Commitment to train their staff on your product

Are they prepared to make their people available for training?

What training will they need?

When & where will the training take place, and who pays?

An agreement to accept realistic sales quotas with incentives for over achievement

What initial quota will they accept?

If you sell £2 Million in the UK and their market is twice as large why accept a quota of €250,000?

Negotiate both over and under achievement incentives/penalties!!

Agreement to produce annual Marketing & Sales Plans for your product.

Insist on receiving a written Sales & Marketing plan for your product, this will ensure that you are aware of the resources and the level of management attention it is receiving.

An agreement to attend regular performance reviews



Ensure that regular performance reviews are scheduled agreed and carried out. These ensure that management attention is given to your product and its performance against plan.

An agreement to allow their staff to attend Product Announcement and Update meetings
Will they allow their staff to attend Product Announcements, International Sales Meetings, Product Training sessions, man Exhibition Stands etc., how much time will be allowed, who pays?

Initial Support

What initial support will be required to get the first sales closed and build a pipeline, and under what terms can or will you supply this?

Marketing Collateral

What Sales-Support collateral will be involved?

Will you be supplying Demonstration Software, Technical Manuals, Sales Brochures?

How many free, how many chargeable, what about translations, localisation, future product updates are they free or chargeable?