



**Channel
Mechanics**

Channel Program Automation

WHAT'S HAPPENING WITH

PARTNER

INCENTIVES

IN 2022

BACKGROUND TO THIS INCENTIVES SURVEY

Channel Mechanics hosted a webinar in March 2022 with the provocative title:

“Is your Partner Incentive Program worth the Incentive?”

The webinar focused on the topics:

- **What** to Incentivize
- **Who** to Incentivize
- **How** to Incentivize and
- **Incentive** Program Execution

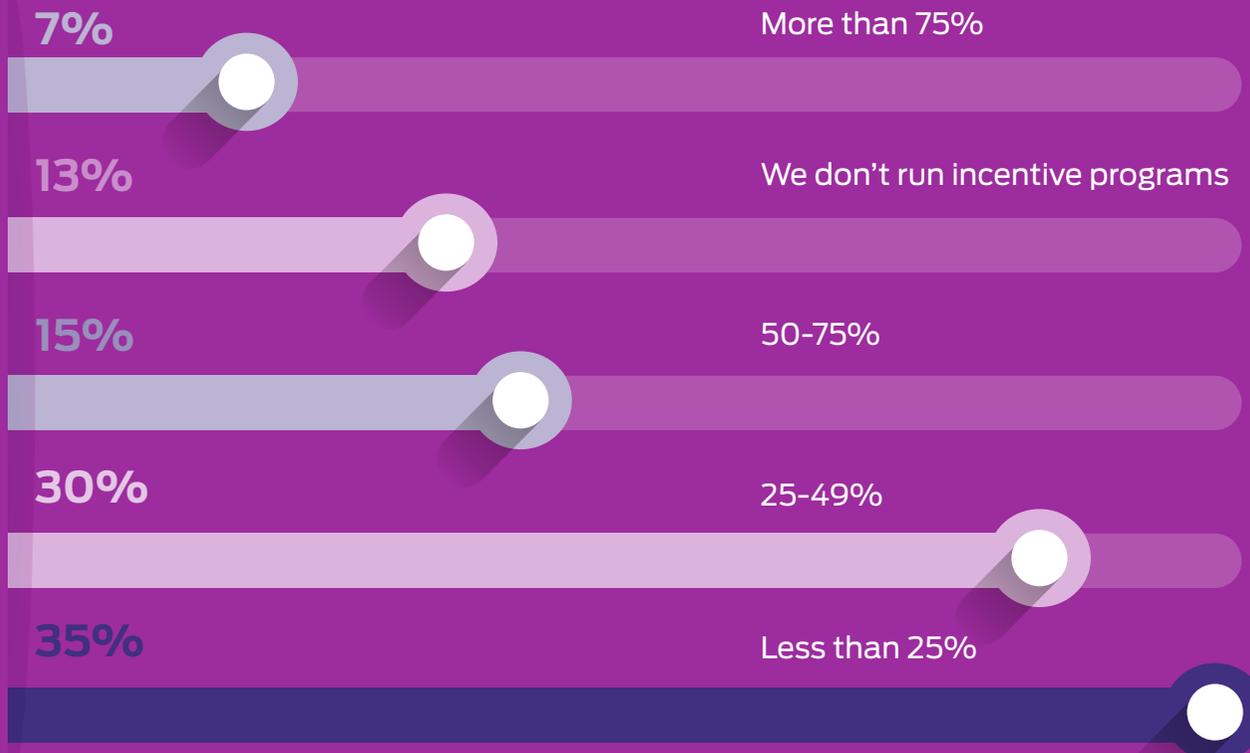
The panellists were **Don Lopes**, Director, Global Partner Programs at Juniper Networks, “2021 Women of the Channel” **Laura Evans**, Sr Global Distribution, MDF and Rebates Program Manager with Poly, and **Kenneth Fox**, CEO of Channel Mechanics and the session was moderated by **John McArdle**, VP Global Sales, Channel Mechanics.

More than 120 people attended and participated in the poll questions from 65 different vendor companies and 24 countries around the globe to give us rich insights into what’s happening with Partner Incentives Programs in 2022. We are happy to share these valuable findings with you.

If you’d like to know more about the findings, please contact: Brenda.osullivan@channelmechanics.com or to view the webinar OnDemand, you can do so [here](#).

CHANNEL INCENTIVE PROGRAM PARTICIPATION LEVELS

What % of channel partners participate in your incentive programs?



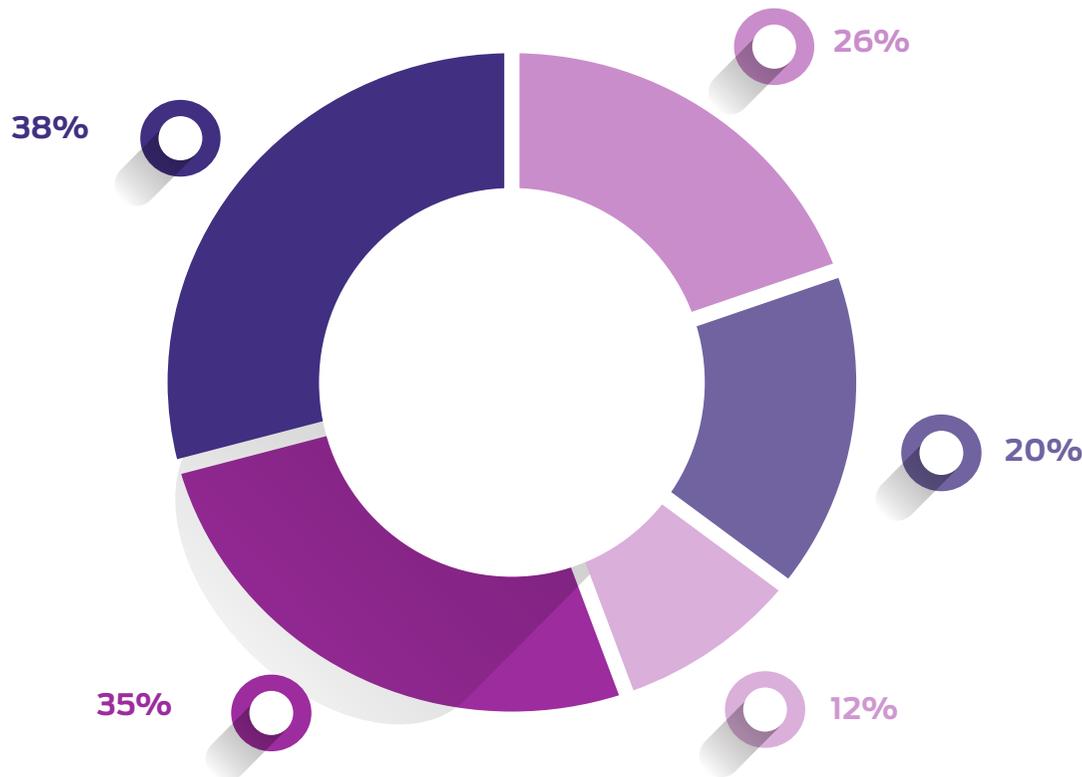
Participant responses to this poll highlight

- The majority of vendors are offering incentive programs to their partner base BUT only a small subset of their partners participate.
- Low participation rates could be for several reasons
 - The vendors are only offering incentives to certain partner tiers or partner types.
 - Partners are not availing of the vendor incentive programs as they may be too complex to understand, too onerous to claim or indeed they may only need the vendor solutions to “*fulfil*” a much bigger deal and don’t care about the incentive offered.

INCENTIVE PROGRAMS OFFERED TO PARTNERS

Participant responses to this poll highlight

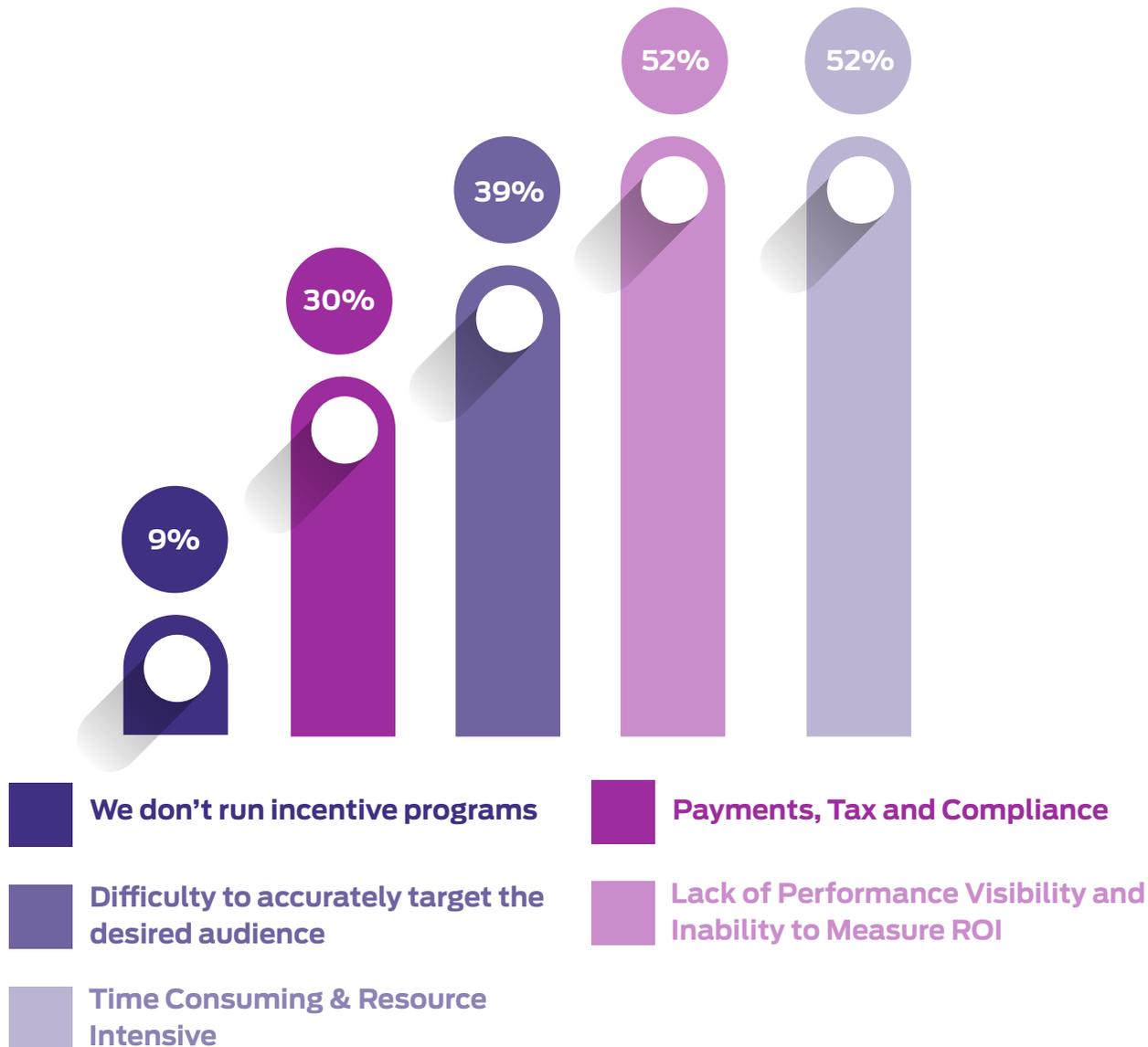
- Rebates are still the most common “pay for performance” incentive.
- SPIFF incentives are a close second to rebates. We believe this is a reflection of the growing importance of services and solutions partners in the ecosystem where individuals such as partner sales reps and sales/solutions engineers are being incentivized to drive lifecycle stages.
- Referral incentives are growing in importance year on year. This reflects a general upward trend of referral partner types positioning in the go-to-market model for many vendors.



Which incentive Programs do you offer to Partners



CHALLENGES FOR INCENTIVES MANAGEMENT



The most Challenging Aspect of Managing Incentives

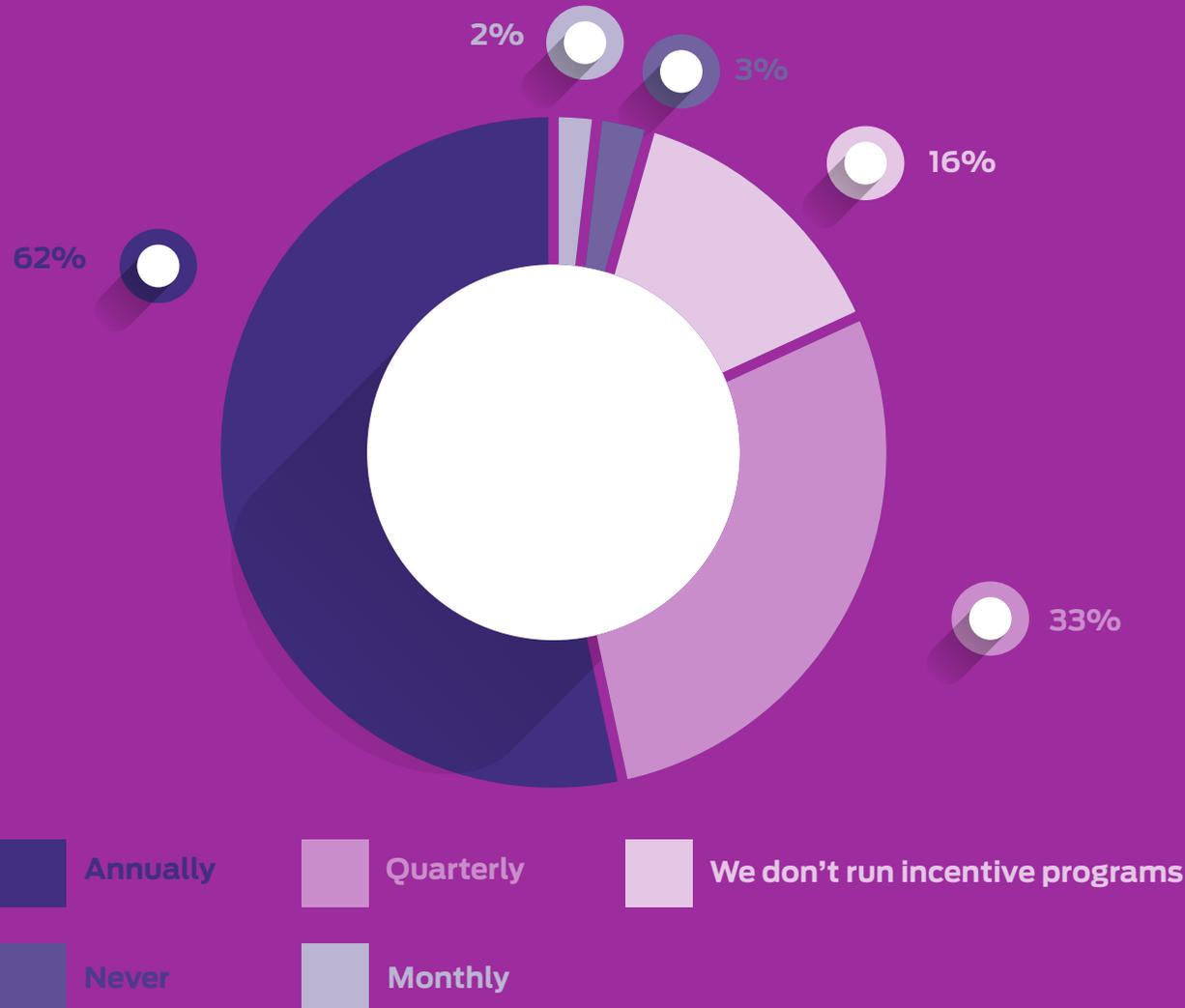
**Multiple choice*

Participant responses to this poll served up perennial findings:

- The majority of vendors cite that managing incentives programs are time consuming and resource intensive. In addition, vendors fail to show how the programs are contributing to improved business outcomes with a clear ROI.
- From our experience in this space, these are common challenge for vendors and can be solved by:
 - Deploying a flexible, configurable Incentives automation platform that allows vendors to serve up compelling programs quickly.
 - Offering Partners an intuitive self-service incentives claims portal with automated payments to streamline and simplify their experience.

FREQUENCY OF PROGRAM ADJUSTMENT

How frequently do you adjust your Incentive Programs?



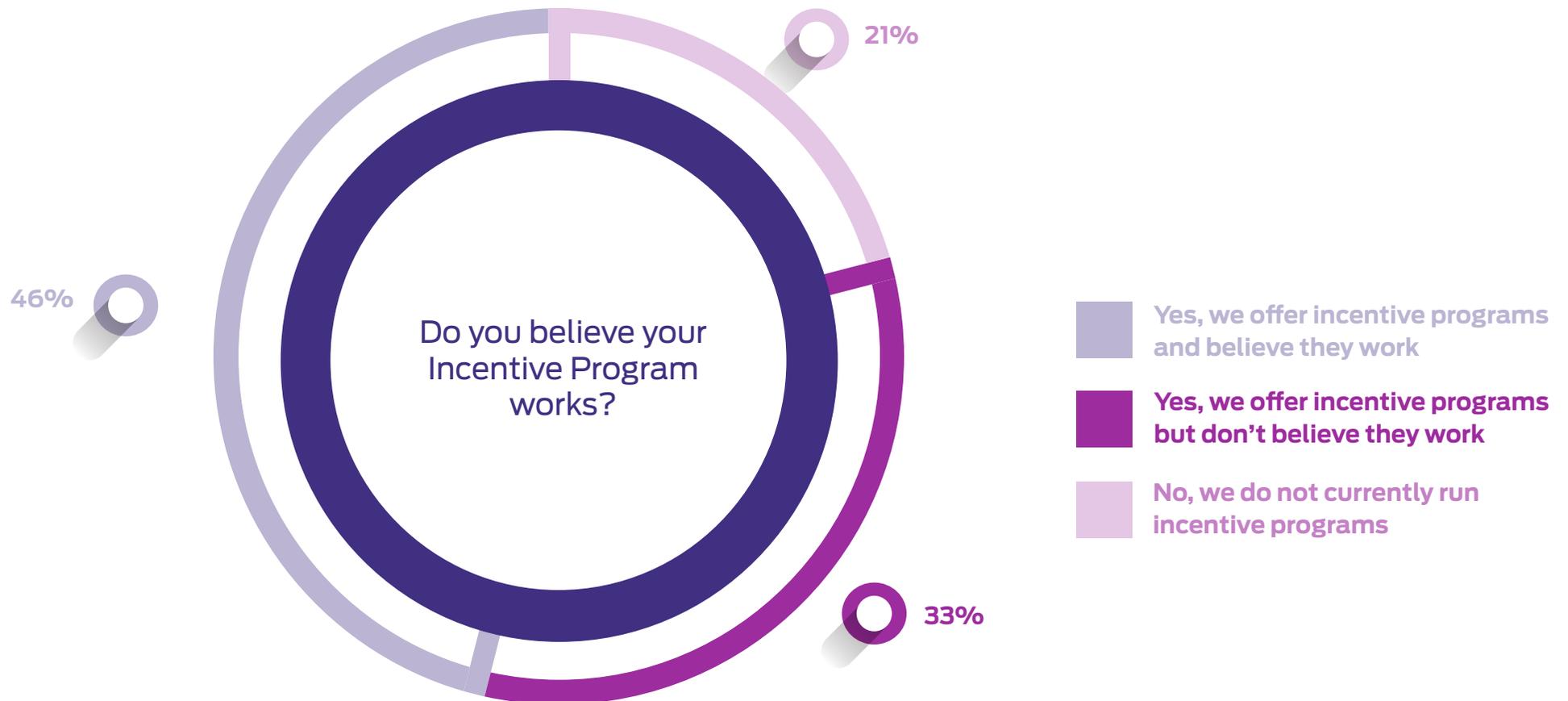
Participant responses to this poll highlighted some interesting results:

- The majority of vendors adjust their incentives programs annually.
- However, one third of vendors polled adjust their incentive programs quarterly. From our experience this is a growing trend and can be a result of several different factors
 - Leading vendors have a flexible, configurable Incentives automation platform that makes this easy and quick to achieve.
 - Market conditions are changing at an even faster pace than ever before. With an ever increasing number of competitors in sectors, vendors need to continuously adapt and adjust their incentives to stay competitive.

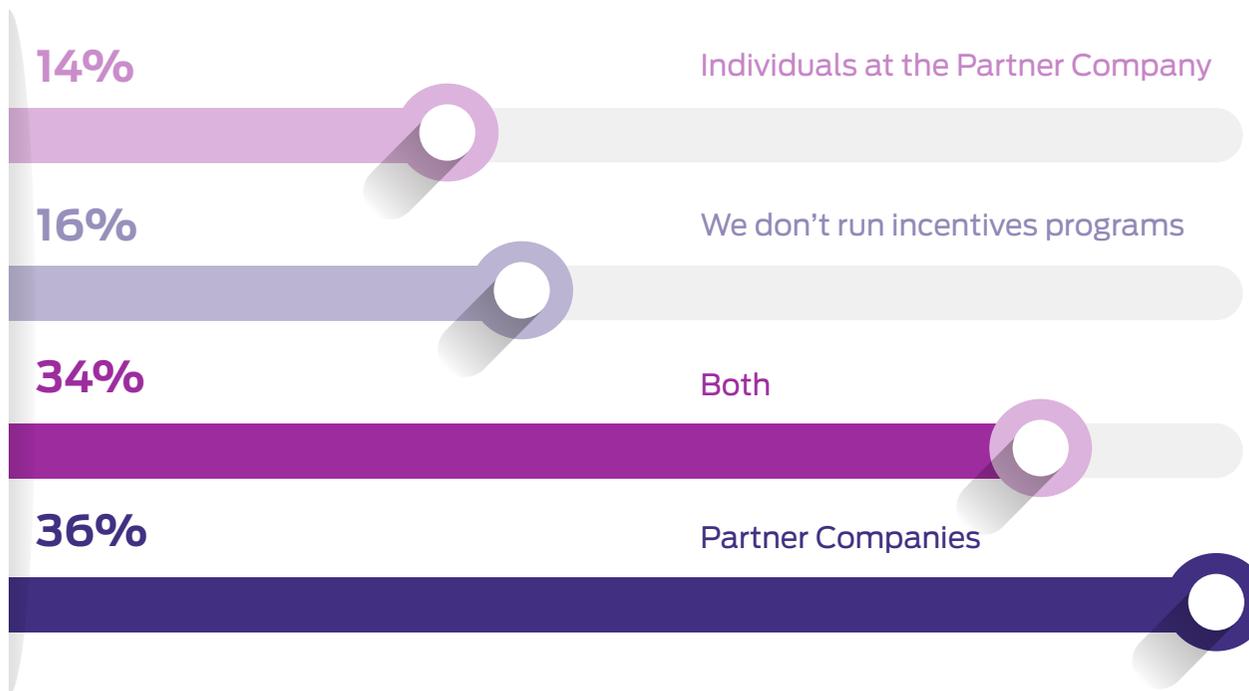
DO INCENTIVE PROGRAMS WORK

Participant responses to this poll served up some very interesting results:

- The poll clearly shows that less than 50% of vendors believe their incentives programs work.
- However, one third of vendors polled do not believe their incentive programs work. From our experience this is a common finding and can be a result of several different factors:
 - The goals of the incentives program were not clearly defined upfront in terms of improved business outcomes expected
 - Poor take-up of incentives offered by partners due to complexity of the program rules Or the difficulty/effort involved in claiming the incentives



WHO TO INCENTIVIZE



The most Challenging Aspect of Managing Incentives

Participants were asked if they offer incentives to Partner Companies and/or to Partner Employees.

- The poll shows that vendors mostly incentivize the Partner company
- However, some vendors do offer incentives to individuals at the Partner company. We see this trend increasing as more vendors aim to influence the sales lifecycle stages operated by partners such as meetings, POCs, demos, Deal Registrations. Today, we typically see Partner Sales Reps and Partner Sales/ Solutions Engineers receiving incentives.

CONCLUDING COMMENTS

“Is your Partner Incentive Program worth the Incentive?”

Based on audience participation in our Incentives Webinar polls, discussion threads and on-line chat:

- There is an enormous focus among vendors in offering compelling incentive programs to their partners
- Vendors are offering a diverse range of incentives to reflect the growing diversity of the partner ecosystem landscape
- The complexity and overhead of managing incentive programs, especially on a global scale means that automation platforms are a must-have to achieve any degree of success
- Making it easy for your partners to UNDERSTAND your incentives programs and CLAIM their incentives in a self-serve, rapid and personalized manner (e.g. cash, gift-card, points for rewards etc) is paramount

Q&A SESSION

Based on audience participation in our Incentives Webinar polls, discussion threads and on-line chat:

Top of mind questions webinar attendees asked on Incentives Management

- What are some of the key metrics used to measure the success of an incentives program?
- Which better incentivizes partner sales behavior: a Deal Reg related SPIFF or additional pricing discount?
- What are some of the best ways to incentivize training?
- When paying out individual SPIFFS, how should tax compliance for North America be handled? And globally?
- How do you incentivize distributors to perform partner onboarding, enablement and training for long-tail resellers?
- Typically, how many resources operate a partner program?
- How do you create a successful incentive program for partners working with numerous vendors, all offering incentives?
- How do you fund referral payments; marketing funded vs sales funded (revenue reduction)?
- How are companies incentivizing partners to adapt to their SaaS Offerings?
- What will co-delivery maintenance service programs look like in the coming years?
- Is upfront discounts and backend rebates too expensive for legacy hardware companies moving toward a SaaS model?
- Is using SPIFFS still common practice?
- How do you simplify the tax implications around SPIFFS, to make them easy and effective?
- What % of sales, are vendors spending on incentives?
- How do you incentivize referral partners?



The world's leading vendors use the Channel Mechanics platform to ensure **“Ease of Doing Business”** for their partner community and channel teams, driving competitive advantage, accelerating revenue, and building partner loyalty.

Schedule A Demo 



AppExchange Program
PARTNER

