Once Upon a Time- A Cautionary of P2P Business

What can go wrong and how the P2P Maturity Model Can Help

By Diana Kreklow

Quest for Partnership
Once upon a time, a mid-tier ISV with a cloud-based retail solution set out on a quest to meet the Systems Integrator its dreams—a suitor with the size, strength, and positioning that would prove to be the perfect match for the journey of growth ahead.

Alas, as the sun sets and the story fades to credits, there are no scenes of customers furiously signing purchase orders. Instead, this is a cautionary tale about the pitfalls that arise in the pursuit of Partner-to-Partner (P2P) business models and practical ways to overcome the challenges inherent in these.

A Promising Journey Begins
We join the medium-sized security software company just as it has gotten board approval to spend close to half of a million dollars to expand the business. Expansion was to start by forming an in depth alliance with a particularly strong and attractive Systems Integrator.

The business development teams from each company set to work charting out the effort needed to ready themselves for the joint pursuit of new opportunities. They identified their gaps, built marketing assets, mapped out processes, created bills of materials, and even set up a partner portal in preparation for capturing the big deals.

Trouble Lying in Wait
On the surface, everything appeared to be ideal. Using the language of the P2P Maturity Model, the relationship was moving from "basic" toward "dynamic". Lying in wait however, was a threat about to rear its ugly head and thrust a dagger into the heart of this perfect match.

The conflict in our tale arose from something that is core to the way ISV's would typically prioritize their business—that is, doing what they believe is best for *their customer* first, taking into consideration what is best for the *partnership's customer* second. This predisposition surfaced and started to shake the foundation of the partnership as the discussion turned to sales and the delivery of Support and Professional Services. Who would be compensated for these engagements and how? Being the savvy warriors that they were, the sales team did not believe in fairy tales where money would magically appear.

Moreover, without a clear view to how compensation was to be handled, there was no willingness on the part of the organizations to invest in joint readiness training or cross-certification. Each partner stuck

to their existing models, building readiness only around their unique portions of the solution and engaging directly with the customer as they always had rather than presenting a unified, partnership-based offering that may have led to new and exciting business opportunities.

And so it was that our story concluded six months later with the business development teams parting ways in separate directions "to pursue other interests".

The Moral of the Story
So what can we learn from this cautionary tale of P2P Partnership? Pointing to the positive, this story shows us that:

- Obtaining senior level and board buy-in to form a new P2P relationship and channel model is the right place to start;
- Joint investment in resources, planning, and building easy-to-understand assets are necessary to establish the underlying infrastructure of the partnership.

However we also learned that in forming P2P relations we need to beware:

- When partners leverage the P2P Maturity Model to get started they need to use the framework to dig into identifying what could derail the plan from otherwise flawless execution. It is essential that partners uncover threats to adopting the new model from multiple points of view, explicitly focusing on trust: where does it need to be developed and how can partners make sure it takes hold for long term success?
- Once a partnership is struck, it will fail without end-to-end, comprehensive partner management, commitment, and resources over the long haul.
- Never discount the power of well thought out compensation and reward systems to accelerate a return on the partnership investment. Successful partnerships have committed resources who are measured on joint execution.

The quest for a successful partnership starts with leadership buy-in and commitment to investing in the requisite infrastructure. Beyond that, success will be realized through tenacity and consistent, cross-organizational communication. Register for the P2P Maturity Model Training and equip your company with the tools, templates, and play-by-play steps it needs to write a partnership story with a happy ending.

Diana Kreklow of The Kreklow Group has 20 + years' experience working in high technology industry. She has experience working collaboratively with ISV's and Systems Integrators developing partner and channel programs that deliver results