MORE THAN A HANDSHAKE

Transformative Stories from the Leaders Who Live, Breathe and Thrive in the IT Partner Channel

DYNASOURCE
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Dear Partners,

Can you keep the pace when it comes to forming your team and staying current?

Gone are the days when people worked for the same company their entire lives. Employees now move around quickly, and the rapid pace of technology changes means you have to keep juggling between too many or too little employees with certain skills.

Let’s say you’re a mid-size company with ten full-time experts on board. Statistically, you’re bound to lose at least one of them each year. And if you lose that person in the middle of a project, you’ll be hard-pressed to complete that project on time. At the same time, your other full-time consultant may be sitting at the bench, unbillable. What’s more, you must turn down business opportunities that require skills you don’t have in-house.
The economy has changed dramatically and requires new ways of working and new staffing methods.

Today, we are seeing more and more environments like Airb’n’b, Amazon, eBay, Peerby, and alike that facilitate collaboration, with the goals of joint profit and better offerings to end customers.

The business world is moving towards more targeted services, where an offer from a team of multiple partners - with each of them specializing and working together on projects - 'wins over offers from single vendors. Sharing and collaboration is a new way to go.

That is why we created Dynasource - a global online talent-sharing platform that helps Microsoft Partners form collaborative projects and find experts with requisite skills and hence better serve their customers.

Endorsed by the Microsoft Partner Network, Dynasource enables you to connect directly to partners and freelancers in a safe and trusted business environment.

When partners want to combine services and product with another provider, there are three questions they tend to ask:

1. “How do I find the right partner?”
2. “What is their competency, capability and availability?”
3. “Who is the right professional expert for this particular job project?”

Dynasource provides answers to all these questions.

Our platform is constantly growing in members, and, besides core functionalities - which are posting, searching, matching, connecting, collaborating and reviewing - Dynasource will soon move towards a global, multi-language platform.

It will offer some more detailed elements such as practice, feedback, community strength and networking. That way we will enable all the partners, including subcontractors in a project, to gain proper visibility.

In a world where choice is abundant, non-transparency will hinder your ability to sell. Providing transparency increases your reach, and in a world where 80% of decisions are prepared online, reach is totally relevant.

This eBook will explore the benefits of partners working together, and the power of collaborative projects that are transforming businesses worldwide, creating better products and services for happy end users.

It goes without saying that if companies operate individually, the maximum strength of their capability is the number of people times the amount of knowledge. If you, however, are connected to four or five companies, suddenly the strength of you as a partner has increased by your entire network.

So, let’s Dynasource!

Yours sincerely,

Peter-Robin Mijderwijk,
CEO and Founding Partner of Dynasource
In the last few years, the business landscape has been drastically changed, its focus shifting from competitive patterns towards more favourable collaborative models that put excellent delivery to customers first.

Of course, partnership success stories have been always around, but the significance of collaborative projects has never been more palpable than it is in today’s customer-centric, cloud-first world.

3 Reasons Why
—
Partnerships Are Trending in Tech Right Now

by Peter-Robin Mijderwijk

Peter-Robin Mijderwijk is passionate about changing the way companies manage their people, experts and projects. After positions at Microsoft, Oracle and IBM, Peter-Robin and colleague Richard Brass both recognised the need for tech companies to be able to match the right professionals to the right project. Together, they founded Dynasource, where Peter-Robin is the very proud CEO.
According to Gartner, in the last year a typical technology company made, on average, 74 different partner contact points, showing interest in working together. It is estimated that this number will double in 2017, and grow further in upcoming years.

So, what has sparked such a massive interest in “tech collaborations” on a global scale?

Several trends on the IT scene practically push companies towards partnership business models:

1. Cloud Requires Staying at the Cutting Edge of the Tech Industry and Hyper-specialization

End-customers receive products and services directly from the cloud, so they are always working with the most current versions of that software; therefore, service providers also need to have knowledge of the most up-to-date versions.

With new technologies changing so fast, IT companies don’t always have the ability in-house to quickly adjust and master the learning curve for each and every change.

To provide something special to your customer – who expects a wider portfolio of services - you need to specialize, have clear value propositions and a differentiation that sets you apart.

Partnering with the right organization or individual professional will bring the missing skill set to a company’s team.

2. Digital Transformation Beyond the Cloud: Customers Demand Innovation

Modern, ever-changing and demanding, end-customers are constantly raising the bar on a quality scale. They are more demanding of a partner, and expect to be provided with “the whole enchilada”.

In the words of Microsoft’s Corporate Vice President, Gavriella Schuster, partners need to move into digital transformation with their customers beyond cloud services, which means they are obligated to provide the total transformation experience.

Digital transformation actually forces customers to ask themselves, what is the best way that I can use technology to be innovative for my client/customer?
3. Packaging Complementary Consulting Services

With licence prices decreasing, this type of revenue stream is bringing in much less income than it used to, which is why partners are turning more and more to IT consulting services. However, successful consulting that fills a sales pipeline needs to be well targeted and has to keep up with new, growing competencies.

It is estimated that 95 per cent of all partners in the Microsoft ecosystem have less than 100 people on their payroll, which means they may not have all necessary skills available at any given time. Given this talent shortage, they must look beyond their own boundaries.

For optimal utilization and billability of their consultancy pool, companies have to outsource and look for partners in order to create competitive advantages and new offerings.

However, a lot of partners with the “just right” skill set for a certain project stay invisible for the ones that might need them - “hidden” among the hundreds of thousands of other companies, each having their own little website that is not enough for them to be found.

While freelancers may have a number of platforms where they can offer their knowledge, the B2B space has no transparency in providing information about which company is good at what type of technology development.

Dynasource platform fills that gap.

Today, partners looking for cross border / differently skilled partners are driven by quality much more than by service prices, and are looking for the best possible opportunity for collaboration that will result in a state-of-the-art solution. Professionals prefer to work on projects that they learn something from and that they enjoy.

I strongly believe that by creating transparency in the B2B space, supply and demand can be matched in a better way, and that with the opportunity to collaborate, partners can develop better IT services.
We recently went through a very special experience at Cisco, where I had the opportunity to work on the succession plan for our former CEO, John Chambers. John was an amazing leader who was a true visionary and valued people and their contributions. He was comfortable at every level, and enjoyed meeting and learning from those around him. While at the helm, Cisco rose to great heights, and when the time came to pass the reins, we knew it would be difficult to find his successor.
Partnering is your secret weapon

The ability to quickly staff up and down to acquire the right skillsets for any given point in time has become crucial and has led to a new opportunity for staff augmentation. Many refer to this as the new “gig economy”. We were lucky to have the time and the resources to find our next great CEO at Cisco, but I believe that every position, no matter how senior, deserves the right person for the job.

65% of recruiters claim talent shortage is the biggest challenge in hiring.

Partnering within your industry and taking advantage of the new gig economy can offer you an extended pool of specialists that you may need from time to time, or project to project, to round out your team. To maximize the benefits available from partnering, you need to ensure that, no matter the work time periods, contractors and partners are representatives of your brand and equally capable of carrying out their mission, regardless of full-time or contract employment status. Together with the appropriate department head or project lead, the HR department can establish the protocols and procedures for engagement.

According to a McKinsey Report, approximately 162 million people in Europe and the United States—or 20 to 30 percent of the working-age population—engage in some form of independent work.
Maximize partnership success with a plan

The authors of the Agile Talent Collaborative identify alignment as the most significant hurdle to project performance. Having a well-defined process for onboarding extended teams is the biggest step toward maximizing the value, agility, and success of partner and contractor engagement.

This includes a well-communicated and committed business code of conduct; an organized and structured plan that strives to be inclusive; and solid messaging to help guide teams as they navigate new roles and responsibilities.

In my own team here at Cisco, our mission is to assess and develop great executives. To do this we have assembled a line-up of talent; some are full-time, some are partners or contractors, and some are external experts – but we all work collaboratively. I firmly believe this is why we achieved our objectives when searching for John Chambers’ successor – we were one team on a mission together.

In your own organization, I would encourage you to define your strategy, think about the talent you need that can help you execute, know the gaps in your expertise and whether those gaps are best filled by permanent or contractor roles, and what your cost model looks like. Then consider turning to partners to help you build the right teams. Because once you have the groundwork in place, you will know exactly who and what you need to help you create a culture that is motivated, dynamic and committed to achieving shared objectives – a win-win experience with great outcomes for everyone.

Cassandra Frangos is Vice President, Global Executive Talent at Cisco Systems, responsible for accelerating current and next generation executive leadership. Passionate about helping people achieve their greatest potential, she orchestrates the executive assessment, development, and coaching of Cisco’s top 500 executives and is a trusted partner to Cisco’s senior most leaders and Board.

According to Deloitteiv, 71% of executives believe their companies are either ‘somewhat’ or ‘very’ able to manage contingent workers, with the main challenges being:

- Legal or regulatory uncertainty (20%)
- Culture is unreceptive (18%)
- Lack of understanding among leaders (18%)

Leading Flexible Teams

Partnering successfully means leading diverse teams of people. In his book, Team of Teams, four-star general Stanley McChrystal shares what he learned about leadership over his decades in the military; in particular, how to build a sense of shared purpose across teams of people who represent varying backgrounds, experiences, ages and skill sets.

Credited for creating a revolution in warfare that fuses intelligence and operations, he developed a system that empowers teams by providing equal access to real-time information across a decentralized structure.

Considered dynamic, flexible and completely agile to whatever situation arises, this approach to military leadership works equally well for business, because of its core premise that the mission of the entire team is ahead of the need to maintain a hierarchy.

The McChrystal approach is an ideal style for fluid teams that come together for a specific purpose and can serve as a leadership guide in the new gig economy.

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2 https://devskiller.com/50-recruitment-stats-hr-pros-must-know-2017/
One of the biggest lessons I’ve learned during my career in the channel is that when the right people who share a common vision come together to form a team, great ideas can turn into great successes.

That is the stuff of partnerships – they have real power to create opportunities that enable the players involved to rise above the individual capabilities of any one company, and that was the case with FlexPod – now one of the world’s leading converged infrastructure data centre solutions.

The FlexPod story is still one that excites me and is one that I am proud to have played a role in. FlexPod was a “love child” that came out of a collaboration between Cisco and NetApp, and that started as an idea scribbled on the back of a paper napkin: a new solution architecture that could revolutionize traditional ways of delivering virtualization and data centre consolidation.
In only seven years, FlexPod has become a two-billion dollar business. Not a bad start for that napkin.

There are hundreds of great ideas out there, outlined on napkins or elsewhere, but the truth is most of them never get to see the light of day. What made this project so special and successful was a perfect “alignment of the stars” that included:

- a shared vision,
- a ready market,
- the right team and perfect partner match,
- a collaborative and trusted environment between Cisco and NetApp, and
- the leveraged power of their partner network.

It all began back in 2010, when several things were happening in parallel: NetApp was changing its go-to-market strategy; there was a rumor going around Silicon Valley that Cisco was developing a server product called UCS; and then Cisco and EMC announced their joint venture in private cloud computing through project Acadia.

I personally thought Acadia was the right vision, but with the wrong solution architecture. My belief was that a NetApp, Cisco, and VMware combination would be much more powerful.

At the time this belief drove me to focus on building better relationships with the Cisco channel, and work more with the channel partners that sold both Cisco and NetApp. After the Acadia announcement, two key players, Dave Yeary, Director of WW Channel Development at NetApp and Dave Scoppa, Global Partner Manager at Cisco Systems, met at a Starbucks in Atlanta. The two started to lay out the idea for a new converged technology architecture, completely unknown up to that date, which ultimately became FlexPod.

What the two Dave’s were really discussing was how could Cisco and NetApp develop a focused initiative using channel partners as the point of integration.

At the time there was a big competitor who was making a lot of noise. They had invested millions in marketing and were entering the market with a big bang. In parallel, FlexPod began quietly, without any investment, and was run by a handful of technology, marketing and sales specialists from three different vendors.

However, we had a “secret sauce” - the network of trusted channel partners.

The idea of leveraging the channel, where every step of our plan was built in cooperation with and feedback from specific channel partners, turned out to be the crucial component.

It was the community of partners that ultimately determined all the bits and pieces of the initial solution architecture, partners were already buying the individual components and trying to design their own scalable solutions. Cisco and NetApp just filled the gap, and wrapped it up in a joint product that removed all the risk.

Ultimately, a collaboration of partners, both at the vendor level and the manufacturer’s level, were integrating the technologies. Everyone had a stake and everyone shared the vision. We took as much information from our channel in terms of design and go-to-market as they did from us on the engineering side. They were feeding us with ideas as we were giving them information in terms of connecting partners that had the appropriate technical skillsets.

We piloted with a small group of Cisco and NetApp partners that not only had deep technical capabilities, but also the appropriate certifications on VMware (a key component to FlexPod).
I remember the first roadshow where we featured FlexPod. The room was packed - the interest for converged technologies was huge! We were able to fill up the pipeline really quickly and in just the first year our revenues blew away our forecast. Revenue has continued to grow from the millions to the billions.

Technical skillsets and the appropriate certifications were absolutely critical in building that business, but we were also looking for people who understood the vision, saw the opportunity, and who were passionate about introducing a fundamental change.

The notion of selling FlexPod was quite disruptive at the time, but what it brought to the table was a dramatic simplification in how this infrastructure was being operated. Customer feedback was also critical. They told compelling stories about how much money they were saving in operating costs and by how much faster they were getting their own solutions into market.

But it was really about the team. There was buy-in at every level across both our companies. We shared a common vision which meant we were able to resolve conflict very quickly and easily. We knew the opportunity was bigger than anything we could create individually. We created a mindset and an environment where both Cisco and NetApp as well as our partners could thrive.

Our individual strengths complemented each other’s offerings. Cisco with best-of-breed networking and the new UCS offering, the channel brought the relationships with the customers; and NetApp had the best data management and data storage. This combination enabled us to create an offering superior to anything else that was out there at the time.

For me personally, the take-away has always been how a small group of dedicated people can bring about change. In our case, we not only revolutionized our own industry, but we established a data centre footprint that has revolutionized how customers are transforming their industries.

It’s pretty humbling to have been a part of that story, but it also excites me because it inspires me to dream of what could be next.

What about you? What is on your napkin and how can the right partner help your dream materialize? I believe the world is waiting for more moments like the one that gave birth to FlexPod. Surround yourself with the partners you trust and don’t be afraid to challenge the status quo. It is the only thing that has ever made a difference.
Top 5 Partnering Misconceptions — The Most Common Channel Strategies That Don't Work

by Corinne Sharp

Corinne has worked in the IT sector for over 20 years leading sales, marketing and channel teams both at Fortune 100 companies as well as startup and re-imagined software companies. Operating in the world of channels, alliances and partnerships and helping organizations achieve scaled growth thru others is an area of expertise Corinne brings to the table. She is a connector of people and businesses.

Did you know that in creating software solutions for specific business functions, according to an IDC study from 2016, 49% of Microsoft partners team up with other channel partners to enhance their offerings?

After 20 years of experience in leading IT sales, marketing and channel teams, I’ve seen numerous success stories, with increased revenues and significant growth for organizations — all as a result of partner channels and the right business match.

However, I have also witnessed how some partners team up for the wrong business reasons, and completely miss out on the collaboration benefits.
Here are the top five channel misconceptions around partnering:

1. THE MULLIGAN STRATEGY

“We need another shot at sales. Hey, let’s find some partners!”

This scenario is where your company’s sales reps have struggled to build your pipeline or close business deals fast enough. You believe you will get a second shot by using the channel to enhance your business results. That is called “the mulligan strategy”.

The reason why this doesn’t work is that if you cannot sell your product first and foremost, others will not succeed either. There are no mulligans in channel building. You need to follow a methodical plan to recruit, enable, activate and measure success.

2. THE NO MONEY STRATEGY

Building a partner channel with no investment

You have no money and cannot afford to hire more sales people. What’s more, the just-in-time delivery process is no longer working with your limited resources. You say to yourself: “Let’s build a channel to do all that for us. It won’t cost us very much. We can slap up a partner portal and they will flock to our site and sign up.”

That approach doesn’t work either, because it takes an investment to build a relevant and successful channel, especially if you want to work with multiple partner types with differing business models. Investing in marketing and having the right people and business processes in place ensure that you can build, support and nurture an engaged and active channel made up of many different types of partners across the globe.

3. THE MIRROR STRATEGY

“Our product is so awesome, it sells itself”

You are convinced that your product is superb and that everyone will want to sell and deploy it. You may even have meetings with potential partners who shake your hand and tell you they are in.

Even if your service or product is great and you have a market for it, without a good sales strategy it won’t become an overnight success. As for those potential partners who shook your hand -- that may be where it all ends. If you don’t have the profitability models worked out and the programs to support your new extended family, simple handshakes won’t do you much good.
4. “MY VC TOLD ME TO” STRATEGY
The ’promised’ channel that is not alive yet

If you’re asking a venture capitalist to invest in your company, and you are trying to convince them that you have a partner channel that WILL include, for instance, ten partners over the next three months, which WILL double your current pipeline – you are not positioning your company as a trusted and credible one.

No one will invest on hearsay, and if you can’t execute and show results on your promise, you shouldn’t even ask for funding. In the world of seeking investment for business growth, you need to have the right product, team, market opportunity and execution model to show potential investors that your company can provide a return.

Whether you are seeking a first round of investment or incremental funding, make sure you have a clear path for your channel growth plan.

5. THE LEFT OVER STRATEGY
Channeling partners that you consider less valuable

This misconception is an all-time favourite, and we’ve seen this at both large and small companies. You need a channel just for the smaller customers that you don’t have time for or are not profitable enough for you to chase. If these smaller customers are not profitable for you, why do you think they would be for anyone else? You can’t keep the best customers for yourself and expect your partners to just take the leftovers.

Your future channel partners will most likely have stronger relationships than you will with customers of all sizes. Don’t miss the opportunity to leverage their reach and expertise by sharing your customer pursuits.

So, What are the Right Reasons for Partnering?

Not all business solutions are channel-ready. I always advise clients to understand the “why” behind the idea of channel building.

When trying to find the right partners for your channel, look at those who:

• are committed or already engaged with your company, whom you have repeatedly done business with; not those who you signed a one-time deal with;
• transform your mutual encounters into some sort of tangible results - not those who optimistically end up at your meetings, but never take action afterwards;
• are selling or marketing your solution - not those who have a formal business partnership with you and are just “sitting there”, listed on your website.

Recruiting a channel is like dating: you will meet several before finding the right match. Once you have signed that partnership contract, you need to nurture it and constantly work at the success of the relationship.

Building an engaged partner ecosystem can be very profitable for your business and rewarding for your mutual customers in providing relevant solutions to their business opportunities.
Have you ever paused and thought about how much farming and modern business have in common? On the surface, the comparison is not entirely clear. Traditional farming conjures up images of planting, betting on the whims of the weather, working diligently day by day, waiting for progress until the day comes that crops are ready for market. Modern business is seen as moving extremely quickly and changing practically overnight. Digital transformation is shaping industries, products, services, and changing the very nature of competition. To keep up, many businesses must partner to stay relevant and maximize their business value. Diana and I have travelled across Canada and the US, conducting workshops in conference rooms packed with people excited to maximize the potential of successful partnerships. From one country to the next and city to city, we find one common topic that is the attention getter - trust. This is where business can learn the lessons from farming.

Trust and Tomatoes — Steps to building trust in a partnership

by Shann McGrail and Diana Kreklow

Shann is the Co-Founder of Devreve Inc. and co-creator of SMART P2P, a program of best practices to enable partners to successfully grow their businesses through building strong partnerships.

Diana is the President of The Kreklow Group. She is a successful entrepreneur who brings over twenty-five years of sales and marketing experience to emerging technology and startup organizations. Working predominantly in the Microsoft channel for 17 years, she has an extensive network and is a recognized leader in the creation and delivering of successful partner programs.
Trust is established by reliably and consistently doing what you say you will do and making sure to be as responsible for your partners’ success as you are for your own.

Establishing trust is planting the seeds from which a solid relationship can grow. The questions related to trust that we hear consistently from partners include:

- How do I know that another partner isn’t going to steal my business?
- How do I know they will respect my relationship with my customers?
- How do I know they will do what they say they will do?

Growing up in farm country, I spent many summers picking tomatoes. It would take months of resources and hard work, but suddenly one day the plants would be ready; the tomatoes would turn colour and it was time to start picking. In much the same way,

Trust is established by reliably and consistently doing what you say you will do and making sure to be as responsible for your partners' success as you are for your own.

Time is no longer an option for building modern partnerships.

The Trust Equation

In 2001, The Trusted Advisor, by David H. Maister, introduced the Trust Equation. This equation has stood the test of time and become even more relevant in the Microsoft partner community. The Equation references three areas – Credibility, Reliability and Intimacy (the degree to which we disclose our challenges) – as essential elements in building trust. The Equation has a defining characteristic that seeks to accelerate trust – Self-Orientation. When a partnership is able to establish credibility, reliability and intimacy, the level of trust either increases or decreases with the amount of self interest (vs. partnership interest) in success. In other words, with all things being equal, the more I am invested in only my own success, trust will be low. Investment in a partner’s success means trust will be higher.

Let’s look at breaking down the trust equation in more detail, as it relates to the Microsoft Partner ecosystem.

Credibility:

Credibility is the baseline of establishing trust. It’s like graduating high school before being able to apply to college. When applying it to partnerships, it means that a company has the following:

- The right credentials: For example, does the partner have a Microsoft competency and does the partner hire professionals with the right certifications?
- References: The partner has successfully delivered projects in the past, with happy customers willing to verify their professionalism.
- Associations: Does the partner belonging to similar associations, such as the IAMCP, or vertical-specific associations?
Differentiator: Reliability

Reliability means historically doing what you said you were going to do. It is often built over time and comes from consistently refining your actions and making them your own.

- Process and methodology: Do you share similar approaches to business?
- Quality and standards: Are there shared values between partners?
- Consistency: Have you created repeatable behaviours for your business?
- Time-based: This is the one part of trust that can only be built over time.

Differentiator: Intimacy

Intimacy refers to how authentic you are when you reveal yourself and your business. This is scarcer than reliability and credibility. Think about this as ‘who are you willing to share and discuss your biggest challenges with, and who is willing to do the same with you?’ This is where you can look if you have relationships breaking down. Don’t panic – you don’t need to air your dirty laundry here. It is about the issues at hand, not revealing all personal details about yourself.

- Transparency: How open are you with potential partners about your business, your goals and specifically about your limitations and challenges?
- Values in action: For example, your website talks about the value you place on your employees, but when a potential partner comes into your office, does she experience the same attitudes in action?
- Reputation: What do others say about you? How much do they know and how closely do those opinions align with what you’ve told me about yourself and my own impressions? Reputation is the golden ticket.

Differentiator: Reduce Self-Orientation

How much do you care about the other’s success? How much are you willing to put forward to make that partner successful? Think for a minute about why you invested your business in Microsoft. MPN has a huge number of assets to help you promote, grow and manage your business. It goes far beyond giving you some cloud credits. Microsoft demonstrates interest in partner success.

- Make your partner successful: Focusing on your partner success brings down the self-orientation part of the equation and increases the overall trust.

Shann and Diana’s Key Trust Takeaways on Building a Successful Partnership:

1. Invest in building trust upfront with your partner. Like farming, you have to plant the seeds and nurture them. Neglect won’t produce results. The payoff is operating at an accelerated pace of business because you already understand what is important in the relationship.
2. A trusted relationship is when you both get to enjoy the fruits of the labour. Joint wins are more critical than worrying over each little detail along the way.
3. Trust increases when you appreciate each other’s strengths and work together to minimize the risks and weaknesses.
Working for Intel, Compaq, Digital, HP and Microsoft in country, regional and worldwide roles, I was always fascinated at how different cultures interact in business.

Business is done differently in various countries, and for successful international growth you need to have the combination of a strong business case, together with a sales approach that fits local cultures and expectations.
Some of the reasons for taking your company international may include:

- Scaling sales and building brand equity;
- Increasing the return on investment in intellectual property by selling in more markets;
- Having too small a domestic market, which inhibits growth;
- Offsetting the effect of a possible local economy downturn;
- Increasing the overall company value.

However, before embarking on your international journey you must convincingly be able to answer the question that both customers and partners will ask you:

“Why would I buy/sell your foreign software if there is already so much choice available domestically?”

In my experience, key requirements for a successful cross-border ISV-Reseller partnership include:

- A great story about addressing customers’ business challenges
- Clearly articulated and meaningful solution differentiation,
- A strong business case based on a convincing financial model, compelling customer value propositions, and market opportunity size
- A partner program with generous business terms that reward partners’ sales growth
- Marketing materials and messaging tailored to the local market’s cultural expectations

So, how do you build a successful business case for international partnering?

**Financial Business Model**

First and foremost, the company should do research on how many potential customers of their ideal type are in the market and how many are likely to buy their solution in one given year.

The formula is: Total companies x Number in market x Likely to buy x Average sales value = Size of opportunity per year.

For example, if the total number of customers in the target market is 10,000 and the average sales value of your solution is $50,000, your calculation will be:

\[ 10,000 \times 20\% \times 25\% \times 50,000 = \$25,000,000 \]

So, as opposed to going to a partner and saying: “Hey, look at my solution’s cool features,” you can say, “We’ve uncovered a 25-million-dollar per year opportunity for you that you’re not tapping into right now.” I’m sure you’ll agree that is a whole different business discussion.

There are two strategies for selecting where to expand into first:

1. Starting with a smaller market to pilot and refine your go-to-market model

   If your financial resources are particularly limited and your company has had limited experience in selling outside its domestic market, a short-term strategy may well be to begin in a smaller test market. This offers the combined benefits of a smaller investment and lower risk.

2. Select a large market where the entire investment can be applied towards a bigger opportunity

   An alternative strategy is to take the long-term approach and commit to the largest packaged software markets from the outset. These are: US, Germany, UK, France, Japan, and China.

   However, rather than going for the entire country, you can start by entering smaller, industry-focused regions or cities first. For example: in entering the US, choose Detroit for an automotive manufacturing solution, or New York for a financial services solution.
Here’s one more tip that stands out as more of a human element: let locals do business with locals. This is especially so in culturally homogenous countries.

In summary, once you have a product that addresses customers’ business challenges in a differentiated way, and you have a compelling business case for both customers and partners, you need to ensure that your sales and marketing approach is aligned with local cultural expectations. With these in place, you are on your way to building global success.

How competitive is the market?
Countries dominated by one or two credible, well-established competitors often have loyal customers and an ecosystem of partners that have built their businesses around these vendors. For customers and partners, the cost of changing to another vendor may be so high and/or so disruptive as to be prohibitive.

In fragmented markets, where there are numerous active competitors, each with less than 20% market share, customers and partners are often much more open to switching vendors, which can be an opportunity for a new best-of-breed software company.

The cost of addressing the opportunity
The cost of addressing that opportunity will be highly dependent on your go-to-market model. If you use a direct model, even though you keep all the margin from licenses and services, you have to consider the cost of full-time sales, marketing and technical staff, plus office space, infrastructure, travel, and marketing. If you use an indirect go-to-market model, you will pay partners 30%-50% for licenses, 20%-40% for subscriptions to sell, market, and support your product using their own staff, facilities, and budgets. In my experience, ISVs choose the partner-led model 80% of the time.

While working in Singapore for an American company, we were courting Samsung to become an OEM partner for our servers. The discussions had been going on for more than a year, with corporate representatives flying in from the US to Korea to close an agreement. Despite the many meetings, dinners and handshakes, no agreement could be made. On one occasion, I brought in our Korean subsidiary manager to the discussions. After seeing the same lack of progress, our Korean colleague started to speak in Korean to the Samsung lead representative. We didn’t understand a word, of course. After a while, our colleague said: “We have an agreement, they will sign the contract and will even do a press release” After the meeting, I asked our Korean colleague, “What magic did you just do?” He replied, “Well, I didn’t promise them anything. We found out that we went to the same university, we had professors in common, and we lived a stone’s throw away from each other, with similar backgrounds. And he decided that he could take the risk to trust me.”
All this century, Microsoft’s partner community has been separated into two broad groups.

On the one side are the infrastructure partners. They come in a nearly infinite variety of sizes and types, but they primarily use Microsoft’s infrastructure stack of software and cloud services to create technology solutions for customers.

On the other side are the Dynamics partners, a smaller community of companies which implement Microsoft’s enterprise resource planning and customer relationship management products for businesses.

In theory, the two groups could have partnered over the years, and some did on integration projects and custom solutions.
Selling into Different Departments

At their core, sales of the two product stacks were different. Dynamics partners tended to approach C-suite executives, owners or senior sales leaders with business-oriented pitches. The deals were about sales and marketing processes, and, fundamentally, business value.

On the infrastructure side, the partners’ intersection with decision-makers tended to occur at the IT department or CIO level, except with the smaller businesses, where the discussion involved the owner. Those partners could afford to pitch on technology – how the latest version of Windows, Windows Server, Exchange or SQL Server improved upon the last one. In fact, they had to pitch that way because they were generally talking to tech-savvy customers who knew what they wanted to do with the technology, and only needed to know the feed and speed deltas.

The Rise of Business Value

Two things are changing those sales pitch equations.

First, the emergence of cloud services is forcing infrastructure partners into business-case pitches. Office 365 sales and some Azure-related infrastructure projects have been a pretty straightforward transition for infrastructure players. They’re able to sell to the same internal customers using similar sales pitches in many cases. Yet Office 365, especially, becomes partially a business-case pitch where the conversation changes to being more about how the customer wants to pay for technology, and less about managing back-end infrastructure, (which is seldom a core competency of most non-technology-focused customers).

That trend is even more pronounced in the thousands of other Software-as-a-Service products customers are buying or using. The vast majority of those purchases are unrelated to technology concerns; they’re exclusively about the business value of the cloud service, and it’s a reason that...
sales and marketing departments are increasingly rivalling IT departments in technology spending.

The other major change is Microsoft’s huge push to make the Dynamics lineup a cloud-first business. The effort has been underway for some time, but accelerated dramatically with the release of Dynamics 365 last November. Having the flagship Dynamics product be a cloud service is a transition for a partner community whose ERP customer base has been one of the most reluctant groups to embrace cloud.

### Getting Better Together

Both those changes are pushing Microsoft’s previously distinct partner communities together. And I firmly believe that this is a good thing.

Many IT partners need help talking to business decision makers. Pundits have been telling them to learn the language of business value for years, but many of the infrastructure partners still haven’t.

Meanwhile, the Dynamics 365 product set is an appealing add-on for infrastructure partners who are already selling a lot of other cloud services to their customers.

Dynamics is a very different implementation beast. It’s about business processes, compliance and supply chain -- skills that can’t be picked up in a two-hour online course. No matter how quick and easy it is technically to spin up a Dynamics 365 instance, ultimately Dynamics implementations are not primarily about the technology. They’re about the business process. So from both the sales side and the implementation side, infrastructure partners who want to bring their customers a Dynamics cloud service need that help.

Conversely, Dynamics partners need help navigating the cloud business models. Some can find it in partners who have fully embraced Dynamics CRM Online, but those types of partnerships will risk competition pressures pretty quickly, as the CRM specialists have a head start on the business value mentality and process integration.

A better fit for many Dynamics partners making the shift to Dynamics 365 will be with infrastructure partners who have already built out robust Office 365 and Azure practices. In addition to experience with on-premises-to-cloud migrations and expertise on integrations with other Microsoft cloud services, those infrastructure partners could introduce Dynamics partners to their large customer bases, helping previously high-touch Dynamics partners generate the high-volume business that is required for profitability in the cloud.

When entering new technology areas, partners always have a choice of developing internal expertise, acquiring other companies or partnering. Options one and two are definite long-term considerations, but for now, build out a partner-to-partner connection to get rolling with Dynamics 365.
"I asked my wife what she wanted for her birthday. She told me ‘Nothing would make me happier than a diamond necklace.’ So I bought her nothing."

Communication. With words we have the ability to connect or dis-connect, set a great first impression, or turn off that one person we had hoped to build rapport with.

Finding the right words in any given situation can mean the difference between delight and disaster.
In my job as a storyteller, I am able to work with technology companies from around the world that need help crafting a perfect message. One of the things I have discovered is that the people at technology companies are often unable to articulate their value when they find themselves standing in front of their perfect audience.

Which is a real shame.

Because we live in a noisy world.

And sometimes you just never get a second chance.

You invest thousands or hundreds of thousands of dollars in building your technology solution, then you invest in finding the right sales and marketing vehicles to sell your solution and drive revenue; however, if you don’t have the right message or the right story, you likely aren’t going to achieve the results you had hoped for.

The world is changing, and technology companies are shifting to meet new market demands. For example, many traditional System Integrators (SIs) are adding Intellectual Property (IP) solutions to their mix, and beginning to look more like an Independent Software Vendor (ISV). Other partners are adding new services or bundling services into a Managed Service Provider (MSP) offering.

At the same time, these partners often scramble to articulate their new Unique Value Proposition (UVP).

When I meet with a partner who is in this position and I ask them to explain their value, their UVP, the answers they will most often give are “we give great customer service”, “we’re been doing this for more than 15 years” or “our customers love us”.

Yes, really. Those are the number one responses.

But these things no longer differentiate your business. Instead, exceptional customer service, experience and customer referrals are simply expected entry level requirements for being in business today. (Note: even if you are a start-up, you need to show some level of experience and demonstrate that customers are using your solution before you will be able to get much traction.)

So how do you craft a message that identifies your differentiator?
Elevator Pitch

(Hint: it’s not about you)

If you had your ideal client standing in front of you (okay, or in an elevator) what would you say that would make him/her want to talk with you further? What will you say that will give you permission to sell to them?

Surprisingly, most people get this wrong. They talk too long, they miss the point, they fill their pitch with features.

Because the elevator pitch is all about the customer. You have 30 seconds to tell a story that will enable the person you are speaking to to see themself in your story.

Here is an example of a 30-second elevator pitch:

Our company, ABC Company, is in the Information Access Business. Our product, an O365 SharePoint plug-in, provides the fastest, most thorough, most secure and easiest-to-use archival and retrieval solution.

Unlike traditional search solutions, we can find anything inside and outside of your organization, including deleted, lost or misappropriated files, in seconds.

The Value Pyramid

One way to begin building out your UVP is to think about what you really offer. List everything about yourself that you bring to the market, and then begin to classify your list into value expected, value included and value added.

Value expected is what anyone should expect to get if they buy your product or service offering. What is the entry point in the game that allows you to even be a player? For example, if you are selling a managed service, there is an expectation that you will have 24/7 customer support. That is no longer a differentiator but a requirement. It belongs in the “value expected” bucket.

Value included is additional value that sets you apart from others. For example, if you are a managed services provider, you might include real-time dashboards that show performance, usage, ticketing, etc. Alternatively, you might include a specialized on-boarding and training service that others either don’t do, or don’t do to your level of detail.

Value added is enhancements that you can sell to increase your value and expand your revenue opportunities. For example, as a managed services provider, you might offer multiple service bundles including security, disaster recovery or others. These make you more attractive as a provider because customers know that if they need them, they can add them later.
The Partnering UVP

These exercises (The Value Pyramid and the Elevator Pitch) are two great methods to use to help you identify your combined value - especially when you make a decision to partner with another organization to deliver a combined-services model.

The key is to be able to articulate a unique message that will be clearly heard and understood by prospective customers - a message that will truly set you apart from the competition. After all, people buy from people. And most people just want to be understood by someone who gets them, gets their problem and can help make their life a whole lot easier.

...we can find anything inside and outside of your organization, including deleted, lost or misappropriated files in seconds. – this is it, your UVP. This is where the prospect will see themselves in your story (or not, if you are not a fit). Either the prospect will smile and get off the elevator, or he/she will say – “really? How can you find deleted or lost files?” That is what you want – you now have permission to continue the conversation – you have likely touched on a pain point.

The one-word secret to a great elevator pitch? Unlike. Sometimes the easiest way for people to “get you” is to tell them why you are unlike your competition – it clearly states your ‘raison d’etre’, while at the same time differentiating you from your competitors – all in a single sentence.

ABC Company: we are in the Information Access Business – who are you and what business are you in? Help the prospect get his/her head around how to categorize you – right now your value is unclear, but the prospect can begin to narrow their focus.

Our product, an O365 SharePoint plug-in, provides the fastest, most thorough, most secure and easiest-to-use archival and retrieval solution – okay, you do something that is fast and easy and is part of my O365 – it has to do with storing something and then finding it again.

Let’s break it out:

The one-word secret to a great elevator pitch? Unlike. Sometimes the easiest way for people to “get you” is to tell them why you are unlike your competition – it clearly states your ‘raison d’etre’, while at the same time differentiating you from your competitors – all in a single sentence.
Making Partner Magic Happen

by Gavriella Schuster

Gavriella is the Corporate Vice President, Global Partner Channels, at Microsoft. She is deeply committed to helping partners build successful businesses by partnering with each other, and with Microsoft, to deliver innovation and new cloud services for customers.

I love my job because I get to take what I am personally passionate about – connecting people – and scale it on a global level. Every day, I meet with partners from around the world who are choosing to build solutions on the Microsoft platform and who rely on our global network to increase their scope and reach. It is gratifying to watch partners join together to deliver increasingly relevant solutions that enable customers on their journey of digital transformation.
For me, partnership means collaboration. When you work with others to expand your business, you open new doors to limitless possibilities. Establishing a partnering mindset can enable you to rapidly extend your capabilities much more quickly than on your own. With partnering, you can go further, faster. By remaining insular, you may limit your own potential.

Partnering well requires great self-awareness. Recognizing your value and the strengths you possess also means acknowledging any limitations you may have on servicing the needs of your customers. Building a partner ecosystem around your business can increase your opportunities while delivering a more valuable offering to your customers.

Partnering can make the impossible possible.

One of our partners in the UK, Inframon, made, in a very short timeframe, a successful transition from systems integrator to managed services provider. They surrounded themselves with 4 gold partners, creating a mini-ecosystem, with each partner playing a pivotal role in servicing the needs for a complete customer life-cycle delivery model. The partners now each bring the refined, specialized approach of a boutique firm to each step of their customers’ digital transformation journeys, backed by the power and continuity of a true end-to-end cloud enablement organization. Within a year, Inframon had doubled the size of their business and doubled their revenue - landing deals with major brands across the UK including BBC, Rolls Royce and Barclays. This is the type of magic I see every day in our Partner Network.

A platform doesn't mean much unless people are building on it.

At Microsoft, we know that we thrive through partnerships. We have recognized our own strengths, and we understand our limitations in terms of what we can do, how far we can scale, and how much of our core capabilities we should utilize on our own. Our market success is directly attributable to how we work with and through our partner ecosystem.

It is no secret that we are entirely focused on encouraging our partners to build managed services, create industry solutions and expand on our platform. At Microsoft we realize that while we build great platforms, it is our partners who transform our platforms into the vertical solutions that customers need to drive their business. We simply cannot be there at a micro-level for every customer.

But our partners can. Partners are close to the customer. They are on the ground, really examining what each customer needs. Digital transformation requires a tremendous amount of innovation, a deep level of industry knowledge, and an ability to respond to those needs with game-changing solutions.

It is our job at Microsoft to ensure we continue to deliver the very best security, scalability, speed, and the right tools – so that our partners are best supported to drive innovation. More than 90% of our revenue comes through partners, and that number increases when you add in our services delivery.
Our partners take what we do and make it better.

An example of our partners leading the charge for us is with SharePoint. Originally designed as a set of collaboration tools, we didn’t really understand how powerful SharePoint could be until partners started working with it. At the time, we were simply designing for a better content management system.

But once partners became involved, they began building forms and workflows; using it for intranets, internets and extranets; designing secure portals, developing APIs, and incorporating elegant designs and powerful usability experiences. Our partners really educated customers on the possibilities of SharePoint. Because of the ingenuity of our partner network, SharePoint is one of Microsoft’s fastest growing commercial products ever. Today, SharePoint continues to inspire both partners and customers to imagine and develop new use cases that are shaping how businesses transform.

Three Steps to Magic

If you are thinking about partnering and not sure where to begin, I would encourage you to use these three simple steps as a starting point.

1) Begin with a SWOT (Strength, Weakness, Opportunity, Threat) analysis. Understand your limitations as they align to your customer’s needs. Building a partnering ecosystem means looking beyond what you are capable of doing and defining something that is much stronger and more impactful. There is only so much you can do alone for your customers’, but when you partner with others, you are able to push the limits of where your business can go.

2) Network, network, network.
Get really active in meeting new people, joining associations and groups and interacting online. This is how you will find the people who will complement your business. Start conversations, talk about yourself and your business, your values and the customers you are serving. Most importantly, make sure the way you show up in the market fosters your own credibility so that others want to partner with you. Trust is such a critical element with partnerships. Put your best foot forward, both as an individual and as a business, because people want to partner with others who are successful.

3) Start small.
When you do take the first steps in a partnership, try to achieve small wins that allow you to develop together as partners. There will always be hurdles and hiccups and you want to uncover those in a way that is manageable. Once you’ve established what does and doesn’t work, then you can build on those early successes and aim higher.

In my position, I have the opportunity to listen to people’s stories and connect those stories to ones I’ve heard from other partners. I will often hear a partner tell me their values and approach to business and recognize how they could complement the business of another partner. This ability to connect one-to-one brings me incredible joy. My goal at Microsoft is to scale what I do personally so that we are operating in a true partner-to-partner marketplace. This is why I am so supportive of what Dynasource is doing to help partners find each other and connect around the world.

If you have not partnered before, I would encourage you to consider it. Our ecosystem is full of wonderful new stories from partners who have created something special by working together. Why not make this year, your year to tell your own partner success story? Dream it, believe it, seize it. Together we can do more.
Dynasource is the #1 global Partner-to-Partner marketplace for sharing resources, expertise and talent. Within a trusted network, the company facilitates matches between IT businesses and experts who have complementary skills and expertise, for connections designed to increase collaboration, innovation and transformation. Connecting the right people, to the right project, at the right time is the primary objective for the Dynasource team.

For partners, Dynasource enables the team-building based on expertise, managed resources and ability to scale. For experts, Dynasource can connect individuals to the companies and projects that require their unique sets of skills and strengths. Dynasource facilitates the two-way, mutually beneficial relationship and connection of experts and projects. Digital transformation demands intensive degrees of innovation, speed and intelligence that many businesses are unable to offer on their own. The power and necessity of partnerships has never been more visible. Start with a handshake and then let Dynasource take you beyond.

Learn more at www.dynasource.com
Amsterdam
Thank you to all who have contributed significant time and energy into making this eBook possible. Special thanks to the teams involved and the individual contributors for sharing their visions and thoughts.