Co-authored by Peter Armaly & Nick Mitchell

Despite the everydayness of that famous cliché, a cliché so many of us are prone to utter almost mindlessly, developing and executing a strategy for growing an enduring business is very similar to rocket science.

Let me explain by talking about rocketry.

There are two standard methods for powering a rocket to space. Solid fuel and liquid fuel. Solid fueled rockets contain solid, ignitable material (picture gunpowder, sort of). They are simple and reliable, can sit idle for years, but once ignited will not stop until they burn completely out or explode. One more thing… while being perfect for slipping the clutches of earth's gravity, they cannot be throttled to control the necessary thrust.

Liquid fueled rockets, on the other hand, contain ignitable liquids (think, gasoline), provide less raw thrust – making them less suitable for the initial launch - and can be throttled for purposes of speed regulation and maneuverability.

Northrop Grumman, maker of rockets, has this to say on the topic.

"You really need both, because at different stages in flight you need different propulsion systems…Rather than competing against each other they complement one another. They each have their strengths and work together for a successful space flight."

Ah, come on. That's boring. No one likes it when there is no winner. Right? Why can't we choose just one or the other if we're told we're going to be strapped to the top of a gigantic Roman candle? Unfortunately, the world of facts and science and gravity and experimentation and Albert Einstein's brain and things that inexplicably explode will not allow us to make such a simple choice. If we want speed and distance and – critically – control, we need the different types of propulsion.

When the business expansion you need is beyond your capabilities

Maybe we should try to understand business expansion in a similar way. Most companies reach a stage (not as far into their lives as you might think) when their aspirations exceed their capabilities. At that moment they are forced to assess – given the constraints of how they've built their company – whether they will be able to continue growing at the pace they'd enjoyed up to that point.

Comparing their company history to a rocket, they successfully launched themselves towards their intended market (think of the market as space and objects in the solar system) using private capital, steady hiring, and organically created processes, and maybe some licensed tools (let's call all that, solid fuel). But as they soared higher, they emptied out their fuel stores (money, customers, people skills/capabilities, technology capabilities) at a rate that soon threatened their ability to continue at the pace they were on. They were on target to burn out. They realized they were being pressed into deciding whether to:

- Invest more into expanding their organically developed capabilities (what they did to get them there… again, solid fuel) even though that is a process and maybe they couldn't even figure out how to begin. Or maybe they would. Either way, it's a moment when CEOs feel they are at the end of a tether.
- Declare bankruptcy (re-enter and burn up in earth's atmosphere).
- Be acquired by another company (like ending the mission by becoming an extension of the International Space Station or some other future orbiting platform).

There is always another option

We know in business that it's wise to plan for the future. Much earlier in their life, the company could've looked ahead and planned to include a provision to switch over to a different strategy when they reached a certain level of maturity. That strategy would see them engage and contract with partners that could offer the kind of accelerant (like liquid fueled propulsion) they need to reach the next level of business growth. Doing so would have allowed them to extend the momentum they worked so hard to build and expand their reach and maneuverability into the market.

Forward motion requires a strong vision and a framework

Even in the vacuum of space, forward motion needs energy. As in business, forward motion in space requires fuel, and the skill to set and navigate a course to move towards distant objects. The same is true in the business world when companies partner with others. With extended reach and the ability to be nimble comes a tacit surrender – to an extent – of control. Someone else now is co-piloting your ship. As a proud business leader, you need to figure out how to partner with other companies to grow your business, while at the same time ensuring the quality of the product and the experience of customers is not compromised. You need a plan. You need Partner Success.

Here's how we at ESG have been doing it with clients.

Partner Success Program team (internal)

- Leadership – It might seem too obvious to mention but it's important to point out that leadership is a critical aspect of the program. The need for leaders to act as company representatives and, occasionally, brand ambassadors is especially acute in the provider-partner dynamic since what we're really talking about are relationships between two or more companies. This is a distinct difference from regular CS leadership that owns the entire service delivery model, and it means that the leaders for Partner Success programs should be able to demonstrate more business savviness in the way they interact and communicate. Think of these people as the NASA administrators.

- o Program Manager – Customer Success team
  - • This PM contributes and provides access to the CS team, its organization, structure, tools, roadmap, best practices, processes, etc.
- o Program Manager – Channel/partner team
  - • This PM contributes and provides access to the Channel team, its organization, structure, tools, roadmap, best practices, processes, etc.
- o Executive Sponsors
  - • Sponsors are critical in getting things approved like budget and resources, creating awareness, escalating issues, and short term and long-term planning
  - • You will want a sponsor from both the CS and Channel organizations
- • Supporting team – Someone has to do the work that gets measured, right? The people that move strategy to results are the supporting teams of professionals who work together to execute all the elements of the program. They're the people that prove it can be done. Think of them as the astronauts.
  - o Delivery (Customer Success Managers (CSMs)/Partner Success Managers (PSMs); Channel Account Managers, etc.)
    - • These are the people who will be executing on the developed pilot and program, will be closest to the partner ecosystem, and provide valuable insight as you iterate
  - o Operations (Channel and Customer Success) – behind the scenes of any complex operation you are likely to find people who have an eye for detail, are sleuths in their spare time, and get a charge out of solving small and big problems. In other words, they are indispensable, and you should think of them as the astronomers, astrophysicists, and engine designers.
    - • This team is critical in providing access to the data and tools needed to implement the designed journey maps, processes, and playbooks for both partners and end users
  - o Marketing and Digital teams (Channel and Customer Success)
    - • This team is critical in creating awareness internally and externally about the pilot and program, and are instrumental in laying the foundation and deliverables needed for the digital journeys that partners will lead customers through
  - o Legal/Contracting
    - • This team will be key in creating any new contracts that will need to be in place as part of the program, as well as review any delivery/program guides

Incubation/Pilot (Discovery, Design, Develop, Deliver) – It is a best practice to incubate or pilot your designed program with a group of strategically selected partners. Why do this? Because you'll want to test your hypotheses, take lessons from each step in order to improve, and once you gain confidence that you're on the right path, expand the mission. After all, NASA didn't shoot for the moon in 1962. In that year they focused on catching the Russians by proving first that they could get a person to space and orbit the earth.

- Goal setting
  - Why are you committing to this program? What do you want to get out of it?
  - High level goals
    - Partner relationships
      - Companies want to better their relationships and the value they provide to their partners as an Original Equipment Manufacturer (OEM)
    - Customer engagement
      - In the channel, partners typically have more knowledge and interaction with customers and their use cases, empowering the partners helps OEMs better show value to the end users
    - Scaling
      - Leverage partners to better scale – for example, if a company can reduce the number of CSMs needed internally to cover their 10,000 customers and cover more accounts through Partner Success Managers (PSMs), it allows that company to scale faster
  - Metrics
    - What do you expect to happen as a result of the program initiative?

- Tools and enablement
  - Understand the tools that are needed internally to manage the partner program, as well as the tools that are needed by the partner to manage their customers
    - Will partners be working in your CS platform or be required to have their own?
      - Or both? You may consider incubating partners in your CS platform for 6-12 months with the expectation or requirement that they make an investment in their own tool after a set period
    - Who funds the tool license – OEM or partner?
      - If OEM, is that from the Channel organization budget or Customer Success organization budget?
- Understand data and telemetry sharing
  - Who has access to the data and what is required to share customer data from and operational and technology standpoint?
    - How do we share data and enable partners who have their own CS platform?
  - Ideal data examples
    - Contract dates, install base, telemetry and product usage, support interactions, CX data, etc.

4

- Partner requirements and resources
  - Success criteria for partners
    - What KPIs are required for the partner to measure success?
      - Does the partner need to set up X number of Success Plans?
      - Partners must have an average onboarding time of X days?
    - Is the partner required to have dedicated CSM resource(s) or can a resource be shared (Inside Sales Rep/CSM, Renewal Rep/CSM, etc.)?
      - Capacity planning
        - What are the expectations and account load of a partner badged CSM?
          - For example: A CSM will manage ten customers and commit one to two hours a week for CS motions specific to the OEM
    - Partner incentives
      - It is important to understand what is in it for the partners if they are to commit their time, energy, and resources to the program
        - What is the financial return? Provide examples and modeling
      - Is there a financial incentive to join the program?
        - Rebates, additional discounts, etc.
      - What are the expected benefits to the partner from running these CS motions?
        - Easier "same account revenue growth," increased ARR, reduced churn, increased TTV, referenceable customers, etc.
- Deliverables
  - Outside of incentives, what will the partner get as part of the pilot/program? Consider including things like:
    - Program Guide – This guide clearly defines what the program is, requirements of the program, benefits, training provided, eligibility requirements, etc.
    - Partner Portal Page – Where do partners go to apply for the program, access deliverables and training?
    - Partner Onboarding Guide – What can the partner expect during onboarding into the program? How much time and what is needed to onboard?
      - Bonus tip: Create a partner onboarding journey phase map
    - CS Maturity Assessment – This helps determine where the partner is maturity-wise in CS today – do they have existing CSMs, a CS tool, metrics, playbooks, etc.?
    - Customer Success plays and processes - Success plays and processes that are specific and appropriate across all lifecycles phases
    - Customer Success Plan Guide – What is expected of a partner when it comes to conducting and documenting Customer Success Plans and how does a PSM support that?

- Training
  - What training is provided to partners? Initial training may be adhoc but as feedback is provided it is ideal create online/on-demand training that can be tracked for completion and used to automate and scale
    - Initial training
    - Long term
  - Contracting/legal review
    - Data privacy and governance
    - Additional addendums that may need to be signed
    - Program Guide/service offering
  - Debrief/Review
    - Were your goals met?
    - Partner surveys
      - What would make the program better?
      - How was the partner onboarding, trainings, and interactions with PSMs?
    - Case study – Identify pilot partners that are willing to participate
      - What did early partners take away from the pilot? Share Partner Success stories and Customer Success stories

Program – As you shift from a pilot phase to a broader program phase, you will want to finalize and operationalize processes. This is when you've accumulated the experiences you need, the lessons you needed to learn, and the building of skills and programmatic muscle to be able to shift to a more permanent stance. Think of this as the International Space Station stage of space exploration, where the focus is on refinement and steady execution.

  - Move to general availability
    - Partner Onboarding Plan and Journey
      - As you open the program up to qualified partners, onboarding steps and procedures must be clear and efficient
      - Partner qualifications
  - Socialize the program – It is important to socialize any new program internally and externally
    - Educate the internal Channel teams and provide supporting documentation for them to provide prospective partners
    - Educate the Channel partners
      - Conduct a webinar series for all regions reviewing the program
        - If possible, utilize third party CS industry expert to help educate Partners on the many benefits of CS, then review the program
        - Be sure to record the sessions and utilize recordings on your partner portal

- o Announce the partner program at your annual conference – this is a highly visible environment that can help build excitement for the program
  - Utilize a case study from the pilot as a supporting documentation to reinforce benefits and encourage participation
- o Program deliverables – Solidify deliverables and change management processes as the program evolves
  - Tools and enablement
  - Customer Success plays
  - Customer Success processes
- o Set goals
  - Set goals and forecast for the number of partners participating by quarter or fiscal year
  - What KPIs is the PSM responsible for?
- o Partner incentives and metrics
  - Identify how you will share metrics with partners and on what frequency
  - Identify and document partner incentives and requirements
    - o This will typically fall under the Channel organization's responsibilities

Tired yet? Running out of fuel just by reading this? Here's another cliché: It is what it is. Successfully building a Partner Success function is hard work. It requires detailed planning and thorough execution across a spectrum of stakeholders. Is it worth it? Only you can answer that but maybe it would help if we asked you this question. How badly do you want to explore the universe?