

BIG FIX

Channel Plan

Prepared by:

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(Date)

PURPOSE

This document is intended to serve as a guideline for some of the strategies and initiatives I will look to implement in establishing a “best in class” Channel Program with Big Fix. By utilizing partners we will be able to have significant more reach into a broad spectrum of end users which will lead to increased market share and incremental revenue (opportunities brought to us by the partners that we wouldn’t have known about with out them) for Big Fix.

SECTIONS:

1. Channel Overview
2. Identify Profile of Target Partners
3. Develop Channel Program Guidelines, Requirements, Certifications (sales and technical), and Benefits
4. Milestones
5. Critical Success Factors

Channel Overview

The main goal of any successful Channel Program is to generate incremental revenue for the manufacturer. With that said there are a number of critical success factors that must be present to build a Channel Program including but not limited to:

- A solution that fulfills a growing market need
- A company that is firmly committed to building a successful Channel Program
- A program that offers partners the opportunity to grow their business with a mix of product and services revenue
- A Channel Organization that will offer high quality sales, technical, and marketing support to their dedicated partners
- A culture that encourages the Direct Sales Team to work with partners

The benefits that the manufacturer will receive once a successful Channel Program is in place include:

- Incremental Revenue
- Having additional sales reps, not on your payroll, who are selling and recommending your solution
- Having objective, 3rd party organizations, recommending your solution over a **competitors**
- Introduction into partners top accounts that we currently don't have a relationship with that will significantly shorten sales cycles
- Knowledgeable presales and post sales engineers acting as evangelists for your solution

Identify Profile of Target Partners

Based on my research on BigFix and my experience in the channel I would recommend that we initially target regional security focused partners to help build our Channel Program. These partners have highly skillful sales reps and engineers who have been dealing with end user security requirements for years and Big Fix would fill a hole in their portfolio if they don't have a partnership already in place with one of our competitors, which from what I have seen will not be an issue today. I will leverage the relationships I have built with these types of partners to bring them on board with Big Fix. An example of some of these partners would be Access IT Group, www.accessitgroup.com White Hat, www.whitehatinc.com and Cadre, www.cadre.net

Based on staffing it is critical that we don't stretch our selves too thin but focus on building a Big Fix Practice with a targeted amount of resellers (8-12) initially. Depending on how much help the Channel Team will receive from the direct sales team and inside sales will have an effect on the number of additional partners we can support and still maintain our high service standard.

As this market continues to grow and Big Fix gains momentum we will simultaneously look to recruit higher end partners such as IBM, EDS, CSC and other managed service type providers. The expectation needs to be set though that these type of partners need to see a significant services opportunity around a solution for them to consider building a practice for that solution. As an example I have had some recent success with IBM Global Services in Canada based on an end user requesting that we work together with IBM on a total desktop management solution proposal. One way to replicate this is to have our direct sales team ask their current prospects whom their preferred partner is and if it is on our target list then we can engage them and show them the business potential. Once they see this they will be more open to introduce us to other accounts that have similar needs.

Another opportunity is to work with OEM Partners that will be bundling/reselling our technology. It is my understanding that Eeye Digital Security is one of your leading OEM Partners today and recently closed a significant deal for Big Fix technology. I have a long personal and business relationship with their head of Channel Sales as well as I recommended the person he hired to run Eastern North America, who worked for me for a number of years as well. There is no reason why we can't replicate this with other manufacturers and I will look to leverage my relationship with other vendors such as NetIQ, CheckPoint, and Big Fix to explore additional revenue opportunities.

There are a number of other venues for us to explore in the future such as leveraging the larger software fulfillment partners like CDW and Software Spectrum and distribution to address the masses but that will be well down the road. The focus now needs to be on creating a Big Fix Security Practice with these top regional security partners.

Develop Channel Program Guidelines, Requirements, Certifications, and Benefits

Guidelines:

- Develop or tweak Partner Agreement (have it include critical requirements)
- Determine discount levels
- Create Marketing Development Fund (MDF) Program based on sales as well as some additional dollars to help build pipeline prior to initial sales (can payback MDF after first sale)
- Have clear cut rules of engagement on how to work with our direct sales team
- Create Partner only web site off of our homepage to include pricing, competitive information, ROI Documents, presentations, etc...
- Finalize support resources available to partner and what their role will be (Channel Director, Direct Sales Manager, Inside Sales, Pre-Sales Engineer, Marketing, etc...)

VAR REQUIREMENTS

- Meet minimum yearly revenue commitment of \$500,000 (number is high for a new program but we need to keep it high to get their attention)
- Purchase Product at 30% discount
- Submit quarterly sales forecasts
- Demonstrated ability to prospect, qualify and sell Big Fix products
- Assignment of a dedicated Big Fix Account Manager
- Active participation in marketing activities to promote Big Fix products
- Annual company profile submission
- Big Fix logo displayed on web site
- Reference provided upon request
- Timely lead follow-up and reporting
- Minimum of one Big Fix certified SE on staff
- All partner sales reps to attend Big Fix sale training (within 30 days of signed agreement, conducted on-site at no charge)
- Must have product installed in demo lab
- Demonstrated ability to integrate Big Fix security products into a complete customer solution
- Provide installation and configuration service for Big Fix products
- Sell and support Big Fix service offerings
- Security sales and services main line of business
- Annual business plan submission

VAR CERTIFICATION PLAN

SALES TRAINING

Objective: To train our VAR's sales representatives on how to sell Big Fix. The sales training consists of the following:

- Company Overview
- Security Market Overview and the need for Big Fix Solutions
- Core features of Big Fix Suite
- How to identify an opportunity
- Roles and Responsibilities of the Big Fix Team
- Pricing
- Competition
- High level product demonstration
- Start to identify partner's clients that have a need for Big Fix

Course: A two-hour sales training that is delivered by the CSM on site at the VAR office within 30 days of a Reseller Agreement being signed.

Requirements: All VAR sales reps must be trained.

Costs: No charge for sales training.

Schedule: Channel Director to schedule trainings directly with VARs. Direct Sales Managers should attend sales trainings to meet their counterparts and to begin to target accounts.

VAR CERTIFICATION PLAN

TECHNICAL TRAINING

Objective: To train our partner's engineers on the core functionality of Big Fix so they are just as competent as our own field engineers. Upon completion of the class participants will be able to install the product on their own and demonstrate the various modules of Big Fix (for presales calls).

Course: A full day training class to include presentations and hands on lab work. Initially we may have to conduct these on-site at the partner's office but can look into conducting one class out of corporate headquarters.

Requirements: Each partner will need to have one engineer trained within 90 days of becoming an Big Fix Reseller and one additional engineer from each branch location that they will market Big Fix from (this language will be added to the Reseller Agreement).

Costs: TBD

Testing: A test needs to be created to make sure the engineers have grasped the core concepts of Big Fix. Initially I recommend this is a take home test that must be completed within one week of taking the class. A 70% would be a passing grade. In the future we can look to work with official testing centers to administer these tests for us.

Schedule: TBD

Benefits of Big Fix Channel Program

- Discount on Big Fix products
- Dedicated Big Fix channel development manager
- Lead sharing
- Joint sales calls
- Access to Big Fix sales training
- Marketing Development Funds (MDF)
- Right to use Big Fix logo
- Access to Big Fix Enterprise Security Reseller Extranet
- Sales and marketing and technical updates via e-mail, mailings and reseller events
- Opportunity to exhibit at Big Fix events (at an additional cost)
- Joint customer success stories
- Eligibility for beta programs
- Eligibility for early or pre-release access to new software and product updates
- Access to Big Fix technical training
- Eligibility for advanced technical training certification
- Joint press release support (executive quote or joint release)
- Big Fix executive team participation at key reseller events

Milestones

We have discussed various aspects of a successful Channel Program above and it is equally important to measure the progress we are making towards our initiatives and modify certain aspects of the plan as we move forward. This document is intended to be a working document that will allow us to do that. Below is a high level overview of some of the milestones we look to accomplish this year.

Day 1 – 60

- Get trained on products and be able to articulate the business proposition to Partner Executives
- Finalize Program Guidelines
- Agree on the attributes of the initial partners to recruit
- Begin Recruiting partners
- Gain executive commitment from partners to resell Big Fix
- Identify the best use of marketing dollars to jump start program
- Initial conversations with higher end partners that will require a longer recruitment process
- Start to engage Big Fix Sales Team with Partner Sales Reps where appropriate

Day 61-180

- Have 8-12 new security focused partners signed up and sales trained
- Work on joint business/marketing plans with these partners
- Identify target accounts and put a forecast in place with each partner
- Make sure Big Fix Sales Team and Partner Sales Reps are engaged
- Have at least one engineer from each partner trained
- **Support, support, support these partners**

Day 181-270

- Channel Partners are closing incremental opportunities
- Have at least one National SI on board
- Look to dedicate/hire additional channel resources based on revenue
- Review existing partners progress and look to add additional partners where necessary

Critical Success Factors

It is imperative that the company makes a firm commitment that they want to be in the Channel and know that there will be some “bumps in the road” as we build this into a world class Channel Organization. This will not happen overnight but if we stay focused and determined and keep the big picture in mind we will be successful. It just doesn't make sense to go out and hire another 50 or so direct sales reps on our own when we can leverage the expertise and relationships of established Channel Partners. If we aren't offering our partner's a Channel Program and technology that can help them generate revenue then more than likely they will be recommending competitive solutions or different projects all together. Here is a recap of a few of these Critical Success factors:

- Executive commitment
- Have a budget allocated to help build the Channel Program and increase market demand
- At a minimum have a dedicated inside rep and systems engineer in addition to the Channel Director focused on the Partner Program
- Pricing model so we get the partners attention with the margin they can make on products and services
- Gather input from partners on where we can improve our Channel Program and over time establish a Partner Advisory Council so we can formally collect this feedback and take action where appropriate
- Develop a positive culture with the direct sales team to make them part of this Channel initiative

