

Tech Line



Getting the Most Out of a Vendor/Distributor Relationship

By Lori Bocklund, *Strategic Contact*

Are you in a healthy relationship with your vendor? It takes hard work, effective communication and setting appropriate expectations to be successful.

Many a movie, TV show and song have worked the phrase, "It's not you, it's me..." into the story line. Perhaps it's the easy way out of something that just isn't quite right. I don't know of any contact center IT or operations professional who has tried that line in the tricky world of vendor/distributor relationships, but it may be apropos at times. You may be wondering how you got into a situation, or how to get out of it. You may be trying to figure out what to do differently next time to find and nurture a better relationship. Fear not! Without engaging a matchmaker or marriage counselor, you can obtain the secret to getting the most out of your vendor/distributor partnership. But, as in any relationship, you have to look *internally* and *externally* to achieve success.

Understanding Who's Who and What's What

First, you need to identify the players and how they position in the marketplace. Not only must you understand your potential relationship with them, you have to understand their relationships with each other. And most importantly, to find the right partner, you need to know what you are looking for and

define the role you want them to play.

The vendor creates the products. They may sell, implement and support those products directly, or use distributors (also known as partners, value-added resellers or VARs, or simply resellers) to provide some or all stages of the relationship. Some vendors will sell and service directly and through distributors — with the result that they are, in some cases, competing with them. They may have multiple partners in a given market (whether defined by geography or account type). And if that's not enough variables, a partner may sell one product or multiple products and represent one or more vendors. But wait, there's one more defining characteristic: Some partners just sell and deliver the product while others offer a comprehensive suite of value-added services, with training and consulting being the most common.

To complicate matters further, these relationships change: Vendors shift their models in how they use partners, partners come and go, and partners change levels in their certification and positioning. It's a very dynamic world. You need to understand their current arrangements and past history, and you may even need to probe a bit about where their relationships

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are heading.

A Role in Every Stage of the Project Life Cycle

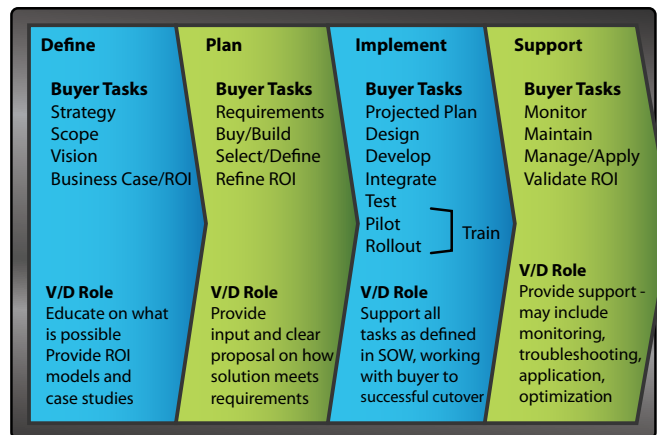
Your relationship with a vendor or distributor isn't just about the sales process (and the winning and dining, golf outings or club seats that might go with it!). It's a partnership that extends through every stage of the project life cycle (see Figure 1).

Start building a relationship with potential vendors/distributors well in advance of your target procurement and implementation timeframe. Get to know the individuals who would be on "your" team, as well as the company and its culture. Leverage their expertise to clarify your strategy and requirements and to provide input to your budgeting and business case. Work with them to design pilots, or set up demonstrations and trials. Take note of how much they probe and how well they adapt to your unique environment, and how readily they accommodate your requests. If they're not willing to make an upfront investment in you, they are unlikely to be a worthy long-term partner.

Recognize the courtship for what it is: an opportunity for both parties to become better acquainted. But beware: You must use all steps of the evaluation process to ensure that a good sales person doesn't have you looking through rose-colored glasses at the company's ability to execute and deliver, and support you in the long run. Your investment in relationship building also ensures that you'll receive responses to your requests for bid when you need them. You may be surprised to learn that blind requests for proposal (RFP) often yield "no bid" responses. Without the courtship, some vendors/distributors aren't interested in a commitment.

When the time comes to pick a suitor, establish clearly defined selection criteria to get past the hype and focus on what really matters to you and what differentiates one supplier and solution from another. The sidebar ("Evaluation Criteria to Consider") provides a starter list of factors that might weigh into your evaluation process. Recognize that the key factors are unlikely to be features and functions. Rather, the "fit" of the chosen company with your company and your needs, and their ability to deliver on the defined roles and responsibilities will weigh heavily in the *project outcome*, whether you

Figure 1: The vendor/distributor plays a role in every stage of the project life cycle



consider it in the *selection decision* or not. You'll know you've picked the right partner and defined their role and your relationship clearly if the negotiations and statement of work definition go smoothly to get you beyond purchase and into implementation relatively quickly.

Implementation is where the roles and responsibilities and relationships first show their value in tangible outcomes. All too often, we see suppliers focus solely on reaching *their* defined project milestones, usually tied to payments. They get there fastest and easiest by implementing their fancy new system in a way that looks just like the old system (if it's a replacement), or in a most basic way (if it's a new function). The supplier's roles and responsibilities look very different if they are playing a consultative role versus simply an "installer" role. For example, if you expect them to help you *redesign* your routing, you need to define that as part of your requirements. If you're implementing IVR, you need to indicate if their role includes design, development, voice talent, testing (and if so, to what degree), pilot, tuning, etc. Buyers who take time to carefully define roles and responsibilities get more out of their relationships and their systems as they begin to transform their operations with the power and capabilities of the new system.

Once a system transitions to support, the roles and responsibilities and relationships take on heightened importance as they can impact the ability to solve a problem, deliver new capabilities, upgrade successfully or make a simple operational change. Clearly defining who is responsible for what levels of support, where

handoffs occur, and how you will define and enforce accountability can make or break the business case for that new system, and make the difference between a successful relationship and one filled with frustration. The sidebar on page 4 ("Support Tier Definitions") may help you as you probe and clarify support roles.

The Market Offers Many Choices

As the marketplace has evolved, adding new sourcing options and more diverse offerings, the challenges in defining, understanding and optimizing relationships have grown. Buyers must understand the factors that may impact implementation and support, and the cost considerations that accompany those factors.

If you're considering hosted or managed services, you need to understand the differences between these sourcing models and the traditional premise-based solution that your company owns (or leases), manages and controls. Premise solutions are tried and true and, therefore, better understood; the vendor generally has worked out all the kinks already. Hosted presents new challenges and many different models. Take time to understand the supplier's terminology and make sure they are clear on their offering. If they are delivering a "vendor" product, is it modified? Who plays what role in support? Are they a pure hosted player or one who offers both premises-based and hosted solutions? If they offer both, are the offers the same and the support from the same group, or is the hosted offering completely separate in how and who implements and supports it? Depending on the answers to these questions,

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you need to probe and understand other issues and take time to understand the tradeoffs for a given supplier.

While managed services has a relatively small market presence today with newer offerings that are more likely sold to big companies, the implications for the relationships and roles and responsibilities in this model can be significant. Managed services can be an extension of hosted or premise offerings, but the differentiator is professional services for everything from overall system management to simple moves/adds/changes. The supplier may have a dedicated group of people that manage your system, or shared services you pay for as you go. The relationship can look very different in those models.

The supplier's overall business strategy impacts not only the sales process, but their positioning for implementation and support. While the sourcing model and relationships between vendors and distributors discussed earlier can be the biggest factors, other characteristics come into play, as well. Differences in the portfolio of product offerings, whether they offer a suite or best-of-breed products, and whether those products are their own or partner products can impact integration issues throughout the project life cycle. Differences by product or service type, such as core applications versus performance tools or desktop applications, company size, geographic footprint or other traits can factor in, as well. Most core applications vendors (ACD, IVR, CTI, etc.) use distributors to some degree. If you are a small to medium-sized business, you are more likely to deal with a distributor. If you are a Fortune 100 global company, you are more likely to deal directly with the vendor, if you prefer. More complex products with more development and integration (including CTI, IVR, CRM, KM) often use partners with system integration and development capabilities.

While you're navigating this complex maze of different players and variables that impact the relationships, keep in mind the cost implications of the roles and responsibilities you define for them. Where do you draw the line between what you do internally and what the supplier does? This has significant implications for both implementation and support costs, with the obvious result that the more you rely

Evaluation Criteria to Consider

You will want to ask many questions of a prospective vendor or distributor to make sure they are a good fit. Here are some key categories to trigger your thinking:

- **Contact Center Focus and Experience.** This should be a major part of their business. If they sell mostly basic telecom or networking equipment, keep looking.
- **Size of Their Business.** Big or small isn't absolutely good or bad. It's more about the fit of their size with your company and whether you will get the attention you need.
- **Geography.** Determine if they cover the geography you need them to cover, and if they are located in places that suit your needs. Not everyone needs a "local" provider.
- **Vertical Market Focus and Experience.** Understanding your business is more important if you are going to use their services to a greater extent, especially to support business transformation.

If you are looking at distributors rather than working directly with vendors, make sure you address these additional areas:

- **Distributor/Vendor Relationship.** Understand the distributor category they are in (and have been in, and aspire to be in) and what that means to you.
- **What Products/Services They Offer.** Know their full offerings — of the target vendor or other vendors — and how that impacts sales and service of the products of interest to you.

on the supplier to provide, the higher the cost. And with hosted or managed services, these implementation and support costs may be bundled into an overall cost, or charged by a variety of models including a fee per month or per change or per hour. You must understand those costs or the options for how you pay and project your business needs to ensure a match that puts your price point in line with your budget expectations.

Positioning for Successful Relationships

Contact centers are responsible for holding vendors and distributors accountable. The suppliers can only succeed on the end-to-end processes and outcomes when the company has the internal structures in place to ensure good communication, clear commitments and commonly understood processes to address the routines and challenges of day-to-day operations.

The first secret to success is clarity in the call center/operations role (including support functions) versus IT/telecom role in working with suppliers. The vendors and distributors generally require a designated contact point, and most often that is IT. So the contact center

and IT must work together to ensure timely response to needs, whether system outages, routing changes or new functionality needs. Those three examples reflect three different types of support scenarios, which may have different processes, response times and points of contact (internally and/or with the supplier). For issue resolution, the company must carefully define and ensure a clear understanding of what Tier 1 activities occur in house, when the company contacts the supplier, and what the response-time commitments are for various requests, whether handled internally, externally or some combination. For administrative or configuration changes, the first step is understanding who can do what — whether the contact center can make some changes, whether IT will respond to their needs, or if the request is going to a supplier. In addition, it's essential to have clearly defined response times so if the center relies on others, they know what to expect when a business need drives a change. New capabilities may require going back to the sales person for upgrades, add-ons or more professional services. Our experience is that few companies define the different types of support scenarios well, much less the roles, responsibilities and accountabilities, and the


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result is frustration and misunderstanding all the way around.

This issue points to the importance of well-defined IT governance processes and service level agreements. These agreements need to address various scenarios, including troubleshooting, maintenance (including upgrades) and business changes. They need to define accountabilities, and recognize the real-time, mission-critical nature of the contact center operation. And they need to address internal and external activities, including when an issue crosses the boundary between the company and the supplier.

The bottom line is that no supplier relationship will succeed, or reach its potential, unless there are multiple parties willing and able to work hard at the relationship and communicate effectively. Knowing what matters to you about your preferred partner characteristics and find-

ing the right fit will put you on a path to success and a long term, successful relationship. 

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Support Tier Definitions

Carefully define, understand and communicate who has what role in support. Understand who is responsible for ownership of an issue, how they track it, when they escalate it, how they communicate resolution and what role the user plays in declaring or confirming resolution. The table below shows typical roles and responsibilities for tiered support.

Definition/ Party Responsibility	Tier 1	Tier 2	Tier 3
Roles and Responsibilities	Assess issue to determine user error, common/simple fix or other issue. Log issue specifics. Resolve, if possible (e.g., common issue in knowledge base). Escalate, if required. Some suppliers allow designated users to enter tickets directly into their tracking system.	Take escalated call. Clarify as necessary. Determine if issue already exists. Classify issue type and resolution process and commitment (consulting with Tier 3, if necessary). Resolve, if possible. Work with or route to Tier 3 for resolution, if necessary.	May be engineer, developer, etc. Classify and resolve new and difficult issues. May also include planning and delivery of new product releases and bug fixes. Report resolution plan, solution and timing to lower tiers.
Typical Accountable Party	Company IT, Vendor or Distributor	Application vendor or Distributor	Application vendor

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Contact Center Pipeline is a monthly instructional journal focused on driving business success through effective contact center direction and decisions. Each issue contains informative articles, case studies, best practices, research and coverage of trends that impact the customer experience. Our writers and contributors are well-known industry experts with a unique understanding of how to optimize resources and maximize the value the organization provides to its customers.

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