DocuSign

eBook

Simplifying the Partner Agreement Process

Introduction

Today's business environment is evolving rapidly. Facing pandemics, supply chain bottlenecks and market volatility, organizations can no longer ensure success by relying on the old ways of doing business.

Enter the rapid rise of the indirect sales channel. To achieve sales goals and drive growth amid uncertainty, many businesses augment revenue from their internal sales team—the direct sales channel—with a second sales front: the indirect sales channel.

The number of partners in an average channel program is estimated to increase tenfold by 2025.[1]

This indirect channel leverages third-party sellers—or channel partners—to generate additional sales, track leads and act as an extension of the vendor's internal sales team.

Roughly 75% of world trade flows through indirect sales channels[2], helping companies expand their sales arm and get products and services to market.

Partner sellers can include a variety of roles, such as agents, brokers, dealers, distributors, service providers and value-added resellers (VARs). They can even occupy roles that fall outside of the traditional sales channel, working adjacently with companies to support mutual customers.[3] For example, relationships such as independent software vendors (ISVs) to SaaS firms, hotels to HotelTonight, and restaurants to UberEats can enrich—or even represent the majority of—a company's business. These partners compose the "partner ecosystem," and some see this collaborative approach as the next evolution of the channel.[4]

1 Forrester. "Unlocking the True Business Opportunity for Modern Partners."
2 Forrester. "What I See Coming for the Channel in 2019."
3 ManoByte. "The Growing Role of Channel Partner Ecosystems."
4 Ibid.

Introduction

In the expansive partner ecosystem, a company's channel and partner account managers (CAMs and PAMs) play critical front-line roles in facilitating strong, productive relationships with indirect channel partners. Every partner has a channel or partner account manager dedicated to managing the relationship, monitoring partner performance and generating rewards for success. These in-house professionals drive partner activation and loyalty and steer both parties through the partner lifecycle:

Recruitment	Identify new partners
Onboarding	Sign on new partners
Growth	Activate and enable partners
Measurement	Analyze partner performance and reward success
Offboarding	Divest from partners[5,6]

For many businesses, the indirect channel represents a significant revenue stream—for the present and the future.

It's estimated that partner ecosystems will drive a $60 trillion economy by 2025.[7]

In turn, the rising value and ubiquitousness of channel partners is impacting how companies manage their channel partners. For example, buyers are increasingly moving to self-service, so that sales representatives now only have 5% of a buyer's time to guide them through a 28-point sales journey.

This eBook covers how these changes are affecting the channel and partner account management space, driving digital transformations and pushing companies to make their partner and channel sales teams more effective.

5 Allbound. "Channel Partner Lifecycle Management - Processes for Each Stage."

6 Impact. "What is Partner Life Cycle Management?"

From the pandemic to the Great Resignation and escalating inflation, compounding disruptions over the past three years have permanently shifted how channel and partner professionals do business. These ongoing challenges have made it clear that companies need efficient, agile partnerships to preserve margins in the face of unexpected sales hurdles.

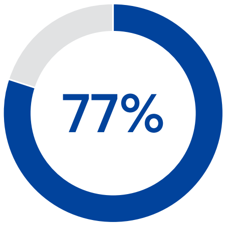
Growing and managing a partner program can be overwhelming without the right systems or processes in place. The partner lifecycle is built on a wide swath of agreements—from customer sales to partner contracts—each requiring various forms of approvals and sign-offs. Despite the rise of automation and digital agreement tools in recent years, manual workflows are still prevalent in the partnerships space and dramatically slow the process of generating, editing, sharing and storing these commitments—while disruptions and regulatory changes can alter how they're signed and retained.

Along with reviewing recent studies to discover how companies are adapting, DocuSign surveyed 100 channel sales and partner management professionals about their experiences and expectations in light of three large market shifts: macroeconomic headwinds, hybrid/remote work and shifting buyer expectations. We delved into how these forces impact companies' ability to grow and manage partner relationships, agreements and revenue.

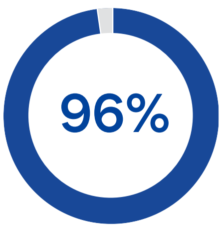
This eBook explores how recent disruptions are affecting:

- Sourcing, signing and onboarding channel partners
- Obtaining sign-offs on key partner sales agreements
- Satisfaction with current partner agreement processes
- New avenues of partner engagement and channel revenue opportunities

1 Budgets for channel partner management have been and should continue on an upward trajectory



of the surveyed channel professionals believe that channel management budgets will increase by a little or a lot 18 months from now.



Approximately 96% of B2B leaders anticipate higher revenue ascribed to partner ecosystems[11].

More than ever, at a time of corporate belt-tightening, department-wide budget cuts and closer scrutiny on margins and revenue across industries and departments, businesses are placing a premium on expanding indirect channel sales and partner ecosystems to drive growth. With investments in this channel expected to rise, companies are actively showing their belief in indirect's ability to contribute business success—and serve as a vital force in cushioning margins.

Indirect partners bring invaluable specialization and trusted customers to the table from day one—taking the pressure off to expand internal sales teams. Many companies are finding it easier and more cost-effective in this climate to scale revenue through resellers, retailers, brokers, distributors and other partners than an internal sales organization. On Indeed's list of tech companies hiring in 2022, **global systems integrators (GSIs)**—which hold significant sway over customers, influencing their tech purchases and how they integrate their tech stack—took the top three spots.[10]

The bottom line? Despite challenging economic conditions, vendors are increasing their partner account management budgets. Channel partners are equally optimistic about the value they can deliver and are expanding their teams to accommodate the growing demand for their services. As Jay McBain, former Forrester principal analyst and current Canalys chief analyst, recently posted on LinkedIn, "With every company becoming a tech company—there is no need for tech workers to work in tech. After 200k+ tech vendor layoffs last month, we will see a surge of skilled people move into the channel."[12]

10 Indeed. "20 Companies Hiring Now in Tech."

11 Allbound. "2022 Channel/Partner Marketing Benchmark Survey."

12 LinkedIn. "Jay McBain."

13 Hubspot. "The State of Partner Ops and Programs."

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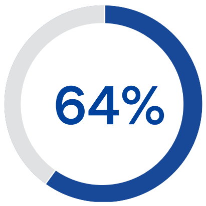
82% of partner channel managers feel it is very or extremely important to enable partners with digital experiences



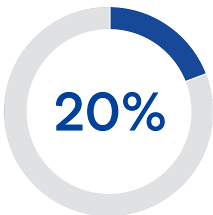
of partner managers report a partially digital and automated channel partnership agreement process—including some paper-based steps.

Manual steps within the partner lifecycle can lead to costly delays and errors, dragging down productivity and putting valuable relationships at risk. More than 70% of organizations say that deficiencies in partner operations prevent them from tracking holistic partner ROI.[13]

Modern partner sellers expect CAMs and PAMs to provide the same investments and quality experiences as they do for direct sales channel sellers. They don't want to wait to get answers about critical information like new sales collateral or discounts; they want real-time access to sales information wherever and whenever they are via a mobile device or digital assistant. Investments in digital efficiencies such as mobile and web accessibility, automation and electronic signatures are pivotal to partner productivity, satisfaction and retention.

13 Hubspot. "The State of Partner Ops and Programs."

3 Dissatisfaction with the current partner agreement process stems from a lack of automation, inefficient manual processes and excessive steps to complete a task

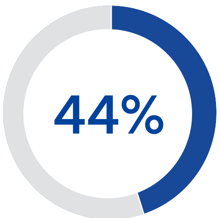


of high-tech manufacturing channel partner agreement processes are still largely manual, unautomated and paper-based.

CAMs and PAMs are key to positive, efficient partner experiences and bottom-line growth. However, when complex, manual tasks slow agreements, it bogs down the partner lifecycle and wastes time. According to our survey results, automation and digitization are not a given in the channel partner agreement process. Only 28% of survey respondents have a fully digital and automated channel partner agreement process, including contract workflows and electronic signatures. As a result, the channel partner account managers spend an average of 24.5 business hours per week on agreements related to partner recruitment, onboarding, growth, measurement and offboarding.

Not only do manual agreements slow the partner lifecycle, but they hold back revenue opportunities. The majority—87%—of respondents who were dissatisfied with their current partner management processes felt they lacked the automation required to support efficient agreements.

4 54% of partner managers spend over five hours per week managing partner onboarding agreements and 17% spend over 10 hours

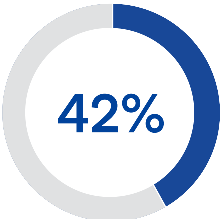


of partner and channel managers rank onboarding as the partnership agreement lifecycle experience with the most bottlenecks.

The time-consuming nature of partner onboarding remains one of the biggest pain points for CAMs and PAMs. This is because much of the onboarding phase in the partner relationship lifecycle consists of agreements—often highly customized—such as master partner agreements, regional addendums, not for resale (NFR) agreements for testing and education, and system integrator (SI) agreements. Years into a revolutionary period of accelerated digital transformations, CAMs and PAMs still wrestle with inefficiencies due to the largely manual and paper-based nature of the onboarding phase.

Onboarding new partners is a vital step in expanding a company's partner ecosystem and the programs to support growing revenue targets. By using digital agreements and automation, companies can eliminate onboarding delays, fast-track the partner onboarding experience and set sales goals with confidence.

5 Over 50% of partner agreement managers find the time-to-market for new partner offerings is heavily or moderately impacted by disruptions

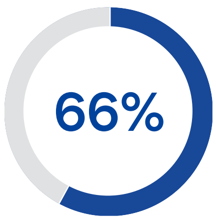


of surveyed channel professionals list improving time-to-market with new partner offerings as one of their top three priorities for the next 12 months.

The inability to grow a partner ecosystem or programming can have lasting effects on a business' ability to stay competitive. More than 50% of channel and partner management professionals struggle to get new partner offerings to market, causing revenue losses to competitors who can deliver a faster and easier process.

Today, channel partners have more choices in who they work with. If a company can't deliver the tools, enablement and seamless digital experiences partners desire, they may align with an alternative vendor who's more invested in their success. When companies are committed to cultivating smooth partner experiences, they become the partner of choice and retain valuable seller relationships over the long term.

6 Revenue attainment remains the top success metric for partners



of surveyed partner and channel managers report revenue attainment via partner-source revenue as the top metric for improvement over the next year.

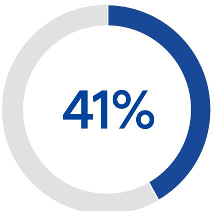
Capturing success metrics and accurately attributing them to business outcomes remains difficult for many partner channel managers. That's why processes for tracking partner-sourced and -influenced revenue attainment are ripe for modernization.

However, based on our research, we expect to see a shift from revenue to customer success as the priority metric and more platforms moving into the partner success space (see Finding #7).

Commenting on today's partner success trends, Bob Spree, SVP of global channels and alliances at BeyondTrust, notes, "I also expect to see the entrance of new technologies and new partner success firms in the channel tech space that will be able to help us track this and measure these higher-priority metrics."[14]

14 BeyondTrust. "Channel Predictions: 2023 and Beyond."

7 Partner success metrics within the measurement phase are heavily impacted by inefficiencies and bottlenecks



of partner and channel management professionals spend at least five hours managing partner contracts and agreements in the measurement phase.

While revenue attainment remains a top success metric, we're seeing shifts in how companies measure partner performance. Some companies are moving away from volume-based "gold, silver and bronze" tiering systems to ones that reward partners for delivering lasting value to the end-customer. While transactions have long dominated as a partner metric, it's become apparent that customer success is a more compelling and holistic metric for evaluating and rewarding partners. In a recent paradigm shift, Microsoft announced the end of its Silver and Gold Partner Programs and the launch of a points-based system measuring competencies, certifications and customer satisfaction.

Success measurement allows CAMs and PAMs to maintain complete visibility into sales performances—and reward partners for their achievements. But the process—which can consist of annual compliance cycle reviews, accreditations, certifications and tiering—can also be time-consuming.

Without automation to quickly gather data on customer satisfaction, the transition away from transaction-based ratings could make the measurement process much more complex and exceedingly time-consuming.

The future of partner agreements

As the sales landscape shifts, it's essential to quickly and seamlessly capitalize on new opportunities as they present themselves. Channel sales and ecosystem partnerships are no longer an afterthought; they're expanding in importance and are integral to your customer service experience. The impact of the above trends is most likely already being seen in your day-to-day sales operations. You can empower your partners with end-to-end sales, service, account and knowledge management tools for maintaining and nurturing relationships now and over the long term.

Agreements are at the core of every partnership. But if your partner agreement process is anything like many of the organizations we surveyed, it's held back by manual tasks, slow turnaround times and human errors. Moreover, when unexpected obstacles or regulations call for revised agreements, clunky workflows and legacy agreement systems burn precious time and money—threatening operational efficiency and the experiences of customers and partners alike. Regardless of a business' type, size or economic sector, legacy agreement systems impose a persistent drag on productivity.

DocuSign for the partner channel: leverage automated agreements for higher partner revenue

DocuSign helps you eliminate hurdles and accelerate agreements throughout the partner lifecycle. Where once it was accepted that an agreement would take days or weeks, DocuSign agreement tools cut turnaround times down to minutes or hours.

The majority of our survey respondents cited DocuSign and our integration partners, Salesforce and Microsoft, as their go-to technology for partner agreement signatures, document storage and sharing, CRM and partner management. DocuSign enables channel and partner ecosystem management teams to facilitate a complete digital transformation, improve customer and partner experiences and optimize investments in existing CRM, PRM and CPQ systems.

Learn more about how your business can increase revenue and customer success by automating the partner contracting process.

About DocuSign
DocuSign helps organizations connect and automate how they navigate their systems of agreement. As part of its industry-leading product lineup, DocuSign offers eSignature, the world's #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, over a million customers and more than a billion users in over 180 countries use the DocuSign platform to accelerate the process of doing business and simplify people's lives.

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