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Designing a standardized and scalable partner on-boarding process for Channel Sales function in a global software company

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TIIVISTELMÄ :

Suoramyyntin rinnalla kanavamyyntin on havaittu olevan erittäin tehokas malli, jonka avulla ohjelmistoja palveluna myyvät yritykset voivat tehostaa myyntiään. Sitoutuneita ja menestyksekkäitä kumppanuuksia ei voida pitää itsestään selvyytenä, vaan kumppanit tarvitsevat kannustavan prosessin perehdytettäessä kumppaniohjelmaan. Tämä vaatii kumppanien sitouttamista kumppaniohjelmaan ja tarjoamalla heille kaikki tarvittavat resurssit ja koulutukset, joita he tarvitsevat roolinsa toteuttamiseen kumppanuudessa. Tehokas perehdytys vaatii toimivaa prosessia, joka tulisi olla sidottuna yrityksen strategiaan.

Tämä tutkielma on toteutettu toimeksiantona Sievo Oy yritykselle, joka on kasvanut nopeasti viime vuosien aikana. Yritys on tällä hetkellä tilanteessa, jossa kanavamyöntifunktio on valmis kasvattamaan liiketoimintaa ja kehittämään prosesseja ja työkaluja kasvun mahdollistamiseksi. Yksi osa strategiaa on kehittää systemaattinen lähestymistapa uusien kanavapartnerien perehdyttämiselle ja luoda uusi prosessi vastaamaan paremmin kanavakumppanien perehdyttämiseen liittyviä haasteita. Tutkimuskysymys kuuluu: kuinka kehittää standardisoitu ja skaalautuva kumppanien perehdyttämisprosessi kanavamyöntifunktiolle globaalissa ohjelmistoja palveluna tuottavassa yrityksessä? Tutkielmalle on asetettu kolme tavoitetta, jotka ovat 1) Identifioida globaalinen ohjelmistoa palveluna myyvien yritysten liiketoiminta-alue ja liiketoiminnan tarpeet. 2) Identifioida kumppaneiden perehdytysprosessin rakenne, aktiviteetit ja ominaisuudet. 3) Suunnitella ja luoda standardisoitu ja skaalautuva kanavamyyntin kumppaneiden perehdytysprosessi.

Tutkimus perustuu laadullisiin haastatteluihin ja teoreettiseen viitekehykseen. Teorian tarkoituksena on käsitellä toimeksi antavan yrityksen liiketoiminta-aluetta ja -mallia, tutkia kanavamyyntin ja välillisten kumppaneiden vaikutusta liiketoiminnan kasvuun ja ymmärtää kokonaiskuva kumppaneiden perehdytysprosessista ja siihen liittyvistä vaiheista. Tutkimus on laadullinen, jossa hyödynnetään ”benchmarking wheel” -työkalua tutkimuksen toteuttamiseen kehitysprosessina. Ensisijainen aineisto on kerätty haastatteleamalla samalla toimialalla toimivia yrityksiä puolistrukturoiduilla haastatteluilla. Toissijaista aineistoa, kuten yrityksen sisäistä dokumentointia ja haastateltavien yritysten jakamia materiaaleja on käytetty tutkimuksessa ensisijaisen aineiston tukemiseen. Tarkoituksena on ymmärtää ja dokumentoida haastateltavien yritysten prosessit, joita he käyttävät kumppanien perehdyttämiseen. Tutkimuksen lopputuloksena tehdyt löydökset yhdistettynä teoreettisen viitekehyksen elementtien kanssa luovat tehokkaan ja skaalautuvan kumppaneiden perehdytysprosessin.

Löydösten mukaan kumppaneiden perehdyttäminen tulisi olla osa yrityksen strategiaa ja kumppaneiden laatu korvaa määrän. Prosessin standardisointi lisää skaalautuvuutta ja tehokkuutta vapauttamalla resursseja ja parantamalla prosessin mitattavuutta. Skaalautuva prosessi mahdollistaa useampien kumppanien perehdyttämisen. Hyvin strukturoitu prosessi lisää toistettavuutta ja kumppanien viemistä prosessin läpi edistäen liiketoiminnan kasvua. Perehdytysprosessin tulee olla yksinkertainen, strateginen, mitattava ja toistuva ja onnistuakseen yritysten tulee omistaa, opettaa ja toteuttaa prosessia johdonmukaisesti.

KEYWORDS: SaaS, Channel Sales, Channel Partner, On-boarding Process

UNIVERSITY OF VAASA**The School of Technology and Innovations**

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ABSTRACT:

Alongside of traditional direct sales, channel sales have been identified as an effective model of scaling sales for different businesses software as a service (SaaS) being one of these. Engaged and successful partnerships should not be taken for granted and partners need an incentive process to be on-boarded with into the partner program. This requires committing the partners to the program and offering them all the resources and trainings they need for their respected role in the partnership. An effective on-boarding requires a functional process which is tied to the company strategy.

This thesis is conducted as an assignment for Sievo Oy which has grown rapidly during recent years. The company is currently at a stage where the Channel Sales function is ready to scale up the business and start developing its processes and tools further to enable growth. One aspect of the strategy is to develop a systematic approach to on-board new channel partners and develop a new process to address existing challenges in partner on-boarding. The research question for this thesis is how to design a standardized and scalable partner on-boarding process for Channel Sales function in a global software as a service (SaaS) company? The goal is to help the case company to streamline their channel sales with efficient partner on-boarding and support the growth through process development. There are three objectives for the study which are 1) To identify global software as a service (SaaS) business needs. 2) To identify the structure, activities, and characteristics of partner on-boarding process. 3) To design a standardized and scalable partner on-boarding process.

This thesis is based on qualitative interviews and to a theoretical framework which focuses on the business area of the case company and explores the channel sales' and channel partners' impact on business growth and to understand the phases and steps for a successful on-boarding process. The research is conducted as a qualitative study while using benchmarking wheel as a tool to conduct the research as a development process. The primary data is gathered through semi-structured interviews with peer companies that operate in the same industry as the case company. Secondary material such as internal documents and materials gathered from the interviewed companies are used to support the primary data. The goal is to understand and document the processes the interviewees have in place for on-boarding their channel partners. As a result, the findings of the interviews are combined with the elements from theory to create a successful and scalable on-boarding process to respond to the case company needs.

According to the findings the partner on-boarding should be part of the company strategy and partner quality always overcomes the quantity. Process standardization enhances process scalability and efficiency by releasing resources and improving measurability. A scalable on-boarding process allow higher partner intake. A well-structured process increases repeatability and retention and thereby contributes to business growth. An on-boarding process should be simple, strategic, measurable, and repeatable and to succeed companies need to own, teach, and execute the process consistently.

KEYWORDS: SaaS, Channel Sales, Channel Partner, On-boarding Process

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List of abbreviations

SaaS	Software as a Service
B2B	Business-to-Business
B2C	Business-to-Consumer
BPM	Business Process Management
HQ	Headquarters
VAR	Value Added Resellers

1 Introduction

The software industry is one of the most competitive and fastest growing sectors in the world as businesses are constantly moving towards digitalized and connected solutions (Torres, 2021). Adoption of SaaS model is increasing rapidly, and several projections are indicating the industry's massive expansion in the near future as the awareness of new technologies and motivation to stay ahead of the competition are acting as the main combined driver (Wrixen, 2019). According to a forecast by Gartner, the global cloud service market is set to grow from \$145.3 billion in 2017 to reach total of \$278.3 billion by 2021 SaaS remaining the largest segment with \$113.1 billion revenue estimate (Gartner, 2018).

While the markets are growing rapidly achieving market share is crucial for surviving in the constantly evolving environment where there is no room for becoming category standard. By leveraging indirect sales channels and channel partners, B2B companies have found an effective way to scale up their business without increasing internal resources in proportion thus allowing companies to direct their resources towards more value adding innovation and development of best-in-class solutions for the markets (Torres, 2021). In high technology markets two thirds of total revenue is generated through channel partners among the top companies (Aguirre et al., 2018). From Microsoft's commercial revenue 95% was driven by channel partners in 2019 and in 2018 Cisco generated 80% of its revenue through the indirect channel and SAP one third of its sales (Aguirre et al., 2018).

Managing international partner network is in the core of driving success through indirect sales channels (Bairstow & Young, 2012). However, one of the biggest questions ascend once partners are recruited: how does one on-board and develop the international B2B partner network? Developing practically and strategically functioning on-boarding plan is fundamental in building long-term relationship with partners and productive partner enablement (Torres, 2021). Large software companies such as Microsoft and Salesforce are making significant investments on their channel partner programs and partner

trainings as their long-term strategy is to create sustainable and enabling ecosystem for their indirect sales channels to grow (Alspach, 2019).

Structured onboarding programs are required for companies to reach their goals in the expected performance levels when establishing relationships with their channel partnerships. The most effective way to impact the bottom line and get most business benefits is to coach and give proper training to channels partners in a similar manner that companies would do in-house for their sales teams. This requires an effective onboarding program which is structured and comprehensive including three significant factors: coaching, development, and support. These elements are a key in minimizing partners' ramp-up time while making the most out of their productivity and commitment. (Desuyo, 2018.)

1.1 Background

This thesis is conducted as an assignment for a case company called Sievo Oy which is a Finnish software company that provides services in the field of procurement analytics having the need to develop its Channels Sales function to correspond to the development of its fast-growing business. The Channels Sales function is in the middle of productizing and further developing their existing channel partner program to enable growth of business in their near future. The subject for this thesis is chosen due to the interest of the author who is also working in the Channel Sales function at the case company and this research, and its outcomes are strongly required for the function to keep up with the constantly growing business needs.

Due to a combination of unique customer needs, complex technical landscapes, and sales cycles of procurement analytics, which can vary from two to twelve months depending on the technical complexity of the product, the case company is at a stage where systematic approach to on-boarding new partners is recognized as a next step in developing the Channel Partner Program. As the case company is growing fast while having limited resources in their use, there is a strong need for developing a standardized and

scalable on-boarding process for new partners for the Channel Sales function to operate more efficiently and cost-effectively.

This thesis aims to explore the subject from a literature perspective and combine the information by benchmarking other companies which are already further in this area through a qualitative research. The goal is to get insights on how other companies are potentially onboarding their partners currently, learn from their processes and practices and ultimately combine all the information gathered to create a unique and standardized process for the exact needs of the case company to onboard its partners more efficiently and cost-effectively in the future. The goal is to create a general and unified process which is suitable for all partner type combinations and which can later be specified in a more detailed manner after getting more experience of the usage in practice.

1.2 Research Scope and objectives (purpose)

The purpose of this thesis is to explore, gain knowledge and examine the elements which are required for creating a successful partner on-boarding process for a specific software company operating in the field of procurement analytics through a literature review and by benchmarking valuable peer companies operating also in the B2B software industry.

Whilst the case company has already an on-boarding process for partner companies in use, it does not support the plans for expanding business activities from Channel Sales point of view. The objective of this research is to design a standardized and scalable partner on-boarding process for the use of Channel Sales function. The research question for this thesis is presented below.

How to design a standardized and scalable partner on-boarding process for Channel Sales function in a global software as a service (SaaS) company?

Three objectives are derived from the research question:

- To identify global software as a service (SaaS) business needs

- To identify the structure, activities, and characteristics of partner on-boarding process
- To design a standardized and scalable partner on-boarding process

The research is conducted by gathering the benchmarking data of the partner on-boarding process by using a qualitative approach through semi-structured interviews. The primary data is gathered through interviews which are conducted with peer companies operating in the same industry as the case company who are also offering SaaS business model. In addition to primary data, secondary data is gathered from both internal and external sources of the case company including for example annual reports, sales data or sales reports. To answer the research objectives and questions a specific method will be utilized as an approach for the study. The benchmarking wheel as a research method will be presented more specifically in chapter four.

1.3 Definitions and limitations

The scope of this study is limited to create and design the on-boarding process only and excluding its testing and implementation which is left for the case company to process further in the future once enough quantitative results of its operation have been gathered. In addition, partner recruitment and enabling are left for future research, even though these topics are briefly explained in this research.

The scope is also limited to benchmark only companies operating in the field of B2B software industry that as a service are sharing similar characteristics as the case company. This thesis will provide basic definitions and processes from the literature review as a guideline for conducting the qualitative research. This thesis will focus merely on qualitative data gathered from external sources as a reference and no interviews will be conducted internally. The greatest potential for this research is identified in companies who are already far in their operations in this area and thereby the greatest asset for data collection.

According to Milosevic et al. (2013) *“Benchmarking is more than just a means of gathering data on how well a company performs. It is a method of identifying new ideas and new ways of improving processes and, therefore, being even more efficient in the ability to meet the needs of consumers.”*

A SaaS company utilizes software to provide a service for its customers and these companies create, develop, host, and update the product themselves (Coleman, 2021). A SaaS product is considered as a standardized software product which is operated by the software provider and the product is delivered to the customer through standardized internet protocols typically through web browsers as the user interface (Tyrväinen & Selin, 2011, p. 3). The expectations of exploring this business area are to understand deeper the business model of the case company and the area in which the company is operating in to further understand the requirements and limitations for creating a successful process model.

Channel sales is a sales model in which a company sells through various third-party partners which do not directly work for the company and these channel partners can be for example resellers, consultants, or distributors (Frost, 2020). Through the literature review the author anticipates understanding how channel sales is associated as a part of a SaaS company and to discover what kind of influence partner on-boarding has on the channel sales function.

On-boarding is the process of connecting the newly recruited partners with their roles and to introduce the company and its offering to better engage the partners and finally make the partners make revenue with your company to grow total sales. (Dávila & Ramírez, 2018, p. 2). The goal is to understand how the on-boarding of new partners and its process is affiliated with the SaaS business, channel sales and -partners to be able to create a successful process to assist in the case company’s growth objective.

1.4 Structure of the study

This chapter presents the structure for this thesis. This thesis consists of five main chapters which aim to provide a systematic and clear approach to the subject and finally build a process based on literature and empirical findings.

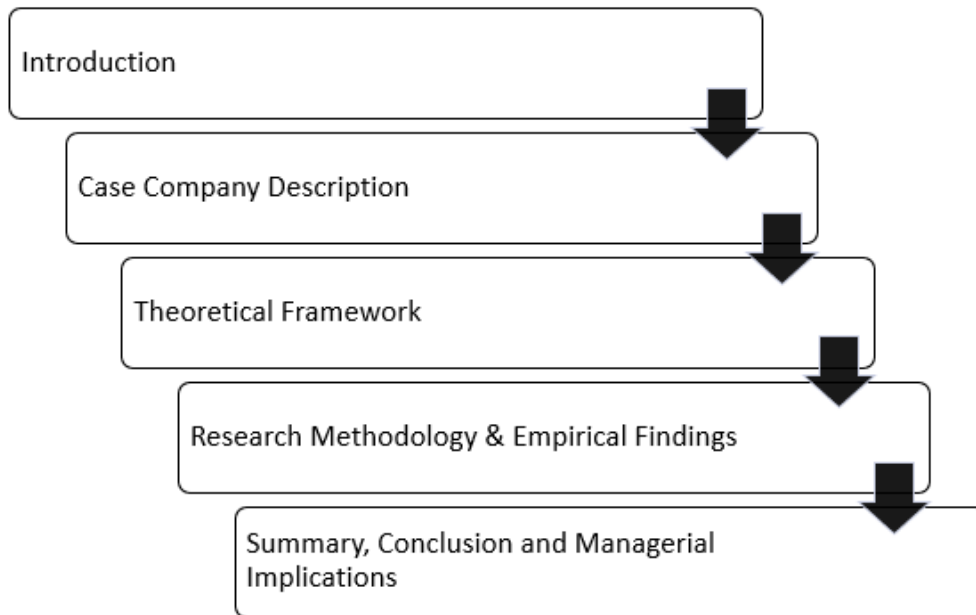


Figure 1. Structure of the thesis.

The first chapter introduces the topic by explaining the background for this study. The purpose of this study will be introduced by explaining the research scope and objectives which will guide this study all the way from the beginning until the end results and discussion. Furthermore, definitions of central keywords are defined and anticipated on what is anticipated to discover under each one. The central keywords for this study are: SaaS, Channel Sales, Channel partner, On-boarding process. Chapter one provides the entire outline for this study.

The second chapter consists of an overview of the case company Sievo by describing its offering, current functionality of its Channels Sales function and the requirements and needs for this research. This chapter aims to give the reader a better understanding of

the case company and to consider the theoretical part of the thesis better in terms of this exact company and its specific needs.

The third chapter consists of the theoretical framework which aims to provide a literature review on the subject based on academic articles, books and web content from major players in the business area. The theoretical part is divided into three subchapters which all combined will give the reader insight on overall how businesses operating in the SaaS business area can expand through effective channels sales by explaining the purpose of partnering on-boarding and the process of creating this kind of process. The theoretical part creates an analytical framework for answering the research question and its objectives of this thesis by giving a deeper understanding to the topic of what matters needs to be taken into consideration when building an on-boarding process for a company operating in this certain business area.

The research methodology will be presented in chapter four before also revealing the results of the actual research. This chapter covers the methods on gathering primary and secondary data for the research as well as presenting the research strategy. Primary data will be collected through interviews of peer companies operating in the same industry and secondary data derives from existing material and data the case company has either internally or externally. This chapter will give a deeper understanding on how the data will be collected, analyzed, and classified and the chapter concludes by justifying the reliability and validity of the research conducted.

The empirical part of this thesis is presented in also presented in chapter four which offers the answer to the research question and the objectives. The interviewees will be presented, and the results of the interviews are explained. The data gathered through literature and the interviews are analyzed and the needs for the case company are defined. Analysis of the on-boarding process is presented, and the final goal is to create and present the on-boarding process created for the exact needs of this certain case company by combining the data gathered throughout the process through the literature review and the empirical findings. The results and the process created will be presented in the end of this chapter.

Finally, chapter five summarizes the results presented in the earlier chapter and gives an answer for the research question and objectives of this study. Furthermore, this chapter offers a discussion for future research.

2 Case Description

2.1 Sievo as a company

Sievo is a Finnish software company established in 2003 that serves global markets by providing data-driven solutions in the field procurement. The company has been growing fast during the recent years with compound annual growth rate of 28% while being self-financed and profitable. European Commission (2007) in their report defines a highly growing enterprise as follows: *“All enterprises with average annualized growth greater than 20% per annum, over a three-year period should be considered as high-growth enterprises. Growth can be measured by the number of persons employed or by turnover.”*

Sievo defines their purpose and mission as “creating a transparent and data-driven world while being awesome”. (Sievo webpage). The business model is to sell software as a service (SaaS), meaning that the company sells the software against an annual license fee and provides services, such as updates, new product features, additional content, and other support services on top of the core software solutions. Currently the main solution modules in the company’s product portfolio are Spend Analysis, Savings Lifecycle, Contract Management, Spend Forecasting, and Procurement Benchmarking. In total Sievo is managing annually over 500 billion dollars of external spend with all its customers combined.

Being a middle-sized company Sievo currently employs close to 200 people altogether in its two headquarters. The global headquarters is in Helsinki, Finland where the company has Product Development, Product Management, Customer Relations, Data Management, Professional Services, Sales and Marketing, and general administration, and US headquarters is in Chicago, Illinois, where the company has Sales, Customer Relations and Professional Services functions. Sievo serves global clients with Europe and North America being the main market areas. However, Sievo’s software userbase is spread across all the continents. (Sievo, 2021a)

Operating and specializing in the procurement analytics domain, Sievo serves a niche market. However, in recent years the demand for best-of-breed solutions, such as Sievo, has grown, since more companies have noticed that instead of having one solution provider to cover all aspects of the procurement application landscape, they can add more depth and value by utilizing specialized solutions within their respected application domains. (Sievo, 2021b; Reid & Bloom, 2019) Traditionally Sievo has relied on direct sales model where individual sales representatives take full responsibility of the sales cycle. Given the complexity of Sievo's solutions, the sales cycles tend to be long, from a few months to a year and deal sizes are relatively large. (Sievo, 2021b)

2.2 Channel Sales function at Sievo

The Channel Sales function is part of the Sales division and the team is physically located at the company's global headquarters in Helsinki, Finland, but there are plans to potentially expand physical presence to the US headquarters as well. The function's main objectives are generally described as follows: *"Channel Sales finds, establishes and nurtures partnerships to generate new sales through channel partners and to create awareness of the company"*. As Sievo is a global business and is up to expand its client base constantly, the Channel Sales function seeks to establish partnerships with companies all over the world. On high level Sievo seeks to partner with consulting and technology companies that would ultimately share the same end customers with Sievo and fit into Sievo's partnership models. (Sievo, 2021c)

The partnerships are flexibly defined into four categories: consultancies, software partners, data partners and agents, with each having their own business applications as illustrated in figure 2. With consultancies one of the most common ways of partnering is to conduct spend cubes, which are one-off spend analysis projects, where Sievo acts as a subcontractor in the consulting partners' projects letting the partner to focus on its core services. This collaboration provides Sievo a channel to reach out to the end clients for a possible continuous subscription. Partnerships with software companies brings the possibility to complement each other's solution offerings and do joint bidding and lead

sharing together when participating in clients' buying processes. With data partners the focus is more around integrating partner's data into Sievo's platform to enhance the solution offering to provide added value to the end customers. Agents can be re-sellers or referral partners selling Sievo and serve Sievo's non-core markets. However, in some cases the partner company could be providing a wide range of services and therefore the partnership can cover more than one category. (Sievo, 2021c)



Figure 2. Overlook to Sievo's partnership categories (Sievo, 2021c).

As a function, Channel Sales is relatively new at Sievo and the development to its current state has happened over the last couple of years. The function was established in early 2019. Prior to that, Sievo was cooperating with several partners, but there was no systematic way of managing the partnerships nor finding new partners. The ramp-up started with contacting a long list of potential partners that were recognized during a desktop study. The efforts and success from the ramp-up set the foundation for 2020 when the focus was still to establish new partnerships, but also to nurture existing ones and exceed the first sales targets. The year of 2021 is strategically set to be a scale up year for Channel Sales as the business is constantly expanding and new partnerships are established. The plans include adding more resources, developing standardized tools and processes to enable growth and to better manage function's operations. From general perspective the goal is to productize Sievo's partner program to add professional and commercial credibility and value where one aspect is to develop a more systematic approach for on-boarding new partners which is a top priority for 2021. (Sievo, 2021d.)

2.3 Current partner on-boarding

Developing a new and more systematic approach to partner on-boarding is one of the activities listed on the Channel Sales function's strategic roadmap for the year of 2021 and acts as a main driver for this thesis assignment. The current way of on-boarding new partners into Sievo's partner program is done mostly on ad hoc basis and on the go based on the specific partner's needs and readiness. New partners are on-boarded without consistent, structured process while no proper documentation of the process exists. Usually after the establishment of the partnership and mutually setting the common goals, the next steps in on-boarding are defined based on the ongoing and previous discussions and what they need to know and learn to get where they need to be to execute the partnership. Also, in most cases the initiation for developing a partnership relationship in a first place is driven by a potential client case, -project, or participation in a prospect's buying process, which can largely define the timeline and activities for the on-boarding.

The basic information materials are usually shared in the beginning of the on-boarding process and training sessions are organized when needed based on the partner's readiness and knowledge about the company and products. There is also separate demo environment set up for partners which enables them to use, learn and feel Sievo's product and play around with different use cases on their own time helping them to understand the product better. From the demo environment, there is also a possibility to access more high-level product related materials for more information. As Sievo's products are relatively complex and technical, in the case of referral partners, it usually requires a lot of time and investment to train the partner to be able to sell Sievo. However, this is taken into consideration during the first customer cases by Sievo being more active during the process and doing most of the selling work related to Sievo's products and services.

Even though there is a current way for on-boarding newly established partners into Sievo's partner program, there is room for improvement in terms of standardization and documentation. The desire of having an on-boarding process to be standardized comes

from the desire of developing more systematic approach and consistent way of on-boarding new partners. As the partner program is expanding year by year, it should be taken into consideration as the process should be scalable and responsive to enable higher volumes of new partners to ensure high quality of partnership enablement. The aim is that after completing the on-boarding every partner would have the required knowledge and understanding of what the value is that they can bring and what is the value Sievo can bring into the relationship to bring maximal value to the common end customers. Result would be to create a relationship which is mutually beneficial, productive, and sustainable where the on-boarding process would act as a guided road in succeeding this goal.

3 Literature Review

This chapter will present the theoretical framework as a base required for conducting a successful empirical research and ultimately building an effective and scalable process for the case company. The theoretical framework covers areas related to the partnering on-boarding process for the reader to develop a better understanding of the area being examined including the special characteristics and requirements of the SaaS business area.

This chapter is divided into three subchapters which each will provide a certain angle to the subject ultimately combining into a holistic view of this area. The first subchapter narrates the business criticality of the channel's sales function in expanding in the SaaS business area. The second subchapter presents the purpose of on-boarding new partners and elements which are required to be taken into consideration. The final subchapter evaluates the process of creating an on-boarding partnering process discussing the elements while presenting the chosen strategy; the benchmarking wheel which will be utilized in the empirical part of the thesis.

3.1 Expanding SaaS business through channel sales

A software company is described as a company providing a solution and service in which software is acting as the main component regardless of whether it is tied with hardware, delivered as everlasting, paid beforehand, licensed, or delivered to the customer through internet browser or an application (Bech, 2015, p. 20). According to Forbes (2020) the software industry changes every day and cloud-centric companies are required to have the ability to change rapidly, tune and update the functionality of their software to stay competitive. This trend will continue to rise and technology skills through hiring the correct expertise will become even more crucial. The ability to understand both structured and unstructured data and having the correct approach to analyze it is a skill companies need to seek when hiring although the article by Forbes (2020) sees that currently there are not enough expertise in this area and companies are facing

shortage culminating to the fact that companies will come up short on their promises of “data-everywhere” today.

Software as a service has been the fastest growing business area since 2019 and businesses are growing to be more reliant on these cloud technologies as they have spent fifty per cent more on them compared than they did two years ago. SaaS companies use software to provide its customers with a service and the companies create, develop, host and update the product themselves. The benefit of these companies is that they can scale without increasing product delivery costs because the companies have direct access to an unlimited global market. (Coleman, 2021). A SaaS product is considered as a standardized software product which is operated by the software provider and the product is delivered to the customer through standardized internet protocols typically through web browsers as the user interface (Tyrväinen & Selin, 2011, p. 3).

Technological steps forward have occurred during the last few decades and these have helped for example Finance to manage better their budgets, Human Resources to manage employees, Information Technology to manage their data yet historically technology for Sales has been built for the leaders, not for the frontline salesperson and thereby creating more work through admin tasks taking them away from focusing on selling. Advancements in Sales technology have historically been ineffective and there has been issues in the adoption. This has caused the value propositions of the software being sold become compromised due to imperfect or neglected data. Technology offers a great opportunity for companies operating in this area and the solution is to approach the data in a correct way by enabling two opportunities: to sell faster and to sell better. (Roberge, 2015, p. 164)

“Companies should strive to adopt sales technology that enables better buying for customers and faster selling for salespeople” (Roberge, 2015, p. 164).

To better understand the difference between on-premises and SaaS solutions the below chart from the article made by The Software Report in 2017, demonstrated by narrating that having a SaaS solution the workload is given for others outside the company to

manage through a certain fee while releasing the resources of the company to focus on their core competencies.

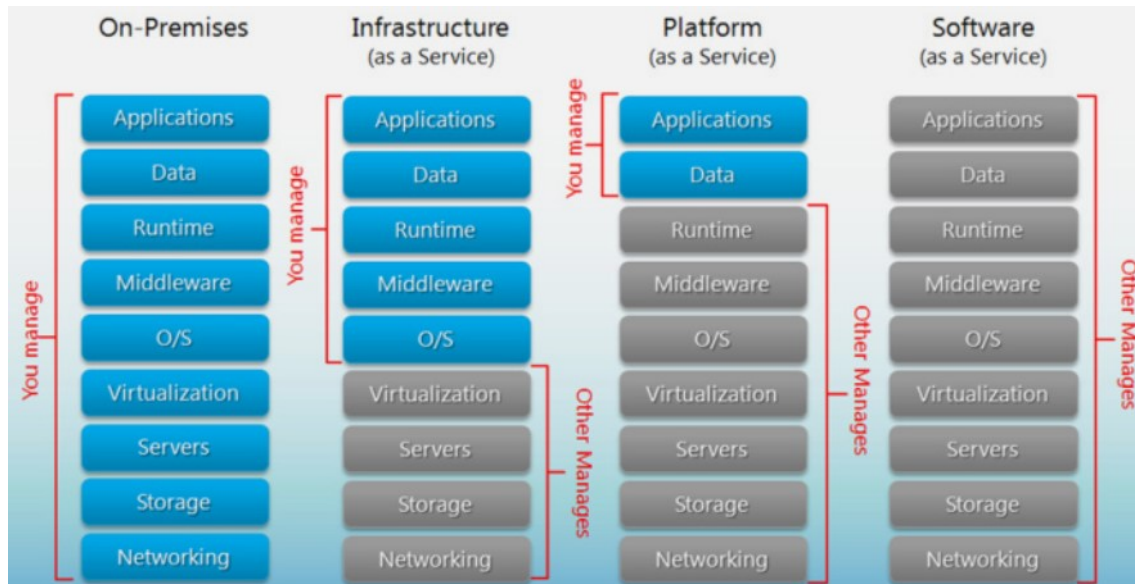


Figure 3. SaaS model versus on premises (The Software Report, 2017).

SaaS product is a software product typically hosted through a central provider and offered to end users through internet. Users can access the software directly without in some cases having the need of any installations or uploads and the central provider will manage and update the software based on the user needs. Depending on the business area where the SaaS product will be sold to (B2B or B2C) determines the SaaS product type. B2B SaaS refers to companies which focus on customer needs and sell their software for other businesses as a service such as HubSpot, Google, Salesforce, and Asana whereas B2C SaaS companies focus on personal use of products targeted for individual people. An example of B2C SaaS product is related to for example entertainment, personal finance or whatever the need an individual person would have in which they would need a software for. LinkedIn Premium and Tinder dating software are examples of B2C SaaS products. B2B SaaS products aid businesses in running their operations more efficiently or they even automate internal functions. These products might be extremely crucial for businesses to operate as these products optimize for example marketing,

sales and customer service removing the in-house resources and allowing them to focus on their core competencies. (Coleman, 2021)

SaaS businesses are built through three different phases which are setup, growth, and stabilization. In the setup phase the foundation is created meaning that the need for the product is discovered, developed, target market identified, and the product created. In the second phase when the products have reached the market SaaS companies should experience the need for growth. They need to react rapidly to growing demand and build marketing, sales and customer service teams to secure a loyal customer base. The third phase is stabilization which means that the company does not have to take on more overhead costs but rather keep reaching new customers with added benefit due to re-investments in customer service and for example marketing automation and thereby creating an effective customer experience. (Coleman, 2021)

Software as a service is a delivery format of cloud-based SaaS. This kind of software being free of charge for its users is not an opinion but rather a consequence of market dynamics. In a business with loads of competition the price will migrate towards the marginal production cost. Adding extra users or producing an additional copy of the software is having a marginal cost close to zero which is why the key principle in SaaS business models that the software is provided for customers for free but the services or extensions around the products come at cost. To be able to charge for a software product a SaaS company needs to differentiate in functionality and segmentation, create customer preferences and provide constant marketing communication. So far, the SaaS business model has operated well in the software industry, but it needs to be recognized that the dynamics are in a constant change. (Bech, 2015, p. 115)

The revenue model for a SaaS software describes how a company collects revenues from its customers and several different models or combinations can be used. The most common revenue models are software renting and pay-per-use which can be provided by SaaS on top of the traditional software licensing (Ojala, 2012, p. 2). Tyrväinen and Selin (2011, p. 3) combined the criteria for compliance of a SaaS product as follows:

1. Software is used with a Web browser or other thin client making use of standard internet protocol.
2. A standardized software product is provided with no customization.
3. There is no need to install software to the customer site.
4. Deployment requires no major integration or installation.
5. Customers pay for use of the software rather than licenses.
6. The same multitenant installation is provided for several customers.

The pay-per-use model charges the user based on the usage of the software meaning that usually there is a fixed price and above that the customer will be charged for the usage of various units of the software. This can be calculated for example by the time the software has been running or the number of transactions handled. The pay-per-used model favors smaller customers who do not necessarily have the resources to purchase a traditional software license. The biggest disadvantage in this revenue model is that as the switching costs are low for the end customers and no long-term contracts are usually made consumers are easily able to switch for another service provider if alternative options are available with a lower price. (Ojala, 2012, p. 2-3). From the customer perspective this pay-per-use model makes the adoption and use of SaaS attractive by offering low entry cost and pay-as-you-go pricing (Tyrväinen & Selin, 2011, p. 3).

In the software rental revenue model, the customer pays a certain subscription fee to use the software for a certain limited period. This model is more flexible for the SaaS vendor as the price is determined based on the agreement length, the number of users or the size of the customer and thereby the software can be offered more cheaply to smaller customers compared to larger corporations. This revenue model is also simpler to apply as it does not require any follow up measuring of the actual use of the software. This revenue model offers more possibilities in price negotiations and variations in the terms of use but also there are no hidden costs. The biggest difference in this rental model compared to pay-per-use is that the customer will pay whether they use the software or not. (Ojala, 2012, p. 3-4)

In the most traditional software revenue model, the software is sold as licensed as a package or server-based depending on whether the license is bought for a single user or for a certain number of processors operating the software. The advantage for the SaaS provider in this model is the high license fee but a disadvantage might be the misuse of the license or even direct software piracy. For customers, this model offers benefits if the software is needed for a long period of time and is used daily as a core operation and in these cases software licensing is the best model. The disadvantage from a customer point of view is the possible hidden costs related to for example maintenance fees, installation, or configurations. (Ojala, 2012, p. 5)

Channel sales

The greatest challenge in selling is that you only have certain hours a day to sell. To scale revenue companies can hire more sales personnel, purchase various tools to improve the efficiency or even remove all factors distracting the selling itself which all are obvious solutions yet not the only ones. All these actions come with a cost and thereby influences the profit margin as recruiting and hiring are expensive activities. The solution is to change the strategy and start utilizing the channel sales model. (Frost, 2020). Channel sales represents already 75 per cent of the world's commerce. In this model companies sell through intermediaries and this business model is also referred as indirect selling as the company is not directly connected to the end customer (Salesforce, 2021). Selling through sales channels is a very cost-effective way to enter new market areas by saving costs of maintaining a local operation (Kirov, 2021).

The book by Lawrence Friedman and Tim Furey (1999, p. 1-3) already in the late nineties gives an example of this subject by presenting three companies who are operating in different business areas: selling computers, operating in the retail banking area and discount brokering, yet all these three companies are utilizing the channels sales model. What these three companies all have in common is that their products do not differentiate a lot from their competitors. The product itself is not the area they are competing and differentiating in but rather in how they go the market with their products. All these three companies are generating high revenue and market share growth simply by

creating a more attractive path for customers to do more business through convenient sales channels. The key to success discovered already years ago is clearly that it is more important on how you sell rather than what you are selling.

The sales channel model aims to sell through indirect sales channels through partner companies such as affiliated companies who get a reward for each completed sales transaction, resellers, value-adding providers who compound your product with their own or some other companies who do not work directly with the area. Distributors, wholesalers, independent retailers, dealers, agents, and consultants are also an example of indirect sales channels. (Frost, 2020).

Channel partner ecosystem

To lead a successful software business you need to find, win, make, keep, and grow satisfied customers and to grow this kind of business the key is in scaling and enhancing the productivity of these areas and how they are operated. To succeed in this the company can hire at regular intervals sales and support workforce but in this context when discussing about channels sales and channel partners; another means to succeed in this matter is to convince someone else do the work for you. This someone else refers to an independent channel partner who operates under their own name, at their own expense and at their own risk. (Bech, 2015, p. 21). To understand better the difference between direct sales and channels sales Salesforce (2021) has created a figure which is presented in figure 4.

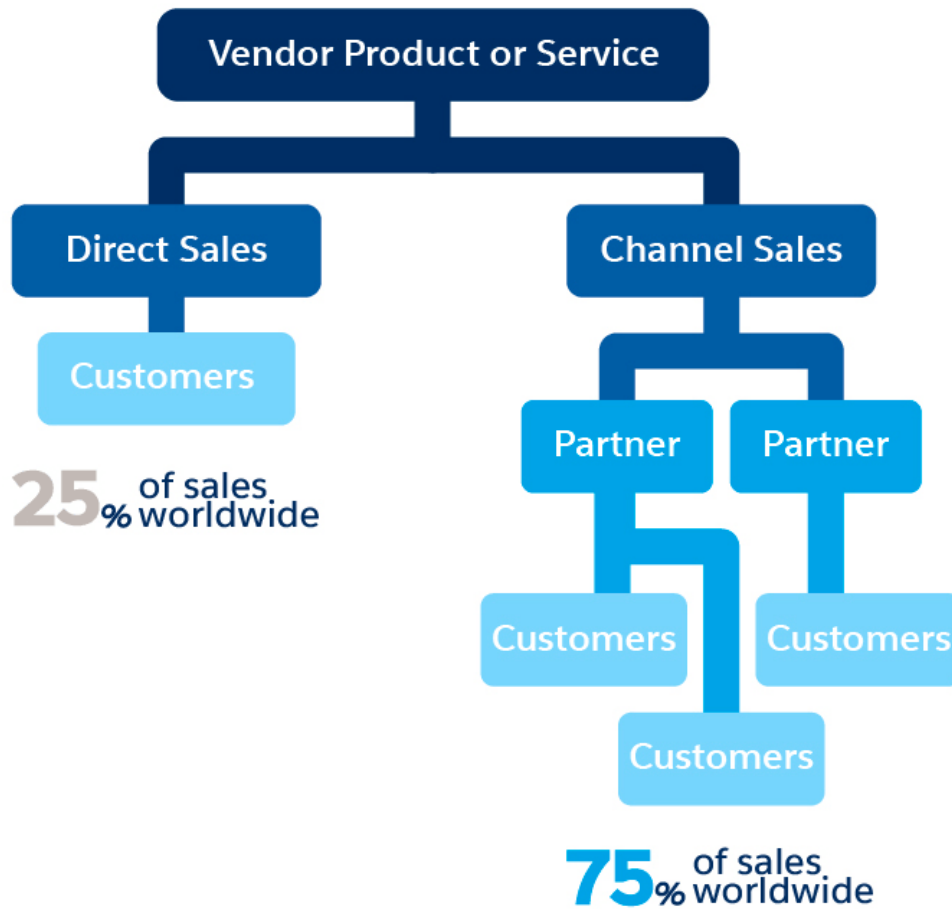


Figure 4. Channel Sales explained (Salesforce, 2021).

Direct sales means selling directly to the end customer whereas indirect selling (channels sales) uses intermediaries (Salesforce, 2021). In channel sales a third party is involved in the selling process and companies utilizing this model do not interact with the end consumer. Another difference is that profits made of sales need to be shared with the third party and typically this is the reason why large businesses make more profit on this sales model while smaller companies succeed with direct sales. (Kirov, 2021)

Companies usually utilize a mixture of both direct and direct sales as they might have customers who prefer buying through a certain channel or from the manufacturer directly (Salesforce, 2021). Finding the correct mix for the exact needs of a company depends entirely on the product or service they are selling. These both sales channels have different revenue streams such as the acquisition of new customers (new sales), selling

to existing customers with more of the same type of solutions (up-sell) or to cross-sell by selling different solutions to existing customers (Kirov 2021).

Table 1. Direct sales compared to channel sales (Kirov, 2021; Salesforce, 2021).

Direct sales		Channel sales	
+	Full control of the sales process	+	Low sales, marketing, and distribution cost
+	Direct line of feedback, no discounts	+	Effective scaling, bigger network
+	Little or no dependency on external parties for revenue generation	+	Low cost for expanding into new markets, built-in trust and amplified reach
-	High cost	-	Less control over the sales process and customer experience
-	Difficult to scale	-	Less predictable revenues
-	High barriers of entry for new markets	-	Partner discounts and potential conflicts

In direct sales the company has full control of the sales process and they can manage the entire pipeline without other companies interfering. When selling directly to customers you get direct feedback of the solution itself and thereby you can act rapidly and make changes. You do not need to share revenues with anyone and there is little or no dependency on other parties as you have total control of the sales process and its components. Using a direct sales model comes usually with high cost as developing and managing a sales team and all other administrative tasks are expensive. Also scaling up requires resources on recruitment, training and on-boarding of new personnel and entering an entirely new market is very expensive. (Kirov, 2021)

Major benefits in utilizing a channels sales model are low sales, low marketing costs and low distribution costs as the channel partner is usually recognized and trusted by customers while having a trustworthy brand and value offer. This gives companies an opportunity to reach new customers with very little costs as networks of local partners can help establishing presence in new regions and markets with low investments without

having the need to advertise locally, hire people to remote locations or manage new offices. The channel sales model allows also very effective scaling by adding more partners on-board. (Kirov, 2021). Channel sales provides advantage by offering the company a larger network, access to new markets, built-in trust by customers already knowing the partner, amplified reach through local actions, lower overhead without having the responsibility to pay salaries, health insurances, office spaces because the partners are not your employees and also this models gives a lot of customer satisfaction through a complete experience to better serve customer needs rather than just offering one single product. (Salesforce, 2021)

The disadvantage of the channel sales model is that companies have less control in the entire sales process and customer experience as depending on the model the company might not have any abilities to influence on the outcome of sales opportunities and the company does not have the control of interactions with customers. Also, revenues are more unpredictable as partner's might not share their full sales pipeline and the profits of sales made will always need to be shared with the partner. If a company is using both direct and indirect selling as a hybrid there might be conflicts with partners considering whether the company is competing against them or operating together, and this might cause issues. (Kirov, 2021; Salesforce, 2021)

The goal of having channel partners is that they can sell alongside a so-called partner-to-partner ecosystem. To create a functional ecosystem of partners a company must design an on-boarding process which is scalable and repeatable. This is done by developing a scorecard of a database of potential partners in detail for your current partners and score their level of influence and negotiating power with target customers. Subsequently a similar scorecard should be built on current partners to detect the level of compatibility between potential partners and current ones to find matches that score most high. Finally, allow the third party drive this relationship-building process while helping them by facilitating the pairing through for example a conference call or providing a structure of a simple partnership plan. These ecosystems rarely function effectively

by just operating spontaneously but rather require the process to be driven by a facilitator who owns a proactive approach and project management skills. By achieving to create a functioning partner-to-partner ecosystem it allows new revenue streams and can grow the partner experience with your company brand to new levels. (Brayda, 2020). The benefit of a partner ecosystem is that they provide a finite resource being approached by competition and your cooptation while impacting your buyer's journey at every single stage and providing tons of revenue. The partner ecosystem attracts more partner types into your channel model who can influence and maintain customers (Linkenhoker, 2021).

When to take the channel sales route

When considering whether the channel sales model is suitable for your company a few aspects need to be investigated. The company size and maturity determine whether the channels sales model brings worth to your operations. Small businesses can grow without investments in recruiting and training with the use of partners. Once a company has grown it can continue working with the partners or take their own sales representatives on board. The maturity of the product or solution the company is offering also determines the need for partners. It is more beneficial to sell directly to consumers in the early stages of the solution to get direct feedback and make rapid adjustments before scaling up and partnering. (Frost, 2021). If the company has complex selling situations and only a few deals made a year the channel sales approach will not be a feasible option in extending the market reach as the advantages of economics of scale do not apply after long learning curves for new partners when having a low number of sales deals (Bach, 2015).

Before utilizing sales partners, the company must understand themselves how the product is sold most profitably. The sales process maturity including for example buying triggers and lead times for average deals need to be clear before considering a possible partner relationship. The more complex and long sales cycle the company has for its solution the harder it is for partners to resell it. For an effective partner relationship, the

process should be short, simple, and straightforward. If a company has offices spread around various locations, it makes sense to remove multiple sales teams from each location and start utilizing the channel sales model. Building up a partner channel system and get it running efficiently requires time and money which is why for example Firas Raouf (an expert in early-stage B2B tech companies) in his LinkedIn recommends that a company should first build at least twenty million revenue in dollars before launching a partner sales program. (Frost, 2021)

There are three different ways on how to structure the partnership with your sales channels. Firstly, you can sell together with your partner if both of your products improve each other there by adding value for the customer. The second option is to sell through your partner if the partner is for example already selling similar products to yours or thirdly, make your partner sell for you by incorporating your product into theirs. Depending on the need a company typically utilizes several of these methods simultaneously. (Frost, 2020)

To understand throughout how to start utilizing the channels sales model a strategy should be created and aligned with the company's overall strategy. You should outline clearly what the partner program offers to partners by giving a purpose on how both will benefit from this alliance. This statement should be included for example on the public landing page of the company. Goals for partnering needs to be defined including joint expectations, outlined activities and expected results for all partners, defined target markets and solution offerings, rules for engagement and finally, key performance indicators to track performance need to be created. Based on the goals set you are capable to better understand what kind of partners are required. After a strategy has been created the model should be implemented through finding the correct partners, investing in training, creating clear guidelines, nurturing partner growth and relationships. (Salesforce, 2021). The next chapter will focus on finding the correct partners for your business and how to successfully do the on-boarding.

3.2 Purpose of partner on-boarding

According to Oxford Languages (2021) on-boarding is defined as: *“The action or process of integrating a new employee into an organization or familiarizing a new customer or client with one's products or services.”* As companies, their processes and working tasks have become more and more complex a need for a starting point for new employees, people and partners has risen. With the experimentation of various practices, it was found out that onboarding plays an enormous role in the effective job performance. On-boarding is a process through which new employees or partners are engaged in the company's culture, products, solutions and with their role. The objective of on-boarding is to make new hires productive fast in the least possible time. (Dávila & Ramírez, 2018, p. 8-9)

Engaged and successful partners do not appear out of nowhere but rather begins with a comprehensive on-boarding process. The process should be more than just filling out forms and listening to a short sales speech. Partner on-boarding should be part of the company strategy and by developing a structured approach can improve overall satisfaction and retention of new hires but also overall revenues for the company. (Krasman, 2015, p. 9-10)

Channel partner program

When building an effective indirect channel, it requires the development of three different frameworks which are: an ideal partner profile, a channel partner agreement, and a channel partner program (Bech, 2015, p. 49) and in this thesis the focus will only be in the latter one.

The goal of a channel partner program is to support the company's relationship with its channel partners in every stage required. The program should be motivating enough to lure potential partners to communicate with the company in the first place concluding into the promise of including the company's product or solution into their customer value proposition. The program needs to provide enough motivation for the partner to

invest in their ramp-up phase when overcoming the learning curve and lack of customer references. Finally, the program needs management and growth meaning that it needs to provide motivation factors for the partners to keep on increasing their business. (Bech, 2015, p. 51-52). The Channel Co (2017) has put these activities under three phases in new partner development and the figure below is adapted from their presentation.



Figure 5. Phases in New Partner Development (The Channel Co, 2017).

The objective of the channel partner program is to deliver as many of the services as possible in formats, such as utilizing technology, which have the lowest marginal cost. In other words, the channel partner program is not meant to be a profit or loss center but rather a platform in which the company delivers high value which the channel partners need to pay to receive and then find ways to deliver this value in a cost-effective manner. (Bech, 2015, p. 52-53)

Recruiting means bringing the partners to the table and onboarding the activity required to make the partners make revenue with your company. Recruiting a partner is fairly an easy task but the difficulty kicks in when trying to make the partners productive and this phase requires time, effort, and learning. Time is required when recruiting the correct partners but also when ramping them up for success. (Beker, 2018; Thoughtway, 2017)

To conquer the obstacles after the recruitment phase companies should invest in a repeatable and effective way to identify only high-potential partners and develop and manage only those to make the most out of their potential (Thoughtway, 2017). Recruiting and onboarding play the most important role in the whole partner lifecycle and how

these two areas are managed will have a direct impact on the success of the entire program (The Channel Co, 2017). The on-boarding phase steps in directly after the recruitment has been operated and the figure 6 below demonstrates the entire partner lifecycle management process.

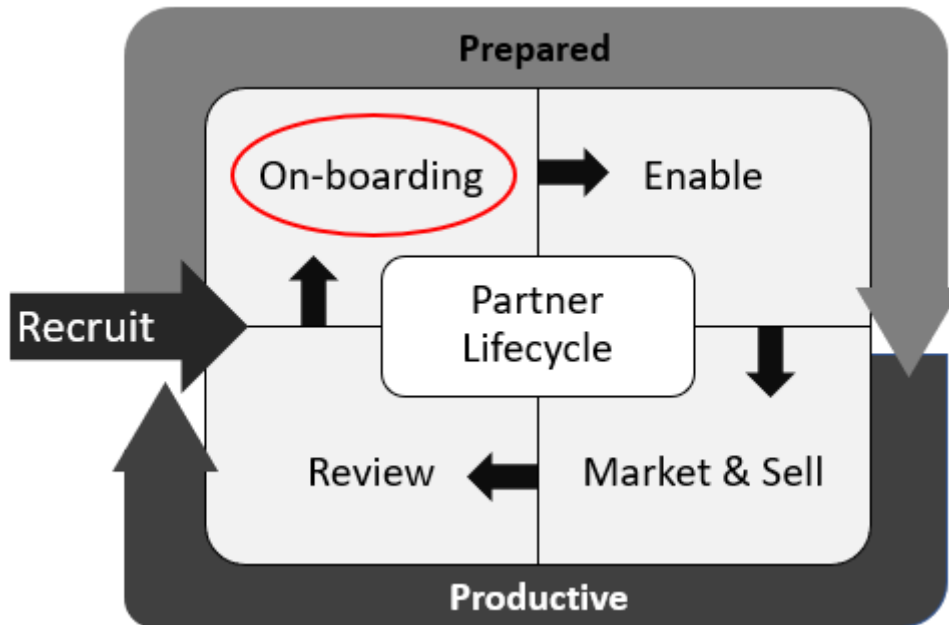


Figure 6. Channel partner lifecycle management adapted from (Thoughtway, 2017).

The partner lifecycle process helps in building sustainable revenue streams, integrating the partner with the partner program and sales, provides efficient utilization of resources and tools, defines the roles clearly and most of all, is scalable and adaptable for different kinds of partners and their unique business requirements (Thoughtway, 2017).

On-boarding of new channel partners

According to The Channel Company (2017) millions are wasted in recruiting partners who never become productive. In most cases when a partner has been recruited and entered the program it is entirely on the Channel Manager's responsibility to make the partner productive. The first ninety days of the relationship between the company and the partner is the most critical and it most likely determines whether the partner will ever become productive. It has been detected that even the most effective partners might require full and intensive support for a one full year before they become

productive. Thereby it is crucial that if the sales cycles of the company are longer than this ninety day the company should give intense focus on support and measure activities that lead to revenue. (Baker, 2018)

When onboarding new partners, it should be taken into consideration that the new partners may not have any industry experience meaning they do not necessarily understand the product or solution inside out and thereby have complete understanding of how to target it effectively for different regions, industries, or buyer personas. This is the main reason why partner onboarding is so important as it provides the partners an impression of the business you are doing and gives motivation of how easy and profitable it would be to work together. The reason why onboarding is such an effective phase and investment in the channel partner program is that it pays off not only in future sales but also it creates long-term relationships with the partners. (Salesforce, 2021)

When onboarding you should guide the partners through a step-by-step process rather than waiting for the partners to ask for materials or training. The purpose of the process is to ramp-up the partners quickly by offering specific training and sales information about the product. The partner experience needs to be personalized by each partner to give them relevant content and recommendations. If the partner has plans to sell only one specific product, they should not be distracted by offering various other specs of products which are not suitable for that partner. Each partner should be treated individually which is why the whole on-boarding process should be created as general but feasible to be scaled and utilized for different kinds of partners. (Salesforce, 2021)

Sign-up process and characteristics

After recruiting a partner, the sign-up process is considered as the “mission critical” and it should be simple and effective enough. A simple checklist helps to ensure that any details are not forgotten, and you should always help the partner filling in the paperwork no matter how much or less there is. Authorize the process by describing who is involved, what steps will be taken and overall, for how long each stage will take and remember to keep the partner up to date of the progress throughout the process. Finally, you should never forget to follow up without immediate actions. Having compelling reasons for

partners to join the channel is not enough if no concrete actions are made to specify what you as a company will do, when, why and what is in it for the partner. (The Channel Co, 2017)

Once a potential channel partner has been recruited and signed up you need to commit to on-board the partner into your program which includes important series of steps. Full on-boarding until the partner is fully proficient and successful requires time and support. This period could range from a year to one and a half depending on the product and program and as mentioned earlier, the first ninety days are critical. (The Channel Co, 2017)

According to Salesforce (2021) at least four different aspects should be taken into consideration when considering how to give proper support for the partner:

1. Instant access to resources
2. Offer omni-channel support and peer groups
3. Offer market development funds
4. Provide prepackaged campaigns

It is not enough to only provide common on-boarding materials as the partners also require exact and just-in-time information to help them handle specific customer issues. Thereby it is important to provide the availability to resources such as product specifications, marketing materials or pitch decks to avoid back-and-forth inquiries and in that manner empower the partner productivity. (Salesforce, 2021). Useful information should be centralized preferably in digital location to avoid partners to spend time searching for it. The location can be for example an internal web page or similar which is easily accessed by incoming partners. (Krasman, 2015, p. 11)

The second important step is to ensure the partners have an opportunity to ask immediately once support is required through for example a chat, email or phone. Peer groups are an effective way of providing scalable support which is accessible 24 hours a day. Peer groups can be created for example through a B2B social media community in which

all partners would be able to share their best practices and success stories, ask questions from each other and overall, learn from each other. (Salesforce, 2021)

The third support aspect is to offer funds for partners to help in executing marketing initiatives and to achieve future sales. Some companies want to determine how the funds are used while others want to give their partners freedom to spend is how they wish. (Salesforce, 2021)

The fourth support aspect is to provide prepackaged campaigns to make it easier for the partners to market your product. As some partners might not have any marketing departments or resources in campaign building it is useful to offer readymade brandable content and other prebuilt materials. In this way partners will have materials which are aligned with your brand guidelines but also the material is assuredly professional and corresponds to the offering. (Salesforce, 2021)

An effective on-boarding process is strategic, comprehensive, consistent, and measured. On-boarding should be considered as a strategic resource for the company rather than acting as an additional task on the to-do-list as an effective on-boarding process serves as a highly potential platform for organizational growth. On-boarding should not be confused as a one-time event but rather considered as an investment to create a journey for satisfied partners to become productive. The more you invest in on-boarding the bigger the returns are for your company. Consistency should be applied in every phase and in every new recruitment throughout the process to ensure benefits (Krasman, 2015, p. 10)

It is important to be able to track the partners progress in the on-boarding over time (Salesforce, 2021) as just as any other critical process the whole process should be monitored, evaluated, and measured frequently to detect development areas once they occur and aim for constant improvement. Partner feedback and quantitative development measures are means increase success. (Krasman, 2015, p. 10-11). Measuring provides

the information to know how the partners are doing so be able to make improved decisions to the business.

According to the article written by Jon Aleckson (2020) keeping partners engaged in the on-boarding is more effective when you as a company check their learning and show the partners their progress for example through digital badges, certificates or some other types of credentials depending on the width of their achievement. Assessing the partners on a regular basis as part of the lessons you are providing for them when on-boarding can be extremely motivating for the partner. You need to make sure that the partners being on-boarded know where they are in a series of activities and how much further they would need to go and learn to achieve something concrete. One innovative idea is to add gamification into on-boarding to include game-like mechanisms for example through sharing points for every completion of certain steps or “leaderboards” to motivate the partners to continue their training to reach further levels of achievement. One important factor to add is that you need to maintain the partners on a correct path by for example gating the learning so that they will need to first finish certain set of activities before proceeding to the next ones. (Aleckson, 2020)

To maintain the partners’ interest in on-boarding an obvious and motivating way is to include certificates or badges for completing certain steps or for example financial incentives or simply even smaller giveaways such as brand logoed products. In the world today, people love to show what they have learned, and certifications and digital badges help them do that. Yet it needs to be understood that different forms of recognitions require a different level of commitment from the company providing it. People want to recognize that what they have learned is an achievement, not something anyone could just do easily. (Aleckson, 2020). Certifying channel partners is an important phase in the partner management process because it generates greater revenue for the solution being sold. The certification process aids companies to identify what kind of additional training is required but also the process helps prioritizing the effort given between different channel partners. (Ganapathy 2016)

According to Aleckson (2020) There are three different forms of certifications. The first one is the quick achievement which for example consists of a course including a low-level of assessment. This could include videos, reading, quizzes to ensure a partner learns the basics and generate the knowledge to sell a certain product. This quick assessment could be rewarded through a digital certificate or a badge. The second could be an exclusive credential such as a title to prove a higher level of commitment to learning and this level requires even more hands-on proof of learning. This achievement can also come with a certificate, digital badge or simply the right to use a title such as “xxx” Professional. The final form is the top level in which the products are usually complex and risks high which is why you want to make sure the channel partner will not operate wrongly, put a customer in danger or break something. This level requires the most assessment to prove competence and could involve professional testing companies to ensure statistically valid question sets and prevent cheating. Ganapathy (2016) states that just like the onboarding process has several different stages there are also different levels of certifications for individual sales representatives which are:

- Level 1 – For partners who are responsible for lead generation
- Level 2 – For partners who are also responsible for conducting demos
- Level 3 – For partners who are also responsible for closing the deal

The idea behind certifications is to motivate your partners to commit to continuous learning and to make sure they get the recognitions they deserve. Another way to recognize accomplishments is to segment your partners by giving rewards for their learning – commonly silver, gold or platinum. Depending on the segment the partner is in, they can get for example discounts on the vendors conferences, access to certain number of leads or other motivating incentives. (Aleckson, 2020)

Building a process

Building a partner on-boarding process provides the foundation for effective performance and accountability. The process should be simple, specific, and repeatable and to

success with it you should brand, teach, own and execute it consistently (The Channel Co, 2017).

On-boarding can be described as a process which builds upon itself over time. In the initial stages the company will use most of its resources in getting their partners enabled but over time this effort will decrease as later the partner will become independent enough to handle the work themselves. (The Channel Co, 2017). The below figure 7 presents a detailed example including the phases of the channel partner lifecycle management combined with concrete possible approaches for building a typical on-boarding structure.



Figure 7. Building an on-boarding and enablement plan (The Channel Co, 2017).

The on-boarding process is directly linked to revenue generation depending entirely on how fast you can instruct and train the partners, enable and ramp-up them and finally, how fast you are able to start selling together. The more effective process has been developed, the faster you are able to transfer the partner forward on on-boarding stream towards creating revenue. (Baker, 2018). Baker (2018) also lists below four important steps to be considered when starting to develop a successful on-boarding plan:

1. Document a mutual and shared plan in which the tasks are divided per time
2. Grow together by having your goals aligned with your partner and communicate and agree together on expectations to reach and even exceed them

3. Be specific about money and goals and explain how both sides will benefit from the partnership
4. “Do what you say and say what you do” meaning that as the vendor make sure that all tasks are documented, reviewed, and agreed with ownership and due dates to establish a trusted framework for the partnership.

The Channel Co (2017) lists below different sample check lists including tasks depending on the strategy a company is utilizing.

Check List – 30 Days (Fast Start Plan):

- Contracts
- Introductions: Channel Manager / Sales / Technical
- Order / Process Training
- Identify two Sales Reps and schedule training
- Identify two Sales Engineers / Implementation and schedule training
- Joint Meeting with Customer to schedule POC
- Identify Marketing Resources; contact interfaces
- MDF Plans
- Demo Kits on site; and schedule on-site engineer to install, implement and train

Check List – 90 Days (Engagement Plan):

- Build business plan with CM
- Executive governance and alignment
- Complete training; both sales and technical
- Complete marketing plan with seed money
- Partner Ready On-Demand Marketing Tool Kits
- Complete Initial Customer POCs with WINS
- Partner identifies four potential customers
- Face-to-Face Co-Sell
- Schedule POC

Check List – 180 Days (Acceleration plan):

- Published Customer References / Press Release
- Execute two “Vendor prime--Partner sub” implementation opportunities
- 6-month review
- On-boarding & Enablement Plan review
- Establish 90 Day Goals
- Prepare to move to full Business Plan at 12 months

- Identify additional resources to support growth in implementation requirements

3.3 Process of creating a process

There are as many definitions for a process as there are processes but simply it is the way to get things done (Jeston & Nelis, 2014, p. 5). According to John Long (2014, p. 39) a process is defined as an organized collection of tasks which together accomplish a specific objective and the tasks are organized in activities and sequenced into workflows. The tasks are carried out by defined roles which will convert the inputs into outputs and a process usually defines the procedures and policies as needed. A process can apply to a variety of things all the way from managing an entire Sales organization to small things such as how to install a program on your computer. In general, a process is anything which includes a workflow, and a process might itself include processes. A process decomposes of activities which are composed of tasks which are completed by following certain procedures. (Long, 2014, p. 46-47).

Standardizing

Standardizing means the activities to establish and record a limited set of solutions to actual or potential problems directed at the benefits of a company involved who is trying to balance their needs and is expecting for the solutions to be repeatedly and continuously utilized during a certain period by a significant number of stakeholders (Münstermann & Weitzel, 2008, p. 4). Cambridge Dictionaries Online defines standardization as *“the process of making things of the same type have the same basic features”* while as International Organization for Standardization (ISO) defines standardization as *“A document that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose”*. As earlier discussed of the abundant number of different definitions for a process the same applies for defining standardization, yet all available definitions signify a similar approach but with different emphases.

Standardizing a process provides business benefits and profits but also technical interchangeability, compliance with regulations and improved customer confidence. Standardizing a process provides value for the business from many angles. Standardizing improves the process performance by reduced end to end time, reduced process costs, improved process quality and increased performance measurability. It also enhances the readiness to outsourcing business processes, the readiness to merge with or buy other companies but also gives better standby to react to external changes and trends by increased flexibility. With standardized processes companies are better able to respond and react to regulatory changes. Customer satisfaction and process quality will also improve as the probability for potential process mistakes lowers relative to the level of standardization. (Münstermann et al., 2008, p. 6)

Even though there are cases in which a lot of time and resources are focused on standardizing processes, yet they might turn out ineffective. Sometimes if people or partners are forced to obey standardized methods without any explanation about the reasons behind it a sense of responsibility might decrease. Humans should not be considered as machines or robots who carry our operations without narrating the reasons why they should be doing it. Standardization has in many cases been criticized as having a negative impact on the innovative aspect of the company. (Kondo, 2000, p. 7). No matter how sophisticated or automatized a process is developed it is ultimately humans who use it to do their jobs. To develop a strong desire for people to achieve their working tasks it should be clearly narrated how they can best achieve it, and this requires two areas: 1) you need to clearly indicate the aim of the work and 2) you need to provide as much of freedom as possible in the methods and ways of how to do the work required. According to research standardization also conflicts with motivation as it restricts the creativity and ingenuity of people who are associated with the process. The more freedom people are given to operate their tasks the greater sense of responsibility and creativity they display. (Kondo, 2000, p. 8)

Scalability

According to Joe Peters (2020) *“Scalability implies that your processes will not only support exponential growth but also perform consistently regardless of the rate or scale of growth”*. A scalable process refers to a process which is solid enough to enable the company to perform efficiently even if new partners are taken along the on-boarding process. An effectively scaled process runs smoothly no matter if the partner is a larger or smaller operator than previously on-boarded partners. A well created scalable process applies to all situations and is prepared with a solution to potential challenges beforehand. (Peters, 2020). The creation of a scalable process requires that the following steps presented by Brian Faust from Rindle, a company creating powerful workflow automations for companies (2019), are ensured:

1. Understand the current process in place
2. Identifying their success gaps
3. Automating the processes as much as possible
4. Iterating on the process

Firstly, whether you already have an existing process or an outline of a process the smallest details should be noted to understand what steps are required to accomplish the desired outcome. Orientate deeply in the tools and technologies to understand how and when they are influenced and document everything to recap where you came from. Identifying success gaps is an essential part of creating a scalable process as otherwise efficiencies in areas such as time, cost and resources will potentially decrease. Thirdly, leveraging automation in your process is an effective means of creating a truly scalable process. The best processes require minimum work from people and instead allowing them to focus on getting the work done rather than having to stress about the process itself. Automating a process or parts of it can at its best eliminate unnecessary steps from people to be operated through automation. Finally, create a culture to support iteration of the existing processes to help overcoming the gaps with rapid identification fixed with innovative improvements. (Faust, 2019)

Business process management (BPM) is an organizational principle focusing on how a company creates, modifies, and analyses their predictable processes which create the core of its business. In BPM a company takes a step backwards and analyzes the current state of its operations and processes, recognizes improvement areas and aims to develop a more efficient organization. BPM is often considered as an iceberg in which companies, partners and people only see what is above the water and this depends entirely on the viewer's perception: a vendor sees technology, a process analyst sees a process, business management sees the quick profit opportunities and cost reductions and for example project managers sees the project deliverables and competition of tasks. Mostly BPM activities focus only on training and one-way communication to make people able to use the new processes yet change management is an important field which allows making the people want to use the new processes themselves and this requires early, frequent, and interactive two-way engagement. (Jeston & Nelis, 2014, p. 15, 18)

Process of creating a process

When starting to model a process it is important to define certain features in the project to understand in a clear way what needs to be changed as a result and what is the goal for the changes. These features are purpose, scope, depth, and degree of automation. The purpose of the project to create a process helps to understand how to conduct the project. It gives answers on understanding how the business operates currently and narrates the efficiencies in the already existing processes but also helps in strategic planning. A scope provides boundaries around the process building and it is important to determine whether you are going to model the current state, the target state or both. (Long, 2014, p. 39). The following table 2 helps in determining the scope based on the purpose.

Table 2. Process Modeling Style (Long, 2014, p. 40).

Purpose	Current State	Target State
Understanding how the business currently works	Yes	
Bringing a sense of formality and repeatability to immature processes	Yes	Yes
Planning how a part of the business should work		Yes
Looking for efficiencies in existing processes	Yes	Yes
Designing the context in which a new IT system should work		Yes
Strategic planning		Yes

The depth of the project refers to the degree of detail that is required in the process. Process building usually starts with small amounts of details which later deepens once more of the process is understood and these can be added to the process by decomposing each workflow into smaller activities. The degree of automation refers to automation of processes which is usually required to include minimal number of human resources in the workflow. Automation reduces costs, risks, and variances in performance through reduction or even eliminating entirely human effort. Through effective automation bottlenecks can be removed and certain tasks can be performed with increased speed resulting in increased overall performance. (Long, 2014, p. 40-41)

According to Athuraliya (2021) documenting a process will help to improve the process, help to train the partners, helps to preserve company knowledge, helps to mitigate risks and operational consistency but also is an integral part of the company strategy. Athuraliya (2021) lists twelve steps on how to document a process including its visualization and testing:

Step 1: Identify the process, determine the purpose, and provide a brief description.

Step 2: Define the scope: what is included and what is not in the scope.

Step 3: Set the boundaries and define them well: where the process starts and ends.

Step 4: Identify the outputs: what result the process will achieve once completed.

Step 5: Identify the inputs: what resources are required to carry out each step.

Step 6: Brainstorm the process steps and gather precise data for each step.

Step 7: Organize the steps in a sequential order to create a process flow.

Step 8: Decide who is responsible for each process task and define their roles.

Step 9: Visualize the process through a process flowchart with steps identified earlier.

Step 10: Write down exceptions which might occur compared to the normal process flow.

Step 11: Identify possible risk points and add control points to aid in monitoring.

Step 12: Review and test the process to see if something is missing.

Benchmarking wheel

One model to use in creating a process is to benchmark a company who is successfully operating for example a certain process. Usually there is a temptation to rush through the planning phase directly to reach the “real benchmarking” such as visiting the company. According to research this rushing will ultimately lead to failure if no preparation has been done. (Rolstadås, 1995, p. 222). According to Bhutta and Huq (1999) “*the essence of benchmarking is the process of identifying the highest standards of excellence for products, services, or processes, and then making the improvements necessary to reach those standards – commonly called best practices*”. Benchmarking involves both quantitative and qualitative data and analysis in other words analyzing both performance levels but also how these levels are achieved. For benchmarking to be effective it requires total ownership of the data, both through development of the study and collection of the information. (Rolstadås, 1995, p. 241)

The benchmarking wheel presented in figure 8 is a process which can be used to create your own process through gathering information from other of what works, what does not and how they are successfully operating.



Figure 8. The benchmarking wheel (Rolstadås, 1995, p. 222).

The benchmarking wheel acts as a continuous process which according to Bhutta & Huq (1999) follows four steps according to the PDCA cycle of plan, do, check, and act while some other organizations might use even up to 33 different steps. The foundations for a successful benchmark study consist of planning, team formation, data collection, data analysis and action (Milosevic, Djuric, Filipovic & Ristic, 2013, p. 366). When considering the PDCA cycle by Bhutta & Huq (1999) the planning phase focuses on decision-making related to the selection of processes wanted to be benchmarked after which the do phase refers to a self-study to characterize the selected processes by documenting the business practices and metrics from the partner being benchmarked. In the check phase the findings are analyzed and compared to find either positive or negative gaps between the benchmarking company and the benchmarking partner. Finally, in the act phase the project is either launched to close negative gaps or to maintain positive gaps.

Whichever process a company decides to use when benchmarking, there are always three phases included. The first one consists of measuring critical performance variables such as cost, productivity, and quality. In the following phase it is determined that how the measured levels of performance are achieved. Finally, the learnt information is

utilized in the development and creation of a plan or process for your own needs. Regardless of the steps included in a benchmarking process all necessary components can be identified in one single process presented in figure 9. (Milosevic et al., 2013, p. 366)

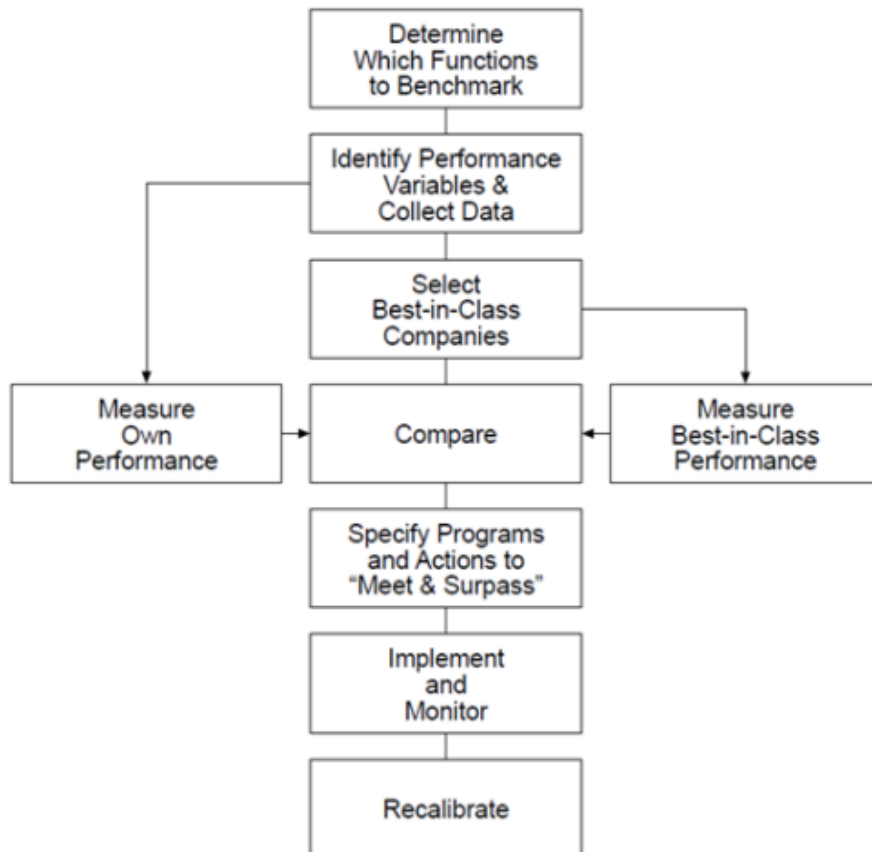


Figure 9. The Benchmarking Process (Milosevic et al., 2013).

Benchmarking needs to be considered as a continuous and a cyclical process which is a never-ending discovery and learning process which aims to discover, identify, and evaluate the best practices which can be integrated to the company's present activities to increase effectiveness, efficiency, and profitability. (Milosevic et al., 2013). There will always be new areas to benchmark, and the already benchmarked areas will be improved by other which is why it needs to be considered as a continuous process (Rolstadås, 1995, p. 241).

Once the initial steps are defined the process should be visualized and a well created workflow diagram provides a generous amount of information for its readers and helps in outlining the whole process. A process can be considered as an end-to-end workflow which consists of a series of activities that are owned by different stakeholders. (Long, 2014, p. 43, 46).

3.4 Theoretical framework of the study

This final chapter of the literature review combines all the information around the key areas of the research and summarizes how they are linked together. As presented in chapter 1.3 the keywords for this study are SaaS, Channel Sales, Channel partner and On-boarding process. These keywords operate as a funnel which will finally culminate to the partner lifecycle management and to on-boarding process indicating its importance to channel sales in SaaS business domain. This chapter will set the tone and theoretical foundation for methodology chapter.

The purpose of the theoretical framework is to firstly understand the business model of the case company and the software as a service business area in which the case company is operating in. Secondly, the goal is to investigate channels sales and channel partners and their roles and potential impacts on the growth of the SaaS business area to finally be able to understand how partner on-boarding is associated with them. Finally, these elements can be used to create an effective and scalable on-boarding process to contribute to the growth of the Channel Sales function in the case company.

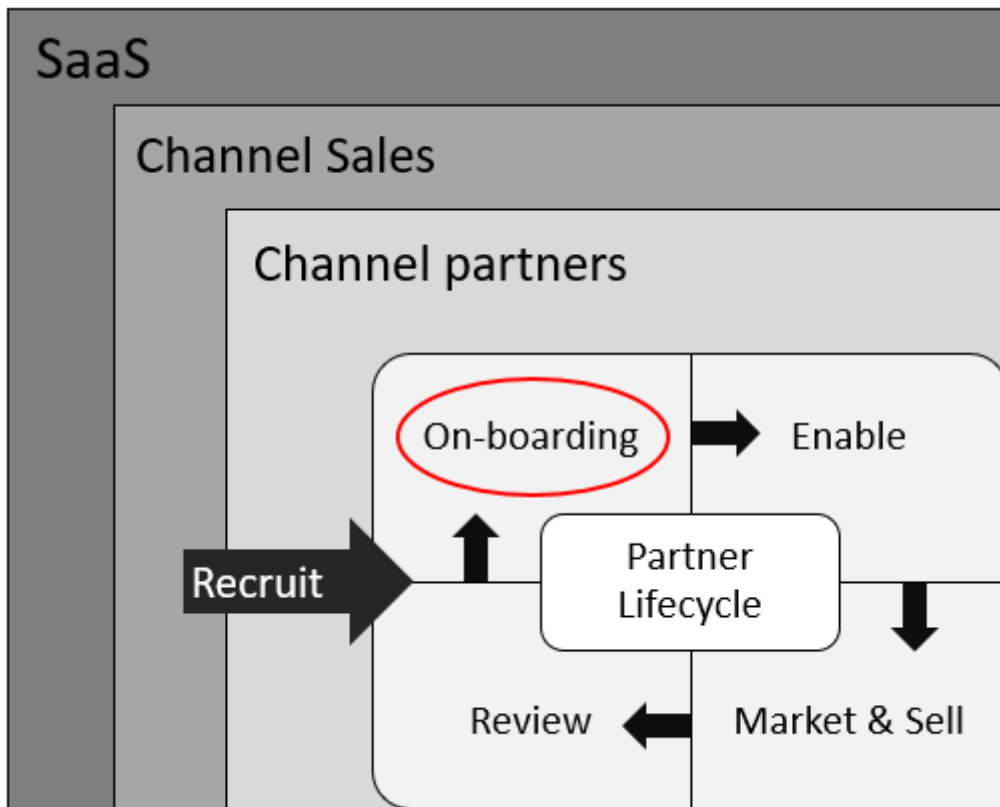


Figure 10. Summary of the Theoretical Framework.

Figure 10 presents the summary of the theoretical framework around the keywords. As circled in red, the on-boarding is area of interest in this research. On-boarding is critical phase in the partner lifecycle management as its success and effectiveness will have direct impact on how the other phases in the lifecycle actualize and perform. The partner lifecycle correlates the monetary outcome of the partnership that will multiply in the ecosystem, and if poorly managed the partner program will not fulfill its full potential showing direct effects on channel sales' performance as managing partner relationships is in its core business. These all will mirror to the performance of the SaaS business. For some businesses channel sales might be an additional channel to direct sales, but in some organizations, it may have strategic value and have an integral role of exceeding in sales targets and in company's growth. (Kirov, 2021). There interlinks between the key words point the significance of the partner on-boarding and how it will affect the performance of the company.

The figure 11 is compiled based on the information from the literature and illustrates which aspects should be considered when designing the on-boarding process's structure.

It should be defined in how many phases the process will be executed and how many steps should the process have. These phases and steps of should be all designed around the desired end goals of the process and include all the activities or tasks that are required to achieve these goals.

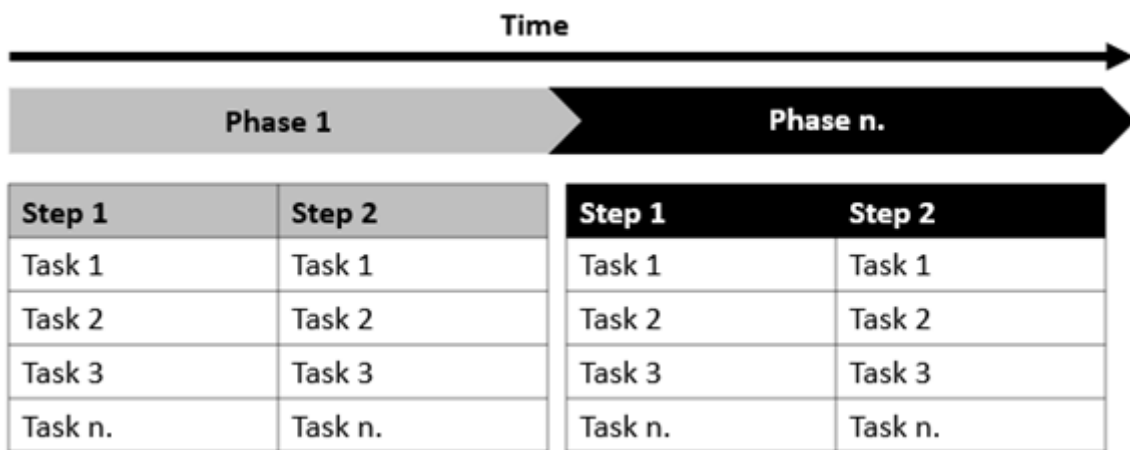


Figure 11. Example of process structure including steps and activities.

In addition to the process structure there are practicalities that must be resolved around the process such as how communication is managed during the process, how to give access to needed resources and materials, how and whether the partners' progress is followed up during the process and how the process itself should be measured. Standardizing improves the process performance by reduced end to end time, reduced process costs, improved process quality and increased performance measurability. Customer satisfaction and process quality will also improve as the probability for potential process mistakes lowers relative to the level of standardization. (Münstermann et al., 2008, p. 6). An effectively scaled process runs smoothly no matter if the partner is a larger or smaller operator than previously on-boarded partners. A well created scalable process applies to all situations and is prepared with a solution to potential challenges beforehand. (Peters, 2020)

4 Research Methodology

While the first chapter of this thesis presents the research question, research objectives and limitations this chapter will offer a deeper description on how the empirical part was conducted. In this chapter firstly, the research approach and data collection methods applied in this thesis are presented.

The research objectives for this thesis were to understand the SaaS business area and to identify the characteristics of a partner on-boarding process and based on the findings to be able to design a standardized and a scalable partner on-boarding process. The findings of the empirical study will be presented and analyzed. Finally, the chapter will conclude on presenting how this research was prepared for the reliability and validity of the results presented.

4.1 Research approach and strategy

With all the background information given on the case company and the literature review presented on the subject it is relevant to elaborate how the case company can improve its current on-boarding process to the needs required for a scalable and structured way of operating to increase the efficiency of the whole process of on-boarding new partners. A qualitative research method was chosen to conduct this study as it focuses on gathering non-numeric data and it offers a way to understand the subject area thoroughly while helping to discover insights through benchmarking other companies. (Kananen, 2017, p. 36)

The data of the partner on-boarding process will be gathered in the empirical part using a qualitative approach through semi-structured interviews. Semi-structured interview question method is chosen as it provides a flexible way allowing in-depth, rich and long answers from the respondents compared to completely structured interviews as the research is interested in how the respondents experience and see the phenomenon and

the goal of the author is to filter the data gathered and to analyze it to generate results and ultimately a feasible on-boarding process. (Kananen, 2017, p. 36)

As presented in chapter 3.3 the benchmarking wheel is a tool which can be used to create a process through gathering information from other companies and benchmark the process under inspection. This is a way to understand how the have benchmarked companies executed their process and identify potential conjunctions or gaps that can be applied or improved when developing a new process (Rolstadås, 1995, p. 222). To answer the research objectives and questions the benchmarking wheel will be utilized as a strategic tool and as a structured process for creating the new on-boarding process. At this point the phase one of the wheel has already been finished meaning that the process to be benchmarked has been defined which is the partner on-boarding process.

For defining the research methodology, the research onion model presented in figure 12 by Saunders, Lewis, and Thornhill (2009) will be utilized in creating a logical and structured strategy. The model aids in creating an organized methodology through explaining the different stages of structuring a thesis. This thesis is built for a case company in which literature, interviews and observations are used in building an on-boarding process which acts as a result for this study.

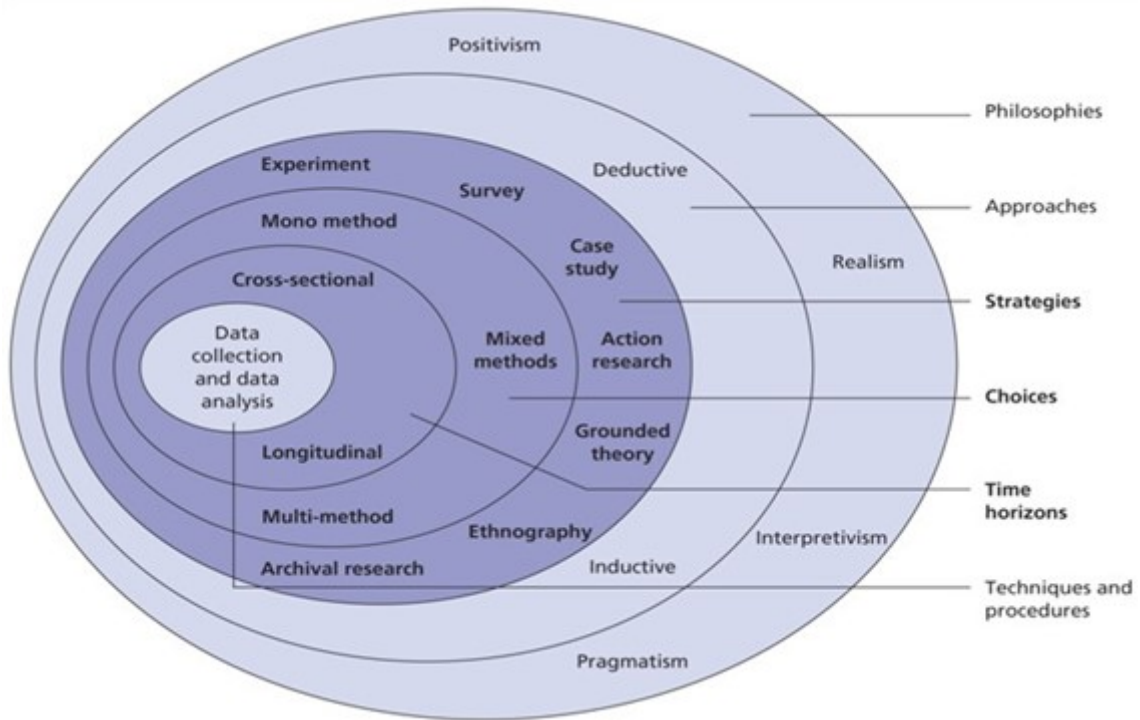


Figure 12. The research onion model (Saunders et al., 2009).

The chosen research philosophy for this study is interpretivism which is an approach based on actions and perceptions meaning that there is an existence for many versions of the phenomena being studied based on each actor (Kananen, 2017, p. 36). The approach chosen for this research will be inductive meaning that the author will try to find similarities from observations regarding the topic being examined to finally make assumptions based on that. The goal is to proceed from specific observations into generalizable results. A qualitative method is the only method that will be used in this research. The time-horizon for this study is cross-sectional which means that data is gathered from a population at a specific point of time. (Saunders et al., 2009).

4.2 Data collection

The second phase in the benchmarking wheel is to identify benchmarking partners from whom the data will be collected for the research. The data for the empirical part of this thesis will be collected with two data collection methods. The primary data is gathered through interviews which are conducted with peer companies operating in the same

industry as the case company who are also offering a SaaS business model. In addition to primary data, secondary data is gathered from both internal and external sources received either from the interviewed companies but also from the sources of the case company including for example annual reports, sales data, or sales reports. The figure 13 presents the structure of the study.

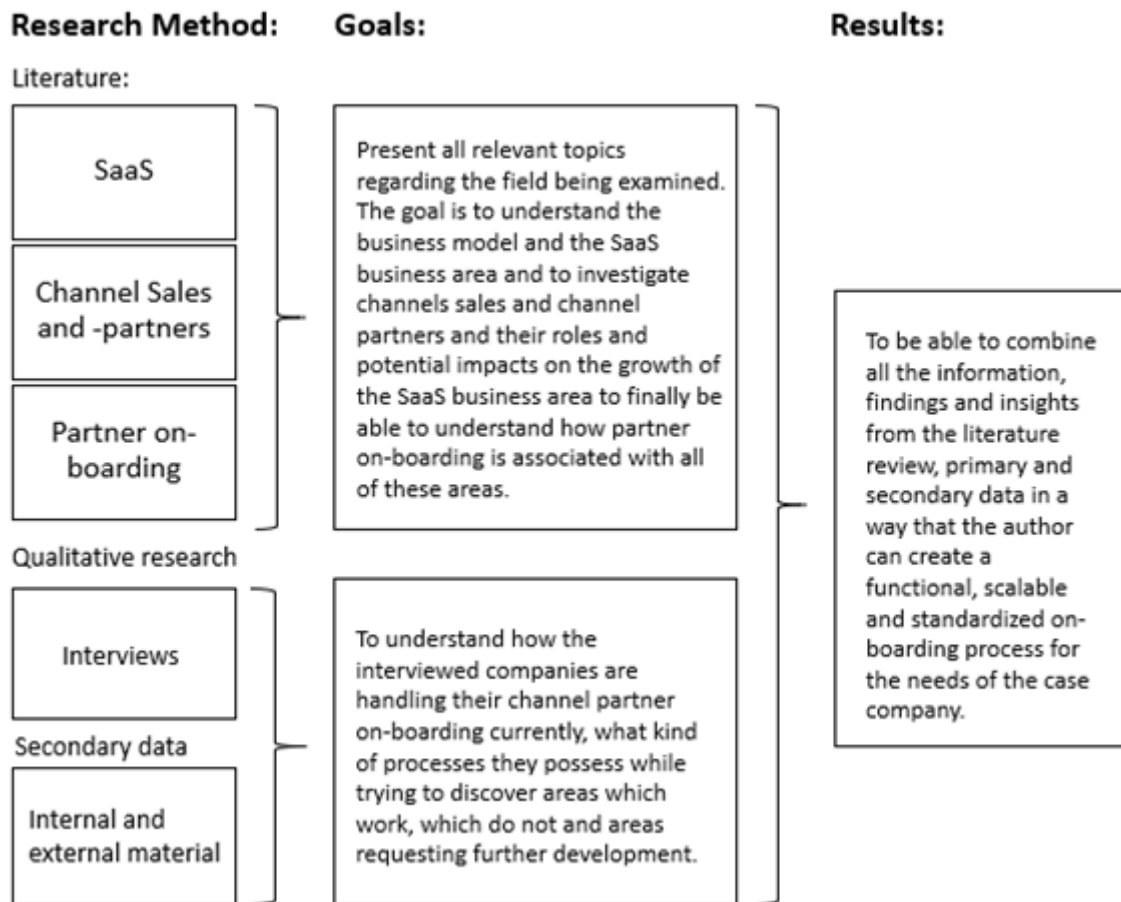


Figure 13. Structure of the study.

The criteria for the sample to be interviewed was that the company is operating on the same business area as the case company and is potentially further in their on-boarding process. This covers the second phase of the benchmarking wheel in which the author will identify the benchmarking partners. Through online search, website assessment and revenue comparison the author selected potential interviewees and contacted them either through LinkedIn InMail or direct email.

The empirical data was collected through interviews through live video calls through Teams and all the interviews took place during spring 2021. This phase covers the third phase of the benchmarking wheel in which the author observes and collects information about the interviewee's performance and best practices. Each interview was reserved for a one-hour time slot and depending on the nationality of the interviewee the interview language was Finnish or English.

Table 3. Information regarding the conducted interviews.

Interviewee code	Title of the interviewee	Company	Industry	Commerce	Company revenue	Interview duration
IA	Partner Development Manager	A	Computer Software	B2B/B2C	>1000M€	57 min
IB	VP of Global Partner Success	B	Information Technology & Services	B2B	<200M€	59 min
IC	Head of Partner Enablement	C	Computer Software	B2B	<150M€	58 min
ID	Director of Channel Sales	D	Computer Software	B2B	<50M€	65 min

4.3 Data analysis

This sub-chapter will cover the fourth phase of the benchmarking wheel in which the author will analyze the findings of the interviews. As previously explained the approach chosen for this research will be inductive meaning that the author will try to find similarities from the interviews to finally make general assumptions based on individual observations to be able to build an on-boarding process. In this chapter the data of the findings are presented by separating the data into different categories. The categories were created by grouping the interview questions into sets which derive from the literature review regarding the areas learnt being important for gaining a holistic view for a successful on-boarding process. A portion of the questions also derive from the case

company's interests. The findings are grouped into three categories to present and analyze the data. The categories are:

1. Partner landscape and context to on-boarding
2. Process structure and activities
3. Process characteristics

The interviews were recorded and transcribed manually into verbal formatting after the interview. In this manner the focus could be kept entirely on the interview situation itself rather than writing answers down simultaneously and thereby potentially losing focus. The interview questions are presented in Attachment 1.

4.3.1 Findings of the study

Partner landscape and context around the on-boarding

This findings category is created to group research findings to understand in what type of partner landscape the companies operate and for what type of partners the on-boarding processes have been developed around and how many partners are on-boarded with the process. In addition, this category presents the results on how long the current process have been in use and how long did it take to ramp-up to gain more comprehensive background to companies' process development. In table 4 are compiled results on all the interviewed companies' partner landscape, how many partners they on-board per year, how long they have had the current model up in use and how long did the process ramp-up take to its current form.

Table 4. Interviewed companies' context around partner on-boarding.

Company	A	B	C	D
Partner landscape	Independent software vendors, service integrators and cloud solution providers	Value added resellers (VAR and system integrators	Large strategic partners, local boutique consultants, system integrators and complimentary service partners	Resellers, "fulfillment houses" and consultancies
On-boarding volume / year	Thousands (15 personally by IA)	10-15	10-15	10-15
Active validity of current process setup	1 year	1 year	1 year	1 year
Process ramp-up time	Several decades	About a year	Two months	About two years

The desired partner landscape is developed based on company's business requirements (Bech, 2015, p. 79-92) and this can be seen in the findings as the companies are looking to partner with different types of companies even though they are generally operating in the same industry and B2B sector. Different types of integration partners, consultants and resellers appear to be most common partner types between the companies and should be taken into consideration when viewing the findings.

For more background to company A's on-boarding, according to IA the company has created the on-boarding process around the idea of constantly building and maintaining an ecosystem of partners to provide relevant products and solutions for company A's customers. The incentive logic of the ecosystem comes from the partner's willingness to reach companies, their end customers, in specific industries through the ecosystem and on the other side company A's customers would get better solutions through the ecosystem. Company A's incentive is to serve its customers by providing solutions through partners, but also gain business as they maintain their partner's solution offerings in the cloud platform on which the ecosystem is built on. Ideally there would be a win-win-win scenario where all the parties' incentives are met, and the dynamics of the ecosystem

has positive impact on everyone's business. As seen in table 4, company A is mainly partnering with three types of partners: independent software vendors, service integrators, and cloud solution providers. As the interviewee IA has the best knowledge around onboarding independent software vendors, the questions were answered accordingly and from the ID's point of view.

As presented in table 4, Company B's partner landscape consist of value-added resellers (VAR) and system integrators. Company B's partner program used to be more focused towards value added resellers, who can sell, implement, and support the company's solutions. IB explains that VARs can operate on any given territory or customer segment, and in countries where there is no direct sales present and they have turn out to be a highly profitable channel for the company, but they were still lacking true growth in terms of cloud revenue. Nowadays the company is focusing more on system integrator partners who are interested in finding new solution deliveries and project work around the partnership, for example change management, project management, or other professional services that creates the business incentive for the partner, whereas company B would benefit from increased cloud subscriptions.

In table 4 company C has divided partners into four main categories: large strategic partners, local boutique consultants, system integrator partners, and complimentary service partners. With strategic partners the content of partnerships can vary and include co-selling activities, implementation collaboration, and to some extent providing additional services, such as change management, program management, and other professional services, that can potentially act as a large incentive for both the partner and end client in a project. One of the targets is to partner with trusted advisors that serve their clients by offering and recommending best products and services on the market and could potentially bring more business to company C as well as spread the knowledge about company to correct audience. With boutique partners there is strong implementation collaboration, but also selling co-operations. These boutique partnerships are currently being developed towards them being able to manage whole implementation projects by themselves in comparison to only taking support roles. There are similar activities with

strategic- and system integrator partners, but with system integrators there is more data extraction and modification activities included with collaboration of the company C's technical teams. According to IC complimentary partners offer additional value in terms of product offering and development but they can be excluded from this research. The interviewee IC has the most knowledge around company C's implementation partners on-boarding.

Company D has defined different partner types they would like to engage do business with, but with some individual partners the relationships not been formalized yet. As an example, they have certain types of customers that have realized that instead of using company D's products themselves they are selling it to their own end clients, which means some of this revenue is falling under company D's direct sales. However, with some of these certain types of customers the relationship is more formalized and managed through channel sales. On top of these relationships, company D partners with resellers and "fulfillment houses", as ID calls them, which are companies that manage their customer's software licenses as an assignment and tenders their acquisition. However, these fulfillment houses are not desirable partners as they do not generate new sales and only fulfills their customer's need, but nonetheless must be served. Third partner type are consultancies that work with the data and products company D offers and consult their own end customers with data infrastructure and web-, or cloud data warehouses. Lastly company D partners with technology companies that can both provide data sources to complement their solutions and offer their solutions to common end customers. The company has also a growing direct sales team which does sell directly in the assisted sales side of the business. Company D has not yet established a systematic manner to drive indirect selling and are also looking ways to improve.

As seen from table 4, all the companies have had the current process set up in use approximately one year at the time when research was conducted, and the current process set-up is the process what the research is focused on. There is however variation in how long it took to ramp-up the current processes. IA comments that they have had

previously other different kinds of partner portals in use but currently they have all systems for partners in one place which has required a lot of iterations through the years as previously every system was in a different location. According to IA the transition has been a very long process and it has taken decades to build up the current portal they have in use. Company B has built their current process in about a year. According to IC development has occurred gradually from the first thoughts that there should be a process created when at the time partners were trained in classrooms. IC noted that it took two months of active working to ramp-up the process since they were able to use internal resources such as learning management system which contains basic trainings and e-learning. The learning management system is originally managed by of a separate organization within company C where the partners have been added as a new aspect. IC evaluates that ramping the process up from nothing could take approximately from six months to a year. According to ID it has taken approximately two years for company D to develop the current process, but back then the channel sales was at its beginning in the company.

According to interviewees IB, IC and ID they have all estimated their on-barding volume to be around 10 to 15 new partners per year within their respected companies and within their respected partner landscape they in responsible. Company A is an exception to other companies as IA stated that the 15 on-boarded new partners are a personal goal and company A on-boards altogether thousands of new partners per year globally. All the interviewees were unanimous that the top priority is not the quantity of new partners on-boarded but the quality and creation of long-lasting relationships as all the interviewees had sales targets.

“We know our revenue targets and win rates in certain regions and from there we can estimate how many partners it takes to reach the goal.” –IB

Process structure and activities

In this category the findings are presented to get an idea of companies' on-boarding process structure and what activities are included in different phases of the processes. Based on the findings all companies have structurally same process in place for all their respected partners. No company builds their process individually as custom for their partners. Companies B, C and D have same activities and trainings for every partner in the first phase of their processes but in later phases activities are adjusted according to the partner type or role and according to a joint business case or project. Company A has the same process and activities for all the partners regardless of the partner's type, but depending on the business opportunity, partners are on-boarded by different organization and with different levels of interaction.

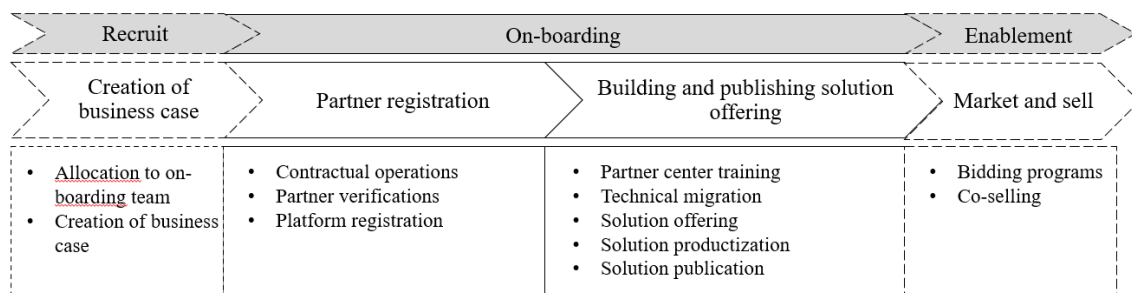


Figure 14. Company A's on-boarding process structure.

As figure 15 explains company A has two phases in the on-boarding process but recruit and enablement phases are included in the figure due to how they affect the on-boarding. According to IA company A has three high level categories that determines how the onboarding will be carried out with the partner. Depending on the potential business case and the partner's willingness to become part of the ecosystem, the on-boarding will either be managed by centralized global team or allocated to a local team operating in that specific country. As a practical example by IA, if the partner company is a small software vendor with no substantial reference cases and the size of the business opportunity is on the lower side, the partner will be defined into lower priority class meaning the on-boarding is lower touch and managed by the global team. The support during on-

boarding, however, is structured and there are frequent follow-ups with the partner and there is a process in place.

In a second example by IA, if the potential business case is substantial the partner will be noted as high priority and the global team will allocate the partner to the local team which will manage the on-boarding process. According to IA, at this point the partner is called as “recruit partner” meaning the partner is not in the ecosystem but on-boardable. The local team will then carry out the initial conversations in which it will be discussed how much the partner is targeting to grow, what type of engagement they are looking for through the ecosystem, on what type of technical stack they are operating on as one of the key aspects for company A from the partnership is to have the partner’s solutions in their cloud ecosystem. These initial conversations will be carried by the global team as well and these will set the basis for the partnership. It will be ensured that there are incentives for all parties and the composition is a so-called win-win when the business case is done at this point for the partnership.

The third category for company A is large global partner accounts such as consulting networks. These types of partners are managed by a specific local team, but new partnerships in this category are infrequently established as most of these types of companies are already existing partners.

Regarding the structure of the on-boarding process with company A, the business opportunity and priority classes will only define how interactive the on-boarding management will be during the process since all the partners will go through the same steps. The process is divided into three steps, or rings, which the partner must go through to advance in the process. Firstly, the partner will be enrolled to a partner platform and all the contractual activities and partner verifications will be done. The registration ends when partner has access to partner center, which is a portal specific to the partner. As IA points out, these activities will be done together with a designated manager from the local team, and demonstrations are held regarding how the partner portal works and the

partner’s solution offering is added to the platform. The offering will be considered whether it is ready to be added or if it needs still more productization. According to IA, consulting services is an area which needs deep consideration on how it is added to the platform.

After adding the solution offering to the platform, the partner has possibilities to fulfill different co-selling and bidding programs which they consider beneficial for their business. There is a separate sales team from company A’s side to link partner offerings to their target customer accounts. After the sales relations are created the on-boarding has ended and next phase of partner enablement can start.

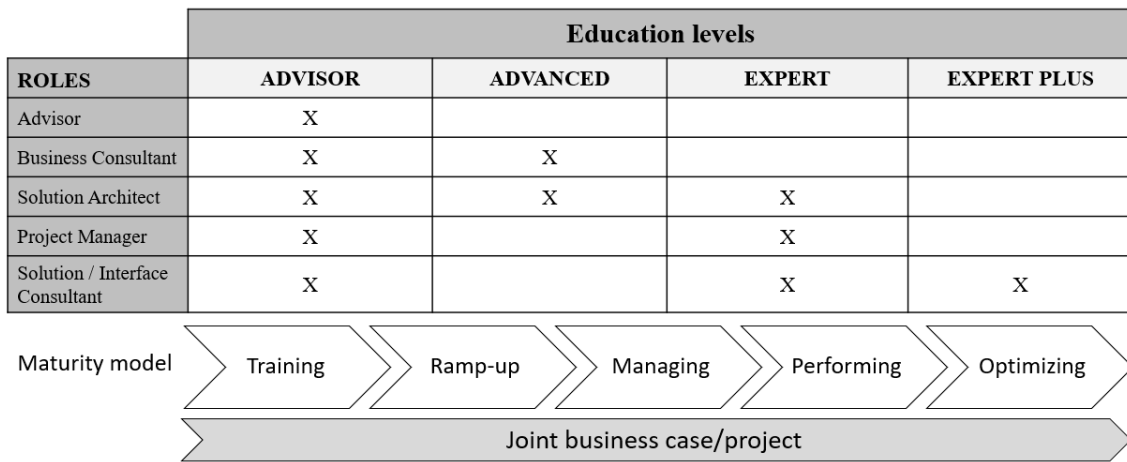


Figure 15. Company B’s on-boarding process structure.

Based on the interview company B’s approach to on-boarding is to have one global program for all partners which is visualized in figure 16.

“We need to be sure that everyone gets the same information and are on the same level of knowledge.”-IB

The basic structure of the process is formed based on a partner maturity model in which the partner advances based on capabilities and experience through role-based training programs and project experience. In the training phase the partner has full responsibility

to complete necessary basic trainings before advancing to the ramp-up phase. In the ramp-up phase company B will take the lead in the project and the partner will execute supportive tasks. In the managing phase the roles are switched over and the partner will be in lead and company B supporting during the project. In the performing phase the responsibility of project execution is heavily on the responsibility of the partner and company B will provide only structured advice and support to assure quality. In the final optimizing phase company B and the partner will arrange catch-up calls and additional trainings if new features are released or otherwise needed.

As mentioned, in addition to project work the partner must complete training programs which are based on the partner's role. There are four different training programs: advisor, advanced, expert and expert plus which mainly consists of different e-learnings and virtual classroom trainings. To complete the expert and expert plus programs the partner is required to have enough completed projects before advancing to the next level.

According to IB company B had no standard program previously when they worked only with VAR's and they were operating only through a practical means of on-boarding. This required the partners to figure things out mostly by themselves with some support from the company and this arrangement did not work in terms of quality. Company B discovered the importance of education including best possible practices to all partners since they have many processes and ways of working and teaching these well will impact the performance of their solutions. Complying with best practices is measured before giving production tenant for the partner. Company B has shifted from quantitative targets to qualitative evaluation to define when on-boarding ends due to partners' having various backgrounds and as they might proceed with different pace in the program. Since the on-boarding is heavily leaning on project work the transition to partner enablement is undefined even though it usually takes couple of projects to end trainings.

Company C has two distinctive phases in its on-boarding process structure as shown in figure 16. The basic on-boarding phase is the same for all partners and includes broadly

different e-learning courses in the learning management system. There are extensive hands-on configuration training and multiple high-level conversations regarding company C's solution strategy, how they separate from competitors and walk-through the basics of an implementation project. Company C is currently developing an on-boarding process to its technical partners and the process will be more partner type specific and it will deviate from the process which other partners go through in the long run.

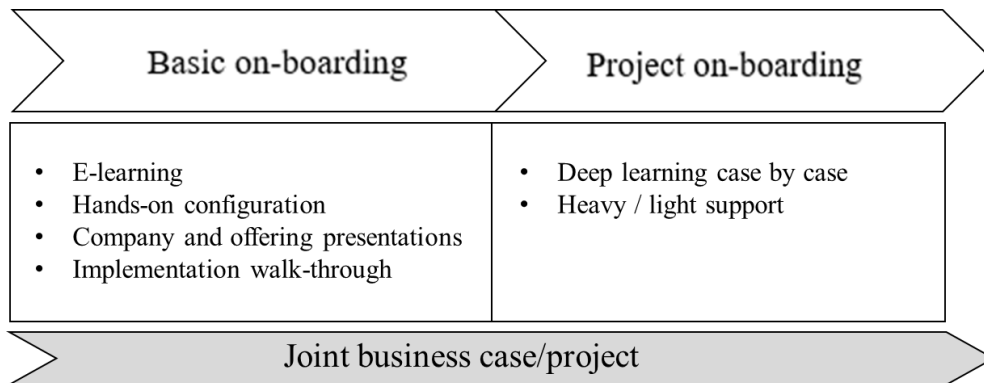


Figure 16. Company C's on-boarding process structure.

The basic on-boarding phase ends after a hands-on configuration but the on-boarding continues unstructured during the project work as deep learning happens case by case in project on-boarding phase as seen in figure 16. The basic trainings must be completed before entering project work. According to IC on-boarding partners can be considered similar as on-boarding new employees as before entering project work there will be preliminary evaluation on one's capabilities and maturity which defines the level of support the partner requires and further trainings are done alongside the project. The partner's responsibilities grow case by case together with the competence level.

"Regardless of the case, all the consulting partners go through the basic trainings... lot of the learning happen during projects and the content will be defined by the projects." - IC

As IC states, it has not been clearly defined when the on-boarding ends and it is usually viewed case by case. There have been thoughts of defining a specific number of projects

to be completed before the on-boarding can be seen as completed but according to IC it does not work in practice due to differences between partners on how fast they are able to learn and represent company C in customer implementation projects. As new projects are taken in there is already an understanding of partner's capabilities whether they are eligible to take the project and have enough resources available.

ID explains that Company D has one standard template to on-board all partners. Based on the findings the process can be visualized having two parts as presented in figure 17. The only exception to basic on-boarding are large business critical partner accounts as with these partners the discussions are around the core solution offering and directs the process away from the basic activities. With all other partners the process starts with business on-boarding which includes mutual company introductions, discussion of the incentives for the partnership and contractual negotiations. Also, the search for mutual business case and how deal registration and other processes are done, and how communication is carried from that point on.

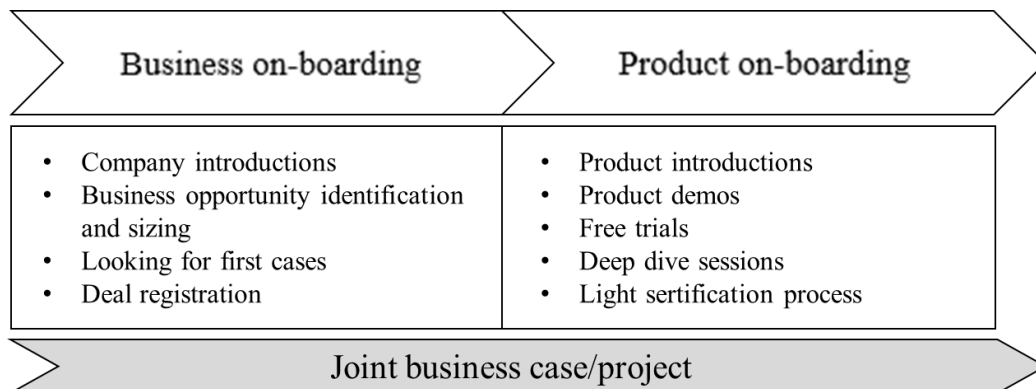


Figure 17. Company D's on-boarding process structure.

The second part of the process is product on-boarding, but this phase is very flexible as the activities and trainings are adjusted to partner's background depending on what kind of product knowledge is required from the partnership. ID explains that their solution portfolio is quite simple and easy to use, and the on-boarding can be extremely straight forward or almost non-existing. Mostly partners who operate with enterprise products

require deeper training and the trainings are adjusted according to what kind of product knowledge the partnership or business case requires. Usually, the partner is given free product trials, demo sessions are held, and unofficial “light certification” is done to check whether the partner has learned the product on a sufficient level.

According to IA all trainings are centralized in the partner center which acts as a partner portal. This partner center has also a dedicated support function which provides help in possible upcoming issues or questions. For example, all trainings, partner programs, sales leads and product offerings are visible and accessible for the partners through this portal. Company A has two levels of certificates from four different field of competences. These certificates are not part of on-boarding but rather the partner’s own decision whether they want to complete them as certificates can prove useful in competitive situations. Regarding the monitoring of partners’ progress, company A has an internal CRM system which is manually updated based on how the partners are advancing in the program. No real-time monitoring on what products the partner has listed on the platform, but rather internal milestones and checkpoints are followed and updated after communicating with the partners about their progress. Partners can also follow their own progress through the portal.

Company B has a similar structured system in use which includes e-learning courses which are also used internally but not also expanded to the usage of partners. According to IB the idea is to be able to teach everything relevant comprehensively in practice through these courses to prevent having to target resources in answering to continuously arising individual questions. Company B’s training is arranged according to different role-based training programs meaning that depending on the partner type the and role in the partnership, the partner is guided to take specific e-learning modules. Partners can take complete these modules on their own time and there will be virtual classroom sessions mostly with people who will take implementation work where they will learn how to build the solution and interfaces. For company B the certification is done on individual level and a certification is granted after completing a training program,

expert, and expert plus programs. Certificates are used to celebrate and promote the completions and encouraged to be published on social media for positive publicity. Certificates are renewed on a yearly basis and partners must keep up with the latest solution updates that are released monthly. Regarding the progress follow-up of partners company B does capability tracking dashboards on a partner level which is also shared with the partner. These dashboards show the number of assigned users, number of users completed per program, number of completed projects and other relevant KPIs. Company B has also created a template which outlines the responsibilities of each on-boarded team in each maturity level on every step and this template can be used when discussing with a partner about the project responsibilities.

Company C has also a learning management system in their use which includes trainings and e-learning materials. Regarding the certifications they not utilizing them yet but are in a process of developing a certification program for customer users that will most likely be applied to partner certifications as well. IC believes that it will be useful to internally evaluate partners but also building the partner relationship and for communication to end customers. Regarding the progress follow-up company C can follow their partners through formal progress reports which narrates partner specifically for example how many projects they have completed. Company C has not had yet the need for a detailed level follow-up on a personal level as the benefits are considered minor.

Company D does not have a dedicated partner portal or learning management system in use which would be comparable to companies A, B and C. Regarding certifications company D has a so-called "light certification" which cannot be considered as a formal certification process. The certification is conducted during product training through "certification deep dive session" to ensure the partners capabilities and that everything is understood. Regarding the progress follow-up company D follows the partner progress through frequent catch-up meetings.

Based on the interview's communication between partners and the companies was established mostly by sharing information through direct messaging through for example emails, chats, google meet and mostly direct use of phone calls is minor. IB says that communication occurs directly with the on-boarding team through emails but also the company has a shared implementation community yammer group with its partners in which both can post questions in different groups and topics and the on-boarding team follows on a weekly basis how the project portfolio is proceeding. ID agrees and comments having a dedicated Slack chat channel and a WhatsApp in use with some of the partners. Company C has organized frequent questions and answers (Q&A) sessions for the partners which acts as a principal communication channel in connection with partner meetings. The reason for a dedicated forum of communication is established to prevent for example emails to be bombarded with questions and thereby distracting the core operations of the team yet common arrangements such as trainings are communicated through emails or phone calls. Company A has a dedicated support function in their partner portal to answer possible upcoming questions or issues.

Regarding the training materials companies B, C and D utilize mostly same materials with their partners which they use internally in the company when on-boarding and training new employees. According to IA resource and information sharing with the partners occurs through a dedicated partner portal in which all relevant information can be found easily. Company C has also a dedicated partner portal for all necessary materials required for the on-boarding. Usually, an extended PowerPoint presentation is firstly provided in which all products are went through and other information given. In the long run after the basic on-boarding when partners start to work with actual projects access to an internal database can be given. Mostly partners can manage working with the generalized materials found in the partner portal but more information regarding for example configurations or logics of the products are in the database. Company D shares all materials in connection with trainings which acts as a base of information. They also have sales support materials depending on the product which can be shared to provide detailed information. According to ID they have not yet a dedicated partner portal but is planning

to set up one in the future to have all required materials available for all partners while acting as a part of scalability of the process.

Process characteristics

All interviewees share a similar thought of having quality over quantity when asking about the targets of the number of partners to be on-boarded per year and long-term partnerships are overall desired. The target partner numbers are not specified but mostly all have a monetary target which needs to be fulfilled through partnerships and thereby no specific target numbers are set as the focus is to increase the overall sales volumes. When having a monetary target companies can easily calculate how many and of what size partnerships are still required to fulfill the set target. As an estimate interviewees IB, IC and ID mentioned that about 10-15 partners are on-boarded yearly, yet the number for company A is thousands due to the company size. IA mentions that the length of the on-boarding depends a lot of the partners technical readiness and usually partners are in the partner on-boarding portfolio for a year or year and a half until all sales information is acquired and the partner can operate on their own. According to ID many initial discussions with potential partner candidates are conducted either by the company contacting the partner directly or the partner being in contact with the company but not all discussions lead to recruitment.

Overall, the scalability of the processes has been ensured by documenting all on-boarding materials, guides, step-by-step instructions on a detailed level and through e-learning. The scalability has been ensured until a specific point until which there is a possibility to multiply with written instructions if the demand increases and there is a need to on-board several partners a month. IC has detected a few bottlenecks in the scalability which should be improved. They currently give hands on configuration training and info sessions live in person while manually following the learning statuses through for example excel. When there have been many partners on-boarded in a short period of time which need to be rapidly on-boarded there has not been time and resources to create large on-boarding programs but rather a quick and personal info session and Q&A has

been conducted. As the partner volumes are continuously increasing this has been noted as the major problem in the scalability of the process and the goal is to improve this aspect through creating an e-learning platform to the company partner portal and to get the information structured into courses.

Regarding process standardization companies A and B have clearly standardized the basic partner on-boarding in a way that the content of e-learnings and trainings are same for all partners. For company A all partners go through a same process in which the phases and activities are the same for all with possible minor changes depending on the partner. For company B depending on the partner the partner will complete only certain training programs required for their needs and these training programs also have similar content, but a partner will complete only certain ones. Companies C and D have standardized parts of the process but are aiming to standardize the entire process in the future.

According to the interviews there are several success factors which have been detected to be involved in a successful on-boarding process. It is important that the partner is willing to partner up and their expectations are realistic regarding the process meaning that possible challenges will not form as thresholds. It is important to invest in the partnerships to generate commitment.

A prerequisite for success is to find together an incentive which drives a company to partner with us and help them understand why partnering with us is useful for both sides. (ID).

Partner commitment starts already before the on-boarding phase in which goals and initiatives need to be clearly defined to establish a so called 3-way value proposition of win, win and win concerning the company, partner, and the end customer. IB comments that commitment helps moving the partners forward in the training programs but also motivates the partners advancing to upper levels of trainings. Efficient communication

and cooperation with partners act as an important factor to succeed and according to IC frequent check points with partners are created for example monthly to ensure partners have completed the tasks they have been addressed and to keep overall track of the process. When asking about the overall satisfaction in the current on-boarding process on a scale of 1-5 of one being lowest and 5 highest the responses are presented in table 5.

Table 5. Satisfaction regarding the current on-boarding process.

Interviewee code	Satisfaction score
IA	3
IB	3-4
IC	3-4
ID	3

According to IA their current process is far from perfect, yet it cannot be considered as weak either. Company A has managed to on-board partners through the process and the systems around the process have been built and are well operating meaning that from a system point of view the process is already far. IB comments that their process is still transforming and there is room for improvement, which is why they scored a 3, yet their partner center is already considered to work with excellence and due to the achievements with professional sales organizations they have given a score 4.

According to IC there is always room for improvement and many areas could be operated in a more structured and professional manner. IC has given a score of 4 when considering their operations currently in relation with time and current resources but if the company C would have limitless resources the current process would earn a score of 3. ID is not fully pleased with the current state but admits that many areas have been accomplished very well meaning that the foundation for the process is in order as they have managed

to acquire the right kind of partners and generated repeatedly great business and success. What still needs development is to see the channel sales as a strategic part of the business with regards the entire company rather than as a separate silo in the sales team.

Regarding the measurement and improvement areas IA commented that the increased growth of users and usage of their solution is an important success measurement factor which generates ultimately from successful on-boarding. IB comments that they measure time to value KPI which refers to the start of the project until the partner goes live with their selling and this deviation should be less than 15 per cent. Another means of measurement according to IB is the order intake. IA mentions also KPI's such as the average deal size and worth, monthly active usage of their solution but they also measure whether the company has been able to put a partner into a situation in which they have been able to promote the solution they are selling effectively.

When considering the continuous improvement mechanisms of the on-boarding process generally, feedback is systematically gathered from partners on a frequent basis such as yearly or semi-annually through interviews, satisfaction surveys or other qualitative feedback. Surveys can be sent to direct customers to get information how they felt about the project; how did the project go but also information regarding the performance of the partner. Partners are inquired on a frequent basis how the process or for example training materials or instructions could be improved in their view. After each on-boarding project a feedback session can be held to understand how the on-boarding was realized and what areas could still be improved. The improvement areas should be documented, and a certain person set to prioritize the areas to be further developed.

When considering what aspects, the interviewees would change in their current on-boarding process or approach the following things were presented:

1. More resources
2. More transparency for tracking the partners progress during the process

3. Develop a lighter training program for large consultancy network partners
4. More direct interaction between partners and the company
5. More scalability in the process
6. Removing the bottlenecks
7. Utilize the full potential of the process as a strategic part of the business

When having many interested partners wanting to join the partner program sometimes Company A needs to prioritize and cannot take all interested partners on-board. There should also be a way to influence partners which are proceeding too slow or paying too much time on consideration and this matter can be tackled through adding resources. Transparency for tracking the partners progress is important aspect which should be added somehow to the process to avoid time-consuming calls to get an update of the situation. IB has recognized that the current partner training programs do not necessarily operate as effectively as they could because types of partners might not have time to go through the whole on-boarding program and thereby possibly more program types should be added to the mix.

More direct interaction should be developed between the partner and company B's internal organizations such as product development so that the partner managing organization would not have to be involved in all the conversations. By removing all intermediaries, the communication will become more effective and scalable. The process itself should be developed to be more scalable and according to IC this would include the development of the e-learning platform and removing all bottlenecks noted in the process. Overall, full potential of the indirect selling through partnerships and its opportunities should be recognized as a strategic part of the business processes to be able to generate full value and growth.

4.3.1.1 Analysis of the on-boarding processes

This chapter acts as the fourth phase of the benchmarking wheel in which the analyzation of the observations will be performed and similarities and gaps in the interviewees processes will be identified.

As a concluded from research findings and the theoretical framework, the process structure plays an important role when defining what activities should be included in which phases and in which order the activities must be completed to ensure best possible outcome from on-boarding. All the respondents had structurally one process in place and defining a process structure clearly acts as a basis for a repeatable process.

The process phases are used to gather activities which are around the same purpose. Usually, all partners go through the same phases but the activities within the phases might vary based on the partner type. In general, the activities are in the first phase of the process more general and suitable for all partners including basic trainings which every partner goes through and the second phase is more deeply focused based on the project and the activities are created based on the partner type or business case and usually the deep learning happens once the partner moves towards the end of the process. According to the findings it is important to have mutual incentives for the partnership will create a win-win situation for all parties. This was considered as a critical factor for successful on-boarding as all parties are motivated to complete the process and activities to start executing the partnership.

Three out of four companies had a partner portal, learning management system or other similar tool in place where a lot of the trainings such as e-learnings, training courses and other training materials were consolidated and easily accessible for the partner. On top, most of the companies were utilizing same trainings and materials for partners that were already utilized inhouse to train employees or customers. This was considered as an effective use of existing resources and shortened the ramp-up time for the process. Trainings were also the set of activities that were most standardized and especially in the case

of company B where specific training programs were standardized based on partner's role. The development of standardized trainings which the partner can complete independently were seen to free up on-boarding organization's resources. All these contribute to process scalability, since training partners in person can be time consuming and if possible, within reason let the partner complete training on their own time, which makes it possible to have multiple partners entering the on-boarding at the same time without additional resources.

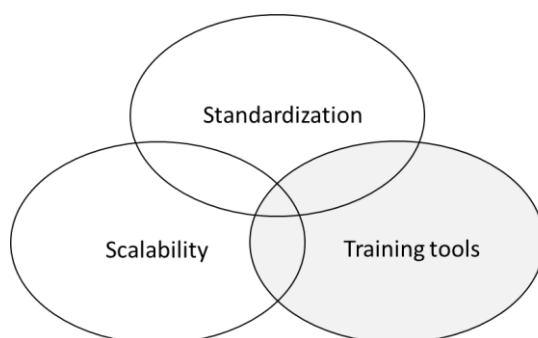


Figure 18. Connection between standardization, scalability, and training tools.

To assure the on-boarding is advancing and to understand how the partner's capabilities are evolving the progress should be followed. There should be a tool in place where partner's progress is recorded and most of the companies had a template or system in use where the information was either manually updated or followed in real time through reports. Frequent follow-up meetings with the partner should also be agreed in the beginning of the process and create a schedule. These sessions could be used to follow the partner's progress, capability tracking and training. The actual communication was either through direct communication through emails, chats, phone calls or meetings but also through indirect ways such as having a dedicated group for partners to discuss and share their best practices and ask questions among themselves.

Regarding certificates all respondents were either certificating their partners or in the progress of developing the certification programs further. Usually, the certification was related to partners with technical requirements and used to measure and communicate

their capabilities and project experience to internal and external stakeholders. The companies that did not have official certification program in place were the smallest companies of the four and on top the other company that granted certificates to partners, did not have it as part of the official on-boarding process. These point to the fact that certification can be useful when measuring partners technical capabilities and experience to participate in projects that require implementation related activities.

According to the interviews there is always room for improvement as concluded based on the participants' satisfaction scores on their own processes. The process is considered as continuous and there should be tools or models in place to systematically develop the process. Most common methodology used for improving the process was to gather qualitative feedback about the process from partners and in some cases from customers after the completion of the on-boarding or joint project. However, all respondents agreed that the means of improving the existing process could be developed further.

4.3.1.2 Development of the new on-boarding process

This chapter acts as the fifth and final phase of the benchmarking wheel in which the results of analyzing phase and the observations will be adapted according to the best practices identified for the case company's needs.

Based on findings to design a consistent and repeatable process for the case company the process structure should be the same for all partners regardless of their type. The structural design will be applied from companies C and D because of their simplicity and straight forwardness which will be adjusted to the partner landscape of the case company. The simple structure could result in shortening the process ramp-up time and avoiding overly complicating the first iteration of the new on-boarding process.

In the process there will be two phases as in companies C and D's processes where the activities in the first phase are something that will be done with every partner, such as

contractual negotiations, mutual introductions, creating the incentives for the partnership, sharing the basic information packages and all the other activities required to lay good foundation for the partnership and prepare the partner to the next phase. The next phase will include activities mostly around trainings that will be adjusted according to the partner type and joint business case. These activities include granting the access to demo environment, share commercial materials or product related materials, organizing training sessions and joint marketing efforts.

The communication means and during on-boarding must be agreed in the start of the process and commit to frequent follow-ups to understand how the process is advancing. A simple template can be utilized to follow the partner's progress during on-boarding. The consistent structure of the process provides controllability and makes it easier to follow the partners progress which adds to the scalability of the process. The key area identified for ensuring process's scalability was to standardize trainings for the partner and consolidate materials and training into one place for easy accessibility. The case company's demo environment could be utilized and developed further in these regards as there already are product related materials available for partners. It could be worth investigating what internal resources could be utilized in partner on-boarding as well. These actions could reduce the time of training the partners, shorten the process duration and free resource to on-board more partners.

Based on findings Developing a certification program is not seen as a priority to include in the on-boarding process from case company's point of view, it could be a viable option in the future as the company expands and the partner program gets more brand recognition.

As for other characteristics for the new process on top of scalability and standardization, the process should be measured and continuously improved. The process will be measure through gathering qualitative feedback after the completion of the on-boarding or

after completing a joint business case together. The feedback would be used to evaluate how the process could be improved.

4.3.2 Summary framework of model and onboarding process

As a conclusion from the fifth phase of the benchmarking wheel the new partner onboarding process created for the case company's needs is presented in figure 19.

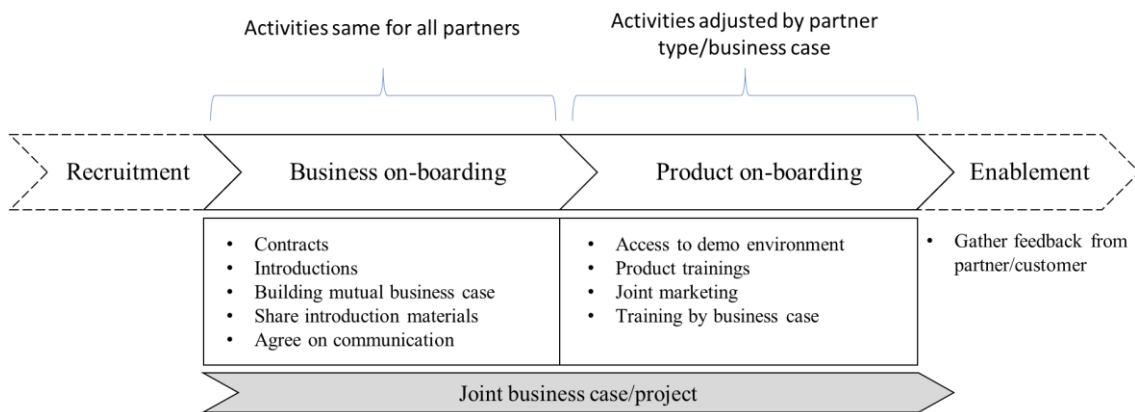


Figure 19. New on-boarding process for case company.

As noted, the on-boarding process is divided into two phases: Business on-boarding and Product on-boarding which both follow the mutual business case. As this thesis focused solely on the on-boarding phase of the partner lifecycle management, the new process concentrates on the on-boarding phases of the process yet gives an example of the previous phase of recruitment and the following enablement phase which both should be developed as a next step of the process in the future.

4.4 Reliability and validity

In a qualitative research all conducted steps reported and described openly increases the reliability of the research. In this kind of research different authors may end up with different conclusions based on personal experience yet this does not mean a qualitative study is not reliable, yet the author must remember to report all steps conducted throughout the research to maintain coherency. According to Saunders et al. (2007: 150),

a study can be considered as reliable when the *“data collection techniques and findings will yield consistent findings”* and the validity is defined as *“the relationship between two variables”*.

As the sample of the interviewees consisted of four companies it can influence the validity of the data as a single interview has potentially a proportionally large impact on the outcome. Thereby there is a possibility that the results might have been different if the sample group would have included a different set of respondents or a larger sample size. The results of the interviews within the sample can be considered as being consistent as the question-set was same for all respondents.

The literature referred in the theoretical framework was gathered from trustworthy academic publications from well-known authorities and journals but as the subject being examined has little research conducted on which is why some data is collected from public sources from companies that can be seen as authorities within the industry. Regarding the validity aspect the empirical research was conducted as anonymous to minimize the risk of disclosing sensitive information to publicity and thereby generating a negative impact for the respondents.

Regarding the empirical part of this study, it should be taken into consideration that the people being interviewed do not represent the entire company but rather the part they are working in and thereby this needs to be taken into consideration regarding the validity of results.

5 Summary and conclusions

The variation of the partner types and number of partnerships has grown due to business growth of the case company. The types of partners have increased and as they are operating not only locally but also globally it is important to understand the supporting foundation of the on-boarding process to tackle the challenges and to be able to handle the growing entities in a scalable and standardized manner. Thereby it is important for the case company to acknowledge the core of the theory to apply the necessary methods and tools to correspond to their exact business needs. The research question for the study was as follows:

How to design a standardized and scalable partner on-boarding process for Channel Sales function in a global software as a service (SaaS) company?

The benchmarking wheel was used as a process to create the new on-boarding process and through qualitative interviews and theoretical framework parameters for the process were identified. These aspects together gave the answer to the research question.

Three objectives were derived from the research question:

- To identify global software as a service (SaaS) business needs
- To identify the structure and characteristics of partner on-boarding process
- To design a standardized and scalable partner on-boarding process

To ensure the Channel Sales function has the knowledge and tools to operate efficiently around new partner on-boarding an extensive theoretical framework was established around the area to also provide insights on the SaaS business needs. The literature review in this thesis focused on presenting the keywords of the study and the fields recruit, enablement, market, sell and review in the partner lifecycle are explained only briefly as this thesis had a clear focus only on generating a solid base to understand deeply the on-boarding phase of the partner lifecycle. The theoretical framework provided the structure and characteristics for the on-boarding process from an academic point of view.

The theoretical framework provided the information of the aspects which should be taken into consideration when building an on-boarding process. and the semi structured interview questions were based on the findings of the literature review. In addition, the themes around the interview questions were utilized when reviewing the interviewed companies processes and when analyzing the data around them.

The goal of the empirical part including interviews with companies operating in the similar business areas was to understand how they are tackling the on-boarding currently, what kind of processes they possess while trying to discover areas which they detect still requesting further development. Company benchmarking was used as a method to obtain the best practices after which the author combined and translated the findings into functional operations for the exact needs of the Channel Sales function. The empirical part of this thesis focused entirely on the on-boarding phase included in the partner lifecycle management process and the other steps are left for future research. The scope was narrowed on purpose to allow the generation of deeper insights in a specific topic area rather than operating research on every area presented to avoid the research to expand too much and end up superficial.

As a result, the following characteristics were found to be critical. Ensuring the efficiency of successful on-boarding in a global environment, continuous development is needed to answer the variability of nature in partnerships to be able to on-board them as fast as possible with the least number of resources while providing a solid and easy way for the partners to understand the solution they will be selling. The on-boarding should cover constant opportunities for the partners to ask help when needed while providing assistance in ways to promote the solutions for end customers. Effective communication is required, and resource sharing needs to be effective. Process activities need to be considered whether all partners need to go through the same steps or should the activities be divided between partner types. Incentives to motivate the partners already from the start need to be considered to create a mutually beneficial base for the partnership. The

process steps need to be documented and measured and feedback should be gathered to tackle any quality related issues and remove bottlenecks. These steps should be iterated many times so that a scalable and standardized process can ultimately be formed. The on-boarding process needs to be considered as a process of constant improvement requiring it to be aligned with the company's overall strategy.

5.1 Managerial Implications

The managerial implications are recommendations developed for the case company's people in responsible on managing and on-boarding partners into the company's partner program. The recommendations are based primarily on the findings presented chapter 4 and in the figure 19 where the new on-boarding process is described. The new on-boarding process developed in this research acts as a practical recommendation for the case company to implement for the use of Channel Sales function. The implementation of the process was left out of the research scope and included in future recommendations to study further.

The case company's Channel Sales function should consider the fact that the result of the research presented in figure 19 is derived from the findings from four interviewed companies. Even though the interviewed companies are operating within the same industry as the case company, there are differences between the partner landscapes and the level of maturity of the on-boarding processes. In addition, as there were four interviewed companies the effect of one individual company to the results of the research is relatively large as explained in sub chapter 4.4.

5.2 Future aspects of the study

Based on the limitations stated for this research in chapter 1.3 implementation and testing of the new on-boarding process were left for future research. In addition, partner recruitment and enablement were excluded from the research scope even though these topics were briefly explained in the research and could be carried for future research.

The new on-boarding process presented in figure 19 is derived from findings based on four interviewed companies and the research could be extended to interviewing more companies and test if there is change in the results. The benchmarking wheel provided a repeatable model for creating a new process for this research and can be utilized in further research.

New ideas for future research that rose from the findings and presented in sub chapter in 4.3.1.2 are the development of partner portal and partner training programs. According to findings of this research these areas in theory would contribute to the process standardization and scalability that were identified as desired characteristics for the new process in chapter 2.3. In addition, partner certification proved potential as a topic for future research as it was unconcluded whether it would be viable for the case company to include in the on-boarding process based on findings in this research.

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Attachments

Attachment 1. Interview questions

Personal info:

1. Working title, industry/business, and company revenue

Interview questions regarding on-boarding process:

2. What kind of partner landscape do you have and what type of partners are you looking for in general?

Process structure and activities

3. What kind of approach you have in place for on-boarding new partners?
 - a. One and same process for on-boarding all new partners
 - b. Multiple different on-boarding processes
 - c. Customized process for every partner/No systematic approach
4. How have you structured the on-boarding process?
5. What kind of activities or milestones does your process has embedded into your on-boarding process?
6. Do you organize any trainings for partners? What kind and how?
7. Do you certificate certain partners during the process? If yes, how?
8. How do you monitor the partner's progress during the on-boarding process?
9. How have you established communication between you and the partner during the process?
10. How do you share resources and information during the process?

Process characteristics

11. With your process, how many partners are you able to on-board per year and do you have a certain target?
12. How have you taken the scalability of your process into consideration?
13. Does your process have parts that are standardized?

14. Have you identified any key success factors for a successful on-boarding process?
Which aspects you consider as critical or challenging?
15. How satisfied are you with your current on-boarding setup on a scale of 1-5?
16. Do you measure the process' success somehow? If so, what metrics do you use?
17. Do you have a mechanism in place for continuously improving your process, how does that work?
18. If you were to change some things on your approach/process, what would it be and why, or would you make no changes?

Process ramp-up

19. For how long you have had your current process in place approximately
20. Do you have an estimate how long it took for you to ramp up your on-boarding process?