

ChannelWeb

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When it comes to managing channel conflict, no one does it better than EMC.

The Hopkinton, Mass.-based storage giant, which has won the VARBusiness Annual Report Card (ARC) award in Network Storage for two consecutive years, beat all comers with its scores in the critical managing channel conflict subcategory. That's no small matter given EMC's roots as a direct sales organization. The ARC awards are a recognition of a channel renaissance at the \$14 billion company that counts virtualization kingpin VMware Corp., Palo Alto, Calif., among its crown jewels. Solution providers said the back-to-back awards and high scores show that EMC's channel savvy is no one year fluke--it is a mark of a mature channel organization with a wide and deep channel culture.

EMC, which launched its first formal Velocity channel program only six years ago, scored an impressive 86 in the managing channel conflict subcategory in Network Storage and 85 in the managing channel conflict subcategory in the Storage Management Software category; well ahead of the next-highest scores in this area: Trend Micro's 76 for Network Security Software and 74 for Client Security Software. Cisco finished fifth in managing channel conflict with a score of 73 in the Network Infrastructure category.

HP had the lowest overall score for managing channel conflict, with a 45 in Workgroup Color Printers. Microsoft, Symantec and Oracle followed with scores of 49 in respective categories: Data and Information Management Software, Client Security Software and Data and Information Management Software. Rounding out the list of vendors with low scores for managing channel conflict with a score of 50 were Dell, Acer and Microsoft in Volume Mainstream Servers, Display Technologies, and Systems and Network Management Software, respectively.

Solution providers say the difference between the best and worst is a talented channel team that puts action and execution above rhetoric.

Keith Norbie, director of the storage/VMware division of Nexus Information Systems, a Minnetonka, Minn.-based EMC Authorized Service Network (ASN) partner and VMware Authorized Consultant partner, compares the grit and determination exhibited by the EMC channel team to that of a great athlete pushing themselves beyond all limits or astronauts in a life-and-death scenario. And although that may seem melodramatic, it is no joking matter for solution providers often forced to suffer channel organizations that show little passion for taking a channel program from the printed page to the field.

"To be successful as a channel team, you have to have life-and-death, Apollo-13 determination with a belief that failure is not an option," said Norbie. "You have to figure out how to get it done no matter what obstacles are thrown in your way. That is just what EMC did.

"To do what EMC has done, you have to have some significant athletes working in your channel organization," he added. "These guys at EMC have a lot of business acumen, focus and drive, and are very talented at what they do. They are relentless in what they need to do next and what they need to fix."

Norbie said a move several years ago to send a partner sponsor into the field to get feedback on how EMC could take its channel offering to the next level made a big difference. "That feedback from myself and other partners facilitated big changes in the program," he said. Among those changes were a compensation-neutral policy shift that gave incentive to EMC direct sales reps to work with partners and a

Top Vendors At Managing Channel Conflict		
COMPANY	SCORE	CATEGORY
EMC	86	Network Storage (SAN or NAS)
EMC	85	Storage Management Software
Trend Micro	76	Network Security Software
Trend Micro	74	Client Security Software
Cisco	73	Networking Infrastructure

change that made partners the front line for services rather than EMC itself. EMC has also recently added partner specializations. That specialization effort has given top channel partners special forces-like focus compared with discounters such as CDW, said Norbie. "You don't shop a doctor on price," he said. "You are looking for specialists [who] are good at what they do."

Norbie said that EMC has come a long way since it launched its first channel program. "The joke back then was working with EMC was like inviting cannibals to dinner," he said. The only other vendor Norbie applauds for making significant changes is Network Appliance Inc., Sunnyvale, Calif.

EMC Vice President of Channel Sales, Americas Gregg Ambulos said one of the secrets to EMC's success is not only constantly listening to solution providers and then making changes based on the feedback, but also executing in the field with tight alignment between the EMC internal and outside sales teams and the channel.

"You have to have strong leadership alignment and you always have to listen and execute," he said. "We take pride in hiring bright and passionate individuals. You have to understand what is important to your customers, be crisp in your planning and then execute on the plan. A lot of companies have a hard time executing on the plan they have incorporated. That's always been a strength at EMC."

EMC has both a partner advisory board and a partner council to get feedback on how to improve its channel offerings. Beyond that, the storage solution giant also has a strict, closed-loop process aimed at getting back to partners with changes based on the feedback.

Ambulos, an 11-year EMC veteran who has been one of the driving forces behind the EMC transformation from direct sales hardware behemoth to storage solutions and software giant, said EMC's channel footprint has grown with the many acquisitions it has made over the last six years. "EMC today looks a lot different than the EMC of six years ago," he said. "We play in a lot of different markets. We have a very diverse product and solutions offering that really bodes well for the partner community trying to look at the most cost-effective way to go to market."

Ambulos said among the most important recent changes to the EMC program was a move at the start of 2007 that made partners the front line for services in the commercial market.

"That was a very large change within EMC," he said. "We in essence were foregoing revenue we normally got and turned it over to the partner community. In return, we told partners we not only wanted them to ... sell services but to deliver them."

That required a certification commitment from partners, he said. At the same time, EMC implemented rules of engagement aimed at eliminating any conflict between EMC's internal sales teams and the channel. "The only way those rules are effective is if you have inside sales and channel leadership behind them," said Ambulos.

Norbie, for his part, said he has seen many vendors try to climb the channel mountain only to fail time and time again because they were unable to execute in the field.

"All of them had great ambition," he said. "It was like they were starting a new diet and things went well for a couple of months, or even quarters and then everything flips back and they actually gain weight."