

Introduction

Microsoft is consistently driving home a message to partners that they must change their business model. Microsoft executives are expounding on this theme at their conferences, at road shows and in partner materials.

The cloud changes a lot of things for the channel, but there are a few fundamental tenets of this business that stay the same. Here are the tenets around which we're trying to build our business for the future

<https://rcpmag.com/articles/2015/12/01/6-tenets.aspx>

1. Great Advice Still Matters

Most customers will still pay for someone to "integrate" their environment. They can't afford the business interruption when one piece of technology doesn't work with another one. The iPhone generation, in particular, just wants technology to work. They don't want to spend time and effort getting it to function. As integrators, we know from experience what really works and what doesn't.

2. Personal Relationships Still Matter

Customers will pay more for premium service. They will pay to have someone that will sit across the table from them, working through their scenarios and how technology can be applied. They don't want to call Microsoft when there's a billing issue and sit on the phone for an hour. They want to be a big enough fish in your pond that they matter. Microsoft has realized that it struggles to deliver a quality experience in support and billing for its clients, thus its current push into the Cloud Solution Provider (CSP) model..

3. Sales Still Matters

The ability to sell multiple vendor product lines together as a solution will continue to be key, especially as the various cloud vendors open up their offerings to other clouds. One example of this is Salesforce integration with Office 365. The channel will again be called upon to figure out what really works here and what doesn't. Integrators will need to sell clients on how new offerings will positively impact their businesses.

4. Marketing Still Matters

We must continue to grow our businesses into new accounts or our businesses will shrink. No matter how good our business processes, no matter how high the quality of people we hire, humans make mistakes that can result in losing customers. Business buyers in accounts change. Clients reduce budgets or go out of business. Marketing is critical because good salespeople are incredibly expensive. We must lower our sales costs as a channel and use marketing to find those clients who truly want to buy now..

5. The 80/20 Rule Still Applies

We are starting to see two distinct camps of clients in the market. Outsourcing-friendly ones are leaning more heavily on the channel to remove the commodity workloads and focusing efforts on their own unique business processes. Integrators will likely find that more than 80 percent of their revenue comes from the 20 percent of their clients who are outsource-focused. The remaining 20 percent of an integrator's revenue will tend to be from the other camp of "do it ourselves" clients who see that cloud solutions are simpler to manage and maintain. The cloud will make it more difficult to get any type of return on sales investment at these accounts..

6. You Have IP Assets

I agree with Microsoft's recent partner messaging that many of the most successful entities in the channel have built intellectual property (IP) to separate their businesses from the pack. There are some cool examples, but many of them had development costs in the \$100,000-plus range, an investment level that most of us in the channel would have a hard time matching. Integrators should keep in mind that there are ways to build IP as part of our daily business. Examples include focusing on a particular vertical, wrapping two solutions up together, building a unique assessment process, becoming an expert at targeting a particular job function and better documenting business processes. My guess is that your business already has some IP -- be it big or small -- that has just developed over time. The question now is how to nurture it..

