

Consolidating Partner Payments Is Key to Cutting Channel Program Costs for a Global Networking Leader



Challenge

In the face of multiple programs, inconsistent processes, high cost, and long payment lag times, a global leader in networking needed to cut the overhead and frustration of global partner payments while increasing affinity among its partners.

Solution

Our client looked to hawkeye's channelPay solution, a global payment platform that reduces payment delivery times and transaction costs, decreases payment exceptions and help center volume, increases transparency, standardizes communication touch points, and delivers robust reporting.

Results

This technology leader realized a cost savings of \$26.13 per payment by consolidating processes and payments—and outsourcing operational support and services—while significantly increasing partner satisfaction.

Learn more

hawkeyechannel.com

Our client, a leading supplier of networking equipment, manages multiple channel partner programs, paying out about \$1 billion USD in rewards to more than 8,000 partners around the world each year.

Effective global payment systems must achieve the business objectives and cash flow needs of vendors and partners alike. These systems are increasingly vital to the success of channel partner programs. They provide considerable cost savings due to reduced payment processing times and bank transaction fees—while increasing partner satisfaction through enhanced transparency, timely communication, and accelerated delivery of payments.

In the face of multiple programs, inconsistent processes, high administrative overhead, and long lag times between invoicing and payment, our client looked to hawkeye's channelPay solution to cut the cost and frustration of global partner payments while increasing affinity among its partners.

Selecting the right solution for global partner payments.

hawkeye's channelPay solution—an affordable, accurate, and auditable global partner payment system—brings order to the chaos of global partner payments.

Using the channelPay solution, our client was able to:

- Reduce total administrative costs by consolidating multiple payments to partners
- Increase partner satisfaction by providing an online Global Benefits Statement as well as consistent, timely communication regarding payment notices, reminders, and final payment status
- Enhance productivity by streamlining financial and tax processes, including real-time validation of partner bank information and GST/VAT invoicing to reduce unnecessary paperwork
- Boost efficiency by outsourcing time-intensive support and services—such as auditing, operations, and reporting—through a fully-sourced, global back office



Simplifying the challenge of issuing payments in multiple currencies to a worldwide partner base.

channelPay delivers single-source accountability across implementation, integration, configuration, business process automation, program management, and operations support.

Ramping up to nearly \$1 billion USD in payments.

Our client first used the channelPay solution to facilitate payments in European markets and subsequently selected hawkeye as their global vendor for partner payments. We put the solution through its paces with a small pilot program and, with successful testing, brought on additional programs to ramp up for our client's fiscal year 2009. The number of payments made quarter over quarter increased rapidly: 15% growth from Q1 to Q2, 14% from Q2 to Q3, and 40% from Q3 to Q4. Using this solution, our client now makes thousands of monthly payments to partners, totaling \$800 million USD since inception just a year ago.

Consolidating payments to dramatically reduce cost.

Standardizing on a single, global payment platform streamlines processes and consolidates payments from an array of different programs. Previously, the client may have been making between three to eight payments per partner, with associated bank fees for each payment. With consolidation—2,500 fewer payments in March 2010 alone—the client has seen a significant impact to its bottom line. These cost reductions include an immediate hard savings of \$26.13 USD per payment as well as the soft business value provided by reducing the time that finance staff must spend to process payments. Our client has achieved consistent consolidation rates in all geographies: 35% in North America, 30% in Asia Pacific, and 32% in Europe.

Fostering partner loyalty through improved transparency.

The channelPay solution provides a number of features that reduce partner frustration over the lack of visibility into the payment pipeline and delayed payments.

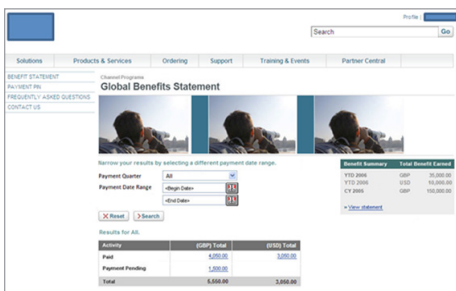


Figure 1. An online Global Benefits Statement provides an at-a-glance summary of all pending and paid benefits from channelPay, with the ability to drill down to individual transaction details.

Online Global Benefits Statement

Through a customized online Global Benefits Statement, the client is able to provide its partners with an at-a-glance summary of all pending and paid benefits—tracked to individual programs—with the ability to drill down to individual transaction details.

Timely Communication

The client has experienced a reduction in the frequency of delays and exceptions through the use of automated notifications that proactively communicate key financial information, including payment notices, reminders, and final payment status to partners.

Increasing productivity with streamlined processes.

Because the solution streamlines financial and tax processes, the client is able to focus on business-critical responsibilities rather than time-intensive paperwork.

Bank Account Validation

Partners provide financial institution routing numbers online, which are then validated in real time, cutting the time it takes to process bank information by 46% and improving payment turnaround times.

VAT and GST Invoicing

Tax liability can be a considerable challenge for global payment systems. channelPay program variables allow the use of pre-established rules that determine if a partner can claim VAT or GST—a process that is managed entirely online and can differ for individual programs.

Optimizing resources and expenditures with a fully-sourced, global back office.

From compliance and proof-of performance auditing to multilingual help desk support, training, and localization, hawkeye uses the latest technology to streamline channel program operations and effectively maximize channel investments.

Global, Local...You Know the Drill

One way our client takes advantage of these services is by offloading global help desk operations, localizing the solution in 17 languages and offering operations support in languages. By providing a single point of contact for all partner concerns related to payments, the client has effectively reduced cost and introduced comprehensive reporting.

Reporting and Metrics

Through detailed reports about all aspects of its partner payments as well as the use of industry benchmarks, our client can fine-tune its programs and budgets to optimize every dollar they spend on help desk support.

hawkeye's industry benchmarks illustrate where our client ranks in the continuum of program support costs for technology companies, while our comprehensive reporting around global partner payments includes:

- Recap by program and ticket status
- Analysis by program and help desk ticket description
- Number of touches per ticket and average response time per ticket (overall and by program)

By moving to online, real-time collection and validation of a partner's banking information early in the process and instituting electronic invoicing, vendors have the ability to reduce costs—and speed payments to partners.



Did You Know?

channelPay supports 189 countries in 108 different currencies.

Delivering best-of-breed channel solutions for the world's leading technology companies.

Fortune 500 technology companies around the globe rely on hawkeye to maximize their channel investments.



Focusing on tactical advantages to improve business results.

Our client discovered the tremendous advantages of deploying hawkeye's channelPay solution. Consolidation of partner payments, increased partner affinity, enhanced productivity, and outsourced help desk support all contribute to operationally focused efficiency that directly affects the bottom line—and you can't argue with the numbers.

Contact Us

Contact us today to discover how we can help you get the maximum return on your channel investment.

team@hawkeyechannel.com

About hawkeye

hawkeye delivers best-in-class channel solutions for the world's leading technology companies to maximize channel investments. Whether you're designing and deploying a new channel program—or strengthening an existing one—hawkeye can help give you a competitive edge with an end-to-end, integrated solution. Our expertise traverses best-of-breed strategies, research and program design; ultra-flexible, web-deployed tools powered by a proven platform; marketing techniques that compel action; and unmatched operations management and support.

North America

Centerpoint, Cascade East
20819 72nd Ave S.
Suite 725
Kent, WA 98032
USA

Europe

Otterman House
12 Petersham Road
Richmond-upon-Thames
Surrey TW10 6UW
UK

Asia/Pacific

8 Temasek Boulevard
#42-01 Suntec Tower Three
Singapore 038988