**Why Deal Registration?**

I often get asked, “Should I setup territories?” In other cases I get asked, “Why should I use Deal Registration.” Following is my response.

**Territories**

First, let’s first discuss territories.

* **Internal Sales**. Your internal sales can be assigned territories since you can control overlap by region, product and size (anything 5 or below), etc. You can also let them go if they don’t perform—so that’s why it is so common—but the channel is *not* the same.
* **Overlap**. Some resellers work local (Austin, TX only). Others work an entire region (Texas (size of some countries), plus Oklahoma and parts of New Mexico). While others (like Accenture, WiPro, etc.) are national and even international. If you give a reseller Austin, TX, there will be overlap between the regional and national territories or you have to limit some of your biggest resellers (some may have 28 offices across the country). Why have the biggest resellers if you are only going to throttle them back? You could give some national resellers geographic territories corresponding to their regions. But what are you going to do with centralized resellers like CDW that sell billions out of a central location?
* **Dead beats**. If you gave a location (Austin, TX (with over 1 million population)) to a single reseller (or to a regional office of a national reseller) you would typically also setup a time frame (they have it exclusive for 6 months, 12 months, etc.) and you usually lock the territory at the *beginning* of the relationship. You may also setup a quota (5 sales first 6 months)--a performance clause. However, if this reseller does not engage, does not hit their quota, or doesn’t even learn the product—what do you do with a lead in their territory (you picked up 20 leads at the Austin, TX SXSW trade show)? Give it to them? Contractually—yes. Practically? Heck no! So you have a dead spot in the country and a problem.
* **Full Coverage**. I had one International company that gave a single reseller all of California. But this reseller only worked locally (50 mile radius--not the entire 840 miles). Another gave a single reseller “Los Angeles.” There are over 240,000 businesses in LA (the 19th largest economy in the world). There are over 800 resellers in the LA area. This reseller may be one of the smallest, least qualified resellers with very few large company relationships. Was this wise?

**Deal Registration**

A policy of registering a deal, or Deal Registration, became popular in the late 80’s and has continued since—in fact, every top channel program (that works with VARs, MSPs, SI’s, etc. (not retail)) has some form of deal registration. It helps reduce *channel conflict* between competing channel partners and with your internal sales department.

**How it works**

Typically, a reseller completes your deal registration form (including the size, time frame, products, competition, status in the sales cycle, etc.). You would *not* approve it if it is already a house account (you are already working the prospect (be careful if you are not—easy to trace with a single phone call) or it has already been registered by another reseller. If approved, you provide exclusive benefits:

* **You agree not to compete**. Many resellers won’t let the vendor know they are working a deal for fear the internal sales team will try to take it away. By not knowing, you can’t help them to close the deal and it is difficult to forecast overall sales when you don’t know what is in the channel sales pipeline. So, you agree that your internal sales won’t compete with registered deals—instead, you will act as a sales manager and help them win the deal together.
* **Exclusive Margin**. You typically divide your margins to ensure compliance (put your money where you want the behavior). If you expect to pay 30% margin total, you might award 20% as a standard margin, then 10% when they register a deal. You don’t pay any more than you planned—you just split how it is paid. This ensure the reseller will register (or it will cost them—so you get compliance), plus it gives an advantage (the extra amount) to a reseller who has registered. Since they are making more, they can also either make more (their full margin), discount more (if they collect), or they can afford discount other products or services if they have to compete for the business—so they have an advantage.
* **Exclusive Sales & Tech Support**. You also agree to win or lose a registered deal together. You may help give the demo (if they are a newer partner), help them with a quote (or special pricing if needed), or provide pre-sales support (including FAE support if applicable).
* **Less Conflict**. Other resellers start to back off since they realize the reseller who registered the deal has more margin to work with and the entire company standing behind them. Your only change in behavior is to ask any new prospect that you may contact, “Are you working with one of our friendly reseller partners.” If they say yes, then you avoid talking price but can still help them (tag team with your partner to win the deal).
* **Accounts Not Territories**. Deal registration assigns “accounts” not territories and does so on request (based on actual sales efforts—so you know they are selling (not just trying to lock in an exclusive territory without effort), has advantages for the approved partner and removes most of the internal and external channel conflict—which is why it is so widely practiced.

The deal registration policy has numerous detailed checks and balances, along with additional benefits and is *described in detail* within the partner portal. Please review.

**FAQs**

1. **Can another reseller still sell the account?** Yes. Deal Registration provides exclusive benefits, but it does not *force* the customer to buy from ONLY that reseller. If the reseller can’t close the deal with ALL of the Deal Registration benefits, there is usually another problem—often they don’t have a good (or the best) relationship with the account: maybe they burned them on prior price, or had poor support, or were a pain to work with, were always late, or they may be competing with an MSP that already “owns” the account for most tech products. Some companies have exclusive purchasing agreements (GE divisions were supposed to order from CDW)—but the reseller has to learn about these before spending too much time (or sell “through” CDW – creative). The “market” teaches best and we cannot reward poor behavior or sloppy salesmanship—we can only offer advantages. There will always be some conflict (they are competitors), but Deal Registration removes most of it.
2. **What if the Office takes the order?** Sometimes an account may have a question and call the vendor. Or their reseller is not available. As mentioned above, we should always ask if they are working with a partner. Other times the prospect can’t get hold of their reseller (on vacation), but just wants to get the product ordered. In this case, *take the order*—but it is not a “sale” it is customer service and we should afford this service to resellers and internal sales (much like a sales manage might help his sales rep that is on vacation—“Hey, that deal came through!”).   
     
   We would still have to pay the reseller (the full amount) if they registered the deal. Two minutes to process an order is *not* the same effort as the months to present, follow up, do a mini-trial, overcome objections, etc. and close the sale. Plus, we should always take a prospects money when they are willing to give it to us—we can easily work out the details later. But tie goes to the runner—and the reseller is the one doing the real work.