

For: Sales  
Enablement  
Professionals

# The Forrester Wave™: Partner Relationship Management (PRM) Platforms, Q4 2013

by Tim Harmon and Tirthankar Sen, November 22, 2013

## KEY TAKEAWAYS

### **PRM Is Taking On New Life As Channel Pros Look To Manage Partner Ecosystems Of Greater Complexity**

Legacy PRM systems, many having been cobbled together many years ago, are running out of gas to keep pace with the demands placed on PRM by today's more complex partner ecosystems and more scrutinous partners. Modern PRM platform products have advanced to the point of being able to handle much of that complexity and adapt to the rate of change.

### **Hybrid Partner Business Model Support And Mobile Delivery Are Key Differentiators In The PRM Market**

The changing nature of channel partners is the harbinger of the most critical elements of PRM. As channel partners diversify their own business models and increasingly utilize mobile technology for their onsite customer interactions, channel professionals should gauge PRM platform products accordingly.

### **PRM Vendors Don't Just Provide Systems Of Record, They Enable Manufacturer-Partner Collaboration**

Today's PRM vendors offer platforms that are robust, yes, but many also act as strategic partners who provide services and counsel on PRM-related programs and decisions involving partner enablement, partner marketing, and channel finance.

# The Forrester Wave™: Partner Relationship Management (PRM) Platforms, Q4 2013

The Seven Providers That Matter Most And How They Stack Up

by [Tim Harmon](#) and [Tirthankar Sen](#)

with [Peter O'Neill](#), [William Band](#), and Tyler Otte

## WHY READ THIS REPORT

In Forrester's 40-criteria evaluation of partner relationship management (PRM) platform vendors, we identified the seven most significant software providers in the category — Channeltivity, NetSuite, Parago, Relayware, salesforce.com, The Planet Group, and TreeHouse Interactive — and researched, analyzed, and scored them. This report details our findings about how well each vendor fulfills our criteria and where they stand in relation to each other to help sales enablement professionals select the right partner for their PRM platform.

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Forrester conducted product evaluations in May 2013 and interviewed seven vendor and user companies: Channeltivity, NetSuite, Parago, Relayware, salesforce.com, The Planet Group, and TreeHouse Interactive.

## Related Research Documents

[Partner Relationships Need Their Own Management System](#)

August 20, 2013

[Seeding The Cloud Channel](#)

May 9, 2013

[Being Strategic Does Not Guarantee Partner Loyalty](#)

May 1, 2013



## MANUFACTURER-PARTNER ECOSYSTEMS INCREASING IN POWER, COMPLEXITY

What do companies like Allianz, Allstate Insurance, Amgen, Caterpillar, Cisco Systems, DuPont, GE, IBM, Merck, Michelin, Microsoft, Monsanto, Nelco, Pfizer, Roche, and Siemens have in common? They each have large and powerful partner ecosystems — made up of firms external to their own organizations that represent a route to market: value-added resellers (VARs), dealers, service providers, trainers, developers, agents, brokers, distributors, aggregators, wholesalers, retailers, doctors, manufacturer reps, and/or product alliance partners — which they wield to their competitive advantage. The world's most successful companies have been built largely on the backs of those companies' ecosystems.

But partner ecosystems are not just for the large. Whether it be a software startup in Silicon Valley, a 3D-printing-based manufacturer in Germany, or a battery research and development (R&D) firm in China, small companies also realize that their success in reaching new markets, winning competitive bids, and capturing customers' mindshare is largely dependent on and determined by the aggregate value represented by their partner ecosystems (and how well they market that ecosystem value).

Often, manufacturers refer to their partner ecosystems as channels — as in go-to-market channels, i.e., channels through which they reach customers — and use organization structure monikers that reflect that thinking (you'll often hear partner organization leadership roles described as vice president of channels or chief channel officer, or just channel chief).<sup>1</sup>

The more retrogressive of partner-oriented companies still refer to their ecosystem as a sales channel or distribution channel (and the channel or partner organization reports up through the VP of sales). But partner companies today represent much more than a sales channel — they have evolved their business models to embody a full-fledged marketing, sales, development, delivery, support, and training channel (or ecosystem). Indeed, today those companies represent less of a “channel” (which implies unilateralism) and more of a partner in the true sense of the word (the implication being collaboration).

## PRM Is Needed To Keep Pace With Ecosystem Dynamics

Forrester defines partner relationship management as:

*The dynamic business processes and programs — and supporting technology — that support the key roles and activities of: targeting, recruiting, enabling, managing, understanding, and collaborating with partners for the purpose of delivering holistic (manufacturer-partner) solutions to customers.*

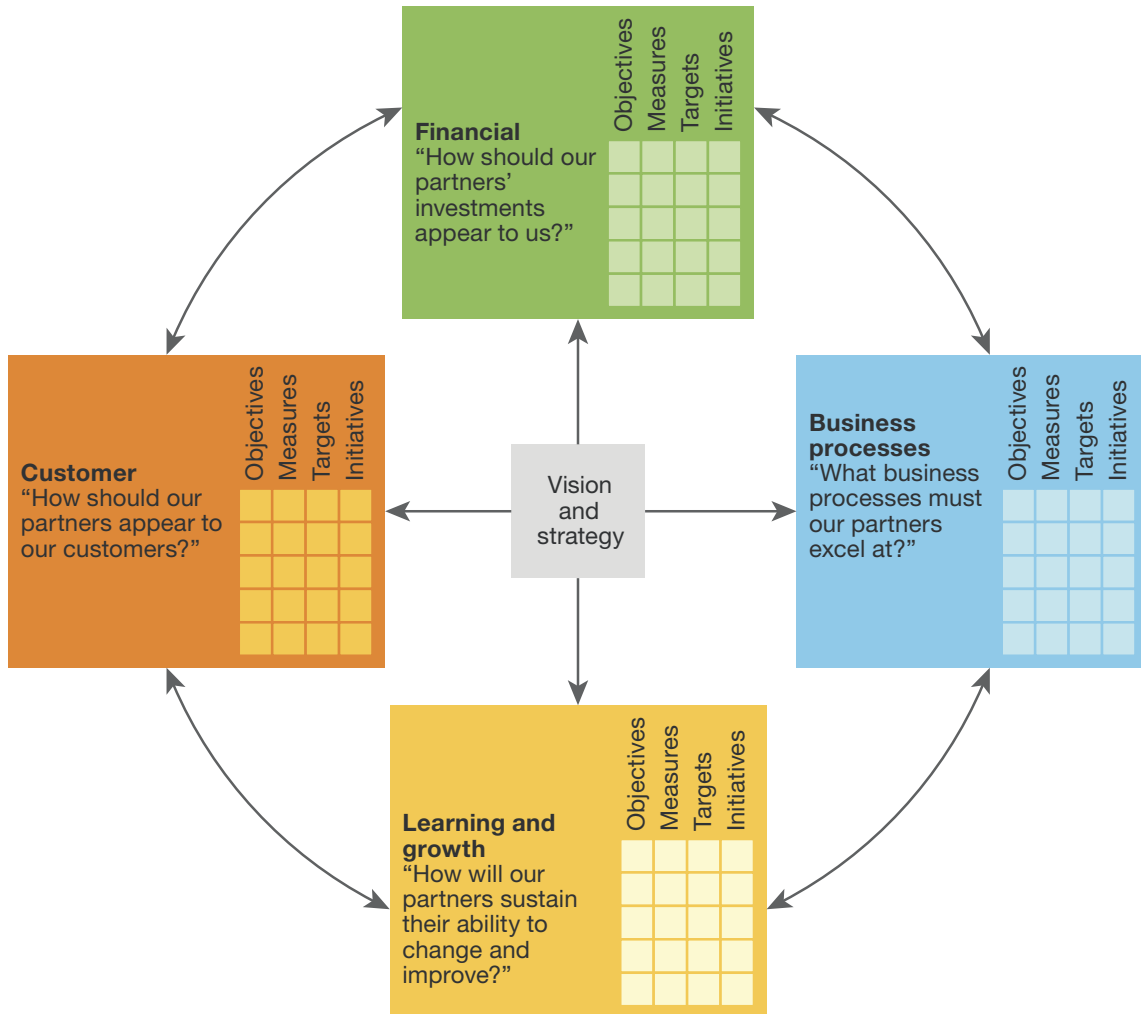
Although Forrester does not advocate that organizations view PRM solely as a set of technologies, strong interest in investing in and deploying technology solutions to improve partner business processes continues. In fact, of the 328 North American and European business-to-business (B2B) marketing executives that we recently surveyed, 25% are expanding their channel management

software implementations (of which PRM forms the foundation), and an additional 21% are planning to implement net new channel management software or are interested in doing so.<sup>2</sup> As companies strive to marshal an increasingly entropic partner ecosystem, channel and partner management professionals struggle with how to: 1) define PRM strategies; 2) re-engineer manufacturer-partner processes and collaboration; 3) acquire and deploy the appropriate supporting technologies; and 4) lead and sustain the organizational changes required to make the transition to new ways of working with partners. To make savvy PRM solution investment decisions, channel and partner professionals must understand and navigate a number of important trends:

- **Partner loyalty is waning.** Whether it's developers in the tech industry or manufacturer reps in the industrial equipment sector, channel partners are exploring the myriad new manufacturer relationship options represented by new startups and changing business models. Indeed, when we ask channel partners what their No. 1 determinant of how they allocate their manufacturer investments is, they invariably cite "ease of doing business" (EODB) — and they associate that EODB factor with the quality and usability of manufacturers' PRM systems.
- **Buyer behavior in the age of the customer dictates a collaborative L2RM process.** In the current age of the customer, customers choose the channels they wish to engage.<sup>3</sup> Their self-directed education-consideration-evaluation-purchase process typically involves engaging with both manufacturers and their channel partners. Gone are the days of the clean division (and unilateral communications model) between manufacturers doing the lead generation and channel partners the selling. Today, manufacturers and channel partners must collaborate throughout the lead-to-revenue management (L2RM) life cycle.<sup>4</sup> Moreover, the age of the customer dynamics widen the aperture of the customer experience spectrum to include customers' experience of partners and partners' experience of their manufacturers. PRM platforms need to support this acute manufacturer-partner collaboration requirement.
- **Partners are creating new business models of their own.** Partners are responding to the age of the customer dynamics by focusing more on customers and less on their upstream manufacturers. Many are building a broader service capability to complement their product portfolio. For example, in the tech industry, partners are deemphasizing their product reseller business in favor of their solutions/service provider business (e.g., managed services). PRM systems must be able to support not just product resale but partners' broader business models.
- **Ecosystem partners have embraced mobile.** One of the primary values that channel partners provide is face-to-face interaction with and support of customers. Whether it involves consultative selling or onsite break-fix support, partners tend to spend an inordinate time in front of customers and out of their offices — and thus they have adopted mobile technology faster than any other class of company. The success of PRM adoption by partners today is determined largely by the PRM functionality delivered on mobile tablet and smartphone platforms.

- New approaches to partner performance management are taking shape.** The days of incentivizing and rewarding partners’ performance solely on revenue contribution are past. Now manufacturers are applying a Balanced-Scorecard-like approach to partner performance management (see Figure 1). The Balanced Scorecard methodology retains classic backward-looking financial metrics, but it adds future-value metrics involving customer relationships, learning and growth, and business processes to measure performance.<sup>5</sup> Some PRM vendors have incorporated a flexible points system to allow for measuring partners’ performance according to any dimensions relevant to the manufacturer’s partner program (e.g., certification investment, marketing activity).

**Figure 1** Balanced Scorecard Approach To Partner Performance Management



## The PRM Market: Different Strokes For Different Folks

The PRM market is currently dominated by one Goliath that is being challenged by several Davids. And the commercial PRM market is just a fraction of the overall PRM market.<sup>6</sup> In the commercial PRM market, salesforce.com has well over 50% market share today, with Channeltivity, NetSuite, Parago, Relayware, The Planet Group, and TreeHouse Interactive collectively representing less than 25%.<sup>7</sup> Given salesforce.com's dominance, other PRM vendors have sought market niches. As a result, the PRM market has evolved into a spectrum of vendors that serve:

- **PRM platforms for large and midsize channel organizations.** PRM vendors serving the market for manufacturers with significant ecosystems — organizations with 1,000 or more partners — offer a comprehensive set of functionality, have products that can scale to serve large user populations, and offer support for multiple languages and countries.
- **PRM platforms for small and developing channel organizations.** Vendors with solutions in this category target manufacturers with small ecosystems — organizations with fewer than 1,000 partners — and those that are in the early stages of developing their partner ecosystems. Functionality is more limited than what is found in the PRM platforms of vendors serving larger manufacturers.
- **PRM platforms for resource-constrained organizations.** Some manufacturers' channel organizations choose to outsource some aspects of their partner program management function. Thus, some PRM vendors provide most of their technology solution in the form of a hosted managed service, where the PRM vendor handles customization and change requests involving new partner program models, policies, and processes.

## PRM PLATFORM EVALUATION OVERVIEW

To assess the state of the partner relationship management platform market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top PRM platform vendors.

### Buyers Focus On Current Offering, Future Vision, And Market Strength

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 40 criteria, which we grouped into three high-level categories:

- **Current offering.** We looked at the breadth of vendors' product offerings, global capabilities, and adaptation to specific industry requirements. We also evaluated vendors' partner data management and analytics abilities, as well as usability, and took into consideration the strength of vendors' technology platform and tools.

- **Strategy.** We examined the strength of the vendors' product strategy and vision, and how vendors intend to differentiate in the PRM market. We focused on the methods vendors use to deliver a satisfactory application ownership experience to their customers. We also considered vendors' technology partnerships and their relationships with channel partner organizations such as VARs, systems integrators (SIs), and consultants.
- **Market presence.** We gauged the size of vendors' customer and user base, and we evaluated the depth of human and financial resources available to enhance their products and serve customers.

Note that we did not include prices and pricing models in our evaluation, given the very different markets and business models employed by the various PRM platform vendors.

### Evaluated Vendors Span A Variety Of Market Needs

Forrester included seven vendors in our assessment of PRM platforms: Channeltivity, NetSuite, Parago, Relayware, salesforce.com, The Planet Group, and TreeHouse Interactive. Each of these vendors has (see Figure 2):

- **A multifunctional PRM platform.** Each vendor included in this Forrester Wave evaluation has functionality in partner program management and partner portal management, as well as a minimum of two of the other PRM subdisciplines and tools: financial management, deal registration, market development funds (MDF)/co-op management, and channel business intelligence. We did not include products promoted primarily as best-of-breed solutions for a single functional area.<sup>8</sup>
- **A solution suitable for large or developing channel organizations/ecosystems.** Some vendors we included focus on, and have references from, large organizations with complex requirements. These requirements include the ability to scale on a global basis, manage end-to-end business processes, integrate into complex legacy environments, and manage large volumes of channel-related data. Smaller channel organizations and regional divisions of large channel organizations are typically more IT and budget constrained. Therefore, some vendors we included offer PRM solutions that provide for quicker deployments and lower total cost of ownership.
- **A product available in software-as-a-service (SaaS) form.** Given the distributed nature of channel organizations and ecosystems, SaaS solutions have become the standard for new PRM implementations.<sup>9</sup>
- **A product now in general release and in use by customers.** The solutions we included have a specific release that was generally available at the time of data collection for this evaluation with references available for contact.

**Figure 2** Evaluated Vendors: Product Information And Selection Criteria

<b>Vendor</b>	<b>Product evaluated</b>	<b>Product version evaluated</b>	<b>Version release date</b>
Channeltivity	Channeltivity	4.4.6	
NetSuite	Partner Relationship Management	2013.1	
Parago	Channel Management Platform	4.1	
Relayware	Relayware		2013 summer release
salesforce.com	Sales Cloud Partner Management		Summer 2013
The Planet Group	Channel-on-Demand	3.2	
TreeHouse Interactive	Reseller View	5.18	

**Inclusion criteria**

A product that supports deal registration.

A product that supports partner portal.

A product that supports financial and partner program management.

A product that supports partner system of record.

A product that supports business intelligence.

A product that supports market development funds/co-op management.

A product that supports opportunity management (partner recruitment, onboarding).

A product that supports customization.

Geographies covered.

Total number of partner relationship management (PRM) platform customers.

Three public enterprises (1,000 or more employees) reference customers running applications on the platform. These references must be publicly disclosable.

Customer support options that include 24x7 phone support with minimum 4-hour response guarantee.

Platform must be generally available to customers and meet the above 12 selection criteria as of March 4, 2013.

Source: Forrester Research, Inc.

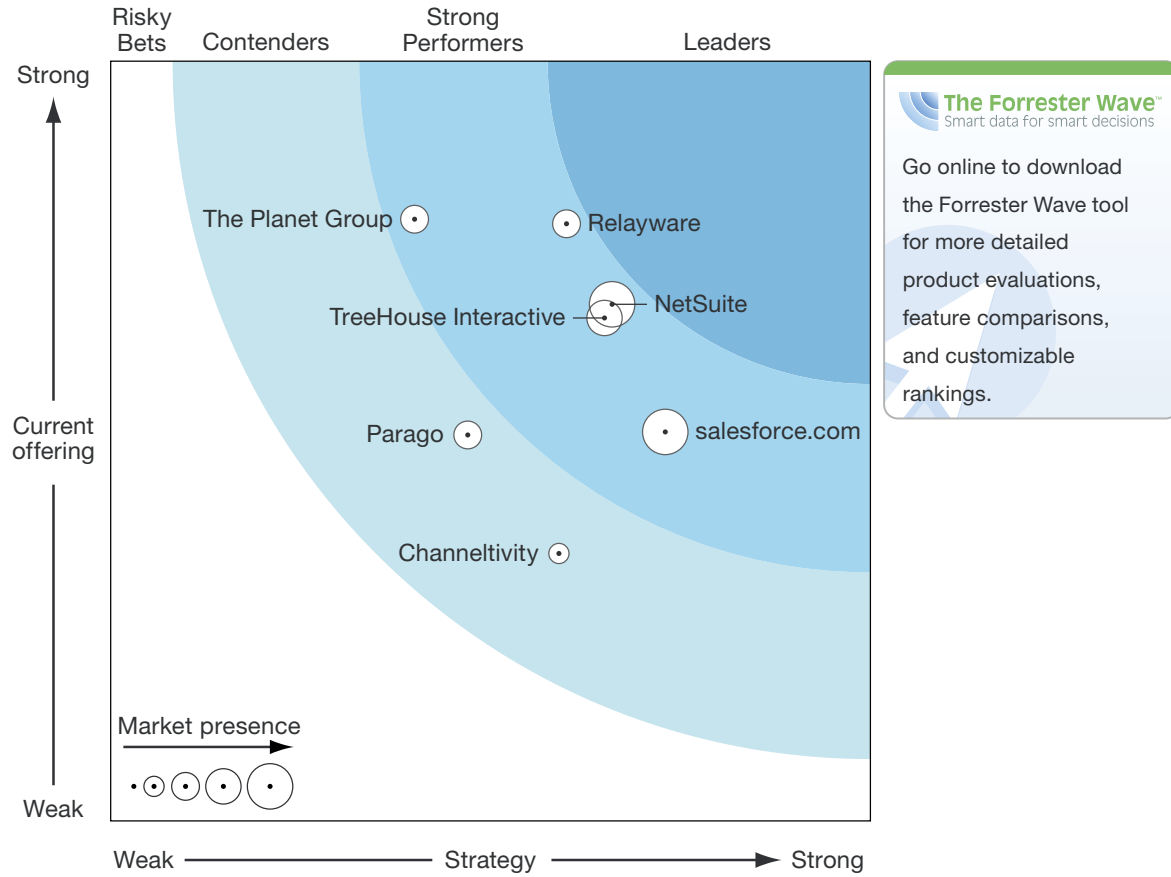


## THE RESULTS: BUYERS SHOULD DO DEEP DILIGENCE TO FIND THE RIGHT FIT

The evaluation uncovered a market in which (see Figure 3):<sup>10</sup>

- **NetSuite and salesforce.com lead in PRM market presence, leveraging their strengths in CRM.** NetSuite and salesforce.com espouse the PRM-CRM integration value of PRM being a partner-field extension of customer relationship management (CRM) — a natural position for them to take, given their strength in the CRM market — and upsell their PRM solutions to their CRM customers. Their PRM products tend to focus more on the field roles and functions of PRM (e.g., partner account management), and less on the back-office roles and functions (e.g., partner program management, channel operations management).<sup>11</sup>
- **Relayware, The Planet Group, and TreeHouse Interactive offer competitive options.** Relayware, The Planet Group, and TreeHouse Interactive have worked hard to surpass the market share leaders, NetSuite and salesforce.com, in terms of PRM functionality. Their PRM products harbor more native functionality (requiring less customization), superior user interfaces and usability, and greater emphasis on back-office channel operations.
- **Channeltivity and Parago are best-suited for those in an early channel development stage.** Channeltivity and Parago are more suitable for manufacturers at the smaller end of the PRM market spectrum (i.e., having smaller ecosystems or in the earlier stages of channel development). What Channeltivity lacks in functionality in some PRM subdisciplines relative to the other PRM vendors, it makes up for in low price. Parago employs a managed services model, whereby the company acts as the PRM administrator for customers for a lot of its PRM platform management functionality.
- **The vendors have adopted divergent pricing models.** NetSuite and salesforce.com, the two PRM platform vendors with strong market positions in CRM, have adopted a pricing model for their PRM solutions that reflects their CRM models: per user, i.e., per partner company user. For manufacturers having a large ecosystem (large number of partners), or anticipating growth in their partner numbers, this pricing model can get expensive.<sup>12</sup> The other vendors' pricing models are, for the most part, flat rates based largely on which functional modules the manufacturer chooses to deploy.
- **This evaluation of the PRM platform market is intended to be a starting point only.** We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool. In particular, we did not include price in the evaluation criteria, given the very different markets that the PRM vendors target.

**Figure 3** Forrester Wave™: Partner Relationship Management (PRM) Platforms, Q4'13



Source: Forrester Research, Inc.

**Figure 3** Forrester Wave™: Partner Relationship Management (PRM) Platforms, Q4'13 (Cont.)

	Forrester's Weighting	Channellivity	NetSuite	Parago	Relayware	salesforce.com	The Planet Group	TreeHouse Interactive
<b>CURRENT OFFERING</b>	50%	1.76	3.40	2.54	3.93	2.56	3.96	3.31
Lead management	10%	1.65	3.90	3.05	3.90	2.55	4.60	3.60
Partner portal	10%	2.50	2.65	2.70	4.25	3.50	4.13	3.95
Financial and partner program management	15%	1.20	2.75	3.05	3.55	0.90	5.00	3.23
Partner system of record	18%	1.80	2.70	1.90	3.50	2.10	3.80	3.50
Business intelligence	15%	1.40	4.65	2.40	4.35	3.10	2.70	2.40
MDF/co-op management	12%	2.38	2.90	3.00	3.45	1.73	3.90	2.83
Business planning	5%	1.00	5.00	3.00	5.00	3.00	5.00	5.00
Customization	10%	2.50	4.00	2.45	3.90	4.20	3.85	3.40
Mobile and tablet support	5%	1.00	3.00	1.00	5.00	4.00	3.00	3.00
<b>STRATEGY</b>	50%	2.95	3.30	2.35	3.00	3.65	2.00	3.25
Corporate strategy	100%	2.95	3.30	2.35	3.00	3.65	2.00	3.25
<b>MARKET PRESENCE</b>	0%	1.85	4.10	2.95	2.38	4.40	2.53	3.16
Revenue/revenue growth	20%	2.00	3.00	4.00	2.00	5.00	2.00	3.00
Employees	20%	2.00	3.40	4.00	3.30	3.50	3.90	3.20
Customer base	30%	2.00	4.40	1.00	1.40	4.00	1.00	2.40
Geographical scope	30%	1.50	5.00	3.50	3.00	5.00	3.50	4.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

## VENDOR PROFILES

### Leaders

At this time, Forrester did not identify any leaders in the PRM platform market. Those vendors with strong product offerings tended to be weak in terms of their own ecosystem development (systems integrators, consultants) or vision, and vice versa.

### Strong Performers

- **Relayware PRM is a comprehensive, highly configurable platform with strong mobility.**  
Relayware's PRM solution delivers a comprehensive set of PRM functionality on top of a

business rules engine platform, which is readily extensible via its representational state transfer (REST) application platform interfaces (APIs). The product reflects Relayware's vision of supporting companies having mobile ecosystems, including a robust mobile app (for both iOS and Android), which delivers almost all of the same functionality that a partner would get via Relayware's partner website portal. Moreover, the product includes SCORM-compliant learning management system (LMS) functionality (for partner training/certification) that rivals that of most standalone LMS vendors, and it provides strong usability and support for partner portal/content management, business intelligence (BI), and integration with salesforce.com's CRM.

Relayware is relatively small and lacks a partner ecosystem of its own. Relayware PRM is best suited for organizations with sophisticated channel ecosystems and partner programs, and for those wanting to serve their ecosystem partners via mobile.

- **NetSuite PRM is a seamless module in its ERP/CRM-centric portfolio.** NetSuite is unique in that it offers an integrated suite of business applications including, along with its PRM solution, enterprise resource planning (ERP), CRM, professional services automation (PSA), and eCommerce products. Most PRM vendors support some level of CRM integration (NetSuite PRM integrates with both its own CRM and salesforce.com's CRM), but NetSuite advantageously provides strong integration with its ERP product as well. For example, manufacturers' channel professionals and their channel partners can easily incorporate order history into analytics involving future projections. NetSuite PRM also includes strong support for partner support (help desk ticketing), BI, and collaborative business planning. Moreover, NetSuite offers strong global support.

While NetSuite PRM includes business process management (BPM) tooling for customization, its user interface is limiting. And like the other CRM portfolio vendor, NetSuite tends to focus less on some of the partner program administration aspects of PRM; its product is lacking in terms of a partner locator and partner tier, certification, and MDF management; and it can be expensive for manufacturers with large ecosystems. NetSuite PRM is best suited for midsized organizations that employ NetSuite's ERP product.

- **TreeHouse Interactive Reseller View sports high integration with salesforce.com's CRM.** Because some aspects of PRM (e.g., lead management) are so tightly tied to CRM, some manufacturers prefer their PRM and CRM functionality to be combined in a single user interface. TreeHouse Interactive has taken a unique approach in that it can embed much of its PRM functionality in a major CRM solution like salesforce.com's. Indeed, TreeHouse Interactive's Reseller View product is the only PRM product that is AppExchange-certified. TreeHouse Interactive also offers out-of-the-box integration with Microsoft Dynamics CRM and Oracle CRM On Demand. TreeHouse Interactive often pairs Reseller View with its marketing automation product, Marketing View, for customers to affect a best-in-class lead management process.

Because some Reseller View functionality is not built into salesforce.com's CRM, it can be confusing whether to use salesforce.com or native Reseller View for certain PRM management functions. TreeHouse Interactive's PRM product is also less strong in MDF management, BI, and configurability (TreeHouse Interactive offers some change management as a managed service). TreeHouse Interactive Reseller View is best suited for organizations desiring a rich PRM experience in one of the major CRM platforms.

- **Salesforce.com Sales Cloud Partner Management is an extension to its popular CRM product.** Salesforce.com has built its PRM product on the same platform as its CRM solution, and thus it benefits from the inherent scalability and common user interface. Salesforce.com's PRM solution fares very well for partner portal/content management, BI, and its development platform, Force.com, for customization purposes. Moreover, salesforce.com is a leader in providing global support, and it has an extensive implementation partner ecosystem of its own.

However, salesforce.com's PRM product, like that of the other CRM portfolio vendor, tends to focus on the front end and thus lacks in some partner program administration functionality, including partner tier, certification, and MDF management. The solution can come with a high cost in terms of subscription cost (as noted previously) and development/maintenance cost (some customer implementations involve a lot of customization). Salesforce.com's PRM is best suited for organizations that require a high degree of customization per their PRM functions/processes.

- **The Planet Group offers strong BPM and depth of marketing management capabilities.** The Planet Group's Channel-on-Demand PRM solution leverages a deeply modular, scalable, and robust architecture. In particular, the product includes a very good BPM tool and user interface for customization purposes. The product also has a database schema and sports a very good interface for supporting multiple partner business models. And Channel-on-Demand PRM gets high marks for lead distribution, MDF budget management, and incentives and rewards management. Indeed, The Planet Group, stemming from an incentives program consulting heritage, also delivers unparalleled partner marketing program execution and creative services.

Based in the UK and having most of its customers in Europe, The Planet Group has a very small North American operations team. Moreover, its product business is new and small in terms of revenue. Coming from a consulting/services heritage, it remains to be seen whether the company can scale as a product vendor. Nor has it developed an implementation/support partner ecosystem. The Planet Group Channel-on-Demand is best suited for organizations that value workflow-enabled customizability.

## Contenders

- **Parago's PRM has the backing of a strong incentive program management heritage.** Parago, a successful incentives program services provider (for both consumer and partner incentive programs), bought its way into the PRM market with its acquisition of Intuitive Group in 2012.

Since the acquisition, Intuitive customers have given Parago very good marks for support and communications. Parago has logically built a lot of its incentives capabilities into its PRM solution, and the product includes very good incentives and rewards management functionality. The product also fares well for lead management and BI (for which Parago “OEMs” SAP’s BusinessObjects).

However, much of the Intuitive partner program administration functionality, lacking in usability, is not exposed in Parago’s PRM product; rather, it’s provided as a managed service (Parago personnel utilize the Intuitive tool and provide change management as a service offering). Moreover, Parago faces challenges in overcoming its consumer services brand. Parago PRM is best suited for organizations that are constrained by the number of channel professionals they have on staff.

- **Channeltivity PRM is a good fit for those managing simpler partner programs or models.** Channeltivity does not try to be everything to everyone. Indeed, Channeltivity positions itself as the PRM for manufacturers early in their channel development; the product is easy to set up and run.<sup>13</sup> Channeltivity’s business model relies heavily on integrating with best-of-breed technology partners (e.g., Brainshark, Sprout Lab, NexLabs), rather than building out its own PRM capabilities for some functions. While it can’t compete with many of the other PRM vendors on an apples-to-apples basis, its products’ native strengths are found in MDF/deal registration integration, lead registration approval, and user interface.

However, in our evaluation, we found that some PRM functionality, such as lead distribution, promotional program management, and customization, was less than what we believe most large companies need. Channeltivity is best suited for emerging and midmarket tech companies that don’t have sophisticated needs in these areas, especially since it offers the lowest priced product on the market today.

## SUPPLEMENTAL MATERIAL

### Online Resource

The online version of Figure 3 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

### Data Sources Used In This Forrester Wave Evaluation

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers.

### The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve. For more information on the methodology that every Forrester Wave follows, go to <http://www.forrester.com/marketing/policies/forrester-wave-methodology.html>.

### Survey Methodology

Forrester's Q4 2012 US And Europe B2B Marketing Tactics And Benchmarks Online Survey was fielded to 328 B2B marketing executives located in the US, France, Germany, and the UK, at SMB and enterprise companies with 100 or more employees. Research Now fielded this survey online in October 2012 on behalf of Forrester Research via its online panel and partner panels. Survey respondent incentives included gift certificates and research summaries. We have provided exact sample sizes in this report on a question-by-question basis.

In addition to sampling error, one should bear in mind that the practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls. Other possible sources of error in polls are probably more serious than theoretical calculations of sampling error. These other potential sources of error include question wording, question ordering, and nonresponse. As with all survey research, it is impossible to quantify the errors that may result from these factors without an experimental control group, so we strongly caution against using the words “margin of error” in reporting any survey data.

We have illustrated only a portion of survey results in this document. For more information about this data, please contact [inquiry@forrester.com](mailto:inquiry@forrester.com).

### Integrity Policy

All of Forrester’s research, including Forrester Wave evaluations, is conducted according to our integrity policy. For more information, go to <http://www.forrester.com/marketing/policies/integrity-policy.html>.

### ENDNOTES

<sup>1</sup> In this report, we use the generic term “manufacturers” to refer to all those company entities, regardless of industry, that utilize channel partners as an important route to market. Thus “manufacturers” includes not just manufacturers of, say, industrial equipment, pharmaceuticals, or specialty chemicals, but also, for example, tech vendors and insurance companies.

In addition to referring to the customer route-to-market model, the term “channels” is also used, often by marketers, to refer to customer communications channels — e.g., website, contact center, and mobile app.

<sup>2</sup> Source: Q4 2012 US And Europe B2B Marketing Tactics And Benchmarks Online Survey.

<sup>3</sup> For more information on how customers choose the channels that they wish to engage, see the October 10, 2013, “[Competitive Strategy In The Age Of The Customer](#)” report.

<sup>4</sup> For more information about how manufacturers and channel partners need to collaborate throughout the L2RM process, see the March 28, 2013, “[The New Physics Of Lead-To-Revenue Management](#)” report.

<sup>5</sup> According to the Balanced Scorecard Institute, “the Balanced Scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Dr. Robert Kaplan (Harvard Business School) and Dr. David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more ‘balanced’ view of organizational performance.” Source: Balanced Scorecard Institute (<https://balancedscorecard.org/Resources/AbouttheBalancedScorecard/tabid/55/Default.aspx>).



<sup>6</sup> The overall PRM market is dominated by custom systems, often built in-house, as a result of early commercial PRM offerings falling short of users' partner management needs. See the August 20, 2013, "[Partner Relationships Need Their Own Management System](#)" report.

<sup>7</sup> The overall PRM market is dominated by custom systems, often built in-house, as a result of early commercial PRM offerings falling short of users' partner management needs. See the August 20, 2013, "[Partner Relationships Need Their Own Management System](#)" report.

There also exists a set of vendors that serve the adjacent partner incentive program management (PIPM) space: Birch, CCI, Grass Roots, hawkeye Channel, Parago, Perks, The Planet Group, TradeOne Marketing, and 360incentives.com (some of which serve, in addition to the B2B partner incentives market, the consumer incentives market). Many of these vendors have a heritage based on outsourcing services and custom systems. However, as indicated by two of these vendors that qualified for this PRM Forrester Wave evaluation (Parago and The Planet Group), this segment is becoming more product oriented, and we anticipate it will ultimately merge with PRM.

<sup>8</sup> Moreover, we did not include vendors of the adjacent partner incentive program management space, e.g., 360incentives.com, Birch, CCI, Grass Roots, hawkeye Channel, and Perks.

<sup>9</sup> For this reason, we did not evaluate Oracle Siebel PRM functionality in this report, as the product is not generally available as a SaaS solution.

<sup>10</sup> Per vendor scorecards in the Forrester Wave model, an asterisk signifies that the vendor did not demonstrate (minus 1 point), or did not provide information (Forrester must make an estimate). A double asterisk signifies that for functionality that the vendor provides as a managed service, Forrester scores that criterion as a "2."

Channeltivity, Relayware, and salesforce.com were the only vendors that demonstrated 100% using a generic version of their products. All of the other vendors used their customers' implementations.

<sup>11</sup> For more information on the field roles and functions of PRM (e.g., partner account management), see the August 20, 2013, "[Partner Relationships Need Their Own Management System](#)" report.

<sup>12</sup> In an attempt to relieve pressure from customers (and competitors) on high prices, salesforce.com recently introduced an alternative pricing model, based not on number of partner company users but on number of partner company logins. While this model may appease some, it can act as a disincentive to manufacturers to popularize their partner portal, given that as the number of logins grows, so does the price (subscription fee).

<sup>13</sup> There are other PRM software vendors whose solutions and prices may be appropriate for those getting started, but they declined inclusion in this Forrester Wave evaluation.

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