

Model N

Improving Channel Margins with Channel Management

The Business Imperative

High tech manufacturers that sell through distribution channels rely heavily on these selling partners to achieve revenue goals. Most companies lack the visibility and controls needed to effectively manage the complex transactional aspects of their distributed business. As they struggle to realize the revenue potential that these channels represent their costs soar, their compliance risks build up, and their revenues and margins are substantially eroded.

In the State of Revenue report, 300 plus executives were surveyed about managing revenue, margins and profitability. Today’s senior executives shared this job is becoming more challenging. When asked how the effort needed to deliver effective revenue management has changed in recent years, the vast majority (82%) said it has become more difficult. This includes close to a third (30%) that characterize the change as “much more challenging” today than five years ago.

WHAT CHALLENGES DO YOU PERSONALLY FACE WITH REVENUE MANAGEMENT?



↓ **50%**
Quote
Cycle Time

↑ **70%**
Quote
Volume

Microchip Technology deployed Model N to 2,600 users in 38 sales offices and 75 distributor and channel partners worldwide. They were able to dramatically improve visibility into demand and increase its quote volume by 70% while reducing quote cycle time by 50% without increasing headcount.

Model N Channel Management

Model N Channel Management improves visibility into channel sales activity, enabling companies to easily assess demand with end customers and to protect transactional margin by eliminating internal bidding wars and enforcing contract terms. By automatically reconciling point-of-sale data to debits, Channel Management reduces over-payment of channel incentives and facilitates compliance with revenue recognition policies. Channel Management increases the ease of doing business with partners by streamlining commission calculations and validating inventory levels.

Managing Your Channels Effectively

The channel is an often underutilized avenue for High Tech manufacturers to expand market reach and enable better margins. Effective channel management requires adopting a combination of best practices and technology. By creating attractive, targeted channel programs and then leveraging integrated, domain-specific solutions to manage those programs, High Tech manufacturers can improve their channel relationships, boost gross margins, and drive shareholder value.

Key Capabilities

Ship and Debit Processing reduces sales transaction costs by automating debit authorization and response based on pre-established business rules and providing tracking of debit data.

POS and Claim Processing automatically validate channel sales data against authorized debits. Claims are also validated against inventory levels which provide the ability to assess the true cost of POS. This results in accurate revenue recognition and it minimizes margin erosion caused by claim overpayments.

Channel Inventory enables companies to capture periodic snapshots of inventory levels, which provide an accurate view into key aspects of inventory such as deferred revenue, eligibility for debits, available quantity and inventory value. Inventory reconciliation process provides system calculated inventory using POS and direct sales data and enables users to apply in-line adjustments to resolve discrepancies. This allows companies to understand discrepancies between reported and calculated inventory levels with roll-forward reporting.

Price Protection enables companies to accurately determine which distributors and inventories are eligible for credits when revising published pricing, and calculate the impact of price changes on channel inventory and backlog.

Stock Rotation automates the governance of stock rotation periodicity, eliminates discrepancies between approved rotational levels and return material authorization (RMA) requests, and validates that correct inventory levels are being maintained.

Benefits

Increase Top Line Revenue Automating channel processes, like quoting, eliminates disruption in the selling process. This streamlined process ensures that you get a winning price to customers and prospects on time. Increasing win rates and top line revenue.

Reduce Overpayments and Increase Velocity Automatically validating sales data against claims data helps eliminate overpayments. Also, processing claims quickly and accurately eliminates costly manual intervention and ensures you are responsive to your partners. This keeps costs down and transaction velocity high.

Enhance Partner Experience Automating channel sales processes makes it easy for partners to do business with you. When partners know that you will respond quickly to requests, proactively manage inventory, and accurately pay claims on time, they increase doing business with you.

Model **N**

**THANKS
FOR YOUR
TIME**

Learn more about our approach
to Channel Management *here*.

MODELN.COM