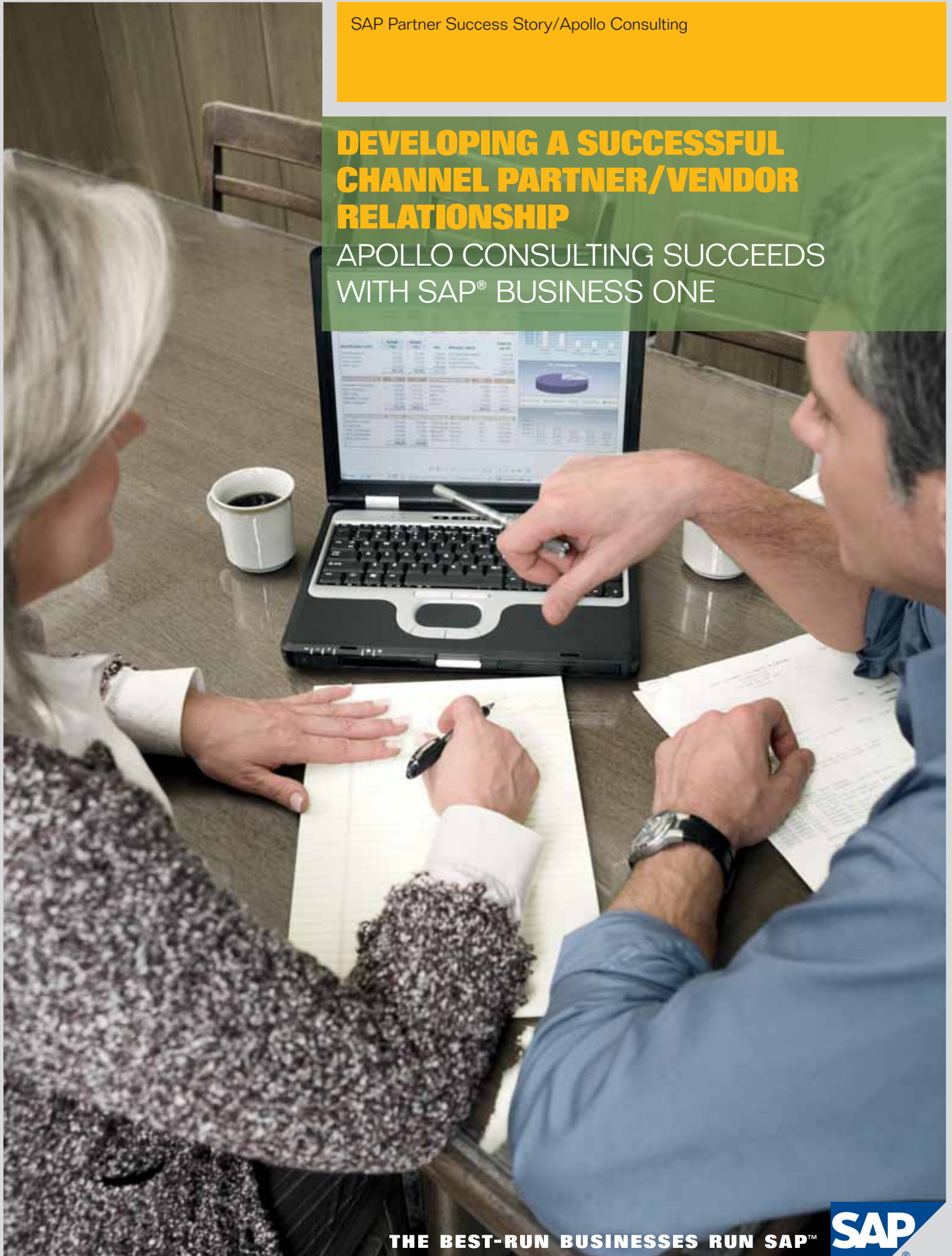


DEVELOPING A SUCCESSFUL CHANNEL PARTNER/VENDOR RELATIONSHIP

APOLLO CONSULTING SUCCEEDS
WITH SAP® BUSINESS ONE



At the heart of a good channel partner/vendor relationship is a product line that meets the needs of a desirable target market and provides a platform for a partner's value-added services. On top of this, a partner needs the leads, tools, and support to close sales.

For Apollo Consulting LLC, this has been the basis of a successful relationship with SAP as an authorized Gold partner for the SAP® Business One application.

A Change in the Making

Apollo Consulting was founded in 1998 to help companies purchase and implement business software quickly and effectively. It is headquartered in San Francisco, California, with U.S. offices in Los Angeles, California, and Miami, Florida. The company originally concentrated on enterprise-level business management solutions, and much of its development was based around applications from SunSystems. It also resold software from Epicor, Infor and Microsoft, but was unhappy with those relationships, particularly because of channel conflict.

Apollo's situation is not uncommon. In fact, a recent survey conducted by CRN found that minimizing channel conflict is a top criterion for nearly one in five resellers in choosing a business application vendor.

In December 2004, Apollo Consulting decided to make a shift in its business away from enterprise-level development, which Apollo Consulting Managing Director Scott McMahon says required them to focus more on global customers. "Our customers were in London, New York, Germany," he notes. "We were constantly on planes. I decided I wanted to create a local practice that didn't require our people to travel."

Sold in 10 Minutes

But Apollo's interest in SAP and SAP Business One wasn't immediate. It had built reseller relationships with other business-application vendors and wasn't looking for a new product to carry. Reluctantly, McMahon attended one of the Friday WebEx demos of the SAP Business One application, which he found to be an eye-opening experience. "In 10 minutes I was sold," he says.

The demo had highlighted many of the benefits of the SAP Business One application and its ability to provide small and midsize businesses (SMBs) with easy access to the critical business information they need to run their businesses. The application is affordable and enables small businesses to manage business functions across sales, distribution, and financials, all in a single integrated system. They are able to get a complete, up-to-the-minute view of their business, helping them respond to customers faster and grow their businesses more profitably.

Even though the demo was compelling, Apollo needed to be assured that SAP, with its reputation for serving the largest businesses through its direct sales force, had a channel program in place that would empower Apollo Consulting to sell this product.

"I talked with other partners," McMahon notes, "and that helped make the decision easier. In terms of support from SAP, we came in expecting very little, and we've seen quite a lot."



Launching SAP Business One

For McMahon, the initial support Apollo Consulting received as a new member of the SAP PartnerEdge™ program set the stage for many of the successful sales and marketing initiatives Apollo has leveraged over the past several years.

What sets SAP PartnerEdge apart from other reseller programs is the unique way it recognizes and rewards partners of varying size and type for sales, development, and other activities.

Once Apollo Consulting signed on with SAP, the SAP channel-support manager met with Apollo's management to both familiarize the Apollo team with the product and develop a customer acquisition, marketing, and nurture program that it could use in support of SAP Business One. "Even before we had our S code [making them an authorized SAP partner], they came in with a planning spreadsheet and helped us analyze our business," says McMahon. "It helped us quantify the benefits of the solution and understand things like cost per lead."

This foundation was crucial. In reaching out to SMB customers, Apollo employs a consultative sales style. The company has developed a methodology called AIM (Apollo Implementation Methodology) that allows its clients to see the total project cost up-front and ensures timely communication with the project at all stages of implementation, allowing Apollo to deliver on time and on budget. "Every salesperson, for instance, knows how to demo and implement the products," McMahon says. "Whether you're in development or sales, you know about SAP Business One. That's how we approach the market."

"In terms of support from SAP, we came in expecting very little and we've seen quite a lot."

Scott McMahon, Consulting Managing Director, Apollo Consulting LLC

Apollo was able to get its team up and running through the tools SAP provided on its partner portal. "Within two weeks I was able to start demonstrating the product," McMahon says. "The tools, such as 'How to Demo SAP Business One,' teach you every part of the software. Even today I go back to that same program to watch it so I know how to do it. It has been one of the best tools to get us going quickly."

Supporting Trusted Advisors

"The first thing we had to do was put together a business plan," McMahon recalls. "That floated through to our marketing activities. The big question was how we were going to get our first customers. Where would they come from?"

Apollo already had a strong presence within the CPA community as a result of concentrating on financial-focused applications. Recognizing this, SAP helped Apollo become an active participant in SAP's CPA advisor program. The CPA advisor program is designed to familiarize CPAs – as trusted advisors to SMBs – with the SAP Business One application. The program is free and available to CPAs in public practice, venture capitalists, and support organizations. Participating CPAs receive a free SAP Business One seat license on their client systems, enabling them to take full advantage of the broad functionality of the SAP Business One application, including monitoring alerts and real-time remote access to clients' critical data. The participating CPAs also work closely with certified SAP Business One partners to create new business value for their clients. And clients that are referred through the program receive a discount when they purchase SAP Business One.

The thinking behind the CPA advisor program is clear. CPA firms are often the first places many businesses go to for advice on business-management solutions. As a result, the program allows partners such as Apollo to gain an edge in the market while providing the CPA partner with a potential new revenue stream.

“The CPA advisor program was an immediate hit with us,” McMahon says. “We work with CPAs already and do cosponsored events. We took this on quickly since it made a lot of sense. We can go out and promote SAP Business One to CPAs, who can help us identify potential SAP Business One fits.

“Fast forward to a year later, and with SAP’s support we’re cosponsoring events with the American Institute of Certified Public Accountants for CPAs and their clients. We’re presenting to CPAs and other firms about the program, and we quickly closed five deals from the CPA advisor program.”

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Scott McMahon, Consulting Managing Director, Apollo Consulting LLC

Finding and Developing Leads

Apollo takes advantage of a number of collateral materials developed by SAP to help prospects self-select by learning about the details of SAP Business One.

“We want to be able to reach the customer who doesn’t want to be dependent on the availability of an assigned rep,” says McMahon. “Customers can go in and play with the actual product, complete an assessment quiz, and gain access to audio and video testimonials and successes. By the time they’re done, they’re deep in the sales cycle.”

The programs Apollo uses include:

- A “Get to Know SAP Business One” section of its Web site that consists of a series of interactive tools that can quickly educate potential customers. An online assessment – entitled “Is Your Business Ready for Improvement?” – is designed to let prospects take the first steps toward determining if SAP Business One will help their business. The assessment also provides guidance on where a customer can expect improvements in its operations.
- A self-directed online demo of SAP Business One, which offers an option for the user to participate in one of Apollo’s weekly live online SAP Business One demos
- A library of case studies of Apollo clients that have successfully implemented SAP Business One
- SAP’s lead express program, which allows channel partners to leverage a telemarketing service to help them reach out to and qualify leads in their area. While Apollo has done a great deal of telemarketing, McMahon says they are particularly impressed by the number of high-quality leads that the company quickly obtains through the program.



“With other programs, there’s often a three- or four-week lead time to debrief the reps and get started,” he notes. “With the lead express program, the staff is trained by SAP – they already ‘speak SAP.’ You don’t have to worry about training. It’s already done. You can get going quickly.”

Nurture Support

Having identified leads, Apollo’s marketing team utilizes a wide range of support programs from SAP to nurture these relationships and help them better understand the benefits of the SAP Business One application.

Apollo has had particular success with the *Business Insights* e-mail newsletter that is available for SAP Business One channel partners. This template-driven newsletter contains high-quality, pre-developed editorial content. Apollo simply customizes it with its logo, adds localized content, and manages each issue’s metrics (including information about prospective customers who want to schedule a meeting or see a demo) through a Web-based dashboard.

“*Business Insights* has brought a lot of people out of the woodwork,” says McMahon. “We’re able to remind them that we’re out there. Through the newsletter, we got through to one prospect whom we’d given up on, and a week later we closed a deal with them.”

Apollo also uses these other nurture-support programs that are available to SAP channel partners:

- “Time to Market”: A Web portal that provides case studies and collateral that Apollo can cobrand and send to prospects
- “Campaign in a Box”: A postcard and direct-mail package that allows Apollo to reconnect with prospects
- Event-support materials: Booth graphics, pop-up booths, giveaways, and other materials that can be used as part of prospect-focused events
- “Exact Target”: A system for e-mail marketing blasts

Success Stories

Apollo has also seen strong results from developing case studies that detail the successes of some of its best SAP Business One implementations. The company does not develop these “success stories” in-house. Instead, Apollo works with SAP to provide information and ensure that the customer is willing to cooperate. SAP then uses professional writers to create the copy. SAP provides the case studies to its partners and also posts them on the SAP Business One Web site in its library of customer stories.

“These success stories really do a good job of leveraging customers in one industry to get others in that industry,” McMahon notes. He describes one recent story – a profile of an implementation at The Betty Mills Company, a wholesale distributor – that continues to generate leads for Apollo.

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Scott McMahon, Consulting Managing Director, Apollo Consulting LLC

“Case studies make a lot of sense from a marketing standpoint,” he adds. “They show prospects that the whole solution has been tried and tested.”

Growth and Success

Today, the SAP Business One application accounts for nearly 100% of Apollo Consulting's business. By leveraging the product ("It's sexy, it shows very well, and customers like the broadness of the application" says McMahon), the SAP brand ("The brand of SAP gets us in the door") and the wide range of support programs available to SAP channel partners through the SAP PartnerEdge program, Apollo is experiencing significant growth.

"We've grown very quickly," says McMahon. "Customer adds are up 300% year over year. We're able to focus on sales – 75% of our installs are out of the box with no add-ons or customizations.

"We come from a financial background. SAP Business One lets us go into new areas – service, equipment services, wholesale distribution, apparel, and fab-less manufacturers. It has really opened up a lot of avenues for us."

SAP PartnerEdge: A Program with a Difference

To help channel partners reach out to small businesses, SAP has created the SAP PartnerEdge program. Built from the ground up to support the SAP Business One business-management solution, it provides unique support and resources for resellers that focus on companies with revenue between US\$10 million and US\$100 million.

SAP PartnerEdge offers value-added resellers and independent software vendors a robust set of benefits to help them succeed in implementing, selling, marketing, developing, and delivering SAP solutions while making it easy to do business with SAP. What sets SAP

PartnerEdge apart from other reseller programs is the unique way it recognizes and rewards partners of varying size and type for sales, development, and other activities.

Three-Level Structure

The SAP PartnerEdge program offers a new three-level structure supported by SAP's unique Value Points system. Partners earn Value Points in order to be promoted to higher program levels.

The Value Points system ensures that partners are well-prepared to represent SAP in the marketplace. Unlike other programs commonly seen in the industry, SAP PartnerEdge does not reward partners on sales volume alone. Instead, SAP PartnerEdge awards partners Value Points in two categories:



■ **Business performance/transaction activities** – For this category, partners accrue Value Points for activities including the sale of SAP licenses to new or current customers. Also, the program rewards ISV partners for creating a new certified or qualified solution built using SAP technology.

■ **Capability-building activities** – These activities involve helping partners become well-rounded in their businesses and improve their competencies. Partners are awarded Value Points for submitting success stories or technology white papers, customer references, taking part in the SAP Channel Partner Solution Network (SAP CPSN), adding trained/certified employees, or taking a higher level of sales or technical exams.

New Tools to Sell Better and Faster

Other features of the SAP PartnerEdge program are focused on helping channel partners sell more effectively and develop SAP solutions faster.

SAP CPSN is an online collaboration environment that enables partnering between partners. It enables SAP channel partners to find solutions and make vital connections with other partners to fulfill customer needs.

The redesigned SAP Channel Partner Portal site provides improved navigation, content, and usability to make it easier for partners to find and leverage valuable information and resources. A new section within the portal – *Manage My Partnership* – offers partners a variety of online tools to easily manage their business with SAP. Partners can proactively manage their market development funds (MDF), opportunities, and other critical components of their relationship with SAP.

New e-learning infrastructure provides partners with learning on-the-go from any location accessible via the Internet. Rich content and a streamlined curriculum of SAP Education offerings make training for sales qualification and technical certification possible for both new and current program members.

About Apollo Consulting

Apollo Consulting LLC

www.apollocon.com

Locations:

- San Francisco, California
- Los Angeles, California
- Miami, Florida
- Cordoba, Argentina

Products/Solutions:

- SAP® Business One application
- ApparelOne: An add-on module to SAP Business One for apparel/footwear and soft-furnishing manufacturers and importers
- iRequest: Purchase-requisitioning add-on for SAP Business One

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