

Channelnomics Primer

# CDM Ambiguity: Killer of Channel Clarity

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Technology vendors face a challenge that threatens their ability to thrive and compete in indirect routes to market – the absence of a robust, comprehensive channel data management (CDM) strategy. The situation has hampered many organizations, if not rendered them powerless, impeding their performance diagnostics, decision-making capabilities, ability to evolve partner programs, and overall success.

Many vendors believe they have everything in place to effectively manage and measure channel performance: policies to govern operational processes; systems to automate processes and provide access to enablement and resources; and a list of seemingly aligned outcomes to keep tabs on their progress toward goals.

The problem is that most of these vendors lack the fundamental element that makes policies, processes, and systems work efficiently and effectively: reliable data. As the old adage goes, “garbage in, garbage out.” Without accurate, reliable, and accessible data, channel managers lack the raw

information required to interpret performance metrics, diagnose problems, identify opportunities, and make intelligent decisions.

CDM is the art and science of ensuring that channel professionals have access to the right information at the right time without concerns about accuracy or validity.

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Data is the lifeblood of today’s organizations. Its exponential growth, coupled with the proliferation of digital technologies, has created both opportunities and challenges. Although channels – including distributors, resellers, systems integrators, managed service providers (MSPs), affiliates/influencers, and more – have emerged as essential components of organizational

growth strategies, their power remains untapped and underutilized without proper CDM practices in place.

That lack of a comprehensive CDM strategy manifests itself in many ways.

First and foremost, organizations struggle with data chaos. Without processes in place to gather, validate, and standardize data, its collection is an exercise in futility. Confusion reigns; data sets are both inaccurate and inconsistent. Organizations must do their best to establish and communicate standards and best practices around data collection, and to develop processes for cleansing data that comes from disparate sources – whether it’s captured externally or in-house.

Then there’s a lack of transparency. Information that’s siloed – dispersed across departments or personnel – isn’t readily available when and where it’s needed. As a result, decision-making stalls. It’s important for organizations to develop storage systems and processes that are logical and well-communicated across departments.

Not having a CDM strategy also breeds inefficiency. Interoperability breaks down when systems – enterprise resource planning (ERP); customer relationship management (CRM); partner relationship management (PRM); configure, price, quote (CPQ); MDF and incentive management; and through channel marketing automation (TCMA) – don’t talk to each other. What’s more, if automation systems haven’t been implemented, errors creep in when data is manually entered and processed. As a result, organizations resort to guesswork when it comes to resource allocation and budgeting. They may, for example, miss opportunities for growth in high-potential markets and overinvest in less profitable ones.

Furthermore, a poorly executed or nonexistent CDM strategy has direct negative impacts on the bottom line. The absence of strategy and processes leads to waste and leakage in the systems that cause partners to access benefits to which they’re not entitled, overpayments on incentives and rebates, and undercounting of partner contributions, which can lead to underpayments and compensation disputes.

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In today’s highly competitive landscape, partnerships and alliances are critical to expanding reach and customer engagement. Inadequate CDM practices disrupt those partnerships by introducing opportunities for miscommunication and mistrust. For partnerships to thrive, information-sharing is key. Vendors need access to data on points of sale, inventory, marketing, customer satisfaction, incentives, revenue, deal registration, and much more.

A number of factors contribute to a communication breakdown between vendors and their partners – among them, the reluctance of some partners to share data; disparate data-submission processes; and nonstandardized data formats. Without all the information they need, vendors struggle to make well-informed decisions about partner programs and incentives. The result? Strained relationships and subpar collaboration.

In addition, poor data hygiene increases the risk of noncompliance with regulations and partner agreements. That means organizations lacking CDM could face financial liabilities, legal consequences, and reputational damage. In the end, the inability to

generate, validate, and maintain the privacy of data erodes customer trust and can tarnish an organization's reputation as a reliable provider of solutions.

Ultimately, the absence of CDM deprives organizations of valuable insights derived from channel data. Having accurate data is one thing; making it accessible is another; and then there's more. Organizations need to integrate all the data they collect, then analyze it competently, to generate actionable insights. Without those final steps, they can miss growth opportunities, make flawed strategic decisions, and fail to capitalize on emerging trends, optimize product launches, or cater to evolving customer demands.

The powerlessness of organizations without CDM demands a response. Informed channel decision-making

requires vendors to commit to developing a sound CDM strategy. They must determine what channel performance attributes to measure, how to measure them, and how they'll use the information.

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Given the sheer volume of data that technology companies collect from sales, marketing, manufacturing, and customer experiences, many are overwhelmed by the mountains of data surrounding them. What they lack is a formal, rigorous process for collecting and managing data properly — a process that enables

## 6 Essential Elements of a Successful CDM Practice



**Data protection:** One of the most important steps is developing protocols for protecting sensitive or confidential data from unauthorized access, ensuring compliance with privacy regulations, and implementing security controls to prevent data breaches or data loss.



**Data cleansing:** Improved data hygiene involves identifying and correcting or removing errors, inaccuracies, and inconsistencies in your data.



**Data deduplication:** Sound CDM processes include removing duplicate records, which helps to improve data accuracy, eliminate redundancy, and prevent errors when processing or analyzing the data.



**Data validation:** Vendors must verify the accuracy and reliability of data by comparing it against predefined rules, constraints, or external sources.



**Data standardization:** Vendors should establish consistent formats, structures, and naming conventions for data elements. Standardization helps to improve data consistency and compatibility across systems and applications.



**Data governance:** Vendors must develop policies, procedures, and controls that govern the management, usage, and quality of data within an organization. This ensures accountability, establishes data ownership, and defines roles and responsibilities for maintaining data hygiene.

them to collect point-of sale (POS) data, inventory data, and sales-in data from channel partners, and then transform it all into a channel intelligence system that can be used to better put the information to work.

By doing six things — cleansing, validating, standardizing, deduplicating, protecting, and governing data — as part of a comprehensive CDM strategy, organizations can stay competitive, make informed decisions, achieve efficiency, strengthen their relationships with partners, and mitigate the risks of noncompliance.

At a time when data is the driving force behind innovation and success, organizations must address this problem head-on, acknowledging that CDM is more than a strategic advantage. It's an absolute necessity.

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As executive director of strategy services at Channelnomics, Bryn Nettesheim heads up the consulting practice, providing strategic direction on client projects and creating processes to ensure operational efficiency and a positive client experience. She also serves as a consultant to the company's diverse array of clients. Follow her on [LinkedIn](#).



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