

# Continuing the Channel Legacy

A channel-friendly company that it has always been, Lenovo has learnt the art of retaining partners' loyalty towards its business over the years, benefitting both of their businesses at the same time. Nitin Garg, Head - Channels, Commercial Business - Lenovo India recounts how Lenovo has been successful in doing this by addressing key challenges of partners and by bringing out some wonderful partner programs which even the Channel becomes grateful to be a part of -

Following the acquisitions of the x86 server business from IBM and the Motorola Mobility unit from Google, Lenovo has registered its name in the list of the biggies in the IT industry. Among others, Its 'Protect & Attack' strategy has worked as a long term formula for success in the PC+ era. This will further accelerate the company's strategy to become a global leader across its full spectrum of products, while focusing on its new growth engines - Mobility, Enterprise and Ecosystem/Cloud businesses.

However, the role the Channel has been very instrumental in bringing this transformation to Lenovo, which cannot be forgotten as they remain a part and parcel of Lenovo's go-to-market strategy.

## The Channel 'Built-up'...

Lenovo has a 2 tier distribution system for the Commercial Business, which comprises of the National Distributor and the Corporate Reseller network. It also works on a combination of Named Accounts and Rest of Universe (named Commercial Channel) accounts, where the Rest of Universe is driven regionally through partner focused dedicated channel managers. Lenovo however sees the Commercial Channel as a significant growth engine for its future aspirations.

Further, Lenovo's partner ecosystem is categorised in three segments - Platinum, Diamond and Gold). A partner stands to reap more benefits as they move up the categories.

When it comes to interacting with partners, Lenovo maintains an open communication with its channel partners and organise several engagement programs as well as track the CSAT. These initiatives help the partners to get better acquainted with Lenovo as well as get a platform for sharing valuable feedback. "To cite an example, our CSAT scores with our partners have been going up consistently over the past 3 cycles, as a result of these initiatives. We also have a structured process of reviewing the effectiveness of these programs through impact on business, direct feedback (QBRs, Round table and other face to face meetings) as well as CSAT conducted by 3rd party agencies," explains Nitin.



**Nitin Garg,**  
Head - Channels, Commercial Business  
- Lenovo India



**Jim Rakesh**  
Owner, Rox Technology & Solutions Pvt Ltd  
Chennai

"Lenovo with their PC PLUS strategy and channel partner friendly model is an awesome company to be associated with. We have been partnered with Lenovo for more than a decade now. ROX, as a premium partner enjoys exclusive first hand product trainings, Demo units, access to the Lenovo Leads (which only a Premium partner enjoys), Eligibility to premium support, Special Bid orders, Eligibility to co-marketing budget and availability of premium partner rebates.

Business partners form the crux of Lenovo's go-to-market strategy and with their premium partners' schemes, they incentivise the partners in every stage of the sales cycle. Lenovo by a policy, drive customers to the channel partners, ensuring the partner network is well supported and the customer is serviced on optimal time. To sum up, our unique techno commercial expertise creates a compelling value proposition to the customers to choose Lenovo."

Partner Programs also form a cornerstone of how Lenovo drives business and get subsequent results. The objective of its partner programs is to encourage high performance, to drive the right product mix and to help partners develop the market locally.

At the beginning of the year, Lenovo introduced 'Lenovo Lakhpati,' an exclusive rewards program for its commercial partner community in India on the sale of any commercial channel product (Desktops, Notebooks and Workstations). Furthermore, Lenovo has announced the Deal Registration System (DRS) - DRS 2.0, an easy-to-use platform that builds a direct online connection between Lenovo and its commercial business partners. This is a wonderful initiative that is aimed at equipping the partner with updated information, provide exclusivity and reduce the turn-around time from client identification to closure of business.

## Lenovo's Channel propelling growth in a big way...

According to Lenovo, growth and opportunity need to be viewed from two angles - firstly whether the addressable market is growing for the channel partner and secondly are they reaping rewards consistent with the efforts they put. "Lenovo has been outperforming the market in most product categories and we are poised to sustain our growth momentum in the future," observes Nitin.

Lenovo and its partners have traditionally been strong in the top 8 cities. Hence its expansion efforts are directed towards other cities, which provide significant growth opportunities. This is achieved through 3 strategic initiatives: A larger field force to cover these locations, special incentive programs for the partner organization as well as for their sales managers and enablement in the form of product training and demand generation programs.

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However, channel partners sometimes view themselves as product resellers. As a result, they miss the opportunity to become a strategic vendor to the customer organisation, thus limiting their scope to generate more revenue. "We have been training our partners to become a solution provider and to provide a viable solution to customers' pain point. This approach enables them to not only become a strategic partner to the customer, but also helps them make more margins and grow their business," observes Nitin.

This is further complemented by the fact that with the acquisition of System X, Lenovo is now in a better position to offer a comprehensive portfolio to its channel partners. ■

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**Sanjay Patodia**  
CEO - Galaxy Office Automation  
Mumbai

"We have been associated with Lenovo products for last 15 years, since the time IBM owned the Think PC brand. In India we have been associated with Lenovo from the time it got incorporated in India.

Over the years we have acquired many customers in VLE and Global accounts which had helped us in increasing our Topline. Also being a trusted partner with Lenovo, we were given the opportunity to become the AWSP for Lenovo Services pan India post the disassociation of Lenovo services from IBM services. The biggest advantage and benefit we had

reaped with Lenovo partnership is the sheer volume of business both in product sell as well as services.

Lenovo support had always been great as a principal. However, there had been change in Lenovo's approach in the last 2 to 3 years on its GTM for Global as well as VLE customers. Also the rebate programs have had an impact due to the change in this approach, which had resulted in compromise on profitability for partner community. But, the top Management of Lenovo has recently assured and reworked on its channel approach for these categories of customers and done some major changes in its rebate structure as well as SPC structure. Furthermore we were also informed about the Core Channel strategy adopted by Lenovo in China and its plans to replicate the same structure in India. This would definitely lead to positive impact on channel business both in terms of revenue as well as bottomline."

**Mahesh Tomar**  
Director, Team Computers  
Delhi



"Our association with Lenovo is ever since they acquired IBM PC business in 2005. Prior to this we were associated with IBM as a partner in elite category in Royal Blue club since 1995. As a Lenovo premium partner, we have had the benefits of business sustenance, customer preference due to great brand, reliable & innovative products lines and reasonable profit.

Lenovo's team attributes high value to business relationship with customers & partners. The Incentive programs introduced by Lenovo are above average and have the scope of being more attractive. Lenovo is open to the feedback, rather they invite feedback & inputs which is the most interesting thing about them.

I will like to pass on a simple message to every peers in this business that let's promote our business with Lenovo & grow the market share together. Our core strength of nationwide customer coverage, providing priority response to customers through dedicated customer care & trained field support, and operational excellence in handling the complex project will help Lenovo in growing further."



**Parthana Gupta**  
Director  
Cache Technologies  
Delhi

"We have been associated with IBM for more than one and a half decade now and when IBM's PC division was acquired by Lenovo, we started working for Lenovo from day 1 i.e. since 2005. We have been associated with Lenovo and remained as loyal partner because of following things -

- Thinkpad and ThinkCentre products that have been the premium product
- The service business happens through partners
- Pleasant experience and a very personalized approach which makes us feel connected to the heart
- A robust enterprise channel ecosystem which has always been there to benefit partners and to encourage them to work and invest in Lenovo Business
- Lowest Channel Inventory as its sell out model never blocks our working capital
- Channel hygiene that has been the top priority

The team has been restructured by merging its SMB business and Lenovo has moved hundreds of enterprise accounts to partners and is also managing the relationship directly with some accounts, which indicates that we are the extended arms and lots of things have been demonstrated time to time in terms of schemes, Lead sharing activities and support extended and the service business that has been ensured to remain with partners. We, as system Integrators or solution providers must not ignore PC Business. In our growth, we all started our career through PC business and went deep in accounts to develop our enterprise portfolio. As we see PC market recovering in next few quarters, we foresee tremendous opportunities and growth with Lenovo that is the only player to have a clear focus in PCs, Tablets and smartphones.

We are geared up to do much more business for Lenovo and bring more customers to them. We have been together in this journey from day one and we will keep on contributing and putting our best efforts to grow Lenovo business in coming years."