Partner Satisfaction With Leading Enterprise Resource Planning Vendors

A Channelnomics Research Report

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Channel programs are the playbooks used by vendors to define how they go to market with partners. A good channel program is more than just an inventory of partnership requirements, enablement resources, and benefits. Good channel programs help differentiate a vendor from competitors and give partners a reason for engagement.

Comparing channel programs isn't always easy for partners. On paper, channel programs often share many common attributes. Go through any vendor's partner program guide and you'll find similar language describing compensation, training and certification, marketing resources, technical support, enablement tools, and sales management. From the outside looking in, channel programs among competitive vendors often look homogenous.

A way partners evaluate vendor channel programs is through peer experience. They seek the counsel of similar businesses on how well vendors treat their partners, how they perform against the expectations of established channel programs, and whether the programs produce the defined value stated in marketing materials and program guides.
Partners in the enterprise resource planning (ERP) segment typically face the issue of surface homogeneity when evaluating channel programs. The leading vendors operate uncannily similar channel programs in terms of go-to-market intent, structure, compensation, enablement, and partner expectations. With a few exceptions, ERP vendors look like family members with similar traits and appearances. For partners, the only true measure of assessment is peers’ experiences.

Partner satisfaction is an important measure that’s commonly used by vendors to measure partner loyalty, or their propensity to remain active, productive contributors in a channel program. Through partner satisfaction, vendors can measure the quality and effectiveness of channel programs and operations. For partners, satisfaction measures are a means of evaluating the relative effectiveness of different channel programs.

Oracle NetSuite, a leader in the ERP segment, commissioned Channelnomics to conduct a channel program satisfaction study of the leading ERP channel programs. Through our polling of qualified ERP partners participating in the respective programs, we were able to capture partner sentiment toward their vendors. The outcome of this study is a measure of general and discrete partner satisfaction with their vendors.

Partner satisfaction is an important measure that’s commonly used by vendors to measure partner loyalty.

For the study, Channelnomics asked ERP partners about their experiences and satisfaction with program structures and operations, ease of doing business, financial costs and profitability, and product quality and marketability. Channelnomics also captured information on business motivators that influence partner performance and investment.

The survey measured partner program satisfaction of the sponsor, Oracle NetSuite, and four other leading ERP vendors – Acumatica, Microsoft (for its Dynamics products), Sage Intacct, and SAP (for its Business One products). Oracle NetSuite directed the vendor selection based on competitive positioning and not necessarily relative to market share or channel presence. The four other companies had no involvement in the project.

Most of the vendors performed well in many of the individual measures of partner satisfaction. Oracle NetSuite received high marks, but it wasn't always the leader among this competitive set. The results outlined in this report will show the key differences among the vendors in channel program structure, operations, and value through the eyes of ERP channel partners. The intent is to give partners an unbiased frame of reference.
DISCLOSURE AND DISCLAIMER

Oracle NetSuite contracted Channelnomics to conduct this ERP partner satisfaction survey. No other vendors were involved in the development or execution of this survey and report. While Oracle NetSuite underwrote the project, it did only a cursory review of the report and was not involved in the survey design or interpretation of the data. The reporting and analysis are solely those of Channelnomics and are subject to change without notice.

METHODOLOGY

Channelnomics conducted an aided online survey of partners of the leading ERP vendors – Acumatica, Microsoft, Oracle NetSuite, Sage Intacct, and SAP – in February 2021. The survey asked 200 ERP partners – resellers, systems integrators, and hybrid partners – about their partnership satisfaction. Each vendor had responses from 40 qualified partners.

A qualified partner was defined as an organization that’s actively selling and supporting the ERP brand for which it provided feedback. In some cases, partners working with multiple vendors completed the survey for the respective channel programs in which they participate.

The average size by revenue of the participating partner is $15 million to $24.99 million, with one in 10 partners generating more than $50 million in top-line revenue. The average partner is established and mature; 62% have been in business for at least 10 years, and 31% have been in business for more than 20 years.

Most of the partners take an active sell-with approach in their ERP vendor relationships, mostly co-selling with vendors while adding on additional products and professional services. Nearly one-third, however, have a managed service model, in which they sell the ERP products and provide ongoing active support on a subscription basis.

The results of the survey provide a directional indication of partner satisfaction that, in the opinion of Channelnomics, reflects the general sentiment of the broader ERP channel community.

INTERPRETING RESULTS

The survey measured partner satisfaction on a 5-point scale, with 5 (or Strongly Agree) as the top score and 1 (or Strongly Disagree) as the lowest score. Channelnomics considers any score above 3.5 as good. A score between 2.0 and 3.49 is fair. And a score of 1.9 and below is poor. Some measures of the report will reference scores as “positive” – any rating of Agree or Strongly Agree, which equals a 4.0 or 5.0 score.
PRODUCT QUALITY MATTERS

Partners aren’t shy about telling vendors and customers that product quality matters in their partnership decisions and relationships. Customers tend to gravitate toward products with stable performance and a solid reputation for functionality and outcomes. For partners, those are the products that are easier to position and sell.

Product quality in the context of a channel program, though, means a little more. Channelnomics looks beyond the endemic quality of a product to include other partner-facing factors such as completeness and quality of technical documentation, level and quality of technical support, the reputation of a vendor as an innovator, and how well vendors communicate development plans and roadmaps.

In that context, only two of the ERP vendors – Oracle NetSuite and SAP – had Good scores (at least 3.5 points on a 5-point scale). In addition, Acumatica was the only other vendor to score above the group average (see FIGURE 1: Partner Satisfaction With Product Quality).

FIGURE 1: Partner Satisfaction With Product Quality
A key driver of these scores is general product quality. Oracle NetSuite was the standout: It earned the best overall positive score (72%) and received the top score from the highest percentage of respondents (44%). Only Acumatica came close to rivaling Oracle NetSuite, earning positive product quality ratings from 65% of partners (see FIGURE 2: Partners Giving ERP Vendors Positive Ratings for Product Quality).

Oracle NetSuite is also seen as the top innovator among partners. More than four out of five partners (89%) gave positive ratings for innovation to Oracle NetSuite (see FIGURE 3: Partners Giving ERP Vendors Positive Ratings for Innovation). The closest to Oracle in positive innovation ratings were SAP (69%) and Acumatica (64%).
Technical documentation is the backbone of partner enablement and professional services. Acumatica was the standout in this measure, earning positive ratings from 65% of partners. Oracle NetSuite came in second, with positive ratings from 50% of partners.

Technical support, though, is the higher measure of partner enablement and success. SAP earned top marks for technical support from 62% of partners, and one-half gave it the highest rating (5 out of 5). Second in technical support is Oracle NetSuite, earning positive ratings from 56% of partners.

**PARTNER PROGRAM SATISFACTION**

The partner program is the foundation on which vendors build go-to-market relationships with resellers and integrators. Well-structured channel programs provide the means for partners to navigate both vendor and customer engagements effectively to produce an outcome that’s beneficial to all in the value chain.

ERP resellers and integrators give their vendors strong marks for the quality of their partner programs. The average rating for partner program quality and effectiveness was 3.48 – just shy of Good (see FIGURE 4: Satisfaction With ERP Partner Programs). All but one of the vendors exceeded the Good threshold. Leading the pack in partner program satisfaction is Oracle NetSuite, closely followed by Microsoft, Acumatica, and SAP. Only Sage Intacct failed to cross the Good line.

**FIGURE 4: Satisfaction With ERP Partner Programs**

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acumatica</td>
<td>3.56</td>
</tr>
<tr>
<td>Microsoft</td>
<td>3.61</td>
</tr>
<tr>
<td>Oracle NetSuite</td>
<td>3.62</td>
</tr>
<tr>
<td>Sage Intacct</td>
<td>3.53</td>
</tr>
<tr>
<td>SAP</td>
<td>3.48</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.56</strong></td>
</tr>
</tbody>
</table>
A prime driver of vendor-partner relationships is the effectiveness of channel account managers. On the average, more than half of the partners rated the channel account manager relationships as productive. SAP and Microsoft led the ERP vendors with the effectiveness of their channel account managers in working with partners.

All of the vendors scored well in conflict management. Partners say Microsoft has the lowest level of channel conflict, followed by Oracle NetSuite and Acumatica. More important even than the level of channel conflict in the channel is how well each vendor resolves that conflict. Partners say Acumatica is best in managing and resolving channel conflict, followed by Oracle NetSuite and SAP.

Well-structured channel programs provide the means for partners to navigate both vendor and customer engagements effectively.

Of key concern to partners is how well a vendor's partner program aligns with market needs and opens opportunities for success with customers. The clear standout was Oracle NetSuite, which was rated as best aligned with the market opportunities by 73% of its partners (see FIGURE 5: Partners Giving Positive Ratings for Market Opportunity Alignment). The only others to clear the program alignment average of 55% were Microsoft and SAP.

![FIGURE 5: Partners Giving Positive Ratings for Market Opportunity Alignment](image)

Another area in which Oracle NetSuite excels is the quality and value of its partner training and certification programs. Nearly three-quarters of Oracle NetSuite's partners (72%) gave the vendor positive ratings for its training programs (see FIGURE 6: Partners Giving Positive Ratings for ERP Vendors’ Training and Certification Programs). Oracle NetSuite scored 17 points higher than the category average of 55% and 15 points higher than the next-closest vendor, Acumatica. Overall, all vendors earned higher positive ratings than negative in training and certifications.
Under the Channelnomics methodology, partner financial factors include the discounts vendors provide on the resale and renewal of their products, the cost of participation in terms of program fees, and the sales opportunities provided through lead-sharing. Taken together, those factors make up the profit recognition or potential for ERP resellers and integrators.

Leading the vendors in partner financial satisfaction is Oracle NetSuite, which earned an overall rating of 3.67 – well above the group average of 3.32 (see FIGURE 7: Partner Satisfaction With ERP Financial and Profitability Factors). The average alone indicated that partners would like to see improvements in the compensation and financial yields of their ERP vendor relationships.

In compensation of new product sales and opportunities with new accounts, Oracle NetSuite leads the ERP field. On average, 54% of partners gave their ERP vendors positive ratings for compensation. Oracle NetSuite scored 10 points higher than average. Only Sage Intacct also scored better than average. The remaining three vendors – Acumatica, Microsoft, and SAP – were rated positively by about one-half of their partners, or just below average.

The overall scores on partner programs barely made it over the Good line, an indicator that resellers and integrators are moderately satisfied with the structure and operation of their vendors’ partner programs.

**PARTNER FINANCIAL BENEFIT POTENTIAL & PERFORMANCE**

Ultimately, the point of having partner relationships is the sale of products that lead to revenue. For resellers and integrators, the value of vendor partnerships is reflected in the profitability (or potential profitability) that the go-to-market relationship generates for their businesses.

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Oracle NetSuite received positive ratings for compensation satisfaction with renewals from about four out of five (83%) of its partners but placed second in the field. Acumatica earned positive ratings from 86% of its partners, of which 36% gave top scores. All the other vendors failed to beat the average of 51%, while Sage Intacct and SAP had more negative ratings than positive.

The cost of doing business with vendors can influence partner financials. Only 42% of ERP partners believe the vendors have reasonable sales expectations in the form of tier revenue thresholds, or in terms of how much money a partner must generate to earn status in a partner program. Only SAP and Acumatica earned positive ratings above the average, while Oracle NetSuite's rating was on par with the average (see FIGURE 8: Partners Giving Positive Ratings for Vendors’ Revenue Expectations).
The direct cost of partner program participation is more reasonable in the eyes of ERP resellers and integrators. While not every vendor charges partners a fee to join and/or participate in a program, some vendors impose costs associated with training and resources. On the average, 52% of partners give vendor program costs positive ratings. Oracle NetSuite leads in partner satisfaction with program fees, followed by Acumatica and SAP.

On balance, ERP resellers and integrators are moderately satisfied with the profitability of their vendor relationships. The satisfaction ratings show that partners believe their ERP vendors – even ratings leaders Oracle NetSuite and Acumatica – could do better when it comes to providing profitable relationship opportunities.

**ERP VENDORS ARE RELATIVELY EASY TO DO BUSINESS WITH**

ERP software is complicated. Selling, deploying, and supporting it so that customers enjoy a positive end-to-end experience takes resources and expertise. Given that businesses take years to select new ERP systems or replace existing ones, removing as much friction as possible from the go-to-market process is essential for any vendor.

**FIGURE 9: Ease of Doing Business Factors Important to ERP Partners**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance with joint business plans</td>
<td>29%</td>
</tr>
<tr>
<td>Engagement with vendor sales force</td>
<td>23%</td>
</tr>
<tr>
<td>Fast, accurate order handling</td>
<td>23%</td>
</tr>
<tr>
<td>Efficient partner onboarding</td>
<td>21%</td>
</tr>
<tr>
<td>Relationship with distributors</td>
<td>21%</td>
</tr>
<tr>
<td>Attractive credit/financing</td>
<td>20%</td>
</tr>
<tr>
<td>MDF policies</td>
<td>20%</td>
</tr>
<tr>
<td>Simple, transparent deal registration</td>
<td>20%</td>
</tr>
<tr>
<td>Simple incentive management</td>
<td>19%</td>
</tr>
<tr>
<td>Fast price quotes</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>
When it comes to ease of doing business (EODB), ERP partners rate the development and execution of joint business plans that define the go-to-market relationship and activities, co-selling and sales support provided by the vendors, and fast and accurate product ordering and fulfillment as the top factors (see FIGURE 9: Ease of Doing Business Factors Important to ERP Partners). The high priority given to those factors indicates that ERP partners seek vendors with a sales and customer focus, and with clear paths toward frictionless sales engagements.

Selling, deploying, and supporting ERP software so that customers enjoy a positive end-to-end experience takes resources and expertise.

Overall, ERP vendors are easy to work and go to market with – from the partners’ perspective. On average, 63% of partners in the survey rated ERP vendors positively in terms of ease of doing business. All but one vendor had substantially more positive than negative ratings.

Acumatica had the best EODB score, with 77% of respondents giving the vendor positive ratings for its partnership simplicity (see FIGURE 10: Partners Giving Positive Ratings for Ease of Doing Business). SAP had the second-highest score, with 75% rating it positively. While Microsoft had the second-lowest score, it also had the most partners – 32% – giving it top ratings for ease of doing business.

The indication from partner ease-of-doing-business ratings of the leading ERP vendors is that most have relatively frictionless channel programs, operations, and processes. Yet there’s still room for improvement. Only one in five partners (20%) say ERP vendors are very easy to do business with, while nearly one-half (47%) think they could do better.
To measure general partner sentiment, Channelnomics used the standard Net Promoter Score (NPS) methodology that evaluates vendors on a 10-point scale. Partners that gave the top two scores – 9 or 10 – are considered “promoters,” or those that are highly satisfied. Partners that gave a score of 1 to 6 are deemed “detractors,” or those that are highly dissatisfied. A score of 7 or 8 is considered neutral. The difference between the number of promoters and the number of detractors is the NPS; positive scores are considered good, while negative scores are considered bad.

In general, the surveyed partners aren’t satisfied with the ERP vendors’ channel programs. The average for the group is -19, meaning that there are more detractors than promoters. Individually, no ERP vendor earned a positive NPS. The indication is that ERP vendors could do better in working with and supporting their partners.
APPLYING THE REPORT FINDINGS TO PARTNERSHIP

As they say in the car industry about gas efficiency, mileage may vary. ERP resellers and integrators should use this report as a starting point for assessing and developing the relationships with their respective vendors. The findings of this report, coupled with individual experiences and expectations, should form the foundation of a conversation around building more productive and mutually beneficial partnerships.

Channelnomics recommends that ERP partners use this report to do the following.

- **Assess Partnership Potential**
  As noted, not every partner will have the same experience with an ERP vendor, and satisfaction levels are relative. Partners can use this report as the foundation for assessing their own satisfaction. They can build their own scorecards and use the results for comparisons. From there, partners can have conversations with their vendors about how to improve performance and satisfaction.

- **Create an Annual Business Plan**
  If a partner’s relationship with an ERP vendor is challenged in any of the assessed areas, they can use the results as a starting measure for individual improvement during annual business planning with channel account managers. Partners can work with their CAMs to set targets relative to the partner satisfaction results and use those targets as measures of progress.

- **Explore Vendor Relationships**
  When looking at alternative or secondary ERP vendor relationships, partners can use this satisfaction report to assess potential partnerships and explore the benefits of the go-to-market relationship. By using the report as a discussion guide, partners can have more detailed conversations with vendors that reveal their expectations of working with them.
CHANNELNOMICS

Channelnomics is a business strategy and research firm focused on connecting channel professionals with the people and insights that enable them to continually evolve and operationalize their strategy. Our industry experts work with clients to provide the evidence they need to validate and structure their strategy. Our clients, in turn, benefit from improved GTM performance, faster time to market, and better return on partner relationships. By looking at the technology market from the viewpoint of vendors, partners, and end users, Channelnomics is uniquely positioned to develop route-to-market strategies with an innovative, insightful, and inspired flair.

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