



IBM Uses Games, Rewards to Train Sales Partners on Products

IBM
Best Sales Training Program
for Extended Enterprise
February 2018



Company Background



Company At-a-Glance	
Headquarters	Armonk, NY, USA
Year Founded	1911
Revenue	US \$79.9 billion
Employees	380,000
Global Scale	170 countries
Customers/Output, etc.	105,000 reseller firms
Industry	IT
Stock Symbol	IBM
Website	www.ibm.com

Budget and Timeframe

Budget and Timeframe	
Overall budget	\$3.5 Million
Number of (HR, Learning, Talent) employees involved with the implementation?	2
Number of Operations or Subject Matter Expert employees involved with the implementation?	10
Number of contractors involved with implementation	15
Timeframe to implement	1- month program
Start date of the program	Feb. 1, 2016

Business Conditions & Business Needs

IBM, a multinational computer, technology, and IT consulting corporation, manufactures and sells hardware and software and offers infrastructure services, hosting services, and consulting services in areas ranging from mainframe computers to nanotechnology.

In recent years, IBM has transformed from primarily a hardware manufacturer to a solution provider. Its channel business has gone through a major shift with a goal to grow channel revenue from high-end, high-spec hardware, bundled software, and service products. These products are complex business solutions. Therefore, educating and increasing the technical knowledge of channel partners is critical to maintaining their loyalty to IBM and ensuring they are equipped with the skills to sell IBM's suite of products effectively in a highly-competitive marketplace.

The importance of IBM's distribution channel (referred to as Business Partners) is shown by the fact that more than 30% of IBM's total product business is generated through this indirect channel. As a result, IBM is heavily dependent on its Business-Partner channel to win and protect market share against aggressive competitors such as HP, Oracle, Dell,



Cisco, and Fujitsu. The nature of the IT channel is that Business Partners have a competitive choice in all markets when deciding with whom to partner.

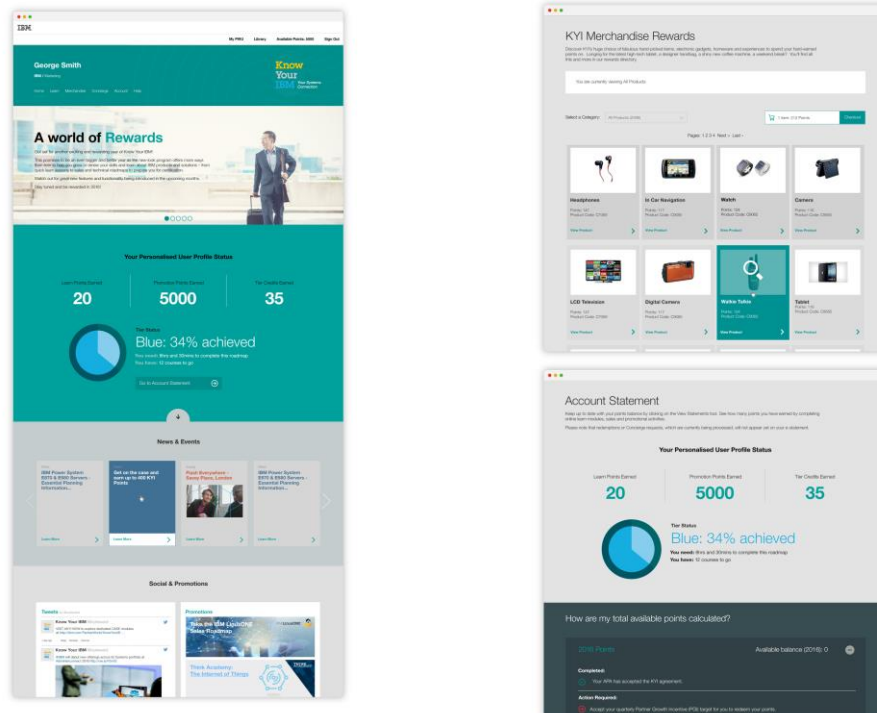
The Know Your IBM (KYI) program is IBM's primary learning-channel initiative targeting Business Partners with loyalty rewards for taking voluntary product-training modules and deeper certification. The objective for 2016 was to ensure that channel partners in 131 countries across 14 languages were as technically proficient as possible, giving them a competitive edge when selling IBM products and solutions to their clients.

Overview

IBM is one of more than 10 major hardware and up to 300 software vendors targeting Business Partners with similar products and services for resale to end-user customers. Each competitor also is pushing educational content to the same target market. Thus, it is critically important for IBM to provide a learning program that stands out from the crowd, allows Business Partners to participate voluntarily, and differentiates IBM's products and services from competitors' offerings.

In previous years, the KYI program also rewarded participants for sales of eligible products. However, the business focus of KYI in 2016 was purely-learning based to meet the need to train Business Partners in selling complex high-end server business solutions. The 2016 program was given a major refresh, including a cleaner look and feel to the KYI portal with new easy-navigation features and enhanced dashboard and scorecards showing the user's educational journey. KYI participants were awarded points for completing a range of online learning, core-capability modules, and deeper certifications. IBM partnered with Motivforce Marketing & Incentives to develop and manage the rewards program.

Figure 1: KYI Rewards



Source: IBM 2018

Learn & Earn: Quick Learn Modules

This component provided incentives and rewards for online educational behavior. In recognition of the limited bandwidth that Business Partners have available for training in the work environment, each module consists of three short lessons, which took 10 minutes to complete.

The modules were released on the KYI website, which is accessed via the IBM PartnerWorld portal and covers an extensive range of learning content. During the 12-month program, a total of 106,400 modules were completed by participants – 241% of the defined target audience. On average, each participant completed 32 modules.

Figure 2: Quick Learn Modules



Overview Guide Terms of Engagement

2. Positioning IBM Spectrum Control Storage Insights

IBM Spectrum Control

1. A Snapshot of IBM Spectrum Control Storage Insights.

2. Positioning IBM Spectrum Control Storage Insights.

3. Start Selling IBM Spectrum Control Storage Insights!

Call to action

Lessons Menu

Choose a lesson by clicking on the icons.

2. Positioning IBM Spectrum Control Storage Insights

In this lesson we're addressing the following things:

- ❖ Customer pain points and how this product can help overcome those pain points.
- ❖ Competitive differentiation
- ❖ Optimal market opportunities
- ❖ Target clients
- ❖ Pricing

First, let's have a look at the top pain points of Storage Management.

< PREV NEXT >

Source: IBM 2018

Learn & Earn: Certifications

Participants looking to further enhance their knowledge were encouraged to complete deeper-learning activities such as Skills Enhancement Courses and Pre-Certification Tests. These activities, which earn additional points, are designed to prepare Business Partners to earn certifications, which mean resellers are officially certified as Specialist IBM Business Partners and have a greater edge over their competitors in the complex marketplace.

Participants completed 1,441 certifications. The best-performing regions were China (478% of target), Japan (250% of target), and Asia Pacific (100% of target)

Unlike most channel-loyalty programs, KNI rewards individual sellers personally for educational resources they complete. The points can be redeemed for rewards from the extensive KYI-merchandise catalogue via the KYI website.

Design of the Program


The 2016 Program was designed to give Business Partners a personalized gateway to the following five pillars:

- 1. KYI learning.** Wide range of educational tools, sales, and technical resources.
 - Each quick-learn module had 750-1,000 words of copy, followed by five multiple-choice questions and was designed to engage participants.
 - Each 10-minute module had three objectives and was designed for eLearning in the workplace where many KYI participants work in an open-plan office and find it difficult to allocate 30 minutes or longer for learning without disruptions.
 - Content was tested on a focus group of Business Partners to obtain feedback before being released via the KYI Portal. Participants earned points for correct answers on the first attempt. In order to encourage consistent learning (as opposed to trying to complete all modules in the last week of the program) bonus points were awarded if the module was completed within one month of being deployed.

Figure 3: Mobile Platform

REAL-TIME INSIGHTS IN REAL DEMAND! Back

Check out the SAP HANA on IBM Power reference!



SAP HANA in-memory database management system and application platform delivers the real-time insights and simplified IT infrastructure for today's businesses demand. Whether clients are looking to move their SAP HANA workloads to a better hardware platform, or make the move to SAP HANA for the first time, the unrivalled flexibility, resilience and performance of SAP HANA through IBM Power Systems, make it the perfect choice for business – and the perfect opportunity for you! That's why we've created the IBM SAP HANA on Power sales education roadmap.


[GET MORE OUT THAN YOU PUT IN](#)

Just as implementing SAP HANA through IBM Power Systems gives clients the insights to deliver 'real-time' business value, so the SAP HANA on Power sales education roadmap delivers the knowledge, skills and resources to help give your business a real competitive advantage. And of course, earn you all the rewards your efforts deserve along the way! The SAP HANA on Power sales education roadmap comprises 5 modules:

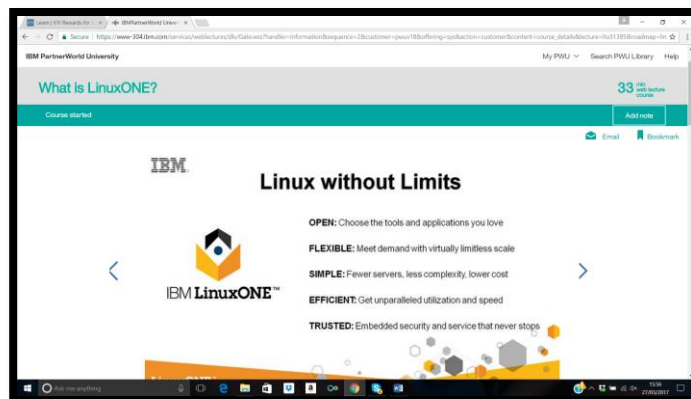

- **Module 1 – Introduction** - Covers the basic fundamentals of SAP HANA. The module explains what SAP HANA is used for, its capabilities and line of business applications from various acquisitions, as well as its future direction
- **Module 2 – Technology Attributes** - The basic technologies that make SAP HANA a powerful real time data platform and application environment. The module covers SAP HANA's analytical and in-memory processing attributes, and its ability to handle both

SAP HANA: An Introduction Overview Guide Navigation Tools

Lessons Menu



1. SAP HANA an Introduction
2. SAP S/4 HANA
3. SAP Strategy for HANA




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IBM

Linux without Limits

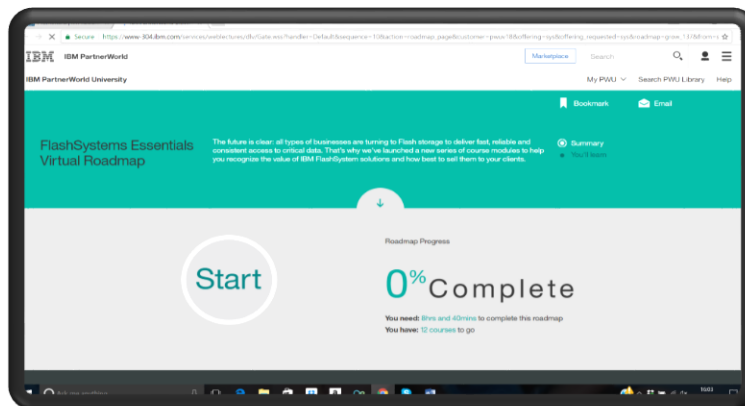
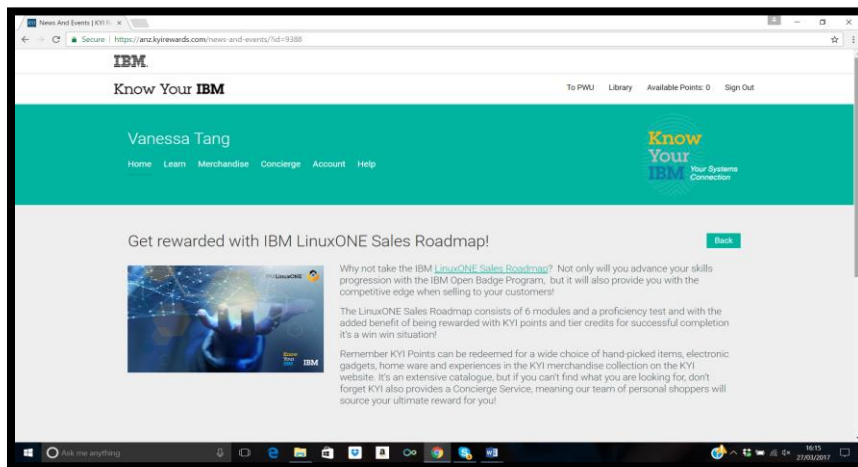
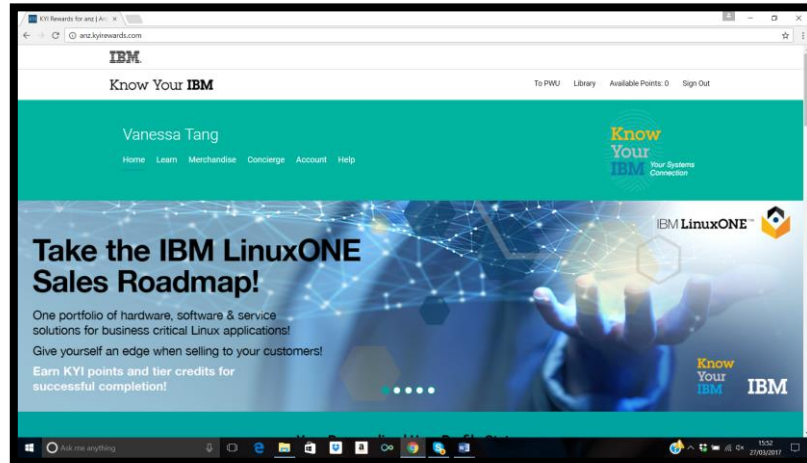


- OPEN:** Choose the tools and applications you love
- FLEXIBLE:** Meet demand with virtually limitless scale
- SIMPLE:** Fewer servers, less complexity, lower cost
- EFFICIENT:** Get unparalleled utilization and speed
- TRUSTED:** Embedded security and service that never stops

Source: IBM 2018

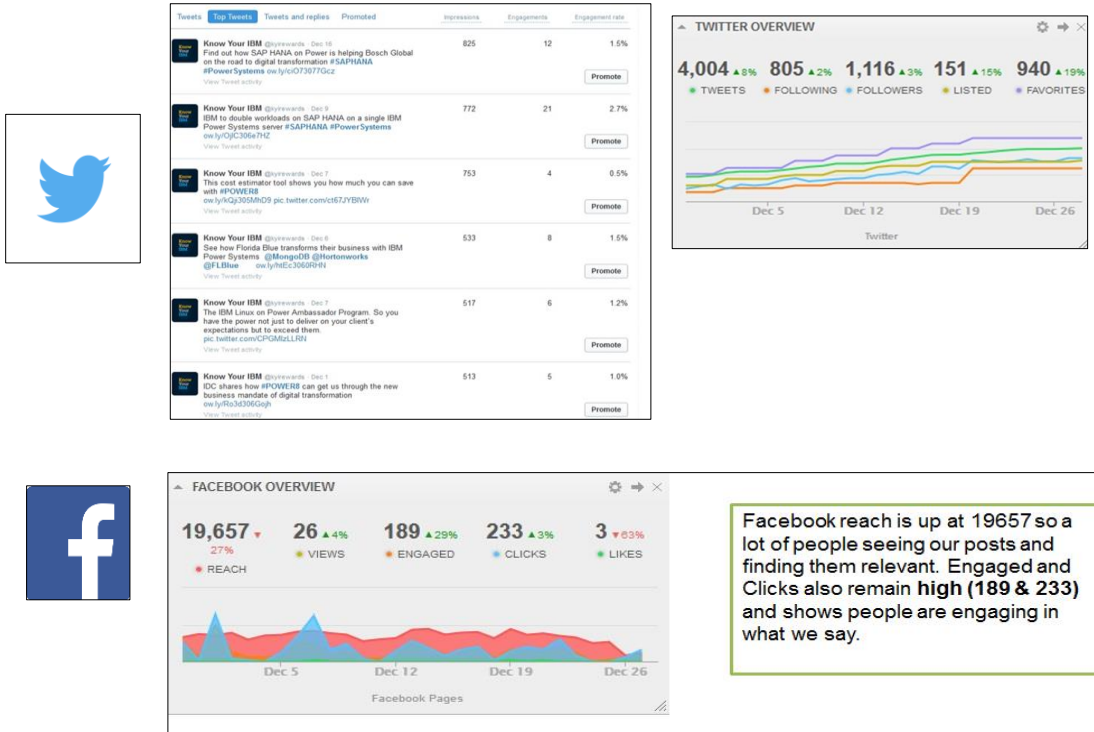
2. **Skills enhancement courses.** Provided small roadmaps on critical educational topics.
 - Intended for new or seasoned sales personnel who are looking for deeper learning of IBM solutions.
 - Total training takes 1-2 hours and covers how to introduce important solutions such as IBM Power Systems and Cloud into sales conversations with different levels within a customer organization.
3. **Personalized skills roadmaps.** Designed for more seasoned sales people, KYI participants completed an assessment test.
 - Based on the answers, each participant received a customized skills roadmap with a curriculum focused on the individual's education requirements to prepare for certification.
 - Participant could then access appropriate educational resources and complete the necessary modules and earn additional points to prepare to take an IBM official test (certification)
4. **KYI discovery.** Latest news about IBM initiatives, solutions, and upcoming events.
 - Personalized alerts about partners' education and certification pathways.
5. **KYI community.** Connectivity with fellow partners in the IBM Business Partner community.
 - Share and exchange insights and knowledge through peer-to peer engagement.
 - Social media via KYI Facebook page, Twitter profile and LinkedIn group.
6. **KYI certification.** Fast access to certifications to become an essential resource to clients.
 - Partners can track the certifications they already have earned through the personalized interface.

Figure 4: Personalized Skills Roadmaps



Source: IBM 2018

Figure 5: Social Media Impact



Source: IBM 2018

Figure 6: IBM Certified



Source: IBM 201

7. KYI rewards. Partners earn points for successfully completing educational modules, courses, and certifications and redeem them for merchandise in the KYI catalogue. KYI members also earn more points depending on their membership status.



- All members start with blue status and move up to silver and gold status by earning credits for undertaking learning activities. Examples: Completing education roadmaps = 15 credits; completing a focus course = 15 credits; completing new re-certification = 25 credits.
- Each status level rewards Business Partners with hard and soft benefits such as bonus points and access to marketing support and special events.
- Participants earn additional points per Quick Learn questions; points depend on their tier status. Blue = 3 points per question; Silver = 6 points per question; Gold = 8 points per question.

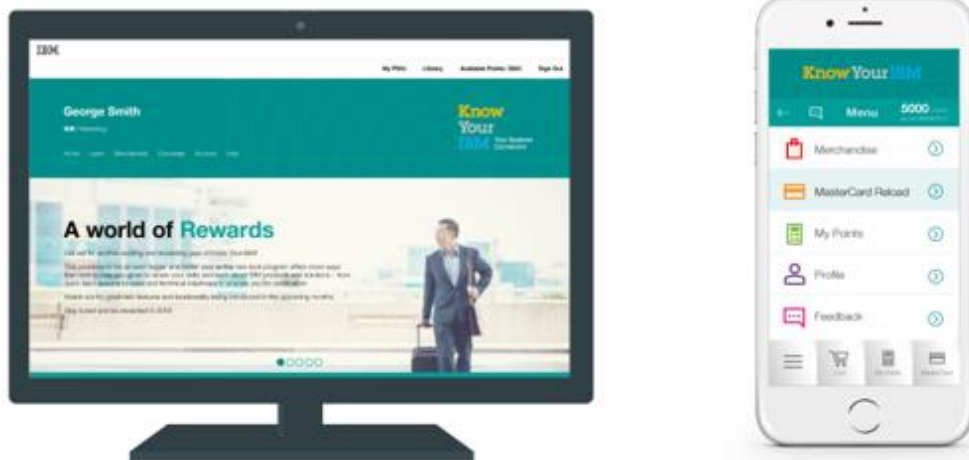
Delivery of the Program

The program is delivered via the mobile-enabled KNI website, which is accessible through single sign-on via the IBM PartnerWorld website or as a KYI app that gives participants access on desktops and mobile devices.

For 2016, the KYI portal was refreshed with easy-navigation features and an enhanced-user dashboard and scorecard showing the user's educational journey.

Unlike many of IBM's competitors, the KYI portal provides Business Partners with a one-stop-shop for educational resources, learning activities, news, and events. In turn, the portal gives IBM a 360-degree overview of Business Partners globally to build relationships and communicate effectively.

Figure 7: KYI Portal and App



Source: IBM 2018

- **Personalized learning journey.** Participants, whether sales or technical, possess varying degrees of product knowledge and skill sets. Therefore, the KYI learning offering is flexible and participants don't have to start from the beginning of the educational modules. Forty Quick-Learn Modules were released during the course of the year, but not every participant had to complete every module. Each KYI participant took a pre-test at the start of the program to identify gaps in knowledge and skills, and the platform's algorithm identified which courses each participant needed to undertake and the timeframe to complete them
- **Gamification.** The KYI 2016 program fused gamification techniques with eLearning to drive program engagement, refresh participants' educational development, and encourage knowledge retention. For example, the KYI's Soccer 6 Penalty Shoot-Out encouraged participants to take seven quick-learn modules, which would give them the chance to compete online in the Soccer 6 game. They earned bonus points for completing the eligible courses as well as scoring and saving goals.
 - Achieved record statistics for engagement with 90% of the KYI members voluntarily undertaking the modules associated with the game, making it the most popular and effective module series to date.
 - There was a 30% correlation of sales of the featured product (Spectrum Storage) contained on the quarterly-sales out reports and the KYI participants who had completed the modules. This was the highest sales conversion rate

achieved by participants in a quarter following the deployment of a KYI module.

Figure 8: Gamification



Source: IBM 2018

Effective Communication

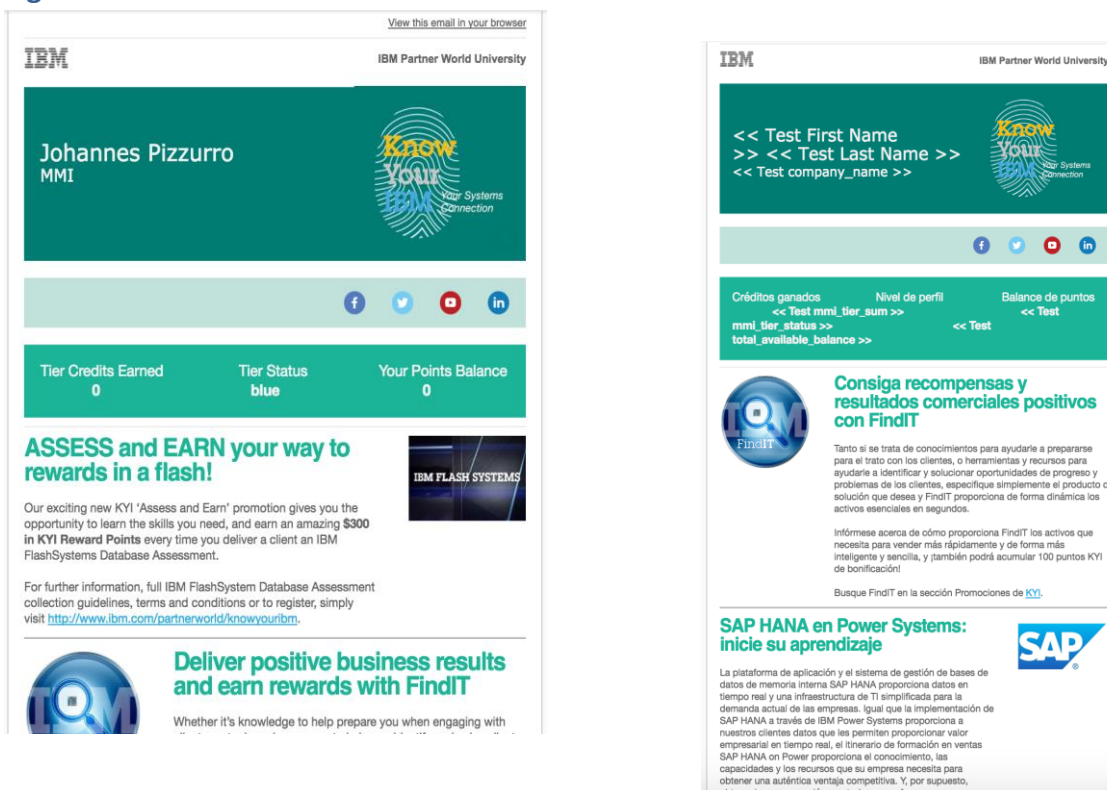
KYI participants in each market received targeted emails in 10 languages announcing new modules, account statements, and eligible-product promotions, prompting them to engage with the KYI portal to take additional/specific courses.

Real-time reporting tools measured email-open rates, click through rates, and time/day of action, enabling creation of individual communication profiles and tactics to create greater cut-through.

In 2016, communication via email included:

- **KYI account statements.** Issued monthly in 10 languages detailing points balance, tier status, new courses and product updates.

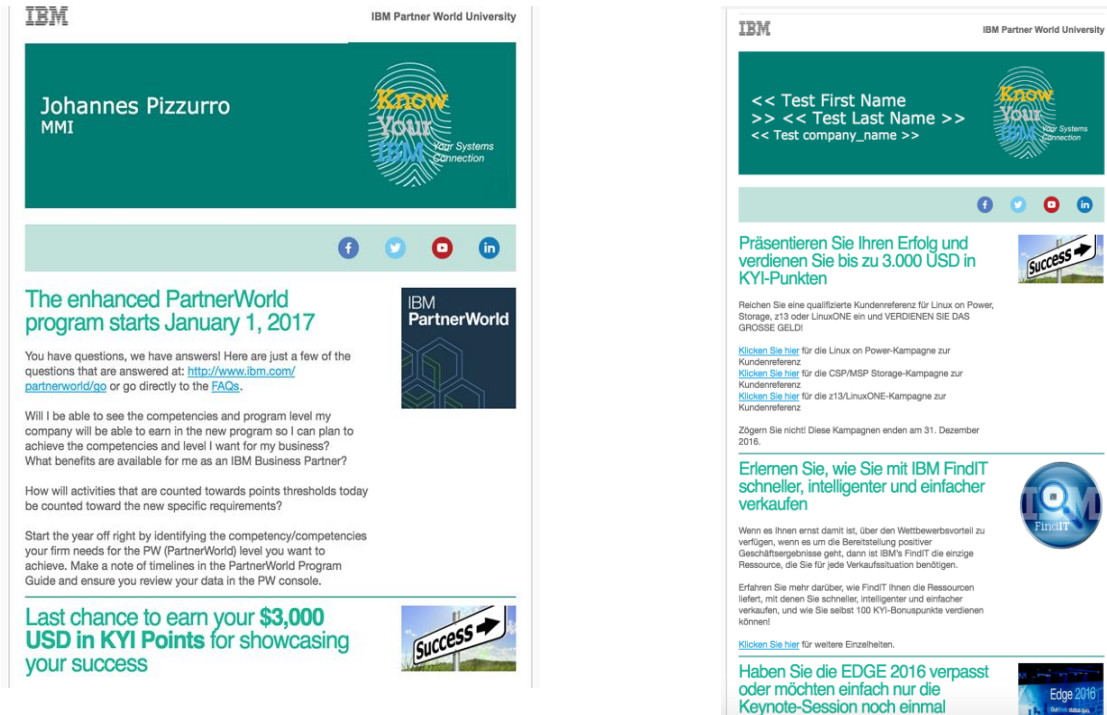
Figure 9: Account Statements



Source: IBM 2018

- **KYI monthly newsletter.** The December newsletter included the following topics: the enhanced PartnerWorld program starts January 1, 2017; last chance to earn your \$3,000 USD in KYI Points for showcasing your success; Power education; storage education; learn how to sell faster, smarter, and easier with IBM FindIT.

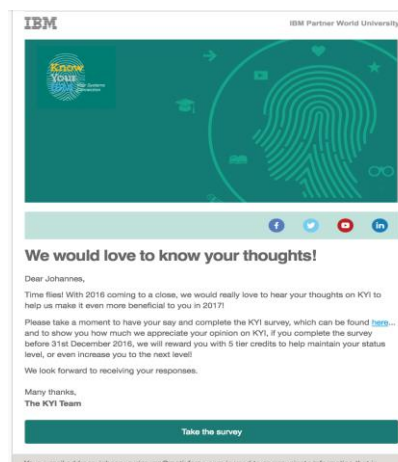
Figure 10: Monthly Newsletter



Source: IBM 2018

- KYI survey.** A 20-item survey accessed via a link embedded in an eDM. A primary invitation was followed-up with two reminders. Participants completed the survey between 12/22/16 and 12/31/16.

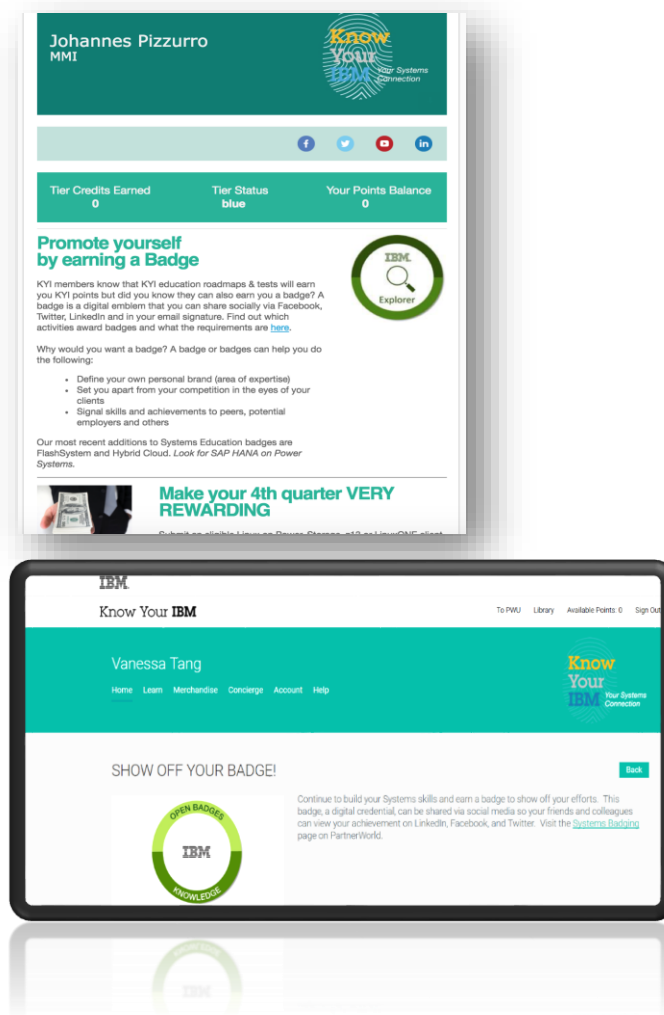
Figure 11: KYI Survey



Source: IBM 2018

- **Bespoke analytics.** Customized reports showed each individual's educational progression and played a key part in successful delivery of the program.
 - Analytical models and propensity matching (profiles compared against similar high-performing participants) resulted in individual incentives and bespoke communications.
 - Analytics also allowed the project team to observe which learning modules were more effective than others and, as needed, rework contents.

Figure 12: Bespoke Analytics



Source: IBM 2018

- **Social badging.** New to KYI for 2016, IBM's Open-Badge program awards digital badges to individuals who successfully complete selected activities. Participants can enjoy professional recognition for their learning accomplishments by sharing badges with clients, peers, and others across such social-media platforms as LinkedIn, Facebook, and Twitter. KYI points also were awarded for badges.
 - Five types of digital badges across different learning and certification categories: Explorer, Advocate, Inventor, Certified, and Excellence.
- **Social engagement.** Engaged participants daily via Facebook, Twitter, and LinkedIn to encourage social loyalty and learning.
 - Use of images, videos, hashtags, and @ handles increased Twitter engagement: As of March 2017, KYI had 1,202 followers, compared to 854 in March 2016) Top countries for participants liking KYI's Facebook page are India, Pakistan, and the U.S.

Figure 13: Social Engagement



Source: IBM 2018

- **Local Support.** Motivforce used its global offices at strategic hubs around the world to provide 24/7 customer service via dedicated hotlines offering local language support as well as selecting and fulfilling local rewards.

Change Management Efforts

The continuous challenge has been to deliver an educational program involving 131 countries in 10 languages, aligning with IBM-brand positioning, developing participant's knowledge, and delivering economies of scale yet having the flexibility to deal with local market and cultural conditions. Therefore, the process for releasing new learning modules meant extensive testing with groups of local-market Business Partners to ensure learning effectiveness across cultures.

The quantity of information circulated through the reseller channel by vendors requires that all IBM communications must be effective, cut through the noise, and generate the desired call to action. This issue is magnified when constructing messages in 10 foreign languages on complex products and solutions.

Translations of program content, gamification, and communications had to be 100% precise in all 10 languages. A glossary of technical words with prescriptive descriptions and translations was developed. Even the glossary was sent to local test-group Business Partners for feedback.

In such a highly competitive marketplace, Business Partners are inundated with educational content and promotional incentives from IBM's competitors. There are only so many hours during the week, and approximately 300 vendors vie for a Business Partner's time. The challenge for IBM was to make KYI the program of choice for Business Partners by:

- Consolidating all learning, resources, gamification, and product updates for sales and technical staff within one single KYI portal.
- Developing Quick Learn, 10-minute lessons, which covered key learning objectives but also were enjoyable to complete.
- Introducing gamification techniques fused with learning, making the experience more enjoyable for participants and enhancing their levels of knowledge retention.
- Delivering the right courses to the right participants at the right time.
- Ensuring a positive effort-advantage ratio in terms of the number of points participants needed to earn to redeem them for merchandise in the KYI catalogue.

Measurable Benefits

The ROI and impact of the KYI program is measured by the sales efficacy of participants compared to non-participants, the number of educational-modules completed, and number of certifications achieved.

- **Sales efficacy.** Participants of KYI 2016 generated, on average, 2 to 3 times more revenue for IBM in sales of products/solutions compared with non-KYI members. For example, average revenue of KYI participants in North America was \$610k, whereas average revenue by non-participants in the same region was \$347k. In the MEA region, KYI participants generated 194% more revenue than non-participants: average revenue of KYI participants was \$1,025K versus \$348 by non-participants.
- **Educational modules:** Total of 160,400 modules were completed in 2016 by KYI participants – 241% above target. Best performing regions were North America (500% of target), Latin America (369% of target), and Europe (351% of target).
- **Certifications.** 1,441 certifications were attained by KYI participants in 2016. Success is measured by region: China, 478% of target; Japan, 250%; and Asia Pacific, 100%.

Sample comments from Business Partners on the 2016 program:

“KYI just keeps getting better each year. The program is easy to navigate and find resources, the roadmaps and curriculums are excellent, the learning modules are served in time sensitive and manageable formats. I continue to sell IBM because the skills you help me to develop gives me a competitive advantage.” – **Doug Day**, IBM Reseller Day Computer Corporation.

“KYI in 2016 is still the best vendor program for education and skill developments. It is still the only program where all of my staff have voluntarily enrolled and are motivated to undertaken the learning activities.” – **John Fearon**, IBM Reseller, On Call Group Australia.

Additional testimonials from a survey of KYI participants in December 2016:

- “KYI is an excellent platform to upgrade and learn more about the IBM technologies.”
- “It’s always great learning with KYI. Thank you.”

- “KYI is very good program to enhance your knowledge of IBM products right from basic to advance level of learning.”
- “Very enjoyable program. Please keep it up. Certification recognition point system is beneficial and good encouragement to maintain IBM certification levels, especially with their fast expiration.”
- “It really added a lot of value to my knowledge level and provided me with a higher level of confidence when meeting customers.”

Overall

Lessons Learned

The KYI program operates in a crowded market where hundreds of rival vendors compete for resellers’ time in completing learning activities and vie for their loyalty in terms of product sales.

The project team consistently seeks ways to make the KYI program engaging and rewarding.

- **Adaptability.** Continue to attract the right Business Partners into the program by providing the right type of training to ensure they grow as specialists representing the IBM brand. This adaptability is particularly important in emerging markets where IBM relies on the Business-Partner channel to build relationships with end clients. It also is vital to continue adapting the program to meet the cultural differences of each KYI market by conducting rigorous testing of learning activities in the early stages to ensure IBM’s investment in the program is effective.
- **Gamification.** Gamification techniques encourage eLearning, achieve higher levels of engagement, increase knowledge retention, and drive a more compelling experience for participants. The KYI program responds well to digital games due to imaginative design, the closed nature of the audience, and access to detailed analytics that enables precise management. The key was to mix the quick-module format with competitive online games because different parts of the brain are used for learning and other areas are activated by visual games. For example, interspersing the Quick-Learn format in the Soccer 6 game meant participants used different parts of the brain, leading to greater knowledge retention.
- **The right rewards.** Rewarding participants sufficiently for undertaking voluntary eLearning is crucial. Course content cannot be the sole motivator because so many

of IBM's competitors are offering rewards-based incentives. In addition, the ratio of points awarded to a participant for undertaking learning needs to be positive. In other words, participants need to feel that the number of points they earn and can redeem for merchandise gives them the sense that it's worth spending time on training activities.

- **Predictive analytics.** In 2016, the project team took a big step in using Big Data and predictive analytics to further segment participants and predict participant engagement.
- **Social loyalty.** The project team has seen growing significance of "Social Loyalty" within the KYI program to drive participant engagement and a sense of belonging to the KYI community. Of note are "social badging" that awards participants with digital badges in recognition of their learning achievements and "sharing" the badges and their personal social-media profiles.

Future Outlook

KYI will continue to evolve by the fusion of analytics, measurement criteria, and content presented in even better ways to drive engagement with the program.

With the have proved the power of gamification in the learning environment, the project team definitely will develop more gamification techniques to encourage eLearning and refresh participants' educational pathways.

Data analytics will continue to play an important role to capitalize on the capabilities of Big Data and gain in-depth insights into the behavior of participants to segment the target audience to obtain a clearer ROI.

Research shows that Augmented Reality also has the potential to drive online and offline engagement. The interactive blend of virtual- and-physical information creates a compelling participant experience. For example, program members could interact with KYI's rewards catalogue.

In addition, program design will continue adapting to the increased use of mobile devices and the reality that program members do most of their searches and inquiries via their mobile phones. Mobile traffic will grow exponentially, and members will look for one-touch check-in and check-out. The KYI mobile experience needs to be effortless, seamless and engaging.



About Brandon Hall Group

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