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на тему : Transforming Partnership Program Office to Revenue Stream Department

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Introduction

Starting point of the research was an idea to create a new revenue stream for my organization. The target was not only to create one more revenue center but to transform it from an already existing department. It was clear that Partnerships Program departments are a rare case in Ukrainian IT companies. There are a lot of reasons for it:

- Lack of knowledge about technology partnerships
- Too small organization for separate direction for partnerships
- Haven't even faced with technology partnerships concept
- Not enough budget for partnership`s activities

The first aspect to point out is that the approach could be easily transferred to companies of different size and budgets. It is not obligatory to take the full approach; one may take part of it and implement it in the organization. Some parts presuppose a bigger budget, some very small investment. It would be interesting to see that one department can reduce costs and be a revenue stream office.

Many organizations sign a lot of Partnerships Agreements each year, still it is supposed that Ukrainian IT industry and other industries heard not so much about Technology Partnerships. The intention is to explain how it works and develop new proposals thanks to Partner`s offering.

1. WHAT THE TECHNOLOGY ALLIANCES ARE

In order to start, the Technology Alliances is a form to advertise new devices or concepts, and to join resources and marketing power together. The alliance used to avoid failure to compete with alternative technology and ensure they have the chance to research and develop the technology. It is very important to distinguish such kind of alliance from a general partnership, which is composed of partners who participate in the day-to-day operations of the partnership are who have liability as owners for debts and lawsuits.

Technology Partnerships means that you together with your technology vendor help other organizations implement and optimize their technical systems, products or solutions. Such partnerships usually take place between a product company and a vendor, who helps to implement, integrate or use their technical systems. This union should bring innovations and value for common clients. Commonly, IT companies use this approach to partnership and create their own strategy for partnering with key technology companies.

The first aspect to point out is that, strategic alliances happen when two or more businesses work together to create a win-win situation. Both should benefit from the alliance and complement each other. The first step is to learn about the products at the companies you're targeting, then match your technology expertise. To illustrate this point, you or more commonly your customer might need to have custom software built. Firstly, start looking at a technology partner with a ready solution, not to reinvent the wheel. Secondly, present the product or solution to the customer, advise which one the customer really needs. Finally, help your client experience smooth implementation processes and if needed provide platform / product integration support for the company.

All of this points to the conclusion that both partners have its own revenue stream: one sell its product and other sell services on top of the partner`s product. Alliances are business relationships. They're about who you know in business, and like a personal network, they supplement your capabilities and weaknesses with strengths. Each alliance is a joint venture where two or more entities work together to achieve a shared goal while remaining separate and independent. The duration of the technology alliance is decided based on the goals of the alliance and the gains and needs of the strategic partners. With the help of technology alliance, companies grow their business at a much faster pace than they would not have grown working alone. Companies can learn about new business and technology techniques and methods by the alliance with other companies and can use that knowledge to grow their business and to enter into new market space.

2. THE MAIN AIM OF CREATING PARTNERSHIPS PROGRAM OFFICE

Main aim of the research is to transform the Partnerships Program Office to a revenue stream department and generate revenue for the organization. The chosen approach to transforming Partnerships into a revenue stream includes a lot of changes that should be made inside of the organization. The research will cover the topic of change management, how to initiate changes inside of a big organization with matrix structure and overcome resistance. On the way to transforming partnerships, the research will start from cost saving and move to earning money.

An important aspect of the paper is the step by step development strategy to build the Partnerships Program Office as an independent department inside of the company. The paper is pursuing a number of goals on different levels, which is covered in detail in next chapter:

1. New Customer Segments & Revenue Channels
2. Differentiation of solution
3. Niche and narrow specializations / industries
4. Cost saving on software

Many organizations embrace technology transfer as part of the strategic weapons to maintain business sustainability. Technology is recognized as one of the most important factors for remaining competitive in the global business environment.

Let`s address a question: why do organizations need a separate department for partnership activities? When you think about partnership, you imagine marketing activities together with sales. Nevertheless, if I talk about Technology Alliances, key word here is – technology. To define and align with appropriate technology partners, you need to align your partnership strategy with technology expertise.

First of all, to build a separate department, you need to define the purpose. The research purpose is - new revenue stream department that generates revenue for the organization. In order to be effective in this directive, it is critical for the department to remain focused on fulfilling a specific value proposition. The value proposition is aligned with the organization's overall strategic initiatives, based on popular technologies expertise development and revenue generated strategy. Nevertheless, it is important to add that this initiative should be communicated with company owners or the management board**.**

It was decided to analyze our competitor's strategy for partnership activities. The Competitive Matrix (Informed by Uncertainty Theory and Systems Thinking) was used, Appendix 1. All the data there is based on assumptions and insights from the given company. By making choices and assumptions explicit our ability to focus becomes an unfair competitive advantage. This matrix looks like a simplistic approach to competitive strategy and defines characteristics of our future and of our competitor's future. As this competitor`s analysis was made for stakeholders of the company, 3 groups of company`s representatives were selected:

1. C-level
2. Middle Management
3. Sales & Marketing.

Above are the key customers groups and below five problems are listed:
1. Budget for Partnerships Program Office
2. Need in new revenue stream
3. Differentiation of offering
4. Niche / narrow specialization
5. High cost on software

Under each customer group, you may see numbers (Figure 1), which indicates the importance of each problem to each customer.

Figure 1. Customer Groups

	C-Level	Middle M	Sales & Mark.	Problems	Us (right now)
	3	0	0	Budget for PP	2
	5	3	5	New Revenue Stream	2
Importance of each problem to each customer	4	3	5	Differentiation of solution	2
	2	1	3	Niche specialization	2
	5	1	0	High cost on software	4

By this rating, we will see which customer group is the most important for us and the importance of solving each problem for each group. It would be also interesting to see list of Competitors:

1. Softserve
2. Epam
3. "Z" [1]

To illustrate this point of view, two big outsourcing companies with offices in Lviv were chosen, that are quite successful and very often compete with the given company for the same client. Both has around 10.000 + employees, located all over the world, offer custom software development services but their positioning differs. SoftServe appears more consulting oriented and Epam wants to be more product development oriented. Third company typifies an average small outsourcing company with around 200 people on board, mostly working on an out-staff model.

The idea of the matrix is benchmarking competitors according to problems that face my company and most likely our competitors face as well. Their attitude to each

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[1] average small outsourcing company with around 200 people on board

problem was rated as it is for now and on the other hand, we can predict their future attitude and how it may change (Figure 2).

Figure 2. Prediction of competitors attitude to each problem

Problems	Us (right now)	Softserve		Epam		Z	
		Now	Future	Now	Future	Now	Future
Budget for PP	2	3	4	2	3	1	2
New Revenue Stream	2	4	5	3	4	2	3
Differentiation of solution	2	4	5	3	4	1	3
Niche specialization	2	4	4	3	4	1	4
High cost on software	4	3	4	3	4	4	5

From these numbers, it can be seen from our competitors standpoint to the same problems that are closely connected to Partnerships activities. Thanks to predictions, it may be observed how those companies may improve each item from the given list and how the given company of this research may change its attitude to these activities.

As it was already mentioned, 3 key customer groups were defined. It is worth staying at this point that rating of these customers will show us the importance of whom to address my approach first. The relative importance of solutions will vary from customers in one group to customers in another group. For each important problem, how important is the solution to our most important customers, in my case it's my company representatives? This is the quantification of value propositions. Compared to others, C-Level is our main customer as this is the main stakeholder of the organization strategy and is the most interested group in the new revenue generation stream. It would be unfair not to mention the fact that Sales & Marketing is one more group to pay attention to. They are interested in new offerings for their customers as it will allow them to generate more revenue and faster reach their own targets and KPI.

One more activity of this exercise is setting targets for so called "final release" (Figure 3). This is the target for the future, in other words the attitude to listed problems in the long term.

Figure 3. Final Release

Problems	Us (right now)	Softserve		Epam		Z		Us (near term)	Us (long term)
		Now	Future	Now	Future	Now	Future		
Budget for PP	2	3	4	2	3	1	2	3	4
New Revenue Stream	2	4	5	3	4	2	3	4	4
Differentiation of solution	2	4	5	3	4	1	3	4	4
Niche specialization	2	4	4	3	4	1	4	3	4
High cost on software	4	3	4	3	4	4	5	4	4

Thanks to these predictions, we may see how each problem becomes more important or less important for us as for the company. After setting targets for "final release", let me set targets for "first release" (Figure 4), these numbers are lower than our future targets and it shows us how we look now and where we can be in the future.

Figure 4. First Release

Problems	Us (right now)	Softserve		Epam		Z		Us (near term)	Us (long term)
		Now	Future	Now	Future	Now	Future		
Budget for PP	2	3	4	2	3	1	2	3	4
New Revenue Stream	2	4	5	3	4	2	3	4	4
Differentiation of solution	2	4	5	3	4	1	3	4	4
Niche specialization	2	4	4	3	4	1	4	3	4
High cost on software	4	3	4	3	4	4	5	4	4

If we analyze the marks of our competitors and ours, it can be observed who our main competitors are and how good they are at solving each problem and what is the most important: how good are we. By rating competitors, we may predict their improvements and develop a plan on how to act in this future. Knowing where to invest is more important than just understanding where everyone is today. One should note here that rating of the given company`s competitor is based on competitors' announcements, press releases, blogs, job postings, insights from their employees and technological expertise they are developing in house. It is clear from these observations overall relative strengths of all competitors, given relative importance of each customer group as a function of our selected strategy (Appendix 1).

What conclusions can be drawn from all this? The focus is on C-Level and Sales & Marketing customer groups, but listed problems have different prioritization and importance for these groups. For instance, the problem of budgeting of Partnerships Programs Office is obvious for C-Level but absolutely irrelevant for Sales & Marketing. S&M [2] is much more interested in differentiation of solution and narrow specialization as it may help them to sell more effectively. Meanwhile, C-Level worries about high cost on software as companies need to spend a lot of money for licensed

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[2] Sales and Marketing

corporate soft. Partnerships Programs reduce costs for software and thanks to this company saves money and we may address Group 1 with a question of additional budget for our office. Here, it is worth appealing that the Partnerships Program Office will be transformed from cost center to revenue stream department. Moreover, if we go back to my Competitive Matrix – 2 our main competitors develop their partner programs, invest in technology partnerships and could be even more successful in future. Competitor "Z" is not so knowledgeable in the area of technological partnerships and this explains that not every company in the same segment values solutions to the same problems similarly.

It is our right to choose direction for our strategy, still if the Partnerships Program approach has its value today among our main competitors, we should compete with them in this area. This matrix shows how good each competitor is overall, from each customer's point of view and thanks to this I may assume that my company may face the same success or become even better in some perspectives.

3. PROBLEMS SOLVED BY PARTNERING WITH TECHNOLOGY VENDORS

There are many reasons for corporations to engage in technology alliances. As well, there are differences among those alliances, some are intended to facilitate access to technological capabilities, so called "vertical" others are looking for access to market, so called "horizontal".

Microsoft, AWS, Google, IBM – all big and well-known technology companies with partner programs. Why do all these big multinational organizations need partners? All of them have solutions and services, some specialize in corporate software, some even produce hardware. In addition to this, everyone is moving to cloud, everyone is competing for the same market share. Top 3 cloud providers: AWS, Microsoft and Google engage their partners in selling their cloud. Microsoft created a model based on partner`s selling: if a company wants to buy Azure, the easiest way is to buy it through Microsoft partner. As well, Microsoft offers their clients purchase directly, nevertheless in such case you should manage your Azure deployments and usage yourself. Which seems to confirm the idea that engaging a partner to do this for you is a much easier and comfortable option. They understand that partner will sell their services or products for themselves, just need to offer some benefits that partner may use.

3.1 New customer segments & revenue channels

It was already explained why big technology companies needs partners, so why do we need to invest in this partnership? The first thing that needs to be said is partnering with leading technology vendors may help to gain a new customer segment.

Many companies, especially custom software providers, dream of working with large enterprises. A large enterprise is an enterprise that checks at least one of the following two conditions: has at least 5000 employees; has an annual turnover greater than 1.5 billion euros and a balance sheet total of more than 2 billion euros. To have such companies in the list of clients presupposes many work to be done. In addition to size and revenue, buying habits and technology needs also typically align with a particular business size classification. Large enterprise has long decision-making process as well as how financial decisions are made, the way their technology needs are framed, and how solution providers are treated during the sales process. To protect enterprises and their data from being misused and help them accomplish their security goals their technology partner must meet a big list of requirements. Before even starting the communication with technology vendor, they request a

Enterprise security has become increasingly vital for businesses. When customers do business with any organization, they entrust that company with many pieces of private information about themselves.

ISO 27001 is an information security standard; part of the ISO/IEC 27000 family of standards and ISO 9001 sets out the criteria for a quality management system and is the only standard in the family that can be certified to. Use of the standards aids in the creation of products and services that are safe, reliable, and of good quality. The standards help businesses increase productivity while minimizing errors and waste. By enabling products from different markets to be directly compared, they facilitate companies in entering new markets and assist in the development of global trade on a fair basis. The standards also serve to safeguard consumers and the end-users of products and services, ensuring that certified products conform to the minimum standards set internationally. ISO certifications open a lot of doors, large enterprises require their vendors to have this certification. This organization develops and publishes International Standards, they do not have Partner Program, still I would say the way they are working and certifying companies is very similar to the way

Partnerships work. This particular certification is a security indicator for our clients. We work on large and complex projects in the public and private sectors throughout Europe so achieving ISO certification is key to gaining new business [1].

ISO organization does not have its lead distribution program but big technology companies such as Microsoft, AWS, Google, RedHat and many others have. If on the one hand it can be said that some of them developed transparent programs for leads distribution, the same is not true for others that trust their partners only after many years of working together. All of these businesses have its own products, services and solutions and they earn money by selling listed offerings. Another side of the coin is integration, implementation and custom development based on partner offerings. This leads us to believe that becoming a reliable partner for Microsoft and others let us receive new opportunities.

Perhaps, it should be pointed out the fact that AWS developed its Customer Engagements Program. This program is eligible only for official partners of AWS. This program enables APN [3]Partners to support customers and drive successful engagements on AWS. APN Partners become eligible to receive AWS lead and opportunity referrals through the ACE Pipeline Manager. The APN Customer Engagements Program provides APN Partners with access to sales and technical support resources like AWS Compete resources and AWS Cloud Economics resources to support driving a successful customer outcome. I would like to draw your attention on list of benefits that Customer Engagements Program offers:

- Eligibility to receive AWS sourced leads and opportunities
- Introduction to an AWS Sales Rep on validated opportunities
- Technical Support on validated opportunities
- AWS Compete Team Support on eligible, validated opportunities

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[3] AWS Partner Network

- Dynamic Lead Sharing URL when featured in Blog Posts and Public Customer References

Program is very transparent as it is published in AWS official resources for partners. AWS Partner Program has 4 levels and each level shows you competency and experience with AWS services. CEP[4] is eligible for the partners from 2 of 4 levels. Very important fact, that distributing of leads depends on your preferences:

- Location – highlight countries, where your customers are located; territories that you listed in partner portal
- Services - define service your company is specializing best of other; choose at least 1, more services – better conversion
- Capabilities – estimate your in-house resources; plan your capacity

AWS Customer Engagements Referrals encompass two categories, AWS Opportunity Referrals and AWS Lead Referrals. AWS Lead Referrals can be defined as inbound prospects generated by AWS who have engaged in one or more AWS Marketing Activities and have consented to be engaged with an APN Partner to assist with their AWS needs. AWS Opportunity Referrals can be defined as AWS Referred Leads generated by AWS who have been qualified by AWS Sales and have consented to be engaged with an APN Partner to assist with their proposed solution or workload [2].

Meanwhile, a tech partner`s business is selling their products, ours is implementation and integration of their products to customers. This scheme allows big technology organizations to sell their goods by passive sales. It is a very smart business model that allows companies to concentrate their resources on their products development and improvement. Over time, many businesses revise their business

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[4] Customer Engagement Program

models from time to time to reflect changing business environments and market demands. For this reason, Microsoft and its big competitors decided to involve partners into their business.

Conclusion: The given arguments prove that Partnerships Program with technology companies open for organizations new revenues streams. Our main goal is to develop partner expertise inside of the company and build strong relations with this partner. However, it is believed that without constant communication, meetings and syncs with partner you will not be able to build trusted business relations. Partnership is an arrangement between two or more people / companies to oversee business operations and share its profits and liabilities. The challenge with trust is that you cannot buy it or force a partner to believe your organization is trustworthy. Every interaction is an opportunity to build relationships and nurture trust. Before your partner will be ready to introduce you to his own clients, you should build trust and commitment that have a significant impact on the creation of value. This leads us to believe that a well known tech giant could be one more revenue generating channel for us.

3.2 Differentiation of Solution

Product differentiation (or just differentiation) is a marketing process of differentiating an offering (product or service) from others in the market, to make it more appealing to the target audience. Many technology companies offer a list of benefits to their partners, the most attractive are discounts on cloud, first level support, involvement in pre-sales and referrals. How do we participate as a value-add contributor in the context of implementing solutions with partner benefits to customers is our job. Many software development companies are doing their business on an out-staffing model. Outstaffing is a type of remote employments when a hired person carries out all the job duties for a company (client) being officially employed by

another company (outsourcing agency). The latter one acts as an employer, thus is responsible for wages, bonuses, equipment granted to a worker, while a client company provides a worker with tasks and assignments. Outstaffing provides hiring and maintenance of individuals. Which seems to confirm the idea that we are not offering a customer any value-added service.

Before thinking about differentiated solutions, first of all, let me try to analyze which value-added benefits software custom development company may offer. Whenever possible, quantify the value the buyer receives. As a back-up, quantify the cost to the organization of providing the benefit. Sometimes support services may be real value-added benefit for your client or consulting services: services that you offer, such as providing your expertise on use or implementation. But it is very important to remember that it may require an extensive time commitment on your part, so offer these only to high-potential accounts. Value-Added Benefits can make the difference between winning and losing in a competitive situation and help reinforce why selecting your solution is a good decision. This is the reason I want to start with the value we may bring to the client as this value is packaged in every differentiated solution.

We may provide a complete range of software development services, but do we really know how to sell them to clients? Every Microsoft, AWS or Google partner may earn money on margins that cloud providers offer you for selling their product. Still, I consider this is not the main target we want to meet as a company. To come to the conclusion, how to benefit from technology partnership, I decided to analyze the process of pre-sales in my company. The pre-sales process begins when the initial contact is made with the prospect. In a sales cycle, the typical steps you would go through are:

Identify the prospect's needs. Pre-sales typically handles discovery to find out exactly what the customer is looking for. This information is crucial for the sales team

to understand how best to position their product or service solution and develop a proposal that best addresses the customer's problem. At this stage, we may generate a list of value-added services we may offer to our client.

Work on the proposal. Stage when pre-sales team drafts a proposal and outlines the customer's primary pain points and a tailored solution. At this stage, pre-sales will collaborate with the sales team to review and approve the bid for presentation to the client. The goal is to shape the conversation to position their proposal as the ideal solution. Much of that success relies on the ability to understand the customer and deliver a custom proposal that hones in on their needs [3].

To illustrate this point, it is worth shedding light on Cloud Providers Partner Programs. We can break down Microsoft distribution channels:

- **OEMs[5],** OEMs that pre-install Microsoft software on new devices and servers they sell. The largest component of the OEM business is the Windows operating system pre-installed on devices.
- **Direct**. Microsoft offers direct sales programs targeted to reach small, medium, and corporate customers, in addition to those offered through the reseller channel. A large network of partner advisors supports many of these sales.
- **Distributors and resellers**, license Microsoft products and services indirectly, primarily through licensing solution partners ("LSP"), distributors, value-added resellers ("VAR"), OEMs, and retailers.

It should be noted here that 2 of 3 distribution channels are supported by partners. As a qualified Microsoft partner, you have the opportunity to co-sell with Microsoft. This collaboration helps to take solutions to market, drive joint revenue, and ensure customer success. Once you've been approved to co-sell with Microsoft, you'll have the option to invite Microsoft to collaborate on

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[5] Original Equipment Manufacture

specific engagements. Microsoft offers many resources to help growing partner businesses. Many customers are looking for qualified experts to help implement Microsoft technology and business solutions. Here Microsoft often gives direct requests for help from customers through marketing activities and from their internal Microsoft sales agents. After investigation of Microsoft offers for partners, I initiated signing of agreement with CSP [6] provider. Microsoft sells their products by direct CSP and indirect CSP (Figure 5).

Figure 5. Microsoft Cloud Solution Program
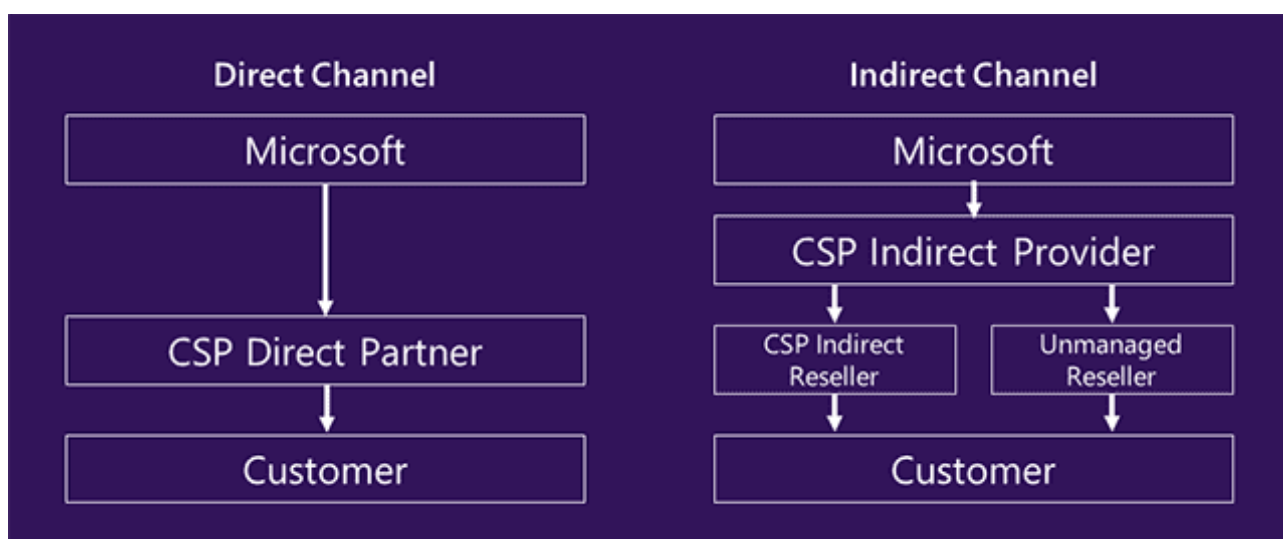
2 channels of distribution of Microsoft products may be observed, where becoming direct is more complicated way and indirect much easier to reach. The rapidly growing demand for cloud-based solutions and services provides many opportunities for Microsoft partners of all sizes to build profitable cloud solution businesses. Partners who are ready to enter the market, but who don't want to have to manage multiple vendors, or who may not have an end-to-end customer relationship management infrastructure in place, can enroll in Microsoft's Cloud Solution Provider (CSP) program as indirect resellers [4].

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[6] Cloud Solution Provider

To enroll in CSP company needs to have MPN ID[7], that means you need to be Microsoft's official partner. This program is eligible only for official partners that have already proved their experience with at least 1 of 20 competencies. One the one hand direct CSP gives bigger margin on selling Microsoft products, on the other hand company needs to meet a list of requirements and change its business model. In case of direct option, the company should provide cloud support with a Microsoft Advanced Support for Partners package and it includes 24/7 elevated break/fix support, and technical account management across cloud, hybrid, and on-premises. As my company has not yet developed expertise in L1 support, it is irrelevant for offer this option. In addition to this, companies should provide billing and provisioning for customers. That means additional hiring for the company, as inside we do not have specific people for these activities. Direct option presupposes only active official status of partner and ability to sign legal documents. Looks like it is not a long way to go, but here is a challenge – find a reliable direct Cloud Solution Provider.

It is worth stating at this point that there is no point in choosing randomly between CSP listed at Microsoft website. It was decided to find some from Microsoft, some person, that will be dedicated to my company and will give us insights and share his personal experience. After reaching out to the partner manager, still surprisingly she wasn't very enthusiastic to help me. Accidentally, I found out that one of the CTO office members (a newcomer) has been working for Microsoft for a while. I talked to him, explained my intentions and in 10 minutes he was calling a friend of him to introduce me. My plan was to meet this guy personally and get as much information as I can. I arranged a personal meeting and involved our Head of Sales. This face to face meeting allowed me to understand the motives of the person and his personal interest in the cooperation. Partner representatives especially AMs have its targets, they receive bonuses for selling services though partners. That was a person I exactly need to find

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[7] Microsoft Partner Network ID

for this cooperation. He advised me CSP for partnering and introduced us, it was a friend of him. So, we have a following channel:

Figure 6. CSP channel
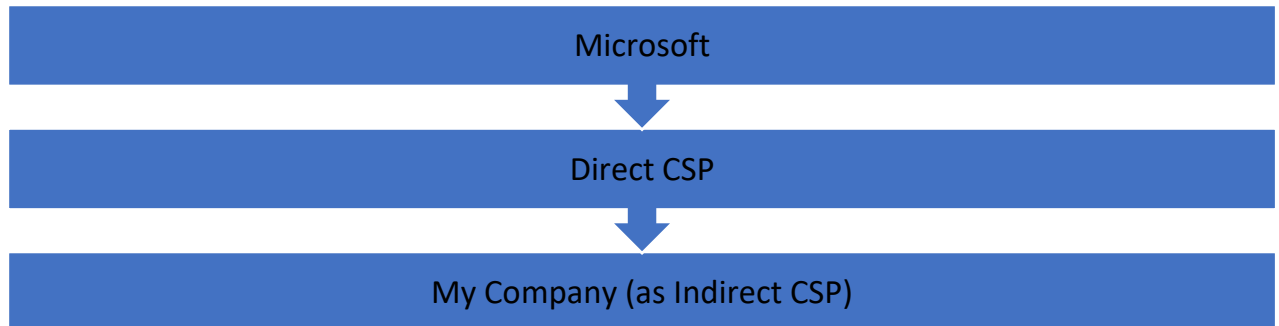
Such cooperation allows a company to offer its customers not only services on top of well-known products / platforms or in this particular case cloud. Company may offer a full circle of development together with services inside of the solution. I would like to explain which benefits a company may actually offer together with a partner`s cloud.

Company cloud offering
- Consultancy and migration services for on-premise systems/services linked to the Cloud platform
- Full-circle migration service
- Full support services (L2 and L3) incl. further development
- Operational cost optimization
- Solution attribute improvements
- Hybrid solutions – for the benefits of both Cloud and on-premise models

Company cloud offering + cloud
- One package encompassing your solution and pre-configured Cloud services
- Full ownership over operational platform use

- A better pricing model [8]
- Billing for Cloud
- Advanced Azure support services with a 1-hour reply SLA
- The potential for additional financing for Cloud projects

Conclusion: Cooperation with partner allows to differentiate company offering by partners' services / products / solutions. Your customer does not need to find one more vendor for implementation of the solution. Company with such an offering acts like a consultant at the first stage, advice customer which cloud is better for the implementation of the solution. Secondly, we implement the solution and the customer does not need to spend his time buying additional service or product by himself or find one more vendor, because this complicates the whole process for him. Big enterprises are looking for mature vendors, for partner that will tell them what to do, not vice versa. We should be a reliable partner for our customer if we want to sell something more than just pure out staff. Partnerships enable us to resell the technologies in our partners' portfolios and bundle them into an offering that includes their products and our service, and we look more mature company with mainstream industry support.

3.3 Cost saving on software

Partnership Programs Office came into its beginning from the moment, when the company started to grow and its needs in corporate licensing began to grow as well. It was very critical to arrange an internal audit of software and understand how many licensed soft do we need to buy. My company is a Microsoft stack company and historically used to work on Microsoft products. That is the reason why this part of the study will be dedicated to Microsoft licensing approach and Partner Program benefits.

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[8] Company has 15% discount on cloud

Microsoft Partner Program allows their Gold and Silver Partner to receive a long list of corporate software. Microsoft calls this benefit as internal use rights (IUR). This program consists of competencies which let you demonstrate your areas of technical capability. If you meet the requirements for even 1 of 20 competencies, you are eligible for IUR, silver level gives you one amount of license and gold significantly another. When the company gained her first competency with Microsoft, this competency was called "core". Thanks to "core" competency (it might be any of twenty) companies receive a defined number of IUR. If you want to enrich the list of benefits, you may gain additional competencies. Microsoft allows to register 5 Partnership Statuses within one organization within one country.

To talk about the given company needs in licensing the most critical part was Office365 as this product use every employee. Company already had a status of Microsoft Gold Partner, still it covered only 100 employees with Office365. Not only Offices but other software was used in big amount. Perhaps it is worth to point out the fact that the company signed an Enterprise Agreement and purchased Microsoft services through this distribution channel. The Enterprise Agreement is designed for organizations that want to license software and cloud services for a minimum three-year period. The Enterprise Agreement offers built-in savings ranging from 15 percent to 45 percent. You also have the option to spread your payments by making three annual payments instead of one up-front payment. This helps reduce initial costs and helps you forecast annual software budget requirements up to three years in advance. The Enterprise Agreement includes a subscription option that lowers initial licensing costs because you subscribe to the rights to use Microsoft products and services instead of owning them. The subscription option also enables you to increase or decrease subscription counts on an annual basis [5]. Here, the Enterprise Agreement lifecycle can be seen (Figure 7):

Figure 7. Enterprise Agreement lifecycle

During the term of your Enterprise Agreement, one can add and adjust users, devices, products, and services at any time without having to place individual purchase orders and account for changes through the annual process. When it is time to renew your Enterprise Agreement, you will have the opportunity to make adjustments to ensure that your new agreement is aligned with your current and future needs [6].

Spending for corporate software started to grow in 2018 and this sped up the process of registration Microsoft Partnerships. Full list of software, market price and part of Enterprise Agreement to Partnership Program part you may see in Appendix 2. Investments in one MS Partner Program is $4000 and ROI is around $200 000, savings are obvious. Mix of Enterprise Agreement and Partnerships Program licenses allows companies not to violate terms of usage and successfully provide companies with needed software.

Conclusions: Partnerships may reduce costs on corporate software. Investments in such kind of Partnerships are comparatively small to ROI. Company does not violate terms of use and at the same time cover its needs in licensed software.

4. ORGANIZATIONAL CHALLENGES FACED DURING THE TRANSFORMATION

What is so important in organizational structure? An organizational structure defines how activities such as task allocation, coordination, and supervision are directed toward the achievement of organizational aims [7]. Type of the structure affects organizational action and provides the foundation on which standard operating procedures and routines rest. It determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organization's actions. Organizational structure provides guidance to all employees by laying out the official reporting relationships that govern the workflow of the company. A formal outline of a company's structure makes it easier to add new positions in the company, as well, providing a flexible and ready means for growth.

A good organizational structure facilitates achievement of the objective of every individual through proper coordination of all activities. An organizational structure is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles, and responsibilities. The organizational structure also determines how information flows between levels within the company [8]. According to Peter Drucker, organizational structure is an indispensable means, and a wrong structure will seriously impair business performance and may even destroy it. Organizational structure must be so designed as to make possible the attainment of the objectives of the business for five, ten or fifteen years hence. An organizational structure should be designed to clarify who is to do what takes and who is responsible for what results, to remove obstacles to performance caused by confusion and uncertainty of assignment, and to furnish decision-making and communications networks reflecting and supporting enterprise objectives.

The given research company works with matrix organizational structure, see Appendix 3. A matrix organization`s structure presupposes multiple cross-functional, cross-business unit groups. Of course, it has its advantages and disadvantages. Main

advantage of matrix structure is retaining of an organization's functional structure, they allow for the rapid creation of efficient large-scale, project structures that employ many members of the organization's functional structure but without disrupting or destroying the structure in the process. Matrix organizational structures are so named because reporting relationships resemble a grid rather than the typical hierarchy. Employees at these companies are generally divided into different departments but often work with other teams to complete specific projects. I want to admit that this is very important working on a project, where many people are involved. The matrix structure allows the functional and divisional structures to exist within one organization. Organizations divide themselves by both function and division, gaining the benefits of both. A worker belongs to a department, reporting to its manager, and also works for a specific divisional team or unit organized around a product or market, reporting to another supervisor. Matrix organizations are adaptable to changes in the business environment, but the drawback is that dual management can cause divisional and functional power struggles.

A disadvantage of the matrix structure is the increased complexity in the chain of command when employees are assigned to both functional and project managers. Blurred authority in a matrix structure can result in reduced agility in decision making and conflict resolution. That was the first problem I faced when I decided to advertise my approach to partnering with technology companies. I could not understand that each organization has its own environment, context and bedrock values. Everyone needs to know what matters and why.

Conclusion: In such organizations it is very hard to push the idea directly to owners, C-level etc. On the other hand, it is very complicated to implement your idea by middle management approval as they may not see the value for them, still the value may be seen for the company. My experience shows that matrix structure suspends changes.

5. IMPLEMENTATION STRATEGY AND PROJECTS CONSTRAINTS

The first thing that needs to be said is that as a base for my implementation strategy the John P. Kotter's 8 steps Change Model was taken. This model is a practical guide on how to move your organization through changes and how to make this process smoother. Very small number of people like changes, moreover if these changes are tightly connected with their day to day responsibilities and they are out of their comfort zone. I am absolutely sure that fear of change is much stronger than the same change. When people are getting out of their comfort zone, they predict the worse-case scenario. Imagine a big organization with already set up processes, it is obvious that the bigger company the bigger resistance we may face. Very important to find an approach on how to implement changes and be ready for people's resistance. In most cases changes will not happen easy for a number of reasons. Major change is often impossible unless finding supporters inside of the organization. In this chapter, I`ll address challenges I faced and how I managed to overcome them.

5.1 Leading to change – establish sense of urgency

To start our journey to changes, we need to establish a sense of urgency. Making a solid desire to move quickly requires risky actions, which can be realized by strong leader. Still, what ways to raise urgency in organization is reasonable to use? First one might be creating a crisis caused by financial loses, but in my case, I would not take such risky actions. One more way is to eliminate obvious examples of losing customers or lack of expertise in some areas that cause revenue loses. Establishing a sense of urgency means trying to change the status quo according to Kotter. Establishing a sense of urgency means you're trying to change the status quo telling your colleagues not to be complacent and show that sooner or later they need to move forward. Without establishing the urgency on the first stage it will be impossible to move forward.

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Because some initial movement is possible with low levels of urgency and because the assault on complacency may create anxiety, it can be tempting to skip stage 1 and begin the transformation process with a later step. I've seen people start by building the change coalition, by creating the change vision, or by simply making changes (reorganizing, laying off staff, making an acquisition). But the problems of inertia and complacency always seem to catch up with them. Sometimes they quickly hit a wall, as when a lack of urgency makes it impossible to put together a powerful enough leadership team to guide the changes. Sometimes people go for years—perhaps with an acquisition fueling growth and excitement—before it becomes apparent that various initiatives are flagging [9:40-50]. Very important rule in this approach of change is moving step by step, don't skip any stage.

The first step to create a sense of urgency is to inform about this urgency, explain why this change is necessary. It was decided to collect data from RFP`s and show that almost in every 2-rd one, we have to list our official partner status. One more argument in support of this research is that some clients even require some official partnerships to have in our list. Secondly, it is very important to involve people in problems. After I showed the urgency by RFP`s sample, I made it clear that by supporting my initiative, we will look much more mature for some clients. We as a company will be able to cover the partnership part and proceed communication with those prospects. Some companies, people are not ready for changes. Many of them efforts to enhance organizational performance via restructuring, reengineering, quality programs, mergers and acquisitions, cultural renewal, downsizing, and strategic redirection. Available evidence shows that most public and private organizations can be significantly improved, at an acceptable cost, but that we often make terrible mistakes when we try because history has simply not prepared us for transformational challenges (9:10-20).

Personal managerial input:

- Raise the question of partnering with Technology Vendors
- Prove that every 2-nd RFP include questions about official partners
- Introduce problem of losing some types of customers

Conclusions:
- Many others don't feel the same sense of urgency as you, at first it was difficult for me to talk with people, who do not understand and support you
- People withhold cooperation with you, they think your approach can`t be beneficial
- In one-to-one conversation people admit problems and agree with you. After goes "but", But there is nothing else I can do
- If your "sense of urgency" is supported by fact, people will be more loyal to you
- First collect supportive data and be ready to prove it, only after initiate urgency

5.2 Leading to change – guiding coalition

In addition to creating a sense of urgency, we should *create the guiding coalition.* Major transformations are often associated with one highly visible individual. This is a very dangerous belief. Because major change is so difficult to accomplish, a powerful force is required to sustain the process. No one individual, even a monarch-like CEO, is ever able to develop the right vision, communicate it to large numbers of people, eliminate all the key obstacles, generate short-term wins, lead and manage dozens of change projects, and anchor new approaches deep in the organization's culture [9:50-60].

It was clear that wide support is needed for developing the idea inside of the company. During the internal audit of the company`s software, I have already

cooperated with the IT department. Main goal of this department was to reduce cost, in other words save their budget for other activities apart from Microsoft corporate software. I helped them with establishing a Partnership Agreement with Microsoft. My company as a Gold Microsoft Partner was eligible to receive a long list of licensed software. In view of this facts, by opening a few more Partnerships between Microsoft and my company's legal entities, we managed to cover the company with licensed soft by 30% thanks to the partnership program (other 60% was covered by the company). This leads me to believe that the director of IT and its deputy were my first supporters. Nevertheless, it wasn't enough for me, as I needed to find more people from different departments that have authority and could support my idea in front of the executive team.

My next step was to find people that will benefit from Partnering with Technology Companies together with me. CTO Office inside of my company is responsible not only for predicting technical trends, developing new technology expertise but actively participating and support sales in the pre-sales process. My main target was to communicate all benefits with CTO representatives, but even without tremendous efforts, I met our new CTO, who knew how the partnership program works from the beginning and which benefits we may receive thanks to its development.

The biggest champion of change may be the human resource executive, the quality officer, or the head of strategic planning. Someone talks the boss into putting this staff officer in charge of a task force that includes people from a number of departments and an outside consultant or two. The group may include an up-and-coming leader in the organization, but it does not have the top three or four individuals in the executive pecking order. And out of the top fifteen officers, only two to four are members [9:50-60]. So, it let me to the conclusion that the bigger coalition I`ll have, the better for me. My main auditory are all people involved into pre-sale activities. Among them are Engagement Managers, Sales, Architects, Account Managers. From

this list Account Managers are as close to clients as anybody else, so my next task was to gain their attention. By constant communication, I managed to attract the attention of at least one or two representatives of each department.

A guiding coalition that operates as an effective team can process more information, more quickly. It can also speed the implementation of new approaches because powerful people are truly informed and committed to key decisions. Today's business environment clearly demands a new process of decision making [9:50-60], see explanation below (Figure 8):

Figure 8. Decision Making in Today's Business Environment

TODAY'S BUSINESS ENVIRONMENT
➤ Demands more large-scale change via new strategies, reengineering, restructuring, mergers, acquisitions, downsizing, new product or market development, etc.

DECISIONS MADE INSIDE THE FIRM ARE
➤ Based on bigger, more complex, more emotionally charged issues
➤ Made more quickly
➤ Made in a less certain environment
➤ Require more sacrifice from those implementing the decisions

A NEW DECISION-MAKING PROCESS
➤ Is required because no one individual has the information needed to make all major decisions or the time and credibility needed to convince lots of people to implement the decisions
➤ Must be guided by a powerful coalition that can act as a team

The above given arguments suggest we create a team for helping us to produce change. It is impossible to produce change alone, you definitely must be a leader but without a team, success can't be reached. One important factor on our way to creating

a guiding coalition is trust. If trust is present, creating teamwork is an easy task. When trust is missing, you won't.

Mix of trust and a common goal that people share create a powerful team. In my opinion, such a team may be effective in transforming an organization, not only separate processes inside of it.

Personal managerial input:
- Arrange internal audit of licensed software
- Sign 3 Partnership Programs with Microsoft to reduce costs on corporate software
- Make Partnerships Program Office part of CTO to align partnership strategy
- Define key company`s representatives for my approach implementation

Conclusions:
- Finding the right people is key goal, they support your initiative
- Creating trust help to create the mutual understanding, respect, and caring about the same problems and activities
- Develop a common goal speed up implementation of activities

5.3 Leading to change – change vision

In order to move forward according to P. Kotter, we need to *develop a change of vision*. Everything I described in previous chapters was absolutely new for my colleagues and most people in the company. At this level it was very important to develop a vision for my approach. Vision is a picture of the future with its implicit or explicit explanations on why people should strive for that future. In a change process, a good vision serves three important purposes. First, by clarifying the general direction for change, by saying the corporate equivalent of "we need to be south of here in a few

years instead of where we are today," it simplifies hundreds or thousands of more detailed decisions. Second, it motivates people to take action in the right direction, even if the initial steps are personally painful. Third, it helps coordinate the actions of different people, even thousands and thousands of individuals, in a remarkably fast and efficient way [9: 50-60]. To deep dive into how to break the resistance through creation of vision, I would like to draw your attention at this resistance illustration (Figure 9):

Figure 9. Breaking through the resistance with vision
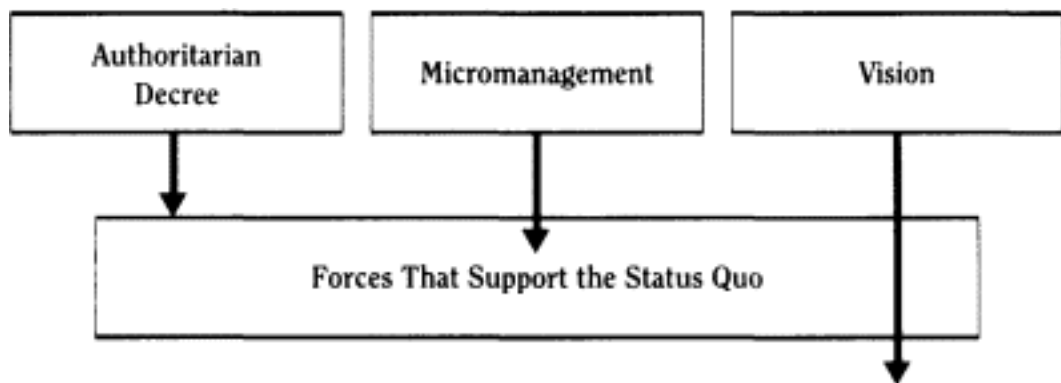
Very often organizations want to change something inside by authoritarian decree and micromanagement. This is a wrong way to changes as in most cases people will ignore you. Moreover, they may pretend to cooperate, meanwhile doing everything possible to undermine your efforts. Another side of this story is micromanagement. This tactic presupposes to get around by specifying what employees should do in detail and then constantly monitor them. We can break through thanks to these tactics only for a while. What is more important to do than? – Clarifying the direction of change!

Effective vision is focused to guide employees and convince them which particular actions are important. First draft of a vision comes from a single individual but after his or her idea is discussed with the support of a guiding coalition. Vision is never created in a single meeting. The activity takes months, sometimes years. The process results in a direction for the future that is desirable, feasible, focused, flexible,

and is conveyable in five minutes or less [9: 75-85]. I came to the conclusion that the idea needs repeating.

To strengthen my vision, a Partners representative for the education session was invited. This training was arranged to educate company what benefits we may receive thanks to coalition with partner and how to use these benefits. It was decided to split the session into 2 streams: one for salespeople and other for technical. The reason for this division is very obvious – both categories want to meet absolutely different goals. If people from tech wants to find out more about discounts on trainings, upcoming webinars and the possibility to develop their expertise together with a partner; sales representatives want to understand how the partner may help them to sell.

Personal managerial input:
- Arrange a training based on topics of partnering with technology companies for two streams: sales & tech
- Involve partner representatives to the training

Conclusions:
- Show others a picture of how the future will look like and they will start to believe in positive changes
- Appeal to interest of each group of employees
- Articulate all benefits to each "customer group" will help to get their attention and involvement

5.4 Leading to change – communicate the vision

Together with this third step of Kotter's leading to change model we proceed to *communicate the vision.* Time for effective vision communication is related to the

clarity and simplicity of the message. Vision is usually communicated most effectively when many different vehicles are used: large group meetings, memos, newspapers, posters, informal one-on-one talks [9: 85-95]. The prime goal at this stage was talking about the new vision of selling with employees at every chance I get. Their opinions and concerns were gathered, and asked for involve me in the pre-sale activities. Representatives from a CTO office, who were my supporters, began to inform me about cases where our partner`s service / platform or product was integrated.

Still, the success from the first time wasn`t achieved. I faced a lot of critics, misunderstanding and bureaucracy. However, the vision for Partnerships was communicated, but poorly. This could cause failure for the 3 previous stages on the way to leading change. It was clear that many people face the problem of bad communication.

The main mistake was complicated communication. I wanted to explain to everyone how partnerships work, but I did not understand that people don't need this. Communication and explanation of my approach become simpler and more direct after Each group with its needs was addressed. The technobabble is hard to crush, and it was needed to make my message simple. It is clear that verbal picture help to imagine the future, that's why it was articulated to each of the target groups how particularly each of them may benefit.

Tech representatives' group:
- Regular face to face meetings with Partner`s technical representatives
- Well-architecture sessions to ensure best practices applied for security, scaling and cost optimization
- Credits on cloud services
- Discounts on trainings and certifications

Sales representatives` group:

- Involvement of Partners` representative into pre-sale to support us

- Leads distributing programs

- Wider range of offerings

- New customer segments – bigger opportunities

C-Level group:

- Bigger margins

- New lead generation stream

- Funding programs for internal projects

- Reasonable discounts on corporate software

Personal managerial input:

- Highlight main benefits of Partnerships Program to each target group

- Arrange weekly meetings with CTO Office, that helped to understand full picture of pre-sale activities

- Communicate the vision of selling through partners

Conclusions:

- More communication the better outcome: meetings, standups, trainings etc

- Visualization and verbal picture help to imagine the outcome

- Listen to people concerns, it will help to understand their motives

- Avoid complicated language, speak simple. People are not experts in your area

- Address each target group to its interest

5.5 Leading change – empower for action

I have already raised the problem with company structure in chapter 3 and during the stage of *empowering others to action*, I faced the demand of organizational change. All my previous steps greatly empower others, still a lot of obstacles are on the way to change. One of the hardest things in my transformation is organizational change, I

personally cannot change the company`s structure and set up processes for myself. I am boxed in the trap, below you may see barriers to empowerment, (Figure 10)

Figure 10. Barriers to empowerment
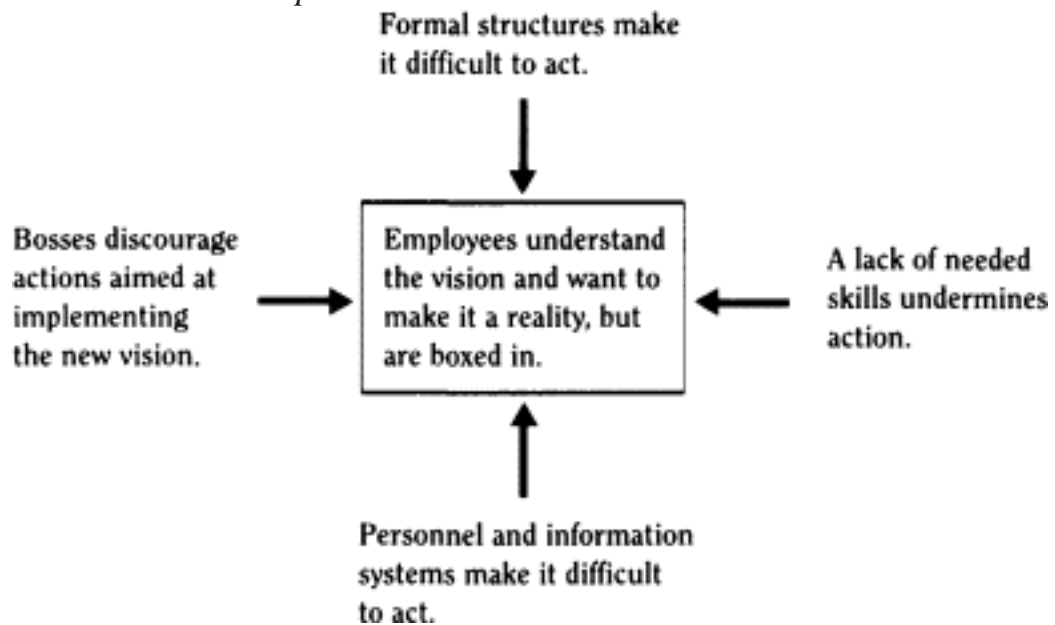
Whenever structural barriers are not removed in a timely way, the risk is that employees will become so frustrated that they will sour on the entire transformational effort. If that happens, even if you eventually reorganize correctly, you've lost the energy needed to use the new structure to make the vision a reality [9:100-110]. Even when employees understand the vision and are ready to help you with its implementation many obstacles can occur. Formal structure makes it difficult to act as you will face bureaucracy, long decision-making process and discourage from bosses or managers. Sometimes lack of needed skills really undermines action and all this I faced personally.

The decision was to follow: If we remove all obstacles now, it will be done partially and it is even a small possibility to change something. The observations are that by entering into dialogue with all employees, it will be easier to understand who are resisting the change. The work with the guiding

coalition was continuing and other organizational stakeholders started collectively identifying barriers that hinder my change effort. This leads to the purchasing process, that I need to be included to some purchases. In previous chapters, the scheme when we co-sell with partners was explained. Such a way of cooperation adds one more step in the process – purchasing of partners' service / product. Previously, we didn`t buy cloud for customers, only for internal use, that's why the process of purchase should be changed.

Previously:

```
               ┌─────────┐
               │ Fin Dep │
┌─────────┐    └─────────┘    ┌─────────────┐
│ Request │                   │ Enterprise  │
└─────────┘    ┌─────────┐    │ Agreemen    │
               │   IT    │    └─────────────┘
               │procurement│   ┌─────────┐
               └─────────┘    │ Direct  │
                              │purchase │
                              └─────────┘
```
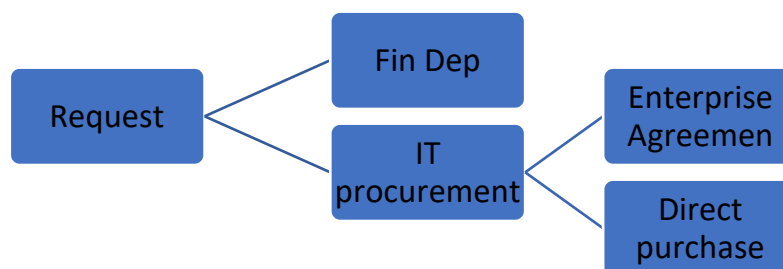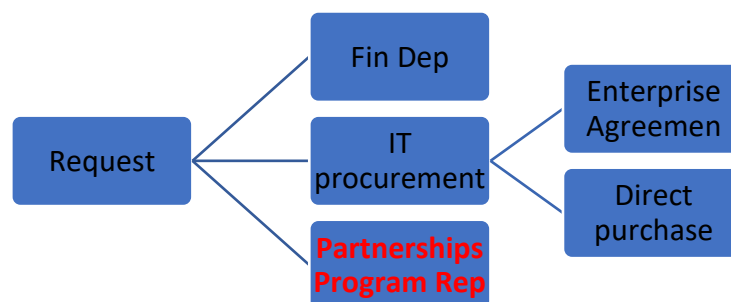
Updated procurement process:

```
               ┌─────────┐
               │ Fin Dep │
┌─────────┐    └─────────┘    ┌─────────────┐
│ Request │    ┌─────────┐    │ Enterprise  │
└─────────┘    │   IT    │    │ Agreemen    │
               │procurement│   └─────────────┘
               └─────────┘    ┌─────────┐
               ┌─────────────┐│ Direct  │
               │ Partnerships││purchase │
               │ Program Rep │└─────────┘
               └─────────────┘
```

Only one thing should be changed – add Partnerships Program representatives into the purchase process. Company uses Jira for creating request, so I made changes to the process of adding one more person to track requests on cloud for customers. This gave me a possibility to improve the process of requesting cloud as I had a possibility to see every request. Thanks to such a simple change, I managed to adjust the process

and link people with each other: PM with Procurement; Procurement with CSP Provider.

Personal managerial input:

- Changing of purchasing process: add Partnerships Program Rep and found CSP rep

Conclusions:

- Organizational change is the hardest because of bureaucracy, long decision-making process and discourage from bosses or managers
- Entering into dialogue with all employees helps to understand who are resisting the change
- Change may be small but visible and helpful

5.6 Leading change – Creating a short–term wins

It is important to remember that on the way to our final goal it is very important to *create and show short-term wins*. Long term planning expects to be achieved in 5 or more years, that's why we need short-term goals to see the progress. Our efforts should be visible for us and for others, in other words this is an evidence of our efforts and intermediate result. What are the main characteristics of this short-term goal? They are as following:

- It's visible; large numbers of people can see for themselves whether the result is real or just hype
- It's unambiguous; there can be little argument over the call
- It's clearly related to the change effort

Short-term performance improvements help transformations in at least six ways. First, they give the effort needed for reinforcement. They show people that the sacrifices are paying off, that they are getting stronger. Second, for those driving the change, these little wins offer an opportunity to relax for a few minutes and celebrate. Constant tension for long periods of time is not healthy for people. The little celebration following a win can be good for the body and spirit. [9:120-125]. Building partnerships is a long way, that's why I realized that I need to create those goals even for myself to see if I am on the right direction. Setting such goals as well help your guiding coalition to test the vision. Proving evidence helps others to see you progress. Nevertheless, we need to provide it higher in the hierarchy to demonstrate that everything is ok.

Building partner relations presupposes many months or even years of communication, demonstration of your experience and willingness to work together. In my case, where I want to build a Partnerships Program Office as a new generation stream, I should list some PoC generated thought partner. Apart from PoC, I as well decided to use other partner benefits and explain why they are so important. For the first year, company received:

Figure 11. Partner`s Benefits for the first year

PoC from Microsoft - $30 k

AWS Technical Evangesili spoke at our Event (free of charge)

Pivotal representatives took part at 2 Product Meetups (free of charge)

3-rd client targeted event with Pivotal will be arranged during 2020

PoC from Microsoft was received during few months of cooperation with AM from MS [9]side. This proof of concept was a small one, still it was a possibility to show Microsoft how we work. The project was connected to the financial industry, client was waiting for some loan to be signed on the governmental level. My company successfully finished PoC, but without the new loan we couldn`t proceed with project development.

AWS technical Evangelist took part at two events organized by my company. This was a technical event arranged in Ukraine. The AWS Evangelism and Advocacy team engages with developers & architects around the globe, increasing awareness and adoption of AWS services. Evangelists and advocates help users understand how they can develop, deploy and operate applications that are scalable, secure and maintainable [6]. Without official partnership it is impossible to involve this people to such activities. Company needed to involve some well-known person from tech to the meetup and thanks to the Partnerships Program we managed to do this free of charge.

Pivotal involvement was even more valuable for us as it were two events, one in Europe another one in the US. Involvement of external speakers is always an expensive activity. After successful mutual tech events, our Account Management team asked me to help with arranging one more event but this time client oriented. I addressed Pivotal with the question of mutual customer event and currently, we are at the preparation stage.

Finally, and perhaps most generally, short-term wins help build necessary momentum. Fence sitters are transformed into supporters, reluctant supporters into active participants, and so on. This momentum is critical, because, as we'll see in the next stage, the energy needed to complete stage 7 is often enormous.

Personal managerial input:

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[9] Microsoft

- Communication with Microsoft representatives was set up, the prove is first PoC

- Involvement of AWS Technical Evangelist to tech meetup in Ukraine

- Involvement of Pivotal representatives to 2 meetups, one in UK, another in US

- Communication with Pivotal representatives was set up, the prove is upcoming customer event

Conclusion:

- Creating short-term wins are important for your managers, bosses as for yourself. During establishing goals, you may see if you are on the right direction

- Major change takes time, sometimes lots of time. Nevertheless, when you generate some valuable wins for your company on your way to realization of your big goal it will help you to see the light in the end of the tunnel

- Your success should be visible, you need appropriately communicate it for others

- Short term goals are like evidence of your work and progress. Leading change – produce more change

5.7 Leading change – Producing more Change

One more chapter dedicated to implementation of the approach according to P. Kotter. I would name this stage – *never give up*. Change is a slow-going process; it is closely connected with a company's culture.

Irrational and political resistance to change never fully dissipates. Even if you're successful in the early stages of a transformation, you often don't win over the self-centered manager who is appalled when a reorganization encroaches on his turf, or the narrowly focused engineer who can't fathom why you want to spend so much time worrying about customers, or the stone hearted finance executive who thinks empowering employees is ridiculous (Kotter: 130-140).

All organizations are made up of interdependent parts. When something happens in one department it will affect others, of course, not all. Imagine we changed the purchasing process, it will affect the PMO department as the Project Manager will need to change its practice of creating request, Legal Department and Finance will need to change agreements and payment procedures. Without much experience, we often don't adequately appreciate a crucial fact: that changing highly interdependent settings is extremely difficult because, ultimately, you have to change nearly everything (Figure 12):

Figure 12. Creating change in Systems of Varying Interdependence
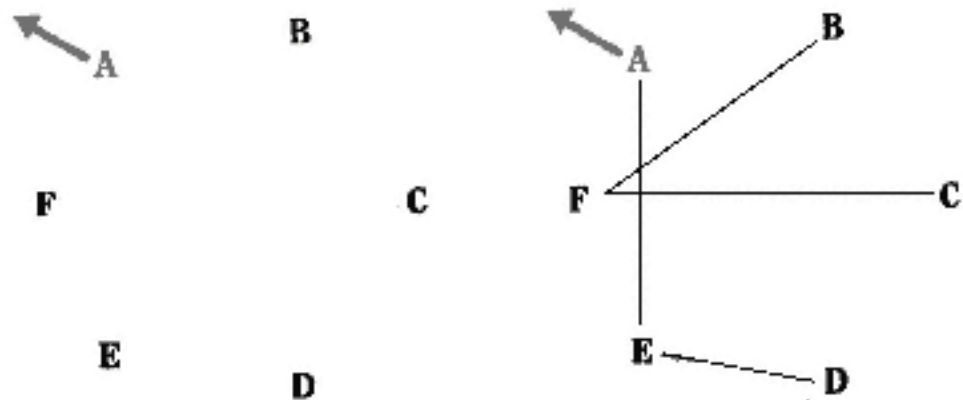
In a system with independent parts, A can be moved by simply moving A.

In a system with some inter-dependence, several elements (A, E, D) may need to be changed in order to move A.
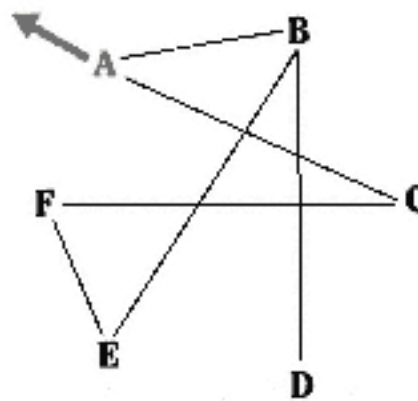
In a system with much inter-dependence, all the elements may need to be changed in order to move A.

This sample describes how you can rarely move just one element by itself. You have to move so many elements to progress, you couldn't even imagine at your first stage. Interdependencies can seriously complicate change and we faced this problem as well. In some cases, you may need only one or two other people for your change coalition and in other many more. It was different in each case; sometimes only one-person support to move is needed: an idea with CSP partnership was brought to attention and for signing this agreement the approval

was needed. I worked with CSO [10] and decided to get his approval, that was enough to proceed with the Legal team and work on the agreement. Absolutely another story was my trying to move with this CSP (Azure) offering. Signing CSP Agreement was the easiest part of the story, after I needed to communicate this and explain how to use it. The main goal was to communicate this information to the 20 or 50 or 100 other people who have some stake in the situation and its outcome. The process of introducing change to an organization is not that different from rearranging the furniture in that group of offices. A lot of people need to help. You never have a complete sense of all the changes at the beginning [9:135-145].

To communicate the benefits of CSP offering, firstly, I involved CTO, after all CTO members. Secondly, we communicated the process with the PMO, Account Management Team, Engagement, IT, Finance & Legal Teams. It was impossible to skip any of these links. To explain you the importance of such long communication chain, I`d like to illustrate how each of mentioned groups somehow is involved in the CSP offering:

- CTO – part of the pre-sales group, involved in initial calls with clients, proposals development and consultations on technical side of the solutions

- PMO – responsible for project implementation, creation of purchasing issues for projects (in our case: request on cloud), billing clients for services

- Account Management – responsible for up-sales on accounts

- Engagement – responsible for proposals development and pre-sales activities

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[10] Chief Security Officer

- IT – main responsibility lies on procurement manager: purchasing of 3rd part services / products, splitting bills for accounts

- Legal & Finance Teams – define the process of payment, conditions of agreements, pay for services and approve payments

Arrangements with Legal & Finance were not complicated after CSO and CTO approvals. We defined the process for payment for 3-rd party services (confidentially, can`t share details.) In addition, these arrangements were discussed withh procurement. Process for purchasing a cloud thought partner was agreed. Next step of anchoring new approach will be explained in detail in 8-th step.

Personal managerial input:

- Initiation of changes in purchasing process

- Promoting new CSP offering inside of organization

Conclusion:

- Interdependent parts in organization slow down the process of change. It affects other organizational units.

- Additional people are brought in this stage, they may help or resist changes. That is the reason, you never have a complete sense of all the changes at the beginning.

- The entire effort will take more time and energy than you initially expected. You have never expected to face so many changes at the beginning.

- Change is increasingly the norm rather than the exception; it is obvious you`ll face many changes on your way.

5.8 Leading change - Anchoring New Approaches

Only after 1 year of constant work, the first results has become visible. All changes that are made should be made at culture level. In a big company, one typically finds that some of social forces—the so-called corporate culture—affect everyone and that others are specific to subunits. Regardless of level or location, culture is important because it can powerfully influence human behavior, because it can be difficult to change, and because its near invisibility makes it hard to address directly. Generally, shared values, which are less apparent but more deeply ingrained in the culture, are more difficult to change than norms of behavior [9:145-150]. The illustration is below (Figure 13):

Figure 13. Norm of Group Behavior
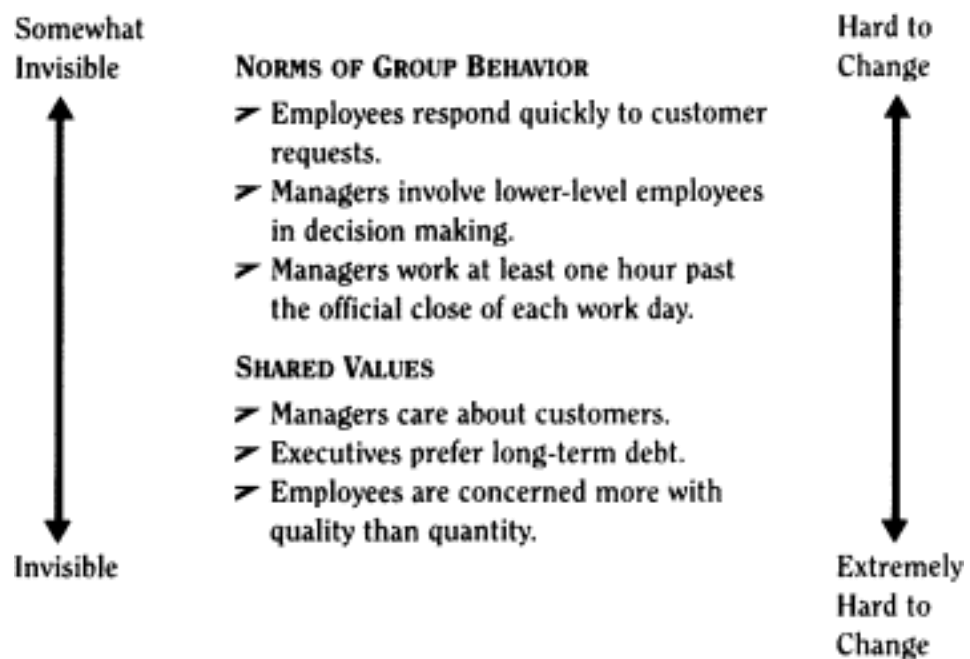
It can be seen that norms of group behavior indicate that your vision is common for everyone. Only in such a case, we may move forward. The biggest impediment to creating change in a group is culture. Culture is not something that you manipulate easily. Attempts to grab it and twist it into a new shape never work because you can't grab it. Culture changes only after you have successfully altered

people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement. Thus, most cultural change happens in stage 8, not stage 1. Therefore, the first step in a major transformation is to alter the norms and values. After the culture has been shifted, the rest of the change effort becomes more feasible and easier to put into effect [9:150-160].

To proceed with anchoring my approach to partnerships, the communication inside of the organization was taken to a new level. As arrangements with IT, Legal & Finance teams were established I moved to Account Managers and Engagement. I have already talked with these groups many times, but it was not enough. Training from a Partner for this audience was only the first attempt to attract their attention. A lot of personal meetings was made and after gathering feedback, it was clear that I need to speak their language. Next time speaking with these groups I explain how each of them may benefit:

- Grow customer base and gain new customer segment
- Up-sale on existing account
- Bigger margin thanks to additional services and business model (not pure out staff, sell solutions instead of people)

For using this offering created by Partnerships the marketing department was involved and we started to work on materials:

- Cloud Offering (Azure, AWS, Google – as offering with partner`s services included)
- Description of benefits for internal employees
- Process of requesting for Partner`s involvement

My one more try to have more and more people involved in the process will be my personal Education Session for people engaged in pre-sales activities. First session will be arranged for Sales, Account Managers and Engagement. Second one for CTO representatives, PMO and Procurement. So, if one of the change cycles in a larger transformation effort is associated with a reengineering project in department X, that project will end with an effort to anchor the work in the department's culture. That's why it is highly important not to forget to warm up the attention of your guiding coalition as well. It is important to add, that cultural change comes at the end of a transformation. Nevertheless, step by step you may see changes that happened because of your constant work.

Personal managerial input:
- Creating of Partner's offering brochures
- Educational Session for 2 different streams
- Constant communication with all company units

Conclusions:
- All changes should be made at culture level
- Cultural change comes last, not first
- Without verbal instruction and support, people are often reluctant to admit the validity of new practices
- New approaches usually sink into a culture only after it's very clear explanation

6. PROJECT ROADMAP AND CALCULATIONS

It was already discussed how to anchor changes into the organization and how to introduce them to all stakeholders. Thanks to P. Kotter 8-th steps model, it was much

easier to move thought each step and check if nothing was missed. An important aspect of the text is the project timeline, find in Appendix 4.

The work on this project started almost 3 years ago. It is divided into 2 parts:

- Partnerships Program for "inbound", internal use
- Partnerships Program for "outbound", revenue stream

"Inbound" is currently in a more supportive stage, I would rather say that this is my day to day responsibilities on work. "Outbound" part is my initiative and I am in the implementation stage, where some activities are already done and some are planned to be done.

All of this points to the conclusion that transforming the Partnerships Program office into revenues stream department should bring revenue to the organization. Below, I calculated budget for 3 years, for both "inbound" and "outbound" directions:

Inbound Investments:

2020 y - $16 000

2019 y - $13 000

2018 y - $10 000
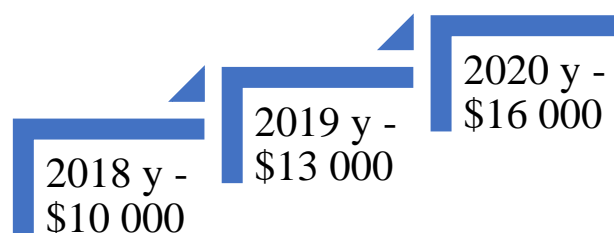
ROI: ~ 1 million savings on corporate licensing
Outbound Investments:

2018 y -
$5 000

2019 y -
$10 000

2020 y -
$40 000
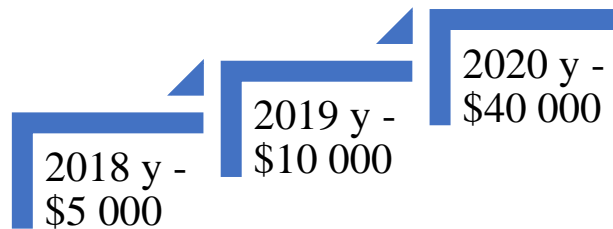
Expected ROI: ~ 1 million after 3-rd year of investments.

Building Partnerships is a long way, company should understand it and its culture and processes should be ready for transformations. Expected ROI for "outbound" stream is around 1 million after 3-rd year and this number is based on the minimum value project for entry in my company. I have already signed 4 Partner Programs with Microsoft, AWS, Google and Pivotal. For the first year, I expect up to 3 projects from partners, it may be 1 from each or 3 from one partner. Very often, after successfully finished projects, partner see us as a trusted vendor. This is the main criteria for leads distribution among partners. That`s why it was expected that adjusting relations with one partner at first and then use the same scheme for others is a way.

7. CONCLUSIONS

During the project implementation, these conclusions have been made:

- Alliances can and should be regarded as opportunities for organizational learning. But when the primary purpose of a partnership is for the weaker company to improve its skills, such an approach doesn't work.
- Education and regular communication are also key to a partnership's success. This is especially true for services companies, which need to go to extra lengths to ensure the delivery of a consistent service experience.
- The main problems were miscommunication and wrong communication channel, I should talk to executives and bring my idea to them.
- At the beginning, the wrong audience for the promotion of the idea was chosen, the Country Mangers and Business Units and Delivery should be addressed as well, not only technical representatives.
- Change requires constant and never ending 'pushing' and support to ensure it stays.
- Change can't be achieved alone – need the whole organization galvanized for change.
- Change is incredibly complex and thus cannot be controlled so precisely.
- Creating short-term goals are important for your managers, bosses as for yourself. During establishing goals, you may see if you are on the right direction.
- Finding the right people is key goal, they support your initiative without constant communication, meetings and synchs with your partner you will not be able to build trusted business relations.
- Every interaction is an opportunity to build relationships and nurture trust.

- Partnerships enable us to resell the technologies in our partners' portfolios and bundle them into an offering that includes their products and our service, and we look more mature company with mainstream industry support.

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APPENDIX 1

Competitive Matrix

How good each competitor is overall, from each customer's point of view											
76	32	52									Us (long term)
71	31	49								Us (near term)	
66	27	42							Z		
73	32	52					Epam				
85	38	62			Softserve						

	C-Level	Middle M	Sales & Mark.	Problems	Us (right now)	Softserve		Epam		Z		Us (near term)	Us (long term)
						Now	Future	Now	Future	Now	Future		
	3	0	0	Budget for PP	2	3	4	2	3	1	2	3	4
	5	3	5	New Revenue Stream	2	4	5	3	4	2	3	4	4
	4	3	5	Differentiation of solution	2	4	5	3	4	1	3	4	4
	2	1	3	Niche specialization	2	4	4	3	4	1	4	3	4
Importance of each problem to each customer	5	1	0	High cost on software	4	3	4	3	4	4	5	4	4

Importance of customer to our strategy	5	2	4

749	425	76	248	Softserve	(future)
637	365	64	208	Epam	(future)
552	330	54	168	Z	(future)
613	355	62	196	Us	(near term)
652	380	64	208	Us	(long term)
Overall relative strengths of all competitors, given relative importance of each customer group as a function of our selected strategy	5	4	2		

APPENDIX 2

License name	1-st Partner Program	per 1, EA price/site price	Sum	2 -nd Partner Program	Sum	3 -rd Partner Program	Sum
		Market value					
Advanced Threat Analytics Client Management License	100		0	100		100	
Azure AD Basic	100		0	0		0	
CoreCAL ALNG SA MVL UsrCAL (upgrade only, previous EA prolongation):							
Windows Server CAL							
SharePoint Server Standard CAL							
Exchange Server Standard CAL							
System Center Configuration Manager Client Management License							
System Center Endpoint Protection Client Management License							
Skype for Business Server Standard CAL			**0**		**0**		**0**
Enterprise Mobility Suite (seats)	100		**0**	100	**0**	100	**0**
Enterprise Mobility Suite (extention to CoreCal):							
EntMobandSecE3 Shared Alng MonthlySub Addon ToUsrCrCAL			**0**		**0**		**0**
Enterprise Mobility Suite (new licenses):							
EntMobandSecE3Full ShrdSvr ALNG SubsVL MVL PerUsr			**0**		**0**		**0**
Microsoft Azure (USD/Month)	100		**0**	0	**0**	0	**0**
Microsoft BizTalk Server 2016 Enterprise (per core)	8		**0**	0	**0**	0	**0**
Microsoft Desktop Optimization Pack 2015	100		**0**	100	**0**	100	**0**
Microsoft Dynamics 365 Plan 1	60		**0**	60	**0**	60	**0**
Microsoft Dynamics CRM Professional CALs	60		**0**	60	**0**	60	**0**
Microsoft Dynamics CRM Server	1		**0**	1	**0**	1	**0**
Microsoft Exchange Server 2016 Enterprise	3	2,265.78	**6797.34**	2	**4531.56**	2	**4531.56**
Microsoft Exchange Server 2016 Enterprise CALs (include Standard CALs)	110		**0**	100	**0**	100	**0**
Microsoft ExchangeServer 2016			**0**		**0**		**0**

Product	Qty	Unit Price	Total				
Microsoft financial and supply chain management solution of choice, i.e. Microsoft Dynamics AX, Microsoft Dynamics GP, Microsoft Dynamics NAV, Microsoft Dynamics SL	5		**0**	0	**0**	0	**0**
Microsoft Intune	100		**0**	100	**0**	100	**0**
Microsoft MSDN Platforms			**0**		**0**		**0**
Microsoft Office 365 (E1) Seats			**0**		**0**		**0**
Microsoft Office 365 (E3) Seats	100	882.9	**88290**	100	**88290**	100	**88290**
Microsoft Office 365 (E5) Seats			**0**		**0**		**0**
Microsoft Office Multi Language Pack 2016	80		**0**	75	**0**	75	**0**
Microsoft Office Professional Plus 2016	105		**0**	100	**0**	100	**0**
Microsoft Project 2016			**0**		**0**		**0**
Microsoft Project Online Essentials	20		**0**	0	**0**	0	**0**
Microsoft Project Online Premium	5		**0**	0	**0**	0	**0**
Microsoft Project Online Professional	1		**0**	0	**0**	0	**0**
Microsoft Project Professional 2016	6		**0**	5	**0**	5	**0**
Microsoft Project Server 2016	2		**0**	1	**0**	1	**0**
Microsoft Project Server 2016 CALs	45		**0**	20	**0**	20	**0**
Microsoft SharePoint Server 2016	6	3,800.28	**22801.68**	4	**15201.12**	4	**15201.12**
Microsoft SharePoint Server 2016 Enterprise CALs (include Standard CALs)	160		**0**	140	**0**	140	**0**
Microsoft Skype for Business Server 2015			**0**	2	**0**	2	**0**
Microsoft Skype for Business Server 2015 Plus CALs			**0**	100	**0**	100	**0**
Microsoft Skype for Business Server 2015 Enterprise CALs			**0**	100	**0**	100	**0**
Microsoft SQL Server 2016 Enterprise (per core)	72	456.19	**32845.68**	32	**14598.08**	32	**14598.08**
Microsoft System Center 2016 Client Management Suite	100		**0**	100	**0**	100	**0**
Microsoft System Center 2016 Standard	32		**0**	32	**0**	32	**0**
Microsoft System Center Config Mgr (current branch & LTSB 1606)	100		**0**	100	**0**	100	**0**
Microsoft System Center Endpoint Protection	100		**0**	100	**0**	100	**0**
Microsoft Visio 2016 Standard			**0**		**0**		**0**
Microsoft Visio Pro for Office 365 (User)	1		**0**	0	**0**	0	**0**
Microsoft Visio Professional 2016	6		**0**	5	**0**	5	**0**

Product	Qty	Unit Price	Total	Qty	Total	Qty	Total
Microsoft Visual Studio 2017 Enterprise with MSDN Subscription	35	1,050.78	**36777.3**	10	**10507.8**	10	**10507.8**
Microsoft Visual Studio Professional with MSDN			**0**		**0**		**0**
Microsoft Windows Remote Desktop Services Device CAL 2016			**0**		**0**		**0**
Microsoft Windows Server 2016 Datacenter			**0**		**0**		**0**
Microsoft Windows Server 2016 Standard			**0**		**0**		**0**
Power BI Pro	100		**0**	100	**0**	100	**0**
R Server for Red Hat Linux	4		**0**	4	**0**	4	**0**
R Server for Teradata DB	4		**0**	4	**0**	4	**0**
Skype For Business Server 2015 Enterprise CALs	100		**0**	0	**0**	0	**0**
Skype For Business Server 2015 Standard CALs	100		**0**	0	**0**	0	**0**
Windows Active Directory Rights Management Services (ADRMS) CALs for Windows Server 2016			**0**	100	**0**	100	**0**
Windows Embedded 7 Standard	60		**0**	50	**0**	50	**0**
Windows Embedded 8 Standard			**0**	50	**0**	50	**0**
Windows Embedded 8.1 Industry Enterprise	80		**0**	50	**0**	50	**0**
Windows Embedded 8.1 Industry Pro			**0**	50	**0**	50	**0**
Windows Embedded POS Ready 7	80		**0**	50	**0**	50	**0**
Windows MultiPoint Server 2016 Premium			**0**	2	**0**	2	**0**
Windows Server 2012 R2 Foundation	2		**0**	0	**0**	0	**0**
Windows Server 2016 CALs (not edition specific)	2		**0**	140	**0**	140	**0**
Windows Server 2016 Datacenter			**0**	0	**0**	0	**0**
Windows Server 2016 Essentials	2		**0**	2	**0**	2	**0**
Windows Server 2016 Remote Desktop Services (RDS) CALs	100	74.28	**7428**	100	**7428**	100	**7428**
Windows Server 2016 Standard	128		**0**	96	**0**	96	**0**
Windows Storage Server 2016 Workgroup	2		**0**	0	**0**	0	**0**
Windows 10 Enterprise (upgrade only, previous EA prolongation): WINE3perDVC ALNG SA MVL	170	139.5	**23715**		**0**		**0**
Windows 10 Enterprise (new licenses): WINE3perDVC ALNG UpgrdSAPk MVL			**0**	150	**29367**	150	**29367**
SUM			**218655**		**169923.56**		**169923.56**
							558502.12

APPENDIX 4
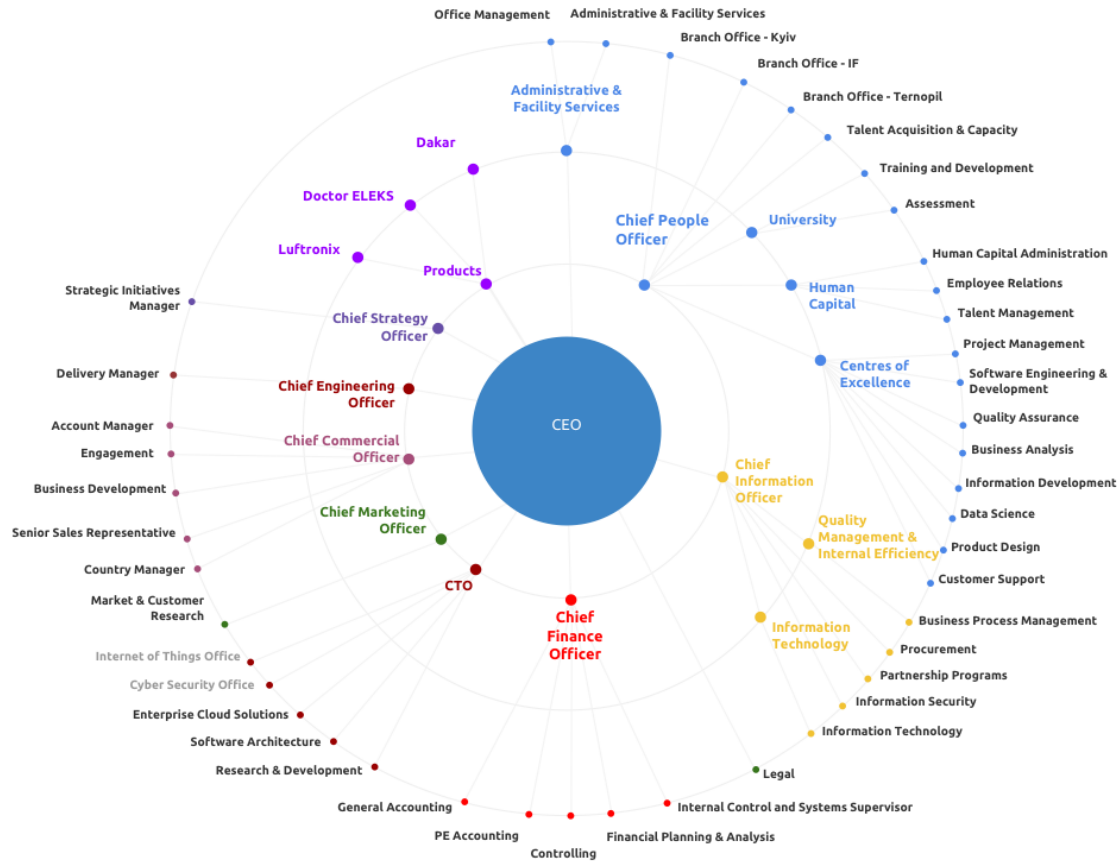
Milestones	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
"Inbound"									
1 Sign 2-nd Partnership with Microsoft	done								
2 Sign 3-rd Partnership with Microsoft			done						
3 Sign 4-th Partnership with Microsoft						done			
4 Sign 5-th Partnership with Microsoft									future plans
Outbound									
1 Develop Tech Policy with CTO			done						
2 Arrange Training with Partner Rep				done					
3 Sign Partnership with Pivotal					done				
4 Sign Partnership with Google				done					
5 Sign Partnership with AWS						done			
6 Sign Partnership with CSP				done					
7 Create Marketing Material for Partner`s offering						done			
8 Arrange Education sessions								future plans	
9 Gain Cloud Competency with Microsoft									future plans
Goals									
1 First leads from Partner Program									future plans

done

future plans

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