International Expansion Open a subsidiary?



© 2012Copyright – MIT

# **Distribution Models**

- Direct
  - Inside sales
  - Field sales
- Indirect
  - Exclusive distribution
    - Company branded
    - Non branded
  - Non exclusive distribution
  - Single tier
  - Multi tier

2



### **Japanese market**



MIT Entrepreneurship CENTER IIIIIIIII MITSIoan MANAGEMENT Map of Japan is in the public domain. Source: Wikimedia Commons.

- Tough market to crack
- Home of Sony, Matsushita & others
- Requires localization
- Specific cultural requirements
- Demanding customers

# Customer Relationships vary by market

- Broadcasting market
  unique
- Mission critical
- Very demanding
- Technical expertise
  required



## Direct

### Pros

- Control
- Inspection
- training

### Cons

- Expensive
- Little leverage



© 2012Copyright – MIT

## Direct

#### **Field Sales**

Image removed due to copyright restrictions.

- Good for complex sales
- High base salary for reps
- Likely to sell high ASP
- Uncapped commission plan



## **Inside sales**

- Less expensive
- Training required
- Good for lower asp
- High turnover
- Transactional business



# **Opening a subsidiary**

- How should you price the product?
- What is the revenue ramp?
- Can it be profitable?
- How long?



# **Opening a subsidiary**

- Is the subsidiary strategic?
- Where do you put sales reps
- How do you comp them?
- Who do you hire?Men
  - women

MIT

Entrepreneurship

## Which Sales Culture?



© 2012Copyright – MIT

## Indirect

CITRIX.COM/BECOMEAPARTNER



## Indirect

#### Pros

- Coverage
- leverage

### Cons

- Lack of control
- Training
- mindshare



## What Makes a good partner?

- Focus
- Market coverage
- Previous experience
- Like product
- Customer relationships
- Technical expertise



## How to recruit partners

	CITRIX		Search Q	
	Solutions Products Do	ownloads Buy Suppo	ort Partners	😋 Gobst Stes 🔹 My Account (Log In)
	Become a Partner	Become a Ci	itrix Partner	•
	Solution Advisor +	Expand your business. Team up with the leader in mobile workstyle solutions.		
	System Integrator	-	The second	Take advantage of a wide range of partnership
	Distributor		2.32	opportunities for dynamic organizations like yours. The mobile workstyle market—encompassing solutions for
	Independent Software Vendor	100 mil 1743		mobility, desktop virtualization, cloud networking, cloud platforms, collaboration of and data sharing—is growing
	Service Provider +			exponentially. Establishing a relationship with Citrix is the best and fastest way to build your company's reputation
	Sex5 Advisor			as an innovator in this highly lucrative IT sector. We offer a wealth of resources, programs and incentives to help
	Authorized Learning Center			you succeed and profit.
	Carlx Ready Program +			
	Related Links	Choose a relationsh	ır goals.	
	Locate a Patner	A REAL PROPERTY AND A REAL	gns with your company's products, services, expertise and	
MIT Entrepreneurship	Find Citrix compatible products is	business goals. Gitrix programs are available to help you resell our virtualization solutions or distribute them to resellers; train customers on how to use them; and host them in a cloud environment. You can also validate your products with Citrix technologies to establish compatibility, allowing them to be marketed as a joint offering. Details on Citrix partner		
CENTER	Global Partners Partner Logind	relationship opportunities and su		
	SaaS Advisor Login I?	Resell		sor - Earn the trust of your customers as an expert in
		Citrix All rights recorded Th	is contant is avaluated	from our Croative Commons
MITSloan		ense. For more information,		from our Creative Commons u/help/faq-fair-use/.

© 2012Copyright – MIT

15.387 Entrepreneurial Sales Spring 2015

For information about citing these materials or our Terms of Use, visit: http://ocw.mit.edu/terms.