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Surviving the Corner

The Microsoft Small Business Specialist Community's enrollments and brand awareness are weak. But some members are profiting already, and signs of improvement abound. **By Rich Freeman**

Jerry Weinstock, president and CEO of Internet Business Initiatives LLC, says being in the Small Business Specialist Community pays off big time—but he'd like to see tougher entry standards and better promotion.

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Internet Business Initiatives LLC wants the world to know that it's a member of Microsoft's Small Business Specialist Community (SBSC).

The Lenexa, Kan.-based Dynamics CRM reseller and Certified Partner displays the Small Business Specialist logo prominently on its business cards, marketing materials and Web site home page. "It helps when we give our introductory presentation on who we are and why we're well suited to meet [a small business customer's] needs," says

Jerry Weinstock, the company's president and CEO. Being identified as a Small Business Specialist in Microsoft's partner search tools has paid off too, Weinstock adds: "We've gotten leads, and we believe that being higher up on the list as a result of being a Small Business Specialist clearly has helped."

Just the same, Weinstock feels that joining the SBSC is currently too easy—any Microsoft Partner Program member is eligible for the designation if at least one employee has passed a marketing and sales assessment test and one has passed either of two technical exams. To keep the value of SBSC membership from becoming diluted, Weinstock wants Microsoft to add further qualifications. He'd also like to see Microsoft more aggressively promote the merits of working with Small Business Specialists.

So it goes these days for the SBSC: Just over a year and a half since its inception, nearly everyone involved praises it and nearly everyone—Microsoft included—wants more from it. Introduced in July 2005 at Microsoft's Worldwide Partner Conference in Minneapolis, the SBSC is a sort of channel within a channel for partners with small business know-how. Microsoft says the program's off to a strong start, but the company is still working hard to boost enrollment. Partners say SBSC membership helps them showcase their small business expertise, but many want changes in eligibility requirements and additional marketing support. Almost everyone agrees that the SBSC has shown great promise in its first 19 months.

But what happens in the next 19 could well prove decisive in determining whether one of the biggest additions to the partner program since its inception in 2003 meets Microsoft's ambitious expectations or fades into partnering obscurity.

ESTABLISHING A NEW CATEGORY

One thing is for certain: Small businesses (which Microsoft defines as companies with up to 50 employees and 25 PCs) represent a huge market opportunity. According to company estimates, there are some 40 million small businesses worldwide spending more than \$40 billion a year on software alone. The SBSC is designed to help those current and potential customers find appropriate partners, while simultaneously helping small business partners acquire the skills and support they need to drive increased revenue for themselves and Microsoft.

It's an elegant arrangement, with just one complicating factor: Many of the resellers, integrators and solution providers best qualified to serve small businesses are small businesses themselves. Understaffed and overextended, such firms often lack the resources to move beyond the partner program's low-entry-barrier Registered Member tier. Consider, for example, Affordable Computing Enterprises LLP, a Registered Member, integrator and Small Business Specialist based in Havre, Mont. Ed Lohman, officially the company's vice president, is in fact one of just two employees—the other being his wife, who keeps the books and manages scheduling. Certified Partners must have at least two Microsoft Certified Professionals (MCPs) on staff, and though Lohman is an MCP himself, he has no plans to hire another any time soon. "I just can't afford it right now," he says.

Hence the SBSC's somewhat awkward fit within the Microsoft Partner Program. To ensure that companies such as Affordable Computing can participate, the SBSC is neither a fourth membership level (in addition to Registered Member,

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JOINING THE COMMUNITY:

What It Takes and What You Get

To earn Microsoft's Small Business Specialist designation, your company must be a member of the Microsoft Partner Program.

IF YOU'RE A REGISTERED MEMBER, YOU MUST ALSO:

- Have a current subscription to the Microsoft Action Pack

OR

- Be enrolled in Empower for ISVs, a business development program for Registered Member-level software makers.

YOUR COMPANY MUST EMPLOY:

- At least one person who has passed Microsoft's Small Business Sales and Marketing Skills Assessment Test

AND

- At least one person who has passed either Microsoft's Designing, Deploying, and Managing a Network Solution for Small and Medium-Sized Businesses exam (number 70-282) or its Preinstalling Microsoft Products and Technologies Using the OEM Preinstallation Kit exam (number 74-134).

ONCE YOUR COMPANY JOINS THE SMALL BUSINESS SPECIALIST COMMUNITY, YOU'RE ELIGIBLE FOR THE FOLLOWING BENEFITS:

- A copy of the Small Business Specialist Welcome Kit, which contains branding tools, a logo usage guide and a banner for your office or trade show booth.
- A listing in the Microsoft Small Business Directory, an online partner search tool that lists Small Business Specialists ahead of other partners.
- Access to private managed newsgroups offering break-fix support for selected Microsoft products within four business hours.
- A rebate of up to 10 percent on eligible Small Business Desktop Advantage licenses acquired through Microsoft's Open Value volume licensing program.
- A Telephone Partner Account Manager to contact with questions about Microsoft promotions, events and products.
- Opportunities to co-present with Microsoft at local events through the Microsoft Across America program.
- Access to other resources, including a newsletter, Web site, quarterly webcasts and more.

Certified and Gold Certified) nor a full-blown competency (which would typically require a company to employ multiple MCPs). Instead, according to a July 2005 Microsoft announcement, it's a "competency-like designation," putting it in an ill-defined category all its own. The designation's requirements are simple enough for even a sole proprietor to satisfy. Its benefits, which are identical for large and small partners alike, include use of a Small Business Specialist logo, priority listing in the small business partner directory on Microsoft's Web site, and access to a variety of exclusive resources, such as licensing rebates and private, managed newsgroups. (For more details, see "Joining the Community: What It Takes and What You Get," this page.)

As of November 2006, Microsoft had just over 9,800 Small Business Specialists worldwide, including 3,100 in the United States. When the SBSC marks its second birthday in July, the company hopes to see those figures reach about 14,855 worldwide, including 5,000 U.S. members. According to Christopher Goebel, the group marketing manager responsible for the SBSC in Microsoft's U.S. subsidiary, such numbers are in line with the company's pre-launch expectations. However, late in 2005, Cindy Bates, Microsoft's general manager for U.S. Small Business, told *Redmond Channel Partner* that the company expected to enroll 5,000 U.S. Small Business Specialists within the first few months of 2006 and 20,000 worldwide within the next 18 months (see "Microsoft's Small Business Specialist Designation: What's In It for You?" January 2006).

Even Microsoft admits to some disappointment with the sluggish SBSC enrollment rate among Registered Members so far—currently, about 50 percent of U.S. Small Business Specialists are from the partner program's Registered Member tier. "I was expecting to see the mix be a little more weighted to Registered Members," Goebel concedes. In hindsight, though, he adds, the smaller-than-expected initial response among Registered Members actually makes sense: Smaller partners often have their hands full just keeping up with customer demands, he notes, so preparing for the Small Business Specialist exams takes them longer. Over time, Goebel expects Registered Member numbers in the SBSC to grow: "I feel very bullish that we're going to continue to see strong interest and strong growth in this space," he says.

GETTING THE WORD OUT

Many current SBSC members say that their top motivation for joining was to differentiate themselves from local competitors by highlighting their small business orientation. "It gives us a stamp that basically says 'This is what we do,'" observes Arlin Sorensen, CEO

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and president of Harlan, Iowa-based Heartland Technology Solutions Inc., a Gold Certified solution provider that serves small businesses exclusively. Frederick Johnson, president and CIO of Ross-Tek, a Registered Member small business integrator based in Cleveland, Ohio, agrees. “It shows that this business has made a commitment to really understanding what small businesses are looking for from a technology perspective,” he says.

How much impact that message has on customers, however, is open to debate. Many partners say that being a Small Business Specialist gives them added credibility with prospects and clients; others question how big a difference that extra credibility makes in the end. “I’ve never had a customer say, ‘Hey, the only reason we use you is because you’re a Small Business Specialist,’” says Michael Cocanower, CEO of itSynergy, a small to midsize business (SMB) technology consulting firm and Gold Certified Partner headquartered in Phoenix. “I don’t think the brand is strong enough in the customers’ eyes yet.”

Cocanower is one of many Small Business Specialists who would like to see Microsoft promote the designation more forcefully. Curtis Hicks, president and CEO of Center for Computer Resources, a Gold Certified integrator, Dynamics CRM reseller and Small Business Specialist based in Oak Park, Mich., is another. “I just think Microsoft needs to do a little better job of getting the word out to the small business user community,” Hicks argues. “If [it’s] doing something, [Microsoft needs] to do a better job of sharing that with us so we can piggyback on it.”

Goebel, however, notes that Microsoft has taken several steps in recent months to both improve customer awareness of the Small Business Specialist brand and drive leads to SBSC members. Most Microsoft small business marketing campaigns now make contacting a local Small Business Specialist their primary call to action, he says. Additionally, the company has moved its small business partner search tool, which currently gets more than 40,000 queries a month, into a prominent spot on its small

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business home page. For his part, Sorensen believes that at least some responsibility for marketing the Small Business Specialist brand lies with the channel. “We don’t do a very good job ourselves of evangelizing that,” he says. “We can all sit here and say Microsoft should make everyone understand what this is, and that’s a great goal. But it’s not realistic.”

According to many partners, Small Business Specialist brand recognition is actually stronger—and more valuable—among audiences other than customers. “Probably the biggest impact is in the channel,” says Sorensen, who has had enterprise partners pass small business leads to his firm based on its SBSC membership. Moreover, Microsoft itself has been recommending Heartland to customers more often since the company became a Small Business Specialist. “It really makes the field sit up and take notice,” Sorensen says.

In addition to whatever value the Small Business Specialist name confers, most partners also like the SBSC’s list of benefits. Registered Members in particular enjoy having use of the Small Business Specialist logo. “In the past, a

Registered [Member] couldn’t use the Microsoft logo,” explains Paul DeGroot, an analyst with Kirkland, Wash.-based research firm Directions on Microsoft. “You had to be Certified to do that. So that’s probably the most important thing they get.” Partners also speak highly of the SBSC’s educational and marketing resources, such as the small business technical-assessment kit, a set of tools that helps partners analyze customer needs and propose solutions. “For the first time there’s a tool that not only focuses on the product side, but really goes deep into understanding what the needs of small businesses are from a business perspective,” Ross-Tek’s Johnson says of the kit.

Sorensen, however, would like to see Microsoft invest in helping SBSC members become better business leaders. Many Small Business Specialists, he notes, are led by one-time technicians with strong technology skills but little management experience. “We

