



What is the total cost of Salesforce PRM?

Looking beyond licenses, customer research identifies significant ongoing investments.

“My IT team is requiring us to use Salesforce,” is a line we’ve heard many times across a spectrum of our clients. Should you choose Salesforce Partner Relationship Management (PRM) or Communities¹ for your partner automation solution because your IT team is highly invested in Salesforce? Is that the best course of action for your partnering organization?

The world is becoming more automated, and the IT channel is no exception. Partner Relationship Management (PRM) has become increasingly impactful to both vendors and partners. PRM is a system of methodologies, strategies, software, and web-based capabilities for companies to engage and empower their indirect partners. These partner

automation solutions are now evolving to Partner Digital Experience platforms (PDX) to engage, empower and manage the ever-changing partner ecosystem. [Partner automation systems](#) can improve partner experience which then drives increased partner engagement. When partners engage more with your materials, training and teams – the result is an increase in their knowledge, sales and service offerings.

To enable efficient ecosystem growth, we conducted a study on the benefits, costs and challenges of one of the most commonly utilized partner ecosystem management solutions, Salesforce Partner Relationship Management (PRM)/Communities.

[Accenture research](#)

predicts, “companies that leverage their surrounding ecosystems to build disruptive products and services will generate US\$100 trillion in value by 2028.” The opportunity for revenue growth and strategic advantage is inspiring leaders across every industry to prioritize partner network expansion and operational efficiency.

¹ **Salesforce PRM** provides a platform for companies to manage their partner relationships, including lead distribution, deal registration and performance insights.

Salesforce Communities enables companies to build online communities for their customers, employees and partners. The companies in our research used one or both. Salesforce PRM and Communities are often bundled within purchases of Salesforce CRM.

In this study, we extract quantitative and qualitative insights directly from eight Salesforce PRM/Communities customers to provide a total cost analysis of the solution. We collected data via 50+ online questions and informational 1:1 interviews from the partner operations persons in charge of the business processes and functional requirements. For a vendor with 500 active partners in their ecosystem, it cost \$140,000 in licensing fees, \$670,000 to implement Salesforce PRM/Communities and \$450,000 per year in ongoing support costs.

‘Composite Company’ streamlines our comparison.

All interview and survey data within this report have been consolidated into a single view and are represented as ‘Composite Company.’ By simplifying variables across a spectrum of customers we can more easily communicate comparisons and examine processes and costs. Based on the survey and interview respondent profile criteria, Composite Company is defined as:

- \$800m in annual revenues
- SaaS or subscription model
- 500 active partners in their ecosystem across all program levels
- 15 people supporting partner development (outside of sales)
- Purchased and implemented Salesforce PRM/Communities with deal registration, opportunity tracking, profile management, asset library, MDF, and connection to Salesforce CRM.

Core Functionality for Composite Company:

- **Digital Experience** – Ability to offer the partner user a personalized partner experience.
- **Asset Library** – Searchable repository for customer facing collateral and knowledge articles.
- **Deal/Opportunity Registration** – Allow partners to submit leads/opportunities to the vendor.
- **Lead Distribution** – Supports the vendor sharing leads to the partner ecosystem.
- **CRM sync** – Bi-directional data pass with Salesforce CRM.
- **MDF** – Automated management of marketing fund requests and approvals.
- **Campaigns** – Pre-built marketing campaigns for partners to use.
- **Channel Analytics** – Reports and dashboards to track partner use such as logins, downloads, and registrations.

The Evaluation

A complete solution was sought to engage a variety of partners.

Composite Company had three primary goals for their PRM solution representing key challenges within their operational efficiencies and partner opportunity alignment. It's not uncommon to see organizations overreach and try to solve too many issues at once but the goals of Composite Company were clearly defined and reasonable for their partner maturity.

ALIGNMENT ON DEALS

First and foremost, the goal was to get alignment on deals. There are two objectives in deal visibility.

- First, to reduce conflict between the field sales teams and partners. After investing in enablement and sales efforts, the partners of Composite Company were getting stepped on by the direct sales team. This created a lot of friction in the sales process which led to frustrations on both sides.
- Secondly, Composite Company wanted to understand the revenue contribution from partners. If they could show partners are sourcing leads, then the investments in the partner program, people and processes are worthwhile. We at PartnerPath would encourage vendors to look beyond partner-sourced leads for better indicators of partner value, but that's another report.

The goal:

- Alignment on deals
- Increase partner engagement
- Increase internal efficiency

How:

A complete solution to engage a wide variety of partners.

BETTER PARTNER EXPERIENCE

Along with deal alignment, partner experience was a top priority in the sourcing of a PRM for Composite Company. Partner experience goes deeper than how something looks. Branding and presentation are important, but ease-of-use is vital. To fully engage partners, all aspects of the digital experience (e.g. portal performance, accessibility, navigation, timely updates) should be accessible, seamless, and tailored. Current partners complained about

the ability to access materials. Instead of Google forms, a homegrown website, a Highspot content repository and partner managers filling in the communication gaps, Composite Company wanted one place for partners to go for information, materials, education, and collaboration. They were eager to present the right content to the right people at the right time in the sales and services lifecycle.

“ It wasn't a big evaluation – the Salesforce solution was a natural choice when considering integrations with Salesforce CRM.

ENHANCED OPERATIONAL EFFICIENCIES

Spreadsheets, shared folders, manual emails and homegrown websites is the reality for many partner ecosystem teams. In addition to improving partner experience, Composite

The Evaluation

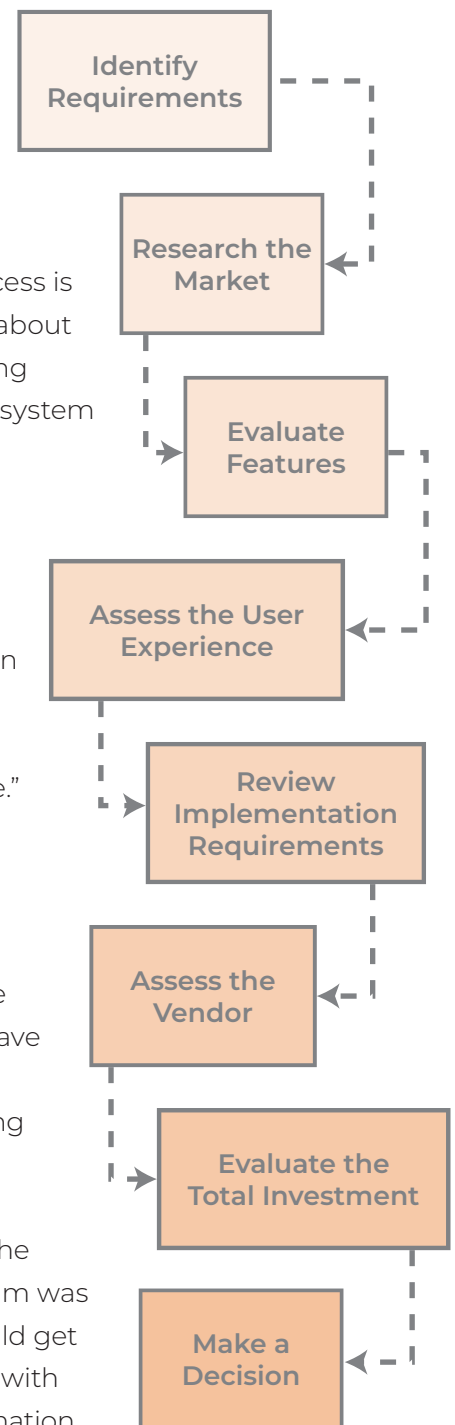
Company wanted to enhance their own operational efficiencies. They hoped to reduce operational time spent creating reports, communicating partner activities internally and synchronizing data. These improvements would allow them to scale to support more partners without an increase in resources.

IT drove the evaluation process.

It took Composite Company roughly three months to evaluate two other potential Partner Relationship Management solutions alongside Salesforce PRM/Communities. The IT department was the primary decision-maker with input from the partner program/operations team. A fast and professional evaluation process is a benefit of having IT involvement but they need input about partnering requirements. It's important for the partnering team and the IT team to collaborate on the automation system goals and functionality priorities.

The functionality requirements were identified in the request for proposal sent to the three PRM vendors. Composite Company had the expectation that the core functionality of deal registration, opportunity tracking, an asset library, MDF, synchronization with Salesforce CRM, and SSO to an LMS solution come from a single PRM vendor. Other functionality was considered “nice to have.”

Comfort and familiarity were the main decision drivers for IT. They knew Salesforce would be secure and they could get the data into reports and dashboards. The Salesforce PRM/Communities solution fit nicely with the Salesforce CRM solution already deployed but did not have as robust functionality as the other solutions evaluated. The out-of-the-box Salesforce PRM/Communities offering was “basic building blocks” that would require design and implementation work. However, the IT team was confident they had the skillsets to develop and deploy the core functionality. Composite Company’s partnering team was confident that IT taking the lead meant the project would get funded, but they were leery that IT could get distracted with other priority projects, like CRM, ERP or digital transformation.



The Execution

It took a big village to implement.

Composite Company spent eight months and \$665,000 to implement the core functionality and complete User Acceptance Testing of the Salesforce PRM/Communities solution as defined previously. Composite Company leveraged a combination of external consultants and internal resources throughout the implementation timeline. This division

“ I don’t even think I could begin to scope out the hours of effort it took from IT and we still didn’t get it working properly.”

between internal resources and external help is fluid. A company could spend more on external resources if they don’t have the internal resources and vice versa if they have a wealth of Salesforce-certified resources available in-house.

IMPLEMENTATION RESOURCES COSTS				
	Hrs/Week	Months	Est. Annual Salary	Est. Costs
Internal Resources²				
Senior Architect	20	8	\$220,000	\$70,000
Developer	40	8	\$160,000	\$100,000
Administrator	20	8	\$100,000	\$35,000
Sales operations	20	4	\$200,000	\$30,000
Partner operations	20	8	\$180,000	\$50,000
Partner programs	20	8	\$250,000	\$75,000
Others	2	8	\$180,000	\$10,000
Total Internal				\$370,000
External Consultants				\$300,000
Total Costs				\$670,000

As predicted in the evaluation, Composite Company experienced how Salesforce PRM/Communities offers little out-of-the-box functionality, leaving a high reliance on a significant number of Salesforce experts and technical staff for design and implementation. These technical resources may be internal employees so be diligent about factoring in the costs associated with deploying them on the Salesforce PRM/Communities implementation project – and the costs of removing them from other key projects.

“ 80% of our solution is custom and after four years in the making (the work never stopped) it’s still not ‘there’ and ‘good’.”

² Yearly salary estimates for Senior Architect, Developer and Administrator were gathered from the Salesforce Career Paths web pages. All other yearly salary estimates are national averages from Glassdoor. These are wages only; they don’t include fully burdened resource costs.

The Execution

In addition to the many hours represented above, a few additional hours were reported from other groups such as partner marketing, training, and customer service.

The external consultants could be a Salesforce partner such as Slalom or the Salesforce professional services team. The good news is there are plenty of experienced Salesforce consultants available to build and customize your instance. Consider, “anything is possible with time and money.” But do your homework. Not all Salesforce consultants follow partnering best practices, offer change management capabilities, nor have experience implementing the PRM/Communities functionality.

“*The MDF functionality wasn’t successfully deployed and thus didn’t require a lot of engagement from the partner marketing team.*”

There is the temptation to give one PRM license per partner company versus per user to limit license costs. We would highly recommend against that as you need to know who is logging in and downloading resources, registering deals, and managing opportunities.

First year licenses can be free.

Composite Company paid \$140,000 per year for 500 licenses. As a Salesforce CRM customer, they negotiated for the first year of licenses free and \$280 per user per year. It’s possible to reduce that cost by half with a 3-year commitment.

Licenses are per user, not per partner, and Composite Company purchased licenses equal to the number of active partner companies in the ecosystem (500 licenses). A license expires if an individual does not log in which means you’re not paying for licenses for users who aren’t active but if a user is inactive for 90 days their license is deactivated. This might cause a poor user experience once they try to log in again. On average, partner users log in once per quarter.

Regular activities require heavy operational lift.

A ton of ongoing support was needed to make Salesforce PRM/Communities operational. For example, to enable a partner user access to the portal, a service ticket had to be issued for IT to create a Salesforce CRM account and then approve that user for PRM access. This created administrative busywork and delayed access for the partner user by 3-4 days. Additionally, any content Composite Company wanted to add to the portal needed to go via a request to the IT team. This created more work for the IT team to post the content, but also for the partner team who had write descriptions and directions for changes or additions to the asset library.

The Execution

At Composite Company, it took two to three people to operationally maintain the Salesforce PRM/Communities solution. In addition to a full-time partner operations / PRM manager, Composite Company found they needed an IT person with Salesforce Administration certification at least 50% of the time and a part-time sales operations resource. This doesn't include the typical resources for running a partner program, like development of content, training courses or engaging with partners.

“A one-person department cannot run SFDC as a partner portal successfully.”

In total, it cost Composite Company \$1.4m for the standard two-year Salesforce PRM/Communities contract. Of course, there are costs for any partner automation solution. Ensure you are factoring in the internal resources needed for deployment and operations during your evaluation so you can compare total costs between options. We find most organizations underestimate the administration and operational resources to deploy a robust solution on the Salesforce PRM/Communities technology.

ONGOING OPERATIONAL COSTS			
	Hrs/Week	Est. Annual Salary	Est. Quarterly Cost
SFDC Administrator ³	20	\$100,000	\$15,000
Sales operations	20	\$200,000	\$25,000
Partner operations	40	\$180,000	\$40,000
Partner programs	20	\$250,000	\$30,000
Total Internal			\$110,000

2-YEAR FINANCIAL INVESTMENT			
	Year 1	Year 2	Total
Implementation	\$670,000		\$670,000
Licenses		\$140,000	\$140,000
Ongoing Support	\$110,000	\$450,000	\$560,000
Total	\$780,000	\$590,000	\$1,370,000

³ Yearly salary estimates for the Salesforce Administrator were gathered from the Salesforce Career Paths web pages. All other yearly salary estimates are national averages from Glassdoor. These are wages only; they don't include fully burdened resource costs.

The Experience

Some goals were met while others missed the mark.

ALIGNMENT ON DEALS ACHIEVED

The Salesforce PRM/Communities solution met several of Composite Company's initial goals. For one, they met the goal of providing alignment on deals. The partner deal registration functionality and the seamless, secure connection to Salesforce CRM worked very well. Deal registrations increased and the lead sharing capabilities were impactful to operational efficiency. Opportunity management reports and dashboards increased

visibility, collaboration, and trust between the field sales teams. Composite Company was slightly concerned the per user licensing model might restrict the number of partner users with licenses to access the system and register leads, limiting the field level alignment, collaboration and trust.

“*Most positive impact is the connection with CRM. It plays SO nicely technically, and deal registration is a huge part of the partnership engagement.*”

SOME ENHANCED OPERATIONAL EFFICIENCY

The goal of enhancing operational efficiency was partially met. Automating deal management and lead sharing reduced the amount of email chasing needed to coordinate with partners and internal teams, enabling Composite Company to scale with partners. The CRM sync, opportunity management reports, and partner profile database also contributed to streamlining internal collaboration.

However, needing technical staff to make any changes to the Salesforce PRM/Communities solution created delays to onboard new partners, produce reports and deliver new features and functionality. Without a self-service, easy-to-use content management solution, IT resources were also needed to make changes to portal site pages and load assets. Conflicting priorities introduced additional lag and operational inefficiencies.

Increased engagement leads to: 63% lower attrition, 55% higher share of wallet and 50% higher productivity.

NOT A BETTER PARTNER EXPERIENCE

Unfortunately, the goal of a better partner experience was not met. Composite Company rated the overall partner experience with Salesforce PRM/Communities a 4 out of 10. Most of the angst from the partnering team at Composite Company was driven by the partner usability.

The partners complained they couldn't find what they needed. The technology was fast, responsive, and secure, but not easy to navigate. The user interface was "ugly" and

The Experience

not intuitive plus content was difficult to update causing partners to complain about out-of-date materials. On the plus side, if they knew what they were looking for, partners could leverage a powerful global search functionality. They also liked seeing the leads and opportunity records, but they couldn't make any changes. The partners had to go back to sending emails to their partner account managers for updates to the deals in progress.

There was even more angst about usage and usability from the partner programs team. It started with partner access and logins. Already a known bottleneck, the user id must be within Salesforce CRM before the partner user can have access to PRM/Communities. Since the user id is the user's email, if the partners are also using Salesforce for their own internal CRM, this creates a 'this user already exists' conflict error. Getting the partner's user account into Salesforce CRM requires attention from the Salesforce Administrator. This whole process took too long, decelerating partner enthusiasm and creating a bad first impression.

“*The partner experience is less than optimal – the user interface is just downright ugly, it's clean but it's not warm.*”

Additionally, the partner team wanted to align content to the individual user's role and stage in the partner journey to facilitate engagement but that's not possible in the Salesforce PRM/Communities solution without significant custom development. Instead of targeted, positive engagement – once the partner was able to register and sign in, they didn't come back. The poor user interface and lack of user-segmented content didn't provide a compelling experience.

There are quantitative costs for the implementation, licenses, and ongoing resources of a Salesforce PRM/Communities solution. But what's the cost to your organization of a bad partner experience? If you spend money to deploy a solution with a bad partner experience and partners don't use it, you've wasted time and money. But you may have a more insidious cost. Does a bad partner experience turn away the partners you've spent months, if not years, attracting, engaging, and enabling? When your IT team chooses Salesforce PRM/Communities and commits to covering the cost of deployment and licenses, also factor in the time and effort fostering the partnerships that could now be lost due to bad partner digital experience.

Experience drives engagement and engagement drives sales & success.

The End Result

Satisfaction for the very small or very big.

In conclusion, there are two scenarios for organizations already leveraging Salesforce CRM where PRM/Communities might be a good partner automation option. If you're just starting out developing a partner ecosystem (what we call Novice), you will likely have very little need for customizations or advanced functionality. The "out of the box" Salesforce PRM/Communities functionality would be impactful to partner collaboration and the seamless integration to Salesforce CRM is a substantial benefit. It's the future functionality growth and partner experience enhancements that will require a significant investment as you grow. Your increased dependency on automated processes across CRM and PRM will require a significant investment for customizations and advanced functionality.

“The ability to stand it up internally with our own resources meant we got a fitting solution for our partners.”

On the other side of the spectrum, if you have twenty IT professionals on staff who are very experienced with Salesforce CRM, PRM or Communities, you may feel confident they can operate the solution and make the necessary ongoing customizations. Secure not only the budget for implementation and licenses, but also the commitment from your Salesforce experts to prioritize the design, development and ongoing enhancements of the PRM/Communities solution.

If you don't align with either scenario above, evaluate whether Salesforce PRM/Communities is the right fit for you. Regardless of existing familiarity with Salesforce products within your company, drive for a solution that meets your functionality and experience goals.



PartnerPath, LLC is a partnering development firm wholly dedicated to helping companies elevate the impact of partnering. We achieve this by effectively designing, implementing and optimizing channel and alliance models. We offer services ranging from channel models and program development plans to partnering operations and program execution. Learn more at partner-path.com.

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