



Referral / Affiliate Program





1. Selecting the Right Partner

2. Determining Commission Rate

3. Determining Lead Expiry

4. Process

Selecting the Right Partner

■ *Types of Affiliate / Referral Partners to Select*

▲ Consultants

- Choose those who consult with your target market

▲ Aligned Solution Companies

- Companies that sell a product/service that is aligned with yours that would refer leads but would not invest in selling your product.

▲ Potential Sales Agents/Resellers

- Companies that might down the road be a fit to resell your product but you both may want to see how this arrangement works first before an investment is made.



Determining Commission Rate

- *How do I determine what to pay Affiliate or Referral Partner?*
 - ▲ You first need to determine what your margin is on the product and who is receiving the lead.
 - *Direct Sales and/or Indirect Sales*
 - ▲ Decide if you are going to have one rate or two?
 - *Sometimes companies have 2 rates depending on partner involvement in the sale.*
 - ◆ Does the partner have the relationship that will close the sale and have their trust?
 - ▲ What are the average rates?
 - *It is dependent on the product/service and price and margin of product, but industry average is 2.5-5% for a lead.*
 - *If you want to create another level, you might consider doubling your first one if they aid with the sale.*

Determining Lead Expiry

- *Typically the lead should expire after a certain time period – usually 3-6 months depending on sale cycle of product.*
 - ▲ *If the lead is still good after that period of time they should resubmit the lead to see if you still view it as viable.*



- *Partner shows interest in referring leads:*
 - ▲ Either send them a short very basic contract outlining the rules / process or have this part be part of their submission each time on the form.
 - This is to ensure there is no question later on the part of the partner of what the terms and conditions are for the program.
 - ◆ This can either be done manually or through a website.
 - ◆ Since Affiliate programs became the more popular term with the onset of web products, many have separate interfaces for their partners to submit leads.
 - ▲ Have the partner submit the lead with information you require and assign a rep or partner to the lead.
 - ▲ You should inform the partner of the submission and how long the lead will be viable.



- *Partner shows interest in referring leads: (Cont.)*
 - ▲ Once the lead closes, you need to inform the partner and provide a statement of what they require in order to invoice you.
 - ▲ Payment will be made to the partner.
 - ▲ The lead will then be closed depending on payment plan determined.
 - Many recurring revenue products such as SaaS models pay for a period of time based on the contract.



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