2023

STATE OF THE PARTNER ECOSYSTEM

REPORT

CROSSBEAM

We've published four editions of our annual State of the Partner Ecosystem Report. That's *four years* of data. I looked back at the 2020 edition, which welcomed our readers with a proclamation: "Welcome to the era of the ecosystem," we wrote, excited about the opportunities that lay ahead.

After four years, a lot has changed (for the better!) — And some things stayed the same.

In 2020, we spoke often about the *potential* of partnerships and shaped our work around the goal of getting go-to-market (GTM) teams on board. People believed in the power of partnerships, but there wasn't a lot of data to back it up.

Get your popcorn ready.

Since then, we've heard firsthand stories about how partnerships have shortened sales cycles, increased contract values, and reduced churn. I know I could retrieve multiple stats for each. We've published many of these stories on the Crossbeam blog to help amplify their impact for the greater partnerships community.

For example: We now know that deals close 46% faster on average when a partner's involved. And just a year ago, more than half of you said you *didn't know* how much your integrations impact churn. In 2023, that's changed. Survey takers say customers who adopt at least one integration are 58% less likely to churn on average.

(I'm doing a little dance right now. You, too?)

Over the years, visibility into stats like the above meant that others could borrow the data to get their programs off the ground and then track their own results. This peer-to-peer openness to share and teach each other has led to collective growth.

While some things have stayed the same between our 2020 and 2023 reports, one big thing has changed: "Partnerships" is no longer a hunch. It's no longer the *experiment*. It's the guiding light and the growth strategy that many "ecosystem-led" companies rely on.

And, as you'll see in our section "The Market", GTM motions have never been more in need of a shake up.

While revenue targets for sales *and* partnerships decreased in 2022, target numbers for partner-sourced leads rose. Companies are relying on their ecosystems to bring in steady pools of customers with high potential for future growth as the economy stabilizes. (see page 45).

To be clear, there's also room for improvement. We're still seeing signs that integration adoption is deprioritized among partnership teams and that ecosystems get bogged down at the 500-employee mark.

We hope the 2023 edition of this report helps you reflect on the challenges you've overcome and the change you've been a part of. And also that it helps you determine what comes next.

Because you're ready.

Now, let's get to the data.

Olivia Ramirez

Managing Editor
Crossbeam

CROSSBEAM

Executive Summary

- Cutbacks have begun. 24% of our respondents' companies enacted layoffs in 2022, and 4% of partnership professionals reported being laid off as of mid-December 2022.

- Yet there are signs of resiliency. Ecosystem-led growth strategies are more common and 84% of respondents feel equally or more supported by their companies.

- Revenue is king. Partner-sourced revenue returns as the most popular KPI.

- The average US partnerships salary increased by $18K to $195K — the largest leap since we began tracking.

In This Report...

This report was created by:

CROSSBEAM

Crossbeam is the world's first and most powerful partner ecosystem platform trusted by more than 12,000 technology companies to drive ecosystem-led growth. We act as a data escrow service that finds overlapping accounts with your partners while keeping the rest of your data private and secure. With Crossbeam, you get:

Instant Account Mapping

No more spreadsheets. Connect with a partner in minutes and surface overlapping customers, leads, and opportunities. Filter the data to produce the insights you need. Your data will always be current with our connections to Customer Relationship Management (CRM) platforms like HubSpot and Salesforce.

Co-Selling and Net Revenue Retention

Network with partners who already have the "in" with accounts you're trying to close. Net Revenue Retention. Grow and retain accounts by harvesting and tapping into reliable second-party data wherever your team works best.

Accelerating Pipeline via Ecosystem Qualified Leads

Map your opportunities to a partner's customers and get warm introductions to target accounts. Compare opportunities for solution selling.

Easy Partner Vetting

Know exactly where you should focus your integration efforts. See which partners yield the most shared customers, and know the exact immediately addressable market for any technology partnership.

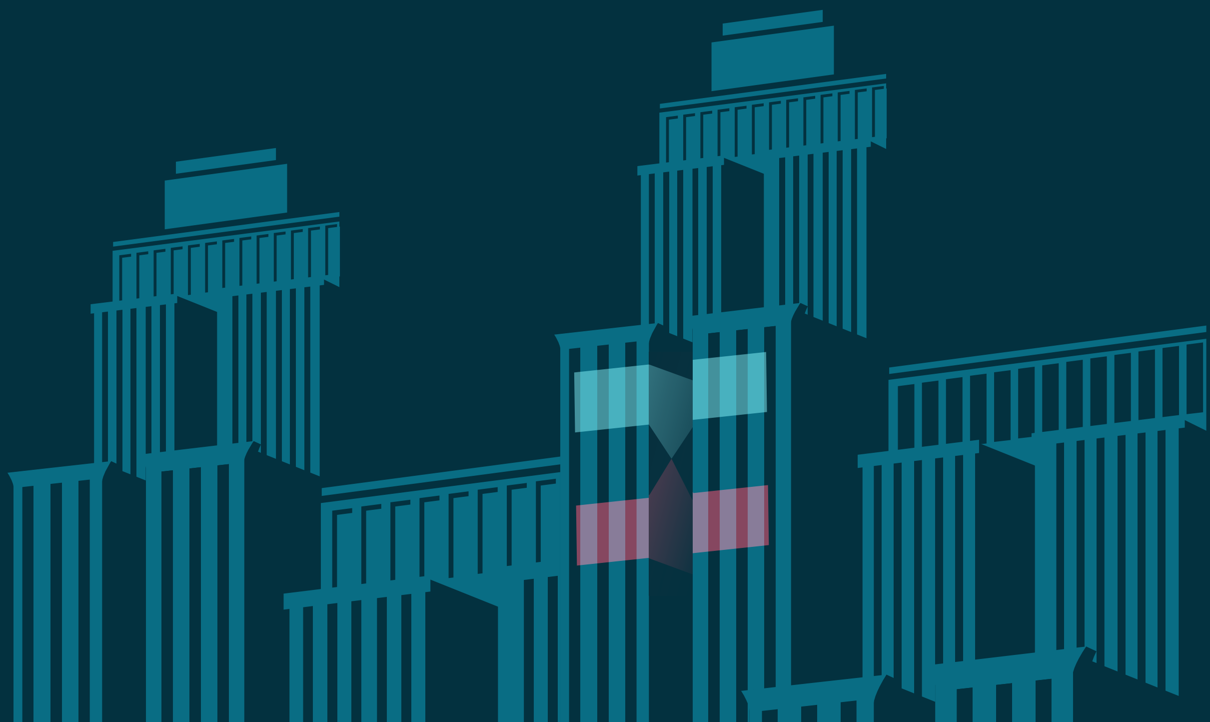
Sign up for free at crossbeam.com


ENTER

ECOSYSTEM IS EVERYTHING

In the best companies, you'll find a team of innovators who believe the future of technology and business belongs to those who invest in a partner ecosystem.

This report is for, and by, those people.




THE RESPONDENTS
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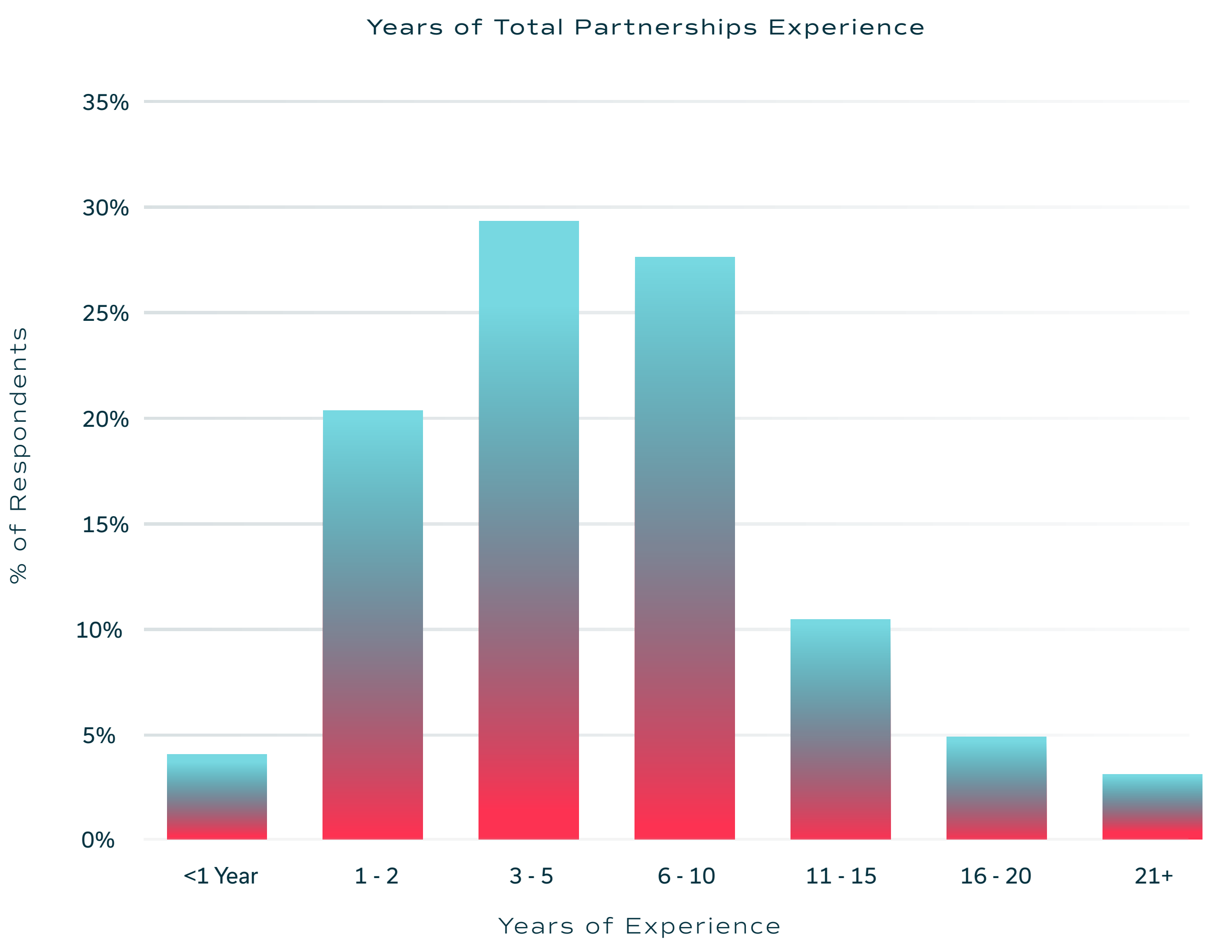
THE RESPONDENTS

526 partnership professionals participated in this year's State of the Partner Ecosystem survey from November 21st to December 16th, 2022. Of the respondents:

- 82% work in B2B
- 83% work at independent software vendors (ISVs)
- 72% work at companies with more than 99 employees
- 62% are US-based
- The average respondent has 7.6 years of partnership experience
- 57% are Crossbeam users
- 61% of respondents are men



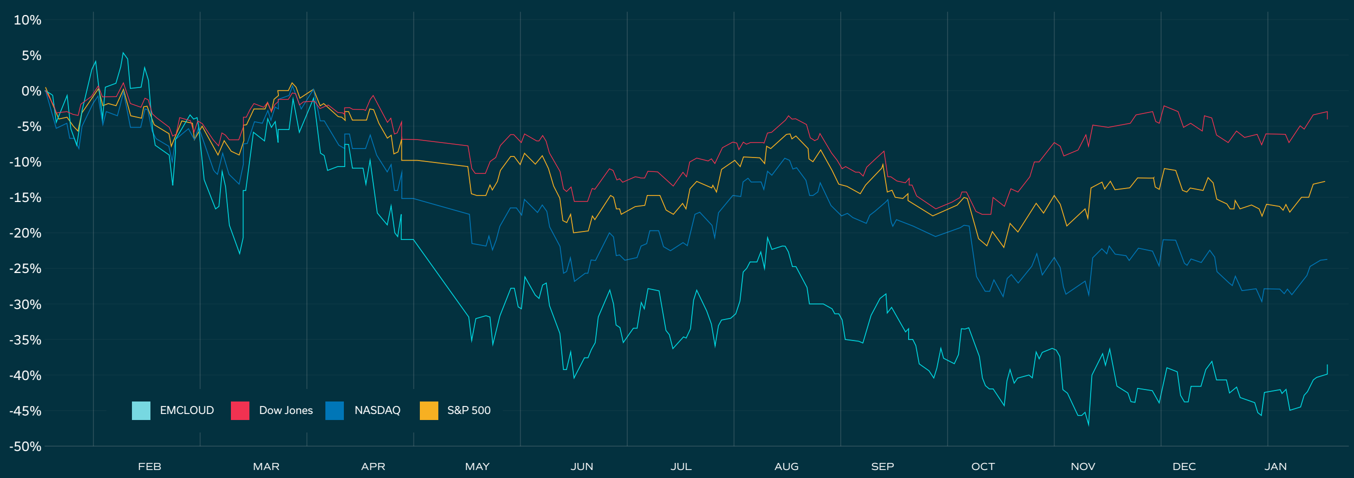
THE MARKET

THE MARKET

In our business of startups, software, SaaS, and cloud technology, it's been an interesting year.

Index Performance (February 2022 - January 2023)

–38.9% EMCLOUD **–23.4%** NASDAQ **–12.6%** S&P 500 **–3.9%** DOW JONES



The Bessemer Cloud Index, a collection of 75 top SaaS equities including Adobe, Salesforce, G2, and more.

This "SaaS Winter" is a marked and sudden turn away from the free-flowing capital we saw at the beginning of the COVID-19 era. Efficiency is now the name of the game. Gone are ambitious valuations as global markets, venture capitalists, and boards of directors demand profitability.

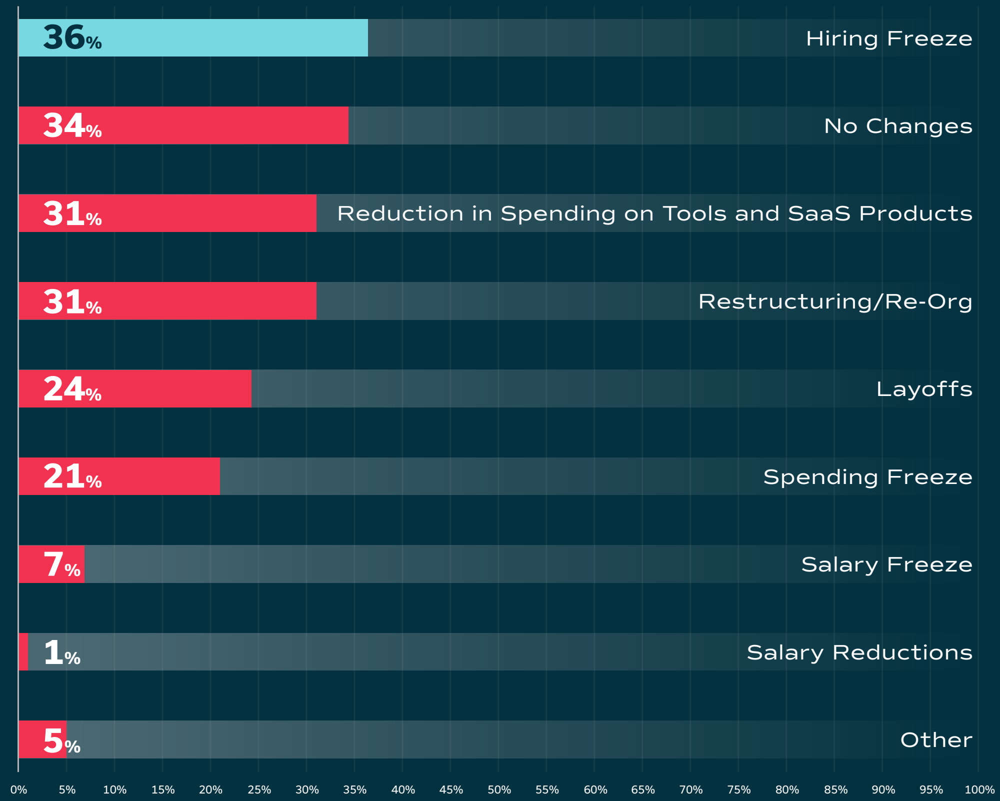
As we peer out to assess the State of the Partner Ecosystem, we'll start here. How has this slowdown impacted partnership professionals and GTM leaders who embrace an ecosystem-led approach?

Let's start with the big picture.

The "SaaS Winter" results in a "freeze"

The most common reaction to the market slowdown was to tap the brake pedal. 36% of respondents said their companies stopped hiring and 31% reduced spending on tools. For B2B SaaS partnership professionals who make many of those tools, this may be a double whammy: less revenue and less resources. However, 34% said they observed no change at their companies.

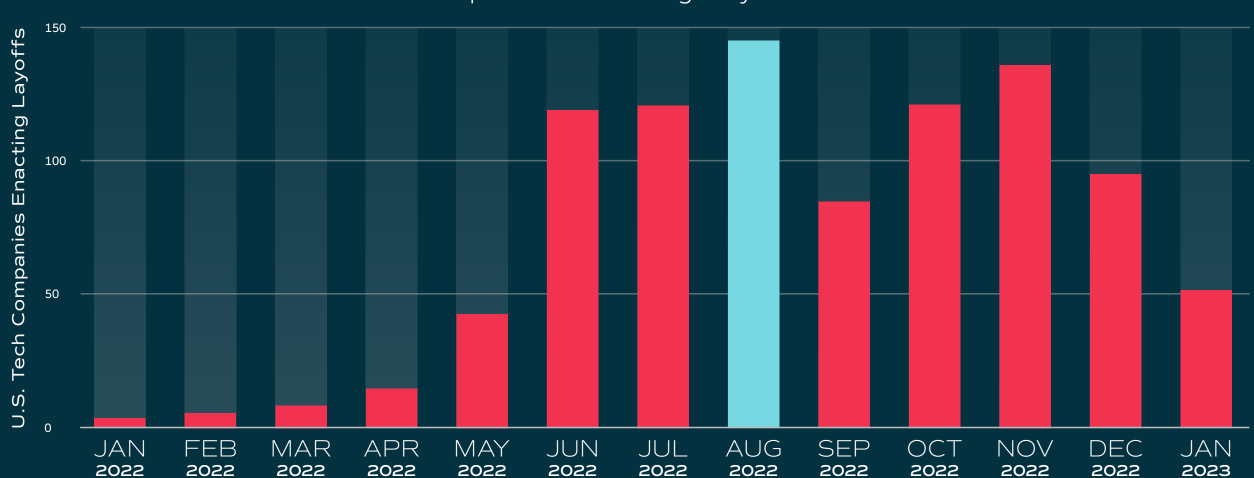
What, if any, changes did your company make in light of the current economic climate?



Layoffs to partner teams were limited in 2022

24% of respondents reported that their companies enacted layoffs. 4% of all respondents reported being laid off in 2022; however, layoffs are continuing into 2023 and this number has likely changed since surveying respondents in mid-December. Below is a snapshot of the rate of layoffs in 2022 across the entirety of the tech industry via layoffstracker.com.

U.S.-Based Companies Enacting Layoffs Since Jan 2022



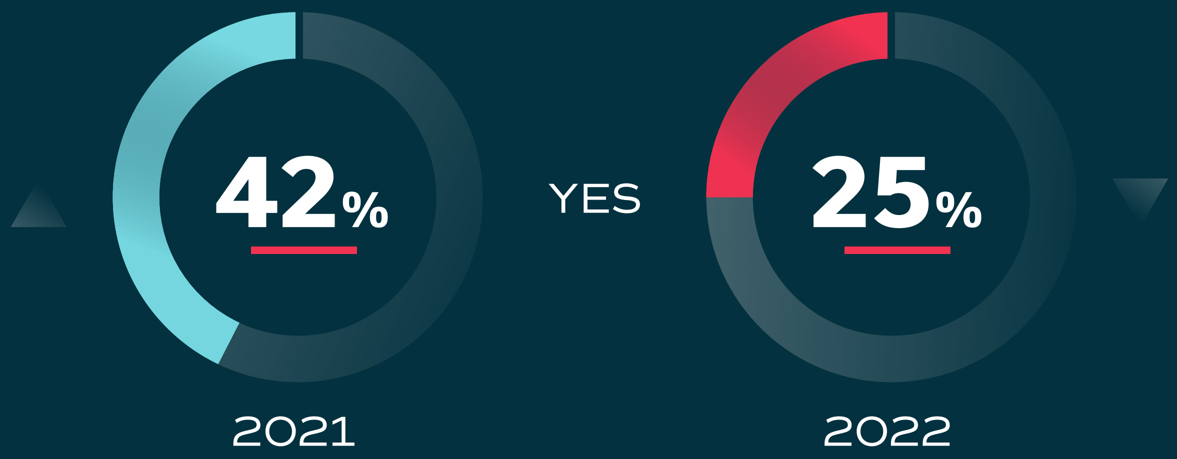
Tech industry layoffs in the United States since Jan 2022 via ***layoffstracker.com***

VC funding dips from record highs

According to *CB Insights*, 2021 was a historic year for venture capital funding with $638 Billion invested. In 2022, that number dipped 22% to $415 Billion. We saw a similar trend in our data. The number of respondents who said their companies raised venture capital dipped 17% percentage points*.

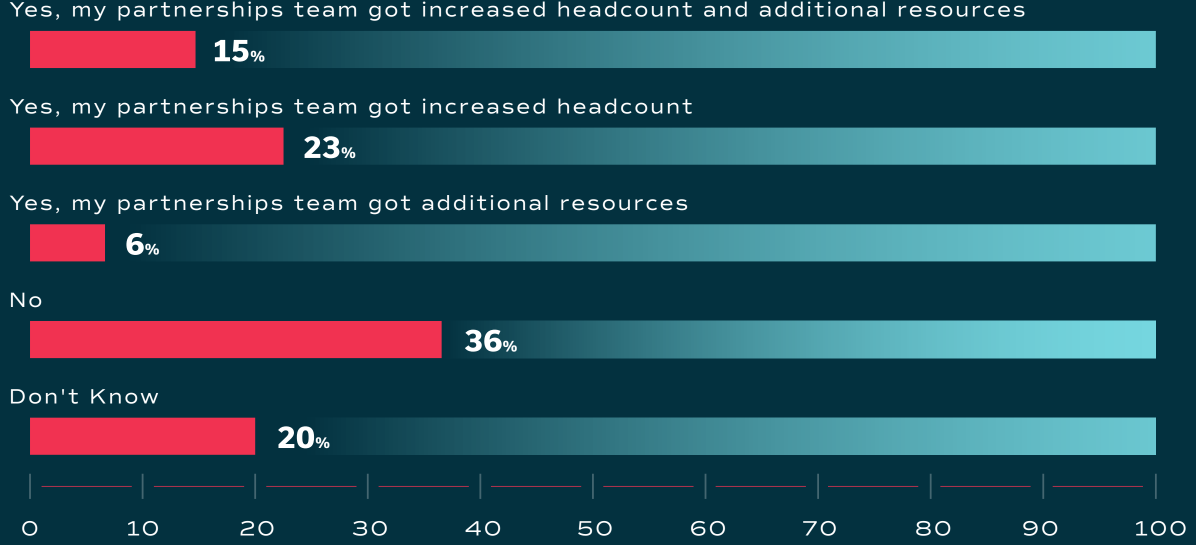
**The data reflect when funding was announced, not when the funding round actually closed.*

My company raised money from VCs this year

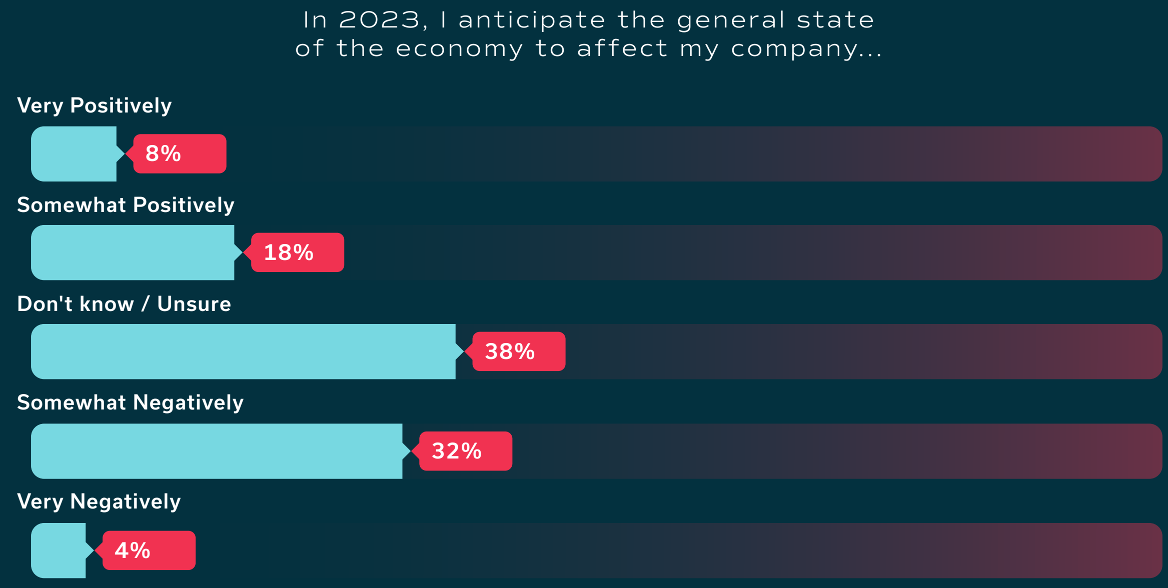


The majority of partnership teams didn't reap rewards from each funding. Of those who received investment, only 44% said their partnership teams received additional headcount and/or resources.

Did you get increased headcount or additional resources as a result of your VC funding?

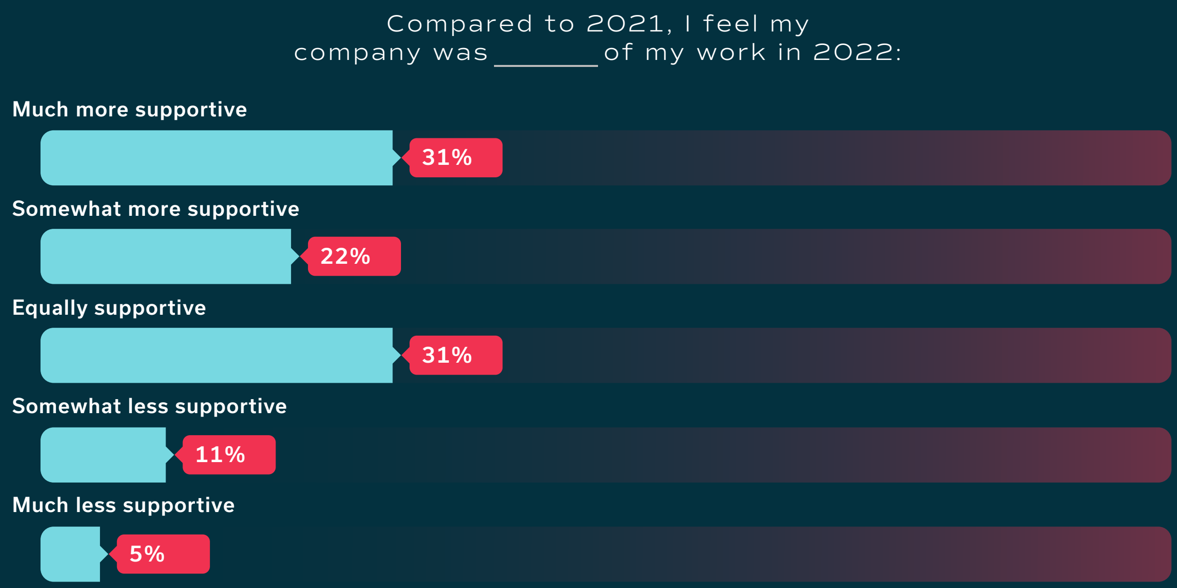


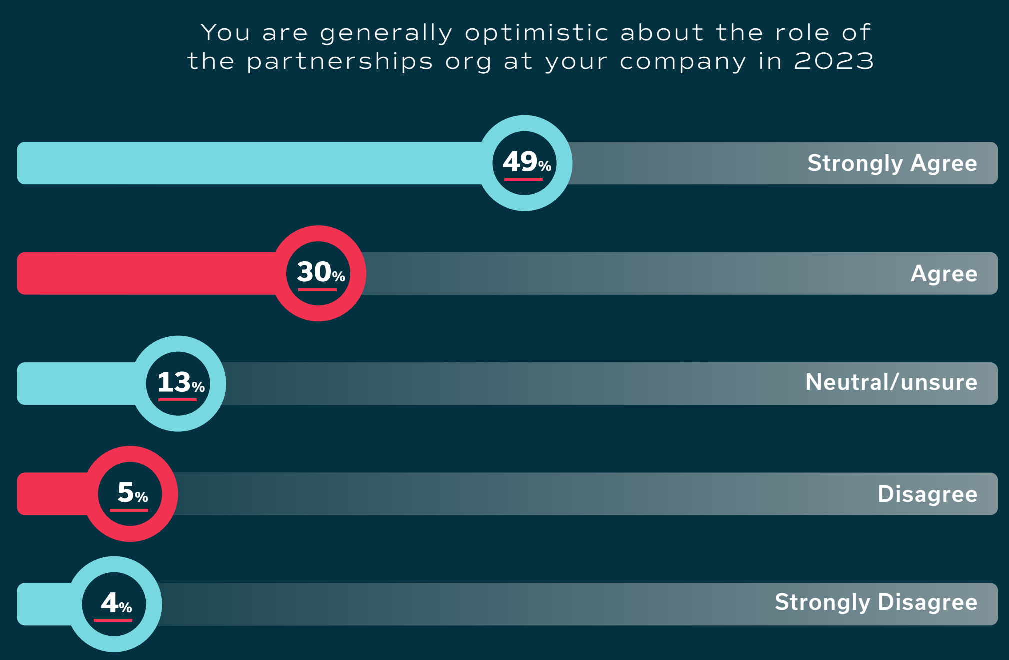
Respondents feel largely pessimistic about the economy's potential effects on their company.



Respondents have a positive outlook about the present and the future

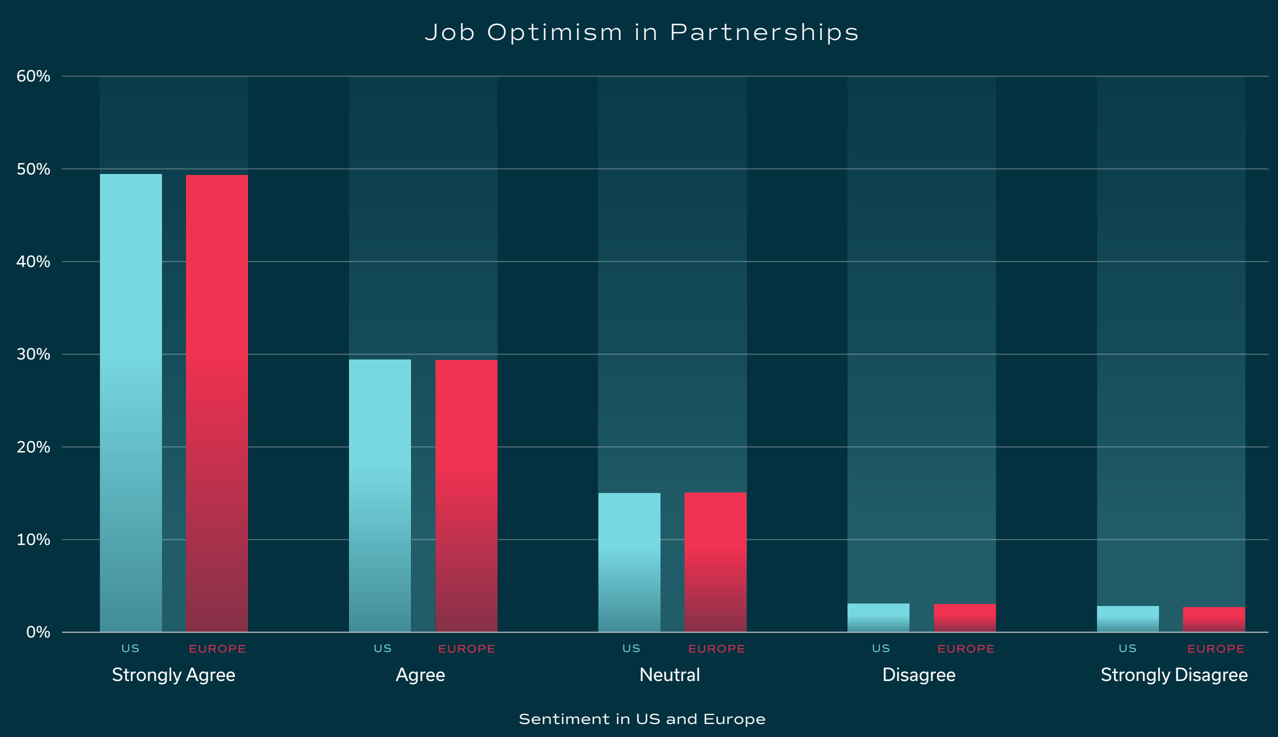
While respondents are worried about how the economy will affect them, a general sense of hope and optimism reigns. 53% of respondents feel that their company supported their work more than they did in 2021, and 79% of respondents are optimistic about their partner program in 2023 (nearly the same as in our 2022 report).





... and that optimism traverses the Atlantic

Regardless of whether they live in the United States or Europe, most respondents are optimistic about the role of the partnerships org at their company in 2023.



Doubling down on partnerships

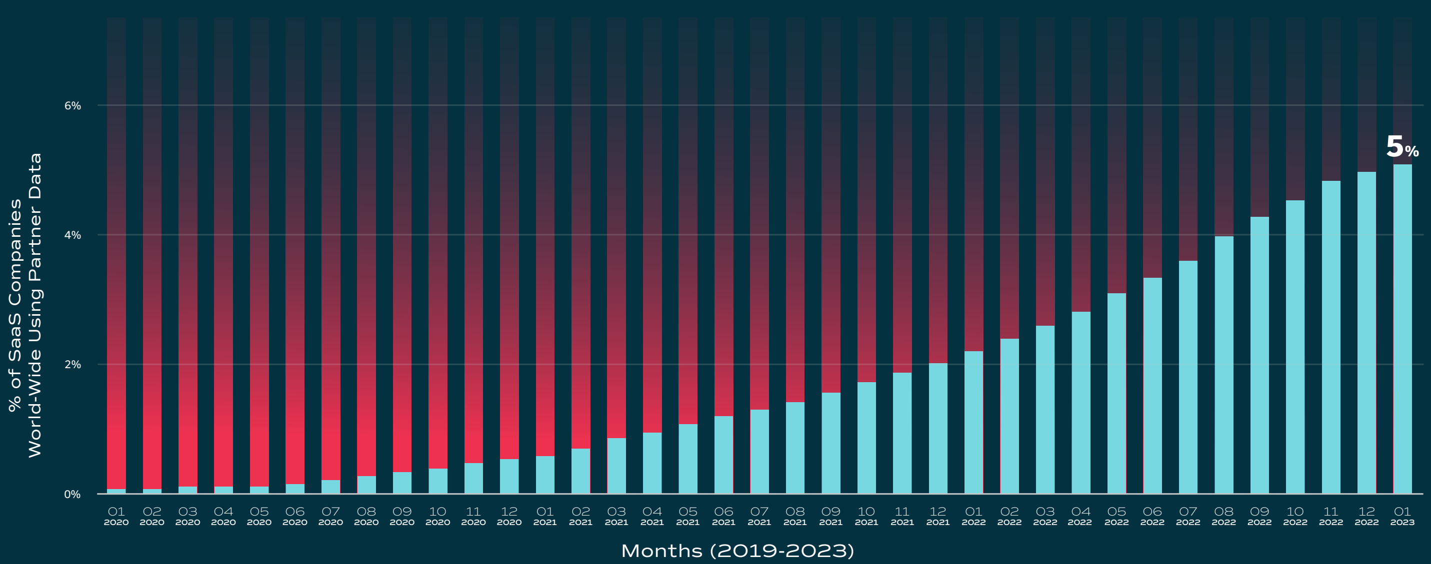
If partnerships is a force multiplier, then savvy companies should leverage partnerships when the going gets tough, right? We pulled data from two sources to determine the percentage of SaaS companies in the world that are leveraging partner data in their GTM motions:

Data Source #1: Partnerbase, our database of 10s of thousands of SaaS companies in the world with any kind of partner program (regardless of whether they are on the Crossbeam network).
Data Source #2: The Crossbeam network, specifically all Crossbeam users who are sharing account-level data* with partners.

The result of comparing the two datasets? A proxy for partnerships activity; we call it our "ELG Index" (Ecosystem-led growth index) and it shows the unmistakable march toward an ecosystem-led future.

**We see "sharing account-level data" as a source of truth revealing which companies are unlocking GTM motions with partners.*

The Crossbeam Ecosystem-Led Growth Index



Above: The total number of companies on the Crossbeam network sharing account level data divided by the total number of SaaS companies in the world according to Partnerbase.

THE MARKET

As companies require more efficiency, many are turning to partnerships. A functional, mature partner program has positive effects on existing GTM motions and can safeguard existing revenue. Our respondents report faster deal cycles, decreased churn, and other benefits.

Integration users are **58**% less likely to churn

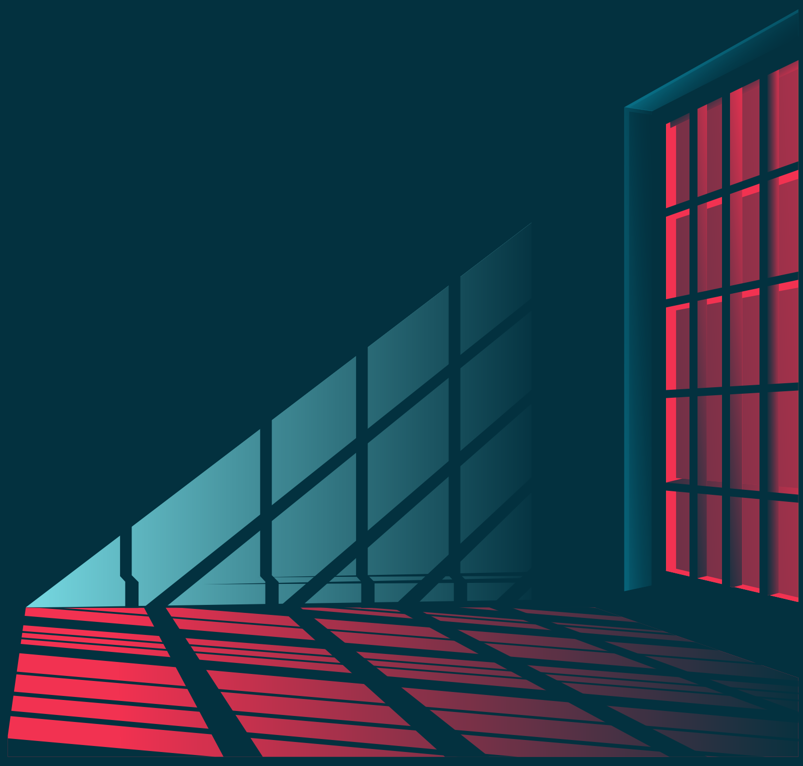
Deals close **46**% faster when a partner is involved

Deals are **53**% more likely to close when a partner is involved

The current market may appear precarious. But 2023 is the time for high-performing ecosystem leaders to shine. Partnerships improve every GTM motion with less of an investment than, say, hiring another wave of sales reps. The data backs this up.

2023 is about impact, not potential. Results, not rationalization. Perseverance, not panic.

It's time to get to work.



COMPENSATION

COMPENSATION

In this section, we'll cover the total compensation of partnership professionals across geographies, seniority levels, and other factors. The compensation data we've compiled includes all commission and bonuses, or "all in" compensation.

Has the average compensation for those growing and scaling ecosystems shifted significantly since 2021? From a big-picture view, the answer is no. But when you slice the data, several different stories emerge.

The average total compensation for partnership professionals is **$166K***. This average is nearly the same as 2021 (approximately $167K) and is inclusive of all geographies and seniority levels. This number is a sweeping generalization of sorts, so let's explore.

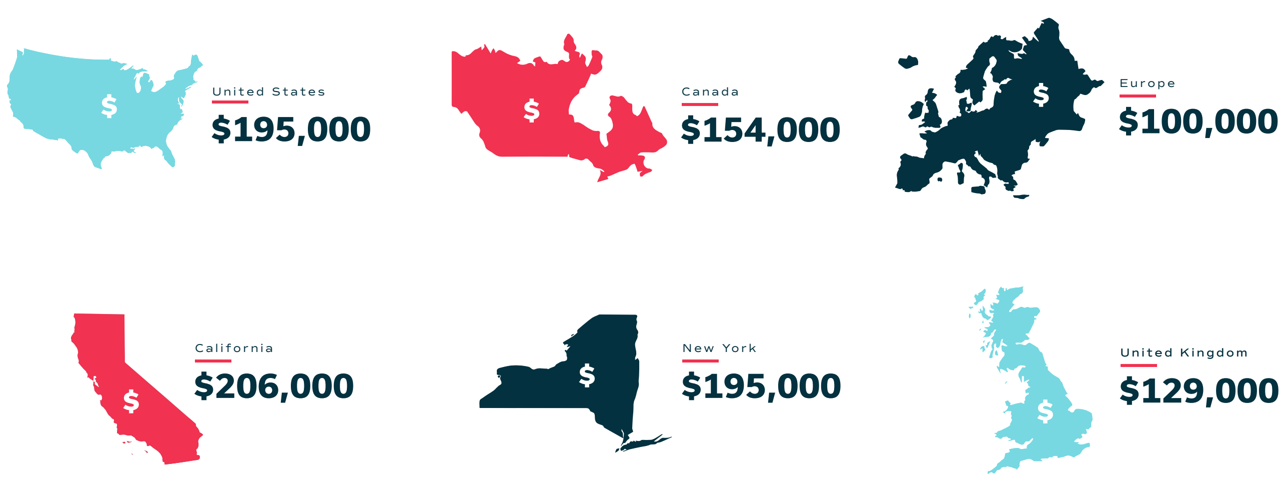
In most parts of the world, the average total compensation of partnership professionals decreased. But in the US, and also when we isolate states like New York and California, compensation increased.

**In these average compensation calculations, we used the median compensation amount in the answered range. These numbers include any commission and bonuses.*

The U.S. pays the highest

The U.S. has the highest average total compensation at $195K — up from $177K in 2021. The average total compensation in the UK has decreased by approximately $20K since 2021.

Average Compensation According to Geography



The compensation gap is closing between junior and mid-level partnership roles

VPs continue to receive the highest compensation across all levels of seniority. The average compensation for a VP in partnerships is $237K, with 43% of VPs making $300K or more.

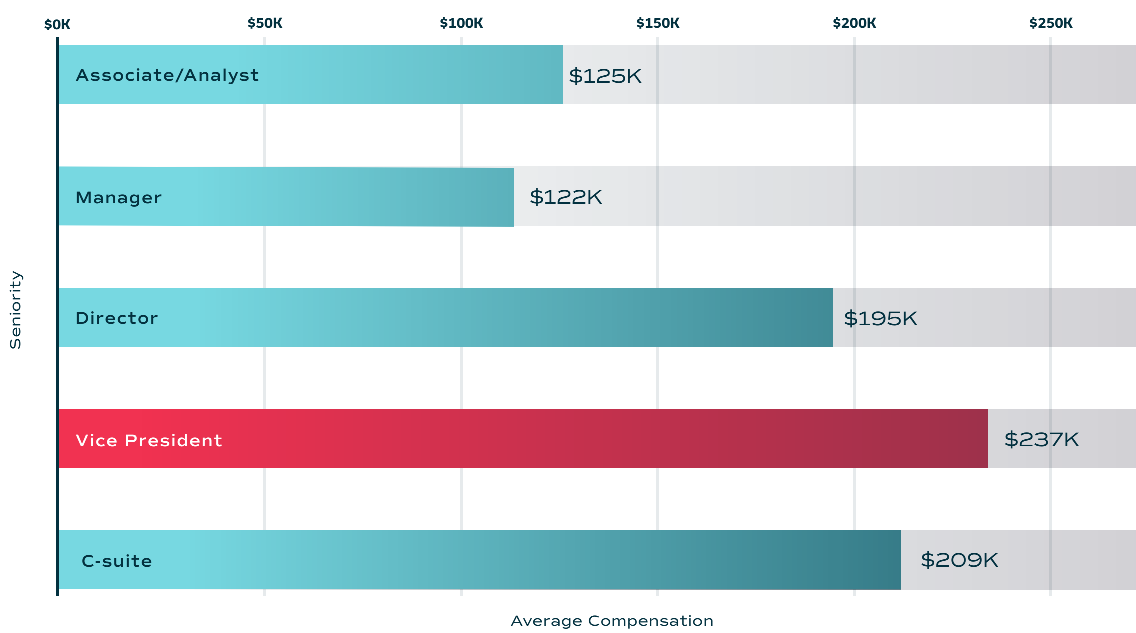
To offer a glimpse of how partnerships stack up in highly competitive tech hubs, we calculated the average total compensation for VP-level partnership roles in New York and compared it to the average compensation of VPs in other GTM functions in New York. On average, VP-level partnership professionals in New York earn more than VPs in marketing and product but less than VPs in sales.

Average Compensation for VP-Level Roles in New York

Includes any commission and bonuses. Average salaries of non-partnership GTM roles collected from source: Built In.

The average total compensation for associates/analysts has jumped from just under $100K in 2021 to $125K in 2022, with the highest percentage (40%) earning between $100K-150K. Compare this to the average compensation for managers: $122K.

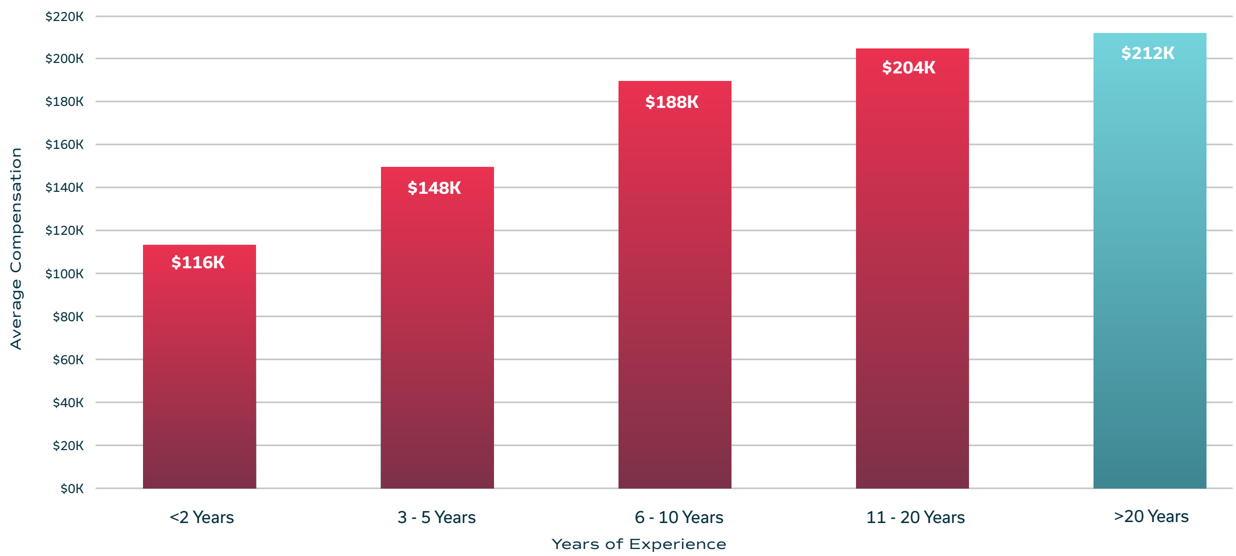
Average Compensation by Seniority



Partnership professionals can expect the biggest bump in salary after five years of experience

After five years of total partnership experience, the average compensation jumps to $188K. That's a 27% increase!

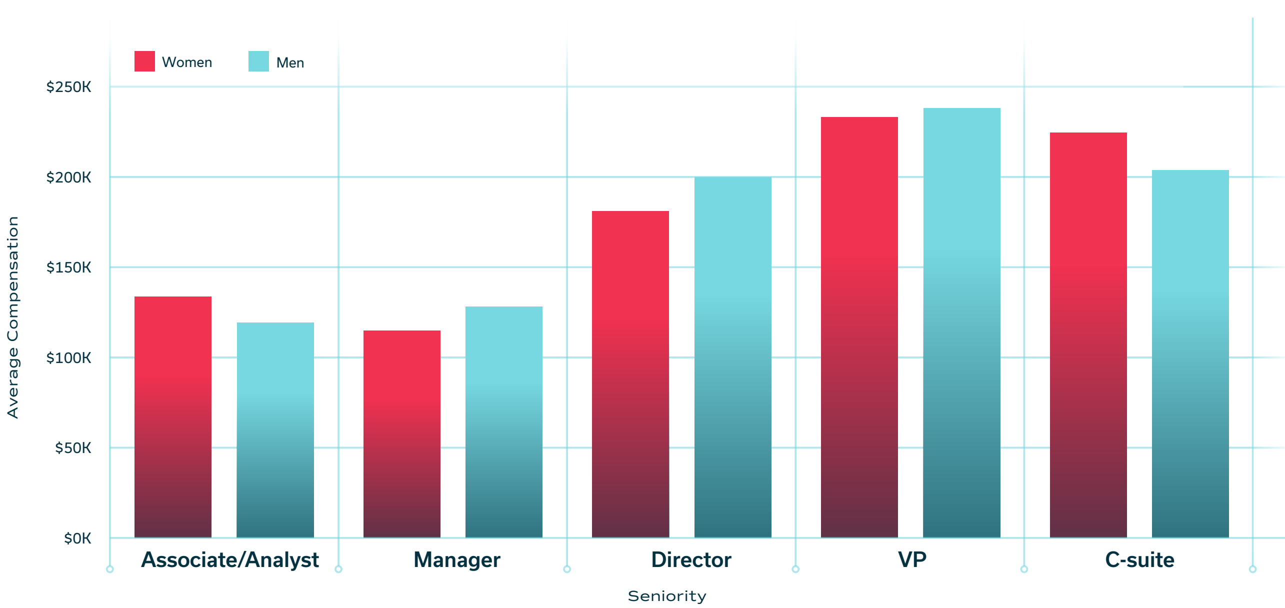
Average Compensation by Years of Experience



The gender wage gap is closing at some seniority levels

In 2022, the average compensation of women exceeded those of men at the associate/analyst level and at the C-suite. Men continue to earn more than women for mid-level positions, but the gap is closing for VP-level roles.

Average Compensation by Seniority/Gender



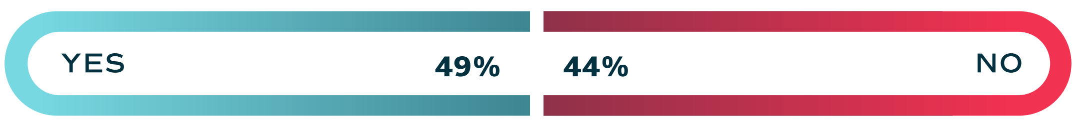
This closing of the wage gap tracks with *Hired's* 2022 Impact Report, which shows a consistent decrease in the number of positions offering a lower salary on average to women than to men from 2019 to 2021.

There was a **$24K** gender wage gap for VP-level partnership roles in 2021.
There was a **$4K** gender wage gap for VP-level partnership roles in 2022.
That's an **83%** reduction in the wage gap in one year.

Partnership professionals didn't miss out on raises

49% of partnership professionals received a raise — down only three percentage points from the previous year.

Were you promoted or did you receive a raise in 2022?

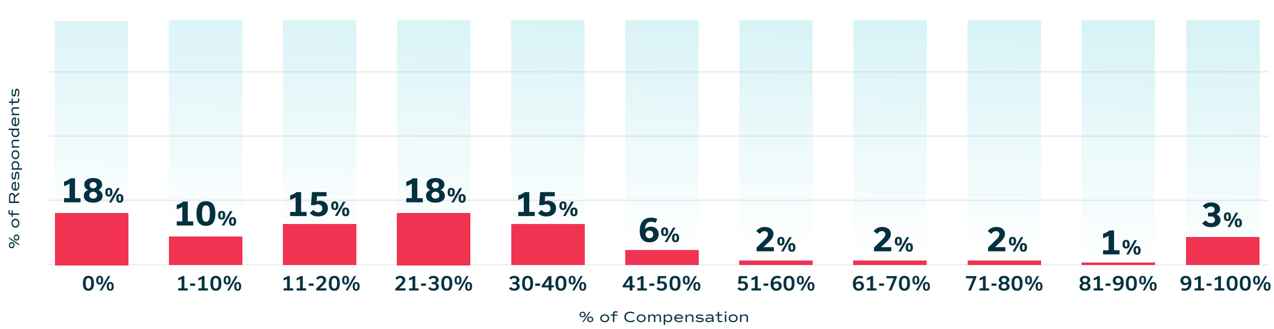


Less people switched jobs in 2022 (just under 45%) than in 2021 (more than 50%). Those who stuck with their existing jobs from 2021 may have benefited from increased compensation as a result of their performance from the previous year. Fortune's January 2023 article says "Workers who sat out the Great Resignation got the biggest raises in 25 years".

The majority of partnership professionals have somewhere between 0 and 40% of their compensation tied to their KPIs.

"0%" and "21-30%" are tied for the top spots — but only by a few percentage points. On average, partnership professionals have 24% of their compensation tied to their KPIs.

What percentage of your total compensation is directly linked to your KPIs (i.e. bonuses, commission, etc.)?



ECOSYSTEM OPS

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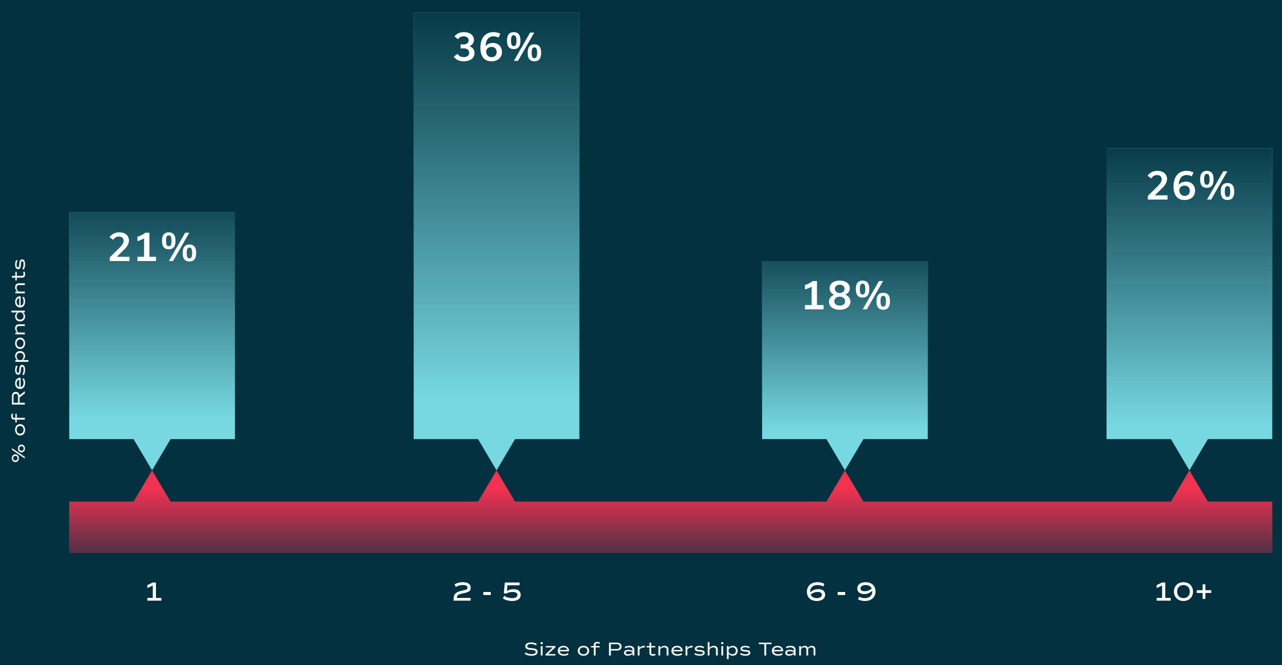
Ecosystem Ops is a repeatable, sustainable set of practices for working with your partners and internal stakeholders and scaling your partnerships program. Everything from the tools you use to your org chart is part of your Ecosystem Ops.

In this section, we're taking a look at common tools and workflows to help you set your team up for success and plan for the future.

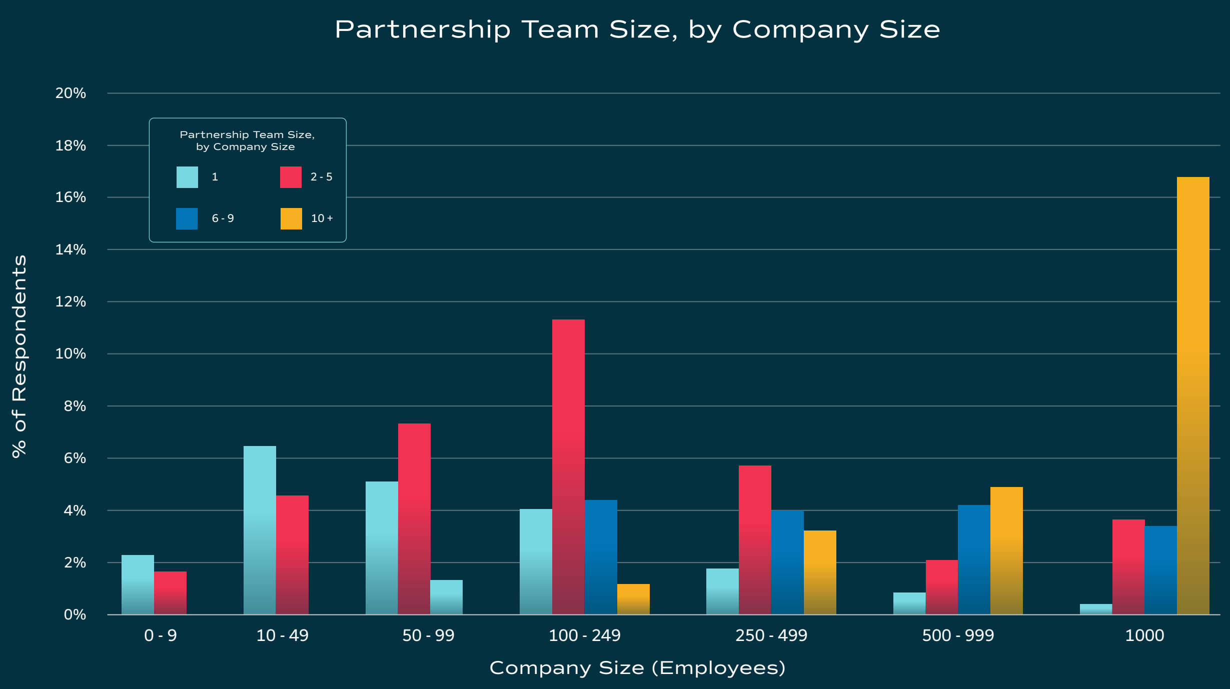
Partnership team sizes get bigger once a company hits 250 employees

The most popular partnership team size is between two to five people.

How many people are responsible for partnerships (of any kind) at your company?



We segmented according to company size to get a clearer picture of how partnership team sizes grow alongside the rest of the company. The 100-employee mark is when larger partnership teams begin to appear.



Most companies with partner programs have channel, strategic, and tech partner programs

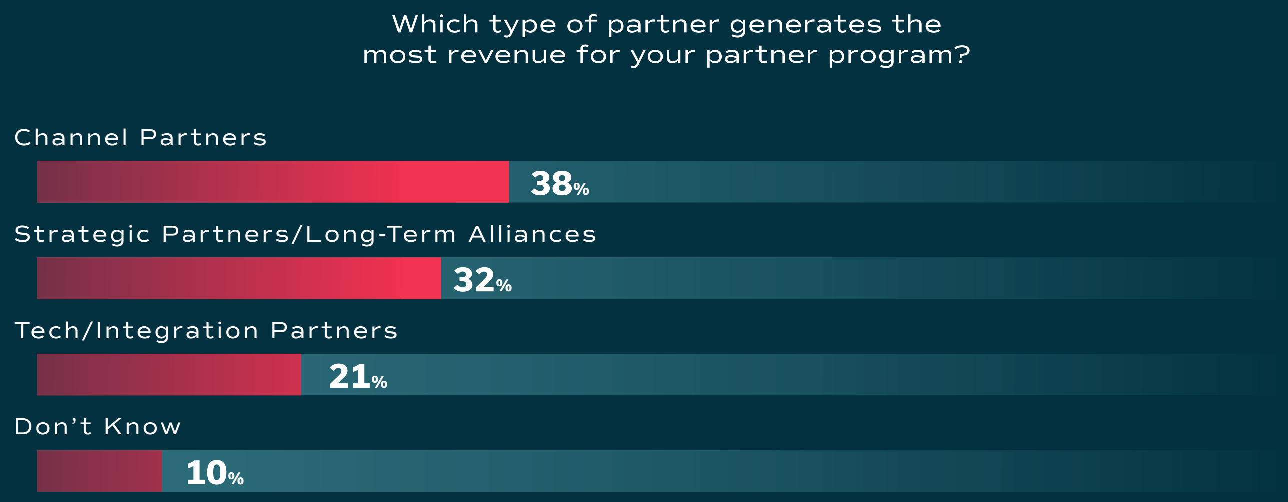
79% of respondents have a channel partner program.

71% of respondents have a tech partner program

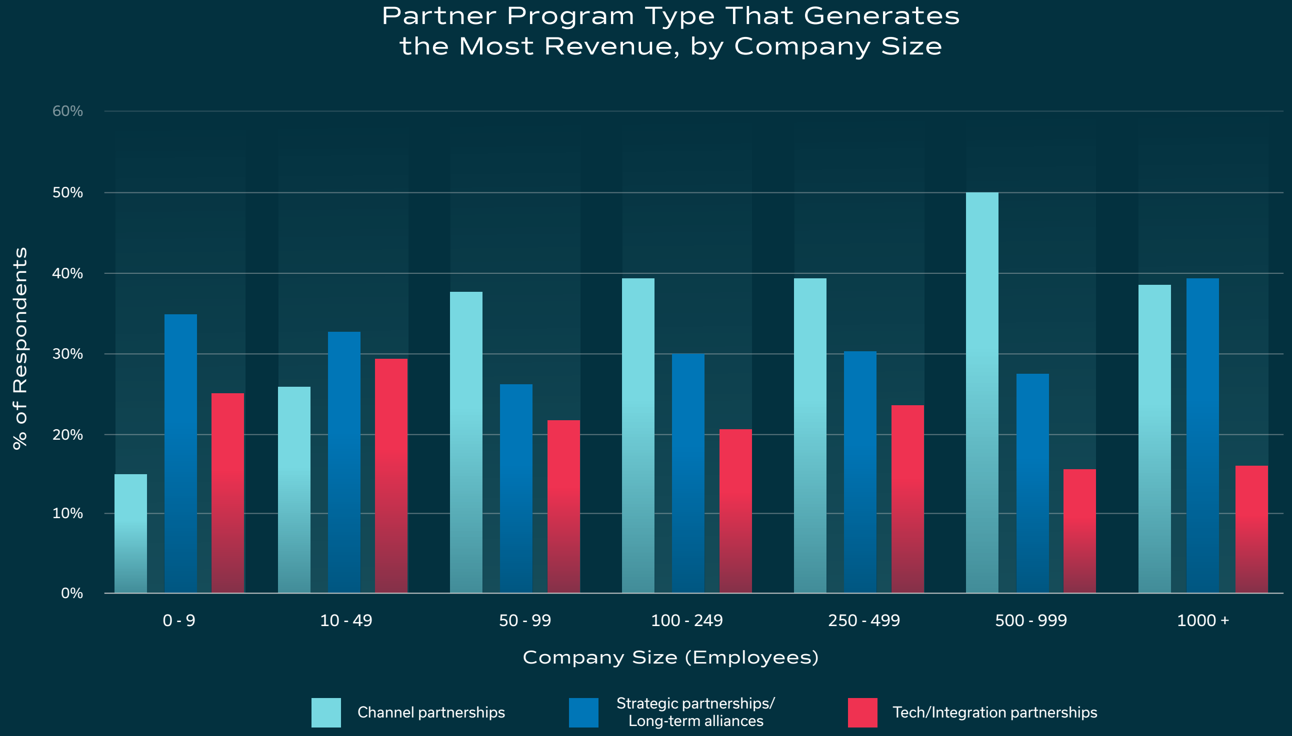
74% have a strategic partner program

Some quick definitions:

- Channel partnerships include referral partners, value added resellers (VARs), system integrators (SIs), resellers, and agencies.
- Tech or "integration" partnerships occur when two companies build an integration and enable an exchange of data between their two products.
- Strategic partnerships are long-term, multidepartmental agreements that often include both channel and tech partnerships.

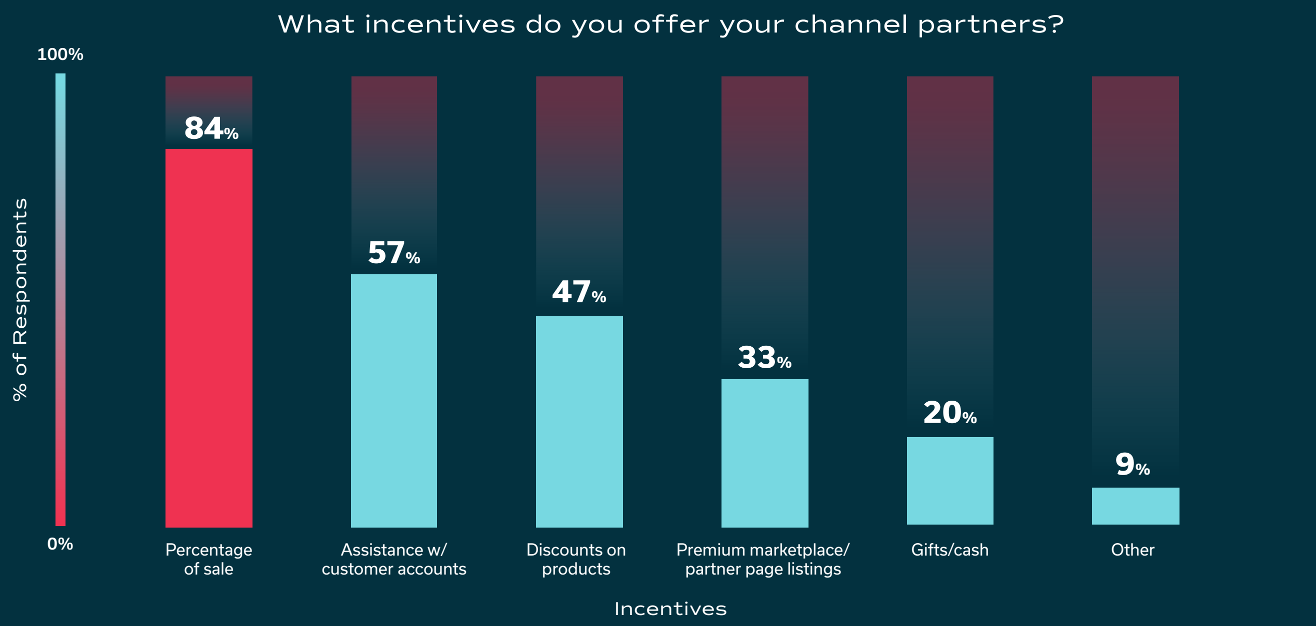


When it comes to revenue, tech partner programs lag behind channel and strategic for most company sizes.

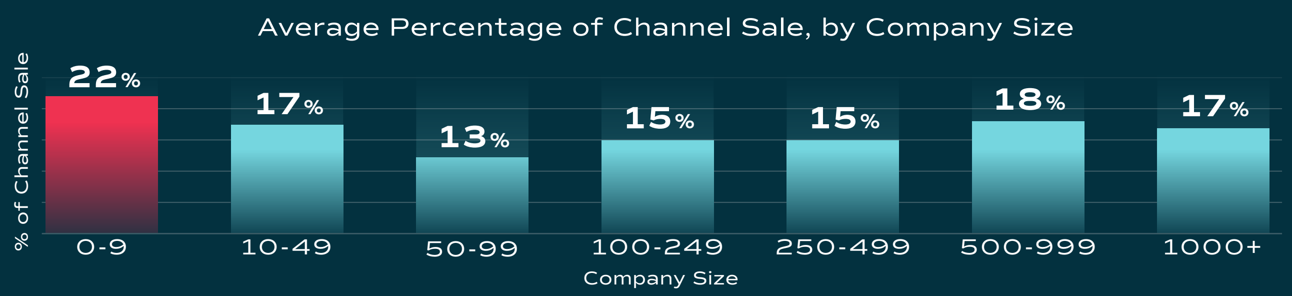


Incentives for channel partners remain consistent

Offering a percentage of sale has remained the most common incentive for channel partners for the last four consecutive years.

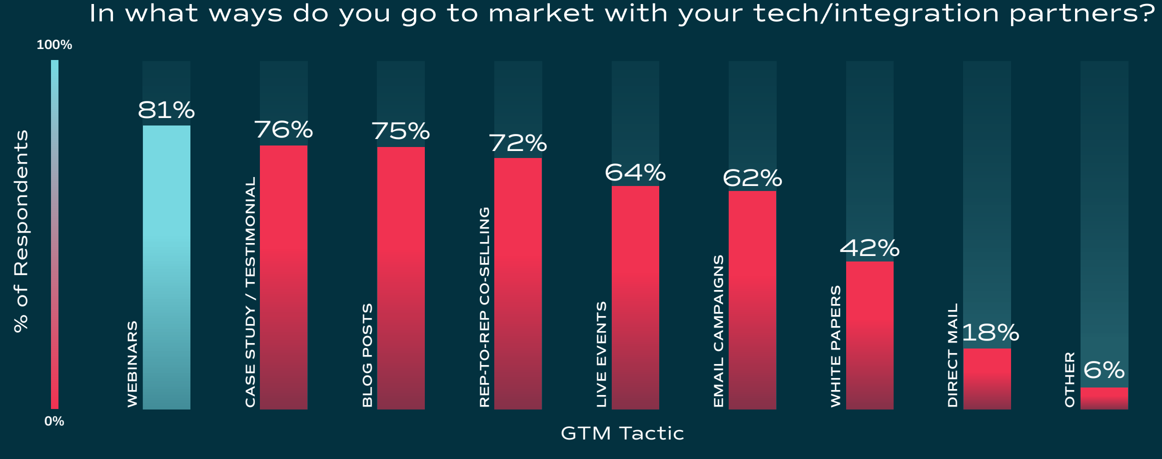


Out of the respondents who do give channel partners a percentage of sale, the majority offer between 10% and 29%, with the average percentage of sale landing at 16%.



Webinars are (still) number one

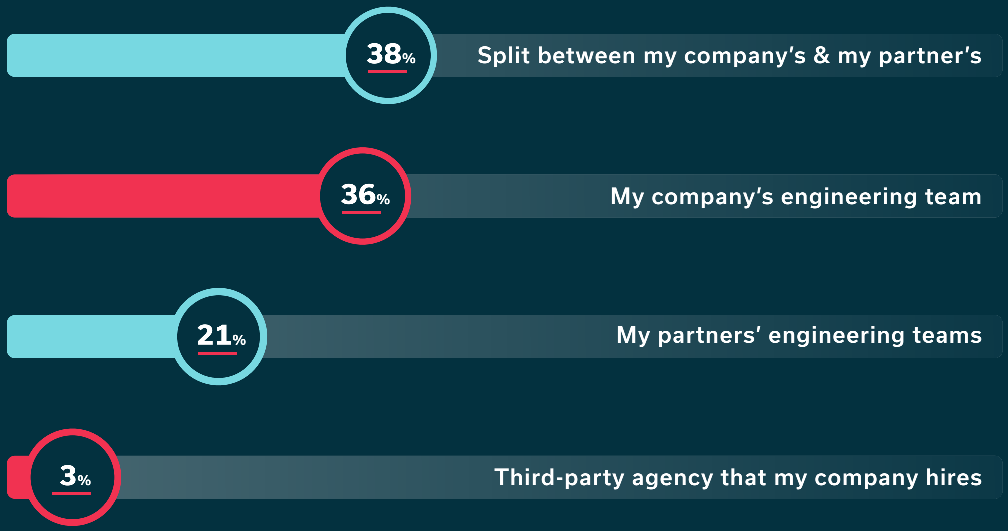
For the fourth consecutive year, webinars are the most popular way of going to market with tech partners. There was a slight bump in popularity between 2019 and 2020 (81% to 85%) which could be attributed to the COVID-19 pandemic. All tactics have ranked in the same order of popularity for the last three years.



Building integrations in-house is the norm

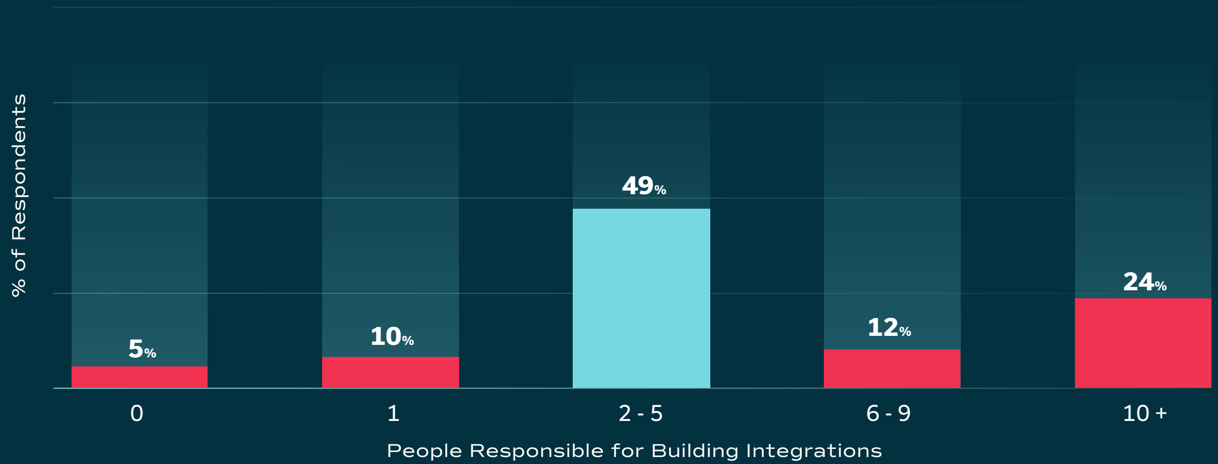
74% of companies with tech partner programs handle at least half of their integration building internally. Reliance on third-party agencies is down by four percentage points (7% to 3%).

In general, who is most often typically responsible for building integrations with your product?



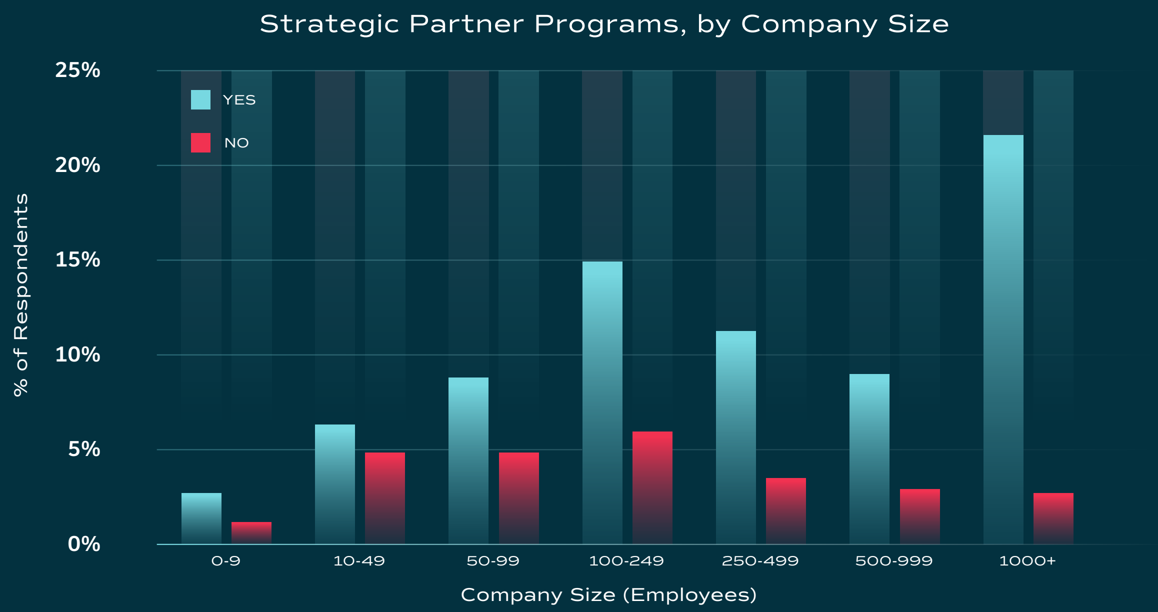
While having the engineering resources to build integrations in-house is standard for companies with tech partner programs, the teams building those integrations tend to be small. The majority of companies have 2-5 people responsible for building integrations.

How many people are responsible for building integrations at your company?



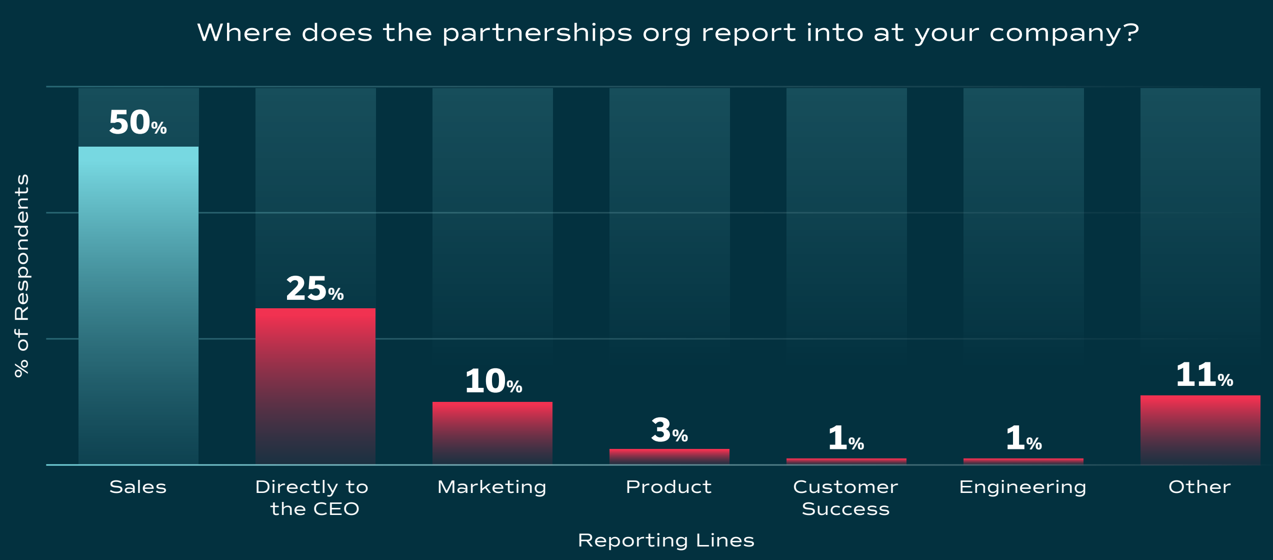
Strategic partnerships are common for larger companies

The likelihood of a company having a strategic partner program has a positive correlation with increase in company size until the employee count hits 250-499. Strategic partner programs also drop off at the 500-900 company size, before hitting the highest likelihood (22% of respondents) at 1000+ employees.



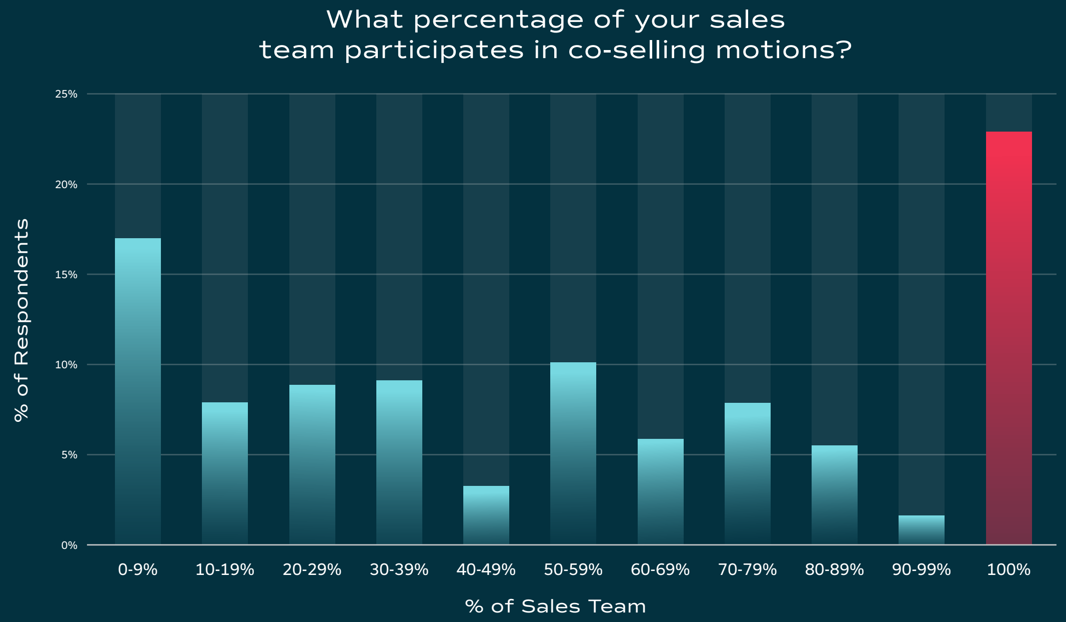
Most partnership teams report to sales

50% of partnership teams report to sales, a three percentage point increase from 2021 to 2022. This is the fourth year in a row that "sales" has been the most popular response.



On average, half of sales reps participate in co-selling motions

The closeness between sales and partnerships on an org chart is often reflected in their workflows. We asked respondents to share what percentage of their respective sales teams participate in co-selling motions — the average of all answers was 51%.



What incentives do partnership professionals offer to get buy-in from more than 50% of their sales reps? 45% of respondents don't offer any incentives to sales reps co-selling with tech partners. This is a 13 percentage point increase from 2021 when only 32% of respondents said they didn't incentivize sales reps and quota relief was the top answer.

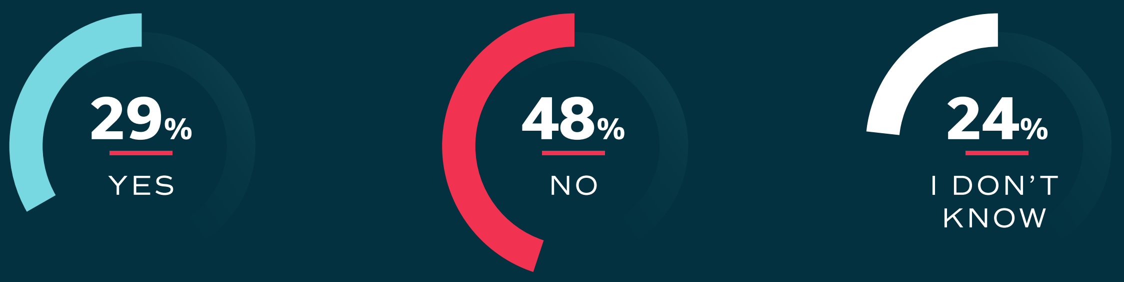
This could mean that in the last year:

- Co-selling became a more established sales motion, and sales reps are required to participate.
- Deals where tech partners are involved became more attractive to sales reps, thanks to faster sales cycles, higher contract values, etc.

Only 29% of respondents are pushing partner data to other tools

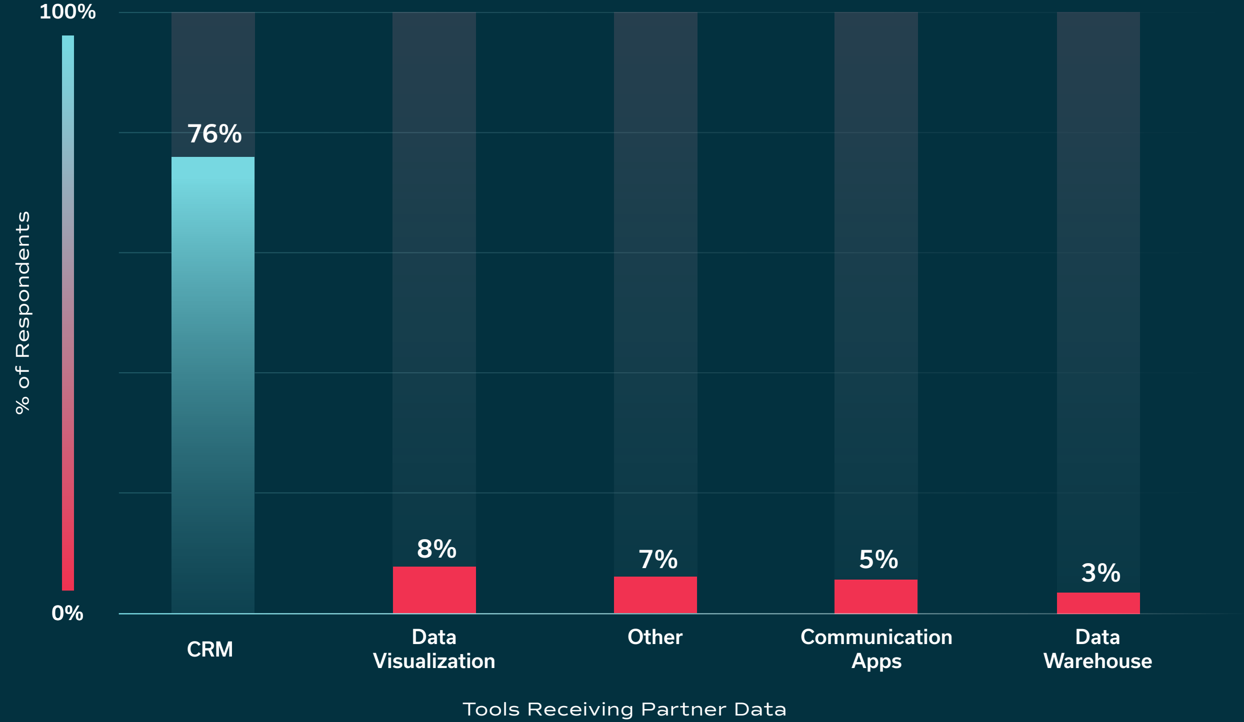
Partner Ecosystem Platforms (PEPs) like Crossbeam enable the use of partner (or "second party") data in other tools within a tech stack — such as showing which partners can or already have influenced a deal in a customer relationship management (CRM) system or pushing co-marketing lists to marketing automation tools. However, the practice of sending that data into other tools is in its infancy.

My company sends partner data (aka second-party data) to other tools

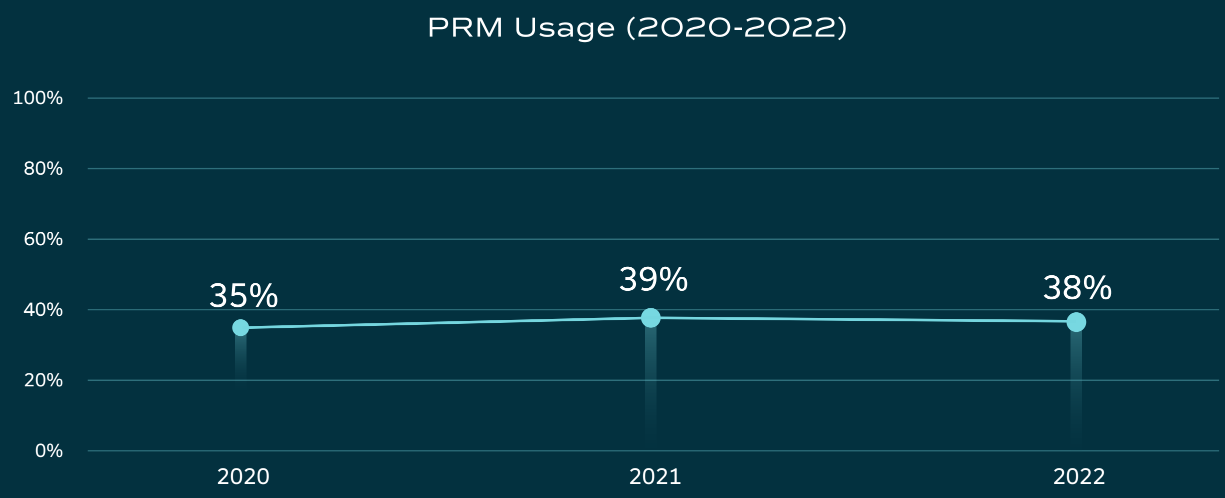


Of those who move partner data into other tools, not surprisingly, the CRM is the most common gathering ground.

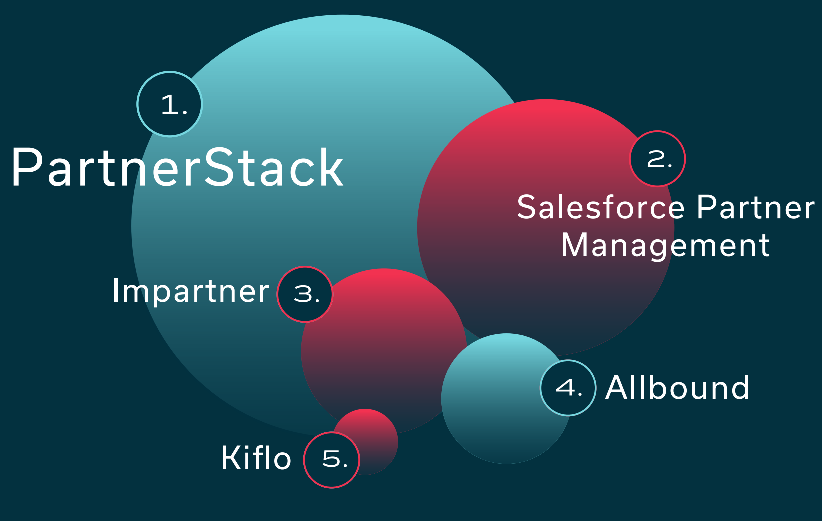
Partner data (aka second-party data) is accessible in the following tools:



Partner Relationship Management (PRM) usage is plateauing:

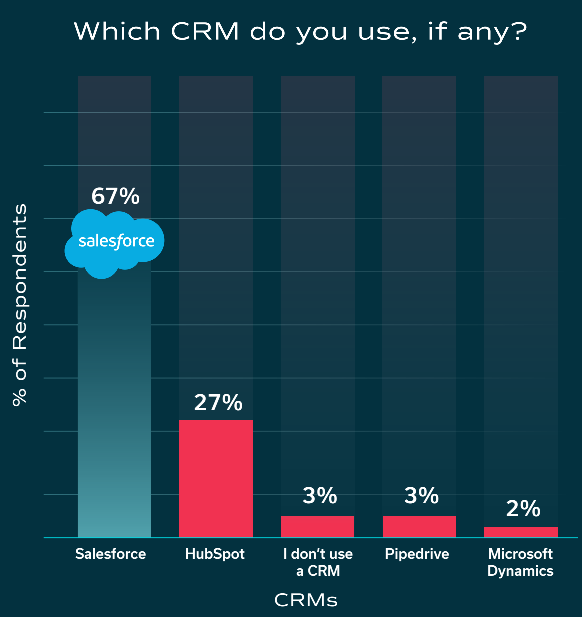


For the first time, PartnerStack leads the way in PRM usage.



The reign of Salesforce continues

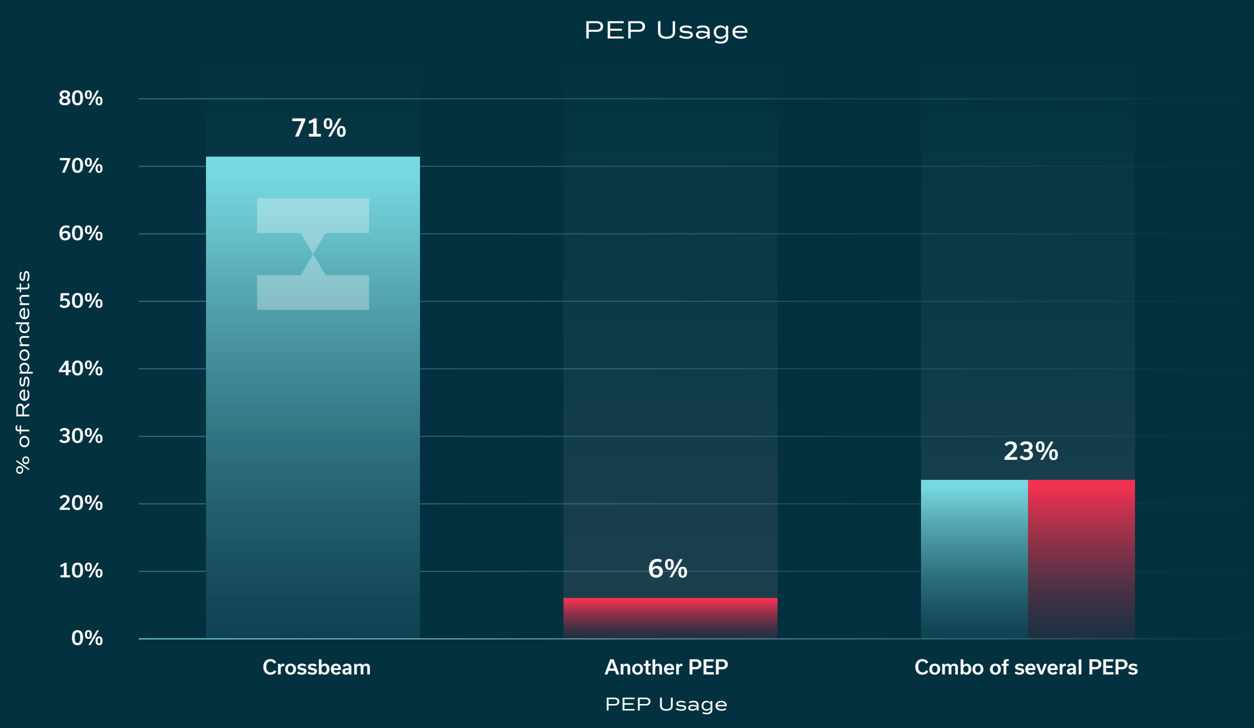
Of the 97% of respondents that use a CRM, 67% opt for Salesforce. HubSpot takes second place at 27%. This is the fourth consecutive year that Salesforce and HubSpot have ranked first and second, respectively, with CRM users.



More than half of respondents use a PEP

In addition to automating otherwise tedious tasks and unearthing and tracking new opportunities with partners, PEP software usage serves as a proxy for the resources a company is willing to invest into a partner program.

74% use a PEP of some kind. Of that group, 71% use only Crossbeam, 6% use another PEP, and 23% use multiple.



PEP usage is up since 2021 in the U.S. and in Europe, with the most significant bump in the U.S. — up by 16 percentage points.

This is especially notable considering the 31% of respondents that reported reduced SaaS spending in 2022 (see page 13). This could suggest that, even with limited budgets, companies see partnerships as a valuable investment.

On The Crossbeam Network

PEP usage is up, but what are people *actually* doing with the software? Are there common use cases you're missing out on? Have skeptical higher-ups seen what PEPs actually look like in action? And what can the common uses of PEPs tell us about the overall health and trajectory of the partnerships world?

For the first time ever, we're sharing the aggregate data usage from Crossbeam itself. Note: this is a different source than the survey data which populates nearly every other part of this report.

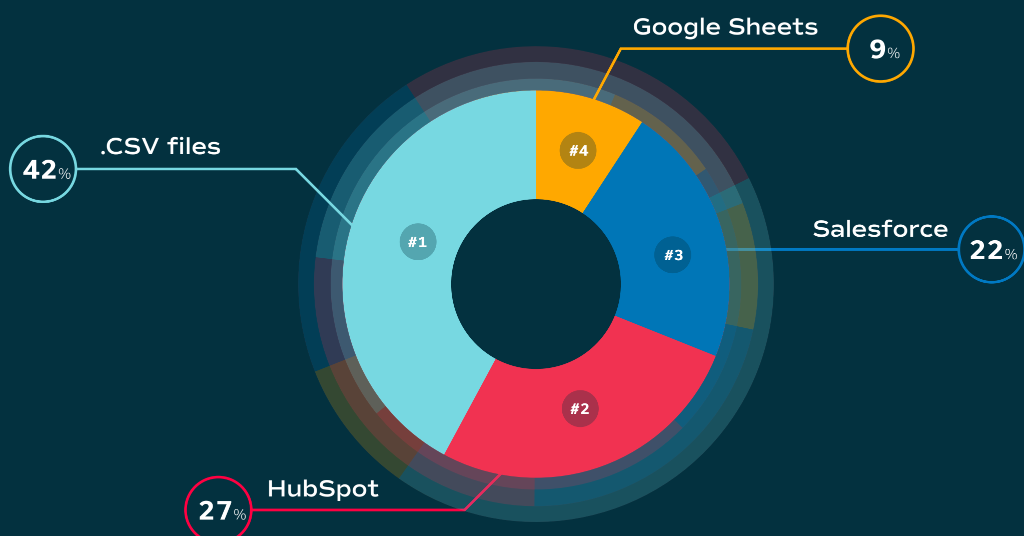
The biggest data source on Crossbeam is spreadsheets

Despite Salesforce remaining the number one CRM used by respondents, both spreadsheets and HubSpot ranked higher as Crossbeam data sources. It's often easier to start account mapping with static spreadsheets in order to earn the trust of partners.

In the chart below, you'll see that directly connecting to a CRM is gaining in popularity — a sign that partnership workflows are maturing and that automated account mapping is fast becoming standard operating procedure.

The top four Crossbeam data sources:

#1: .CSV files
#2: HubSpot
#3: Salesforce
#4: Google Sheets



Customer vs customer overlaps are used the most on Crossbeam

Account mapping is comparing data from your customer pipeline (like prospects, opportunities, and customers) to those of your partners. In Crossbeam, there are nine different "standard" overlap types* available to users, each of which has corresponding use cases. Knowing which overlaps are used the most gives insight into *which* use cases are being prioritized in partner programs.

	Populations	(Your Partner)		
		Customers	Open Opportunities	Prospects
(You)	Customers	25%	7%	7%
	Open Opportunities	13%	7%	2%
	Prospects	17 %	3%	3%

**Not including "custom" populations created by users. Chart adds up to less than 100%, the remainder are using custom populations.*

Most Common Report #1: Customers <> Customers

Use case: Vetting potential integrations

If you're exploring a potential integration with your partner, a high Customers <> Customers overlap count (or overlaps among high-value accounts) is strong evidence that you should start building. This list of overlaps is also where you can identify early adopters and advocates as you build. When you're ready to co-market your integration to your mutual customers, the contacts in your Customers <> Customers overlap are your target audience.

Exploring an integration is often the first step of a partnership. A failed integration is a labor intensive effort and can negatively impact the trust you've established with your GTM teams, so it's no surprise that savvy partnership professionals prioritize checking integration viability using Crossbeam. A high overlap count can also serve as a leading indicator that your ideal customer profiles (ICPs) overlap and that there's a high likelihood of having overlapping prospects and opportunities.

Most Common Report #2: Prospects <> Customers

Use case: Warm intros

This overlap is about pipeline expansion. Who can your partner introduce your sales team to in order to generate and qualify leads? A warm intro can shorten the time it takes for your sales reps to book their first call with a prospect and help them avoid spending months sending cold emails and waiting for a response.

Most Common Report #3: Open Opportunities <> Customers

Use case: Deal acceleration

When your sales reps need help pushing open opportunities across the finish line, your partners can provide an assist. Your partner can put in a good word with the opportunity on behalf of your sales rep, can educate the opportunity about use cases relevant to their business needs, and can help them understand why they should choose your product over your competitor's.

Your partners have existing relationships with their customers and have earned their trust. A trusted partner's guidance to your customer can make all the difference between your sales team losing the deal and winning it.

Most common fields used by orgs:

Once an overlap is discovered with a new partner, PEPs invite users to determine how much account data they want to share with the individual partner. The most popular data fields used are:

#1: Account / company name
#2: Website URL
#3: Account executive email
#4: Account created date
#5: Close date
#6: Billing country
#7: Account executive phone
#8: Region
#9: Open date
#10: Deal stage

KPIS & BENCHMARKS

The key performance indicators (KPIs) you measure dictate the future of your partner program. Measure only partner-sourced revenue and ignore integration adoption, and you'll struggle to keep your customers happy as they grow and as their tech stacks mature.

Last year, the most popular KPI (by a hair) was partner-sourced leads. This year, partner-sourced revenue is back on top.

With most partnership orgs reporting to sales, the prioritization of sales-specific metrics over product-specific metrics (like adoption) is not surprising. Sourced revenue, sourced opportunities, and leads generated by partners are consistently popular KPIs. Notably, leadership teams still place greater priority on net *new* deals than on influenced.

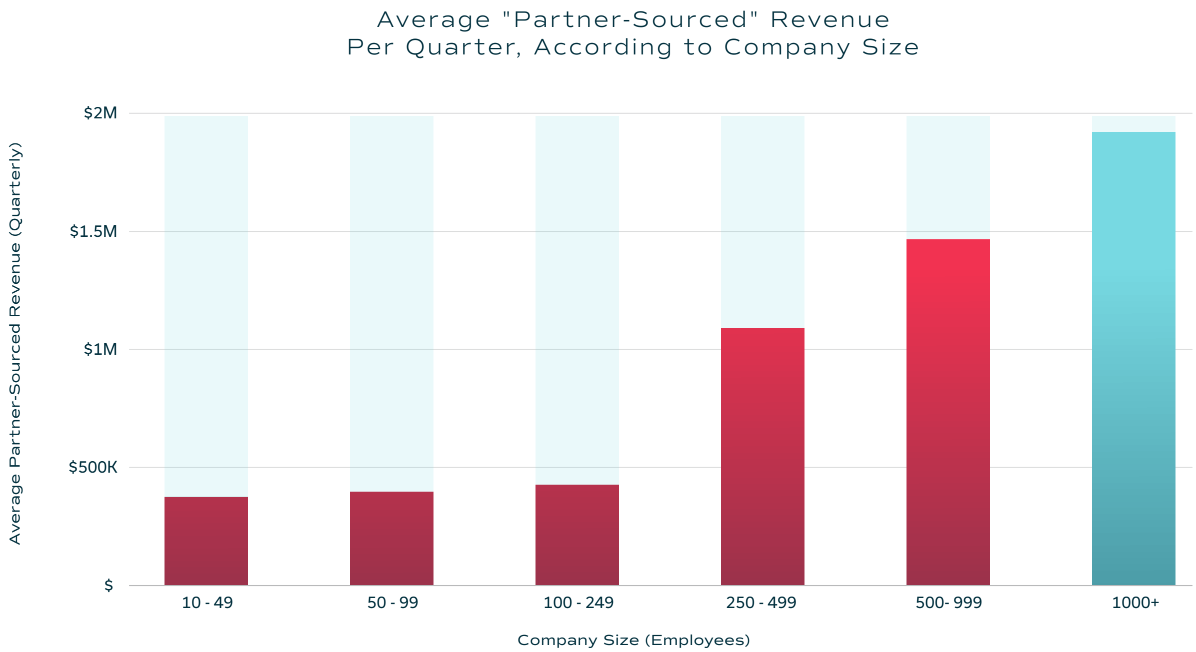
Partner-sourced revenue (direct attribution) — the most common KPI

"Partner-sourced revenue" is the most common KPI. The popularity of "partner-sourced revenue" rose eight percentage points since 2021 and returned to #1 from its previous reign in 2020. 67% of partnership professionals measure sourced revenue, compared to only 54% measuring influenced revenue.

Is "partner-sourced revenue" (direct attribution) one of your individual KPIs?

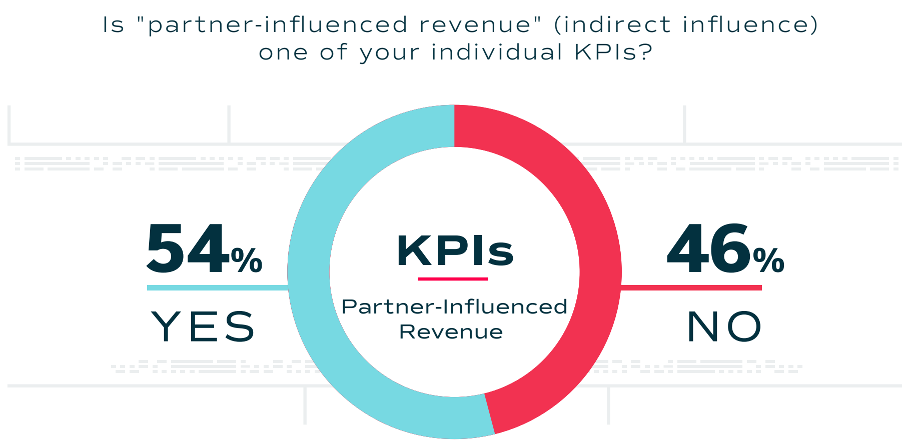
The average partner-sourced revenue target increases with company size. For companies with 1,000 or more employees, the number is nearly $2 Million.

For most company sizes, sourced revenue targets have dropped significantly from 2021, except at the 250-499 employee size, where they've crossed over $1 Million. The biggest drop is seen at the 1,000-employee size, from more than $4.5 Million in 2021 to less than $2 Million in 2022.

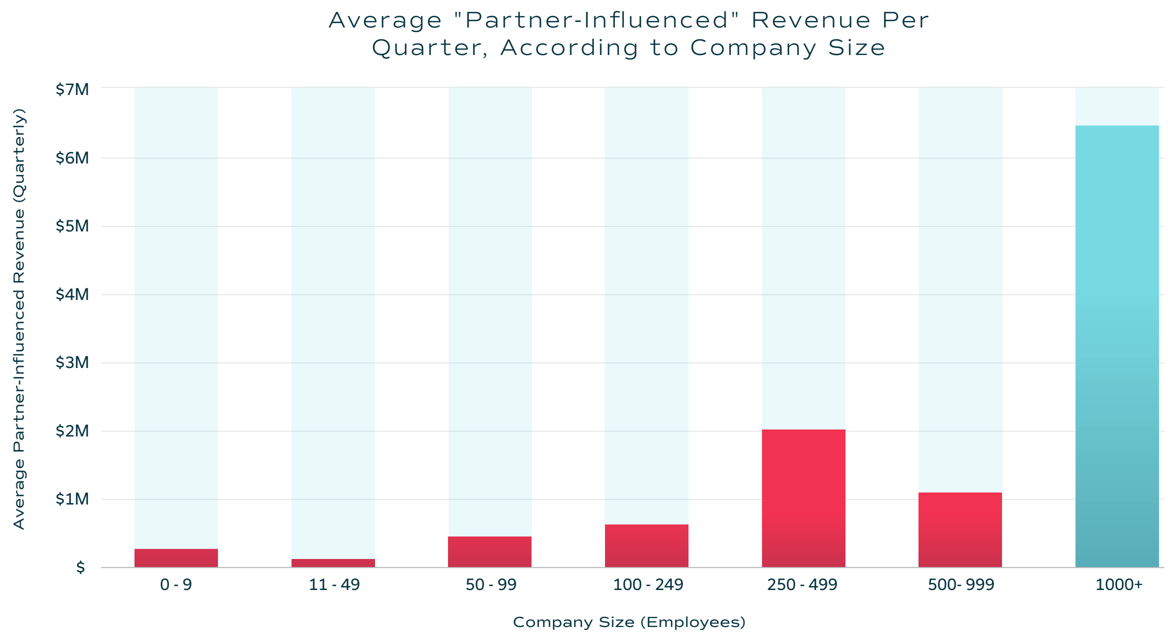


Partner-influenced revenue (indirect influence)

"Partner-influenced revenue" continues to be a popular KPI with more than 50% of partnership professionals measuring it.



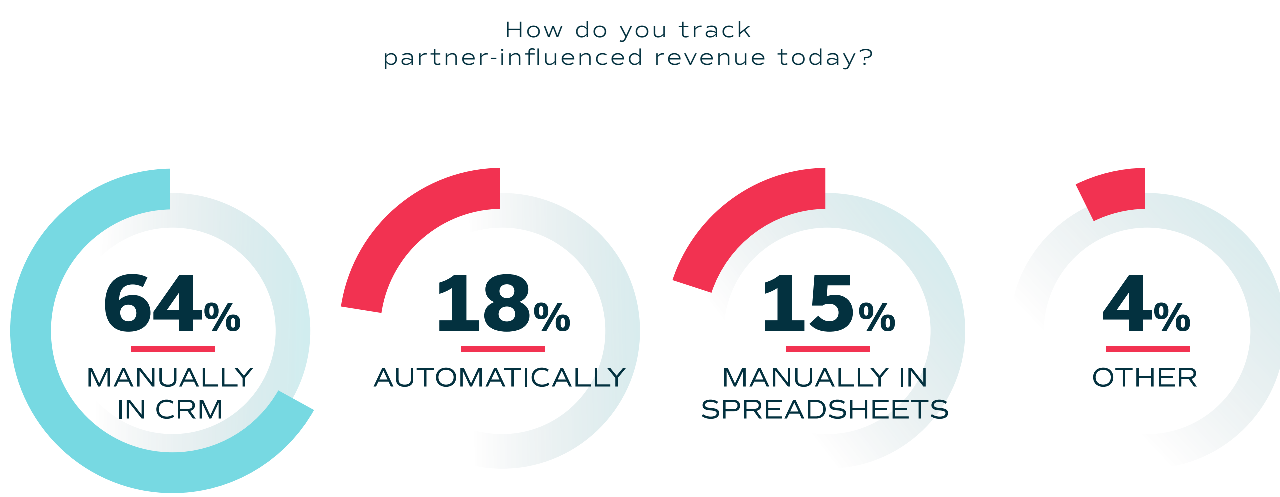
Companies with 250-499 employees and with 1,000 employees or more have the highest partner-influenced revenue targets on average. For the 250-499 employee-size, the average influenced revenue target nearly doubled from 2021 to 2022. However, the average influenced revenue target for the 500-999 employee-size decreased by half since 2021.



In most cases, those who measure the KPI "partner-influenced revenue" reported a higher likelihood of their deals closing with partners than those who don't measure the KPI. When asked about the effectiveness of *partner influence*, 22% of respondents said that deals influenced by partners are 50-59% more likely to close compared to when no partners are involved.

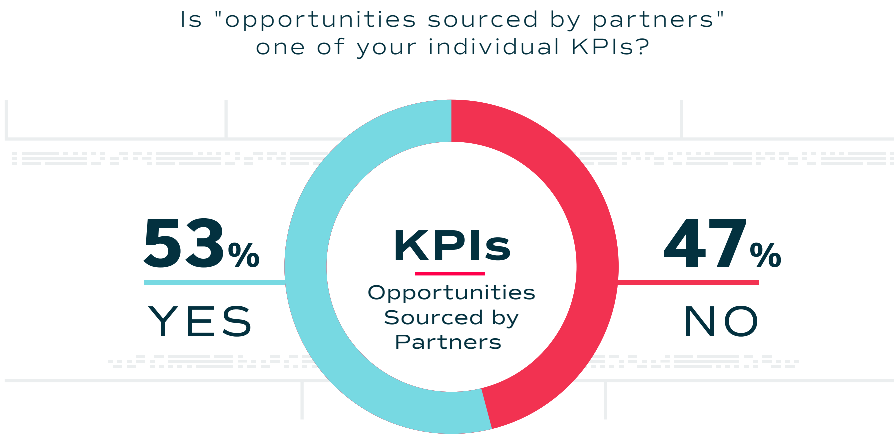
On average, deals are **53%** more likely to close when a partner is involved.
On average, deals close **46%** faster with partners.

Despite the rise in partnership teams investing in partnership tools, most teams are still tracking influence manually.

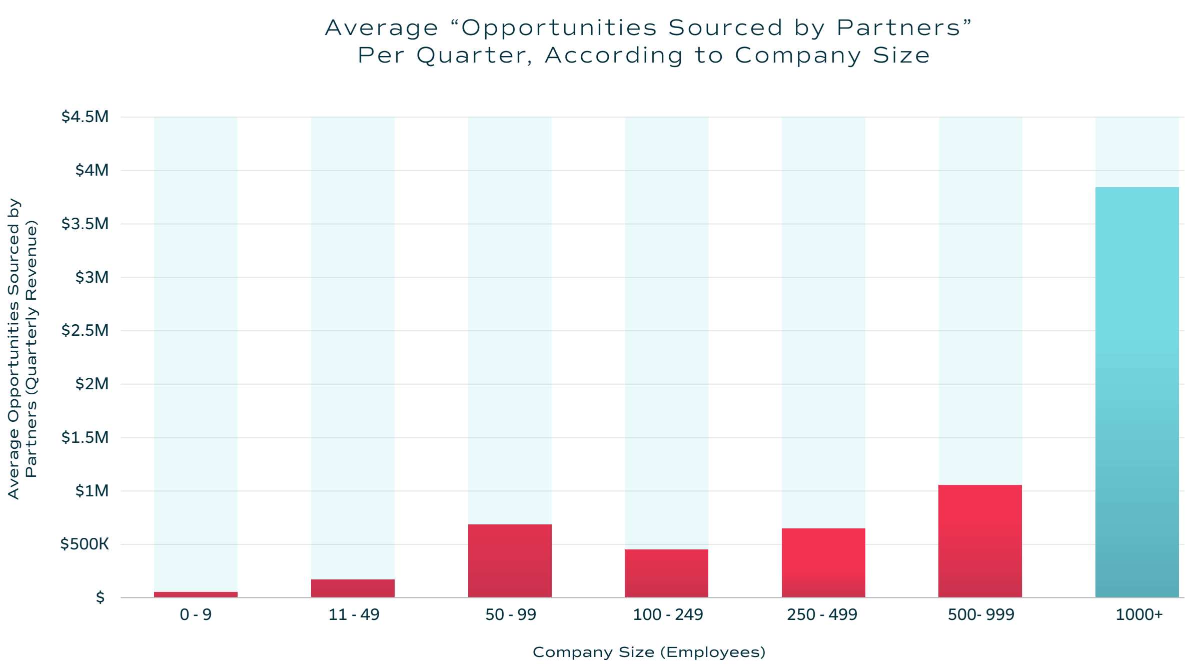


Opportunities sourced by partners

"Opportunities sourced by partners" beats "opportunities influenced by partners" by nine percentage points. It's likely that partnership teams invest more in "sourced" revenue and opportunities because of the high quality of leads generated by partners.

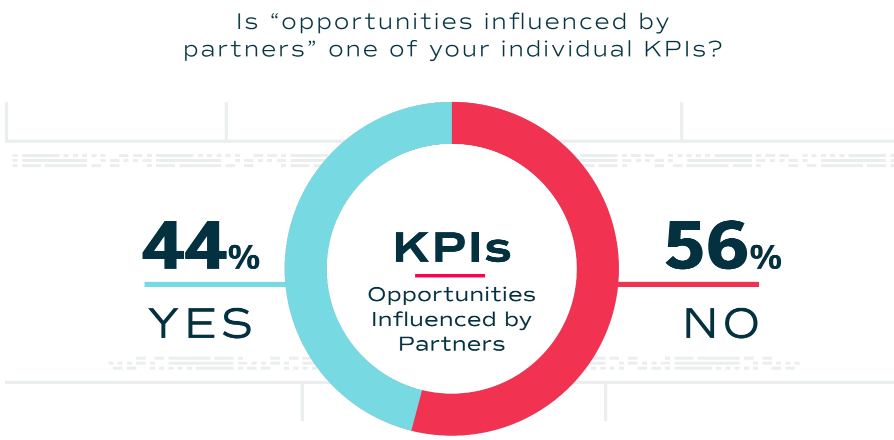


On average, companies target $800K in partner-sourced opportunities.

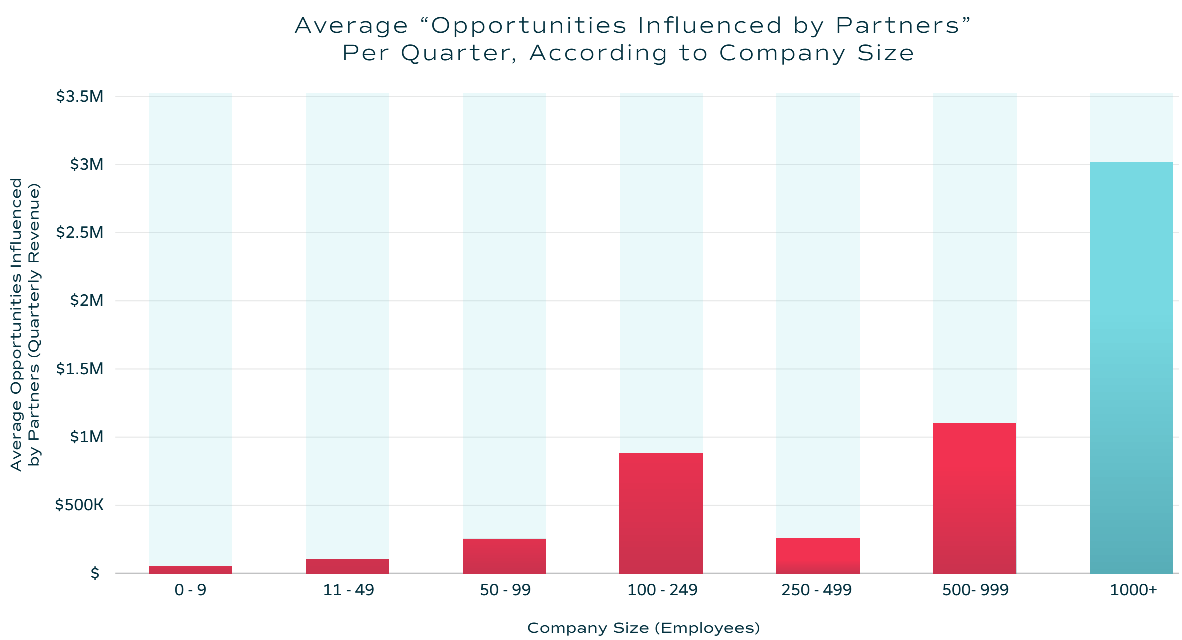


Opportunities influenced by partners

The majority of partnership professionals don't measure opportunities influenced by partners.



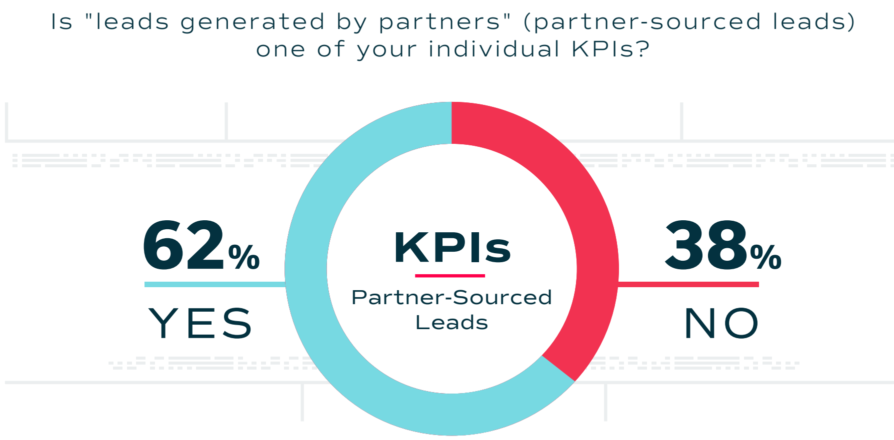
On average, companies target $1.2 Million in partner-influenced opportunities.



In 2021, companies at the 500-999 employee-size were responsible for more than $3 Million in influenced opportunities on average — more than their neighbors at the 1,000+ employee-size. Now, that number has dropped to just over $1 Million. However, this target has increased for companies with 100-249 employees.

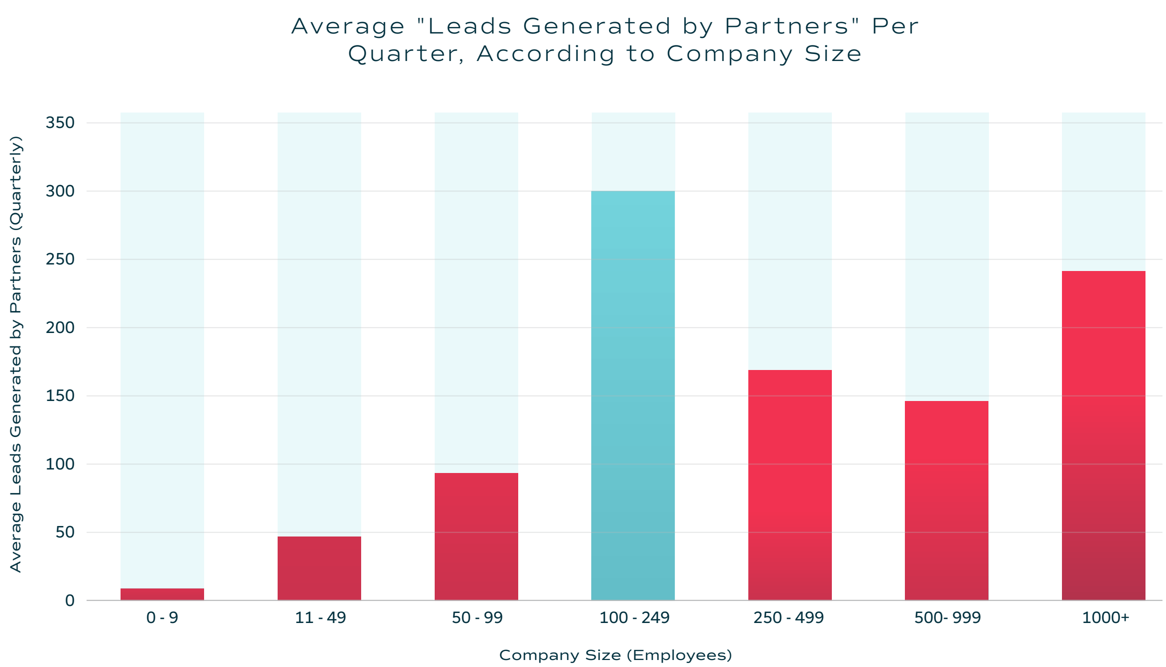
Leads generated by partners (partner-sourced leads)

"Leads generated by partners" remains a consistently popular KPI from 2021 to 2022, losing its #1 spot but still rising two percentage points.



The partner-sourced leads target for companies with anywhere from 100 to 499 employees and with 1,000 or more employees increased since 2021.

On average, respondents reported that partners source **30%** of their pipeline.*
**The median is less at 23%.*



According to *Pavilion's* State of Sales Development Survey, 73% of SDRs were under quota in 2022, and the most popular incentive for SDRs was "Meetings booked". To support your SDRs in 2023 and meet your partner-sourced leads target, roll out incentives that encourage your SDRs to increase the number of touchpoints they have with partners each month.

To align the incentives with their compensation, work with your sales leadership team to ensure partner-sourced leads count towards your SDRs' quotas. If not, they'll be more incentivized to work alone.

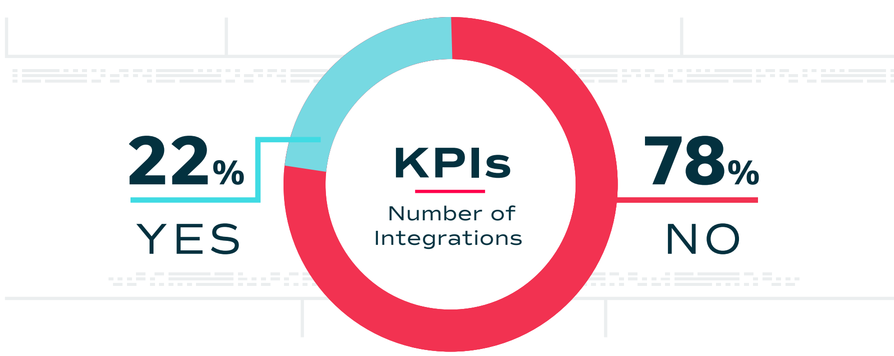
Number of new technology integrations

The popularity of "number of new technology integrations" as a KPI dropped seven percentage points. As PEP usage outpaces PRM usage, this could signal that partnership teams are prioritizing quality of partnerships over quantity and investing in long-term strategies that guarantee results.

In tech partnerships, a drop in the targeted number of new technology integrations could mean teams are focusing on more high-quality integrations that customers use and buy.

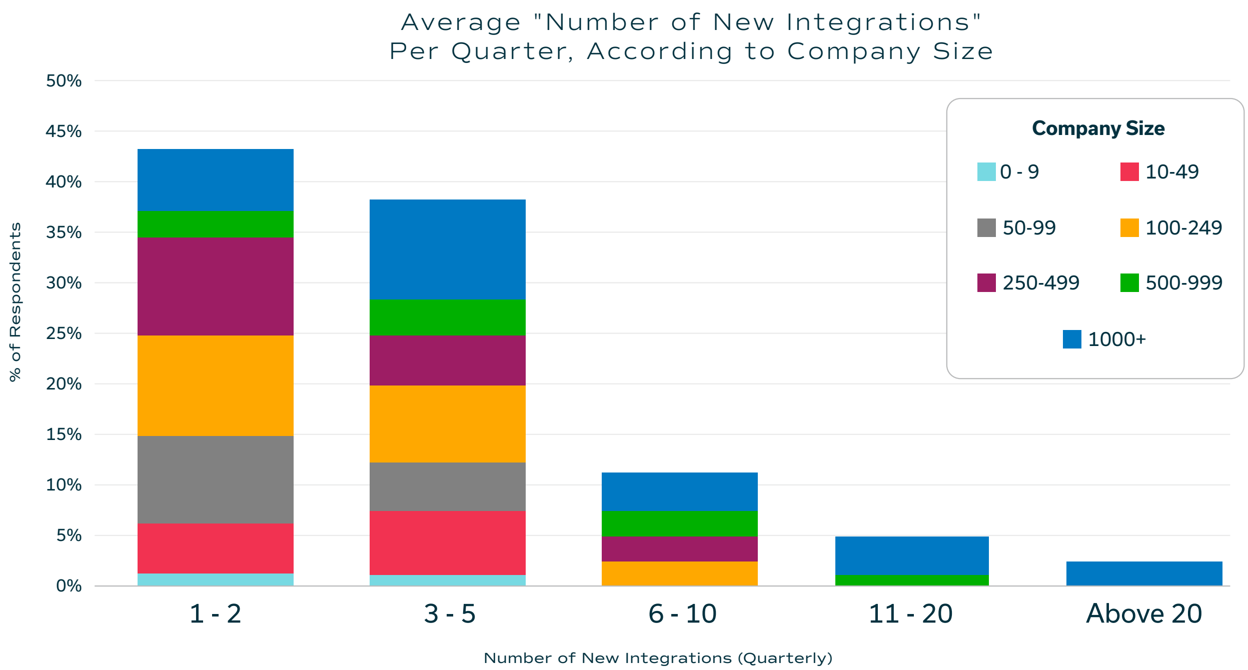
In channel partnerships, an uptick in PEP usage signals that teams are proactively identifying partners with similar ICPs and higher revenue generating potential, not just high-volume lead swapping. Remember: the partner-sourced revenue KPI (64%) and leads generated by partners KPI (62%) are close in rank — Lead targets must be tied to revenue.

Is "number of new technology integrations" one of your individual KPIs?



Of those who measure the "number of new technology integrations" KPI, the majority (71%) are held accountable for launching *only three* integrations or less in a given quarter.

The most common amount of integrations partnership professionals are held accountable for each quarter is 1-2 integrations.

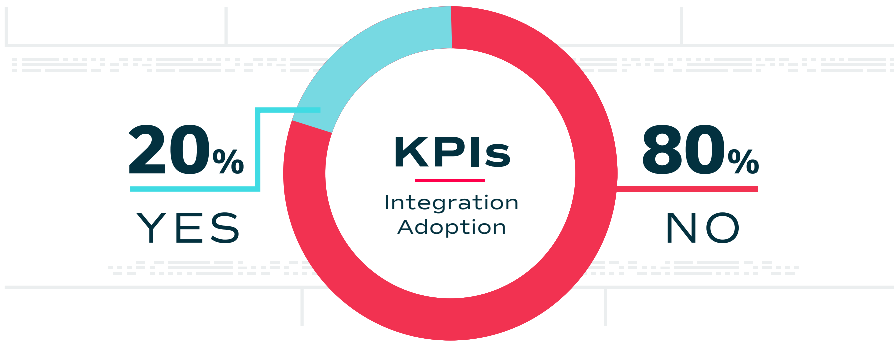


Integration adoption

"Integration adoption" continues to be the least popular KPI. Yet, the impact is evident. Respondents reported that their integration users are 58% less likely to churn on average. Compare this to 2021, when more than half of respondents said they did not know how much their integrations impacted churn.

A note: The average tenure of our survey respondents is 17.5 months. When launching a new integration, the first step is to drive adoption among mutual customers. However, many of our respondents report to sales and may need to instead prioritize metrics like revenue and lead-gen as they get ramped up.

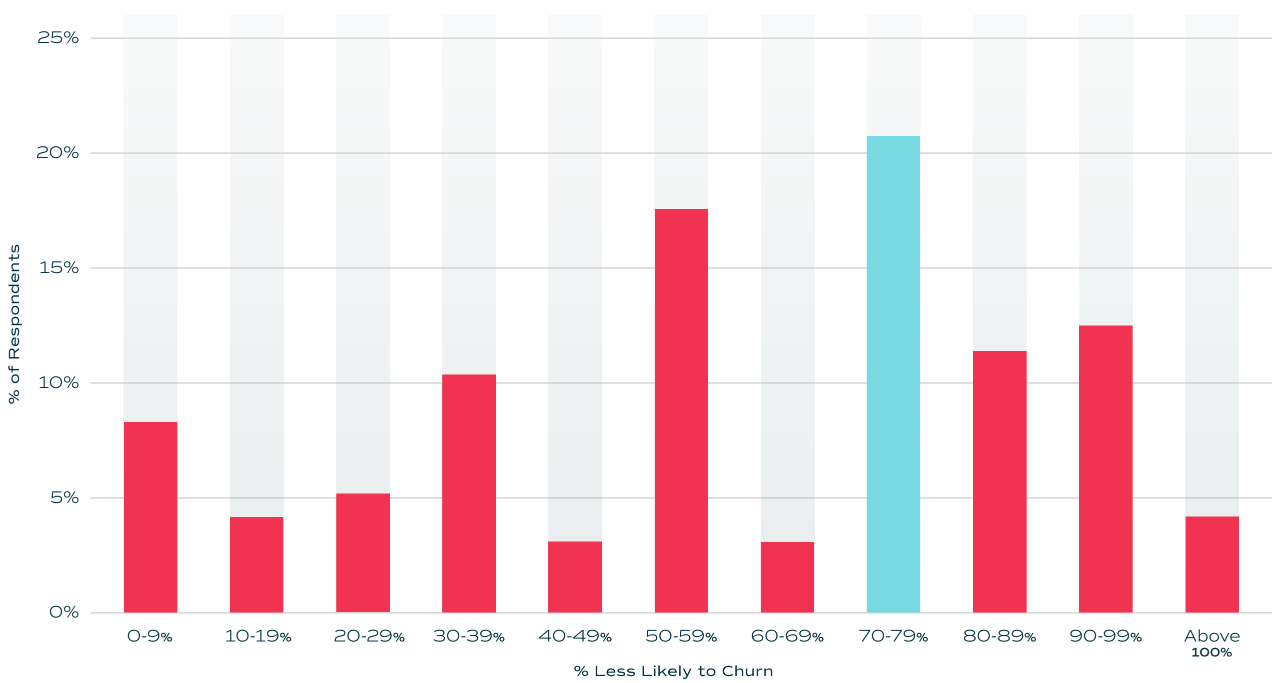
Is "integration adoption" one of your individual KPIs?



Companies with 10-99 employees most often reported that their integrations prevented churn by 50-59%. Companies with 100-499 employees most often reported the impact to be 70-79%.

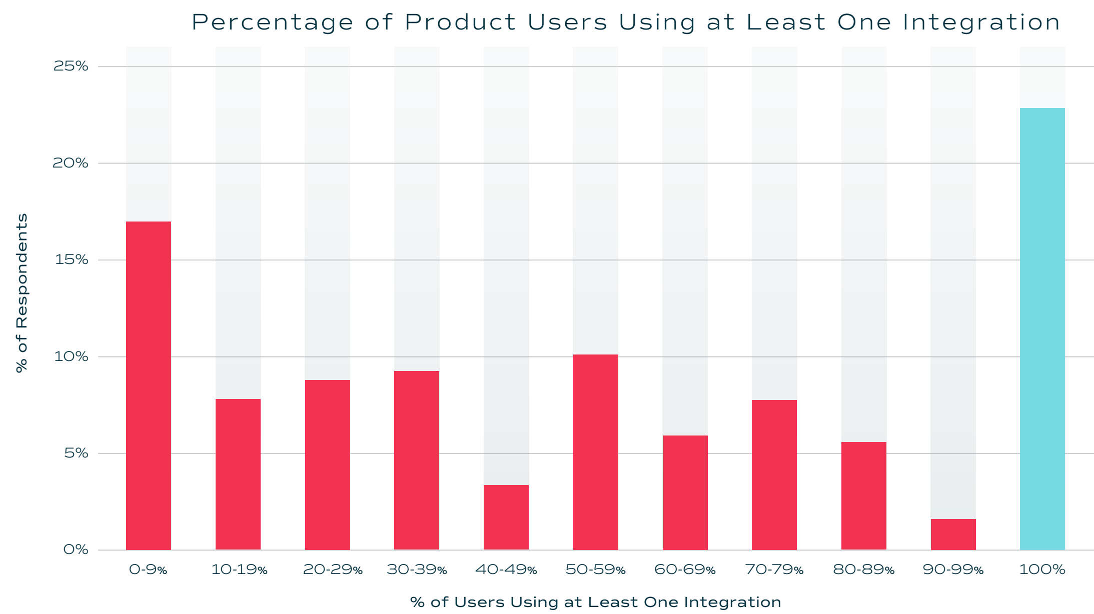
On average, integration users are **58%** less likely to churn.

Our integration users are ___% less likely to churn:



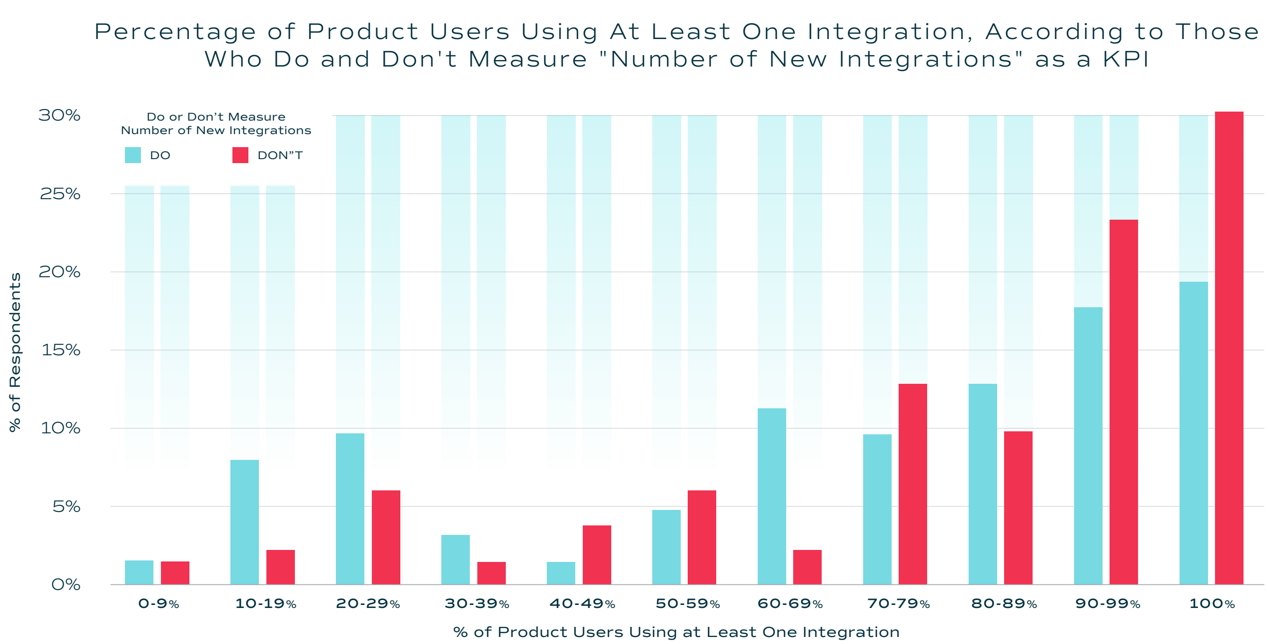
On average, respondents reported that **74%** of their product users use at least one integration.

However, this percentage varies significantly among respondents.



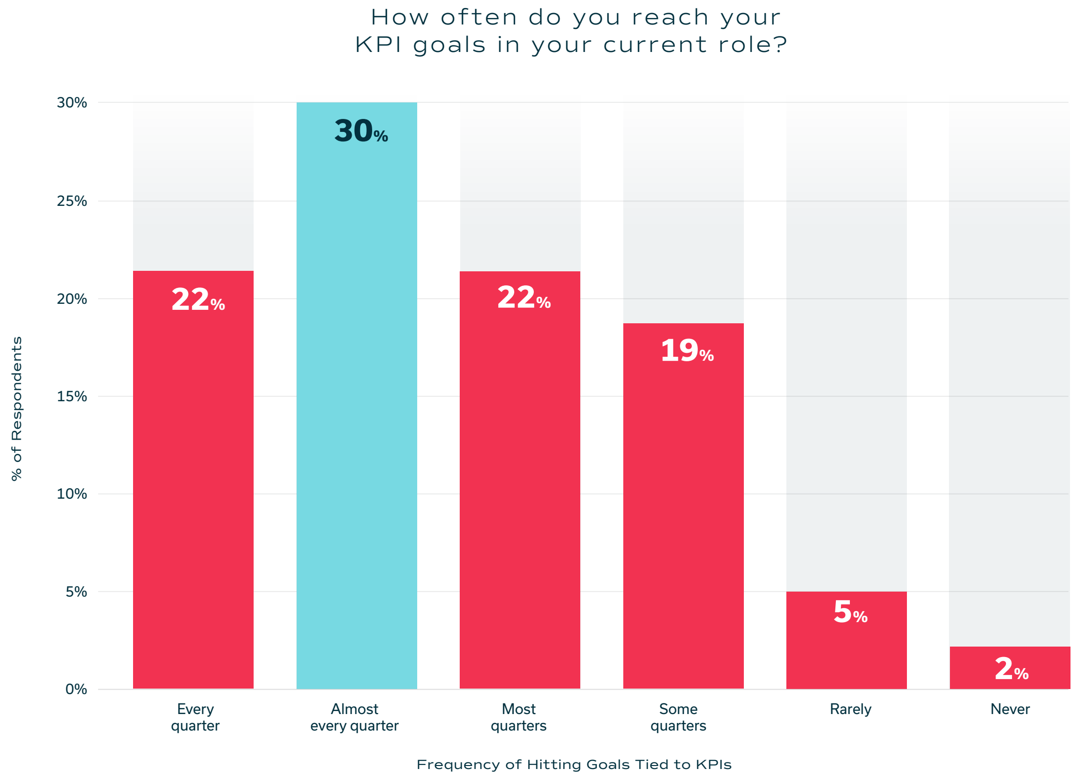
To note: 23% of respondents reported that 100% of their product users use at least one integration. However, many SaaS products require adopting one integration at onboarding (for example: a sales outreach tool that must integrate with your CRM tool in order to function effectively).

Overall, those who *don't measure* "number of new integrations" are more likely to report that 70-100% of their product users use at least one integration compared to those who *do measure* "number of new integrations". Our theory about quality over quantity prevails.



Partnership professionals continue to hit their goals

The consistency in partnership professionals' ability to hit their goals since 2021 is a sign of the resilience of an ecosystem-led growth strategy regardless of economic volatility. 74% hit the goals tied to their KPIs at least "most" quarters. Should partner programs be, dare we say, more ambitious?



HOW WE WORK

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The phrase "unprecedented times" has become… pretty precedented. In 2022 company leaders and employees alike had to re-evaluate how they work. Again.

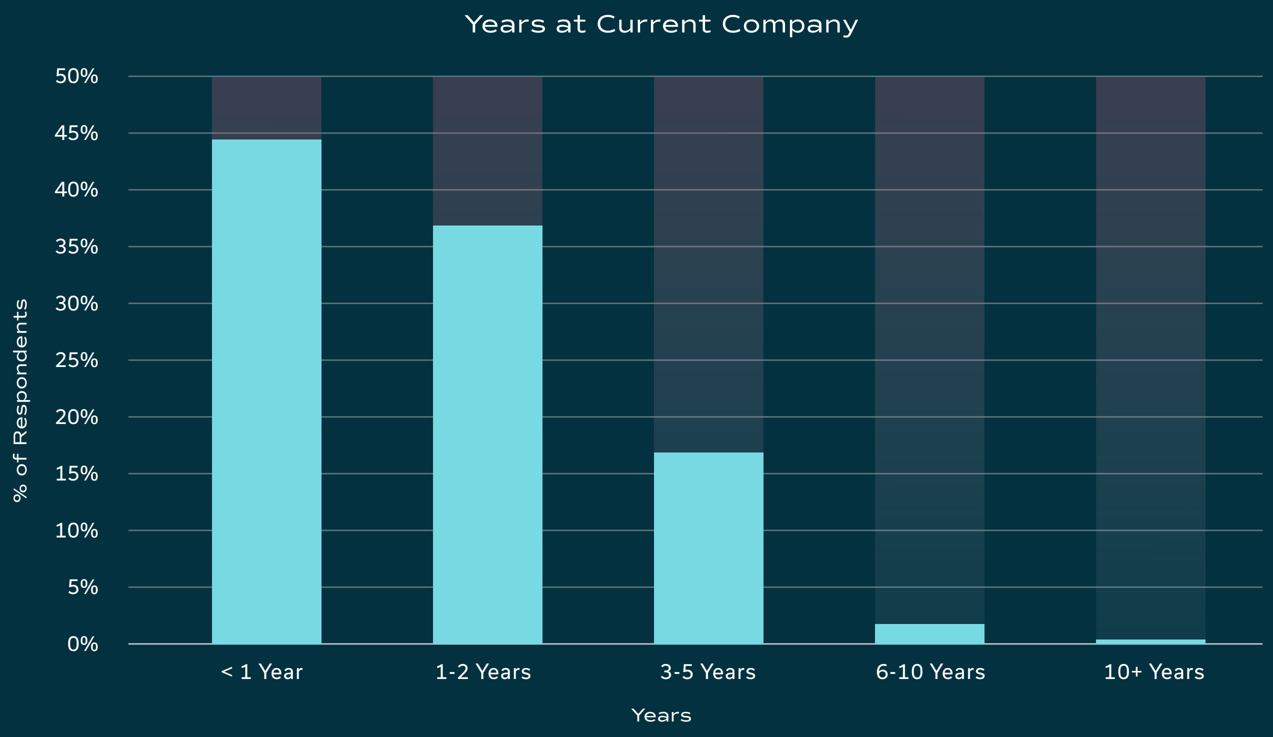
When remote work dropped from an all-time high from 2020 to 2021 (91% to 65%), we questioned whether remote work was here to stay or whether it would slowly decline as more companies returned to the office.

Can video chats accomplish just as much (or more) as an in-person partnership meeting? Will the phrases "remote," "hybrid," or "in-office" become sought-after descriptors in job listings? Will we ever have to buy a pair of "hard pants" again?

In this section, we take a look at how the ways in which we work have adapted to changing economic conditions and a fading pandemic to better understand which work exceptions might become the rule.

Job hopping has slowed — barely

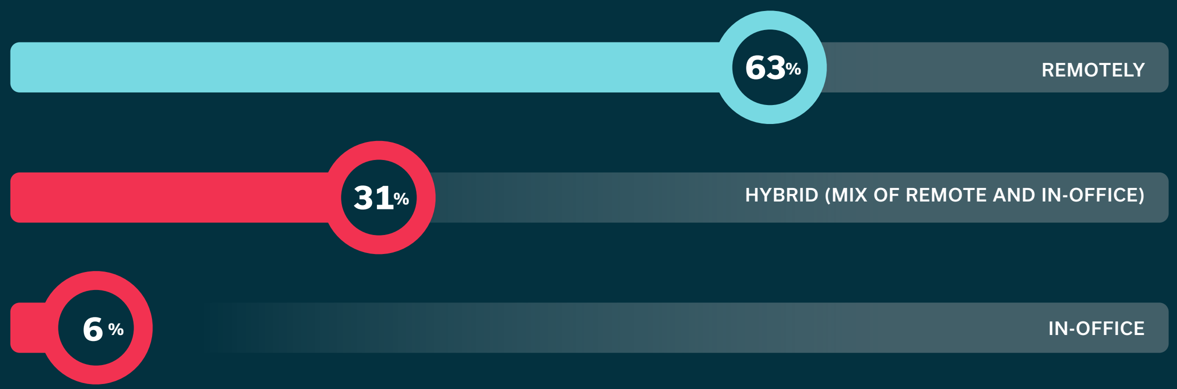
17.5 months was the average job tenure of our respondents. The number of respondents that started a new role in the previous 12 months dipped, from 56% to 52%. Compare this to 2021, which was defined in part by the "great resignation", with 51% of respondents leaving their jobs at least once.



Remote work rates level off. A new(er) normal?

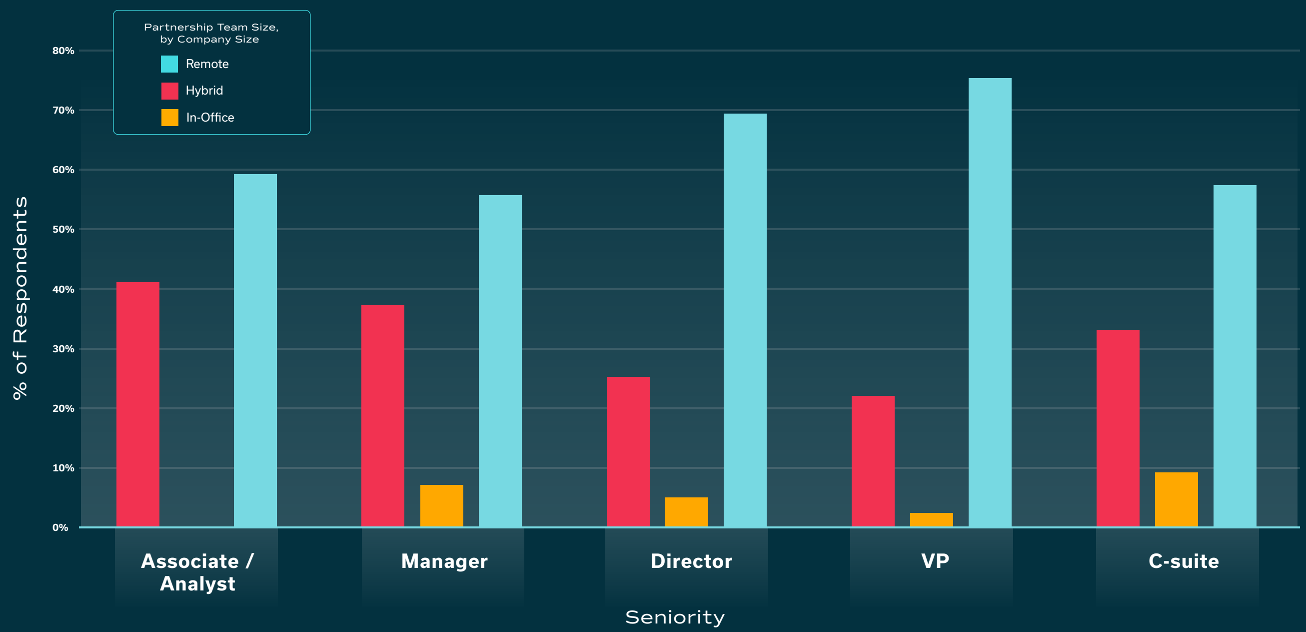
The number of remote workers held steady over the last two years, with only a small drop from 65% in 2021 to 63% in 2022. Those two percentage points are accounted for in the slight increase in in-person workers, from 4% in 2021 to 6% in 2022. Hybrid work remains unchanged at 31%.

Are you personally typically working remotely or in a company office?



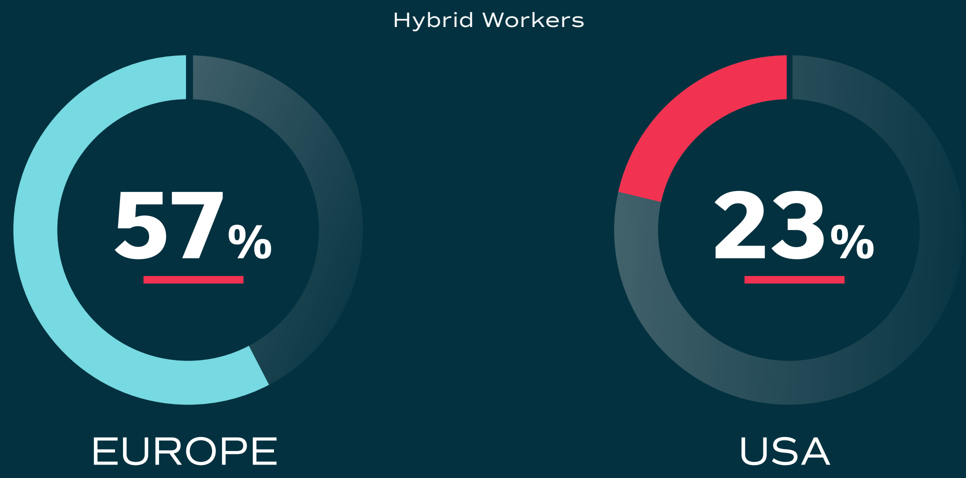
Remote work tracks with seniority — those in leadership positions are less likely to be heading back into the office.

Are you personally typically working remotely or in a company office?



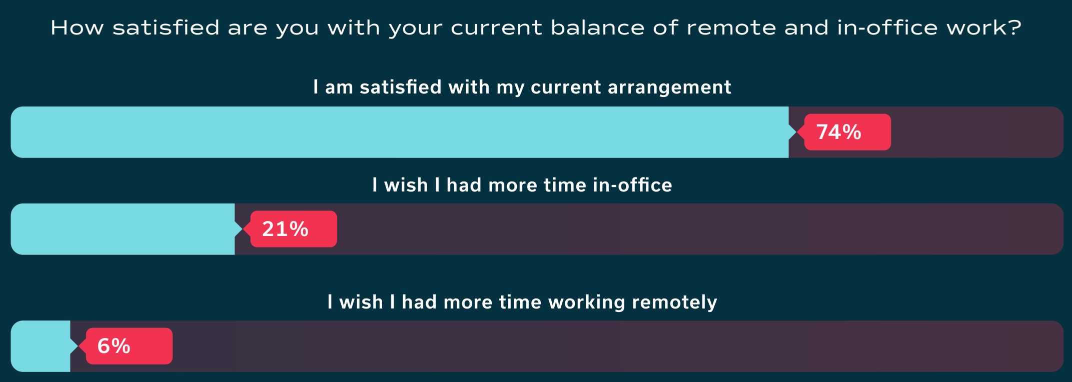
Hybrid work is most popular in Europe

Return to office, or "RTO", approaches vary by geography. Europeans are more likely to split their time between at-home and in-office.

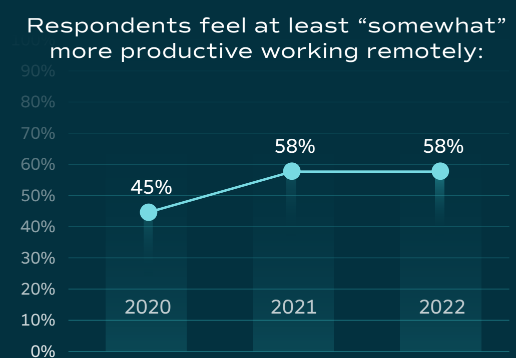


Partnership professionals are happy and productive working remotely

21% of respondents want more in-person work (similarly to in 2021). Respondents who want more time working remotely saw the biggest increase, from 3% in 2021 to 6% in 2022.

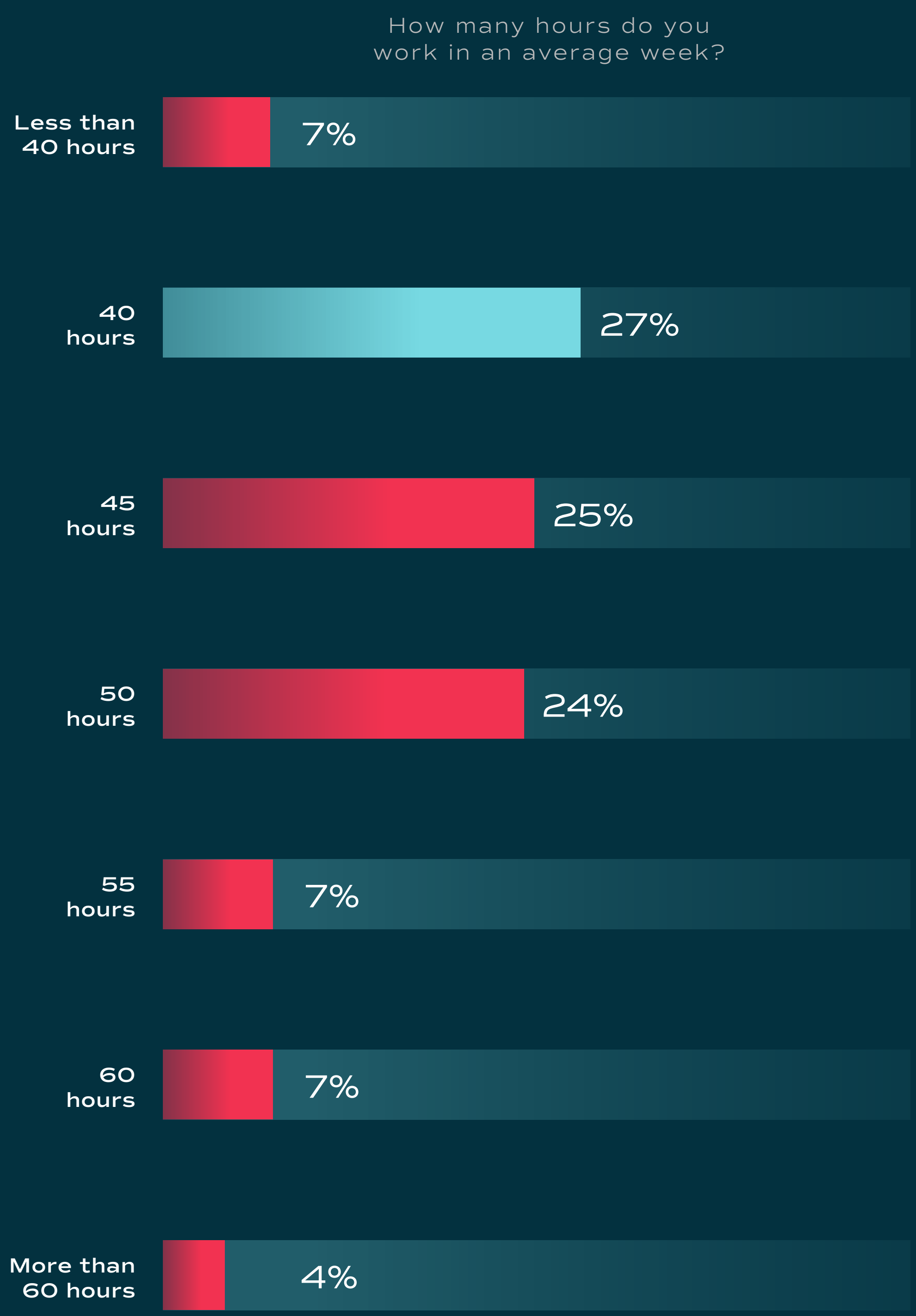


Similarly, productivity levels linked to remote work have leveled out since the work-from-home boom at the start of the pandemic.



Partnership leaders are working a 40-hour work week

For the first time since we began measuring, a 40-hour work week is the most popular work schedule among respondents (27%).




BIG MOVERS
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"Big Movers" refer to the data points that have significantly changed course over the past years. This is our fourth consecutive year publishing the State of the Partner Ecosystem report.

Below are five of the trends we've seen.

Big mover #1: 2022 called for more partner-sourced leads, less revenue

"Leads generated by partners" remains a consistently popular KPI, but the *number of leads* partnership professionals are held accountable for more than doubled for companies with 100-249 employees and also increased for companies with 250-499 employees and 1,000 or more employees.

With VC funding down and traditional sales tactics on the wane, early-stage companies may be focusing on generating a higher number of high-quality leads that are likely to convert and grow their accounts in the future.

Average Leads Generated by Partners
KPI Per Quarter, for Company Size 100-249

130
2021

299
2022

Big mover #2: US-based respondents' compensation jumps

Likely as a product of inflation, record VC investment, and sky-high valuations, the average total compensation* of partnership professionals in the United States was the highest we've ever recorded.

$179K
2020

$177K
2021

$195K
2022

*In these average compensation calculations, we used the median compensation amount in the answered range. These salaries include any commission and bonuses. Numbers rounded up to the nearest thousand.

Big mover #3: The pay gap for men and women is shrinking

When looking at average compensation by seniority and gender, there was an obvious difference in the gender wage gap for a number of seniority levels. We took a closer look at the gender wage gap change for VP-level roles from 2021 to 2022 — There was an 83% reduction in the gender wage gap for VP-level roles in one year.

To note: Significantly less women in VP-level roles answered the State of the Partner Ecosystem Survey in 2019 and 2020, so we did not compare those datasets. We wonder: Could this be a sign that *more women* are entering into the VP-level ranks?

Gender Wage Gap for
VP-Level Roles From 2021 to 2022

2021 VP PAY
MEN EARN
$24K
MORE THAN WOMEN

2022 VP PAY
MEN EARN
$4K
MORE THAN WOMEN

Big mover #4: Mid-sized companies are held accountable for less

Companies with 500-999 employees are held accountable for less partner-influenced revenue and partner-sourced leads than companies of neighboring sizes.

Meanwhile, the amount of partner-influenced revenue companies with 250-499 employees are targeting has doubled since 2021 (from just over $1 Million to $2 Million).

Partner-Influenced Revenue Targets (2021)

$1M	$2M
250-499 Company Size	500-999 Company Size

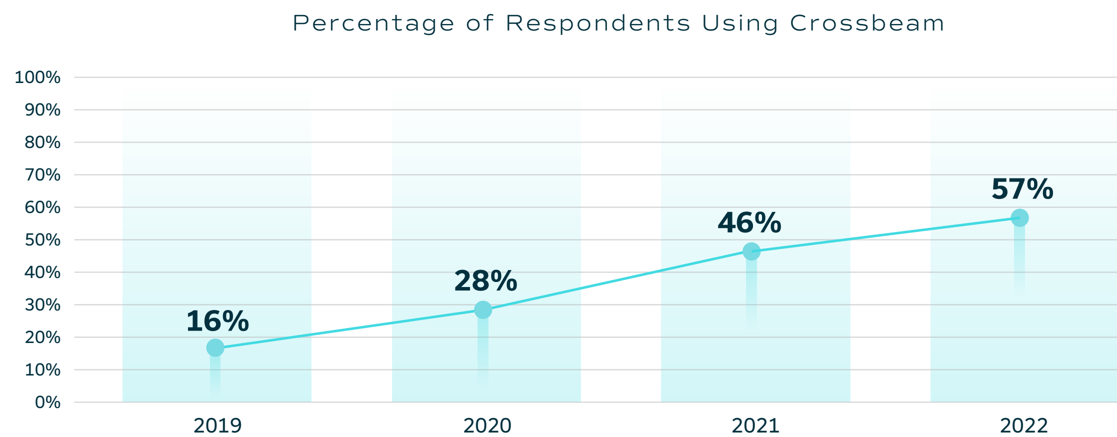
Partner-Influenced Revenue Targets (2022)

$2M	$1M
250-499 Company Size	500-999 Company Size

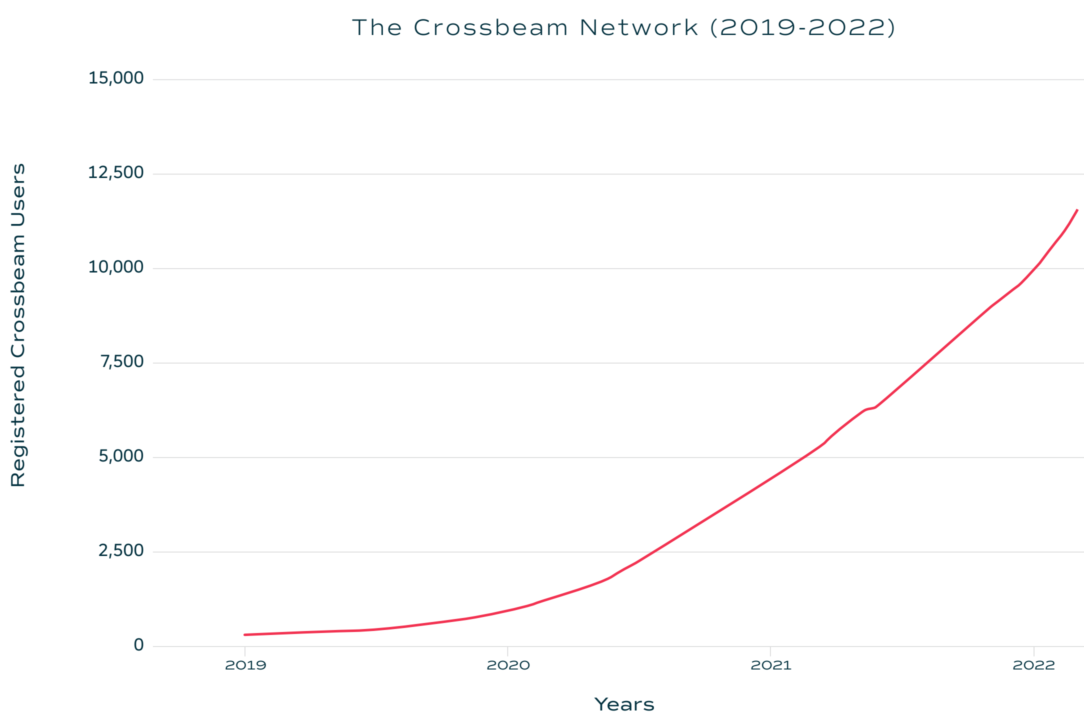
A theory: Modern partnership tools and workflows are easier to adopt and implement at smaller companies. We believe what we're seeing is a "friction point" for companies around the 500-employee mark. These companies may have difficulty introducing new tools and processes that disrupt existing processes. We anticipate this changing in future reports as smaller companies scale into the 500-999 employee size.

Big Mover #5:The Crossbeam network continues to grow

More than 50% of survey respondents are Crossbeam users. The percentage of respondents who are Crossbeam users has increased annually, with the biggest jump between 2020 and 2021. As budgets shrunk and teams streamlined their tech stacks, PEP usage grew significantly among users in the U.S., increasing by 16 percentage points.



Pictured below: A bird's-eye view of the Crossbeam network from 2019 to 2022.



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