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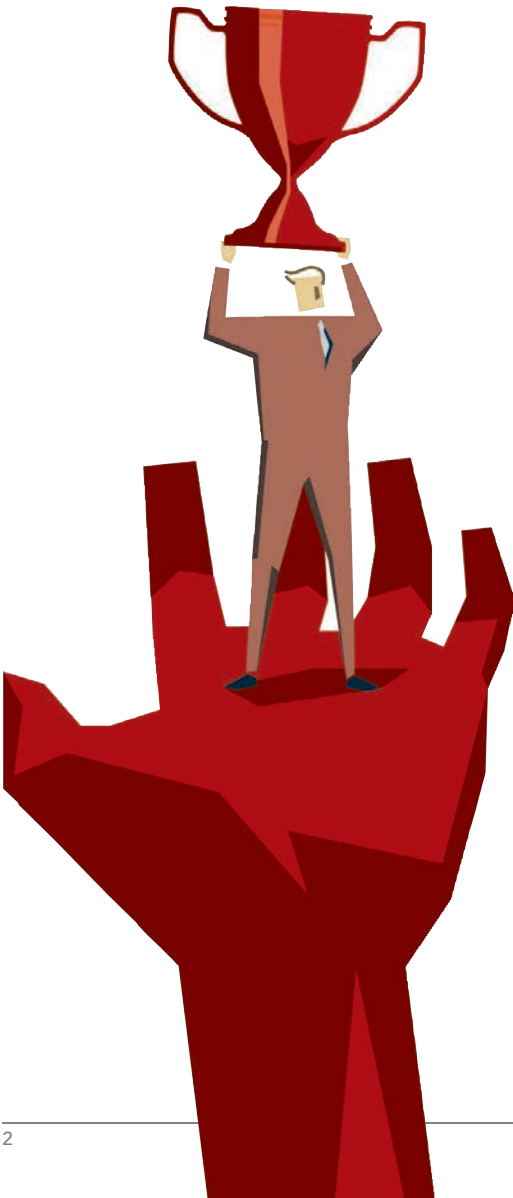
CHANNELWEB.CO.UK



CHANNEL ROUND-UP

VENDOR

■ Eric Schmidt, the executive chairman of Google's parent company **Alphabet**, is to step down in January. In a statement, Alphabet said Schmidt would remain with the company as technical adviser on science and technology issues while continuing to serve on its board. Schmidt, who has been with the tech giant since 2001, confirmed the news in a tweet: "After 10 years as CEO and seven as executive chairman, I can't wait to dive into the latest in science, technology and philanthropy. I look forward to working with Larry and Sergey on our future here at Alphabet." Alphabet said it expects the board to now appoint a non-executive chairman.



■ **Apple** revealed its plans to acquire UK-based Shazam, for an undisclosed amount. The Shazam app lets users identify music through their smartphone. In a statement Apple described Shazam as a "natural fit" with its Apple Music streaming service.

■ **Avaya** exited Chapter 11 this month, but its president slammed its rivals for capitalising on its woes with "negative selling". The firm's exit from bankruptcy protection follows a turbulent year, during which it reduced debt by \$3bn and sold its networking business to Extreme Networks. The firm now plans to float on the New York Stock Exchange.

■ **Barracuda Networks** has warned there will be a rapid increase in the number of ransomware attacks over the next 12 to 24 months. Eugene Weiss, lead platform architect at Barracuda, claimed the growing availability of cryptocurrencies provides attackers with the possibility to remain anonymous while conducting mass attacks.

■ **BlackBerry** has introduced a Crisis Communications specialisation to assist members of its Enterprise Partner Programme in helping clients amid crises. According to a blog post by Richard McLeod, VP of enterprise software channels at BlackBerry, the specialisation is targeted at channel partners with a history of deploying software in industries with "critical life-safety requirements."

Separately, the firm announced it will continue to support legacy BB10 OS phones, but won't deliver any regular updates to its Android Priv device. In a blog, Alex Thurber, SVP and general manager of the Mobility Solutions Division at BlackBerry, said the device manufacturer has delivered on its promise to provide two years of monthly software updates following the launch of the Priv.

■ Earlier this month, **Broadcom** held off upping its \$105bn bid for Qualcomm, according to a Bloomberg report. Citing "people familiar with the matter," Bloomberg said Broadcom does not plan on increasing its offer, which was made in November, until closer to March, when Qualcomm will hold a board meeting. In addition, it said Broadcom is expecting to nominate directors to Qualcomm's board before the 8 December deadline.

■ **Cisco** is planning to acquire Cmpuete.io, a software platform that helps customers determine and manage the cost of moving workloads into the public cloud. In a blog, Rob Salvagno, Cisco's VP of corporate business development, explained that Cmpuete.io's software solution "helps customers right-size their cloud workload instances, minimise overprovisioning and avoid paying for resources that don't deliver business value." →

■ **Clarity**, a start-up from Israel's Team8 foundry, is to integrate with RSA's NetWitness Suite threat detection and incident response platform. Clarity Platform is a suite of products offering protection, detection and response capabilities for operational technology and industrial control systems.

■ **Cloudian** is rolling out what it claims is the industry's first object storage-based file solution to combine full network attached storage (NAS) and scale-out capabilities. Cloudian HyperFile is an integrated NAS Controller that delivers SMB/NFS file services from on-premise Cloudian HyperStore object storage systems. The vendor lists target markets as home directory, work group collaboration, medical imaging, engineering files, legal documents, financial records, media and entertainment assets and video surveillance data.

■ **CloudJumper** reported a more than 200 per cent increase in sales over the previous year for its nWorkSpace flagship product. The workspace-as-a-service platform provider attributed the growth to its expanded sales channel.

■ **Datto** is unsure if it will keep the Autotask brand name following its mega merger, according to VP Patrick Burns. Vista Equity Partners completed its acquisition of data protection vendor Datto earlier this week, merging it with business management vendor Autotask. The newly formed business will operate under the Datto name, with Datto CEO Austin McChord at the helm.

Burns, who joined the Datto executive team from Autotask, said the vendor has not yet decided whether or not the Autotask brand will play a part in the combined company's future.

■ **Dell Boomi** this month announced updates to its integration-platform-as-a-service offering to improve productivity, accountability and collaboration internally and with customers and partners. According to Boomi, the latest release will add new integration accelerators. Enhancements include an updated drag-and-drop data integration and application development environment with new, pre-built tools and reusable components.

■ **Dell Technologies** reported \$19.6bn in revenue and non-GAAP revenue of \$19.9bn for its fiscal 2018 third-quarter results. This compares with \$16.2bn in revenue and \$16.8bn in non-GAAP net revenue for the fiscal 2017 Q3. For the three months ending 3 November, Dell Technologies saw an operating loss of \$533m, with non-GAAP operating income of \$2bn.

■ **Gigamon** unveiled a visibility offering aimed at supporting SSL/TLS decryption for high-speed 100Gb and 40Gb networks. The vendor said the offering will provide the ability to decrypt and re-encrypt data one time and inspect it with various security technologies in order to "expose hidden threats in SSL/TLS sessions, reduce security tool overload and extend the value and ROI of existing security tools".

■ **Google** is set to open an artificial intelligence (AI) research centre in China. Announcing the Google AI China Centre in a blog post, Fei-Fei Li, chief scientist of AI/machine learning at Google Cloud, said it will be the company's first such facility in Asia and will be staffed by a team of AI researchers in Beijing, supported by Google China's engineering teams. The centre joins other Google AI research groups in New York, Toronto, London and Zurich.

■ **HyTrust** launched CloudAdvisor, a virtual appliance said to allow companies to identify data risks. The cloud security firm claims its offering works within virtual environments and integrates fully with VMs, Active Directory and storage-based snapshots.

■ **IBM** is set to expand its offerings to provide customers with more multi-factor authentication technologies. The new integrations will be available as applications for download via a new authentication section in the IBM Security App Exchange. They will include hardware-based tokens, biometrics and mobile authentication apps, including those from BuyPass, DualAuth, Imageware and Yubico.

■ **Ironscales** has raised \$6.5m in Series A funding, →



bringing total funding to \$8m. The Israeli anti-phishing firm plans to invest in its channel programme, expand its global sales teams and develop machine-learning capabilities.

■ **Juniper** is set to overhaul its global partner programme next month, introducing seven specialisations by which its Elite and Select partners will be classified: Security, Datacentre, Service Specialist, Software Development Partner, Cloud Services Partner, Cloud Integrator and Cloud First Select. Partners will have until the end of March to complete certification in their chosen categories.

■ **Kaseya** is rolling out a new business intelligence and benchmarking tool that enables its MSP customers to compare service offerings with their competitors. Kaseya says the portal, MSP Insights, allows service providers to benchmark their performance against other local MSPs, analyse service offerings, evaluate bundling and pricing strategies, and review technical trends. The vendor said despite a need for cost savings, customers need service providers to deliver new offerings that address emerging technologies.

■ **Kaspersky Lab** is shifting its focus to enterprise following a ban on the anti-virus software's use by the US government. The vendor is shutting down its Washington D.C. office but says it will keep working with non-federal customers, according to a Reuters report. The report quotes an interview with Kaspersky VP Anton Shingarev, who says the firm plans to open new offices in Chicago, Los Angeles and Toronto in 2018. The vendor also plans to create Transparency Centres in the US, Europe and Asia, where its software's code can be analysed by independent experts, he said.

Separately, Kaspersky Lab co-founder and CEO Eugene Kaspersky wrote an open letter detailing the vendor's decision to file an appeal in federal court challenging the US Department of Homeland Security's (DHS') ban of Kaspersky software from federal information and federal information systems.

"The company did not undertake this action lightly, but maintains that DHS failed to provide Kaspersky Lab with adequate due process and relied primarily on subjective, non-technical public sources, like uncorroborated and often anonymously sourced media reports and rumours, in issuing and finalising the directive," he wrote.

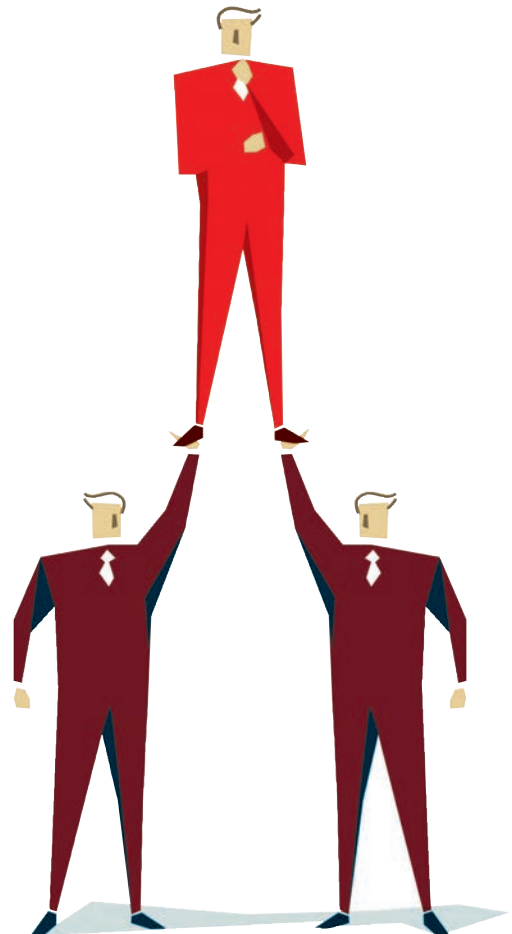
■ **LogRhythm** has entered the user and entity behaviour analytics (UEBA) market with LogRhythm UEBA, an analytics offering that it claims provides security of environments for customers that wish to augment a non-LogRhythm SIEM or introduce a standalone UEBA product if there is no formal SIEM in place.

■ **Microsoft** has added a number of new artificial intelligence features to its Bing search engine, Cortana intelligent assistant and Microsoft Office

365 suite. The new AI-based features in Bing — Intelligent Answers, Advanced Image Search, and Conversational Search — provide "the most relevant results and search capabilities," the software giant claimed. Microsoft also previewed new "hands-free, eyes-free" capabilities in Cortana, alongside a Skills Suggestion and Chaining feature, for email and calendar management.

■ **Oracle** posted strong second-quarter financials with a 44 per cent hike in cloud revenue, but its rather gloomy outlook caused shares to drop seven per cent. In Q2, total revenues were up six per cent to \$9.6bn compared with 2016. Net profit grew 10 per cent to £2.2bn. However, the vendor's cloud growth is forecast to slow between 21 to 25 per cent in the current quarter, which caused market jitters.

■ **Vitruvian Partners** has grabbed a 30 per cent minority stake in cybersecurity vendor Bitdefender. Existing investor Axxess Capital sold its stake in Bitdefender to the new investor after working with the security vendor for eight years. The new investor will become the second-largest investor in Bitdefender, with co-founders Mariuca Talpes and Florin Talpes continuing to hold majority stakes.



DISTRIBUTOR

■ **ABC Data** is planning to become one of the top three distributors in each of its eight markets in 2018. The Polish giant claims it is the only distributor with a “strong local presence” in eight CEE markets, with operations in Poland, the Czech Republic, Slovakia, Romania, Lithuania, Latvia, Estonia and Hungary.

■ Creditors of failed **Entatech** are set for a 35 to 45 pence return, according to an administrator’s report by KPMG. Entatech went under in May this year, owing £9.7m to unsecured creditors, including £7m to trade creditors. It is now in voluntary liquidation. Microsoft is the largest trade creditor, owed just over £1.2m.

■ The **Global Technology Distribution Council** claims in its latest research that the channel will see increased reliance on distribution, but that many vendor execs still do not understand the commercial merits of the two-tier model. The channel consortium, whose members drive more than \$130bn in annual worldwide sales, said that more than 60 per cent of vendors will see both the value and the

share of business going through two-tier distribution increase over the next three to five years.

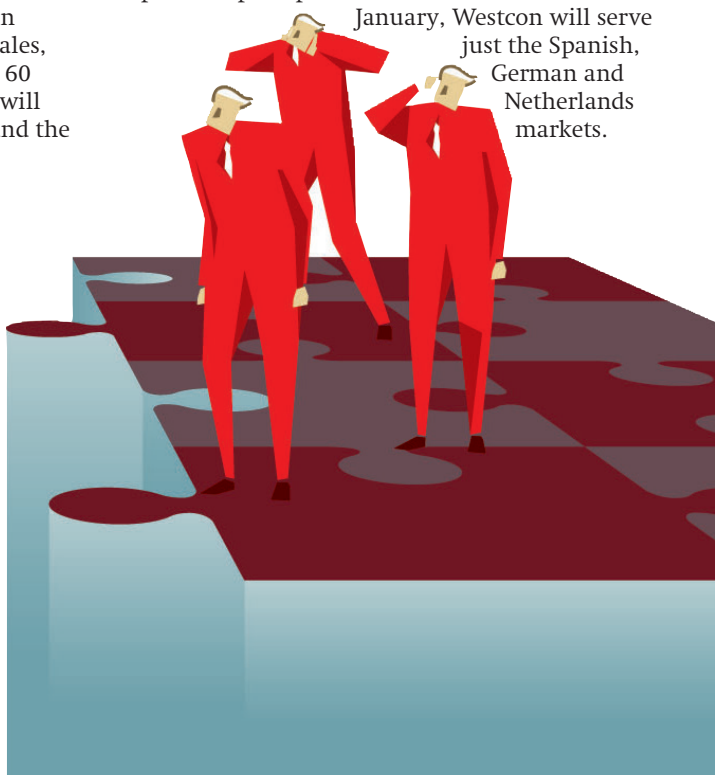
■ **Ingram Micro** acquired Cloud Harmonics, a California-based provider of cybersecurity solutions for the US and Canadian markets. The distributor claimed the purchase brings new education, training and technical enablement services, plus a focus on building relationships with new and emerging security vendors.

Separately, Ingram added an artificial intelligence-powered mobile security offering from IBM to its Ingram Micro Cloud Marketplace. IBM MaaS360 with Watson is an enterprise mobility management platform targeting SMB and enterprise-sized customers.

■ **Midwich** acquired Letchworth-based Sound Technology for an undisclosed sum. The firm will continue to operate as an independent company, but will become a subsidiary of the Midwich Group. Since going public, Midwich has so far acquired in the UK, Spain, New Zealand and the Netherlands.

■ **Westcon** was dropped by Juniper Networks as an EMEA-wide distribution partner after the vendor’s signing of a pan-EMEA deal with Nuvias in September prompted a distribution review. From

January, Westcon will serve just the Spanish, German and Netherlands markets.



RESELLER

■ **Advanced Technology Services (ATS)** acquired New Jersey-based MSP Innovative Technology Solutions (ITS) for an undisclosed sum. ATS claimed its customers would benefit from expanded technical support and new managed services resources, while ITS claimed it would see increased global exposure and an expanded services portfolio.

■ Nordic VAR **Atea** has gained an anti-bribery certification as part of an “extensive self-cleaning process”, as it looks to move on from customer and partner concerns of unethical business activity. The firm claims to be the first organisation in Denmark to be awarded ISO 37001 — the highest international anti-bribery certification.

■ MSP **Coretx** was forced to rebrand as IDE Group after a trademark dispute with IT services firm Coreix. The Coretx brand was officially launched in 2016, following the merger of C4L and Selection Services. Coreix objected to the rebrand and started legal proceedings, with a judge ruling that Coretx had “infringed” Coreix’s copyright.

■ A court in Connecticut has found that global IT services provider **DXC Technology** purposely misclassified 1,000 of its system administrators to avoid paying them overtime. The ruling came after employees brought a class-action lawsuit against the company formerly known as Computer Sciences Corporation, which included 11 claims of labour law violations against the firm.

■ Coventry-based components VAR **Eclipse Computers** went into administration, leaving customers fuming over unfulfilled orders. A notice published in the *London Gazette* confirmed that Computec Trading Limited, which traded as Eclipse Computers, was set to have liquidators appointed.

■ **Gemalto** rejected Atos’ €4.3bn takeover bid, claiming the French IT service provider’s offer “significantly undervalues” the company. The Dutch security vendor and SIM card manufacturer also claims that Atos’ offer “fails to provide a compelling strategy” against its current prospects as a standalone firm. However, soon after it sold up to French rival Thales in a deal worth €4.8bn, which valued it at €51 a share. Thales plans to integrate Gemalto into its digital offering.

■ **Integrity 360** has strengthened its UK presence after snapping up security specialist Metadigm for an undisclosed sum. The Dublin-based VAR has offices in London and Birmingham and plans to increase its presence further through growth and acquisition. Metadigm has been rebranded to Integrity 360.

■ Services firm **ITPS** became the first in the world to deploy Microsoft’s Azure Stack. The Gateshead-

based firm installed the hybrid infrastructure in its datacentre, allowing it to access Azure’s features in an on-premise environment.

■ **Logicalis** became Cisco’s sixth Global Gold partner after the certification level was introduced in May. The Global Gold tier allows partners with certifications in different regions to access the same benefits across all their regions. Partners need 12 accreditations across Cisco’s territories to qualify, plus they need to hit services and renewal targets.

■ **Misco’s** downfall was primarily caused by shifting its high-level customer service agents from the UK to Hungary, according to the administrator’s report. The firm also had a total debt of over £21m. To read the full story, [click here](#).

■ Research from VAR **Probrand** revealed that end users are receiving up to 40 unsolicited and unhelpful IT supplier calls a day. On average, 90 per cent of these ‘cold calls’ last between one and five minutes, meaning end-user customers are wasting up to three hours a day fielding unwanted calls. See the [full story here](#).

■ **Teneo** launched an SD-WAN-as-a-service offering this month. The integrator claims the new service is a response to restrictive “one size fits all” SD-WAN products and “increasingly complex WAN infrastructures.” The firm said the service can help meet demand from CIOs for more flexible ways to use the technology and prevents network managers “being drawn into inflexible carrier deployment processes and support contracts”.

■ **US resellers** mostly had a stable or better year, according to data released by OneAffiniti, a marketing firm that targets the channel. It surveyed 504 partners across the country, finding that 44.8 per cent of solution providers had a stable year in 2017, while 41.5 per cent increased revenue. Just 13.7 per cent reported declining revenue.

■ Systems integrator **Uni Systems** canned plans to open in the UK after two of its largest customers committed to relocating their HQs following Brexit. Two EU agencies, the European Medicines Agency and the European Banking Authority, are moving from Canary Wharf to Paris and Amsterdam respectively, resulting in the loss of 1,000 jobs.

■ **Wipro** is challenging a lawsuit filed against it for \$140m by National Grid US. The suit is based around an ERP implementation project that started in 2009.



RESEARCH

■ CRN UK released its *Top VARs* supplement this month, which looks at and evaluates the performance of the UK's top 100 resellers. To find out more, [click here](#).

■ Server revenue grew 19.9 per cent globally year on year to \$17bn in the third quarter of the year, according to IDC's Worldwide Quarterly Server Tracker. Volume server revenue grew 19.3 per cent to \$14.2bn, mid-range servers grew 26.9 per cent to \$1.3bn, fuelled by IBM's z14 released during the quarter. Topping the vendor leaderboard was HPE, followed by Dell, IBM and then Cisco. Bringing up the rear in fifth place was Lenovo.

■ A study by data security company Clearswift claimed that three quarters of employees are likely to exercise their right to be forgotten (RTBF) under the forthcoming General Data Protection Regulation (GDPR). As part of the new rules, an individual can ask for their data to be removed or deleted if there is not a strong enough reason for a business to keep processing that information. The Vanson Bourne-led survey of more than 600 senior business decision makers and employees across the US, UK, Germany and Australia indicates board-level staff are most likely (73 per cent) to request RTBF, compared with 47 per cent of junior management.

■ The five leading smartphone vendors all saw growth in the third quarter of 2017, according to

Gartner. Global sales hit 383.4 million units for the quarter, a three per cent increase over the same quarter last year. Samsung topped the chart with 22.3 per cent market share, followed by Apple with 11.8 per cent and Huawei with 9.5 per cent.

■ The mobile market is set for two per cent growth between now and 2021, according to IDC's Worldwide Telecom Services Database, which also claims the growth will be driven by mobile data usage and M2M applications. Fixed data services, which accounts for 21 per cent of the market, will grow by four per cent, driven by the need for higher bandwidth services.

■ According to a report on GDPR released by Veritas, 92 per cent of firms think their organisation will see improved data hygiene driven by GDPR requirements. The *2017 Veritas GDPR Report* examines 900 business decision makers in companies with at least 1,000 employees. It found that 68 per cent of respondents think their company will save money thanks to GDPR, while 45 per cent think they will be able to cut costs and grow revenue or market share as a result of improved data management driven by GDPR. A further 22 per cent think their companies will have more disposable cash thanks to the upcoming regulation.

■ Most IT decision makers believe machine-to-people interactions hold the key to improving customer experience, according to research from Mitel. Its figures claim 85 per cent of people questioned think it will positively transform the customer experience, something seen as an important part of digital transformation by 95 per cent of respondents.

■ The EMEA external storage market rallied in Q3 as sales saw a double-digit increase year on year after 10 consecutive quarters of decline, according to market watcher IDC. EMEA external storage market sales grew by 10 per cent annually in Q3. As in previous quarters, all-flash arrays saw the highest growth through a year-on-year comparison, climbing 40 per cent in US dollars, and accounted for almost a third (28 per cent) of overall external storage sales. Hybrid arrays saw 15.3 per cent growth, while hard disk drives declined by 15.9 per cent year on year.

■ The chief data officer (CDO) is set to become a lynchpin of digital business transformation, →



according to analyst Gartner. Its report *Survey Analysis: Third Gartner CDO Survey – How Chief Data Officers Are Driving Business Impact* claims that by 2021, the role of the CDO will be “a mission-critical function comparable to IT, business operations, HR and finance in 75 per cent of large enterprises”. The data also shows that for the first time, more than half of CDOs now report directly to a top business leader, such as the CEO, COO, CFO, president, owner or board/shareholders.

■ The channel is ideally placed to profit from the growth of infrastructure-as-a-service, according to Ingram Micro Cloud. Research commissioned by the distribution giant reveals 68 per cent of enterprise and mid-market cloud end users believe cloud resellers should offer 24/7 continuous customer support on top of the cloud platform.

In addition, 86 per cent of cloud resellers say their organisation also manages cloud services for their clients once they have sold them the platform.

■ Google, Apple and Microsoft have topped the charts of investing in the artificial intelligence space through acquisitions, according to new research by RS Components. By comparing the acquisition records of the top 10 tech giants over the last 19 years, RS Components was able to reveal which company is investing the most in AI start-ups. To see the top 10 investors, [click here](#).

■ Ransomware attacks increased by almost 2,000 per cent in 2017 according to a report from Malwarebytes entitled *The New Mafia: Gangs and Vigilantes – A Guide to Cybercrime for CEOs*. It points to a 1,989 per cent increase in ransomware detections since 2015 and a 94 per cent spike in average monthly ransomware detections since 2016. It also says detections rose from 90,351 in January to 333,871 in October 2017. The study also claimed attacks on businesses grew in “frequency, sophistication and malice,” comparing today’s cybercriminals to the Mafia, “in their willingness to intimidate and paralyse victims”.

■ Worldwide spending on the Internet of Things will hit \$772.5bn in 2018 – up 14.6 per cent on this year’s total of \$674bn, according to IDC. The analyst’s updated *Worldwide Semiannual Internet of Things Spending Guide* forecasts global IoT spend will sustain growth

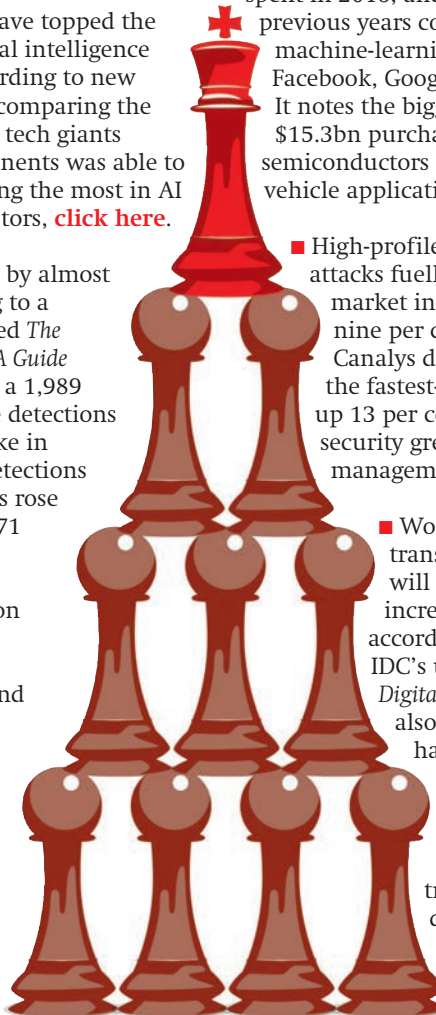
of 14.4 per cent through the 2017-2021 forecast period, surpassing \$1tn in 2020 and reaching \$1.1tn in 2021. Hardware is set to top the pack in 2018, but IoT software is set for 16.1 per cent growth over the next five years.

■ IT pros are satisfied with their jobs, but most feel underpaid, according to *Spiceworks’ 2018 IT Career Outlook*. According to a survey of 2,100 Spiceworks customers, 70 per cent said they are satisfied with their job – but 63 per cent also feel they are underpaid. The data shows that 68 per cent of millennial IT pros are dissatisfied with their salaries, “when compared with Gen Xers and baby boomers”.

■ IT vendors have spent \$17bn in 2017 acquiring machine-learning companies, in preparation for when the “profoundly disruptive” technology goes mainstream. 451 Research’s M&A KnowledgeBase reports 87 transactions totalling \$16.8bn up to November 2017 – more than four times the figure spent in 2016, and surpassing spending for all previous years combined. The study highlights machine-learning acquisitions by Apple, Cisco, Facebook, Google, HPE, Intel and Microsoft. It notes the biggest transaction was Intel’s \$15.3bn purchase of MobileEye in March to add semiconductors for assisted and autonomous vehicle applications.

■ High-profile ransomware and phishing attacks fuelled growth in the IT security market in Q3, with spend increasing by nine per cent to reach \$8bn worldwide. The Canalsys data showed content security was the fastest-growing segment, with spending up 13 per cent year on year. Network security grew eight per cent, and security management increased five per cent.

■ Worldwide spending on digital transformation (DX) technologies will hit nearly \$1.3tn in 2018, an increase of 16.8 per cent on 2017, according to the latest IDC figures. IDC’s updated *Worldwide Semiannual Digital Transformation Spending Guide* also reports that DX spending on hardware, software, and services will nearly double from its current figure of \$1.1tn to more than \$2.1tn by 2021. Industries set to invest the most in digital transformation in 2018 are discrete manufacturing (\$214bn), professional services (\$133bn), process manufacturing (\$132bn), and transportation (\$127bn).



ANALYSIS

By all accounts December was a much more sedate month than some of its predecessors this year, and the pace of consolidation slowed down to give the industry a much-needed breather until it ramps back up again in 2018.

Whether we will see such frantic M&A activity next year remains to be seen, but the levels of consolidation witnessed throughout this year have been pretty much unprecedented and it has been happening at every channel level, whether vendor to vendor, distribution, VARs or even some vendors buying resellers.

It is also unclear whether this frenetic acquisition activity will actually benefit the channel. Many view the reduced competition it leaves behind as a very negative development because it offers less choice and therefore more monopolies, but others see it as an opportunity to fill a niche and take advantage of any uncertainty generated.

There were some memorable happenings this month, aside from president Trump continuing to threaten global stability with his increasingly bizarre tweets, and Brexit negotiations over here moving slower than a frozen snail.

One of the most alarming developments was the attack on net neutrality in the US on the grounds of so-called competition. Protesters rightly claim it is a front for trying to seize control of the internet and force customers to eventually pay to access services that were once free. The big US ISPs could very well be given the power to control what their customers see on the internet through stealth as they promote their own services and preferences, which is a worrying development.

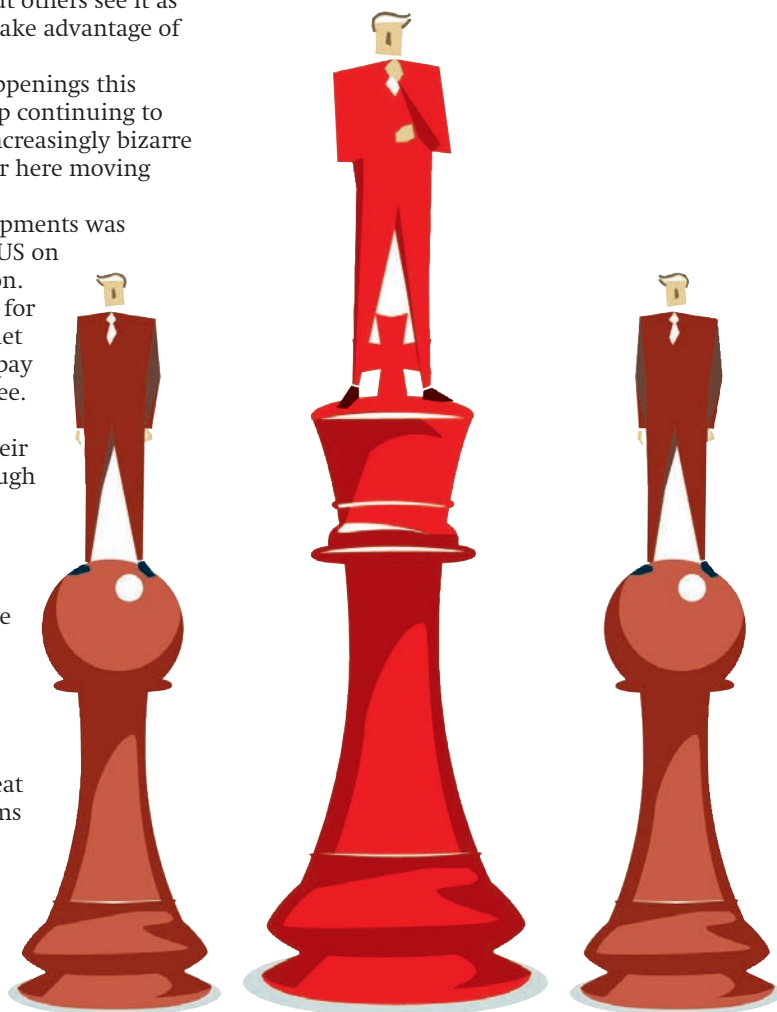
Because of the amount of competition in Europe, and because of the EU's Regulation on Open Internet Access which came into effect in October 2015, this is not a factor over here. Yet.

The regulation established the standards by which ISPs have to treat data travelling through their systems and are not able to block or slow down data for competitive or commercial purposes.

But given the UK's uncertain future thanks to Brexit, it could be something to watch out for in the future.

It was also a month which saw two well-known figures in vendorland step down from their positions. Eric Schmidt, executive chairman of Google's parent company Alphabet, is stepping down, remaining as technical adviser and pursuing some philanthropic goals; and former Cisco CEO John Chambers is to step down as chairman of the networking giant. Both have had long and distinguished careers at their employers and have presided over some fantastic achievements by their respective companies. It is always a loss when well-known figures take a back seat, and leaves big shoes to fill for their predecessors.

Sticking with vendors, Apple found itself in hot water after it admitted to slowing down older iPhones with updates, which it claims it →



did to “prolong the life” of the devices and stop “unexpected shutdowns”. But many iPhone users have been outraged because they feel it is an attempt to force them to upgrade their phones.

The distribution space was fairly quiet in December, with just a couple of small acquisitions. However, this is not unexpected. For a sector of the channel that has consolidated the most over recent years, there had to come a quieter period as integration happens and the newly created entities find their place in the market.

The pace had to slow, particularly at the top end of the distribution market, as there is very little consolidation left to happen among the big US-based behemoths.

We will definitely be seeing more growth of the next tier of distributors in the year ahead, and a lot more cross-border acquisition as pan-European giants continue to gain ground and challenge the status quo.

Distribution is still a very interesting market and has a lot of shifting yet to do; it has established its role as a vital link between resellers and vendors in the cloud space and quashed all beliefs that it has no place in modern IT supply chains, although the General Technology Distribution Council claimed that it is still a very misunderstood area by vendors that are failing to see the commercial benefits of a two-tier channel model.

M&A activity was limited in the reseller space in December, with Integrity360 and Gemalto flying the flag, but there is no doubt consolidation will continue next year in this space, particularly of the cross-border variety.

When industry activity is quieter, the research houses go to town, and a bumper crop of research reports was released this December.

It appears that security is still very much at the forefront of people’s minds, according to our top industry number crunchers, particularly as ransomware attacks are on the increase and threat levels are high as cybercriminals launch increasingly complex assaults on valuable corporate and customer data. It could also be the main reason MSPs are fired by customers, according to the boss of one vendor, because of a perceived lack of understanding and action around mounting threats to their businesses. Being proactive when it comes to security is definitely a recommendation.

Machine learning and artificial intelligence were once again star performers in December. According to research by RS Components, Google, Apple and Microsoft topped the charts for investment into AI, after it released the results of a 19-year study into the acquisition patterns of the top 10 industry players.

In addition, 451 Research revealed that IT vendors spent \$17bn in 2017 acquiring machine-learning companies, in preparation for when the “profoundly disruptive” technology goes mainstream.

The trick for channel firms is finding out exactly where they fit in, and how to tap into the many revenue streams that are springing up around these technology types.

IoT is also set for a growth spurt next year according to IDC, as the interconnected device world continues its assault on both the workplace and the home.

December has definitely been the icing on a largely pleasant cake for the industry in 2017, which has managed to achieve growth and positive results despite a backdrop of political uncertainty and general economic unease.

The industry heads into 2018 in fine shape for the year ahead.



MISCELLANEOUS

■ Ireland's finance minister said that Apple will start paying €13bn (\$15.4bn) in back taxes in the first quarter of 2018, Reuters reported. The European Commission said the record sum was the result of Apple receiving unfair tax breaks from the country.

■ Former Cisco CEO John Chambers (*pictured below*) mulled over his 27 years at the company as he prepares to step down as chairman of the networking giant. [Click here](#) for the full story.

■ Continuum's CEO, Michael George, claimed the number one reason that MSPs will be fired by customers in 2018 will come down to how they handle increasing cybersecurity threats. He claimed service providers will face "difficult conversations" with their clients where they must explain the threat landscape and how they can protect them — "or face being unseated by a more capable rival."

He added that service providers "need to decide if they want to have these tough conversations now, or in the aftermath of an attack their clients thought they were protected against."

■ The European Commission has intervened in an ongoing dispute between Microsoft and the US government to make sure European laws are "correctly understood." The Commission is to make a submission to the US Supreme Court in its hearing of the US Department of Justice's appeal against a ruling which supported Microsoft's refusal to hand over emails held on servers in Ireland.

The US says Microsoft should comply under section

2703 of the Stored Communications Act, but the software giant argued that it shouldn't be forced to produce the contents of customers' email accounts stored on a server located outside the country.

■ The Federal Communications Commission (FCC) says it plans to outsource regulatory oversight of US internet service providers (ISPs) once net neutrality laws are revoked. The FCC has entered into an agreement with the Federal Trade Commission (FTC) to work together, it says, to ensure ISPs don't abuse their power if the controversial ruling passes. "The FTC is committed to ensuring that ISPs live up to the promises they make to consumers," said acting FTC chairman Maureen K Ohlhausen in a statement.

■ Amazon is facing a €10m fine after the French government accused the internet giant of abusing its power to levy unfair contract terms on its suppliers. According to newspaper *Le Parisien*, the French government today issued a complaint to the Paris Commerce Court, claiming Amazon "imposes unbalanced relations to its vendors". It reports that more than 10,000 companies use Amazon for selling goods to 3.5 million visitors, but unfair contract terms often "push them to bankruptcy".

■ Apple is facing legal action after it admitted to slowing down older iPhones to "prolong the life" of the devices, according to a filing this month. Stefan Bogdanovich and Dakota Speas have brought a class-action lawsuit against the tech giant, claiming they didn't give Apple consent to affect their iPhone performance. Apple says it pares back the devices' performance as their battery performance diminishes over time, and it wants to stop unexpected shutdowns.

■ North Korea denied US claims it was responsible for WannaCry. A recent Reuters report stated that a spokesman for North Korea's foreign ministry denied links to the WannaCry attacks. US Department of Homeland Security adviser Tom Bossert had accused North Korea of the attack in an op-ed for the *Wall Street Journal*.

North Korea's official KCNA news agency was quoted as saying: "As we have clearly stated on several occasions, we have nothing to do with [this] cyber attack and we do not feel a need to respond, on a case-by-case basis, to such absurd allegations [by] the US."

