# CRN

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May 2018

# Gaining Insight

UK MD Emma de Sousa on how digital transformation is shaping Insight's strategy **10**

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# Digital watch

Digital transformation – the concept that all organisations are becoming technology organisations at their core – is a term that's never far from the lips of vendors and analysts these days.

So it's perhaps no shock that 'DX' – as it's often shortened to – was a dominant theme in this issue's Big Interview with Insight UK boss Emma de Sousa on p16.

One of the top 10 UK resellers for decades, Insight's progress has been eclipsed in recent years by the lightning growth of Softcat and CDW.

**"Digital transformation – the concept that all organisations are becoming technology organisations – is never far from the lips of vendors and analysts"**

De Sousa attributed the uptick in Insight's fortunes – global Q1 sales powered up 19 per cent – to its success in reshaping itself for the DX era, when, she argues, product fulfilment is less important than the ability to provide a full solution.

It now has three times as many sales staff working in the field than it had three years ago, and has also set up a partner-to-partner arm housing specialist resellers that can bolster Insight's in-house skills, she explained.

De Sousa also happens to be one of the few female bosses among the UK's top 100 resellers.

On this note, the lack of board-level female executives in our industry has been thrown into sharp focus by the gender pay gap reports all UK organisations with 250 or more staff were forced to publish at the start of April.

The average median pay gap among the UK's top 35 resellers stands at 23 per cent, according to *CRN* research. Those firms we looked at were quick to stress that they paid male and female staff equally for similar roles and instead laid the blame on the lack of female staff in higher-paid posts, including boardroom positions.

Getting more female staff into the industry, particularly in technical roles, and ensuring they are able to rise through the organisation, is now a priority for all, and you can read about the various ways firms in our sector are approaching this on p10.

Elsewhere in this issue, we have write-ups from two big vendor conferences in the form of Cisco Partner Connection Week and Dell Technologies World, on p22 and p28.

Also, don't miss our feature exploring whether resellers building a cloud strategy should be considering Google as a third partnering option alongside larger rivals AWS and Azure.

As ever, please get in touch via *ChannelWeb* or Twitter *@CRN_UK*.

■ Doug Woodburn is editor of *CRN*.


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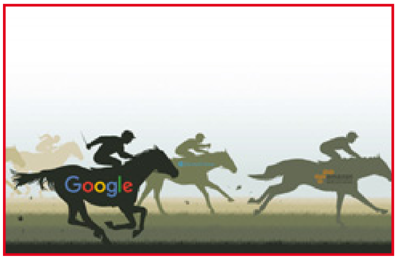


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# Five things we've learned this month

## 1. NHS IS ON A POST-WANNACRY SPENDING SPREE

Bytes has bagged a mammoth £150m deal that will see it roll out Windows 10 to all NHS England machines.

As part of its response to the crippling WannaCry outbreak last year, the NHS is upgrading to Microsoft's latest operating system, which the vendor says houses "cutting-edge security features".

The project is part of the government's wider cybersecurity spending initiative which will also see it invest £21m to upgrade the NHS' firewall and network infrastructure, and build a security operations centre.

Bytes managing director Neil Murphy told *CRN* that the software VAR's public sector team will expand as a result of the deal, which will run for five years.

The subscription-based contract, worth £30m a year, will see Bytes more than double the business it transacts with the NHS, which currently sits at £20m a year.

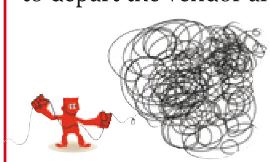
"We are already close partners with the NHS anyway and we have a large team of people working on the NHS account up and down the country," he said. "That team will have to grow quite significantly for us to help Microsoft roll out Windows 10 Licences to the whole of NHS England."

## 2. ACTIVIST INVESTORS ARE WREAKING HAVOC

The role of activist investors in technology firms was again thrust into the spotlight this month.

On publishing its financial results, Commvault released a statement telling of a "strategic transformation initiative", which will see Bob Hammer step aside following "dialogue" with Elliott Management, which holds around 10 per cent of Commvault's shares through various funds.

Commvault's news was followed by an announcement from Xerox, revealing that chief exec Jeff Jacobson was to depart the vendor after reaching an agreement with investors Carl Icahn and Darwin Deason. However, at the time of going to press, Jacobson remained in place. You can't beat a good boardroom scrap!



## 3. RESELLER CASUALTIES ARE RACKING UP

Following the collapse of Firstnet Solutions, another prominent reseller, Leeds-based LDD Group, has gone into administration, with the ill health of one of its directors said to have been a factor in its demise.

Founded in 1993 from the corner of a dairy warehouse in Seacroft, LDD Group specialises in IT, telephony and managed print services, with a turnover of £8m. At its peak, it had revenues of £12m and almost 50 staff, counting Nike among its clients.

Walsh Taylor, which was appointed as LDD's administrator on 19 April, said LDD is continuing to trade while it seeks a buyer to secure its future.

"The priority is to sell the company as a viable going concern," Walsh Taylor director Mary Taylor said.

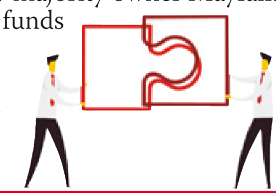
## 4. CHANNEL CONSOLIDATORS ARE BACK

Two of the UK IT channel's most aggressive consolidators have signalled they are back on the acquisition trail after taking a small sabbatical.

Acquisitive managed services powerhouse Claranet has snapped up £10m-revenue data storage reseller Union Solutions, resuming an acquisition run that saw the firm snap up 20 firms in five years.

GCI, meanwhile, which has been buying anything that moves in the Microsoft UC space, is revving up its M&A engine again after bagging a £60m fund for further acquisitions from new majority owner Mayfair.

"We are in no rush and the funds will be focused on strategic investments that provide us with speed, scale, and market share," GCI CEO Adrian Thirkill told *CRN*.

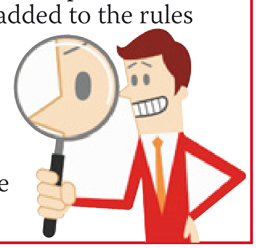


## 5. NOT ALL VARs OWN TOP GOOGLE SEARCH

Some 22 per cent of the UK's top 100 VARs have been classified as "laggards" when it comes to digital marketing.

According to a study by digital marketing outfit Sharp Ahead, eight per cent of those ranked in *CRN*'s Top VARs do not even finish top on a Google search of their own company's brand name.

Some 97 firms in the top 100 have responsive or mobile websites, but relatively few – 37 per cent – are using HTTPS, which Google has added to the rules it uses to decide where websites show up in a search, the report found. Meanwhile, only 37 per cent were found to have an easily discoverable newsletter, and even fewer – 14 per cent – a discernible 'pulse' on their websites.



## Mind the gap

Key figures from *CRN*'s research into the pay gaps at the top 35 UK resellers by headcount (see p10 for more):

**23%** Average median pay gap

**25%** Average gender split

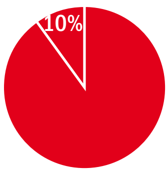
**50%** Highest median pay gap (Dimension Data)

**14%** Of top executive roles at the UK's top 50 resellers are female

## FACTS AND FIGURES

**23 May**

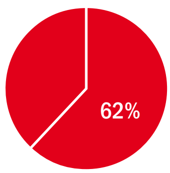
'MSP Day', as declared by backup vendor Barracuda Networks




Proportion of European organisations that are multi-cloud ready *(IDC)*

**£513m**

Capita's full-year net loss

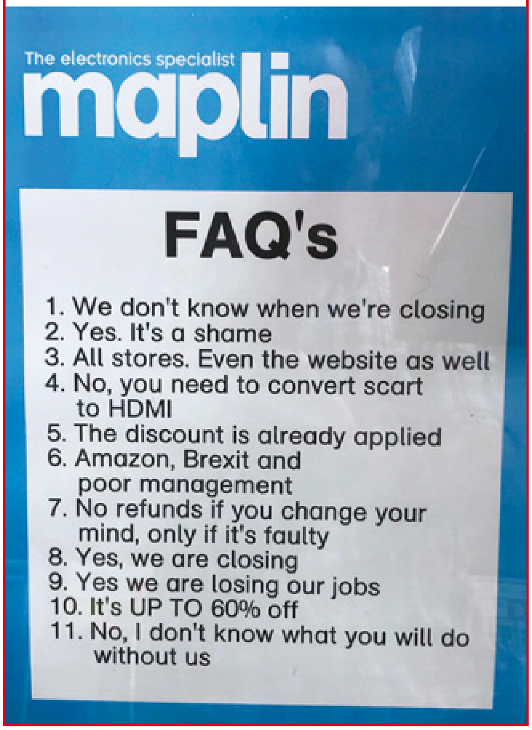



Executives who have a managament initiative to make their business more digital *(Gartner)*

## Tweet of the month:

"Let's hear it for the staff in this branch of Maplin, still able to crack funnies ahead of their store's impending closure ..."

*Southend News Network @SouthendNewsNet*




## NOTABLE AND QUOTABLE

"We need to ask ourselves not only what computers can do, but what computers should do. That time has come."

Satya Nadella opened Microsoft's Build event in Washington by warning that technology like AI needs to be held to high ethical standards

"Rich's strategic vision, experience and proven track record at Tech Data make him a natural choice for CEO as we enter our next chapter."

Tech Data CEO Bob Dutkowsky talked up his successor, current COO Rich Hume, as it was announced he will relinquish the reins of the global distributor on 6 June. Hume's 30-year tenure at previous employer IBM included stints as GM of Global Business Partners and GM for Europe.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# Gender pay gap data: A springboard for change?

***Doug Woodburn** examines the gender pay gaps of 35 top UK resellers and looks at how the new law has galvanised many to take action on gender diversity*

The gender pay gap data more than 10,000 UK organisations were compelled to divulge by 5 April 2018 has been criticised in some quarters for sparking a string of misleading headlines.

But could the new law – and the debate it has stirred up – be a catalyst for historic change when it comes to gender equality and diversity in our industry and others?

One of the largest firms in the UK IT reseller market, Softcat, certainly seems to think so.

Softcat said it would use its gender pay gap report – which revealed a 19 per cent median pay gap – as a "springboard to positively affect our gender pay and provoke change within our business".

It was a similar story among the other 34 top UK IT resellers, MSPs and consultancies whose gender pay gap reports *CRN* has analysed.

Many outlined not only their raw pay gap data, but also the actions they are taking to address gender pay and diversity in their organisations. One reseller talked about rolling out "unconscious bias training", another said it would initiate a "career break returner" programme, and a third said it would ensure it writes gender-neutral job postings. Countless others talked of their efforts to boost outreach to schools or make their apprenticeship schemes more attractive to women.

Under the government's Gender Pay Gap legislation, roughly 10,000 UK organisations were compelled to publish a snapshot of their gender pay gap by 5 April 2018.

As many of the resellers included in this research were at pains to point out, a gender pay gap is not the same as equal pay. Indeed, many stressed that they pay men and women equally for similar jobs.

The issue lies in the fact that women are often under-represented in senior leadership roles, as well as higher-paid technical and sales roles.

But it is still illuminating that the average median pay gap in the IT reseller industry appears to be significantly above the 18.4 per cent national average.

We were able to locate pay gap data for 35 of the 36 firms in *Top VARs* that have 300 or more staff (we drew the line at 300 to avoid cases where headcount may have shrunk below 250). The full table can be viewed on p11.

Among these firms, the average median pay gap – ie how much less the middle-earning female employee is paid than their middle-earning male counterpart on an hourly basis (as at 4 April 2017) – stood at 23.0 per cent, and ranged from 7.3 per cent to 50 per cent. Only two Top VARs – RM Education and AVMI – had a median pay gap in single digits.

It was a similar story when looking at the mean pay gap, which stood at an average of 23.5 per cent, and ranged from 9.4 per cent to 39 per cent.

If the IT channel is lagging behind UK averages, this is not being helped by the dearth of females in higher-paid executive posts in the industry (recent *CRN* research suggests just 14 per cent of top executive roles at the UK's top 50 resellers are held by women). Men are also disproportionately represented in sales roles, which often have a higher earning capacity through uncapped commissions.

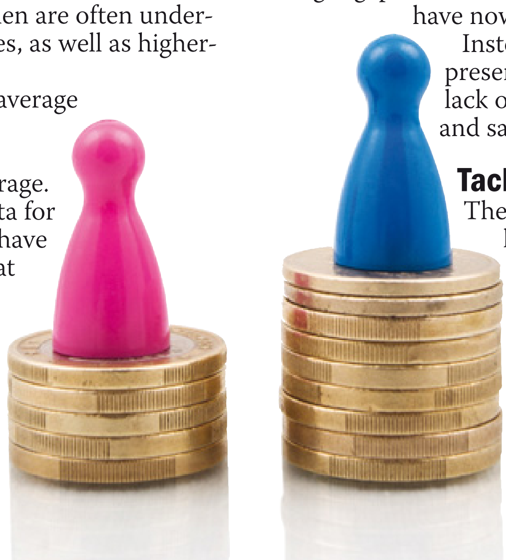
But the resellers we looked at roundly rejected any suggestion of gender pay inequality.

Telent, for instance, said there "is no pattern of men and women being paid differently for doing the same jobs at the same level" across its organisation, while Chess said it "delivers equal pay for men and women doing equal jobs".

Newcastle-based TSG, which had one of the highest gender pay gaps of the firms we looked at, echoed this sentiment when attempting to explain its wage delta.

"When you drill into the detail at TSG of the 127 roles contained within the reportable data, 21 have a split of both male and female employees," it said. "Of these 21 roles, over half show a gender pay gap within those roles in favour of women. Generally, the differences are within 15 per cent either way and in the couple of instances where a larger gap exists, there are understandable reasons which have now been addressed."

Instead, many of the firms we looked at presented their pay gaps as a function of the lack of female staff in executive, technical and sales roles, which tend to pay the most.



### Tackling the problem

The mere act of publishing this data has, however, prompted action in the area of gender pay and gender diversity, with many firms pledging to close their pay gap by boosting their focus on diversity.

Examples include RM, which said it was introducing an unconscious bias training module for managers as part of its efforts to ensure a balanced workforce and support a reduction in its gender pay gap, which was actually the lowest of all 35 firms looked at.

Insight said it will initiate a 'Career Break Returner' programme, as well as ensuring diversity on appointment panels.

Redcentric said it is currently finalising an apprenticeship programme designed to make technical apprenticeships more attractive to females.

The UK's largest reseller, Computacenter, meanwhile, unveiled a raft of ways in which it is aiming to improve its gender balance. It pointed out that at 13.6 per cent, its median gender pay gap is better than the national median as well as that of the technology industry as a whole, but added "we want to reduce our gap".

Over the last year, Computacenter has made improvements to what it pays staff on maternity and adoption leave, and made changes that guarantee commission levels for those returning from maternity or adoption leave in sales, it said in its pay gap report. It has also held 'Women in Sales' events, and said it held over 190 events and workshops in 2017 to promote IT as a career for all students.

Some firms are introducing quotas, with Avanade listing having 30 per cent of hires be female as one of its goals, alongside adopting gender-neutral job postings. Capita said it is targeting 30 per cent of its board members to be female through its membership of the '30% Club'.

Of the 35 firms we looked at, 14 also divulged the gender split of their organisation. Females made up, on average, 25.4 per cent of the workforce, with figures ranging from 34 per cent in the case of Timico to just 10 per cent in the case of cybersecurity specialist NCC Group. The latter said it was sponsoring external initiatives aimed at addressing gender imbalances, such as Cyber First, as well as enhancing maternity and paternity policies.

Softcat chairman Martin Hellawell said in Softcat's gender pay gap report that he had a "clear focus on increasing the number of women in senior roles and across the entire business, fulfilling our drive to reduce the gender pay gap".

Talking to *CRN* last month, Hellawell urged the industry to "pool its resources" to tackle the issue.

"Whenever I go to an executive meeting it is full of males like me, which is really poor for the industry, both from the talent pool we are picking into, and the diversity of thought," he said.

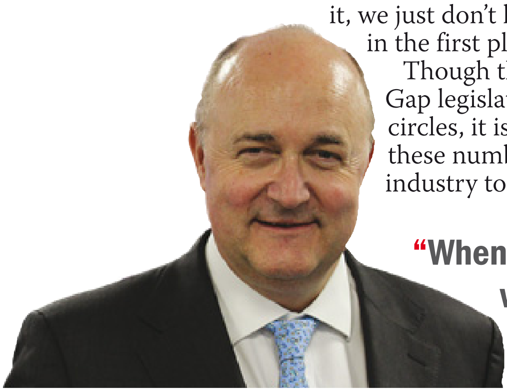
"It's going to take a long time to move that in the right direction and somehow we need to pool resources. We [Softcat] have to get a lot better as we are not great in this area ourselves, but unfortunately - for whatever reason - women do not seem to be attracted to installing a 3PAR datacentre array in Darlington at 8am on a Monday morning. It's difficult to get applicants for people in those technical positions, and actually that whole new business development area as well.

"We don't have enough women in that side of the business either. They can be excellent - in the last 10 years, three of our top salespeople in Softcat have been women. There's no doubt they can absolutely do it, we just don't have enough of them joining us in the first place."

Though the government's Gender Pay Gap legislation has been criticised in some circles, it is clear that the act of reporting these numbers has galvanised firms in our industry to up their game on diversity.

| | Staff* | Median pay gap |
|---|---|---|
| Computacenter | 4,356 | 13.6% |
| Capita Managed IT Solutions | 672 | 21.2% |
| Daisy IT Services | 1,300 | 22.8% |
| Telent | 1,888 | 21.0% |
| RM Education | 703 | 7.3% |
| SCC | 1,727 | 16.1% |
| KCOM | 1,712 | 38.1% |
| NCC Group | 1,697 | 34.4% |
| CDW UK | 1,047 | 14.3% |
| Softcat | 1,027 | 19.0% |
| Insight | 799 | 29.0% |
| Dimension Data | 621 | 50.0% |
| Maintel | 548 | 39.0% |
| Redcentric | 541 | 19.0% |
| Chess | 528 | 22.6% |
| Getronics | 512 | 17.6% |
| XMA | 475 | 31.0% |
| NTT Data | 472 | 24.7% |
| Trustmarque | 446 | 20.3% |
| Altodigital | 446 | 23.7% |
| Claranet | 440 | 28.1% |
| Logicalis | 435 | 36.5% |
| Apogee | 424 | 19.3% |
| IDE Group | 414 | 10.7% |
| NG Bailey IT Services | 410 | 18.0% |
| AVMI Group | 400 | 8.6% |
| CCS Media | 380 | 20.8% |
| TSG | 378 | 36.7% |
| Timico Technology Group | 357 | 34.0% |
| Avanade | 351 | 10.8% |
| Ultima | 334 | 29.0% |
| OneCom Limited | 324 | 16.7% |
| RedstoneConnect | 317 | 16.0% |
| Annodata | 311 | 21.8% |
| IT Lab | 307 | 14.5% |
| **Average** | | **23.0%** |

*Average headcount in their last financial year (from *Top VARs 2017*) / company gender pay gap reports



**"Whenever I go to an executive meeting it is full of males like me, which is really poor for the industry, both from the talent pool we are picking into, and the diversity of thought"**

**Martin Hellawell, Softcat**

# Will the channel join the social media techlash?

*Should channel firms follow in the footsteps of JD Wetherspoon and review their social media strategy, asks* ***Marian McHugh****?*

Last month, pub retailer JD Wetherspoon unexpectedly deleted its entire social media presence, ironically announcing the news on its now-deleted Twitter page. Citing a number of reasons for the decision, including "trolling" and concerns over the Cambridge Analytica and Facebook data breaches, Wetherspoon's owner Tim Martin also declared, "We are going against conventional wisdom that these platforms are a vital component of a successful business."

Could this decision see other companies and brands – including those in IT – following suit and abandoning social media for fear of data leaks, particularly in the light of GDPR?

Richard Cook, managing director of PR firm Champion Communications, doesn't believe so, stating that he's a little "cynical" of the motivations behind the pub retailer's decision. "I think he's blaming the vehicle rather than the plan," he said, adding that social media is a very powerful tool when used properly, but that it's "just noise" if not used effectively.

According to a recent survey conducted by Lithium Technologies, 73 per cent of consumers feel more comfortable now than they did two years ago with reaching out to brands via digital channels to get their customer service requests handled. By abandoning this channel of communication, a company risks alienating a large number of its customers.

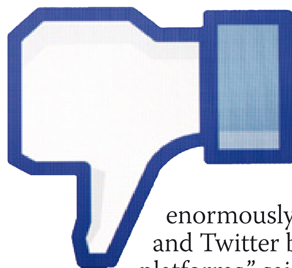
B2B brands are just as susceptible to this as public-facing companies such as Wetherspoon. "B2B brands are finding that while sales, in many cases, are done face to face, follow-up sales, referrals and incremental purchases are reliant on digital channels," said Cook.

Darren Spence, founder of Sales Gym 360, a channel-focused IT B2B sales training business, believes that poor social media use is a problem among resellers.

"Resellers don't know how to properly use social media. They broadcast communications but don't engage their audience," he said, adding that social media is an "essential" communications tool in the B2B world but that it is imperative resellers use it effectively.

Companies have become more reliant on social media as a way to engage with their peers and clients, so to abandon it completely is "detached from the reality of today", according to Stuart Fenton, CEO of Microsoft Dynamics partner QuantIQ.

He says a lot of firms see enormous benefits from social media and have cut off much of their traditional advertising and marketing in favour of a digital presence, attributing 25 to 35 per cent of QuantIQ's business to social media.



"In our business, we have found social media is enormously effective, but we favour LinkedIn and Twitter because they are more B2B platforms," said Fenton. Considering it "utter nonsense" to abandon social media altogether, Fenton thought it unlikely that Wetherspoon's social media shutdown would spark a trend for firms to delete their online platforms. "I don't see many firms moving away from social media. I can see that B2B firms may favour Facebook less than LinkedIn and Twitter, but I don't see many of them coming completely off it," he said.

The Facebook data-sharing scandal comes on the eve of the enforcement of GDPR, which Ian Moyse, sales director at cloud telephony vendor Natterbox, said plays into the hands of social media.

At a recent event Moyse attended, he recounted the worry among companies about how they were to engage with their customers if they could not hold their data. Moyse explained how "social selling" is the answer to this problem. When a person puts their profile on LinkedIn, that information is then in the public domain and that data can be used to contact them directly.

"You can also use newsletters and ask them to subscribe to your social channel. If someone chooses to follow you, they have now opted in and given their consent," he explained, adding that online social mediums that lend themselves to "self-consent" by users will become more important under GDPR.

**"I don't see many firms moving away from social media. I can see that B2B firms may favour Facebook less than LinkedIn and Twitter, but I don't see many of them coming completely off it"**
**Stuart Fenton, QuantIQ**

# China crisis

*With Lenovo's shares languishing and ZTE barred from buying US components, **Doug Woodburn** looks at the implications of the current US-China trade war for the channel*

At the turn of the last decade, Chinese tech firms were riding high. Lenovo was poised to overtake HP to become the planet's largest PC vendor, while emerging mobile and comms vendors such as Huawei and ZTE were cooking up plans for global dominance.

Spool forward to 2018, however, and HP has reclaimed its PC crown from Lenovo, and Huawei and ZTE have found themselves ostracised from the US over national security concerns.

And now Chinese tech stocks are being sucked into the escalating trade war between the US and China, with the US government last month banning US firms from selling components and software to ZTE for seven years. Lenovo's share price recently sank to its lowest value since 2009, according to Bloomberg.

Should partners here be worried by the prospect of a deepening trade stand-off between the US and China and the impact it could have on Chinese tech vendors?

Talking to *CRN*, Canalys chief analyst Alastair Edwards argued that, if anything, deteriorating Sino-US relations will prompt Chinese vendors to invest more in EMEA, meaning it could actually be seen as a positive by channel partners here.

"The main implication of course is in the US, and in Europe I think the issues are far less," he said. "If anything, this is going to push the Chinese vendors to focus their attention much more on the non-US markets, and we're seeing that with Huawei in particular but also with the other mobile vendors.

"I think Lenovo has less of an issue in the US. They still have a very strong share, both in the channel and the customer base from the IBM days, and from a branding perspective they have managed to gain a stronger global brand. Certainly in Europe they are one of the strongest vendors operating in the channel. The feedback we get from partners is pretty positive on Lenovo – they are doing a good job in the channel.

"So from a European perspective I don't think there will be a mass shift away from Chinese vendors. I don't think partners need to worry about it, and I don't think vendors necessarily see it as a negative in EMEA."

That sentiment was echoed by Cliff Fox, group COO at £20m-revenue reseller Pure Technology Group, which partners with Lenovo and Huawei.

"The US will do what it will do. Undoubtedly that will affect Chinese companies while that situation is ongoing," Fox said. "I don't think in the short term it makes a huge difference for us because the supply channel through Europe has, if anything, strengthened in the last few years. For us it is business as usual with those firms."

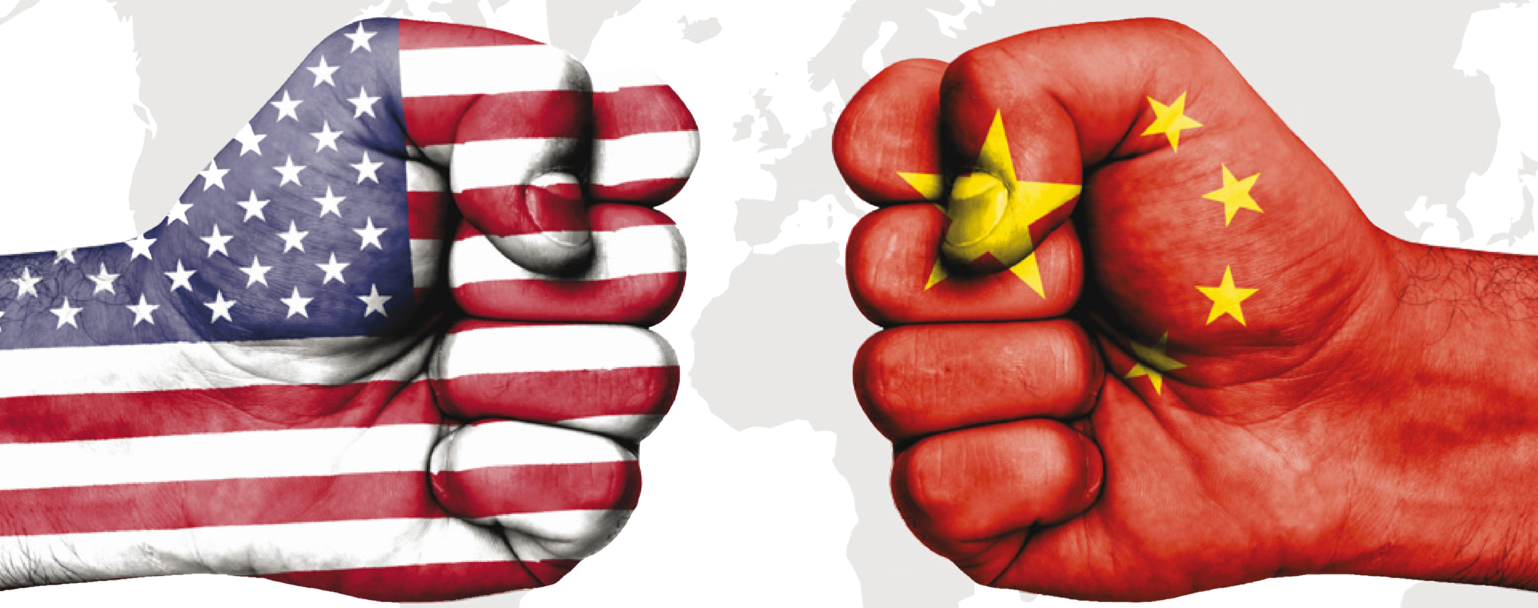
Recent reports suggest that Huawei is gearing up to pull out of the US completely, but Fox said he felt the networking vendor is as committed as ever to Europe.

"I think Huawei have always struggled in the US, and I don't think that's any great surprise given who they go up against and brand preferences in the US," he said. "I think Europe isn't as insular, so I don't see Huawei changing their stance with the effort in Europe."

Since being listed on the Hang Seng Index in March 2013, Lenovo's share price has more than halved. It is now at risk of being dropped from Hong Kong's benchmark equity index, according to Bloomberg, which branded it the "world's worst tech stock". Lenovo also slipped to a loss in its latest quarter.

But Paul Barlow, managing director of Lenovo partner Servium, said the Chinese vendor's fortunes on the stock market don't affect his firm.

"My understanding talking to distribution over the last three or four months is that Lenovo have been doing quite well, especially on the client side," he said.



# Field of dreams

*Insight boss Emma de Sousa talks to **Doug Woodburn** about getting her sales staff off the phones and back out into the field*

You'd be forgiven for suspecting that a large volume reseller such as Insight would be desperate to cut its cost of sale in any way possible in the current climate.

Far from it: the global reseller's £450m-revenue UK arm has been investing full tilt in more expensive, field-based sales staff of late, according to its UK managing director, Emma de Sousa.

The rationale, de Sousa told *CRN* in an exclusive interview, is the need among tech suppliers such as Insight to act as more than just fulfilment houses and get closer to the customer in the era of digital transformation.

"Today we have three times as many people in the field as we did three years ago," she said. "We have significantly ramped up the amount of time we spend sitting down and talking to our clients.

"If you're really going to get close to your client and understand their true business challenges, that's not a conversation you want to have over the phone – you want to sit down and talk face to face. So we've invested in a transformation of our sales organisation and given them more face-to-face time with their clients. As a result we've got to know our clients better and made smarter decisions."

Insight was ranked eighth in *CRN*'s *Top VARs 2017*, with UK revenues rising steadily from £424m to £438m to £453m in between its fiscal 2014 and 2016.

Ken Lamneck, CEO of its NASDAQ-listed parent, described Insight's fiscal 2017 as a "very good year", with company-wide revenues rising.

The need to get closer to customers in order to provide a bespoke, end-to-end solution was a recurring theme in de Sousa's overview of how Insight is changing as a business.

## Time for transformation

At the core of this is the rise of digital transformation. Every organisation is becoming a "digital and tech company at their core", de Sousa claimed.

Although part of Insight's job is to help customers better manage the 70 per cent of their budget that goes on keeping the lights on, Insight is increasingly being pulled into DX projects that are designed to help customers transform and grow, she explained.

"One of the things we've seen over the last few years is that clients no longer want to buy the ingredients when it comes to IT; they want solutions," de Sousa said. "It's no longer about selling devices to our clients; it's about trying to understand what the client is trying to achieve and building an end-to-end solution as part of that."

Insight's recent sales restructure has seen it invest not only in more field resource but also in a team of sales specialists, enabling customers to have "more resource at their fingertips than ever before", she claimed.

"If you walk onto my sales floor compared with three years ago, it's very different," she summarised. "We've got an agile working policy so there are people working from home and people hotdesking. Whereas every office had this huge sales engine, increasingly now people are out in contact with the customer."

The shift is prompting Insight to "rethink" how it maximises the space in its three UK offices in Manchester, Sheffield and Uxbridge, de Sousa added.

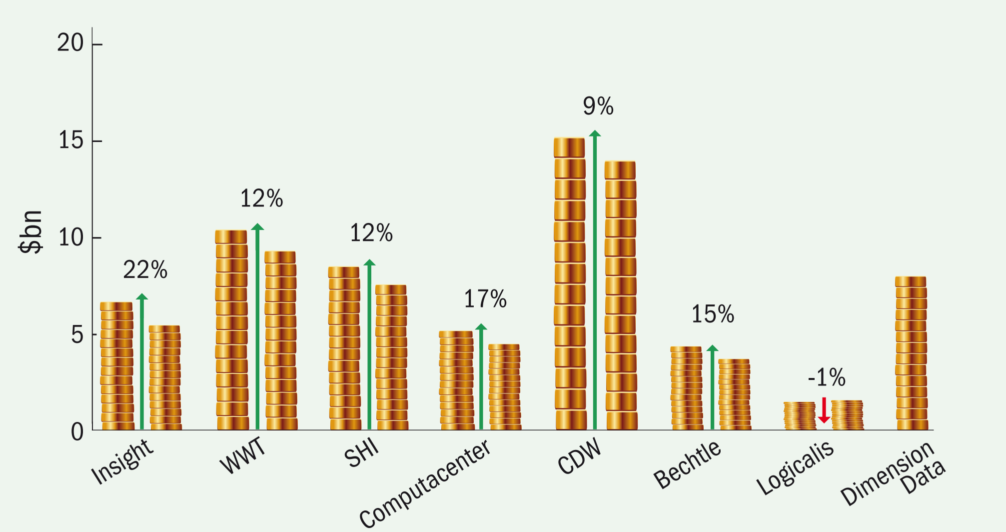
The digital transformation trend has also seen Insight build a new division, Partner Technology Services, which houses a growing array of specialist resellers that can add to Insight's in-house skills, de Sousa explained.

This development reflects the changing "shape" of the channel, she claimed.

"In days gone by, the route to market would typically have been distributor, Insight, client," she said. "But over the course of the last few years, we have built a significant practice, which is a community of partners to help us create complete solutions rather than using in-house to fulfil

> **"If you walk onto my sales floor compared with three years ago, it's very different. Whereas every office had this huge sales engine, increasingly now people are out in contact with the customer"**
> **Emma de Sousa, Insight**

**Revenues for Insight and its peers for their last two financial years**




every aspect of that solution. Some of [the partners] are offering bespoke skills that are not part of what we have at Insight today.

"It's digital transformation that is behind this. Clients need more from us today. If you look at things such as the Internet of Things, technology is exploding, and the options that are available to our clients are vast. We had partners for many years; we've just introduced a more formalised partner programme because the options are so much broader."

Asked to give an example of where clients have moved from a transactional to a more solution-based relationship with Insight, de Sousa cited Insight's 'modern workplace' practice and, more specifically, the firm's focus on staff recruitment and retention.

"When I speak to CIOs or CEOs, one of the biggest challenges they face, as do we all, is attracting and retaining talent," she said. "We support our clients by removing a huge impediment to their productivity as we can help them reduce attrition, and we have real examples of where we are reducing attrition rates for our clients."

This chimes with recent Gartner research which found that CEOs' priorities are shifting to embrace digital business. CEOs are concentrating on changing and upgrading the structure of their companies, including a deeper understanding of digital business, Gartner said. Moreover, workforce has risen rapidly this year to become the fourth-biggest priority, Gartner said, up from seventh in 2017. CEOs said a lack of talent and workforce capability is the biggest inhibitor of digital business progress.

## Core values

One area where Insight is undergoing digital transformation itself is in the arena of digital marketing, which de Sousa pinpointed as a key investment area for the comapany in 2018.

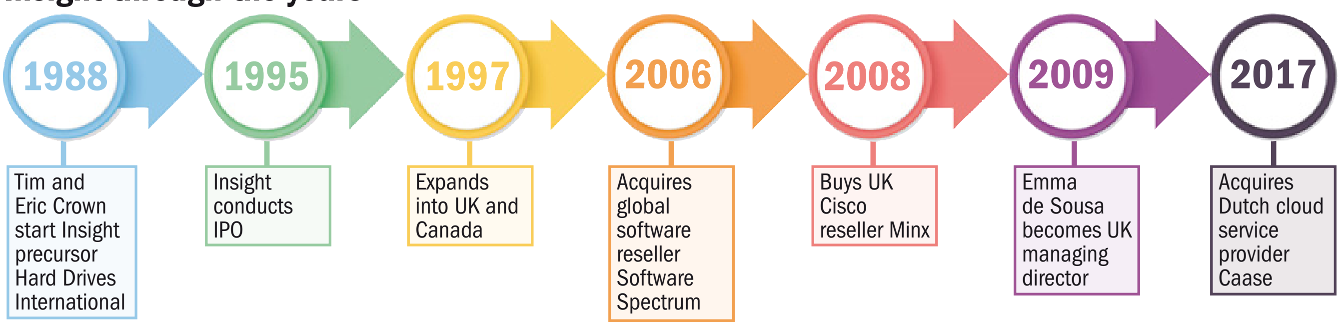
Chatbots are already a regular feature of Insight's North American arm, which is "arguably leading the way in the industry" when it comes to digital marketing, de Sousa claimed. A chatbot pilot in EMEA will be up and running before the end of this quarter, she added.

Insight's EMEA business grew by 21 per cent to $400.4m in its Q1, bolstered slightly by its acquisition of Dutch cloud services provider Caase in September. De Sousa said further acquisitions are "possible" because "the skills gap is real", making it tougher to build its skills and capabilities organically.

While rival Softcat is known for its fun, sales-driven culture and Insight more for its slick systems, de Sousa claimed that her firm has a unique character that marks it out from its peers.

"The culture at Insight is really key and we have three core values – hunger, heart and harmony – that we live by, and they're not just to look good on posters we put up around the business," she said. "We do invest in our tools, and that's an important part to this team, but there's much more to us. If you're trying to understand more about Insight, understanding those core values is everything we stand for."

## Insight through the years



# Is Google the dark horse of public cloud?

*With Atos recently selecting Google as its preferred cloud partner for public cloud,* ***Marian McHugh*** *asks if the search giant has what it takes to canter past AWS and Azure*

Although public cloud is often framed as a two-horse race between AWS and Azure, a third player appears to be sneaking up on the rails.

Google's cloud ambitions were given a boost earlier this month when global IT services giant Atos made the search giant its preferred public cloud provider. The pact will see Atos create three R&D centres in Europe and North America, focusing on machine learning and artificial intelligence.

Google may be smaller than AWS and Azure, but it is growing more rapidly than its two larger peers, Gartner data suggests.

According to the market watcher, Google clocked up IaaS public cloud sales of $500m in 2016, handing it a 2.3 per cent market share. Although this is dwarfed by the respective 44 and 7.1 per cent share AWS and Azure pocketed, neither could touch Google's 100 per cent growth rate.

Rival analyst house Canalys, meanwhile, had Google and Azure's cloud infrastructure services revenues growing at a similar rate – 89 and 93 per cent, respectively – in its Q1 2018 spending data. AWS grew at 49 per cent, with the top three controlling 55 per cent of a wider market that grew 46.8 per cent to $16.9bn.

The Atos partnership will have many partners questioning whether they too should add Google as an option, and, if the answer is yes, on which user cases Google might offer a better option over AWS or Azure.

On a conference call following the deal's announcement, Eric Grall, head of global operations at Atos, cited the fact that a quarter of worldwide traffic goes through the Google cloud platform as a key rationale for plumping for Google.

"It means it offers the highest performance and lowest latency through their communication platform," Grall said, with his opposite number at Google on the call, Paul-Henri Ferrand, boasting that Google delivers "the highest-security cloud in the world".

AI and analytics are a key component of the alliance, and Phil Starrett, CTO of hybrid IT at HPE UK and Ireland, saw this as an area of strength for Google over its competitors. HPE recently bolstered its hybrid cloud capabilities by acquiring UK Azure partner RedPixie.

"Google are renowned for their IP [intellectual property] behind their analytics and all the investment they have made in that side of things," Starrett told *CRN*.

"It comes back to the services you want to consume. What Google do very well is in the analytics and big data space. That is their bread and butter; that's what they've built on over the years and that's what they've invested in. So they would have great knowledge and expertise in the big data and AI space, but so do Azure. But they're slightly different in terms of what you want to consume and how to integrate it. Microsoft realised that there's an on-premise/off-premise requirement and that's why they have Azure Stack as well as Azure to bridge that gap."

Chris Bunch, head of Cloudreach Europe, a public cloud migration specialist that partners with AWS, Azure and Google, said the Atos deal shows the headway Google has made in the enterprise space.

"One thing Google have always been criticised for over the years is their ability to sell into the enterprise and attract large organisations to their technology and it's something they've been open about accepting historically and acting on it over the last few years," he said. "This is probably interesting as a barometer of starting to see some success. Having Atos throw their weight around Google is a positive step for Google."

However, Bunch questioned whether the alliance would be successful given its focus is on hybrid, rather than public, cloud. Atos has said it will use Google Cloud Platform as its preferred public cloud platform for its Canopy Orchestrated Hybrid Cloud offering.

"Atos aren't regarded as the world's foremost thinkers

Year-on-year growth of top three cloud infrastructure vendors in Q1 2018 *(Canalys)*


in public cloud, much like some of the other large global SIs who already have quite profitable contracts around on-premise datacentres," Bunch said.

"I don't think it's the right move for the long term, personally. But they've naturally focused their attentions on hybrid cloud. It's not something we believe is going to change the world, but I understand for some organisations with heavily vested interests it is going to make sense to picture a hybrid cloud approach and model. The Canopy solution and hybrid cloud does not excite me."

Bunch also said he is reserving judgement on Atos' AI plans with Google, but agreed Google has a "very strong offering in the world of data, which leads into machine learning and AI".

"Historically, Google has been the natural choice for organisations looking to do anything around data and machine learning," he said. "But without being inside Atos, it's hard to see how much they are going to back it."

Dan Scarfe, founder of Microsoft Azure partner New Signature, also questioned the Google-Atos tie-up, dubbing it a "strange combination".

"Atos is focused on patch-ups for legacy application workloads and Google is focused on the new application workloads so it seems a strange marriage," he said.

"Google is very capable in certain, specific areas, so it's absolutely a contender for areas that touch those workloads. The advantage of AWS and Azure is that they are much broader platforms so there's a lot more stuff you can do on them, they're legacy IT and they're new IT, whereas Google is really only focused on new IT," continued Scarfe, adding that Atos perhaps made the decision in order to differentiate itself from its competitors.

"For us, Azure delivers everything that we need from all the stuff Google does to all the stuff AWS does. It certainly wouldn't persuade us to reconsider, but other providers who want to carve out a niche in one particular area might look at it," he said.

**"Google is very capable in certain, specific areas, so it's absolutely a contender for areas that touch those workloads"**
**Dan Scarfe, New Signature**

Google should not be discounted and is definitely an emerging player in the market, according to Sid Nag, research director at Gartner.

He attributes this change in fortune to the appointment in 2015 of Diane Greene, former VMware founder, as CEO of Google Cloud. "They've really focused on changing the company culture to be more partner orientated, so they've built a pretty strong ecosystem of marketing partners and technology alliances," explained Nag.

"They are very focused on cloud-native technologies. They were born in that particular mindset from the get-go," said Nag, but warned that the firm's competitors in the public cloud space are catching up on those fronts.

Bunch also sees Google as a genuine contender in the long term, but stressed the frenetic growth of public cloud – which analyst Synergy Research Group said accelerated to 46 per cent in Q4 – should ensure the numbers are heading north for all the main providers.

"Most people aren't running in the true public cloud and that will change in the next five years," he said.

"Google have some impressive technology. They are very aggressively scaling the things that will help them sell to enterprise. They're hiring high-calibre salespeople, they're listening to enterprise customers and adding the features that they want. Do I believe they will be successful? I do. I think they have a long way to go before they are to overtake AWS in terms of public cloud scale. It's a huge, huge way for them to go.

"But that doesn't mean they can't be successful. Even if they remained smaller than Amazon, in five years they could still be 10 or 20 times their current size in terms of cloud revenue.

"I don't think there will be one cloud lord to rule them all. I think there will remain multiple cloud providers in the western world. I don't think in the long term one would want to rule out the Chinese with Alibaba."

# Time to ditch the 80/20 rule?

***Scharon Harding** looks at claims that a smaller group of partners are now commandeering the vast majority of vendors' channel sales*

The Pareto Principle – that 80 per cent of effects come from 20 per cent of causes – is not lost on the channel. It's generally said that 80 per cent of indirect sales revenue is generated by 20 per cent of channel partners; something that has held true for decades. But according to some, these percentages are increasing and decreasing respectively.

In a recent blog post, The 2112 Group's CEO and chief analyst, Larry Walsh, says the 80/20 rule is more accurately 90/5: less than five per cent of channel partners generating 90 per cent of indirect sales revenue.

> **"Vendors have created this problem of concentration and they're perpetuating it"**
> John DeSarbo, ZS Associates

Walsh notes that while the industry "generally accepts" the 80/20 rule – with the 20 being described as "top-performing partners" – a closer look reveals it is not quite accurate.

"In reality...that ratio is far more skewed, with five per cent or less generating 90 per cent of the revenue," Walsh writes. "Even in smaller, more focused channel programmes, vendors find a great disparity between the high performers and the laggards."

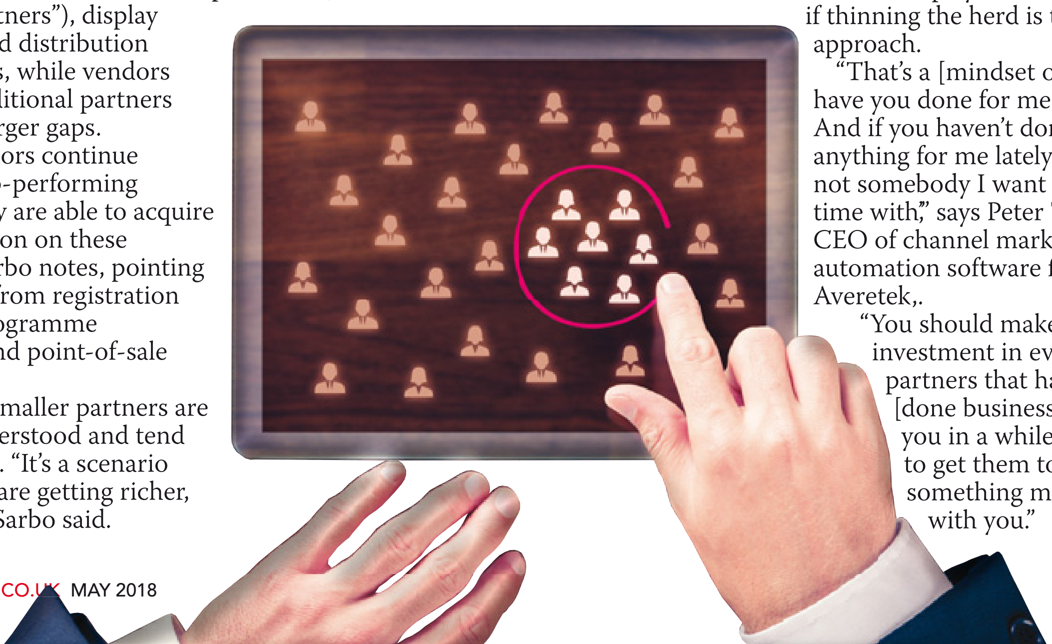
Walsh is not alone in thinking that the 80/20 rule for the channel is shifting. John DeSarbo, principal and head of the sales, channel strategy and management practice at ZS Associates, says the channel currently adheres to a 90/10 rule and that if anything, the issue is growing.

"Vendors have created this problem of concentration and they're perpetuating it," DeSarbo said. "It's not just chance or happenstance; it's a consequence of the way vendors have been managing their channels for years."

He explains that vendors with non-traditional partner types, such as professional service providers (also known as "shadow partners"), display a more balanced distribution of channel sales, while vendors focused on traditional partners demonstrate larger gaps.

Further, vendors continue investing in top-performing partners as they are able to acquire more information on these partners, DeSarbo notes, pointing to profile data from registration and partner programme participation and point-of-sale information.

Meanwhile, smaller partners are not as well understood and tend to be neglected. "It's a scenario where the rich are getting richer, essentially," DeSarbo said.



One approach vendors can take is dropping partners that fail to engage in business.

In a 2017 blog, Walsh notes that the reality is that smaller partners – even those not underperforming or failing to engage in business – make up the vendor's long tail, which, he argues, is simply not as interesting a proposition for vendors, who want (and need) to be focused on the big money-makers in their channel.

"While the long tail has intrinsic value, it's not nearly as valuable as the upper echelons of vendors' partner networks," Walsh writes. "Vendors need to make this clear to partners to dispel any illusions about relative value to programmes. In doing so, partners will understand they aren't entitled to the same programmes, resources, benefits and rewards as partners that are investing in training, joint business planning, sales expansion and growth."

Walsh notes that while the long tail is generally more profitable – because it costs less to serve those players, plus they buy from distributors at higher prices, are not eligible for incentives and typically don't have access to sales support – 'profitable' doesn't actually mean much.

"The long tail is entirely transactional and opportunistic," Walsh says. "On an individual basis, no long-tail partner looks interesting unless they're serving a strategic purpose, such as providing coverage in a niche or remote market. For example, I've been to [a] partner's shop in Ketchikan, Alaska, and he's never going to top a vendor's partner performance list, but he serves a useful purpose in this remote community."

On the other hand, some channel players are not sure if thinning the herd is the right approach.

"That's a [mindset of] 'what have you done for me lately?... And if you haven't done anything for me lately, you're not somebody I want to spend time with," says Peter Thomas, CEO of channel marketing automation software firm Averetek,.

"You should make an investment in even the partners that haven't [done business] with you in a while to try to get them to do something meaningful with you."

# Clear as crystal

***Tom Wright** argues that Cisco is now giving partners a clear direction, after putting the worst of its software transition behind it*

By Cisco's own admission it has spent the last couple of years in a state of flux.

When Chuck Robbins took over as CEO from Cisco royalty John Chambers in 2015, he started the vendor on a journey that would see it finally bite the bullet and shift its focus away from its colossal on-premise business – turning instead to software and as-a-service offerings.

This transition is now bearing fruit, as shown in Cisco's quarterly results, and at the recent Cisco Partner Connection Week in the Bahamian capital of Nassau, the underlying tone was one of clarity – not just from Cisco itself, but from its partners.

Speaking to *CRN* on the last day of the event, Cisco VP Nirav Sheth said the optimism felt within Cisco is now filtering down into the channel.

"I think the sentiment and the perception internally is very positive and certainly we're seeing it from our partners as well," he said. "I think there has been a lot of confidence in our leadership.

"There have been some tough decisions that have had to be made over the last couple of years, but I think there has been confidence that these decisions make sense, and even if there has been a little bit of short-term pain, ultimately it is for the long-term success and health of the company."

These tough decisions have seen Cisco place bets on emerging areas of IT, for example artificial intelligence, analytics and multi-cloud infrastructure.

With its own strategy now in place, the vendor is nudging its partners down a similar path. While Cisco is not forcing its traditional partners to evolve beyond their on-premise hardware business, it has made it clear that this is not where it sees the vast majority of its growth occurring.

## Wait for me

With Cisco undergoing such a radical change in direction there is a danger that some channel partners will be left behind.

But Sheth said that partners should not be concerned about the pace of change, pointing to the vendor's track record of evolving with its partners in mind.

"Technology moves fast and as it moves you have to adapt, and we have always chosen to adapt and do so in a way where our partners have opportunities," he explained.

"A lot of our competitors have on-again off-again relationships with the channel and I think that is another reason why partners have stayed on the journey with us.

"Partners have a long memory and they know that despite the adaptions we've made over the years, we've always done it with them, and I don't think they can say that confidently about our competitors."

Neil Pemberton, director of Cisco partner ITGL, said Cisco has a history of making bold decisions in order to adapt, adding that the partners that onboard the vendor's new offerings first will see the most success.

"One of the things that has made us very successful is that we've always been early adopters of what Cisco has been doing," he said. "Whether it's IP telephony in the late nineties or software now, we always go straight in as a partner.

"That comes with some pain because it doesn't always work quite right in the early releases, but we found over the years that if you're prepared to leap in early, you go through a steep learning curve and you take some pain, but you come out of that first year or two and you're a long way ahead of everyone else.

"Much more often than not, Cisco will get to where they want to be because they'll make it happen. Maybe they'll need to adjust and find their way as they do things, but they'll get there."

## Size doesn't matter

This latest shift is perhaps different to any other transformation undergone by Cisco, in that it opens up the vendor to smaller partners, rather than solely the channel's largest players.

Sheth said that, more than ever, Cisco is targeting niche and regional channel firms. He explained that these partners will find Cisco more accessible in a world of consumption models and managed services, compared with when Cisco was hardware and capex focused.

"I'm excited because that space represents new opportunities and white space for us," he said.

"It's not a scenario where it's a share shift between one partner type to another partner type; it is new opportunity for new partners.

Cisco's smaller partners may in fact be well placed to steal a march on the larger Gold partners.

Where the biggest VARs and systems integrators are in the process of figuring out how to move some of their revenue away from traditional capex business and towards services, small VARs – in particular born-in-the-cloud players – don't require this period of transition.

ITGL's Pemberton said this creates an opportunity for smaller, more agile partners to take advantage while their larger competitors are still trying to adapt.

ITGL in particular was founded specifically to focus on Cisco's next-generation offerings. The firm was set up by the team behind Cisco-only partner Skynet Systems, which was sold to BT in 2005.

"While [the larger partners] have huge might in the industry, they take a long time to adapt – and this is a massive move," Pemberton said. "If you take the oil tanker analogy, this isn't just a couple of degrees, it's potentially turning it around and going the other way.

"This creates a challenge for Cisco themselves. Whether they admit it or not, naturally they would gravitate to the big Gold partners, but I think in fairness to them they're realising that a lot of this transition will be driven by boutique innovative partners.

"There is a lot more thinking about how they enable these partners. I'm not saying the bigger partners won't make the transition, but inevitably they will move more slowly."

## The good old days

Earlier in the week at Partner Connection Week, Cisco's global channel boss Wendy Bahr told *CRN* that partners still seeing success selling traditional hardware should regard now as the perfect time to broaden their offerings.

Despite this, Sheth said there is still a market opportunity for resellers that are not yet ready to evolve into the new breed of partner, pointing to Cisco's recent record quarter in compute as proof.

When asked if Cisco is seeing any reluctance from partners to offer new technologies, he said it is more a case of partners choosing to continue capitalising on existing opportunities, rather than a fear of moving into new areas of tech.

"I don't know if I would say it's pushback; I think it is more of a business decision," he said.

"Some partners are investing and building out new capabilities, such as in analytics, and there might be other partners out there that are just throttling their investments because they already see so many opportunities.

"Despite all this growth in public cloud, in Cisco Q2 we enjoyed our largest quarter ever in our history for compute – nearly $1bn globally.

"It appears that 2018 is going to be a strong year for the IT industry and certainly partners might be making decisions because of that. It's not reluctance, it's more like 'let me capitalise in this space of the market, because times are good.'"

## 'Fix the roof while the sun is shining'

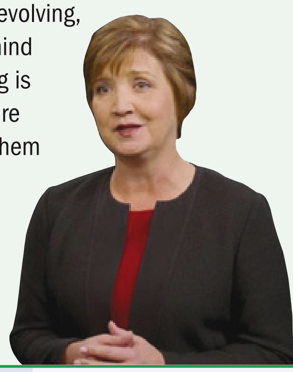
At Partner Connection Week Cisco encouraged all of its partners to start looking towards new technologies, even if they are still seeing considerable success selling traditional Cisco solutions.

Wendy Bahr (*pictured*), senior vice president of Cisco's Global Partner Organisation, warned partners not to rest on their laurels – adding that they should not assume their success will automatically continue.

"My favourite saying is that the time to fix the roof is when the sun is shining," she said.

"So while things are going well it is time to reflect on whether they want to make investments. We have so many opportunities for them to invest in the next generation of partner capability.

"If you're not changing and evolving, there is a risk of being left behind in an industry where everything is moving very fast, so if things are good now I would encourage them to explore the options that make the most sense to their business model. Don't stand still; we all have to keep moving and changing."



> "Partners have a long memory and they know that despite the adaptions we've made over the years, we have always done it with them, and I don't think they can say that confidently about our competitors"
> Nirav Sheth, Cisco

# ‘Stop fighting, or Microsoft will own this space’

*ConnectWise CEO Arnie Bellini explains to CRN why he invited all of his key competitors to the MSP tools vendor’s IT Nation conference*

The MSP tools space has been characterised by vendor in-fighting in recent years, but ConnectWise CEO Arnie Bellini has called on his peers to link arms and stave off a possible invasion of their turf by a larger competitor.

Bellini was in London for ConnectWise’s IT Nation event last month, and told *CRN* he personally invited each of his key competitors to attend.

He also opened up on why he thinks the notion of what constitutes ‘managed services’ has to evolve and talked up ConnectWise’s new Unite offering as potentially his firm’s “most important” release

The MSP tools space in which the firm plays has been marked by backbiting recently, with Bellini himself trading verbal blows with his opposite number at Kaseya last year. Kaseya and SolarWinds MSP have also exchanged barbs.

But Bellini (*pictured*) said he believes that all the MSP tools vendors must now work together in order to stave off a possible invasion of their turf by the likes of Microsoft or Oracle.

“We have to integrate and connect, and each one of us offers something unique to the industry,” he said.

The all but one of Bellini’s opposite numbers who accepted his IT Nation invite would have seen him unveil Unite, ConnectWise’s new cloud monitoring, management and billing solution that Bellini predicted may turn out to be its most significant release as more applications move off-site.

The platform currently integrates with various Microsoft, Cisco and AWS cloud products, and Bellini said it already has over one million Office 365 mailboxes under management following a pilot scheme.

Bellini claimed that Unite will solve the issue of MSPs having to handle 10 different cloud application bills and visit 10 different cloud portals when managing their customers’ increasingly sprawling cloud estates, adding that ConnectWise had been working on the concept for five years.

“If you look at the future of technology and of ConnectWise, it’s an announcement of where the world is going and we are out there in front as a pioneer. It could end up being the most important release we’ve ever put out,” he said.

For Bellini, the rise of cloud applications feeds into a wider point that the popular conception of what managed services constitutes has to evolve.

“I think the term is misunderstood,” he said. “I would take the word ‘managed’ and ‘service’, break them apart, and say ‘now go and put anything you want in there’. Right now, what people call managed services is really managed onsite computing services. Well, that’s just one component of tech. Onsite computing is just one square out of 15 and every one of those squares – physical security, data security, onsite computing, cloud computing etc – wants to be managed. The big one is managed security services: they broke ‘managed services’ apart and put ‘security’ in the middle.”

## Lock down security opportunities

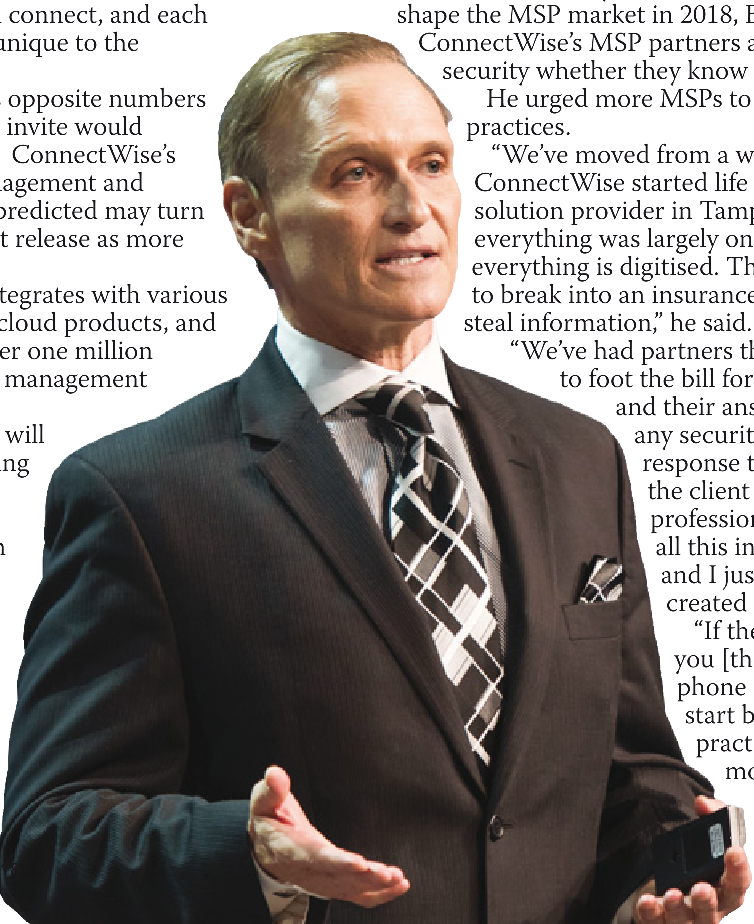
In fact, it is security that will be the big trend that will shape the MSP market in 2018, Bellini said, adding that ConnectWise’s MSP partners are “all on the hook for security whether they know it or not”.

He urged more MSPs to build out security practices.

“We’ve moved from a world in 1985 [when ConnectWise started life as a local technology solution provider in Tampa Bay] where everything was largely on paper, to one where everything is digitised. That means you don’t have to break into an insurance company physically to steal information,” he said.

“We’ve had partners that have been asked to foot the bill for security breaches and their answer is ‘we don’t do any security on your data’. The response that comes back from the client is, ‘well, you are my IT professional; I rely on you to get all this infrastructure in place and I just assume that you have created security for me’.

“If there’s a breach, it’s you [the MSP] that gets the phone call. So you need to start building out a security practice and you need to start monetising and charging for that as well.”

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# The power of the people

***Tom Wright** looks at the key themes at this year's RSA Conference and asks whether the event is still as useful as it has been in a saturated cybersecurity market*

A lot has changed since the last RSA Conference was held in February last year.

Cybersecurity may have been creeping into the spotlight then, after a handful of well-documented breaches occurred, but it well and truly stole the show in the following May when the WannaCry cyberattack indiscriminately crippled organisations across the world.

The increased attention, along with the burgeoning number of vendors and categories in the industry, could make an event such as RSA daunting for even the most seasoned security veteran.

Partners who attended this year's conference, in its home of San Francisco, say that the event was perhaps one of greater maturity – focusing not on how new, flashy technology is light-years ahead of legacy vendors, but on how technology can be used to help struggling security professionals.

The increasing amount of data churned out by systems, and reports generated by security software, have shackled security analysts and made it difficult for them to spend time assessing genuine threats.

Colin Williams, chief technologist at Computacenter, said that the industry has taken steps to address this issue by introducing artificial intelligence and machine learning into threat intelligence solutions, which does a lot of the legwork for these employees.

These solutions, he said, formed the underlying theme of the RSA Conference.

"The only thing that jumped out to me this year was the abundance of threat intelligence companies," he said.

"The blood and guts of the conference was all around the importance of using AI, machine learning, threat detection services and threat intelligence insight to allow overworked security operations staff to do a better job than they are currently doing.

"That seemed to be the overriding theme above anything. Last year the end-point wars were still being fought – there was still a lot of end-point-related commentary and new vendors this year – but in the main, the thing that jumped out was the emphasis on threat intelligence."

With cybersecurity no longer an IT issue, but instead on the board-level agenda, organisations are scrambling to fill security vacancies but are struggling to find enough candidates.

These threat intelligence solutions, Williams explained, are designed partially to mitigate the lack of skilled security workers.

They don't represent a fundamental shift in the industry, he added, but the addition of AI and ML can take a significant amount of weight from the shoulders of swamped analysts.

"If you are running an operational security environment, threat intelligence is nothing new," Williams explained.

"If you run a SOC you've had threat intelligence feeds for years and they are hardly sexy, but if you take threat intelligence and AI, you can genuinely use that massive inbound insight to allow your analysts to be the best analysts in the world, because their own insight is augmented by this wonderful pool of intelligence.

"They can come out with answers to questions they didn't even know existed."

## People skills

Employees aren't just the greatest asset that an organisation has when it comes to protecting its infrastructure – but perhaps also the greatest threat.

Logicalis' vice president of security solutions Ron Temske said that a number of prominent solutions at the RSA event were centred on minimising the damage that employees – either maliciously or accidentally – can do to an organisation.

He highlighted solutions around email security and behavioural analytics as garnering much attention.

"On the solutions side there was a lot of focus around employee education and admitting that the employees are our greatest risk," he said.

"From a product standpoint there was a lot of focus on behavioural analytics – everyone was trying to show they have some flavour in that arena – and a recognition that email is emerging again as the primary attack vector.

"What email has in common with UEBA [user and entity behaviour analysis] is that it largely relies on humans – whether bad actors can convince you to do something on email that you really shouldn't do. UEBA falls in that same category.

"So much is people based – it isn't all malware and other things that are detectable, so you have to look at what human beings are doing that is suspicious."

Despite highlighting these areas as being prominent, Temske said there was a general lack of differentiation at the conference this year, with a lot of vendors using the same buzzwords and blurring into one. He added that he didn't see anything especially groundbreaking on show from a tech perspective.

"There wasn't anything revolutionary that stuck out – at least to me – from a technology standpoint," Temske explained. "If I were to make a generalist comment, I'd say there was a lack of differentiation. After a day of walking around the vendor hall I was thinking that everything sounds the same. There wasn't anything that stood out.

"Everyone has AI-this and machine learning-that. It has started to blend together so there was a lack of anything that stood out there."

This view was echoed by Sean Remnant, chief strategy officer at security distributor Ignition, who explained that the growing number of vendors in the space means there is less chance of a specific type of technology stealing the show at an event like RSA.

"The market is maturing so you're not getting these lighthouse themes shining through, because the event is so big," he explained.

"There is still some exciting stuff and some key areas – end-point, identity and automation is probably what there was most of – but there wasn't one massive thing. Last year end-point was absolutely screaming but there wasn't that kind of buzz this year; it was more about the market maturing and pointing to the areas people should be looking at. I don't think it's a problem though because there was still lots of great tech out there."

Remnant however agreed that a lot of the vendors on show were focusing more on how to manipulate the vast amounts of data churned out by security solutions, rather than on the tech that actively prevents threats.

"Some of these solutions are providing a lot of data rather than a lot of information, so we just need to make things easier because nobody has the resources to spend a lot of time on every single point solution," he explained. "It's about making better budget decisions on those security solutions so we get more value."

## The end-point wars

Perhaps no market entrance has caused more waves in the cybersecurity arena over recent years than when the likes of Cylance and Sentinel One arrived with next-generation anti-virus, slamming their legacy competitors in the process.

The ripples of their entrance are still being felt, Computacenter's Williams said, adding that the market disruption is likely drawing to a close.

"If you're an angel investor or a VC, your enthusiasm to invest in end-point start-ups with the potential for a massive bounty might be waning. But because the end-point, and anything that effects the user, is deemed one of the most important attack vectors, end-point protection hasn't gone away," Williams explained.

"It is fundamentally important and I think what you're seeing is that people have aligned with their end-point choice and they've placed their bets now; a market entrant will find it challenging.

"If you arrived [as a vendor] right now and your whole thing was AI and ML, how would you beat Cylance which has a three-year advantage over you? It would be hard."

## Still useful?

The less-coherent messaging coming out of RSA this year raises the question of whether the event still offers value to channel partners spending thousands of pounds to travel to San Francisco.

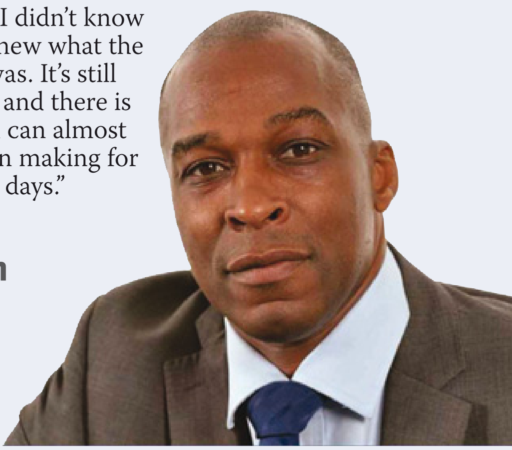
A few grumblings on Twitter and LinkedIn suggested that the "RSA bubble had burst", and that the sheer volume of vendors exhibiting made it too difficult to unearth genuine opportunities.

Computacenter's Williams admitted that the vendor hall has become more difficult to navigate over recent years, but said any partner arriving at the event with a clear plan of action will not leave disappointed.

"If you approach the RSA event without a plan, you'll burn an awful lot of time in the wrong places," he said. "You'll stop at the first stand that looks interesting and before you know it you've wasted an hour.

"You go there to confirm certain decisions, reinforce certain decisions and get new ideas. I knew exactly the vendors I was going to see, and if I didn't know the vendor, I knew the areas I was investigating.

"If threat intelligence was the area I was looking at but I didn't know the vendor, I still knew what the specific outcome was. It's still a formidable event and there is nothing like it. You can almost get all your decision making for a year done in four days."



**"If you approach the RSA event without a plan, you'll burn an awful lot of time in the wrong places. You'll stop at the first stand that looks interesting and before you know it you've wasted an hour"**

**Colin Williams, Computacenter**

# Five key promises Dell EMC made to its partners

***Josh Budd** hears from Dell EMC's channel execs about its commitments to improve partner engagement*

At its Global Partner Summit at Dell Technologies World in Las Vegas, Dell EMC announced scores of changes and additions to how it engages with channel partners.

*Channelnomics Europe* heard from Dell EMC's channel executive line-up to bring you five key commitments Dell EMC is making to channel partners.

■ *Visit www.channelnomics.eu to get daily news and analysis of the IT channel across Europe*

## $60,000 in storage rebates up for grabs

Speaking to channel delegates, global channel boss Joyce Mullen said Dell EMC has invested over $1bn in improving partner incentives, especially around its storage portfolio.

The vendor announced the launch of two new all-flash arrays to its SC range towards the end of last year and added a range of software products to its Unity portfolio in response to increased pressure from competition in the storage market.

The new products coincided with the launch of Dell EMC's Future-Proof Loyalty Storage Programme, providing partners with a three-year satisfaction guarantee for customers buying from its SC and Unity ranges.

Selling storage with Dell EMC could see channel representatives earn as much as $60,000 in rebates for each deal under the vendor's MyRewards programme.

The new programme is an opt-in, points-based rewards scheme for sales representatives and systems engineers, and replaces Dell EMC's current Partner Advantage and Sell and Earn programmes.

Up to $10,000 is up for grabs for selling modern infrastructure, $20,000 for cross-selling data protection, and $30,000 for net new accounts or competitive swaps. Rebates could total up to $60,000 per deal, split between sales representatives and systems engineers.

Dell EMC's vice chairman of products and operations Jeff Clarke told channel delegates that selling storage was a priority for 2018. He said storage rebates increased 70 per cent year on year in 2017 – an additional $157m.

"To show how serious we are about taking market share, we are extending an eight per cent rebate to any competitive swap. Talk about profitable. None of our competitors are offering anything like this," he said.

Dell EMC isn't the only vendor to have ramped up storage rebates of late. IBM recently announced a new programme that could see sales reps and system engineers pocket $100,000 in stackable annual rebates with a limit of $30,000 per deal.

## 'Do-it-yourself' Dell EMC Ready Stack

As an alternative to buying Dell EMC's pre-bundled hyper-converged VxRail offering, partners now have the option to integrate their own converged stack through combining the vendor's server, storage and networking products. The Ready Stack aims to give partners the ability to add their own integration services instead of buying a ready-made hyper-converged stack from Dell.

"Larger partners tend to buy products that are more converged by the vendor, but if you go down to the mid-market, partners play a much bigger role in taking a build model and creating a solution for the customer," said Dell EMC's EMEA channel boss Michael Collins.

"They buy the servers already, add a bit of software and cut a server up into a bit of backup, a bit of storage and a bit of compute and create a converged platform for their customers. They get peace of mind knowing that they're buying engineered solutions that work well together. They don't have to test it, or think about if they're going to get the best performance out of different combinations."

## Faster deal registration and price quoting

Mullen said that Dell EMC's deal registration process and price quoting will become faster and more accurate.

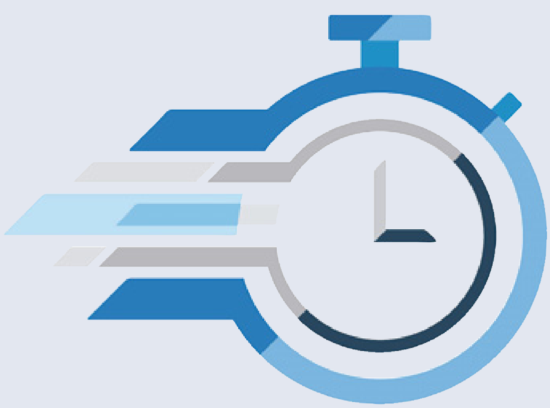
By the end of the year, Dell EMC has pledged that most deal registration requests will be responded to within four hours, with the exception of storage deals which could take as long as 48 hours. In addition, the vendor has committed to turning around 80 per cent of price quotes within four hours, and 95 per cent within 24 hours.

"One of our goals is to make it easier for you to transact with us and make money. We have heard loud and clear that if we do nothing else, we must get this part right. That is why it is my personal number one priority," said Mullen.

Faster deal registration and quoting will particularly benefit Dell EMC's mid-market partners, according to Collins, who said these firms have been particularly vocal about improving how Dell EMC transacts with the channel.

"If you're slow, the fast [competitors] will eat you. They'll even eat you with inferior products," he told *ChannelNomics Europe*. "I don't think you can ever really be fast enough, you can only be not fast enough.

"The further you go from very large customers with big rollout projects and long sales cycles, as you get down to the mid-market, customers are much more demanding, have much smaller IT departments and you could argue they therefore do much less planning and want to make quicker decisions and have a much faster service. When I meet with smaller and smaller partners, those are the ones who complain more and more [about Dell EMC's transaction speed]."



## Titanium Black status will now also apply to VMware and other Dell brands

Mullen said Dell EMC's top-tier Titanium Black partners will now also see their status recognised across other Dell Technologies brands, including VMware, Pivotal and Virtustream. Titanium Black partners will receive a "concierge service" across the Dell Technologies brands, according to Mullen.

Dell EMC's invite-only status currently applies to 10 partners worldwide after the addition of Swisscom and Itochu this year, joining current members Atea, Bechtle, CDW, Computacenter, FusionStorm, Insight, SHI and World Wide Technologies.

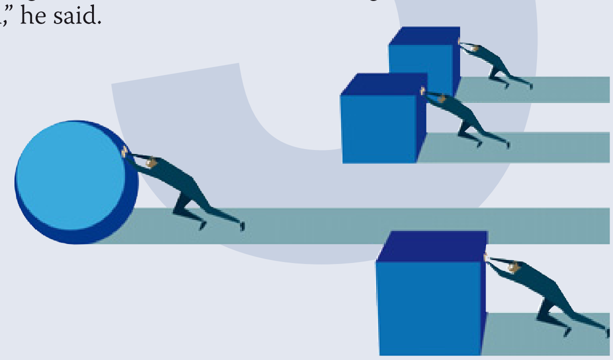
## Cutting out duplicate certifications

Channel execs also announced that Dell EMC will cut out duplicate certifications across the Dell Technologies brands, in an effort to reduce time spent on training for channel partners.

As a result, a partner with cloud certifications on VMware, for example, will not have to obtain the corresponding certification with Dell EMC.

Mullen said the move will make it easier for partners to do business across all Dell Technologies brands, as well as cut out unnecessary training for partners.

Collins added: "The feedback we received from partners when we established a programme was we need to be competitive in terms of training hours. It's a big investment in partners to get certified; it is important for their customers and their employees. We need to be competitive in how much training needs to be taken in order to get to that certification level," he said.



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# What I seek from my IT suppliers

*Oscar Arean, technical operations manager, Databarracks*

### What does your company do, and what is your role there?
Databarracks is a UK specialist business continuity and disaster recovery provider. I am in charge of internal IT management as well as the management and purchasing of the infrastructure we use to provide services.

### What traits do you seek in your IT suppliers?
They need to not be too pushy, to take the time to get to know us, but in a sincere way, rather than just trying to get through some preamble before they get to the pitch.

The suppliers we've used for years are genuine and it doesn't matter how big the order is. It can be big now and small later but every order is treated with the same level of attention and care. A lot of the time we will use a supplier for something small, but because they have impressed us, we go back to them for more.

Suppliers that go the extra mile to be available also stand out to us. We work 24/7, and often keep quite odd hours, so being responsive at those times definitely helps. It's always good to know that an enquiry that is sent late at night will get picked up and actioned first thing in the morning. It helps get things done!

### What are your main dos and don'ts for resellers and other IT suppliers when they are selling to you?
Don't push us for meetings just to hit your quota for that quarter or push sales numbers in the short term because it wastes our time and ultimately damages the relationship in the long term. Instead, understand our needs and advise accordingly. We recently had a change with a supplier where we couldn't buy directly from them anymore and had to start working through an aggregator. The salesperson started immediately upselling lots of useless items. It felt as though he was selling for the sake of selling, rather than trying to make our existing set-up better. We don't use them anymore.

Also, try not to make initial contact without understanding what we do. I've had suppliers get in touch to try to sell us services that we actually provide. That's a bad start.

### How can IT suppliers best influence you early in the sales cycle?
Asking the right questions helps. Getting us the right information too, even if this means going away to check with technical experts and calling us back later. Also, if you make a mistake, that's fine, it happens to all of us, but how you deal with it is very important. Take ownership of the mistake, fix it, and make it right. We respect that approach. Otherwise, we can't rely on you.

### Do spam emails or cold calls ever work?
It is very rare that an email will get my attention. Sometimes it will work, but more often this is by fluke. I get too many emails to pay any cold approaches much attention. Similarly, I rarely take a call from someone I don't know. The bad calls hurt the good ones, and all too often I am left hearing from someone who sounds like they're reading from a script. It makes it easy to switch off.

### Do you generally prefer to procure as many IT goods and services as possible from a single supplier, or work with multiple specialists?
We prefer to work with multiple specialists. One shop rarely has it all, and if they do, they probably won't have expertise in everything. We sometimes use the big shops which are great for quick, transactional purchases, but when we need advice or assistance, they don't have the necessary expertise and do not provide the necessary care and attention. It helps to have multiple suppliers because if there is a delay in an item that we need urgently, we can go to another supplier quickly. It also helps us to keep prices competitive.

### How much of your time is spent helping business leaders drive business outcomes, versus running the IT department?
The ratio is probably around 50:50, depending on which hat I'm wearing at the time and how many hours I'm doing that week. But even in the 'keeping-the-lights-on' work, there's always room for review and improving how we operate in the future.

### We hear about the increased prominence of the CMO and line of business in IT decision making. How much are executives and staff in your business now involved in IT purchasing decisions?
This tends to depend on the particular system and the amount of integration. Some things may be entirely through the line of business with IT providing audit and evaluation for access control and security for approval, but when systems need integration, IT is involved throughout.

# Day of reckoning

*Stand by for a designated 24 hours of MSP appreciation*

I was thoroughly astounded (and a little emotional) to hear that 23 May has been designated 'MSP Day'.

The more cynical among you may already be dismissing this as no more than a marketing ploy by the firm behind it, security and backup vendor Barracuda Networks which, completely coincidentally, is on a big push to convince managed services providers to sell more of its stuff.

Not I. In my eyes, the ability of MSPs to proactively manage and assume responsibility for a predefined set of services on behalf of their clients – all on a contractual, ongoing, 24/7 basis – has gone unrecognised for too long.

The blurb for the event also played to my love of stirring, Churchillian-style dialogue.

"On 23 May, competitors will become collaborators, and enemies can be friends (or frenemies at the very least) as the IT industry gets together to share successes, best practices, and insights in order to give businesses in the UK the best possible experience of managed IT services," it read.

My only concern for Barracuda is that 23 May already hosts a packed field of other causes. According to the unimpeachable source that is the 'Days of the Year' website, 'MSP Day' will be going up against 'Turtle Day', Title Track Day' and 'Lucky Penny Day', among others.

It will be intriguing to see who will win out in the race for public affections between turtles and firms that provide all-you-can eat remote management and monitoring services.

## Hire purpose

The inevitable enslavement of the human race by shiny metal automatons has moved a step closer to reality with news of the creation of a robot recruiter.

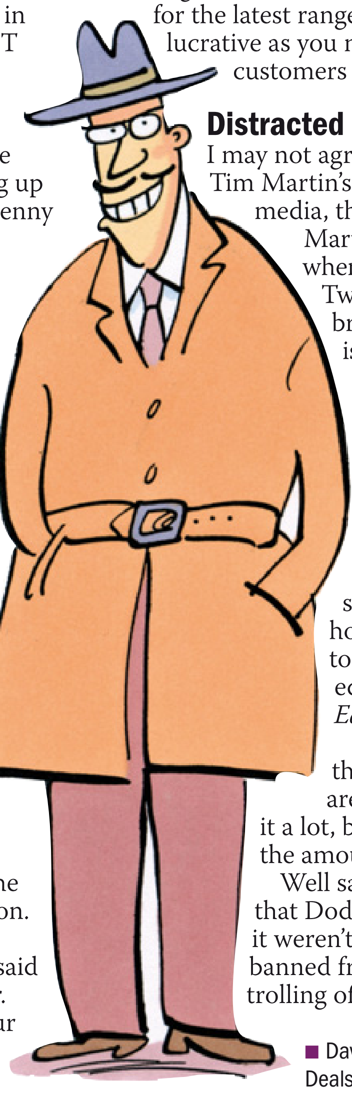
'Vera', which is already being used by global corporations such as PepsiCo and Raiffeisen Bank, is an AI-based software technology with the ability to hire humans.

Invented by two Russian whiz kids, Vera scours online CVs and cover letters on five job sites to locate qualified candidates, CNBC reports. She then calls potential applicants to confirm their interest, before going on to arrange an interview where she uses speech recognition to ask and answer questions about the role and the company.

Outstanding candidates are then passed onto the company's HR manager for the final hiring decision.

"Vera can do in one working day what a traditional talent source would need two weeks," said Alexander Uraskin, Vera's 30-year-old co-founder.

I would consider enlisting Vera to assist with our next round of hires, but the members of Dodgi's HR team are probably robotic enough already.



## Voice of a generation

The channel is full of people with hidden talents. You may know me as the outspoken boss of a Dagenham-based IT dealer, but by night I double up as a jazz saxophonist, and am also a renowned authority on medieval battles.

But one security vendor boss I met recently boasts an even more interesting sideline – as a narrator of children's bedtime stories.

Famed for his cut-glass accent and baritone register, the suave executive in question supplements his day job by taking commissions for audiobooks aimed at youngsters. To spare his blushes (the poor chap is already a laughing stock among his colleagues), I will protect his identity.

One wonders why he's not packed in his current day job evangelising end-to-end, holistic cybersecurity solutions altogether. I can only imagine that providing the voiceover for the latest range of Brothers Grimm CDs isn't as lucrative as you might think. I just hope he offers all his customers a free copy of anti-virus software.

## Distracted drinkers

I may not agree with all of Wetherspoon founder Tim Martin's opinions, but when it comes to social media, the straight-talking pub baron is spot on.

Martin grabbed the headlines last month when he switched off Wetherspoon's Twitter, Facebook and Instagram accounts, branding the perception that social media is essential for business "a myth".

Martin expanded on his thoughts later in the month at a catering equipment conference, and I think *CRN* readers of a similar vintage to me will identify 100 per cent with what he said.

"Just before we [turned off social media], my nephew, who's 18, came to stay for a few months and he's forgotten how to f***ing talk!," Martin is reported to have said by everyone's favourite food equipment trade magazine, *Food Service Equipment Journal*.

"He's always on his machine! And I think there's something wrong – people are frustrated with other people being on it a lot, but a lot of people are frustrated with the amount of time they personally spend on it."

Well said, Timbo, and I can honestly say that Dodgi would do exactly the same thing, if it weren't for the fact that we've already been banned from all three platforms for our repeated trolling of Plaistow Pete's PC Palace.

■ Dave Diamond-Geezer, director of Digital Online Deals and Global Integration (Dodgi) of Dagenham Ltd.