



# Distributor Differentiation

For channel resellers and VAR's it is difficult to keep up to date with distributor activity so here is a straightforward roundup of distributor activity in the voice and data channel together with their views on their current hot applications

The distribution market in the UK is one of the most competitive in the UK comms sector. Rarely does a distributor have an exclusive agreement with a vendor so generally there is always a competitor or two in the wings ready to shave a few points off of transfer prices to resellers. Value add is therefore often difficult to achieve; training, technical and sales support and logistics excellence are all table stakes these days without which it's hard to play in the market.

Distributors also have to anticipate the market as having the wrong product portfolio as a result of not reacting to market trends will place them at a distinct disadvantage in terms of sales potential.

These trends, and the products and applications that support their deployment are both a moving target and difficult to spot. Take for example the Prosumer.

Lucy Green, Managing Director at analyst firm Larato, explains.

"Over the coming year, the growing needs of the Prosumer should proactively influence the development priorities of key Voice and Data distributors.

Why? Because the demand these influencers are creating now will underpin a distributor's ability to compete in the mid-term.

Prosumers are change agents within the channel's customer base. Often senior and influential figures, Prosumers mobilise their own organisations to take commercial advantage of well-designed, ubiquitous, technology. They are the people who have already bought SIP trunks that integrate with their CRM systems and smartphone applications that are delivering mobility, efficiency and cost savings. They are the people driving demand for virtualised desktops and hybrid IT environments. They are innovators and their needs are developing at pace.

Prosumers want to bring the benefits of the revolution in consumer technology to the workplace. They are interested in how they can create value by adapting consumer-oriented workflows to create compelling experiences for their customers and colleagues. They create value

for the firms they work for which is why their influence is growing and why they are so important to a distributor's future.

Here is a snapshot of the key trends we recommend distributors pay close attention to.

Lync Server 2013 with integrated Skype federation: The integration of one of Microsoft's fastest-growing Enterprise platforms with Skype is an important opportunity for the channel. Lync's popularity is already boosting channel revenues and this addition of Skype further strengthens its commercial potential. It will fuel more demand for SIP trunks and accelerate the replacement of ISDN. Its flexibility across on-premise and hosted platforms should also appeal to all areas of the channel.

Video as a Service: Already hot, video is set to get hotter! Prosumers want to leverage video across their organisations to gather statistics and business intelligence that will help to streamline operational processes, improve sales effectiveness and customer responsiveness, preferably in real time. Distributors that augment their existing video offerings to provide channel partners with these additional capabilities will reap substantial rewards.

Voice and Data analytics: There is a distinct trend for analytics that deliver Business Intelligence, not just service assurance data. The trend is being driven by an increasing need for organisations to answer questions like; what happened, why did it happen and what will happen next? Communications platforms are not immune from this. In fact, our work across the markets indicates that communications platforms will be central to this trend, presenting another high margin opportunity to the Distributors that embrace these needs.

## Reseller Expectations Exceeded

John Bird, Head of Systems and Support Services at Micro-P, points to his company's

ability to provide a complete portfolio of products, applications and services for the reseller including communications, server, PC / laptop, storage, audio visual, print and mobile.

"As well as having solutions for all these applications we also have the ability to provide a professional services wrap with on site engineering, leasing, and channel leading pre and post sales support. For resellers seeking unified communications solutions Micro-P has the answers."

Looking ahead to 2013 Bird says that hot products and applications would include Samsung Mobile Xchange and Wireless Enterprise.

"Here we are able to offer reseller true mobile integration to the PBX with full presence management and IM.

NEC' is shortly to announce the launch of their Univerge 3C platform. This is a pure IP soft switch which we anticipate will attract a huge amount of reseller interest in the coming year especially as we see the product being perfectly aligned to the IT VAR.

Outside of comms a key hot product has to be iBoard - an interactive, large format touch screen teaching aid, incorporating video conferencing facilities and a collaborative teaching platform. The units scale up to 80 inch screens to fit any classroom and learning environment."

Bird confirms that Micro-P continues to offer sales incentives across a wide range of products ranging from vendor led incentives through to public sector and vertical market incentives and price support.

He concludes, "It's clear that the current economic climate is having an impact on the sales of voice solutions with a reported 8% decline in the SME PBX market. Even under these conditions, Micro-P has seen significant growth over the last



John Bird of Micro-P: "...we will continue to make sure we exceed that reseller expectation in 2013."

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**The Prosumer: Over the coming year, the growing needs of the Prosumer should proactively influence the development priorities of key Voice and Data distributors says Lucy Green at Larato.**

12 months. IP endpoint sales, as well as sales of peripherals products such as conferencing and headsets, have never been better. There can be no doubt that our ability to provide total bespoke voice and data solutions for our reseller channel, backed up by the best technical support in the channel, has helped us grow our communications business over the last year and we will continue to make sure we exceed that reseller expectation in 2013."

## Focus on UC

Annette Reynolds, Head of Category, Unified Communications at Ingram Micro, focuses on their UC team which was established quite recently and forms a part of a 'greenfield initiative' with the distributor investing heavily in areas of growth such as UC, Cloud, Mobility and AV.

"Now well established and gaining some real traction with our reseller community, with particular focus on ShoreTel's solutions, Cisco's

Collaboration focus, including BE6000 Unified Communication platform and with Microsoft Lync propositions being developed. We are also seeing demand for data products from Cisco and HP being driven by collaboration and mobility solutions."

Reynolds forecasts their hot products and applications for 2013 as being ShoreTel Mobility including iPad, iPod, iPhone Blackberry and Android clients for on and off site wireless voice solutions. Current sales incentives and special offers include ShoreTel/HP discounted bundles for the ShoreTel installed base and competitive vendor displacements.

She adds that some larger project business is now gaining momentum, suggesting more confidence in the market.

"The UC Team within the Value business at Ingram Micro is growing, and we have had a run of new signings, with great interest around Unified Communications and ShoreTel and Cisco in particular, coming from our reseller base, especially the Data VARs who are managing the network and desktop and see a natural synergy with UC."

Ingram Micro is focusing on enablement, and programmes which simplify the solutions available, and which make it easier for partners to get on board, understanding the investment required and working closely together through the sales process, making sure marketing is part of the value proposition to generate new opportunity. Programmes such as their Cisco Fly Higher programme are being re-vamped to focus around UC.

## Virtualisation

Rob Watts, Marketing Manager at Westcon UK says his company is seeing a host of exciting new solutions coming available in 2013 including Avaya's virtualisation option for core applications on a VMWare environment.

"This is sure to open up new opportunities for the Avaya Aura portfolio by reducing hardware footprints and lowering maintenance costs in a time when budgets are tight. In addition to this Westcon is introducing Virsae (by Agile) a compelling new cloud-based infrastructure

management and reporting solution, complementary to Avaya enterprise environments.

Partners are successfully adopting a multi-vendor approach and regardless of the partner's heritage, planning and deploying these solutions can be difficult – Westcon provides an essential role in helping partners navigate varied and fast-changing technologies. We help

them address challenges around interoperability, deployment and up-sell opportunities etc. Meanwhile Polycom's desktop and mobile video collaboration solutions continue to enhance the Microsoft Lync offering plus have just released some compelling new room telepresence systems which will surely increase the adoption of VC in SMEs and enterprises."

## Relationship Building

Will Morey, Marketing Director at Pragma says that as a brand new distributor in 2012 his company has been working hard to build relationships with customers and establish a presence in the UK distribution market.

"Our entire business is built on the belief that personal relationships sit at the heart of good business. We make sure we deliver the basics of distribution 100% right every time and have a passion for the Ericsson-LG products and a real customer focus that helps us to build and retain our channel. We are fortunate to have quickly established a strong channel of resellers who we really enjoy working with and give us great feedback.

Pragma is really excited about a number of new products we will be introducing in the New Year including the Ericsson-LG SBG-1000 that offers a truly converged solution for resellers to take to their customers.

The theme for the Pragma business in 2013 remains unchanged we see our opportunity as continuing to build great partnerships with winning resellers and technology providers that complement the Ericsson-LG platform.

We believe the Ericsson-LG platform offers a unique combination of outstanding technology that meets the needs of today's enterprise with high-retained margins. While many manufacturers and distributors are introducing ever more restrictive accreditations and reducing the margin potential available to committed resellers, Pragma see it differently. Pragma sees support, training and accreditation as an investment we want to make in a reseller's business, not a tax to be applied to top up the corporate coffers."

Morey continues, "Convergence continues at all levels with voice and data capability and technology being a core component of any reseller or manufacturer proposition. Ericsson-LG offers an end-to-end voice and data solution with iPECS from call server to switch.

We see convergence continuing at a device level with mobile devices playing an increasing role in all enterprises, as BYOD becomes a reality. Ericsson-LG iPECS Communicator is a great example of desktop functionality being extended out into the mobile environment with easy to implement apps on both Android and iOS.

Convergence is also happening between on premise and cloud. We see businesses increasingly comfortable with a blended range of applications and services.

Ericsson-LG iPECS can sit at the heart of a cloud enabled enterprise with applications and services delivered seamlessly with an on-premise iPECS solution."

## Sound Bytes C2000

Computer 2000, part of the Tech Data Group, is gearing up the next phase of its Samsung Means Business growth programme, which provides resellers and retailers with targeted offers and incentives on a wide range of Samsung products, from Galaxy tablets and smartphones to Ultrabooks, large format displays and multi-function printers.

## Capstan

We believe that to be a successful distributor in today's market you have to focus on three key areas. Firstly, to have a product portfolio that meets the needs of users head on. Secondly, to provide Resellers with the education and training necessary to be able to confidently put forward the business case to their customers, and thirdly to provide a level of service and support that gives the Reseller the confidence to widen their own product portfolio. This is exactly what we deliver to our network of more than 500 reseller partners around the UK.



**Network Services Distribution**

Stewart Yates, CEO of TFM Networks, believes that voice and data will remain dominant within the channel; in particular, Fibre to the Cabinet/ Premise (FTTC/FTTP) and Hosted Internet Protocol Telephony (HIPT).

"FTTC and FTTP are often referred to as 'next generation broadband'. Higher capacity, lower attenuation circuits provide superior speeds making them stand out from the current alternatives."

Yates outlines a number of challenges surrounding the rollout of Fibre services; "The lack of availability across all exchanges and the inaccuracy of availability checkers are causing frustration amongst customers in their attempt to order fibre services. Added to this is the need for an Openreach engineer to complete an off-site installation, which extends the delivery timeline and has been further hampered by severe weather conditions."

With convergence, Yates is confident HIPT will continue to grow and become a key market offering within the channel. HIPT offers cost savings, creates user flexibility and enables simple administration via a web-based portal, whilst providing all of the feature rich facilities of a traditional PBX. Perhaps the greatest benefit of HIPT is its ability to be used from any location, creating a natural disaster recovery scenario. All of this is reliant upon such services being underpinned by a quality and stable connection.

Concluding, Yates comments on the constantly changing voice and data market, "With increased demand and pressure on cost savings, everyone wants more for less. Customers are confused by the huge number of products being offered in the market that are, in essence, the same service. TFM provide clear and unambiguous descriptions of product offerings to avoid the smoke and mirror approach."

**UC still to Explode**

Comms distributor Nimans has been serving the reseller community for over 30 years – and is a world away from its traditional 'voice' orientated roots.

Today, the Manchester-based company says it has evolved into a complete comms solution provider, including wholesale mobile, Unified Comms, hosted and network services, data infrastructure, video conferencing and PBX system sales.

The launch of a new IP PBX brand – iQ PBX – was a major highlight in 2012, with demand set to build throughout the coming year. UC momentum will continue to accelerate whilst more emphasis is also being placed on helping resellers maintain ownership and control of their customer bases.

But some resellers need to change their mindset to fully capitalise on market opportunities, according to Group Sales and Business Development Director, Richard Carter. He says a more 'joined up comms picture' is set to emerge, where UC enhances existing recurring revenue opportunities.

UC and the continued growth of hosted solutions, SIP trunks, call recording and video conferencing, will play a more prominent role alongside traditional PBX platforms that offer unrivalled voice capabilities.

Carter explained: "UC is yet to fully explode because there are still a lot of grey areas - with many deployments based only on presence, instant messaging and internal voice calls which are nowhere near the full story."

He also points out: "The reality for resellers is that many of the mobile networks have moved into other areas such as fixed line, broadband and data. Potentially a reseller risks customer erosion and losing margins. But our wholesale model, via O2 gives them complete control so they can bill under their own name and retain client ownership."

"As a distributor it's important to evolve. We will always sell traditional phone systems – such as the exclusive iQ PBX IP innovation - but that will never be 100% of our business any more. There's growing momentum around hosted and UC. 2013 will see further traction but the speed of adoption will be heavily influenced by how quickly reseller's evolve their own business models. From a distributor perspective it's about adding value to your customers and differentiating yourselves in the market."

**Wireless Opportunities**

Distributor ICON is a specialist in voice mobility wireless infrastructure solutions (VoWLAN), wireless handsets and specialist IP-PBX solutions and in 2012 it consolidated this position by extending its portfolio to include Wi-Fi infrastructure from

Extricom.

The brands it now distributes include the SpectraLink, KIRK, Extricom VoWLAN solutions, and the specialist IP PBX solutions Wave IP from Vertical Communications and FortiVoice from Fortinet.

"Hot for 2013," says Mark Shane, Sales Director for ICON, "will be WLAN solutions for voice and other triple play applications such as available from vendors SpectraLink and Extricom."

Shane explained, "Growth in BYOD is fuelling an explosion of demand for 4th generation Wi-Fi infrastructure which can handle high bandwidth voice, video, and data applications and at the same time support a secure and robust BYOD policy."

Shane added, "With its unique channel Blanket technology we expect the Extricom solution to win increasing penetration as a result of its ability to deliver a wide coverage area, guaranteed bandwidth with easy deployment in Triple Play and VoWLAN environments."

SpectraLink VoWLAN solutions are the focus of our channel incentives until end of Q1 in 2013. We are offering bundle based discounts and subsidised venter certification training to channel partners to support growth of their customer base and development of the VoWLAN market.

In 2013 the biggest driver in the market is expected to be the increasing use of BYOD in the enterprise and public spaces. People are increasingly expecting organisations and venues to provide Wi-Fi access and in educational establishments the development of IT teaching based on tablets is fuelling demand for robust Wi-Fi infrastructure. These BYODs are stretching the capability of traditional Wi-Fi infrastructure especially in situations such as schools and stadiums where simultaneous logons en-masse can cripple a network.

Shane concluded, "Since partnering with Extricom we have seen a number of enquiries from our channel partners for WLAN solutions in large public spaces and I am confident that we will see a growing demand for 4th generation VoWLAN solutions throughout 2013 and into 2014 as institutions and public places look for and deploy high bandwidth VoWLAN and BYOD access Wi-Fi networks."

**Ed Says...**

Distributors can provide a wide range of services to resellers and I was surprised that none mentioned their range of professional services such as project management, installation and on-going service wraps many can deliver. 2013 will see competition for business amongst distributors increase as they seek greater wallet share from the reseller market by helping their channels enter new markets.



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