



Making Sense of 2013

Comms Business Magazine talked to Mike Smythe, Marketing Director at distributor Capstan Communications, about the year ahead and how the landscape is changing.

Comms Business (CB): In this fast moving market what significant changes have you seen in distribution over the last three years?

Mike Smythe (MS): Today distribution is far less about logistics than it used to be. Whilst we see headline distributors still almost entirely focussed on logistics and recognise the vital role this plays in the mix, there is much more a distributor has to do before you get to the point of shipping. For example; helping reseller scope and plan network design, advising on the integration of integrated solutions and pre-staging of those solutions. PBX systems are communications platforms and typically we will see our Ericsson-LG IPECS ship with LANCOM wireless routers, Yo Wireless Hotspot applications and more.

Distributors therefore have to help their resellers through the sales process. Whereas five years ago conversations were more about pricing and delivery it's now about maximising margins through integration services and solutions. It's more about making sure the reseller has not left money on the table by helping them identify products and application opportunities they may have missed with their customers.

CB: What challenges / opportunities lay ahead for resellers in 2013?

MS: We designed our product portfolio from a communications platform upwards and looked to see what else could we specialise in and make available to our partners that in a dynamic and fast moving market would enable them to gain a far greater wallet share and retain customers.

Resellers constantly face the challenge of keeping up to date with technology developments and how they impact upon the wider aspects of their customer business processes. Today however that pace of change seems to be increasing at a faster rate and the challenge of meeting customer expectations with working solutions is increasingly difficult as skills gaps become exposed. If you just take one application, mobility for example, then you have to consider ease of access, security and integration with existing systems and business processes before you even get to the price issue.

Savvy and forward thinking resellers want to maximise their opportunities and sell more to existing customers. Selling just the tin element is becoming more difficult and those that do need to look at say the LAN/WAN/Unified Communications and applications solutions as well as the PBX. By not offering a solution in each of those areas that work together for business risks not only missing business but also losing the customer to a competitor. Resellers should be prepared to discuss and put forward a business case for these products and demonstrate total cost of ownership for say cloud versus CPE based solutions where we believe there is a strong case for lease backed CAPEX solutions.

CB: What are likely to be the hot applications?

MS: Many applications that were leading edge yesterday are just listed as 'expected' these days. For example call recording, click to dial and call



Mike Smythe, Marketing Director of Capstan Communications

queuing. We believe that the 'killer' applications for today are those that will drive business integration by pulling together staff and business processes. CRM applications, such as salesforce.com, and collaboration improve customer retention, increase business flexibility and responsiveness and ultimately lead to greater sales and competitiveness.

In the retail and hospitality markets there are opportunities to provide integrated single devices that can handle stock checking or service provision and order taking as well as providing voice and data applications. Resellers can provide the infrastructures on premise to enable existing business services to be delivered where they are needed, For example, wireless and VoIP as applications.

CB: How should a distributor help with those challenges/opportunities?

MS: There are three key elements to this. Firstly, to have a product portfolio that meets the user need of today 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.

If these elements are in place for the reseller then they have the opportunity profitable open up new income streams.

Of course I could have said these same things for the last few years but today I believe more than ever this to me the case. Our experience shows that those resellers that work and engage closely with us to deploy this type of strategy are by far the more successful companies. It just makes sense.