MicroScope

Cisco plans to augment SME market share through joint CRM offering with Microsoft 16 Feb by Dominic Hall

Cisco is aiming to increase its share of the SME market through a product tie-up with Microsoft, which will see the companies develop a joint CRM offering based on the 831 router and Small Business Server 2003.

The alliance is designed to target companies with fewer than 500 employees and will be available in the UK by April 2004.

Cisco's vice-president for the worldwide commercial market segment, Peter Alexander, said the partnership would increase partner profitability and open up the available market.

He added that the programme would target resellers carrying Cisco and Microsoft and would encourage "cooperation between the channels".

Alexander acknowledged that resellers may have issues collaborating with rivals over implementations of the CRM product, but Keith Humphries, analyst at Eurolan, believed the deal made sense.

"It is important for Cisco to get into that SME market — it doesn't want anyone else to take it, especially when you are looking at CRM solutions," Humphries said.

http://www.microscope.co.uk/articles/article.asp?liArticleID=128416&liArticleTypeID=1&liCategoryID=1&liChannelID=7&liFlavourID=2&sSearch=&nPage=1

Westcon reshuffles core units 9 Feb by Dominic Hall

Global networking and convergence distributor Westcon has undertaken a strategic realignment of its business units in order to expand the reach of its product portfolio and increase efficiency

The company, which is owned by South African-listed Datatec and which recently revived US IPO plans (see MicroScope, 2 February), has backed up the realignment with management changes and the creation of new internal business units.

The changes have been carried out to position the distributor as the only global player involved in the whole IT network from infrastructure to convergence to security.

Westcon group president and CEO Alan Marc Smith said the reorganisation — dubbed Project Upbeat — was designed to "bring more to the table for the reseller and vendor". "Westcon was known specifically as an operator in the silo data and voice markets; where we are going now is convergence, security and IP devices," he said.

Marc Smith revealed that the distributor had created two divisions — the technology solutions group and the business development group — to extend the scope of the company's product focus.

The technology solutions group is to be headed by Paul Cunningham — previously Comstor marketing manager — and will look at how to integrate new and emerging technologies into the Westcon operation, such as biometrics, video over IP and unified messaging.

Although important recent additions to Comstor's portfolio, such as Symbol and Proxim, are part of the Project Upbeat strategy, Marc Smith insisted the distributor would maintain its Cisco-centric focus while acknowledging the market-wide fall in the vendor's margins. "It would be naive to say that [declining Cisco margins] are not a part of this but we are doing the same thing around Nortel and Avaya because there is no single player that can deliver a robust, fully converged network," he said.

"Yes, we would hope that one of the benefits of building more solutions is more gross margin for us and for resellers, but that is not the only reason. Cisco does have a profitability issue, but it is addressing it," he added.

Marc Smith was also keen to point out that the realignment had not been driven by the company's plans for an IPO during the first half of 2004. "I can't comment on the IPO, but Project Upbeat has been running in the US for a year and the IPO stuff is recent," he said.

Cunningham claimed the most appropriate way of viewing the technology solutions group was as "the closest thing in distribution to a research and development function: this is a move towards market alignment rather than pure vendor alignment".

Keith Humphries, consultant at analyst group Eurolan, believed the Westcon-Comstor model worked well and that its only flaw was an "over-reliance" on single vendors.

But he added that resellers were increasingly "not seeing the value" in specialist focus from distributors and placed more worth in core competence functions such as logistics, credit and stock availability.

http://www.microscope.co.uk/articles/article.asp?liArticleID=128239&liArticleTypeID=1&liCategoryID=1&liChannelID=7&liFlavourID=2&sSearch=&nPage=1

Telindus to spend wisely on acquisition mission 26 Jan by Dominic Hall

Pan-European networking integrator and services group Telindus is looking to break into a 60 million euro (£41.5m) war chest targeting acquisitions to sharpen its focus on solution sales and security

The Belgium-headquartered channel player, which turned over 278 million euros in the six months to 1 August 2003, is currently bedding down a number of strategic investments and acquisitions in geographies including Belgium, Budapest and China.

Speaking to MicroScope, Telindus corporate vice-president and UK and Ireland managing director Peter Deacon revealed that the acquisition programme — which has seen the company buy a 25 per cent stake in Belgian SME-focused A2Z, a 51 per cent stake in Hungarian integrator SCI-Modem Telecommunications and an increased share in Telindus Hong Kong — was set to continue.

He said shareholders had applied pressure to invest some of its net cash holding back into the company to strengthen its position in key territories and technology areas. "Because of our push towards solutions, the view is we need to make further acquisitions. I see us making some in security and surveillance," he commented.

Deacon would not say exactly where the company had set its acquisition targets, but suggested it was a priority to make the group’s strongest performing territories — a position occupied by the UK — stronger. "We want to increase market share in countries that are profitable. From a UK perspective, the intention is to double the size of the business over the next three years through organic investment and acquisition," he said.

But referring to "painful" problems the company had experienced when integrating acquisitions in the past, Deacon stressed any target would have to be a perfect match. "We are being selective and have very specific criteria [for acquisition targets] to meet. We want companies that are complementary to what we do, not the same," he said.

Telindus has traditionally played in the service provider and enterprise markets, but Deacon revealed the group was now looking at the possibility of breaking into the SME market following its buy-in at small business-focused A2Z Solutions. "The key reason for the acquisition in Belgium [A2Z] is that it is difficult to grow in the medium to larger enterprise space and this provides a toe in the water to see if we can extend the coverage of the business into the SME arena," he said.

"The target is to turn Telindus into a $1bn (£552m) company over the next three years, so we have to spend our cash wisely," he added.

Despite Deacon’s positive outlook, Telindus appears to have been affected by tough trading conditions during the past couple of quarters, which led it to reduce expectations for its current financial year last October.

At the time, a statement issued to the Brussels Stock Exchange warned turnover for the company’s current year would be 20 million euros short of its predicted figure of 560 million euros.

The statement blamed the shortfall on pressure on the product business in terms of volume, price level and margins, but also pointed to a growth in managed services.

Eurolan analyst Keith Humphries said Telindus had a "great track record" in the UK and the company would be wise to work hard at its enterprise business. "Its troubles in the past have come from the fact that it was very service provider-focused, but the wheels have fallen off that market."

Risers and floaters 9 Jan by Nick Langley

MicroScope asked the industry to predict which technology will come to the surface in 2004 and which kit will remain in the murky depths. The outlook was positive for the channel...

IT users enter 2004 lean, scarred and wary, with a cost-cutting mentality that's become so ingrained that, according to Gartner Group, CIOs are spending on average only 80 per cent of their budgets. So what technologies offer enough realistic business value to encourage a more positive approach to IT investment? We drew up our own list and presented it to a number of analysts and users, asking them for their reactions and alternatives.

The technologies were Web services, wireless, utility computing, real-time computing and open source software.

The results were mixed. For example, users see Web services as a still distant prospect, while analysts insist they will be playing a key role in service-oriented architectures and application integration next year.

On the other hand, some analysts struggle to see a role for wireless because it doesn't form part of the kind of enterprise-wide projects they are used to, while for users, the ability to buy it cheaply, plug it in and go without expert help is a no-brainer.

"Wireless will be very big with the advertising push Intel and others are making," says Interim IT manager Ed Darnell. But he adds that billing may be the challenge which spoils the party.

Julian Hewett, chief analyst at Ovum, points out that most of the truly dramatic telecoms developments happen because a terminal population is put in place, such as with fax or SMS: "These days you can barely buy a laptop without a wireless chip in it, and slowly but surely we are building a population which is Wi-Fi enabled."

But there's a downside that is a direct result of wireless being so cheap and easy. "The company may not have a wireless strategy, but it's there whether they know about it or not because it's become so inexpensive for individuals to go down to PC World, buy their own access point and set it up," warns Steve Prentice, chief of research at Gartner. "Get a WLAN policy set up and enabled," he advises.

The challenge for Wi-Fi service operators is to provide compelling services that people will pay for, beyond Internet and e-mail access, and to create a viable charging structure.

Service providers will have to compete with coffee shops, which are happy to lay on free hotspots to encourage people to linger and buy the odd extra muffin.

Wireless and Web services

There are, however, plenty of opportunities for resellers. Keith Humphreys, managing consultant at EuroLan Research, says that at the enterprise level, where people are paying between a couple of hundred and a thousand pounds for access points, there is money to be made. There are also planning and deployment services, especially if there are wireless switches and gateways to manage. "We'll see people mixing and matching wired and wireless LANs and needing to integrate them seamlessly so they can be managed from one point," he says.

Dale Vile, service director of Quocirca, agrees: "For the value-added guys in the channel there is the job of pulling it all together, and managing security and support. It's a professional services opportunity that will have a lot of pull-through in terms of kit."

As we move through 2004, Vile says we'll start to see coherent solutions offering WLAN along with GPRS and early 3G from the likes of Vodafone. And there is a good chance that mobile companies will see the IT channel as a way of boosting their data services business in the mid-market. "As an incentive, I think they're going to start providing margins on airtime agreements," Vile comments.

Developments in wireless are linked to products like Exchange 2003, which delivers mobility out of the box. And there will also be a big knock-on effect on sales of licences for mobility dependent applications like field service and sales force management.

But so far, Web services offer no such tyres to kick and users are correspondingly cautious. "XML and Web services will certainly grow, but how fast I'm not sure," says Darnell.

Prentice thinks Web services and XML will play a key part in the move to environments where the emphasis is on business processes rather than discrete applications. He sees a rapid growth of interest among users and believes the technology is becoming mature and reliable to the point where people will have to follow this route.

A Meta Group spokesperson says Web services will be the catalyst for enterprise-wide application integration projects, tying together existing systems. And that's how Hewett sees it too, although unlike Kumar he doesn't think it will be a major focus for investment.

Steve Barrie, an analyst at Bloor Research, adds that most businesses will not want to invest time and resources in developing Web services infrastructures: "It's likely that Web services will be implemented as a part of a solution purchase: ERP or CRM functions delivered as services. However, to get the promised results from Web services it will be necessary to ensure that any additional Web services are able to integrate fully. The only way to guarantee that will be to use the same supplier."

Vile says Web services will make life easier for ISVs by enabling them to build more openness into their solutions. But much of the input from the channel will be behind the scenes. "There will be some nice features that can be sold into the existing base, but it's not really going to shake up the way people do things," he says. The mid-market doesn't have the same application integration problems as corporate users, Vile points out.

Similarly, Web services may make systems integrators' lives easier, but it will be many years before the standards and services become pervasive and threaten SI revenues.

Linux conundrum

On the face of it, the rise of Linux is another example of a user win against over-mighty vendors. Darnell thinks that open source will grow rapidly and says the MySQL database and PHP scripting language are particular technologies to watch.

But the honeymoon may be coming to an end. Prentice thinks the growing popularity of Linux and open source may be an emotional backlash against perceived lock-in and heavy-handedness over vendor licensing. "People are voting with their hearts, not their heads. The total cost of ownership of open source is open to question and most of the costings we've seen are somewhat flawed. It's a bit like the move from mainframe to server-based computing; it may cost less to buy, but in the long term may cost you more to manage and maintain."

Kumar has similar doubts about the cost case for Linux: "Lots of organisations are now far more receptive to messages about open source, because Microsoft can't set its house in order over pricing. There's also a growing band of influential technical people who are putting Linux on mainframes. It's commercially questionable whether it's worth doing that, but they say it works better, and they get better availability and manageability — it brings up LPARs that much quicker. But I'm not totally convinced by the technology arguments. You can get as much availability as you need for most applications on a clustered Intel box running Linux; not as good as a mainframe, but a hell of a lot cheaper."

Prentice says Microsoft has it in its power to upset the Linux applecart by making significant changes to licensing and pricing — but shows no sign of preparing to do so.

Linux on the desktop won't be important except for certain public sector organisations in 2004, Vile says, but it could start to challenge Microsoft in the channel's traditional server business: "Are the vendors like HP and IBM going to be able to roll offerings out in a way that attracts the channel? We're unlikely to see a significant pull from the mid-market — they will stick with the comfortable and safe option, which is Microsoft — so it's got to be a push from the vendors. The only way they're going to get the channel to peddle it is if they're allowed to make money on the service agreements."

The danger for the channel is that Linux will complicate the sales cycle by introducing an element of decision-making that wasn't there when people simply accepted the Microsoft offering.

Utility computing

Other vendors are seriously tackling the pricing issue. IBM's On Demand and Hewlett-Packard's Adaptive Enterprise are both ways of selling users the processing power they need, when they need it. Effectively, this is an extension of the ASP model, using third-party resources outside the walls of the enterprise.

"At the network, hardware and software infrastructure levels, IT is increasingly not a business differentiator, which is why the utility computing model is being received with interest," says Ovum Research director Katy Ring. But she adds it's debatable whether it actually lowers costs. "It makes costs more manageable and predictable and removes them from capital expenditure, like the original ASP market proposition," she says.

Another analyst claims: "On-demand, adaptive enterprise and other infrastructure initiatives are all quite similar and aimed at the idea of virtualising the hardware layer. Companies have been buying servers in an ad hoc manner, deploying on a one-server-per-application basis. They assembled server farms which have an average hardware utilisation of about 20 per cent. So companies are very receptive to the idea of a corporate computer resource that is both managed and efficient — which is what Hewlett-Packard, IBM and Sun are talking about."

Kumar says the devil is in the contractual detail, with once-bitten users grown hard-bitten. "Vendors are all lining up to push this, and users have had a year to prepare themselves for a new way of procurement. They will sign if they can see it ties their payment schedules to some real business metrics, but if it's going to be a bastardised lease contract, forget it. They want creative business models they can take back to the non-IT people in their organisation, and justify why they're locking themselves in to a vendor for a number of years. I've seen some very creative contracts around Europe, and this is going to be a very hot area in 2004."

Useful channel
"We're starting to see a move towards service-oriented delivery of applications, with Microsoft helping rekindle the old application service provider ideas," says Vile. "With the penetration of broadband, most of the practical difficulties have been removed."

But will vendors use the utility model to try to seize revenue direct from users?

"The downfall of this kind of initiative in the past was the route to market. We've seen people like BT and Oracle try to bypass the channel, and it's never worked. The channel is too important in driving the sales cycle and generating confidence among buyers," says Vile.

Towards real time
The last of the five, real-time computing, may run foul of the Advertising Standards Agency because what we're really talking about is things getting faster, rather than everything being available instantly. "Everything will become more real-time," says Darnell. "It's about time all banking transactions were instant, but I doubt that will be sorted in 2004."

Prentice says: "What real time actually means is taking out unnecessary delays and being a more responsive organisation. It's built upon better infrastructure management, more ubiquitous networking — including wireless, and the virtualisation of servers and storage."

And that means spending money, which means shaking CIOs out of the cost-cutting mentality of the last three years and thinking instead about strategic investments, which provide a payback of good business value.

Vile is convinced of at least one thing that won't change in 2004: "The sales cycle will continue to be front-ended by the channel."

FIVE TO WAIT FOR

1. 3G — Gartner says it won't have much to offer before 2007: "There's nothing you can do with it now that you can't do with the 2G that's already available."
2. Web services — wait for technology to mature and standards to be thrashed out before attempting those big application-integration projects.
3. Grid computing — still only for big R&D firms, or those on the bleeding edge of data mining.
4. Linux on the desktop — watch and wait. Microsoft may have to lower prices.
5. IP Version 6 — strictly for network operators.

FIVE TO ADOPT

1. Wireless — already here and spreading fast. User organisations need to think about making it secure, and service providers must think seriously about how to make money from it.
2. Web services — pick a pilot application or process, but beware of vendor lock-in.
3. Open source — spreading fast. MySQL and PHP are set to join Linux in the mainstream. But scrutinise those TCO figures; the software may be cheap or free, but how must does it cost to manage?
4. Utility computing — pay only for the processing power and storage you use.

5. Real-time computing — cut out delay to compete better but be prepared to spend on infrastructure.

http://www.microscope.co.uk/articles/article.asp?liArticleID=127676&liArticleTypeID=1&liCategoryID=2&liChannelID=32&liFlavourID=2&sSearch=&nPage=1

Computer ResellerNews

Chess makes moves in acquisition game 15 Nov by Sara Yirrell

Utilities and communications provider Chess has made its sixth acquisition in eight months, and has revealed there are "more in the pipeline".

Last month the firm took over Leicester-based telecoms provider OCIS Lite for an undisclosed amount, swallowing up a customer base of more than 400 and revenue of about £3m a year.

David Pollock, chief executive of Chess, said the market is ripe for acquisition and claimed the channel will benefit as a result.

"Acquisition is our core strategy. There is currently a lot of consolidation in the marketplace. Since deregulation, firms can save up to 15 per cent on phone lines. At the moment few resellers can offer that service, but we will be working with our channel partners to change that," said Pollock.

He added that the acquisition had happened suddenly, as OCIS's carrier "pulled the plug", leaving customers without a service.

"We managed to restore the service within 48 hours, but it has been a madhouse here," he said.

In August Chess bought the customer list of entrepreneur.com, with other acquisitions this year including deals with Eclipse Mobile and Eurocall Mobile.

Pollock added that the firm will be looking to expand its channel in the coming year to maximise opportunities in the market. It is currently working with O2 to cater for Research In Motion's BlackBerry device.

Keith Humphreys, managing consultant at analyst EuroLAN, agreed that the acquisition bodes well for the channel.

"It is often stated that resellers would like to partner with a service provider [SP] but BT may not be the SP of choice. This opens up an opportunity for Chess, especially as the SME markets have been largely under-served in this respect," he said.

http://www.vnunet.com/news/1159404

Sproqit peddles software bundle 17 Oct by Ben Tudor

Mobile thin-client vendor Sproqit has signed a deal with Hugh Symons to bundle real-time PDA-to-PC remote control software with Treo 600 smartphones.

Sproqit software enables users of smartphones and PDAs to use applications and browse files on their desktop PCs. The company is offering Outlook access, with other applications in the pipeline.

"We're in a similar place to Research In Motion [RIM], but there will be no monthly fees [for the enterprise and workgroup versions]," said Peter Mansour, Sproqit's chief executive. "Hugh Symons will start shipping Personal Edition free on all Treo 600 devices it sells from November."

Although the firm's initial product, Sproqit Personal Edition, will use Sproqit's own servers, the firm plans to release a workgroup version early next year, to be followed by the full enterprise version next spring.

"Going through Hugh Symons is not a bad approach," said Keith Humphreys, managing consultant at EuroLAN. "RIM seems to be doing very well, but it took a long time for the BlackBerry to catch on in the UK."

http://www.vnunet.com/news/1158798

BTIC names partner chief 4 Oct by Ben Tudor

Lorna McPherson joins from BT Business

BT Indirect Channels (BTIC) chief Jon Lane has recruited a new general manager of partner sales after last month's reshuffle.

Lorna McPherson was previously general manager for Scotland, Wales and the Midlands at BT Business, where she was involved in the Managing Accounts Through Partners scheme to move direct sales over to BTIC resellers.

"Lorna has been with BT for a long time," said Rocky Mahajan, who became the general manager for marketing and strategy at BTIC in the reshuffle. "She will bring a new perspective to partner sales and wants to meet the partners as soon as possible."

The general manager line-up now comprises Mahajan, McPherson and five others: Chris Jagusz, Terry Hughes, Marcus Franks, Stuart Horrocks and Mary Compton.

"I've heard much better things from resellers about BTIC this past year than in previous years," said Keith Humphreys, managing consultant at EuroLAN Research. "Attitudes to BTIC are changing

http://www.vnunet.com/news/1158547

BTIC promises DataSure thing 26 Jul by Ben Tudor

BT Indirect Channels (BTIC) is offering data backup as part of its Broadband Month promotion, which will run until 31 July.

Its DataSure service, which will be charged per gigabyte, will provide offsite incremental backup of data for small firms.

"DataSure is a great way for resellers to get recurring revenue from data backup," claimed Chris Jagusz, acting director at BTIC. "Why would you not talk to your customers about this?"

DataSure and similar applications are part of BTIC's plan to raise the number of its data products that resellers attach to digital subscriber line installations.

Jagusz said DataSure offers an alternative to onsite tape backup, but added that onsite backups are the best way to protect operating systems and applications.

Keith Humphreys, managing consultant at EuroLAN Research, said: "When I've talked to VARs about broadband, the biggest driver by far is replacing ISDN with something that costs the customer a predictable amount.

"After that, applications are the next thing. Offsite backup is very handy for SMEs, which are notoriously bad at backup."

http://www.vnunet.com/news/1156891

3Com ends its losing sequence 5 Jul by Ben Tudor

Networking giant 3Com has posted its first sequential growth in 20 quarters.

The vendor revealed a net quarterly loss of $19m on turnover of $183m for its fourth quarter ended 28 May, compared with a $38m loss in Q4 2003.

Bruce Claflin, chief executive of 3Com, said the firm's connectivity business - which manufactures network interface cards - was down 42 per cent year on year. But enterprise networking products had enjoyed "gratifying growth", he added.

The firm left the enterprise networking market in 2000, returning a couple of years later.

"Our enterprise business has traditionally been built around stackable switching products sold primarily through volume channels to SMEs," Claflin said. "Within the industry, we believe this product category is flat to modestly declining. However, we grew these revenues in Q4."

Keith Humphreys, managing consultant at EuroLAN Research, noted European turnover was not so bright. "Sales in the US were up by nearly nine points to 42 per cent of total sales, while EMEA slid by six points," he said.

http://www.vnunet.com/news/1156422

D-Link switches gear with Layer 3 21 Jun by Ben Tudor

D-Link has launched two managed Layer 3 Gigabit switches with 10Gb uplinks.

The firm will start shipping the devices next quarter. No official pricing is available yet, but market watchers expect D-Link to continue with its tradition of low pricing.

"These products will position us against Nortel's and Extreme's range," said Tahira Parveen, UK sales manager at the firm. Parveen said D-Link will provide training, with a heavy focus on managed switches in the near future.

The DXS-3326GSR is a 24-port mini GBIC SFP switch, while the DXS-3350SR has 48Gb ports. Both stack to 12 units in a ring or six units in a star, and come with two slots for 10Gbps XFP ports for connection to the backbone.

"Gigabit switches are being bought for the same reason people bought 10/100 switches to begin with. There's not much price difference between 10/100 and Gigabit, and people want to future-proof," said Keith Humphreys, managing consultant at EuroLAN Research.

"A 10Gb uplink takes D-Link into the high-connectivity class. If they're talking about 10Gb, they have to look at business partners, rather than catalogue or retail resellers."

http://www.vnunet.com/news/1156057

Matrix reloads with voice firm acquisition 10 May by Karl Flinders

Acquisitive reseller Matrix Communications Group has bought voice specialist Decorum.

Originally a data reseller, Matrix added security expertise in December by purchasing a start-up, Intrinsic Networks.

Ian Smith, chief executive of Matrix and former UK managing director of Foundry Networks, said the firm identified IP infrastructure, security, voice and storage as key areas.

"We will make an acquisition in the storage space later this year," he said. "We have identified a few potential targets."

Smith added that he expects Matrix, which sells products from Foundry Networks, NetScreen, Fortinet and BlueCoat, to become the only top 20 UK integra-tor without a Cisco accreditation.

Keith Humphreys, managing consultant at analyst EuroLAN, said: "VARs can differentiate if they can offer something other than Cisco. There is a great opportunity, and channel partners working in the convergence space are an investment hotspot."

http://www.vnunet.com/news/1155023

Adtran finds combination 26 April by Ben Tudor

US networking vendor Adtran is planning to break into the European SME networking market with a line of combined access and switching products.

Danny Windham, general manager at Adtran's enterprise networks division, said: "We want to do for the SME market what Cisco has done for the enterprise by offering a complete range of products from the WAN to the desktop."

The carrier products vendor will lead with a combined WAN router and LAN managed switch. The NetVanta 1224 bundles firewall and VPN functions into a 24-port 10/100 switch with an optional gigabit uplink and modular WAN socket for Digital Subscriber Line or leased line adaptors.

Adtran is hiring distributors across Europe. Leslie Conway, Adtran's vice-president of marketing and distribution sales for enterprise networks, said Anixter has an exclusive distribution deal in the UK.

But the vendor faces stiff competition in the SME sector. Cisco renewed its search for SME VARs last week and Hewlett-Packard has aggressively pushed its ProCurve networking line. Other big players include Extreme Networks, Enterasys, 3Com and Huawei.

Jean-Phillipe Deby, business development director at Anixter EMEA, said end-users are increasingly looking at higher-value solutions. He did not see Adtran's relatively unknown brand in Europe as a problem.

"We are going to actively promote Adtran with our demand-creation team," said Deby.

"While there is a category of customer that will buy on brand, a lot more customers are looking at the specification of the products they buy."

However, Keith Humphries, managing consultant at EuroLAN Research, said the vendor could find it tough. "I don't think any distributor, with the exception of some niche operators, can create a market at the moment. Vendors have to recruit some resellers themselves," he said.

Humphries also suggested that an alternative route for the 1224 could be through the service provider market.

"There is a route to market for this via ISPs. The likes of Easynet and Claranet are building a channel at the moment," he said.

"If you are selling CPE along with a connection, why not go into the LAN as well? That said, ISPs want to offer a managed service, and I'm doubtful whether people want their LAN managed as well."

http://www.vnunet.com/news/1154662

Alcatel powers up network 5 Apr by Jennifer Hagendorf Follett and Karl Flinders

Switch aimed at medium to large firms requiring Gigabit-to-the-desktop capabilities

Alcatel has launched a Gigabit Ethernet workgroup switch that it has claimed will deliver security and availability at a low price.

The OmniStack 6300 layer 2 fixed-configuration switch with Layer 3/4 services targets medium to large businesses. It is available to UK resellers through distributors Azlan and Norwood Adam.

Brian Witt, director of product marketing at Alcatel, said a growing number of "power users" require Gigabit-to-the-desktop capabilities, while others can buy the technology now so they don't have to upgrade later.

"It's probably more capacity than people need in the short term, but it helps future-proof the network for higher capacity," he said.

The OmniStack 6300 also features security capabilities such as access-control lists to help filter out denial-of-service attacks.

Keith Humphreys, managing consultant at EuroLAN Research, said Alcatel's impact on the data market has been minimal.

"But Gigabit Ethernet to the desktop could change this," he said

http://www.vnunet.com/news/1154048

Avaya has room at the top for Ceronie 9 Feb by Ben Tudor

It was all change at Avaya last week as the telephony vendor shook up its management team.

Avaya confirmed that it had appointed channel veteran Buddie Ceronie as vice president of channel sales EMEA, as revealed in CRN last month.

Ceronie, formerly regional sales director at 3Com for the Middle East, Norway, UK and Ireland, is joining Avaya with two more new vice presidents.

Kim Davis has left Cisco to head Avaya's service provider business, and Martyn Lambert has come from Dell to be vice president of application sales in EMEA.

Martin Wicks, Avaya's UK director of converged systems and applications, has moved on.

Ceronie will not be in charge of the day-to-day running of channels, but will oversee about four territory managers.

"Today, indirect channels provide more than half of our business," he said. "We want to build market share in the IP telephony space."

Ceronie said he would spend his first month evaluating what was in place at the company, and would not be drawn on speculation that his role might involve enticing in more data resellers.

"It's a question that has been on everyone's mind for some time," he said. "Are the resellers of the future going to come from the voice or data side? It's important to have programmes in place to cater for both sides."

Keith Humphreys, managing consultant at EuroLAN Research, said the new appointments were solid.

"Avaya's channel strategy has been confused in the past," he said. "I think Buddie will be good for sorting that out. That's why they've brought him on board."

But Humphreys said the new appointments would not have a noticeable impact on resellers immediately.

"The appointments are at such a high level we will not see any effect on the channel for at least a couple of quarters," he said.

http://www.vnunet.com/news/1152638

Nokia posts improved results - Buoyant service provider market boosts handset maker's figures 26 Jan by Karl Flinders

Finnish telecoms equipment firm Nokia appears to have benefited from an improving telecoms service provider market.

The vendor has posted a net profit of €1.2bn for its fourth quarter 2003, up 12 per cent on the year before. Turnover was €8.8bn, which was down one per cent on 2002.

Keith Humphreys, analyst at EuroLAN Research, said: "We have seen good results from Lucent and Juniper, which shows the service provider market is definitely picking up."

http://www.vnunet.com/news/1152279

Double trouble as 3Com announces $139m loss 12 Jan by Jennifer Hagendorf Follett
Poor performance in home markets still overshadows overseas growth, 3Com has reported doubled losses and a 33 per cent drop in turnover for its second quarter.

The networking vendor reported a loss of $139m in the fiscal quarter ended 28 November 2003, compared with a loss of $68.5m in the same quarter in 2002. Turnover dropped to $182m, down from $272.2m for the same quarter last year.

"3Com seems to be on a downward spiral, and I'm not convinced it will get out of it," said Keith Humphreys, managing consultant at EuroLAN Research.

"Its relationship with Huawei may not be good for it either. It has to give up 50 per cent of the profit, and only gets two markets - Japan and China - in return.

"That said, the deal gets 3Com back into the enterprise networking market, which it left in 2000."

While 3Com saw double-digit growth in overseas markets, turnover in the Americas, particularly in the US, was weaker, declining 11 per cent sequentially.

3Com ended the quarter with 2,900 employees, down from 3,100 at the end of the previous quarter.

The company plans to cut another 900 employees due to previously announced actions, such as manufacturing outsourcing, according to Bruce Claflin, 3Com's chief executive.

To support its expanding product portfolio, 3Com is recruiting new VARs, systems integrators and service providers able to support more complex enterprise solutions, Claflin said.

Earlier this month, 3Com revived its channel partnership with EDS, a relationship that dissolved after 3Com exited the enterprise market in 2000.

"The EDS deal is positive news for 3Com," said Humphreys. "It is now working on a few specific vertical markets."

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Convergence message starts to sink in 5 Jan by Karl Flinders
Survey finds nearly half of CIOs planning to converge voice and data in 2004

Converging voice and data onto one network is moving up the corporate wish list, according to a survey of 100 UK chief information officers (CIOs).

The research, which was carried out by independent research firm TNS and commissioned by Nortel, found that 43 per cent of interviewed businesses will have voice and data running over the same network by the end of 2004.

Ian McKeown, CIO at Nortel, said voice and data convergence is higher on the CIO agenda because businesses are looking further than just cost savings.

"It was initially seen as being good for cost saving, with voice and data running on one network, but now it is down to the applications that run on it," he said.

According to McKeown, the efforts of the industry to promote the advantages of voice and data convergence are "beginning to get the message across".

Keith Humphreys, analyst at EuroLAN Research, said convergence sales have been slow because they are being made when PBXs come up for replacement.

But he added: "The benefits of voice over IP are strong enough if you consider applications such as CRM."

Humphreys said resellers are essential in pushing the technology. "The channel plays a key role because they are the guys that are in constant contact with end users," he said.

"Traditional data resellers are selling the most convergence. It is new business that offers the type of margins they are used to. The voice channel is used to higher margins."

McKeown said: "There will always be channels that sell voice and data separately, but some will move towards offering the converged product."

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