



Comms Business Magazine April 2006 VOIP Guide by Bob Emmerson

It used to be IP Centrex, then it was hosted voice, but now there are new solutions and a new term that makes marketing sense: managed communications services.

No business that wants to stay in business can afford to ignore the benefits of real-time, IP/SIP-centric services and applications. These include: the ability to enhance the productivity of individuals and workgroups; to increase the operational efficiency of the organisation; and provide a superior service to the organisation's customers and prospects. But the transition from circuit- to packet-switched telephony is not easy and most workforces are mobile, which makes it even more problematic. Even large enterprises having technical assets are looking to outsource part of their communications activities in order to focus on their core business.

Most SMBs don't have the requisite assets and even assessing their requirements is not easy. So much is on offer right now that it's hard to know where to start. However, the industry has finally realised that entry-level packages are the best way to kick-start the market and the best way to expand it is via new services that are self provisioned.

That is not a new concept, but vendors are developing managed business communications portfolios that allow telcos to address the needs of all market segments. An enterprise might use a service to extend the reach of their wired office towards other environments: campus, mobile and home. At the other end of the spectrum an SMB might go for a service bundle that combined fixed-mobile convergence with a single number and virtual PBX features.

In between there's every imaginable value-added service. Thus, the fine granularity of these portfolios not only matches the broad needs of different market segments, it can also drill down to the requirements of individual employees. The needs of a branch office are similar to those of an SMB: both need to stay connected and both want advanced telephony functionality. It therefore makes sense to incorporate everything in the vendor's portfolio while enabling the service provider to offer 'pick and mix' bundles.

What's in It for the Channel

The ability to offer services that span network-based applications and CPE-based solutions allow telcos to address the needs of large- and medium-sized enterprises. Outsourced services, that take care of everything, whether CPE- or network-based, are ideal for home professionals and SMBs. Baseline bundles that can be upgraded via the Web are the way to go. But can the average telco handle it?

The question was rhetorical.

Keith Humphreys, Managing Consultant at euroLAN: "In the UK the SMB market has experienced managed services via BT's Featureline but this becomes extremely expensive when a company approaches ten phones. The migration to IP Telephony may be a step too far for them so a managed service is the obvious choice. The Service Provider is the obvious supplier but they do not have a great track record in addressing the SMB market."

The channel has been reselling services to SMBs for some time, but new, feature-rich portfolios such as those being marketed by Alcatel (CPE and network based) and Netcentrex (network based) raise the performance bar. Moreover most SMBs don't need to protect large investments in legacy systems and they don't need to

form committees in order to make decisions. They can therefore obtain those benefits in much shorter time frames.

Moving Up The Value Chain

SMBs represent volume; enterprises represent big bucks and a different SP challenge, i.e. delivering service bundles that span network-based applications and CPE-based solutions. In both cases on-site installation, maintenance and operations are required, for which a telco service provider may not be equipped. In contrast, traditional IP-PBX sales channels often lack the competence and assets to remotely manage IP-PBXs and to deliver network-based applications. To overcome these hurdles the vendors of those communications portfolios have or are creating partnering schemes between SPs and channel partners. In a typical business model the telco would be the one-stop shop to the enterprise (either large or small) for sales and monthly billing. Installation, management, maintenance, and customer support at the customer premises would be done by the vendor and its partners on behalf of the telco.

Conclusions

Our economy runs on the ability to communicate efficiently and economically in real-time. The convergence and evolution of today's networks and services has brought us to an inflection point: now we have value-added services that are profitable to deploy and easy to use. The door is wide open.

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Analysts have questioned Kingston Communications' decision to rechristen itself as its stock exchange symbol, Kcom, rather than adopting the name of its largest subsidiary, Affiniti by Doug Woodburn, CRN, 27 Aug 2007

The rebranding comes just three months after Hull City Council dumped its remaining 30 per cent stake in the firm.

The firm will continue to use the Kingston Communications name for its activities in Hull and East Yorkshire, as well for serving SMEs and channel partners with communications services.

Its other market-facing brands, including Affiniti, Smart421, Jam IP and Eclipse Internet, will also live on.

Kay Stevenson, PR manager at Kcom, said: "As the group has grown and got more operating business within the group, the Kingston Communications (Hull) Plc name does not reflect the fact we are a national business or the scope of work we do. We are now not just a communications business, but also work in IT services.

"The group name was also the same as our Kingston Communications operating unit, which sometimes caused confusion."

However, Keith Humphreys, managing consultant at research house euroLAN, said: "I can see the need to move away from Kingston geographically, but to

create a new name - especially one as contrived as Kcom - seems a bit unnecessary."

Clive Longbottom, analyst at Quocirca, said: "Kingston Communications has been funded by Kingston and, until recently, has had a monopoly in Kingston. It's now decided to break out and take on BT, but to do that it has to be far more aggressive."

Time for the finishing touches - The Channel Awards deadline is almost upon us so make sure your entry is ready to impress the judges, says Simon Meredith, CRN, 02 August 2007

The deadline was extended, but there is now less than a week until the final date when entries for this year's Channel Awards must be submitted. So those who have not yet prepared their entry need to hurry.

Entries must be at least 300 words long, but no longer than 1,500 words. That makes them fairly easy to write, but do not imagine that entering a short or incomplete entry will impress the judges.

The judging panel, made up of independent channel analysts and executives, is due to meet in mid-September to select the short lists. As well as scrutinising the entries in detail, they will also bring their own industry experience and knowledge to bear on the decision. But your entry is the key factor. You need to have a carefully prepared entry to make it onto a short list.

Sara Driscoll, editor of CRN, expects that entries will have to be of an even higher standard this year than they have been in the past.

"These are the 14th Channel Awards and the standard has improved every year," she said. "This time, only the best entries are likely to be considered. Yes, your overall reputation and business performance over the year count, but if the entry is not up to the same standard, it is not going to see you through."

The entries are important, Driscoll noted, because they demonstrate a company's real desire to win an award.

"In the past, we have had entries from companies from which the judges expected to see something much better. That has not been good enough in the past and it certainly won't be good enough this year. You don't have to write more than 300 words, but you can't expect to go through to the short lists if you put through a half-hearted entry that only just meets minimum requirements. We get too many good entries to allow the judges to do that."

Driscoll is just one of 10 judges who will decide on the short lists and ratify the eventual winners after the voting stages, which start as soon as the short lists are announced on 17 September and continue until 19 October. All the judges are respected figures with vast experience and knowledge of the channel. They are drawn from different sections of the industry to ensure that they provide a broad overall view and that there is no potential for personal preferences or influence.

The judges all offer a different perspective on the market. Bob Tarzey, service director at analyst firm Quocirca, for example, has a particular focus on the vendor community. "IT vendors succeed not necessarily because they have the best technology, but because they engage with their target market better than their competitors," he said.

"As a route-to-market analyst it is my job to work with vendors and help them achieve success. Key to that is understanding the channel and how it works. The channel and the organisations it consists of are the most important route to market for the majority of vendors."

Keith Humphreys, consultant at networking research firm euroLAN, is another of the judges to be drawn from the analyst community. He has an extensive IT industry background and continues to work in the networking and communications markets. Some of the strongest entries and competition for votes come from firms that fall into these industry categories.

"As an industry analyst I offer an independent view of the channel, combined with too many years of experience," he noted.

Other judges bring a very different set of experiences to the table. Nitin Joshi, director of Channelmoney, is a business recovery and insolvency expert. He has spent most of his career in large accountancy firms and as a partner in two City of London firms. He works most closely with distributors and vendors and has come to the aid of hundreds of channel businesses in financial distress over the course of his 25-year career.

"I know the channel well. I understand its structure, its challenges, its people and its promise," he said, explaining his inclusion on the judging panel.

Keith Warburton, as chief executive of the Professional Computing Association (PCA), has wide experience of the channel and particularly of systems builders and independent resellers. He has held senior sales and marketing positions with component vendors, system builders and resellers, both nationally and internationally.

"Having experience of so many parts of the channel, I think I bring a broad view to the judging process", said Warburton.

He also has practical experience. "My knowledge isn't theory, it's hands-on. I know the issues faced by vendors, distributors and their customers, and my work with the PCA means I am always looking for solutions to the challenges the industry faces," he said.

Mike Briercliffe has arguably gained an even wider perspective during his 28 years in the IT industry. He certainly knows a thing or two about channel consolidation and the challenges that distributors in particular face. As he said: "I've been around for a long time."

Briercliffe is perhaps best known for his role at distributor Sphinx-CST during the mid-1990s. Having overseen the merger of two firms, he went on to mastermind the acquisition of networking distributor Globelle. More recently he was responsible for initiating the acquisitions of Open Computing by PSL (later bought by Bell Micro) and Clarity's acquisition of equiP. In total, he has been involved in more than 12 channel mergers and acquisitions.

These individuals and the others that make up the panel provide a good mix of views and tremendous combined industry experience. It is difficult to imagine a group of individuals who are better placed to make decisions about who should and should not go forward to the Channel Awards short list.

So, if you can get your entry in on time, you know that all the hard work you have put in will be carefully and fairly scrutinised.

To register and build your entry visit: www.channelawards.co.uk. The deadline is 10 August. The Channel Awards ceremony will be held on 22 November.

Azzurri puts acquisitions on ice - Communications integrator claims rising merger and acquisition valuations are hindering the IT market by Doug Woodburn, CRN, 29 Jun 2007

Although the channel has witnessed a glut of mega-deals this year, one of the industry's most aggressive consolidators has suggested that the market is overheating by threatening not to play merger and acquisition (M&A) ball.

Communications integrator Azzurri, which has gobbled up 16 firms since its inception in 2000, has hinted it may temporarily put its shopping spree on hold.

The Newbury-based firm expects to grow turnover to nearly £150m for the year to June, largely thanks to the contribution of its biggest ever acquisition – Sirocom, the virtual network operator it bought in November.

But although Azzurri is shooting for turnover of £170m next year, chief executive Martin St Quinton told CRN that rising valuations have forced the firm to shift its focus to organic growth.

"When [private equity firm] PPM Capital acquired us a year ago the plan was to make fewer but bigger acquisitions," he explained.

"We're in talks with firms that have £50m to £100m turnover, but the problem is acquisition prices are extremely high and we're not going to get sucked into paying silly prices.

"We've traditionally bought businesses at six to eight times profits. We would rather grow organically than pay 10 to 12 times a company's earnings, so this year we're focusing very much on our organic growth."

With PPM keen to secure a healthy return on its £182.5m investment, St Quinton insisted Azzurri will not stand still over the coming year if the right target does not present itself.

The integrator expects the lion's share of growth to stem from Azzurri One, the multi-year managed communications service it launched for top-end customers in February.

Already used by more than 30 UK enterprises, the service is designed to encompass a company's entire communications needs, from voice, mobile and LAN/WAN infrastructure to maintenance and consulting services.

Joe Doyle, head of marketing at Azzurri, said: "The feedback we got from IT directors was that they were having to fight fires, rather than dealing with the strategic advancement of their company. Customers that size have 120 vendors to manage.

"Azzurri One consolidates all that; it is one contract with one service level agreement and one helpdesk. And rather than a huge capital outlay, the customer pays over three years on a monthly basis."

Though almost every integrator is moving deeper into managed services and from point products to end-to-end solutions, St Quinton claimed Azzurri One puts the VAR a step ahead of the competition.

"No-one else can provide this," he claimed. "It's really a question of persuading a customer that this is what they want and if they want it, only we can provide it."

St Quinton added he expected Azzurri One – which he described as Azzurri's "main route to market" – to double its customer base to 60 and revenues to £40m by this time next year.

For a man whose reputation for M&A roll-ups helped him gain the title of Ernst & Young's Technology Entrepreneur of the Year in 2004, St Quinton's sudden reluctance to acquire may shock many onlookers.

But Azzurri is not the only large integrator assuming a more cautious stance in the face of rising valuations.

Terry Burt, chief executive of 2e2, which bought rival Compel in March in one of the largest deals this year, said: "Valuations are at a long-term high and a lot of average companies are asking for good money because they are selling at the top of the market.

"You have to shop around as the leverage multiples are going up – in the past banks may have lent three or four times earnings and now its five, six or even seven times earnings. Azzurri is a very good acquirer and I'd hope we are too, so we're being very selective. We were very selective with Compel and the deal suited us well."

Paul Renucci, managing director of VAR Affiniti, said: "There are still businesses out there that are additive in capabilities. As with any shopping you have to be very careful and there are some big companies that have gone for more than their worth."

Azzurri's decision to take a breather has also been mooted as a sensible option by analysts.

Keith Humphreys, managing consultant at analyst house EuroLAN, said: "Azzurri's strategy is spot on. It's a good time to consolidate and build on what it already has.

"Its strategy of branching into managed services is exactly right and the Sirocom acquisition got it into managed services in a more strategic way. It will take a bit of re-organisation now, so it is a good time to get aligned to the new internal structure."

However, some rivals insist that Azzurri has made a rod for its own back by paying over the odds for previous acquisitions.

The boss of one large VAR, who wished to remain anonymous, said: "Martin is now reaping what he's sown. Companies have seen what Azzurri has paid in the past and are saying: 'why don't we just stick another naught on it?'

"However, Martin is right to say some valuations are a joke. The Calyx management buyout valued the firm at €104m – 12 times Earnings before Interest, Tax Depreciation and Amortisation (EBITDA)."

Although the benign debt market has played its part, the surge of private equity (PE), in the channel is arguably the main factor behind the recent hike in valuations.

St Quinton explained: "PE is driving up prices relentlessly. PE houses are raising a lot of money and have to spend it somehow.

"The other reason is our industry has become quite fashionable again, so all investors are keen to get a foothold in the market."

Voice and data specialist Calyx, corporate reseller Kelway and Oracle specialist Quantix are just three examples of fast-growing outfits that have taken on PE backing over the past year.

"I could see the voice and data channel being dominated by private equity," said St Quinton. "It would surprise me if both Redstone and Affiniti did not end up being owned by PE in the near future."

However, Renucci at Affiniti hit back: "We are more public now than ever with the recent disposal of Hull City Council's 30 per cent holding [in parent Kingston Communications]. It's about how you run the business and how much value you create. The ownership is secondary."

With the national debate over the impact of PE on UK business still raging, is there a danger that PE could inflict greater harm than just inflating channel valuations?

St Quinton is convinced otherwise: "We started with a blank sheet in 2000 and PE provided the funding for all our acquisitions and growth. We've generated a lot of employment along the way and stimulated the UK economy.

"In fact, if a government select committee wants an example of how PE creates wealth, it need look no further than the voice and data sector."

However, speculation surfaced this spring that Azzurri was failing to deliver on ambitious growth targets set by PPM.

But St Quinton, who said revenues for the year to June will surpass PPM's expectations, denied that PE houses are any more ruthless than public investors.

"PE is intense, but it's not as intense as being public, when firms have to announce results each quarter," he reasoned. "Institutional investors are a lot more brutal – if a firm misses two consecutive quarters running it may even have to sack the whole board."

Azzurri's turnover for its fiscal year, which finished last week, is expected to fall just short of £150m, with EBITDA earnings expected to swell from £14.8m to £16.5m on an annual comparison.

This places it squarely in a select pack of integrators chasing BT for supremacy in the voice and data space.

St Quinton said: "All of our competitors are quite different. Phoenix operates an indirect model by acting as an outsourced provider to the big international integrators. 2e2 operates more in the IT solutions space. Affiniti is similar to us, but we don't see it that often.

"Our biggest competitor is actually BT, with whom we have a friend and foe relationship."

Doyle added: "There's not one firm we come up against because we have a breadth of portfolio that encompasses so many products and verticals."

As well as being crowned BT Partner of the Year three years running, Azzurri holds top-level Platinum status with both Mitel and Avaya.

However, the integrator's second-tier Silver status with Cisco is viewed as an anomaly by many onlookers in the industry.

Humphreys at EuroLAN said: "Azzurri should concentrate on becoming a Cisco Gold partner because not having it leaves it in the middle of nowhere."

With about 30 UK Cisco Gold partners to choose from, there is no shortage of potential acquisition targets available. However, St Quinton is adamant that Azzurri will not acquire merely to strengthen its vendor portfolio.

"We're not looking for any new products as we're happy with our current portfolio," he said.

"We're not looking for anyone who will introduce us to a specific new area such as storage or security. Typically, they would be similar to what we currently do – voice and data integration."

St Quinton added that there are 40 to 50 UK firms generating revenues of £50m to £100m that fit this profile, including the internal voice and data arms of end-users and international subsidiaries.

Distributor launches IPFixIT service for resellers by Sara Driscoll, CRN 21 May 2007

Distributor Cohort Technologies has added another string to its services bow, by today launching a Network Access Control (NAC) managed service for resellers.

Cohort, which was launched in March by Graeme Smee, brands its services under the name IPFixIT.

"As a value-added distributor we know we need to offer services as well as products," Smee said. "Our NAC offering will be for our resellers to sell onto their end-users. It's a great add-on as a managed service because NAC can be quite difficult to implement and manage. End-users are never sure exactly how much management their networks need so this is a real headache remover."

Smee said Cohort has other services in the pipeline. "Offering new technology as a point product is only half the story," he said. "If we offer real value to the reseller community we have to add a range of services. Service is the margin opportunity, so we have to help partners take advantage."

Keith Humphreys, managing consultant at analyst EuroLAN, said: "NAC is a hot topic because it's still new so this was a good service for Cohort to start with. Firms are more willing to effectively outsource their security or have someone else manage it for them now. Managed services in security is going to be the future."

Networking giant makes acquisition to broaden its reach into unified communications by Sara Driscoll, CRN 15 Mar 2007

Cisco has stunned the channel with another big-ticket acquisition, this time picking up web-based conferencing vendor WebEx for \$3.2bn.

The networking giant plans to use WebEx's applications to extend its vision of unified communications, particularly within the SME segment.

Having already been approved by both companies' boards of directors, Cisco expects the transaction to close in its fiscal fourth quarter.

Charles Giancarlo, chief development officer at Cisco, said in a statement: "As collaboration in the workplace becomes increasingly important, companies are looking for rich communications tools to help them work more effectively and efficiently.

"The combination of Cisco and WebEx will deliver compelling solutions accelerating this next wave of business communications."

Subrah Iyar, chief executive of WebEx, said: "Cisco's global reach and customer focus will help us extend our core web collaboration applications and continue to broaden the services we offer through the WebEx Connect platform."

Reacting to the news, Keith Humphreys, managing consultant at market-watcher EuroLAN Research, told CRN: "It seems to me that Cisco wants to take on Microsoft head-on.

"But Cisco already has its own telepresence solutions, and this acquisition appears to be in conflict with that."

Integrator aims to broaden portfolio and add to solution sets as it enters discussions with multiple targets by Doug Woodburn, CRN, 12 Mar 2007

Integrator Logicalis has leapt back on the acquisition trail by opening up discussions with a number of potential targets just three months after making its last purchase.

Speaking exclusively to CRN, Tom Kelly, UK managing director of Logicalis, said the firm has been engaged in talks with multiple targets since snapping up CSF Solutions in December (CRN, 11 December).

"Our intent is not to go for more of the same, but to add more solution sets so we can go wider," he said. "If we want to do something at the end of this year, it is important to continue speaking with a number of businesses. We're interested in companies that work in business intelligence and application integration in and around the Microsoft arena. But we won't limit ourselves to Microsoft alone."

Kelly claimed that, because of its four UK acquisitions in the past 18 months, Logicalis is now a top-two partner for IBM and a top-five partner for Hewlett-Packard. The CSF acquisition also handed Logicalis its own data centre, which Kelly said it was using to launch an array of managed services.

He added that this will include a managed IP telephony offering – set to debut in April – featuring a layer of Cisco's MeetingPlace collaboration platform and Federation technology from Microsoft.

"No one else in Europe is taking this and offering it as a managed service," Kelly claimed.

Keith Humphreys, managing consultant at market watcher EuroLAN, said: "Logicalis has gone from being a simple network integrator to a major player in the data centre, which is where the action is. It's going after the right market in the Microsoft contact centre space, but I would have thought it could build this capability by itself."

Martin St Quinton, chief executive of rival VAR Azzurri, said: "We're constantly looking at acquisition opportunities and are talking to a number of people. But I would be surprised if our next acquisition was in the Microsoft voice space. There are plenty of targets out there and plenty of opportunities for everyone."

Reseller's UK management team reassures customers over revamped financial structure by Doug Woodburn, CRN, 26 Feb 2007

Damovo's UK management team has spent the last month on a customer charm offensive in an attempt to ease alarm at its change in ownership.

The pan-European VAR, previously majority owned by investment firm Apax Partners, was transferred over to its bondholders in January on the back of mounting debts and liquidity issues at its Italian arm.

Nick Dean, UK and Ireland managing director at Damovo, told CRN: "I've spent the best part of a month doing nothing but talking to customers and partners to reassure them and familiarise them with the change.

"The headlines made customers nervous. But it was a consensual transfer of ownership between investors."

As part of the debt-for-equity swap, Damovo wiped its existing debts but took on another €50m loan to shore up its Italian operation.

"The financial restructuring is fully complete and we now have a financial structure that is better than ever before," said Dean, who joined Damovo in August following the departure of former managing director Paul Renucci (CRN, 14 August).

The reseller, which achieved UK Microsoft Gold status in December, will now throw its weight behind what it sees as the convergence sector's three main growth hotspots: IP telephony, unified communications and managed services.

Despite vowing to add new staff, Dean said it was too early to say whether acquisitions are forthcoming.

"I don't think the new owners have had a chance to demonstrate their strategy and it will take another month to establish the corporate structure," he said.

Keith Humphreys, managing consultant at market watcher EuroLAN, said: "The UK was not the problem for Damovo. The financial problems were in Italy, where Getronics had problems as well last year. Now it has raised €50m, as part of the debt-for-equity swap, it should be fine."

Ernst & Young blames AIM market for profit warnings by Doug Woodburn CRN 9 Feb 2007

Market watcher Ernst & Young has blamed the recent spate of IT sector profit warnings on young and inexperienced firms listing on the Alternative Investment Market (AIM) before they are ready.

Profit warnings from UK-listed software and computer services firms hit 11 in January 2007, with nine of them coming from AIM-listed firms.

Among those warnings last month were financial and public-sector software vendor Mondas, IT services firm SciSys and software and services firm smartFocus.

John Hughman, senior technology analyst at Ernst & Young, told CRN that the sector had seen "solid results" from the bigger players and pinned the blame firmly on their less-established counterparts.

"The profit warnings have come predominantly from sub-scale, more recent entrants to the market where single contracts count big," he said. "Arguably, there has been a rush to market and the thorough due diligence process has perhaps slipped.

"The AIM market has been incredibly fertile ground for IPOs [initial public offerings] over the past couple of years and a large number have been from the technology sector. But a company shouldn't come to market unless it is a robust business with a solid niche and growth prospects that are fully qualified."

Scott Fletcher, managing director at VAR ANS, which is listed on the PLUS market, said: "Going to AIM can put companies under a lot of strain, so firms need to be confident they can make a return. My advice to companies looking to raise finances with a turnover of less than £10m is to list on the PLUS market."

Keith Humphreys, managing consultant at research firm EuroLAN, said: "The companies I've spoken to that have listed on AIM have been delighted with it, but maybe AIM has made it too easy to list compared with the NASDAQ."

Ramsac makes its presence felt by Sara Driscoll CRN 5 Feb 2007

VAR Ramsac is branching out its business and making moves into the burgeoning convergence sector.

The VAR, which traditionally comes from a data and infrastructure background, has pin-pointed 'presence' technology as an embryonic sector it will target.

Robert May, managing director of Ramsac, said the presence sector is about everyone having just one ID to communicate. "Whether your platform is mobile phone, desk phone, instant message or email, a presence server decides to best way to contact you using the most efficient method," he said.

"Convergence hasn't really happened yet, despite all the talk, and because of new technology such as Vista, Exchange and Office, communications including telephones are becoming server based, which is where the IT VARs come in. Microsoft and Exchange is helping to drive this market."

May said Ramsac is looking to partner with distributors or vendors who can really help data VARs make the most of convergence.

Keith Humphreys, principal analyst at EuroLAN, said that presence technology is part of unified communications. "This market is going to be huge," he said.

"Partnering with a distributor, especially a specialist distributor, is a good way for VARs to go about getting into this market.

"Microsoft's Live Communications Server already gives a lot of presence technology functionality. It is the way forward, but users can already enjoy it today. However, more education is needed because if end-users don't know it's there, then they won't ask for it."

Minx turns to Thus for Cisco IP telephony lift by Doug Woodburn CRN 5 Feb 2007

VAR claims that its customers wanted an alternative to BT

Cisco-focused reseller Minx has inked a strategic alliance with network operator Thus that will enable it to provide bandwidth to support Cisco IP telephony deployments.

Les Cooper, sales director at Minx, said: "Customers were asking for an alternative to BT. We looked long and hard and Thus came out on top.

"It has its own infrastructure that is Cisco-based, runs the length and breadth of the UK and offers a good quality of service."

Minx recently unveiled an ambitious three-year plan designed to transform it into one of Cisco's top three UK resellers by 2009.

The Hertfordshire-based reseller will now pool all its efforts into selling Cisco's unified communications (UC) solutions into mid-market accounts in the south of the country.

"Our strategy before was to sell anything to customers anywhere," Cooper explained. "But we're now more geared to focus on UC and will have more technical people coming in who are UC specialists."

Minx has targeted £60m turnover by 2009, up more than five-fold on the £11.1m it harvested last year. Cooper claimed that only BT and Affiniti generate more Cisco revenue in the UK.

Keith Humphreys, managing consultant at research firm EuroLAN, praised the move.

"Service providers such as BT will be the biggest challengers to networking VARs such as Minx," he said. "Signing with Thus is a sensible move for Minx as it enables it to offer a complete managed service on the line, equipment and service.

"I think Minx is in the right market space to reach its £60m target. The only possible blot on the horizon is what could happen with Microsoft in UC."

Minx appoints new director by Trevor Treharne CRN 2 Jan 2007

Cisco-focused reseller Minx has appointed Les Cooper as sales and marketing director to strengthen the firm's ties with the networking giant.

Cooper has been promoted from Cisco alliance manager. He has held previous sales management and channel management roles with Hewlett-Packard, Logicalis and Siemens Network Services.

John Pepper, managing director of Minx, said: "Cooper has been working hard on cementing the Minx and Cisco relationship and is a key member of our management team. His appointment as sales and marketing director is a natural step forward for Minx at this time."

Cooper told CRN: "We have spent two months putting together our overall business plan. We hope to do £28m of Cisco business in the UK in 2006 and grow this to £60m over the next three years."

"We are a focused Cisco integrator and we are winning business over more generalist players."

Keith Humphreys, managing consultant at research house euroLAN, said: "Minx must be one of the fastest-growing Cisco partners. It has gone from SMB Select Partner to the top layer of Cisco accreditation in a short space of time, but it has not left the SME market as it has moved up."

The judges are scrutinising this year's Channel Awards entries before drawing up the shortlists. Simon Meredith reports in CRN 06 Sep 2007

The first impression of this year's judges for the Channel Awards was probably shock at the sheer volume of the three large files containing this year's entries. There are a higher number of submissions for the 2007 awards than in any of the previous 13 years, so the judges have their work cut out.

The three tomes of printed versions of the entry forms are substantial documents.

Judge Bob Tarzey, services director at Quocirca remarked: "The volume of material suggests that plenty of supporting information has been supplied. It will be interesting to see what catches the eye."

It is the quality rather than the quantity of an entry, however, that will impress the judges. Yet with quantity being prominent, their job this time around looks to be even more difficult than before.

Sara Driscoll, editor of CRN feels that the standard of this year's entries seems to be better than ever. "My first impressions are that they are of an incredibly high standard. It seems that everyone wants to win this year, but it is important to remember that it is also down to voting," she said.

While the judges will have the final word sometime in October, it is the votes of CRN's readers that have the biggest influence on who wins an award. But first, the submitted entry must make a good enough impression on the judges for them to shortlist it.

There has, in past years, been some disappointment among the judges due to the standard of entries from some well-known companies or even the lack of entries from vendors and distributors who supposedly value the channel and believe they support it well.

Of course, if you do not enter you cannot make it onto the shortlist, but the level of entries this year is such that only extremely high-standard entries will be considered.

As they encompass so many different types of business, the Specialist Vendor and Distributor categories are among those that attract the highest number of entries and it is always difficult for the judges to pare down the list to a final five or six names. But in all categories this year there is a very healthy number of entrants.

Driscoll sees some of the vendor classes as being the most difficult to call as there is such strong competition from all the leading names in the industry. "I think the Systems Vendor and Networking categories will be very hotly contested, with companies such as IBM entering for the first time."

On first sight of the entries, chief executive of the Professional Computing Association, Keith Warburton, said: "Every year the entries just get better and better."

"They are more professionally presented with real content that needs careful evaluation meaning, of course, that the judges' work becomes ever-more demanding. I anticipate some heated debate when we sit down to analyse the entries."

Industry consultant and research expert Phillip Howells, agreed: "It is great to see so many quality entries in each category. It shows just how highly the awards are regarded and how important and highly rated they are to other companies. That makes the judges work harder of course, but - it is better to have lots of interesting applications to judge."

Keith Humphreys, consultant at EuroLan, is not so sure. He acknowledges that - at first glance - the quality of entries was impressive. But they also hold up a less than flattering mirror of the market in his view.

"I have only looked at the Systems Distributor of the Year entries so far, but found them a fair reflection of the industry. Logistics are getting slicker, but we are still really lacking any innovation in distribution."

"I have read 'we achieve 95 per cent accuracy on delivery' so many times already. Where is the innovation? Where is the '80 per cent of orders are placed via the internet' and where is '80 per cent of deliveries are dropped shipped directly to the end user'?"

Distributors may well take issue with this view and argue that personal account management and other aspects of their services are more or just as important as streamlined, low-cost business processes - but some of the other judges will take issue with it too. With such a spread of individuals from across the media, analysts and consultancy worlds, all entries are sure to get full and fair consideration.

This includes the reseller entries and this year there is more competition than ever for these awards with the Corporate Reseller and Systems Integrator categories, in particular, attracting a lot of submissions.

"The record number of entries in 2007 demonstrates just how critical the channel remains to the IT industry in the UK and underlines the important role resellers play in helping British businesses stay competitive," said Driscoll.

"The entries this year show exactly how important the channel is to everyone. If anyone thought the channel was over, they are so wrong. These companies have shown how vital resellers are to their business. Likewise, resellers have grown up and are demonstrating the new and innovative ways that they are helping end users," she added.

MicroScope

HP assures channel following departure - Vice-president restates commitment to channel as manager leaves - MicroScope by Alex Scroxtan 20 Aug 2007

Following the departure of HP ProCurve's well-regarded UK and Ireland country manager, Jon Weatherall, at the end of July, the firm's EMEA vice-president and general manager, Alberto Soto García — currently filling Weatherall's position in an

interim capacity — has moved to reassure the channel that business is looking good.

García revealed that the search for a replacement for Weatherall was going better than expected. "The response internally has been a very positive surprise," he said, "and although we do not use professional recruitment agencies we already have some strong external candidates.

"I am very confident we will close the position within the next few months; definitely before the end of the calendar year," he added.

García also pointed to positive feedback filtering through from resellers, and insisted that whoever took the hotseat would not produce any substantial changes.

"We remain fully channel committed; the new person will come on board soon and will comply with that," he continued, "but I also expect the new leadership to provide a new flavour, and I hope that will bring us additional business."

ProCurve partners quizzed by MicroScope said they had experienced little disruption following the departure. "It's not really affected the business," one source remarked. "There's still a great demand [for ProCurve] and the channel will still push it. Things will be okay."

He added: "It was great to see how one man can get people excited, and Jon did that job well, but there are other people who can maintain that."

Keith Humphries, managing consultant at networking analysis and consultancy firm EuroLAN, also saw no reason for concern at the departure. "Everything's very positive around ProCurve, and the business seems to be going from strength to strength."

In the wider industry, García said ProCurve was "beginning to detach from the main group of companies in networking".

Part of this was down to a growing focus on enterprise and corporate clients, as well as addressing the needs of mobility, high availability, convergence and security, he explained.

Humphries at EuroLAN added: "The move into the consultative selling role instead of transactional selling, I think is the right thing to do."

García would not be drawn on reports that big rival Cisco was worried about ProCurve's progress, but added: "We will listen to the facts, see what products and solutions our competitors produce and position ourselves against that. If you see our track record we are definitely eroding market share."

Talk in the US about the possibility of ProCurve being spun off from HP, subsequently denied by the Americans, was mirrored by García, who already enjoys a substantial degree of independence from HP.

"In business terms we treat HP as any other channel player," he said. "It's part of our credibility."

Jon Weatherall, meanwhile, told MicroScope that while he has not committed to any new roles for the time being, he hoped to remain in the networking sector.

Westcon lifts wraps off Crane buy by Simon Quirke Microscope 16 April 2007

The consolidation that has become a regular feature of the networking industry has taken another twist with Westcon's acquisition of Crane.

A deal between the two distributors should be wrapped up in the next 30 days after Westcon parent Datatec signed an agreement to acquire Crane Telecommunications Group in the UK, Ireland, the Netherlands, France and Belgium for a reported £20.7m.

Guy Koster, vice-president for the Technology Solutions Group at Westcon, said it had been working on the acquisition for a couple of months and had reacted to consolidation at vendor and distributor levels along with the demands of the market.

"It seems to be sensible for us to have the necessary skills to be looking at solutions rather than point products," he said, adding that it had also been attracted by Crane's relationship with Avaya.

Koster said that as far as the resellers buying through both distributors was concerned it was "business as usual".

Keith Humphreys, managing consultant at EuroLAN, said Crane had been popular with voice resellers for its partnership approach to sales, something that was often lacking on the data side, and he hoped that approach would not disappear.

He added that consolidation had swept across the industry at a vendor level and was having an inevitable impact on distributors.

In a statement, David George, executive chairman of the Crane Group, said there would be a chance to extend its capabilities as a result of the tie-up.

One source said the merger of data and voice specialists was another chapter in the history of the networking channel, which has been rife with consolidation for the past couple of years, and questioned whether there were any networking-only distributors left that had not been bought or merged.



Analyst Gartner advises firms to stop wasting money on unnecessary upgrades that may not be needed in as little as three years' time by Martin Courtney, IT Week 23 Feb 2007

IT managers continue to waste money on unnecessary network upgrades, and should not look beyond three years when assessing future needs, says analyst Gartner, which believes that most companies are failing to align their systems to business processes.

Speaking at today's NetEvents conference in Geneva, Gartner vice president Ian Keene also criticised IT departments for blindly following vendor upgrade strategies to protect themselves and because they happen to have money to spend.

"They follow vendor orientated architecture too much, but it is important to remember that vendors just want to make money and sell all the bells and whistles," Keene said. "They should buy only what they need for the short term because the business need is going to change anyway, and they should not fix what is not broken – people should not, but they do."

Mark Hilton, regional head of product marketing for network vendor HP ProCurve, defended his company's under-fire "adaptive networking" strategy. He pointed out that ProCurve is bringing new technologies to the core and distribution layer, including power over Ethernet and less complex network management features, at affordable prices where it makes sense for the customer base.

"Five to seven years is the length of time you need to think about a network investment strategy and we try and push customers towards building out something for the long term," he argued.

However, Eurolan researcher Keith Humphreys argued that, "A spending plan of between one and three years sends an implicit message that the network will change, as cloud computing, software as a service (SaaS), thin clients and virtualisation suggest they will. But I am not convinced that adaptive network will not cause more problems than it solves because we don't know what the future holds."

Keene went on to lambaste wasteful firms that needlessly spend millions upgrading 10Mbit/s desktop connections to Gigabit Ethernet and private branch exchanges (PBXs) to IP telephony.

"Why put in an IP PBX and a nice, shiny IP phone on the desktop, with expensive proprietary software and zillions of features that nobody will ever use, then send people on training courses to work out how to use it? They should invest the same amount of money in unified communications and really cheap handsets or PC softphones to do the same job," Keene said.