

PRESS RELEASES

Cisco Strengthens Commitment to European Small and Medium Sized Businesses with New Technology Initiatives and Solutions

Right- Sized Solutions rolled-out for Cisco's Growing SMB Partner Community and Customer Base London, July 19, 2004 — As part of its commitment to the Small and Medium-sized Business (SMB) market throughout Europe, Middle East and Africa (EMEA), Cisco Systems, Inc., today announced the launch of several new initiatives, including SMB Class solutions, SMB Select Partner program, new SMB-focused sales team and new SMB market intelligence tools.

The solutions and initiatives were designed in response to an extensive phase of regional research and development focusing on understanding and covering the diverse SMB market, defined within the EMEA region as companies with 20-249 employees. SMB Class solutions have been developed to support the Cisco partner community when communicating with their SMB customers, with tailored solution guides, network blue prints and sales presentations. These solutions provide proven technology, implementation simplicity and comprehensive services that help enable SMB's to build secure, reliable and flexible networks which scale easily and cost-effectively as their companies grow.

"Cisco is committed to helping EMEA's small and medium-sized businesses become more productive, more efficient, and more secure by enabling them to maximize the return on their investment in information technology," said Edzard Overbeek, vice president, Commercial, Channels and Consumer, EMEA, Cisco Systems. "In line with the SMB Class solutions initiative, Cisco will introduce new SMB-focused products over the next 12 months. We will combine these with a standardized and simplified user interface on all SMB-related products, giving our customers a consistent and integrated experience."

SMB Select Partner is a new designation that recognizes and rewards Cisco channel partners who have a focused business practice selling into the SMB market. The designation demonstrates to customers that the SMB Select Partner understands and supports networking solutions for small and medium-sized customers

"We have spent the last year gathering extensive market intelligence across European countries to ensure we better understand our SMB customers and the market opportunity in depth," said Marius Schenderling, SMB Operations Manager, EMEA, Cisco Systems, Inc. "Using all our previous experience in technology, and the results of this research, we have developed SMB Select. The program will grow Cisco solutions to the small and medium business, optimizing our channel geographical and technical coverage by focusing on resellers who actively work with, and understand the needs of SMB businesses."

"Cisco is proactively addressing an enormous opportunity with SMB Select as the networking commercial market in EMEA is approximately \$3.7 billion," said Keith Humphreys, managing consultant, EuroLAN Research. "Cisco is doing this by the creation and recruitment of what's known as proximity resellers – dealers who are geographically constrained by factors such as the Yellow Pages region, or the area in which they can effectively service using their limited vehicle fleet. By using zip codes to define the territory, Cisco has given the channel combined with Cisco sales teams an area to prospect, which maps to his/her current work patterns."

One of the critical success factors to the SMB Select program is the development of a new regional sales role, the Territory Market Manager (TMM) responsible for creating customer intimacy at a regional level by managing non-named account opportunities within a defined local territory. The TMM will work with any reseller including the SMB Select Partners in his/her territory to develop and execute marketing plans, manage sales opportunities, follow up leads and close business to achieve his/her sales target.

Since Cisco first announced its entry into the Consumer, SoHo, Small, Medium and Mid-Sized business markets with the creation of its Commercial organization at the end of 2001, and acquisition of Linksys in the summer of 2003, the company has realigned its business and

internal systems, in order to scale the organization to the size of the Commercial opportunity. To assist the EMEA Commercial team, Cisco is currently delivering a suite of sales and marketing intelligence tools, to ensure an integrated and consistent Customer Relationship Management (CRM) & Partner Relationship Management (PRM) approach but with a true regional view. This will provide Cisco with a unique data driven go to market, that results in identifiable and actionable sales opportunities, plus a closer understanding and relationship with the SMB focused partners and SMB customers.

To further assist Cisco channel partners, resellers can utilize SMB Class solutions and SMB Select tools via the recently launched Cisco SMB partner portal called SMB Engage- www.cisco.com/go/smbengage

The SMB Select Partner is a global designation but is customized by theatre. The program will be rolled out across Europe before the end of FY05. SMB Class and SMB Engage are available now in most countries across Europe.

Cisco Launches Channel Program to Drive Incremental New Business and Channel Partner Profitability

Opportunity Incentive Program Rewards Channel Partners for Securing New Business in the Commercial Market Segment - September 6, 2004 - As part of its continuing commitment to developing new programs that help increase channel partner profitability, Cisco Systems Ltd., today announced the launch of the Opportunity Incentive Program (OIP) in Europe, Middle East and Africa (EMEA). OIP provides financial incentives to reward channel partners for the pre-sales investment associated with securing sales opportunities in targeted market segments. The current focus of OIP in EMEA is the commercial market, which encompasses medium enterprise, mid-market and small & medium businesses. This program incorporates deal registration, which is designed to focus on value delivery to win the opportunity. The incentive rebate is available to the channel partner who is first to register and close a new business opportunity.

"With more than 90 percent of Cisco business going through our channel partners, it is imperative to our future growth that we create programs that improve partner profitability and drive mutual success," said Edzard Overbeek, vice president, Commercial, Channels and Distribution, EMEA, Cisco Systems Inc. "The Opportunity Incentive Program is designed to help enable Cisco and its channel partners to increase market share in selected market segments. At this time, we're focusing primarily on the commercial space as it is a key focus for Cisco in our FY '05, which started August 1, 2004."

Opportunity Incentive Program in EMEA

On 24th May, a pilot of OIP was launched in EMEA, focusing on five countries: Germany, United Kingdom, the Netherlands, France and Poland. The pilot was designed to evaluate the program and tools including: the registration of new opportunities; approval and payment process; as well as partner interest and participation levels. The results from the pilot include: 458 Cisco channel partners registered for OIP

Participants submitted 439 new business opportunities

Cisco approved 267 opportunities

Internet Protocol (IP) Communications, network security and wireless technologies had the highest sell-in rate

Majority of submissions were approved in 24 hours using effective online tools

OIP is planned to be available in two phases during September and October 2004 to all participating countries across EMEA.

"Cisco has formulated a program to protect and reward partners that are seeking new business, something vendors have only achieved in the past in an ad-hoc manner," said Keith Humphreys, managing consultant, EuroLAN Research. "The success of the OIP pilot in the commercial space indicates that, with the correct systems in place, there is no reason why the program can't be extended to new business opportunities where companies have more than a thousand staff."

Deal Registration Protects Presales Investment and Value

The sales cycle includes, identifying, developing and securing a new customer. The longer the sales cycle, the higher the cost of sales, resulting in a significant impact on channel partner profitability especially if the opportunity is not converted to a sale. OIP allows channel partners who actively identify new opportunities to benefit financially because of the presales value they provide in creating these new opportunities. In EMEA, Cisco channel partners can use the incentive rebate to showcase their value proposition, cover their presales investment and improve their profitability.

Registration and Approval Process

In order to ensure success and high-quality program governance, Cisco Systems has created an online deal registration approval process for OIP. This process is available to eligible partners and uses a proven deal registration methodology equipped with multiple checks and balances. In order to register new opportunities, channel partners must provide specific details including information about the decision maker, the budget and project specifications. Cisco will then approve the registration based on whether or not it truly is new incremental business. It should be neither in the Cisco sales forecast nor registered by another channel partner. Opportunities approved by Cisco will be valid for 90 days. A partner must close the approved opportunity within the 90 days period to gain the OIP incentive discount or rebate.

Program Requirements

To qualify for participation in OIP, prospective partners must meet all program criteria in EMEA, which includes having a registered or certified status (including members of the Service Provider Solutions Ecosystem and partners registered for SMB Select). The minimum size new business opportunity that can be registered for the program is US\$5,000.

Nortel Unveils Enterprise Assurance Services for EMEA Channel Partners

euroLAN Research Reveals Nortel's Ability to Offer Channel Partners Increased Revenue Opportunities 1 March 2005

LONDON – Nortel* [NYSE/TSX: NT] today announced Enterprise Assurance Services, an innovative plan to provide a simplified, modular and flexible services portfolio for Nortel 'channel partners' in Europe, the Middle East and Africa (EMEA).

Part of Nortel's on-going commitment to developing programmes that address the business needs of its channel partners, the Enterprise Assurance Services portfolio includes Premier Support Contract Plus (PSC+), a new top level service package. PSC+ will position Nortel's EMEA channel partners to offer customer services with a flexible pricing structure that can be customized to meet unique needs.

"Over the last few years, we have asked our channel partners to build new business models focused not only on hardware volume but also on services and solutions" said Judith Gleeson, channel strategy and Enterprise Networks operations leader, EMEA, Nortel.

"We have developed the Enterprise Assurance Services portfolio and PSC+ in particular to help them deliver the services customers need today while allowing them to boost productivity and improve return on investment," Gleeson said. "PSC+ is a key step in our goal to create the channel model of the future."

PSC+ is available to registered members of Nortel's EMEA Partner Programme who have reached an agreed level of accreditation. It allows them to offer a range of services that complements existing business strategies and product portfolios without adding extra cost.

PSC+ contract holders receive a set of services including downloadable software support, online access to technical information and knowledge tools, swift delivery of replacements and repaired parts, and assignment of a dedicated Nortel Service Manager to address service queries and other related matters.

"Indeed, the support service from Nortel offers simplicity, affordability and predictability," said Keith Humphreys, managing consultant, euroLAN. "Today's complex networks require good services, and that is where the channel scores highly and where vendors like Nortel can offer a winning proposition."

euroLAN recently conducted a European channel research programme, entitled "Partnering for Profit," that measured how Nortel's ability to partner and capacity to partner for profit compared with companies like Alcatel, 3Com, Avaya and Cisco.

"Vendors and partners are developing ecosystems which better support the customer," Humphreys said. "Both parties need to be flexible in their approach. A prescriptive programme no longer works."

"Overall Nortel came out as the winner, outperforming competitors with its PSC+ services programme and leading in both an effective and simple accreditation programme and allowing its channel to maintain a realistic business profit," Humphreys said. "Vendors need to be placing greater emphasis on adding value through combined solutions, rather than on individual products and technologies, by developing more integrated, future-proof, flexible programmes."

Nortel's EMEA Partner Programme has developed into a fully integrated programme that promotes growth by rewarding partners for their investments in knowledge, skills and customer focus.

"Customers are looking to NextiraOne not just to provide expertise in deploying complex networks and networked applications, but also to provide services to support them for the long term," said Foucault de la Rochère, vice president, sales, marketing and services, NextiraOne. "NextiraOne's existing strong relationship with Nortel, our geographic footprint across Europe and the breadth of our integration skills means that the PSC+ initiative is an ideal platform on which to deliver enhanced levels of service to our customer base."

Nortel Networks Enhances Channel Partner Programme in Europe, Middle East, Africa

LONDON - Nortel Networks* [NYSE/TSX: NT] has enhanced its Partner Programme in Europe, the Middle East and Africa (EMEA) to help channel partners adapt to the changing marketplace, build brand equity, and deliver end-to-end converged networking solutions and services. 6 May 2005

The enhancements - for Nortel Networks Gold Solutions Partners - provide greater rewards to those who step up to the 'Convergence Challenge' by demonstrating growth, driving unaided business, and delivering excellent service. These rewards include incentives for unaided sales and loyalty, and greater discounts for laboratory and demonstration equipment. The enhanced programme also includes three new initiatives - Innovator, Global Customer Partner and Convergence Leader - to help partners position themselves to address specific aspects of convergence.

"Our enhanced programme creates an end-to-end continuum of offerings and incentives for our channel partners and a range of high-value options for end users," said Adrian Marsh, director, Business and Channel Strategy, Enterprise Networks, EMEA, Nortel Networks. "It provides a cornerstone for evolving relationships to help position our channel partners to drive profitable growth and offer a wealth of choices to end-users while building brand equity."

"I believe that the improvements to Nortel Networks EMEA Partner Programme are a move in the right direction," said Keith Humphreys, managing consultant, EuroLAN. "Partners are now better positioned to highlight specific areas of competencies and expand proficiencies, thus allowing them to differentiate themselves in today's marketplace."

The three new initiatives are voluntary programmes and are open to successful Nortel Networks Gold Solutions Partners who meet a range of criteria including service excellence,

portfolio coverage, geographic presence, and performance. Each initiative offers the potential for significant incremental benefits specific to the value propositions of each partner.

"As Nortel Networks 'EMEA Partner of the Year,' we like the sound of the improved benefits for Gold Solutions Partners," said Martin Fraser, marketing director, Kingston Communications. "Nortel Networks is raising the standard for channel partners by establishing a programme that rewards the value a channel partner brings to the market as well as volume. At Kingston Communications, our strategy is built around convergence, and we see this taking our partnerships with Nortel Networks to the next step."

"We have been actively working with Nortel Networks as a Global Customer Partner across Europe and have won a number of multinational contracts," said Ian Ashby, vice president, EMEA Sales, NextiraOne. "We see real value coming out of the new initiatives around the Partner Programme and our relationship with Nortel Networks as we grow our business."

Nortel Networks is an industry leader and innovator focused on transforming how the world communicates and exchanges information. The Company is supplying its service provider and enterprise customers with communications technology and infrastructure to enable value-added IP data, voice and multimedia services spanning Wireless Networks, Wireline Networks, Enterprise Networks, and Optical Networks. As a global company, Nortel Networks does business in more than 150 countries. More information about Nortel Networks can be found on the Web at www.nortelnetworks.com or www.nortelnetworks.com/media_center.

Nortel Networks optimise son programme de partenaires distributeurs en Europe, Moyen-Orient et Afrique

Londre -- Nortel Networks a choisi d'optimiser son programme de partenaires distributeurs dans la région EMEA (Europe, Moyen-Orient, Afrique) afin de les aider à s'adapter à un marché en forte évolution, à créer un capital de marque et à offrir des services et des solutions de réseau convergent de bout en bout.

Ces améliorations sont destinées aux Gold Solutions Partners de Nortel Networks qui s'approchent du « challenge de la convergence » en démontrant leur capacité à se développer, à générer une activité spontanée et à offrir une excellente qualité de service et visent à les faire bénéficier d'avantages encore plus importants. Parmi ces avantages figurent des primes récompensant les ventes spontanées et la fidélité, ainsi que des remises plus importantes sur le matériel de démonstration et de laboratoire.

Ce programme comprend également trois projets, baptisés « Innovator », « Global Customer Partner » et « Convergence Leader », dont l'objectif est d'aider les partenaires à se positionner pour faire face aux aspects spécifiques de la convergence.

« Notre programme crée une gamme complète d'offres et de mesures d'incitation de bout en bout destinées à nos partenaires distributeurs, ainsi qu'une série d'options à forte valeur ajoutée pour les utilisateurs finaux », explique Adrian Marsh, directeur de la stratégie commerciale et de distribution de la division Enterprise Networks EMEA chez Nortel Networks. « Il constitue une pièce maîtresse de l'évolution des relations visant à aider nos partenaires distributeurs à se positionner pour générer une croissance rentable et offrir un large choix de solutions aux utilisateurs finaux tout en construisant un capital de marque », ajoute-t-il.

« Je suis convaincu que les améliorations apportées au programme de partenariat EMEA de Nortel Networks vont dans la bonne direction », affirme Keith Humphreys, consultant chez Eurolan. « Aujourd'hui, les partenaires sont mieux positionnés pour mettre en valeur des domaines de compétence spécifiques et développer leurs savoir-faire, ce qui leur permet de se différencier sur le marché actuel », précise-t-il.

Ces trois nouveaux projets sont des programmes libres et sont ouverts aux Gold Solutions Partners de Nortel Networks qui répondent à un certain nombre de critères, dont la qualité de service, l'étendue de la gamme, la présence géographique et les résultats. Chaque projet

peut donner lieu à d'importants avantages supplémentaires en fonction de valeur ajoutée apportée par chaque partenaire.

« En tant que "Partenaire EMEA de l'année" de Nortel Networks, nous apprécions l'amélioration des avantages offerts aux Gold Solutions Partners », déclare Martin Fraser, directeur du marketing chez Kingston Communications. « Nortel Networks relève le niveau de référence des partenaires distributeurs en établissant un programme qui récompense la valeur qu'un partenaire apporte en terme de marché et de volume. La stratégie de Kingston Communications s'appuie sur la convergence et nous considérons que cette initiative permettra à notre partenariat avec Nortel Networks de franchir un nouveau palier », ajoute-t-il.

« Nous avons collaboré activement avec Nortel Networks en tant que Global Customer Partner dans toute l'Europe et nous avons remporté de nombreux contrats internationaux », explique Ian Ashby, directeur commercial EMEA chez NextiraOne. « Ces nouveaux projets basés sur le programme de partenariat et nos relations avec Nortel Networks représentent pour nous un réel intérêt à l'heure où nous développons notre activité », conclut-il.

Nortel Networks, leader et innovateur sur le marché des télécommunications, se donne pour principal objectif de transformer la manière dont le monde communique et échange les informations. La société propose à ses clients entreprises et opérateurs les technologies et infrastructures de communications nécessaires à la mise en oeuvre de services de données IP, de voix et de multimédia, regroupant les réseaux sans fil, les réseaux filaires, les réseaux d'entreprise et les réseaux optiques. Entreprise mondiale, Nortel Networks est présent dans plus de 150 pays. Pour de plus amples informations, veuillez consulter le site Web de Nortel Networks à l'adresse www.nortelnetworks.com ou www.nortelnetworks.com/media_center.

NETGEAR Tops International Competition to Win Title of CRN Networking Vendor of the Year

Judges from the IT Industry and CRN Readers Rate NETGEAR Best in Service and Support Among Crowded Networking Category That Included Companies Worldwide With Both Voice and Data Legacies

SANTA CLARA, Calif., Dec. 21 /PRNewswire-FirstCall/ -- NETGEAR Inc. (Nasdaq: NTGR - News), a worldwide provider of technologically advanced, branded networking products, today announced it was awarded the title of Computer Reseller News (CRN) Networking Vendor of the Year 2005 at an awards ceremony on Nov. 24, 2005, in London, U.K. Awarded by CRN's U.K. edition, in one of the most strongly contested categories in The Channel Awards, industry judges and the CRN's readers rated NETGEAR tops in service and support provided to its channel partners.

NETGEAR, which entered the contest for the first time this year internationally, was selected as tops in the Networking Vendor of the Year category from a short-list of strong entries that included Avaya, 3Com, Juniper, and Cisco.

"A key aim with the Channel Awards in 2005 is to recognize the contribution, service and support of individuals, teams and organizations and offer the opportunity for the channel community to come together to celebrate their achievements over the past year," stated Sara Driscoll, Editor of the U.K. edition of CRN. "Having almost doubled the number of entries, the competition within each of the categories has been tougher than ever. As such, the winners have even more reason to be extremely proud of their achievement."

According to Keith Humphreys, consultant at analyst EuroLAN and one of the judges, "NETGEAR has done remarkably well over the past couple of years. From the time it was spun off from Nortel until it floated, it doubled its revenue, and it has doubled it again since then. NETGEAR also respects the channel, especially distribution."

"The receipt of this prestigious award is of particular importance and pride to us as it reflects the attitudes and experiences of both the industry analysts and, more importantly, our international channel partners and resellers," explained Patrick Lo, NETGEAR Chairman and

CEO. "NETGEAR's dedication to the channel is evidenced by continued improvements to our Powershift Partner Program, the recent launch of our extensive ProSupport service programs, the strengthening of the warranty programs for our ProSafe(TM) product line, and a diverse and growing line of ProSafe wired and wireless networking solutions that enable the reseller to provide a complete end-to-end infrastructure solution to SMB and midmarket customers with the confidence that NETGEAR is there to provide them industry-leading support and service 24/7."

A full list of winners can be found at <http://www.channelawards.net/winners.asp?id=0>

Guardian Unlimited

Eye spy with my little network Thursday July 22, 2004

Closed circuit surveillance systems are going digital, which will not only reduce costs but lead to a dramatic increase in the scope of coverage. Ken Young reports

Closed circuit television surveillance is big business. In 2001, there were about a million CCTV cameras in use in the UK: today, that figure is more than 4m. It may grow even faster now that the industry is waking up to the benefits of using digital recording with internet protocol (IP) cameras, instead of traditional analogue cameras and tape storage. In Europe, IP cameras are expected to account for about 20% of a surveillance market forecast to be worth £300m in annual sales by 2008, up from less than 5% today, according to IMS Research.

Many businesses are dipping their toes in the digital waters. Drinks retailer Thresher Group has been trying Panasonic IP cameras to reduce the incidence of false alarms at its Brighton store. Two pan and tilt cameras complement an alarm system storing images on a 40GB hard disk. If a break-in triggers the alarm, video images are, within seconds, automatically sent over the internet to a control room. An operator can also view real-time images to assess the situation. The images are sent using encryption to eliminate security risks. Aside from automating and centralising some of the process of surveillance, the system has other benefits. It does away with tape and the expensive handling of tapes, and it can run continuously due to "first-in-first-out" (Fifo) storage of images. This also provides extra backup as a result of images being saved locally and centrally.

Thresher, which hopes to roll out IP cameras nationwide, says the system was instrumental in convicting two thieves who broke into the Brighton store, and has led to a dramatic reduction in shoplifting.

But due to a legacy of traditional cameras and coaxial cables, most firms are opting for hybrid systems that retain their investment in analogue cameras.

Mobile operator Orange recently chose an IP system to link more than 400 analogue cameras in warehouses and data centres, allowing engineers and security staff to remotely monitor sites from the office or home using a laptop or PC connected to the network. The cameras link to digital video recorders in 50 locations nationwide. These link to an IP network allowing access from any location. Orange has also developed services to allow security staff to access images using mobile phones and PDAs.

But digital surveillance is not without problems. Most important is the question of the bandwidth if you put video output on to existing company networks.

Bob Tuck, head of business development at BT's remote monitoring subsidiary BT Redcare, says one solution is an overlay network. "IT managers get very nervous about putting video on their networks, so the key is an overlay network to ensure jumps in bandwidth can be handled."

Sam Samuels, principal security adviser at property consultants Captia Symonds, agrees. "The bandwidth of a number of cameras sending video data over a Lan is considerable, with a consequent hit on the speed of the network," he says. "This can mean a vital aspect of company security is being controlled by IT technicians, a function that may have been outsourced, and whose last priority is the stability of the CCTV system." He recommends that high security applications with a large number of cameras use a conventional CCTV system, "albeit with an IP-addressable control and storage system".

But the biggest attractions of IP CCTV are cost savings through simpler maintenance, and the ease of centralising control from a number of locations under surveillance.

One of the UK's largest IP CCTV systems is at Luton Airport. Rather than installing miles of fibre-optic cable to expand its existing analogue system, Luton opted for 100 new IP cameras all streaming video across the airport's local area and wide area networks.

Luton Airport says its control and monitoring centre can now be moved to any point on the network, or to another of the group's airports. New cameras can be installed by setting up a new network point, as opposed to installing new cabling. Images from cameras are easily shared with 15 locations around the airport.

Chris Boyce, commercial director of Intruder International plc., the security firm that installed the Luton system, says the next few years will be defined by hybrid systems. "We generally install systems that include analogue cameras feeding into digital video recorders or a digital switch. The key to network bandwidth is to use it sparingly, by designing the system so that most access is only 'on demand'."

Boyce says that while use of IP cameras is still embryonic, it is widely accepted that storing digital CCTV images on hard disk has overtaken tape storage for the first time this year.

However, the cost argument for all-IP systems will become more compelling as IP cameras drop in price and the Power over Ethernet (PoE) standard comes into widespread use.

"The real driver for IP is the new PoE standard," says Keith Humphries, of EuroLAN Research. "Now that is coming through, retailers can really think about the possibilities."

Essentially, PoE means that cameras can get their power from the network point: you only need one cable and one plug, instead of separate data and power cables. This brings cost savings and increases the resilience of the system.

But the shift to digital surveillance is also driving the idea that surveillance must be "event driven", with cameras being "passive" until activated by motion detection software.

"Even with larger networks, you simply cannot run thousands of cameras that are constantly streaming video across a network: this creates a valueless image-saturation," says Peter Goodenough, managing director of security firm Hisec International.

"With the police limiting call-outs to alarm events, businesses are becoming forced to employ costly private security to respond to intrusions. Event-driven Video over IP enables remote, targeted monitoring and recording that can negate the need for such costly call-outs."

An even greater expansion of IP CCTV could follow from firms experimenting with wireless links to IP cameras. Clive Black-Barrow, account manager at security specialists Bailey Telecom, says: "Security is a big issue, and clearly there are concerns over eavesdropping and jamming wireless connections, so it is something that needs careful consideration. But where the images are not highly sensitive - such as basic staff monitoring - I think it will be popular."

But what will really tip the balance in favour of IP systems will be the ability to use computers to analyse stored images. Retailers are already linking image retrieval to bar codes so they can review sales of a particular item, looking for what they call "sweethearting" - the practice of undercharging on specific items.

More advanced users are experimenting with using pattern recognition software to spot changes in the movement of customers. This could be used to detect suspicious behaviour before a crime takes place, or to predict shopping behaviour in relation to promotions.

The move from analogue to digital surveillance looks likely to bring a dramatic increase in scope. This could re-ignite the debate over how much surveillance is acceptable before it becomes an invasion of privacy.

Dell gives indirect answers

Head of direct vendor claims he welcomes reseller sales that include services
by Miya Knights and Ben Tudor Computer Reseller News 10 Jan 2005

Michael Dell, chairman of direct-selling vendor Dell, has admitted that UK resellers are freely buying Dell kit, but has questioned the definition of a reseller.

Dell said: "What you have is a situation where [as a reseller] I can call Dell and buy Dell products for less than I can buy Hewlett-Packard's. So I'm going to buy Dell, put some solutions or services on it and provide it to my customers. That's fine. But are they resellers?"

"A traditional reseller was someone who would make a mark-up on selling on a box. What we're really seeing is guys who are providing a service."

Keith Humphreys, managing consultant at EuroLAN, agreed. "Dell's talking sense. People in the channel are not using hardware to make money. They are using hardware sales to sell services," he said.

Dan May, operations director at VAR Ramsac, said Dell was right. But he added: "In the past few years resellers have taken a shift to services, because the hardware margins just don't exist.

"But SMEs like to have the personal touch. For many using the Dell web site to order a high-end server is quite technical and they need a reseller's support."

Dell said he is happy for VARs to buy from his firm. "If someone wants to buy two Dell computers, put some software on them and sell them to an office, we're not going to say, 'No you can't do that.' But we're not actively courting discounters," he said.

However, May pointed out that Ramsac has preferred account status with Dell, which means it has its own account manager and gets a discount on the web prices.

"The margins aren't huge, but they are definitely attractive enough to make being a Dell reseller worthwhile," he said.

Wireless enthusiast Cisco makes a pass at iPass

by Ben Tudor, Computer Reseller News 7 Mar 2005

Cisco has invested in wireless hotspot aggregator iPass, along with voice recognition firm Nuance and Lumera, a firm that makes polymers used in wireless antennae, biotech chips and electrical-optical converters.

"In general we look to invest in companies that have innovative technologies or unique business models that can help build the market for networking," said a statement released by Cisco to CRN.

Documents filed with the Securities and Exchange Commission show the firm bought two million shares in iPass, which equates to 3.2 per cent of its common stock. Cisco also bought more than 1.9 million shares in Nuance, about 5.4 per cent of its common stock, and 5.9 per cent of Lumera's stock. While Cisco has historically invested in firms it has later acquired, it also has a strong record in picking growing markets and making money from investments.

"Cisco invests in all sorts of companies. It is a pretty smart investor," said Keith Humphreys, managing consultant at EuroLAN. "Where it invests sometimes indicates where it thinks the market is going."

"I wonder if this is just clever investment, rather than a case of Cisco buying into a company," said Barry Shrier, chief executive of hotspot firm Liberty Europe. "IPass is well outside [Cisco's] comfort zone. However, it is doing quite well - I'm a fan. This validates the need for roaming."

IPass makes deals with hotspot operators such as BT and T-Mobile, allowing its users to roam over different firms' public wireless networks in the same way as mobile phone users.

Logicalis buy increases its Notability

Firm buys IBM reseller for £11.4m by Laura Hailstone, Computer Reseller News 7 Mar 2005

Logicalis has wasted no time in embarking on its planned acquisition spree, buying IBM reseller Notability for £11.4m last week. No lay-offs or management changes have been planned.

Ian Cook, chief executive of Logicalis European Operations, said: "Notability adds to our overall strategy of becoming a full ICT end-to-end business. We will aim at the mid-market: organisations with between 250 and 1,000 staff, but we won't ignore the enterprise market totally."

CRN exclusively revealed last week that Logicalis plans acquisitions of three resellers in the IBM, security and voice markets. The firm also entered into an agreement last week to acquire US VAR Eisco Technology.

Surrey-based Notability, which has annual revenues of £30m, will be renamed Logicalis Computing Solutions. The firm is strong in financial services and has eServer, storage and e-business skills.

Later this month, Logicalis will combine its former Logicalis UK and Satelcom businesses to form Logicalis Network Solutions.

"Logicalis will differentiate itself not only by having a superior understanding of the increasingly complex end-to-end information flows in an organisation, but by using that knowledge to install and manage systems, particularly in the enterprise server arena," Cook said.

He refused to name the firm's next target, but revealed it would be "a voice company".

Keith Humphreys, managing consultant at analyst EuroLAN, said: "At first glance Notability appears to mirror what Logicalis is doing in the US. But Notability is really an SME-focused reseller that carries IBM and Cisco. It takes Logicalis into the fastest-growing opportunity in IT."

Cisco partners see red over 'grey' support

Network giant promises action on allegations of customer hoodwinking by Ben Tudor
Computer Reseller News 7 Mar 2005

Cisco's Shared Support programme may be creating a "grey market" of support providers, according to Cisco support provider Trend Network Services.

"There seems to be a grey market for support. Basically, people that are not accredited are claiming they can do support," said Stuart Muirhead, sales and marketing manager of Trend Network Services, which is an accredited Shared Support provider.

"Customers are being hoodwinked. This is something Gold and Silver partners have complained to Cisco about."

In a statement to CRN, Cisco said that it would follow up any allegations. "The Cisco Shared Support programme employs strict eligibility controls and ongoing monitoring to better ensure quality control," the company said.

"Partners who qualify for the programme are entitled to an array of support from Cisco that helps enable them to provide quality support under their own brand. Any partner not in the programme is not entitled to this support from Cisco."

Resellers have said in the past that they expected Shared Support to increase the demand for white-label service contracts for old Cisco products, where support issues are well known and documented. Cisco resellers have balked at the idea of paying for Shared Support upfront when they source products.

Cisco added: "The synergy between the Cisco delivery teams and Cisco Shared Support partners' delivery team are the cornerstone of the value of Shared Support.

"Resellers providing support contracts on Cisco equipment without the foundation of a Cisco support contract do so without legal access to Cisco expertise and experience, advance replacement hardware, software updates and upgrades or access to online tools.

"Cisco appreciates the work of others in identifying abuses and bringing them to our attention. Cisco will follow up on these allegations."

Keith Humphreys, managing consultant at EuroLan, said resellers were complaining about extra costs under the new scheme.

"Partners are saying costs are running to one-and-a-half to three times the cost of the old schemes," he said.

"Second, they have to buy support when they buy the product. This is tricky, because no installation goes the way you think it will; customers change their minds. This isn't a problem if you have got good asset tracking, as the big partners tend to have. If you're a mid-tier Gold partner, though, it can be complicated

Cisco flaunts \$750m credit financing plan

Vendor offers cash incentive to help VARs seduce smaller businesses by Ben Tudor in Vancouver Computer Reseller News 11 Apr 2005

Networking giant Cisco is offering \$750m in extra credit financing to its worldwide channel, to help VARs meet demand for its revamped rebate scheme and expected market needs. The vendor, which previously concentrated on high-end financing through its Cisco Systems Capital subsidiary, said it was looking to encourage SMEs with credit options. "For our partners to grow, we need to increase credit capacity," said Paul Mountford, senior vice-president of worldwide channels at Cisco.

At its partner summit last week in Vancouver, the vendor also unveiled its revamped Cisco Technology Migration Programme (CTMP) trade-in scheme, which offers VARs a 15 per cent rebate on the value of old or competitors' kit traded in for new Cisco hardware.

"There is \$40bn worth of kit out there that needs to be renewed, and we need 5.5 per cent of that to hit our growth target of \$2.2bn," said Mountford.

Cisco has also made changes to its support programmes to address the limitations of SmartNet, which the vendor said was too technical for SMEs. Some VARs have criticised SmartNet for enabling smaller competitors to offer support and maintenance without having their own dedicated technical staff.

SME Support Assistant has been customised for smaller businesses, with a Technical Assistance Centre aimed at non-technical customers. It joins SmartNet and Shared Support in Cisco's service and support line-up.

"It is 55 per cent cheaper than SmartNet. I like that," said Keith Humphreys, managing consultant at research firm euroLAN. "I am not convinced, however, that SMEs don't think of their networks as mission-critical."

Humphreys said a four-hour swap-out would be a good upgrade to Support Assistant.

Gary Duke, sales director at VAR LAN2LAN, welcomed the changes. "The untapped potential in the SME market is massive and this will allow Cisco to take market share from the likes of Linksys and D-Link," he said.

"It's great for Cisco because it gets the kit out quicker, and good for resellers because we are able to sell our knowledge of Cisco without the price objection."

Abtech staff buys out firm

The management of Wimbourne-based reseller Abtech Computer Services UK have staged a management buyout (MBO). The VAR's management bought the shareholding from US parent Abtech Systems.

"Abtech was set up in the UK in 1996 as an outlet for refurbished Hewlett-Packard [HP] products," said Nigel Wright, sales director at Abtech UK.

"We became an HP reseller, and we've added Sun and Red Hat accreditations. We're different from the other company now. We sell very little refurbished HP products."

Initially, the business was put up for sale to outside parties. However, there was not much feedback from potential buyers, said Wright.

The buyout has made four existing members of staff the shareholders in the company, including Wright. Keith Collins will manage consultancy, Chris Turner will head support, and Cathy Chick will look after operations at the firm.

"We were in a good position to buy, and the price was right," Wright said. "Each of the four shareholders put in 25 per cent for the buyout, which we financed ourselves."

"It means we have no large debt, and no venture capital investment. The company is profitable, and we have cash in the bank."

"We are looking to the maintenance and support business to keep the money coming through, and Red Hat, of which we are an advanced partner, to get new business. We will maintain existing customers with HP's 9000 server range, as well as helping customers that want to buy Sun."

Keith Humphreys, managing consultant at analyst EuroLAN, said that the UK was seeing more acquisition activity, while MBOs remain relatively few and far between.

"It sounds like one of those episodes in which a business forms a life of its own and breaks away," said Humphreys.

HP ProCurve boosts security in CRN by Sara Yirell 13 June 2005

Hewlett-Packard (HP) ProCurve bolstered its growing networking range by launching four new security-centric products and upgrades last week.

The vendor claimed its latest hardware and software products, aimed at the enterprise and higher-end medium-sized companies, reduce network and business complexity, increase performance and security, and allow end-users to get more from their networks.

Based on the Adaptive Edge Architecture strategy, the products include the Routing Switch 9400sl series, the ProCurve Manager 2.0 and ProCurve Manager Plus 2.0, free software enhancements for the ProCurve 5300xl switchfamily and software updates for the ProCurve Wireless Access Point (WAP) 420 series. The first product, the Routing Switch 9400sl series, features high-density, secure and multiplayer switching and routing, and is geared to helping HP gain traction against arch rival in the networking sector Cisco.

Jon Weatherall, UK and Ireland country manager at ProCurve, said: "The product will help the channel get more involved with higher-end sales. Channel partners are asking us for more technologically capable products so they can offer a really credible alternative to Cisco."

The second product, the ProCurve Manager 2.0 and Manager Plus 2.0, consists of upgraded network management software that aims to give end-users more control over network and traffic management. Weatherall said the channel can maximise margin on the software by offering firms "a real insight into their network and how it is performing".

Third is the 5300 software release. It increases the security aspect of the xl switch family and features a control-listing functionality and virus-throttling technology.

Finally, the WAP 420 series free software conforms to the IEEE 802.11i, Wi-Fi Protected Access (WPA) and WPA 2 standards, and provides end-users with quality-of-service support for applications such as wireless Voice over IP. It can also discriminate between guests and employees logging onto a company network, giving them all different access but from the same access point.

"From a reseller point of view, wireless is a very hot technology. It is something that a lot of end-users are still deploying, which means they are looking for the right levels of security encryption and authentication," Weatherall said.

"It seems like we have launched a lot of products at once, but sometimes we prefer to wait for a number of products to come out at the same time and group them together. Otherwise, we would be releasing a new product every other week."

Keith Humphreys, managing consultant at analyst EuroLAN, said HP ProCurve will always remain a "niche network division of HP".

"HP and Cisco know each other as major rivals. Security has always been an important aspect of networking products for them both," he added.

Humphreys said HP is a stronger player in the mid-market where it is seeing increasing demand.

"If you consider firms choosing to use HP for servers, printers and storage, it makes sense that they would connect them using HP ProCurve products. I can't see ProCurve rivalling Cisco overall. It will always remain a niche networking division of HP, but it is certainly competition to Cisco in the switching and routing space," he said.

Get with the programmes by Ben Tudor, Computer Reseller News 26 Apr 2005

Just because you're paranoid, so the old saying goes, it doesn't mean they aren't out to get you. This is certainly true of Cisco, the networking market's very own 800lb gorilla. So how is Cisco keeping ahead of the competition?

Like the seaplanes practising noisy touch-and-go landings just outside the auditorium, Cisco's announcements in Vancouver earlier this month came thick and fast. Three main themes,

however, stood out: Cisco's SME plan, its Solution Incentive Programme (SIP) and, last but by no means least, a combination of ISV programmes and vertical markets.

The SME plan

Cisco is not a natural inhabitant of the SME market. Although John Chambers, chief executive of Cisco, has strong views on upfront pricing (see box on page 23), the company's products have a tendency to be highly priced compared with those of its rivals. In the past Cisco has not been widely known to recruit small resellers specialising in small business sales.

That appeared to change in March 2003, when Cisco said it would buy Linksys, pulling the company into the retail and SME sectors. The deal allowed Cisco to attack upwards from the very bottom of the SME market. At roughly the same time, the vendor started recruiting SME resellers to sell its own products in the other direction: from the medium enterprise downwards.

John Donovan, unified channel director, UK and Ireland for Cisco, said at this year's Partner Summit that in the European market, Cisco's SME customers are largely firms with 250 employees and fewer. In April last year, Cisco operations director Phil Sorsky told CRN that he was looking to fast-track a further 70 resellers through Cisco's SME accreditation process to join the 70 existing resellers.

"SME Select is now about 300 resellers strong and growing," said Donovan. "SMEs want to buy from local providers."

Kathleen Klasnic, lead analyst at Datamonitor, said that Cisco has done well, but will continue to face competition.

"Cisco is making an impact and has a range of good solutions for the segment. However some markets will be tricky," said Klasnic. "Avaya's Tenovis acquisition should heat up competition both in Germany and for mid-tier solutions, particularly in health care."

On top of building the channel model and launching a range of products aimed specifically at SMEs, Cisco introduced a support package for small firms at the Vancouver conference.

At present there are two forms of support available from Cisco. Shared Support (SSP) replaced SIS 98 and RSA 98 last year, to a mixed reception from larger Cisco partners. SSP is sold by Gold and Silver partners that meet the correct criteria. SmartNet may be resold by smaller Cisco partners, and has been used by some firms to punch above their weight, offering advanced support without investing in their own support resources.

"Our standard offering up to now has been SmartNet," said Karl Meulema, vice-president of customer advocacy, services marketing and channels at Cisco.

"SmartNet is focused on the enterprise. In the SME space we find that customers are not highly technically competent. They have different needs and are looking for simplicity."

Support Assistant is a new package that sells for 55 per cent of SmartNet's list price, and offers lower levels of support. It provides technical assistance centre support during normal working hours, as opposed to round-the-clock cover. There is a special technical assistance centre with staff that talk plain English (as well as six other languages), rather than jargon, and next-working-day replacement instead of SmartNet and SSP's more speedy alternatives.

The immediate problem posed by Support Assistant, said Keith Humphreys, managing consultant at EuroLAN, is that SMEs have similar business needs to larger companies.

"A product that costs 55 per cent of the SmartNet list ? I like that," Humphreys said. "However, I'm not convinced that SMEs don't regard their networks as mission critical. I think they absolutely do."

Canalys director and senior analyst Sandy Fitzpatrick had similar opinions. "Support Assistant is yet another offer for the SME market," she said.

"Cisco has been trying to get into the SME space, and this is a way of getting traction. A core part of SMEs resellers' business is to offer services, so it will be interesting to see if resellers welcome this, or see it as infringing on their core competencies."

Research by Cisco, it should also be noted, found that 90 per cent of SME customers do not have support contracts. That number may suggest either a cracking opportunity for support packages, or that most SME customers are happy to rely on the sort of guarantees provided by traditional SME suppliers, such as 3Com or HP ProCurve. Or it may be simply that SMEs are not interested in buying support. Time will tell.

Solution Incentive Programme

Not to be confused with Session Initiation Protocol, as it was at the Vancouver conference, the Solution Incentive Programme (SIP) was introduced to the crowds at Cisco's channel event in Hawaii last year, to great fanfare. While resellers have used the programme and also seem to like the idea, Cisco used the Vancouver conference to unveil SIP again.

"SIP is ready to go now," said Cisco's Donovan. "There's a specific EU [European Union] implementation, and there will be a full roll-out by the end of the financial year."

In brief, SIP rewards resellers for coming up with innovative solutions for their customers. If the solution is registered with Cisco and proves to be unique, the reseller is duly rewarded.

SIP sits alongside the Opportunity Incentive Programme (OIP), recently opened up to resellers outside Cisco's SME Select accreditation (CRN, 18 April), and the Value Incentive Programme (VIP), both of which are popular with resellers looking to boost their margins.

"SIP wasn't necessarily new. It was just a revamping of the message. I think the company was just trying to re-emphasise the message," said Fitzpatrick.

"I'm picking up from partners that it has been quite popular. If you speak to some of Cisco's global system integrators, they are getting something out of it. The likes of Dimension Data say it is something they value. It puts money back into the process."

However, Peter Halls, head of the newly-combined Kingston Communications and Omnetica businesses, now renamed Affiniti, has some caveats.

"You always have a problem with things like SIP; if you develop something you think is unique for yourself, you might not want to share it with a partner," said Halls.

"I think it may fall by the wayside. At present it's a very drawn-out process. If it is to work, it needs to be snappy. VIP and OIP are very clear and very simple. SIP, on the other hand, is more long term."

The jury remains out. It is perhaps unsurprising that sources within the company joke wryly about conducting R&D in the channel when it comes to SIP.

But more complicated does not necessarily translate into being of less value. For one commentator at least, the truth will out in the way SIP is taken to resellers.

"If it's implemented effectively, SIP will draw a line between the kinds of reseller behaviours Cisco wants to incentivise and those it does not. The resulting benefits will increase the closeness of the relationships with these more forward-thinking partners," said Klasnic. "The challenge, though, as always, will be in consistent application and execution."

Klasnic added that the version of SIP presented this year was more fleshed out than last year's announcement.

ISVs and verticals.

Perhaps the most interesting piece of news in the Cisco and general networking and telephony markets recently was that Avaya UK and Ireland vice-president Clive Sawkins had defected to Cisco.

Sawkins, who joined Cisco in April as director of IP Communications EMEA at the firm's advanced technology group, had good reason to take up the offer Cisco made him.

"Convergence has taken off. I'm now looking at converged applications," he said. "If you think of the converged market as a whole, 20 per cent growth is achievable for partners and organisations."

Coupled with Cisco's drive for applications, and its support for ISVs, is the assertion by Chambers that the firm will move towards vertical markets and away from horizontal ones such as LANs. According to Klasnic, the move will help bolster wilting margins.

"The reasons for verticalisation are similar in the networking space to those in the general IT market. Specifically, more tailored solutions generate higher margins," she said.

"As the networking space becomes more commodified and resellers have seen their margins squeezed further and further, Cisco has taken a lot of flack for not supporting them better," she added.

This move is a wise one for Cisco, not least for the roasting it has been subjected to over the past few years for its ? sometimes diminishing ? hardware margins for resellers.

Klasnic argued that moving towards a vertical market model, as well as a solutions-based model, makes sense, as it allows Cisco to grow the margins of resellers willing to go in this direction.

Fitzpatrick argued that Cisco has already verticalised itself.

"This is a drive to increase adoption, and now it has an applications and services play," said Fitzpatrick. "In EMEA, verticals are not the only way. Cisco is also trying to do horizontal applications, such as CRM on IP."

Part of the vertical conversion is what Cisco calls ecosystems: collaborations between resellers and ISVs, as well as between resellers. This may be a trickier process than it appears, according to Fitzpatrick.

"We don't often see partners with different core competencies working together on solutions," she said.

Gearing up for the final countdown by Simon Meredith, CRN 1 Aug 2005

If you are rushing to get your entry in right now, ahead of today's deadline, you need not panic. You can still enter the Awards online, through the Channel Awards web site at www.channelawards.co.uk.

But of course, those of you who have given yourselves plenty of time should do a final read through and press the submit button.

The number of entries already received this year is impressive and the standards that many companies have striven to reach with their entry is very high indeed.

It looks like there will be a great deal of work for the judges to do and some very difficult decisions to be made. Well-prepared entries with strong testimonials will undoubtedly be at an advantage – but this does not mean that the chance to be short-listed is gone. Even if you have not entered yet, there is still time – and our quick-fire guide to preparing a late entry

should help you to get any last minute submissions to us in the nick of time (see box, below right).

The most hotly contested areas this year, judging from the entries so far, looks like being the Specialist awards in both the Vendor and Distributor categories. Among the reseller awards the most heavily entered so far are the Corporate, SME and Specialist categories, but anyone entering the Service Provider or Consumer categories could still be in with a chance.

In the Vendor and Distributor categories, there are a number of entries very conspicuous by their absence that are bound to come in before the deadline expires.

Looking at the entries so far, one could easily assume that the bigger the organisation, the longer they are likely to take to submit their entries.

If you still need persuading, here is a reminder of what companies, that have either won awards or been short-listed, have said about being recognised in the Channel Awards.

Frank Salmon, managing director at CMS, said: "Having won in two consecutive years we have noticed a beneficial effect. The awards seem to endorse our business and increase our visibility in the channel. This is why they are so hotly contested."

David Ellis, director of security at Unipalm, echoed this view: "Winning has proved to be extremely useful when talking to new customers as it provides a high level of credence."

Simply making it onto the shortlist is useful, according to managing director of reseller Ramsac. "It generated a lot of compliments and good feeling.

"People like to know that they are working with someone who is doing well. It also had a positive impact on our staff because they like to know that they are part of something successful as well."

Finally, it is worth sparing a thought for the judges, who will have to examine the scores of the entries that are put forward.

One of the judges, Keith Humphreys, director of EuroLan Research said: "Any entry should NOT be a cut and paste of marketing blurb or the web – it should be specific to its channel activities."

Matrix creates Commcentric unit by Sara Driscoll CRN 8 Aug 2005

Hybrid company says more acquisitions on the way

Matrix Communications Group has unveiled its new-look distribution arm and revealed that further acquisition targets are already on the cards.

The distribution arm of Matrix was previously known as its Partner Sales division, headed by Ron Sandison, who was integrating three acquired companies Network Partners, Norwood Adam and equIP. However, Sandison left the company just a few months after his appointment (CRN, 27 June).

Ian Morris, a co-founder of equIP, is heading the division, which was rebranded last week as Commcentric.

"The plan is to build a recognised brand around Commcentric, which will act as a parent company to the three distribution businesses," Morris told CRN.

He said until this brand awareness has been established, the three businesses will continue to operate separately under their own names.

"If the Commcentric brand becomes well known very quickly, then we may look to operate all three divisions under that name. I hope to be able to make a decision on that by the end of the year," Morris said.

He added that the firm is already considering its next acquisition. "We are looking at how we can strengthen our business in the voice sector, and we also want to grow our presence in the storage arena," he said.

Keith Humphreys, consultant at EuroLAN research, said this would be a good move for Matrix, as most firms are steering their businesses towards the data centre. "If it wants to be a player that can offer a total solution, it will need to have network infrastructure, voice over IP and storage in its portfolio," he said.

"Picking up a voice player should not be too hard. You can get some good companies at a very attractive cost at the moment."

George Dziedic, director at channel consultancy Foster MacCallum, said: "Consolidation to reach the best possible market coverage is the only way today."

PCWB predicts big year for wireless by Laura Hailstone CRN 22 Aug 05

Retailer sees changes in workplace as key to major upsurge in the adoption of mobile technology

PC World Business (PCWB) has predicted a massive surge in the adoption of wireless technology by UK businesses this year.

Richard Harrison, services director at PCWB, said: "After a few years of hesitation, businesses are now taking to wireless technology. The benefits are clear, especially for the new breed of businesses that need to be flexible, mobile and have the ability to scale up and down quickly.

"With the cost of wireless technology coming down rapidly, we predict that 2005 will see the tipping point for wireless adoption in UK plcs."

PCWB said it has seen a 57 per cent uplift in its wireless product sales in the year to date.

Three quarters of UK businesses are actively using some form of wireless technology according to a survey conducted for PCWB. Of those, 51 per cent are using wireless LAN (WLAN) systems and 28 per cent are using Wi-Fi for connectivity outside the office.

The survey revealed that 62 per cent of companies are using the 802.11g iteration of the Wi-Fi standard, which promises 54Mbps throughput, while 14 per cent of businesses are still on the older and slower 11Mbps, 802.11b standard.

Keith Humphreys, managing consultant at EuroLAN, said: "Businesses are using WLAN but mainly as an adjunct to their wired LANs. I think the take-up has already happened."

Pierre Lams, co-founder of wireless and mobility reseller Handheld PCs, said: "Products like the BlackBerry were originally adopted at executive level. Having witnessed the benefits of wireless first hand, executives are now rolling out wireless technology among the rest of their staff, and they are wanting to do more than just access email wirelessly."

Netgear to cut prices on switches by Trevor Treharne CRN 17 Oct 2005

VARs set to reap the rewards as networking vendor drops prices for switch product range

Netgear has lowered prices for its switch range, as the vendor looks to improve channel ties. Netgear said the price cuts on its secure managed and unmanaged SME networking products will enable improved margins for SME networking resellers, and that channel

recruitment is still vital to future plans. Price cuts will also affect new products, such as its 24-port rack-mount switch and its 48-port smart switch.

David Rennie, channel sales manager at Netgear, said: "These switches are where we have come from as a company, and we looked at the competition prices from the likes of D-Link and 3Com and plan to take the fight to them."

Rennie feels the reductions underline a dedication to building channel bridges and the vendor can fuel growth with improved reseller relationships.

"One of our biggest drivers is looking for new VARs and we are putting a lot of resource behind our reseller channel.

"Our growth should be around 35 to 40 per cent over the next couple of years, and to do this we need to differentiate ourselves," said Rennie.

He added a move into voice over IP (VoIP) next year is planned, with this area vital to Netgear's potential expansion.

"We have 3,500 UK and Ireland VARs registered and we are enlisting all the time," he added.

Keith Humphreys, managing consultant at research firm EuroLAN, agreed that reseller recruitment will be an important aspect to Netgear, but does not support the price reductions.

"Netgear sales have been driven by distribution and now they want more direct contact with VARs.

"That aspect is correct, but giving partners more money for marketing support to retain margin is a better idea.

"The competition will react and we can probably expect price reductions from them," said Humphreys.

Level 5 seeks a channel for its European debut by Trevor Treharne CRN 17 Oct 2005

Vendor aims to build market share for network interface cards on the back of Intel's reach

US-based network interface card (NIC) vendor Level 5 Networks is launching in Europe and is looking to set up a channel.

The company, whose Ethernet-based cards aim to boost the output of Intel chips, hopes to benefit from Intel's market reach. Dan Karr, chief executive of Level 5 Networks, said Europe can be a significant market and that the channel will become an essential tool in gaining market share.

"We will be establishing a channel programme and forming channel relationships. We will be announcing new partners over the next couple of months. It will be a continuous recruitment process," he said

Level 5 is looking to recruit channel partners with a broad customer base and said resellers will have the opportunity to provide updates and additional support.

Karr predicted the NIC market will grow in Europe despite vendor heavyweights aiming to deliver performance without the need for add-ons.

Bob Schiff, vice-president of product marketing at vendor Foundry Networks, which partners with Level 5, agreed there could be demand for NIC. "Ethernet is becoming the interconnect of choice for a new generation of high-performance networks," he said.

However, John Watson, business manager at Intel NIC reseller Intellect Computers, said: "We sell very few separate NIC cards. I'd be surprised to see a vendor profit from this area."

Watson added that Level 5 faces competition from rivals such as Intel, D-Link and Netgear.

However, Keith Humphreys, managing consultant at EuroLAN, said the firm is a good fit for the European market. "There is no direct competition as Level 5 is creating a new type of NIC which will offload some of the process pressure for servers," he said.

Big guns boost awareness of voice over IP by Trevor Treharne CRN 19 Sep 2005

Large corporations' involvement in VoIP could draw attention to the technology and help resellers.

Resellers could benefit as brand-heavy, giant corporations enter the voice over IP (VoIP) space, raising awareness of the technology.

Yahoo, Google and Microsoft have all looked to acquire VoIP services and enter the potentially lucrative market. Last week eBay bought VoIP provider Skype for \$2.6bn.

Keith Humphreys, managing consultant at EuroLAN, supported the notion that awareness is rising, and said the VoIP space represented a huge opportunity for resellers.

"It is a positive move, as it will create awareness and will assist the channel in selling these products," he said.

Humphreys added that the corporate VoIP market will be dominated by major players such as Cisco. The entry of firms such as eBay will affect the low end of the market, he said.

Bernie Dodwell, alliances manager at distributor Westcon, did not see larger corporations as a threat to the channel because they do not have the expertise of resellers.

"It is a great thing for the domestic user, but I can't see large organisations making an impact at a corporate level. Microsoft is always a threat, but it doesn't have the expertise in networking," he said.

Graham Francis, managing director at VoIP reseller Vocale, agreed that the interest from large firms will boost awareness of the VoIP market.

"Resellers sell bags more features that the large corporations and businesses need. Resellers can still sell on support as firms will need services alongside VoIP applications," he said.

Voice over IP is ready to make a noise by Simon Meredith CRN 31 Oct 2005

Is the market ready to adopt the technology yet?

With the switch to BT's 21st Century Network steadily approaching, there is a lot of talk about voice over IP, but is the market ready to adopt the technology yet? Simon Meredith reports.

With all the hype and talk about voice over IP (VoIP) you might easily be forgiven for thinking VoIP is already here and generating income for the channel. But while there is some activity, particularly in the higher end of the market where companies are replacing expensive leased lines and reducing costs by putting voice across the network, taking it out onto the internet is a different prospect.

Keith Humphreys, managing consultant at channel analyst and consultancy, EuroLAN, said that although the arrival of consumer-oriented services such as Skype and Vonage has caused a stir in the market, they have not yet managed to convince business of the quality of their service.

“When pushed on the subject, Vonage has admitted that a 512KB line is not really sufficient to offer any reliable quality of service (QoS), so it is solving the problem by throwing bandwidth at it. That will not be a problem if we can get 8MB with low contention ratios but we need that before we can move forward,” Humphreys said.

Of course we do already have 2Mbps and BT is expected to start testing lines for the 8Mbps later in the year. This will give everyone more bandwidth, but that still might not be enough, said Neal Tilley, solution marketing manager in the enterprise solutions division at Alcatel. “The increase in bandwidth isn’t as important as the ability to deliver QoS and prioritisation. The voice takes a relatively small percentage of the pipe, so the jump to 8MB is irrelevant if the contention ratio forces the need for QoS intervention,” he said.

While BT and other infrastructure providers such as Tiscali and Cable & Wireless are investing in these areas, it will be some time before most businesses are willing to stake their vital external voice communications on a relatively untried technology, said John Carter, managing director of broadband specialist DMSL. He thinks that many – especially in the SME market – will wait for BT to make its big switch.

“When BT implements its next generation 21st Century Network in 2009, all calls will be VoIP calls. Firms are putting in IP-capable PBXs today so that they can make that switch in four years time. Yes, some are already replacing leased lines with high-speed broadband connections and running VoIP across Multiprotocol Label Switching (MPLS) to link remote offices and this makes perfect sense. There is a definite cost saving to be made. But I don’t believe we will see everyone using VoIP until BT makes the big switch at the end of the decade.”

Tilley said that timing is crucial in this market. “VoIP on the web is no pipe dream, but I wouldn’t buy my surfboard just yet,” he said. Like Humphreys, he believes that a better infrastructure needs to be in place before VoIP can be run across the web with confidence.

“VoIP does exactly what it says on the tin: it sends voice over IP. The internet is the epitome of IP, so in terms of evolution, with step-ups such as broadband and MPLS, there will be eventual acceptance that VoIP is ‘for everyone’. Add the next steps – fibre to the home, broadband wireless and so on – and it will become as accepted as windscreen wipers and indicators on cars,” said Tilley.

There is also talk of even higher bandwidth with new entrants such as Be Unlimited claiming that they will be able to offer bandwidth of up to 24Mbps later this year. This may accelerate uptake of VoIP in the consumer and business markets to a certain extent, said Colin Curtis, principal consultant at Commstrat, but he is not sure how effectively resellers will be able to address the market in the short term.

“Although VoIP is gaining enormous momentum, the drive to keep prices down and the high cost of support means that this is a difficult market for resellers to approach while still maintaining margins, particularly with BT and other carriers already starting to make offerings in this space,” Curtis said.

The arrival of single-handset services such as BT Fusion, which combine the use of cellular and Wi-Fi to route calls across the internet is likely to confuse the picture even more – especially as these will initially be aimed at home users. That said, “truly innovative” services will need to be offered to make VoIP a mass-market hit, said Curtis, who believes that VoIP will need to combine with other data services and video – the so-called ‘triple play’ proposition – before it can really take off.

The type of service offered and the price of those services, Tilley noted, will be key to mass-market adoption. “Customers are looking to this technology not only for new levels of application integration and increased productivity, but for simple delivery, in terms of price per user per month – as basic as your home telephone bill. Price is the touch paper, if you like. It just needs to be lit.”

But it will be a very different story in the pure business market, he added. Here customers will need help deciding when and how to adopt VoIP. "The battleground is not in VoIP, but in the multitude of decisions that can be made by an organisation. These cross many vital areas that customers must consider before acceptance, including decisions about what is required in terms of features, interface, interoperability, integration, cost, security, management, mobility, ease of use and so on," said Tilley.

This will create opportunities for VoIP-savvy resellers, but ironically, it is complexity that frightens off resellers from committing to convergence and investing in the necessary in-house skills in the first place, said Tilley. He believes that these are the very areas in which resellers can offer more value and expertise.

Humphreys said that VoIP will certainly open up new potential for resellers but it will also cause those not used to selling telecoms some difficulties. "Resellers have a good opportunity in managed services. They can sign up with a carrier and get an annuity revenue stream. The difficulty is rewarding sales people who prefer to take commission on a sale and not as an annuity," he said

Voice resellers will also need to adapt, he noted. "The voice guys get good service revenue from adds, moves and changes [on PBX equipment], which go out the window with IP telephony (IPT), so they will have to change. Also the margin on IPT is lower than traditional voice."

Whatever their background though, and while it might take time to be accepted as something you can run across the open web, rather than just internal IP networks and VPNs, resellers should start to learn about VoIP and get their customers ready for it now, said Carter. "Make no mistake, VoIP is coming and if you don't start getting your customers ready for it today, someone else will," he warned.

Avaya's rising direct sales spark concern by Trevor Treharne CRN 7 Nov 2005

Telephony vendor claims channel still important despite 'rocketing' direct sales Uncertainty is surrounding Avaya's channel after the telephony vendor's direct sales rocketed by 15 per cent during the final quarter of 2005.

Direct sales now account for the majority of the firm's business, but it has maintained that channel relationships are still important.

"The figures are for a global context. The trend is to move more indirect in Europe, where the channel is still integral to our plans," said Daniel Bausor, head of corporate affairs at Avaya.

Bausor claimed the transition is due to strong results in the US where a mainly direct model is used.

Nathan Mark, sales and marketing director at rival Cisco VAR Prime Business Solutions, was unsurprised by the direct swing.

"Avaya's commitment to the channel is debatable. As soon as the project gets to a certain size it takes the account direct," he claimed.

However, Martyn Lambert, vice-president for Avaya EMEA marketing, said: "Our strategy remains unchanged and we are investing heavily in channel build-up. The plan is to scale out by using the channel."

Keith Humphreys, principal analyst at EuroLAN, said: "As long as Avaya makes it clear which accounts go direct and which through the channel, then there will be no problem."

Chess makes move to strengthen its position by Trevor Treherne of CRN 7 Nov 2005

Comms VAR purchases Gemini Telecom as it plans to become a joint reseller and distribution firm

Chess has signed its eleventh acquisition of the past 18 months and is transforming itself into a hybrid reseller/distribution company.

The comms VAR acquired Gemini Telecom last week, which will form the Chess Wholesale division, and become a virtual network operator and internet service provider for voice and data network resellers.

Chess hopes to attract SME resellers working in Voice over IP (VoIP) phone systems, and to aid in disaster recovery situations.

David Pollock, chief executive at Chess, told CRN: "The launch of Chess Wholesale further strengthens Chess's offering and consolidates its position within the telecommunications marketplace."

Gemini's managing director, Neil Cooling, will stay on to head-up Chess Wholesale, and said the addition of another firm and division to Chess will enable the VAR to work mainly with SME resellers on a wider range of network products and services.

Keith Humphreys, managing consultant at analyst firm EuroLAN, said the division could benefit the channel, but only if it can match the expectations of resellers.

"Chess' offer to the channel allowing VARs to resell its services is a good one, but Chess needs to be aware that most resellers will prefer a lump sum reward for signing up customers rather than the annuity drop feed model," he said.

Chess has also underlined the importance of its relationship with telephony vendor Mitel. Chess recently became a gold partner for Mitel and Pollock said, coupled with its acquisition strategy, it can now provide customers with single IP based communications platforms.

Previous acquisitions have included telecom VAR Datatel (CRN, 25 July) and Last Word Communications (CRN, 6 December 2004). Chess used an acquisition to form a new division earlier in the year when it snapped up Hoodpoint Communications (CRN, 7 March), which was renamed Chess Network Solutions, adding broadband, data and VoIP ranges.

TNS managing director catches acquisition bug by Trevor Treharne CRN 14 Nov 2005

Following its purchase by BT less than two weeks ago, VAR director's acquisition plan raises eyebrows

The managing director of VAR TNS has revealed he is considering the purchase of a distributor, just two weeks after his company was acquired by BT.

BT came under close scrutiny from the channel last week after it acquired TNS for an undisclosed amount – its second VAR acquisition in six months (CRN, 7 November).

Mike Harris, who has a 12-month rolling contract to remain managing director of TNS under the terms of the acquisition, told CRN he is looking for a suitable distributor to buy, and will use funds from the acquisition to make the purchase, which will be run as an entirely separate enterprise from TNS and BT.

"I'm actively looking to acquire a specialist trade distributor that can add value. I'm after a voice orientated low-end distributor with a turnover of £7m to £15m," he said.

Patrick Murphy, a BT representative, said: "We cannot comment on Mike's plans. It is none of BT's business."

However, Gordon Davies, commercial director at former BT reseller Compusys, was surprised.

"I'm amazed that BT is allowing him to do this. It must put him in an advantageous position," he said.

Mark Evans, director at BT reseller ME Consultancy, was unsure about the implications. "It could create conflict and BT now has so many routes to market. In an ideal world I would know what is happening, but BT is not an ideal world," he said.

But John Carter, managing director at BT distributor DMSL, said there is room for additional competition.

"Some people are nervous about what is happening at BT, but things have changed for the good for VARs. BT is a services company now. There is so much business out there and BT has finally understood what distribution means to them," he said.

Carter appeared unconcerned by Harris' plans and claimed that DMSL does not have any current competition "due to the range of BT's products".

Keith Humphreys, managing consultant at research house euroLAN, said the move could prove a good idea for Harris, but might "bamboozle" channel partners.

"One distributor to service the new BT channel set-up would make sense. There must be some conflict as strictly speaking he is a BT employee."

Channel players pick their champions Simon Meredith, CRN 24 Nov 2005

A new, improved voting process at this year's Channel Awards meant that channel voices really counted in several tightly fought contests. Simon Meredith profiles the winners in all categories

If the A-List gives us a profile of the key movers and shakers in the IT industry today, the Channel Awards shows us, year after year, which companies are leading the way in delivering the service and support that the channel needs.

This year's judging process has involved, for the first time, a mix between reader voting and judging by industry experts. Remarkably, the judges and the readers agreed in most categories, although there were some very closely fought contests where the winners were no more than a handful of votes ahead of their rivals.

CRN editor Sara Driscoll hails the judging as a success. "This has been the best selection process for the awards so far. It gave everyone a chance to get involved. Readers, end-users and people from the industry have been able to make their voices heard and on top of that, we have had an objective overlay from the judges," she says.

Having the judges cast the deciding votes was important, Driscoll added, as it ensured that the companies with the largest customer bases would not be able to simply railroad their way to the winners' podium.

Nevertheless, some of the best-known and largest companies in the industry have, once again, won through. Fujitsu Siemens Computers (FSC) has picked up two key awards this year, demonstrating what a positive and consistent force it has become in a PC sector that saw a lot of dramatic changes in 2005. The main broadband distributors, Ingram Micro and Computer 2000, both won two awards as well, showing that, while their sector of the market might be experiencing a good deal of pain, it is still delivering in key areas. In the reseller categories, end-user customers and the industry as a whole have once again shown that they have tremendous respect for Equanet.

In spite of the improved judging procedure, some companies had clearly been trying a little too hard to win awards. Voting was made much easier this year to give everyone a chance to make their opinion count. However, votes for your own or a sister company were discounted, and so were all votes that came from hotmail and MSN-type email addresses. While some of these may have been genuine, the volume of votes arriving from such sources made it clear that some people were creating accounts to bump up the numbers. Also we traced cookies directly from PCs, so people could not vote more than once from a single machine.

In the end, this made little difference to the results, as it was quite clear in most categories which companies had the support of the channel. A bigger disappointment was that some vendors which really should have been in the running simply did not submit an entry and therefore could not be considered.

Unrecognised contribution

One of the judges, Bob Tarzey, service director at analyst Quocirca, says: "Of the companies that entered, the right ones won awards, but there is a lot of unrecognised contribution to the channel from companies that do not participate, notably, among vendors, IBM, Microsoft and Symantec.

"Microsoft has made great progress this year with security of its infrastructure products. IBM is driving managed services through the channel, and Symantec's takeover of Veritas should increase the range of content security options available to the channel."

Another of the judges, Mike Briercliffe, principal of Briercliffe Associates, says: "The absent vendors should be encouraged by their resellers and distributors to enter in the future."

Driscoll says: "We did make strenuous efforts to get those vendors that are conspicuous by their absence to enter this year, but for one reason or another some have not. Those that entered deserved to be recognised, and are walking away with all the prizes this year."

Some vendors may have felt they have not done enough this year to merit a listing. Others simply did not get their act together in time. Either way, it was clear from the lengthy consultations with key industry figures that took place at the start of this year that people in the channel felt that, to win an award, you should be required at least to put an entry forward.

Briercliffe notes that there were also many good VARs and specialist distributors out there that never think of entering. "Overall, the judges did the entries justice, but the entries didn't really represent the whole market well enough," he says.

However, he adds that some of this year's winners have shown that by doing a good job for the channel and putting their case forward they can receive well-deserved recognition. "The BlackSpider result shows that if people tap into the channel they will get support, however small they are," Briercliffe says.

In spite of some notable absences, there were a record number of entries for this year's Channel Awards. There was also a record number of votes for the winners.

In the vendor categories the achievements of FSC were acknowledged by the judges and the company received tremendous support from the channel. Kingston Technology once again demonstrated the high regard in which the channel holds it by claiming the Components award.

One of the most strongly contested awards was in the Networking Vendor of the Year category. Companies with both voice and data legacies were competing for the prize, making it a tight contest. The fact that NetGear won through, narrowly ahead of Cisco on the overall vote, proved that the smaller players can beat off bigger rivals.

Keith Humphreys, consultant at analyst EuroLAN and one of the judges, says: "NetGear has done remarkably well over the past couple of years. From the time it was spun off from Nortel

until it floated, it doubled its revenue, and it has doubled it again since then. NetGear also respects the channel, especially distribution, and deals directly with only one partner in the UK.”

Alistair Edwards, senior analyst at Canalys, who was also on the judges’ panel, says it was NetGear’s “simple programmes and a highly motivated channel” that won the award for the company. But he also believes wider recognition is needed in this category. “There are players on the list who are not really on the same level,” he says. Some consideration of weighting may be made next year. There may also be a need for the categories to provide further recognition of vendors’ different specialisations.

Hard fight for software

The software category attracted a healthy spread of votes for contenders on the short list: Computer Associates (CA), McAfee, Novell, FrontRange and Swyx. CA just pipped its security specialist rival McAfee to the post, and the judges acknowledged the efforts of both companies.

“CA won on reader votes despite having alienated the channel in the past and strong competition from rising channel star, McAfee,” says Humphreys. Tarzey says that CA deserved its victory, but he was surprised not to see competition from another major player. “Given that CA already brings storage and security together – which Symantec is just starting to do – and has had offerings for the channel for more than a year, perhaps this underlines the merit of CA getting the software award,” he says.

The Security category was also very close, and it was clear that a good deal of canvassing for votes had taken place here. In the end Check Point came out on top when reader and judges votes were combined, with Sophos running an extremely close second. The judges felt this was a fair result that rewards a company which has consistently delivered for the channel.

In the Storage category, Hewlett-Packard (HP) narrowly beat EMC to the award. While HP has had its problems with the channel this year, the quality of its storage solutions and the opportunities they deliver to resellers cannot be denied. HP was well supported by the channel.

The Specialist Product category was the broadest of all and therefore the most open contest. The reader voting reflected this with three firms, Belkin, Kingston and VMWare, all receiving good support. Belkin would perhaps not be considered as a specialist by some in the channel, but Driscoll defends the overall decision. “Belkin entered as a specialist, was put forward by the judges on the strength of its entry and reputation in the market and received strong support from the channel. They are worthy winners. Kingston, VMWare and all the other short-listed firms also should be very proud of their achievements,” she says.

In the Services category, there was good support for all the vendors, but BlackSpider won by a considerable distance on both the reader and judges votes. The company is clearly giving value to the reseller community and getting the recognition it deserves.

All the judges acknowledged that for distributors it has been a tough year. Even so, voting was strong in all the categories, hitting record numbers, although some of the effort made was perhaps just a little too enthusiastic, says Driscoll. “It was clear that some companies were trying to drive their numbers up by getting their staff to vote for them or by using home email addresses. This is not in the spirit of the awards. We made sure that only the votes we were certain were genuine were counted,” she says.

The final list of winners saw not only the broadliners Ingram Micro and Computer 2000 picking up awards, but the efforts of smaller players such as Micro Peripherals and Midwich also being recognised. In the Security distribution category, Unipalm came out on top once again, although resellers also turned out in force to vote for Sphinx which very nearly overhauled its rival in this contest.

CMS Peripherals attracted a very impressive number of reader votes in the Storage category although it was a close run competition with Hammer.

In the Specialist category, there was another fierce battle for supremacy, with much debate among the judges and very close voting from readers. Smaller distributors such as Box Technologies and Widget UK put in very creditable efforts and received decent support from partners.

Difficult comparison

It was a similar story in most of the reseller categories, the Specialist award in particular being a very close-run affair. All the companies short-listed for this award and for the Project category have reason to hold their heads high, says Driscoll. "The voting was very close in both the Specialist and Services categories. The problem is that the companies in these categories are all so different that it is very difficult to make a comparison. In the end, though, I believe the combination of readers' and judges' votes has given us very fair results," she says.

With Equanet and PC World Business (PCWB) taking the Corporate and SME Reseller awards respectively, and Equanet winning the overall Reseller of the Year crown once again, the Dixons Stores Group dominated the reseller categories. "These wins show how well Dixons Group is making the transition from a commodity white goods retailer," says Humphreys.

Briercliffe agrees it is a presence that the channel will have to get used to. "Dixons being so well represented in the finals is a sign of the times. It is hard to come to terms with the fact that a high-street retailer is one of the biggest channel players," he says.

Finally, the Editor's Choice awards, selected by Driscoll and the CRN editorial team, were acknowledged as deserving winners by the judging panel. Humphreys says the Cisco's Integrated Services Routers were a great choice as they have delivered so much business to the channel. He points out that they are on course to generate \$1bn worth of sales this year for the vendor and its channel partners worldwide.

Ian Snadden, director channel and SME sales at FSC, who won the Personality of the Year award, can also take a lot of the credit for the fact that FSC claimed the Systems Vendor of the Year and overall Vendor of the Year awards, says Briercliffe. "It shows how well Ian has positioned the company. He's a great example of a true channel man," he says.

Acquisitive VAR continues its shopping spree by Trevor Treharne, CRN, 5 Dec 2005

Acquisition-hungry reseller Azzurri has completed its 15th purchase in five years. The firm confirmed this week it has bought voice and data VAR MiTech Group for £14.5m.

Last week Martin St Quinton, chief executive of Azzurri, told CRN that firms playing in just one area of the voice, data, and fixed and mobile spaces are under threat if they do not look towards acquisitions.

"Our product set is broad enough and we are looking to make acquisitions to get a bigger customer base. This is different from a couple of years ago, but we now have the full spectrum of products," he said.

Keith Humphreys, managing consultant at EuroLAN research, said Azzurri has a clear acquisition strategy to help it remain at the integrator level. "Azzurri is currently a silver Cisco partner and is probably looking towards gold status," he said.

Comstor broadens vendor stable by Trevor Treharne CRN 25 Nov 2005

Distributor signs over 20 new vendors to tap into vertical markets

Network distributor Comstor has signed over 20 new vendors to enable resellers to tap vertical markets and succeed in convergence and security. It has signed vendors such as Sony, Arc Solutions, Aladdin and KIRK Technologies, that will enable resellers to complete projects in new verticals markets.

The OneDefence and OneVoice programmes will provide complete product suites for resellers which will assist in shipping core Cisco technology.

Comstor feels the move will enable resellers to become 'trusted business consultant' for end-users while understanding and reaching new markets.

Thomas Schoon, marketing director for Europe at Comstor, said: "We are looking to complete the Cisco portfolio and offer products that can be affiliated to build a solution."

Schoon said that Comstor will offer the technical background and feels a new batch of resellers will be attracted while dedicated partner will be rewarded.

"Resellers can work on solutions for vertical markets and every reseller who shows commitment will have access and benefit. We can get resellers from new markets and get new markets to resellers," added Schoon.

Fausto Amoroso, vice president of marketing at Cisco reseller, feels it is a positive move for resellers, but voiced concerns for Cisco Gold partners.

"It is an interesting development and it will help smaller resellers to sell advanced technology. We will see if this impinges with Cisco Gold Partners and if the differentiation is eroded away," he said.

Amoroso feels that shipping voice and security has become more mainstream in the market and working with niche vendors will assist resellers.

"The signed vendors are the ones you need to complete a voice and security solution and resellers need the smaller vendors."

Keith Humphreys, managing consultant at research house EuroLAN, said: "It is an excellent idea, but sometimes when distributors put bundles together it's not what the resellers are trying to achieve."

MicroScope

Nortel support of Unified Networks under scrutiny

Christopher Walton 18 April 2005

Nortel has moved to alleviate fears that have grown in its UK channel following the demise and subsequent rise of Unified Networks after partners bemoaned the vendor's continued support of the reseller. As exclusively revealed in MicroScope, Berkshire-based Unified Networks entered administration in March, but resurrected itself in the guise of subsidiary company Unified Networks Services Limited. As a result, the administrator's promise made last March of offering long-term maintenance contracts to third-parties has disappeared. Andy Beckingham, business restructuring partner at administrators BDO Stoy Hayward, said he was still investigating Unified Networks. In March, Beckingham said that margins available on product sales were not able to support Unified's level of activity.

Tony Bailey, channel leader for UK and Ireland at Nortel, said: "[Unified] is still trading and selling Nortel. If it was not profitable to sell Nortel it would have stopped."

He did not see a correlation between the available product margins on Nortel and the failure of Unified Networks as a business, and pointed to recent research by EuroLAN citing Nortel as the most profitable networking vendor partner. But seething resentment over the Unified situation remains in the channel with one source stating: "You have to question the business ethics of Nortel supporting [Unified]."

He stressed that while vendors strived to meet regulatory compliance as businesses, they should expect their partners to do the same.

One partner added: "Unified was taking any business at any margin. Any company doing that will go out of business."

Unified was unavailable for comment.

3Com admits migration of resellers is slow by Chris Walton of MicroScope 6 June 2005

3Com's reinvention of itself in the enterprise market took another twist last week after the networking vendor admitted the migration of resellers to its platforms was slow but it believed the channel was seeking alternatives to Cisco. 3Com will unveil an expansion to its enterprise portfolio this week with enhancements to its edge switching family and security suite. Systems marketing manager Bob Honour said adoption of its 8800 switching platform varied from "country to country" and "reseller to reseller".

"Resellers have found there is higher margin but they tend to switch their allegiances by a slow migration to alternative vendors. There is a need to differentiate themselves from everyone who is selling Cisco."

EuroLAN analyst Keith Humphries said although the technology platform was sound, 3Com had to address its go-to-market strategy.

"Not only have resellers made a huge investment in training and accreditations, you have to look how many people it alienated [when it dropped out of the enterprise market in February 2000]. It has to drag partners in on done deals."

3Com face long, hard slog by Chris Walton MicroScope 26 Jun 2005

The shock news of Pax Andersson's resignation from 3Com as its EMEA sales and services director has raised the spectre that the vendor has longed to hide — its February 2000 decision to exit the enterprise market.

Andersson was probably better known as the interim 3Com UK managing director, holding the post between Rob Coyne and current incumbent Richard Chilver, and is one of five people to have held the role in the past four years.

But whoever replaces him at the top in Europe will have a serious job on their hands.

The lack of stability at the top of the networking vendor draws a parallel with the fluctuations in its enterprise strategy. While its exit from the market five years ago was cited at the time as an exit from a LAN and WAN business that was not delivering growth and financial returns, the vendor now finds itself in a position to count on a successful return to that market to deliver growth and financial returns this time around.

And if the analysts are to be believed, the 3Com enterprise portfolio has the technological foundations to hold its head high against Nortel, HP Procurve and, most importantly, Cisco.

Commenting on the vendor's most recent launch — the 5500 layer 2-4 edge switch — Keith Humphreys, managing consultant at EuroLAN, stressed: "[3Com] has some good products for a good foundation in the enterprise — it is not the products, but its go-to-market strategy that is in question. [3Com has] the goods — it is its strategy it really has to engineer.

"Look how many people it alienated [in February 2000]. People were left without a product to sell and they tried to switch all their network integrators across to Extreme, but there was still a 3Com base."

The feeling is that 3Com has lost its ability to lead markets. Cisco and Juniper dominate the service provider market; Avaya, Alcatel, Nortel and Cisco have a mature VoIP market; and HP Procurve, Nortel and especially Cisco have a mature and loyal reseller base.

"[3Com] really has to go back to basics, focus on demand creation and really drag the partners with it into done deals. It is like coming to the UK for the first time — it is hard work, but that is what it must do," Humphreys stressed. And the pressure is really on for this financial year's end to deliver substantial returns, particularly with the cost-conscious Chinese vendor Huawei looking for serious returns on its joint venture with 3Com. According to one source, the pressure on that relationship to succeed is more than either party is letting on at the moment. But 3Com's current go-to-market model, with the aggressive recruitment of new integrators and a maniacal focus on delivery to the enterprise, will have to continue unchanged, particularly while a successor to Andersson is sought.

A 3Com spokesman told MicroScope that in the wake of Andersson's departure nothing would change "from an operational standpoint and the way we do business on every line".

And those resellers and integrators which are committed to 3Com and see it as the vendor to deliver revenues and margins for them remain undeterred by Andersson's departure.

One said that with the appointment of former Westcon UK managing director Richard Chilver into the 3Com UK hot seat, the right management was in place to push the company forward towards its much stated goal of becoming the second largest vendor in networking.

But IDC senior research analyst Peter Hulleman warned: "[3Com] is in trouble, big time."

Matrix signs eight-figure contract with Vodafone by Chris Walton MicroScope 4 Jul 2005

Six months after teasing the industry with the promise of a global contract with a wireless operator, Matrix Communications has signed the biggest deal of its two-and-a-half-year existence.

The agreement, believed to be in the region of eight figures, has been signed with Vodafone Group Services and was originally developed by Intrinsic Networks, which Matrix acquired in December 2003.

Ian Smith, CEO at Matrix Communications, said the deal would establish the integrator as a large-scale infrastructure player away from the offerings of the Cisco gold partner community.

"[Customers had recognised] that there were a number of very strong manufacturers out there but nobody in the UK was putting them all under the same umbrella and making a commitment to them. We want to be recognised as the alternative [to Cisco]," he stressed.

Vodafone will implement what Matrix believed was a communications industry first — an Internet and WAP content filtering technology that puts the same filtering policies on an enterprise's mobile devices as on its data network.

Smith insisted that in its second half there was a strong opportunity to take the technology to rival mobile service providers and enterprise customers, which would lead to a significant impact on its second half figures.

Keith Humphreys, managing consultant at euroLAN, commented: "It is difficult to deal with the service providers from a reseller point of view where business is done directly between the vendor and the service provider. This is quite a coup for Matrix to show the value-add it is providing."

Logicalis enters HP arena with Hawke buy by Chris Walton MicroScope 8 Aug 2005

Logicalis has finally closed down on one of its acquisition targets, snapping up Hawke Systems in an undisclosed deal expected to bring approximately £15m a year in revenues to the Datatec-owned integrator.

Acquisition activity by Logicalis has been much touted, as the integrator has looked to complement its Cisco gold partner status and the March acquisition of IBM specialist Notability with a Hewlett-Packard base. Earlier in the summer, the company narrowed down its targets to two.

Ian Cook, CEO of European operations at Logicalis, told MicroScope: "This acquisition gives us the HP capabilities and enhances our multiple vendor strategy, particularly in storage, which is a key element.

"The entirety of the [Hawke] business is being absorbed into the computing solutions division — one company that will deal with both IBM and HP under one banner," he added.

Hawke managing director Rob Jefferson is to retire, and Steve Ellis, former Notability managing director and current divisional director of Logicalis' computing solution group, is set to take the reins.

Cook said that there would be no job losses and hinted that this was not the last acquisitive act Logicalis would take. He revealed it was currently in negotiations for a further computing acquisition.

Keith Humphreys, managing consultant at EuroLAN, contended that the Hawke buy was a good move for Logicalis as it had clearly set its sights on increasing its HP business.

Network revenues rising by Christopher Walton MicroScope 15 Aug 2005

Strong revenue increases reported by bell-wether networking vendors Cisco and Nortel have been corroborated by their UK resellers, with the belief that a five-year refresh cycle on network equipment is in full effect.

While the networking market for the channel has been trapped in stagnation, with margin and price erosion on core switching and routing products stifling business, resellers have reported that a mixture of a product refresh cycle in tandem with VoIP upgrades has led to a strong three months.

Cisco posted a rise in revenues of 11 per cent for the three months to 30 July, hitting \$6.58bn (£3.65bn) compared to \$5.93bn the year before. Router revenues were up three per cent, switch revenues were up eight per cent, while combined IP, security and wireless revenues were up 27 per cent.

EuroLAN analyst Keith Humphreys noted that pre-tax profits of \$1.5bn were a record and revenues had nearly returned to their peak of 2000 and 2001.

Nortel's second quarter revenues for the three months to 30 June were up by ten per cent to \$2.86bn. Profits tripled from \$16m a year ago to \$45m. The vendor has suffered in recent quarters under the pressure of restating results.

Partners of the two vendors were keen to point out that one swallow did not make a summer, but did note that business levels were high for the time of year.

Darren Scully, commercial director at Nexus Open Systems, said: "A lot of kit was installed in 1999 and 2000, and a lot of people have tried to get five years out of it, rather than the usual three. Personally, I think the driver is the refresh."

Kieran Archer, managing director of Nortel partner ITS Technology Services, added: "The business has been strong. We are seeing a lot of investment where [customers] are renewing their equipment and seeing that equipment must be IP."

Scott Wakefield, business development manager at GFI Informatics, cautioned there was currently an element of refresh in the market, but it was not the driver everyone would like to think it was.

Humphreys also cautioned that while there was a refresh cycle it also needed a driver, pointing to VoIP implementation and compliance as current drivers in the market.

Procurve to stay with HP by Chris Walton MicroScope 22 Aug 05

Hewlett-Packard's Procurve networking division has moved to quash persistent industry speculation that it is to be spun-off or sold, saying its status within HP will remain unchanged.

Since the ousting of former chief executive Carly Fiorina, speculation has raged that Procurve required better focus within the vendor (see 28 February) and incumbent Mark Hurd would address the problems.

HP Procurve remains adamant it cannot just stabilise its number two position in the networking market, but the UK division believes it has posted the sales figures to put clear blue water between it and rivals 3Com and Nortel.

Part of that increase in sales activities will see a rebate incentive on new business wins in the public sector, with an additional three per cent rebate available to resellers that register their deals by the end of October and complete the installation by March 2006.

Jon Weatherall, UK and Ireland country manager at HP Procurve, said: "The UK numbers have had a lot of growth, and from the third quarter (incorporating May, June and July) this year, compared to the third quarter last year, we have seen a 91 per cent growth in revenue. I would have been very happy with 40 per cent."

Luana Holland, networking marketing manager at HP Procurve, denied that a rebate incentive for public sector selling was a market share grab: "We have a strong public sector business.

Resellers winning a new customer can look at the long term and continue with them in that business."

EuroLAN analyst Keith Humphreys said that since the division had rebranded itself last year there had been positive signs that it could stand on its own, especially as over 50 per cent of its revenues were derived from Europe.

HP's third quarter revenues stood at \$20.8bn (£11.6bn), compared to \$18.9bn for the same period the year before. Pre-tax profits stood at \$73m, compared to \$586m for the three months ended 31 July.

Matrix holds discussions with mystery buyer for Fujin sale MicroScope 7 Nov 2005

Matrix Communications is in discussions with a mystery suitor for its mobile phone services division Fujin Technology. Fujin has been one of the more lucrative divisions of Matrix, responsible for its largest deal since its formulation, an eight-figure deal with Vodafone.

Ian Smith, CEO at Matrix, said he was in discussions with a number of service providers with an international footprint and expertise. He added that despite no acquisition activity taking place in the second half of the year, Matrix had a strong pipeline of business for 2006.

The confession comes as the systems integration and distribution conglomerate revealed it would post fourth quarter revenues in excess of £18m, compared with first half revenues totalling £22.5m. However, Matrix had warned in September that due to a "slower than expected order delivery" from Fujin, pre-tax profits would be approximately £1m lower than expectations for the year end.

EuroLAN analyst Keith Humphreys said he believed the Fujin sale could be used to fuel further acquisition activity.

Matrix linked to voice acquisition by Karl Flinders MicroScope 28 Nov 2005

The monumental period of acquisition activity in the networking space looks set to continue as sources claim Matrix is close to splashing out once more.

Industry talk around a possible Matrix acquisition is a daily occurrence, but expectations of a purchase are high after the group made it clear that its buying was not over as it targeted expansion in the Avaya space.

In October, Matrix CEO Ian Smith said it was planning to resume the acquisition trail in its new financial year and named the Avaya reseller base as an area it was definitely looking at.

Sources told MicroScope last week that Crane Telecommunications had been linked with Matrix as a potential target, but a spokeswoman at the voice distributor, which has distribution agreements with Avaya, BT and Nortel, said the business was not planning a sale.

EuroLAN Research analyst Keith Humphreys said he would be surprised if Crane was sold, but added that it would fit Matrix's strategy: "Matrix has an 'anything but Cisco' strategy so going after the leading Avaya distributor makes sense."

Scott Dobson, managing director of distributor VCOMM, said consolidation within the voice and data networking arena was inevitable.

"Integrating a pure voice company into Matrix would be a difficult challenge," he added.

Matrix has a reputation for being an acquisitive company, happy to purchase resellers and distributors.

Matrix was not available for comment when going to press.



Level 5 tempted by Europe by Leo King IT Europa 14 Oct 05

Ethernet vendor Level 5 Networks - which was founded in the UK but is headquartered in the US - will enter the wider European market by expanding its sales team and launching a new channel programme. The company has yet to explain detailed plans, but claims value-added resellers are key to its sales strategy. The 50-strong vendor reckons it can enable high-speed ethernet data transmission at a lower cost than a number of leading competitors, and hopes an 'expanding market' of high-performance ethernet hardware in Europe will provide strong opportunities for growth. Its leading EtherFabric network interface card has already attracted strong demand in other markets.

Keith Humphreys, principal analyst at EuroLan Research, tells IT Europa Level 5 Networks' move into continental Europe is a logical step: 'The usage of high-speed LANs is on a strong increase in this region for those looking for a large bandwidth, such as academic centres, and also for the ever-growing area of VoIP.' He adds: 'Level 5 is selling EtherFabric at around \$500 (EUR416), which is well below the standard rate for such a product, and it doesn't tend to be over-distributed. Therefore, it provides good product and value-add opportunities for resellers.'



Cisco Partner Summit 2005 - ComputerWorld Denmark 04 April 2005

Losninger belønnes kontant Af Torben B. Sørensen, Deadline Press ComputerWorld
Forhandlere får kontant betaling for at udvikle helhedsløsninger. Det er tanken bag Ciscos seneste tiltag i salgskanalen.

Vancouver: Forhandlerne opmuntres nu til at udvikle samlede forretningsløsninger, der kombinerer Ciscos netværksudstyr med tredjepartssoftware.

- Mange softwarehuse udvikler kreative applikationer, men mangler en salgskanal til at få deres løsninger solgt til det brede marked. Med det nye program vil vi stimulere økosystemet, så forhandlerne hjælper løsningerne ud på markedet, siger Edison Peres, der er direktør i Ciscos afdeling for salgskanaler.

Programmet, Solution Incentive Program, giver forhandleren en bonus på op til 12 procent, når han sælger en løsning, der er godkendt i forhold til programmet. Solution Incentive Program adskiller sig fra andre Cisco-partnerprogrammer ved at give forhandleren mere spillerum:

- Vi siger ikke til partnerne, hvilke løsninger de skal satse på. Det er deres opgave at udvikle ideerne og komme til os med dem. Vi skal blot sikre os, at de lever op til vores krav, siger Edison Peres.

For at en løsning kan godkendes under programmet, skal den opfylde disse krav: Den skal indeholde en applikation. Den skal anvende et eller flere af de produkter, som Cisco betegner som avanceret teknologi. Det drejer sig om storage area networks, trådløse netværk, IP-telefoni, sikkerhed, hjemmenetværk eller optiske netværk. Der skal være en plan for løsningens livscyklus og vedligeholdelse, og løsningen skal kunne gentages. Skræddersyede løsninger til enkeltkunder kommer altså ikke i betragtning.

- Jeg kan forestille mig, at vi i Danmark vil se løsninger i forbindelse med kommunesammenlægninger. Der er nogle store spørgsmål om, hvordan telefonistrukturen skal være. En dansk partner kunne udvikle en løsning med telefoni og applikationsintegration, siger administrerende direktør Mogens Bransholm, Cisco Systems i Danmark.

En af Ciscos partnere, IBM, ser også positivt på SIP-initiativet:

- Vi er glade for den slags programmer. De er med til at motivere os til at gå efter løsninger. I Danmark har vi for eksempel udviklet en løsning med IP-telefoni til bankfilialer, siger Henning Glegg-Sørensen fra IBM's netværksafdeling.

Konsulent Keith Humphreys fra analysefirmaet Eurolan mener, at Cisco gør ret i at satse på løsninger. Men han frygter, at programmet er for løst defineret, så Cisco bliver oversvømmet med ansøgninger:

- De risikerer, at hver eneste partner dukker op med sin løsning og kræver den godkendt. De skulle nok have sat flere begrænsninger på, hvad der kan kvalificere til støtte, mener han.