

MicroScope

INDISPENSABLE CHANNEL ANALYSIS

OCTOBER 2018

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment



Tap into wearables

Opportunities in virtual reality, health and fitness give the channel a clear run for wearable technology

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Wearables for now and for the future

The evolution of the wearables market has been an interesting one for the channel to witness. When it all started, the feeling was that this was going to be a [consumer play](#) and the business applications were unclear.

Some people continue to hold that view, and the truth is that it has been a slow burner, but many selling the technology in the channel do expect some impact in the [corporate world](#) to kick in sooner rather than later.

However, when you look at the main distributors, they have all established relationships with some of the major players in the wearables space. They certainly would not have done that unless there was a belief that this is a category that will [yield revenues](#).

If nothing else, there is an [impact on the network](#) with these wireless devices looking to connect to the company Wi-Fi and pull down the data needed to update their apps. Beyond that, it is a question of imagination as the applications for wearables move [beyond health and fitness](#). There could be opportunities for employers to boost their credibility as caring places to work by linking heart rates and stress to keep an eye on those struggling at work.

Apple might not be coming up with fresh product categories, but its recent product updates included action on the iWatch front, which should silence those who have wondered about its long-term commitment to that product.

Although the future might not be clear, the broad conclusion that can already be reached is that wearables are here to stay and we are only at the tip of what is coming in the future.

As my [Fitbit](#) reminds me to move and get my hourly steps in, there is a reminder there that a small screen strapped to my arm has the power to get me up out of my chair. Who knows what the device on my arm will be telling me to do in just a few years' time. ■

Simon Quicke, editor

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BE CLEAR, THE BROAD CONCLUSION
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WHAT IS COMING IN THE FUTURE**

[Home](#)[Editor's comment](#)[Partner programmes could lose relevance if reseller concerns are not resolved](#)[Veritas adopts 'startup mentality' as it aims to accelerate channel growth](#)[Looking overseas through Brexit-tinted glasses](#)[Multifactor authentication for the people](#)[Wearables could be well worth your while](#)[Managing the MSP and SME relationship](#)[Five-minute interview](#)[Channel comment](#)

Partner programmes could lose relevance if reseller concerns are not resolved

A survey by analyst house Canalys has discovered that an increasing number of resellers are dissatisfied with the programmes they are offered by vendors, with consistency being the top complaint. [Simon Quicke](#) reports

Vendors put a lot of stock in their [channel partner programmes](#), with many going to great pains to make sure they are rewarding for the resellers that sign up to them.

But according to Canalys, the importance of those programmes has dipped over the past couple of years, with many resellers complaining that they are lacking relevance.

In a recent survey of channel members in its Candefero community, Canalys found that 77% of those asked rated [partner programmes](#) as important when evaluating vendor relationships, which was down from 94% in 2016.

The findings will be uncomfortable reading for channel managers at suppliers that are responsible for devising schemes that reward and inspire loyalty from partners.

"Increasingly, the ball is in the channel's court," said Alex Smith, senior director of channels research at Canalys. "Partners have more levers to pull. They can provide more of their own services or make new technology vendor partnerships to fulfil specific opportunities. Meanwhile, vendors

often change programmes to reflect changes in partner business models and to spur loyalty, but such changes can have the unintended consequence of increasing [complexity](#), leading to frustration."

**"THE BALL IS IN THE
CHANNEL'S COURT – PARTNERS
HAVE MORE LEVERS TO PULL"**

ALEX SMITH, CANALYS

When the analyst house drilled down into the specific issues that partners were facing, the top complaint was around a lack of consistency.

Despite the constant mantra from vendors that they are trying to make life easier for partners, issues around complexity

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Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

in achieving certifications and specialisations were cited as a top cause of partner headaches, and discount and rebate programmes proved to be far from simple.

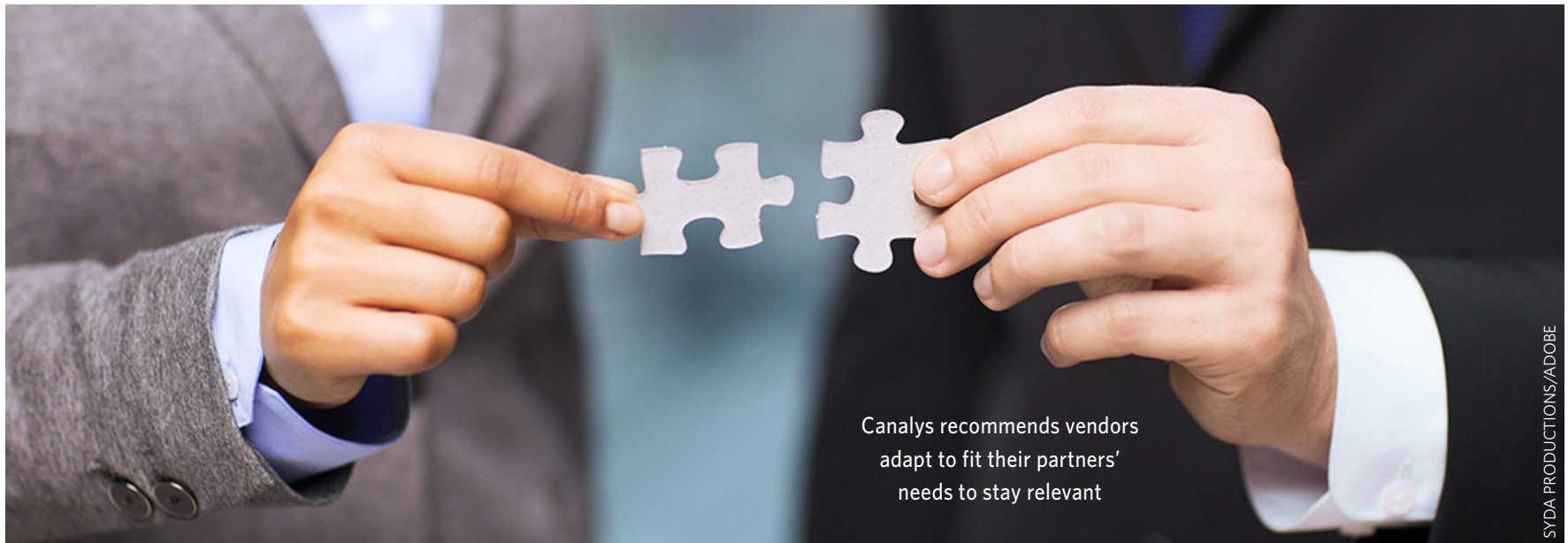
Other concerns voiced by the channel were that programmes signed up too many partners and there was too much administration and form filling.

CATER FOR MANY NEEDS

The advice from [Canalys](#) was for vendors to make sure that their programmes were able to cater for a wide spectrum of partner needs.

"They must continue developing programmes to remain relevant to their partners' evolving businesses, while also minimising the level of disruption and frustration that changes often create," said Canalys analyst Sharon Hiu.

"Vendors must take action, such as by investing in stronger digital tools - including integrated automation and AI-enabled capabilities - to help reduce partners' manual administration work," she added. "Partner managers must also become more empowered and offer personalised support for individual partner needs, rather than a [one-size-fits-all approach](#). The channel is pressuring vendors to do just this." ■



Canalys recommends vendors adapt to fit their partners' needs to stay relevant

SYDA PRODUCTIONS/ADOBE

Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

The vendor is on a mission to drive channel sales in mid-market and enterprise by overhauling its partner programme with a startup mindset to attract old and new partners. [Christine Horton](#) reports

Veritas Technologies' Europe, Middle East and Africa (Emea) channel lead says the backup vendor is adopting a [startup mentality](#) as it looks to grab market share in both the enterprise and mid-market.

"Veritas is a big brand, but we're trying to drive a startup mentality, because essentially, we're a startup as well in the need to grow our market," said Jamie Farrelly, Emea channel director at Veritas.

The firm was spun off by [Symantec](#) in 2014 and sold into the Carlyle private equity group for \$7.4bn in 2016.

Since then, it has undertaken a [company restructure](#) that included the appointment of a new CEO, Greg Hughes, at the beginning of 2018.

The past six months have seen the company redefine its channel coverage model and overhaul its partner programme.

"This forms part of our mission to re-engage with our existing partners and recruit new route-to-market partners to help accelerate that move to cloud," said Farrelly.

The former Symantec channel executive said he joined the firm in February after seeing a business that was in growth again after a heavy transition.

"Our goal is to drive as much as possible through our partner channel," he said. "More than 87% of our business goes through partners. This quarter it was in the 90% range. Our sales leaders understand that it's the partner that drives the multi-vendor solution to our customers."

Veritas is adopting a two-pronged approach to growing the business. The firm is doubling down on platinum partners such as Softcat, Bytes, Computacenter and SCC to target the enterprise. It wants them to increase their services revenue by adding on sales of [Veritas Resiliency Platform](#) (VRP) and its [software-as-a-service](#) (SaaS) backup solution to its core [NetBackup](#) offerings.

"We're focused through the new partner programme on ensuring we have a focused set of platinum and gold partners that are committed through accreditations and sales to driving a focused attack on the enterprise and mid-market," said Farrelly.

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Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

In the mid-market – a space where Farrelly admits [Veritas](#) needs more penetration – the firm is taking a territory management approach to scale the business instead of managing individual accounts as it does in the enterprise market.

"We've seen a massive difference because of those changes. Veritas is back in the mid-market where the likes of Veeam have dominated for the last few years. That's our goal, to be multi-sector and relevant. Our growth figures have dramatically increased from what they were," he said.

UPDATED PARTNER PROGRAMME

"Veritas is driving so much [innovation](#)," said Farrelly. "But it needs to be better at communicating how that syncs with the partners' strategy, and how they can make money from it."

To that end, Veritas overhauled its partner programme in April, reducing the time involved for training and certification, and introducing a more sales-focused approach.

"It's more focused on understanding the business benefits to the customer, as well as the financial benefits to the partner, and we've got a lot less technical," said Farrelly.

The executive also noted Veritas now offers more clearly differentiated rewards for partners.

"We've increased the platinum rewards so it's more enticing to move up the stack – the feedback from partners had been there was little difference between gold and platinum so why should they invest? That's very different," he said, adding that Veritas has also changed its deal registration system, to provide more value to partners. ■



Veritas is more focused on understanding partners in a bid to accelerate growth

RA2 STUDIO/ADOBE

[Home](#)

[Editor's comment](#)

[Partner programmes could lose relevance if reseller concerns are not resolved](#)

[Veritas adopts 'startup mentality' as it aims to accelerate channel growth](#)

[Looking overseas through Brexit-tinted glasses](#)

[Multifactor authentication for the people](#)

[Wearables could be well worth your while](#)

[Managing the MSP and SME relationship](#)

[Five-minute interview](#)

[Channel comment](#)

Looking overseas through Brexit-tinted glasses

The idea that UK resellers want to expand internationally caught the interest of Billy MacInnes, who found that Brexit was having an effect on those dreams

Since when did UK channel partners become so enthusiastic about expanding abroad? It's a question I found myself asking after reading the findings of recent research from Agilitas IT Solutions, which reported that 52% of UK channel businesses were actively looking to expand their business internationally.

And by internationally, they meant [Europe, the Middle East, Africa and North America](#). The survey also found that nearly two-thirds of respondents were already operating in the [Asia-Pacific](#) (APAC) region, and 32% were considering moving into South America.

So there we have it – Boris Johnson's much-maligned "Global Britain" in operation, except for the fact a fifth of all companies believed [Brexit](#) would "significantly delay growth plans". So, not quite global, more like outside the European Union (EU).

And there's a possibility that this optimism for expanding internationally, as Agilitas CEO [Shaun Lynn](#) describes it, could be more a consequence of Brexit and its potentially painful impact on UK companies, their home market and their possible plans to expand into Europe.

It was interesting, for example, to find that the main motivations for global expansion, identified by more than 30% of respondents in each instance, were potential new customers in new markets, existing customers looking to enter into new markets and being financially more secure.

Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

Could those three motivations be a consequence of Brexit too? Expansion is a welcome development, but it's also true that the impetus for moving into new territories can often be to make up for low growth, stagnation or decline in existing markets – in this case, the UK. And not just for [channel businesses](#), but for their customers as well.

Withdrawal from the EU also brings with it a requirement to compensate for the loss of prospective European customers by looking elsewhere, usually further afield.

This more or less mirrors the arguments put forward by the arch-Brexiteers who claim leaving the EU will make it easier to trade with more countries globally. What they neglect to

mention is that if there is a hard Brexit or no deal, UK companies won't have much choice in the matter.

The big question is: how much of this "optimism" for international expansion is motivated by genuine enthusiasm, and how much is driven by anxiety or desperation over the future direction of the UK economy [post-Brexit](#)?

Everyone will have their own views, but when the best the [prime minister](#) has to say about a [no-deal Brexit](#) is that "it's not the end of the world" – and the leader of the opposition refuses to give a straight yes or no answer to whether the UK will be better off after Brexit – enthusiasm might not be the dominant emotion for many businesses. ■



The lack of information surrounding Brexit means UK businesses might be looking to expand internationally out of necessity rather than enthusiasm

JOHN LAMB/GETTY

[Home](#)

[Editor's comment](#)

[Partner programmes could lose relevance if reseller concerns are not resolved](#)

[Veritas adopts 'startup mentality' as it aims to accelerate channel growth](#)

[Looking overseas through Brexit-tinted glasses](#)

[Multifactor authentication for the people](#)

[Wearables could be well worth your while](#)

[Managing the MSP and SME relationship](#)

[Five-minute interview](#)

[Channel comment](#)

Multifactor authentication for the people

Jonathan Whitley, area sales director of Northern Europe, WatchGuard Technologies, looks at what needs to change to make MFA a 'no-brainer' component of any security system

According to [Verizon's 2017 data breach investigation report](#), 81% of breaches last year involved stolen or weak passwords.

That's not surprising when we are told that the average user has 90 online accounts, and despite efforts to raise awareness, [poor password practice](#) is still the norm rather than the exception. But let's face it, we all struggle with remembering a multitude of long, complex and secure passwords.

Companies know the problems they face. According to a recent survey led by independent market research firm Cite Research, IT decision-makers at companies of up to 1,000 employees believe that 47% of their employees use [weak passwords](#), and 31% believe employees use the same network passwords for personal applications.

This means that cyber criminals can utilise a variety of techniques to acquire usernames and passwords – such as phishing, social engineering and buying stolen credentials on the dark web – to gain network access.

SOLVING A WEAK LINK

With the realisation that people will always be a weak link, it is not surprising that 84% of surveyed IT managers would prefer to enforce [password best practices](#) by using [technology products](#) rather than relying on password policies and training. Therefore, the use of [multifactor authentication](#) (MFA) should be a no-brainer, and it should be a simple value-add upsell for resellers.


 Home

Editor's comment

 Partner programmes
could lose relevance
if reseller concerns
are not resolved

 Veritas adopts
'startup mentality' as
it aims to accelerate
channel growth

 Looking overseas
through Brexit-
tinted glasses

 Multifactor
authentication
for the people

 Wearables could be
well worth your while

 Managing the MSP
and SME relationship

Five-minute interview

Channel comment

But in the same survey of business owners and IT managers, respondents expressed concerns with the costs, complexity and difficulty of deployment associated with MFA. In fact, 61% felt that MFA products were designed for the larger enterprises, and would be too expensive and cumbersome to manage with their limited IT resources.

In another report from systems provider Rapid 7, only 15% of companies were found to be using MFA technology during their security audits. The more basic practice of setting an account lockout – restricting incorrect password attempts to deter or slow brute-force attacks – was missing on almost one in five networks tested.

It appears that despite the endless headlines over the past decade suggesting that passwords are dead, it is far from the case. While the argument for MFA is compelling, traditional MFA systems have been too expensive and complex, particularly for [small to medium-sized enterprises](#).

At the same time, MFA has a reputation for being a hassle for users. Adding something that will be annoying and frustrating may simply drive the IT department to avoid conflict altogether or buy their products somewhere else.

IS CLOUD THE ANSWER?

The answer may lie in the cloud, as [cloud-based MFA](#) requires no on-premise equipment, which cuts down on costly deployment and management activities.

Meanwhile, the added choice of modern authentication methods – including push notifications, one-time passwords or QR

codes to a mobile device – provides good security combined with an improved user experience.

For resellers and managed security service providers, a cloud-based architecture allows them to easily onboard new customers, allocate licences, segment permissions and report on activity from a single interface – taking the hassle away from the customer. Furthermore, the use of the [Security Assertion Markup Language](#) (SAML) standard allows users to log on just once to access a full range of applications and services, which makes life easier.

IF WE ARE TO SIGNIFICANTLY REDUCE THE NUMBER OF BREACHES FROM POOR PASSWORD PRACTICE, VENDORS MUST NOT SIMPLY TALK ABOUT THE NEED FOR MFA

If we are to significantly reduce the number of breaches from poor password practice, vendors must not simply talk about the need for MFA. They need to step up to the plate to deliver MFA for the masses, which allows resellers to deliver systems that are affordable, easy to roll out and manage at any scale and does not provide friction for the users.

We all know it makes sense, so hopefully things may start to change. ■

WEARABLE DEVICES

WEARABLES COULD BE WELL WORTH YOUR WHILE

Billy MacInnes looks at the opportunities for resellers in selling and supporting wearable devices



VENIMO/ADOBE

HOME

The most recent figures from IDC for the wearable technology market show a shift from basic products to smarter (and higher priced) devices, as well as a big jump in [wearable devices](#) with cellular connectivity. While that's encouraging, what does it mean for channel partners? What role, if any, can resellers play in the [sale and support of wearables](#)?

Ramon Llamas, research director for mobile devices and augmented reality/virtual reality (AR/VR) at IDC, predicts that there will be more adoption by telcos as cellular connectivity increases. "[Wearables will provide incremental revenue streams](#) to telcos, and with more brands and platforms getting into the mix, the total available market opportunity will increase steadily – albeit slowly – over time," he says.

HEALTH KICK

Llamas believes retailers will start to dedicate more space to wearable devices. The rise in [connected health](#) in the next few years will also lead to wearable devices becoming "more available through insurance companies, clinics and hospitals, especially as wearables become part of a patient's therapy".

He predicts that the effect of cellular connectivity on wearable adoption will "be a slow burn", mainly because designing applications to exploit that connectivity could take time. "Voice calls and data updates are the low-hanging fruit. Streaming music is gaining traction right now. I'd like to see more things like location and navigation, streaming connected health, and other apps that could take advantage of cellular connectivity," Llamas adds.

[Home](#)

[Editor's comment](#)

[Partner programmes could lose relevance if reseller concerns are not resolved](#)

[Veritas adopts 'startup mentality' as it aims to accelerate channel growth](#)

[Looking overseas through Brexit-tinted glasses](#)

[Multifactor authentication for the people](#)

[Wearables could be well worth your while](#)

[Managing the MSP and SME relationship](#)

[Five-minute interview](#)

[Channel comment](#)

Paul Murdoch, mobile business manager at Exertis, is in no doubt that [wearables have untapped potential](#). He notes the progression from fitness-focused products or devices that could alert users of text messages and emails, to those that allow users to call or text without being connected to their smartphone. But while wearables have become smarter, he says, so have consumers – demanding more for their money, but also being prepared to pay more for the desired outcome.

The concentration on health and lifestyle has certainly helped the market, says Murdoch. “Sports and health are consistently linked, so the ability to combine devices with other apps, such as Garmin and [Strava](#) – which tracks and records physical activities such as cycling, running and swimming via GPS – creates interesting opportunities,” he says.

STYLE AND SUBSTANCE

As more people wear fitness trackers, style is becoming an important consideration. This has led to the involvement of fashion brands in offering accessories that integrate with wearable activity trackers.

Murdoch says there is also a business-to-business play for wearables. Echoing Llamas, he argues that “extending fitness and sensory trackers to more [clinical-grade wearables](#) is clearly one such opportunity for the market, and this is increasingly evident in the healthcare sector”.

There are already examples of sensors that allow diabetics to continuously track their glucose levels and devices that enable users to track their blood pressure, for example. The next



Exertis's Paul Murdoch says the ability to combine wearable devices with other apps creates interesting opportunities

Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

generation of lifestyle wearables could help provide users with insight into their everyday lives to help them stay healthy and predict problems before they arise.

BUSINESS BOOST

Murdoch adds that more and more wearable technology products are being designed with business applications that can improve productivity and efficiency in a variety of vertical markets. "As these develop, vendors and distributors will need to support resellers through training and education to take these to market, recognising the business benefits for the user," he says.

David Fearne, global practice leader for business intelligence at Arrow, notes that while the wearables and connected devices market started around consumer devices such as fitness trackers, navigation systems, headsets and healthcare aids, more opportunities are developing around technologies such as [augmented reality](#) too.

Fearne argues that the major opportunity is not in the device or service, which represents a one-time sale. "Instead, it's about looking at the whole offering that can be put together and supported for years as part of a service revenue stream," he says.

This involves considering everything from support and software to lifecycle management. "By addressing the whole opportunity as a service, resellers and service providers can build more value for customers and retain customers for the longer term," Fearne claims.

Partners need to recognise the [digital supply chain of the internet of things](#) (IoT) to understand what they can offer the wearables

Partners need to recognise the IoT digital supply chain to understand what they can offer the wearables market



Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

market. For example, sensors in devices can constantly gather location, time, performance and, in some cases, health data, which can be sent back to a gateway, collected and turned into a value-added service. This sensor data can also be linked up to display technologies for advanced technologies like AR. Wearable technologies can also be used to provide [predictive maintenance and support](#) in the field.

CHANNEL OPPORTUNITIES

Fearne believes the development of wearable technology opens up opportunities for the channel, including providing solutions that perform real-time data management and end-to-end security, such as the encryption of data sent from the device, scanning and remediating security breaches, as well as safeguarding sensitive data. "That approach needs providers to understand the customer's business model and how to support everything from the sensors and software through its lifecycle," he adds.

David Brassington, business unit director at Tech Data Mobility Solutions, says the commercial segment is developing as businesses begin to recognise employee productivity and engagement benefits through specific wellness programmes. The US is leading with high adoption rates, but things are developing at a much slower pace in the UK "so we believe this represents a key growth area in the next 12-18 months", he adds.

Brassington suggests that resellers will need to partner to succeed. "Wearables will need to be customised and integrated with other systems and devices, so this remains a fairly specialist area for now," he says. "There is a bit of crossover with IoT and data



Tech Data's David Brassington says the commercial segment for wearables is developing as businesses begin to recognise employee productivity

[Home](#)
[Editor's comment](#)
[Partner programmes could lose relevance if reseller concerns are not resolved](#)
[Veritas adopts 'startup mentality' as it aims to accelerate channel growth](#)
[Looking overseas through Brexit-tinted glasses](#)
[Multifactor authentication for the people](#)
[Wearables could be well worth your while](#)
[Managing the MSP and SME relationship](#)
[Five-minute interview](#)
[Channel comment](#)

collection and analytics projects, but this still requires partnerships and specialist knowledge – wearables will only be part of the whole solution”.

Brassington expects there will be some good opportunities in the public sector, and says these may emerge quite soon. “[A number of] blue light organisations are looking at ‘officer wearables’, and IDC has predicted 61% growth for this category of the market between 2017 and 2022,” he adds.

There are also likely to be more developments around smart glasses, although he admits this has been stymied to date by the

absence of a product that has been able to “capture the imagination of consumers and businesses and set the market alight”. Instead, any movement “is likely to come from AR/VR, where there is a lot of development activity now, mostly focused on gaming, but with some potential in the commercial and public sectors”.

While there’s no doubting that wearables have enjoyed no small measure of success in the consumer space, the business market is lagging some way behind. But the consensus appears to be that there is some opportunity for channel partners. The good news is that there’s still plenty of time. ■



MANAGING THE MSP AND SME RELATIONSHIP



Billy MacInnes looks at how managed service providers can avoid the one-size-fits-all approach to the growing small business customer base

SHEKULARAZ/ADOBE

HOME

With predictions of an 80% increase in small to medium-sized enterprise (SME) IT spend over the next four years, the role of [managed service providers](#) (MSPs) is becoming increasingly important as smaller businesses look to adopt more managed services. But what can MSPs do to ensure they make the most of the SME opportunity and how prepared are they to support SMEs as they shift spending to managed services?

In June, Datto CEO and founder [Austin McChord](#) said at [DattoCon](#) that small businesses would need to turn to managed service providers as they scrambled to rethink their IT infrastructure. He urged MSPs to differentiate themselves, figure out what they are best at and sell that.

Speaking at the same event, David Pence, founder and CEO of AcumenIT, told MSPs to work in a fishbowl, not an ocean.

Many people agree that when it comes to the SME market, the first priority is not to fall into the trap of viewing small companies as a homogenous mass of businesses that can be sold the same product or service.

"A one-size approach is a detrimental mistake common in the managed services arena," says Jim Ritchings, senior vice-president of worldwide channels at [Trustwave](#). "A shift in philosophy to focus more on people and support in addition to technologies provided is essential for becoming a trusted partner."

Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

James Pittick, UK director of business-to-business of indirect sales at [Canon](#), echoes those sentiments. "By being flexible, collaborative and versatile you can help to support SMEs," he says. "There is no one-size-fits-all approach. All businesses are unique, and that needs to be recognised to fully support them."

Apay Obang-Oyway, director of cloud and software at [Ingram Micro](#) UK and Ireland, says: "MSPs need to pick the industries they want to specialise in, as a horizontal approach will not work for all SMEs."

"Once they have their chosen industries, they need to build their credibility in that sector and become experts by developing a deeper understanding of the critical issues that affect them, including [regulatory and compliance requirements](#)."

It's very important that MSPs don't spread themselves too thinly, warns Gary Marsden, senior director of data protection services at [Gemalto](#). Instead, they should choose a specific vertical, geographical or technology-oriented market where they can become the go-to partner for SMEs.

Dave Sobel, MSP evangelist at [SolarWinds MSP](#), said something similar to *MicroScope* in May, when he noted that some MSPs were specialising in a vertical, technical speciality or demographic. "They're finding their own particular way to [engage with the market](#), and not be 'all things to all men', which is a lot harder than it's ever been," he said.

But the experience of MSP DynaCom IT Support is slightly different, with director Simon Beckett saying that while MSPs need to be strategic, they do not have to specialise in one particular vertical – something which is true of DynaCom itself.

Ingram Micro's Apay Obang-Oyway advises MSPs to pick an industry and build credibility in their specialisation




 Home

Editor's comment

 Partner programmes
could lose relevance
if reseller concerns
are not resolved

 Veritas adopts
'startup mentality' as
it aims to accelerate
channel growth

 Looking overseas
through Brexit-
tinted glasses

 Multifactor
authentication
for the people

 Wearables could be
well worth your while

 Managing the MSP
and SME relationship

Five-minute interview

Channel comment

"But that doesn't mean we don't think carefully about who our potential customers are and their specific needs," he says.

Beckett cites the difference in requirements between a small business working out of an office and an industrial laboratory. "So while breadth is important to us, we also need to make sure we can meet specialist needs before we support them," he adds.

John Coulston, [Rackspace](#) EMEA director of partners and alliances, agrees. "The size and diversity of the SME sector means broader knowledge is needed into how these organisations work. One size doesn't fit all, so making sure MSPs are able to tailor their solutions for each customer is critical."

Andrew Wilson, [Node4](#) director of channel sales, is another of those who believes there is no such thing as a universal product when it comes to SMEs.

"Understanding SME customers is vital to designing services that fit their needs," he says. "MSPs which operate a one-size-fits-all approach to service provision are going to find the opportunity much more challenging. Customer size, industry, tech priorities, investment levels and their experience in working with outsourced service providers are all important pieces of the jigsaw. MSPs need to be able to anticipate these priorities, requirements and boundaries to advise on the best blend of technologies."

HOW TO APPROACH THE PROBLEM

But there's a problem. If there's too much deviation from the all-purpose approach, it's very hard for MSPs to provide a more tailored service to smaller businesses without losing money.

So how can MSPs deliver solutions for each customer at scale? Figuring that out, Coulston warns, is critical. He suggests that MSPs look to sharing best practice and creating groups of like-minded SMEs that can be addressed in a similar way, as potential ways to adopt a specialist approach and help build their relevance to critical customers.

Gemalto's Marsden suggests the best approach is somewhere in between. "MSPs should know there is no need to reinvent the wheel when it comes to providing security services," he says. "There are some excellent [security-as-a-service](#) offerings available that can be white-labelled. It's all about getting the balance of build versus buy right."

One reason why managed services are increasingly attractive to SMEs is because many smaller businesses don't have the [IT skills](#) or the money to recruit the skills they require.

Russ Madley, head of SME at [Kaspersky Lab](#) UK and Ireland, says the vendor has seen a lot of MSPs entering the industry. "Many have been traditional IT software and hardware resellers, and it shows no signs of slowing down," he adds.

SMEs are outsourcing services to MSPs to get around their skills shortages and ensure essential services are being carried out where they don't have the capacity to perform them in-house. It's also an attractive option to be able to outsource a certain project or query to an MSP and have an expert help them.

"This makes the opportunity to work with MSPs extremely attractive, especially when considering the value for money this will represent," says Madley.

[Home](#)

[Editor's comment](#)

[Partner programmes could lose relevance if reseller concerns are not resolved](#)

[Veritas adopts 'startup mentality' as it aims to accelerate channel growth](#)

[Looking overseas through Brexit-tinted glasses](#)

[Multifactor authentication for the people](#)

[Wearables could be well worth your while](#)

[Managing the MSP and SME relationship](#)

[Five-minute interview](#)

[Channel comment](#)

Employing MSPs is often cheaper because they can be contracted as, and when, necessary, and for an agreed price.

SPREADING RESOURCES

The other difficulty for small businesses is that it's becoming much harder for internal staff to cover a wide range of jobs. The finance director can't realistically be expected to perform the IT manager's role any more.

As Jamie Graves, CEO and founder at ZoneFox, puts it, there's a real problem with resources at an SME level. At many smaller businesses, founders and employees are often expected to wear many different hats as well as their main role.

"From heading up HR [[human resources](#)] and becoming the corporate travel manager, through to dealing with GDPR [[General Data Protection Regulation](#)] and cyber security, often employees will need to focus on business areas way outside their usual remit," he says.

This presents a real opportunity to vendors and MSPs to engage with the SME community. "But only if they fully commit to a different way of [engaging with them](#)," says Graves.

According to Graves, it's still too common for MSPs to view smaller deals as a commodity deal where they sell software or a service to a small business, help set the services up and then are on hand to troubleshoot any issues that may arise.

"Instead of this, MSPs and the channel more widely need to see themselves as an extension of their clients' business, providing the skills and resources that are missing to be as helpful as possible," he says.

ZoneFox CEO Jamie Graves believes employees of small businesses often have to work outside of their remit, which gives MSPs an opportunity to provide missing resources



Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

"There is also the issue of being able to provide oversight for the solutions that businesses have bought; solutions that, if the businesses are left to themselves, they may not quite understand how to derive full value from."

Graves reveals that more organisations are taking on this business-extension role, but there is plenty of work to be done. "MSPs have to realise the level of expertise they have and use it to provide peace of mind to the SME community that comes to them for help," he says.

REGULATORY PRESSURES

Regulatory pressures are also having an effect. Gemalto's Marsden cites [GDPR](#) as something that has made security essential for all business and IT plans. "Yet for SMEs, the playing field hasn't been levelled," he says. "The IT and [security skills shortage](#) is making it difficult for them to compete with large enterprises when recruiting experts with the knowledge to ensure compliance and mitigate security risks." And this is not to mention [the cost](#).

MSPs can make a real difference by offering long-term services, rather than just short-term product delivery, he adds.

Karl Roe, vice-president of services and cloud solutions at [Nuvias](#), agrees. "MSPs today need to recognise their profits won't come from margin in selling products or services, but from delivering and managing a solution or service on behalf of their clients," he says.

"They need to look at adding value around the on-boarding of a service (in the cloud) or in the long-term management of

that service in the cloud. The value isn't in the product or service itself, which is minimal."

He points to solutions such as [Microsoft Azure](#) or Office 365 where the reseller is managing that service on behalf of the vendor to deliver a good experience to the user. "MSPs need to have automatic systems and processes in place to provide that support efficiently, with minimal human intervention," he says. "MSPs shouldn't rely on margin on the products or services they provide, but on creating value around support. And they should assume that this will all be on a [subscription-based model](#)."

CREATING IDENTITY

But how do you create an identity of your own in circumstances where more cloud services are being provided on global platforms, such as Microsoft Azure or [Amazon Web Services](#) (AWS), and the SME is a micro user?

It's a question posed by Joseph Blass, CEO at WorkPlace Live: "How can an MSP provide bespoke service to an important SME, which could have maybe even 200 users, when the entire underlying service is provided by a third party where the customer is insignificant in the scheme of things?"

According to Blass, the answer is for the MSP service to retain control of as many elements of the service as possible, so the nature of the service is holistic rather than being a middleman to a global conglomerate.

This represents something of an evolution from the traditional [channel partner role](#). The good news is that MSPs have a stronger connection with customers.

[Home](#)

[Editor's comment](#)

[Partner programmes could lose relevance if reseller concerns are not resolved](#)

[Veritas adopts 'startup mentality' as it aims to accelerate channel growth](#)

[Looking overseas through Brexit-tinted glasses](#)

[Multifactor authentication for the people](#)

[Wearables could be well worth your while](#)

[Managing the MSP and SME relationship](#)

[Five-minute interview](#)

[Channel comment](#)

"Users are more loyal to MSPs," says Kaspersky Lab's Madley. "Moving from a [managed service provider](#) contract to another has more challenges and it's easy for a good MSP to demonstrate their value to the user in terms of performance against service-level agreements."

That was something emphasised by Simon Beckett, director of DynaCom IT Support, to *MicroScope* in May, when he said: "We ensure that each customer has a service-level agreement in place, and that they understand and are happy with it. Only this way can we balance keeping our customers happy and run a profitable business."

Mo Aneese, investment manager at mid-market private equity firm, Livingbridge, observes that MSPs play a crucial role in helping SMEs to scale, globalise, innovate and thrive in today's connected age. "But in a market where they partner with similar cloud providers, the ability to differentiate on customer service and support is vital," he says.

"Propositions should be built around the customer, with the MSP positioned as a [trusted strategic partner](#) able to build a roadmap of where the customer wants to go, working with them every step of the way through that journey."

Aneese adds that if they want to retain their position as key partners for SMEs, MSPs will need to undergo a process of constant evolution.

"This means devising a strategy to operate opposite the hyperscalers, developing a unique set of services and working closely with their customers to help them achieve their business objectives," he says. ■

Livingbridge's Mo Aneese says it is important MSPs undergo a process of evolution as they work alongside SMEs to help achieve business objectives



JONATHAN LANGBRIDGE MORPHEUS

MicroScope puts its questions to Jonathan Langbridge, enterprise account executive for Europe, Middle East and Africa at Morpheus



HOME

MORNING, JONATHAN, TELL US WHAT YOU DO FOR A LIVING

I am head of sales for Europe, Middle East and Africa (Emea) for cloud startup [Morpheus Data](#). We enable businesses to reach their hybrid cloud goals – from connecting developers to self-service IT across virtually any cloud and platform, to managing the full application lifecycle while using [machine learning](#) to ensure business efficiency.

WHY ARE YOU THE RIGHT PERSON FOR THIS JOB?

Having previously worked for tech startups, I know the rigour and demand needed to create a brand and presence in an ever-changing environment. I also appreciate how crucial the right channel partners are – nobody can achieve everything alone, the [channel is key](#).

WHAT GETS YOU UP IN THE MORNING?

The sales profession. Being a salesman is one of the greatest jobs in the world and I feel very lucky that I get to do this every day. The number of great people I have had the chance to meet and work with throughout my career, who I now call friends, the amazing places I get to visit, the challenges I face day to day. Sales is a job where you can help people achieve their goals as well as your own.

Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

WHO HELPED YOU GET TO WHERE YOU ARE TODAY?

So many people – but, the biggest help has been two organisations in particular that I have worked with. RedHat taught me how important a clear vision and conviction behind that vision can be. PernixData was a true startup and my biggest challenge to date – it taught me how real marketing and demand generation can be created along with lasting channel relationships. I owe a lot to both of these companies in different ways and the skills I have learnt and people I met will no doubt assist as we grow Morpheus across EMEA.

WHAT DOES THE NEXT FIVE YEARS HOLD FOR THE CHANNEL?

Change. So much focus has been on businesses and customers changing, but not enough on the people and organisations who help them. Businesses are becoming more digital and relying on [agility](#) to deliver their next-generation services. Lots of channel organisations are being slow to change and relying too much on the success of a previous datacentre era. Customers have already changed – for the channel partners brave enough to take the jump, the rewards are great.

WHAT WOULD BE YOUR DESERT ISLAND MP3s?

An audio how-to-cook guide. Unless it's toast, beans on toast or cereal, I am pretty stumped in the kitchen – can you survive on coconuts?

WHAT IS THE BEST BOOK YOU'VE EVER READ?

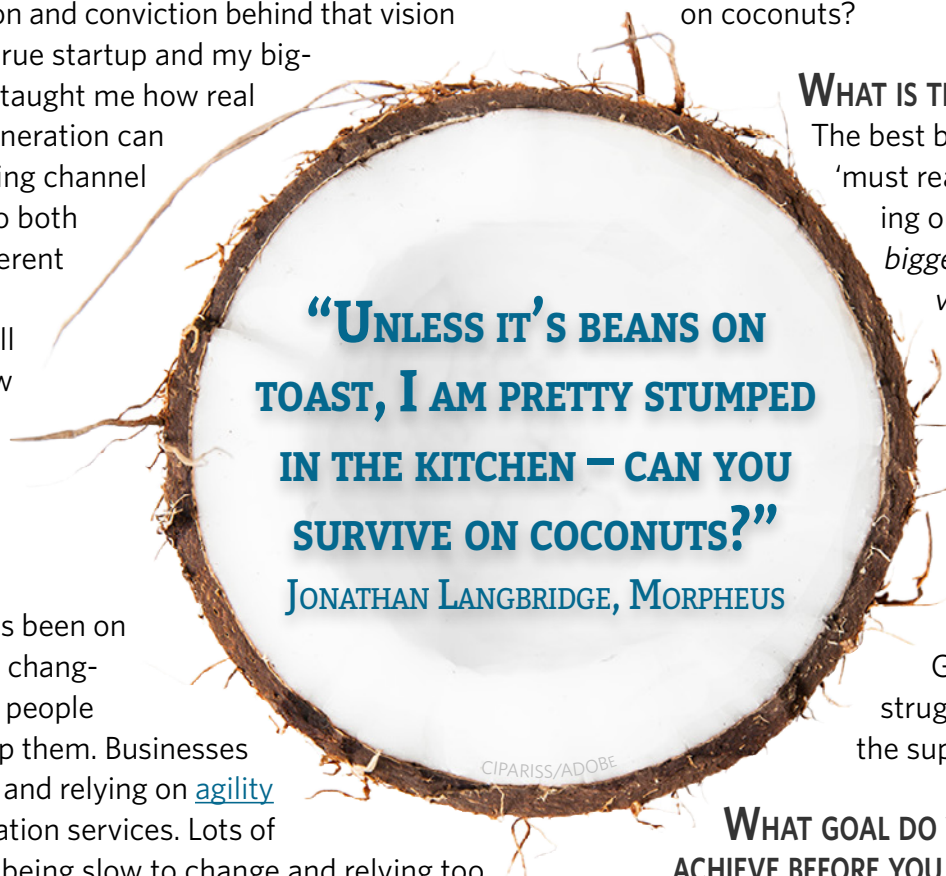
The best book I have read recently, and a 'must read' for anybody considering working or creating a startup business, is *Play bigger: how pirates, dreamers and innovators create and dominate markets*. Close second for understanding a business's need to become more agile is the *Phoenix project*, which gives great insight into the world of our customers.

WHAT TEMPTATION CAN YOU NOT RESIST?

Galaxy chocolate. It's a constant struggle to avoid the chocolate aisles in the supermarket.

WHAT GOAL DO YOU HAVE TO ACHIEVE BEFORE YOU DIE, AND WHY?

I want to own an E-Type Jaguar. I am a huge petrolhead and lover of all types of cars – especially classic cars. Having a true work-life balance seems to become harder and cars are an



Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment

outlet for me. The ultimate goal is a classic car garage similar to Jay Leno's, but I will settle for the E-Type.

IF YOU COULD BE ANY ANIMAL FOR A DAY, WHAT WOULD YOU BE AND WHY?

That's a tough one. Shark week is always entertaining on the Discovery Channel, so a shark would definitely be up there. But

something with a slower pace of life living in a warm climate sounds appealing, so let's go for a lion.

IF YOU WERE FACING AWESOME PERIL AND IMPOSSIBLE ODDS, WHICH REAL OR FICTIONAL PERSON WOULD YOU MOST WANT ON YOUR SIDE AND WHY?

Steve Irwin – nobody delivered thrills in khaki quite like him. ■



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Home

Editor's comment

Partner programmes could lose relevance if reseller concerns are not resolved

Veritas adopts 'startup mentality' as it aims to accelerate channel growth

Looking overseas through Brexit-tinted glasses

Multifactor authentication for the people

Wearables could be well worth your while

Managing the MSP and SME relationship

Five-minute interview

Channel comment



Channel has crucial role in helping businesses move away from legacy operating systems

Gavin Chapman, chairman, Cloudhouse

Research has revealed that an overwhelming 83% of UK councils are still running [Microsoft Windows 7 in IT environments](#). Despite 97% of local authorities knowing that the end-of-life date for this operating system (OS) is approaching in [less than two years](#), nearly a fifth have yet to plan their migration away from the ageing OS.

This poses a clear security risk as legacy operating systems are unsupported, and therefore remain largely unpatched and vulnerable to evolving threats.

Although these numbers are specific to the public sector, it is likely that the same migration issues exist in the private sector as well, particularly in highly specialised industries with bespoke applications.

As more organisations start to look for a solution, the channel will need to adapt to the impending changes.

It will first need to understand why organisations are still running [legacy operating systems](#), such as Windows 7, at all. The main difficulty is applications that are difficult to move from one OS to a [newer, supported version](#). Many are written for the system in use by the organisation at the time, and are not easily migrated away from this.

Due to the cost, rather than spend money on rewriting these vital applications, many organisations will choose to continue operating Windows 7. This leaves the companies at risk and unaware that they are leaving themselves vulnerable to cyber threats once support for the OS runs out.

Awareness and understanding of technology such as compatibility containers will provide systems integrators with a key piece of the puzzle when it comes to solving the problem.

This gives channel partners a chance to truly differentiate themselves by offering solutions that enhance the opportunity for both public and private sector organisations to set off on their [digital transformation journeys](#). ■

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