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CHANNEL ROUND-UP

VENDOR

■ Unified communications vendor **8×8** launched a global partner portal this month to centralise channel sales, support, and programmatic operations. The firm claimed the new portal allows partners to more easily conduct business and will provide it with data-based insights into channel partner activities to create simplicity and transparency for it and its partners across the US, Europe, and Asia-Pacific.

■ **AWS** is to tighten its MSP requirements as it strives for higher customer satisfaction, focusing on four key areas: plan and design, build and migrate, run and operate, and optimise. From 1 April, MSPs working with AWS must comply with Version 4.0 of the 'AWS MSP Partner Program Validation Checklist', which includes more detailed requirements for quality control and certifications. Partners will be assessed annually. The vendor revealed the changes in **a blog here**.

Separately, Amazon acquired home WiFi specialist eero this month – a US-based firm that focuses on mesh WiFi networking systems, as the retail and cloud giant looks to strengthen its smart home portfolio.

■ **Barracuda Networks** acquired Managed Workplace this month, which provides a remote monitoring and management (RMM) tool first developed by Level Platforms and lately owned by Czech-based end-point security vendor Avast Software. Barracuda will also resell Avast's Business CloudCare, Management Console, and Antivirus solutions as part of the deal.

■ **Carbonite's** planned acquisition of Webroot will create a new channel for the combined company's offerings, CEO Mohamad Ali claimed. It is set to shell out $618.5m (£477.1m) in cash for the end-point security vendor, which is funded through existing cash on hand and funds secured under a new credit facility. Carbonite specialises in cloud-based data protection and backup.

■ **Check Point** is gearing up to adopt activity-based partner programme tiering criteria that reward partners that actively try to strengthen their bond with customers. Starting in 2020, the vendor said partners will be assigned to three tiers based on how often they meet customer's C-suite executives, perform product demos, or carry out joint planning sessions with Check Point itself. The model will replace its results-based tiering structure, which groups partners based on YoY sales growth.

■ **Cisco** reported overall revenue of $12.45bn for the second quarter of its fiscal 2019, up five per cent on the previous year, and nudging just ahead of analyst expectations. Non-GAAP net profit stood at $3.3bn, up three per cent on the previous year. Total product revenue was up nine per cent to $9.3bn. Cisco's infrastructure platform also grew six per cent and its switching and wireless units both saw double-digit growth. Its routing and datacentre server business both declined; however, its software subscriptions business accounted for 65 per cent of the vendor's total software revenue, a 10-point increase year on year.

Separately, the vendor is set to acquire **Singularity Networks**, a Colorado-based maker of log and network traffic analytics solutions for the enterprise and managed service markets, for an undisclosed sum.

■ **ConnectWise** sold a majority stake to Thoma Bravo this month, in a move which saw CEO and founder Arnie Bellini step aside to be replaced by COO Jason Magee. Bellini said the move is the first time the vendor has taken on outside investment, after achieving 100 per cent organic growth. But he said now was the time →

to accelerate its strategy, and it needed a partner to do so. **Full interview here.**

■ **Dell Technologies** is in early talks to offload its cybersecurity division SecureWorks, according to a report by Reuters. Sources told the publication that SecureWorks – which reportedly has a market valuation of $2bn – is working with Morgan Stanley to plan the sale process, which is still in its early stages. Both Dell and SecureWorks declined to comment on the matter to Reuters.

Dell has a pile of debt to the tune of $50bn due to its mammoth acquisition of storage vendor EMC in 2016, as well as its majority stake in VMware. The vendor holds an 85 per cent stake in SecureWorks, and selling off the cybersecurity unit would allow it to unburden itself of some of this debt.

Separately, Dell trotted out its channel mantra of "simple, predictable and profitable" during its broadcast of the vendor's updated partner programme 2019. Dell EMC channel chief Joyce Mullen was particularly evangelical, touting 2018's numbers: $49bn in sales through the channel, an increase of $6bn. **Full story here.**

■ **Extreme Networks** claimed the UK was the fastest-growing EMEA region for the vendor, with over 300 UK partners signing up since the start of 2019. The firm groups the UK with Benelux, and claimed the region had seen more than 20 per cent growth in the first half of its financial year. **Full story here.**

■ **Google** has pledged to invest in its channel ecosystem this year to drive its public cloud growth. Alphabet, Google's parent company, recently published its results, with revenue for the year ending 31 December 2018 climbing 23 per cent to $136.8bn. Revenue for Google Cloud Platform is not broken out, with Alphabet instead including it in its "other revenues" segment along with its Play app store and hardware units. Sales for this group of products was up 31 per cent to $6.49bn.

Separately, new CEO Thomas Kurian pledged to aggressively grow the vendor's **cloud sales division**.

■ **HPE** told investors it was confident that its revenue will continue to accelerate, after posting Q1 revenue of $7.56bn – a 1.6 per cent drop on the same quarter last year. GAAP profit was up 100 per cent from the previous year to $456m. The firm lauded a strong performance in the intelligent edge, hybrid IT and financial services space, all described as key areas for the vendor. Boss Antonio Nero raised the firm's FY2019 outlook as a result.

■ **HP Inc** expanded its device-as-a-service (DaaS) programme to include support for Apple products in 20 countries across Europe. The service for both Mac OS and iOS devices was previously available only in the US. The vendor also launched HP TechPulse, an analysis and reporting system that monitors the status of devices and can identify faults such as impending battery or hard drive failure.

■ **HPE Aruba** has set up a team specifically to help managed service providers (MSPs) in an effort to expand its presence in the mid-market, according to EMEA VP Morten Illum. Illum stated that his focus this year is capturing more of the mid-market in EMEA, as well as helping partners to bolster their managed service capabilities. **Full story here.**

■ **Huawei** hinted that it will invest £3bn in the UK over the next five years, with funds originally earmarked for US investment. The firm claimed its tech is "too advanced" to be ignored by the rest of the world, despite ongoing trust issues in the US market. **More details here.**

The Chinese firm received a further blow after several European countries revealed they were considering banning it from future 5G deals. Global telecom standards group GSMA is set to hold a crisis meeting to discuss the potential impact on 5G infrastructure development, which some reports claim could set back Europe by several years.

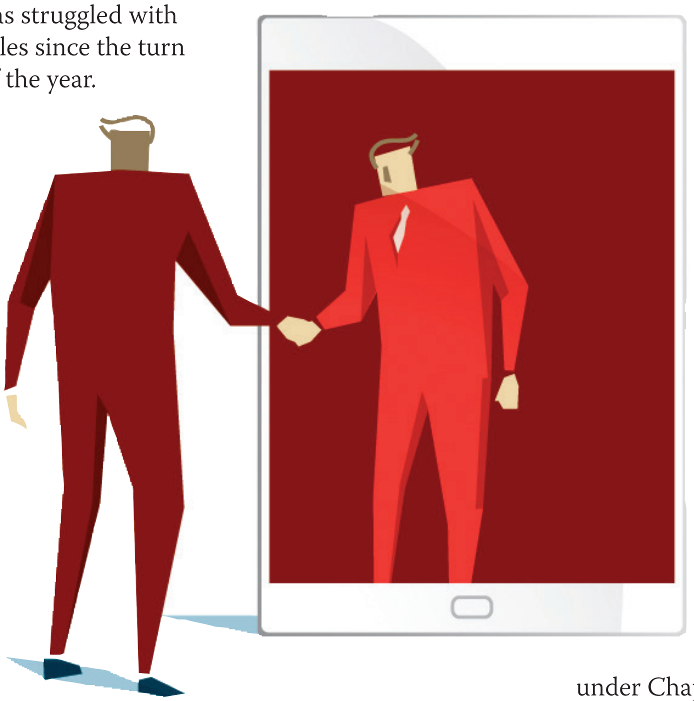
■ **Kaspersky** saw four per cent YoY growth for its annual financials, hitting $726m revenue for 2018. This was despite a downturn in the North American market over ongoing trust and transparency issues. All other regions saw growth during the year, →

the cybersecurity firm revealed, with the Middle East, Turkey and Africa seeing 27 per cent growth, and Russia, APAC and Europe growing six per cent.

■ **Microsoft** is nudging partners further towards software development, claiming it wants to sell partners' products as much as it sells its own. In a media briefing this month, global channel boss Gavriella Schuster re-emphasised the vendor's desire to see more partners invest in intellectual property. **More here.**

Separately, Microsoft has become the latest investor in big data start-up Databricks, which raised $250m in Series E funding. The latest investment – led by VC firm Andreessen Horowitz – brings the artificial intelligence (AI) company's market valuation to $2.75bn. Databricks was founded in 2013 and offers corporate clients the ability to process, integrate and analyse huge volumes of data in a short period of time.

■ **NetApp** lamented an "uncertain macroeconomic environment" for its disappointing Q3 results. The storage vendor saw sales for the quarter ending 25 January climb two per cent year on year to $1.56bn, which CEO George Kurian said had disappointingly come at the low end of its guidance. On the positive side, gross margin, operating margin, and earnings per share were at the higher end of expectations. Kurian said he remains convinced that NetApp is well positioned to capitalise on the transformations customers are going through, but said the vendor has struggled with sales since the turn of the year.



■ **Palo Alto** splashed out $560m on Israeli security start-up Demisto to boost its orchestration and automation portfolio. Demisto was founded in 2015 and specialises in security orchestration, automation and response (SOAR). It raised $69m in funding prior to its acquisition, the most recent of which was $43m in a Series C round last October. Demisto marks the fourth purchase by Palo Alto in the past 12 months, after it snapped up cloud threat defence firm RedLock, end-point protection provider Secdo and cloud compliance specialist evident.io.

■ **Qualys** splashed out on the software assets of San Francisco-based cloud apps management specialist Adya, for an undisclosed sum. The vendor will integrate Adya's solutions with its Cloud Platform, and expects the extra capabilities to be available in Q3.

■ **Samsung** unveiled its first folding smartphone – the Galaxy Fold. The vendor describes it as a "luxury device" providing both consumers and business customers with three screens and all the functionality of a smartphone, tablet and camera.

■ **Symantec** acquired Luminate Security, a privately held company that specialises in zero trust application access to securely connect remote users to corporate apps regardless of location, device, or platform. The deal, for an undisclosed sum, will see the Luminate Secure Access Cloud technology incorporated into Symantec's integrated Cyber Defence offering.

■ **Veeam** boasted record 2018 financial results, fresh from a $500m investment from Insight Venture Partner and the Canada Pension Plan Investment Board. The privately held Swiss software vendor said it delivered $963m in total bookings, a 16 per cent increase YoY. It also said it added 48,000 new customers in 2018, averaging 4,000 each month.

■ Networking and communications specialist **Windstream** filed for Chapter 11 bankruptcy protection this month after it lost a court battle with US hedge fund Aurelius Capital Management, where it was accused of defaulting on its bonds in 2015 when it span off telecom assets into a company called Uniti Group. Windstream must pay Aurelius $310m as part of the ruling. The company will continue to operate under Chapter 11 conditions.

DISTRIBUTOR

■ **Adveo** has sold its subsidiaries in France, Belgium and the Netherlands to US private equity firm Sandton Capital for €5.5m (£4.7m). Its Italian subsidiary has also received an offer of €3m from logistics group GDN, subject to due diligence. Its German, Portuguese and Spanish arms remain without buyers. It comes a month after the beleaguered distributor announced it was going into liquidation. Adveo said Sandton signed a bridging loan agreement with the firm and its liquidation administrator of "up to €5m" for its French and Belgian subsidiaries "to reinforce their liquidity".

■ A year of "structural optimisation" at €9bn-turnover Swiss distributor **ALSO** hit it in the pocket for its most recent financial results. Net profit dropped 12 per cent to €81.16m, thanks to a €8.8m restructuring bill for the year along with €900,000 in costs due to foreign currency effects. Revenue, however, grew 3.2 per cent to €9.2bn, with an impressive 90 per cent of that due to organic growth.

■ **Beta Distribution's** Dutch arm went under in December with debts of nearly €2m, according to a **recent report**. The move was a result of its UK parent company's financial difficulties after the firm hit the wall last October, owing £36m to creditors. However, unlike its parent which failed to find a buyer, the Dutch part of the firm was snapped up for a prepaid purchase price, including book stock.

■ Growing Irish player **DataSolutions** hit €40m in its last financial year, with the UK contributing 30 per cent of that revenue, just three years after it launched in the territory. Managing director Michael O'Hara said in **an interview** that half its total revenue will be UK generated by 2021.

■ **Exclusive Networks** arrived in the Israeli market after acquiring SEcureWave, an independent cybersecurity VAD based in Tel Aviv. The buy was the growing distributor's second in two months, after it nabbed Canadian firm FineTec in January. The acquisitive firm now has more than 50 offices covering over 100 countries.

■ Pan-European distributor **Nuvias** revealed it has stockpiled three months' worth of hardware and has set up two separate supply chains, in the UK and continental Europe, ahead of the UK's impending exit from the EU. Its CMO Hanspeter Eiselt said that it set up its two-hub logistics system "because no-one really knows what will happen in terms of delays". **Full story here.**

■ UK distributor **QBS Software** has kicked off its European expansion strategy by acquiring French distributor Siener Informatique. Managing director Dave Stevinson acquired QBS last year, having set up GNR Technology in 2017. Stevinson told *CRN* that the French acquisition has been made to improve the service that QBS gives resellers with international scope.

■ US VAD **ScanSource** is set to bolster its UK presence with a new distribution centre and office.

The distie said the new facility in Southampton will enhance the service offered to partners, while also extending order cut-off times for UK customers. Meanwhile, a new office in Berkshire will bring together employees from ScanSource's audiovisual, unified comms and cloud units.

■ **Target Components** has warned partners to remain vigilant after it thwarted a number of fraud attempts in February. In an email sent to partners, Target managing director Paul Cubbage said the firm had been contacted on two occasions by imposters claiming to be from a well-known distributor and reseller, both of which are Target customers.

■ **Tech Data** unveiled its Cloud Solutions Factory this month, featuring technology from vendors such as Microsoft, AWS, Red Hat, NetApp, Veeam and Autodesk. The distributor claims the service, available globally, offers a portfolio of 'easy-to-deploy' cloud solutions that address customer needs in areas such as core infrastructure, data protection, IoT and business analytics. More vendors and products will be added to the factory in due course.

■ **Westcoast** bagged the biggest HPE Greenlake deal in history, marking the largest ever contract globally for the solution, a first for the UK and Ireland, and the fourth-largest deal overall. MD Alex Tatham said the multimillion-pound deal was an "incredibly complicated process". **Full story here.**

Separately, Westcoast Cloud has rebranded after splitting from its parent company under a different identity. The firm operates from a different office and manages all its business internally. **Full story here.**

RESELLER

■ Norwegian service management software vendor **Asolvi** has bolstered its position in the UK market with its acquisition of Vantage Computing; its second in two months. Based in Hertfordshire, Vantage Computing is a cloud-based developer that specialises in management solutions for MSPs.

Trondheim, Norway-based Asolvi currently operates across 35 countries and focuses on the field service market. This latest deal marks Asolvi's fourth acquisition in three years, and is part of its strategy to focus on growth outside the Nordics. Three of those acquisitions have been in the UK: Vantage Computing, Purpose Software and Tesseract.

■ Managed service provider **Castleton Technology** shelled out £350,000 on an Indian firm previously known as CarbonNV InfoLogic. The purchase marks the second of the year so far for the Birmingham-headquartered MSP, after it snapped up housing industry specialist Deeplake Digital last month. The firm is now known as Castleton India and has offices in Bangalore and Vadodara.

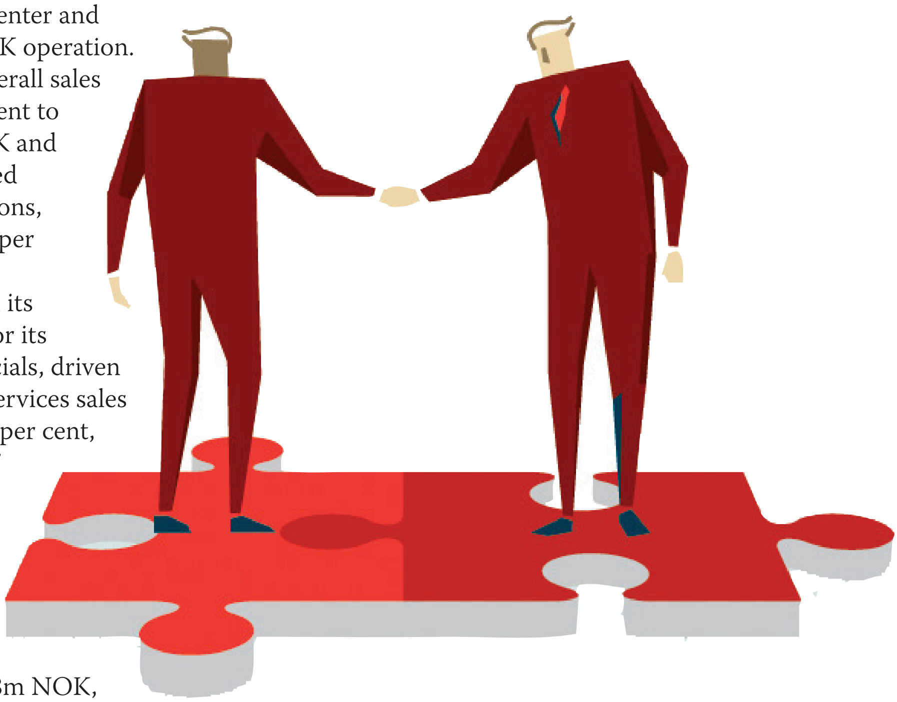
■ **CDW UK** smashed through the £1bn revenue barrier for the first time, according to reports. The reseller does not break out exact figures for the UK business, instead grouping it with its Canadian business, but multiple sources told *CRN* that the firm has joined Computacenter and Softcat in having a £1bn UK operation. The US-based firm saw overall sales for 2018 increase 9.5 per cent to $16.2bn. The combined UK and Canadian business, grouped together as "other" operations, saw revenue increase 22.9 per cent to £1.9bn.

■ **Crayon Group** celebrated its best results in its history for its fourth-quarter 2018 financials, driven by a strong software and services sales strategy. Revenue grew 25 per cent, and gross profit shot up 27 per cent compared with 2017, reflecting a strong performance across all business areas and geographical regions. Crayon's adjusted EBITA in Q4 2018 increased to 78m NOK, up by 20m NOK compared with the last quarter of 2017.

■ **Logicalis** is set to restructure its UK arm, after its head of Europe Ruediger Rath said the business is "not as agile and focused as [it] should be". Close to 400 UK staff at the global Cisco partner were this month informed of a refocus and restructure that could result in job losses. Rath came to the UK to talk to affected employees and admitted the performance of the UK business has lagged behind that of Logicalis' other major European territories, including Germany and Spain. **Full interview here.**

■ **PCM** hinted that it may expand further into Europe after seeing its UK arm edge towards the £50m mark last year. For the 12 months ending 31 December 2018 the wider PCM business reported flat revenue of $2.2bn, while in the UK sales hit $62.4m. PCM's UK business, which launched in 2017, now equates to three per cent of the business' overall sales. On an earnings call, transcribed by Seeking Alpha, CEO Frank Khulusi said the reseller may look to move further into Europe after Brexit.

■ **Proact** is plotting a UK acquisition as it ramps up its M&A plans, according to new CEO Jonas Hasselberg. The Sweden-based storage integrator raised its financial outlook towards the end of last year, aiming to hit 10 per cent year-on-year revenue →



growth for its next three financial years.

Recently published full-year results for 2018 report that overall group revenue grew two per cent to £279.6m. Hasselberg said that growth would be achieved by both organic and M&A actvitiy.

■ **Rigby Group** completed the sale of FluidOne this month, a "data connectivity aggregator" that it created by merging two businesses in 2016. The privately owned firm acquired both Fluidata and OnePoint in 2015, merging them in the following year to create what aimed to become the "national grid of data". The parent company of SCC has now sold the business, which describes itself as a communications services integrator, to private equity firm Livingbridge for an undisclosed sum.

■ **SecureData** has been acquired by French comms goliath Orange for an undisclosed fee. The Maidstone-based security provider hit sales of £35.4m in the year ending 31 July 2017 and claims to be the UK's largest independent cybersecurity provider. Orange said that SecureData will work alongside its existing security operations in France and Belgium. The French firm said the addition will bolster its European credentials.

■ US giant **SHI** banked $10bn in revenues for its FY2018, a year ahead of schedule, equating to an 18 per cent YoY increase for the New Jersey VAR. SHI, a Microsoft, Cisco, Dell, HPE/Inc, Lenovo and Apple partner, is one of North America's top 10 largest IT resellers. Its president and CEO, Thai Lee, said that its $10bn goal was first set in 2015 as part of a five-year plan.

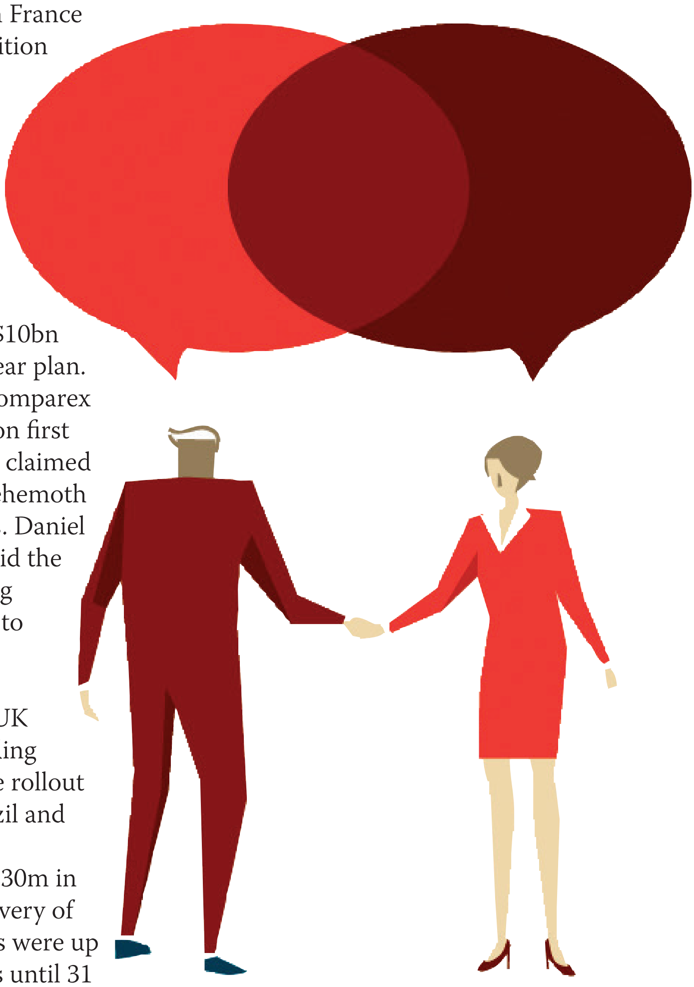
■ **SoftwareONE's** mammoth takeover of Comparex has been completed. News of the acquisition first emerged last October, when SoftwareONE claimed that the merger would create a licensing behemoth that would manage €10bn in software sales. Daniel von Stockar, chairman of SoftwareONE, said the acquisition is a continuation of the licensing VAR's business transformation, allowing it to scale and expand in "key geographies".

Separately, the firm launched its unified communications managed services in the UK following initial launch in territories including the US, Germany and Austria last year. The rollout will continue to other markets such as Brazil and Singapore in the coming months.

■ French giant **Sopra Steria** splashed out €30m in restructuring costs last year to aid the recovery of its struggling UK business. Group revenues were up by 6.9 per cent to €4.1bn for the 12 months until 31 December 2018, but operating profits tumbled by 14 per cent thanks to the UK costs. The Paris-based firm's homeland business grew its top line by 6.4 per cent during the year to €1.7bn, with operating profits up seven per cent to €131.8m.

■ **Stone Group** became the 22nd HP for Education partner, standing alongside the likes of Insight, Softcat, XMA and Academia. Under the scheme, UK schools are awarded credits when they buy HP kit which can then be put towards other products. Schools can also trade in old devices for new models and earn rewards such as cash rebates and support services.

■ Managed services provider **SysGroup** continued its acquisition spree by snapping up £8m-revenue player Certus IT. Publicly listed SysGroup has also secured an additional £10m in funding to continue its M&A drive, on top of a new £5m banking facility. The latest acquisition is the firm's seventh in the last five years.



RESEARCH

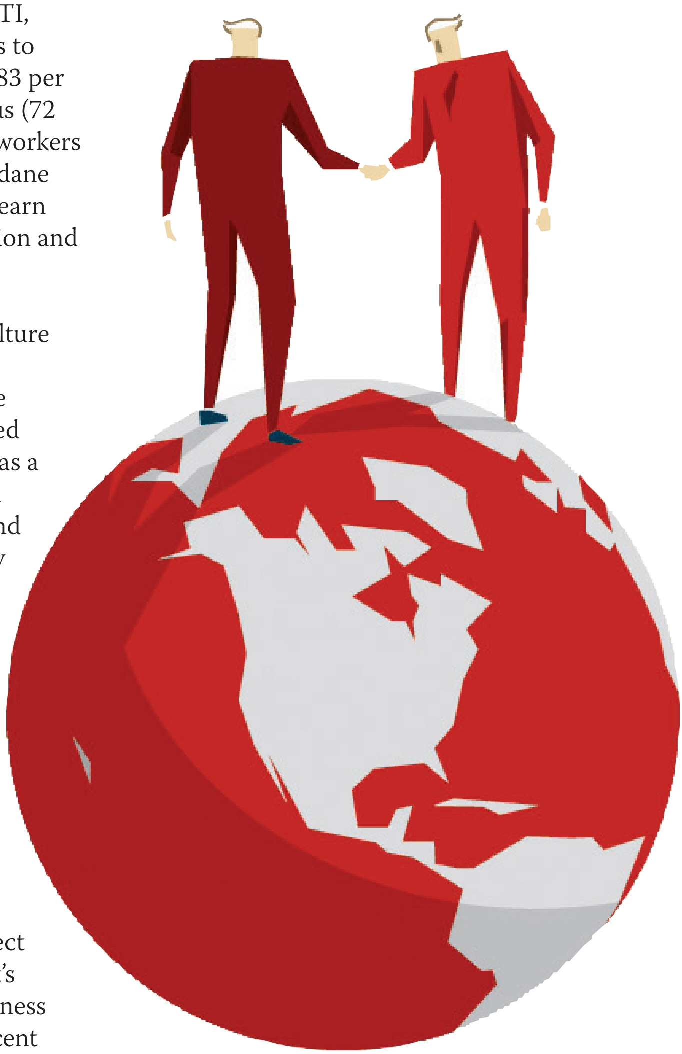
■ Smart speaker shipments reached 78 million units worldwide in 2018, up 125 per cent from 34.7 million in 2017, according to Canalys figures. After an intense battle between Amazon and Google throughout the year, Amazon emerged as the top shipping vendor, but only by one percentage point. It shipped 24.2 million of its Echo devices, while Google shipped 23.4 million of its Home speakers. Chinese vendors Alibaba, Xiaomi and Baidu, which only ship in China, rounded out the top five, the analyst said.

■ Industrial robot installations in the UK increased for the third year in a row to around 2,300 units, up 31 per cent on last year, according to figures released by the Automatic Trend Index (ATI). When questioned in a related study by the ATI, UK employees said they were keen for robots to take over jobs that are classed as unhealthy (83 per cent), hazardous (77 per cent) or monotonous (72 per cent). A further 70 per cent of the 1,000 workers questioned felt that robots taking more mundane tasks away would give people the chance to learn more qualified work and create more education and training opportunities.

■ By 2021, CIOs will be as responsible for culture change in organisations as chief HR officers currently are today, Gartner has claimed. The analyst predicted that 80 per cent of mid-sized to large enterprises will change their culture as a way to accelerate their digital transformation strategy. One of Gartner's recent studies found that 67 per cent of organisations have already completed culture change initiatives or were in the process of doing so. The reason for many of those initiatives was that the current culture has been identified as a barrier to digital transformation.

■ Two thirds of organisations implementing Internet of Things (IoT) projects are using or planning to use digital twin technology within a year, according to Gartner. The analyst defines a digital twin as a "software design pattern that represents a physical object with the objective of understanding the asset's state, responding to changes, improving business operations and adding value". Nearly 15 per cent of companies implementing IoT projects already use digital twin technology, while 62 per cent of organisations are either in the process of setting it up or plan to do so within a year.

■ By 2022, 70 per cent of organisations using biometric authentication for workforce access will implement it via smartphone apps, regardless of the end-point device being used, Gartner has predicted. In 2018, this figure was fewer than five per cent. Lower costs and improved user experience/customer experience are fuelling this increasing interest in biometric authentication. The analyst also predicted that by 2022, 40 per cent of global mid-size and larger organisations will use IAM (identity and access management) capabilities →



delivered as software-as-a-service to fulfil most of their needs – up from five per cent in 2018.

■ The global cloud infrastructure market put in a strong Q4 2018 performance, with spending up 46 per cent to nearly $23bn, according to Canalys. Total outlay on cloud infrastructure in 2018 exceeded $80bn, up from $55bn in 2017, the analyst said. This makes it one of the most important sectors in the IT industry, not just by the rate of growth, but also its expanding size.

Amazon Web Services (AWS) remained the dominant cloud service provider in Q4 2018, with its share of customer spend staying at 32 per cent. Microsoft Azure grew its share to 16 per cent compared with 14 per cent in the same period a year ago. Google Cloud hit nine per cent for the first time, while Alibaba Cloud kept a four per cent share. IBM, Salesforce, Oracle, NTT Communications, Tencent Cloud and OVH rounded out the top 10 cloud service providers.

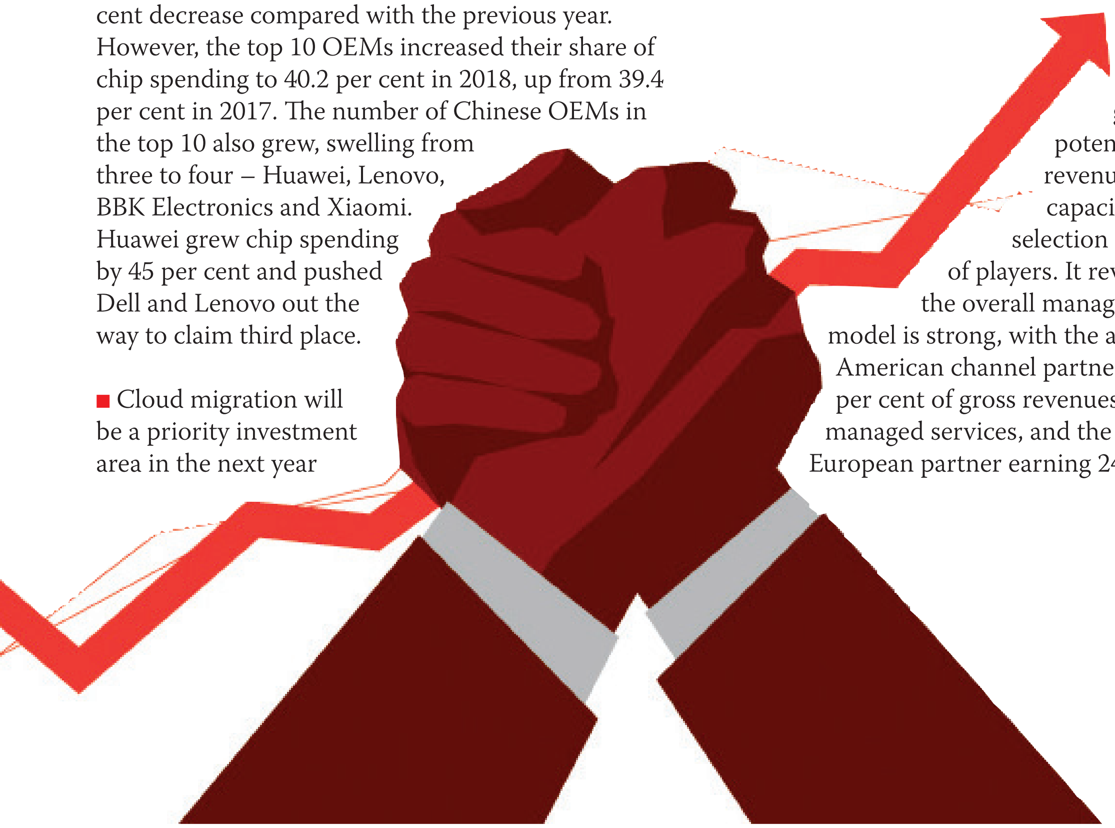
■ Samsung and Apple remained the top two semiconductor chip buyers in 2018, representing 17.9 per cent of the total worldwide market, according to market watcher Gartner – a 1.6 per cent decrease compared with the previous year. However, the top 10 OEMs increased their share of chip spending to 40.2 per cent in 2018, up from 39.4 per cent in 2017. The number of Chinese OEMs in the top 10 also grew, swelling from three to four – Huawei, Lenovo, BBK Electronics and Xiaomi. Huawei grew chip spending by 45 per cent and pushed Dell and Lenovo out the way to claim third place.

■ Cloud migration will be a priority investment area in the next year for 70 per cent of business leaders, according to figures from integrator KCOM. The systems integrator surveyed 250 C-level decision makers across a number of industries, including healthcare, government, and retail.

Almost half of respondents stated that their top priority in the next year will be fuelling digital transformation in order to give them a competitive edge. A further 68 per cent said implementation of cloud-native applications will be a key focus in the next 12 months, with 65 per cent of respondents intending to invest in improving identity management services.

■ A report by Global Market Insights predicted the market for software-defined wide area networks (SD-WAN) will jump from $700m in 2018 to $17bn by 2025. This equates to a CAGR of 60 per cent and is due to the increasing number of businesses investing in either replacement network infrastructure, IoT devices, security, or all three.

■ Managed services continue to drive profitability for solution providers across North America and Europe, according to a joint report by SolarWinds and The 2112 Group. The report, *2018 Trends in Managed Services*, examined growth potential, profit, revenue, sales capacity and service selection on a number of players. It revealed that the overall managed service model is strong, with the average North American channel partner earning 28 per cent of gross revenues through managed services, and the average European partner earning 24 per cent.



ANALYSIS

Spring arrived early in February as the UK and Europe basked in glorious sunshine and record-breaking temperatures for the time of year.

Sadly, the tropical weather was short-lived in the UK, and more traditional gloomy weather, to match the mood of the country, settled in once more.

Scaremongering over Brexit continued apace during February, with the government and EU no nearer to agreeing a deal.

A bunch of Labour and Conservative MPs formed a breakaway 'independent' group partly in protest at the Brexit nightmare, but despite frantic efforts by Theresa May to get MPs to agree a deal and also ensure the EU member states were happy, the stalemate continues. Talk of a Brexit extension has already begun, which if executed, could leave the UK in potential limbo for up to two more years.

Trump, determined not to let the UK steal all the time-wasting limelight, declared a state of emergency in the US to push through his ludicrous idea of building a wall between the US and Mexico.

It seems money wasting is the name of the game in politics, but thankfully in the business world, common sense prevails and firms are rightly focusing on growth and grabbing opportunities.

In the vendor world this month, giants **AWS** and **Microsoft** were both pushing for more from their partners. AWS is introducing stricter rules for its MSPs to bolster customer satisfaction, and Microsoft is encouraging partners to look at software development, claiming it wants to sell partners' products as much as it sells its own.

This strategy sounds good in theory, but partners need to make sure they hold onto the IP of any products they develop.

Acquisitions were rife during the month as well, with **Cisco** grabbing **Singularity Networks**, **Carbonite** planning to snare **Webroot**, **Barracuda** buying **Managed Workplace**, **Symantec** grabbing **Luminate Security**, and **Palo Alto** investing in security start-up **Demisto** (its fourth buy in 12 months). Cloud player **Qualys** got in on the act, buying apps management specialist **Adya**. Microsoft also invested in big data start-up **Databricks**, which so far has raised $250m in Series E funding.

Staying on the positive front, **Kaspersky** seems to be overcoming difficulties stemming from mistrust issues in the US by posting financial growth in every other geographical region, and **HPE** ramped up its revenue expectations on the back of a solid Q1 performance, driven by intelligent edge computing, hybrid IT and financial services.

Google signalled more investment in the channel, with particular aggression in the cloud space, after posting 23 per cent revenue growth for its latest financial year. And privately held **Veeam** rounded off what it claimed was a record year, with a £500m investment injection from **Insight Venture Partner** and the **Canada Pension Plan investment Board**.

Dell revealed it had grown its channel sales during 2018, launching its updated partner programme and promising more of its "simple, predictable and profitable" strategy in the year to come, while at the same time finding itself in early talks to flog its cybersecurity division **SecureWorks**.

Despite Brexit, the UK was given a boost by **Extreme Networks** and **Huawei** this month, with the former saying the UK was its fastest-growing EMEA region this year so far, and **Huawei** hinting that it will plough £3bn into the UK over the next five years with funds it originally earmarked for US investment. Bonus times all round for the UK, providing it doesn't raise the same anti-trust issues as across the pond.

IBM held its PartnerWorld conference in San Francisco, and the messaging was all very partner centric and forward looking at technologies such as AI and multi-cloud. The vendor appeared to be getting aggressive towards its competitors too, claiming it would be grabbing partners away from rivals **Dell EMC**, **Splunk** and AWS. It will be interesting to see if IBM actions these threats after what seems like an extended period of focusing inward and flogging off parts of its legacy business.

One vendor suffering during February was US-based networking and communications giant **Windstream**, which filed for Chapter 11 bankruptcy protection following a costly court battle with **Aurelius Capital Management**. It is now facing a →

whopping $310m payment to Aurelius as a result of the case. Ouch.

In distribution land it was a rollercoaster ride, with the downs involving the Dutch arm of **Beta Distribution** which went under owing almost €2m; a drop in profit for Swiss player **ALSO** thanks to a year of structural optimisation; and **Adveo** flogging subsidiaries in France, Belgium and the Netherlands to a US PE firm, while looking for buyers for other parts of the business after it announced it was going into liquidation last month.

However, players on the up included Irish firm **DataSolutions**, which lauded its decision to make a play for the UK market in 2016; **Exclusive Networks**, which continues its world-domination plans by acquiring its first Israeli player **SecureWave**; and US player **ScanSource**, which is also investing in the UK with a new distribution centre and office. **QBS Software** also snared French player **Siener Informatique**.

Westcoast was celebrating after landing the biggest HPE Greenlake deal in history, and its cloud business detached itself from the mother ship, rebranding under a different identity.

Sticking with the cloud theme, **Tech Data** launched its Cloud Solutions Factory, as it looks to simplify cloud delivery to its global partner network with technology from vendors such as AWS, Microsoft, **Red Hat**, **Veeam**, **Autodesk** and **NetApp**. More vendors are set to be added in the near future.

Although a lot of distributors are playing their cards close to their chest when it comes to Brexit, **Nuvias** bucked that trend by revealing it had stockpiled three months' worth of hardware and set up two separate supply chains to ensure minimum disruption when (if) the UK leaves the EU.

The frustrating thing is that because of all the dithering and bickering by politicians, firms are being left with the dilemma of whether to do nothing, or prepare for the worst-case scenario.

However, HMRC weighed in by issuing a warning in February urging business owners in the UK to prepare now and make sure they can continue to trade with the EU in the case of a no deal.

This includes registering for an Economic Operator and Registration Identification number (EORI); considering appointing a customs agent to help with customs declarations; and registering for Transitional Simplified Procedures or TCP, which allows businesses to import without having to make a full customs declaration at the border and postpone paying import duties.

Turning to the reseller space, it was again a mixed bag, with some firms flying high on success and acquisitions aplenty and others hindered by restructuring headaches.

CDW UK smashed the £1bn revenue barrier for the first time, and **Crayon Group** celebrated its best ever results for Q4 2018. US giant **SHI** cracked its $10bn revenue goals a year ahead of schedule.

On the acquisition front, **SysGroup** gobbled up **Certus IT**, **Orange** grabbed **SecureData**, Norwegian player **Asolvi** snapped up **Vantage Computing** and **Castleton Technology** bought Indian player **CarbonNV InfoLogic**. Other players **PCM** and **Proact** hinted at M&A activity to come, and **SoftwareONE** completed its mammoth takeover of **Comparex**.

Rigby Group sold its data connectivity aggregator business **FluidOne** to PE firm **Livingbridge**, and **Logicalis** revealed it would be restructuring its UK arm after admitting the business could be more focused and agile. **Sopra Steria's** profits were hit by a year's worth of restructuring costs thanks to its UK business, but group revenues grew.

Turning to the trends released in February, it was mainly around AI/IoT and robotics – whether through smart speaker adoption, industrial robot installations or biometric authentication adoption. The trends are very much becoming mainstream.

This was topped off with a strong performance by the global cloud infrastructure market, with spending up 46 per cent according to Canalys, and research by KCOM revealed that cloud migration is set to be a priority investment area in the coming year for 70 per cent of business leaders.

Gartner also predicted that digital twin technology is set to take off, with 62 per cent of organisations questioned either planning to use it or in the process of setting it up in the coming year.

All in all, February was busier than expected at every level of the channel, and considering March is crunch time for Brexit, the UK still seems to be in a strong position when it comes to the technology industry and it is still seen as a place for investment by some, almost as if it is trying to spite the political shambles we are surrounded with. It wasn't all plain sailing, but considering the geopolitical conditions we face, the industry is still in a good place.

The next month is going to be an interesting one to observe, but it is looking increasingly unlikely that a Brexit deal will be reached, so we are faced with either no deal, or as mentioned earlier, an extension, which could spell more months of limbo. Either way, it could be quite a ride. So buckle up!

EVENTS

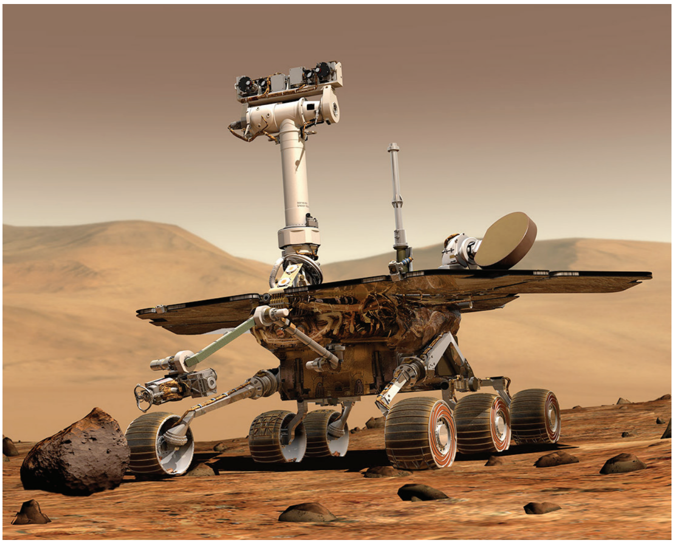
■ **IBM Partnerworld and Think 2019 conference, San Francisco –** CEO Ginni Rometty stated that the industry is entering into a new era of maturity as AI and multi-cloud technologies continue to develop. She said in her keynote at the vendor's Think 2019 conference that enterprises will move beyond just implementing AI and will start to scale it across their organisations. **More details here.** The firm also said it was planning to **grab partners** from rivals Dell EMC, Splunk and AWS.

Meanwhile, partners attending the shindig in San Francisco were tempted with deal registration, channel pricing, a simpler MDF process and a raft of other sweeteners during the event as the vendor continues to tweak its strategy following a rush of legacy sales. **More here.**

■ **MWC 2019, Barcelona –** the annual mobile phone spectacular didn't disappoint the thousands of attendees descending on the four-day event. Aside from Samsung's folding phone, the devices getting the most attention included Microsoft HoloLens 2, Huawei Mate X, LG DualScreen, Nokia 9 PureView and Sony Xperia 1. A good round-up of the event can be found on TechRadar **here**.

MISCELLANEOUS

■ A fraudster was sentenced to 28 months behind bars this month after impersonating Microsoft and claiming to fix victims' computers, while actually installing malicious software. Baljindher Singh, 39, of Marshall Wallace Road, South Shields, was part of a scamming group that contacted victims and told them of a fault on their computer, which they said they would fix for a fee. The investigation was carried out by City of London Police and the North East Special Operations Unit with support from Microsoft.



■ NASA sadly declared its Opportunity explorer rover robot (known as 'Oppy') officially dead this month, after it had survived 15 years alone on the Red Planet, sending back images and valuable data long after its initial 90-day mission ended. Social media went into a frenzy after its last words to its creators were revealed as "My battery is low and it's getting dark". It is thought a major dust storm covered the robot and prevented it getting vital battery energy from the sun's rays.

■ Econocom was among the IT firms named and shamed this month by a French sanctioning body for missing payment deadlines for its suppliers. Osiatis, an IT services division of Belgium-based Econocom was handed a €375,000 fine from the DGCCRF (Direction générale de la concurrence, de la consommation et de la répression des frauds) last September for missing invoice payment deadlines from suppliers. Chinese networking vendor Huawei and services firm HCL Technologies were also disciplined with €375,000 and €185,000 fines respectively.