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CHANNEL ROUND-UP

VENDOR

■ **BlackBerry** entered a global ISV partnership with security vendor Check Point this month. The fruity vendor said the agreement will cover joint go-to-market planning and selling of Check Point's SandBlast Mobile detection software alongside its own device management tools, BlackBerry UEM and BlackBerry Dynamics. However, the solution is currently available only through BlackBerry's channel partners, which will also act as a single point of contact for professional services and support for customers.

■ Remote access vendor **Bomgar** has acquired BeyondTrust to create what it claims is the "most comprehensive" privileged access management company on the market. The deal will see Bomgar renamed BeyondTrust, with the combined company having a customer base of 19,000 worldwide. Bomgar CEO Matt Dircks will remain at the helm of the business. Bomgar was itself acquired by private equity firm Francisco Partners from Thoma Bravo earlier this year, and went on to acquire end-point privilege management vendor Avecto.

■ **Cisco** unveiled the latest addition to its Unified Computing System portfolio, aimed at enabling enterprises to better manage, process and analyse the massive amounts of data generated not only in their traditional datacentres, but also through the IoT, the cloud and mobile apps, among other things.

Separately, Cisco Systems' Meraki business rolled out Meraki Go, which includes hardware, software, security and a cloud service that gives smaller businesses with 20 or fewer employees a set of WiFi access points that are easy to install and deploy. It also comes with access to Cisco's support team.

The vendor also updated its flagship service provider edge-routing platform, ASR 9000, with the aim of supporting customers' business transitions through 5G and multicloud with new automation

software, a new networking processor powering high-density 100GE line cards to boost network performance, and enhancements to the IOS XR network operating system.

■ Cloud security vendor **Cyren** launched a new global channel programme, the GoCloud Partner Program. The multi-tier programme includes a new partner portal offering a "personalised channel experience", online training and certification, deal registration, and a library of content and sales tools.

■ **Commvault's** channel boss Scott Strubel claims its partners are happier than ever after the vendor committed to streamlining its product portfolio and ramp up its channel support operations. Four months into his role, Strubel claims Commvault has experienced a "historic change" in the backup and recovery vendor's channel strategy. **Full story here.**

■ UK cybersecurity vendor **Darktrace** claims to be valued at \$1.65bn (£1.27bn) after raising \$50m in a Series E funding round. The artificial intelligence (AI) firm, headed up by CEO Nicole Eagan, claimed to have seen its revenue increase by 100 per cent year on year in July. Its latest funding will be used to power international expansion after it opened offices in LA, Mexico City and Sao Paolo.

■ **DataDirect Networks** (DDN) acquired Tintri in a deal worth \$60m. The US storage vendor made moves to acquire the beleaguered Tintri earlier this summer. DDN has now said that it was declared "auction winner" of Tintri after an "extensive bidding process". Paul Bloch, co-founder and president of DDN, said the company had started rehiring former Tintri staff weeks beforehand, without knowing the outcome of the auction.

■ **Dell** raised its financial outlook for fiscal 2019 after posting a stellar Q2 in which revenues reached \$23bn. The vendor is now forecasting non-GAAP revenues of between \$90.5bn and \$92bn for its full fiscal year and non-GAAP operating income of between \$8.4bn and \$8.8bn.

Revenues surged by 18 per cent in non-GAAP terms to \$22.9bn for the quarter, while non-GAAP operating income hit 13 per cent growth to \$2.1bn. The firm reported a GAAP operating loss of \$13m. Both operating segments – its Infrastructure Solutions Group and Client Solutions Group – posted double-digit revenue growth, surging by 24 per cent and 13 per cent respectively.

Separately, Tech Data's Advanced Solutions boss →



Rob Tomlin is set to join Dell EMC as UK channel VP, stepping into the role vacated by Sarah Shields who has been promoted to a European role.

Finally, it emerged towards the end of the month that the vendor is once again exploring an IPO, in an apparent U-turn on previous plans to become a publicly listed company through a buyout of VMware tracking stock. According to *The Wall Street Journal*, Dell's latest financial quarter – which saw it raise annual targets after hitting \$23bn in revenues – has encouraged the Texas-based vendor to put an IPO back on the table.

■ **Fujitsu** has signed a six-year outsourcing deal worth €71.9m (£64m), which will see it take on the bulk of the ICT for the Dutch region of Groningen. The vendor will hold prime responsibility for the district's digital workstations, print, network and telephone facilities, technical application management, hosting and user support. The firm will work with two local partners to deliver the project: ICT service provider CGI and telecommunications specialist Voys.

■ **HP** unveiled several enhancements to its HP device-as-a-service to enable HP partners to more easily offer the benefits of the 'as-a-service' model to customers. These include a new multi-customer view that allows partners to view incidents and reports for multiple customers from a single dashboard and login, provide data-driven recommendations for optimisation to their customers, and spot trends in their installed customer bases to structure more efficient responses to incidents.

■ **IBM Germany's** plans to offload 500 employees from its global technology services (GTS) business to German VAR Bechtle could be delayed until as late as 2019, according to workers union Verdi.

The latest tie-up between IBM and Bechtle was first reported in March, but has been in the works since the end of 2017. The agreement will see around 500 staff transfer from IBM Germany's GTS

He said that Bechtle wants the IBM staff to sign new contracts that would mean changes to their salaries, holiday and working hours.

■ **Juniper Networks** expanded its 18-year partnership with Ericsson to offer service provider customers a new 5G transport network solution. Leveraging both vendors' portfolios, Juniper said the partnership aims to offer service providers a complete solution "from radio to core".

■ **Kaseya** is aiming to help MSPs build a compliance managed service offering for their customers with the acquisition of RapidFire Tools, a provider of IT assessment, internal threat detection and compliance products. RapidFire Tools' Audit Guru product, which helps users automate, document and achieve compliance, will be incorporated into Kaseya's IT Complete management platform.

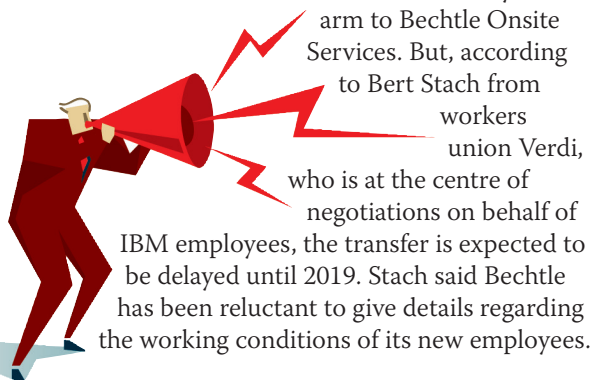
■ **Lenovo Data Center Group** has entered a multibillion-dollar global partnership with NetApp, to help customers modernise their IT architectures and accelerate their digital transformation.

Lenovo said the two companies will develop and bring to market new flash storage products scaling from "the edge to the core network to the cloud". The firms also unveiled their ThinkShield product, described as "a new approach to securing devices throughout their life cycle" by Lenovo's Intelligence Device Group. Lenovo is partnering with Intel, MobileIron and Absolute to provide a suite of features, from BIOS and firmware for authentication and physical/virtual end-point management to physical camera shutters and fingerprint readers to supply chain management.

■ **Microsoft** launched its Microsoft Managed Desktop (MMD) programme, a service that hands over management responsibility of a company's Windows 10 systems to Microsoft. Through the service, Microsoft will lease Windows 10 desktop systems that are built to take advantage of the MMD programme, and then can keep the systems' operating systems and applications updated and its security features up to date.

Separately, the software giant bought US-based AI startup Lobe in order to hasten the development of its AI capabilities. Kevin Scott, CTO at Microsoft, said the company's latest investment is part of its commitment to make AI more accessible to people and partners. "In many ways, we're only just beginning to tap into the full potential AI can provide," he wrote in a blog post.

■ **Netwrix** has launched a Partner Technical Certification Programme that it says is designed →



to enable VARs, MSPs and distributors worldwide to sell the Netwrix Auditor platform. The visibility platform vendor said the programme offers two levels of certification, Certified Netwrix Engineer and Pro Netwrix Engineer.

■ **Cybersecurity testing firm NSS Labs** has filed a lawsuit against Symantec, CrowdStrike and ESET, accusing the vendors of failing to reveal flaws in their products. In the anti-trust suit, NSS claims that the vendors have conspired to prevent the independent testing of their products. All three vendors are members of the Anti-Malware Testing Standards Organisation, which has a mandate to standardise testing methods.

■ **Oracle's** share price dropped more than five per cent in after-hours trading after its Q1 cloud numbers failed to impress Wall Street this month. The vendor changed its reporting method in Q4, meaning it no longer breaks out figures for its specific cloud units. Instead, the vendor groups its on-prem and cloud businesses into two new units: cloud services and licence support; and cloud licences and on-premise licences. The first category saw revenue increase three per cent year on year to \$6.6bn, while the second saw revenue decline three per cent to \$867m. Overall revenue climbed one per cent to \$9.2bn.

■ All-Flash storage vendor **Pure Storage** took the wraps off its data hub, describing it as its vision for modernising storage architecture for unstructured, data-intensive workloads. The company argues that today's mainstream solutions "were designed for the world of disk and have historically helped create silos of data". Pure says its data hub, built on its FlashBlade product, is designed to "deliver, share and unify" data to ultimately unlock value.

■ Following its acquisition of Datas IO in February, **Rubrik** is rolling out a new release of its data protection platform for NoSQL databases, adding Microsoft Azure and Oracle Cloud to existing support for AWS and Google Cloud. The vendor said Datas IO 3.0 delivers enterprise-grade backup and recovery to this "new genre" of massive cloud-based NoSQL applications.

Separately, the vendor launched its first global programme for resellers, the Rubrik Velocity Partner Programme. The initiative includes three tiers – Authorized, Select and Elite – with classification based on competency and performance, and requirements will vary based on country and partner size.

■ **Symantec** has appointed three new board

members following pressure from activist investor Starboard Value. Starboard took a 5.8 per cent stake in Symantec last month with a plan to "unlock value" in the vendor. The investor also put forward a list of potential board members. Starboard's interest in Symantec came in the middle of a turbulent time that saw the vendor announce plans to slash its workforce and investigate financial discrepancies.

■ **WatchGuard Technologies** has launched its new trusted wireless environment framework, which the vendor says offers performance and scalability at the same time as ensuring protection against "today's most dangerous WiFi attacks". The vendor added that the framework helps businesses and solution providers build WiFi services offering high performance, scalable management and verified, comprehensive security.

■ **Veeam** and **Lenovo** linked arms in a partnership that will see Lenovo and its resellers able to sell the hardware maker's software-defined infrastructure and storage-area network systems loaded with Veeam Software's data management solutions. The two vendors deepened their relationship by Lenovo becoming an official member of Veeam's Global Reseller Alliance Partner programme.

■ **VMware** is doubling down on its push into edge computing with a new framework that it claims will extend its hybrid and multi-cloud environments to the edge. The vendor said it will build on its network edge investments to provide customers with "local intelligence and compute from the datacentre to the cloud to edge".

■ Business intelligence vendor **Zoomdata** launched the Zoomdata Application Partner programme, or ZAP. The firm said it has seen threefold growth in sales via channel partners over the past year, as customers seek the help of SIs with specific use case or domain expertise. Zoomdata currently has more than 10 core partners worldwide, including global SIs such as Deloitte, Atos, Hitachi INS and Infosys, and 30 regional SIs representing specific territories and vertical markets

including pharma and life sciences, telecom and financial services.



DISTRIBUTOR

■ The CEE region's largest distributor **AB Group** claims it is continuing to outpace its rivals. The Wrocław-headquartered firm issued a statement saying that Polish, Czech and Slovakian resellers rate the distributor's "crushing success" in comparison with its rivals. [Full story here.](#)

■ German distributor **Action Europe** will cease trading with immediate effect after last-ditch efforts to find an investor failed. Shareholders of Action SA – the Warsaw-based parent company of the Brunswick-based distributor – yesterday agreed to liquidate the unprofitable subsidiary as part of its own "ongoing restructuring process".

■ Beleaguered Madrid-based distributor **Adveo** has found a buyer for its mounting debt in the form of Dutch firm Staples Solutions. The Amsterdam-headquartered service provider operates in 17 countries across Europe, and has been active in European markets since 1991. In a statement, the firm said that eliminating its net financial debt of €146.7m is a crucial step in its recovery. [Full story here.](#)

■ Emerging markets distributor **ELKO** is aiming to become "one of the leading wholesalers in Poland" after claiming a green-field expansion into the country last year has paid off. ELKO outsourced a sales team in Wrocław, Poland last year which began offering IT and consumer portfolios to resellers nationwide. The firm plans to open a second office to support further growth. At the time, CEO Svens Dinsdorfs said ELKO would track the effectiveness of its Polish operation until the end of 2017 and would continue

investing if it proved successful.

ELKO claims that the turnover

of its Polish branch grew by 60 per cent in the first half of 2018, when compared with the previous six months. As a result, ELKO is now within the top 15 wholesalers in Poland, the firm claims.

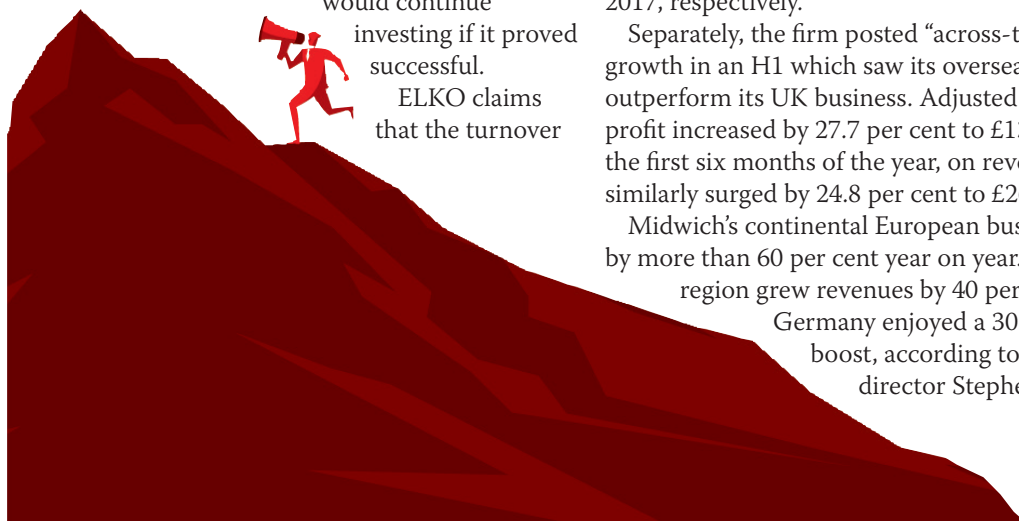
■ **Esprinet** posted a healthy profit increase for the first six months of the year as its EDSLan and Vinzeo subsidiaries give a welcome lift to the distributor's bottom line. The Italian distributor's EBIT jumped by 11 per cent to €10.9m between January and June, on revenues that grew seven per cent to €1.54bn. The H1 results marked a welcome change for Esprinet which, after busy periods of M&A, has seen steep EBIT declines for the last two consecutive years. [Click here](#) for interview with CEO Alessandro Cattani on the distributor's journey.

■ **Exertis'** parent DCC now has a \$600m business in North America after acquiring professional audiovisual outfit Jam Group in a deal valued at \$170m. The acquisition appends Montreal-based Jam's \$323m to DCC Technology's revenue, adding to the deal for Stampede which was announced in July. Aside from AV, Jam also specialises in the distribution of musical instruments and consumer electronics.

■ **Midwich** has continued its audio shopping spree by acquiring French distributor Sound Directions. Based in St Etienne, Sound Directions – which trades as Perfect Sound – specialises in professional audio products and serves predominantly the French and French-speaking Swiss market. The deal follows Midwich's acquisitions of Spanish and UK audio distributors Earpro and Sound Technology in 2017, respectively.

Separately, the firm posted "across-the-board" growth in an H1 which saw its overseas operations outperform its UK business. Adjusted operating profit increased by 27.7 per cent to £13.5m in the first six months of the year, on revenues that similarly surged by 24.8 per cent to £264.1m.

Midwich's continental European business grew by more than 60 per cent year on year. Its French region grew revenues by 40 per cent while Germany enjoyed a 30 per cent boost, according to managing director Stephen Fenby.



RESELLER

■ **Alibaba** is set to launch a London datacentre, according to rumours and literature on its website. Information displayed on a recently added landing page says that the Chinese giant will offer elastic compute services from \$39.92 a month from its new London region as it bids to take on AWS, Azure and Google in the UK.

■ A public sector ban that has hamstrung **Atea's** business in Denmark for more than two months has finally been lifted, after contracting bodies green-lit the reseller's actions to prevent "future corruption and misconduct". Danish public sector bodies SKI and Moderniseringsstyrelsen have approved documentation relating to Atea's self-cleaning programme, an EU-directed process to prove the firm has taken steps to stamp out corruption or unethical behaviour. The approval will be met with a sigh of relief by Atea Denmark employees, who have been unable to conduct business with public sector customers for over two months while the self-cleaning documentation was evaluated. See the Danish MD's first interview since the scandal [here](#).

■ French integrator giant **Aubey** is aiming to hit €400m in revenues for its FY2018, off the back of strong organic growth. It logged €197.3m in sales for the first six months of the year, up 8.9 per cent year on year. Aubay's board of directors said they have now increased its organic growth target for 2018 to between seven and nine per cent, up from the initially announced five and seven per cent window. Its former FY2018 turnover target was €395m. Operating income was, however, down 11.1 per cent to €16.03m, attributed to "consolidation of the group's acquisition in Italy".

■ **Bechtle** has closed its largest-ever acquisition in the shape of €420m-turnover Inmac Wstore. After being given unanimous consent by Inmac Wstore's employees' workers council in July, Bechtle has now obtained all regulatory approvals to proceed with the acquisition. Bechtle intends to keep Inmac Wstore's current management team in place, and the French company will be headed by Jacques Théfo. Acquiring the 400-employee-strong firm will add €420m in sales to Bechtle's relatively small French operations.

■ Software asset management (SAM) vendor Snow Software has announced a global partnership with service provider

COMPAREX. The companies previously had local agreements for their 200 joint customers, which are now being replaced by a single, global agreement between the two.

COMPAREX said it is currently in the process of revamping its SAM managed service, which is due to be launched in mid-autumn 2018. As part of the agreement with Snow, COMPAREX will integrate Snow's technology into its managed service offering.

■ Managed service provider (MSP) **Claranet** has become the 35th Azure Expert MSP in the world. The London-based firm joins an elite collection of partners around the world including New Signature, Cloudreach and Comparex, according to Microsoft's website. Microsoft launched the Azure Expert MSP programme just before its Inspire conference, held in Las Vegas earlier this year.

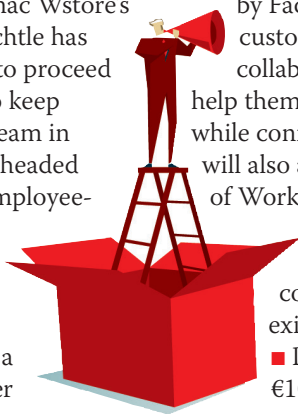
It claimed that partners have to go through a "rigorous" application process before being awarded the accreditation. A list of Azure Expert MSPs can be found [here](#).

■ **Computacenter** has acquired Misco's last remaining European subsidiary in the Netherlands. Based in Amstelveen, Misco Solutions employs around 200 staff and logged revenues of €134m in 2017. The Dutch company will be rebranded as Computacenter NL, *CRN* understands. The acquisition was officially completed at the end of September, with Computacenter claiming to have covered the cost of the transaction using existing cash resources.

Separately, the firm was one of the first global partners for Microsoft's newest offering, Microsoft Managed Desktop (*see vendor section for details*).

■ Norwegian channel giant **Crayon** has inked a deal to become a global reseller for Workplace by Facebook. The SAM specialist will train customers on how Facebook's corporate collaboration and communication tool can help them to draw on existing investments in IT, while connecting to other applications. The firm will also act as an aggregator and distributor of Workplace for other partners. Crayon CEO Rune Syversen said that the move was driven by customer demand for communication solutions to work within existing enterprise IT.

■ Paris-based VAR **DCI** has become a €100m-turnover player after acquiring



Cisco Gold partner Rétis in northern France. The deal will add 170 staff across seven subsidiaries in France, almost doubling DCI's headcount to 350 staff. See interview with DCI's CEO [here](#).

■ Nordic reseller giant **Dustin** is looking to raise a SEK 700m (€66.5m) M&A war chest by inviting existing shareholders to buy more stock in the company. The €850m-turnover firm has called on its existing shareholders to purchase new shares through a rights issue, which it will use to fuel acquisitions in its existing markets: Sweden, Denmark, Norway, Finland and the Netherlands.

An extraordinary general meeting will be held on 10 October, where existing shareholders will be able to vote on whether or not the new issue of shares should go ahead.

■ Global IT integrator **Getronics** has launched a Women in Technology initiative which it says affirms its commitment to promoting diversity within its ranks. The initiative will be led by a working group comprising role models within its leadership. It will host regional roundtables, with the aim of providing practical advice on business development strategy and identifying talent internally. Read the [full story here](#).

■ **Infosys** acquired Platinum-level Salesforce partner Fluidio this month, increasing its market presence in six northern European countries. Financial terms were not publicly announced, but a regulatory filing revealed the deal is worth \$75.8m. Infosys is already a platinum Salesforce partner, and the addition of Fluidio will bring with it a further 200 Salesforce experts in five EMEA geographies – Finland, Sweden, Norway, Denmark and Slovakia.

■ The CEO of pan-European datacentre reseller **MTI** claims the firm invested £2.5m more in the business in his first year in charge, while still reporting higher underlying profits. Scott Haddow took the reins of the Godalming-based Dell EMC partner last February, on the heels of its takeover by private equity firm Endless LLP. It has operations in the UK, France and Germany. [Click here](#) for the full story.

■ Audiovisual (AV) specialist **Saville** has been restructured into three businesses, with the AV and live events businesses now sitting under the Saville Group banner. The firm's reseller business will now be known as Visavvi, while the live events business has become Sparq. Saville underwent a management buyout last year, with chairman John Sills retiring. The group saw its revenue decline one per cent year on year in the period ending 31 December 2016, to £34.4m. Joint MD Andy Dyson

added that the firm's revenue is now over £41m.

■ **SoftwareONE's** UK arm has seen its operating profit rocket 254 per cent as its shift to a managed services provider gathers pace, according to UK managing director Zak Viridi. For the 12 months ending 31 December 2017, SoftwareONE saw its revenue increase 10 per cent year on year to £137m, while operating profit rose from £800,000 to £2.8m.

■ Chippenham-based VAR **Solar Communications** has been acquired by Wavenet for an undisclosed fee. The deal sees Wavenet support its recent pledge to embark on an M&A spree after raising £75m in funding. Wavenet claimed the combined firm will serve almost 10,000 companies in the UK. Solar's CEO John Whitty will remain at the firm and play a "key role leading the integration of the businesses".

■ Ireland-based managed services provider **Trilogy Technologies** has almost doubled in size after announcing a "transformational deal" for cybersecurity specialist Zinopy Security.

Trilogy's headcount will vault from 60 to 100 and its revenues to €20m as a result of the acquisition, which follows its purchase of London-based B2Lateral in 2014. With 40 staff, Zinopy is "one of the most highly regarded specialist IT security brands in the country", according to Trilogy managing director Edel Creely.

The acquisition will add managed security might to the arsenal of Dublin-based Trilogy, which already claims it is Ireland's "leading provider of remote IT managed services". Following the acquisition, Trilogy will relocate to a new 8,500 sq ft office in Park West, Dublin.

■ **Wipro Limited** is partnering with connect planning software firm Anaplan to deliver cloud-based enterprise performance management (EPM) solutions to simplify and automate core enterprise functions for customers. Wipro will leverage its consulting and execution expertise to deploy Anaplan's connected planning platform across customers' business functions. The company said organisations across all industries are under pressure to upgrade their legacy EPM solutions to cloud-based solutions for faster decision making to fuel business growth.



RESEARCH

■ Figures released by Spiceworks claimed that 89 per cent of companies expect their IT budgets to grow or remain flat in 2019. The firm's *2019 State of IT Budgets* report into IT spending in North America and Europe says that although factors driving budget increases vary significantly by company size, 64 per cent of those planning to increase budgets are doing so to upgrade outdated IT infrastructure.

Organisations that expect budget growths next year anticipate a 20 per cent increase on average, up from 19 per cent in 2018. Larger organisations are most likely to see their budgets grow: 56 per cent of companies with more than 5,000 employees expect IT budgets to grow, and 43 per cent expect them to stay the same in 2019.

■ 2018's "enterprise tech IPO party" may be far from over, according to 451 Research. The firm notes that more tech vendors have gone public than any other year in the recent decade, with nearly 40 other B2B tech companies "waiting in the wings" for an IPO. It claims application software and security companies, propelled by robust business spending, dominate both launched and would-be IPO lists. Of the 39 candidates 451 tracks in its "shadow IPO pipeline", three quarters of them, including the likes of Anaplan, CrowdStrike and Turbonomic, are in the application and security segments that have so far dominated actual initial public offerings.

■ The worldwide public cloud revenue market is forecast to grow 17 per cent to \$206bn in 2019, according to Gartner. This year is expected to see revenues in the market hit \$176bn, an increase of 21 per cent from 2017. Software-as-a-service (SaaS) is the dominant segment in the public cloud market, with Gartner predicting revenues will grow 17.8 per cent to reach \$85bn in 2019. The analyst expects

SaaS to maintain this market dominance over the next four years and generate global revenues of \$113bn by 2022.

■ The worldwide PC market will enjoy a slight recovery in 2019, with shipments of desktops, notebooks and two-in-ones set for 0.3 per cent growth after seven years of decline, according to Canalys, with the Windows 10 refresh continuing to be a main driver of commercial demand for PCs, according to the analyst.

■ Germany, Poland, Slovakia and the UK were the only countries in a Context survey found to be less optimistic about the market than at this time last year. The downbeat outlook comes at a time of growth in the channel globally, Context said, with the distribution market up 5.1 per cent year on year in the first half of 2018. Context's *ChannelWatch* report, which surveys more than 7,000 resellers globally in 14 countries, claims that 10 per cent of respondents expect to be in a worse state next year than they are in now. →



■ The worldwide converged systems market revenue increased 9.9 per cent year over year to \$3.5bn during the second quarter of 2018, according to IDC. The analyst's *Worldwide Quarterly Converged Systems Tracker* shows datacentre infrastructure convergence remains an important investment driver for companies. Growth was generated by revenue from hyperconverged systems sales, which grew 78.1 per cent year over year during Q2 2018, generating \$1.5bn of sales. This amounted to 41.2 per cent of the total converged systems market.

■ Managed print services providers could be the key to unlocking digital transformation in the SMB market, according to Quocirca. The analyst conducted research among SMBs throughout the USA and Europe, and found that 81 per cent of those surveyed believe digitising paper-based processes will be important for driving their organisation's digital growth by 2025. It also found that 47 per cent of SMBs polled are planning to invest in digital workflow solutions and more than half are expecting to increase their use of collaboration tools in the same time period.

■ Worldwide shipments of virtual reality (VR) headsets were down 33.7 per cent year over year in Q2 18, according to latest IDC figures. But its *Worldwide Quarterly Augmented and Virtual*

Reality Headset Tracker positions this as "a temporary setback as the VR market finds its legs". It notes the arrival of new products, such as the Oculus Go and HTC Vive Pro, and new brands, combined with the need for greater headset fidelity "all point to a positive outlook for the quarters ahead". The analyst added that the market was "artificially propped" up by brands such as Samsung, Alcatel and Google that bundle headsets with smartphones.

■ Worldwide spending on mobility solutions will reach \$1.8tn in 2022, according to IDC. The analyst's updated *Worldwide Semiannual Mobility Spending Guide* shows that while annual growth will vary somewhat over the 2017 to 2022 forecast period, the five-year CAGR will be 2.8 per cent, up from \$1.63tn in 2018. It says professional services will lead mobility spending in 2018 at \$44.9bn, followed closely by the banking industry at \$44.5bn.

From a technology perspective, mobility services will be the largest area of spending throughout the 2017 to 2022 forecast, surpassing \$1tn in 2021. Hardware will be the second-largest technology category, with spending forecast to reach \$738bn in 2022. Despite being the smallest technology category, software will see strong spending growth (12.9 per cent CAGR) over the five-year forecast.

■ More companies are moving to the cloud, according to stats from a study from Sumo Logic. The report, *State of Modern Applications and DevSecOps in the Cloud*, shows the percentage of exclusively on-premise workloads decreased dramatically from 26 per cent in 2017 to 16 per cent in 2018. It also found that containers and servers are becoming more popular in AWS – Docker adoption has grown to 28 per cent in AWS and AWS Lambda in production has grown to nearly 30 per cent.

■ Less than a third of email traffic in the first half of 2018 was considered 'clean' and delivered to an inbox. A study by FireEye for its *Email Threat Report* also claimed that one in every 101 emails had malicious intent. It claims that cybercriminals are now exposing organisations to malware-less assaults, such as CEO fraud. In →



fact, 90 per cent during analysis were malware-less, with phishing attacks alone making up 81 per cent of the blocked malware-less emails, almost doubling from January to June 2018.

■ Dell has become the biggest global server vendor for the first time, with an 18.8 per cent market share, according to IDC. The company was previously second to HPE in the second quarter of 2017, but saw a growth of 53 per cent year on year to \$4.2bn in Q2 2018. HPE saw its hold on the market shrink from 21.4 per cent in Q2 2017 to 16.6 per cent over the same period this year.

Sanjay Medvitz, senior research analyst of servers and storage at IDC, attributed the revenue growth to a market-wide enterprise refresh cycle and increasing demand from cloud service providers. Vendor revenues in the global server market hit a record \$22.5bn in the second quarter of this year, according to the analyst.

■ Mobile fraud reached 150 million global attacks in the first half of 2018, according to the results of analysis by ThreatMetrix. In the US, mobile attack rates experienced a growth rate of 44 per cent – far higher than the 24 per cent recorded globally over the same period. Globally, one third of all fraud attacks are now targeting mobile transactions, which the ThreatMetrix data claims now comprises 58 per cent of all traffic.

■ Some 70 per cent of businesses worldwide failed to address requests made from individuals seeking to obtain a copy of their personal data under GDPR within the one-month time limit, according to research from data integration vendor Talend. The study found GDPR compliance is higher outside Europe, with 35 per cent of European companies providing the requested data and 50 per cent of non-European companies.

■ Worldwide revenue of the security appliance market increased 11.1 per cent quarter over quarter in Q2, and 17.0 per cent year over year to \$3.6bn, according to IDC's *Worldwide Quarterly Security Appliance Tracker*. Unit shipments experienced similar growth, increasing 9.9 per cent quarter over quarter and 25.3 per cent year over year to 921,278 units.

■ The global wearables market is forecast to ship 122.6 million units in 2018, up 6.2 per cent from the 115.4 million units shipped in 2017, according to IDC's *Worldwide Quarterly Wearable Device Tracker*. This will be the first year of single-digit year-over-year growth for the wearables market, which IDC attributes to “continuing softness” among basic wearables – devices that do not run third-party applications. However, the analyst said double-digit growth will return in 2019 and through the rest of the forecast as smartwatches and new form factors gain acceptance. In 2022, IDC expects total shipment volumes to reach 190.4 million units, resulting in a compound annual growth rate of 11.6 per cent over the five-year forecast.

■ Almost 50 per cent of organisations have deployed or plan to deploy machine learning within the next 12 months, according to figures from 451 Research.

The analyst's *Voice of the Enterprise (VoTE): AI & Machine Learning – Adoption, Drivers and Stakeholders* 2018 survey results show that

almost half (49 per cent) of survey respondents cited gaining competitive advantage as the most significant benefit they have received from the technology, Nick Patience, founder and research VP for software at 451 Research, said about the findings. There are some barriers to adoption, 451 said, with most respondents citing a shortage of skilled resources (36 per cent), meaning a lack of data science skills.



ANALYSIS

September is usually where the industry picks up pace after the August lull, where M&A activity and bullish statements accompany the lead-up to the fourth quarter of the year.

But seeing as the industry failed to slow down over the summer, September was business as usual.

Starting with the vendor space, acquisition was very much a factor; with **Bomgar** acquiring **BeyondTrust**, **Microsoft** investing in AI start-up **Lobe**, and the **Tintri** saga coming to an end with **DataDirect Networks** finally acquiring the beleaguered vendor for \$60m after a bidding war at auction.

Tintri's journey has been well documented: founded in 2008, the firm raised over \$260m in funding rounds with reports claiming the firm was once valued at over \$800m. When it listed on the stock exchange in June 2017, it was valued at \$225m. However, its share price plummeted over time, until it filed for bankruptcy a year later. Hopefully its employees will enjoy a period of stability under its new owner, although some strategic reorganisation is inevitable.

Dell also had an interesting month, raising its financial outlook after a strong second quarter and emerging as the biggest global server vendor for the first time, according to IDC, ousting its biggest competitor **HPE**. Both vendors have made no apologies for the depth of their rivalry towards each other over the years. However, it was Dell's ongoing 'will it, won't it' IPO saga that really had industry tongues wagging. Despite declaring the IPO was practically off over the summer, it emerged in various reports that it is now back on the table.

Symantec appeared to get on the right track in September after suffering a turbulent time recently; slashing its workforce and undergoing investigations into 'financial discrepancies'. The firm took on three new board members with 'encouragement' from its recent investor **Starboard Value**.

In less joyous vendor news, cybersecurity testing firm **NSS Labs** filed a lawsuit against Symantec and peers **CrowdStrike** and **ESET**, accusing them of failing to reveal flaws in their products. If the case is successful, it could prove costly for the trio, as anti-competitive activity is frowned upon most heavily.

Another vendor under the kybosh this month was **Oracle**, whose numbers failed to impress Wall Street, and its new method of reporting coming under fire from all sides.

Pressure could also be mounting on **Amazon**, after the European competition commissioner confirmed the EU body is 'gathering information' on how the online behemoth uses data from sellers on its third-party marketplace to see if the data is giving it an unfair advantage. Although no investigation has been launched, Google's eyewatering \$5bn fine for anti-competitive practices is still raw, and it is something Amazon would not welcome, despite its size.

Distribution was a bit of a mixed bag this month, with players such as **Exertis** and **Midwich** going from strength to strength thanks to their successful overseas acquisition strategies.

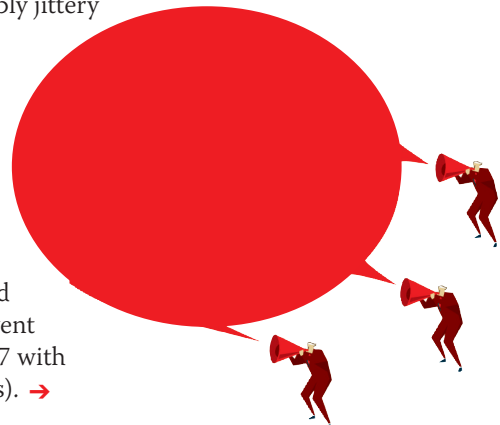
Exertis' recent US adventure has seen the firm's American division increase to \$600m in value after yet another acquisition – this time in the form of AV outfit **Jam Group**. Midwich, meanwhile, is pushing on with its aggressive growth strategy in Europe, snapping up French player **Sound Directions**.

September was also a positive month for **Esprinet**, which saw EBIT increase for the first time in two years. The Italian distributor's CEO Alessandro Cattani said the firm had spent two years integrating its acquisitions, cutting costs, and generally getting in shape for the future. He said the firm is now ready to start looking at its next phase of growth, with any acquisitions likely at a steadier pace than in the past.

Another European distributor in bullish mood this month was **ELKO**, which is pushing hard to be top dog in its native Poland, but it is set for a hard battle with rival **AB Group**, which claimed at the same time that it is 'crushing' all its rivals in the region. Will the two end up merging in the future?

In not-so-positive news, **Beta Distribution** in the UK confirmed it has had credit cover withdrawn from multiple credit insurer sources, which are understandably jittery

after recent experiences with big names such as **Entatech** (went under in 2016 with debts of £9.7m) and **Misco UK** (went under in 2017 with £21.8m debts). →



Other distributors that suffered in September included **Action Europe**, which announced it will cease trading with immediate effect after it failed to find an investor, and **Adveo**, which is working hard to eliminate a mountain of debt.

Talking of beleaguered firms and moving onto the reseller space, **Atea's** Danish business is definitely seeing light at the end of the tunnel now that a two-year public sector trading ban has been lifted, after the firm went through a stringent 'self-cleaning programme' to rid itself of corruption and unethical behaviour. Its perseverance has definitely paid off, and is a lesson to all firms out there to never take their eye off the ball.

Acquisition activity was also rife in the reseller space, with **Computacenter** acquiring Misco's Netherlands subsidiary, **DCI** acquiring **Retis** in France, **Bechtel** closing its giant acquisition of **Inmac Wstore** also in France, and **Infosys** growing its reach across six northern European countries with the acquisition of **Salesforce** partner **Fluidio**.

In Ireland, MSP **Trilogy Technologies** nearly doubled in size after acquiring **Zinopy Security** in a 'transformational deal' – the terms of which were undisclosed. And back to the UK, where **Solar Communications** was snapped up by **Wavenet**, as the firm looks to spend a £75m acquisition chest.

Nordic player **Dustin** revealed it was hoping to kick off its own acquisition spree by encouraging shareholders to buy more stock and help it amass a €66.5m M&A war chest.

Moving onto research, the message was again overwhelmingly positive, with several technology areas highlighted for future growth – namely the security appliance market, which increased one per cent; and the global wearables market, which is set to grow over six per cent in 2018 according to IDC.

On the same theme, global spending on mobility solutions will hit \$1.8tn by 2022, and the global public cloud market is set to grow 17 per cent by 2019, according to Gartner, with SaaS being the dominant segment in the market. It was even

positive news for the beleaguered PC market, which is predicted to enjoy a slight recovery in 2019, according to Canalys; driven by the Windows 10 refresh and increased demand for desktops, notebooks and two-in-ones.

Also on a positive note, Spiceworks figures revealed that 89 per cent of companies questioned across North America and Europe expect their IT budgets to grow or at least remain flat in 2019, with many of them planning to upgrade outdated infrastructure. Any positive news from customers is definitely a good sign for the channel. In addition, 451 figures revealed that nearly 50 per cent of organisations have already deployed or are planning to deploy machine-learning solutions in the coming year – proving that despite the ongoing hype over artificial intelligence, it is an area that is growing in popularity as firms begin to realise the benefits the technology could bring them.

However, despite a hint of the good times to come, less welcome figures from analyst Context showed that Germany, Poland, Slovakia and the UK were the only countries to be less optimistic about the market than at the same time last year. This is despite a time of growth in the global channel, the analyst said, with distribution up 5.1 per cent year on year. The research questioned 7,000 resellers from 14 countries.

All in all, it appears that the industry was in robust health for September, and although there were some setbacks for a handful of players, the news and noise emerging from the market was mainly positive.

The number of firms in all three areas of the channel experiencing phenomenal growth either because of organic or acquisition activity is staggering, and it is a pace that has not slowed for the majority of the year. Players that are established in the market seem to have the balance just right in terms of investment, acquisition and organic growth, and are making hay while the sun shines.

Cross-border acquisition is now becoming the norm, and firms are hedging their bets in terms of where to invest, and not just relying on one territory to keep the good times rolling, instead spreading the investment over multiple territories.

As we go into October and the notoriously busy Q4 kicks off, the channel is looking the healthiest it has done for years, with a number of strong players just getting stronger.

Can this pace and positivity really continue? Fingers crossed.



EVENTS

■ **CRN European Channel Leadership Forum, London** – this two-day event featured over 50 of the top CEO names from the UK and European channel as delegates, who enjoyed a packed schedule including Atea CEO Steinar Sønsteby, Emma de Sousa from Insight, Graeme Watt from Softcat and former Sainsbury's CEO Justin King. Read more [here](#) and click [here](#) for a video round-up.

■ **Microsoft Ignite, Orlando** – The event saw a multitude of features and upgrades to its products and services, and included the announcement of an

initiative with Adobe and SAP to help businesses better connect their customer data. [See more here.](#)

■ **Dreamforce 2018, San Francisco** – More than 170,000 attendees from 83 countries descended on San Francisco to attend the annual Salesforce Dreamforce conference. The firm used the conference to unveil a multitude of new integration, productivity and AI platform services, and also announced new strategic partnerships to help its partners connect with customers in new ways. [Full story here.](#)

MISCELLANEOUS

■ Four tech rivals have written to the US Trade Representative asking for protection from the proposed latest round of tariffs on Chinese goods. Dell, Cisco, Juniper Networks and Hewlett Packard Enterprise have banded together to argue that the new taxes could result in American job losses.

The BBC reports that the firms are concerned that the tariffs will increase the costs of their hard drives, servers and networking equipment since many of their components come from China. They say that duty of between 10 and 25 per cent “would cause broad, disproportionate economic harm to US interests”, affecting spending on R&D and a slowdown in innovations, such as cloud computing and the rollout of 5G networks in the US.

■ The US, UK and three other governments have called on tech vendors to build backdoors into their encrypted products to make it easier for law enforcement to obtain access. The request follows a meeting between nations in the Five Eyes pact, an intelligence-sharing agreement between the US, UK, Canada, Australia and New Zealand. The nations jointly issued a statement saying that if tech firms don't comply with the demands, they “may pursue technological, enforcement, legislative or other measures” in order to get into locked devices and services.

■ Apple ended its two-year legal battle by handing over €14.3bn in tax and interest to Ireland,

according to the *Financial Times*. In 2016, the European Commission ruled that the tax relationship – which resulted in a tax rate of less than one per cent – between Apple and Ireland broke the EU's rules on state aid. The EU launched a court case last year against Ireland for failing to retrieve the back taxes, which has now been dropped following the full recovery of the money.

■ Margrethe Vestager, European Commissioner for competition, told a press conference that the EU has been “gathering information” on how Amazon uses data from sellers on its third-party marketplace, in order to deduce whether that data is giving the company the edge over its rivals. According to a report by *The Verge*, no investigation has yet been launched, but the probe comes on the heels of Google's record \$5bn fine a few months ago for anti-competitive practices in the EU.

■ CompTIA launched a fundraising effort to assist victims of Hurricane Florence, and is encouraging its members, as well as the wider industry, to join in the effort. Through its CompTIA Giving charity arm, the IT association will match dollar for dollar all contributions up to a total of \$100,000, according to Charles Eaton, the EVP for social innovation and CEO of Creating IT Futures. “All indications are that Florence will be a storm unlike any other,” Eaton said in a statement.

