CRN

CHANNELWEB.CO.UK

DECEMBER

2018

CHANNEL ROUND-UP

VENDOR

■ **Apple** is set to build a new $1bn (£787.6m) campus in Austin, where it claims it could eventually employ 15,000 people. The company, which has 90,000 workers in the US, said it also plans to open 1,000-worker operations in San Diego, Seattle and Culver City; and add hundreds of employees in offices in New York, Pittsburgh and Boulder in the next three years, with the potential for additional expansion elsewhere in the US over time. First announced in January, Apple said it is on track to create 20,000 jobs in the US by 2023.

■ **AWS** set its first infrastructure region in the Nordics live this month as the public cloud giant continues to ramp up its datacentre presence on the continent. The new AWS region, named Europe (Stockholm), connects users to three "availability zones" – or clusters of datacentres – based in Stockholm, Sweden. The expansion – which was first promised at the beginning of 2017 – marks AWS' first datacentre facilities in the Nordics, adding to existing regions in Ireland, the UK, Germany and France. AWS now boasts 15 availability zones across the continent.

■ As predicted, **Dell** returned to the public market this month, listing on the New York Stock Exchange under the moniker Dell on 28 December. According to a **Reuters report** the firm's share price opened at $46, giving the company a valuation of $16bn. The move brings a restructuring process that started at the beginning of the year to a close. To achieve the flotation, Dell bought back shares of DVMT, a tracking stock linked to its VMware subsidiary that made it a public company. Activist investors including Dell tormentor Carl Icahn threatened to scupper the move, claiming Dell wasn't paying a fair price for the stock. However, an improved offer won support from shareholders earlier in the month.

■ The channel will become central to **Fujitsu's** business when it closes its sole remaining European product facility in the next two years, according to Paul Mclean, director of channel sales at Fujitsu UK. The vendor announced in October that it plans to shutter its product development, manufacturing and logistics centre in southern Germany, and move it to Japan. **Full interview here.**

■ India's third-largest software services firm, **HCL Technologies**, has announced it will acquire $1.8bn of IBM's software products. The acquisition, which is expected to close by mid-2019, is being touted by Reuters as the largest-ever purchase by an Indian IT services firm. IBM said the software products it is divesting represent a total addressable market of more than $50bn. The sale covers seven software platforms, which the Indian firm said will boost its portfolio in the commerce, security and marketing verticals. **Full story here.**

■ **HPE** enjoyed a strong fiscal 2018, with net revenues of $30.9bn, a seven per cent increase from FY17. This trend was reflected in its Q4 results, where net revenue saw a year-on-year growth of four per cent to $7.9bn. Numbers were also up across the board, with CEO Antonio Neri reporting that the storage business was up 15 per cent for FY18, and its intelligent edge business also up 15 per cent for the full year. **See here** for the full results round-up.

■ **Huawei** revealed it will be spending $2bn on cybersecurity over the next five years, according to a **Reuters report**. The Chinese smartphone vendor said the money will be spent on adding more people and upgrading lab facilities.

■ US software vendor **Infor** acquired one of its own partners in the Netherlands in a move to grow its customer base in the food and beverage vertical. The acquired firm – a systems integrator ➔

called Alfa-Beta Solutions based in Arnhem in the Netherlands – claims to specialise in mid-market and large enterprise customers in the food and beverage sector. The Gold-level Infor partner consists of 70 employees across its Dutch headquarters as well as an office in Darmstadt, Germany. It also works with IBM around Watson Analytics and software vendor Birst, billing itself as a business intelligence and ERP specialist.

■ **NetApp** unveiled new data services and solutions for the cloud this month. Building on the products that the vendor rolled out at NetApp Insight in Las Vegas in October, the new offerings include the expanded availability of the Microsoft Azure NetApp Files preview and NetApp Cloud Volumes for Google Cloud Platform, and NetApp SaaS Backup for Salesforce.

■ **Netwrix** is set to expand its technology partnership with Concept Searching by acquiring the firm for an undisclosed sum. Netwrix, which provides a visibility platform for data security and risk mitigation in hybrid environments, said it is snapping up Concept Searching to enhance customers' contextual awareness into sensitive structured and unstructured data, both on-premise and in the cloud.

In a statement, the company added that the acquisition will allow the Netwrix partner network to extend its portfolio of security products and services addressing the data-centric audit and protection market.

Separately, the firm also launched a partner sales certification programme for its Netwrix Auditor

platform. The programme is a new component of the Netwrix channel partner programme, which also added a technical certification programme earlier this year.

■ **Oracle** has filed a lawsuit in federal court alleging that the Department of Defense's Joint Enterprise Defense Infrastructure (JEDI) contract is "unfair and illegal". Oracle is arguing that the decade-long contract, which is worth $10bn, favours a single cloud vendor – which many believe is AWS.

Oracle filed a similar complaint with the Government Accountability Office last August, but it was ruled against. The latest complaint with the US Court of Federal Claims has been sealed at Oracle's request, but is available in the public record with redactions.

Separately, the firm saw total revenue of $9.6bn for its second quarter – up two per cent when compared with the previous year and $40m more than Wall Street predicted. Its share price rose 3.8 per cent as a result. Cloud service and licence support revenue accounted for almost 70 per cent of total revenues, hitting $6.6bn – up five per cent on the previous year.

■ Private equity firm **Thoma Bravo** is reportedly in talks to buy all of cybersecurity giant McAfee from its current owners Intel and TPG Capital. CNBC reports that the discussions are still in the early stages and "may still fall apart", but that the price being discussed is for more than its $4.2bn valuation when it previously changed hands.

Intel purchased McAfee for $7.6bn in 2010, taking it from a public to a private company. At the time, Intel hoped to combine its chips with McAfee's technology. The chip maker then sold 51 per cent of the business to private equity firm TPG in 2016, in a deal valuing it at $4.2bn. In 2017, Thoma Bravo was brought on as a minority investor, in an agreement with TPG. **Full story here.**

■ Manchester-based hosting provider **UKFast** signed over a 30 per cent stake in the business to London-based investor Inflexion Private Equity. The minority funding deal with Inflexion's Partnership Capital Fund values UKFast at £405m, based on an EBITDA of £25m. UKFast first unveiled plans to IPO this summer, which it claimed would value it at more than £350m. The hosting provider is expecting to hit £54m in revenues for its full 2018 year.

Founded in 1999 by Lawrence and Gail Jones, UKFast is now a 350-employee-strong firm catering for 5,500 SME and 200 mid-sized customers through its five tier-3 datacentres.

DISTRIBUTOR

■ Switzerland-based distributor **ALSO** has acquired a €39m (£35m)-turnover distributor in Croatia as it continues to aggressively expand in central and eastern Europe. ALSO announced the purchase of RECRO, a Zagreb-based HP and Microsoft distributor for an undisclosed sum, which it claims further cements its presence in eastern Europe and the Adriatic region. RECRO won Microsoft Partner of the Year in Croatia in 2018, and claims to provide value-added services around the vendor's cloud portfolio. The deal is expected to close in early January.

■ **Avnet** acquired artificial intelligence (AI) software specialist Softweb Solutions for an undisclosed sum this month. Softweb employs around 500 people, and delivers IoT-based applications and systems aimed at increasing efficiency and helping businesses transform. Avnet claims the buy will provide it with a rapid design, development and deployment capability that will boost its recurring revenue opportunities in the future.

■ Ingram Micro's Chinese conglomerate owner **HNA** confirmed to the Shanghai stock exchange on 24 December that "due to changes in market conditions and the company's strategy, the company is in talks with a concerned party on selling Ingram Micro". According to both Reuters and the *Wall Street Journal*, which reported three days earlier that HNA is in talks with Apollo, HNA is seeking $7.5bn, including $1.5bn in debt, for the distribution behemoth.

■ **QBS Software** became the sole UK distributor for Canadian software vendor OpenText, as the firm looks to renew its focus on the UK market. OpenText specialises in enterprise information management (EIM), and is publicly listed on the NASDAQ. **Read the full story here.**

■ **Tech Data** kicked off a global business optimisation programme this month by cutting jobs. A report by Florida-based publication *Catalyst* cited a quarterly filing with the Securities and Exchange Commission, where the distributor said it recorded $8.7m in severance costs for the three months ending 31 October. Tech Data said the optimisation programme, initially outlined by chief executive Rich Hume in August, is designed to "increase investments in the company's strategic priorities, drive productivity and enhance profitability".

RESELLER

■ Microsoft and Red Hat partner **Adesso** has opened its first office in French-speaking Switzerland. The new location, situated in a co-working space just outside Lausanne in the south of the country, is already up and running with a dozen employees specialising in selling Red Hat middleware solutions. The Swiss firm has appointed former CGI and Texelia exec Sébastien Fabbri as the local manager for the site.

■ **Bechtle** pledged to almost triple its top line by 2030 as it set a €10bn revenue target. The new target was revealed to its 10,000-strong workforce during a webcast this month as part of its "Vision 2030" forecast. Hitting €10bn in revenues will mean Bechtle will have to grow its 2017 turnover of €3.57bn by 180 per cent over the next 12 years. As a result, Bechtle will have to add €6.43bn to its revenues until 2030, equating to an average of €495m each year. The Germany-based reseller also restated its 2020 target of growing its EBT margin to five per cent, up from 4.6 per cent last year.

■ Internet of Things (IoT) specialist **Boston Networks** made its second purchase of the year, by acquiring Newcastle-based 2020 Vision Systems for an undisclosed sum. Specialist investment fund Aliter Capital bought a major stake in Boston in January this year. The deal brings the headcount of Boston Group to 170, following its acquisition of AV reseller PEL Services in April.

■ Channel giant **Buy IT** has acquired asset recovery and refurbishment firm Trojan Electronics in a pre-pack deal after the organisation entered administration in November. Buy IT managing director Nick Glynne said his Swansea-based firm sees a large chunk of its business come from refurbishing and selling products that suppliers have had returned to them by customers. He said that all members of staff have been kept on, with around £3m of debt paid. In its most recent full accounts on Companies House, Trojan reported a revenue of just under £9m for the year ending 29 September 2017, with an operating loss of £522,180.

■ **Circle IT** reported record turnover of £15m for its latest fiscal year, which was partly driven by focusing on its local customer base, according to CEO Roger Harry. The Welsh VAR's revenue increase, for its year ending 30 November 2018, marks a 39 per cent growth on last year's figure. The Cardiff-based MSP has a headcount of 85, and has an office in Amsterdam. It works primarily in the education sector and counts Dell EMC, Microsoft and Mimecast among its vendor partners.

■ **Claranet** delivered near 50 per cent growth in FY2018, in what CEO Charles Nasser described as an "exceptional" year for the London-based MSP. Adjusted EBITDA for Claranet's financial year ending 30 June 2018 increased by 29 per cent to £50m on revenues that soared by 49 per cent, totalling £321.6m. Claranet claims both organic growth and acquisitions contributed to the steep revenue climb. The MSP made a triple M&A swoop in 2017 for UK security firm Sec-1, French DevOps outfit Oxalide and €95m-turnover Portuguese VAR ITEN Solutions.

■ **King of Servers** has rebranded to Evaris after acquiring Manchester-based MSP Think4 IT. The newly formed firm will offer a range of services including cloud management and disaster recovery, as well as expertise in servers, storage and networking. Evaris lists Dell EMC, Microsoft, and HP as key vendors on its website. →
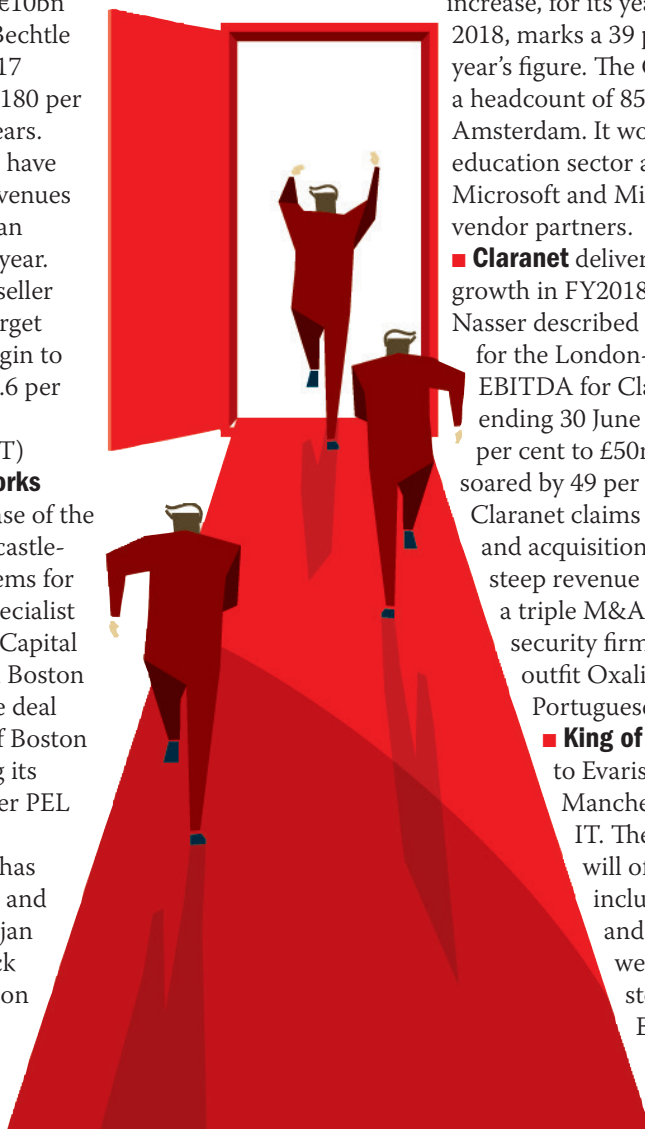
■ Storage integrator **Proact** is aiming for eight per cent profit margins as part of its raised financial outlook for the coming years, as it looks to both organic growth and acquisition opportunities. The Sweden-based firm plans to hit an eight per cent EBITA margin and post at least 10 per cent year-on-year revenue growth for each financial year.

Proact will also strive to grow its returns on capital to at least 25 per cent, while maintaining a long-term dividend of 25 to 35 per cent of after-tax profits each year. The firm intends to further develop its cloud services portfolio as it looks to achieve its goals.

■ **SoftwareONE** revealed it was set to appoint Dieter Schlosser as its new CEO following the tragic and untimely death of previous incumbent Patrick Winter this summer. Schlosser joined the company in 2012, and lately held the position of global COO and transformation leader. He will take the reins as chief executive on 1 January 2019. Daniel von Stockar, SoftwareONE's chairman, welcomed the news and said there is "no better person" to oversee the company's merger with former rival Comparex.

■ Ambitious cloud player **Smarter Business Processes** opened its first US office in New York, marking its first international expansion. The recent opening of the Wetherby-headquartered firm's office in One World Trade Centre in New York came about because of a doubling of its headcount from seven employees to 14, according to its managing director Richard Rymill. He also hinted at future expansion in other geographies including Australia.

■ Global SI **Wipro Digital** is teaming up with Alfresco to create, build and run open source-based digital transformation programmes for its clients, across the globe. As a part of this alliance, the two companies will launch a series of go-to-market initiatives which include a joint predictive service automation solution using AI, machine learning and a microservices-based framework, that Wipro claimed "will transform the future of asset maintenance".

Separately, the firm has achieved 'Cloud Elite' status in the Oracle PartnerNetwork (OPN) Cloud Program. The status is awarded to Oracle partners that have managed multiple cloud implementations for clients across the globe in the SaaS, PaaS and IaaS space.

RESEARCH

■ Growth in the global server market will slow down during the first six months of 2019, according to analyst DRAMeXchange, which predicts a modest two per cent increase in shipments compared with the same period last year. IT buyers have been stocking up on servers in order to migrate to the latest processor platforms earlier than expected, the firm claimed, which will in turn lead to lower demand going into next year. Dell EMC is marked as the market leader by global shipments, making up 16.7 per cent of total units in 2018, while HPE and Insupr come second and third with 15.1 per cent and 7.8 per cent respectively.

■ The channel needs to adapt to a new generation of IT buyer, according to Forrester. Speaking at RingCentral's Connect Central event in San Francisco in November, Jay McBain, principal analyst, global channels at Forrester, warned of a "big swing of new buyers" that are not only bypassing traditional IT procurement methods, but are willing to side-step the channel in the sales process.

■ The networking switch and router market saw its biggest ever quarterly sales in Q3, with revenue passing $11bn, according to Synergy Research. Synergy said the market has been growing at roughly one per cent annually, with Cisco continuing to dominate. The analyst said that Huawei is now Cisco's closest challenger, while Arista is the fastest-growing firm in the space.

■ Chinese smartphone vendors Huawei and Xiaomi are helping to drive global smartphone sales, according to Gartner. In Q3, sales of smartphones grew 1.4 per cent to reach 389 million units, the analyst said. However, Gartner noted that if it had taken both Huawei and Xiaomi out of the global smartphone vendors list, smartphone sales to end users would have declined by 5.2 per cent.

■ A larger number of US organisations have a "software-centric mindset" compared with their European counterparts, according to research released at DockerCon Europe in Barcelona by Sumo Logic. The research reveals companies in the US are more likely to use and understand the value of machine data analytics than European firms are. The report, *Using Machine Data Analytics to Gain Advantage in the Analytics Economy*, shows 64 per cent of US respondents said that machine data is extremely important to their company's ability to meet its goals, while only 54 per cent of European respondents said the same.

■ Businesses need to take a "people-centric approach" to get ahead of changing customer needs, according to a recent Vodafone report. The *2019 Global Trends Report* claimed that 85 per cent of business leaders say that the needs of customers are changing rapidly. Seventy-six per cent agree that customers are becoming more powerful and 93 per cent believe that customer expectations are increasing. In addition, 86 per cent felt AI will lead to different jobs, 83 per cent think jobs will be more productive, and 85 per cent agreed that humans will be required to work alongside AI systems.

However, 54 per cent think that the use of AI could lead to discrimination, highlighting the unsettled feelings that automation is creating in the workforce.

■ Almost two thirds of consumers will walk away from a business that experiences a breach where their financial and sensitive information is stolen, according to a survey by Gemalto. The research found that 66 per cent are unlikely to shop or do business with an organisation that experiences a breach, with retailers the most at risk, followed by banks and social media sites. Surveying 10,500 consumers globally, Gemalto found that a whopping 93 per cent would blame the business. ➔

■ IoT end-point security revenues will increase threefold from $2bn per year at present to pass $6bn by 2023, growing faster than even cybersecurity, according to figures from Riot, the IoT research service of Rethink Technology Research. It claimed investment in IoT end-point security will be led by the commercial sector, where enterprises have already committed more than $1bn a year globally to securing vertical, industry-specific applications; and spending will grow in business and industrial sectors twentyfold over the next five years.

■ Worldwide spending on augmented reality and virtual reality (AR/VR) will reach nearly $20.4bn in 2019, an increase of 68.8 per cent over the $12.1bn analyst IDC expects will be spent this year.
 The latest update to IDC's *Worldwide Semi-annual Augmented and Virtual Reality Spending Guide* also shows that worldwide spending on AR/VR products and services will continue its strong growth throughout the 2017 to 2022 forecast period, achieving a five-year compound annual growth rate of 69.6 per cent.

■ More than 87 per cent of organisations have low business intelligence (BI) and analytics maturity, according to a survey by Gartner this month. The analyst claimed it creates a big obstacle for organisations wanting to increase the value of their data assets and exploit emerging analytics technologies, such as machine learning. But on the positive side, it is a good opportunity for the channel to encourage more customers to invest in analytics as part of their digital transformation journeys.

■ The combined enterprise and consumer wireless local area network (WLAN) market segments rose 6.9 per cent year over year in Q318, with worldwide revenues of $2.7bn, according to new figures from IDC. The analyst's *Worldwide Quarterly WLAN Tracker* shows the enterprise segment rose 9.8 per cent year over year in Q3 to $1.6bn. Sustained high demand for wireless access technologies, combined with new advanced software management and automation capabilities, continue to drive growth in this market.

■ Mac-based malware has appeared on the list of the top 10 most common types of malware for the first time in WatchGuard's quarterly *Internet Security Report*. The Mac scareware appeared in

sixth place in WatchGuard's latest Q3 2018 report and is primarily delivered by email to trick victims into installing fake cleaning software. The new report also found that 6.8 per cent of the world's top 100,000 websites still accept old, insecure versions of the SSL encryption protocol.

■ Sixty-two per cent of businesses claim cloud maintenance costs are higher than expected, according to new research from SoftwareONE. This, the research claimed, indicates that despite the benefits of the cloud, businesses can run into difficulties if they do not have the technology, licensing agreements and ongoing monitoring procedures in place to effectively manage and optimise cloud-based software and applications. The survey, conducted by market research firm Vanson Bourne, also found that 36 per cent of businesses feel that cloud-based 'as-a-service' offerings such as SaaS, PaaS and IaaS have increased in complexity over the past two years.

■ Vendor revenue in the worldwide enterprise storage systems market increased 19.4 per cent year over year to $14bn during Q318, according to IDC's latest *Worldwide Quarterly Enterprise Storage Systems Tracker*. Total capacity shipments were up 57.3 per cent year on year to 113.9 exabytes during the quarter. Revenue generated by the group of original design manufacturers selling directly to hyperscale datacentres increased 45.8 per cent year on year in Q3 to $3.9bn. This represents 27.7 per cent of total enterprise storage investments during the quarter.
 Sales of server-based storage increased 10.1 per cent year over year to $3.8bn in revenue, representing 27.3 per cent of total enterprise storage investments. The external storage systems market was worth roughly $6.3bn during the quarter, up 12.5 per cent from Q317, IDC said.

■ The networking switch and router market saw its biggest ever quarterly sales in Q3, with revenue passing the $11bn mark, according to Synergy Research. The analyst said that the market has been growing at roughly one per cent annually, with Cisco continuing to dominate.

ANALYSIS

December is usually the month where the industry winds down for the season, and indulges in Christmas parties and festive celebrations aplenty. But December 2018 managed to pack in a few big stories, which are covered below.

Unfortunately for anyone planning a Christmas getaway and who had happened to book flights from Gatwick, there was trouble ahead, after alleged drone sightings grounded flights for three whole days between 19 and 21 December.

The incident affected over 140,000 people who were planning to jet away for Christmas, but speculation is still rife over whether it was actually drones or something else entirely. By the end of the month, news on that front had gone suspiciously quiet. But at least it stopped the dreaded B-word being mentioned for a few days.

The month was also a bit of a doom-and-gloom-filled one for the retail sector, with official CBI figures reporting sales volumes for the time of year as "significantly below average" – at its lowest rate since November 2011.

Of those that responded to a CBI survey, 28 per cent said sales volumes were up on a year ago, but 41 per cent said they were down. The only sectors of the retail industry that reported growth in sales and volumes were the internet and mail-order firms – no surprise there.

The year has already seen the demise of Poundworld, Toys R Us and Maplin, with other well-known names such as Homebase, Mothercare, Carpetright and New Look undergoing restructuring deals and resulting in the closure of hundreds of shops. Most recently, music retailer HMV went into administration for the second time in five years, with many hoping a deal will keep its 125 remaining stores open.

Retail is a classic example of not preparing enough for change – as with the channel, customer buying habits have changed completely, and the need to adapt to that change is more acute than ever before. Those that do not have an online presence have lost out to certain online giants that continue to hoover up customers due to the ease of doing business with them. Customer experience really is the key to success.

However, in retail's defence, 2018 was a difficult year from start to finish; with extreme weather (both winter and summer) keeping shoppers away, plus the World Cup, and unfortunately the shadow of Brexit is getting bigger and people are fearful of the future. Consumers just are not spending too much on unnecessary 'stuff'.

Quite what will happen with retail is difficult to predict, but the pain isn't over yet, unfortunately.

Turning back to the IT industry, it was a busy couple of weeks in the vendor sphere, with **Dell** finally going public on 28 December and listing on the New York Stock Exchange. Using the moniker Dell (not exactly a surprise), the move brings almost a year of restructuring to a close, with the opening $46 share price giving the vendor a $16bn valuation.

It has been no easy ride for Michael Dell, who battled to take his eponymous company private and then fought to make it public once more. All the while his biggest nemesis Carl Icahn has made it as difficult as possible to achieve his goals. There may well be big new year celebrations in the Dell household this year.

Moving on, **Fujitsu** highlighted the importance of the channel, after it revealed it is set to close its last remaining European product facility in the next two years, as production moves to Japan. The channel is going to become more central than ever to its distribution plans in the region. At least this is one move that cannot be blamed on Brexit.

IBM was another vendor to make an interesting move, seemingly shedding software assets left, right and centre to Indian firm **HCL Technologies**.

Analysts questioned whether the move made sense for HCL, which bought a total of seven platforms from Big Blue, at a cost of $1.8bn. IBM is desperately trying to shed its legacy business and focus on the more profitable cloud computing side of things.

Sticking with buying rumours, **McAfee** was the subject of whispers that it was set to be acquired by private equity firm **Thoma Bravo**. The firm already owns a minority stake in the security ➔
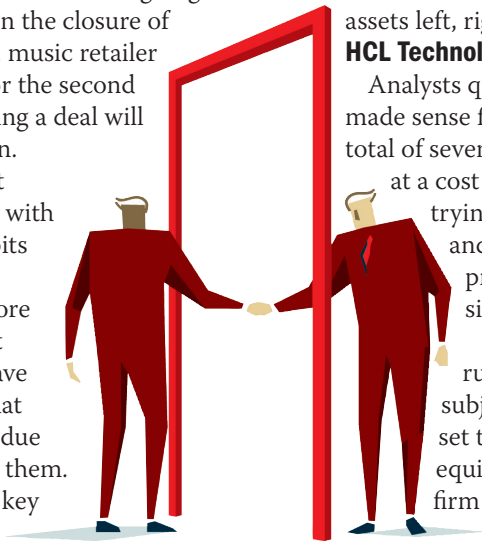
player, but speculation rose in December that it was stumping up for the remainder, as it looks to consolidate the security market. Definitely one to watch in 2019.

It was a positive month for **Oracle** and **HPE**, both of which posted strong results, and **Apple** is set to create 20,000 new jobs in the Austin area by 2023 with the creation of a new $1bn campus.

Manchester-based hosting firm **UKFast** also hogged some December headlines by signing over a 30 per cent stake in the business to London-based investor **Inflexion Private Equity**. The deal values UKFast at £405m based on an EBITDA of £25m.

In the distribution space, the main action was reserved for **Ingram Micro's** owners **HNA**, which confirmed to the Shanghai Stock Exchange that it is in talks with a third party to sell the distribution giant. It is rumoured that HNA wants $7.5bn for Ingram, including $1.5bn in debt.

Whether this sale is a response to growing tension between the US and China, or a crackdown in China on aggressive deal-making firms remains to be seen, but when Ingram was first acquired by HNA, it sent shockwaves across the channel because it came out of the blue.

HNA is also reportedly unwinding a $50bn international acquisition spree to refocus on its core business, but did it bite off more than it could chew with Ingram? Distribution is definitely not for the faint-hearted.

Rival distributor **Tech Data** kicked off a global business optimisation programme this month too, resulting in a number of jobs being cut. A filing with the Securities and Exchange Commission revealed the distributor said it recorded $8.7m in severance costs for the three months ending 31 October. Is this still part of the fallout from its acquisition of **Avnet**? Merging two such huge companies is a difficult task that requires some difficult decisions to be made.

Standing out in the reseller sphere in December was **Bechtle**, which revealed ambitious plans to triple its top line by 2030, aiming for €10bn. Other players seeing growth included **CircleIT**, **Proact** and **Claranet**.

M&A activity in the VAR space finally slowed in December after what can only be described as a frenetic year – perhaps 2019 is the year when many will focus on getting their purchases fully integrated, rather than keeping their wallets out for

further shopping sprees. In fact, 2019 could well be the year of organic growth for the channel.

This was certainly the case for cloud player **Smarter Business Processes**, which opened its first US office in New York; and for **Wipro Digital**, which linked arms with **Alfresco** to create, build and run open source-based digital transformation programmes for their respective clients.

Turning to research for the month – despite a predicted slowdown in the server market, the networking, switch and router market saw its biggest ever quarterly sales in Q3. Security was still a huge focus, and IDC predicted a surge in demand for augmented reality and virtual reality technology in the year to come. Gartner warned that many firms are lacking proper business intelligence and analytics might – which only bodes well for the channel if they can get their customers spending their budgets on getting up to speed in this space.

All in all, December certainly saw its fair share of action, both in the UK and internationally, but the countdown to Brexit is very much on, and in the next quarter it will be interesting to see just what type of effect it has on channel business, and buyer confidence.

Until now it has been easy to dismiss Brexit as a thing of the future but reality is beginning to bite, and global hype around the effects it may or may not have is starting to hit home.

The truth is that nobody knows what is to come and nobody can predict exactly what will happen, but we are certainly in for an interesting ride as we head into 2019.

A happy and prosperous year ahead to you all!
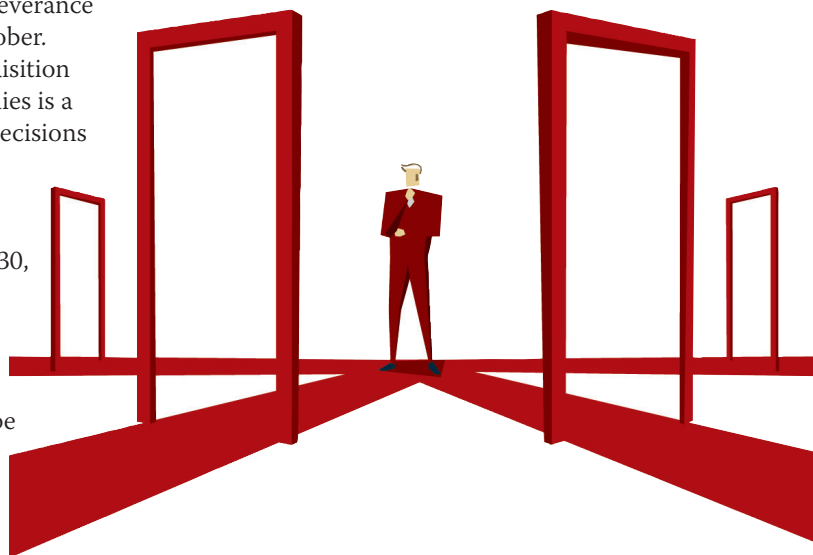
EVENTS

■ **Avaya Partner Summit, Dubai –** Avaya unveiled its channel strategy for 2019, which it claimed will focus on enabling partner growth. The UC vendor said that the announcements "will provide a path for channel partners to move from one value proposition to more advanced ones". **Read the full story here.**

MISCELLANEOUS

■ *CRN* unveiled its annual *Top VARs* channel almanac in December, which provides profiles of the top technology resellers, MSPs and consultancies in the UK. The full story and links to the report can be **found here**.

■ **Facebook** was forced to admit that a software bug exposed the photos of up to 6.8 million of its users. In a blog post the company said it has fixed the issue but "some third-party apps may have had access to a broader set of photos than usual for 12 days between 13 September and 25 September 2018". The third-party apps also had access to pictures that users had uploaded but not posted, the blog said. Facebook apologised and said that it will roll out tools for app developers "that will allow them to determine which people using their app might be impacted by this bug" and will work with them to delete the photos from affected users.

■ **HP Inc** has pledged to educate 100,000 people in Africa over the next three years to help address youth unemployment across the continent. As part of its HP LIFE initiative, the vendor has launched what it refers to as an "HP LIFE Centre" in South Africa, which it says will offer training in technology and business development. **Read the full story here**.