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September 2017



Revealed: how much everyone in the channel earns

How do you measure up? 10

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Price isn't everything

It will be of some comfort to the channel that the topic of price barely came up during a recent debate among IT leaders on what they most value in their IT suppliers.

Price competitiveness normally ranks as the top attribute in studies of how end-user customers choose their IT suppliers.

But the IT chiefs who took part in our IT leaders' debate at our inaugural European Channel Leadership Forum (ECLF) in London this week had other things on their mind.

In so far as pricing came up at all, it was in relation to suppliers not being transparent about how much a project might cost from the outset, or justifiable gripes about being over-charged on consulting fees.

But listening to the three leaders on the panel, I got the strong impression that price is some way down the pecking order when it comes to how they select their suppliers.

Of greater import is the honesty and financial stability of their would-be partners, as well as whether they have deep industry expertise in the technology area the project concerns.

Although the leaders conceded that cold calls and email spam have worked on very rare occasions, they urged the 50 or so reseller bosses in

the room to grab their attention early in the sales cycle by building a slow-burning relationship at face-to-face events.

The lesson I took from this panel, the full write-up of which you can find on p16, was this: CIOs are willing to pay a fair price for the services of suppliers who can prove their expertise in a particular

"CIOs are willing to pay a fair price for the services of suppliers who can prove their expertise in a particular domain, and be honest and transparent"

domain, and who go out of their way to be honest and transparent with them. Competing on price, without the expertise to back it up, might bag you an

initial deal, but the client may never deal with you again and — worse still — bad-mouth you to their peers.

One topic that caused a stir with delegates at the ECLF was CRN's article on how much everyone in the channel — from account managers and techies to MDs — gets paid.

The buzz this article created online means we have chosen it as the cover story for this month's issue, and you can read the findings on p10. Also, don't miss our feature on p20 about how military veterans could provide part of the answer to the skills shortage, as well as our Big Interview with former G-Cloud boss Tony Singleton on p13.

As ever, please get in touch via Channelweb or on Twitter @CRN_UK.

■ Doug Woodburn is editor of CRN.



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A circular icon with concentric dashed lines, resembling a hard drive platter, with a white rounded rectangle in the center containing the word "STORAGE" in orange.

STORAGE

A circular icon with concentric dashed lines, resembling a server rack or cooling system, with a blue rounded rectangle in the center containing the word "SERVERS" in white.

SERVERS

A circular icon with concentric dashed lines, resembling a network or data flow, with a green rounded rectangle in the center containing the word "NETWORKS" in white.

NETWORKS

IT'S IN OUR DNA



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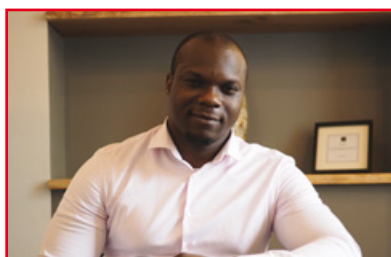
Channel pay-packs

Are you earning more or less than the average in your field? Find out here



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Barrie Desmond, Exclusive Group

"Work is a thing you do, not a place you go," says the distribution behemoth's COO, who is also a strong believer in the power of coffee, tobacco, and *Family Guy*

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Five things we've learned this month

1. THE RISE OF DROP-SHIPPING IS SCULPTING MISCO'S APPROACH

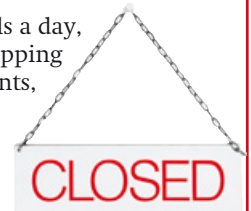
Misco is to close its UK warehouse at the end of the year, saying the rise of drop-shipping has decimated its usage and made it too inefficient to keep running.

In an initiative designed to save a minimum of £1.5m annually, the reseller is outsourcing its warehouse functions to a third-party logistics provider. All 62 warehouse staff will be made redundant, Misco CEO Alan Cantwell told CRN.

Cantwell said Misco was left with little choice but to close the Scottish warehouse. "Like a lot of things in this business, this should have been challenged and looked at a long time ago," he said.

"We've taken a hard look at it. The logistics centre there was originally set up to ship 6,000 parcels a day, and at present we are shipping between 400 and 500 a day. Things have moved on. We are drop-shipping pretty much everything — the majority of parcels now go straight from logistics through to the clients, so we don't need that facility. It's a very expensive facility for the number of units that are going through it, and our 400 parcels a day will only go one way."

Some 105 UK staff have already left Misco under a recent sales and marketing restructure, while headcount at its Budapest shared service centre has also been shaved from 340 to 200.



2. WHITMAN HAD HER HEAD TURNED BY UBER

In July HPE boss Meg Whitman denied she would be moving to Uber, but as the ride-sharing firm confirmed former Expedia CEO Dara Khosrowshahi as its new chief, it was revealed Whitman was in the running at the end.

Whitman said Uber's board approached her again just prior to Khosrowshahi's appointment: "They [Uber] asked what it would take for me to change my mind," Whitman told the *Financial Times*.

This raised the question of Whitman's future at HPE, with Richard Holway, chairman of analyst TechMarketView, suggesting she might have a limited tenure: "It is hardly motivating to learn that your president/CEO is also contemplating jumping ship. Indeed, almost every article I have read now expects Whitman to be gone by the end of the year," he said.



3. JIGSAW24 MIGHT BE UP FOR SALE

Jigsaw24 will reportedly be sold, with the firm's owners already looking for potential suitors for the major Apple reseller. *The Telegraph* reported that private equity group NorthEdge Capital is seeking a buyer for the Nottingham-based firm which was ranked 34th in CRN's Top VARs rundown, with a 2016 turnover of £86.9m.

The report claimed NorthEdge Capital, which bought a majority stake in Jigsaw24 in 2013, has hired Clearwater Corporate Finance to approach buyers.

The Telegraph report concluded that a deal is expected to be announced at the end of this year or early next. Alex Tatham, managing director of Westcoast, told CRN: "If they [the owners] are selling, it must be for a very good reason."



4. RESELLERS CONTINUE TO WIN IN EDUCATION

Eleven resellers have been awarded a place on a higher education framework worth up to £440m. The National Desktop and Notebook Agreement (NDNA) has gone live, with resellers awarded spots as indirect partners for a host of PC vendors.

The four-year agreement will see the chosen 11 provide desktops and mobile devices from Acer, Fujitsu, HP Inc, Lenovo and Toshiba. Dell is also on the framework, but with no reseller partners, will take all its business direct.

The 11 resellers on the framework are: Academia, Bechtle, CDW, DTP, European Electronique, Getech, Insight, Misco, SCC, Stone and XMA. Stone Computers will also supply its own devices direct to customers, while XMA will supply its Viglen brand. Acer, Fujitsu, Lenovo and Toshiba will not sell their products direct.



5. TECH DATA NOT HITTING MARK YET

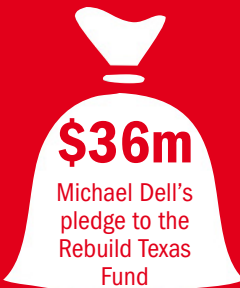
Tech Data's shares crashed after its Q2 results disappointed Wall Street and it complained of missing vendor rebate targets. A "significant piece" of the shortfall was generated by the distributor missing its vendor rebate targets, CEO Robert Dutkowsky revealed on a Q2 earnings call.

Although stopping short of naming names, Dutkowsky clearly fingered Avnet TS' biggest vendors when he said the problem lies mainly with "a few very large vendors"... "and these are not vendors we have had a long history of managing at the volume and scale and scope that we had to manage through this quarter".

During Q2, only Apple (12 per cent), HP Inc (11 per cent) and Cisco (11 per cent) generated over 10 per cent of Tech Data's sales, but it inherited a big relationship with IBM through the Avnet union.



Facts and figures



1,008
The number of permanent layoffs that Oracle has made at its Santa Clara and San Diego facilities



POLL: Does your reseller/MSP still have its own warehouse?



Yes, carrying stock remains an important function for resellers	41%
We've never needed warehouses; the rise of drop-shipping is irrelevant	20%
Yes, but I can see it being axed in the future due to the rise of drop shipping or other factors	12%
Yes, but we've downsized it in recent years, due to the rise of drop-shipping or other factors	11%
No, we have axed/outsourced it due to the rise of drop-shipping or other factors	10%
We've never had one/we axed it many years ago	6%

Misco has announced that it will shut its UK warehouse in a move it says is in line with many of its reseller competitors. CEO Alan Cantwell said the rise of drop-shipping meant its logistics centre in Greenock is now shipping just 400 to 500 parcels daily, despite being purpose-built to ship over 10 times that number. Despite this, our online poll found that 41 per cent of respondents still have a warehouse, proving it remains an important function for resellers. The second most popular answer was on the other end of the extreme, with 20 per cent stating their business has never had a warehouse. Far fewer respondents have followed Misco's lead, with 10 per cent having axed the warehouse, while six per cent axed it many years ago or simply never had one.

NOTABLE AND QUOTABLE



"Is the business card dead? I was at an industry event yesterday and not a single person we spoke to had a card with them, which is a first."

Jonathan Dolby, marketing director of Microlise, pondered on LinkedIn if the age of the business card is over after a recent industry event.



"We remain an independent company. I don't work for Michael [Dell], I work for the board of directors. We remain an independent legal company with our own route to market."

Speaking at VMworld Europe in Barcelona, VMware CEO Pat Gelsinger talked down the control that parent company Dell has over the vendor.

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Channel pay-packs

From sales staff to technical roles through to the boss: CRN research unveils what the key roles in a reseller business are worth

A reseller is a diverse business, with a wide range of job functions from sales creation to technical implementation and support. CRN has aggregated its own wages research to reflect roles in three major areas: sales, technical and CEO or managing director.

The wages can differ based on the size and success of the reseller business, alongside the location, with London-based firms having higher wages. As such, a median wage has been used for some sections of this research.

So what do the major positions in the reseller channel earn? First up, sales roles.

Sales wages

IT industry recruiter Robertson Sumner has freshly updated and channel-specific numbers on sales wages. The amounts contained in the table below were from April this year.

“These numbers are based on the candidates we are registering,” said Marc Sumner, managing director of Robertson Sumner. “We are registering over 100 a week, so we have collated all the information we have received from candidates working in specific roles in certain industries.”

Sumner said wages for salespeople in the channel have continued to grow, but it is the sales roles around bringing in new business which are growing particularly rapidly.



“When business salespeople are on the hunt for a new role, they might get a 25 to 30 per cent lift in their pay package, so those people are really in demand. However, an account manager would be more likely to get around a 10 per cent pay rise,” he added.

In terms of the difference in wages between reseller, distributor and vendor, Sumner said wages in distribution continue to lag behind.

“Distribution is the bottom rung and they are notoriously

Channel sales wages April 2017

	Reseller/MSP	Distribution	Vendor
Sales director	£55,000-£70,000 (OTE £150,000)	£70,000-£100,000 (OTE £130,000)	£75,000-£150,000 (OTE £230,000)
Sales manager	£55,000-£70,000 (OTE £100,000)	£50,000-£65,000 (OTE £100,000)	£50,000-£75,000 (OTE £140,000)
Business dev manager	£40,000-£50,000 (OTE £90,000)	£30,000-£50,000 (OTE £90,000)	-
Senior ISR	-	-	£35,000-£65,000 (OTE £95,000)
ISR	-	-	£27,000-£50,000 (OTE £85,000)
Account manager	£30,000-£35,000 (OTE £50,000)	£24,000-£28,000 (OTE £37,000)	£45,000-£95,000 (OTE £180,000)
Graduate sales	£18,000-£24,000 (OTE £30,000)	£18,000-£24,000 (OTE £30,000)	£25,000-£30,000 (OTE £40,000)

Source: Robertson Sumner. OTE figures refer to on-target earnings

the lowest paid of the channel. Then you have the vendors and the resellers, and depending on which reseller you are at the wages can be very similar,” he said.

“However, in general, the vendors are top of the food chain in terms of pay, the services providers and resellers are in the middle and distribution is the lowest paid.”

Sumner added that distribution is easier to get into and the sector often takes on staff with limited sales skills, meaning that it is unlikely to see a spike in wages any time soon.

Technical wages

Resellers have a wide degree of technical roles, from IT support through to implementation roles. These are often designed by vendor specifications, as illustrated by the numbers in the table below right from ITJobsWatch.

John Grant, data scientist at ITJobsWatch, told CRN that the firm’s methodology is to look at the demand side of the market.

“We have formal relationships with IT job boards and recruitment services that supply us with data feeds which we sample on an hourly basis around the clock. Each job advertisement has a certain number of attributes that we can work with, such as job title, job location, a salary or contractor rate and the date the role is available,” he said.

“We use all that as a common denominator for features of job roles in the market. The figures we have are six-month medians for the UK.”

Grant said that when the figures are viewed on an annual basis, there is an upward trend for the industry in recent years, but there was a dip in 2009 around the financial crisis which was then followed by a plateau of wages for several years afterwards.

CEO/MD wages

So what do the people at the top of a reseller organisation earn? Many of the country’s biggest channel players are listed on the stock exchange and as such, detail the remuneration of directors in annual reports.

Mike Norris, chief executive of Computacenter, the country’s biggest VAR, was paid £1,913,700 for the 2016 fiscal year, and £2,763,900 in 2015. This works off a base wage of around £500,000, with various annual bonuses and benefits making up the remainder.

At Softcat, the country’s third-biggest VAR, CEO Martin Hellawell earned £562,117 for 2016, topping up his £227,734 base salary with bonuses.

As you scale down CRN’s Top VARs, as expected, the CEO salary does the same. But only marginally. At Redcentric, positioned 28th in our rundown, outgoing

CEO Fraser Fisher earned £369,000 for 2017, down from the £429,000 he made in 2016.

At RedstoneConnect, ranked at 71st in our Top 100, CEO Mark Braund notched up £365,000 for 2017. Adept Telecom, at 92nd, chief executive Ian Fishwick made £325,210 in 2017.

However, most CEOs and managing directors of resellers are outside our Top 100. Our analysis of a cross-section of resellers with public information about directors’ remunerations found that CEOs generally earn between £240,000 and £280,000 per annum.

Outside resellers and the IT industry, payscale.com finds the average pay for a UK CEO is £91,617 per year. It puts the average managing director pay at £72,223.

“These numbers are what I would expect for bosses of a reseller,” said Sumner. “Even the smaller reseller CEOs will be earning more than the national average for CEOs of £91,617.

“I am not surprised by the wages of the likes of Mike Norris and Martin Hellawell. I also think the wages are a reasonable reflection of what CEOs at resellers do. If you look at the success of Softcat, Martin and Colin [Brown, Softcat managing director] have been instrumental in that.”

Technical wages August 2017

Cloud consultant	£62,500
AWS engineer	£60,000
Microsoft Azure engineer	£60,000
Cloud engineer	£55,000
SAP engineer	£50,000
Network engineer	£46,000
VMware Certified Professional (VCP)	£45,000
Software engineer	£45,000
IBM storage engineer	£45,000
IT support manager	£42,768
Citrix Certified Administrator (CCA)	£42,500
HP ExpertOne HPE Accredited Solutions Expert	£42,500
Cisco Certified Network Associate (CCNA)	£40,000
Veritas Certified Professional (VCP)	£40,000
Oracle Certified Professional (OCP)	£39,325
Microsoft Certified Solutions Associate (MCSA)	£37,500
IT support	£27,000
Helpdesk support	£23,000

Data based on the six months to 30 Aug 2017 – all median wages
Source: ITJobsWatch



“Distribution is the bottom rung and they are notoriously the lowest paid of the channel”

Marc Sumner, Robertson Sumner

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The background of the advertisement is a vibrant sunset or sunrise scene over a body of water. Two small silhouettes of people are walking on a distant shore, and their reflections are visible in the calm water. The sky transitions from a deep blue at the top to a bright yellow and orange near the horizon. In the center, a Samsung Galaxy Note8 is shown from both the front and back. The front view shows a large, curved screen displaying the same sunset scene. The back view shows the black phone with the 'SAMSUNG' logo and a camera module. A black S-Pen is positioned diagonally across the bottom right of the phone, with its tip pointing towards the water. The text 'Do bigger things' is overlaid in a large, white, sans-serif font across the middle of the image.

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A cloudy future

*After calling time on a 35-year civil service career, Tony Singleton opened up to **Tom Wright** on his tenure leading the framework, as well as his concerns for the future*

The government's G-Cloud procurement framework has fast become essential for resellers working with public sector organisations.

Launched in 2012, the framework has now facilitated £2.4bn of public sector spending on cloud products and services, with over 2,000 suppliers winning a place.

But in 2014, the then-two-year-old framework was not seeing such success.

Just £33m of business had been put through the infant procurement vehicle, with the average 12-month spend relatively low at £2.6m.

At this point the framework had already been written off by parts of the media, with one publication claiming that "the vision behind it has been brushed aside" and "all that remains is a marketing gimmick for the government to point to when SMEs ask what Whitehall is doing to open up opportunities for them".

It was at this time that former G-Cloud director Tony Singleton took over responsibility for the framework, driving its total sales to over £1bn during his two-year tenure and lifting the average yearly spend to £42.7m.

By Singleton's own admission, G-Cloud required some work at the time it was brought under the jurisdiction of Government Digital Service (GDS), for which he was then responsible.

Singleton has now moved on from civil service, last month joining procurement consultancy Advice Cloud.

Speaking to CRN shortly after his appointment at Advice Cloud, he said that despite negativity in some quarters, government buyers were on board with G-Cloud's ethos from the beginning.

"The scepticism was more around the media saying 'is G-Cloud just a gimmick to try to help SMEs?'" he said. "With the parts of government that I was working with on the digital side it was very much about supporting SMEs and the SME agenda."

"When I first set up GDS, a lot of it was around how we work with the smaller suppliers."

Recent statistics released by CCS show that 47 per cent of all spending through G-Cloud has gone to SME suppliers, with the lion's share going to large suppliers.

The ratio spent with SMEs has shrunk over the course of this year, with figures published in January showing that 56 per cent of the £1.7bn spent at that time had gone to smaller suppliers.

Singleton explained that a key focus of the G-Cloud framework was to remove unnecessary barriers from frameworks to help SMEs, but warned that some frameworks have shown signs of becoming complex again.

"One of the things we learned very early on with G-Cloud is that SMEs don't have that time or expertise," he said. "I've seen a lot of progress in how SMEs are responding to bids but there is still more to be done."

"My concerns for the future are, is there a risk that G-Cloud and other frameworks might suffer from bloats? [Such as] clauses being added back in without really thinking if there is a need for them, rather than 'we should add this because [of this reason]'."

"That's one of the things I want to do with Advice Cloud. As well as work within the public sector around trying to avoid that sort of approach, [I want to] also work with SMEs to try to understand the larger frameworks when clauses do start to be added in."

Lack of leadership?

Singleton expressed some concern at the future development of G-Cloud, questioning whether sufficient leadership is in place to keep the framework heading in the right direction.

"It's the overall vision and leadership," he said. "These are frameworks and individual procurement vehicles, but what drives it overall?"

"When I first took over G-Cloud it was a programme and it was a quite far-reaching programme."

"That seems to have been forgotten about and people think 'this is an easy way to buy cloud-based services', and that's OK, but if we're looking in two years' time, what is the digital marketplace going to look like then?"

"I think that's where there is that lack of vision, or it may be that it has not been very well communicated. What will the landscape look like and what will this thing look like in two years' time?"



"My concerns for the future are, is there a risk that G-Cloud and other frameworks might suffer from bloats?"

Tony Singleton, Advice Cloud

A post-American world

*Westcon COO David Grant talks **Tom Wright** through the changes at the distributor after its Americas business was sold to Synnex*

Datatec finally completed the sale of Westcon-Comstor's Americas business on 1 September, bringing the curtain down on a lengthy and initially mysterious transaction.

In a somewhat unorthodox deal, US distributor Synnex acquired the Americas arm of Datatec's Westcon business, as well as a 10 per cent share in the EMEA and APAC business — now dubbed Westcon International — with the option of doubling its stake at a later date.

A sale of some kind was first announced in January when Datatec said it had entered into negotiations regarding a transaction, before drip-feeding information over the coming months.

Announcing the sale in June, Datatec CEO Jens Montanana said he would have liked to offload the whole Westcon business, but has been left with a significant chunk of a business that has struggled over recent times.

In fiscal 2017, revenue for Westcon-Comstor (before the sale) fell seven per cent year on year to \$4.9bn (£3.7bn), while operating profit dropped 67 per cent to £20.3m.

Speaking to CRN just after the transaction closed, David Grant, COO of Westcon International (which encompasses Westcon-Comstor's EMEA and APAC business), said the new, leaner Westcon is better placed to serve partners and vendors than when it still had its American business, and revealed changes that have already been made internally.

"We can now move forward because these investments and acquisitions are always time consuming," Grant said.

"We now have a leadership team that is centred in EMEA. We have people in the region responsible for driving the business and that understanding of the market, speed of response and ability to make local decisions are areas that our customers will benefit from.

"Having a representative of Synnex on our executive team means we can get an insight and develop our business through an additional lens, but it also allows us to spend all our time focused on growing our business, serving our customers (partners) and supporting our vendors."

Westcon has also merged its unified comms and security units into one team. As a result, the distributor has shuffled its executive pack, with Rene Klein now SVP of Westcon Europe — which encompasses the UCC and

security business — and Willem de Haan SVP of Comstor Europe, which houses the Cisco side of the business.

Despite Synnex taking control of the Americas business, a relationship will remain between the separated pair in the form of a joint venture (JV) that can be leveraged by global partners, dubbed Westcon-Comstor Global Deployment Solutions.

"Our global transactions fall into three categories," Grant said. "Firstly our 19 global customers which are the likes of BT, Verizon, and AT&T who we transact with locally and on a global basis; we have some vendors that don't have a global coverage model which we support; and there are also a number of regional resellers which from time to time have an international project.

"One of the questions I was asked by our largest customers and our global vendors was 'how are you going to continue to service those clients' global requirements?'

"We have established with Synnex a JV organisation which will allow us to continue to offer that seamless global go-to-market. It will be driven and supported by all the people who used to undertake that business for Westcon-Comstor when we were a single organisation, but the governance will be shared between Synnex and Westcon International.

"We're not going to be burying it somewhere deep internally, we're going to market it and both Synnex and Westcon believe that there is more opportunity now to work with vendors and with partners on global deployments."

Increased vendor focus

Along with the sale of the Americas business, Westcon has been dealing with a troublesome SAP rollout that had a significant impact on its fiscal 2017 results.

With the worst of this now behind it, Grant said that Westcon will be putting more of an emphasis on aligning itself with its vendors.

"We've been spending a lot of time investing in establishing a unified business foundation with SAP," he said. "It means that we can now really leverage that time and investment getting back to being exclusively focused on vendors, customers and growing the business.

"As we move forward we're looking to adapt the business to not only give us customer focus, but really bring additional focus on our vendors' objectives.

"In distribution our channel customers are absolutely critical, but being aligned to our vendors' objectives and working seamlessly with them is just as important."



"We can now move forward because these investments and acquisitions are always time consuming"

David Grant, Westcon

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Winning ways

With email and cold-calling techniques losing their shine, it's arguably tougher than ever for resellers to get their message to CIOs. Hearing from several IT leaders about what they look for from their IT suppliers in today's market was therefore a big draw at the inaugural CRN Channel Leadership Forum, which was attended by over 50 top channel bosses



Attendees of the inaugural European Channel Leadership Forum (ECLF) were treated to a refreshingly brutal account from IT leaders of what they seek in their IT suppliers.

The final session of the event, which featured IT bosses from Save the Children and two commercial firms, encapsulated the rationale for CRN and our sister publication *Channelnomics Europe* in putting on the event in the first place.

The idea was to bring together the cream of the IT channel, alongside various CIOs.

The other major goal was to provide VAR, MSP and SI bosses with the content they genuinely wanted to hear about, and we gleaned what content this might be from interviews we conducted with about 15 of them at the start of the year.

Hearing from CIOs on what they love and loathe in their IT suppliers was near the top of your wish list.

The message from the end users in this final panel session was: specialise, prove you are a stable business, and — above all — don't try to pull the wool over our eyes. The panel comprised Karl Hoods, CIO of charity Save the Children, Nick Ioannou, head of IT at architects Ratcliffe Groves Partnership and Andy Maxwell, global information systems director at engineering firm Pyrotek.

On page 19 you can find a round-up of other highlights from the event, but here are the edited highlights of what the IT leaders said:

What are the key traits you look for when choosing a technology partner?

Andy: When we're looking for a partner to help us with a project, we are looking for someone who is experienced in that area. One problematic thing we've come across is people trying to sell services they don't actually know

themselves. We also want a very stable company to work with. We've had problems where the staff change has been pretty dramatic, and we're never quite certain of whom we are working with and have no consistency of people to contact. So: knowledge of that business; and staff consistency.

Nick: I'm looking for people who have the additional knowledge. I don't want to pay people to learn on my time. Technology is moving so fast, it can be difficult finding people who know what they're talking about and who are not using me as a pilot. And then finding people who have been around a long time.

Someone going bust on us is a major problem. In construction, it happens all the time with the people we work with, so when it comes to my IT vendors I need to know they are still going to be around, that they are not overstretching themselves and that basically they do what they say on the tin.

Does that preclude using younger, innovative start-ups?

Nick: Yes; when it comes to the cloud, we're cloud first and a lot of the start-ups are raising too many alarm bells. I see so many cloud start-ups fail. There's big fanfare, and then it gets swallowed up or disappears, so it's safer to go with people you know are going to be there when you are having problems two years down the line.

Karl: [Being a guinea pig] can work in two ways. If we are both going into it knowing that's what we're doing, that's fine. We're doing that at the moment with three start-ups around blockchain. So that's great. But there's nothing worse than going through a process where you're sold the A-team and the B-team turns up. [We seek to discover] can we work with these people and can we go through a process where the team is being assembled and we are part of that selection process? Sometimes that sits well companies; other times it's 'no, get lost; we're the expert', and that can lead to problems.

How do you judge if an IT supplier is giving you value?

Nick: Being cloud first, what I hate is consultancy fees, which turns out to be three clicks, and I've just been charged £1,000. It has happened in the past and it is really annoying. I will happily pay for someone who is genuinely doing work that I don't know. But don't try to sneak in two days of consultancy, especially when as a percentage of overall cost of service and product, it's massive. You're running a service in the cloud and it's your system — you should know it — why are you charging for two days to configure it?

Can any of you imagine using the Japanese model, where you have an open book and are aware of the margins your supplier is making and you are working to keep the costs as low as possible?

Andy: That would be a nightmare for me. My CEO is a cost-conscious micromanager. If you showed him that type of profitability, all he'd want to do is slash you down.

Karl: We did work that way in terms of our digital platform, and that was quite good. We had gone through a short exercise upfront after the award process to [work out] how we could best help you understand our requirements, and then moved to an open book. It worked well in that instance. It cut away quite a lot of the mistrust upfront

— both parties went into it thinking 'we want to make this a success, based on this'.

"If you're honest with me I will recommend you left, right and centre"

Nick Ioannou, Ratcliffe Groves Partnership

We hear about the increased prominence of the CMO and line of business in IT decision making. How much are executives and staff in the business now involved in IT purchasing decisions?

Andy: Normally we try to make that a collaborative effort. One of the problems we find when IS [information systems] is not involved and where you [IT suppliers] might be selling purely to the business team and you make that sale, is that there are IS implications we don't know about. It feels like IS is actually a problem, and is trying to stop that contract from happening, and we try to educate the rest of the business that IS needs to be involved as early as possible. I think it works a lot better when that happens.

Nick: Architects are forever asking for Ferraris when it comes to their IT. They will push everything to the max, and I would go bust if I listened to them. That said, occasionally they will come up with a really useful piece of technology or software that will be a game changer for us. I have to try to always be two steps ahead and preempt what they're trying to do. And that just means faster processors, faster RAM and so on. The overall cost per head in my business is over £10,000 a head per year, just to put a bum on a seat — architecture is expensive — we have to make wise decisions and give value for money and performance, and find the sweet spots.

How can resellers maximise their influence near the start of the buying cycle?

Nick: The first thing I always ask is how much does it cost? Give me a ballpark figure. If you can't do that →



CRN editor Doug Woodburn spoke at a dinner on the eve of the event



Speakers at the event also included (clockwise from top left) Paul Johnson of the Institute for Fiscal Studies, Tech Data's Andy Gass, Niko Mykkanen of AWS, and a panel discussion on the issue of GDPR

straight away I don't know if you're trying to sell me a Maserati or a van. I need to know roughly what it costs; I don't want to waste your time. Then I want to see it work: show me a demo. You don't need to visit me — we have the internet — just give me a web demo, then we'll know straight away if we're wasting each other's time.

I'm tired of people saying when I ask them whether they know how much it costs 'oh no, I'm just technical, I'm just sales; I don't know the price' — it's a lie.

Karl: It's tough, isn't it? I wouldn't want to do your jobs, in that sense. Email often doesn't work for me as I get thousands every day, and sorting the wheat from the chaff is difficult. Calls: I'm hardly ever at my desk. Event scenarios, like this, where you can get to talk to people and spend time with them are quite good. Then for me it's a bit more of a slow burn.

It's about taking some time to understand what the challenges are. We don't have a defined buying cycle. So some of it is a bit fortuitous and about the timing being right. But when I look back to some of the really good relationships we've had they've just been borne out of chance conversations at some of these sorts of events. Then six months later you think 'I spoke to those guys and they were quite good; let's get them in for a chat'.

Andy: The other thing I would add is that I really appreciate honesty. To hear someone say to me 'OK, this won't work well in China', that's really helpful to have that honesty upfront. You will go back to those people again and again because you know they are going to give you the truth.

"One problematic thing we've come across is people trying to sell services they don't actually know themselves"

Andy Maxwell, Pyrotek

Does email spam ever work?

Andy: Very, very occasionally. One of the things we tested and invested in came off a Facebook ad and it just happened to capture my attention that day. I passed it on to my team who explored and played with it, and it did work. But I would have said 99.99 per cent of those ads don't do anything. That one I just happened to catch on a day when probably someone the previous week had mentioned a problem. The unsolicited items when you are not looking at it are just going to get junked straight away.

Do MDs see you as part of their digital journey, or are you still just viewed as a massive cost that everyone wants to bring down?

Andy: It has changed dramatically over the past 10 years, certainly where I work. We used to be very much the back office; it wasn't even recognised at the main board level. That's very different now. I present at the main board meeting and IT is regarded as a part of everything. However, I have this CEO who is 'we are not IT leaders; we will not be at the cutting edge', and I have to work in a budget of 2.6 per cent.

How much of your time is spent helping business leaders drive outcomes, versus running the IT department?

Nick: The good thing about software-as-a-service is there's not that much to run compared with the traditional on-premise, so I'd say about 20 per cent of my time is looking at moving the business forward. I would like to spend more time doing

the more pleasant things and the research, but there are times when you have to do the duller stuff, and that will take over for ages.

Karl: I'm the opposite. Three or four days of my week are spent in discussion or in an advisory capacity or in business boards, and the rest of my time is spent on our own strategy: where are we going with our own platforms to support things we are hearing across the business. We are a 100-year-old charity. We are changing rapidly all the time and have to look at how we can use technology to deliver the outcomes we need to deliver. A

lot of the last six months have been spent [thinking about] what do we do around both our digital and technical strategy to underpin everything we want to achieve.

Andy: I'm probably more like about the 20 per cent; the rest of the time is keeping the systems going.

What are your main dos and don'ts for suppliers when they are selling to you?

Karl: We covered most of this with spam. But on the positives, when I look back at some of the really successful partnerships, the open book-type approach has been good.

[Particularly when it comes to tenders] we also quite like being challenged on business requirements. There was one particular case in the construction industry around normalisation and price indices [where they said] 'well, you've done it this way, but we've brought in our

statisticians and they've said you might want to look at it and approach it in a slightly different way — therefore can we have a conversation?'. And going through that kind of process makes you think, maybe our approach was slightly flawed and there's something in it.

Nick: My top 'do' is when we're asking for a sledgehammer and you tell us all we need is an upgrade. The don'ts are don't lie to us; don't make out you're an expert when you're not and sit there charging me a horrendous day rate when I know as much as you do. That said, honesty will go miles: I will recommend you to everyone left, right and centre if you're

honest with me, and say 'don't buy this, why don't you do this'. We'll sing your praises.

Andy: I think we've covered most of them. When we did our Sharepoint implementation the partner we used wasn't brilliant. Our business requirements and our plan were pretty woolly because we didn't know 100 per cent what we wanted from Sharepoint. They ran with it and charged us a fortune — they delivered against that contract which was messy and woolly. So it's back to honesty again. If you can see we're not clear on what we want, tell us. We've never worked with that partner again and we've not recommended them. And the other one I'll add is if I say no to something, don't go to my boss.

Karl: One I had recently was someone saying 'do I need to be speaking to someone more senior'? Which went down really well.

"Someone said to me recently 'do I need to be speaking to someone more senior?' Which went down really well"

Karl Hoods, Save the Children

European Channel Leadership Forum round-up

IT budget an 'endangered species'



Significantly less than half of all technology spending is actually now budgeted for, Incisive Media content director Tom Wright said as he presented the findings of joint *Computing/CRN* research into the IT buying cycle.

"If you're selling something that achieves a cost saving or helps them become more agile, whether or not customers have budget is increasingly irrelevant," he said. "They will be able to find budget for it because they are much more fluid. The IT budget as we know it from years ago is an endangered species and focusing on it exclusively is going to limit your revenues."

AWS opens up on channel plans



Upskilling partners represents one of the biggest investments Amazon Web Services has made this year, its director of alliances, channels and ecosystem EMEA, Niko Mykkanen, told delegates.

Partner certifications are up 159 per cent year on year, he said, adding that AWS has taken on

board criticism from partners that the process to become certified is too time consuming.

"We're not going to lower the bar to get more people," he said. "What we're looking into is how we can make it easier for you. We understand that to put somebody into a training class for three days to learn about system architecture around cloud is a big investment and we are working on how we can modernise that."

Resellers spar over GDPR



Resellers and MSPs clashed over the sizzling-hot topic of GDPR at the event, with some seeing it as a sensible plan to force businesses to tighten up on data protection and others dismissing it as simply a massive payday for the legal profession.

CAE managing director Justin Harling said we are seeing the good, the bad and the ugly of GDPR, with the ugly being "the amount of time we are spending talking to lawyers". Another panellist said that only one customer had actively asked them about GDPR.

Could military veterans solve the channel's skills shortage?

*IBM Security is calling on companies to see military veterans as an invaluable talent pipeline. **Nima Green** meets the vets on the front line of the chronic cybersecurity skills gap*

Poised and with a steady gaze, former Private EJ Ocljighoro has the kind of polish you might expect from someone with a military background — buffed shoes, crisp clothes and a firm handshake — but that is to oversimplify.

Another cliché, less well worn, is that after serving their country, the MoD and private sector seem all too often to leave them hanging; a frustrating limbo in which they're told their military service is respected, but that they are not speaking the right corporate lingo. But could these same people be the answer to the channel's skills shortage?

Civvy street can seem like a minefield to the 16,000 veterans who leave the British armed forces every year, as Ocljighoro knows all too well.

He is currently employed by global integrator Logicalis, after leaving the army in March 2017.

However, the transition came only after investment in new training, which in Ocljighoro's case was instigated by himself and facilitated by not-for-profits such as the Corsham Institute, SaluteMyJob, a veteran focused consultancy service, and IBM Security.

IBM certification

The trio banded together to provide cybersecurity training courses for veterans, resulting in IBM Security certifications in two IBM security products: i2 Analyst's Notebook, a platform used in the military, as well as commercial space, to bring disparate data together and present it visually; and QRadar, which is a security analytics platform.

They celebrated their 100th graduate this month.

IBM Europe channel success executive Nick Gibson told CRN that tackling its partners' talent shortage is "vitally important to IBM".

"IBM offers partners of all levels (from Registered to Platinum status) education and training vouchers to take certification and optional preparatory road map education to increase company skill sets," Gibson said.

"IBM also runs security-focused educational webinars targeting all forms of partners, CSP/MSP/ISV/SI/Reseller, to help with training and skills development for the IBM portfolio as well as ensuring the partners learn how to



IBM, SaluteMyJob and the Corsham Institute celebrate their 100th vet graduate

apply those tools in a practical way as they work to protect their company and customers."

Ocljighoro is a member of the next cohort being trained up. He said that reskilled veterans such as himself are "a game changer" to the corporate world; uniquely placed to help tackle the growing shortage in skilled cybersecurity professionals, estimated by Frost & Sullivan to hit 1.8 million in Europe by 2022.

"The army drills a lot of personal habits that can be transformative to the private sector, from discipline to high ethical standards. We bring these core values over to a corporate environment. It's indispensable," he said.

"But most of the transition was from me being interested in technology, so I've got myself trained in things like Cisco and AWS courses. Everyone deserves a chance to prove themselves.

"I think security should be the number one priority of every business, and we are a great force to be reckoned with if given the opportunity to prove it."

A new recruitment model

Ocljighoro was lucky. His transition took just a month. However, SaluteMyJob MD Brigadier (retired) Andrew Jackson warns that many companies are missing out, by not being able to recognise talent that comes from outside more familiar avenues, such as university graduate schemes.

He suggested that current recruitment policies are

problematic, and simply not keeping pace with rapid cybersecurity advancements.

"We need to break this model, where someone goes and does a degree course, or long periods of education, by which time the world of cybersecurity has moved on about three generations anyway. And so by the time they appear, employees might be justified in saying 'these people don't have the skills that we now need'," Jackson said.

"Instead of just whinging about a shortage of people, we need companies to actually engage. It frustrates me that companies have graduate programmes to ease students into corporate life, but don't have one for the military," Jackson said.

"So shorter, sharper emersions, and then the employer also investing in these people, is very much the model we're trying to develop here."

Two other beneficiaries of this new recruitment model are Wesley Freeman and IBM reseller partner and Bedfordshire-based cybersecurity specialist Satisnet.

Freeman was a Rifleman in the British Army for five years. He left the forces this year, and, despite having no IT experience, enrolled on one of IBM's QRadar user interface courses.

Satisnet MD John McCann came to meet some of the veterans, offering four students a one-month 'try before you buy' work placement. Wesley is now one of two vets with permanent positions at the IT reseller.

McCann told CRN that he was impressed by the resilience and initiative that Freeman displayed.

"It's his attitude, willingness to learn and determination to succeed that have really impressed the team at Satisnet. As soon as I met him, he was positive, articulate and it was obvious that he had set himself the goal of getting a job in the growing world of opportunity in cybersecurity. He climbed a steep learning curve during his work attachment, which gave both of us the time to decide, and he is thriving.

"He's a great example to other ex-military people and shows how they can succeed in cybersecurity roles."

Calm in a crisis

Brigadier (retired) Jackson was quick to point to non-technical risk management as also being crucial to handling cybersecurity threats.

He cited the 2016 debacle at TalkTalk, where 157,000 customers' personal details were accessed (including bank details). Then-CEO Dido Harding couldn't explain publicly why it took 24 hours to admit the breach, and was far from media-ready to speak about the company's encryption or security policies.

The blowback sent TalkTalk shares plummeting to a 33 per cent loss in value. Harding subsequently stepped down as CEO.

"I was struck by the response of TalkTalk last year to cyber hacking, not so much on the technical side but what people in the business said. I think we all listened to [John] Humphrys attacking the CEO of TalkTalk on the [BBC] Today programme," Jackson said.

"So it is also managing external communications, communications with clients and project management as well, where the skills of ex-military people can add value."

Experience is king

VP of IBM Security in Europe Julian Meyrick agrees that clear-headed problem solving is key to responding to security incidents in business.

A former infantry platoon commander himself, he explained why he was delighted to see partners in the IBM network benefit from military services experience.

"Veterans bring a lot of the soft skills we need in the cyber domain," he said. "We need people who are able to deal with complex situations; are able to be calm when other people have their hair on fire and don't understand why their company has been hacked, or the IT isn't working; and people who are used to following structured processes but also have the confidence to use their initiative, because the reality is that however much you can plan for a cybersecurity incident, most of them never quite turn out the way you expected."



"The army drills a lot of personal habits that can be transformative to the private sector, from discipline to high ethical standards. We bring these core values over to a corporate environment. It's indispensable"

EJ Oclijghoro

Straight to the point

*Following two years of upheaval and rebranding, Forcepoint's new vice president EMEA tells **Nima Green** why he has no time to waste on opportunistic partners*

In 2015, many in the channel had written off Websense completely. The much-beleaguered security vendor had top UK partners threatening rebellion over what they described as a chronic lack of support.

Fast-forward to June 2016 — when Websense was relaunched as Forcepoint, following its acquisition by US defence contractor Raytheon — and the company has seen a remarkable turnaround in fortunes.

Its new EMEA sales boss Kevin Isaac is clear about his priorities: a revaluation of its current partners; company expansion in key European markets; and managing GDPR and Brexit.

He is also adamant that Forcepoint's recent success is not down to luck, but to targeted strategy; and that he expects the same from current and future partners.

"Opportunistic partners won't hold water with me," said Isaac.

"There are 2,500 partners and 30 distributors [for Forcepoint EMEA]. Globally, the Platinum teams have grown by 10 per cent in the past year, and Gold has grown by 26 per cent. This indicates to me at first glance that the channel is coming back to the new Forcepoint brand."

Isaac told CRN that while he is optimistic about Forcepoint's current standing, he wants to ensure the company's channel network is not oversubscribed.

"Do we have too many partners? I don't know the answer to that yet and my plan is to ask the partners."

"The most important thing for me with partners is to make sure we have adequate coverage for our customers, but making sure those partners are valuing our relationship — in other words are they making money — are we too diluted?...These are the questions I need to ask over the next few months."

"The most important thing to get across to partners is that I'm looking for partners who are willing to be strategic with us. I'm not going to hold a lot of water for people who are opportunistic."

Hire power

Isaac's streamlining plans follow two significant acquisitions. The addition of Stonesoft next-generation McAfee firewall and Sidewinder proxy firewall technologies from Intel Security in 2016 expanded the cloud and hybrid capabilities of Forcepoint's TRITON security platform.

Citing two of his primary competitors as Symantec and Zscaler, Isaac has set his sights on an expansive

recruitment drive building Forcepoint's presence in several European markets.

"We've got a lot of hiring to do: a lot. It's very exciting," he said.

"We're looking for people for our offices in Reading, Paris, Germany, the Middle East... and the Nordics. It's the usual suspects."

"We know that the biggest challenge in security that we'll have over the next five to 10 years is going to be people. I think there will be 1.5 million open jobs by 2020, according to the analysts. So we need to put enough value into the channel so they can take on interns, and do what they need to do to grow the segment."

Isaac also believes that a hot-button issue for the market is any future agreement between the UK and the EU over data protection.

In August, the government laid out its plans calling for an early "adequacy" agreement with the EU to ensure that crucial data to businesses continues to flow uninterrupted after Brexit.

"With Forcepoint, we've got 27 datacentres worldwide. We have more local datacentres in Europe than any other international vendor in our space," Isaac said.

"With all of what's happening with government and data, there's a very interesting point of confluence and I think that partners will find that very compelling because their customers need it [an agreement]."



"The most important thing is that I'm looking for partners who are willing to be strategic with us. I won't hold a lot of water for people who are opportunistic"

Kevin Isaac, Forcepoint

A man with a beard and glasses, wearing a blue and red plaid shirt, is sitting at a desk with a computer monitor. He has his arms raised in a celebratory gesture, with his fists clenched. A coffee cup is on the desk in front of him.

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Becoming your own worst enemy

While it is essential for businesses to prime themselves against an outsider attack, those inside the firm must also play their part, says Josh Budd



Businesses are spending more money than ever on security and it's easy to see why. Just type 'cyberattack' into Google and you will be bombarded with news headlines about the latest data breach coming from organisations spanning the UK, the US, India, and everywhere else. It's a pandemic — and one that has everyone terrified.

As cybersecurity shoots up business agendas and becomes a boardroom-level issue, CTOs and CEOs are forced to come together to scrutinise how much they spend, and where. So how should businesses divvy up their security spending? Should they invest beyond traditional firewalls and opt for security offerings with built-in analytics and machine-learning capabilities? Should they outsource everything to a third-party MSSP that has the added expertise and personnel capability?

IT departments can throw the kitchen sink at cybersecurity and invest in all the cutting-edge technology

and next-generation security platforms but it just takes a single employee to make one fatal error in judgement and confidential data can fall into the wrong hands.

After all, we are only human and accidents happen — whether it's an employee unknowingly downloading malware onto company gear or opting to use their personal devices in the workplace — an everyday working environment can be a minefield of security risks just waiting to happen.

Our exclusive research has unearthed some intriguing findings about how insider threats are perceived by SMBs across Europe. We found that almost two thirds (57 per cent) of those surveyed regard the possibility of internal security breaches as more severe than external ones.

Taking this into account, it is more important than ever for end-user organisations to refrain from being drawn in by glossy headlines which have emerged from recent attacks and instead take precautions, expect the unexpected, and build a cohesive and fool-proof security policy from within above all else.

■ Josh Budd is senior reporter at Channelnomics Europe.

Plugging security gaps

Educating staff on the issue of cybersecurity is essential if SMBs are to effectively protect their networks from internal breaches



The Wannacry and Petya cybersecurity attacks dominated headlines in 2017, exposing serious weaknesses in previously trusted organisations. Advancements in malware quashed standard security precautions, leaving many SMBs feeling lost. Suddenly, every organisation was viewed as a potential target for malware, no matter the size or security measures. As a result, the IT

industry found itself in hot water.

While these reports make for interesting news, the truth is that most security breaches at SMBs are commonly enabled through the well-intended, yet misguided, actions of employees as well as through employee acts of malfeasance behind the firewall. In fact, per *Security Magazine*, up to 70 per cent of data breaches can be linked to gaps in internal cybersecurity. MSPs must start looking for tools to help protect their clients from themselves. MSPs acting as a trusted adviser should not only work with best-in-brand tools, but also be thinking of ways to educate and

empower clients. What are you doing to provide clients with the real security they need?

After all, who is responsible for setting and maintaining security policies? What precautions are organisations responsible for taking to minimise the risk of being vulnerable before the next breach? And what can managed service providers (MSPs) do to help their clients stay ahead of the real threat, not from some foreign government spy agency, but from their internal threats and vulnerabilities?

The current state of technology presents a need for thorough and consistent security audits. RapidFire Tools offers a suite of software solutions designed to enable MSPs to provide IT assessments and internal network security quickly. Most top-to-bottom network audits and reports take several weeks to complete, but RapidFire Tools' Network Detective products execute comprehensive reports and network audits in as little as one hour. RapidFire Tools assists MSPs in winning new business, creating new services and new lines of revenue, and — most importantly — creating that peace of mind MSP clients seek. Simplify your security offerings with RapidFire Tools.

■ Michael Mittel is CEO of RapidFire Tools.

Looking inwards

Our exclusive research shows that SMBs must be aware of the threat from within their own companies. Josh Budd reports

Cybersecurity has become an imperative. With attacks such as Wannacry and Petya grabbing headlines and revealing serious weaknesses in major organisations such as the NHS, FedEx and national banks, no company wants to find itself named and shamed in the mainstream media as the latest victim of emboldened cybercriminals.

Offering a diverse and effective security portfolio has long been an essential cog in any channel machine, yet — given the scale of recent attacks — getting your security offering right is more important than ever.

Worldwide security spending is expected to surpass \$100bn in revenues by 2020, according to reports from market watcher IDC, which predicts that a wave of major breaches worldwide has prompted boards of directors to revisit their security spending budgets.

Yet while high-profile security breaches have raised global awareness of the vital need for more sophisticated end-point security solutions, organisations should not neglect looking inwards, and finding potential vulnerabilities within their own workforce.

“The worst enemy you can meet will always be yourself”, or so says nineteenth century philosopher Friedrich Nietzsche, and indeed, organisations operating across all business sectors would be foolish not to entertain the prospect that their own employees pose the most substantial security risk.

What do you think?

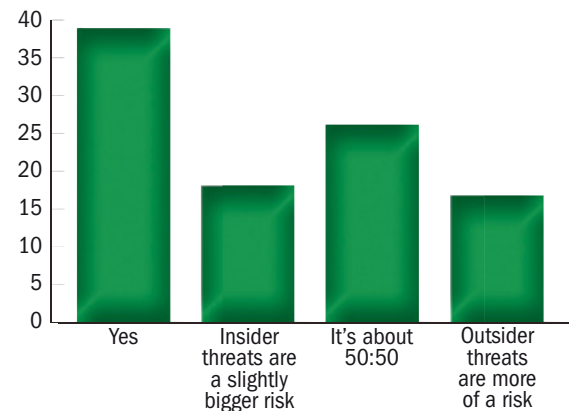
Research conducted by *Channelnomics Europe* looked to unearth whether organisations view protecting against insider security breaches — when systems are compromised from within — as crucially as defending against external cyberattacks.

We asked participants which insider breaches pose the most severe risk to their business, and what they are doing to minimise risk and prevent systems being compromised.

Carried out in August 2017, we quizzed 149 European end-user organisations from 16 business sectors.

Findings reveal that the majority of organisations consider the threat of an insider attack with even greater severity than external ones (Fig 1). Fifty-seven per cent of respondents perceive their own company employees as a

1) Do you believe that insider security threats pose the same or a bigger security risk than outsider threats?



greater security risk than those posed by external hackers, while 26 per cent of participants regard both types of threat with the same level of severity.

Furthermore, 69.7 per cent of respondents said minimising employee breaches ranks as a priority item on their security agendas, with 16 per cent claiming insider threats come as their most significant security concern.

When we asked participants for their opinions on what kind of insider threats they see as posing the biggest security risk (Fig 2), 39 per cent of respondents said that employees stealing confidential information, such as client lists or personally identifiable information, poses the most severe security risk, while 28 per cent labelled it a high security risk.

It seems that organisations see employees acting with intention — and not through accident — as the biggest potential risk to security. Yet the second-highest ranked security risk stemming from employee behaviour comes from staff accidentally downloading malware or ransomware onto company systems. Thirty-five per cent →



Catch Problems Like this One Before They Cause a Crisis

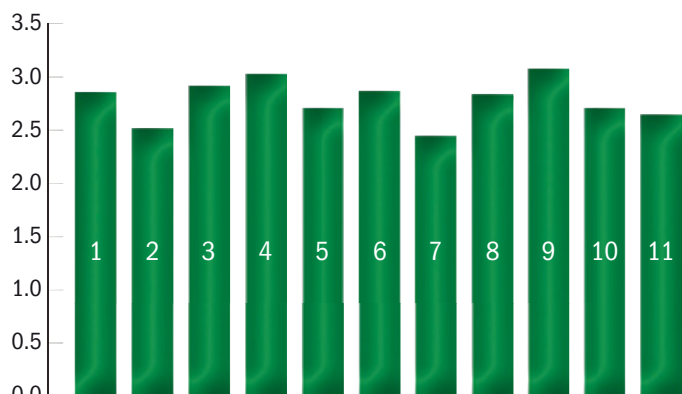


The Network Detective platform by RapidFire Tools delivers a full arsenal of non-invasive IT assessment, scanning, reporting, and alerting tools that inform Managed Service Providers to risky network activity.

See Network Detective in action.

Sign up for a demo at www.rapidfiretools.com/demo

2) Which of these do you think pose the biggest security risks? (Rank the following on a scale of 1-4)



- 1) Employees using personal storage devices (USBs, hard drives) on company equipment
- 2) Employees bringing their own devices to the workplace
- 3) Employees having or gaining access to systems they are not authorised to access
- 4) Employees stealing confidential information (ie client lists or personally identifiable information)
- 5) Employees violating IT security policies, such as storing credit card information or personal information on their systems
- 6) Employees running software that creates network vulnerabilities or other unaddressed internal network vulnerabilities that would make it easy for hackers to traverse the network
- 7) IT providing improper access rights to employees
- 8) Unpatched systems on the network
- 9) Employees accidentally downloading malware or ransomware
- 10) Employees intentionally performing malicious actions
- 11) Unknown or rogue devices on the network

of respondents described this form of breach as severe, while 39 per cent said it posed a high security risk.

Austen Clark, managing director of Aberdeenshire-based MSP Clark Integrated Technologies, said that in his experience, SMB insider breaches of this kind happen all the time and are vastly underreported by mainstream media. Whaling attacks, a type of phishing scam where an employee is used to target top executives, are resulting in SMBs having to part with thousands of pounds in profits.

"This happens every day of the week and the underreporting of it is enormous; it is almost criminal. [Many] firms brush it under the carpet, and speak to the bank to get the money back," he said.

"We see internal hacking or internal problems as down to people not having the education. Companies do not spend enough on educating their staff. Why? There is something about training people in how to use computers which is completely alien them. The only time we find that people say 'hold on a minute, we need to train our people', is after they've already been breached."

Sam Reed, CTO at Nottingham-based MSP Air-IT agrees, adding that in many SMBs an irrational blame culture prevents companies actually taking a look at their security policies and unpicking where they went wrong.

"Costs are still heavy and companies will only start spending money when something actually does happen to their network. Nine times out of 10, internal breaches are not malicious and a lot of the time SMBs are blaming the individual rather than the failures in their processes. Instead, they should look at themselves and ask what they

could have done better to learn from it."

Other high scorers include unauthorised employees gaining access to systems, which 33 per cent of respondents see as a severe security concern and 29 per cent see as a high risk, and staff running software that creates network vulnerabilities, which 30 per cent of participants saw as a severe concern.

With mobility becoming the latest trend in the tech industry, IT departments are faced with thousands of potential system vulnerabilities as workers bring their own devices to work. Yet, according to our findings, IT decision makers are unfazed by mobility's impact on security in the workplace. This category scored the lowest in our survey, with only 13 per cent of respondents naming it as a severe security risk, while nine per cent said they didn't see it as a risk at all, and 43 per cent named BYOD as somewhat of a risk to security.

Expecting the unexpected

We wanted to know what measures organisations are taking to minimise the risk of an insider security breach. Our findings suggest that most European organisations are taking precautions to reduce employee-related security risks. Of our respondents, 34 per cent said they ran internal vulnerability scans to identify potential threats on at least a monthly basis, while 17 per cent said they run scans quarterly. Yet, a significant chunk of our participants conduct scans less frequently; 37 per cent said they run tests only occasionally or on a random basis, while six per cent said they do not run scans at all.



Moreover, companies are actively searching audit and access logs for suspicious activity. Sixty-one per cent of participants said they are scrutinising logs on a regular basis, however, a sizeable 39 per cent said that logs at their company are going unchecked.

Many of our respondents said that when it comes to reducing employee-related security breaches, education is everything. Perhaps unsurprisingly, 76 per cent of IT decision makers surveyed said they have implemented an employee data or security policy, while 23 per cent said they plan to implement one in the future. Following a similar pattern, a massive 74 per cent of participants said that employees undergo some form of training on their company security policy.

Most IT decision makers told us that their company security policy follows a disciplinary procedure, where staff are held directly accountable for causing serious security breaches. A number of respondents even said their firms prohibit users from bringing unauthorised devices into the workplace, and that all data stored in the workplace is strictly under company ownership.

Where does the channel fit in?

Only 24 per cent (Fig 3) of our participants are currently working with a managed security services provider (MSSP), with the majority — 54 per cent — taking security management into their own hands. Interestingly, more than a fifth (21 per cent) of respondents said they plan to use an MSSP in the future, suggesting that the channel is becoming more relevant in today's increasingly complex security environment.

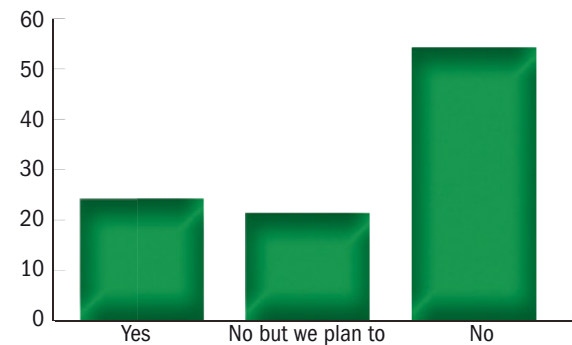
This represents a massive untapped opportunity for the channel to become relevant in the security space — whether that's through managed security monitoring, compliance monitoring, or penetration testing and vulnerability management. Seventy-six per cent of organisations are not currently outsourcing security expertise, according to our survey, which means the channel has a huge opportunity — as well as a sizeable challenge — to win new business.

Clark agreed that he has noticed more organisations are looking into outsourcing their security needs to an MSSP.

"There is a marketplace being built and growing at the moment where a focused approach to security is being asked for. Nine times out of 10 the internal IT managers have many moving parts to deal with, and the specialisation for security is growing so they look at outsourcing or bringing in services to provide security services; many organisations that are doing that," he said.

"Larger organisations with more than 250 people are employing security officers. There is a new genre now in

3) Do you currently work with an MSSP?



being a security officer and all you're doing is looking at security and compliance. That is becoming a very common thing and it is a common title coming into organisations."

We asked those working with an MSSP what prompted them to outsource their security services to a third party. Almost all respondents named a shortage of skills, resources and manpower as the main drivers behind relying on the channel. The promise of 24/7 support also proves highly attractive for the representatives of organisations surveyed.

Reed said that most vendor offerings on the market are unsuitable for SMB customers, and as such, most small organisations are put off working with an MSSP.

But things are starting to change, according to Reed, as vendors begin to offer more cost-friendly security products to the SMB market.

"Having an MSSP as an SMB is a relatively new thing that has only started to happen in the last couple of years. Corporations and enterprises are happy to pay those hefty fees; it comes down to the fact that there is a lack of SMB-friendly tools," said Reed.

"A lot of them out there today require a hefty service charge and an upfront cost, so an SMB service provider is asking firms to pay more for their existing infrastructure just to monitor it. A few products are coming out that we are looking at and reviewing, where it charges per user instead of an upfront cost."

It seems that while it doesn't look like SMB's blasé attitude towards insider security threats is going to change anytime soon, MSPs are getting ready to make their case to smaller organisations and show them why their attitudes towards security are in dire need of a thorough review.



Inside the digital workplace

Gartner believes that the digital workplace of the future will be driven by four key technologies. Trevor Treharne spoke to resellers to see if they agree



The digitalisation of business has continued unabated for decades now, but fresh technologies will continue to sweep into the workplace and change employee functionality. Research house Gartner believes that digital business execution is requiring increasingly frequent and complex decision making, continuous problem solving and rapid pattern recognition, all of which require workforce digital dexterity. In most organisations, responsibility for helping employees develop the desire and ability to exploit a wide range of transformative technologies does not have to rest with any group or individual.

Gartner's *Hype Cycle for Digital Workplace, 2017* has named the four emerging technologies that will drive the digital workplace. According to the report, the technologies that will have a transformational impact in the next two to five years are augmented data discovery and personal analytics, while the technologies for the five to 10-year timescale were conversational user interfaces (CUIs) and virtual assistants (VAs).

"Humans will still be at the centre of work, even as intelligent software and machines become our co-workers," said Matt Cain, vice president and distinguished analyst at Gartner.

"CIOs must anticipate how trends in business, society, technology and information will converge to change where, when, why, and with whom we work. CIOs must expand their charter to include workforce digital dexterity."

Augmented data discovery

Augmented data discovery enables business users and citizen data scientists to automatically find, visualise and act on exceptions, clusters and predictions in complex data sets, without having to build models or write algorithms.

It aims to reduce time-consuming exploration and the false identification of less relevant insights. Segments, clusters, outliers and relationships are automatically applied

to the data, and only the most statistically significant and relevant results are presented to the user in smart visualisations and/or natural-language narrations that are optimised, based on the user's context.

Gartner suggests that application leaders start with a small list of specific business problems that cannot be solved with business intelligence and analytics platforms, and launch an augmented data discovery pilot to assess

"Data is the prince, but unfortunately many organisations still treat it like the pauper"

Rob Quickenden, Cisilion

the viability of augmented data discovery, prove its value and build trust in it.

"The augmented data discovery aspect is probably a road we are already on with our investment in partnerships with Tableau and Qlik for visual analytics and user-driven insight," said Sam Routledge, CTO at reseller Softcat.

Rob Quickenden, chief strategy officer of reseller

Cisilion agrees that augmented data discovery will be an area of growth, but warned that it will need a significant amount of discipline across organisations before this becomes possible.

"We talk to businesses about organising and classifying their data

in order to have any chance of searching for it, indexing it and finding it," he said.

"Legislation such as GDPR is starting to make organisations think more seriously about this, but lots of them are still so far away. For many this will be relevant to new data rather than all data. Data is the prince, but unfortunately many organisations still treat it like the pauper."

Henning von Kielpinski, vice president of business development and alliances at ConSol Consulting & Solutions, said the use of data discovery tools has been common practice for years now, but barriers to adoption still remain.

"The application of machine learning and AI in order to select the data, which is the base of the so-called augmented data discovery, has been possible for quite a while but is refrained from being used," he said.

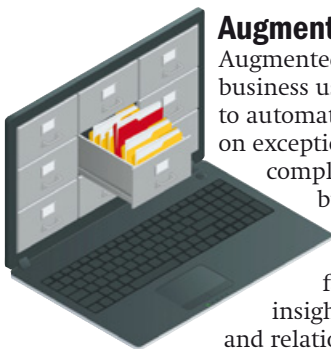
"The reason is that it is incredibly difficult to understand the underlying selection process since the algorithm may change continuously. Thus it may not be possible to reproduce results because the system feeds back the results in its decision making."

Personal analytics

Personal analytics is the analysis of contextually relevant data to provide personalised insight, predictions and/or recommendations for the benefit of individual users.

Examples include virtual health assistants, financial advice assistants and shopping assistants.

Gartner suggests that the virtual assistant market sector will reach mainstream adoption by 2020. Organisations can benefit



from personal analytics by using the data collected to personalise products and services, and to deepen and extend customer relationships, or to assist with planning future services that meet new customer requirements.

Obstacles to the adoption of personal analytics include the challenge of integrating personal ecosystems of sensors and data feeds associated with individual users, as well as the business models required to support product development and marketing.

Quickenden said personal analytics are of particular interest to many organisations in how that feeds into wider departmental or organisation analytics.

"We see individuals get quite excited and a bit 'wow' by tools such as Microsoft MyAnalytics, but I think these tools have a long way to go to be useful in changing behaviour," he said.

"Put at a departmental and organisational level, these insights could become very powerful and I can see them being used as the 'next-generation ultimate cookie' to drive business improvements."

However, Kielpinski disagreed with Garner on personal analytics: "I cannot really see anything new there [with personal analytics]. We are in the time and age of personalised offers for iPhone users versus Android. We are using smart wristbands, smartwatches, Amazon Echoes and Google's home devices. The limit is neither software nor technology right now, but social acceptance and legislation. Personal analytics will probably expand, but it is here already."

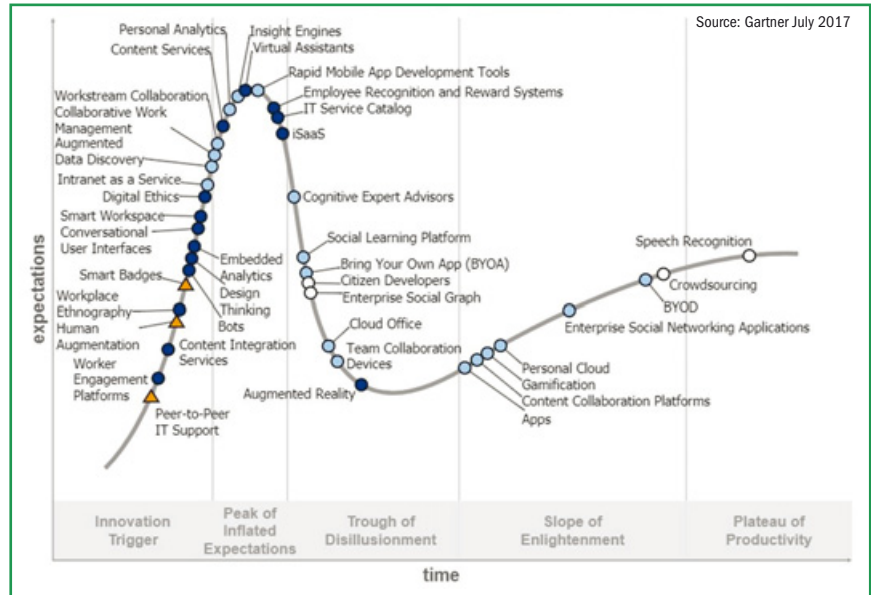
Conversational user interfaces



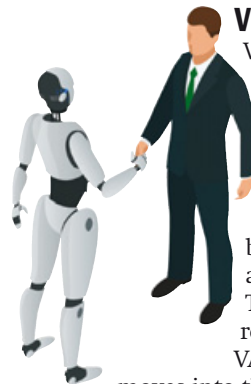
Conversational user interfaces (CUIs) are a high-level design model in which user and machine interactions primarily occur in the user's spoken or written natural language. CUIs had huge growth in 2017, with chatbots, messaging platforms and virtual speakers contributing to the

boom. The explosion in the availability of conversational platforms is making CUIs an alternative to graphical user interfaces. "We expect application suite vendors to increasingly implement CUIs in front of business applications, leading to hundreds of different chat interfaces," said Cain.

"Most CUI implementations are not able to respond to complex queries. Increases in capabilities will, at first, largely come from improvements in natural-language understanding and speech recognition."



Virtual assistants



Virtual assistants (VAs) help users and organisations with sets of tasks that previously could be carried out only by humans. VAs use artificial intelligence and machine learning to assist users or automate tasks.

VAs listen to and observe behaviours, build and maintain data models, and predict and recommend actions. They may act for the user, forming a relationship with the user over time.

VAs' importance will grow as society moves into the post-app era in the next five

years, said Gartner, which suggests it is unlikely that the VA market will have a single leader, due to the fragmentation of ecosystems, but the major technology providers — such as Apple with Siri, Google with Google Assistant and Microsoft with Cortana — are likely to remain dominant.

"Businesses that have not begun the process of deploying VAs to interact with customers and employees should start now," said Cain. "They should look for opportunities to use VAs to make users more productive with business apps and mobile platforms, and carefully measure the impact of VAs on behaviour and performance. Organisations should closely monitor the use of VAs, and be prepared to hand off to human agents to ensure customer satisfaction."

Routledge said using virtual assistants is part of becoming a digital business, but only to the extent that is relevant for a firm's market and the company itself.

"A lot of our work at present is around helping customers to prepare their infrastructure, their security and their application delivery environment so that they are ready to make use of these technologies as they become mature," added Routledge.

Firing on all cylinders

*After moving into a newly created EMEA-wide role, Kai Grunwitz updates **Josh Budd** on NTT Security's restructure, betting big on GDPR, and why the firm isn't afraid of going head to head with Europe's MSSP newcomers*

Having dismantled its sub-regional management structure last week in favour of an EMEA-wide approach, central European boss of NTT Security Kai Grunwitz moved into a newly created role as senior vice president of EMEA. Meanwhile, country lead for France Christophe Jourdet took on a second responsibility as director of alliances for EMEA, as Charles Bovey — the firm's Benelux lead — accepted an EMEA-wide role as director of managed security services pre-sales.

The spate of new appointments follows a massive overhaul of parent company NTT's security operations last year. NTT Com Security — along with US subsidiary Solutionary and Australian managed security platform Earthwave — were folded to create NTT Security last August, which saw around 200 sales staff transferred to NTT's other operating companies Dimension Data and NTT Data.

A few months before the restructure, NTT Security's then SVP of marketing Gavin Bradbury told us that the firm was being "marked down" in the industry for not providing a "joined-up" approach to security, and the new company structure would relinquish competition between NTT's operating companies.

Now, just over a year on from the advent of NTT Security, Grunwitz shares with us how the firm's new go-to-market strategy is helping win new business, and making it easier for customers to interact with the company as a whole.

The recent EMEA appointments represent the latest step in NTT Security's new go-to-market strategy. How has this changed how you deal with your customers?

It is never an easy process to change an organisation that has been established for a while, but with our new strategy of changing our go-to-market approach and selling through the operating companies, it was necessary to change a couple of things.

As a specialised security company, we are driving mainly managed security services and consulting services through our operating companies and having them sell large overall transformation deals. Digitalisation is driving large projects, and security is always part of that. With the new structure, we have eliminated any competition between our operation companies; now there is none at all.

We have looked at our structure which was pretty much regionalised and country-based, but today the projects are more international and require a lot of collaboration in EMEA. Sometimes you have good skills in one country that you could need in another. Also, you have to be very clear

about sharing best practices across borders because what we do with the operating companies in Germany is beneficial in the UK as well, so we are trying to drive more in an EMEA functional structure to leverage the synergies there.

Are you still reselling vendor solutions? How has NTT Security's priorities changed over the years?

We moved away from reselling towards being a pure services company, so we are focusing purely on the growth of the services side. Today, 70 per cent of our new business on the services side is going through the operating companies, and the reselling business we transfer to the operating companies anyway.

At the moment reselling is not a focus for us; we use our operating companies to do the reselling business. We have a team working with Gary Sidaway (SVP of security strategy and alliances); he is driving collaboration across operating companies on a global level to make sure our vendor partnerships have been transferred in a proper way and our business is covered by all operating companies. We see that NTT Data, Dimension Data and NTT Europe are really picking it up and we have had very good feedback from our partners about how we handle the transition on that side.

Have there been any teething problems when aligning your customers with the new company structure?

Of course, we always consider that some customers would love to continue working with us, but we try to be as consistent as possible. That is why hitting 70 per cent of the services business through the operating companies is a good result for me. We still have some clients that will be transferred step by step, into an indirect channel model or wholesale model, but we don't push for that if it would affect any customer relationships because the key goal for us is to retain all our clients.

On the customer side, we only had a few changes. Most of our clients already have contracts with at least one or two of our other entity companies. It was more to make clear that the procurement process will flow through one company in the future, which is a big advantage for our clients because it simplifies their procurement process. Especially with the large clients, it means they don't have to contact Dimension Data and NTT Security; they can instead just go all through Dimension Data.

With cybersecurity attacks hitting the headlines on an increasingly regular basis, MSSPs must be more

"With our platform, which uses machine learning, we are much faster at identifying problems than the patchwork of solutions put together by a lot of players in this market"

Kai Grunwitz, NTT Security

relevant than ever. What do you see as the major sales and growth opportunities for NTT Security today?

The most important area for us is the managed security services area; we see that the market is still ramping up. Not a lot of companies have decided to move with a managed security service (MSS) provider and many are still in the process of evaluating their options. Only six per cent [of companies in EMEA] are working with an MSSP today.

When I talk about MSS I don't mean the standard device management, where you are managing firewalls and that sort of thing. That is still a service we deliver, but it is not for us a differentiating service in the market. A lot of companies can deliver device management but we have moved on as a company and we are focusing on the high-value advanced analytics, which means detecting any threats before they affect the company.

We see strong growth here because clients struggle at the moment to really get the best out of their monitoring solutions or so-called SIEM solutions. It requires a lot of people to implement, run and analyse the data that has been generated with an SIEM tool. Large clients might have enough people, but the upper-mid market and some larger clients really struggle because they want to have their security people work on other things, not only on monitoring what is going on in their environment.

GDPR is looming on the horizon. How far along are European companies with compliance, and do you see it as a sales opportunity?

Talking about GDPR in security is unavoidable at the moment. We are coming close to the deadline now, and a lot of companies still have not really understood how critical it is for them. We see companies in the US or the UK that still think it doesn't affect them because Brexit is coming and we have the US, which is far away from Europe. But the regulation is valid for all companies that do business in the European area.

Overall, there is still a lot of work to be done in Europe. Only 39 per cent of the companies in the UK have identified GDPR as a risk for them, according to our research, but they are now catching up. We are not much better in most other

European countries, to be fair. I think in Germany and Austria we are at 53 per cent, so not so good; the UK is a little bit behind but so far the others are not so far ahead. Switzerland is number one with 58 per cent.

This is good news for us at the moment, because we have a great team and a great GDPR framework. We have invested in supporting the documentation and handling the incident response for our customers, but also the risk management processes where we have a team implementing tools such as RSA Archer or others. The governance, risk and compliance (GRC) business along with GDPR is a massive growth area for us at the moment.

The opportunity is on the consulting and technology side. The consulting opportunity is there to define the procedures and understand where the clients are. But we see a technology opportunity as well because we have to automate the processes, but also analyse weakness and data flow.

A client could say 'I want you to delete my personal data', then you have to find it and delete it on a global scale; that is a technology challenge. Quite often it starts with the consultancy engagement to identify the gaps, then it moves on to a technical one.

The past few years have seen a number of MSSPs grow into major European players. SecureLink has become a 625-employee-strong MSSP while NCC has acquired eight firms in the last six years. How have you reacted to this new competitive landscape?

We have a competitive landscape out there and we acknowledge they are also speeding up; I would be stupid not to recognise that. On the other hand, our key differentiator is that we are one of the few real global players in that area. If you look at some of the companies, they have either a strong country-specific footprint where they have local shops and they are good at managing the infrastructure, but they definitely lack the global threat intelligence. They don't have the capacity that we have to invest in developers — let's say hundreds of developers — to continue work on the platform used to monitor the environment.

We are a real global player with 1,500 people now and we are one of the largest specialised security companies, if not the largest. A lot of players do security on top of their networking business, but we do it only, that is the only business we do.

We see a lot of players buying point solutions and putting together a platform based on a standard SIEM implementation. But with our platform, which uses machine learning, we are much faster at identifying problems than the patchwork of solutions put together by a lot of players in this market.

If you look at the global coverage and the unique detection capabilities we have and all our R&D power at NTT, we are in a good position to win further market share especially if you look at the sales coverage we bring to the table as well. Consider the number of salespeople across NTT Data, Dimension Data, NTT Europe, e-shelter, and Everis, which are all part of the NTT Group.

■ Visit www.channelnomics.eu for daily analysis of the IT channel across Europe

Five rules for effective meetings

Meetings needn't be hell, so long as you follow these essential tips from UKFast's CEO
Lawrence Jones

The business world seems to have got into a bad habit of spending an excessive amount of the day in meetings. Your time is precious!

When you spot someone spending the majority of their time in meetings, it usually means they are disengaged with their actual job and it is a warning signal.

So how do you make sure that you're making the most of your time in meetings?

First of all, a meeting is like arriving at a station. The train doesn't wait for you. The simplest rule for any meeting is: don't be late and don't accommodate lateness. When you allow someone to come in late, you find yourself going back to explain where you are up to, or the latecomer ends up asking questions you've already covered. It disrupts the flow of the meeting and the energy in the room. I have five key rules for making the most of meetings:

■ Set a goal

What is the meeting for? What do you want to achieve? If you can't succinctly answer these two questions before the meeting, you don't need to meet. There is a trend in business to have meetings for the sake of meetings. It can easily become a way of procrastinating and avoiding the work that you really need to do. Equally, without a clear aim, the meeting can easily run on for hours and still leave the team involved feeling unfulfilled.

■ Stick to an agenda

It is all too easy for a meeting to go off track. Someone makes a point that opens a can of worms and before you know it, you're three hours into the meeting and still no closer to the original aim.

In a board meeting or an important meeting where a problem may arise like this, I 'take it offline'. The issue is written on a whiteboard instead of letting it distract the whole meeting. We then come back to the whiteboard at a later date or straight after the meeting to address it as a separate issue.

■ One hour long

Set a time limit for all your meetings. Look at what you want to achieve and how long you expect that to take. Be realistic but also be mindful that your time is your most valuable asset. Will this meeting be the best way to spend your time to get results for the business?

I learned a few years ago that some big American businesses are targeting their teams on the length and number of meetings they have with potential customers. It's a great tactic for building relationships, but it also means your team being drawn into lengthy meetings that are effectively sales pitches. It is wise to keep everything succinct.

■ Two pens and a pad

Write everything down. How many times have you said you would complete a task and then forgotten all about it? Or inspiration struck and you had nothing to jot it down on and you forgot your great idea? Having a pen and paper in a meeting is essential for this reason. Equally, I always take a spare pen or pencil in case the other runs out.

It's worth noting that typing into your phone, an iPad or computer doesn't have the same effect. We're not wired to remember things we typed in the same way that we are when we handwrite notes. It's far easier to remember something you have jotted down by hand.

■ No-phone zone

Phones are an extraordinary distraction. You're holding a meeting. You have everyone you need in the room. That last thing you need is your smartphone ringing, beeping and notifying you of everything else going on in the world.

It's impossible to focus on the room when you have a smartphone in front of you. Meetings are face-to-face communication; you are not going to ring the person next to you so why do you need to take a mobile into the room? There's no doubt a phone in the meeting room that can be used if it's absolutely necessary.



Lawrence Jones
CEO, UKFast



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Stop paying sales commissions

*Resellers should end the ineffective commissions system for sales staff and offer a larger base salary instead, says **Dominic Monkhouse***

Resellers should stop paying sales commissions immediately. If you pay for results, you get less — fact. I have had a sales role in the past with a fixed salary, did I work as hard? I was one of the top performers in my first year, so yes. Do you pay graphic designers per logo, developers per line of code, or support people per closed ticket? Resellers looking to grow aggressively in a different way can carve out a niche by paying sales staff a salary instead. Paying people on individual performance just makes staff selfish.

I do a great deal of work with resellers and a client I met asked how to solve the problem of providing sales staff with commissions when they are selling cloud. I said, “don’t pay them commission”. He said, “don’t be ridiculous”. However, there is not a single piece of research that says if you pay someone to do something, they work harder or smarter. No scientific research says paying someone means they do more of their role — that is not how we are wired as human beings.

There just happens to be this tradition that salespeople get paid commission and that’s because the people paying don’t want to pay high salaries so hide behind the commissions system. However, the best salespeople I have worked with are not money-motivated. I’ve always tried to find the underlying motivators in a salesperson before I hire them. A tip I picked up from research firm Gallup is to ask a candidate to tell me about their best deal. Those who are money-motivated will talk about the value of their best deal. I do not hire them. I hire the people who tell me their best deal was about the impact it had on their client, how they solved the problem for the client and how that made them feel. The best salespeople are not doing it just to hit a quarterly target. What they have is customers with problems; they are building rapport and those customers trust them. Those customers then feel valuable, they spend more money and they refer you.

Sales commissions are often already in place when I go into companies. However, if I started a company today I would not pay sales commissions. When I worked as a drug rep in the pharmaceutical industry I did not get paid commissions, I just got a salary. It was a very good salary, but there was no commission. I would propose that resellers offer sales staff a 90 per cent salary and 10 per cent success

bonus rather than the 50:50 or 60:40 splits we currently see in the channel. Even that 10 per cent bonus could be around the performance of the whole business and its profit.

This approach reinforces the concept of collaboration and the idea that staff in a business are in it together. I spoke to someone who worked at a vendor several years ago and at the time commission was a small fraction of their salary. Instead, there was a remit of aspects such as weekly, monthly and quarterly awards for the best rep — the best people were recognised by their peers and none of it was related to getting a commission cheque.

A piece in the *Harvard Business Review* found that 85 per cent of salespeople do not hit their target. However, if you look at a salesperson’s CV they will always claim to hit their numbers. You need to ask for their P60 because they are all liars and hypocrites and are just not very good. The myth is that salespeople get commissions because they live and die by their sales ability every month and if they are no good, they get fired. That hardly ever happens.

I turn up at a business and ask about the performance of their sales team. They will reply that “this person hits their number, so does this person, but these eight people have not hit their number in three years”. So why are they there and why have you not got better people? If you take a salesperson and a support person at a reseller, the support person on a salary is much more likely to be fired for poor performance than the salesperson on commission. Somehow, the commission aspect stops us from thinking ‘this is a £100,000 a year job, they keep people who perform poorly on £85,000 as they did not make their commission’. Let’s just be honest and say ‘this is a £100,000 a year job and I expect you to turn up and do an incredible job every time’.



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Barrie Desmond, Exclusive Group

Distributor giant's COO talks about his working day

How do you typically start a working day?

Six shots of espresso and a smoke — at a Starbucks or closest good coffee shop — gets me going and I can begin work from as early as 5:30am. With Exclusive now running offices between Auckland and San Jose and every continent in between, I find myself either closing down emails and conversations in the US or opening up conversations from the guys ahead of me in Singapore or ANZ. It's a good way to start the day as someone is always awake somewhere and it gives me time to think before the phone starts ringing.

How long is your commute and what do you do during it?

It's a minimum two-hour commute for me, either to the airport or central London, as despite the expanse of the role and geography I've still managed to stay and live in Wales. The train is ideal. I can work on it (usually on the 5:30 from Newport) and as above, I can clear stuff away before getting to the office. I hit Paddington at 7:20am and can be in the City office before 8am — I love being in early. Commuters are a strange breed, but I despise the Brompton cyclists. They seem to have an air of arrogance about them and they look down their nose at you as they remove their sweat-ridden hi-vis clothes and fold their bike neatly away, sit down to a their Tuppaware-prepared muesli and banana... it makes my blood boil.

What is your attitude to flexible working in your company?

Work is a thing you do, not a place you go. We ask a lot of our people and respect that immensely — we're a very distributed company and a group especially. Although the main back office is in Paris and the front office is in London, group people are based in more than five countries and three continents so home or remote working is essential.

When [getting staff to] end the month and process orders up until midnight, or travel on a Saturday or Sunday to attend a vendor event somewhere, you must be appreciative of your most important assets — your people — hence why we give everyone in the company their birthday off and have things like 'duvet days' (or 'recharge days' as we call them in some countries). I do not sign off half-day holidays

— if you need half a day, take it. It stops people pulling sickies, but more importantly, it's a demonstration of how much we love our people.

What would your colleagues say is your worst habit?

Apart from smoking, probably 'over presenting' — my philosophy is why say 10 words when 10,000 will do! Seriously though, I'm very enthusiastic about what we're trying to do and the journey we're on. Our story is unique and I love telling it, so bite me!

If you could change one thing about your business, what would it be?

It would be our move away from exclusivity with our vendors. As the name suggests, we aspire to exclusivity, but we have regretfully relinquished it when vendors have wanted to appoint another distie — for fear of losing business. Ironically, we have seen the greatest growth and success where we have maintained exclusivity. We share the same ambitions and have a greater impact together in the market, so I would definitely be more inflexible and daring; fighting vendors harder to maintain exclusivity.

Also, without wanting to hang our dirty washing in public, I would change some of our internal attitude to value. It annoys me when my colleagues and I pitch 'Mars' and we only deliver the moon, but our philosophy is that business is a "river, not a lake" and we are continually addressing this through our ATLAS business transformation process — and improving our customer experience where it is identified as not meeting our high expectations.

What do you do for the bulk of a typical day?

Sell. Let's not forget, no matter how we label this business, we are traders. We buy and sell with varying amounts of assistance wrapped around it, whether it's horse trading with a vendor to get additional terms or discounts, wooing a large global systems integrator to give us a global contract, or convincing our people to sell on value not cost — or about the merits of a new vendor or internal programme — I'm ABC: always be closing (and anything but Cisco, of course!). It starts at 5am with our Far Eastern and ANZ guys and finishes at 10pm with our guys in California.

How do you unwind at the end of the day?

When travelling I'm conscious of how unhealthy my lifestyle could be so I almost always finish with a 10km run or 1km swim — or both sometimes.

When at home it's pretty much the same although in the summer I like a round of golf.

Every day ends pretty much as I started it though, with a coffee and a smoke, and it always has to be *Family Guy* on the TV.



Of mice and men

There's a whiff of entrepreneurialism about a prototype computer that can smell bombs and illness, the scent of resignedness at BT, and the stench of cheating over in the US

Having a computer that smells is probably not uncommon for a lot of resellers — it usually means it's overheating and is about to catch fire.

Pretty soon, however, we could have a computer that actually smells (the verb, not the noun).

Nigerian tech guru Oshi Agabi has, rather disturbingly, created a computer that is based on mice neurons rather than the more commonly used silicon. In theory, the machine will have a sense of smell that could be used to detect bombs at airports and illnesses in patients.

Agabi's start-up was launched a year ago and has already raised \$1m in funding.

Although the machine is some way off mass production, Agabi has already revealed what he says is a working prototype of the device.

If and when it hits the market, it is Dodge's plan to not only become a silver partner (at least), but also install the machines on our own sales floor, as breathalysers. It is the suspicion of the board that some of our account managers and middle management have not been performing at the peak of their abilities since The Hog's Head introduced two-for-one cocktails between 5pm and 9pm on Tuesdays. And I must say I'm slightly hurt that they've never asked me to join them.

Boxed in

The comms channel breathed a collective sigh of despair last month, when BT announced it would be cutting the number of operational phone boxes in the country by half, to just 20,000.

BT, which looks after the boxes, claims that demand for their services has dramatically decreased over recent years and the cost of maintaining them has become unsustainable.

One reseller that is prospering however, is X2 Connect Limited — the only BT-endorsed reseller of Red K6 telephone boxes in the UK. They even offer shipping services — a textbook example of how distribution can be cut out of the channel to save margin.

The boxes are listed as £2,750 on the X2

website, but communities and charities can purchase them under BT's adoption scheme for just £1 (not sure where the margin comes from here).

I think the famous red pods should be rebranded as Printer Boxes. You never know when you might need to carry out some urgent printing, and we've got a cracking line of Epson Ecotank printers that we're looking to shift ASAP.

Watch this space

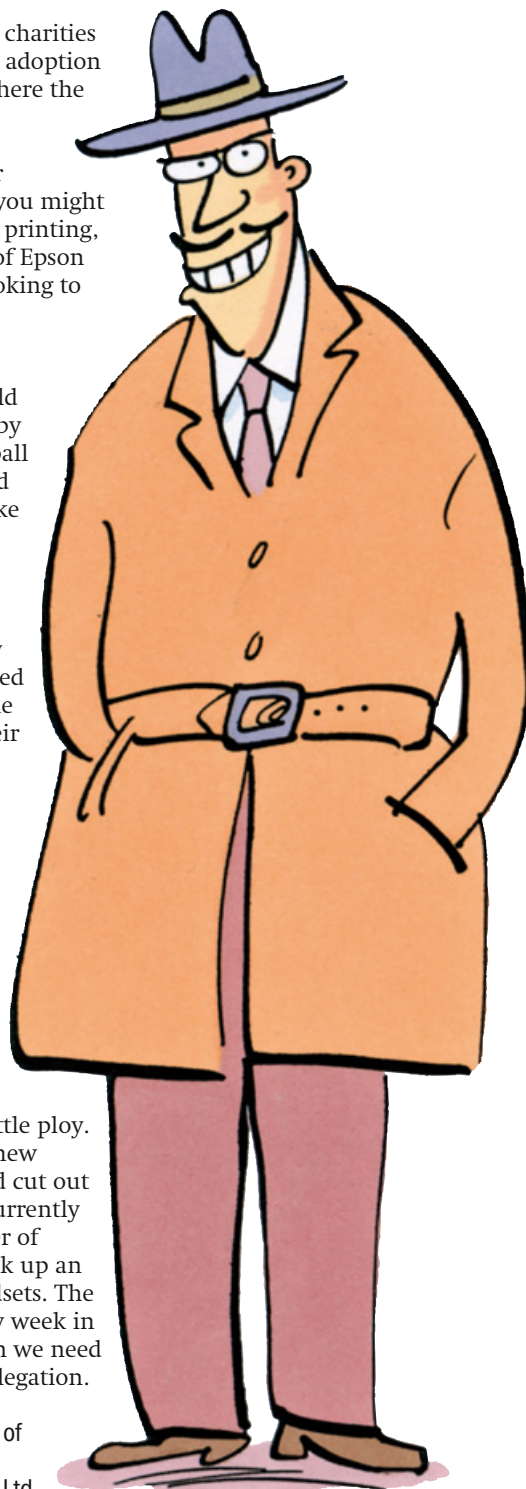
The wearable tech market could be set for a resurgence driven by the sporting world, after baseball team the Boston Red Sox found an innovative way to both make use of a novelty tech item and achieve winning results at the same time.

An investigation by Major League Baseball has reportedly discovered that the Red Sox used an Apple Watch to transmit the plans of opposing teams to their batsman, who therefore knew what kind of pitch was about to be thrown at them before it happened.

A spy in the stands is said to have watched the opposing team make signs to each other to confirm what pitch to throw, before sending the information to someone on the Red Sox bench via the Apple Watch. This person communicated it to the batsman to round off a neat little ploy.

I'm all for employers using new tech to aid their workforce and cut out unnecessary challenges. I'm currently trying to convince the manager of our Sunday league team to pick up an order of 11 virtual reality headsets. The illusion of playing at Wembley week in week out is just the motivation we need to avoid a sixth consecutive relegation.

■ Dave Diamond-Geezer, director of Digital Online Deals and Global Integration (Dodgi) of Dagenham Ltd



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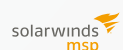
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