

Will cloud rain on resellers' parade?

Bob Tarzey, Analyst and Director

Quocirca Comment – March 2011

The IT distribution channel has always been considered a major influence on the adoption of new products, services and ideas by end-user organisations. So as the IT industry seems set on moving relentlessly forwards with the message that the cloud is the future, how important is the channel in helping the delivery of that technology?

The relationship between IT vendors and the resellers that ultimately shift many of their products has always been like that between the proverbial chicken and egg. Resellers need products to sell and vendors need resellers to sell their products, at least at high volume with a low cost of sale. But does the cloud change this?

At one level, it has the potential to do so. Some vendors, such as Microsoft, that have been stalwart supporters of the channel in the past have wavered. Microsoft now offers some of its cloud-based products for sales direct to customers as well as via partners - for example, Microsoft Office 365, or BPOS as it was previously known.

Furthermore, the further up the cloud stack a customer buys, the less there is for a reseller to offer. For example, an infrastructure-as-a-service offering still needs some systems and application software licences to make it functional, whereas software as a service includes all that, and so just needs user-access devices and connectivity.

However, a reseller that maintains strong relationships with its customers may not have too much to worry about for two reasons. First, no vendor, not even Microsoft, can offer a full range of cloud services and second, cloud-based services will never be the be-all and end-all. IT delivery will always be an appropriate mix of on-premise and on-demand services for a given organisation.

Resellers need to help their customers strike a balance between on-premise delivery and on-demand services, and in doing so maintain their

value-add. To achieve this balance, they must identify appropriate cloud offerings to add to their portfolio so they can offer these to customers alongside on-premise alternatives.

Requirements can be reviewed case by case, with the reseller being impartial and suggesting the most suitable approach for each customer.

A customer that is growing fast might need rapid access to more processing power. Is this best provided by buying more servers and renting the datacentre space to deploy them or buying commodity virtual servers from a managed hosting provider? Is content security best deployed at the network edge or in the cloud? A range of factors will provide the answers to these questions and help the reseller make its recommendation.

When a cloud-based service seems to be the best option, it still needs to be integrated with on-premise infrastructure. Some would argue smaller organisations could source all their IT needs from the cloud but that can never be true if you look at all the IT infrastructure requirements.

There will always be a need for user end-points - PCs, laptops and smartphones - routers and printers. A true value-added reseller with strong client relationships must operate at this level, providing services to manage and secure IT across this entire infrastructure, integrating cloud-based services as appropriate.

At this stage, it is worth mentioning another aspect of the cloud that resellers should remind their customers about. Making sure the use of IT is secure and compliant is not just about selecting when best to use cloud services, it is also recognising that end users will make use of such services anyway.

Whether it is social networking for business or personal use, collaboration tools, online office tools or even on-demand server-storage utility services, users can choose to invoke these

directly for themselves. Resellers need to help their customers control or monitor the use of such services.

How does a reseller go about assembling an on-demand portfolio? Some providers of on-demand services are more channel-friendly than others – some are indifferent. Amazon may not have much of a reseller program for Amazon Web Services but this does not stop a reseller from building EC2 servers or S3 storage into their propositions.

However, it may make more sense to work with a provider such as Rackspace, which has an active partner programme and prides itself on support, as this choice will allow a reseller to back its own service guarantees with those from its supplier. Salesforce.com has always seen the channel as a second to direct sales whereas for NetSuite it is seen as the primary route to market. That attitude is reflected in the way both organisations incentivise partners.

All that said, selecting cloud services is just one of the challenges. Making sure they appear as unified, coherent and seamless set offerings, with a single billing and an integrated management portal is too much to ask of most resellers. There is help at hand from some distributors, who also have to work out how to exploit the cloud and stay in the game.

For example, Computerlinks has recently launched a range of cloud services under a new brand name called Alvea. This brand includes on-demand servers and storage, data backup, security and collaboration services. Unified billing and management are built into the offerings and resellers can white-label the whole thing to appear as their own.

Being a well-established distributor, Computerlinks knows a thing or two about incentivising resellers and for the same reasons has chosen to work with channel-friendly suppliers, plugging gaps with its own offerings as appropriate.

Ingram Micro assembled a set of cloud services branded Seismic, perhaps an indication the Earth really is shifting under the channel or at least the clouds above it. Certain other distributors look ready to follow the lead of Computerlinks and Ingram Micro and build out cloud-service portfolios of their own.

Cloud-based services will continue to grow as a proportion of overall IT spending for the foreseeable future. Resellers and distributors that fail to recognise this fact and extend their portfolios accordingly will be failing their customers and themselves.

This article first appeared in March 2011 on <http://www.silicon.com>

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Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

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