



SUPPLEMENT TO:  
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# VSR

**VERTICAL SYSTEMS RESELLER**  
TECHNOLOGY INSIGHT THAT BUILDS BUSINESS



1ST ANNUAL  
**REVIEW &  
OUTLOOK**

**95 Industry Leaders Throughout  
the Channel Offer their  
Predictions for 2008**











exploit Internet connectivity, expanding their geographic reach and business impact while lowering their costs and protecting them from threats. More small businesses are also reaching into international markets via the Web, so their solutions need to be modified to accommodate multiple languages, currencies and business practices.

#### 4. Changing Business Models.

Many see the Managed services business model as the answer to eroding hardware margins and SMBs' need for ongoing maintenance and enhancement of their solutions. MS platforms marketed to the channel fall into two camps. The first licenses a management platform to administer MS, typically requiring purchase of at least one server and eventually a data center. The second enables a VAR to resell and brand a third party's MS offering. In addition to the usual due diligence of vendors, VARs considering an ongoing revenue stream model must re-evaluate their employee compensation and staffing, particularly when offering 24-7 monitoring. Pitfalls include failing to systematize, supporting bad infrastruc-

ture that the VAR channel will transform itself to a "value-added provider" or VAP moniker, as providers incorporate more value-added integration and infrastructure managed services into their business models by building integration and business consulting skills.

#### 5. Expanding SMB Choices.

With the saturation of Tier One, top-shelf software companies have discovered SMBs — and the channel. Everything from ERPs to supply-chain suites to business intelligence tools are being repackaged and repriced to suit SMBs, with varied success. With this comes the opportunity to gain high-level capabilities that help SMBs compete with large competitors. But SMBs also require significant guidance in evaluating, implementing and maintaining this software, as well as integration with current applications, from a local, trusted adviser. VARs may need to elevate business consulting skills to play in this arena.

#### 6. Hot Hardware.

Business model questions aside, it can still pay to be on top of the latest technologies. Among the hot solutions for

increasingly tied into storage solutions; self-service (on the rise in retail, hospitality, banking and service businesses); digital signage (a dynamic alternative to static signs and mass marketing); check scanning (to take advantage of Check 21) and converged networks (to IP-enable applications and reduce costs).

Common across all of these is the need for VARs to deliver solutions in an affordable, modular way.

#### 7. Evolving Standards.

Technology buyers are wary of investing too early or getting locked in to a soon-to-be-obsolete technology. They look to VARs to keep on top of pertinent industry standards and guide them to current and/or upgradeable equipment. Among the standards making news is PDF, the Adobe document standard, which is emerging as a universal format for moving documents across the Internet and out to printers and other devices. In the wireless LAN arena, WiMax is winning attention as Sprint builds out its network, and VARs are watching IEEE 802.11n and 802.20 in the wireless broadband evolution. In industrial barcode printing, demand for XML printing is on the rise to simplify output from enterprise applications. VARs must monitor the standards bodies that impact the verticals they serve, and consider participating in standards formation to shape tomorrow's technology.

Dealing with day-to-day demands has always consumed to lion's share of VARs' time, even at the most senior levels. But it's never been more important for those executives to also keep an eye on the bigger picture and continually tweak and occasionally overhaul the business accordingly. ■

**VARs must pick a more narrow focus, specifically a vertical market or a product category such as security, to maintain their subject expertise.**

ture, not anticipating all costs and over-investing too soon.

These are still early days in MS — in user acceptance and the evolution of the channel — and there is still plenty of room for consulting, time and materials engagements and other approaches. Experts advise a walk-run approach to transformation. AMI Partners predicts

SMBs: virtualization technologies (to maximize server investment); unified communication and collaborative technologies (Web/audio/video conferencing, instant messaging, shared workspaces, blogs and unified messaging — already used by 63 percent of small businesses, according to Nemertes Research); unified security suites (to close gaps in coverage)



BY LISA TERRY



## Playing Catch Up

STATE AND LOCAL GOVERNMENT IT SPENDING EXPECTED TO GROW

**THIS YEAR, STATE AND LOCAL** governments may have a few extra dollars to catch up on neglected projects. According to INPUT, a government IT research firm, total state and local governments' IT spending is expected to grow from approximately \$55 billion in 2007 to \$77 billion by 2012, representing a compound annual growth rate of 6.6 percent.

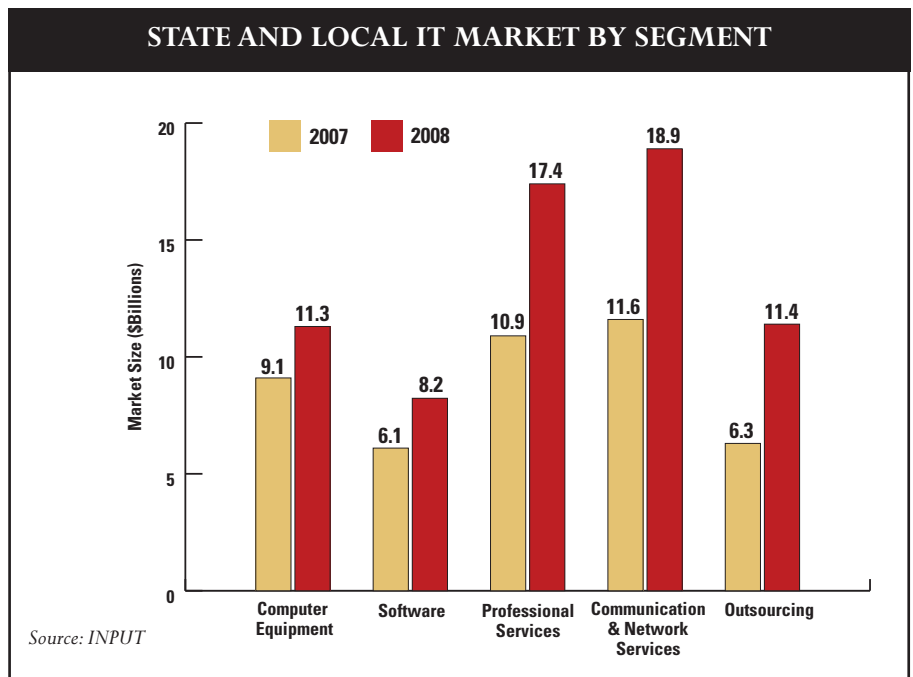
According to IDC, a Framingham, Mass.-based global market intelligence firm, state and local governments are investing about 21 percent of their IT budgets in technology to assist constituents in obtaining better delivery of health and other social services; about 12.7 percent of IT budgets will be invested toward law enforcement and citizen protection, which includes courts, justice, jails and police. "The fastest-growing segment is IT software at 9.2 percent CAGR (Compound Annual Growth Rate), with the subcategories of Application Development and Deployment, and System Infrastructure Software each growing at more than 10 percent CAGR during this (2007-2011) period, the firm reports.

**Mobility:** Governments are jumping on mobile technology to reference and collect data in real time while in the field, boosting productivity. Users include inspectors, military, traffic enforcement and emergency response using everything from PDAs to ruggedized handhelds to digital meter readers to asset tracking devices that incorporate RFID. According to Forrester Research, "Small and medium-sized government entities...lack the mobile policies to effectively manage and protect this growing area. SMB managers need to ...put in place solid mobile policies that establish guidelines for technology adoption, security, and support."

**Identity programs:** Security concerns are driving government interest in universal identity programs; IDs in an emergency management setting, for example, can help ensure only authorized personnel are present and aid scene managers in allocating resources. INPUT forecasts the state and local public safety interoperable communications market will grow to \$5.5 billion by

also expects increasing attention to the 'green' benefits of consolidation in terms of reduced energy consumption," says Chris Dixon, the firm's manager, state & local industry analysis.

**Wireless:** Hand-in-hand with the mobility trend is increasing reliance on wireless networks, both for mobile and stationary equipment. According to INPUT, state and



2012, including radios, repeaters, gateways and shared channels and statewide networks. "Standards for public safety digital equipment and systems are set to be complete by the end of 2008 at the earliest," according to INPUT.

Data center consolidation is a priority for governments, according to INPUT. "Architectural standards will drive standardization toward the most flexible proprietary and open-source technologies. INPUT

local governments will increasingly link their facilities via wireless networks. Government agencies will serve as anchor tenants on municipal wireless deployments. Health care and social services workers will become increasingly mobile. Tele-work will become a viable option for public employees with some states approaching their announced 20 percent goals, but they will still rely on generous definitions of tele-work to achieve them. ■



## Internal Opportunities

### SMB SUPPLY-CHAIN OPERATORS LOOK TO BOOST CUSTOMER SERVICE

**THE MOTIVATIONS AND NEEDS** of SMB manufacturers differ in some ways from larger entities, though they're still challenged by the classic supply-chain pressures: improving forecasting, shortening cycle times, sourcing globally and so on. Reducing costs and boosting customer service are priorities for SMB supply-chain operators when investing in technology.

While SMBs are investing to improve

manufacturing operations, for example, larger consumer product companies are looking to improve supply-chain management processes, according to AMR Research. "With lower adoption of ERP, manufacturing operations and SCM in the CP (consumer products) SMB segment — roughly 20 percent fewer deployments — many SMBs are playing catch up."

According to AMR Research, manufac-

turers of all sizes will be investing in these areas in 2008:

- Improve efficiencies and lower costs — consumer-packaged goods (CPG), oil and gas, life sciences, industrial manufacturing, automotive, health care and financial services.
- Better utilization/analysis of data — chemical, oil and gas, CPG, industrial manufacturing, aerospace and defense, automotive and health care.
- IT services outsourcing — chemical, aerospace and defense, high-tech manufacturing, automotive, health care and financial services.
- Improvement of IT cost containment — chemical, high-tech and healthcare.
- IT governance — chemical, CPG and life sciences.
- Replicating best practices across the enterprise — industrial manufacturing, and aerospace and defense.
- Compliance-related initiatives — aerospace and defense, and financial services.
- Business process outsourcing — CPG, oil and gas, and automotive.
- Demand intelligence — CPG.
- Product innovation and development — high tech.
- Product authentication, track and trace, etc.— life sciences.

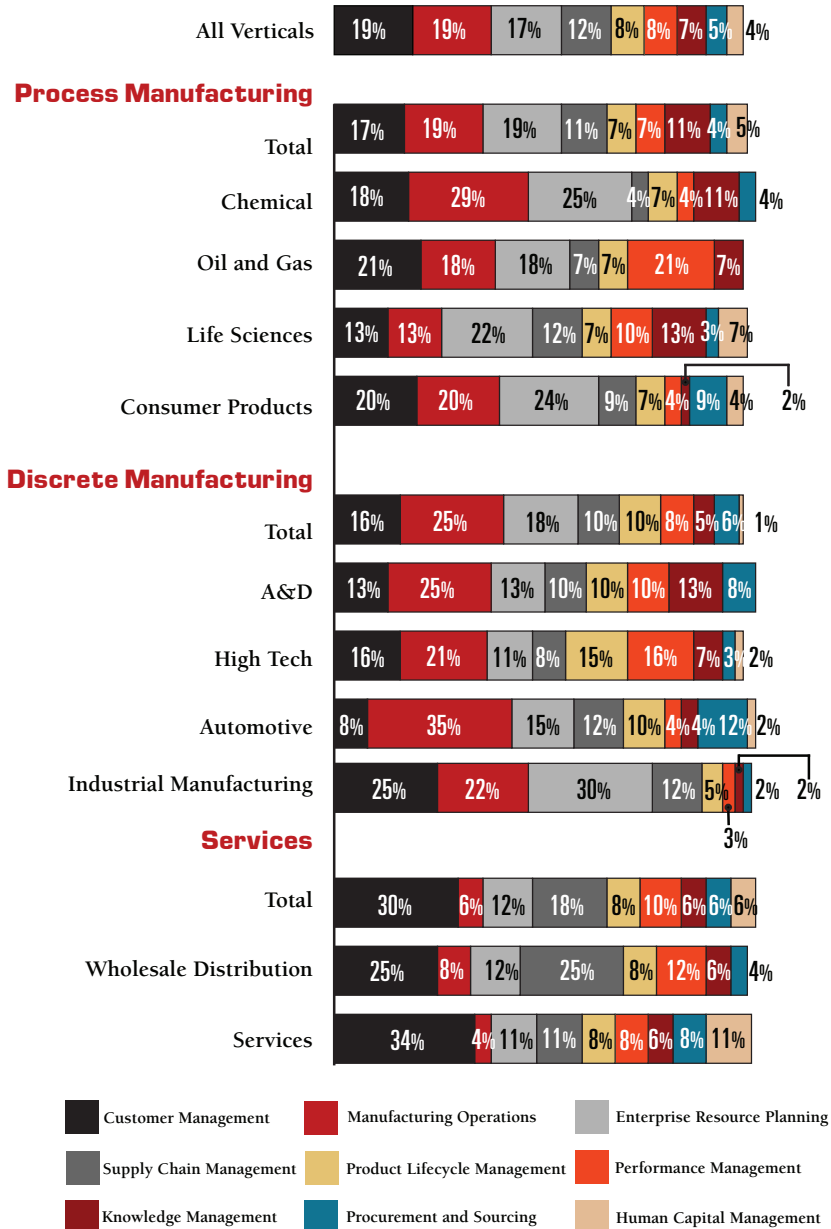
To support these investments, here are some of the areas where SMBs can focus on "catching up" and streamlining operations in 2008:

**Hosted WMS:** A growing cadre of supply-chain applications are currently available via hosted models, most notably warehouse management systems aimed at SMB and branch facilities. Aberdeen Research found that while just 7 percent of companies surveyed are currently using an on-demand WMS, 24 percent are planning implementa-

STRATEGIC AND LARGEST DOLLAR VALUE INVESTMENTS				
Area	Companies (less than \$1Billion)			
	Most Strategic		Largest Dollar Value	
	All Industries (n=487)	CP (n=45)	All Industries (n=487)	CP (n=45)
Customer Management	19%	7%	19%	20%
Manufacturing Operations	17%	24%	19%	20%
Enterprise Resource Planning	14%	9%	17%	24%
Supply Chain Management	12%	16%	12%	9%
Performance Management	10%	13%	8%	7%
Knowledge Management	8%	4%	8%	4%
Product Lifecycle Management	7%	9%	7%	2%
Human Capital Management	6%	9%	5%	9%
Procurement and Sourcing	6%	9%	4%	4%

*Source: AMR Research, 2007*

## SOFTWARE INVESTMENT WITH THE LARGEST DOLLAR SPENT IN 2007 BY INDUSTRY



Source: AMR Research, 2006

tion. That compares with 28 percent who are planning to deploy a traditional warehouse management solution. Hosted WMS vendors target companies with revenue of under \$250 million and stock rooms, satellite facilities and supply depots.

**RFID:** Consumer products companies have moved past compliance in their RFID initiatives, according to AMR Research. “They are now investing in RFID projects that will improve operations and provide solid ROI, with RFID finding a home in manufacturing,

distribution and logistics.” Consumer product company spending on RFID technology will increase 34 percent in 2008, while discrete manufacturers plan to increase spending 30 percent. VARs continue to find the biggest success in closed-loop RFID solutions that exploit the benefits of standardization while delivering fast return on investment. Applications outside consumer-packaged goods supply-chain management accounted for more than one-third of the total RFID printer/encoder market in 2006 and are expected to experience growth in excess of 60 percent through 2011, according to Venture Development Corp.

**Mobility:** Mobile devices have become essential to, and widely adopted by, a range of supply-chain applications, from managing the movement of inventory within a warehouse to providing real-time status updates, to maximize productivity and satisfy customers. Looking ahead, users want mobile technology to help better-understand demand patterns, raise perfect order rates and reduce supply-chain risk and complexity, according to AMR Research.

**Data collection:** Imaging and voice-enabled data collection are growing increasingly popular in supply-chain applications. 2-D barcode scanners are forecast to grow at a compound annual growth rate of nearly 25 percent over the next five years, according to Venture Development, compared with 7 percent for the overall barcode scanner market. Manufacturers are major 2-D users, for applications such as direct part markings and space-restrictive products such as pharmaceuticals and printed circuit boards. Voice-directed warehouse processes continue to grow; according to Aberdeen; 9 percent of warehouses and 14 percent of best-in-class warehouses use voice-directed picking, a technology challenging pick-to-light in adoption rates.

**Supporting multiple channels:** Distribution facilities designed for pallet- and case-level fulfillment are increasingly being asked to handle item-level shipping, to support retailer demands for more frequent, smaller shipments and direct-to-consumer sales. That has operators turning to technology to facilitate new business processes and material flows. ■







ing to blindly mine terminally cold programs that are not used by the majority of channel firms. This year, “less will be more,” and the vendors that slice out unused benefits and concentrate on how they build a socialized networking capability that allows their partners to talk to each other, their customers and their customer’s customers will win the race.

Since the reality is that customers are in charge in this new socialized market, it is time that we let them into our go-to market strategy as a channel. Many experts say that customers will contribute 50 percent of our marketing content within the next five years.

Only 27 percent of VARs believe adding new vendors is important to growth. Therefore, to build on this relationship, vendors need to do the following:

- Developing programs cooperatively with (not independently of) partners that build market momentum.
- Providing more insightful, solutions-based direction based on channel customer feedback.
- Executing targeted net new business lead generation that moves beyond products.
- Defining, pricing and valuing offers in terms of a story that resonates and that business leaders (not IT Managers) understand and can retell.
- Realizing that 75 percent of solution providers sell to companies with fewer than 100 employees — message and brand must meet the market needs.

And not all the work is for the vendors. There are things that VARs/software integrators/solution providers must do this year now that they must become the “hunted.” And this impacts not just how they market to end user customers. It also affects how they market themselves to their vendors. In a world that is socially connected the vendor, other partners and customers need to know what a channel firm’s value is and when they are the right solution for a problem. That

means a complete change in a traditional go-to market.

Because of the robust correction in Web architecture, search mechanisms and content population over the last five years, 80 percent of prospects, including vendors looking for a strong partner, proactively identify their providers online first, and they need to find channel firms. That’s a resounding blow to the traditional sales team approach of trying to find the customer. But it’s also a motivator for sales and marketing to start building a better bridge via marketing between one another to ensure customers find them at the right time in the right place with the right solution.

and resources, such as case studies, which enable prospects to find you before they find competitors.

Establish a social network plan (think LinkedIn.com and Ryze.com) that enables complementary partnerships to work for them.

Manage customer information like a precious diamond, because humanizing technology is the wave of the foreseeable future.

Such significant change in our go-to market obviously will create some pressures on marketing professionals across the channel in 2008; but based on what I’ve seen in the channel, we are all up to the challenge. ■

**“2008 will not be the year to simply add a few more benefits — instead it will be the year to build the business together based on two areas: channel business model evolution and value to the market.” — JANET SCHIJNS**

**Channel firms can start the process by:**

Realigning their go-to market to address how they gain and keep the attention of their important vendors, partners and customers.

Build brand equity and “customerization” so their message resonates from the vendor to the channel to the customer’s boardroom.

Realign their organizations to have more marketing headcount aiming for a ratio of 1 marketing person for every 1 salesperson so that they invest their time and money in getting found vs. trying to find customers.

Integrate offline (lead generation, face-to-face marketing) and online (SEO, SEM) strategies with topical information



*Janet Schijns is founder and CEO of The JS Group, a channel consulting and marketing practice based in Somerville, N.J.*

A FRESH PERSPECTIVE: **EDUCATION** | | | | | | | | | | | | | | | | | | | | | |

## A Smart Person's Guide to Channel Education

By Joe Finizio, Executive Director, Retail Solution Providers Association (RSPA)



**Having spent 30 years working in our industry, there has been a consistent need for timely, relevant and inspiring information. However, the availability, quality and quantity of information have changed dramatically.**

So why should education be a critical ingredient for you and your business? To put it bluntly — the “smart people” will get the business. How do you know if you need a new product, service, need to add staff or enter a new market without information? Education delivers information and information brings success. When you have been provided with timely, relevant, inspiring information you can then have a better understanding of the needs of your customers, properly sell the value of your entire solution — and ultimately be better than your competitor to get the business.

As hardware and software become more commoditized, the services surrounding the hardware and software carry the real value to the customer. Anyone can point to a product and click on a Web site's shopping cart. Other than providing the best price, there is no value with that sale. An educated professional will understand the industry, vertical market and the issues confronting the customers, their products and most importantly — the needs of the customers. Unlike a Web site, an educated professional can identify the prospect's purchase objectives, identify the correct product, provide training, installation and ongoing care to that customer.

Today's success is all about presenting the value proposition to a prospective customer. Here is how you can become educated in order to present your value proposition. Yes...much of this will seem like common sense, however, I can tell you maintaining best practices for education are similar to an athlete maintaining a training regimen — it's difficult. However, if you are going to be an “All Star” pro in the “Retail Technology League” — you have to train like one.

Here are some tips to get you started:

**Understand the customer's market (a.k.a., the vertical marketplace).** If you are selling specialty retail, spend time at a customer's or prospect's location to learn their business. If you are selling hospitality, do the same, and learn the language of the vertical market. A restaurant owner or manager will always be proud to take you to see "The Line." And, no, not the one at the bar...The Kitchen Line. Take notes, take pictures and observe.

**Understand the market trends.** Read up on the industry publications for the vertical markets you represent. Today, most (if not all) of these publications are online or have e-newsletters. Sign up and follow the trends.

**Product Knowledge.** Know your product from the inside-out and outside-in. If you are on the technical side; know the application of the features as well as how to program and support the product. If you are selling, know how it technically works as well as how it operates. In-depth product knowledge is second nature to the best in the business.

**Understand your competition.** Know your competition's strengths and weaknesses by asking prospects who use their products or conduct business with their company. Over time, you will find common threads and understand what you need to do better to win the business or maintain a happy customer.

**Fine-tune and enhance your sales skills.** There is a wealth of education available on this item. Do you practice? Are you embracing new technology to best-present your company and your value proposition? The "smart people" make sure that the technology being used complements the presentation rather than becoming the focal point. Have you ever participated in

a presentation where the product crashed or projector wouldn't work because of the demonstrator's lack of knowledge?

So know that you're powered with the "tips of the trade. How does one go out and find good education? The answer: Everywhere!

**Vendors** — contact the vendors you represent as most have product training.

**The Internet** — the Web also provides a library of information on products, businesses, industry trends, research and personal skills enhancement.

**“Unlike a Web site, an educated professional can identify the prospect's purchase objectives, identify the correct product, provide training, installation and ongoing care to that customer.”**

— Joe Finizio, Executive Director, RSPA

**Industry Publications** — subscribe to hard copy and e-publications to stay on top of market trends and new product introductions.

**Conferences and Tradeshow** — networking with or learning from the best and brightest is a great information source.

Education provides you with the knowledge to connect all of the dots. Then you can sell the value of your skills, the value of your company and the value of the services you wrap around the product that correctly meet the needs of your prospect better than anyone else in the market. Follow these tips, and you will be a "smart person," creating endless opportunities for you and your business. ■



*Joe Finizio is executive director of the Retail Solution Providers Association (RSPA), based in Charlotte, N.C.*



**2008**  
**COMMENTARIES**



**1ST ANNUAL**  
**REVIEW**  
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s for 2008



**VSR**  
VERTICAL SYSTEMS RESELLER

**A**fter you've rung in the New Year with a celebratory bottle of champagne, you'll probably take some time a couple of days later to look back on the issues that had a profound effect on the channel. Some of the thoughts that might cross your mind could be: "How can I better market my resources and expertise?" "What types of education programs are in the works so that I can position myself as one of those 'smart' people?" "What types of potential network security threats do I need to be aware of? And finally, What lies ahead for the channel in 2008?"

VSR's First Annual Review & Outlook aims to address these questions and more. In this inaugural editorial supplement, you'll find not only predictions and suggestions on how to improve your business solutions — you'll also have a never-before-featured first-hand account regarding thoughts and ideas from almost 100 of the industry's biggest players in the SMB channel.

In reviewing each of the commentaries submitted for this section, we surmised that not only will 2008 be an even bigger year for the channel than 2007 was, but it will also focus on how the channel plans to grab hold of a world that's becoming more mobile, wireless and digital by the day.



# REVIEW & OUTLOOK



## **3M OPTICAL SYSTEMS DIVISION**

**SHARON MIDDENDORF**, GLOBAL MARKET DEVELOPMENT

[www.mmm.com](http://www.mmm.com)

One of the trends anticipated in the electronic display industry is user increase of touch displays in consumer and enterprise applications. The launch of the Apple iPhone and its user-friendly touch interface set a new level of expectations with the consumer and how they expect to react with a display. Touch — whether using a stylus or finger — is also becoming more popular with enterprise companies, particularly in the data capture and point-of-sale markets. The important consideration with the movement toward more touch displays is that it is not just for static-mounted or large displays. Mobility in computing and entertainment will continue to be a major influencing trend. We already experience this trend infiltrating all of our business aspects and personal lives on a daily basis. We can use self-checkout systems at our local grocery and hardware stores. Instead of ordering through a speaker at a drive-through restaurant, we can place an order with a person using a handheld computer while we are third or fourth in line.

**“By all appearances, technology will strive to capture more mindshare and market share by taking advantage of the mobile devices that are an ubiquitous part of our lives.”**

— SHARON MIDDENDORF

The area of warehouse management has experienced a significant revolution regarding inventory tracking through RFID, scanning and handheld computers. We do business in cafes, parks, airplanes and sometimes even our offices, because of wireless communication innovations and investments. The investment in mobile computing is significant for an enterprise. The trends in touch and mobility will require solutions in information security and device protection that will range from “expensive, complex” to “high value, easy to implement.”

Finally, mobility trends are influencing the digital signage market. Messages will be sent to your mobile phone or handheld device as you pass by a sign on the street. By all appearances, technology will strive to capture more mind-

share and market share by taking advantage of the mobile devices that are an ubiquitous part of our lives.



## **ACCU-TIME SYSTEMS**

**MICHAEL GLYNN**, CORPORATE MARKETING MANAGER

[www.accu-time.com](http://www.accu-time.com)

Regarding the work-force management industry, the first challenge of 2008 is delivering solutions that are deployable worldwide. Most global corporations are looking to manage their worldwide human capital using one set of tools rather than adopting multiple solutions. Solutions that are applicable for only one region, or even one country, represent waste and inefficiency. Only solutions and tools that are capable of being deployed at all locations and regions will be viewed as viable options. From a software perspective, the chosen solution must be able to accommodate the varied rules, languages and preferences of each region served, ensuring that the implementation is a global success. Employees who utilize a work-force station (time clock, kiosk, etc.) must be provided multiple language options that cater to multi-lingual site populations. Additionally, where appropriate, language independent symbols and icons should be used. Not only does this better-serve a global work force, but it also provides a more intuitive and clear interface for the user, resulting in fewer errors.

Another major challenge facing our industry is adopting high environmental standards. While the solution providers in our industry range from large to small, we are all serving some of the largest and most progressive companies in the world. These companies have pioneered “green” initiatives and demand the same from their vendors, and their vendors’ vendors. Vendors that are fully RoHS (Reduction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment) compliant and utilize recyclable and/or landfill-friendly components will be able to distinguish themselves as progressive vendors that companies will want to work with.



## **AIM NORTH AMERICA**

**TEE MIGLIORI**, CHAIRMAN

[www.aim-na.org](http://www.aim-na.org)

2008 will not be a year of big change in the automatic identification and data collection (AIDC) industry, which itself is a change for an industry accustomed to fast-developing technology and hot market opportunities that

can disappear within a year or two of their emergence. This isn't to say the industry won't change in 2008, but it will be "evolutionary" rather than "revolutionary." Two leading market segments — mobility and RFID — illustrate this point.

Increased mobility has been occurring so long and so consistently in AIDC that it isn't a trend in the industry, rather it defines the industry. Wide-area wireless data access will drive mobility adoption. Durable handheld computers certified for data and voice communication currently give businesses an alternative to smartphones for dispatch, sales order entry, service and other enterprise applications; affordable broadband access provides a compelling business case to adopt. As a result, the trend of increased adoption by SMBs will continue.

RFID benefits are also within reach of many organizations — if they look outside the supply chain. Asset management and other closed-loop applications are among the fastest-growing segments of the market. Such solutions often piggyback onto legacy 802.11 wireless LAN infrastructures and provide rapid ROI. This approach is not new, but is attracting renewed attention as understanding of the business value grows.

It can be dangerous to predict that a technology industry won't undergo big changes in a year. Emerging barcode technologies including GS1 DataBar, Dot Code and Ultracode could make an impact on the market. New compliance requirements could be announced at any time. At the very least, the industry will have new public faces in the coming year following the ownership and senior management changes that occurred at several high-profile AIDC companies in 2007.

The AIDC industry will continue to embrace change in 2008, but won't be defined by it.



## **ALDELO SYSTEMS INC.**

**NANCY BROWN, DIRECTOR OF SALES AND MARKETING**  
[www.aldeco.com](http://www.aldeco.com)

I expect cardholder security lockdown and fast payment processing using the Internet as two of the most important changes coming to the hospitality point-of-sale industry for 2008.

The cardholder security lockdown known as PCI compliance and Payment Application Best Practice (PABP) validation are mandated by Visa to protect a cardholder's confidential data from identity theft. The significance of this change will likely impact many industry solution providers. To achieve PCI compliance, the payment application must receive PABP validation through qualified security analyst firms. PABP validation is a complex but necessary task. More industry solution

**"I expect cardholder security lockdown and fast payment processing using the Internet as two of the most important changes coming to the hospitality point-of-sale industry for 2008." — NANCY BROWN**

vendors will need to be PABP-validated to address customer concerns and be in compliance with regulations.

Although fast payment processing using the Internet is not new, however, I do see more vendors joining this strategy by providing direct integration to payment gateways and back-end processors themselves. This will enable vendors to own the interface code to accommodate new feature requests or fix software problems immediately rather than waiting for third-party middleware providers.



## **ARCSIGHT**

**CHRIS PETERSON, VICE PRESIDENT**  
WORLDWIDE CHANNELS  
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Evolving compliance regulations such as PCI, SOX and HIPAA — a well as insider threats — are likely to be key drivers changing the security information and event management (SIEM) space in 2008. These regulations significantly increase the scope of log collection, long-term retention and analysis requirements. Security solution providers must address these requirements across the entire enterprise infrastructure. The growing risk of the insider threat will serve to change the SIEM industry as well, with SIEM solution providers moving quickly to deliver even more advanced, real-time correlation capabilities and powerful workflow capabilities to enable truly proactive, efficient and optimized incident management of ever-evolving and increasingly sophisticated IT threats.

With an increasingly large number of hardware and software point products that solve a variety of security challenges (from unified threat management to intrusion detection/prevention to anti-virus), enterprises will continue to look for vendor-neutral solutions that can span the entire enterprise infrastructure to deliver centralized views into heterogeneous network events, turning enterprise event data into intelligence and actionable information to mitigate business risk.

# REVIEW & OUTLOOK

More than just a monitoring tool, SIEM is increasingly about a complete solution for real-time enterprise security, network management and compliance operations. Companies will look for trusted advisers and expert consulting services as organizations look to power compliance-driven networks. SIEM tools can provide firms the intelligence required to effectively protect their businesses, but companies will work with resellers and consultants to create the workflow process, practices and procedures needed to effectively protect and manage their networks and businesses.



## ARUBA NETWORKS

MANAV KHURANA, HEAD OF  
INDUSTRY MARKETING

[www.arubanetworks.com](http://www.arubanetworks.com)

The confluence of technological innovations such as 802.11n and remote network access, and economic trends toward more mobile work forces that can be deployed where and as needed, is creating an inflection point in the movement towards all-wireless unified mobility solutions. The occasionally mobile work force is giving way to an always-mobile work force in need of a secure, “desk-like” work experience, everywhere. To accomplish this requires a multi-pronged solution encompassing 802.11n wireless LANs for a “wire-like” application experience, identity-based security with universal policy enforcement, regardless of the means of network access, a secure remote access solution for use by “road warriors,” and seamless roaming between Wi-Fi and cellular networks. Such a unified mobility solution has the potential to securely deliver enterprise applications to an always-mobile work force, regardless of where its members roam, how they connect, or to what services they need access.

**“The inherent advantages of wireless networks with respect to supporting mobile workers will drive enterprises to migrate over time to all-wireless workplaces.” — MANAV KHURANA**

The inherent advantages of wireless networks with respect to supporting mobile workers will drive enterprises to migrate over time to all-wireless workplaces. Such a change is already well under way in the telephone market where cellular handsets are rapidly displacing wired connections. High performance 802.11n wireless LANs merge the flexibil-

ity and low-cost of a wireless network with the performance of a wired one. Adds, moves and changes can be readily accommodated without the costly overhead and inconvenience of rewiring the workplace. When integrated with a seamless interface to cellular networks for wide area roaming coverage, and coupled with identity-based security that encapsulates and follows mobile users wherever they roam, the resulting all-wireless workplace offers unparalleled mobility, higher productivity and lower cost of ownership.

2008 marks the beginning of this revolutionary migration towards the all-wireless workplace and, while this transition will take time, the end result will fundamentally change how and where we work.



## AVAYA

MAURIZIO CAPUZZO, VICE PRESIDENT,  
GLOBAL CHANNEL STRATEGY AND PROGRAMS

[www.avaya.com](http://www.avaya.com)

If you’ve listened recently to some prominent Wall Street economists, the U.S. economy in the next few quarters is going to barely avoid the jaws of the credit crunch leap over the tiger-trap of the housing slowdown, navigate the rough seas of the boiling oil prices and land on its feet having narrowly escaped a recession. While one may hope that economic conditions remain favorable or even improve, the conditions for another less rosy scenario, call it scenario B, are also present and could unfold in the coming months, if certain potential shocks were to materialize.

The industry is experiencing several macro-shifts within its system, such as newly emerging VAR business model pressures and existing growing and rising channel conflicts to be managed. VARs are operating in an increasingly complex business environment with key challenges such as the ability to sell consultatively, and the willingness to risk in identifying and securing service revenue opportunities versus pure product sales.

I feel that the vendors and channel partners that will be able to foster just three business dynamics will succeed in the market. A Channel marketing and market/business development focus to drive effective “demand generation” will be critical and a key competitive differentiator. Those vendors/solution providers that focus on “cracking the code” will grow the business with new markets/customer acquisition. According to research performed by channel consultancy firm the JS Group, high-growth firms derive 60 percent or better from net new business.

In addition, a healthy channel system that fosters sustainable growth engines will lead to a dominant position in the industry: 67 percent of VARs in the industry don’t have an

actionable growth focused business plan, and the majority of the solution providers invests less than 3 percent of revenue in marketing (while leaders invest greater than 8 percent).

Field driven partner-to-partner collaboration addresses specific needs for industry solutions will be a competitive differentiator and will create a sustainable advantage for solution providers and vendors. Those companies that will master best practices in enabling and engaging with a broader blend partner ecosystem with a closer collaboration to the customer needs will drive customer innovations and therefore will generate new business.



## **AVE INVESTMENTS/ PcCASHDRAWER**

**TED AVE-LALLEMANT, PRESIDENT**  
[www.pccashdrawer.com](http://www.pccashdrawer.com)

2008 will be the year of the POS bundle. If you remember, in 2000, we had the infamous Y2K replacement cycle of thousands of POS systems across the country. Even though this scare never materialized, it caused the greatest hardware refresh cycle in the history of the POS industry. Currently, in 2008, the top 10 vendors have inaugurated complete POS bundles including cash drawer, computer, keyboard, flat panel, printer and laser scanner at price points never before seen in history. Every vendor knows that Y2K equipment is outdated, and now is their chance to compete with each other to gain their respective "piece of the pie."

Because there are at least 10 primary vendors in the U.S., and technology is available to all, the primary differentiators that they will use in their attack are price and warranty. Since I patented the world's first computer cash register, the CompuRegister, in the late 1980s, virtually all registers built today are open architecture computer cash registers, which have gone the way of the price and warranty wars prevalent in the consumer pc industry. While I am gratified the world has validated my original idea, I am also saddened that the margins have been reduced to razor thin.



## **AVNET TECHNOLOGY SOLUTIONS**

**JACK MORRIS, VICE PRESIDENT,  
AMERICAS, TECHNOLOGY & MARKET  
SOLUTIONS GROUP**  
[www.avnet.com](http://www.avnet.com)

Specialization will become increasingly important in 2008. To propose effective solutions that solve real business problems, VARs must gain more in-depth understanding of their

targeted industries. Gaining this knowledge isn't easy, and few VARs can obtain it on their own. This is particularly true in markets such as health care, where the business people speak their own language. They are less concerned about the latest server technology and more interested in how that technology can increase patient safety and reduce medical errors.

Resellers should consider partnering with others to complement their capabilities and investing in education, training, and sales and marketing tools that will help them bring their technology expertise to a vertical market. This practice also connects VARs with vendors who understand health care and have industry-specific solutions.

**"To propose effective solutions that solve real business problems, VARs must gain more in-depth understanding of their targeted industries." — JACK MORRIS**

VARs may also find it more difficult to "go it alone" regarding solutions delivery in fast-growing and rapidly evolving areas such as enterprise mobility. Although they want to concentrate on their core competencies, because of their limited resources, VARs are often forced to deploy highly paid technical resources on tasks such as getting the product staged, integrated, tested and then installed. In addition, they often must deal with multiple vendors in delivering a complete solution. This means their payables cycles can become very disjointed, which can have a negative impact on cash flow. Teaming with companies that deliver cost-effective services can help alleviate some of this burden.



## **BIXOLON**

**DAVID ROBERTS, VICE PRESIDENT  
OF SALES AND MARKETING**  
[www.samsungminiprinters.com](http://www.samsungminiprinters.com)

The biggest change this year will be increasing profitability without compromising reliability. In such a competitive industry where margins are decreasing on the hardware side, resellers are looking for ways to hold those margins, and with a little luck, increase those margins slightly.

The most important question a reseller will ask is: "Which

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printer can I trust?"

Proven printing companies are going to need to be much more competitive on pricing without compromising the exceptional quality to stay competitive in the marketplace. Over the past few years, there has been an influx of substandard printers from overseas flooding the marketplace with no real success. This is because of lack of technical support and unproven reliability. From a reseller's perspective, they don't want to have to install a printer from a manufacturer that may not be in business next week, or worse, the printers fail after being installed. What you will find is these types of printers won't fool most resellers.

Another important change will be in mobile printing. As the demand for mobile technology has increased in the consumer sector, it has quickly driven up the demand in the business sector for mobile solutions at the speed of light. The biggest areas of mobile growth have been in the following areas: field services, hospitality, retail, health care, transportation, government, and stadiums and arenas. The manufacturers that can keep up with this demand and offer true mobile printing solutions by keeping these printers as small as possible, and alive with features and functionality, will thrive in this space.



## BLUESTAR

**STEPHEN CUNTZ, PRESIDENT & CEO**  
[www.bluestarinc.com](http://www.bluestarinc.com)

I was recently invited to join the oversight committee for Northern Kentucky University's College of Informatics. As I tried to understand what I had volunteered for, it became obvious to me that the academic community has figured out that a degree in Computer Sciences does not really prepare college graduates today for the reality of a career in IT. They decided to create an entire college dedicated to the complex nature of converging information protocols.

Imagine landing a job as an IT manager with a midsize company and finding out that you were required to: Implement a strategy using wireless technology to tie together the enterprise with remote computing, mobile sales, Internet protocol and mobile asset tracking; integrate RFID into the enterprise to meet closed-loop asset control; provide PCI-mandated security to remote cash transactions; utilize ASP applications to manage marketing, sales training and customer technical support; and tie all this to EDI, forgetting that your enterprise software was selected and implemented by a team no longer employed there.

All of a sudden it occurred to me that this futuristic scenario is being played out every day, and that skilled managers are lacking. It seems to me that resellers who make a concerted investment in understanding the needs of our future informat-

**“As the demand for mobile technology has increased in the consumer sector, it has quickly driven up the demand in the business sector for mobile solutions at the speed of light.”**

— DAVID ROBERTS

ics managers are going to be in the forefront of providing the value-added services needed by this new team of professionals. The needs are more than broadband data management; they are a blend of solutions from diverse disciplines, which create informational access while delivering cost reductions that ensure enterprise competitiveness.

Informatics: An idea to prepare resellers for a profitable upcoming year.



## BROTHER

**RAVI PANJWANI, DIRECTOR OF MARKETING**  
[www.brother.com](http://www.brother.com)

This year, opportunities for label printing in the Tier I retail segment will be somewhat limited because of its level of saturation and maturity; however, growth in the Tier II and Tier III markets is expected to outpace the overall retail market. Therefore, VARs that are currently facing the challenge of decreasing margin on label and mobile printer sales can start focusing on emerging retail tier II & III markets where overall penetration of labeling is low, and value proposition of labeling is rapidly increasing.

In emerging markets such as health care, greater patient safety and the cost associated with mistreatment/mistake combined with regulations and standards are driving the demand for label and mobile printing. Patient identification, medication labeling, slide and test-tube labeling are increasingly working to improve patient safety and decrease errors in hospitals and laboratories. Increasingly, there is a demand for labels that can withstand extreme temperatures, solvents, moisture and chemicals in such an environment. VARs can benefit from such trends by developing application solutions and packaging hardware, software and media as a complete differentiated solution, improving their bottom-line and margins.



# THE EDGELL ADVANTAGE

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COMMUNICATIONS  
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# REVIEW & OUTLOOK



## CASIO AMERICA

**GEORGE BARAONA**, DIRECTOR,  
SALES AND MARKETING

[www.casio.com](http://www.casio.com)

In the coming year, we're going to see a trend of industrial handhelds going the way of the Swiss Army Knife. Many of the devices will include RFID, WAN, LAN, Bluetooth, color camera, barcode reader and integrated printer.

As the industry matures and standards emerge, we're going to see more industrial handheld terminals that include a color digital camera and barcode reader. This configuration will overcome the task of trying to read a barcode and capture a color picture by only using a camera.

**"In the coming year, we're going to see a trend of industrial handhelds going the way of the Swiss Army Knife." — GEORGE BARAONA**

RFID is finally beginning to be embraced by corporate America and government agencies allowing industrial handheld manufacturers to integrate RFID, WAN and LAN into new devices.

There are many applications that require mobile printing. Certain manufacturers are currently offering industrial handhelds with integrated thermal printer, barcode scanner, and even magcard and RFID reader. The benefit is a more efficient and smaller footprint, easier battery management and versatility for a variety of applications from field service to public safety.

The "Swiss Army Knife" of industrial handhelds is approaching faster than we think. The value and utility of these type of devices is helping this genre of machine rapidly gain in popularity.



## CHERRY

**DAVID MICHIELLI**, MARKETING MANAGER,  
KEYBOARD DIVISION

[www.cherrycorp.com](http://www.cherrycorp.com)

As a company that has been involved in biometrics for several years now, and although we have seen a lot of activity in various security applications, we haven't seen a lot in retail/point of sale until

recently. Our experience with government, health care and other security installations has shown that there are numerous benefits for retailers.

Logical PC security currently appears to be at the forefront of the minds of most retail professionals. In the past, it was common for retailers to utilize key locks for access control and management overrides. But how secure are key locks? They're only as secure as the employees to whom they are given, and since the keys are often passed from one employee to the next, it is easy for access security to be compromised. Retailers also need to know which employee is at a given POS station at any particular time. This cannot be determined by a key lock. In 2008, we expect the recent trend toward biometrics to increase among retailers. It makes perfect sense. The use of biometrics enables company management to securely monitor each POS station. These companies will now know which employee performed each transaction for every store.



## CIPHERLAB

**ROBERT HOSSARY**, VICE PRESIDENT,  
AMERICAS

[www.cipherlab.com](http://www.cipherlab.com)

In 2008, I expect to see two primary trends affecting resellers, VARs and systems integrators within the automatic identification and data capture industry: an increase in the number of end users with multi-modal application requirements, and a leap in total cost of solution development.

Unified communications is one of the hottest topics in the telecommunications industry as enterprises look to tie together disparate platforms ranging from the companywide PBX system to mobile handsets. In turn, this desire for unified communications will heavily impact our industry as customers increasingly demand products with integrated applications for scanning, data capture and digital imaging over all conventional platforms such as RF, Wi-Fi, Bluetooth,

**"Unified communications is one of the hottest topics in the telecommunications industry as enterprises look to tie together disparate platforms ranging from the companywide PBX system to mobile handsets." — ROBERT HOSSARY**

FTP connectivity and more. From the manufacturer's standpoint, this will require development of nimble hardware and software solutions that can be adapted to suit a variety of environments. We may even begin to see more strategic alliances between AIDC manufacturers and telecom companies such as Sprint and AT&T. Likewise, VARs and resellers will need to develop more sophisticated applications — and develop expertise in multi-modal connectivity issues to successfully service their clients.

While this is an exciting trend in the AIDC industry, it has a direct impact on the total cost and time of development and implementation, which can be expected to jump as much as 25 percent. Understandably, this is of major concern to all parties. Manufacturers will be pressured by VARs and integrators to deliver products with expanded features at lower costs as end users balk at even the slightest of price increases. VARs will need to be increasingly vigilant to mitigate cost and time overruns to meet customer expectations and foster repeat business.



## CISCO SYSTEMS

**EDISON PERES**, VICE PRESIDENT,  
WORLDWIDE CHANNELS [www.cisco.com](http://www.cisco.com)

The network is the platform for all forms of communication, and IT is transforming how people connect, communicate and collaborate. Therefore, the network is becoming increasingly relevant and commanding a higher share of communications and IT budgets. This transformation offers a huge opportunity for channel partners, who build the integrated networks based on customer needs.

New business opportunities continue to expand as customers demand new technologies and services built specifically for them. In addition to routing and switching, these include advanced and emerging technologies such as unified communications, mobility and security. Channel partners need to become experts in the market segment that they can best-address geographically, technically and vertically, as well as partner with others to deliver a complete solution. These partners are uniquely positioned to drive more sustainable growth through increased share of communications and IT spending.

But this cannot be done alone. Thankfully, the next phase of the Internet brings an unprecedented breadth of opportunities for channel partners who collaborate effectively to deliver network-based technology to customers. Partner-to-partner collaboration using Web 2.0 technology fosters real-time communications and expands the geographic reach of channel partners. Partners who collaborate are able to provide more relevant solutions and services, which increases

end user loyalty, and leads to increased partner profitability.

We have reached an inflection point in the networking industry that demands our channel partners make choices and learn how to collaborate more effectively. Channel partners must make hard decisions and build a portfolio for profitability. Done effectively, the channel will drive competitive advantage and profitable growth in the future. I have seen the most successful partners around the world create and optimize a portfolio for profitability that is just right for them, their ecosystem of partners and, ultimately, their customers.

**“New business opportunities continue to expand as customers demand new technologies and services built specifically for them.” — EDISON PERES**



## CITIZEN SYSTEMS AMERICA

**SETH AVERGON**, SENIOR DIRECTOR  
OF MARKETING  
[www.citizen-systems.com](http://www.citizen-systems.com)

In point-of-sale and barcode/label printers in 2008, I see the need for greater flexibility and enhanced product features. Customers want more out of their products; they want them to do more, be easy and intuitive to use, and durable enough to stand up to the rigors of the work environment.

VARs face new challenges; greater demands from their customers in terms of service and support, requirements for greater technical know-how and seamless integration with existing systems.

I think the greatest challenge the industry is going to face is education on emerging technologies. We have to be flexible focusing on customers' needs and acceptance and implementation of these technologies.

VARs are also going to be moving into new areas of business in the coming years. There will be greater emphasis on mobile printing devices, consumable services, printer mechanisms and kiosk units. These new areas will bring new opportunities and additional revenue for those who are up to the challenge.

On the integration side, we are seeing a strong move toward open architecture; meaning less hardware/software combinations, which will give both the customer and the VAR greater choice in creating best-of-breed solutions.

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## COMPUTING TECHNOLOGY INDUSTRY ASSOCIATION (CompTIA)

JOHN VENATOR, PRESIDENT AND CEO

[www.comptia.org](http://www.comptia.org)

Worldwide spending on technology is projected to grow to \$3.3 trillion in 2008, according to a recent report from tech-research firm Gartner. That would represent a 5.5 percent jump in tech spending next year, on top of an estimated 8 percent increase in 2007. That should be good news for our industry. But a storm is present on the near horizon that threatens to darken this bright forecast.

The U.S. is facing a severe shortage of skilled technology workers at all stops on the career path — entry-level, intermediate and senior.

The U.S. Bureau of Labor Statistics estimates that demand for IT professionals will grow nearly 50 percent by 2012, with more than 1.5 million new computer and IT-related job openings. But the U.S. will have only half that many qualified graduates because of the declining number of students enrolling in math and science courses. Tech jobs that were attractive to so many young people in the 1990s have lost much of their luster to “sexier” careers in 2007.

Labor shortages are projected in a growing number of sectors of the economy, not just IT and communications. Competition for talent will increase significantly in the coming years. Company will be competing against company for the dwindling pool of workers; as will industry versus industry, small business versus large enterprise and region versus region. Add to the mix the foreign-based companies looking for U.S. workers to staff American operations, and you have a recipe for potential disaster.

Without a supply of IT professionals, the economy will

**“Tech jobs that were attractive to so many young people in the 1990s have lost much of their luster to “sexier” careers in 2007.”**

— JOHN VENATOR

slow down; all industries will be affected; and those trillions of dollars of new tech products will go under-used or unused because there won't be enough workers available to install, operate and maintain them.

The issue of the looming labor shortage has received scant attention to date, but it's an issue that demands our indus-

try's attention. We have to make accommodations to address the worker shortage by implementing new strategies and practices to retain older workers, attract new hires and look beyond traditional talent pools in the hope of attracting new groups into the IT industry. If we don't, we're risking a slow-down in spending, growth and innovation. And that's a forecast no one wants to see.



## CONFIDEX

KEVIN DONAHUE, BUSINESS DEVELOPMENT DIRECTOR, NORTH AMERICA

[www.confidex.net](http://www.confidex.net)

Closed-loop asset tracking applications will move toward broader deployment in the coming year. We have been working with customers and solutions providers on projects from tracking IT assets and returnable transport items to applying location tags on metal racks and applications in the aerospace industry. Many of these projects were initiated using supply-chain labels repackaged in an attempt to get them to support the application requirements. When these tags don't work, the projects get stalled.

We clearly see a pattern currently where customers and solution providers realize the challenges these applications present and are becoming more savvy in how they select and evaluate tags. This has allowed projects that were stalled in the early stages to move toward wider deployment supporting the original ROI calculations.

Many of the applications where we are involved have historically been considered off-limits for Gen2 RFID tags. Customers would look at the low-cost supply-chain labels or high cost proprietary active tags, only to find that neither fit their needs.

There are currently a variety of specialized standards-based reusable tags available where the antenna design and packaging enable these tags to perform in ways not previously possible. Developments in extended memory Gen2 silicon expand application possibilities even further by offering storage capacity beyond the traditional 96 bit tags. This is especially helpful on high-value assets such as aircraft parts or tools where tags may be read and network connectivity is not available.

As asset tracking applications move from pilot stage to full deployment, end users will become more aware of the possibilities of standards based passive RFID. We fully expect opportunities for solution providers in this area to far exceed the RFID projects of recent years.

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## COYOTE POINT SYSTEMS

**RICHARD DESOTO**, VICE PRESIDENT,  
MARKETING AND SALES  
[www.coyotepoint.com](http://www.coyotepoint.com)

Virtualization technology simplifies IT so that companies can leverage their storage, network and computing resources to control costs and respond faster. Therefore, more IT groups will be looking to virtualization as a method of avoiding large-scale expensive hardware investments. According to VMWare, virtualization enables organizations to increase utilization for x86 servers from 5 to 15 percent up to 60 to 80 percent.

Application Load Balancers guarantee uptime of real servers and are even more important in a virtualized environment since applications implemented on software-based “virtual machines” reside on less real servers, therefore putting more “eggs” in fewer baskets. Application Load Balancers constantly monitor the health of real servers attached to them, and if a real server goes down, traffic can automatically be redirected to another server. Application Load Balancers, especially in redundant configurations, are critical to keeping applications the majority of the time.

Three IT trends — the growth of the Internet, virtualization and open source — offer CIOs and IT Directors at SMBs new opportunities to transform their businesses. Because of the emergence of these new technologies, SMBs are dramatically driving globalization.

Open source means SMBs can take advantage of software that's free to obtain, and is decreasing the costs of their vendor solutions. For example, Open Source Application Load Balancers and Application Accelerators are now less expensive, enabling SMBs to provide the business continuity that previously only large end users could experience. The end result is that a business can be established and thrive on a global level for far less money.



## DATAFORESIGHT

**SUZANNE RIDDELL**, CEO  
[www.dataforesight.com](http://www.dataforesight.com)

The main industry changes we are seeing center around the approach companies are taking to protect their data on the network. This is reflected in the number of vendors who offer data leak prevention products, and businesses' desire to stay out of the data breach media spotlight.

Companies are realizing that their information assets are valuable and vulnerable. They have protected the network

**“The main industry changes we are seeing center around the approach companies are taking to protect their data on the network.”**

— SUZANNE RIDDELL

perimeter, and now the breaches have turned toward the data itself. Losing customer data can affect customer behavior. With a breach, the company that leaked the data is currently responsible in many states to assume all costs related to fraud and identity theft. This is adding up to serious money. Those companies trying to prevent the theft are showing at least something was in place to try and stop it, and data leak prevention addresses this problem. It protects credit card data, compliance (HIPAA, PCI, GLBA, SOX, etc.), employee data and all data that if lost could result in legal problems and lost customers.

Data leak prevention products help reduce the loss of sensitive data. A product should protect what you know (and don't know) about where the data is, or who is touching it. These solutions are only as good as the policies behind them, so a capture solution is needed to catch the data that isn't covered with a policy. Then you have the ability to view this data to see where an incident occurred, create a new policy for that incident and take corrective action. If a solution doesn't provide this, the data is lost. A company can also review this captured data and test policies and refine policies to reduce false positives.



## DATALOGIC MOBILE WORLDWIDE

**FRANCESCO MONTANARI**,  
GENERAL MANAGER  
[www.datalogic.com](http://www.datalogic.com)

One of the most important changes we have seen in the mobile computing industry in the recent past is the development of the “out-door” applications versus more traditional indoor applications of a warehouse or a store.

Mobile phone technologies initially developed for voice have dramatically changed the way we can exchange data because of GPRS, EDGE, UMTS and HDPSA. With these innovations, every field worker can continuously connect with his enterprise to exchange real-time data.

Consumer PDAs and Smartphones are the norm for the simplest application and suffice for consumer needs. But

professional applications and sensitive data need a very different product. A mobile work force needs a rugged dependable product that won't break if it falls, securely stores and protects data, and quickly starts up. These devices must survive inside very hot cars, outdoor in cold winters and exposure to rain or dust. Most importantly, they need secure data. Middleware and software must guarantee the highest data security. This security must be present even when working with operating systems and radio networks that have been developed for insecure consumer communications — not for professional mobile workers.

**“As more end users move to outdoor applications, they must have a better understanding of the value of their mobile computer.”**

— FRANCESCO MONTANARI

Security and ruggedness have a cost, and this is why a professional mobile computer costs much more than a consumer Smartphone. With inexpensive devices, customers can afford the cost of frequent repairs and/or product replacements. Such is not the case for the mobile professional. We all know that in a professional environment every wasted minute means wasted money, and every bit of data lost can have a dramatic impact on the company results. Replacing a computer in the field is what you don't want to have happen.

As more end users move to outdoor applications, they must have a better understanding of the value of their mobile computer. They need to recognize what the total cost of ownership is, not just the purchase price. They also must recognize that a mobile computer contributes significantly to the ROI mobile workers.



## **DATALOGIC SCANNING**

**MATT SCHLER**, GENERAL MANAGER,  
RETAIL FIXED SCANNING  
[www.datalogic.com](http://www.datalogic.com)

The GS1 DataBar (formerly called RSS or Reduced Space Symbology) has been recently approved for marking items in the retail supply chain. Effective 2010, retailers must be ready to scan packages at the point-of-sale, in back rooms and within their logistics systems.

For retailers, there are two requirements for meeting the 2010 sunrise mandate. All retail systems that scan retail barcodes must be capable of scanning the new family of GS1 DataBar codes, which encode the same data (the Global Trade Item Number or GTIN) as encoded in EAN/UPC barcodes today. Scanning systems must be capable of recognizing additional types of data possibly encoded in GS1 DataBar codes, such as weight, price and expiration date, identified with GS1 Application Identifiers.

It is difficult to place a barcode that is easily readable on small items. The EAN-8 and UPC-E barcodes are intentionally smaller and intended for marking small items, but there are a limited number of values possible with only eight digits. This forces many manufacturers to use very truncated forms of EAN-13 and UPC-A barcodes, which are difficult for some POS scanners to read. However, the GS1 DataBar symbology is capable of encoding a full GTIN in about half the space required by EAN-13 and UPC-A barcodes.

This is a global initiative, with more than 100 member organizations and more than 1 million supplier/retailer members. Retailers that are upgrading or replacing point-of-sale systems will want to ensure that products purchased from scanning, POS, and POS application software vendors are capable of reading and exploiting this barcode symbology.



## **DATAMAX**

**DOUG HALL**, VICE PRESIDENT OF MARKETING  
[www.datamaxcorp.com](http://www.datamaxcorp.com)

We recently conducted an online survey with our partners to help us better understand their business situation and to learn how we can improve our mutual business proposition. More than 100 partners completed the survey, and the results point to an emerging trend in the selling model that resellers employ in the AIDC printer marketplace. We found that our partners are concerned with Web-based resellers “low-balling” prices without regard to customer needs. We believe that one of the ways the reseller community can address this is to move up the value chain by offering “proven solutions.”

Resellers that offer a solution, rather than fixing problems, provide a true “value-added” difference and will be more successful in the increasingly intricate infrastructure of modern businesses. Fixing problems can be defined as “patching up” existing systems to keep them running by replacing or upgrading components. Selling a solution involves pre-sales and post-sales services and a pre-engineered software/hardware set that alleviates a business or technical problem with a new approach.

The benefits of selling solutions stem from seeking to sell

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the same solution each time: you gain knowledge with each implementation, you leverage what you've learned and you become a more valuable resource. So how do you start selling solutions? First, choose a vertical market that you either understand or one that you want to learn more about. You then create a set of pre-engineered solutions using existing bundled software. For example, supply-chain customers may benefit from warehouse management system software networked into their ERP combined with a series of printers and scanners with particular performance characteristics that increase efficiencies and productivity.

**“Resellers that offer a solution, rather than fixing problems, provide a true ‘value-added’ difference and will be more successful in the increasingly intricate infrastructure of modern businesses.” — DOUG HALL**

The bottom line is to select industries and applications that interest you, then learn and become an expert. Your goal should be to engineer “smart” solutions that reduce investment and offer a clear ROI for the customer. The question is no longer: “What’s your problem?” The question becomes: “Do you have this problem? I have a proven solution.”



## **DIMENSION DATA AMERICAS**

**MITCHELL HERSHKOWITZ,**  
CONVERGED COMMUNICATIONS  
PRACTICE MANAGER  
[www.dimensiondata.com](http://www.dimensiondata.com)

Across all industries, companies are detailing the need for more streamlined ways to connect, communicate and collaborate in real time. Knowing whether someone is available, when he or she will be available and the best mode of contact facilitates timely and well-informed decision-making. As a result, unified communications technologies will make significant inroads in 2008.

Unified communications refers to the real-time routing of a voice, text or email message to the device closest to the intended recipient. For example, voice calls to desk phones could be routed to users' mobile phones. E-mail intended for a desktop mailbox could be sent to a PDA or translated into speech for a phone message. As companies increasingly

introduce UC infrastructures, SMBs will find that UC helps them compete with industry leaders.

A variety of factors will drive the adoption of UC. For example, enterprises increasingly are becoming more “virtual” and globally dispersed, necessitating enhanced communication abilities. This coincides with strides in the quality, security and adoption of Internet Protocol Telephony, better known as IPT, as well as the acceptance of “presence” — a status indicator that unites all the contact information for an individual so personal availability can be determined.

In 2008, VARs will be asked to help companies leverage existing network investments and integrate them with new technologies. Some companies will enhance their existing IPT platforms with presence technology, while others who have not migrated to IPT will deploy UC, converging their voice platform and data applications. However, don't expect a clash of the UC titans just yet — companies will integrate Cisco call control and Microsoft applications in 2008.

As UC establishes a strong foothold, and its benefits are quickly realized, we'll see corresponding advances in Web conferencing, TelePresence and enterprise IM — an overall more seamless communication experience.



## **DIVERSIFIED MEDIA GROUP (DMG)**

**JOHN MELILLO, PRESIDENT**  
[www.divmedia.net](http://www.divmedia.net)

Traditionally, big-box retailers promoted “price” at the point of sale. When digital signage began to be used in POS situations, much of the message content still targeted price as a point of differentiation. What we've begun to see is a movement in these instances to brand, and image building.

The concept of using digital signage to build brand awareness and equity — just footsteps away from where the products are being sold — was initially utilized by the “brand” stores. This included messages displayed on flat-panel screens, projection cubes, LED walls and interactive kiosks strategically placed throughout the retail-selling environment.

In addition, these major, recognizable brands also promoted their product's image via digital signage within the major retail chains, where they were allotted a prescribed space for their wares. In this competitive environment, they needed to find a unique way to “differentiate” themselves from other, competing brands. In addition, large retailers themselves have developed their own, in-house, readily identifiable “brands,” which would also benefit from the same kind of image promotion at the point of sale.

What does digital signage provide for the retailer who wants to build a strong brand? It affords exclusive and unique pro-

gramming opportunities that are aimed at customer acquisition, retention and upsell. And, digital signage achieves that by having evolved from being a basic content delivery system to an enhancement of the retail environment.

The way that digital signage is being used today allows for promotion of product attributes — sometimes employing complex graphics and visuals — that would be more difficult for a salesman on the floor to convey. Overall, digital signage in all of its many forms has the ability to significantly impact shopping behavior. By delivering image and brand properties to the point of sale, brand managers can exert greater control over how their products are being sold.



## **ELO TOUCHSYSTEMS**

**JOHN DITTIG**, REGIONAL MANAGER

[www.elotouch.com](http://www.elotouch.com)

The touch industry as a whole is going to experience drastic changes in 2008. I believe the vendors with a strong game plan and a strong product offering will continue to grow because of scale and

technology. I also believe we will probably see some vendors vacate this space. The touch industry as a whole is very fragmented. Vendors who are successful in this business have vision, customer focus, strong product offerings, flexibility and strong partner relationships.

Different technologies such as APR (Acoustic Pulse Recognition) will be key from a technology perspective. We're always thinking about different technologies and value-add. And once resellers and end users see the difference with APR, this technology will be able to add value and margin to their respective bottom lines.



## **EPSON AMERICA**

**BARRY WISE**, MARKETING CONSULTANT

[www.epson.com](http://www.epson.com)

One of the areas we're going to see the biggest change is a shift from the focus we've seen on PCI over the past couple of years to a focus on implementing other

technologies and solutions that have been delayed because of PCI-related projects. Many retailers, hampered by the lack of budget and resources shifted their focus to the most demanding, but ever-changing requirements of implementing PCI compliance. By early 2008, I believe most retailers will be ready to move onto new projects.

More specifically, in printers and printing technology, I see food-service operators moving point of sale to the table, including settling the check at the table. Customers want to

dine at restaurants where they know their credit card isn't removed from their sight, and that will require the use of portable, wireless printers. In addition, the efficiencies of using waitstaff that remains on the floor with their customers will result in faster turnover of tables and higher levels of customer satisfaction.

**“Regarding printers and printing technology, I see food-service operators moving point of sale to the table, including settling the check at the table.” — BARRY WISE**



## **EXTECH**

**TONY REVIS**, GENERAL MANAGER,  
PORTABLE PRINTER DIVISION

[www.extech.com](http://www.extech.com)

With the continued explosion of portable wireless computing, more companies are enabling their frontline workers to complete transactions at the point-of-sale.

As a simple example, retail store clerks can scan barcodes and check pricing or reduce checkout lines at peak times. Credit card payment helps close the total transaction much closer to the customers' point of decision. This brings a new meaning to printing at POS, requiring the retailer or food service provider to recognize that the server, not the customer, needs to be mobile.

Mobile POS terminals for “line busting” reduce the wait at cash terminals, or eliminate the need to leave a seat at crucial moments while watching a sporting event. Visit Boston's Fleet Center and enjoy the rapid food ordering system in the club seats — ordering and payment is done seatside, and all kitchen and payment communication is done over a wireless network.

The applications for the use of portable receipt printing in mobile computing however go beyond retail and food service as the following examples demonstrate.

Mobile printing is increasingly growing within the parking industry, specifically for local government, issuing tickets or checking vehicle details over WWAN.

Rail systems carry millions of people annually. Passengers can currently pay on the train rather than at rail stations; computerized conductors equipped with handheld computers and portable printers with an integrated card reader, issue tickets seatside. Wireless technology is used for the PAN and for WWAN communication for card verification.

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In route accounting, particularly with beverage companies, beer and soft drink bottlers take advantage of route accounting to reduce the time needed to complete a sale, to improve sales force productivity and create more satisfied customers.

Field service technicians use ruggedized notebooks to make them more efficient, to streamline and speed basic functions, such as billing, and to save millions of dollars.

The increased efficiency and accuracy of capturing data quickly into a computing device can result in higher employee productivity, faster business reporting and reduced operational costs. We shall see more applications like this in 2008.



## EXTREME NETWORKS

**PAUL HOOPER**, CHIEF MARKETING OFFICER

[www.extremenetworks.com](http://www.extremenetworks.com)

Heading into 2008, I expect the rate of adoption and deployment of fully converged network solutions to increase as organizations fully understand and embrace the compelling value of a single network supporting unique and varied forms of information. This trend started many years ago, but in 2008 we will see the broader and faster adoption of multi-media networks notably within specific markets including the health care and higher education verticals.

We have already experienced a collection of enterprises that have leveraged their system and solution integrators to adopt and deploy VoIP technologies. This year, the pace of adoption will increase while organizations that are already onboard with VoIP solutions will look for ways to improve the control experience for users and enterprise network administrators.

Improving the control experience requires a reduction in the day-to-day burden that network configuration, deployment and ongoing maintenance can present. Organizations will need to support an increased number and diversity of connected devices and users that rely upon the network. These diverse devices require discovery, authentication and service provisioning. IT infrastructure management teams will need broad insight into what is occurring on their network, and then the tools to be able to control the response and reaction of the network to events and actions.

In addition to the accelerated rate of converged network deployment, and with the significant growth of LAN traffic stemming from server virtualization, emerging video-based multimedia and resource-intensive ERP software, the network backbone and aggregation layers will migrate to 10 gigabit Ethernet technology at an accelerated pace.

The cost of deploying 10Gb solutions throughout backbones has been too high for many organizations to consider, and hence they have opted for multiple-1Gb links aggregat-

ed together to increase bandwidth. However, as the cost of 10GbE falls, the compelling value of single 10GbE rather than the complexity of aggregated links will see a rise in the adoption of the new 10GbE solutions.



## FILEVISION

**LAURIE SHUFELDT**, VICE PRESIDENT  
OF STRATEGIC BUSINESS

[www.filevision.net](http://www.filevision.net)

In the past, the SMB market has not adopted document management solutions because they've considered it too expensive and too complicated to implement. Most SMBs started document management with basic scanning, archival and retrieval. They didn't take advantage of key beneficial features such as automated retention policies, moving documents and data around the organization, workflow and the ability to access it from multiple locations. As a result, SMBs are missing out on the improvement of productivity across the board, such as better communications, organization and customer service. Traditionally, many of these improved benefits that come from full-scope document management

**“What we're going to see more of this year, to offer SMBs the full benefits of document management, is that more fully functional systems are going to be offered as hosted solutions.” — LAURIE SHUFELDT**

systems have been reserved for the high-end markets that can afford them.

In the past year, we've seen a lot more multi-functional devices being introduced, and scanner prices coming down so SMBs can now afford the hardware. However, we're still seeing that they're hesitant to take full advantage of document management because of the cost involved to have a server, and someone to maintain the server and data back-up.

What we're going to see more of this year, to offer SMBs the full benefits of document management, is that more fully functional systems are going to be offered as hosted solutions. These ASPs are going to provide SMBs more than just search and retrieval. They're going to offer the full benefits of information management, better organization and overall productivity improvements. Hosted document management

solutions will offer SMBs the ability to store data and documents and the ability to access and move information around the organization more freely. Overall, SMBs will be able to experience a quick return on investment because payments for the service will be monthly instead of a large sum of money up front.



## **FIRICH USA**

**ELLIOTT WUU**, EXECUTIVE VICE PRESIDENT  
[www.firichusa.com](http://www.firichusa.com)

While the PC box for point-of-sale industrial applications is still a logical solution, the all-in-one, fanless POS terminal will receive additional requirements from the market in 2008. In the retail store or hospitality environment, POS terminals will be able to meet demands in the coming year, such as: easy operation (touch and play), easy maintenance through an all-in-one control board and modular peripheral, reliable performance via P4 1 Ghz running XP Pro/WEPOS and a fanless design that is ideal for rugged environments.

On the kiosk front, 2008 will be the year that this application will stray away from the “bulky box” — the new Kiosk will be slimmer and wall-mounted. Because touch-screen technologies are a robust business opportunity for the retail and hospitality verticals, the new wall mount, slim and technologically advanced kiosks will provide affordable solutions for the end user, as well as additional revenue.

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## **FORRESTER RESEARCH**

**MICHAEL SPEYER**, SENIOR ANALYST  
[www.forrester.com](http://www.forrester.com)

Software-as-a-service (SaaS) adoption by SMBs in 2008 will continue at a similar pace to 2007, with horizontal applications that target collaboration, content management and human resources growing fastest. These applications are relatively easy to deploy, don't necessarily touch core business processes, and offer a relatively low-cost, low-risk way to try out the applications. However, major front- and back-office applications such as ERP and CRM will experience slower adoption. The reasons for this are many: SMB-oriented offers are relatively new and untried; broad distribution for these products is not yet in place and incumbent on-premise ISVs have a dominant position in the market with well-established ecosystems that can deliver the tailored solutions that customers expect.

Resellers who are planning to delve into SaaS should start planning for the realities of SaaS reselling now. They will

find that the margins on SaaS reselling are small, with limited opportunity for delivering customization and add-ons, especially for low-end products. Money will be made through the professional services that go along with SaaS. Resellers can help their customers with the challenge of adapting their business processes to those “built-into” the SaaS software, either via training or business process change

**“Resellers who are planning to delve into SaaS should start planning for the realities of SaaS reselling now.” — MICHAEL SPEYER**

management. They can also develop Web services add-ons for SaaS products that have an API. Resellers should also consider representing range of complementary SaaS products, and be able to offer their clients a “one-stop-shop” value proposition. Because of relatively smaller deal sizes that SaaS offers, resellers should start thinking about ways to ramp-up their sales volumes.



## **FORTINET**

**MIKE VALENTINE**, VICE PRESIDENT  
OF CHANNEL SALES  
[www.fortinet.com](http://www.fortinet.com)

As cyber criminals become even craftier in 2008, threat levels to enterprises will continue to rise. Unfortunately, IT resources will also continue to be constrained in virtually every enterprise, suggesting there will be a shortage of adequate resources to manage the complexity of disparate security devices that attempt to address very different types of security issues. Large enterprises especially will increasingly demand more simplified, unified security systems to meet their critical IT needs and to reduce their cost of security operations as whole, as well as the burden on their IT departments. This will create a great business opportunity for VARs who are partnered with the right security vendors — meaning those that offer tightly integrated threat management systems with fully centralized management and logging/analysis capabilities, combined with the full range of security services and support.

The benefit to VARs partnering with such vendors is twofold. On one hand, a VAR's ability to offer an integrated security solution that is suited to meet enterprise demand will create tremendous selling opportunities. On the other,

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security-focused VARs will also benefit from the possible revenue opportunities associated with providing Managed Services, which is only attainable by partnering with a vendor that offers a complete package of hardware, software, services and support. This will allow security VARs to grow their businesses to the model of Managed Security Service Provider (MSSP) — a growing trend in today's channel.

And while there will be more movement with the security industry's parallel shift (such as best-of-breed vendors attempting to piecemeal security solutions to attempt to meet enterprise demand for consolidated security systems), VARs and enterprises alike, through their own education of the security space, will turn to the truly unified security solutions to grow their businesses and meet their security needs, respectively.



## FUJITSU TRANSACTION SOLUTIONS

**PETER WOLF**, VICE PRESIDENT OF MARKETING  
[www.fujitsu.com](http://www.fujitsu.com)

Retailers and their technology solutions partners will need to embrace two important market trends in 2008 and beyond: the continued explosion of self-service systems and the increasing ubiquity of mobile technologies.

According to IHL Consulting Group and its recent study, "2007 North American Self-Service Kiosks," consumers will spend more than \$525 billion in 2007 at self-checkout lanes, ticketing kiosks and other self-service machines. That figure is up from \$438 billion in 2006 and is expected to reach a staggering \$1.3 trillion by 2011.

With hard numbers such as those, it's clear that retailers who have not yet evaluated self-service as a source of good service could possibly be behind the competitive eight-ball.

The more difficult question, particularly for multi-channel merchants is: "What type of impact will mobile devices will have on marketing and merchandising efforts?" Currently, more than 84 percent of U.S. households have at least one cell phone, and 14 percent have only mobile phones (no land lines), according to a recent consumer study from Mediamark.

With the U.S. cell phone market approaching "saturation," most retailers and their technology providers agree it's a matter of when, not if, they incorporate cell phones. The objectives of mobile marketing campaigns for retailers are straightforward: increase average transactions, drive frequency of visits and improve customer service. However, there are two things that are important to understand. First, mobile marketing does not stand alone; rather, it leverages traditional promotional channels, such as print, email, Web, radio and television. Second, the intimacy of the mobile

channel demands that all practitioners adhere to the best practice guidelines of choice, control, customization, consideration, constraint and confidentiality.



## GFI SOFTWARE

**JIM SEMERSKY**, DIRECTOR OF CHANNELS  
[www.gfi.com](http://www.gfi.com)

From a sales perspective, this year we will see more VARs moving from pure product sales to offering value-added services. This "holistic" approach to the channel, I believe, will allow for improved revenue streams and also reflect trends currently seen in the industry.

Today, the SMB market continues to be a strong sales driver, and more companies are seeking a solution that is strongly backed by training and regular support not only from the vendor, but also from the VAR. Aside from just support, customers want guidance, and this is a role I see VARs taking on much more in 2008.

I also believe we will witness a marked shift in the way vendors and VARs do business. This relationship will be dictated by the level of real communication in the areas of deal registration, lead management and opportunity management. Vendors will be called upon to provide more in-depth product training to ensure they are in a position to effectively make sales and provide follow-up, pre-sales support using live Web demos as well as product updates and enhancements.

**"Aside from just support, customers want guidance, and this is a role I see VARs taking on much more in 2008." — JIM SEMERSKY**

More resellers will also view partner certification as a method of obtaining new leads, sales resources and higher partner status. All of these elements will allow VARs to strengthen their existing client base and, more importantly, to bring new business to the table.

Another important change will be improvements in the margins offered to VARs across the board. Apart from the standard margin, companies may also look to increasing margins on those opportunities that are not strictly within the normal pipeline. Small- to medium-sized vendors will see this as a key strategy to retain VARs on their books and that their products continue to receive preferred status when customers request solutions.



## HAND HELD PRODUCTS

**BILL DUEGER**, VICE PRESIDENT  
CHANNEL SALES  
[www.handheld.com](http://www.handheld.com)

One of the most important changes that we expect this year is broader adoption of 2-D image scanning technology across the retail, warehousing and logistics operations markets. Consequently, this trend will present new profit opportunities to value-added resellers.

End users have reached a commodity state with traditional single-purpose, linear-scan only solutions. Core AIDC end users are discovering that 2-D image scanning technology excels at meeting traditional scanning needs while enabling greater functionalities and flexibility, and ultimately increases productivity and profit. They will increasingly demand that vendors provide intelligent data exchange — not just

**“A VAR who is focused on aligning application challenges to the right technology is in a superior position to add value to their customers.”**

— **BILL DUEGER**

data capture. VARs can respond to this demand by offering advanced media such as 2-D.

A VAR who is focused on aligning application challenges to the right technology is in a superior position to add value to their customers. VARs excelling in this area will find less competition, higher quality sales, increased profit margins, greater ongoing service revenues and higher customer loyalty and retention.

Customers will continue placing a stronger focus on value, as the early trend of shopping on price has resulted in many failed new project rollouts. 2-D technology is proven, reliable and validated by market leaders — and, most importantly, its value is further validated by its ability to perform new applications as customers' requirements evolve. With 2-D technology, VARs can offer their customers a solution that can meet their needs today and well into the future.

Resellers will have a tremendous opportunity to capitalize on the 2-D growth trend in 2008. Organizations large and small have already begun to take advantage of this technology and are reaping the benefits. We predict this will gain stronger momentum in 2008, and VARs can't afford miss out on the advantages 2-D image scanning technology can provide their customers.



## HONEYWELL BATTERIES

**JAMIE FRIESEMA**, DIRECTOR OF SALES  
[www.honeywellbatteries.com](http://www.honeywellbatteries.com)

2008 is expected to be the year of the battery.

A combination of forces is at play, which will result in a significant battery replacement cycle occurring throughout this year. Among the factors driving the demand is a dramatic increase in mobile computer sales over the past two years. These units are approaching the end of their useful battery lives, and will require replacements to prevent productivity loss from underperforming batteries. Contributing to the replacement cycle has been the shift from Nickel-based battery chemistries to Lithium-based. While Lithium is lighter weight and does not suffer from memory effect, its life expectancy is shorter than Nickel-based batteries to 40 percent.

While advancements in mobile devices continue at a breakneck speed, the addition of new features, larger screens and advanced wireless function has far-outpaced progress in battery chemistry and battery management.

End users will finally be confronted with the truth that batteries, chargers and power management in many portable devices have failed. Because of inadequate battery life, productivity increases and savings forecasted by early adopters may go unrealized. In many applications, mid-shift battery replacements or supplementary batteries will be needed, until improved batteries are made available.

While numerous new technologies are being developed to help solve the power gap, the short term will only find incremental improvements. Advances in Lithium Ion battery technology continue. For instance, mobile devices that were designed a few years ago around batteries with a capacity of 1,800 mAh can currently benefit from 2,600 mAh cells — an increase of almost 45 percent.

Perhaps best positioned is Lithium Polymer. It incorporates the strengths of traditional Lithium ion with the added benefits of allowing the battery to be specifically shaped to fit the device it will power. This flexibility allows a battery designer to maximize the space in the device allocated for the battery. Additionally, Lithium Polymer offers a number of safety benefits over Lithium Ion whose limitations became famous with YouTube videos of burning laptop computers. You can actually drive a nail through a Lithium Polymer battery, and it will continue to function.

# REVIEW & OUTLOOK



## IBM

**JUHI K. JOTWANI**  
DIRECTOR, MARKETING & STRATEGY,  
RETAIL STORE SOLUTIONS

[www.ibm.com](http://www.ibm.com)

In the highly competitive retail environment, retailers must differentiate themselves by improving the overall shopping experience for their customers. With today's technology-savvy customers, a great way to do this is to give them more ways to "Connect, Interact and Transact" — to get information on such things as products, sale items and product availability — and to help them quickly complete transactions. Retailers are already deploying digital displays and information kiosks. We expect this trend to continue, with the kiosks expanding into full-fledged POS systems or even self-checkout stations. This will drive demand for ultra space-saving POS, kiosk and self-checkout systems that can be flexibly set-up and deployed anywhere in the store (or even in the parking lot!) through wireless connectivity.

We see environmentally conscious design and packaging as a global trend with consumer impact and cost benefit. This includes better power management to reduce energy costs, improved recyclability and longer useful life to delay the need to dispose of systems.

Improving system availability results in higher customer service levels and a better overall shopping experience. Also, studies indicate that as much as 75 percent of the total cost of ownership for POS systems is related to management and maintenance costs after the initial acquisition. POS systems that are more serviceable and easier to manage can address both these issues. Retailers of all sizes will benefit from systems that are built to be easily serviceable, even by non-IT skilled store personnel. This includes improved systems management that can remotely monitor, diagnose and update POS systems and peripherals — ideally from a central data center.

## IBM CORPORATION

**AYMAN ANTOUN**, VICE PRESIDENT, BUSINESS PARTNERS AMERICAS  
[www.ibm.com](http://www.ibm.com)

Looking ahead to 2008, we see a continued increase in SMB investment in solutions, rather than point products. In light of this trend, going it alone isn't a viable option for resellers that want to fully tap this \$484 billion global market.

Collaboration to meet customer needs is critical. Solutions spending accounts for nearly half of the fast-growing SMB market — but no single provider can do it all. To deliver total solutions, resellers need to band together with other resellers, as well as systems integrators, ISVs and consultants. The flattening world opens up the possibility of new customers in far-flung corners of the globe, as well as new

competitors. Finally, transitioning from point-of-sale products to development of end-to-end solutions can be tricky, requiring strikingly different approaches and skills.

By teaming up in an IT solutions ecosystem, members can draw on their collective strengths and expertise to create solutions that address SMB customers' business challenges. Whether you want to expand into new geographic or vertical markets, or need specialized technical expertise unavailable among your staff, collaboration with complementary partners can help boost your SMB revenue.

**"To prosper in the dynamic, expanding SMB market, resellers need to use every tool and resource at their disposal."**

— **AYMAN ANTOUN**

Building an effective ecosystem is too important to leave to chance — but given the day-to-day realities of running a business, it's much easier said than done.

A good first step is joining partner-to-partner networks. The goal: help resellers find, meet and work with complementary resellers, systems integrators and ISVs — across industry, technical and geographic lines.

To prosper in the dynamic, expanding SMB market, resellers need to use every tool and resource at their disposal. Collaboration via partner-to-partner networks is a good place to start.



## INFOSPEC SYSTEMS

**FRASER BROOKS**, BUSINESS DEVELOPMENT  
MANAGER

[www.infospec.com](http://www.infospec.com)

An important change that will occur this year is Web integration in point-of-sale software — particularly in the hospitality sector. This includes browser-based access to gift card and customer/member information, reservations and online ordering from the same portal. These are services that have been available through third-party applications, but often the customer must go to one site for reservations, another for ordering and a third for gift card inquiry. Clients have asked for one portal, through the company Web site, which handles all of this seamlessly.

The other aspect of Web integration is on the cost management and labor control side. Clients with multiple locations want real-time access to sales and labor ratios, from

anywhere, even on their Blackberry or cell phone. Security systems and liquor control systems are to be integrated with POS, with information available on-line in real-time.

Wireless order entry on handheld devices is moving back to the forefront in the minds of many restaurant operators. Affordability of the hardware solutions that provide the necessary durability and reliability is the driving force in the renewed interest. The software has continued to evolve and offers enhanced flexibility and ease of use.

A current, popular buzzword is “stickiness.” This refers to the tendency of end users to change suppliers of software because of the latest cheaper offering (often on-line). The more a VAR can offer end-to-end solutions, the better “stick” their offerings will have. On the other side, VARs face the challenge of maintaining a knowledge base on a wider variety of technologies. Software developers will need to assist their VARs by strengthening strategic partnerships and/or in-house development, so that integrated “suites” are available, easy to install and maintain.



## **IPSWITCH FILE TRANSFER DIVISION**

**GARY SHOTTES, PRESIDENT**  
[WWW.IPSWITCH.COM](http://WWW.IPSWITCH.COM)

With vendors going direct, competition from low-margin catalog resellers and stagnant or shrinking customer IT budgets, VARs are watching their margins erode. With shrinking margins come shrinking profitability, and many VARs are wondering if they'll be able to survive. But by following a few best practices, not only can smart VARs survive the margin squeeze, they can profit from it.

It seems that all the hot areas these days are services. That works to the advantage of the smart VAR. Software as a Service (SaaS) and Managed Services are more than the latest reincarnation of the ASP model; they are your ticket to annuity revenue streams. The key to these markets though is that you must back up your offerings with services.

Find a defensible niche, one you can own. It could be a geographic area, but it's better if it's an industry or a segment, such as education or insurance. You can pick more than one, but be careful not to lose focus. Build the expertise and develop the reputation and soon you'll be able to get premium rates for your premium services.

These tips are just the beginning. There's a lot of hard work ahead for technology VARs, but in the long run, competition is good for everyone.



## **THE JS GROUP**

**JANET SCHIJNS, FOUNDER AND CEO**  
[WWW.JSGROUP.COM](http://WWW.JSGROUP.COM)

2008 represents the year that the talent composition in our industry is forever changed. Our definition and management of “human capital” (talent) must change because of the onset, some may say onslaught, of an increasing socially connected, knowledge-hungry, customer-controlled marketplace where your capacity to manage your knowledge network to deliver profitable customer experiences will be the key challenge in our industry.

In the past, we could recruit people with the right experience and degree and feel reasonably confident they could succeed. There is no longer a straight line correlation for talent; in fact many of the skills needed, such as social networking, engaging experts for authoritative intelligence and customer experience management wasn't taught to this year's college graduates.

The bottom line is that we need to change our approach to talent radically. We need to focus on how to empower not just our own teams, but our own community, to become life-long learners who can learn and take action on new ideas in a rapidly changing business environment. This skill will be a must for all knowledge workers moving forward and a top priority for our leaders this year.

**“2008 represents the year that the talent composition in our industry is forever changed.” — JANET SCHIJNS**

We have evolved from an industrial age to an information age where what you know, and who knows you know it, matters most for sustained success. Jenifer Fox, author of *Your Child's Strengths*, is a fantastic example of how one leader with the right approach to strengths-based learning can achieve astounding results; all of us are capable of captaining this journey, we just need to be willing to start the work. Leaders need to start the conversation about life-long strengths learning and determine how we apply what is being tried to empower students to today's talent so that we all benefit from the knowledge revolution.

# REVIEW & OUTLOOK



## **JUNIPER NETWORKS**

**STEVE PATAKY, VICE PRESIDENT OF  
WORLDWIDE CHANNEL DEVELOPMENT  
AND PROGRAMS**

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The New Year brings tremendous opportunity and margin for solution providers specializing in high-performance networking and security solutions. Yet, this growing opportunity is met with a number of increased demands and expectations from C-level executives and business owners who simply want more — more value, more service, more performance and better ROI from their IT investments.

So what's driving these increased demands in 2008? For many businesses, the network has become a strategic asset. It's a competitive differentiator and the lifeblood of their organization. If the network is compromised or a system or mobile device fails to connect, business stops and service levels take a major hit.

It's this painful reality that is putting tremendous pressure on solution providers to specialize their practices and continuously align the IT services they provide with the unique business requirements of their clients. By building value through specializations and keeping their focus on resolving the most challenging IT issues facing today's enterprises, solution providers will win big in 2008.

**“The time-to-value, return on investment and performance enhancements delivered by solution providers must be seen, heard and felt throughout the entire enterprise.” — STEVE PATAKY**

Along these lines, we are encouraging solution providers to drill down on and more clearly demonstrate and articulate the time-to-value of their clients' IT solutions. Stated differently, solution providers must show their clients how quickly these high-performance networking solutions, and perhaps most importantly, their value-add services, can accelerate, extend and optimize the business. Regardless of size, enterprises want flexible, best-in-class technology solutions that drive measurable results and maximize performance and service across the board.

The time-to-value, return on investment and performance enhancements delivered by solution providers must be seen,

heard and felt throughout the entire enterprise. They must become a signature-of-service that truly differentiates the solution provider and brings simplicity to clients' most challenging IT issues.



## **KASEYA**

**GERALD BLACKIE, CEO**

[www.kaseya.com](http://www.kaseya.com)

As 2008 unfolds, we expect to see the IT service industry become more focused on proactive management and services than ever before. The evolution to Managed Services has started and continues to grow. In the past, IT professionals relied on standard monitoring solutions. Their offerings were reactive, using patches and defragmentation to resolve issues after they had already occurred. More VARs and solution providers are currently moving away from this break-fix model and making the transition to Managed Services every day, recognizing the advantages to the business model and taking a proactive approach to managing clients' IT infrastructure.

Using automation software that provides a complete view of the IT environment, Managed Service Providers are able to automate key tasks and eradicate potential problems before they develop. SMBs experience improved ROI through managed Green Computing, with desktop management capabilities that enable them to better manage the power consumption of an entire IT infrastructure from a centrally managed environment. The improved range and quality of services MSPs are able to offer benefits their customers and enables them to rapidly grow their businesses without adding overhead, improving their bottom line.

However, as the Managed Services market becomes increasingly saturated, competition becomes stronger and customer expectations begin to rise. It will be essential for MSPs to expand their offerings and services to gain a competitive advantage. As a result, they will depend on their IT frameworks to provide the ability to monitor more information, routers and devices.

Broader platform support for Windows Vista, SQL 2008, Linux, Macintosh and PDAs will be in demand. They'll look for increased automation and services to enable them to provide 24-7 support. The advancements in technology and services MSPs derive from their IT automation software will translate into increased benefit to customers and prove crucial to their businesses' success in this rapidly developing industry.



**LIVEOFFICE**  
**MATT SMITH, PRESIDENT**  
[www.liveoffice.com](http://www.liveoffice.com)

When LiveOffice entered the message archiving industry nearly seven years ago, financial services institutions were some of the only organizations looking to implement automated archiving and compliance systems to screen and archive their emails and instant messages (IMs). At the time, email was just starting to become the preferred business communication tool for businesses — large and small.

Currently, email is ubiquitous and holds the high honor of being almost every worker's preferred method of communication. This reliance on email has created a greater responsibility for how organizations handle electronic communications.

Several drivers are emerging that shed light on this important need, which will likely result in a significant increase of hosted email archiving solutions within the reseller market in 2008 and include the following issues:

**Email continuity and disaster recovery:** More organizations cannot afford to lose an email. They must have a way to find it or risk losing valuable information that is not contained in any other location.

**“Resellers involved with helping customers meet their email and instant messaging needs should be aware of the variety of options available when it comes to message archiving systems.”**

— MATT SMITH

**Soaring message volumes:** Osterman Research estimates that message volumes are growing at an annual rate of 35 percent per year for businesses. This astronomical growth is causing storage headaches for IT professionals and business owners. The sky-high cost of storing emails is overwhelming to many, which is why it is important that resellers are able to provide their customers with reliable hosted email archiving solutions that offer unlimited storage options.

**Federal Rules of Civil Procedure (FRCP):** In December 2006, the federal court system enacted amendments to the Federal Rules of Civil Procedure regarding the proper handling of email. These amendments mandate that email messages must be retained, and they must be easily searchable

and retrievable in the event that they are requested as evidence in a federal court case.

I believe that the drivers listed above will signal a shift in what customers are looking for from their trusted technology resellers in 2008. Resellers involved with helping customers meet their email and instant messaging needs should be aware of the variety of options available when it comes to message archiving systems.



**LOGIC CONTROLS**  
**JACKSON LUM, PRESIDENT**  
[www.logiccontrols.com](http://www.logiccontrols.com)

The disparity of specifications between consumer and industrial applications calls for a new breed of PC — the industrial PC. This is a necessary progression, as the users are so different. The PC industry trend is clear.

Major PC manufacturers focus their priority on high-volume models to meet gamers' specifications. Typical gamers require a high-speed CPU, huge hard drive capacity, fast video card and many other requirements that add to the size and cost. Unfortunately, the gamers' specifications are very different from the industrial user's needs and don't fulfill the requirements of the industrial user. The unique high-priority industrial specifications include high reliability, rugged construction, support for legacy I/O ports, compact size and flexible mounting options, which is ideal where space is limited or restricted.

Industrial computers are an excellent choice for applications that demand maximum reliability in especially harsh or restricted operation environments. There is no tolerance for the computer to go down; this would mean a loss of business. They must be able to withstand extreme levels of grease, dust, high temperatures and condensing moisture. The fanless design prevents damage to internal components caused by dust, dirt and other contaminants that could be drawn into the unit by the fan. Fanless also means no noise, which is important in already busy, high-traffic situations.

In comparison to a standard PC, an industrial computer must include multiple legacy ports including serial and parallel, as well as support many peripheral options, such as printers, scanners, displays or cash drawers.

The key points of difference between the consumer computer and industrial computer are reliability, durability, expandability and flexibility. The new industrial PCs not only perform better in the industrial environment, they also eliminate waste of extra cost on consumer features that are not needed.

# REVIEW & OUTLOOK



## LUCIDATA

JEREMY WUNSCH, CEO

[www.lucidatainc.com](http://www.lucidatainc.com)

It is becoming more certain that if a company has employees, they are going to experience data breaches at some point. Data breaches are becoming more complex, and they are hitting every vertical market. While there are several products currently on the market touting how they can deliver the most comprehensive solutions to protect against these breaches, we know that most companies must take a step back and really understand how vulnerable they are. They are in need of good, neutral consulting, and there is a high demand in terms of working with businesses to educate them on the practical ways of being proactive and working with them to ensure that their reactive policies and procedures are the best that they can be.

I also cannot say enough about the importance of encryption. A single stolen laptop containing a company's most critical data could sink a business. To avoid disaster, and keep corporate data safe, a comprehensive security strategy must include a way to prevent data leakage from mobile devices. Having strong hard drive encryption is something all companies should consider but not without caution, as people seem to forget that the purchase of an encryption product, and its implementation, could have a serious impact on internal and external forensics investigations, which could ultimately elevate their costs to extreme levels.



## MARSHAL

STEVE SHEINBAUM, VICE PRESIDENT  
OF AMERICAS SALES

[www.marshal.com](http://www.marshal.com)

This year, CIOs will investigate integrated security solutions to address data leakage, and rapidly adopt endpoint security applications to protect against the risks posed by mobile work forces and the proliferation of portable storage devices.

One of the biggest IT challenges companies are dealing with is how to manage multi-vendor environments. It is common for a company to have one solution to manage email security and another to manage the Web gateway. Even when these solutions are provided by the same vendor, it is highly likely that they are stand-alone point applications that use different interfaces and policy engines.

Solutions that integrate email, Web and endpoint security with a single interface, console and policy engine will attract the interest of IT managers who want to consolidate data leakage prevention to free up IT resources. Integrated solu-

tions streamline security management by providing a common user interface and policy engine enabling administrators to set consistent policies across the enterprise, monitor and manage email, Web and endpoint security, and produce consolidated reports on data leakage and other security concerns from the same console.

**“One of the biggest IT challenges companies are dealing with is how to manage multi-vendor environments.” — STEVE SHEINBAUM**

The rise of mobile and contract work forces combined with the popularity of portable storage devices is driving security executives to investigate single, integrated applications that can secure data at all points across the perimeter, whether it be email, Web, or endpoint and whether the data is at rest or in motion. For example, at no time has corporate information been more vulnerable. With multi-gigabyte USB sticks, MP3 players and iPods capable of downloading data from a desktop or laptop, vast amounts of company data can be stolen quickly and discreetly, not to mention the security risks posed by a lost or stolen unencrypted Blackberry.

Endpoint security solutions that encrypt data copied onto approved portable storage devices and monitor endpoints to track files downloaded to portable devices will be in demand in 2008 as CIOs evaluate reliable methods for protecting company information wherever it resides or travels.



## THE MIKAL CORPORATION

FRED DENGLER, CO-FOUNDER AND CEO

[www.mikal.com](http://www.mikal.com)

This coming year, I expect to see more support and products for the retail point-of-sale industry, especially for the small retailers — such as salons and spas. Fuel prices will continue to climb, and small, local, convenient retailers will become more popular with consumers. I also feel there will continue to be more price pressure on the mass computer mail order and retail channels with some fallout.

The other area of growth is partnerships with other software companies that offer complementary products for retail POS clients. The credit card processing, automatic email

marketing, automatic off-site backup services and direct mail marketing services are inexpensive and allow POS systems to handle many marketing and administrative tasks automatically and unattended. These tasks are programmed to happen overnight using the Internet for sending files and processing information.



## **MINTEK MOBILE DATA SOLUTIONS**

**LIND HUTTON, PRESIDENT**  
[www.mintek.com](http://www.mintek.com)

Any business looking to grow in 2008 will have to do its best to anticipate the unexpected and aggressively pursue those opportunities it believes to have the most potential for growth and profitability. The most expected “unexpected” this year most likely will be spiking energy costs; something none of us will be able to avoid and something that all energy-conscious companies will look to vigorously address.

Looking beyond energy costs at the overall business climate, I expect it to become more demanding as customers continue to want more for less — more technology, more functionality, but not at a higher price. Software providers trying to keep up with new hardware on the market will continue to feel the squeeze from bargain-minded customers, some of whom will not even need most of the bells and whistles that PDA-type manufacturers provide.

**“Any business looking to grow in 2008 will have to do its best to anticipate the unexpected, and aggressively pursue those opportunities it believes to have the most potential for growth and profitability.” — LIND HUTTON**

Technology will be the biggest change in 2008. Handheld makers will continue to add functionality to their products by combining data capture capabilities with phone and scanning functionality. The quality of these devices will continue to improve. That is important because some early models have lacked the technology to effectively scan barcodes. These new all-in-one devices will provide new market opportunities for agile companies looking for growth.

Resellers will continue the transition from legacy handhelds to those running the latest mobile platforms.

As hardware advancements multiply, software designers will be pressured to “Webify” applications as customers continue to demand access to information from anywhere — 24-7. Those companies that best-marry new Web software technology with next generation PDAs, while adding efficiencies to the operations of existing customers, will have the most success gaining new business.



## **MOTOROLA ENTERPRISE MOBILITY**

**WILLIAM CALLAHAN, SENIOR DIRECTOR,  
STRATEGIC MARKETING, ADVANCED DATA  
CAPTURE DIVISION**  
[www.motorola.com](http://www.motorola.com)

Over the last 18 months, the industry has witnessed the maturation of applications surrounding 2-D barcodes. Though these codes have been available for several years, they were not widely adopted for day-to-day use. The emerging need for more information to be contained in barcodes, and the benefit of 2-D codes versus 1-D codes, has led to the point where we are witnessing accelerating movement toward digital scanners versus the traditional linear 1-D data capture products. Venture Development Corporation, a technology research consultancy, projects a compound annual growth of 2-D demand at 15.7 percent through 2011, nearly 3.5 times the growth of laser demand.

The transition, however, is fraught with challenge. Because of the almost universal reliance on UPC/EAN (1-D) barcodes at point of sale, replacement products must have “laser-like” performance on traditional UPC/EAN codes, while simultaneously delivering equivalent performance on 2-D barcodes. There is no market for different devices reading different codes.

Moreover, what is exciting about the emergence of the 2D codes is that they will dramatically expand the addressable market for barcode reader technology. For years, the targeted market has concentrated on the traditional verticals of retail POS, and other supply-chain applications such as warehousing, and overall track and trace. Demand is emerging in health care, transportation on-boarding, Direct Part Marking for critical part serialization, Optical Character Recognition and document image capture.

The second important change is the affect that industry consolidation will have on how our customers craft their supplier decision. Over the past 12 to 18 months, several acquisitions throughout the channel have occurred. These changes have produced larger entities, which are able to pro-

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vide a much broader solution set from a single source. Strategically, this translates to better product and service solutions to the customer. However, success will depend on the timely and efficient execution of integration plans.



## **MX LOGIC**

**KEN TOTURA**, VICE PRESIDENT,  
CHANNEL SALES  
[www.mxlogic.com](http://www.mxlogic.com)

For years, most relegated Managed Services as a trend that would not be able to deliver on its promise. Because skepticism runs high in the IT market, the hype that the Managed Services model received did it a disservice since unrealistic predictions were highlighted instead of benefits and successes.

However, this will be the year that Managed Services, and in particular, managed security services have become a reality. This recognition is tied to the understanding that IT security is critical to all businesses — no matter the size or the market.

According to Gartner, the North American managed security services market was \$500 million in 2006 and is predicted to increase nearly \$100 million by the end of 2007. As 2007 closes out, the need for delivering IT security as a managed service will be validated.

**“In 2008, the Managed Services model will reach critical mass allowing for greater opportunity across markets.” — KEN TOTURA**

In 2008, the Managed Services model will reach critical mass allowing for greater opportunity across markets. However, this opportunity will also create a more competitive market. From a channel perspective, distribution will play a key role in the implementation and broad acceptance of Managed Services in 2008 and beyond. As distributors play a more important role in the dissemination of Managed Services, we will see a convergence of different types of these offerings bundled together to create integrated solutions. These solutions will provide the benefit of access to multiple resources through one access point.

We also will see the globalization of Managed Services in 2008. The same value proposition for these services that we have seen take hold in the U.S. will be mirrored in Latin America, Asia, Europe and beyond.



## **NEC DISPLAY**

**DAVE DAVENPORT**, SENIOR VICE PRESIDENT,  
IT PLATFORM GROUP  
[www.necdisplay.com](http://www.necdisplay.com)

With the energy consumption of data centers expected to double by 2011, according to a 2007 study by the Environmental Protection Agency, data centers are facing pressure to make IT more “green.” Coupled with the exponential growth of data and information, these two changes will drive innovation in 2008, as vendors begin to improve their energy efficiency expertise, develop more energy-efficient products, as well as strengthen their ability to deliver and host green data centers.

Energy consumption today absorbs nearly 40 percent of a typical data center budget, so we expect to see continued improvements on virtualization, reduced power consumption and cooling efficiencies. More importantly, product innovation will begin to incorporate dynamic functionalities — such as dynamic pooling, dynamic hardware partitioning and intelligent management software features built into hardware — that intuitively collaborate and leverage resources for greater efficiency and adaptability. Companies will be enabled to respond quickly to exponential data growth and changing corporate needs. Organizations moving toward a virtual infrastructure will need to consider the dynamic IT infrastructure, which not only leverages virtual resources, but intelligently and spontaneously reuses or allocates them.

Product innovation means new expertise will be needed to evaluate, integrate and optimize an efficient platform that maximizes the space, power and cooling capacity available to each company. In the past, IT organizations have built expertise to evaluate the performance of their systems. Currently, they also need to become energy efficiency experts. Industry visionaries will begin to offer more complete, turnkey solutions by beefing up in-house consulting expertise and hosting services. Additionally, product manufacturers will work with power companies to certify energy efficiency claims and negotiate discount programs with energy providers for buyers purchasing energy-efficient products.

2008 will bring a renewed focus on the green infrastructure. But those efforts will result in the dawn of the dynamic IT infrastructure and the migration toward outsourced data centers to improve energy efficiencies.



## NETKEY

**V. MILLER NEWTON, CEO**  
[www.netkey.com](http://www.netkey.com)

The growing adoption of networked digital signage will rapidly accelerate in 2008 as businesses look to enhance the customer experience, improve communications, boost sales and build loyalty in a competitive market. Increasingly, these businesses turn to trusted partners to evaluate, spec, configure and install the technologies that make up a digital signage network. This presents a tremendous opportunity for VARs and system integrators that have the skills and solutions to develop and install these systems. In addition to the hardware needed — such as LCD and plasma screens, PCs and media players, mounts, network cabling, etc. — there is a requirement for specialized digital signage software to schedule and manage the content displayed on this network. We recently entered the digital signage market, and we're seeing first-hand the growth of this industry and the opportunity it presents to VARs and integrators.



## NCR

**JOHN SACCOMANNO, DIRECTOR, FOOD, DRUG AND PETROLEUM INDUSTRY MARKETING**  
[www.ncr.com](http://www.ncr.com)

With a growing consumer appetite for “self-everything,” and mobile technology, consumers across the globe are demanding a service experience that is fast and convenient.

Two prominent technology trends that represent this shift in consumer attitude are the push toward self-service, and retail technology converging with consumer mobile technology. Self-service technology is driving improved consumer satisfaction and greater operational efficiencies across industries such as travel, health care, retail, hospitality and beyond.

Kiosks and self-checkout devices continue to gain major traction with retailers and consumers alike. There are approximately 800,000 non-ATM consumer kiosks in use today, and this base is expected to grow 17 percent from 2007 to 2013. Self-checkout is also growing at a rapid rate, with as much as 23 percent of U.S. supermarket sales handled by self-checkout systems in 2006.

One aspect of this self-service trend is the use of the Internet, especially online purchasing. Online transactions represent about 2.5 percent of all retail sales, and are increasing at about 20 percent per year.

Among the reasons cited for the fast growth of self-service include: consumer convenience, privacy and control, potential to increase revenue through up-selling, labor supply and

operational efficiencies, improved technology reliability and greater technology comfort levels among consumers.

Another trend is the convergence of retail solutions with consumer mobile technology. Advancements in mobile technology are driving an increasingly high-tech, highly mobilized consumer population.

Today, cell phones are more than just a voice communication tool. They are our clocks, cameras, calendars, text communicators, Web browsers and music players. And, in many parts of the world, these phones have become electronic wallets. Advancements in Near Field Communications (NFC) technology have enabled cell phones as payment vehicles. In addition, these enhanced phones become a communication tool for retailers to utilize in communicating promotions, coupons, product messages and more to an ever-increasing mobile and technology-enabled consumer.



## NIIT/COGNITIVE ARTS

**WILLIAM VANDERBILT, VICE PRESIDENT, IT PARTNER ENABLEMENT**  
[www.niit.com](http://www.niit.com)

This year, partners will be increasingly enabled by leveraging Web 2.0 benefits such as collaboration, prioritized shared knowledge and accessibility. Static business and technology information that lacks relevancy, and currency will be replaced by dynamic information that is immediately applicable. Learning will move from being an event to a process as interactivity and application take center stage in vendor-provided training resources. Podcasts, performance support tools designed for mobile phones and RSS-style “pushed” knowledge updates will be used more frequently to deliver

**“This year, partners will be increasingly enabled by leveraging Web 2.0 benefits such as collaboration, prioritized shared knowledge and accessibility.”**

— WILLIAM VANDERBILT

solutions-oriented information as opposed to product details and features. Narrowly focused information modules will ensure that everyone gets just enough of just the right information at just the right time. Adding to the personalized focus will be better and more structured “informal learning” such as mentoring, on-the-job training and coaching. Meanwhile purveyors of information, training and sup-

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port will gather better information about not just who has consumed what information, but who has applied what information and what impact that has had on their productivity and the business results derived from it.

Through this evolution, community will be enhanced as channel partner employees learn from and with one another. Leveraging social networking resources and tools such as “Wikis,” enhanced search engines and collaborative software business and technology folks alike will have more chances to develop their skills and competencies in the way they have always done so, which is by interacting with each another. Because of the Internet, community is more accessible to more people in more places at more times. Many in the IT channel are already beginning to take advantage of that benefit to enable employees, customers and partners.



## **NORTEL**

**DAVID WILKINSON**, VICE PRESIDENT  
OF NORTH AMERICA CHANNEL STRATEGY  
[www.nortel.com](http://www.nortel.com)

Telecom and software providers spent 2007 educating partners and end users on unified communications and its benefits. Many are currently making the transition from the learning phase to the adoption phase with a better understanding of their business requirements. The major change in 2008 is that customer and partner demands will define the solutions and sales support structures.

Customers have invested heavily in their existing communications infrastructure. To protect their investments, many are looking for a gradual migration path to unified communications rather than a full deployment, similar to the approach they took with VoIP. To accommodate this requirement, the industry must offer flexible solutions that enable customers to adopt unified communications at their own pace.

Another element of investment protection is offering solutions that integrate with the customer's existing communications network. Some providers offer proprietary solutions while others use open standards, such as Service-Oriented Architecture (SOA). Customers are choosing open standards, which allow different applications to interact, regardless of their operating systems or programming languages. Customers want their business to control its network, not have the network control the business.

The necessity for migration paths and open standards-based solutions increase the addressable market to all enterprises, regardless of existing infrastructure. To take advantage of this massive opportunity, partners will need to effectively deliver the high-level solutions and services these cus-

tomers will require. The industry must offer partner certifications and specializations that will attest to their expertise and commitment to delivering unified communications. In addition, our industry must recognize the significant investments and contributions partners make and reward them for growing this market for our mutual success.

In 2008, the telecommunications industry will have to embrace and address these customer and partner demands to achieve full unified communications adoption.



## **OKI DATA AMERICAS**

**CANDICE DOBRA**, VICE PRESIDENT,  
PRODUCT MARKETING  
[www.okidata.com](http://www.okidata.com)

We see several trends for 2008, which have been building over the last several years, and offer resellers distinct opportunities to grow their businesses profitably with printing. These include print managed services, device consolidation and on-demand color printing — all making printing more relevant to everyday business processes.

Print Managed Services will continue to grow significantly. The printed document fleet has always been neglected in favor of other expenditures, but companies are spending a significant amount on printing-related activities; up to 6 percent of annual revenue. Because of high costs and recent printing advances, companies are revisiting printing practices and looking for ways to manage them more efficiently.

**“2008 will see continued proliferation of MFPs (multi function products) as companies consolidate devices to minimize operating expenses and improve workflow processes.”**

— CANDICE DOBRA

2008 will see continued proliferation of MFPs (multi-function products) as companies consolidate devices to minimize operating expenses and improve workflow processes. Many companies have aging single-function products such as faxes, copiers and ink-jet printers that take up space and need to be updated to more robust devices. MFPs currently represent more than 25 percent of all printer sales today, up from less than 3 percent just four years ago. We expect the color MFP market to experience

the most growth with a 24 percent CAGR (Compound Annual Growth Rate) from 2005 through 2010.

Businesses are doing more on-demand color printing, as they realize the time- and money-saving benefits of having color printing in-house. From creating their own marketing collateral to promotional signage, quality and media flexibility have become of key importance as companies realize that they do not have to pay a premium for color capabilities. Each company and vertical market is different, with unique applications for on-demand color. IDC reports that demand for color laser devices is growing at 14 percent each year.

All of these trends present opportunities for resellers to grow their printing business profitably and enable them to build longer term relationships with their customers.



## O'NEIL

**JEFF OSBORNE, VICE PRESIDENT,  
BRANDING & COMMUNICATIONS**  
[www.oneilprinters.com](http://www.oneilprinters.com)

Currently, we're experiencing a market in which resellers are rightfully asking for the basic principles of fair play and equality that every customer deserves from their vendors. The vendor marketplace has matured such that resellers no longer have to accept being treated like a number. Quite the contrary, they are realizing that they have a choice. VARs that deal with multiple vendors quickly understand and appreciate which manufacturers place an emphasis on providing true service and on cultivating and strengthening their relationships with their resellers.

The fact is that every VAR is important. Those resellers who turn away from one-sided relationships and embrace those vendors offering genuine partnerships will ultimately be more successful. Whenever there exists a bonafide caring and nurturing relationship, whether it's personal or business-related, there is growth and rewards.

So how can you tell which vendors offer authentic partnerships? It's really quite simple...just ask yourself a few of these questions. Is your vendor responsive to your needs? Do you feel you're being treated on an equal playing field as "the big reseller across town?" Do you receive promptly returned calls, technical support and service? Of course, there are many more questions you could ask, but the point is clear — as a reseller, your business is valuable, and you deserve to be treated as an asset.

The days where a single, large vendor governed the market with an iron fist and created an environment where policy and process are more important than the needs of the customer there is on its way out. There are vendors who offer true partnerships and provide a respectful and mutually rewarding experience. Today, you do have a choice — and that's a refreshing change.

**“The vendor marketplace has matured such that resellers no longer have to accept being treated like a number.” — JEFF OSBORNE**



## ONFORCE

**PETER CANNONE, CEO**  
[www.onforce.com](http://www.onforce.com)

During 2008, we expect to see a sharp increase in the need for VARs and solution providers to offer on-site services that cover all geographies and skill sets, and can scale up or down to protect profitability.

Whether it's the on-site service component of a Managed Service contract, or an IT introduction for a retail client, the ability to offer complete coverage — geographic and skill set — is becoming an absolute necessity. This is particularly true in retail-oriented technologies such as point-of-sale, networking and consumer electronics, where installations and upgrades often happen as part of multi-location rollout projects. To win this type of project, a VAR must have the necessary footprint, meaning the right geographic and skill-set coverage.

Fulfilling a large-scale rollout requires that the company either employs IT service professionals across the country, which is prohibitively expensive, or they can attempt to cobble together nationwide coverage with a network of partners, each with their own contract terms, volume minimums and service level agreements. This requires too much management oversight and coordination and often produces inconsistent quality.

But winning and fulfilling the bid is the easy part. The real challenge is in protecting margins for these on-site service projects. Employing a nationwide bench of IT professionals, or working with outsourced partners who require volume minimums or up-front expenses, exposes the VAR to low utilization rates and decreased profitability. Using a purely on-demand source to find IT service professionals, however, means that the VAR's services capability can scale up or down with the demands of their business.

On-demand solutions enable VARs to tap into top local IT service professionals, when and where they're needed, allowing the reseller to win and fulfill any on-site service project profitably.

# REVIEW & OUTLOOK



## ORACLE

**RAULINE OCHS**, SENIOR VICE PRESIDENT,  
NORTH AMERICA ALLIANCES AND CHANNELS  
[www.oracle.com](http://www.oracle.com)

One key area that will change this year is that customers are shifting their buying patterns, and we are seeing the results particularly in the growth of Software as a Service (SaaS). It's a good way for customers to reduce risk and build predictability into their spending. For Oracle, that means delivering applications On Demand, and we're doing that with many solutions. This is also causing our partners to re-evaluate their business models and ensure they can deliver software this way, as well as deliver it profitably. If they're ISVs, those changes go all the way to potentially re-architecting their applications to deliver them as a service.

The other big thing is the trend toward consolidation. That trend will continue, and Oracle's strategy has had a significant impact on the market — that means two things to our partners.

**“Our partners are constantly going up against larger competitors, and they need to make careful bets on how they want to grow to compete effectively against these larger companies.” — RAULINE OCHS**

First, Oracle has vastly expanded our portfolio of products for partners to integrate and resell. As we've invested in new areas, we've also created fresh opportunities for partners to grow the sale in their accounts with new applications and solutions, such as product lifecycle management, business intelligence and content management. So partners need to examine their business strategy and ensure they are working with vendors that provide a strong revenue growth opportunity.

But consolidation isn't limited to vendors, so the second-most important change is that the partners' own competitive environment is intensifying as their competitors consolidate. Our partners are constantly going up against larger competitors, and they need to make careful bets on how they want to grow to compete effectively against these larger companies. We think that through our acquisition and development strategy, we're making it easier for partners to compete against companies of any size.



## PACIFIC STAR COMMUNICATIONS (PACSTAR)

**ROBERT FRISBEE**, CEO  
[www.pacstar.com](http://www.pacstar.com)

In 2008, federal, state and local governments and disaster responders will face a number of major challenges. The most critical, and the one that must be addressed over the next 12 to 18 months, is a dichotomy that I like to call “abundance versus scarcity.”

Abundance equals the ever-increasing demand for complex information, including voice, data and video over IP. Scarcity refers to the non-availability of satellite bandwidth to deliver complex information over the last mile to end users that are impacted the most by lack of infrastructure. The modern “warfighter” must be able to receive an abundance of data and voice communications to remain aware of command and control directives, enemy movements and an endless list of additional requirements.

On the home front, the demands are similar. Local, state and federal governments rely on first responders to quickly determine the needs of an area devastated by a disaster. In both cases, access to information can mean the difference between life and death, not to mention prevention of property damage or loss.

Most of the world lacks adequate network infrastructure to support the modern warfighter or the disaster at home. And in the event of a catastrophic event, governments cannot rely on existing infrastructure that may not be available.

So what can be done? IP systems can condense information and deliver it on available systems. Use of alternate delivery systems such as WiMax, Wi-Fi, 3G, free space optics and others can deliver broadband to remote locations. But solutions require smart, realistic planning and serious investment.

In the meantime, companies will begin to deliver the first set of fully converged IP systems meeting new U.S. Military standards from DISA. These systems will provide a lower-cost alternative to building-out legacy networks, and will connect people in ways that were previously impossible.



## PANASONIC SECURITY SYSTEMS

**STEVE SURFARO**, GROUP MANAGER,  
STRATEGIC TECHNICAL LIAISON  
[www.panasonic.com/security](http://www.panasonic.com/security)

Currently, the “traditional” security industry is collaborating with data

transport and IT. Therefore, the first most significant change that will occur in 2008 relates to technology and its use in our industry. Increasingly, funding for security solutions requires justification and metrics for any deployment. When a physical security professional is able to make a business case for deploying an electronic security and surveillance system, funding comes more quickly, and the collaboration strengthens their position within the organization.

Procuring funding from other departments is a significant trend. Vehicle Access Control and License Plate Recognition can help notify the reduced staff in a storefront facility that a customer has arrived. The analysis of customer behavior at a quick-serve restaurant can help an owner/operator staff more efficiently. One significant technology that is common for these opportunities is the use of data mining and enhanced video analysis. This technology will enable the typical electronic security system to be more useful to other departments and even to predict trends not apparent to the typical business or operations manager.

For a variety of companies, the physical security professional already has worldwide responsibilities and must provide security to global employees and partners. A growing number of corporations are relocating employees to other parts of the world. This business expansion will also benefit the physical security industry through a global business expansion of key systems such as video surveillance and access control. The tools will follow, as the physical security manager becomes the head of a global business unit.



**PARK PLACE INTERNATIONAL**  
**ED KENTY, PRESIDENT & CEO**  
[www.parkplaceintl.com](http://www.parkplaceintl.com)

As we enter 2008, we see margin and economic pressures to weigh heavily in the decision-making process for many businesses.

With the competitive landscape growing exponentially in the reseller market, niche integration programs are becoming extremely competitive, leaving the question of: "Who can survive?" Do these companies sacrifice margin points to compete? Sometimes it becomes unavoidable. Moreover, the demand from potential customers for value-added services can assist companies with keeping a competitive edge. Customers need more convenient services and solutions, and these value-added services may help win a customer, while defraying the loss of margin points. Another viable option to remain competitive and suppress margin pressures is to participate in vendor "bundling" by creating alliances with partners to provide end users and resellers assurance in the product combination.

Also, economic demands in the SMB markets will result in big impacts on budgets, leaving companies pondering if new hardware, applications and service purchases are feasible. Depending on the economy, it can determine who can and cannot spend. Companies may need to find offerings that cater to product and service solutions for budgetary constraints versus new hardware and its applications. Align yourselves with economic influencers that will affect your business positively, such as Internet technology and Managed Services.

Both of the above-mentioned pressures are manageable. My philosophy for stable and consistent growth is, and will, continue into 2008; the best course to success is to understand your market and your customers' needs, set attainable business goals and ensure a business structure that maximizes profit potential.



**PAYMENT PROCESSING, INC.**  
**CHUCK RIEGEL, EVP SOFTWARE PRODUCTS & PARTNERS**  
[www.paypros.com](http://www.paypros.com)

In 2008, we anticipate a major change in the retail point-of-sale packaged software market that almost no one sees on the horizon: POS competition coming from the back office. To be frank, I don't think anyone in the retail POS packaged software market anticipates this threat, but it is a potent presence, and it will definitely accelerate in the coming year.

**"To address the issue of front-office reconciliation, most of the major back-office software providers have recently released, or will soon release, an integrated POS capability to their back-office application." — CHUCK RIEGEL**

Back-office applications have always incorporated an integrated order module, and many include an e-commerce solution as well. Why? Because reconciling the revenue stream and transaction information with a company's financial systems is time-consuming, costly and prone to error. To address the issue of front-office reconciliation, most of the major back-office software providers have recently released, or will soon release, an integrated POS capability to their

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back-office application.

Microsoft's attitude about merging front- and back-office products is a prime example of this trend: The company recognizes the strategic importance of integrating a retail solution as a major component of the back-office product suite. Thus, Microsoft Retail Management System (RMS) is marketed as part of the Microsoft Dynamics product family, which includes all Microsoft accounting applications and Microsoft Customer Relationship Management (CRM).

In 2007, most software developers working in the SMB market made strategic investments in integrating payments into their financial applications, and most also released significant POS functionality.

To brace for this new competition, resellers in the retail market must begin to develop relationships with companies offering an integrated back-office/POS solution. These vendors need the council and advice of experienced retail resellers to develop the best products. If resellers fail to forge alliances with these vendors, they will be sitting on the sideline watching their customers migrate to integrated solutions that are more efficient and cost effective.



## **PCAMERICA**

**DAVID J. GOSMAN, CEO**

[www.pcamerica.com](http://www.pcamerica.com)

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The two most important changes I expect in the retail and hospitality POS markets in 2008 focus around the adoption of new technology. Retail is becoming

increasingly competitive, and therefore businesses are turning to new technology to compete — and thrive — against their larger competitors.

Access to POS data, anytime, anywhere, is fast-becoming a hot demand from business owners. Existing technologies such as remote access and end-of-day polling by a corporate office will start an accelerating shift to adoption of faster and more flexible Internet-based access. Retailers and restaurateurs want to view their POS data online from any computer with Internet access, 24-7. Business owners can react to this information by adjusting staffing levels, calling managers to question specific action or congratulating their staff on notable achievements. Along with viewing reports, users are also increasingly seeking enhanced back-office functionality from the Web, including inventory tracking, menu modification for restaurants, purchase orders and other remote maintenance activities.

Payment technology has changed rapidly in the past year. New technologies are becoming increasingly visible at the POS including “pay by touch” (such as MasterCard's PayPass), tableside payment at table-service restaurants and

**“Retail is becoming increasingly competitive, and therefore businesses are turning to new technology to compete — and thrive — against their larger competitors.” — DAVID J. GOSMAN**

shifts to host-based, high-speed processing over the Internet. Retail stores and restaurants will make a drive to adopt this technology in 2008 to increase the speed and customer satisfaction levels at checkout. Dangers of data breaches are accelerating as fast as payment technology advancements. And smaller businesses are even becoming more aware of the level of liability and responsibility they hold in accepting credit and debit cards at their locations. Visible breaches of credit card data in the media, combined with stronger messaging from credit card and processing companies, are driving retailers and restaurateurs to awareness that securing their in-store payments is not a recommendation, but rather, a requirement; 2008 is the year that smaller businesses will drive hard to protect themselves and their customers.

## **PIONEER POS**

**MICHAEL FLORES, DIRECTOR OF BUSINESS DEVELOPMENT**

[www.pioneerpos.com](http://www.pioneerpos.com)

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Today's reality is that resellers and systems integrators are working with companies whose budgets are continually shrinking, while expectations for increases in operational efficiency are continually rising. Resellers and software developers are competing for a constantly decreasing base of funding devoted to technology solutions for SMBs. Therefore, the channel must focus on business activities that will increase the overall potential amount of the sale while improving margins. As we transition into 2008, now is a time for resellers and systems integrators to strategically review trends and best practices. For resellers and systems integrators that are committed to growth, here's a road map to guide you towards success.

**“As we transition into 2008, now is a time for resellers and systems integrators to strategically review trends and best practices.”**

— MICHAEL FLORES

Quality assurance is the key. Nothing is more frustrating than arriving to do an install for a new customer and then finding out the product that arrived is defective. As many manufacturers of similar products are competing in the same market, resellers should focus more on the manufacturer's business model, product shelf-life and history, and support capability. Forming strong strategic alliances with manufacturers of reliable hardware and software products can save a lot of headaches.

Did you know that recent surveys suggest that more than 50 percent of all IT products are not protected by service agreements because of contract expirations, lack of product registration, and poor record keeping? Resellers must stay focused on service revenue that can be derived from installation, training, repairs and service calls.

Are you getting the most out of your customer? Effectively bundling of technologies such as point of sale, credit card processing, and security to sell deeper into your customer base can increase the overall sale and improve margins.

Customization helps win business. Resellers and systems integrators should align with hardware and software solutions designed for specific vertical applications. Your ability in the sales process to understand a clients needs and take into account how a customer does business rather than trying to offer a generic solution will help differentiate your company.



## POS SALES TRAINING

M.H. "LEFTY" MONSON, PRESIDENT

[www.leftymonson.com](http://www.leftymonson.com)

Within the point-of-sale industry, I feel most of us will realize this year that we must work together and face our three biggest challenges, which are: record-

breaking price erosion, the Internet and lack of sales training.

These challenges are not listed in any particular order, as they affect different dealers and their salespeople in different ways. Many of us in this industry must convert ourselves from being "victims" of these challenges to instead becoming "victors." We all need to face the current issues and choose to correct how they affect us, adapt to the issues in the best way we can, or continue to hope the problems go away even though they are growing every day.

We all need to take the simple approach to selling and pricing to our current and potential customers. Also, we need to properly and professionally determine, with the customers, what their needs are, fill them at a fair price and properly install and support. If you have priced your products and services professionally, and do not give in to discounting, you will be much more successful than many think.

Many resellers have every reason to be very negative about

**"Every dealer-salesperson should invest 2 to 4 percent of their targeted income on sales education." — M.H. "LEFTY" MONSON**

the Internet as they have gone out locally and created interest in their product, demonstrated it, justified the investment, and given names of local users as referrals — only to have that person then order the product online.

We all need to be aware that many people are forced to use the Internet as they have never even met a cash and inventory control person in their marketing area. Currently, it is more important than ever for dealers of all sizes to have their own Web site.

Our industry is starting to see more sales training again becoming available. Every dealer-salesperson should invest 2 to 4 percent of their targeted income on sales education.



## POWER ID

EREZ KAHANI, CEO

[www.power-id.com](http://www.power-id.com)

In 2008, battery-assisted, passive (BAP) RFID labels will become prevalent in the market to fill in the gap between active RFID and passive RFID. BAP

labels provide customers with two primary advantages over regular passive RFID: superior performance and increased functionality.

Whereas passive labels rely on gathering energy from the reader's signal to wake up the label's chip and provide the backscatter signal, BAP labels contain an integrated power source. BAP labels therefore, enable increased reliability and read rates in the most challenging environments, such as those including liquids and metals.

BAP also allows for increased functionality such as the addition to RFID labels of sensory capabilities, particularly temperature and humidity monitoring in the cold chain. The amount of perishables shipped worldwide in the cold chain is sizable. Each year, perishables suppliers ship more than 5 billion pallets valued at \$2.6 trillion of chilled meats, seafood, cheese and produce, as well as temperature-sensitive pharmaceutical and biomedical products, according to EPCglobal.

Unfortunately for perishables suppliers and their retailer customers, losses incurred because of spoilage are also significant. A survey by the National Supermarket Research Group found that a 300-store grocery chain loses about \$34 million a year because of spoilage. On an industrywide

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level, losses because of spoilage and shrinkage translate into \$32 billion for chilled meats, seafood and cheese; \$34 billion for produce; and \$5.4 billion for pharmaceutical and biomedical products, according to EPCglobal.

Various products, such as data loggers, active RFID tags and temperature indicators, attempt to address the need of cutting these losses, yet with little success. Existing solutions fail to provide cold-chain supply managers with the right information at the right time at the right cost. The result is usually inadequate and inaccurate detail, or very granular detail that arrives in an untimely manner.

The ability to integrate temperature-sensing capabilities into an ultra-high frequency (UHF) RFID label has revolutionary implications since it has the potential to combine timely access to accurate data with an affordable solution cost. An affordable RFID sensor label enables pallet and even carton level ambient monitoring and real-time cold chain visibility. This visibility, in turn, would lower losses, increase product quality and, ultimately, enable customer acquisition and increased top and bottom lines for suppliers of perishables. In 2008, companies will begin to implement UHF RFID sensor labels in their supply chains to realize these benefits.



## **RACO WIRELESS**

**TOM LEHN, VICE PRESIDENT OF OPERATIONS**

[www.racowireless.com](http://www.racowireless.com)

By now you've probably seen or heard about FMC and seen some aggressive predictions about how big it's going to be. So what is it, and what does it mean

for VARs and resellers?

FMC, or Fixed Mobile Convergence, is being used to describe a broad range of solutions that will blur the lines between our desk phones and mobile devices. There are several different types of solutions, but the common feature is the ability to use a mobile device with a fixed network to gain more features, better coverage, a cost advantage or a combination of the three.

There are four general categories of solutions. The first two, UMA (Unlicensed Mobile Access) and femtocells, transfer calls and data sessions to a broadband Internet connection in the home or office. This solves the in-building coverage problems, and in some cases, can reduce cellular costs depending on the carrier and available plans. The two technologies are sometimes referred to as FMS, or Fixed Mobile Substitution, as the broadband connection substitutes for the cellular network.

The other two categories are either hardware- or software-based, or both, and the common feature is to extend the functionality of the office phone to the mobile device. With

these solutions, the mobile device can replace the desk phone and gain features such as call transfer, conference calling, four- or five-digit dialing, etc. They also allow the use of calling a single number to ring both the office and mobile phone at the same time.

A recent report from Insight Research estimates the FMC market this year at approximately \$200 million, but forecasts it to grow to more than \$15 billion in 2012. With numbers such as those, it pays for VARs and resellers to learn about this technology and consider adding it to their product offering.



## **READY DISTRIBUTION**

**DERRELL NESS, PRESIDENT**

[www.readypos.com](http://www.readypos.com)

The future is uncertain, but your success doesn't have to be. Point-of-sale VARs that provide their clients comprehensive solutions by integrating technologies and effectively communicate the value of their services will control their own fate. This is true, even (especially) if the economy is stagnant or worse. Invest some time to plan for the best, and make this your year to grow.

It's important to take the time to evaluate and understand the broader needs of your clients and prospects. Hint: A comprehensive cash control and loss-prevention solution goes well beyond the POS system. While POS is the first step, successful VARs are also proposing Digital Video Surveillance, credit card and network security compliance.

**“Point-of-sale VARs that provide their clients comprehensive solutions by integrating technologies and effectively communicate the value of their services will control their own fate.” — DERRELL NESS**

Demonstrate and propose a comprehensive solution based on a firm understanding of your prospects business needs, and you raise the bar for every other proposal.

Remember that retailers don't need technology; they need solutions to real business problems. So bring solutions to the table, not technology, and discuss benefits rather than fea-

tures. I know many restaurateurs that are interested in table-turns and check averages, but none that are interested in CPU clock speed.

With resellers working harder and smarter to generate business, distributors that offer more than low prices are increasingly valuable. Successful (read: profitable) resellers look beyond a one-time special price and see that they need a partner to look out for them. VARs that offer integrated technology solutions also face greater implementation challenges. An experienced distribution sales representative can provide the best new products and technologies for your application. Use their knowledge and experience to eliminate much of the costly trial and error.



## RECONNEX

**ERICK WAGGONER**, CHANNEL  
SALES DIRECTOR  
[www.reconnex.net](http://www.reconnex.net)

2007 was absolutely a tremendous year for the data loss prevention space. Many companies began seriously investigating and evaluating DLP vendors and their solutions. More companies than ever purchased these solutions to better-protect their customer data and intellectual property.

**“It is apparent from the acceptance and purchasing trend in 2007 that DLP projects will continue to grow at an exponential rate.”**

— ERICK WAGGONER

I think the biggest changes we will see in the DLP space in 2008 will be a continuation from 2007. Companies who created projects around DLP were the early adopters of the technology, and many of the companies that purchased DLP tools in 2007 did so either to fulfill compliance obligations or because they had recently suffered either a public or non-public data/information breach. This year, we will see an evolution of these tools from a “nice-to-have” mentality to a “need-to-have” mentality. It is apparent from the acceptance and purchasing trend in 2007 that DLP projects will continue to grow at an exponential rate. Proof of this evolution is best-validated by the number of recent acquisitions of major DLP vendors by mainstream security organizations.

The other major change for DLP products is a shift from

focusing solely on monitoring and preventing inappropriate transmissions of data as it relates to acceptable use policies or compliance, to the ability to also protect more complex information such as IP. Companies also want the ability to effectively manage these tools at the business stakeholder level. In past years, most of the products required a security or IT professional to administer the tools. Companies today are now asking that DLP technologies are easy to use so that any business stakeholder can assess their risk at anytime.

## RIGHT! SYSTEMS

**SEAN PADGET**, VICE PRESIDENT OF SALES  
[www.rightsys.com](http://www.rightsys.com)

From a solution provider perspective, I see an increased focus on the channel by manufacturers. The direct model changed the industry not so many years ago, but as margins eroded, so did the service level. Traditional “direct” models such as the ones Cisco, EMC and Dell leveraged for years have run their course. Cisco made the change to a partner-focused model years ago and has reaped the benefit, but EMC and Dell are currently scrambling to create programs to catch up. Others, such as Gateway, could not keep up and simply went away.

The idea of Dell working with partners will change the dynamics of the market, but to what degree is a major question. They are acquiring technologies that will require R&D focus and a channel strategy to make successful, but I question the willingness of the channel to accept Dell with open arms.

Another trend that will continue to change is industry leaders continuing to acquire technologies that complement and expand offerings, making vendor management for solution providers more challenging than ever. Citrix, Cisco, Microsoft, Juniper, HP, EMC, Symantec and others will be in search of those best-of-breed technology companies such as F-5, Riverbed, Packeteer and Trend Micro, to name a few.

There are many trends I see proliferating in 2008. But the two most prominent are the Managed Service Practice in the mid-market, and ITIL in the enterprise. I expect both to play in all markets over time and have a profound impact on how we do business.

**“There are many trends I see proliferating in 2008. But the two most prominent are the Managed Service Practice in the mid-market, and ITIL in the enterprise.”** — SEAN PADGET

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## **RSPA (RETAIL SOLUTION PROVIDERS ASSOCIATION)**

**JOE FINIZIO, EXECUTIVE DIRECTOR**

[www.gorspa.org](http://www.gorspa.org)

In 2008, let's look beyond the fences of traditional POS technology for trends that will impact our businesses. Over the past few years, several of these impact opportunities have been creeping into POS technologies and are finally gaining our attention. The questions for any business are always: Do you see the opportunity? Do you want to make the necessary changes required to address the opportunity? Is it worth the investment? Does my company need more business today?

The integration of in-store marketing into the retail information enterprise is expected to increase this year. As the world of retailing and merchandising continues a transition of differentiating brick and mortar from online opportunities, there are new opportunities being created for technology providers.

Over the past three years, billions of dollars have been transitioning from traditional marketing of consumer products (television, print and radio) to in-store marketing. In 2006, \$20 billion was spent on in-store advertising in the U.S. alone — up \$2 billion from the prior year. Retailers and advertisers are demanding new marketing and measurements that are driving innovative technology solutions and opportunities. Integrating in-store marketing data as part of the retail information enterprise will provide measurement and a host of business opportunities.

We have heard about there being no hardware margin for resellers since Post Software International's "Pieces and Parts" declaration of 5 percent hardware margins for resellers back in the early 1990s. What has changed is hardware is currently being sold on the Internet. As much as we don't like to hear about this trend — it is firmly entrenched in today's market. How does a reseller cope with this trend and still grow a profitable business? Resellers can wrap their hardware (and software) in value-added services, which provide the ultimate solution to the customer rather than making hardware the focal point of the sale.

In 2008, resellers will need to identify and market the services that make their solution the best choice for their prospect and provide differentiation from the competition. Resellers and VARs who really grasp this concept will succeed — others will struggle in a very competitive, non-existent hardware margin world. Services that solve a problem for a customer provide a solution to the mystery and make growth and profit possible for your company.



## **SAP**

**GLEN DOODY, VICE PRESIDENT,  
CHANNEL ENABLEMENT**

[www.sap.com](http://www.sap.com)

As we move into 2008, the slow transition from traditional software licensing to SaaS (Software as a Service) continues to gain traction in the SMB business software space. This transition will in no way be completed in the next year or even in the next few years; however it is clear that the transition has begun in earnest. Many vendors have introduced SaaS offerings, and it is likely that all major vendors will continue to offer solutions with traditional and SaaS models for the foreseeable future as the transition unfolds. Without both offerings, software vendors will see a contraction in their current market opportunity, as well as an inability to gain specific new markets where one model or the other is preferred.

With new products in place, the next big challenge will be to ensure that the partner ecosystem can adapt and thrive in the new environment. Just as some vendors have decided to delay their entry into SaaS, so will some partners. As the partner's current business model continues to have extended opportunities for revenue and profit growth, the willingness to invest in new business models will be minimal. Adapting to SaaS will require new partner investments in both resources and potentially to enter new markets.

The most successful software vendors will be very proactive in working with their existing partner ecosystem and in new channel development to take advantage of the opportunity that SaaS will bring. They will invest heavily to build the channel and adapt their partner programs to address SaaS opportunities. They will build loyalty by helping partners' productivity and profitability in adding their specific value to traditional and/or SaaS business models.



## **SATO AMERICA**

**GARY KRAUSE, DIRECTOR OF MARKETING**

[www.satoamerica.com](http://www.satoamerica.com)

There is a need in our industry to do a better job of recruiting, training and retaining the best and brightest. Our industry, which is comprised of products, services and solutions for automatic identification and data collection, is still relatively unknown, and it is imperative that we identify new ways to attract, train and retain top talent.

Although it's true that most of us know what a barcode is, it is equally true that many have no idea about the wide variety of AIDC technologies integrated with or complementary

**“There is a need in our industry to do a better job of recruiting, training and retaining the best and brightest.”**

— GARY KRAUSE

to barcodes and how these technologies increase productivity, reduce costly errors, identify and track assets and inventories, and enhance security worldwide.

Up until now, it seems that talented and well-educated candidates many times stumble upon AIDC technologies through their work in other fields. Therefore, our industry has most often been forced to compete with these traditional industries for the talent necessary to develop and retain our next-generation of tech-savvy employees and managers. Few began their careers learning and working in the AIDC industry, and even fewer purposely sought out the vast opportunities available.

We face an enormous challenge starting in 2008, and it's clear that industry leaders worldwide must commit to supporting and funding educational programs in colleges and universities, to better-communicate the complexities of AIDC integration and the challenging and rewarding opportunities available to those willing and capable, and to enhancing the training efforts at all levels of management.

As the demographics continue to shift, it's critical that we as an industry do a better job of competing for talent to meet the increasing demands of our customers. We must communicate the value of our technologies and the exciting careers waiting for the best and brightest.



## **SCANSOURCE, INC.**

**MIKE BAUR, CEO**

[www.scansource.com](http://www.scansource.com)

Currently, there are two key trends, or potential growth opportunities, we are seeing in relation to the channel and our business.

One area is figuring out the role the reseller, the vendor and ultimately the value-added distributor, have in providing software for the SMB market. Everyone wants the SMB channel to sell more solutions, including hardware and software. But historically, it has been a difficult sale for the reseller because it's not quick and easy; rather, it's a longer sales cycle that is hard to manage efficiently and profitably. It's a different business model, but software companies want

access to the channel, and resellers and vendors want to make the process easier. So these partners are looking to develop relationships and efficient processes for their acquisition and deployment of software similar to the way the sale of hardware is managed.

Another issue on the radar screen is deciphering how the channel will play out in relation to service providers. As voice, data and video are continuing to converge in the enterprise, there are smaller form factor, more convenient and more capable mobile devices that need applications, activation and data management services. To that end, there is an obvious role for the distributor in this area — from providing the mobile hardware to loading a third-party application onto the handheld device on behalf of the reseller, as well as activating the device to work on a service provider's network. The service providers are developing multiple strategies, in some cases allowing the channel to play a key role, and leaving room for growth and opportunity for vendors, resellers and distributors in 2008.



## **SCIQUEST**

**STEVE WIEHE, PRESIDENT & CEO**

[www.sciquest.com](http://www.sciquest.com)

The concept of Software as a Service (SaaS) has roared to the forefront of the software industry in the last couple of years, and it is a business model that many VARs and distributors look upon with concern. Many VARs think that the SaaS model will cut them out of the loop or that there is nothing they can contribute to the SaaS ecosystem; nothing could be further from the truth.

**“SaaS is a new and exciting business model that is equally advantageous for vendors and VARs.”**

— STEVE WIEHE

SaaS vendors host, manage and support each of their customers' services internally. Value-added partners are a creative and meaningful complement to the SaaS business model, and the nature of that model creates major advantages to partners who augment and promote our products.

First, SaaS offerings are maintained and supported by the vendors who create them. When a customer requires technical support, the vendor provides that support, not the VAR who sold the product. This relieves VARs of the burden of

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customer support, saving time and money, and thereby making resources available for that partner to add extra value to the customer.

Second, in industries such as e-procurement, integration with customers' existing systems, such as ERP, is a necessity. It is at these integration points, and in adding value such as change management and configuration of business processes into the new client solution, where partner relationships can be most meaningful.

SaaS is a new and exciting business model that is equally advantageous for vendors and VARs. Resellers should know that they have nothing to fear from SaaS, but instead that it can help them achieve new levels of productivity and profitability.



## SEIKO INSTRUMENTS USA

**AKIRA YAMAMOTO, PRESIDENT**  
[www.siiprinters.com](http://www.siiprinters.com)

Continued volatility in the financial markets and apprehension about a potential economic downturn will have significant influence in the channel in 2008. Aside from the obvious impact of a full-blown recession, uncertainty alone will likely cause buyers to scrutinize technology investments more heavily. Projects that do surface in the coming year will predominantly target core business needs with measurable ROI. 2008 will not be a year for speculation on unproven technologies, premature markets or half-baked programs. The manufacturers and solution providers that successfully negotiate this environment will have addressed the fundamentals with a sound strategy and sensible partnerships.

The need for a calculated product strategy cannot be overlooked. Is there sufficient innovation and quality built-in to differentiate from the competition and stand up under rigorous conditions? Is there a growth market, such as mobility, health care or self-service? Is a complete solution available that can be bundled, helping resellers to counter downward pricing pressure and generate more revenue per account? Partnering with vendors that address these issues up front will help solution providers maximize the opportunity for growth and profitability in 2008.

Well-thought-out partnerships will also be vital for success. Manufacturers need channel partners with sufficient technical capability. Solution providers need vendors with a robust program, backed by an effective marketing engine; a program that avoids channel conflict and engages resellers with technically competent, business-savvy resources who can be trusted advisors to help build the business. And both parties need an agile distributor that can step in and address

critical financial and fulfillment needs.

The right approach in 2008 means returning to the basics: executing a viable plan, and putting sensible partnerships in place. The coming year may be a challenging one, but concentrating on these core issues will provide the greatest probability for success.



## SERVAL SYSTEMS

**FRANS VAN DER MERWE, FOUNDER  
AND MANAGING DIRECTOR**  
[www.servalrm.com](http://www.servalrm.com)

The most important changes we expect to see in our part of the industry during 2008 are the demand by operators of restaurant and retail establishments for more use from their business data — specifically what is being captured by their point-of-sale systems. No longer is it acceptable for the data to be entered without having access to analyze and use this data to allow them to be more productive and profitable.

Within a disciplined business environment this data can be used to better-manage cash flow, inventory levels including better (re)ordering methods and labor costs. Cash flow represents the lifeblood of the business. A company without solid cash flow is not going to make it. Sound cash flow management processes ensure the profitability of the business and long-term success.

As far as inventory control, data can be used to identify optimal ordering levels and allow the manager to better negotiate prices with their suppliers, especially in multi-location environments where the consolidation of orders can be managed by computer software. Efficiencies can be picked up as well in the ordering process with more reliable, intelligent ordering systems — saving valuable employee, time which can be used on other tasks. Software systems can also help ensure businesses are not over staffing, which maximizes labor dollars. Historical data can be evaluated for trends based on day and time for optimal scheduling of staff. This data can also be used with systems to ensure that employees are clocking in at their designated times.

There is a tremendous amount of data available to restaurant and retail operators. Again, we feel that in 2008 we will see a greater demand by these operators for access to this data to allow them to be more efficient and profitable ensuring their businesses long term success.



## **SERVICEKEY TSS**

**ANGELA VINES, VICE PRESIDENT**  
[www.servicekeytss.com](http://www.servicekeytss.com)

In 2008, we'll see a continuation of several ongoing trends related to service provider consolidation, and new partnerships that provide unique value-added services. The industry is moving toward a collective approach where customers expect much of their IT services to be provided through a single pipeline.

Small, medium and enterprise businesses, primarily because of strained IT budgets and smaller in-house staffs, continue to look for better ways to optimize relationships with third-party service providers. Many companies cannot afford to have in-house IT staffs and pay for expensive OEM support, maintenance and extended warranty agreements

**“The industry is moving toward a collective approach where customers expect much of their IT services to be provided through a single pipeline.” — ANGELA VINES**

with many different hardware manufacturers. Nor should they be expected to. The current business environment in our industry is focused on improving quality, efficiency and cost savings more than ever before. Third-party service providers offer programs to streamline IT functions, helpdesk support, systems maintenance and repair. We've seen tremendous growth and several exciting initiatives in 2007. We expect those to continue in the coming year.

This means that third-party service providers (not manufacturers), who can offer multi-vendor support solutions, are uniquely positioned to meet the demands of these market segments and provide the time and cost savings companies need to remain competitive.

In a related trend, the growing demand for consolidated IT services will drive service providers to adopt the channel partner model. In addition to providing enhanced service-related value and optimizing costs for the customer, the channel partner model helps resellers establish better credibility in the marketplace. This will help resellers remain competitive and realize profitable margins without compromising services.

It's important to note that we expect these trends to continue well beyond 2008. With seamless multi-vendor IT

service packages, the value to the end user will continue to grow exponentially. These are exciting trends that drive innovation by lowering service costs.



## **SOCKET MOBILE**

**BOB ZINK, SENIOR VICE PRESIDENT**  
**OF WORLDWIDE SALES AND MARKETING**  
[www.socketmobile.com](http://www.socketmobile.com)

Not surprisingly, the business mobility device market will become further saturated with Smartphones in 2008. The exponential growth of Smartphone adoption further emphasizes the disparity between consumer mobile and business mobile audiences and products. Many types of business executives employ a handheld mobile device from which they can email, chat and telecommute.

However, a significant segment of mobile workers, occupying such markets as health care, hospitality, retail and automotive, require devices that are more durable and tailored to their individual job functions, including functions such as barcode scanners and RFID readers. This underserved market segment has become more vocal in expressing their needs, and 2008 is the year that vendors will attend to them.

In addition, mobile developers for businesses will continue to face the increasingly complex challenge of developing applications across smart or feature phones and other consumer-level platforms, where vendor support is limited, and platforms change on an annual basis. Suppliers of value-added middleware products will become increasingly important and create further differentiation for vendors who provide that level of functionality. Providing standards-based device drivers and value-added software components that interoperate across a variety of operating and hardware systems is another challenge that the industry faces.

As the adoption of local area and wide area wireless infrastructures becomes more widespread within SMBs, a distinct need will emerge for more modular hardware platforms to leverage a mix between consumer-level devices and the more expensive industrial devices. SMBs have many or all of the application requirements of larger companies but have smaller IT budgets, driving the need for more flexible platforms that can be tailored with accessories to be purposed specifically for a particular job. Vendors will be looking to service this large, emerging marketplace.

Resellers who can provide flexible and modular hardware components that are supported with robust middleware components and are “developer friendly” and easy to support should have a better opportunity in the historically hard-to-crack SMB marketplace.

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## STAR MICRONICS AMERICA

**MICHAEL HANSON**, VICE PRESIDENT,  
SALES AND MARKETING

[www.starmicronics.com](http://www.starmicronics.com)

The retail and hospitality markets have changed significantly over the past years. Manufacturers of point-of-sale printer products have focused improvements on product features, performance and reliability. However, one of the most important recent changes that will continue in the coming year is the advent of advanced cost-effective printer interfaces.

In the mid 1990s, the USB interface entered the market, expanding interface choices beyond serial and parallel. The standardization of the USB interface offered great advantages to the consumer user to easily connect multiple peripheral products to the computer. While the USB interface provides convenience to the reseller, and high data

**“One of the most important recent changes that will continue in the coming year is the advent of advanced cost-effective printer interfaces.” — MICHAEL HANSON**

transmission rates, it fails to meet the needs of developers and IT managers to deploy, implement and manage a common network wide secure interface.

In 2008 and beyond, some manufacturers will recognize the difficulties and challenges and will offer products with a dedicated LAN printer interface. Although Ethernet technology has reached the mainstream from network communications, most printer manufacturers fail to capitalize on this cost reduction by only offering expensive optional Ethernet connectivity. Manufacturers that bring dedicated Ethernet products to the POS market that offer competitive pricing, plus enable use of high-speed secure Ethernet communication, will bring true value to the market.

By using dedicated Ethernet products, IT managers will be able to manage devices throughout their network, utilize a single common interface, manage peripherals across the entire network, implement a common printing protocol system and enable secure, long distance high-speed communication while utilizing existing wiring throughout the network. Progressive ISVs also recognize the benefits to Ethernet communication through common TCP/IP-based

programming and easy migration from existing platforms using virtual Ethernet communication. With virtual Ethernet communication, legacy product customers will be able to take advantage of the many Ethernet interface benefits without having to replace their existing hardware.



## SWOT MANAGEMENT GROUP

**BILL BRANDT**, MANAGING PARTNER/  
CO-FOUNDER

[www.swotmg.com](http://www.swotmg.com)

Over the past several years, we have seen a greater requirement for businesses to be more strategic when developing their Go-to-Market Strategies. In 2008, we expect companies to put a greater emphasis on creating a strong business plan that focuses on their strengths, attacks the competitors' weaknesses, and prioritizes itself on the greatest opportunities, while addressing any external threats for achieving their corporate growth objectives.

We've analyzed and modeled the companies that have been most successful in the technology sector and found that those who performed strategic planning within their own organization grew revenue and profits at a much faster rate than companies that did not. Furthermore, those who performed planning exercises with their key vendors and partners achieved exponential growth.

At the heart of any successful plan is an evaluation and validation of customer's needs, target markets, solution offerings and competitive pressures, which is only gained through research and communication with employees, customers and partners.

No business can be all things to all people, and in many companies, there is no clear direction or differentiation of their value proposition. To address this, companies should organize more effectively with their key management team to clearly define organizational goals and objectives and the strategies and tactics to get there.

To get started, a best practice that has been adopted is to conduct a SWOT analysis on yourself and further with strategic partners. SWOT analyses identify Strengths, Weaknesses, Opportunities and Threats within organizations to aid with business planning, goal setting, decision-making and sales/marketing strategies.

After developing an annual plan, another best practice is to develop quarterly and monthly planning and review sessions to ensure execution management. The real estate industry has the mantra: "Location, location, location." In business planning and Go-to-Market Strategies, the mantra for results is: "Execution, execution, execution."



## **SYMANTEC**

**RANDY COCHRAN**, VP OF CHANNEL SALES  
IN THE AMERICAS [www.symantec.com](http://www.symantec.com)

One of the most important changes we have seen and can expect in the security industry this year is the evolution of endpoint security. As the threat landscape evolves, so too must anti-virus software to provide both signature- and behavioral-based protection. Effective endpoint security must also incorporate technologies such as endpoint firewall, host intrusion prevention and network access control.

As attackers have become increasingly financially motivated, they have optimized the capabilities of a broad spectrum of attack methods. It is correct that proactive behavior-based technologies offer the best protection against zero-day attacks and other threats based on characteristics, not signatures. The number and frequency of those attacks are on the rise. However, signatures remain the most effective tool for the accurate detection and remediation of the thousands of existing known threats that are still prevalent on the Internet.

Security systems and policies must evolve to take a more proactive approach to combating threats by leveraging both signature- and behavioral-based technologies to ensure a safe and connected environment. Employees are increasingly mobile, needing access to the network from laptops or smart phones while they're at home, on the road or at a local coffeehouse. Customers, contractors and partners require regular and easy access to at least parts of a company's data stores.

Therefore, an effective endpoint security system requires more than anti-virus. A more holistic approach will require adopting additional security technologies such as firewalls, host intrusion prevention, data loss prevention, mobile device protection and Network Admission Control (NAC).

Although Internet security threats are becoming more silent and deadly, signature-based anti-virus technology continues to play a critical role in fighting known threats. A layered security system that merges signature- and behavior-based antivirus technologies with other security tools will enable companies to provide authorized personnel access to their corporate networks while keeping external and internal threats at bay.



## **SYNNEX CORPORATION**

**MARK TANNER**, VICE PRESIDENT EMERGING  
TECHNOLOGIES, NORTH AMERICA  
[www.synnex.com](http://www.synnex.com)

The need and demand to have accurate information with exceptional customer service in a faster, timelier manner is

evident in our daily lives. You see it everywhere — the world is going mobile. In health care, doctors and nurses are carrying mobile computers, PDAs and tablets; service workers are electronically billing time and labor on-site; route delivery and trucking operators have GPS and electronic signature capture ability; fast-food establishments are moving to self-service kiosks, and dine-in restaurants are using mobile ordering and payment devices right at your table; and retailers are providing back-room inventory levels in real-time to floor staff and mobile line busting. The mobility segment of

**“The mobility segment of AIDC and point of sale will explode in 2008.” — MARK TANNER**

AIDC and point of sale will explode in 2008.

Customer, employee and public safety have been a strong factor in the growth of physical security. Significant investments have been made in IP security products such as higher resolution cameras, motion detection and automatic alerts, and remote viewing ability. IP-specific solutions are well posed for new security installs and upgrading existing analog security solutions. With a background in networking technology this will be a strong growth area for resellers targeting existing and new customers.

On our recent national tour, POS, AIDC and IT resellers flocked to a digital signage seminar and technology demonstration. It was clear by the standing-room-only attendance, that we had underestimated the number of resellers interested in digital signage. When you think of it, digital signage can be sold into every environment in every industry. There is a lot more to selling digital signage than just the big screen, and it needs to be driven by content first and foremost. Also, the question remains in that “How will the content drive more sales, inform more employees and inspire new ideas?”



## **TOSHIBA AMERICA INFORMATION SYSTEMS**

**LARRY MEYER**, VICE PRESIDENT, SALES  
& MARKETING, TELECOMMUNICATION  
SYSTEMS DIVISION  
[www.toshiba.com](http://www.toshiba.com)

The VoIP evolution has caused telecom manufacturers to change the way they do business. Many companies have transitioned from being manufacturers of either larger PBX or smaller key systems to providers of IP communications solutions to enterprises of all sizes. Most telecom equipment purchased today is IP-based, representing a significant shift in the

evolution of business communications.

Today's IP communication products enable small and large businesses, branch offices, retail and restaurant locations and other vertical markets to take advantage of sophisticated applications. Previously, many of these capabilities were only affordable by larger enterprises. Applications such as networking, centralized management, unified messaging, call center, video and mobility are currently an important part of improving business processes.

**“IP communication solutions make it easier for telecommunications manufacturers to drive vertical market integration, creating competitive advantages for specific market segments.” — LARRY MEYER**

IP communication solutions make it easier for telecommunications manufacturers to drive vertical market integration, creating competitive advantages for specific market segments. The ability to tailor communication solutions to the specific needs of customers is essential to being successful in vertical markets, such as health care, retail and education.

The Call Center is an example of an application that is currently implemented in many vertical markets. In the past, the perception was that call center solutions were too expensive for many businesses or the application was only for larger enterprises. However, today, even the smallest business can benefit from and afford call center solutions.

As VoIP proliferates through the business world, we expect to see mobility and remote user applications expand as well as business process applications. VoIP has opened the door to increased flexibility in business communications. We expect continued strong growth in the U.S. telecom market in the coming years as the transition from TDM to IP systems continues and accelerates. SIP and unified communication applications will also create more demand for new systems.



**TOUCH DYNAMIC**  
**SCOTT JOHNSTON, VICE PRESIDENT SALES**  
[www.touchdynamic.com](http://www.touchdynamic.com)

Today's point-of-sale market is at saturation point of hardware manufacturers that provide the essential components to this traditional market. These components have been the touch-screen terminal, book-size PCs, printer, cash drawers

and additional options. The traditional POS reseller is currently looking for a vendor that not only provides the basics, but will be a partner to share the risks and rewards this market has to offer. Resellers want to find a vendor that they can trust and rely upon for the long term. All hardware vendors have their share of hardware disasters; we have seen it over and over. The bottom line for the reseller is: “How does the vendor take care of my business when this occurs, and what are they going to do to solve the problem?” Also, the vendor's track record over time has to be one that has very few hiccups to retain a large number of resellers. So, I see resellers selecting those “best-of-breed” hardware vendors to make the long haul with. This will reduce the number of hardware manufactures that will be viable in this traditional POS market.

New venues for touch-screen vendors are evolving because of the advancement of software providers developing applications that allow all types of industries to use touch-screen terminals. So, for the traditional POS VAR, they should be looking for these new market segments to provide hardware only or niche applications within non-POS environments.

Resellers also need to be looking for the best overall hardware vendor that can provide the services they need in all areas of their business. The reseller is in the driver's seat to spell out the kind of services and partnership he or she wants from a vendor to make his business profitable and viable for the long term. The market today is strong and looks to be stronger over the next few years.



**UC STRATEGIES.COM**  
**JIM BURTON, CO-FOUNDER**  
[www.UCStrategies.com](http://www.UCStrategies.com)

The communications industry is undergoing a revolutionary change similar to what occurred in the computer industry when the PC was introduced. The two big winners in this paradigm shift will be enterprise customers and resellers.

Unified communications, which is defined as communications integrated to optimize business processes, is at the center of this revolution. It is not about saving a few minutes per employee per month, it is about improving in a business process that can provide a company with a competitive advantage.

Most business processes have pain points caused by human latency. Meaning the process slows down waiting for a person to take an action. Take the process involved in processing an insurance claim. Typically, several people review the claim with latency involved between each review. By adding presence capabilities (the ability to see the status of another person — on the phone,

available, etc.) the first person reviewing the claim could click to dial or click to chat with the next person in the review process. Adding presence and click to dial/chat capability into the business process could reduce the claims time from many days to a few hours.

Part of this revolution includes the shift from a hardware model to a software model and with that shift will come lower prices. Some estimate the cost of an IP PBX will drop 50 percent over the next three years. While that may sound like bad news for resellers, it is just one part of the story. Today's VoIP solution costs approximately \$1,000 per user. In three years, that will drop to \$500 per user. The good news is the total cost of a UC solution will be \$1,500 per user; the added \$1,000 will come from UC applications and systems integration services, which is of course, positive news for the reseller community in 2008.



**VERIFONE**  
**JEFFREY WAKEFIELD,**  
VICE PRESIDENT  
OF MARKETING  
INTEGRATED  
SYSTEMS

[www.verifone.com](http://www.verifone.com)

One of the most critical events happening in our business today is the increased number of payment system compromises. This year brings important changes in response to these events, Visa's new Payment Application Best Practices (PABP) mandates, and a heightened and welcomed awareness of the importance of payment security.

One of the biggest problems with today's payment systems is that sensitive customer data must pass through retailers systems, and in some cases be stored on retailers systems. As long as retailers store or transmit secure customer data, organized crime will attempt to obtain it. The solution is to eliminate this data from a retailer's sys-

**“One of the most critical events happening in our business today is the increased number of payment system compromises.”**

— **JEFFREY WAKEFIELD**

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tem. Merchants and agents that use payment applications that store sensitive customer data or have security weaknesses will not be compliant with the Payment Card Industry Data Security Standard (“PCI DSS”) and are at high risk of being compromised.

Visa has introduced a list of requirements designed to help eliminate the use of non-secure payment applications. These mandates call for acquirers to make certain that merchants do not use known payment applications that preserve prohibited data elements and require the use of payment applications that adhere to Visa’s PABP. These requirements are established to help merchants alleviate compromises, eliminate the storage of customer card holder data, and ultimately protect customer’s personal information.

It is time for our industry to make payment security a priority and to increase the awareness and the use of payment applications validated against Visa’s PABP.



## VOCALOCITY

PHIL HILL, PRESIDENT

[www.vocalocity.net](http://www.vocalocity.net)

Of the 5 million businesses in the U.S., the vast majority have fewer than 20 employees, and it is this underserved market that finds itself benefiting from the variety of available new voice communications arriving on the scene. VoIP opens the door for these businesses to operate more efficiently. However, many offerings are too expensive or too complicated to address the needs of this large segment. As a result, in 2008 we’ll continue to see small businesses, including the micro-enterprise (offices of less than 20 employees) look toward hosted VoIP services to fill their needs.

Hosted VoIP solutions eliminate the need for on-site hardware beyond the phones that sit on each employee’s desk, dramatically reducing the complexity and effort required to manage a phone system. With equipment completely managed by a hosted VoIP provider, a small business requires no communication or computer knowledge to set up and use such a system.

**“In 2008 we’ll continue to see small businesses, including the micro-enterprise (offices of less than 20 employees) look toward hosted VoIP services to fill their needs.”**

— PHIL HILL

Businesses will also begin to take further advantage of the adoption of unified communication solutions. The use of VoIP systems continues to help companies “marry” their desk phone to email as well as mobile devices. For instance, a voice-mail can be delivered as an email, allowing an important message to easily reach the intended recipient through alternate means. Additionally, with simultaneous ring capability, an employee may be reached at the desk, home or mobile phone — making it easy for a caller to get in touch with a business by dialing a single number.

Taking VoIP applications and functionality to the mobile handset will prove to be of particular interest. The usual suspects, Google, Apple and Microsoft, will be at the party, each pitching their distinctly different approach.



## WEBROOT

LILI BENDER, DIRECTOR OF CHANNEL SALES

[www.webroot.com](http://www.webroot.com)

Spyware has rapidly climbed the list of enterprise security threats and currently ranks as one of the leading threats facing corporations today. In fact, we saw more than a 200 percent increase in malware threats in 2007. Additionally, Gartner predicts that by the end of 2007, 75 percent of enterprises will be infected with undetected, financially motivated, targeted malware that evaded their traditional perimeter and host defenses.

The challenge with Internet security is that only organiza-

**“The challenge with Internet security is that only organizations that have true security/IT experts will be able to protect their companies.” — LILI BENDER**

tions that have true security/IT experts will be able to protect their companies. However, most SMBs have a limited IT staff. According to a recent global study that we conducted, “State of Internet Security: Protecting Small and Medium Businesses,” three-fourths of SMBs surveyed have fewer than 10 people in IT. The lack of in-house security expertise helps explain why 61 percent of SMBs have never sought information about how to properly protect customer and employee data. Additionally, 96 percent of respondents reported having an anti-virus solution installed, but more than 60 percent of respondents in Canada, France and the U.S. still reported a virus infection in the past year. This reflects the need for broader protection because of the increasingly com-

plex nature of malware threats, and the need for someone to help manage the solution.

Today's enterprises need a simpler solution to help them combat these increasingly complex threats. As such, I anticipate a shift toward the Software as a Service (SaaS) model where security can be made available over the Internet. SaaS enables organizations to have a true expert manage their Internet security needs to ensure that their protection is always updated and risks are limited.



## WREN SOLUTIONS

ANDREW WREN, PRESIDENT

[www.wrensolutions.com](http://www.wrensolutions.com)

The implementation of video systems and migration to IP video will increasingly be driven by business needs and opportunities. While this may seem obvious, consider the factors that have typically driven businesses to adopt video: Traditionally, video has been exclusively used as a security tool, usually reactively to evaluate an event after it has occurred. Video was used in a functional silo, generally for security purposes by security professionals — and this held true largely across all industries. But as software-driven platforms built for enterprisewide use are deployed, network video systems offer new capabilities, easier access and a range of other features that will allow a new class of business users to leverage the power of video.

Businesses will increasingly think of video as another data source to help in decision making and execution for a wider range of uses, as opposed to a specialized tool that belongs exclusively in the security arena. Consider any kind of organization and the vast potential for video to help them solve their business problems. Retailers can use video to better understand their customer base and to evaluate and track the effectiveness of merchandising campaigns. Schools can use video to improve the effectiveness of their emergency preparedness plans through recorded drills. Manufacturers can use video to monitor operations remotely to identify bottlenecks or monitor machinery, reducing downtime and saving money. Video is an invaluable data source that allows managers to understand what is happening in their businesses and adjust policies, procedures or equipment to address these issues.

In 2008 and beyond, organizations will begin to invest in video as a tool to advance their businesses rather than as an “entry-qualifier” security tool.



## ZEBRA TECHNOLOGIES

JULIANN LARIMER, VICE PRESIDENT,  
NORTH AMERICA CHANNEL SALES  
& MARKETING

[www.zebra.com](http://www.zebra.com)

One significant change we anticipate in 2008 is an increase in reseller partnerships. Because customers continue to demand a single provider that can deliver a package of services, we believe that solution selling will be one of the fastest-growing reseller opportunities.

**“Because customers continue to demand a single provider that can deliver a package of services, we believe that solution selling will be one of the fastest-growing reseller opportunities.” — JULIANN LARIMER**

By offering a unified solution, resellers including VARs, ISVs and solutions integrators, are not only providing more value to the customer, but to themselves as well. When resellers form complementary relationships with each other, they can expand their customer base — moving into new business sectors and extending their geographic reach. I'd like to offer some important tips for creating a successful relationship with other resellers, which focus on:

- Developing a clear understanding of your core competencies and those of your partners. By doing this, you ensure that everyone is providing value exactly where needed.
- Investing in technology that will make it easier to communicate with a variety of partners. A critical component of a successful partnership is the ability to effectively share information between partners and instantly access information such as product specifications, availability and pricing.
- Creating a marketing plan that will show your partners that you understand their products and their role in the total solution.
- Being a champion of your partners. Nothing makes for a better relationship between partners than mutual respect, which ultimately trickles down to the end user.
- Taking advantage of networking opportunities at council meetings and partner conferences. The best way to build your business is by creating new relationships and maintaining old ones.
- Ultimately, the best channel is a healthy channel — one where partnerships are formed that create more value for the customer and a measurable return on investment for the resellers. ■



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