

EMC's New Channel Approach Pays Off

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Analysis: Partners say EMC's new management team and fresh perspective are having a positive effect on the front-line troops selling the hardware, software and services.

For EMC's VARs and channel partners, Jan. 1, 2007 was the dawn of a new era.

According to those in the know, EMC and its network of outside partners are now seeing the role of the channel in the same perspective. It might be called an "Age of Alignment," based on the testimonies of some of the storage giant's best independent resellers and service technicians.

"The big thing I noticed this year is that EMC surveyed us [VARs] and heard from the channel what they wanted to change, but they also facilitated a lot of change," Keith Norbie, storage director for Nexus Information Systems, in Plymouth, Minn., told eWEEK in an interview here at EMC World. "They changed many issues. It's a night-and-day difference from Dec. 31."

What is different now? Simple. VARs and channel partners are finding it easier to deal with the huge conglomerate, thanks to a new EMC partner management regime, and they are making more money. Can't go wrong with either of those results.

"It wasn't that things were all bad, it's just they have created a better marketplace identity for us," Norbie said. "But things are now in

alignment between EMC and the VARs. The high-end VAR's lifeblood has always been services, as a differentiation. There used to be some contention when a deal got to be a tie [between the VAR or a direct-to-EMC sale]. EMC has backed off this contention; that's all gone now."

EMC also has started promoting partners as service providers and acting as a resource organization, Norbie said.

"They're helping to fund [sales] events, giving us ideas for events ... and it's not just like those mailers they used to send out that have no impact on the business, it's stuff that actually drives mindset. We had over 100 clients recently in an event surrounding a movie premiere—they delivered a solution theme around next-generation backup and data recovery," Norbie said.

Nornie said this new approach has brought a noticeable difference to his \$28 million company's bottom line. "I'd say that 80 to 90 percent of our new revenue is driven by new service business," he said. "The client at the end of the day just wants an unbiased opinion on what's really going on. The thing is, you've got to be able to talk independently at that point. You've got to be able to cut the cord and provide stand-alone value. That comes directly from your engineering horsepower. To be able to take services down without conflict ... helps tremendously," Norbie said.

Jamie Shepard of Boston-based professional services provider International Computerware, a Premier EMC Channel Partner, said his company's EMC revenue has grown "tremendously" in just the last 12 months—largely because of the new changes.

"For me, the biggest change has been in the people EMC have put in to run the channel," Shepard told eWEEK. "Where before the running of the channel was left to mostly administrative people who liked to meet, talk and have lunch, the new folks in there understand and know how to

run a sales campaign."

"They've put in former district managers and sales people who know how to execute—that's the key word here. With them here, credibility goes through the roof."

Shepard, whose 25-year-old company became an EMC partner two and a half years ago, said service sales grew from \$4 million in 2005 to \$8 million in 2006. "We're on a track to earn \$12 million this year," Shepard said. "And it's almost 100 percent service business."

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