

## PUBLISHER'S PERSPECTIVE

## Solutions First!

I promise not to utter a single word about the economy. There will no doubt be many justifiable references to it in the following pages of VSR's 2nd Annual Review & Outlook. Instead, I'd like to devote this page to an important behind-the-scenes movement taking shape. There is a group of Resellers, your peers, who feel strongly that a dramatic paradigm shift in the VAR model is necessary at this moment in time. They feel (as do I) that it is more than just necessary...it is a matter of survival. The group I'm referring to calls itself the Solutions First Council.



Albert Guffanti  
Publisher  
*Vertical Systems Reseller*

Let me provide the background that I'm sure you're familiar with — and are possibly experiencing first-hand: Hardware margins are dropping at an increasingly rapid rate. Value-based services are increasingly relied upon to stay above water level. There is no roadmap or guidance to help traditional Resellers transition to a more service-based model. Resellers are stuck between maintaining a failing business model and transitioning to a more profitable one.

If only there was an executive support group to help Resellers with the difficult task of crossing the chasm — an idea exchange; a collective knowledge base where common issues can be discussed, best-practice information can be shared, and new avenues of growth can be found. If only there was a community of Channel Execs who have either done this before, or are in the midst of doing it.

Enter the Solutions First Council.

The mission of the Solutions First Council is to provide a community for Resellers to share ideas on how to transition to the ASI model (Application Solution Integrator). As is implied, the ASI model puts a much heavier emphasis on the use of software and value services to obtain profitability and growth. But how much

of an emphasis should there be? What should the margin ratio ideally look like between hardware, software, and services? How do you market such services? How do you re-align your sales force? What should your organizational structure look like? What is the correct balance of investment vs. cash flow? How long will it take to realize the benefits?

There are many, many questions that need answers. One undeniable truth, however, is that these questions must be addressed if Resellers are to survive. The Solutions First Group, which comprises some of the most experienced and influential Resellers around the world, was formed with the belief that the ASI model will work; it's an organization that is necessary to take this industry to the next level. The group meets via a social network community and through periodic face-to-face meetings. Some of the founding members include: Brian Marcel, Chairman, IBCS Group; Todd Baggett, CEO, Redline Solutions; Tom Beusch, President, Miles Technologies; Graham O'Keeffe, CEO, SkyWire Australia; Tony Kara, CEO, Mendax Microsystems; Carlos Ferraz, Managing Director, UCS Mobility; Caryn Sherer, COO, The JS Group; and myself.

So why am I choosing this moment to introduce the Solutions First Council to you? We are at a moment when challenges to the traditional hardware-based Reseller have accumulated and are now reaching critical mass. Something needs to be done and that's why I'm proud to be part of a group of professionals who care enough about the Channel to act. The Solutions First Group will become increasingly visible and will be instrumental in the future health of the Channel. Therefore, I encourage you to email me at [aguffanti@edgellmail.com](mailto:aguffanti@edgellmail.com) to find out how you can join this vital community of action-minded and solutions-oriented Channel Executives.

Best wishes for a prosperous 2009 and beyond!