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Continual change needed for success

The Internet has created thousands of opportunities, but we must modify business models or reinvent ourselves to keep up

I had a blast from the past this week. I was performing presentations at the Intel Channel Conferences in Sydney and cold, rainy Melbourne and the MC for the event looked vaguely familiar. A female redhead who owns a Mustang V8 and has a degree in IT – what a dangerous combination for a male IT audience!

It was none other than Ms Megabyte! For those of you too young to remember, Ms Megabyte was a creation of Yvonne Adele back in 1998. The concept was not the same as someone like the Gadget Guy of today – Ms Megabyte really focused on providing productivity tips using Office applications (she is an Office MVP) and other desktop applications. It was more information on how to make better use of your PC rather than what are the latest gadgets. She was hugely popular and appeared in a variety of non-IT magazines such as *Women's Weekly* and *Woman's Day* and was a weekly guest on the *Today* show.

Why am I telling you this and how is it relevant to this column?

I found the progression of Ms Megabyte's career particularly relevant to the reseller landscape. I found out that Ms Megabyte no longer does any of her column work or TV work and only about 20 percent of her daily life is in any way involved with her alter-ego. Despite the popularity of the character, in much the same way as The Buggles told us that 'Video Killed the Radio Star', the Internet killed the need for this type of information delivered in this way.

The advice given by Ms Megabyte in her heyday (when she had a one in five recognition factor across Australia) helped end-users perform all those little tasks that they didn't know how to do on their PC. How do you do a mail merge in Word? Look it up in a book written by Ms Megabyte or access one of her columns and you will find the

answer. Ms Megabyte told me that once people realised they could jump onto a search engine and type "Microsoft Word mail merge how to" and find 386,000 answers – all of them with a simple set of instructions that worked – she knew her days were numbered.

That pesky little Internet thing had ruined another business model. Sure, you might argue that maybe an upgrade from Ms Megabyte to Ms Terabyte might have saved the day. Marry Mr Petabyte and do a few downloads together and spawn a few Nanobytes to carry on the work with some of the new media options currently available to us.

The point here is that we all recognise that thousands of opportunities have been created by the Internet but it requires us to either shut down or drastically modify existing business models (the option chosen by Ms Megabyte) or continually re-invent ourselves in the reseller environment. In the same way as Kylie Minogue has been hugely successful over such a long period of time by continually changing, we need to continually change the way we do business to be successful.

From the time Michael Dell created his vision based on selling computers direct to consumers, the online model was a major disruption to the PC universe as we knew it. Michael was going to sell directly to the end-user and avoid all that nasty profiteering (and expertise) associated with resellers. Our margins started being squeezed as a variety of companies – led by Dell – decided that selling computers via the Internet was a viable business model. Now prices were tighter and, most importantly, anyone could look up the price of a box in an instant. Clients could easily access myriad information and often walk into a reseller armed with all of their research and their purchasing decision made – along with the price they were willing to pay.

“**That pesky little Internet thing had ruined another business model**”

Despite all the doom and gloom associated with the Internet sales model, at this point resellers had two choices. Run for the hills and hide or look at what resellers could add to the customer experience. What could be provided by a reseller that couldn't be provided by an online sales model? This normally comes down to creating an experience which you can never receive online or giving the advice and service that is difficult to deliver online.

Thomas Tapsas from Intel made an interesting comment at the Intel Channel Conference. His statement to the audience was that there was no question as to whether the reseller channel will continue to exist or not. The reseller channel will continue to live on. It was just a matter of what will the channel look like and what will the channel sell. There is a large group of consumers out there who still want the tighter relationship that only the channel can provide.

To that point, I believe the Dell Channel Partner Program officially launched in December 2007 is an admission by the world's largest online computer company that the channel can add value. And significant value at that. Dell's channel is expected to generate more than \$10 billion in the next 12 months in global revenue. Not bad for a channel that the doomsayers predicted would fail spectacularly in the face of the Internet onslaught.

The real point here is that, after speaking with hundreds of resellers at the ICC, I am more confident about the ongoing success of the channel than ever before. I believe if we don't bury our heads in the sand and keep looking for opportunities to add value, we will continue to be successful and continue to grow. And just keep an eye out for more vendors with an online sales model to start knocking on our doors.

