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The similarities of NZ resellers

All jokes aside, we look at the parallels and issues our closest international reseller counterparts face

From the Coal Face comes to you this issue from cool downtown Auckland – and I mean cool, with the top temperature today hitting 12 degrees Celsius! I am in New Zealand this week performing consultancy work for one of the country's major telecommunications companies and it has been a great opportunity to see how the experiences of resellers in NZ compare to those of resellers in Australia.

Firstly let's get the obligatory Kiwi jokes out of the road. The audience for this column doesn't allow me to repeat most of the Kiwi jokes I heard while I was in NZ, but I did see some graffiti on a wall in Auckland. Australia Sux! it proclaimed. Underneath, obviously an optimistic Wallaby supporter had written New Zealand 0. I also heard that each time a Kiwi moves from NZ to Australia (which happens often) it lowers the average IQ of both countries!

Onto more serious matters. Even though New Zealand has a population approaching five million and Auckland a substantial population of 1.4 million, the average business size is dramatically smaller than in Australia. It is generally recognised that 95 percent of the businesses in New Zealand employ fewer than five people. This means most businesses are firmly at the S end of the SMB sector.

With that in mind, it was a great chance to see how well some of the vendor strategies for the SMB market are being applied and what resellers see as the major challenges for them in reseller land.

I found time to quiz a few resellers in my travels. Despite the funny way they talk and the different size of the market, the conversations I had with resellers were amazingly similar to conversations I have with Australian resellers.

It seems the main challenge at the moment is the progression of PCs

into the mainstream whitegoods sales arenas where service is second and sales commission for the employee is first. This is a natural progression as PCs have reached a level of market maturity where the late majority and even the laggards are buying PCs. There are a variety of electronics and whitegoods chains that Aussies would be familiar with that have moved heavily into PC sales. These chains typically lack the knowledgeable sales staff and high levels of service that resellers aim for. The staff are selling a Core 2 Duo notebook and explaining the benefits of this technology to a client. Then, a minute later, they are talking about the 42-inch plasma vs. the 40-inch LCD for the lounge room entertainment unit and then, without a blink of an eye, explaining what each coloured band on a resistor indicates about how many ohms of resistance will be provided by a device.

Our world is just too specialised these days to allow one person to be an expert on everything. That may be possible in China where a state premier may hold all the patents in their patents office and the course record on every golf course etc. but in our world we need specialisation.

In IT, the reseller's best asset is knowledge. I doubt the salesperson selling fridges, phones, computers and resistors is going to know that security vendors are recommending disabling some of their features before you upgrade to XP SP3. I doubt that many of them would even know that SP3 has been released for XP yet.

Passion is a vital ingredient that can't be coaxed out of a salesperson with a promise of a bigger commission cheque. Look at the truly great rugby and cricket players our country has produced – they would be playing every bit as hard if there was a promise of \$5 or \$5 million at the end of the game as they have passion.

True IT resellers don't employ salespeople. They employ people with a passion for IT and teach them sales skills.

“ In IT, the reseller's best asset is knowledge ”

Passion can't be taught. Sales skills can be. So how does that relate to our New Zealand cousins? With such a small marketplace the fear of resellers I spoke to was that people would have a bad experience with IT when dealing with it in the mainstream and then be wary of IT in general. Rather than embracing IT and utilising it in more aspects of their life, people may be given bad advice or sold the wrong products and therefore use IT less.

I visited a friend while in Auckland, a journalist. On the desk in his office sits a 17-inch CRT monitor – that he doesn't use. Instead, he uses a 15-inch TFT screen on his notebook. Why? The mainstream retailer he uses has never explained that he could buy a much larger TFT screen for minimal dollars that could be used with his notebook. As a journo he looks at a screen for hours.

One of the first questions that I would hope a true reseller would ask of a consumer is what does he want to do with his purchase. I would hope the reseller would sell the client a solution – not a product. In this scenario the correct solution would have been as large a screen as my friend could fit on his desk and probably a docking station to go with it.

This knowledge and selling of solutions are the greatest assets we have as resellers. I am not convinced that the major whitegoods chains will ever be able to replicate this. Sure, they will take some of the low margin product only sales away from resellers – but resellers will always be there to sell solutions to the early adopters and early majority.

Needless to say I couldn't help myself. I sold my friend a 22-inch TFT screen (to be shipped direct from Australia) while I was there and took some dollars out of the NZ economy. It seemed too easy to sell the solution. If only we could work out how to take some rugby silverware out of NZ as easily!

