

Dell Competitors: Channel Success Is More Than A Disty Deal

By [Scott Campbell](#), ChannelWeb
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Dell (NSDQ:[Dell](#))'s biggest competitors in the PC and notebook arena say there's a big difference between Dell signing distribution deals and executing successful programs with solution providers.

Dell plans to sell Vostro desktops and notebooks through distributors Ingram Micro and Tech Data in the United States, eventually expanding both their geographic reach and product portfolio available to VARs.

"We're always flattered when someone emulates our channel model. That's always nice when someone thinks you have a good strategy and wants to copy it," said Tom LaRocca, vice president for marketing and strategy in HP (NYSE:[HPQ](#))'s Solution Partners Organization, Americas unit. "We've been in the channel a long time. We understand how the channel works and we have great products to support it. I think channel's in our DNA. We've got our CEO meeting with multiple partners this week. That's not an anomaly; that's what we do on a consistent basis."

Dell executives said Tuesday they expect Ingram Micro and Tech Data to help recruit partners to sell more Dell products, a strategy that can't make HP and Dell's other competitors happy, but LaRocca's only comment was, all's fair in love and war.

"It's no secret that distribution is a multivendor, go-to-market strategy. None of these guys have a one-vendor-type strategy. They all do business with all the big guys," LaRocca said. "For us, Dell is another competitor we face out in the market. Our strategy is to compete with Dell. We've got a good strategy and we've been executing on the strategy. We always try to execute better every quarter."

LaRocca couldn't say whether HP had made more proactive calls to partners today than normal as a result of the Dell announcement, but he did say HP has been working more closely with solution providers to develop "take share plans," to win market share away from the competition.

"We're not just focused on one competitor. We are greenlighting plans as they make sense. When you have a [macroeconomic] market that is not quite growing as much as the third-party guys are forecasting, taking share is a priority. That's our priority right now," LaRocca said.

Bob Venero, CEO of Future Tech Enterprise, a Holbrook, N.Y.-based solution provider, said HP is better positioned than other competitors, such as Acer, Lenovo or Toshiba, to withstand a Dell channel offensive through distribution.

"Look at the way HP is positioned, not just with PCs and notebooks, but with servers, storage and software and even on the EDS (NYSE:[EDS](#)) side with some of the acquisitions they've made. This will be on their radar, but I don't think it's something they will spend a lot of time trying to look to," Venero said.

However, the same can't be said for Dell's other competitors in the PC and notebook space, he added. "I love the Lenovo guys and ThinkPad was, and is, a good product, but from a marketshare perspective, without the IBM brand behind it and IBM accounts supporting it, they're at risk," Venero said. "Toshiba is a one-trick pony with notebooks,

so they have some risk. I see a strong presence from Acer in the retail side, but I don't see a tremendous win factor within the SMB space."

Stephen DiFranco, vice president and general manager, consumer and commercial channels AG, for Lenovo, doesn't believe Dell's moves will impact his company because of the relationships IBM and Lenovo have built over the years.

"Everyone knows the ThinkPad line and it won't impact our ability to get to our resellers or their opinions of us," DiFranco said. "Most of our resellers have been loyal to the Think brand for years, and they won't switch over to Dell just because it is in distribution."

Although he sees Dell's distribution entry as a validation of the importance and value of the 30-year relationship between distributors and resellers, he said he was disappointed that Ingram Micro and Tech Data felt they needed to expand their product line with someone else versus working with their existing partners.

"We may balance our distribution a bit more because of it in regards to the SMB market," he said.

Executives from Toshiba declined to comment on Dell's moves and Acer executives could not be reached.

Sheila O'Neil, vice president of channel sales for Panasonic Computer Solutions Co., said Dell also won't play a factor in her company's channel strategy.

"We have such strong relationships with resellers. We're focused on mission-critical mobility, and there's room for both of us," O'Neil said. "I understand why they're doing it. They have to do it. I don't really see that it will have a big impact with the distributors. We have strong relationships with them now."

HP also did not immediately start drafting changes to its plans or new marketing programs to offset Dell's distribution strategy, LaRocca added.

"We've been meeting and talking to partners. We had a roundtable set up today with partners. That's where Adrian [Jones, vice president and general manager, Americas Solution Partners Organization at HP] is. We're always revamping and making our programs better."

Finally, LaRocca said it's too early to tell if Dell's distribution strategy will have an impact on pricing in the channel.

"We'll need some more history and data there to see how this really rolls out. Signing a distribution deal is one thing. Having programs and processes and training and everything else it takes to drive and grow the revenue in that route to market is a different thing," he said. "It remains to be proven that this [Dell news] is a successful model for this particular business."

Robert DeMarzo contributed to this article.