

December 2012

# MicroScope

Indispensable channel analysis

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## CELEBRATING 30 YEARS OF MICROSCOPE

TO KICK OFF OUR ANNIVERSARY YEAR, WE INVITE INDUSTRY FIGURES TO SHARE THEIR THOUGHTS ON WHAT THEY CONSIDER TO BE THE MOST SIGNIFICANT DEVELOPMENTS IN THE CHANNEL OVER THE PAST THREE DECADES AND TAKE A LOOK AT THE MOST IMPORTANT TECHNOLOGICAL ADVANCES DURING THAT TIME

◆ THE MONTH IN IT ◆ OPINION ◆ LETTERS ◆ FIVE-MINUTE INTERVIEW ◆

## Cisco merges cloud and managed services reseller programmes

Cisco has merged its Cloud Provider and Cloud Services Reseller roles with its Managed Services Channel Programme to form a single Cloud and Managed Services Programme (CMSP) in a nod to the extensive synergies that exist between the two areas. Richard Roberts, Cisco UK and Ireland partner organisation lead, said the move was an acknowledgement of widespread industry acceptance that there is “no difference” between cloud services and managed services.

## AVG exceeds reseller cloud ambitions with 1,000+ partners

AVG has signed up more resellers to its CloudCare service than it set out to as the channel looks for better ways to deliver security services. The vendor launched its cloud platform in June on an invitation-only basis before opening it up to more partners. AVG had planned to finish the year with 300 partners selling CloudCare, but it has already hit the 1,000 mark.

## Europe is third quarter star for C2000 parent Tech Data

Computer 2000 parent Tech Data reported a drop in sales and net profit during its third quarter, but performed well in the troubled European market. The distributor unveiled its latest set of results on 20 November, booking sales of \$6.04bn (£3.79bn), down 8% year-on-year, and net profit of \$45.9m, down 14%. Sales in Europe, which accounted for 61% of Tech Data's worldwide business, were down 4%, but excluding reporting changes declined just 1%, and on a Euro basis, grew by 5%.

## Claranet buys Star to build £120m managed services provider

Internet service provider turned managed services specialist Claranet has acquired managed technology services company Star for £55m, with the intent of building a £120m managed service provider in Europe. Trading as Claranet, the new firm will employ more than 700 staff serving 4,500 customers.

## Fujitsu targets top partners with storage education drive

Fujitsu has launched a channel programme and user campaigns to grow sales for its Eternus storage technology. The promotional drive is designed to build on the success of second quarter storage revenues that trebled year-on-year in the face of overall declining revenues for the sector. The Storage First programme is designed to educate users about the primary importance of storage.

## More Comet stores face closure as potential buyers weigh in

Comet's administrators are preparing to close a further 125 shops over the next few weeks unless a buyer emerges quickly.

Deloitte, which was appointed administrator last month, has already cut more than 1,000 jobs and closed 41 stores in a bid to reduce costs.

But no firm offers have emerged, despite reports of several potential buyers, including business turnaround expert Clive Coombes and e-tail specialist DRL.

The 125 shops would close in the next few weeks, leaving just 70 outlets trading, if the administrators are forced to take further cost-cutting action. Around 5,000 staff are left at Comet, 3,000 of whom could be out of work before Christmas if the stores closures go ahead.

The IT and electricals retailer fell into administration in early November after its previous backers were unable to pull off a turnaround.



MIKE KIRBY

## £17.3m Servo accounts fiddle found to date back to 2009

Integrator Phoenix IT Group has revealed that profits at its mid-market services business Servo were deliberately manipulated over a lengthy period going back to 31 March 2009.

The fraud, which came to light in early September, resulted in management suspensions and a major internal investigation at Servo's Leeds site.

Having completed their review of the firm's books, auditor PricewaterhouseCoopers and commercial law specialist Nabarro said they found no evidence of cash theft, but discovered that the unit had indeed been overstating its profits.

During the course of the investigation, it emerged that the figures involved were substantially larger than the initial figure of £14m, rising to £17.3m after tax, over a much longer period of time than at first thought.

As a result of the fraud, Phoenix said it had dealt with Servo's financial controller and divisional finance director, and announced plans to relocate the unit's financial and accounting activities to a new centralised office in Northampton.

## SMEs reluctant to boost staff numbers, research finds

SME budgets might be recovering, but small and medium-sized businesses remain cautious when it comes to investing in fresh staff to help drive the business forward. An insight from Spiceworks into the sector, described by many as the engine room of the economy, shows that caution remains despite signs that things are improving.

## HP lashes out at Autonomy 'lies'

Hewlett-Packard has accused Autonomy – the UK software house it bought in 2011 – of “serious accounting improprieties, disclosure failures and outright misrepresentations” after taking a multi-billion dollar write-down in its fiscal fourth quarter. In a statement, HP claimed Autonomy's top brass were guilty of a “wilful effort to mislead investors and potential buyers, and severely impacted HP management's ability to fairly value Autonomy”. Autonomy founder Mike Lynch was quick to reject the accusations.

## Cloud strategy paying off for distributor ComputerLinks

For the first time in several years ComputerLinks has chosen to share financial information about the state of its business. The distributor has been in private hands for the past four years, with no obligation to reveal numbers, but has opted to provide an update to indicate to the market and resellers how its transformation strategy is working.

## SCC claims first healthcare cloud in Merseyside

Integrator SCC has signed the UK's first healthcare cloud deal to deliver secure datacentre services to Mersey Care NHS Trust through 2017. The firm has already ploughed £25m into developing its cloud services offering, which will see Mersey Care move its operational data and ICT infrastructure to SCC's Optimise-Cloud platform by May 2013. This will include the transfer of 15TB of data currently stored on 90 in-house servers.

## Softcat to add 40 technical heads to support 2013 growth

Integrator Softcat has announced plans to double the size of its technical team to support its growth and development amid plans to meet and exceed this year's turnover of £300m-plus in 2013. Particularly in demand will be skills around storage and virtualisation, networking, security and Microsoft, with both technical support and consulting services roles up for grabs, the reseller said.



SIMON QUICKE **EDITOR'S COMMENT**

# Long live the channel

It has been a long time since the first issue of *MicroScope* rolled off the presses back in the winter of 1982. Much has changed in that time – *MicroScope* has evolved from a fortnightly, then weekly, print publication to a solely digital source of news and analysis about the channel, both through the website and the monthly digital ezine.

Scanning can back through past issues highlights that the themes of the day when *MicroScope* started life in this industry were very much hardware-driven. Back then, some of the companies which have now become household names were just starting out, and although IBM was there from the beginning, it did not take long for Compaq and Dell to join it.

Microsoft was still selling DOS and the software world seemed to be a fairly limited one. It was certainly nowhere near as exciting as the Micro world, which enjoyed larger-than-life characters – Adam Osborne and Alan Sugar are two that spring to mind.

It was also a world that was moving fairly quickly. The big PC shows in the UK served as platforms for product launches, and these launches seemed to dominate the news coverage. That might have changed slightly with the market now evolving into a cloud and services world, but there are plenty of features of the channel landscape that have remained remarkably similar.

Firstly, those early issues covered distributors including Micro-P, Northamber and P&P. That level of the two-tier channel has become slicker, more vital in terms of logistics and credit, and shows no sign of fading into history.

Likewise, the second feature of the market that remains largely unchanged is the way vendors continue to rely on the channel to get their products out to market and to make their technology successful. Back in the 1980s, when the market was just being formed, it was key to have your distributors on board and resellers lined up. That is still vital for suppliers that want to make a serious dent on the market.

And finally, it is the resellers themselves that have shown just how resilient this market is. There might have been widespread consolidation at all levels of the channel, the internet might have emerged as a way people can buy and research purchases, but the reseller has not died.

No one now predicts that the channel's days are numbered, as it has proven time and time again over the past 30 years that it has the ability to evolve and succeed. We hope that *MicroScope* has done the same. Thanks for being with us on our journey and thanks for reading and contributing.

Here's to the next 30 years. Long live the channel. ■

If you would like details of forthcoming themes running in the *MicroScope* ezine, share your reaction to this one, or make any other contribution, e-mail me at [squicke@techtargt.com](mailto:squicke@techtargt.com).

BILLY MACINNES **COMMENT**

# Making the connection between cloud and managed services



ISTOCKPHOTO/THINKSTOCK

It was interesting to note Cisco has decided there is “no difference” between managed services and cloud services by opting to merge its Managed Services Channel Programme and its Cloud Provider and Cloud Services Reseller roles.

Richard Roberts, Cisco UK and Ireland partner organisation lead, told *MicroScope* the vendor was more or less acknowledging the widespread industry acceptance that managed services and cloud services are pretty much the same.

Having spoken to a number of resellers which have pretty much told me that cloud services is a big preoccupation for customers and that the role for channel partners is to begin offering them as part of a managed service, I can certainly understand where Cisco is coming from.

The view from partnerland seems to be that the best way to deliver cloud computing to customers could be as a managed service and that partners have a serious amount of expertise that could be used to provide it.

So I don't have an issue with Cisco's reasoning. It also, I think, should reassure customers about how cloud computing fits into their

future plans, if they can start to view it as a service in much the same way as any other managed service and comprehend that it can be delivered in the same way.

It is not as if people haven't been making the comparison between managed services and cloud computing already, so if it helps customers to define it as something they already know and are comfortable with the channel providing, it's a good thing. In other words, it's not revolutionary but evolutionary. That's a good thing, by the way.

Are there any downsides? Well, only in terms of just how far advanced along the cloud path vendors, channel partners, cloud providers and customers are. To provide something as a managed service, you need to have a proven delivery platform and strong customer acceptance. That may not be quite where we're at right now with the cloud which, in turn, may lead some to charge that bringing cloud and managed services together is putting the cart before the horse.

I don't think that is the case, but it might be worth making sure customers view Cisco's move in the same way the industry does. ■

BILLY MACINNES **OPINION**

## The Big Blue bank

If anyone needs supporting evidence for an argument over how poorly the banks are performing in their role as providers of credit to business, you need look no further than IBM's announcement on 15 November that it was making up to \$4bn in financing available for business partners over the next 12 months.

IBM was pretty upfront about it too, quoting research from a World Economic Forum survey that found 90% of countries in developing and developed economies were seeking financing to kick-start growth.

That \$4bn is a big figure for any corporation to be making available in finance to its partners, even on a global basis, especially when you consider it is building on a figure of \$1bn in financing made available last year for small and mid-size businesses.

There is no doubt the demand is there. In an interview with *MSPmentor*, IBM vice-president of marketing for the mid-market Ed Abrams revealed the \$1bn of financing, which was supposed to last 18 months, had been used up in less than a year. According to Abrams, two-thirds of the \$4bn in finance will go to partners outside the US.

IBM says the aim of the scheme is to provide financing options for customers that want "to acquire advanced technologies at little or no money down, making these technologies affordable and accessible for organisations that previously did not have access to them".

The hope is the scheme will help to oil the wheels for a number of deals that have, to date, been held up or would have been considered unachievable in the future because of a lack of credit. The benefit to partners in being able to help customers buy technology is fairly obvious.

While IBM takes a certain risk in making finance available, it gains in terms of being able to sell technology and services to customers that might have been deterred from buying because of difficulties getting credit. Also, if there is a toss-up between buying technology from IBM or a rival, making finance available could play a big part in winning the deal.

It helps at a time when credit and finance is in such demand that IBM is one of the few IT vendors in a position to advance significant sums into the market. ■

NICK BOOTH **OPINION**

Have you noticed how many people these days are "passionate about IT"? The claim is on every CV you look at, every Twitter or LinkedIn profile. If I were affected by this condition, I would keep quiet about it. But oh no, everyone has to talk about their problems these days, as if it's a positive.

Passionate people are always committing crimes, according to the mid-market tabloids I read. As if that were not bad enough, they always seem to get bounced back on the streets with a slap on the wrist from some bleeding-heart judge.

I know it is not trendy to say this, but I think being passionate is counterproductive. In fact, I will go further – it's unprofessional.

IT is a people business. Think of all the respected professions that deal respectfully with people. Doctors, nurses, psychiatrists, counsellors. They all care about their respective charges, but not too much. One thing they all have in common is that they are dispassionate. If a doctor or a nurse became too involved with the problems of their patients, they would soon go mad or start drinking heavily. As indeed, some do.

### Judges without passion

I'm not likening IT to medicine, but I do think we should draw a line over some of the crazier projections we make. So with this in mind, the judges at Cambridge Wireless's Discovering Start-Ups 2012 competition took a dispassionate view of the finalists who pitched to them.

The 20 judges included senior executives from Broadcom, Vodafone Ventures, Qualcomm Ventures, Google, Orange, TTP Ventures, Cambridge Business Angels and Silicon Valley Bank. The companies that came out on top were Anvil Semiconductor, D-RisQ, Skin Analytics, Smart Antenna Technologies and TopLogic.

Anvil Semiconductor is creating an alternative to silicon for semiconductors. Silicon carbide could be cheaper and more powerful than pure silicon-based chipsets used in wind turbines, electric cars and solar panels. If it can overcome a few transistor glitches, the rewards will be a leading share of a \$23bn power semiconductor market. Let's hope it achieves its goal. We should all get behind Anvil Semiconductor. But is it getting all the support it needs?

## Marketing cliches a crime of passion

If Malvern based D-RisQ had a company song, it would be along the lines of *Development can only get better*. D-RisQ plans to simplify and streamline development systems so successfully that projects will cost 80% less, while maximising compliance. Would that mean more development could be done in the UK? Perhaps D-RisQ can tell us.

Smart Antenna Technologies from Bath has invented a single-antenna technology for portable devices that could be invaluable as 4G networks take off. But has it got the 4G handset makers on board? What is it doing to reach those companies? Surely this is where you need a technology agent who can introduce the right inventors to the right people. Technology is a bit like show business now – you don't get anywhere unless you can get an introduction, no matter how great your technology is.

Another Bath-based company, TopicLogic, caught the

judges' eye with a web service for finding and sharing files, wherever they are. But what does it do that, say, Box and other file-shifters don't? Is it more secure?

Finally, there was Skin Analytics from Cambridge. Its cloud-based service is not exactly a cure for cancer, but it is the next best thing: it helps prevent cancer from spreading. How? It uses smartphones to monitor small changes in moles to detect melanoma skin cancers. E-health is a massive multi-billion dollar market. It would be nice to hear from Skin Analytics how it is going to execute on this brilliant idea. Are any NHS clinics or GPs pioneering its use?

Unlike on *Dragons Den*, the contestants at this event did not have to walk up a flight of stairs before pitching to sneery judges. Less dramatic perhaps, but kinder to the contestants. That illustrates the difference between passion and dispassion. ■



ISTOCKPHOTO/THINKSTOCK



# Cloud levels the playing field for small business resellers

The cloud is creating the loudest noise heard in business computing for some years. Too much noise perhaps as new evidence suggests that, among SMBs at least, the term is still shrouded in ambiguity and uncertainty. Many IT professionals have welcomed the cloud with open arms and consider it to be the best thing since sliced bread, but many small-to-medium sized businesses (SMBs) are missing out, much to their detriment. Resellers need to do more to educate their customers about the great benefits the cloud can offer them before it is too late.

A November 2012 survey of UK SMBs by AVG Technologies found that only a quarter of SMBs have adopted some form of cloud services, while a similar proportion (22%) thought cloud services were only for large companies. The most startling finding was that one-in-three SMBs (31%) said they did not understand cloud services at all. These statistics appear to confirm that SMBs risk being left behind in the biggest business computing innovation of recent years.

Implementing IT management and data security via the cloud provides SMBs and the resellers who serve them a great deal of efficiency and cost savings. It is evident that the reseller market is starting to move away from the traditional break and fix model, to offering a more managed services model to their customers instead. Despite these steps in the right direction, resellers are still hesitant to offer cloud services to their small customers for reasons of cost and perceived complexity. Yet free cloud-based IT management platforms are emerging that provide even the smallest enterprising reseller with a level playing field to compete against bigger rivals. Features such as one-click services deployment and remote management from a single centralised console open up new revenue streams to resellers such as pay-as-you-go billing and greater opportunities to sell-in additional value-added services, as well as the efficiency of having to make fewer site visits to the customer.

Resellers are not the only ones seemingly nervous about additional costs of cloud services. SMBs themselves seem to assume that the cloud is out of reach. November's research found that a quarter of SMBs were wary of the cost of cloud services. In fact the cloud actually offers SMBs the chance to finally have access to affordable IT solutions. Pay-as-you-go cloud services, acting like an app store, allow SMBs to scale their IT solutions up as they grow, but also to scale down if needs be, without disrupting the core business when there is a change. A further cost saving benefit comes from the fact that cloud based management from a reseller can remove the need to have dedicated IT support on site.

SMBs need an efficient, scalable way to secure, manage and pay for their IT. The cloud ticks all these boxes. Many will want their trusted local reseller to manage it for them. For the enterprising small business reseller having access to free cloud-based remote management tools is a chance not just to save money but to make money too.

\* Statistics set forth in this article are from the Opinion Matters' Cloud Services survey, commissioned by AVG of 505 and 502 business data managers in companies employing 1-100 employees in the UK and US. Raw data from the study is available on request at [info@opinionmatters.co.uk](mailto:info@opinionmatters.co.uk).



## About the Author

Mike Foreman,  
General Manager, SMB, AVG Technologies

Mike leads AVG's small and medium sized business division; a global organization dedicated to un-complicating the lives of SMB's and the channel partners that serve them. In his role, Mike is responsible for all aspects of the company's goal in growing this segment, including P&L, sales, product management, marketing, sales operations and customer and technical support.

Prior to assuming leadership of the SMB organisation, Mike was senior vice president of global sales for AVG after serving as managing director for the UK. During his tenure, Mike grew AVG Technologies into the UK's number one player in the consumer antivirus space. He has been with AVG since 2007.



## The internet has been a channel game-changer

As *MicroScope* enters its 30th year of publication, industry figures share their thoughts on what they consider to be the most significant developments in the channel over the past three decades. **Amro Gebreel** reports



TEEMID/ISTOCKPHOTO

**W**hat have been the most important channel developments in the last 30 years? There are a wide range of opinions, but there is some consensus that it has a lot to do with services emerging as the way to pitch, rather than product, along with a maturity in the relationships between vendors and resellers.

At various points over the past three decades there have even been suggestions that the channel was dying. Not a chance. As comments gathered from the great and good

across the industry show, the need for a channel is as relevant as it was 30 years ago, if not more so.

**Kevin Bland, Citrix channel director, UK, Ireland and South Africa**

The past 30 years have seen a dramatic yet gradual move for the channel from hardware-based value selling to services-based value selling.

A reseller used to make considerable margins from selling a single desktop computer, as it represented a significant investment in both mind shift

and money. However, the modern-day reseller has to create value from combining many technologies into a solution wrapped up in services.

It is in services that money is made today, as most components are commoditised within one or two years of initial customer adoption. The cloud will represent the most significant mind shift as companies start to offer solutions where the hardware and software components are hidden from view and comprehensive service level agreements (SLAs) with consequences are a

higher priority to customers than what sits behind the scenes. Vendors will need to keep a focus on who their customer actually is.

**Glyn Heath, CEO, Centiq**

The most important channel development has been how the symbiotic relationship between vendors and their partners has evolved and adapted to the introduction of new technologies, the downward pressure on margins and the pace of change within the IT industry over the past three decades.



# 30 years of the channel

In the early years of channel development, genuine, mutually beneficial relationships were rare and vendor-channel conflicts often the norm. Engagement models have been refined in response to more sophisticated users, challenging economic demands (the recession of the early 1990s, the millennium bug, the internet bubble in the early noughties, and the economic meltdown of 2008/09) and the increasing pace of introduction of new technologies.

The channel is now more clearly defined between traditional product resellers and those that add real business value. Consequently, the width of the channel has shrunk, in place of greater depth where reseller strategies are developed as part of a long-lasting partnership.

**John Antunes, director, SME and channels, SAP UKI**

Cloud and software as a service (SaaS) have revolutionised the way software is deployed and consumed. The whole model of on-premise big software implementations and customers having to wait months to gain benefit from their software has changed, and the channel has had to change with it, as customers demand quicker time to value and faster deployment times.

In addition, where partners would once have sold a whole range of products, this is becoming increasingly challenging as the solutions on offer continue to grow. As a result, we are seeing partners becoming specialists, offering specific products in line with their skills.

**Richard Blanford, managing director, Fordway Solutions**

Most vendors now run a pretty clean channel programme, whereas many did not in the past.

Another key development has been distributor consolidation – there are far fewer places to buy from now.



**Richard Flanders, marketing director, MTI**

Thirty years ago, businesses and enterprises purchased IT from a vendor as a tangible product. But the rise of the world wide web led to a shift towards IT as a service.

The rapid development of internet-related technologies caused the breadth of choice to expand, meaning consultancy and flexibility began to play an increasingly important part of the purchase path.

The support offered with IT services and products has also progressed. With SaaS, quality ongoing support and service can be a key deciding factor in the purchasing decision, as the role of the CIO is no longer confined to traditional IT infrastructure. As keepers of the keys on technology, which is now perceived as critical to business success, CIOs are increasingly being involved in key business decisions and strategy. Their time is precious.

**David Ellis, director of new technology and services, ComputerLinks**

One of the main developments in the channel has been the way channel partners have exploited opportunities around the advent of the internet, in particular being able to sell solutions via email and the web.

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**“Perhaps the most important change in the past 35 years is the slow and still incomplete recognition by vendors that the channel is important and that hybrid sales structures are less effective in the medium term than maintaining a clean channel policy”**

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**Ian Kilpatrick, chairman, Wick Hill Group**

Communication between continents has never been easier, and the channel is now able to operate in a true global economy. Despite there being some predictions that the internet would cause the demise of resellers and distributors, the channel continues to be as strong as ever.

With technology increasing in complexity, supply chains are often far more intricate than in years gone by. Channel companies have been forced to forge relationships and alliances to deliver complete solutions to end customers. This has sometimes involved cooperating with companies that may have traditionally been competitors.

**Stuart Fenton, president EMEA, Insight**

Over the past 20 years the most significant game-changer has to be the internet, and specifically how it has affected the way we interact with our clients, from transaction to communication.

Today, it seems normal that clients purchase over the web. However, the sophistication of supply chain integration has been phenomenal and innovations are visible every few months. Indeed, during the past two years alone, the online revolution has continued at a pace, with cloud computing and new and

existing services being delivered over the web. Could we have dreamed this 20 or 30 years ago?

**Ian Kilpatrick, chairman, Wick Hill Group**

We have seen a lot of changes in Wick Hill's 35 years of trading. Perhaps the most important is the slow and still incomplete recognition by vendors that the channel is important and that hybrid sales structures are less effective in the medium term than maintaining a clean channel policy.

It has taken over 30 years to get to this stage, but it is core to the effective operation of a growth channel model. Even Dell, founded in 1984, is now seeing the light, which is a huge symbolic change.

The continuing diversity in channels, both reseller and distribution, creates a rich mix of choice for customers. Despite repeated waves of consolidation, in both the UK and the German-speaking countries, the decreasing cost of entry, particularly for resellers, means that this diversity of choice will continue.

**Andy Baldin, vice-president EMEA, LANDesk**

**Products to services:** Over the years we have seen a shift in the channel from products to services, which has translated into an increase in value-added services offered by channel resellers. The focus now is on value, customer service and partnership.

**Less is more:** We have seen the rise of smaller, highly skilled, focused partners that adhere to a 'less is more' approach, gaining greater ability in fewer solutions.

**Partnership:** The channel has embraced vendor loyalty and there is a real sense of partnership, whereby channel resellers see vendors as trusted partners and customers see channel resellers as trusted advisers. It is about delivering the right solutions, rather than just moving products.

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**“These days, the channel needs vendors which are 100% committed to the channel model. The recipe for success and longevity in the channel is to listen to the customer and focus on delivering a valuable customer-centric experience”**

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**Nessa Lynchehaun, UKI channel director, Mimecast**



# 30 years of the channel

## **Nessa Lynchehaun, UKI channel director, Mimecast**

The most significant development has been the transition from box-shifting to more value-based selling, with the journey from traditional hardware and software sales to the cloud. Customers want to move away from a fragmented environment, expecting partners to provide advice and solutions that demonstrate value which can be maintained moving forward, as opposed to a series of products that separately address different pain points.

These days, the channel needs vendors which are 100% committed to the channel model. The recipe for success and longevity in the channel is to listen to the customer and focus on delivering a valuable customer-centric experience.



new entrants to the market is robust and we are seeing the emergence of new types of partners, such as born-in-the-cloud and apps developers, and the formation of new partnerships.

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**“Without the channel, the IT industry would not be where it is today. The IT innovators had the ideas and developed them for consumption; the channel gave them the route to a global market”**

**Karl Barton, vice-president of sales EMEA, Exinda**

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## **Janet Gibbons, director of partner strategy and programmes, Microsoft**

**The move to services:** Perhaps the biggest change has been the swap from sales of physical devices and software to an entirely more ethereal transaction. You might have sold bundled software back in 1982, but today, we are more likely to be purchasing software and processing power by the hour, day, week or month. Arguably, big companies were doing this with bureaus 30 years ago, but the difference now is that anyone with a credit card can do this, whether they have one or thousands of employees. This opens up lots of new opportunities for the channel, as partners of all sizes and shapes are exploiting this development to drive annuity income streams.

**Consolidation (and rebirth):** The number of companies in the channel that have been bought or gone under is huge. The very nature of the world of technology means it is fast paced, and in the channel this means businesses come and go quickly too. The stalwarts remain, but the distribution sector has seen mass consolidation, as has the smaller end of the reseller market. Equally though, the number of

## **Longevity of the channel itself:**

Despite the huge changes in technology, and the vendors which produce it, the people in the channel remain the same. The channel might well have been selling DOS, dBase 2, Osborne 1 and Lotus 123 back in 1982, but its business model was very similar to what we see today. Deals are done on a handshake, and usually once in the channel, you stay in the channel. There are faces that have been in the industry for 30+ years and weathered any changes in technology, business model or socioeconomic factors. Not only has the channel itself survived, but the people in it have too.

## **Karl Barton, vice-president of sales EMEA, Exinda**

Without the channel, the IT industry would not be where it is today. The IT innovators had the ideas and developed them for consumption; the channel gave them the route to a global market. The most important development for me therefore is the channel's continued ability to find these routes to market, no matter the challenges placed on them, and add value throughout the process.

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**“There are faces that have been in the industry for 30+ years and weathered changes in technology, business model or socioeconomic factors. Not only has the channel itself survived, but the people in it have too”**

**Janet Gibbons, Microsoft**

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## **Matthew Searle, director, Canon Partner Channel**

The imaging channel has been changing constantly, but never before has the shift to services been more of a driving force behind changes in the channel than today. Partners must decide if they will move from a traditional hardware-centric sales approach to a more services-led business model that looks at optimising business processes. This shift to services represents the natural next sales step, as the market continues its evolution.

The market landscape has seen a number of technology-driven changes over the last few decades and there is an increasing need to offer value-added services to find and maintain loyal customers – increasingly, this includes cloud services. From a partner perspective, this represents an opportunity to open up new sales channels. Only by accepting this change can companies increase their sales and enhance their ability to cross-sell services.

## **Barrie Desmond, group director, marketing and global accounts, Exclusive Networks Group**

Networking has been the most important development, because that is

when we moved to a connected business environment, and that in turn created the explosion in IT and the growth in the value-add channel to support innovative products which need a route to market.

Prior to this we had a direct-to-end-user model. Foolishly, in recent years some larger players, such as Dell, have tried to cut out the channel and go direct. But they failed and now even they have a two-tier model. They learned the hard way that you cannot undervalue the channel.

Only a fool would underestimate the channel's strength and value in delivering solutions and pushing innovation. There have been other threats to the channel, such as the internet threatening to bypass the channel. But again, all we ultimately saw was an increased validity in the channel as the only viable way to introduce new, disruptive, innovative products to the market.

There have been many important developments, but even when those developments appeared initially to be a threat, the channel has time and time again proved its resilience and reasserted itself as the primary route to market. That the UK has in excess of 20,000 resellers underlines just how important the channel is. Long live the channel. ■

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**“Only a fool would underestimate the channel's strength and value in delivering solutions and pushing innovation”**

**Barrie Desmond, Exclusive Networks**

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## What is the greatest technology of the past three decades?

**Amro Gebreel** asks channel figures which single innovation represents the greatest leap in an era of enormous and gathering change

It's almost impossible to pick one technology and say it has been the most important of the last 30 years and as we canvas industry opinion there are a number of contenders for that accolade. But that people are already talking about cloud services as a major technological development just indicates how much this industry continues to innovate and move forward.

But before we get to the latest stuff it's probably a good idea to remind ourselves of a bit of history, something Richard Mathewson, vice-president of EMEA sales at Masergy, does in relatively few words.

"Technologically developments started with the introduction of the IBM PC. A battle raged between mini computers and super micro technology (like Altos, Netframe and Convergent) which saw super micros come out on top. Next, LAN technology (3Com, Novell Netware) ushered in the network era while Microsoft en-

tered the applications business with Office," he says, covering a few of the early years concisely.

Then of course the British got involved and Mathewson describes the introduction of Amstrad's PC 1512 for £499.00 as a significant milestone.

"From a communications point of view, 3Com launched the 3+share email system, and then the big one, the internet appeared with Netscape and Webcrawler," he says.

"Time speeds up a bit and we get big ticket software applications like ERP, [enterprise resource planning] CRM [customer relationship management] and SCM [software configuration management] dominating the enterprise market, before we close in on e-commerce, Blackberries and more recently virtualisation, cloud and BYOD [bring-your-own-device] iPads."

The mention of Amstrad is important because it demonstrates how even those names now fading into

history deserve to be remembered for the role they played in moving the industry forward. At this point it is probably also worth tipping a nod to Sir Clive Sinclair and the Acorn founders for their work in making the microcomputer a technology that made its way into so many homes.

### The world wide web

Away from hardware, one of the most commonly quoted innovations was the world wide web.

"Obviously the world wide web, in its availability and content, has changed the whole world and it's impossible to imagine life without it now. But the development and user acceptance of mobile devices – telephones, notebooks, tablets – and of course widespread use of Wi-Fi, are probably of equal significance," says Mandi Iles, group sales director at LDD Group.

The world wide web also got the nod from many others. Campbell

Williams, group strategy and marketing director at Six Degrees Group, gives an example of some of the views held in the channel: "I would have to say the world wide web is the most significant, empowering and transformational development of the last 30 years. In terms of revolutionising how we work, play, shop, share, learn, communicate and interact, it is difficult to imagine anything (apart from the internet that underpins it) that has ever made such a profound difference to all our lives."

The internet hasn't just changed the way that we search for information and communicate but has also had a profound impact on the way we all do business and the channel has not been immune from responding to the technology.

Christine Gebauer, UK manager at Paessler, told *MicroScope* that the invention of the world wide web in 1989 brought about a revolution in the way businesses and consumers

# 30 years of technology milestones

buy and sell products and services.

“Electronic commerce, more commonly known as e-commerce, has changed the face of traditional retailing. According to a 2011 report from the EC Eurostat’s statistical office, 79% of companies now have a website and 22% offer the opportunity for customers to order or book goods online,” Gebauer says.

“Paessler has been selling software online for more than 15 years. The web has broken down geographic boundaries and e-commerce has enabled us to extend our business to international markets quickly and seamlessly. Using the web, we’re able to have a virtual infrastructure in place around the world through our partners,” she says.

Gebauer adds that e-commerce is one of the fastest growing markets in Europe and with the rise of tablets and smartphones at home and in the workplace, there will be further growth in this sector moving forward.

She adds that cloud computing as a concept is not nearly as new as you might think. Previous approaches have been called ‘outsourcing’ and ‘server hosting,’ but insufficient processor performance, enormous hardware costs and slow internet connections made everyday use difficult.

“However, today’s technology – broadband internet connections and fast, inexpensive servers – provide the opportunity to access only the services and storage space that are actually necessary,” she adds.

## Networking

But better connectivity has also fed into some of the developments that have occurred in the networking market. It underpins cloud and, as bandwidth improves the potential for more customers to use managed services from the channel, networking technology will expand in the future. It has levelled the playing field for many businesses, giving them the chance to compete against bigger rivals and in larger markets.

Claire Macland, head of marketing and Avaya-go-to-market in EMEA, says: “The internet has spurred on globalisation by opening access to new markets through affordable communications, it has democratised business and consumer choice.

Today businesses of any size and consumers globally can have a presence on the global stage if they have the right technology in place and the foundations of this technology lie with the internet.

“Whether it is email, instant messaging or even voice and video over internet protocol (VoIP), all are critical in our day-to-day communications. They’ve made real-time collaboration a reality where response times are measured in minutes and seconds rather than days and weeks.

“It is for this reason that I would argue that the internet is the single most important technology development we have seen since the end of the Second World War,” she adds.

## Mobility

Macland flies the flag for the networking industry, describing it as the unsung hero of the age and the glue that holds everything together. With BYOD taking hold and 4G services launching, it does not look as if that role will diminish anytime soon.

“In just 20 years, we’ve moved from the introduction of the first commercial automated cellular network to the launch of 4G services and the delivery of 3G to some of the most remote places in the world,” she says.

“Mobile telephony, mobile email and mobile internet browsing have all been massive game-changing technologies. Now, building on top of these, we’re seeing the balance between portability and functionality reach a sweet spot in the form of smart phones and tablets.

“Combined with the reliability of mobile network connectivity, these devices have created another fundamental shift in both the consumer and business landscape. They have driven the consumerisation of IT trend, the BYOD trend and are now impacting the way consumers and brands interact. Their ‘always on’ nature has heightened consumer expectations around customer service and I believe they will be the catalyst for some of the biggest changes in customer service in the next five to 10 years,” she says.

## Security

But if its change and a dramatically changing landscape you are after



THINKSTOCK

then the other technology that has seen incredible changes in the last 30 years has been the security world. Gone are the fairly innocent days of teenage virus writers showing off. We now live in a world of cyber criminals and state attacks.

Jeremy Nicholls, channel and business development director for EMEA at Arbor Networks, points to an explosion in the number of cyber threats in recent years and the changing way they are carried out.

“We are seeing customised, specific attacks, aimed at bringing down devices such as firewalls and IDS solutions. One of the most notable changes in recent years is the fact that it is not only the ‘big guys’ who are being attacked; we are getting calls every week from businesses large and small who have become victims of cyber attacks,” he says.

BYOD is also adding to the mix as firms start to worry about how flexible working is going to have an impact on data. It is still early days, but the growth in demand for personal devices at work and the growth in managed services suggest it’s going to be a major growth area in the future.

“However, what is important to remember is that business actually needs a mixture of cloud-based and physical, on-premise solutions, because different problems need to be addressed in different places to be effective. DDoS is a great example of how this system has evolved. While cloud is great for large volumetric attacks, small-volume, highly targeted attacks – such as those on state tables of firewalls and IDS – are almost impossible to detect, so businesses need on-premise solutions to help them with such attacks,” says Nicholls.

In that sense, the trend of relying only on cloud can be catastrophic to a business when it’s attacked and has no on-premise protection. It will be interesting to see how this will con-

tinue to develop.”

The introduction of the world wide web might well be the technology of the last 30 years but mobile technology looks like staking a claim for the next couple of decades.

Already some of the technological opportunities of consumerisation are emerging as companies look to the channel to support them as they enter this brave new world.

“Giving employees the ability to use their personal devices for work purposes constitutes a huge leap in enterprise technology and has been found to increase productivity through offering the workforce greater flexibility, mobility and familiarity with the device that they are using,” says Phil Sansom, senior vice-president of EMEA at Kaseya.

“However, the management of these devices can prove complicated and time-consuming – an IT conundrum for many organisations. The advent of mobile device management (MDM) has made the administration of BYOD more straightforward for IT teams and ultimately allowed organisations to capitalise on the benefits on offer.”

Perhaps talk of BYOD, MDM and cloud is for another day – a future anniversary issue of *MicroScope* – but for now, as we look back over a 30-year history that has seen the rise of the PC, the development of the client server model and storage reach capacities that seemed like science fiction back in 1982, it is hard to single out one step forward as being greater than the others.

But the world wide web has changed everything, and for that reason it deserves to be regarded as something very significant. It has changed the way we live, do business and communicate. It is still relatively early days and there is going to be lots more to come, and that has to be exciting. ■

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“Giving employees the ability to use their personal devices for work constitutes a huge leap in technology”

Phil Sansom, Kaseya

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# What you need to consider when adopting BYOD

Are you concerned about managing employees' personal smart phones and tablets in your corporate network? Are you planning a mobile device strategy this year? Then get signed up today and learn more about BYOD!



**Register now** for our webinar "[Best practices in Mobile Device Management](#)"



**Download** our whitepaper and learn about the BYOD opportunity and challenge

RESEARCH PAPER

## Managing mobile devices The BYOD challenge

Keeping up with rapidly changing working practices

The Amstrad CPC464



BILL BERTRAM/WIKIMEDIA

**L**ooking back at the events that have made the news during *MicroScope's* 30 years of publication illustrates what an important role the channel plays in the IT industry – past, present, and hopefully in the future – and really brings home how well the channel has adapted to significant changes over the decades.

Read on to take your mind back to the days when it all began.

## 1982

### The first issue

*MicroScope* predicts “an incredible amount of business for the trade” as Acorn and BBC agree discounts on the BBC Micro.

Sinclair links up with the Department of Education to ensure 27,000 schools receive Spectrums and ZX printers under the ‘micros in primaries’ scheme.

Those pictured in the first ever issue include Adam Osborne and Clive Sinclair.

Surviving early advertisers include Northamber, Micro Peripherals promoting Epson, and Microsoft with an ad for MS-DOS.

### October – December

Sirius Technology boss Chuck Peddle brings an end to the rivalry between ACT and DRG over the sale of Sirius and Victor machines by taking control of Victor United. As part of the deal, the Sirius name is dropped.

Wordstar publisher MicroPro International outlines ambitious plans for the launch of its UK operation.

The British Microcomputers Manufacturers Group calls on the government to impose a 12-month embargo on imports of Japanese and US micros.

## 1983

### January – June

A raft of IBM clones are unleashed at the 1983 Which Computer? Show.

DEC announces its first dealers for the Rainbow PC.

HP expands its sales and support effort in the UK with a fleet of vans.

ICL launches its own micro machine, claiming IBM has got it wrong by pushing “just another two-disk single-user system”.

ACT gets set to clone the IBM PCs with ‘project Apricot’, a 16-bit portable micro.

Epson’s 23 distributors are upset when the printer vendor says it is going to axe 10 of them. Northamber

and Pete and Pam (later to be known as P&P) are among those keeping their contracts.

Intel announces plans to develop a co-processor chip to dramatically speed up character generation.

Ex-Pepsico boss John Sculley will get a \$1m starting bonus and a \$1m salary in his role as president of Apple.

WH Smith sparks a price war by cutting the price of the Sinclair ZX81 by £10, a week before Sinclair does.

Microsoft and Digital Research are racing to produce the first truly multi-tasking 16-bit operating system.

Clive Sinclair becomes Sir Clive.

### July – December

Apple co-founder Steve Wozniak returns to the fold.

WH Smith decides to stock Acorn’s Electron.

Commodore cuts hardware prices by an average of 25%.

Acorn goes public with a market capitalisation of £135m.

Efforts to get Osborne Computers out of Chapter 11 bankruptcy protection are not going well as local subsidiaries prepare to strike out on their own.

## 1983

### ACT gets set to clone IBM PCs with ‘project Apricot’, a 16-bit portable micro



Production of ACT's Apricot PC is running at 50 a day – the vendor claims orders are hitting 600 a day.

Commodore and Sinclair are on all-allocation as the vendors struggle to keep up with pre-Christmas orders.

Microsoft launches Windows, which *MicroScope* describes as “MS DOS version 3 under another name”.

Ashton-Tate withdraws its Strategic product from the UK.

## 1984

### January – June

*MicroScope* reveals that Apple is targeting the Apricot market with the UK launch of its Macintosh machines.

Apricot parent ACT is looking for dealers to join its ComputerWorld franchise.

Commodore ‘strong man’ Jack Tramiel resigns as CEO and president.

Lotus finishes the successor to its 1-2-3 product.

The Department for Trade and Industry is given an assurance by Apple that the US vendor will not try to maintain resale prices.

A Texan upstart called Compaq launches in the UK, looking for IBM PC dealers to carry its product and

Lech, to manage its six-strong chain of franchises.

Not for the first time, Apple rips up its dealer contracts and introduces new terms and conditions designed to weed out the cowboys.

Micropro outlines plans for the launch of its word processing package, *Wordstar 2000*.

*MicroScope* reports that disks with a “mind-wrenching 1Gb-2Gb of storage” are being displayed at Comdex Las Vegas.

Clive Sinclair announces he has just shipped the two millionth Spectrum. Sadly, research shows the machine also had the highest return rate at a whopping 24.5%.

## 1985

### January – June

Digital Research links up with Intel on its launch of Concurrent DOS 286, which claims to bring a Mac-like environment to the x86 platform.

HP unveils a portable Unix computer – it weighs 25lbs.

IBM's dealers are aghast at the vendor's plans to open its own shops in the UK.

Software houses slam John Menzies for making them deal with de-

## 1986 Commodore condemns rumours that it is set to go bankrupt as “completely ill-founded”

for \$19m in the biggest takeover in micro software history.

HP launches one of the industry's longest-standing brands when it unveils its Vectra range of AT-compatible PCs.

Specialist Computer Centres makes its first foray into the retail market with the acquisition of the Byte chain from Kode for £875,000.

## 1986

### January – June

US retail specialist Sears World Trade places an order for 10,000 Amstrad PCW8256s.

Commodore condemns rumours it is set to go bankrupt as “completely ill-founded”.

Atari announces plans to take on Amstrad's PCW8256.

“No one can ever use the brand name Sinclair again, including Sir Clive” – Alan Sugar's comment following Amstrad's purchase of the Sinclair operation for £5m.

IBM places more emphasis on third-party channels for PC sales.

Research from Hogg Robinson shows computer company employees have the worst safety records as drivers in the country.

Digital reveals it is about to “swallow its pride” and clone IBM PCs.

### July – December

The legality of franchise dealer networks comes under a cloud as the European Court of Justice decides the contracts involve breaking competition guidelines.

Epson announces plans to stop selling printers and PCs direct to

dealers and use distributors instead.

Baring Brothers is reported to be looking for a buyer for WH Smith's two Business Computer Centres.

Compaq is tipped to be the first vendor to ship a 386-based machine.

Microsoft launches MS-DOS4, its last OS compatible with the 8088 and 8086 processors.

IBM dealers unleash a terrifying weapon in the battle against Amstrad's 1512 – they claim the machine will melt if Token Ring network cards are installed. Alan Sugar dismisses the claims.

## 1987

### January – June

Romtec figures show the UK PC market expanded by 20% in 1986, largely fuelled by the Amstrad market.

PC Direct changes its name after deciding to stop selling direct.

Tandon boss Jamie Minotto encourages dealers to sell rival machines after the vendor is unable to whistle up sufficient stocks.

## 1982 A Texan upstart called Compaq launches in the UK, looking for IBM PC dealers to carry its product and promising a laptop model within months

promising a laptop model within months.

Amstrad prepares to launch a range starting from £200.

Microsoft begins a drive to recruit dealers.

Psion announces plans to ship its four business packages – already available on the Sinclair QL – on other platforms.

ACT is understood to be planning a voice-driven version of its Rascal PCs.

### July – December

Jack Tramiel resurfaces to take charge of Atari in a \$240m deal.

Compaq says it will recruit its 100th UK dealer by the end of the month.

ComputerLand opens a UK office, under a regional director Frank

funct distributor Tiger after it collapses with debts of £500,000.

Steve Jobs is sidelined at Apple in a “major restructuring” following rumours of a falling out with president John Sculley over plans to make Macintosh more open.

Psion founder David Potter launches a campaign calling for a levy on imported software to protect the future of the UK IT industry.

### July – December

Microsoft announces it has finished Windows, while Digital Research ups the ante by launching two further operating systems.

Acorn reschedules its debts in a deal that gives Olivetti 80% of the business.

Amstrad launches the PCW8256. Ashton-Tate acquires Multimate



Romtec reports that 100 dealers either collapsed or left the PC market in the last quarter of 1986.

It is revealed that Amstrad spent more than £3.1m advertising its PCW8265 machine in 1986.

Apricot drops 300 small resellers.

IBM tries to squeeze cloners out of the market with its latest range of boxes, which include its proprietary Micro Channel Architecture.

Microsoft targets Lotus 1-2-3 with plans to port the Mac-based Excel spreadsheets to the PC.

Toshiba stops shipment of its PC compatible to the US in the wake of 10% tariffs.

IBM shareholders vote overwhelmingly to continue selling into South Africa.

Microsoft is on the brink of shipping OS/2, two months ahead of schedule.

eight years and we're doing it on two levels – with DOS and OS/2".

Digital Research announces plans to launch a rival to Windows, but insists it is "top secret".

Dealers suspect IBM is trying to reduce its System Centre tier by imposing tougher accreditation criteria.

The Black Monday stock market crash scuppers Psion and First Software's plans to go public.

Steve Jobs announces that his new company, NeXT, will begin shipping workstations in 1988.

## 1988

### January - June

Apple and Digital announce negotiations to make the Macintosh the front end of the mini vendor's big iron.

John Sculley describes the outcome as "one of the strongest alliances yet in the computer industry".

IBM chairman John Akers announces plans

## 1989

### The colour portables market kicks off in earnest as Hitachi and NEC release the first "commercially available" notebooks, which are expected to have a starting price of around £1,200

the "look and feel" of the Macintosh environment.

Sun announces plans to launch a range of 386-based machines in the UK.

Epson protests against European Commission tariffs of 33% on imported dot matrix printers. The Japanese vendor denies there is any need for the EC to protect the indigenous printer industry.

P&P establishes a Mac distribution subsidiary, Principal.

A research company predicts 386s will account for half of all PC sales by 1993.

IBM's market share has slipped from 40% of UK sales to less than 30% in 1987.

### July - December

Distributor First Software metamorphoses into Frontline Distribution.

An internal Apple memo claims the latest generation of Motorola 68000 chips call for a rethink of its OS development strategy.

IBM ditches its no-redundancy policy and announces staff cuts after failing to halt its earnings decline.

IBM announces it is dropping seven distributors and relegating them to dealer Ts&Cs.

Apparently busy suing anything that moved for ripping off 1-2-3, Lotus is hit with a class action suit for delays in releasing version three of its spreadsheet.

Context predicts the UK PC market is set to top £1bn for 1988.

snapping up troubled dealership Personal Computers, but denies it intends to pull out of distribution in the long term.

Apple is being sued by the Beatles over the use of its name and logo on musical equipment.

Intel makes its first venture into Risc with the i860, a co-processor designed for use with the 386 or 486.

Metrologies announces it is setting up a UK subsidiary of its TopLog operation.

### July - December

The UK's biggest ComputerLand franchise, Iain MacDonald's ComputerGroup, is sucked into Canada-based SHL Systemhouse in a £11.3m deal.

Tottenham Court Road dealer Gultronics is considering an appeal against the Office of Fair Trading after being found to have treated customer complaints with contempt.

Amstrad is forced to overhaul its entire PC2000 range because of a series of hard disk drive problems.

P&P confounds speculation it is pulling out of distribution by forming a dedicated wholesale unit.

Rapid Recall pulls out of HP distribution.

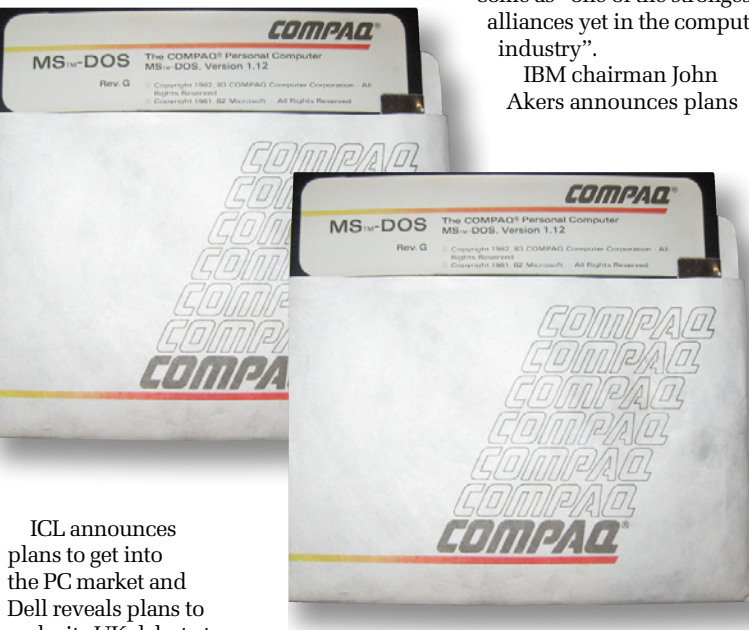
The colour portables market kicks off in earnest as Hitachi and NEC release the first "commercially available" notebooks, which are expected to have a starting price of around £1,200.

Reseller MBS admits the chancellor's decision to raise interest rates to 15% will have an effect on the channel – others claim it will make little difference.

Softsel announces a merger with fellow US distribution giant MicroAmerica, creating a wholesaler with worldwide sales of more than \$1bn.

Sage floats on a jittery stock market and achieves a valuation of £21.1m. ■

This trip down memory lane will continue in the next issue of *MicroScope*, when we will look back at what made the channel news during the 1990s.



ICL announces plans to get into the PC market and Dell reveals plans to make its UK debut at the PC User Show.

### July - December

Amstrad buys its US distributor, Vidco, for £7.5m.

Bill Gates predicts between 80% and 90% of PC systems will run OS/2 by 1990. Microsoft releases Windows 386. Bill Gates says it is "trying to build a foundation for the applications for the next seven to

to split the company into five separate systems and technology businesses in a bid to halt an ongoing slide in profits.

Computacenter raises £12m to fund future growth.

Worldwide shortages of DRAM force price rises.

Apple sues Hewlett-Packard and Microsoft for allegedly infringing

## 1987

### Bill Gates predicts that between 80% and 90% of PC systems will run Microsoft OS/2 by 1990

## 1989

### January - June

France-based Metrologie kicks off the new year with the purchase of several companies, including Rapid Recall. It claims the acquisitions make it the biggest distributor in Europe.

Computacenter claims to be the UK's biggest dealer.

Distributor P&P leaps headlong into the direct sales market by



# The evolution of computer security

Mar Dixon charts the changing threats to corporate and personal data as technology has progressed over the past 30 years

**T**he history of computer security goes back to the 1930s when Alan Turing et al at Bletchley Park cracked codes using what were at the time highly sophisticated computers. Viruses were first discussed in 1949 when John von Neumann revealed that a self-replicating program was possible in theory.

Within the first decade of the computer industry, hackers started to find ways of infiltrating computer systems with viruses – leading to another group trying to protect the systems. When dealing with large mainframes, many people felt it was not their issue. With the introduction of personal computers, however, the hackers and their viruses suddenly became a more personal problem.

Starting in the early 1980s, the majority of viruses on personal computers were vicious but clunky. They required a human interface to infiltrate (floppy disk to floppy disk). Over the past 30 years, growing expertise among hackers and developments in technology have expedited the way viruses are spread – with the internet being the main culprit. The work of hackers has even forced the creation of laws and regulations that were previously unthinkable.

## 1982

The US House of Representatives is forced to pass computer security laws after hackers hit computers from New York to California.

## 1983

In his Turing Award lecture, Ken Thompson mentions “hacking” and describes a security exploit that he calls a “Trojan horse”.

## 1984

The Comprehensive Crime Control Act gives the Secret Service jurisdiction over computer fraud.



HENRIK JONSSON/ISTOCKPHOTO

*The Hacker's Handbook* is published in the UK.

The first paper on computer viruses is published by Fred Cohen.

## 1986

After more and more break-ins to government and corporate computers, Congress passes the Computer Fraud and Abuse Act, which makes it a crime to break into computer systems. The law does not cover juveniles, however.

Robert Schifreen and Stephen Gold are convicted of accessing the Telecom Gold account belonging to the Duke of Edinburgh under the Forgery and Counterfeiting Act 1981 in the UK – the first conviction for illegally accessing a computer system. On appeal, the conviction is overturned as hacking is not within the legal definition of forgery.

Astronomer Clifford Stoll plays a pivotal role in tracking down hacker Markus Hess, events later covered in Stoll's 1990 book *The Cuckoo's Egg*.

## 1987

John McAfee starts McAfee Associates Anti-Virus to protect emails and web security.

The Christmas Tree EXEC worm causes major disruption to the VNET, BITNET and EARN networks.

First anti-virus documented comes from Bernd Dix. Two anti-viruses are created for Atari ST – G Data and UVK.

## 1988

Fred Cohen, who wrote the first academic paper on computer viruses, develops anti-virus software strategies.

The first paper on firewall technology is published, when engineers from Digital Equipment Corporation (DEC) develop filter systems known as packet filter firewalls.

Pavel Baudiš of Prague's Mathematical Machines Research Institute notices the Vienna Virus and writes a program able to remove it. This is shared with Eduard Kucera and together they create ALWIL Software cooperative, which released the first

Avast! antivirus. The company followed in 1991.

The Morris worm is launched. Graduate student Robert T. Morris, Jr. of Cornell University launches a worm on the government's ARPAnet (precursor to the internet). The worm spreads to 6,000 networked computers, clogging government and university systems. Morris is dismissed from Cornell, sentenced to three years' probation and fined \$10,000.

## 1989

Symantec launches Symantec Anti-virus for the Macintosh (SAM).

The politically motivated WANK worm spreads over DECnet.

## 1990

The Computer Misuse Act 1990 is passed in the UK, criminalising any unauthorised access to computer systems.

## 1992

Michelangelo virus threatens to cause millions of computers to have their data wiped clean on 6 March. Luckily, the numbers did not reach the five million being quoted in the press, but it did result in mass media hysteria.

# 1990

The Computer Misuse Act 1990 is passed in the UK, criminalising any unauthorised access to computer systems

## 1993

The first DEF CON hacking conference takes place in Las Vegas. The conference is meant to be a one-time party to say goodbye to Bulletin Board Systems (BBSs) – now replaced by the web – but the gathering was so popular it became an annual event.

AOL gives its users access to Usenet, precipitating Eternal September.

## 1994

Hackers adapt to the emergence of the world wide web quickly, moving all their how-to information and hacking programs from the old BBSs to new hacker websites.

AOHell is released, a freeware application that allows a burgeoning community of unskilled script kiddies to wreak havoc on America Online. For days, hundreds of thousands of AOL users find their mailboxes flooded with multi-megabyte email bombs and their chat rooms disrupted by spam messages.

## 1996

Canadian hacker group Brotherhood breaks into the Canadian Broadcasting Corporation.

The US General Accounting Office reports that hackers attempted to break into Defense Department computer files some 250,000 times in 1995 alone. About 65% of the attempts were successful, according to the report.

The MP3 format gains popularity in the hacker world. Many hackers begin setting up sharing sites via file transfer protocol (FTP), Hotline, IRC and Usenet.

logic bomb and worm planted by hackers claiming a “logic bomb” will go off if Kevin Mitnick is not released from prison.

The Internet Software Consortium proposes the use of domain name system security extensions to secure DNS servers.

Information Security publishes its first annual *Industry Survey*, finding that nearly three-quarters of organisations suffered a security incident in the previous year.

US Attorney General Janet Reno announces the National Infrastructure Protection Center.

## 1999

Software security goes mainstream. In the wake of Microsoft's Windows 98 release, 1999 becomes a banner year for security (and hacking). Hundreds of advisories and patches are released in response to new-found (and widely publicised) bugs in Windows and other commercial software products. A host of security software vendors release anti-hacking products for use on home computers.

The Melissa worm is released and quickly becomes the most costly malware outbreak to date.

American Express introduces the “Blue” smart card, the industry's first chip-based credit card, in the US.

## 2000

The ILOVEYOU computer worm written in VBScript, also known as VBS/Loveletter and Love Bug worm, infects millions of computers worldwide within

a few hours of its release. It is considered to be one of the most damaging worms ever. It originated in the Philippines, made by an AMA Computer College student for his thesis.

## 2001

Microsoft becomes the prominent victim of a new type of hack that attacks the domain name server. In these denial-of-service (DoS) attacks, the DNS paths that take users to Microsoft's websites are corrupted.

## 2002

Bill Gates decrees that Microsoft will secure its products and services, and kicks off a massive internal training and quality control campaign.

Klez.H, a variant of the worm discovered in November 2001, becomes the biggest malware outbreak in terms of machines infected, but causes little monetary damage.

## 2003

From January to November, reports of new worms, Trojans and viruses

## 2009

Anti-virus company Symantec discovers Daprosy worm which intercepts online-game passwords in internet cafes.

## 2010

Operation Aurora Google publicly reveals that it has been on the receiving end of a “highly sophisticated and targeted attack on our corporate infrastructure originating from China that resulted in the theft of intellectual property from Google”.

## 2008 Conficker worm infiltrates millions of PCs worldwide, including many government-level, top-security computer networks

are being detected, mainly on the Windows platform.

## 2004

Myron Tereshchuk is arrested for attempting to extort \$17m from Micropatent.

Attacks on Windows-based computers continue to be rampant, with the addition of Caribe, a computer worm designed to infect mobile phones.

Google, Facebook and other websites are starting to be attacked, starting with Trojan Vundo (Virtumonde).

Santy, the first webworm is launched.

## 2006

One of the few worms to take after the old form of malware – destruction of data rather than the accumulation of zombie networks to launch attacks from – is discovered.

Norton AntiVirus is released.

First Trojan attack on Mac OS X is discovered with OSX/Leap-A.

## 2007

Trend Micro website is successfully hacked by Turkish hacker Janizary (aka Utku).

## 2008

Project Chanology; Anonymous attacks Scientology website servers around the world. Private documents are stolen from Scientology computers and distributed over the internet.

Mocmex Trojan is found in a digital photo frame.

Conficker worm infiltrates millions of PCs worldwide, including many government-level, top-security computer networks.

The first Malware Conference – MalCon – takes place in India, where Malware coders are invited to showcase their skills and an advanced malware for Symbian OS is released.

## 2011

An “external intrusion” sends the PlayStation Network offline, and compromises personally identifying information (possibly including credit card details) of its 77 million accounts, in what is claimed to be one of the five largest data breaches ever.

Anti-Spyware 2011 emerges – a Trojan that attacks Window-based machines while presenting itself as an anti-spyware program.

## 2012

Saudi hacker 0xOmar publishes details of more than 400,000 credit cards online and threatens Israel to release one million credit cards in the future.

Farmers Insurance, Mastercard and several high-level government sites are hacked by Swagg Security. Several thousand user names and logins are released, as well as other confidential information.

## Future of computer security

The threat of violation to computer security is not going to go away in the next 30 years.

Hackers are becoming more ambitious in their attacks and the best that can be hoped for is counter-attacks that are stronger.

Concentration on cyber attacks has become more of a priority than terrorist attacks, highlighting the important future of computer security. ■

## 1999 The Melissa worm is released and quickly becomes the most costly malware outbreak to date

## 1997

A 15-year-old Croatian youth penetrates computers at a US Air Force base in Guam.

First high-profile attacks on Microsoft's Windows NT operating system.

In response to the MP3 popularity, the Recording Industry Association of America begins cracking down on FTPs.

## 1998

Yahoo! notifies internet users that anyone visiting its site in recent weeks might have downloaded a



## 30 YEARS OF MICROSCOPE

**H**aving been present during the 10th, 15th and 20th anniversary issues of *MicroScope*, it is a privilege to be asked to contribute something to mark the occasion of the magazine's 30th birthday. Things have changed a lot since I first became involved with *MicroScope*, but that is hardly surprising – things change a lot for people too between birth and the age of 30.

Still, who would have thought back in November 1982 that a magazine which owes its name to the fact the words “micro” and “scope” were at the top of two adjacent columns of potential names for Dennis Publishing's new channel weekly would last this long?

To put things in perspective, *MicroScope* is the same age as Anne Hathaway, Ne-Yo, Lil Wayne, Prince William, LeAnn Rimes, Seth Rogen and Kirsten Dunst. Oh, and the Nissan Micra. For those of you inclined to the morbid, you might like to know that *MicroScope* has spent more time on Earth than Heath Ledger, Jimi Hendrix, Tupac Shakur, Kurt Cobain, Brian Jones and Amy Winehouse.

As I was just entering university in 1982, I was not involved with *MicroScope* from the start. In fact, I didn't really become involved until not long before its 10th anniversary. As someone who had come from user-based journalism with the likes of popular *Computing Weekly* and *Computing*, I found the channel a refreshingly open and direct place.

### Big opportunities, big margins

It probably helped that many of those involved in the dealer business (as it was then) had come into what was a brand new industry from stints in other sectors and relished the opportunity of being in at the ground floor of something so fast-moving compared with where they had come from.

# Here's to 30 more years of *MicroScope* and the channel

**Billy MacInnes** mulls over how IT and the channel have developed in the past 30 years

And the margins were massive. They really were. On PCs and the newly emerging laptops (some of them were as big as a small suitcase), you were talking 40% or more on machines that were selling for well over £2,000. No wonder so many people in the industry were driving around in flash cars (usually Porsches) and shouting into brick-like mobile phones. Many were the living embodiments of Harry Enfield's infamous Loadsamoney character.

Back then, there was still a thriving indigenous UK hardware industry, with the likes of ICL, Amstrad, Acorn Computers, Research Machines and Apricot Computers. As for distributors and resellers, longstanding businesses such as Northamber, Computacenter, SCC, Westcoast, Midwich and Wick Hill have since been joined by US broadliners Ingram Micro, (which broke into the UK market by acquiring Software Limited in April 1991) and Tech Data (which came to Europe with the purchase of a majority stake in Computer 2000 in July 1998).

### A very different IT landscape

Over the course of the 30 years of *MicroScope*'s existence, many things have changed significantly. For example, the average price of a pint of beer has risen from 54p in 1982 to £3.19 in 2012. On a technological level, the internet has had a profound effect on our engagement with technology and ways of doing business. Channel partners have adapted to a supply chain where ordering and

selling product is increasingly online and where engagement and communication with customers can often be via the web too.

Technologies such as virtualisation, hosting and cloud computing mean the web is also becoming an increasingly important fabric for delivering services, such as remote managed services, to customers. Channel partners have evolved over the years from box-shifters, to partners providing integration, solutions and services, to managed services and remote managed services. We are now at the point where some of them are actively engaging with a subscription model for IT, which technologies such as virtualisation, hosting and cloud computing are helping to deliver.

Another profound change has been the emergence of Windows, an operating system (OS) announced in 1982 that did not emerge until 1985 and only started to take off with version 3 in 1992. It has since become a near ubiquitous user experience for anyone using a PC or laptop – with the minor exception of Apple's OS and near insignificant Linux desktop variants). But from the vantage point of 2012 – 27 years after Windows first appeared and at a time when the latest version, Windows 8, has just been launched – Microsoft's grip is being seriously challenged by operating systems in the fast-growing

segments of tablets and smartphones – and the challenge is coming from (Linux-based) Android and Apple's iOS.

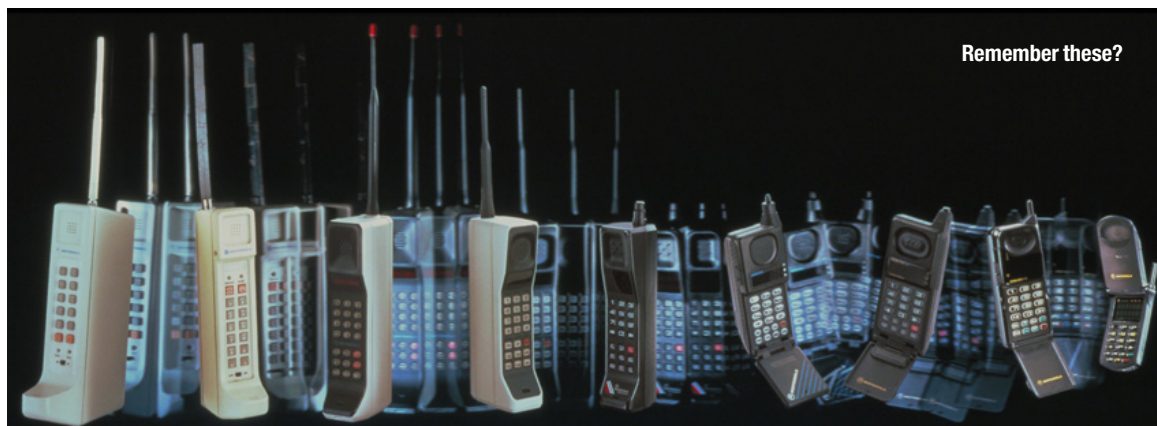
Those tablets and smartphones are probably having as disruptive an effect on the hardware and software technologies of the PC market as the PC had on the mainframe/dumb terminal world. Aside from their effect on the OS landscape and the hardware environment, they also plug into many of the current leading technological trends such as bring-your-own-device (BYOD), mobility, virtualisation and cloud.

### Predicting the future

Looking forward, there may be some people willing to write the obituary notice for the channel in a post-PC world, just as they were when Dell's direct model seemed to be signposting the way to a future where the role and purpose of resellers and distributors would dwindle to insignificance. But they would be well advised not to start typing anything just yet.

Because if there is one certainty that can be drawn from the story of the channel over the course of *MicroScope*'s 30-year history it is that rumours of its demise are often grossly exaggerated. However strongly some channel partners have embedded themselves into the Wintel ecosystem, you can be assured they will be ready and willing to engage with any post-PC reality that emerges over the next decade and beyond. And there will be a role for them to fulfil in that landscape (or cloudscape).

I have no doubt that *MicroScope*, like the channel, will continue to evolve to serve its readership, as it has moved from the limitations of a physical weekly paper-based magazine to a web-based publication that provides significant added value services over and above news and analysis – such as seminars and events, a VAR and distributor directory, research, whitepapers, technical articles and background papers. ■



Remember these?

## READERS' LETTERS

**Businesses need help to secure data across the network**

Paul Ayers, vice-president EMEA, Vormetric

The recent Institute of Electrical and Electronics Engineers (IEEE) data breach, wherein a security researcher uncovered 100,000 usernames and passwords of the institutes' members in plain text, unencrypted on an FTP server, draws stark attention to an increasingly common type of incident – data compromise at the server level.

Until recently it was stories of data loss involving USB drives, laptops and other portable media that pervaded news headlines. In response to this, the market for point solutions rapidly matured. These days, data at the server level has become businesses' biggest security vulnerability.

Servers hold the 'crown jewels' of sensitive enterprise information, such as databases. Focusing on a defensive perimeter around the network will not be sufficient to keep malicious parties out or secure data in light of sophisticated hacker threats as well as the potential for insider mischief.

The IEEE breach in particular displayed two significant issues: firstly the IEEE did not consider the type of data being processed and logged by members, and secondly it implemented no controls over who could access it. Though the process of data discovery and classification may be a laborious task, it is essential to figure out what data to protect and establish where that data is allowed to

**Data at the server level has become businesses' biggest security vulnerability**

Paul Ayers, vice-president EMEA, Vormetric

reside within the business network. Only then can organisations take the appropriate and necessary measures to keep it safe.

As we witness even more data leaks and hacks affecting corporate servers, organisations are likely to start realising that they need to focus a lot more energy and security budget on securing them. This will provide an opportunity for the channel to supply the tools that provide assurances that, no matter how or where data exists on systems, or whoever's hands it falls into, that information remains secure.

**Help business customers offer a satisfaction guarantee**

Matt Price, vice-president and general manager, EMEA

With no let-up in the challenging economic climate in the UK, value-added resellers (VARs) need to continually demonstrate their worth.

Customer service is a frontier that businesses can use to clearly differentiate themselves from the competition. The value of a business is markedly enhanced by the overall customer service experience – it is a function which if done right can give a business the edge.

A holistic approach to customer service is essential in achieving this aim. Multi-channel support is needed to provide the best possible support to customers. From excellent call centre service to online engagement, businesses need to engage with customers on whichever platform is right for them. In many cases it might not necessarily be the one the company would choose.

Pound for pound, customer service is one of the most cost-effective ways of improving a company's image, retaining clients and growing a customer base. For instance, research shows that businesses which focus on improving their first response time benefit from significantly higher levels of customer satisfaction. This is a message that all businesses should heed, irrespective of their size and position in their respective market.

VARs tend to deal with tech-savvy people in the most part. Anything that they can do to make life easier for both their customers and their respective internal stakeholders has to be a good thing. ■

 **Send your letters and comments to**  
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COURTESY KEATING/ISTOCKPHOTO

**Carbon measurement and reporting opportunities await**

Duncan Everett, managing director, Optimal Monitoring

With an annual carbon accounting mandate due to be imposed in April 2013, why is it that almost no one is offering businesses a means of measuring their energy consumption at the level of detail required?

However indecisive the UK Government has been up to now in making businesses deliver against carbon reduction targets, there are signs that it may now take more decisive action. After all, it cannot afford not to if the UK is to meet its own ambitious pledges which are now enshrined in law.

Large companies will have to formally report on their carbon emissions – including those in their supply chains – from as soon as next year as part of their annual company accounts. Therefore, while the onus is theoretically on the upper echelons of UK plc, the smaller businesses which supply these larger companies are under equal pressure to give more thought to how they measure and reduce their own carbon footprint so that they do not lose contracts to greener competition.

But many organisations, irrespective of their size and market sector, will not know where to start to get their 'carbon books' in order – not having the means of measuring current consumption, or of discretely tracking the affect of any steps they have taken to improve energy efficiency. This is where external suppliers have an opportunity – to provide a mix of professional services and specialist solutions which enable them to fill this knowledge gap and begin reporting on their emissions in an intelligible way.

From specialist software and service resellers, to the accountants who must report on the carbon emissions, the channel has an unprecedented opportunity to carve itself a niche, while carbon measurement and reporting is still a little understood discipline, and while the need to get to grips with it is becoming increasingly urgent.

As things stand, services offered are at best fragmented and misdirected, which means there is everything to play for. Remember, carbon accounting and the reduction of emissions is not a luxury, but a necessity. Once the rules are tightened and penalties are being enforced, businesses will start to wake up to their responsibilities remarkably quickly.

The canny service providers will be those that persuade them to act sooner rather than later, highlighting the potential cost savings that come when organisations suddenly have a greater insight into the staggering inefficiencies that are still commonplace in most buildings and places of work.



## FIVE-MINUTE INTERVIEW



# Melvin Wray Allied Telesis

*MicroScope* puts its questions to Melvin Wray, senior vice-president of product marketing EMEA at Allied Telesis International

**Tell us what you do for a living**

I am senior vice-president of product marketing EMEA for Allied Telesis International.

**Why are you the right person for this job?**

I was ranked employee number 49 worldwide, and number one in Europe. I have seen Allied Telesis grow over the 22 years that I have worked here. I had done all the possible jobs available. I have a good memory, a background in engineering, and the ability to do marketing and sales. My position requires someone with the ability to access a situation from all angles and facets, and the knowledge I have gained allows me to do this.

**What gets you up in the morning?**

I am a morning person. I am normally awake well before the alarm sounds at 6:20am. I cannot understand people who lie around in bed all morning – I get bored after 30 minutes. On a weekday, I am up early to start work – there are never enough hours in the day. At the weekend I like to take my dog out for a long walk. It is the most beautiful time of the day to enjoy fresh air and silence.

**Who helped you get to where you are today?**

My parents. They supported me 100% in my hobbies when I was young. I do not know of many 15 year olds who were building computers back in the 1970s. It gave me an excellent grounding in this new emerging technology, that has done me proud to this day.

**What is the best or worst business advice you have received and from whom?**

Phil Alcock at North Staffordshire Polytechnic. I chose this degree course as it was one of only two in the county doing digital electronics. Mr Alcock was my tutor. I went there wanting to

learn about engineering, but part of the course was on social interaction. At the time I thought those lectures were a waste of time, but my tutor convinced me otherwise. With hindsight, understanding people – knowing how to motivate them and understand their needs – allows you to achieve far more from colleagues than just raw engineering knowledge.

**What advice would you give to someone starting out today in IT?**

Everything is possible – believe in yourself and what you do. Take risks. If you fail, then at least you can say you had a go. If you never try, then you will always wonder what could have been.

**What is running on your smartphone?**

Very little. Probably the most useful app is from British Airways, which allows me to check flights and collect electronic boarding passes.

**What does the next five years hold for the channel?**

The channel has, and will, constantly need to re-adapt to the changes in technology. Five years from now, there will still be the channel, but the more

adaptive players will have grown. Technology is advancing at an ever-increasing speed, so the channel (and manufacturers) have to adapt more to the just-in-time model to ensure that stock does not become aged and obsolete as technology advances.

**Tell us something most people do not know about you**

I really care about the planet and the environment. I have a solar panel at home, I drive an eco-friendly car, and I was instrumental in the eco-friendly product portfolio within Allied Telesis. I have also recently taken up beekeeping.

**What goal do you have to achieve before you die, and why?**

I will enjoy my retirement. Too many people work, then die. I have worked hard in my life, and I want some time to relax and enjoy what I have worked for. Life in IT is stressful, with long days, lots of travel, and lots of keeping up with technology. A good few years of 'back to basics' sounds ideal.

**What is the best book you have ever read?**

Recently, I would have to say Stieg Larsson's *The Girl with the Dragon Tattoo*. I like adventure novels and reading is an ideal activity when flying.

**And the worst film you have ever seen?**

I cannot answer this question. If I am bored by a film, I switch it off and do something else. Life is too short to waste.

**What would be your desert island MP3s?**

Mozart's *Requiem*. I love this piece of music. I could listen to it all day.

**What temptation can you not resist?**

Chocolate.

**What was your first car and how does it compare with what you drive now?**

As a student you have to drive anything you can get that is cheap. My first car was an Austin Allegro. Currently I have an eco-friendly stop/start Volvo for everyday use, and a Morgan +4 for when the sun shines in the country.

**If you could have represented Great Britain (or your home country) at one event in the 2012 Olympics, which would you have chosen and why?**

I'm not really into sport (other than Formula 1), so I would suggest the 100m sprint. At least I could get the whole thing over and done with in around 10 seconds. ■

 Read more five-minute interviews at [www.microscope.co.uk](http://www.microscope.co.uk)