

Will Dell's channel strategy be successful...who gets the last laugh?

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The industry is all excited about Dell's announced Distributor recruitment strategy. People are questioning whether its a shrewed move...well I think it is!

The fascinating thing as that people missed the signs two years ago. Check this out the article referred to is only 18 months old and the journalist was saying that the attempt was

doomed, that Dell would never formalize a channel strategy because it "owns the customer".

I believe Dell are right and they will succeed, simply because they recognise that they can't own all the customers. This is great news for the ICT Channel since it confirms in no uncertain terms that Vendors cannot access certain categories of customers without partnering with the Reseller community. How many predictions have we seen in the last ten years, announcing the end of the Channel, the end of the Distributor, and so on...in fact, what we are seeing is a real coming of age of our industry.

As technologies converge, the Channel is diverging. Today, channel partners have a much more precise understanding of their own business and are more selective when it comes to deciding what products and services they will provide to their customers. The Vendor is now just a supplier amongst others and if his products don't meet the channel's customers' expectations, they will look for something else.

The added value provided by the channel is becoming increasingly important to certain categories of End Users who see their channel partner as an outsourced IT department and this is where Dell needs the channel. And guess what: that market segment is where all the growth is for the years to come.

I happen to know that Dell have done their homework, making sure there will be no conflict between a nascent channel and their existing sales organization. Agreed, they will be circumventing the Distributor, offering a full financing scheme directly to their channel partners, enabling the partners to absorb the complex payment terms imposed by customers in certain countries such as France, Italy, etc...



Dell have a solid range of products and a solid reputation they have built despite the initial criticism. They also have a solid determination: those of you that have been around long enough will remember...everybody laughed when Dell appeared and said they would sell direct!

As the French say: "Rira bien qui rira le dernier!" (The last one to laugh will really laugh)



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