

Q&A: Discover The Untapped UPS Market

Power management plays such a critical role in your customers' IT success, yet it continues to be taken seriously by only a small percentage of VARs and MSPs.

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What's the value proposition surrounding power protection?

According to Price Waterhouse research, only three percent of data loss incidents are caused by site disasters. Computer viruses only account for seven percent of data loss incidents. The most destructive influences on data centers actually come from much more mundane causes: software error (14 percent), human error (32 percent) and hardware failure (44 percent), frequently triggered by power problems, including power failure, power sags, power surges, brownouts, line noise, high voltage, frequency variation, switching transients and harmonic distortion. That means that your greatest risks of data loss or system damage are preventable — or at least can be greatly mitigated with a proper power protection system.

For any reseller who wants to develop a power practice, the untapped market potential is huge. According to Info-Tech Research Group, the UPS market is expected to reach \$10 Billion USD by 2015. This comes as little surprise, because without clean, continuous power, networks and telecommunication systems can come to an abrupt halt. From spikes and surges to total blackouts, power disturbances can result in shutdowns, equipment damage, and data loss. When they affect critical infrastructure, the result is lost revenue. According to IT Performance Engineering & Measurement Strategies, IT organizations can lose more than \$1 million per hour in lost revenue.

As a trusted advisor with a strong power practice, you have the means to mitigate those concerns and provide a solution that delivers the most efficient uptime while building your business. The cost of highly efficient UPSs has come to a point where it just does not make sense to not protect and not provide a UPS with just about every system you sell. The cost of failure, the loss of that data, the loss of productivity, far outweighs the cost of a UPS. Short term, long term, almost any way you look at it.

What are common mistakes VARs make when adding UPS technology to projects?

When adding UPS technology to projects, the most common mistake is missing out on the opportunity for the enhanced revenue that truly complete power protection systems provide. Commonly overlooked opportunities include:

Upsell revenues attached to the sale of IT hardware — Make sure you're bundling UPS protection with the sale, or

at least looking at the support infrastructure to determine if upgrades should be recommended.

Receive incremental revenues from remote monitoring — Energy represents anywhere from 20 to 50 percent of data center operating costs. That's a big portion of the budget to be relatively untracked and unmanaged. With power monitoring, resellers can prevent tripped circuits, understand where new IT systems can be deployed, balance loads, diagnose power problems, and improve the overall energy efficiency of the data center.

Realize new revenues from power audits — Oftentimes, customers will have UPSs plugged in that have no battery runtime left, or a customer has moved to a virtualized environment, and the power demand has outgrown the UPS. Many customers are using older UPSs that are only 70 to 80 percent efficient and creating unnecessary heat. Deploying the latest UPS technology can have a significant impact on cost and heat.

Obtain recurring revenue from maintenance contracts — While other hardware revenues may slump, you can count on having recurring revenue from the installed base.

Virtualization has redefined the data center — For all its advantages, virtualization has brought some unique challenges for your customer's power system. Overall, power consumption is lower, but consumption per server and per rack is far higher, and it can be highly variable as applications are dynamically reallocated. There are fewer servers, but each one is more critical than ever. Users need higher density power protection closer to servers.

As they embrace these new computing models, many IT organizations are outgrowing their existing UPSs. Others are hitting limits in power distribution and looking to upgrade. Most need to be able to manage power more closely, now that they're serving multiple customers and downtime is more costly than ever. These realities represent huge untapped opportunity for you as a provider of consulting expertise and industry-leading solutions.

This is a prime time to differentiate yourself by becoming a trusted advisor in these areas. In an informal Webcast poll of IT resellers co-hosted by Eaton and Everything Channel, 16 percent of respondents confessed to being power novices, 63 percent professed to have some power knowledge, and only 20 percent make it a key part of their business. The market is clearly not saturated, and there's unmet demand. ●



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