

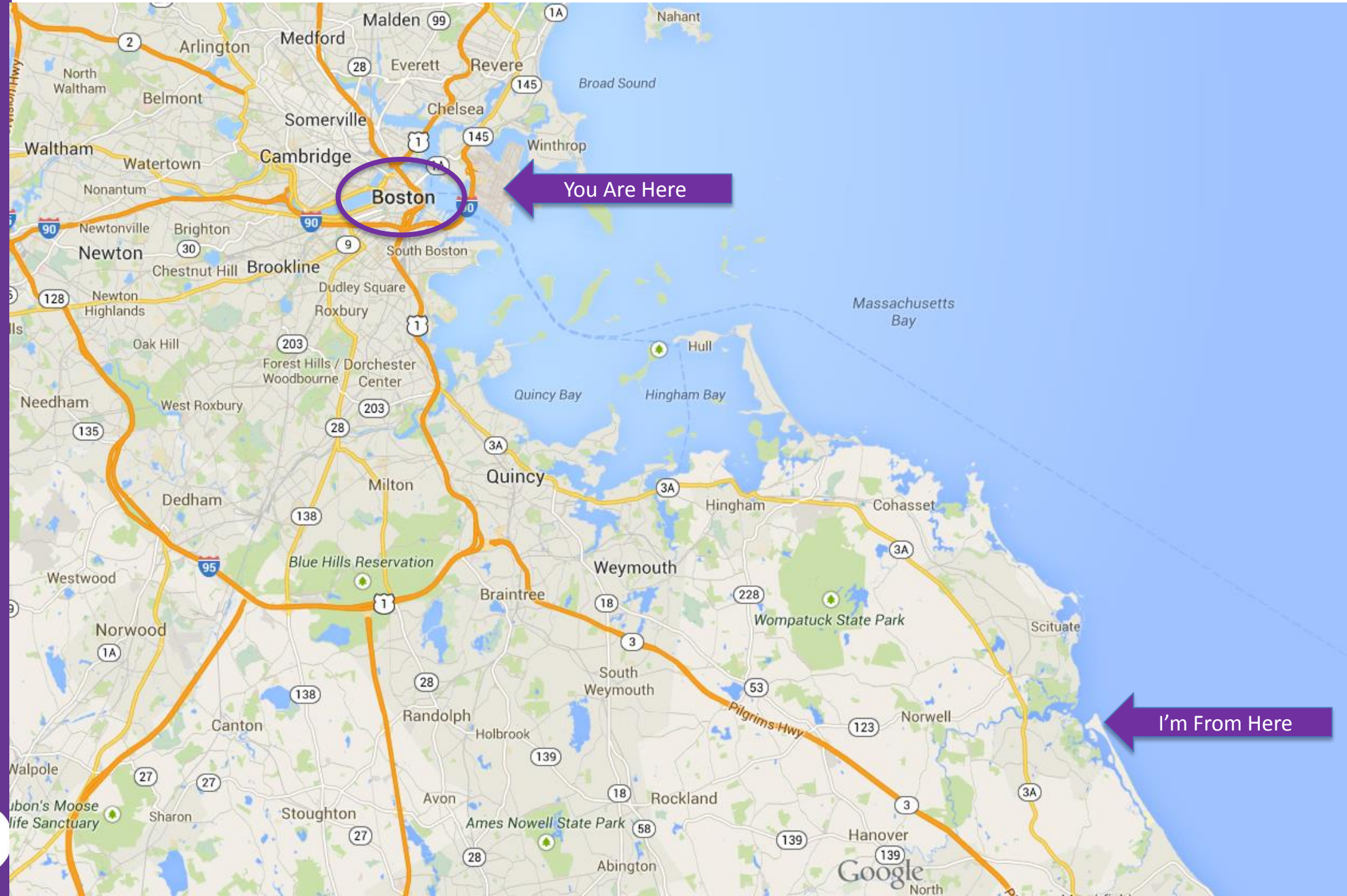
An aerial photograph of a construction site. Two large yellow tower cranes are positioned on the left and right sides of the frame. In the center, there are two modern, multi-story buildings with blue-tinted glass facades and grey roofs. The buildings are surrounded by construction equipment and materials. The background shows a large, curved structure, possibly a tunnel or a large storage container, with a grid-like pattern on its surface. The overall scene is a high-angle view of a complex construction project.

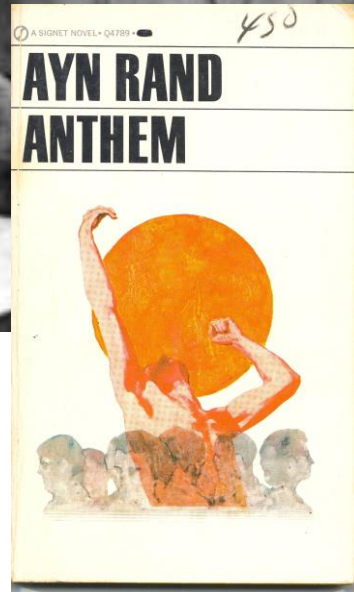
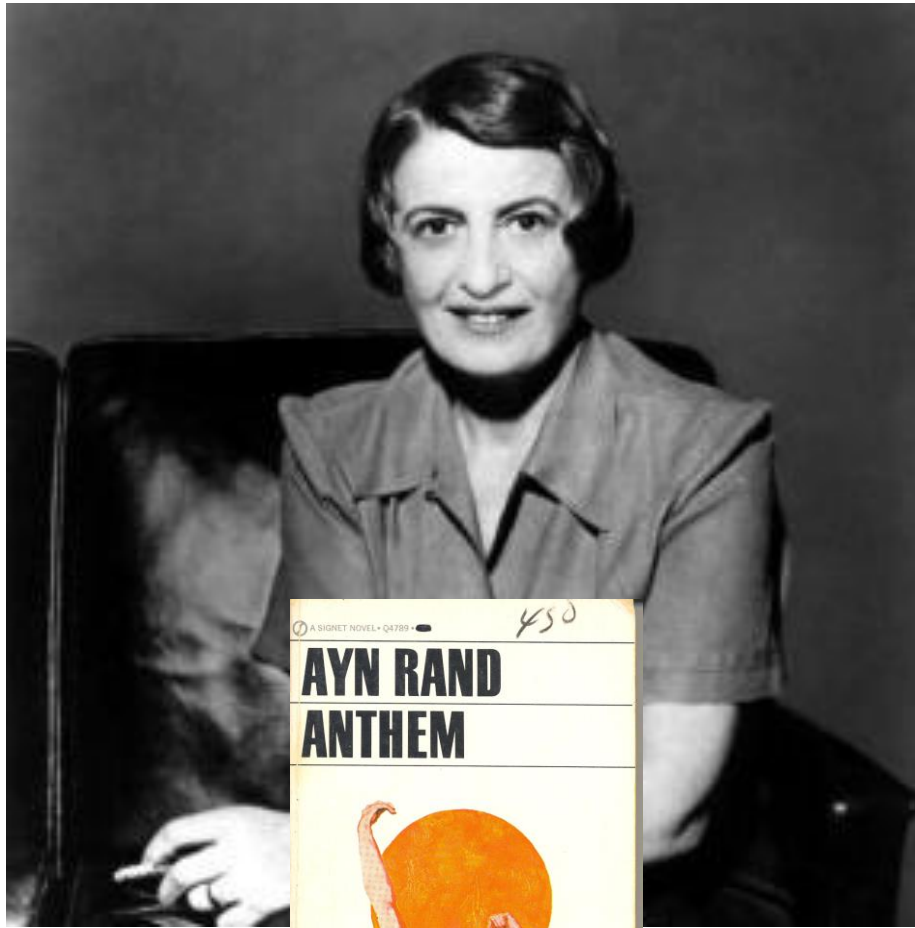
Building Better Solution Provider Businesses

Lawrence M. Walsh | July 17, 2014

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“The question isn’t who is going to let me;
it’s who is going to stop me.”



“No his mind is not for rent
To any god or government
Always hopeful, yet discontent
He knows changes aren't permanent
But change is...”

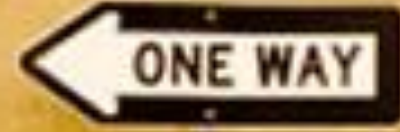
*“The purpose of
business is to
create and keep
a customer.”*

-- Management guru
Peter F. Drucker



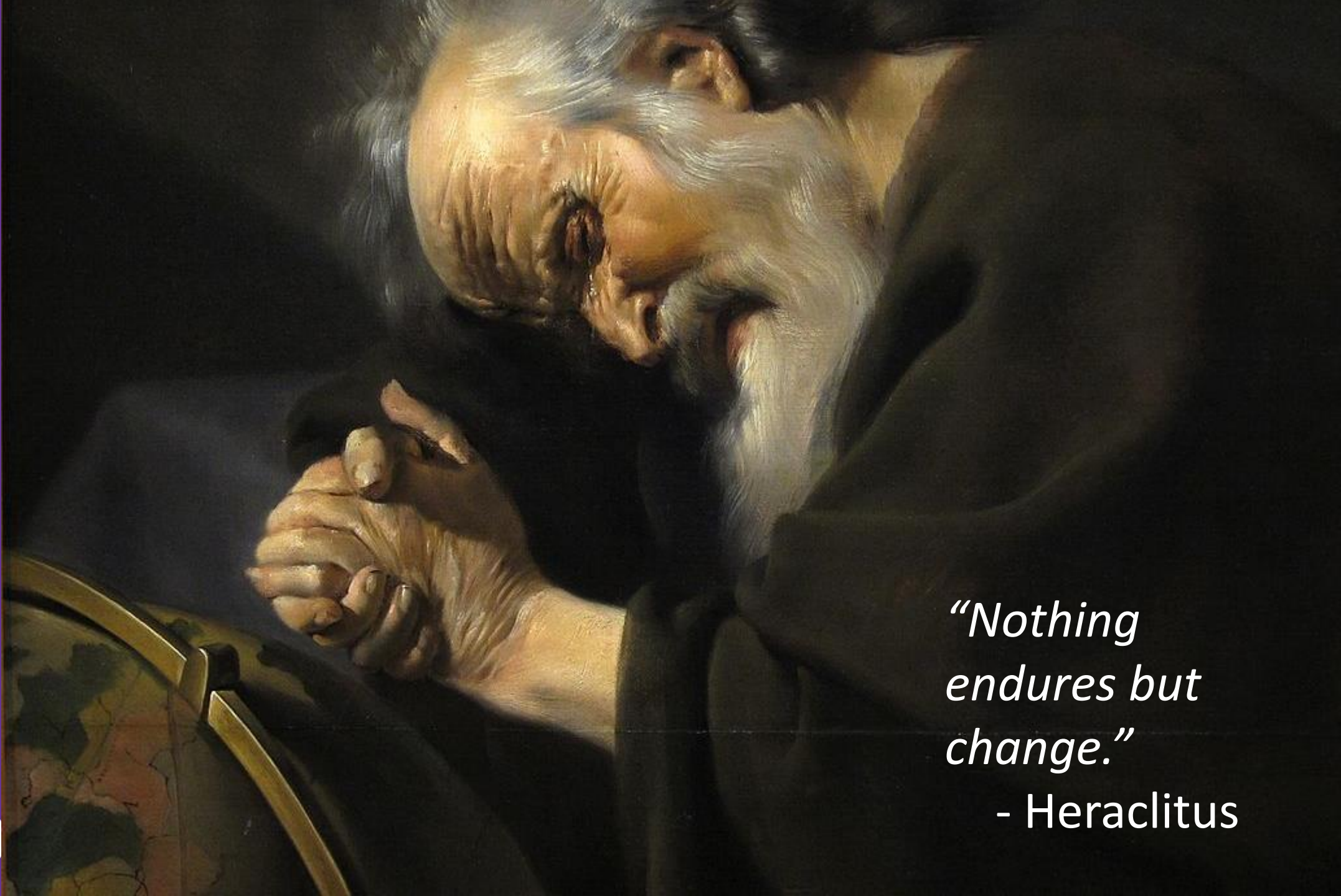
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“We are going through the greatest transformative period in the history of our industry.”

- Said Every Vendor, Carrier, Service Provider, Analyst, Magazine & Your Mother, Period



*“Nothing
endures but
change.”*
- Heraclitus

The World Has Changed

- Cost Structures Revised
- Risk Tolerances Diminished
- Operational Expectations Increasingly High
- Control vs. Collaboration
- Limited to Ubiquitous Computing
- Consumerization Everywhere
- Virtualize Everything
- Cloud, Cloud & Cloud





Changing Expectations

- End-to-End Transparency
- Fueling Real Productivity & Return On Investment
- Agility & Competitiveness
- Low Risk Tolerance
- It's All About Outcomes

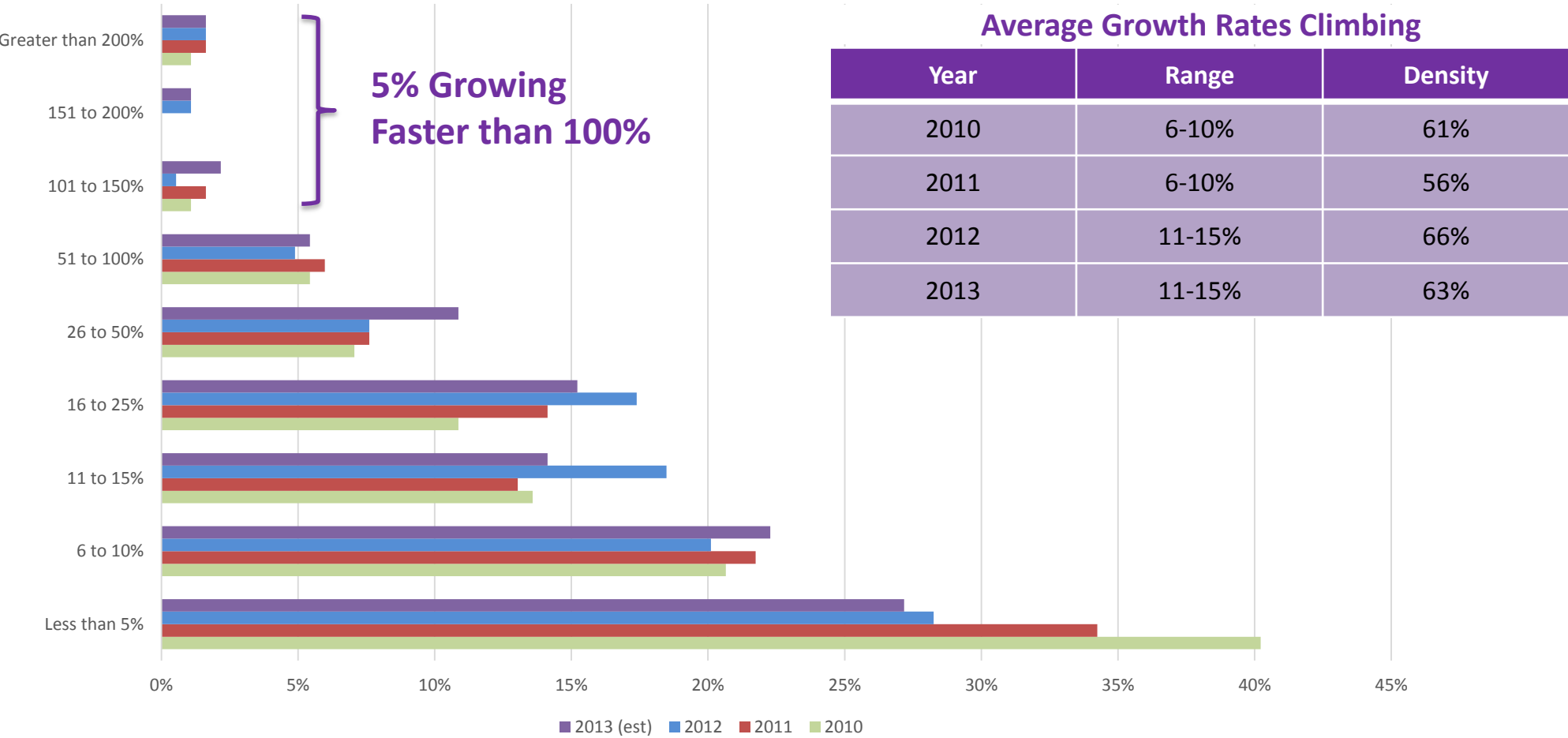
Changing Channel Dynamic

- Resellers and service providers are increasingly pushed into a hybrid and dynamic “solution providers” role.
- Revenue and profits are climbing, but slowly.
- Channel legacy models and limitations are forcing solution providers into a volume over value go-to-market strategy
- Sales cycles are getting longer; pressuring volume model
- Change washing over the channel will result in a shrink in population and redefining of value propositions

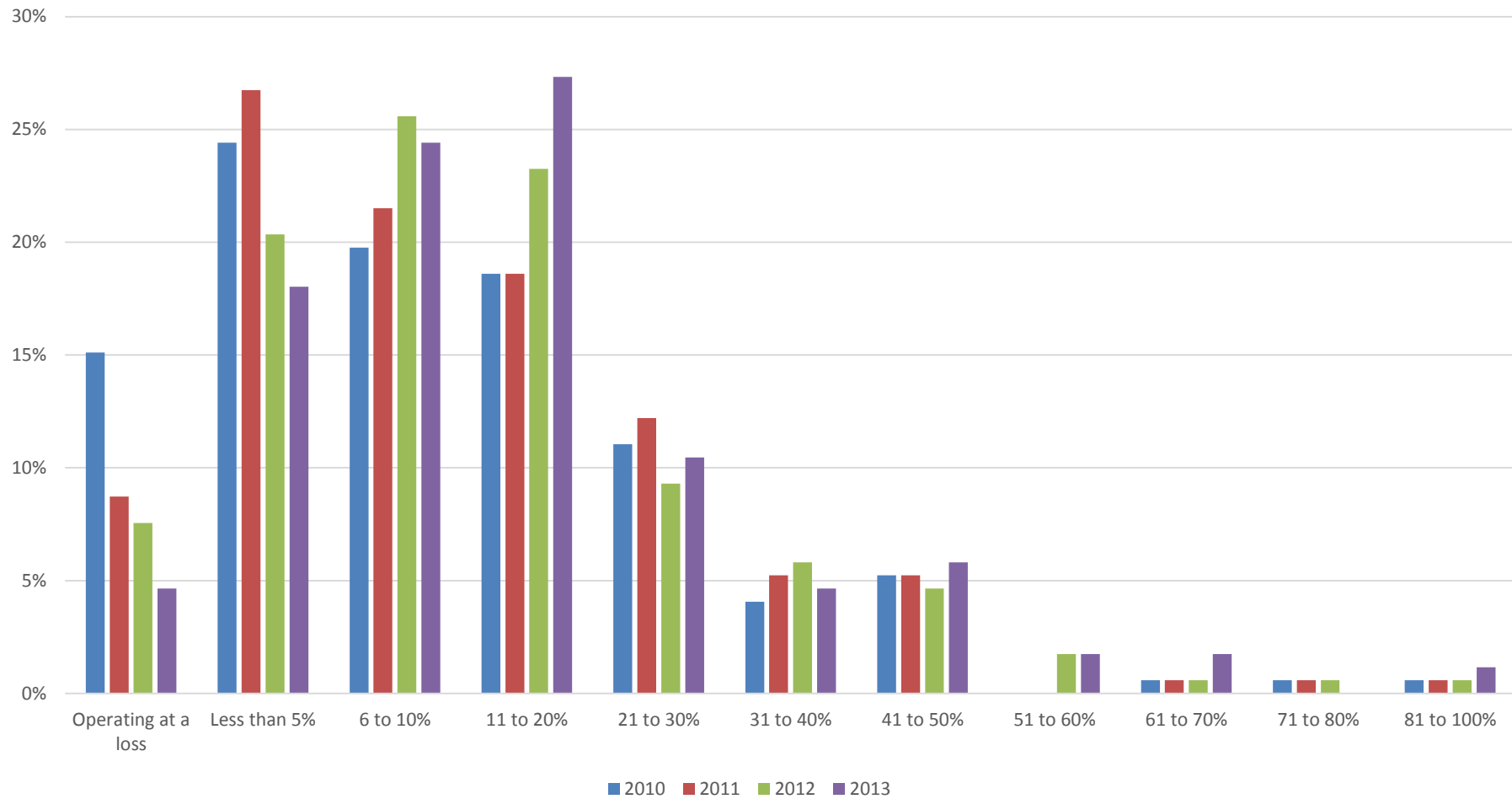
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Revenue Growth 2010-2013



Solution Provider Profitability 2010-2013



Product Profitability Trends



6% to
10%



6% to
10%



11% to
20%

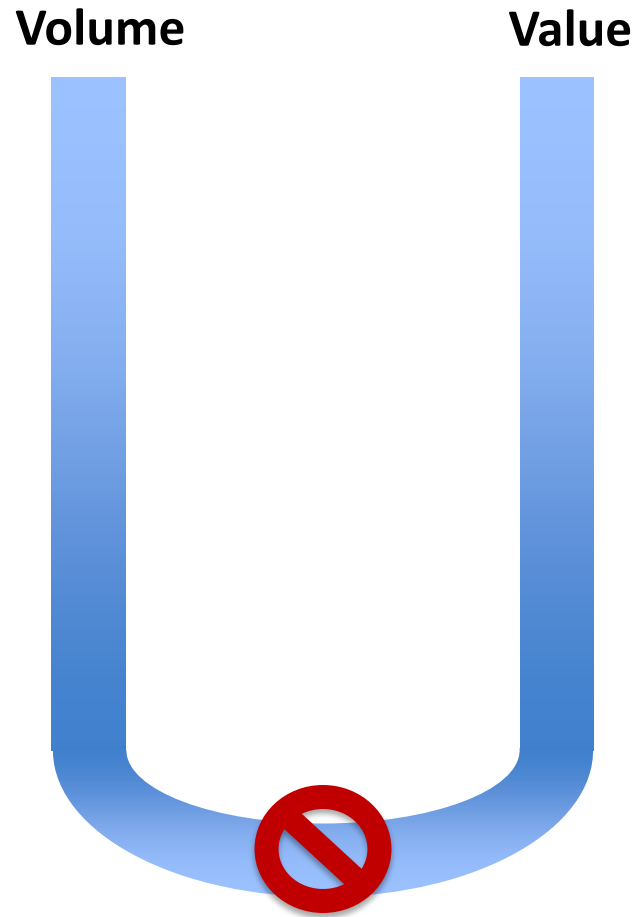


20%



21% to
30%

Price: A Reflection of Business Model

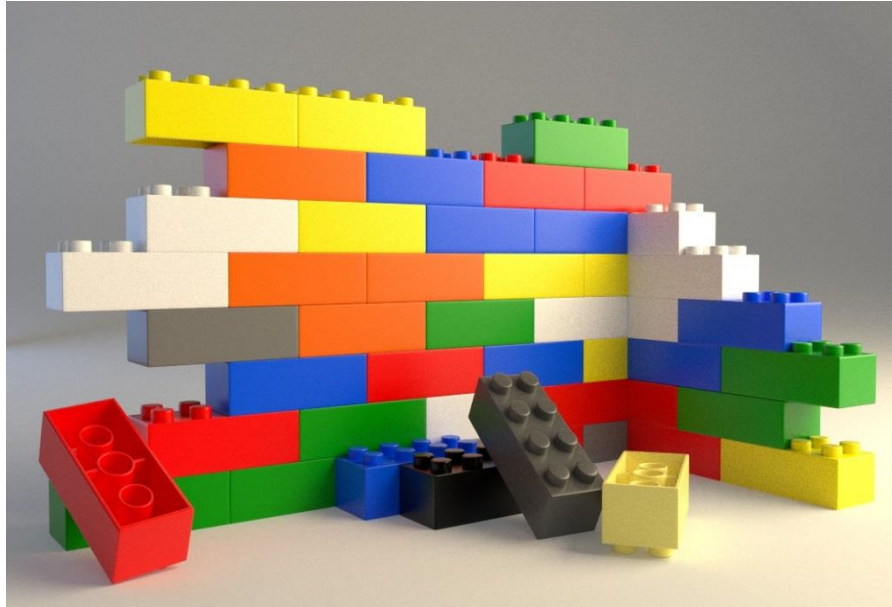


Value	Complex	Multiple technologies, applications and systems, integrated together in hosted, virtualized infrastructures and operated by solution providers on behalf of their customers
	Annuity	Services delivered on a recurring revenue model, ensuring predictable cash flow with the only variable being changes in consumption
	Automated	Systems that are highly automated, providing not just ease of management, but high agility, flexibility and scalability; the net result: increased productivity and reduced or contained costs
Volume	Commoditized	Sale of products with depleted value, highly consolidated feature sets and little integration opportunity
	Project	Term contracts or fixed-fee services primarily for the implementation of technology products (hardware and software)
	Manual	Products and services delivered on a self-serve or human-intensive delivery; little automation beyond rudimentary scripts and wizards

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Lego Approach to Growth

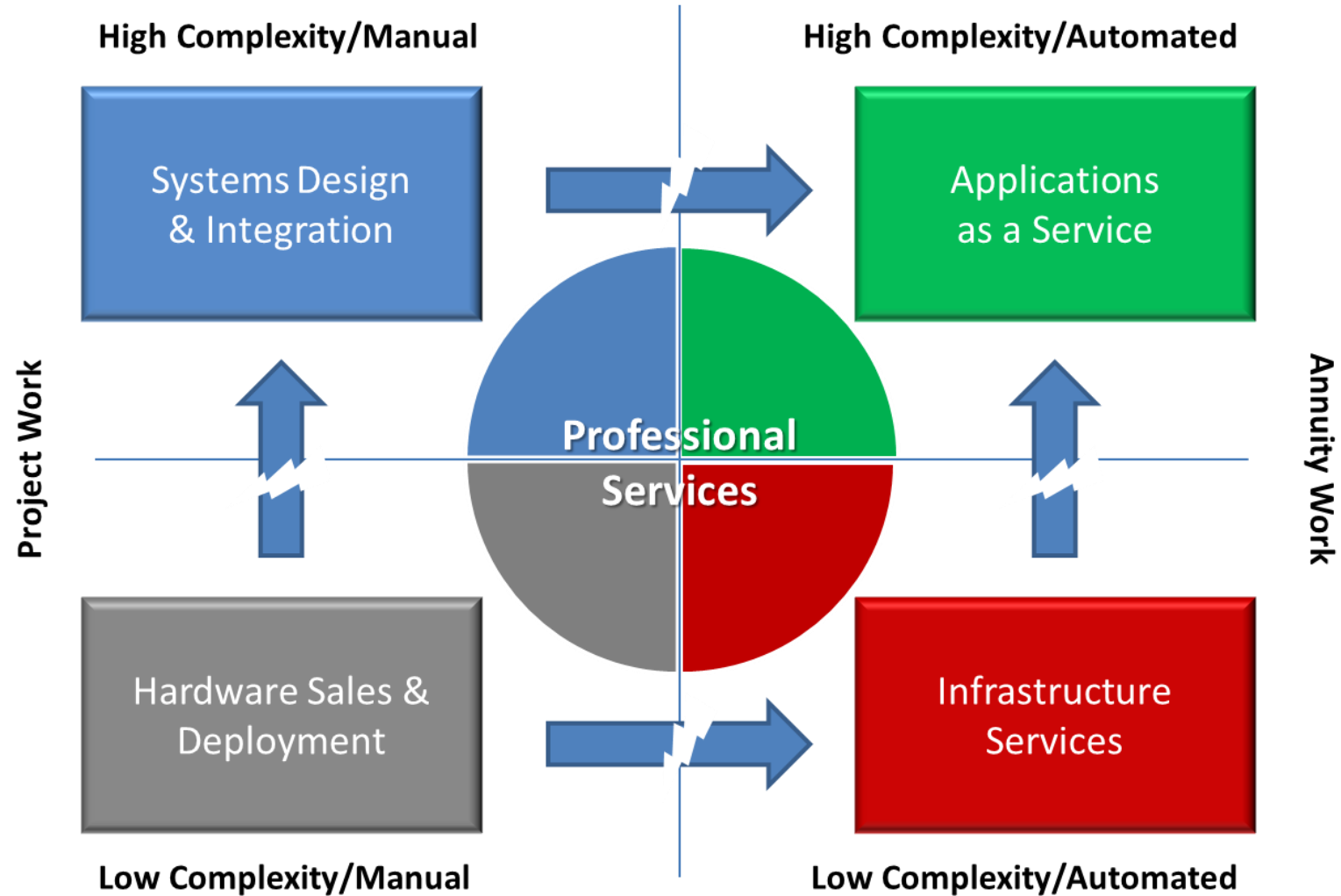


Somewhat functional,
limited integration,
difficult to scale, low value



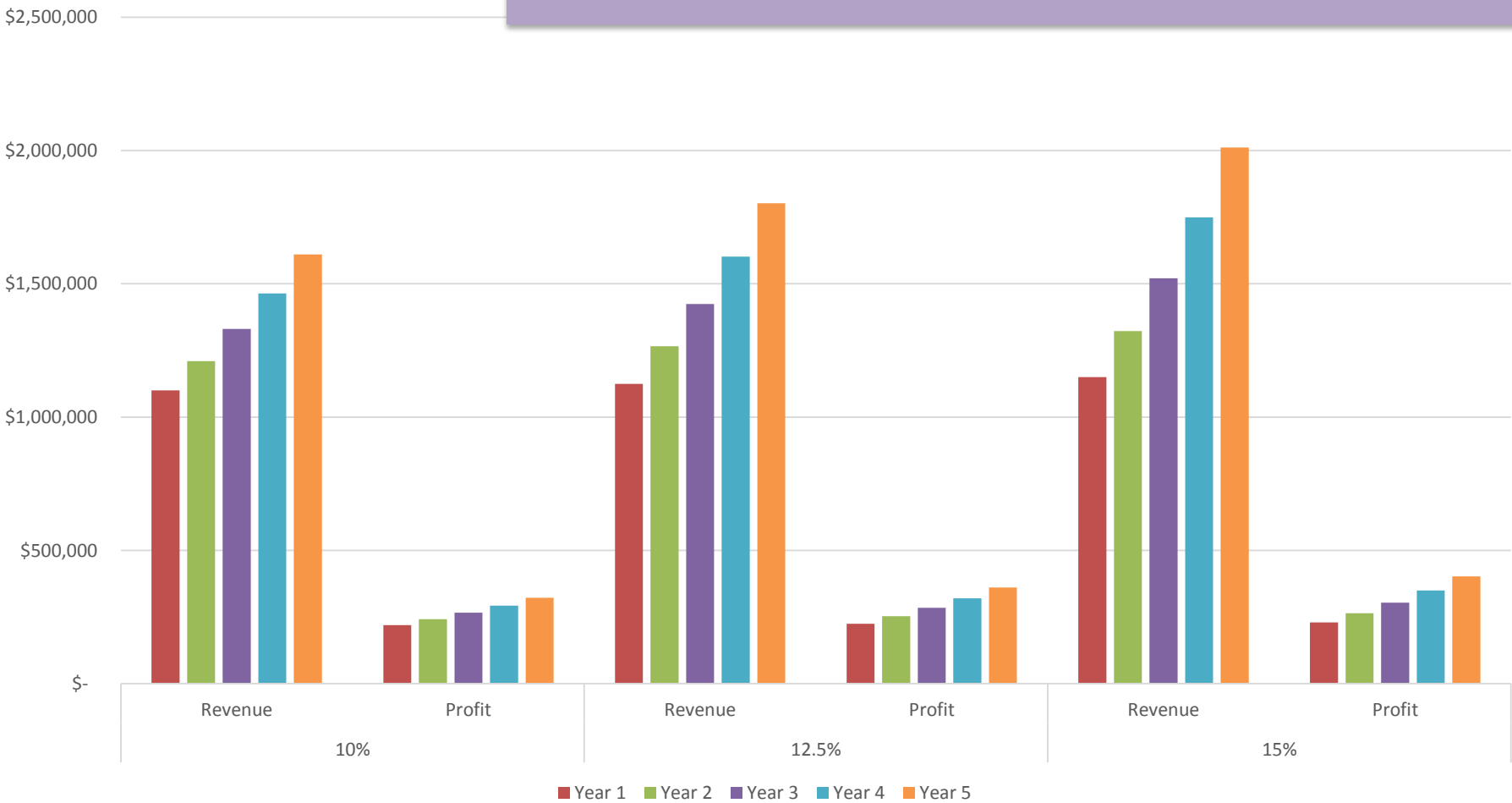
Systemic, repeatable,
extensible, high value
and can blow up planets

Changing Channel Complexity

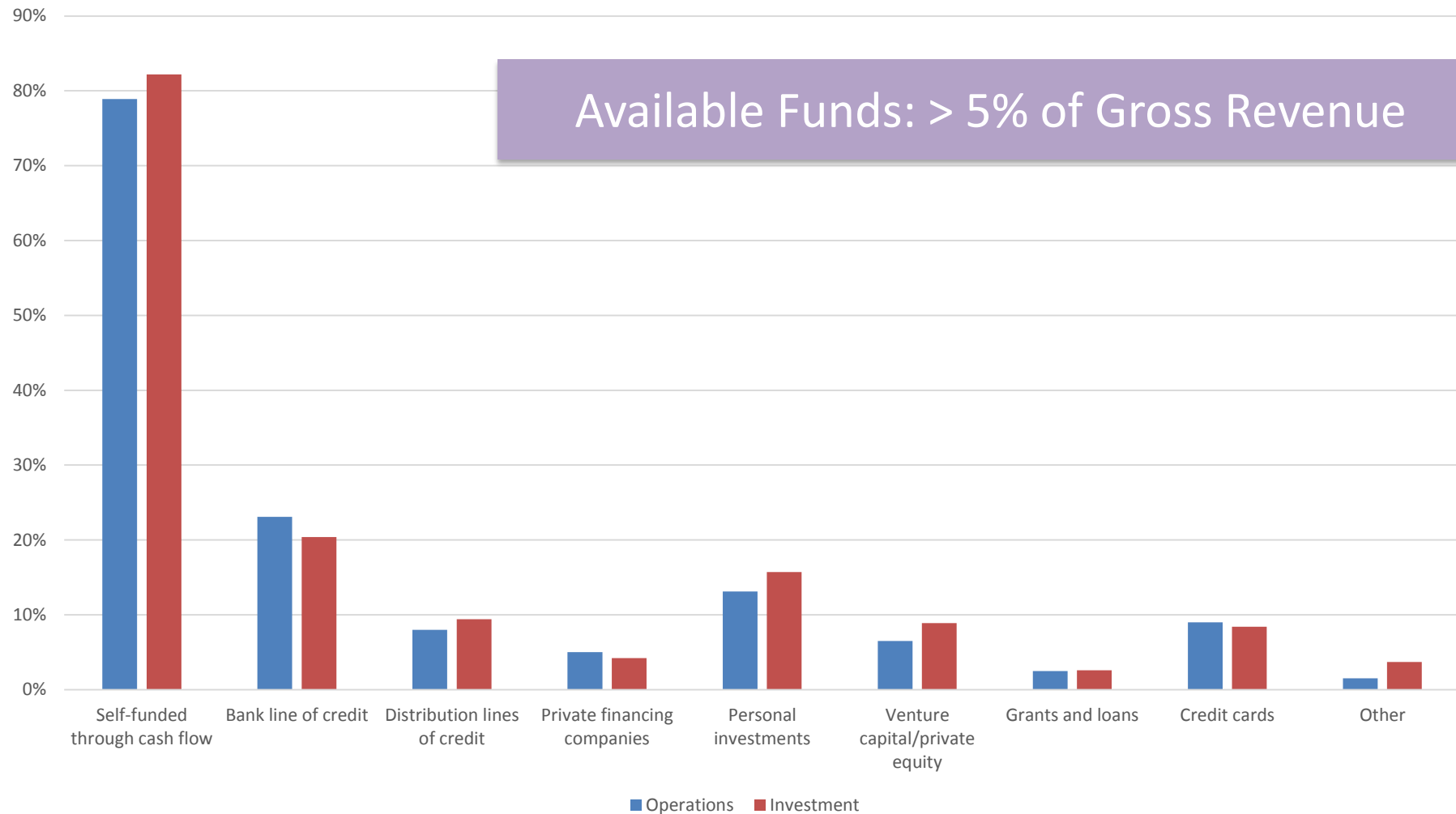


Average Rate of Growth

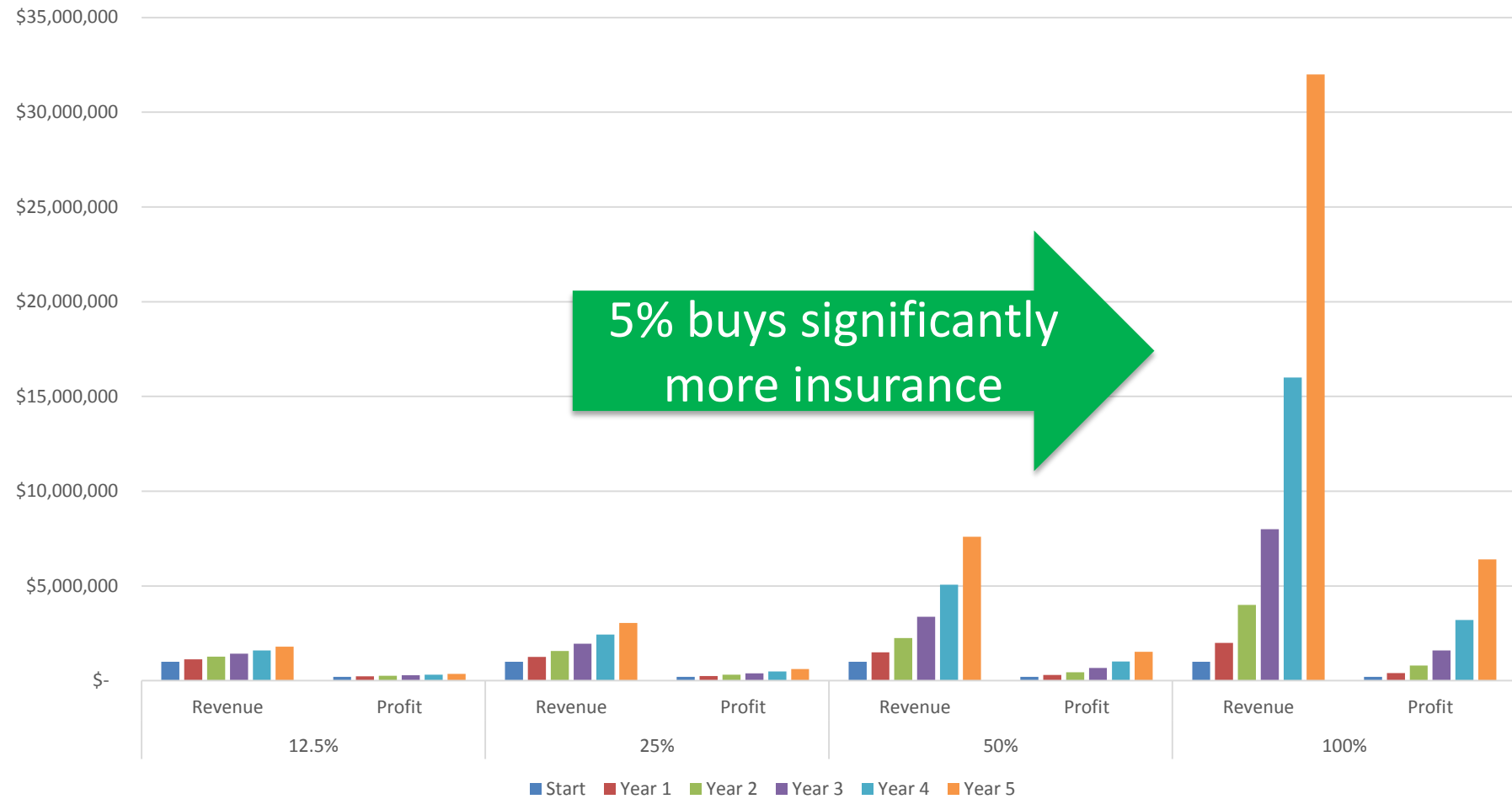
Channel Average: 11% to 15% Annually



Business Funding Sources



Growth: High vs. Low



Planning for Growth



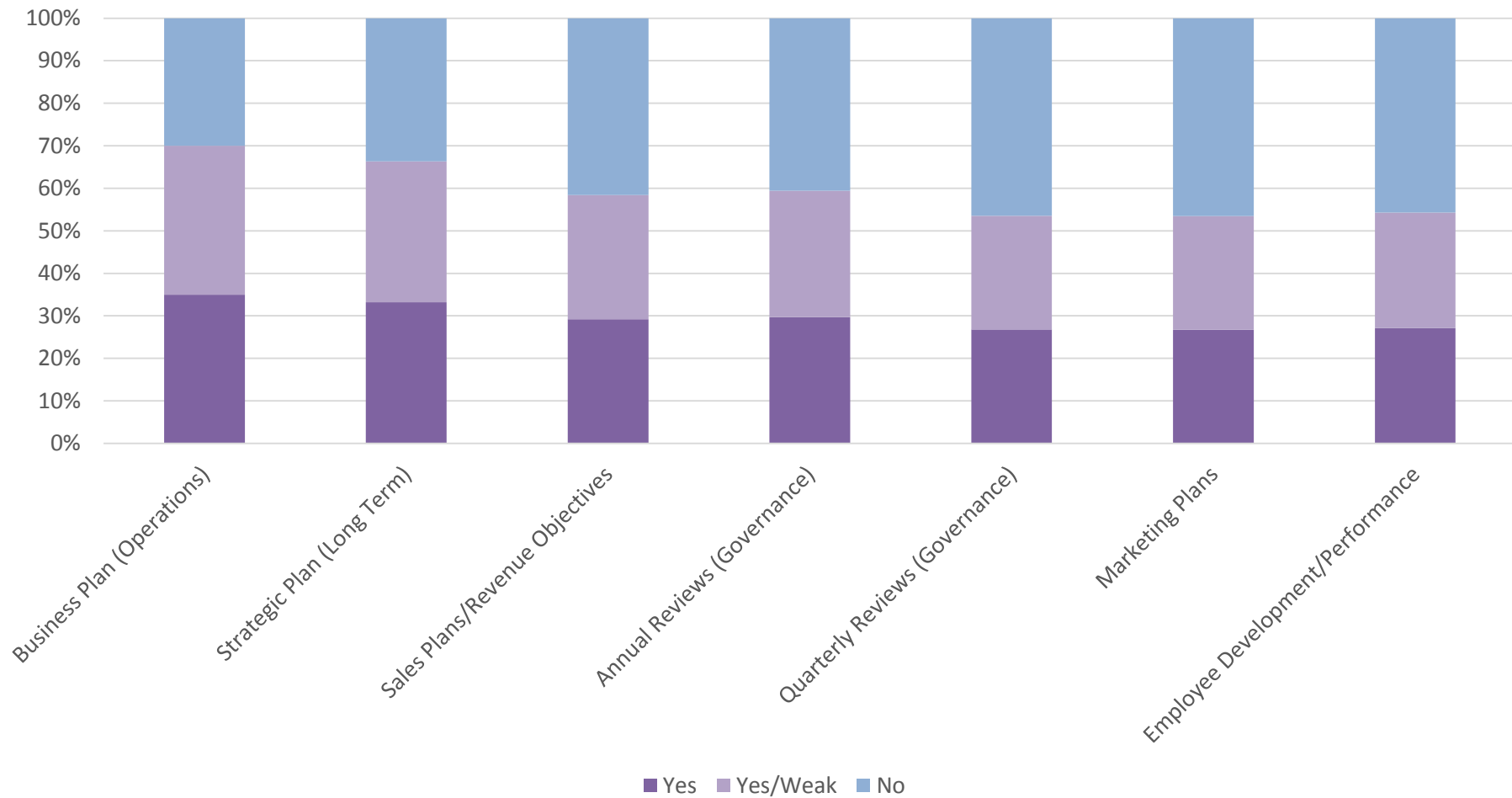
Should You Have
Growth Strategy?

81%

Do You Have
Growth Strategy?

53%

Business Instruments Used by Solution Providers



Pop Quiz

Year 2004



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Pop Quiz

Year 2014



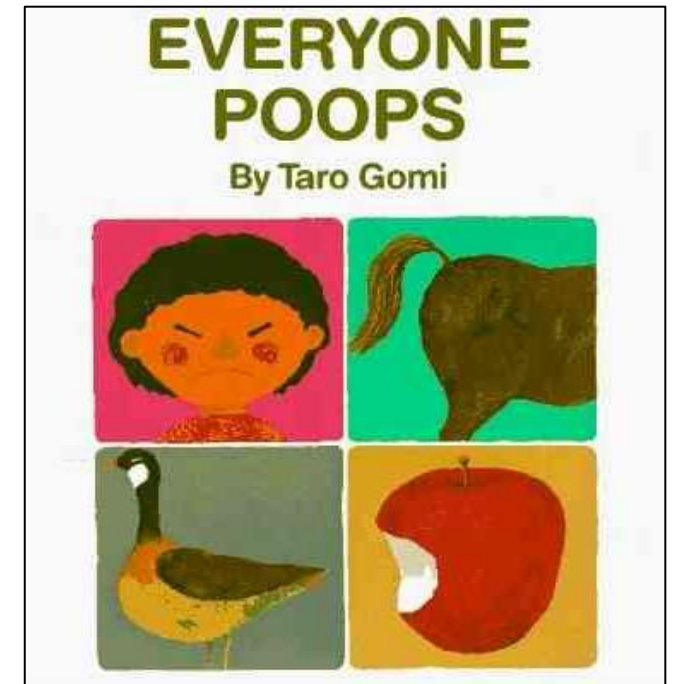
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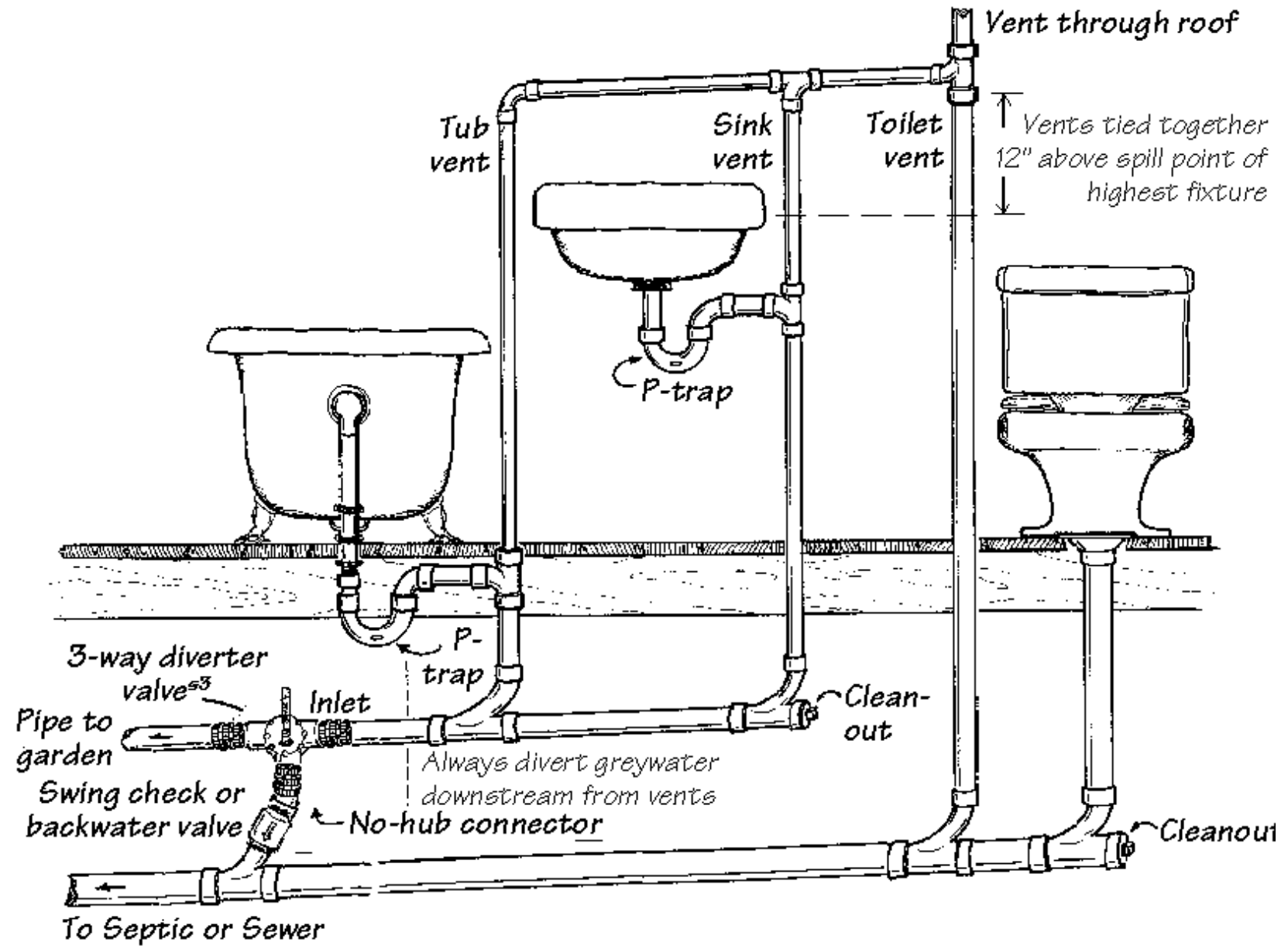
Guess What Most People Picked



Water Closet
Loo
John
Porcelain Goddess
Her Majesty's Throne
Crapper
Latrine
Head
Lavatory
Latrine
Plain Ole Toilet



No technology or innovation created in the last 40 years have surpassed the imperative value of technology that's more than a century old.





Quality



Customer



Efficiency



Service

Reliability

What Do Customers Want?



What Do Customers Want?



What Customer Want?

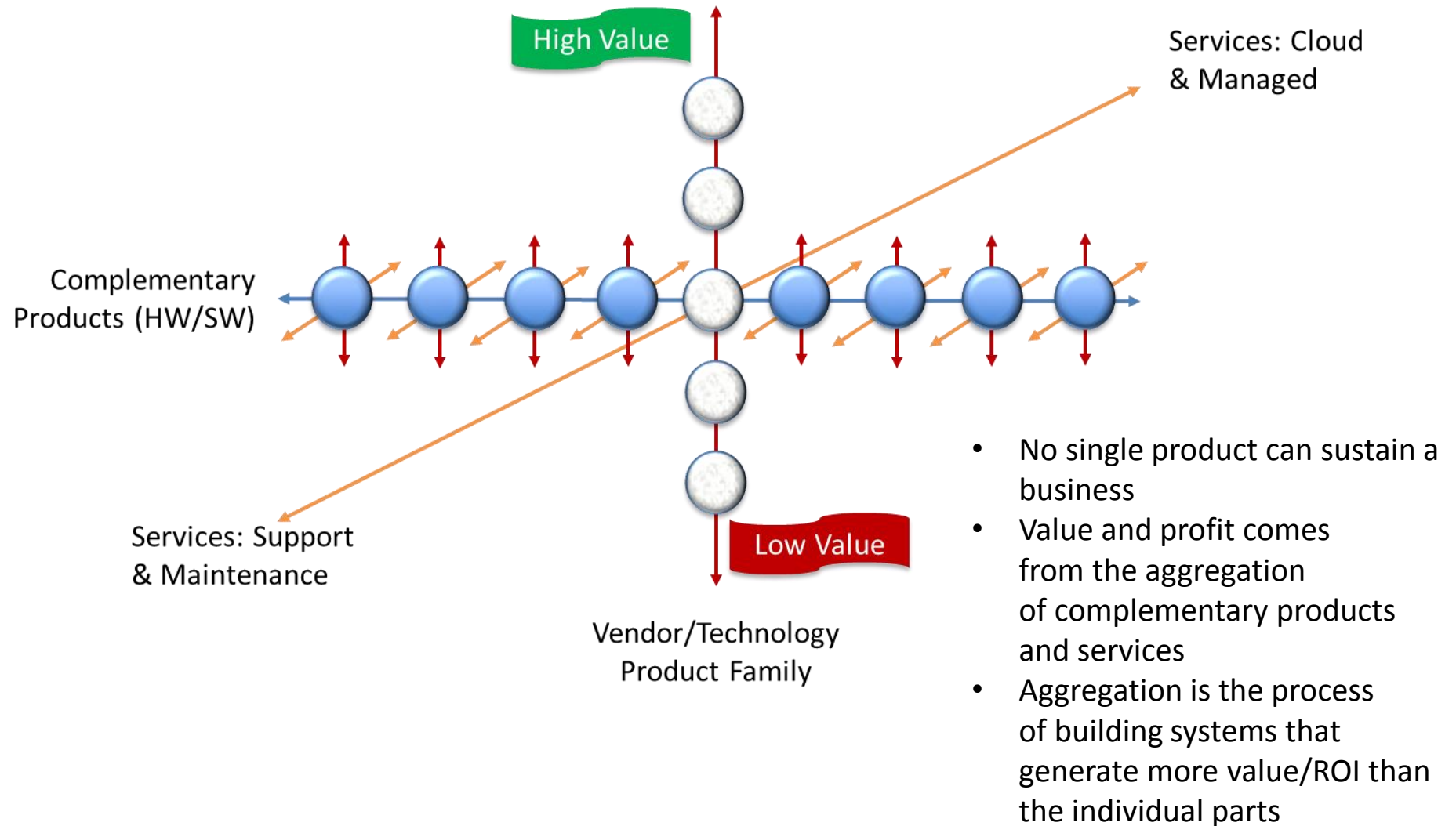


Outcomes

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Creating Valuable & Profitable Solutions



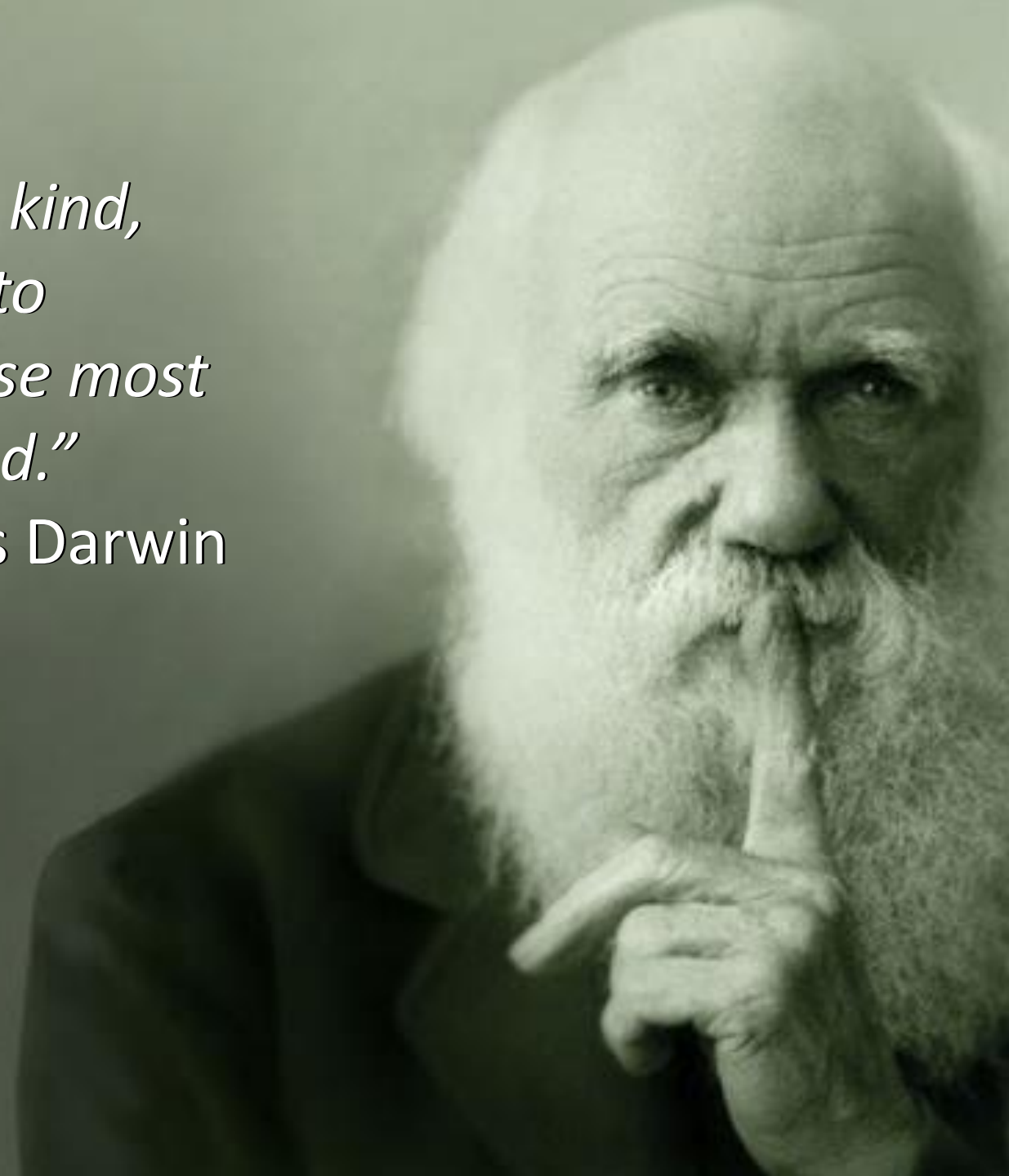
Sex Appeal Only Gets You So Far


- Goal Setting
- Business Planning
- Focus & Expertise
- Investment
- Risk Acceptance
- Execution, Governance
& Accountability
- Evaluation & Adjustments
- Repeat, Repeat, Repeat



“In the long history of humankind (and animal kind, too) those who learned to collaborate and improvise most effectively have prevailed.”

- Charles Darwin



A close-up photograph of a complex mechanical watch movement. The image shows several brass gears of different sizes, some with fine teeth, and a metal bridge or plate. The lighting is warm and focused, highlighting the metallic textures and the precision of the craftsmanship. The background is dark and out of focus.

Wheels can take
you around;
Wheels can cut
you down.

*Between the Wheels,
Grace Under Pressure
Neil Peart, 1984*

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