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## Taiwan in transition

What it means to the Canadian channel

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# CDN

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Volume 24, Issue 10 July 4, 2008

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fast facts:

Softchoice Corp. filed pleadings in civil lawsuits in Minnesota and Virginia alleging that En Pointe Technologies, Inc. has engaged in illegal and unethical business practices designed to enable En Pointe to compete unfairly in the marketplace. In the court filings Softchoice alleged that En Pointe engaged in a scheme to "misappropriate Softchoice's confidential information, trade secrets, and customer relationships and use them to injure Softchoice." EnPointe has plucked Softchoice personnel a total of 22 times over the last two years.

# Keating unveils notebook-as-a-service offering

Larry Keating partners with HP and Intel to develop No Panic Computing

BY MAXINE CHEUNG

Larry Keating, the president and CEO of Markham, Ont.-based No Panic Computing (NPC), is trying to revolutionize the way notebooks are purchased by small business professionals with his notebook-as-a-service model.

With partnerships with HP, Intel and Iron Mountain, along with Harry Zarek of Compugen as the company's investment

partner, NPC aims to deliver to professionals a fully encrypted, worry-free notebook computing experience that includes hardware, software, services and backup, all for \$129.95 fixed monthly cost on a lease term of 36 months.

While NPC has been available previously across Canada and the U.S., the notebooks that were offered were not HP branded systems. NPC is a wholly-owned company of Keating Technologies, but is run independently. Keating said NPC struck an exclusive partnership with HP, where only HP's notebooks are now being offered with this service, which was launched last month.

NPC is available with one of two HP Compaq business notebooks that run on Intel's Centrino Pro processor. Users can choose between a 15.4-inch model for a more desktop-like experience, or they can select the 14.1-inch screen size.

Both NPC models, HP 8510p and HP 6910p respectively, feature a 120GB hard drive



The founder of Keating Technologies is moving in another direction and has partnered with HP, Intel and Iron Mountain to deliver notebook-as-a-service in Canada.

with 2GB of memory. Keating said a 12-inch notebook along with a tablet will also be added to NPC's notebook offerings this fall.

"With NPC, the notebooks are completely encrypted and backed up with Iron Mountain," Keating said. "Customer data is stored in Iron Mountain's data centres so if a notebook is ever lost, damaged or stolen, we can replace the notebook with all of the customer's data on it from the last time it was backed up."

Once customers call into NPC's 24/7 customer support centre, Keating said they will flag the notebook as being lost or stolen so the notebook's built-in technology will automatically destroy the data and wipe out the drive on the notebook. Customers will then be offered a re-

See Improved page 3

MARKETS

## Websense tries to take the fear out of Facebook

BY SHANE SCHICK

TORONTO - Websense used the InfoSecurity Canada show to introduce a software-based gateway product aimed at protecting users from the dangers of social networking sites and other advanced online services.

The company's Web Security See Gathering page 22

NEWS

## How Nortel got its groove back

BY MAXINE CHEUNG

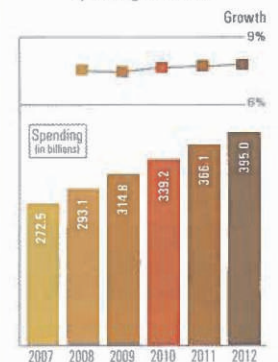
GRAPEVINE, TEX. - The past three to four years have been a struggle with respect to Nortel's market share admits Mike Zafirovski, president and CEO of Nortel Networks. Zafirovski said this year marks the second year of Nortel's transformational effort to restore customer confidence levels, its market momentum and earnings, which he mentions were previously in decline for the company.

During this year's annual Global Connect conference, sponsored by the International Nortel

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infographic:

Worldwide packaged software spending forecast



Source: IDC's Worldwide Black Book Query Tool

# Improved VAR margins

*Continued from page 1*

placement unit within 48 hours of the call, with all of their data and preferences restored on a new notebook, Keating adds.

For VARs, Keating said this type of notebook delivery service presents plenty of customer opportunities since partners aren't just selling hardware, but they're also ensuring that the customer's data is stored and secured for three years.

"This is a foolproof system because customers will never lose their data since it's always secure," Keating said. "This makes for a sticky customer and better margins for the partner."

Keating said NPC has been designed to make it easy for partners to deploy these notebooks since they don't have to carry or manage inventory.

"We make available to the VAR a complete solution with a fully managed notebook," Keating said. "We know how challenged

VARs are with hardware margins now, but with NPC, VARs can earn a commission of \$300 for each notebook unit they sell."

What's even better, Keating said, is once the 36-month lease is up, partners can also make the same margins when they renew their customers lease.

Senior research analyst, Mi-

chelle Warren, of London, Ont.-based Info-Tech Research Group, said while the concept of NPC is neat and transformational, it will be interesting to see how partners roll the notebook-as-a-service solution out to end-users.

"A lot of partners are focused on being specialized in areas such as security as their differentiator to go to market," Warren said. "If a (partner) provides NPC, they get a \$300 (margin),

that's attractive because they don't make a lot of money on selling hardware. But since NPC comes with security included, it becomes a question of what else they can provide to their customers around that."

Keating said VARs are able to add their own custom applications and anything else the customer may need since the notebooks come only with Microsoft Office 2007 already installed. Around security and backup, Keating said NPC is just a base product so partners have other opportunities beyond what's included with the notebook.

The NPC service is looking to target customers in the professional small business industry. Professionals in the legal, financial, and the engineering sectors are ones that Keating said NPC hopes to sell to. "We're going after SMBs who have little to no IT support," Keating said.

Tom Ward, the former ATI channel and marketing executive and now vice-president of marketing at NPC, said the

company is currently looking to build its VAR base.

"We're not looking for 1,000 VARs," Ward said. "We want VARs in professional verticals who are already talking to lawyers, small firms and who may be focused on installing specialized software."

Ward added that NPC provides VARs with an opportunity to get back to customers with 100 seats or less. Typically VARs have abandoned the smaller business because with razor-thin margins it wasn't profitable.

Glenn Collard, client solutions manager at Winnipeg-based ProfitMaster Canada, a point of sale software developer and also long-time NPC partner, said he thinks having HP as a partner of NPC will help add credibility to the notebook-as-a-service model.

"It's a service where the hardware comes secondary," Collard said. "It's a complete solution where you don't really need an IT department to run your laptop," he adds. |



The Little Geeks Foundation refurbishes and donates home and corporate PCs. It announced it will give away 200 PCs to underprivileged children in the Toronto Area.

# Aligning with Microsoft

*Continued from page 1*

Networks Users Association (INNUA), in Grapevine, Tex., Zafirovski outlined Nortel's present priorities, in addition to revealing a six-point plan for the company's transformation moving forward.

Zafirovski openly reveals that a few years ago, Nortel had lost some of its market share in most segments, including the enterprise. To help get Nortel back on its feet it launched a transformational plan two years ago.

Nortel's strategy now is to maintain its customer focus and increase its marketing investments to maintain customers' confidence levels and its momentum in the marketplace, which he said has been good to Nortel since it has seen seven consecutive quarters of growth.

"Nortel has a strong R&D development team and we're

making investments in our software capability," Zafirovski said. "We'll also regain Nortel's edge by continuing our partnerships to help drive innovation."

One initiative that has helped customers regain trust and confidence in the Nortel brand is the vendor's Innovative Communications Alliance (ICA) with Microsoft.

Through the alliance, Nortel, which is a Microsoft Gold Certified Partner, is able to deliver joint unified communications (UC) solutions that are built around Microsoft's Office Communications Server 2007 and Office Communicator 2007.

Irwin Lazar, principal research analyst and program director for collaboration and convergence at Nemertes Research, a research advisory firm based in Mokena, Ill., said since the ICA was formed almost two years ago

it has helped Nortel move past a lot of the challenges and uncertainties that customers had had with the company before.

"Nortel customers are more confident now," he said. "Before, some customers were thinking about whether or not they wanted to stay with Nortel or move



Nortel CEO Michael Zafirovski

to another competitor such as Cisco. But when it developed the ICA, a lot of those customers came back because they were interested in the partnership."

Lazar said ICA is strategic for Nortel and functions as the enabling arm for Microsoft.

"They're providing the expertise that Microsoft doesn't have when it comes to integration," Lazar said. "They also bring

conferencing services, telephony, security and management to Microsoft, which adds further value and an edge for them."

Ruchi Prasad, vice-president and general manager of the ICA with Nortel, echoes this statement.

"We're getting a lot of credibility even within Microsoft now. It's all about making it easier for customers to use and deploy UC. UC is not a one-time sale, which means huge opportunities for channel partners because the relationships that are established can keep them going."

Along with UC solutions, Zafirovski said the industry has since evolved from being concerned with connectivity, to building out the network, to intelligence and mobility, to the present, where he said a focus is now on on-demand pervasive broadband, which includes the area of hyperconnectivity. Zafirovski's roadmap includes: a world-class management team and corporate culture, an aggressive focus on balance sheets and on corporate governance, a world-class cost structure, targeting market share, continuing to invest for profitable growth, and maintaining an increased emphasis on its software and service solutions. |

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