



# We deliver the SMB Marketplace to you.

## Working with the Community

Since 1980, we have accumulated a wealth of experience and intellectual knowledge by working with 350 IT companies. We help them develop and implement effective strategic go-to-market programs, including: direct, channel, hybrid, retail, etail, managed services and SaaS models.

To boost your channel sales, we:

- Work with IT Vendors to rev up their sales through the Resellers that service the \$172 billion slice of the elusive SMB space. We engage, enable, collaborate, track and measure results, manage and maintain relationships, evaluate programs and quantify results of channel activities.
- Work with Resellers to help them successfully market and sell IT solutions.

Utilizing our intellectual channel marketing knowledge, databases, alliances, skill sets, experienced staff and management we:

- Provide Vendors with a suite of end-to-end effective, cost efficient channel marketing vehicles, tools and programs that are measurable back to ROI, including:
  - Provide Resellers with a FREE suite of fully customizable marketing and sales tools.
  - Publish eChannelLine Daily News, ConnectIT, Channel Advisor and a wide range of special reports and custom publishing services.
  - Develop and implement end-to-end lead generation and loyalty programs.
  - Create industry communities through the ChannelLine Advisory Council and the Channel 2.0 Initiative.

## Marketplace Overview

Market	Retail/SOHO ( <i>under 10 seats</i> )	SMB ( <i>10-500 seats</i> )	Mid/Large ( <i>over 500 seats</i> )	Total
Number of businesses	78.5%	21.2%	0.3%	100%
Number of employees	11%	40%	49%	100%
Annual IT sales	\$83	\$299	\$368	\$750
Sales via VAR Channel	\$8	\$240	\$74	\$322
Sales by 50 -7,500th largest VARs	\$4	\$172	\$30	\$206
Purchasing habit	Retail	VAR	Direct	

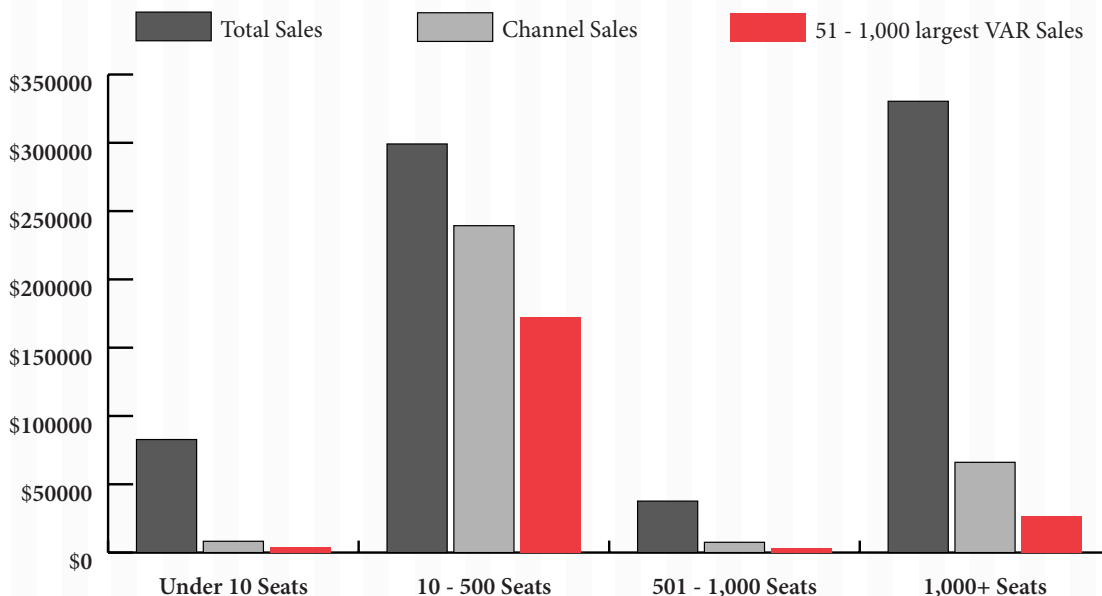
Note: Amounts quoted are in \$US billion. Figures quoted are approximates based on merging of various reports.

**Small & Medium  
Businesses  
(SMBs)**

- Global IT annual sales are \$1.3 trillion, with the United States accounting for \$715 billion and Canada at \$35 billion.
- The most sought after and, simultaneously, most underserved segment of this market is the SMBs (*businesses with between 10 and 500 seats*).
- SMBs are hard to reach and even harder to service.
- Individually, SMBs do not have huge IT budgets. Collectively, in Canada and the US, they represent annual sales of \$299 billion.
- \$172 billion of these sales flow through the 51st to 7,500th largest Resellers.
- SMBs allow for higher margins because they do not negotiate collectively and lack the buying power of their larger counterparts.
- Increasingly, Vendors are placing a stronger focus on creating solutions for SMBs.
- Most SMBs don't have an IT solution-focused department.
- SMBs need IT solutions that give them a competitive edge and help drive profits.
- SMBs purchase about 80% of all IT products through a Reseller.
- They trust their Reseller and typically have very strong personal and business relationships with them.
- When they ask their Reseller what products/brands they should purchase, 90% of the time they accept their suggestions -- verbatim.
- SMBs rely on their Reseller to remove the FUD Factor (*fear, uncertainty and doubt*) and to ensure that the various products work together as a consolidated solution.
- SMBs expect their Reseller to stay around to: help train employees; provide ongoing service and support; configure new products brought into the solution; ensure that the SMB stays current; and provide additional solutions that will give them a competitive advantage in the marketplace.

References to Resellers include VARs, System Integrators and System Builders. Retailers and etailers are not included.

### North American IT Business Sales



For more information, contact your Account Representative today  
or call us at 1(800)465-2059