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JANET SCHIJNS, UNLEASHED

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Published by Informa Exhibitions LLC

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WE'RE PUTTING THE BAND BACK TOGETHER. YOU IN?

Back in 1997 Bill Clinton was sworn in for his second term, IBM's Deep Blue defeated chess master Garry Kasparov and five master agents launched an event with a couple hundred people and big expectations.

One of the Channel Partners Conference & Expo sessions I'm most excited about back here in 2019 is our Founders' Forum. We've invited the original five — Vince Bradley, CEO of WTG; Intelisys co-founder Rick Deller; Karen Fields, CEO/COO of Microcorp; Ted Schuman, founder and CEO of PlanetOne; and Geoffrey Shepstone, president of TBI — to share the origin story of what's grown into the world's largest channel event and look ahead to where our industry is headed. As part of the planning for this session, I talked with Schuman about his recollections and how a gathering of 200 or so master and subagents and suppliers grew, in a little over 20 years, to host 6,200 people from across the channel ecosystem.

I won't give away all of Ted's observations, though if you find the online version of this column you can see a photo of some circa-2000 participants with Michael McDonald of Doobie Brothers fame.

By my reckoning, 200 to 6,200 is a CAGR of about 16.9 percent since 1997. Not bad, and an indication of just how wrong pundits have been in predicting that direct sales will swamp indirect. We're a nation of small and midsize businesses, and they need partners' help. In a February briefing call, Microsoft said it's adding 7,500 commercial partners to its network every month. At its fall summit, the Global Technology Distribution Council released data showing U.S. distribution-driven sales up nearly \$2 billion in 2018 compared with the first seven months of 2017.

The 2019 version of the world's largest channel event reflects that optimism.

Speaking of growth, our parent company, Informa, this summer closed its purchase of UBM and in the process more than doubled its portfolio of events. #CPExpo is now part of a big extended family of 500 shows serving 15 industry verticals, plus a number of new media sites. To celebrate, we're hosting in Las Vegas a mini Cloud & Colo track featuring Yevgeniy Sverdlik, editor-in-chief of Data Center Knowledge, as guest moderator, with channel versions of several popular Data Center World sessions. Our annual Business Success Symposium will feature a keynote and book signing by Adam Hartung of innovation advisory firm Spark Partners. And, thanks to Granite Telecom, our friends at TrainOurTroops will again have a base camp set up on the expo floor. We're pleased to also welcome a bumper crop of first-time exhibitors, including 128 Technology, Alert Logic, Iron Mountain and object storage service provider Wasabi Technologies.

If you can't make it to the show next month, this issue will give you a feel for the people, trends and organizations we're watching, including our Channel Influencer of the Year, Janet Schijns, CEO of JS Group. When our edit team chose Janet for our 2019 IoT, she was EVP and chief services and solution officer for Office Depot, leading the charge to help resellers and agents deliver the IT services customers need in a managed model through a variety of offerings. It's a compelling product bundle, continued under channel chief Heather Tenuto, and there's a potentially huge payoff for agents; you can talk to Office Depot at booth 230.

#CPExpo seemed like the perfect venue to recognize Janet's leadership.

Then we got word that Janet had unexpectedly left Office Depot. We never considered selecting a different IoT, but we did need to rethink how we told her story. That task fell to senior editor Kris Blackmon; her profile begins on Page 10 and serendipitously adds dimension to the changes that you and Channel Partners have experienced in the past 22 years. Take a read. Then, I hope you will join me, Kris, Janet and some 6,200 of your peers next month.

See you in Vegas.

*Lorna Garey is editor-in-chief of Channel Futures and Channel Partners.
Follow her on Twitter @LornaGarey*

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Vol. 33, No. 1 | Spring 2019
channelpartneronline.com



Photo Credit: Michael Wright

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Like any other technology, AI is a reflection of those using it. When it's good, it's very, very good, and when it's bad, it's ... well, obscene.

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50 SHADES OF GRAY (MARKET) MAYHEM

Are you curious about saving big money on network hardware?
There's a fine line between a good deal and a data loss nightmare. **By Allison Francis**

A byproduct of the shift of compute workloads to public cloud: billions of dollars' worth of secondhand data center hardware joining the stream of "gray market" gear being sold without official manufacturer authorization.

Not that every used switch or server is suspect. There's a big difference between the gray market and the secondary market, say experts. A lot of the FUD comes from OEMs who would prefer customers purchase new gear with fat margins.

"There's a legitimate market for secondary gear; that is, used equipment, or equipment that's still operational but may be outside the manufacturer's support or warranty windows," said analyst Greg Ferro, co-founder of Packet Pushers Interactive. Some VARs have built profitable businesses around secondary gear.

Curvature, which certifies pre-owned gear, says customers can see 75 percent savings on hardware. It and other IT asset disposition providers, including Arrow, Ingram Micro and ITRenew, ensure the previous owner's

data is wiped, test for quality control and ensure that firmware is up to date. They provide certifications, support and warranties.

In contrast, gray marketing, also known as "parallel importing," is the sale of products that have been diverted from the OEM's authorized network of distributors. According to the Alliance for Gray Market and Counterfeit Abatement (AGMA), a nonprofit that also addresses software piracy, the value of gray market products in 2007 averaged \$58 billion, representing somewhere between 5 and 30 percent of total IT sales and impacting supplier profits by \$8 billion to \$10 billion.

For partners looking to save money for themselves or customers, the distinction between "pre-owned" and "diverted" is critical. As more customers shed unneeded hardware, partners need to be aware of red flags on the buy side and have a plan to help dispose of or resell assets securely and responsibly.

Buy Low, Sell High

Gray market activity has one primary driver: price disparity. Global IT vendors

establish regional pricing schemes in various markets. Sometimes, as with prescription drugs, there is enough cost incentive to drive product across borders. A device in APAC may cost significantly less than in the EU. That creates what AGMA calls a "pricing corridor."

There are many ways products enter the gray market. According to AGMA, the most common are:

Partners over-purchase products under a contract for a job that actually requires a smaller quantity to achieve volume discounts. They then resell the extra products without the vendor's knowledge or consent.

Brokers buy lower-priced products in developing markets and then import them back to developed markets in North America and Europe, where they compete against authorized distributors.

Software licenses are sold at a higher discount or for no charge as "try-and-buy" in developing markets or for institutional customers. These licenses are then activated elsewhere.

A new twist: Network and server equipment is affected by the U.S. tariffs on China, boosting the incentive to cross

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Gray Market

borders. Cisco has raised prices on some products by 15 percent; Juniper and Arista are following suit.

In some cases, excess, aged or manufacturer-discontinued products sold by OEMs or distributors as discounted lower product class — take as-is, no return, no support — are sold as new to unsuspecting customers. Partners need to understand and communicate the risks that unauthorized or gray market products may pose and design procurement processes to mitigate potential problems.

A Question of Security

There are data protection and security implications attached to both the gray and secondary markets. Data may be left on machines, and viruses, malware or spyware could devastate entire networks. Christina Walker, global director of channel sales and programs at Blancco Technology Group, which supplies secure erasure and diagnostics, talks about the gray market from the perspective of enterprise accountability, particularly in light of EU regulations and U.S. laws that hold companies responsible for how they manage, store and dispose of sensitive data.

“An enterprise could potentially

have any number of assets floating around the gray market,” said Walker. “If they don’t take the proper precautions to erase the data that inherently resides on said assets before they leave the building or protected data centers, it opens the company up to risk. Not just concerning the regulatory requirements that industries are mandated to follow, such as Europe’s GDPR law and HIPPA, but also potential brand damage.”

A survey Blancco recently conducted found that in a majority of data centers — 79 percent of U.S. and 76 percent of Canadian — at least a quarter of drives on-site are overdue for sanitization and return/replacement. Over half of respondents, 57 percent, incorrectly say that a quick or full reformat of a drive permanently erases all data.

Walker recommends that partners either lean on IT asset disposition experts or develop a practice within their own engineering team to support customers in erasing data.

And don’t forget the chain of custody.

“According to GDPR, the data processor, or in this instance, the partner, is responsible for upholding what the customer, the ‘data controller,’ is asking for with regard to data security,” said Walker. “For example, if the protocol is to ensure that data is not recoverable from end-of-life assets, and the asset leaves a building without being erased and disappears while in transit, the partner could be at risk.”

Gray Foxes

Hardware suppliers insist that resistance to resale is not just about profits. They worry about brand damage, unhappy customers and service problems and say partners ought to be just as concerned.

According to PacketPushers’ Ferro,

vendors have taken steps to stem the gray tide, including closer monitoring of factories, clamping down on resellers with regular inspections and controls, and attempts to prevent the resale of hardware via software licensing terms that aim to prevent use by anyone but the original purchaser. Many deploy software to collect asset information and phone home to the vendor as part of a support contract.

AGMA insists that partners who have relationships with a manufacturer and authorization to sell or service products should understand not only their contractual obligations, but also how unauthorized practices, such as gray marketing, can undermine the integrity of the channel ecosystem overall.

If you’re looking to help customers, or your own IT team, pick up some bargain gear, experts have some advice:

- Find a reputable pre-owned equipment dealer that stands behind its offerings and that has relationships with hardware OEMs.
- Consider secondhand hardware for use with noncritical and disaster recovery use cases.
- Be mindful of OEM support for firmware updates and security patches.

When disposing of gear, check out advice from the International Data Sanitization Consortium. It provides information about data sanitization best practices across a variety of IT assets, legal language for use in service provider contracts, updates on global regulations and advice on data erasure procedures and responsibilities.

Allison Francis is a contributing editor for Channel Futures and Channel Partners.

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JANET SCHIJNS, UNLEASHED

Why now is the time for the former Verizon and Office Depot executive to save the telco channel By Kris Blackmon



**2019
CHANNEL
INFLUENCER
OF THE YEAR**

On a whiteboard in her office, Janet Schijns has written herself a reminder: If it's to be, it's up to me. "I have to find a way to make sure that the channel thrives, because right now I think it's on a survival path, and that is not the channel," Schijns tells me. "The channel has always been a thriving part of the tech industry. They've always been the tip of the spear to get people to adopt technology. They've always been who local customers called for help. We can't afford to have ... a reduction in the relevance."

If it's to be, it's up to me.

No pressure, right?

Like most of corporate America, Schijns was excited by the leaps forward in business evolution that technology promised at the end of the 20th century. But unlike the masses, she was dumbfounded by brilliant developers' seeming inability to speak what she calls "tech business" and actually bring their revolutionary products to market.

Schijns took a leap of her own and hung out a shingle. Together with her husband, Roy, she founded JS Group to help technologists get their innovations into the hands of customers. Over the next decade, her client list grew to include such staples as IBM, Intel, Cisco, Nvidia, Microsoft and the beleaguered mobile data capture and delivery manufacturer Symbol Technologies, whose market dominance was decimated by accounting scandals in the early 2000s. In 2007, Motorola bought Symbol for \$3.9 billion, gaining the technology that would come to make up most of its Enterprise Mobility division — and bringing Schijns into the fold to lead the division's go-to-market efforts as vice president of global channels.

It was 2008, and the pace of change in technology was

Photo Credit: Michael Wright

approaching warp speed. Cloud and mobility changed the fundamentals of the channel game, with vendors and partners alike scrambling to stay relevant as proven business models eroded beneath them. Mobility was more than a technology advancement; it changed the way people consumed communications and forced the telco channel down a path of reinvention.

“The whole industry shifted,” Schijns remembers. “Sell a phone, get \$150, and that’s it. That’s the end of it. There’s nothing else after that.”

Righting the Titanic of Telco

Schijns wanted to influence how the industry reacted to that change. In 2010, she accepted the position of vice president of Verizon Wireless’s Business Solutions Group, and for the next seven years poured her heart and soul into its channel program.

When Schijns came on board, Verizon had a terrible reputation with the partner community. She helped rebuild the telco’s strategy and completely overhauled its relationship with partners. Prior to her tenure, the channel program had lacked direction. Worst of all, it had fallen out of touch with its agents. But Verizon Business Markets CMO Jake Heinz told Channel Partners in 2017 that Schijns had set the company up for success.

“I can’t say enough positive things about what she has done with the program,” said Heinz.

Partners felt she fundamentally understood their challenges. She just *got* it. Cheap VoIP licenses and UCaaS meant more robust telecom solutions but shrinking margins and residuals for agents. While SMBs clamored for “one provider to rule them all,” agents were left in the cold because most already had an MSP. Few agents had the reach to grow beyond their local markets or the resources to handle larger managed IT projects. The

industry was evolving fast — so fast that even a behemoth like Verizon couldn’t give its agents all the resources they needed to survive and grow.

A Most Surprising Move

In 2017, Schijns surprised and, frankly, confused the channel when she left Verizon to help build a go-to-market strategy for, of all organizations, Office Depot, which was just beginning to execute a pivot to IT services.

Three months after Schijns joined the team, Office Depot bought IT services provider CompuCom for \$1 billion, clearly broadcasting its intention to develop a managed services play. It quickly launched a managed IT-as-a-service program for small and midsize businesses, a small-business services platform called BizBox and a “genius bar”-type IT repair service called TechZone that sat within many of its retail locations.

Schijns’s hire suddenly made a ton of sense, as did her meteoric rise up the Office Depot food chain.

What she brought was an intimate knowledge of a group perfectly positioned to help Office Depot roll those managed services out in a hurry: telco agents and masters. For years, agents had watched their dwindling margins with horror. They needed a managed services move, but the IT channel wasn’t eager to play. Rebranding your shop as an MSP wasn’t enough. Schijns’ message resonated.

Whether CompuCom is good for MSPs is up for debate, but it’s been indisputably great for Office Depot. The company’s retail sales are still in decline, but its business solutions division more than makes up for it.

Still, in its Q3 2018 call with investors, CFO and executive vice president Joseph Lower revealed that CompuCom sales had dropped by 4 percent; Lower blamed the decline in part on administrative inefficiencies and an unfavorable product mix — two

areas that, at least from the outside looking in, could be considered to fall under Schijns’s massive purview. On the heels of that call, Office Depot was hit disproportionately hard by December’s broad market sell-off; its stock price plummeted by 34 percent in the first three weeks of the month.

Just days into the new year, the channel learned that Schijns and Office Depot had abruptly parted ways. Details about the split are scant, but we can’t help but wonder if her long list of responsibilities had set her up for failure within a giant public company undergoing a fundamental restructuring and beholden on a quarterly basis to stockholders, who had just suffered a considerable blow in December and were looking for a reckoning.

No matter. Never one to look backward, Schijns is on a roll. Mere days after leaving Office Depot, she’d rejoined her consultancy, JS Group, and reached out to the network she spent two decades building.

When Schijns moved to Office Depot, she did so with a clear understanding of where telco partners needed help, and she was given the latitude to create a go-to-market strategy that spoke directly to those needs. She’s approaching her consulting work, which she says is a healthy mix of vendors, agents and new market entrants, with the same sense of empowerment and responsibility.

“I’ve seen and heard too much over the last few years about the channel not surviving, about 50 percent of [partners] going out of business or retiring. I’ve seen too much consolidation. I’ve seen too much of all of it,” she says. “I will not allow the channel to go away. It’s just not going to happen.

“If it’s to be, it’s up to me.”

Kris Blackmon is senior editor for Channel Futures and Channel Partners.

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2019 CHANNEL INFLUENCER AWARDS

55 People, Suppliers, Techs and Trends Driving the New Channel

It's already been quite a year. And from deception technology to more M&A madness, the biggest changes may be yet to come

By Channel Partners & Channel Futures Staff

Last year, for our inaugural Influencer Awards, the Channel Partners and Channel Futures editors named 50 technologies, trends, organizations and people driving growth in our industry. This year, our editorial team has expanded, and so has our list. As in 2018, I asked the journalists who know the combined channel best to thumb through their biggest stories and most intriguing and impactful interviews. We pored over stats from our sites to see who and what caught your attention, and we talked to in-the-know analysts about the buzzworthy technologies your customers will be asking about. Without further ado, here are some of the organizations, people, technologies and business trends that you need to watch. You can find the full list at <https://bit.ly/2E3MSFg>. —Lorna Garey

8x8

8x8 isn't resting on its laurels. It kept its portfolio fresh in 2018 by adding new offerings for analytics and contact centers while increasing integration among messaging mediums. Frost & Sullivan gave kudos to the company for unifying CCaaS and UCaaS in the same platform, and the provider remained near the top of the cloud communications heap once again in 2018, landing in the leader's section of Gartner's magic quadrant for the sixth year — though rival RingCentral made a strong showing in the latest revenue tally.

Speaking of sales, the channel accounted for some 90 percent of 8x8 revenue in 2018. The vendor advanced a 2017 initiative to grow its distribution ecosystem and partnered with companies like ScanSource, Ingram Micro and Plan-etOne. And, most notably, in 2018 it tapped two big names for its channel leadership team: former CenturyLink executives Bill Corbin and John DeLozier as senior vice president of global indirect markets and global channel chief, respectively.

DeLozier's return to the unified communications industry where he cut his teeth bought 8x8 some buzz. Now he's looking to keep the excitement going.

He and Corbin have room to run — the UCaaS industry has 10 percent or less market penetration, according to most studies, so now is the time for vendors and partners to grab their share. —James Anderson



AppDirect is on a mission to transform e-commerce by enabling any business to sell any product or service through any channel from any smart device. The Silicon Valley unicorn with a valuation of more than \$1 billion calls this “multidimensional commerce.”

We call it a seismic shift that partners can't ignore. In fact, the model landed in our top business trends list.

To make multidimensional commerce a reality, AppDirect has developed a software platform upon which anyone can build marketplaces, manage partners, conduct sales and more. To date, third parties ranging from tech startups to industrial giants to pharmaceutical companies have embraced the opportunity. To jump-start sales among technology partners, AppDirect made a bold move last fall when it acquired top telecom master agent World Technology Group (WTG), which has made its own waves by branching out into energy, IoT and more. WTG will be merged with NeoCloud, a company AppDirect previously purchased; the combined entity will form the foundation for a business unit called “AppSmart,” a cloud marketplace where agents, VARs and MSPs can evaluate, purchase and bundle apps for clients.

For its bold purchase of WTG, we think AppDirect will be one to watch in 2019. —T.C. Doyle



AT&T knows the channel. AlienVault knows integrated security. The acquisition of the latter by the former is a win for both resellers and MSPs.

During the past two years, AlienVault's annual recurring revenue has grown more than 60 percent per year. The USM Anywhere SaaS-based threat detection and incident response platform has posted stellar 130 percent quarter-over-quarter revenue growth, helping AlienVault increase its installed base to more than 7,000 businesses and add more than 200 MSSP partners. But agents and resellers also share in the success via "Powered by AlienVault," the new AT&T cybersecurity business division being led by Barmak Meftah. As president of AT&T Cybersecurity Solutions and CEO of AlienVault, Meftah has combined AlienVault's USM platform and open threat exchange with AT&T's suite of managed cybersecurity services and solutions. That "one-stop shop" is a win/win for partners and customers. —*Edward Gately*



Barefoot might just be the coolest company you've never heard of. Much like the server market two decades

ago, the Ethernet switch business has been disrupted by the rapid improvement of commodity merchant silicon. High-performance chips supporting up to 100G and 400G Ethernet enable white-box OEMs, cloud service providers and upstart vendors like Arista to challenge a market dominated by Cisco.

Still, while these chips are inherently adaptable, programming the data plane remains technically challenging, a problem for CSPs. Enter Barefoot Networks with its Tofino chip architecture and P4 language. CSPs can express what they want to do in their networks and then program Tofino with those specialized functions ahead of placing the chip into a box. And, that doesn't come at PUE or capital cost: Barefoot says Tofino will consume no more power, and cost no more, than a fixed-function switch chip. The Tofino 2 has the performance and programmable flexibility that carriers, ISPs, CSPs, MSPs and cloud operators want. —*Kurt Marko*



"Citrix" is synonymous with "virtual desktops and applications." But as SaaS and cloud-native apps displace

traditional software, the need for virtual desktops will diminish. While that's not going to happen overnight, Citrix has prepared for the eventuality with its Workspace Cloud app, delivered through the Citrix Cloud. The company calls the digital workspace, a SaaS-based version of what Citrix Receiver now provides as a native OS runtime to Windows and Linux clients, an "intelligent workspace" because it uses machine learning to provide secure access to a work environment.

The promise to partners is that even though only a small percentage of users employ virtual desktops — on average, 30 percent — all customers can benefit from the Workspace Cloud app. "The other 70 percent of that customer's footprint for us is nonvirtualized applications and data, and that represents the opportunity," said Steve Blacklock, Citrix's vice president for global strategic alliances. The app can be delivered through the major cloud providers or through hyperconverged infrastructure from Nutanix, HPE and Cisco.

Note that Microsoft is also launching its Azure-based Windows Virtual Desktop service. 2019 will tell whether, by providing connectors to Microsoft WVD, Citrix Workspace will enable partners to bring together the Windows desktop with a user's various SaaS apps. —*Jeffrey Schwartz*



Commvault has a storied history as a provider of data

protection software trusted by large enterprises. Yet for all its mastery of that market segment, the company has seen mixed success with the small and midsize companies already served by an extensive roster of channel-focused business continuity providers. Sensing a growth opportunity, activist investor Elliot Management's hedge fund last year revealed that it had amassed a 10.3 percent stake in the company. You may have noticed some new faces and initiatives, including Commvault Advance, a broad plan to increase revenue and profit growth with simplified product SKUs and by extending its alliance and go-to-market partner efforts. The company also held its first-ever partner summit in October, tied to its third Commvault Go technology event in Nashville. At the show, hardware partners Cisco, HPE and NetApp announced plans to offer appliances with a simplified Commvault product line, suitable for SMBs, and early this year the company will roll out "as-a-service" offerings with Amazon Web Services and Microsoft Azure.

Will the Commvault enterprise pedigree translate to small-business success? Elliot Management thinks so. The technology is solid, and some new executive hires know the channel. 2019 will tell. —*Jeffrey Schwartz*

25 Orgs to Watch



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ConnectWise is the
largest and most

well-established business management software provider in the indirect sales market. In the Channel Futures 2018 MSP 501 survey, 58 percent of respondents reported using a ConnectWise product; that's more than double the number for Autotask, which came in second. ConnectWise users are a fiercely loyal bunch, and the company made some moves in 2018 to strengthen that bond, notably its acquisition of the popular HTG Peer Groups, now dubbed ConnectWise IT Nation.

The company finds itself in increasingly lonely territory, however, with its refusal to accept private equity capital, instead focusing on improving MSPs' operational efficiencies and, like everyone else in the channel, investing heavily in security. How will that impact its competitive position moving into 2020?

We can't wait to find out. —*Kris Blackmon*



dimension data

Most of the big tech research houses have high hopes around internet of things — and for good reason: “The IoT is opening the door to big opportunities for an increasing number of channel companies,” said Carolyn April, senior director of industry research and analysis at CompTIA. One company pushing IoT to its limits is Dimension Data, the global ICT goods and services integration company. With its global portfolio of enterprise customers, Dimension Data is taking a holistic approach to building world-class solutions for health care providers, government entities, retailers and more.

“IoT is far more than the sum of its parts,” wrote Paul Potgieter, general manager at Dimension Data, in a DiData blog. “It goes beyond a multitude of devices enhanced by a multitude of sensors connected to a vast network. It is a vital cog in the successful engine of the Fourth Industrial Revolution and the era of digitization.”

Tapping into that revolution through a number of innovative projects is a big reason why we believe Dimension Data will be one to watch in 2019. —*T.C. Doyle*



Evergreen Services Group

2018 witnessed an avalanche of mergers and acquisitions in the channel. One of the more interesting companies fueling M&A activity is San Francisco Bay-area investor Evergreen Services Group. In 2018, Evergreen made 12 strategic

deals in managed services, including the December purchase of NetGain Technologies, a longtime member of the MSP 501. Prior to that, Evergreen made investments in Wolf Consulting, Executech, Jenlor, Interlaced and Integritex. Evergreen sees an opportunity to create a catalogue of strategically positioned, regionally based MSPs that are hyperfocused on core customers in specific, fast-growing markets. And, Evergreen doesn't plan on flipping its investments anytime soon. —*T.C. Doyle*



D&H Distributing stays in its lane. The distributor reached the century milestone by being laser-focused on the SMB market. But don't mistake focus for tunnel vision. D&H plays in all the hot workplace technology and business vertical realms: security, data center, networking, intelligent edge, cloud/XaaS and more. And in an era where the number of technology distributors is shrinking due to M&A activity, D&H is unwavering in its mission and focus: “We're not an enterprise distributor, nor do we intend to be,” Dan Schwab, co-president of D&H, told Channel Partners.

Leadership credits D&H's private ownership with keeping true to the core mission via investments in all things SMB, increased sales resources to work with SMB partners and a focus on education and training. MSPs that specialize in serving SMBs have clearly noticed. —*Lynn Haber*



exabeam

It may be smaller and
lesser known than
its competition, but

Exabeam is gaining ground on big security information and event management (SIEM) vendors like Splunk, IBM QRadar and HP ArcSight. In fact, Exabeam audaciously dubbed itself the “Splunk killer,” claiming superiority in licensing as well as data collection and use of that data for analytics.

Last summer, the company, which sells only through the channel, crossed the 200-customer mark and was named a leader in Gartner's 2018 Magic Quadrant for SIEM based on completeness of vision and ability to execute. This is Exabeam's second year in this MQ.

“Our rapid growth has allowed us to claim a significant portion of the SIEM market this year,” said Sylvain Gil, Exabeam's executive vice president of product. What's giving Exabeam partners the mojo to steal deals? Innovation, says CEO Nir Polak, adding that customers often replace Splunk, IBM QRadar, Nitro, LogRhythm and other big names.

Bold words. We'll be watching to see what 2019 brings. —*Edward Gately*



While most top cloud providers have recently or are just now adding machine learning to their cloud services to boost business

intelligence and performance, Google is working far ahead of that curve by providing leadership in a new engineering discipline, called Decision Intelligence, that converges many of today's leading technologies into a single decision-making process. The goal is to deliver the Holy Grail to data-driven organizations: decisions based on an accurate and comprehensive analysis of a series of cause-and-effect chains. This is a quantum leap over conclusions drawn from analysis of the moment-in-time data points that companies currently use.

Machine-learning systems are only as good as their training data, so Google uses DI frameworks to teach the machines how to think as much as how to identify patterns in data. Google designed and built DI from scratch. It's a framework that's now catching on fast across industries.

DI presents several opportunities for Google Cloud Machine Learning Partners and specialized Google Cloud partners. Organizations of all types will require considerable assistance in understanding and converting to DI from traditional analytics and familiar machine learning-based applications. Find or train the right talent and you'll be the one in the catbird seat. —Pam Baker



Few channel players made as much noise in 2018 as Kaseya, whose stated goal is to provide a comprehensive platform that allows MSPs to provide a

managed service for every type of technology consumption that customers might want. Last year, Kaseya engaged in a fast-and-furious acquisition strategy to expand into new markets, gain ready-made customer bases and quickly integrate new technologies. It acquired Spanning to provide a full BDR solution for Microsoft Office 365, RapidFire Tools to help it take advantage of the compliance-as-a-service opportunity, IT documentation solution provider IT Glue, and BDR powerhouse Unitrends — all in 2018.

That's a lot to digest, but one thing in its favor is a clear vision of where "there" is. Like many forward-thinking companies, Kaseya is focused on grabbing its share of the SMB market, which IDC predicts will spend \$676 billion on IT services by 2021. With his typical passion and blunt candor, CEO Fred Voccola spent a great deal of 2018 explaining how Kaseya plans to seize that opportunity. So what will 2019 hold? If the market conditions are right, we're likely to see an IPO in Kaseya's future, for starters. Look for a push into the EMEA market as the company moves to expand beyond North America. And, of course, don't expect its acquisition fervor to calm down anytime soon. —Kris Blackmon



In the world of enterprise-class open source, there may be no more powerful and influential organization than The Linux Foundation,

a nonprofit consortium that aims to build sustainable ecosystems around open source projects to accelerate development and adoption. The group provides support for open source communities and new initiatives through financial and intellectual resources, infrastructure, services, events, training and more. For the channel, the work of The Linux Foundation and its more than 1,000 corporate members — including AT&T, Cisco, IBM, Intel, Microsoft, NEC, Oracle, Qualcomm and Samsung — is a hugely valuable resource for code, innovation, development and expertise. Through the foundation, if there is an open source project a channel partner wants to adopt in 2019 to better serve clients, they'll likely find help, code and advice.

We've said it before: Participate in open source communities if you can. It's the best way to bring your customers the innovations that will help drive their businesses forward while giving back. —Todd R. Weiss



The MSPAlliance, founded in 2000 and with 30,000 members globally, is becoming increasingly relevant to today's modern managed service and cloud service providers as the demands of the industry change.

Throughout its almost-two-decade history, the MSPAlliance has demonstrated enviable industry savvy. Some years back, it embraced the cloud and, by extension, MSPs and CSPs who saw the coming shift in the business landscape. That set in motion the MSP/Cloud Verify program based on MSPAlliance's core Unified Certification Standard (UCS) for CSPs and MSPs. The UCS is based on 10 core principals delineating how an IT service organization should operate and a model for evaluating cloud and MSP companies. Relevancy is key, which is why the UCS is updated annually; the latest iteration, UCS2019, incorporates new requirements and guidance around data breaches and cyberattacks. Might 2019 be the year a big MSP loses a big contract for lack of the right bona fides? All we know is that MSPAlliance CEO Charles Weaver is seeing explosive growth in demand for certifications from proactive MSPs. You be the judge. —Lynn Haber

25 Orgs to Watch

NetApp®

NetApp is a trailblazer in enterprise storage — and the only major player that isn't part of an IT infrastructure mega conglomerate. But NetApp has become much more than a provider of storage arrays, management software, NAS filers and even flash, where the company has leading market share. In 2014, responding to early whispers of hybrid cloud and a new generation of cloud-native and serverless infrastructure, NetApp CEO George Kurian introduced the company's "data fabric" vision. Now at fruition, the new architecture focuses on enabling organizations to orchestrate data services across hybrid and multicloud environments, and has manifested itself in a broadened portfolio. NetApp is also in the early stages of helping its partners deliver storage-as-a-service via Cloud Volumes, a managed, high-performance enterprise network file service based on NetApp's ONTAP storage OS. Cloud Volumes has started to appear as a service (with some iterations still in preview) in AWS, Microsoft Azure and Google Cloud Platform. Another area to watch: MaxData, NetApp's effort to post the scale and performance of others' hardware with new server-side software that is aimed at accelerating real-time analytics applications. NetApp gained the technology for MaxData with its 2017 acquisition of Plexistor, and it's included with the recent release of ONTAP 9.5. —Jeffrey Schwartz



Quantellia

Imagine what's possible...

Quantellia is a privately-held provider of decision engineering consulting and software services. Its flagship software product is World Modeler, used for desktop visual decision modeling. The company's main function is to enable its customers to visualize and manage interdependencies, complex relational dynamics and other factors that overwhelm decision makers. Quantellia's customers include tech giants like Microsoft and Cisco as well as global organizations such as The Carter Center, Trillium and Transamerica. The company was co-founded by Lorien Pratt, chief scientist, and Mark Zangari, CEO/CTO. Pratt often speaks and teaches at conferences alongside Cassie Kozyrkov, chief decision scientist at Google Cloud. Google created Decision Intelligence, and Quantellia is one of the few companies working in the DI space that isn't, well, Google. Keep a close eye on Quantellia because even though it isn't as big a company as Google, it's marching beside the giant rather than in its shadow. Where this company goes is where the AI and DI industries are likely to follow. —Pam Baker

NUTANIX

The hyperconverged infrastructure market

is hypercompetitive, with 15 suppliers battling it out in Gartner's 2018 HCI Magic Quadrant. That may not sound like an overfull field. But given that just 20 percent of business-critical applications currently deployed on traditional three-tier IT infrastructure will move to hyperconverged infrastructure by 2020, according to Gartner, every deal the channel can generate is critical. Nutanix, which shares the "Leaders" quadrant with Cisco, Dell, HPE and VMware, made some moves in 2018 to increase mindshare with partners. In fact, in July, we said Nutanix Velocity may be the most interesting channel program in the industry. It's inked integration pacts with everyone from Cyxtera to Veeam. And it's aggressively pushing its Acropolis hypervisor as a cost-effective alternative to VMware. Use of AHV among customers of the company's NX nodes is 38 percent — not bad given Acropolis' slow start.

Nutanix's full "data center in a box" vision — a hyperconverged, single-OS infrastructure built on a mix of hardware, running Acropolis and managed from one console via its Prism software — demands a lot of buy-in from customers. The company is betting that the allure of beating the "VMware tax" will continue to increase use of AHV and thus the stickiness of Nutanix NX. If so, it can thank its partners for making the sale. —Lorna Garey



redhat

When it came to tech news in 2018, it didn't get much bigger than IBM's announcement that

it was acquiring open source leader Red Hat. What would the deal mean for Red Hat's long history of innovation — and for the company's independence? Since both are large channel players, for partners, the pairing could ultimately deliver an influx of new peer relationships and customer opportunities as the powerhouses bring their products and services together to serve customers. Critics worry that IBM could squelch Red Hat's penchant for creativity and hamper its ability to bring in smart, idealistic engineers to work on the open source code that's critical to a wide range of computing and business needs. Advocates of the deal argue that it just might infuse new energy into an arguably sluggish Big Blue and help customers of both companies who are probably already using IBM and Red Hat technologies together. Certainly there are risks, but we tend to fall into the latter camp. This \$34 billion deal should benefit both parties and their channels by formalizing the relationship between two enterprise IT titans, giving partners and customers more bang for the buck. —Todd R. Weiss



At its fall 2017 conference, SolarWinds MSP stressed that managed security service providers

will have an easier path to becoming their clients' trusted advisers while increasing their own profits. To help with that evolution, last fall the company launched the SolarWinds Threat Monitoring Service Program, which builds on SolarWinds Threat Monitor with outsourced security operations center services. The company gained Threat Monitor through its acquisition of Trusted Metrics last summer.

The vendor has 22,000 partners and customers and serves 450,000 organizations globally.

"We're seeing device growth, an uptick in different types of adoption — in particular, a lot of security uptick and security adoption," said John Pagliuca, SolarWinds' senior vice president. "And by all indicators, the channel seems to be pretty healthy."

Last summer, the company also launched a new on-demand playbook for MSPs designed to provide training and tips through business, sales, marketing and technical tracks from experts and industry leaders. The MSP Institute consists of webinars, videos and podcasts, with tracks on go-to-market strategies, advice on how to build and manage a successful sales team, best practices for operational success and tips on how to manage customer relationships. —Edward Gately



Synnex is one of several distributors caught up in the whirlwind of M&A activity in the past couple of years. Thanks to a

strong community, the disruption seems to be paying off. The distributor, founded in 1980, is seeing the upside of one of the biggest and most significant acquisitions in its history — the \$600 million Westcom-Comstor buy in September 2017. That acquisition secured Synnex's Cisco relationship and solidified its UCC portfolio. While execs say the integration between the two companies is complete, fully leveraging the joint synergies, called Westcon-Comstor 2.0, is still a work in progress.

Synnex also recently closed on the acquisition of Convergys and saw the retirement of president and CEO Kevin Murai after 10 years in that role and the appointment of Dennis Polk as the new president and CEO.

What's ahead? That would be expansion in its cloud, IoT and mobility practices, and helping partners deliver comprehensive solutions. And of course, like the channel overall, the distributor and its partner customers are looking to grow their services businesses. Both Synnex and members of its select Varnex community, now 10 years old, seem to be keeping pace. Channel Partners recently learned that Varnex grew 20 percent year-over-year. —Lynn Haber

TALARI Networks

Oracle's purchase of Talari was the SD-WAN acquisition everyone

expected but no one saw coming.

While Talari has quietly but consistently cracked the top five in market leaderboards, it's been overshadowed by splashier rivals. So it came as a surprise to market watchers when Oracle — not known for being understated — chose Talari's platform to complement its network management infrastructure. What sold Oracle? Our read is Talari's reputation for "fail-safe" traffic performance and quality of service. We'll watch with interest as Talari is pulled into Oracle's Global Communications unit. Analysts say Talari will get its hands on new R&D funds as well as a huge set of enterprise eyeballs. Talari was serving 500 large customers at the time of the acquisition, and it aims to increase that number.

What does it all mean for the channel? SD-WAN is gold for partners. The policy — for the time being — is that we should not expect an "Oracle-ized" Talari, but rather a retention of channel managers and a continued focus on indirect sales. Partners will be watching. —James Anderson



For TBI, agility is key to staying on top. It's quite a feat to stay nimble when you're the largest master agent in the United States, but then being fast on the draw

is how the Chicago company managed to attain that position to begin with. Founded in 1991 — the same year the World Wide Web became publicly available — Telecom Brokerage Inc. was focused on providing the best telecommunications available. In the years since then, TBI has made the pivot from pure telecom to technology while adhering to its basic premise that its partners are its customers. Support services expand in tandem with a growing portfolio of products. In November, for example, when TBI became the first master to cover all of Verizon's customer-segmented portfolios, it bulked up its support staff for the program to include 35 members.

A survey TBI commissioned last year with AT&T validated that the master agent is spot-on in its orientation and approach. Two top takeaways? That digital transformation is driving demand in the channel and that partners are looking to master agents for the products, education and support they need to help their clients. TBI is sized to deliver. —Buffy Naylor



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25 Orgs to Watch



The Telarus universe is expanding. In July, the master agent relaunched its web-

site, marking the completion of its rebranding following the acquisition of network diagnostic tool VXSuite in 2015 and fellow master agent CarrierSales in 2017. In announcing the all-stock deal with CarrierSales, which put the combined entity among the nation's largest masters, Telarus stated that its goal in undertaking the transaction was to help partners sell more and achieve more. How? CEO Adam Edwards insists that the combination of the two companies not only increased Telarus' scale, it give partners a wealth of new resources — specifically, from CarrierSales' mobility, data center and UCaaS practices.

At the Telarus Partner Xchange in June, Edwards explained in more detail how the move toward specialization has made it essential for Telarus to increase its own range of expertise. In addition to adding an array of new suppliers to its portfolio throughout the year, the master increased its market footprint by launching Tradewinds Brokerage to distribute technology services in Australia and New Zealand. Tradewinds will focus on supporting local technology experts. —Buffy Naylor



Vonage is more fun to watch than the average communications provider. It's always hustling, making moves to increase its capabilities and steal market share from rivals in the highly competitive cloud communications space. Last fall, in its biggest acquisition yet, Vonage scooped up NewVoiceMedia, a cloud contact center-as-a-service (CCaaS) provider, for \$350 million in cash. The acquisition combines Vonage's UCaaS and CPaaS offerings with NewVoiceMedia's pure-play cloud contact center services, providing an "end-to-end communication experience for a company's employees and customers."

Vonage also gained video with its acquisition of TokBox, a Telefónica subsidiary, for \$35 million. And don't forget the launch of the Nexmo Connect program with a group of partners including Microsoft, Google, Amazon, Facebook and others.

To keep partners up to speed, Vonage has beefed up its channel leadership. Last month, it hired Greg Franzen as director of strategic partners for North America, and before that Mario DeRiggi as senior vice president of national channel sales and operations. Both are Windstream alums. Bob Crissman, Vonage's senior vice president and channel chief, has taken on a new role focused on building out the company's transactional channel and leading the western United States. —Edward Gately



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9 INNOVATORS TO WATCH

CHRIS ANISZCZYK



The open source community boasts thousands of talented and creative developers and project leaders, but there are few who have their hands in as many projects as Chris Aniszczyk, CTO/COO of the Cloud Native Computing Foundation and co-founder of The Linux Founda-

tion's TODO Group. Aniszczyk is personable, passionate about open source and speaks regularly at a wide range of events. He also serves as developer relations vice president for the Linux Foundation and as the executive director and founder of the Open Container Initiative. He's a must-know fellow in the open source community. — Todd R. Weiss

SANDRA GLASER CHEEK



Sandra Glaser Cheek didn't get where she is by following the leader. So it came as little surprise last year when the Ciena channel chief unveiled one of the most innovative programs we've seen. Cheek's new Ciena Partner Network is among the industry's first "mass-customized" channel programs. There are

no tiered levels with precious-metal names or onerous certification and training requirements that don't align with partner business models. Instead, the CPN is a single, unified partner program that treats partners, no matter their size or business model, "personally," Cheek says. Under the new terms of the CPN, partners can opt to become "Professional" or "Elite" partners. Rather than sales volume, the key differentiator between the two designations is a partner's willingness to participate in joint business planning with Ciena. There are other adjuncts of the program that make it different than most, which is plenty of reason for us to recognize Cheek for her innovation. — T.C. Doyle



COLE CRAWFORD

Cole Crawford, CEO and founder of Vapor IO, has a long history in both telecom and data center. He was also there at the emergence of cloud computing. His latest venture as the CEO and founder of Vapor IO combines el-

ements of all three by creating the hardware and software for an uber-distributed, AWS-like cloud. His goal at Vapor IO is nothing if not ambitious: "Build the world's largest network of distributed edge data centers by placing thousands of Vapor Chambers at the base of cell towers and directly cross-con-

necting them to the wireless networks. This will make it possible to push true cloud capabilities to within yards of the end device or application, one hop from the wireless network."

How? Via modular (read: housed in shipping containers) micro-data centers filled with customized racks (Vapor Chambers) and controlled by a proprietary SDN overlay (Kinetic Edge) that are placed at cellular base stations or other high-traffic locations. Locating near base stations provides the perfect bridge between the new, wireless network edge fueled by LTE and 5G mobile users and the vast fiber backbones operated by wireless telcos. Vapor IO already has a partnership agreement, which includes an equity stake, with Crown Castle. — Kurt Marko

9 Innovators to Watch

CASSIE KOZYRKOV



Cassie Kozyrkov, chief decision scientist at Google Cloud, is the innovator and driving force behind Decision Intelligence (DI), a new practice in machine learning-based, data-driven decision-making. To date, Kozyrkov has guided more than 100 projects, designed Google's analytics program, and trained

more than 15,000 Googlers in statistics, decision-making and machine learning. As Google's DI lead, she is heavily influencing where AI is going next and shaping the decision-making process for every business on the planet.

While Google doesn't have partners specializing in data science specifically, it does have partners specializing in data analytics who help customers make the most of Google Cloud's analytics products, including BigQuery. But with Kozyrkov's leadership in breaking new ground via the emerging discipline of Decision Intelligence, there are plenty of opportunities for channel partners to deliver guidance on these innovations to their customers, including successful data democratization efforts and custom machine learning projects. —Pam Baker

JO PETERSON



Don't take just our word for it: As alter-ego @DigitalCloudGal, Jo Peterson is ranked No. 44 among the top 100 IoT Influencers on Twitter. Peterson, vice president of cloud services for Clarify360, a boutique sourcing and benchmarking consultancy, is also a member of the Channel Partners editorial advisory board; founder of Cloud Girls, a group that unites women technology thought leaders; and a speaker at events ranging from PTC LiveWorx to IBM Think to IoT World to the upcoming 2019 Channel Partners Conference & Expo. The first three are notable: By taking her expertise on the IT event circuit, she's raising the professional profile of the channel overall.

Oh, and she's mentored and supported some of the top women in the industry.

"Jo truly has 'the right stuff,'" says Tina Gravel, senior vice president of Global Channels for Cyxtera. "She is a thought leader, not simply an influencer, incredibly smart and a wonderful person with relationships; that makes her a triple threat." —Lorna Garey

KEN MCCRAY



Ken McCray, McAfee's head of channels and operations for the Americas, has his work cut out in 2019 rebuilding the cybersecurity vendor's partner strategy. The revamped program's tenets: mind what customers are asking of their service providers, keep partners aligned with the McAfee product

road map and reward loyalty. CEO Chris Young has said that McAfee's realized its cloud-native vision, and the next few years will define where his company is going.

McCray's success will be McAfee's success.

With nearly 30 years of industry experience, he has what it takes. His achievements include creating the accelerated deal registration program and portal, which now is used globally by more than 30,000 partners; expanding routes to market via security innovation alliances and MSPs; and launching the Partner Care team in Bangalore to provide back-office support to more than 8,500 reseller partners and distributors. Now, he's at the helm during a time of rapid change for security-focused partners. If experience matters, McCray is the right man at the right time. —Edward Gately

PETE SORENSEN



Since channel luminary Arlin Sorensen founded HTG Peer Groups 18 years ago, hundreds of partners have attended the organization's workshops and participated in its business coaching programs. ConnectWise bought HTG last January, and the two groups merged into one, dubbed IT

Nation, with a new generation of Sorensen at the helm. Pete Sorensen tells us that in 2019, they will bring HTG's deep-dive, numbers-based methodology to bear for ConnectWise's extensive community of partners to teach business owners how to "manage to what good looks like." Along the way, IT Nation will host roundtables and workshops to guide partners through modern day channel trends like M&A, managed security and peer-to-peer partnerships.

"There should be a good balance, I hope, between working to encourage partners to define what success looks like and to make sure they're investing in the areas that will make them hit the goals," says Sorensen. —Kris Blackmon

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9 Innovators to Watch

DARRIN SWAN



When Darrin Swan, CEO of Infinet Consulting, joined the company in 2016, he was handed the assignment of helping to scale and accelerate the company's digital transformation business. Infinet focuses on helping clients identify business needs and developing plans for IT solutions that not

only maximize current operations but can evolve to address changing trends and meet future challenges as they arise. Swan put his passion for business process optimization and IT simplicity to work, directing Infinet's own digital transformation, which he believes gives Infinet "the right and ability to transform our clients." Swan's inside-out approach gives Infinet insights that enable them to translate the connection between business value and technology and adds an additional element to the concept of trusted adviser: expert facilitator. —*Buffy Naylor*

OLIVER TUSZIK



Oliver Tuszik, senior vice president of the global partner organization at Cisco, is an amiable guy with experience on both the vendor side of the business — five years with Cisco — and the channel, thanks to a stint heading up Computacenter Germany, one of Cisco's biggest partners. Tuszik, the vendor's

pick to lead its worldwide partner organization, is positioned to have a tremendous impact on Cisco's channel partners and brands himself as a transformational channel leader.

In November, he made his global debut at Cisco Partner Summit 2018, where he outlined a partner road map for the next 12 months as Cisco laid bare its business transformation go-to-market strategy, the creation of a combined global sales and marketing organization, and customer experience strategy. —*Lynn Haber*

For the full write-up of the 2019 Channel Influencer Award winners — the 25 organizations to watch, nine individuals who will be innovating the channel, the 10 business trends that will take off and the 10 technologies that just may take over — go to <https://bit.ly/2E3MSFg> and download the 2019 Channel Influencer Awards digital issue.

TRENDS THAT WILL TAKE OFF IN 2019

MSPs & Managed Security

Cybersecurity represents a massive opportunity for MSPs, but the challenges to — and options for — entering the MSSP arena are many. Partner? Spin off? Transition? And how to deal with the shortage of security talent, the plethora of security tools and the complexity of regulations?

Marketplaces Everywhere by Everyone

Forrester Research says that "SaaS marketplaces are the future of software and services buying," and it seems as though everyone is building one. Channel partners can help customers avoid "SaaS sprawl" and find the right products for their business needs.

Gig Economy

The number of U.S. workers in the gig economy continues to grow, largely due to advances in technology. Channel partners will be called on increasingly to help clients with the mobility, collaboration and cybersecurity challenges inherent with the rising number of on-demand employees.

Partners as Vendors

Bundling a smart mix of products and specialized expertise can set partners above their peers, help the channel tackle niche verticals, add a new source of revenue and establish credibility with customers. Expect to see more blurring of the partner vs. supplier line as the new channel moves beyond transactional sales and break/fix.

Open Source as a Specialization

To help customers grow and mature their use of open source software to reach their business goals, channel partners in 2019 will have to be sure that their own technical staffers, consultants and sales pros are up to date on the key open source applications their customers want to use.

ABOUT THE CHANNEL INFLUENCER AWARDS

Channel Partners and Channel Futures — home of MSP Mentor, The VAR Guy and Talkin' Cloud — present this year's Channel Influencer Awards recognizing the 55 people, technologies, trends and organizations that will shape the new channel in 2019.

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The Doyle Report: AI Will Blow Your Mind, Business Model and Culture

By T.C. Doyle

Have you seen how artificial intelligence is being used today? It's progressed more than you may have noticed.

In a factory in Arkansas, AI-enhanced "sewbots" are turning out T-shirts and other articles of clothing that are cheaper and better made than what humans can produce. Researchers are developing AI-enhanced neural networks that can identify pathologies in radiological images "more reliably than an average radiologist" in some cases, according to the Harvard Business Review.

AI has become so advanced that it can now do things that for millennia were unique to us. AI can beat humans at emotional recognition, according to a landmark study by a team of researchers at Ohio State University. AI can create art that touches the soul and sells for astronomical prices. Last fall, for example, Christie's auctioned off an AI-generated painting, "Portrait of Edmond Belamy," for \$425,500. The price was 45 times the pre-auction estimate.

Along with emulating some of the finer qualities of humans, AI has been put to use to magnify some of the worst. Take the production of "deepfake" videos, for example. Hollywood is in an uproar over the growing use of AI to produce pornographic videos featuring the likenesses of celebrities without their permission or involvement. More recently, lawmakers have raised concerns that politicians will

be edited into deepfake videos to implicate them in some phony misdeed. Check out director and comedian Jordan Peele's demonstration of deepfake technology featuring former President Barack Obama. The website Vox says, "This deepfaked warning against deepfakes almost makes its point too well."

In January, CNN reported that the Department of Defense has commis-

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sioned researchers to develop technology that could identify deepfake imagery. Add it all up and you see why Tesla and SpaceX founder Elon Musk famously called AI "a fundamental risk to the existence of human civilization." Love him or hate him, Musk also said that robots will eventually do everything better than us — and take all of our jobs.

The latter, of course, brings us to the channel. Partners today use AI in a variety of ways: to protect customer networks, better identify sales prospects, improve customer service and even qualify job candidates. Say you're the owner of an MSP shop. You no doubt have a team of technicians who respond to support requests. How many of them will be replaced in the years ahead? It's impossible to say. But some will. And so will other

employees performing important tasks.

If you work on a tech bench and think I'm being flip, please know I am not. After all, journalists are under threat from AI, too.

The best thinking today concludes that AI will be a form of leverage as much as it will be an existential threat. In their 2018 book on AI, "HUMAN + MACHINE: Reimagining work in the age of AI," Accenture researchers Paul Daugh-

erty and Jim Wilson showcase how companies leverage AI to improve decision-making, increase profitability and enhance customer service. Instead of replacing critical workers, smart companies will deploy technology to complement or augment their best thinking.

"The bottom line is this," Daugherty and Wilson conclude, "Businesses that understand how to harness AI can surge ahead. Those that neglect it will fall behind."

I'm not sure I buy the optimism, but just to be sure, I'm investing in AI as a hedge. Funny thing, though: My AI-enhanced robot wants to star in videos, buy expensive art and redecorate my office. The portrait of Edmond Belamy may not have been my first choice, but it does pair nicely with some AI-recommended chairs ...

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A close-up photograph of two hands, one from a person with darker skin and one from a person with lighter skin, fist-bumping. The person on the right is wearing a white dress shirt cuff. The background is a blurred blue-toned office setting.

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