

ADVERTISEMENT

Benefit from the knowledge of technology-specific experts and leading authors.



CHANNEL NEWS

NETWORKING

SECURITY

STORAGE

SYSTEMS

RESOURCES



SearchITChannel.com

The Web's best resource for technology channel professionals

HOME - NEWS - TOPICS - ITKNOWLEDGE EXCHANGE - MULTIMEDIA - WHITE PAPERS - BLOGS - EVENTS

SEARCH this site and the web

SEARCH

[SITE INDEX](#)

Search Powered by

ADVERTISEMENT

[Increased security and better performance. It's everything you want from a business-ready browser](#)

[Home](#) > [IT Channel News](#) > VAR-to-VAR channel partnerships offer risks and rewards

IT Channel News:

[EMAIL THIS](#)

VAR-to-VAR channel partnerships offer risks and rewards

By Karen D. Schwartz, Contributor
08 Oct 2007 | SearchITChannel.com

 [Channel News Update](#)

 [Digg This!](#)  [StumbleUpon](#)  [Del.icio.us](#)  [Google](#)

When executives at [Whalley Computer Associates Inc.](#) got the news that the company had won a major contract with a national retailer, the first reaction was satisfaction -- followed by the more sober realization that the Southwick, Mass.-based value-added reseller (VAR) couldn't possibly service all of the company's sites throughout North America without some help.

"We had to replace their existing servers, pack up point-of-sale systems for them and cable all of their sites in stores from California, Maine, Florida, Puerto Rico and other locations," said Kevin Learned, director of professional services for the 150-employee VAR. "We didn't have the bench strength to do the work at those locations, and we certainly didn't have the geographical reach."

The only way to satisfy the customer, Whalley execs decided, was to partner with other VARs who could offer those services locally. In this particular case, Whalley identified VARs with relevant expertise by working through distributor Ingram Micro Inc.'s [Ingram Micro Services Network \(IMSN\)](#), which arranges professional-services partnerships among its network of VAR partners and customers.

"Partnering allows us, as a regional business, to extend our footprint nationally," Learned said. "Customers don't care who is doing the work; they just want a single point of contact to make sure it's all being done right."

Resources for VARs

VAR on VAR: [How to offer the best channel support](#)

[Five rules for surviving life at a VAR](#)

How [VARs providing small business services](#) can become trusted advisors

Benefits versus risks

The synergy between two VARs can yield significant results for both, including greater profits, expansion of skills and the ability to win the business of customers whose requirements were beyond the reach of either partner by itself.

"There are partners we've worked with for years," said Nic Alicandri, president of [CipherTechs Inc.](#), a New York-based reseller. "For example, we have a long-standing relationship with another New York-based VAR that provides complementary but not overlapping services. We focus on security and they are essentially a network management shop. There are occasions when we throw business to them and occasions when they throw business to us."

But along with those benefits come risks -- that one reseller may poach customers from the other, or that the lead VAR may lose control of the project or the relationship with the customer.

"You're putting your neck on the line in two ways: first, by telling the customer that you can get all of this done without knowing how well [the other partner] will do it, and secondly, by engaging a partner you don't know," Learned said.

Trust is an important part of the equation, especially if you choose to find a partner on

REFERENCE DESK

IT Distributors/Wholesale Providers

NEWS, TIPS & MORE

- [Oracle's VAD Remarketer Program growing; ...](#) (ARTICLE)
 - [Windows Storage Server released to OEMs; ...](#) (ARTICLE)
 - [Top IT channel news for April 2009](#) (ARTICLE)
 - ['New' Siemens gets channel religion](#) (ARTICLE)
- [VIEW MORE](#)



SEE ALSO

- **Related Topics:**
[IT Distributors/Wholesale Providers](#) , [Technology Vendors/OEMs](#)
- **Site Highlights:**
[New endpoint options](#)
[Channel News](#)

GET E-MAIL UPDATES

Submit your e-mail below to receive IT Channel-related news, tech tips and more, delivered to your inbox.

Channel News Wire

Updates on Channel Network Sites

E-mail:

Not a member? We'll activate your FREE

your own without the benefit of a formal program. If you go this route, be sure to evaluate potential partners carefully to make sure you share the same values and can trust them, Alicandri said.

"There are guys I know in the city who we've been competing with for years, but we'll pass each other something if we need help, or if I need a competitive quote put out, because we've worked with them long enough to know that we can trust each other," he said.

Being a good judge of character can be important when you work with a new partner for the first time, Alicandri said.

But it's not the most reliable way. Often it makes sense to find a partner through a program with a formal process to verify the skills -- if not the character -- of the VARs involved. The IMSN program helps VARs find partners through a portal, which allows them to search by geography, technical skill set or certification to find an appropriate match. End customers rate all partners at the end of a project, and only VARs who maintain at least 4.5 out of 5 stars can remain candidates for partnership.

[Avnet's OneTech Connect program](#) works in a similar fashion, qualifying partners to act as approved OneTech providers.

Good documentation make good partners

Whether you find your own partner or go through an intermediary such as a distributor or even an attorney, it's critical to make sure your rights are protected.

[Jeffrey Teeter, executive vice president of Logicalis Inc.](#), a Bloomfield Hills, Mich.-based VAR, sometimes uses Avnet's OneTech Connect program to find partners, but also goes it alone when it makes sense.

When he finds his own partners, Teeter makes sure his in-house legal department crafts something he calls a "document of understanding" to make sure all parties understand the terms. When he finds a partner through the OneTech Connect program, he relies on Avnet's agreements and contractual requirements.

Distributors are in a much better position than individual solutions providers to protect the rights of VARs working as partners on a project. Most such programs formalize the process with agreements that stipulate how the arrangement will work and how disputes will be resolved.

Ingram Micro's IMSN program, for example, requires all partners to sign agreements that spell out nondisclosure protection, non-compete clauses and a member code of conduct.

"It's a safe environment for VARs to do business [in], because they have all signed the same agreement and non-competes that are part of that program agreement," explained Brian Weaver, manager of services business development at Ingram Micro.

And the programs are flexible. Learned, who has used the program numerous times, said he appreciates the standards all must agree to maintain, but also relishes the chance, for individual projects, to add additional details.

"We as a company have a scope of work detailing the project, and we get signatures from that from the various partners as well," he said. "We can write up anything else we want to add to it as long as the partner agrees to it and it doesn't conflict with what we've already agreed to with Ingram Micro."

If a dispute arises, the IMSN agreement stipulates a three-pronged approach. First, the partners try to work it out themselves. If that fails, Ingram Micro associates on the IMSN team set up a conference call with all parties and try to work out a compromise. If that also fails, the groups become part of a peer-led arbitration group, and their ruling is binding.

Avnet's program similarly enforces rules of engagement and contractual obligations for all partners, and monitors and ensures the delivery quality of the services.

"They know more partners than we do and help police it," Teeter said. "If the

partner behaves badly, not only are they burning a bridge with us, but they are burning the bridge with a 2,000-pound gorilla."

But even with the inherent risks of partnering, most VARs who have done it would gladly do it again.

"You take a little bit of the burden off of the customer, and that makes it all worth it," Alicandri said. "The other company may try to do something that's not in the spirit of the agreement, but you're making the customer happy and that's the most important thing."

Tags: [IT Distributors/Wholesale Providers](#), [Service Provider Business Models](#), [VIEW ALL TAGS](#)



IT CHANNEL RELATED LINKS

Ads by Google

[Partnership Agreement](#)

Create your partnership agreements online. Fast, easy, save money.
LegalForms.LawDepot.com

[Channel Marketing](#)

IT channel marketing experts World-class technology clients
www.out-bound.co.uk

[Aldelo's Top Distributor](#)

Best Internet Pricing Free Support 1000's Sold - Get Online Discounts
www.pluginpos.com

[Start Business](#)

Start-Up Business Financing Free Guide to Business Credit!
www.corporatecredit.biz

[Increase Sales Revenue](#)

VAR recruiter to find new Channel Partners to sell your Products!
www.VARocity.com

RELATED CONTENT

■ [IT Distributors/Wholesale Providers](#)

FTC casts eye on Google-Apple ties; Micro Focus buys Borland
Microsoft TechEd 2009 technology overview
Windows Storage Server released to OEMs; BakBone buys Asempra
XenServer interest surges; EMC objects to Donatelli exit
IBM packs more bundled solutions for the midmarket
IP surveillance and security pose VAR opportunity
HP's new server-and-storage chief gets networking too
Microsoft updates Tellme service
Citrix, Microsoft talk virtual desktop; IBM picks partners
Top IT channel news for April 2009

■ [Service Provider Business Models](#)

Microsoft incentives, finance options seek to ease ERP, CRM sales
IT Channel News Briefs, Jan. 6
Top IT channel topics for 2009
IT Channel News Briefs, Dec. 23
IT Channel News Briefs, Dec. 22
Partner News Podcast: 2008 IT channel year in review
IT Channel News Briefs, Dec. 18
Partners to Nortel: Grow up!
Top 10 IT channel news stories of 2008, part 1

[Partners discuss recession's effects on corporate IT spending](#)

RELATED GLOSSARY TERMS

Terms from Whatis.com – the [technology online dictionary](#)

- [channel partner](#) (SearchITChannel.com)
- [reseller](#) (SearchITChannel.com)
- [VAR-to-VAR](#) (SearchITChannel.com)

RELATED RESOURCES

- 2020software.com, trial software downloads for [accounting software](#), [ERP software](#), [CRM software and business software](#) systems
- Search Bitpipe.com for the latest [white papers](#) and [business webcasts](#)
- Whatis.com, the online [computer dictionary](#)

[HOME](#) - [NEWS](#) - [TOPICS](#) - [ITKNOWLEDGE EXCHANGE](#) - [MULTIMEDIA](#) - [WHITE PAPERS](#) - [BLOGS](#) - [EVENTS](#)

[About Us](#) | [Contact Us](#) | [For Advertisers](#) | [For Business Partners](#) | [Site Index](#) | [RSS](#)

SEARCH

SEARCH

TechTarget provides enterprise IT professionals with the information they need to perform their jobs - from developing strategy, to making cost-effective IT purchase decisions and managing their organizations' IT projects - with its network of [technology-specific Web sites, events and magazines](#).

[TechTarget Corporate Web Site](#) | [Media Kits](#) | [Site Map](#)

All Rights Reserved, [Copyright 2006 - 2009](#), TechTarget | [Read our Privacy Policy](#)

