



Itec still the game changer after 20 years of business

Bucking the trend in a volatile economic climate, independent South African technology brand Itec is celebrating its 20th birthday this year. The company has not only survived the preceding two decades, but grown and thrived as it's identified and executed on new market opportunities that have helped it to stay relevant to its clients. Not only that, but Itec is in a stronger position today than it has ever been, and looking forward to a future that is every bit as successful as its enviable past. **Kathy Gibson** caught up with Executive Director Gavin Meyer and CEO Philip Perkins to explore the secrets of Itec's success



Philip Perkins

Twenty years ago, Itec was born when the shareholders bought out the distributor of Konica photocopiers. The new company had a few advantages over a regular start-up, since it came complete with the rights to a respected international brand and a national footprint. “We had a well-established manufacturing partner in Japan, and a national scale that attracted a broad base of established channel partners,” says **CEO Philip Perkins**.

Both Perkins and **Executive Director Gavin Meyer** have been with Itec from the beginning: Perkins as one of the original shareholders; Meyer in a sales role within the company.

“What we had then, and have carried through, is our own culture and ethics,” Meyer says. “And the original supplier is still with us, as well as quite a few staff members.”

While these elements have remained constant, along with a major focus on document management and printing, there is plenty that has changed. “In 1996 we were a distributor of hardware products,” Perkins says. “We were offering our own in-house leasing solutions and on-site service

for our hardware.

“This was our business model for many years,” he adds. “Then the products became a more commoditised but by then we had already evolved more into a consulting role with our clients and managed print services.

“Yes, we still provide the hardware, but we are now more of a partner for our customers. We have the knowledge in the market space and are able to provide best of breed solutions that include IT, software, cloud services and more.

“We now offer what is essentially a turnkey solution, having moved away from selling standalone hardware, in the process transforming into a services business. We have added a lot of products and services into the mix in both the print and telecommunications space,” Meyer says.

Being a services organisation means that Itec is in the business of bringing intelligent IP, that adds value, to its customers. “We have become more of an enabler to those businesses,” Meyer adds.

As the business model has changed, Itec has got more involved in pre-sales consulting, and in designing a solution that works for the client and improves

operational efficiency.

Teams look after all aspects of the sale cycle including solution design, implementation, project management and after sales support, for both head office and for the company’s channel partners. This has meant the employment of many more pre-sales, and solution specialists to thoroughly support the marketing function.


Of massive importance to customers is the reporting that Itec does on their systems, which helps to pinpoint where a solution is working, and where it might not be optimal and can be improved.

“In this volatile and challenging market, a lot of our customers are in pain,” Meyer says. “It’s important for us to understand that pain and find solutions to alleviate it.”

It’s a strategy that’s paid off and resulted in Itec being in a very strong position now to take on a rapidly changing and evolving market.

“If you look at what’s been happening in the market both locally and internationally, it turns out that we’ve been very good at choosing the right products and services,” Perkins says.

In some part, Itec can refer to its own international experience, with a UK-based



operation.

“About five years ago we decided to expand overseas, investing in a business operating in a very similar space to our own here in South Africa,” Perkins explains.

“We were very successful in developing the model in the UK with our partners, and have brought a lot of what we see there back into our business models here.”

More recently, Itec changed its own ownership structure, with a management led transaction facilitated by Investec (EP), which resulted in it becoming the primary shareholder in the business.

“This has given us a lot of muscle from a financial perspective, and opportunity for growth,” Perkins says. “Investec (EP) has made this investment with the clear objective of growth and the future.”

The Investec (EP) transaction took place in November, and Perkins says there are already a number of benefits being seen.

“Up to now, our growth has been predominantly organic. But we can’t necessarily continue to only build and grow organically. Investec (EP) brings the capital and structure to also acquire for growth; and the ability to provide important skills when we see a need.”

“Further down the line, having a big financial institution as an investor will also allow Itec to offer its customer more flexible financing solutions,” Meyer adds.

“We will be able to be more disruptive. We are an entrepreneurial business and we need to be in a position to help our customers to move as quickly as they need to in the current challenging market.”

With Investec (EP)’s involvement, Itec is now a high scoring BBBEE partner through their investment arm, Khulasande Capital, which aims to create empowerment through entrepreneurial opportunities. Itec takes its social responsibility seriously and invests in the community.

Highlights of the 20-year journey

Arguably the best thing that Itec did 20 years ago was to trade as its own brand, Itec, and not take on the identity of a particular brand or product.

“The fact that it is our own brand is very important,” he adds. “It can sometimes be difficult to pick the technology that is right for the customer. But, because we have our



Gavin Meyer



own independent brand, we are able to put together different solutions, services and products underneath the Itec banner.

“Our customers know that we take ownership for delivering the solution regardless of whose products that includes; and it means we can ensure we pick the best technology.

“It was a brave decision to take, and it’s proved to be a good one.”

“We’ve been extremely stable with our partners over the years; and have been able to offer our customers a variety of solutions from strong, reliable brands.”

From photocopier distributor and reseller, Itec moved into the printing and document management environments and, more recently, into the telecommunications and cloud spaces.

It has also opened a security and access control division that complements all the other areas of the business.

“In addition we have recently launched a ground-breaking e-learning platform, Unite-ED, and are in the process of rolling that out,” Meyer says.

Other highlights include the formation of a centralised call centre which means that customer interactions can be more easily tracked to ensure Itec lives up to our customers’ expectations, Meyer adds.

With the company growing and diversifying, its go-to-market strategy shifts continually to stay ahead of the pack.

“We have a direct channel model because the distribution model doesn’t work for all of our corporate customers, or the solutions they require. We needed to get closer to these customers, to look after them and more importantly retain a regular dialogue with them.

“As a principle supplier, we need the far-sightedness to ride the market’s ups and downs with our clients, and maintain the support levels we offer. It’s not always possible for a reseller to do that.

“We want to be doing business with our customers in five, 10 and 20 years, so we have to invest in the partnership.”

We set out to create a simplified business strategy, Meyer says. “Our customers’ world is very complicated, and they are looking for companies to help them to simplify their business. And that has been good for us.

“We’ve had our ups and downs with customers,” Perkins says. “But it’s really about how you fix things if they go wrong

that’s important, and we have always done our best to fix the glitches in any partnerships. That is definitely part of the story.”

Itec currently employs over 600 people, and has established further joint venture service partnerships with companies around the country.

“With growth comes change; and with change comes pressure. But we have been able to retain key individuals along the journey.

“This gives us strong capabilities and a sense of continuity for us and for our customers.”

Looking forward

It’s not really possible to anticipate where the company will be in the next 20 years – even looking ahead as soon as five years is a challenge in the current environment.

Perhaps the most telling point around Itec’s success is the fact that it still does business with many of the customers it had when it first opened its doors 20 years ago – and many of the original staff members are still there as well

But Itec remains as ambitious as ever to succeed and expand. “Our ambition is to continue to expand the solutions we provide to our customers with more focus on managed print and software,” says Perkins. “It is important that we only run with the things we can reliably support, and which have longevity.”

This hasn’t always been a popular decision, Meyer adds. “There are some opportunities that we could have leveraged, which we decided against. If we are not comfortable that we can deliver it in the short, medium and long-term we won’t do it.”

Itec is also aiming to make its customer interactions easier. “We are aiming for more transparency around the organisation, making it seamless for clients and partners to work with us. This is a trend that is being actively adopted around the world and something that we are making work here.”

There are also myriad opportunities in the cloud environment, all of which need to be explored, Perkins adds. “As more services migrate into the cloud, we are going to use the platform to improve the services we offer. This could be anything from data storage to application based transactions.”

By the nature of the industry it operates in, Itec is exposed to a lot of technology advances and business environment changes. “We are always on the lookout for new technology that can improve our customer centricity,” Meyer says. “And, if they make sense, we are willing to make the necessary investments.”

Leadership is very important in moving the company into the future, and Itec is fortunate to have a very strong leadership team.

“There is solid leadership around Phil [Perkins],” Meyer says. “In these tough times that’s important.”

Itec has also brought in new senior people who can help to guide the organisation into the future.

“There is a lot of competition in this market,” Meyer adds. “But in this challenging market, we are stable. And the partnership with Investec (EP) has helped to further solidify the strength and reliability of the company.

“We are able give customer’s stability and benefits during volatile economic conditions.”

This speaks to trust, and this is critical, Perkins says. “It’s important that we cement that trust and continue to add value.

“We need to not only keep abreast of developments as we experience them, but we have a responsibility to help to educate our customers wherever we can.”

Meyer and Perkins won’t be drawn on where they expect Itec to be in five years’ time – but they are understandably proud of what the company has achieved in its first 20 years of operation.

“It’s a good story, and it’s worked out,” Meyer says. “Going forward, the sky really is the limit.” ■