

## Market consolidation set to increase in the channel

Channel must evolve to remain relevant, says Ryan Miles, executive director of Itec Shared Services.  
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It is becoming increasingly difficult for smaller channel players to remain competitive. This is due to a number of different factors, including new technologies, an increase in competition, which in itself is putting pressure on margins, and a change in client needs. According to [Ryan Miles](#), executive director of Itec Shared Services, this is going to lead to further market consolidation as smaller players struggle to compete with larger organisations.

"The channel has historically focused on smaller to mid-sized organisations, providing solutions that are simpler and more affordable than those targeted at enterprises," says Miles. "We are now seeing a shift in client behaviour, with SMEs demanding the same type of solutions as their larger counterparts and they are looking to the channel to provide those." This is as a result of the technology evolving and becoming more affordable through software-as-a-service options.

"Industry channel partners have never had to deliver on this type of demand and the cost of them putting the required infrastructure in place to meet these needs could be debilitating." He adds that smaller channel partners will increasingly start looking to bigger organisations to enable them to provide for their clients' needs, stay ahead of the curve and remain sustainable.

"We have invested a substantial amount of money in the infrastructure, systems and technologies required to support our channel partners, including [call centres](#) and remote engineers through a centralised platform," says Miles. "Through Itec Shared Services, we take a lot of the operational issues away from them, allowing them to focus on developing and growing their business while staying ahead of industry trends," he says.

This model allows the channel partner to retain ownership of the client while drawing on Itec's central infrastructure, intellectual property, expertise and systems to deliver on that client's requirements. He says the benefits of this model are staggering. "Channel partners are able to focus on packaging the right solutions to meet their clients' needs rather than focus on the operational side of the business – something which is beneficial to both the channel partner and the client. The client on the other hand now has access to the right type of solution and support to meet their growing needs."

Miles adds that in a market where a lot of channels are struggling, the Itec channel continues to grow. "We know sustainability is key and through this model we are able to seamlessly and quickly integrate our channel partners into Itec, allowing them to deliver world-class solutions and maintain stringent service level agreements for their clients. In addition to that, we ensure that our partners have the right skills on the ground to assist clients across a broader range of solutions," he says.

Miles believe this is the way forward for the channel market in South Africa. "This is not a new model. If you look at the US and Europe, both of which are slightly ahead of the curve when compared to South Africa, this transition is something that is already happening," he says. "Our partners are not only able to tap into our existing infrastructure, but also our critical mass to allow for better pricing – an enormous competitive advantage in today's tough times."

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