

**FUTURE READY ENTERPRISE**

Can Dell re-shape the enterprise?

**BLOCKBUSTER MERGER**

Two Top 100 resellers merge

**LENOVO ON TOUR**

Lenovo boss comes to Canada

# CDN

Healthcare in the  
digital age  
Page 16

CANADA'S CHANNEL VOICE FOR IT SINCE 1985

JULY 2015 | VOLUME 31, ISSUE 6



# MICROSOFT TURNS the PAGE

Worldwide channel chief Phil Sorgen puts the onus on the channel in Microsoft's Cloud First, Mobile First world. **PAGE 4**

# WORLD-CLASS SERVERS FOR WORLD-CLASS BUSINESSES

**Lenovo**<sup>TM</sup>

**Enterprise-class server solution for MSPs,  
branch offices and small businesses.**

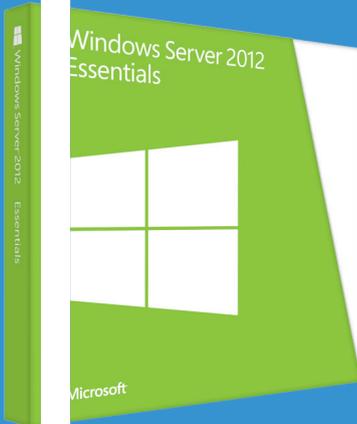
ThinkServer<sup>TM</sup> TS440 5U Tower Server  
70AQ000XUXCA



**A cloud-enabled solution  
for small business.**

Windows<sup>®</sup> Server 2012  
R2 Essentials ROK  
4X10E51563CA

Microsoft



**Carefully architected  
and tested to support  
long-term reliability.**

ThinkServer<sup>TM</sup> RD550  
1U Rack Server  
70CV001DUXCA



**High-end, enterprise-class network storage  
features at an SMB price point.**

StorCenter<sup>TM</sup> px12-400r Network Storage Array  
70BN9000WWCA



**Optimized performance and scalability for  
small business or distributed environments.**

ThinkServer<sup>TM</sup> RS140 1U Rack Server  
70F90008UXCA



**D&H**  
CANADA

800.340.1008

[www.dandh.ca/cdn](http://www.dandh.ca/cdn)

**Gain a Competitive Advantage**  
with Lenovo Partner Credit

# CONTENTS

JULY 2015 VOLUME 31, ISSUE 6



## CAN THE CHANNEL PUT HEALTHCARE INTO THE DIGITAL AGE ?

BlackBerry and Cisco Canada seem to think so and have partnered in a new initiative with MacKenzie Health. **SEE PAGE 16**

### NEWS:

Asigra takes aim at the channel in Canada **8**

### MARKETS:

Dell presents its case for the Future Ready Enterprise **14**

### PRODUCT REVIEW:

HP takes the lead in new Windows 10 devices **18**

## CHANNEL QUADRANT

When you are able to work with more than 640,000 worldwide channel partners you have to be leading in something. Microsoft attracted plenty of those top end channel partners at its Worldwide Partner Conference in Orlando. That squarely places the software giant in the leaders quadrant. But they were not

the only ones to claim leadership status. Cisco with its innovative partnership with BlackBerry on healthcare got them in the space as well. However, the recent downsizing at BlackBerry keeps them in the scaling back section. Asigra and Dell channel moves place them both in their squares for this edition.



## Microsoft opens up the channel for Surface devices



by PAOLO DEL NIBLETTO  
@paolocdn

**ORLANDO, FLA.** – When the Surface device was introduced more than two years ago, the channel wanted its opportunity to resell it. At the 2015 Worldwide Partner Conference, Microsoft granted the channel's wish.

Microsoft plans to offer the Surface Pro 3 and the new Surface Hub through the Tier 2 channel model. The software giant has made partnerships with Ingram Micro, Tech Data and Synnex to help it build an ecosystem.

But Microsoft is going one step further with the Surface specifically in Canada. Canadian channel chief Jason Brommet told *CDN* that Microsoft Canada plans to create a Surface business unit. This unit will have a designated leader who will report to Brommet as well as work with U.S.-based Surface team members. Currently there are two Microsoft Canada employees who are in this group and by 2016 the company plans to add five more.

In April of this year Microsoft Canada embarked on a pilot pro-

gram to recruit new partners for Surface and they managed to get approximately 100. According to Brommet, these solution providers will be classified as DVARs or distribution value added resellers. This group will complement the 15 Authorized Device Partners.

Reginald Howatson, director of sales and marketing for Ottawa-based solution provider NMB Solutions, remembers when Microsoft Canada introduced the LAR channel strategy and said it's the right plan today for the Surface product.

"You need people who understand hardware and services. This is a new direction for Microsoft, but yet a similar one that they used before. So the channel will be familiar with it even in this cloud first, mobility first strategy," Howatson said.

The goal of the new Surface team will be to double the 100 partners they have now by 2016. "This is a great opportunity for partners in Canada because Canada is the long tail of the SMB and the channel has the ability to help us extend the reach. Part-

ners can now build on top of the Surface and can even bundle with CSP (Cloud Solution Provider program)," Brommet said.

The Surface devices is not the only aspect of this channel expansion. Surface Hub will also be a part of it and Brommet added that what Microsoft is looking for with Windows 10 is the universal app model that can scale to all form factors whether it's a low tech ATM machine or a rich experience such as an 88-inch Surface Hub.

With the Surface Hub, Microsoft Canada is actively pursuing audio visual channel partners who are interested in building out their own native intellectual property. Microsoft Canada currently sports five of these partners in Canada, but the plan is to grow that rapidly in 2016.

"If I look at the core portable PC market and the price points that Surface likes to be in (\$800 plus) we are at around 10 per cent market share. That means we can go after 90 per cent of the market with partners," Brommet said.

Microsoft will continue to support its OEM vendor partners. **CDN**



PartnerDirect



## One company. One source. One focus.

With customer satisfaction and your profitability on the line, choosing a stable technology partner is a critical business decision. While other technology providers in the industry are splitting apart, Dell is committed to remaining a true source of end-to-end solutions. Certainty in an uncertain world — now that's a choice you can make with confidence.

**Sell with confidence. Sell with Dell.**

**To learn more, visit [Dell.ca/partner/yoursuccess](http://Dell.ca/partner/yoursuccess)**

# Blockbuster merger in the Canadian channel

by PAOLO DEL NIBLETTO  
@paolocdn

**TWO** *CDN Top 100 Solution Providers* are set to combine operations. Toronto-based Scalar Decisions Inc. and Calgary's Mainland Information Systems Ltd. have confirmed a merger agreement. Officials from Scalar indicated that this deal will result in zero headcount reduction and could possibly place the company near the Top 5 of the *CDN solution provider rankings*.

Currently Scalar is No. 11 on the *CDN Top 100 list* up from 15 last year with revenues between \$150 million to \$175 million. Mainland has been growing in the last five years and has risen to No. 16 on the list with revenues between \$100 million to \$125 million.

This merger has the potential of creating one of Canada's largest solution providers. It also gives both organizations national prominence since Mainland operated out west, while Scalar was predominately an Eastern-based company. Scalar does have offices in Winnipeg, Calgary and Vancouver. Meanwhile, Mainland has offices in Edmonton and Vancouver.

Scalar approximately 14 months

ago acquired 3vis, a Montreal-area solution provider that specializes in digital entertainment creation and media.

According to Scalar, the transaction is mutually beneficial to employees and stakeholders and en-



Scalar and SickKids' executives at the naming of the Scalar Decisions Data Centre in Toronto.

ables the newly created company to provide infrastructure, security and cloud solutions across Canada. For Mainland, the company's solutions portfolio and technical bench strength gets dramatically improved by adding the Scalar team.

Paul Kerr, the CEO of Scalar, said the integration of the two companies will evolve over time and the two brand names will continue to be used in the near-term.

Kerr will continue as CEO, while Jason Born serve as president of Mainland. The leadership teams of both Scalar and Mainland will work together to identify

and implement integration opportunities. And, the newly formed company will be looking to add 50 more positions this year.

"We're very pleased to welcome the Mainland team to the Scalar family and to extend our reach in the key Western Canada marketplace. The acquisition of Mainland is a nice fit for us as our companies have many similarities. Both companies are high performers, employ some of the industry's best people and have strong, long-term client relationships," Kerr said in a statement.

"I'm excited to bring together our teams and build a truly national IT solutions company. We've found a great cultural fit and set of shared values with Scalar, which was an essential component of this transaction and will be a big advantage to our clients and employees," Born said, also in a statement.

While the Scalar/Mainland merger is the biggest so far this year in the channel. It's far from the only merger acquisition made in the channel in 2015. In fact, 2015 has been an unprecedented year for mergers and acquisitions with solution providers.

Just last month Winnipeg-based solution provider Powerland took a major step to achieving its goal of expanding its service coverage across the Prairie Provinces with the acquisition of FACT Computers in Saskatchewan.

WBM Office Systems, a Top 100 solution provider also announced its acquisition of Agilisys. [CDN](#)

# Xerox unveils channel tools to capture SMB market growth

by DAVE YIN  
@yindavid

**XEROX ANNOUNCED FOUR** new tools to help the channel tap into the underserved SMB market, of which the printing giant says three-quarters do not have managed print services in place.

The areas that Xerox wants to target include supply management, infrastructure assessment, administration, and workflow.

“The channel is going to grow to represent two-thirds of the [Xerox] technology business within two years,” said John Corley, the company’s president of channel partner operations. Currently, he said, the indirect business sits at around half of the total.

The first of four tools announced is the Enhanced Managed Supplies Service. This offering allows for proactive supply replenishment for printers and multifunction printers that are not under a cost-per-page price.

According to Xerox, partners that sell managed supplies services “average 25 per cent margin on managed ink and supplies revenue.”

The second tool is called the NewField IT e-Commerce Storefront, designed to facilitate ordering and renewal of assessment tools and services that analyzes a company’s infrastructure. The end-goal here is to develop cus-

tom managed print services.

Next is an SDK called MPS Application Programming Interface, which aims to reduce administrative costs involved in client billing and help desk management. It integrates with a partner’s own systems.

Lastly, Xerox’ Digital Alternatives is now being made available to the channel. The solution, featured on *CDN* late last year, helps speed up workflow by helping users actually print less, and has document annotation, sharing, saving, conversion and signing capabilities.

The company has said that the NewField IT tools and the MPS-API are now available in Canada, while the Enhanced Managed Supplies Service will be available later this year.

However, there is “no current plan or strategy to launch Digital Alternatives in Canada for this year, although it may be considered for the future based on market/channel partner interest,” Corley said.

“As we go to 2018, we have four times the growth in the small and medium business channel [compared to large enterprise],” he added. Therefore it’s really important for Xerox to work closely with channel partners to bring to customers in this segment a full next generation of managed print services.” 

AUGUST 19th 2015

**CDN**  
**WOMEN in the**  
**IT CHANNEL**

*Recognition Luncheon*

**You're invited!** CDN and founding sponsor Ingram Micro Canada are pleased to welcome you and a guest as we celebrate exceptional women in the information technology channel as demonstrated by their contribution to the growth of their organizations and the channel overall.

**August 19th, 2015**  
**at the Toronto**  
**Botanical Garden**

Register

FOUNDING SPONSOR

**INGRAM**  
MICRO

PRODUCED BY

**ITWC**  
The Content Experts

SUPPORTED BY

**4** CANADIAN  
CHANNEL  
CHIEFS  
COUNCIL

# Asigra brings converged data protection appliance to the channel

by JEFF JEDRAS  
@jeffjedrasitw

**CLOUD BACKUP**, recovery and restore software provider Asigra Inc. used its annual Summit conference to launch a new data protection appliance with value-added distributor Avnet Inc.

Asigra's Converged Data Protection Appliance for Managed Service Providers is designed to help service providers enter the cloud backup market by offering cloud backup and disaster recovery services. The appliance allows Asigra's backup and recovery software to be delivered as an integrated solution.

"The Asigra Converged Data Protection Appliance family disintermediates storage software stacks from expensive hardware, removing the cost and complexity of secondary storage systems," said Eran Farajun, Asigra's executive vice-president. "We have also engineered out the complications of storage system integration, troubleshooting, fixes, patches, installation, monitoring, maintenance and the requirements for skilled hardware and operating system staff."

Avnet Embedded, part of Avnet's Electronics Marketing Division, focused on providing embedded solutions such as storage, computing, software and networking products, will be

packaging and shipping Asigra Appliances and providing hardware-related support.

"Avnet Embedded is working with Asigra leadership to accelerate Converged Data Protection Appliance delivery by leveraging our unique position as a global solution provider," said John Salemme, vice-president and general manager, Avnet Embedded. "Through our relationship with Asigra, we are bringing together deep technology expertise to provide managed service providers globally with the advanced solution they need to quickly and reliably stand up their backup service infrastructure without undue complexity or costs."

The appliance will include support for public, private and hybrid cloud deployment models, protect all customer data in a single scalable repository regardless of data source location, and integrate VM replication as well as mobile endpoint geo-location/remote wipe capabilities. General availability is scheduled for August.

Asigra is focused on raising its brand awareness and creating thought leadership, Asigra vice-president of corporate marketing Tracy Stainland told Summit attendees.

"We want the enterprise to know

about Asigra," she said. "We're also launching a revised partner portal. We heard from you it was difficult to navigate and needed better search functionality."

A new series of turnkey marketing campaigns are also available focused on comprehensive data protection, Office 365, virtualization, endpoint data protection, and a generic campaign around managed IT.

"We understand not all of you lead with

backup, so we wanted to make sure we provided you with a campaign you can use that includes backup, but doesn't lead with backup," said Stainland.

Asigra does 100 per cent of its business through the channel and Farajun told *CDN* that it appreciates that most partners don't wake up in the morning thinking about backup and recovery.

Gartner analyst Tiffany Bova added the new competition isn't around products, but rather the customer experience. There's a reason why you'll skip the free breakroom coffee to go downstairs and buy Starbucks.

"You need to redefine value. Are you selling your product, or what your technology can do?" asked Bova. "It's not what you're selling; it's how you're selling it. [CDN](#)



Eran Farajun, Executive Vice-President, Asigra

# What IT services and businesses need to know about the Deep Web

by DAVE YIN  
@yindavid

HOW MUCH DO you know about the “deep web”? Or, a better question may be, as a business, how much do you need to know about the deep web?

There’s a chance that, unless you’re an IT specialist, your perception of this universe is one or both of the following:

1. The deep web is a place of illegal internet activity
2. If you don’t bother with it, it won’t bother you

Both, according to Christopher Budd, a global threat communications manager with Trend Micro, are slight misconceptions.

First, he said, the deep web is a gray zone.

In simple terms, it’s any web content that is not or can’t be indexed by search engines like Google. This often comes down to websites that are registered on something other than the standard domain name system, or in other cases actively hidden or protected for reasons such as criminal activity.

To Budd, it’s as much a transnational tool as the internet, and it’s also one that is governed differently depending on the jurisdiction.

“Some of the activity that takes place on the deep web are being

consciously done to circumvent the user’s local laws,” said Budd.

Yet while the deep web is obviously associated with entities such as the Silk Road and other crime hubs, its legality still largely depends on the action. In its 2015 report called “Below the Surface: Exploring the Deep Web,” Trend Micro describes that a large portion of deep web sites are personal or political blogs, news sites, discussion forums, religious sites and even radio stations.

“Just like sites found on the Surface Web, these niche Deep Web sites cater to individuals hoping to talk to like-minded people, albeit anonymously,” the report said.

More importantly, however, might be misconception no. 2.

“Yes, if you don’t go to the deep web, then some of the bad things on the deep web won’t immediately affect you,” said Budd.

However, the realm is not dormant. While it is well-known that cyber attacks and malware, especially ransomware, has become sophisticated, it’s important to understand the role that the deep web plays in enablement, he said.

“[The deep web] provides more infrastructure and way for tools and data to be exchanged for the bad guys,” said Budd.

He said that malware is moving and operating increasingly in the deep web to escape prosecution or shut down.

One example of this, he said is a category of ransomware known as “Cryptolocker”, which encrypts critical files on a victim’s computer and demands payment in exchange for decryption, which has seen a spike in popularity among cyber criminals in the first quarter of 2015. It not only uses the deep web for command and control, but will now also direct users to the deep web to pay the ransom.

To combat this, he said, businesses should deploy good backup programs, policies and procedures.

But what’s more, for IT professionals and service providers, network monitoring must include outgoing traffic that may be going to the deep web.

Despite a company’s security efforts, malware can be embedded on compromised ad servers that can attack computers from legitimate websites requiring zero user interaction, in a practice known as “drive-bys,” which undermine “two-thirds of best practices,” Budd said.

“Sometimes we see thousands of pieces of credit card information moving off a network, and we just wonder, how do you not notice that?” Budd said. “Monitoring outbound data traffic is something that people aren’t doing enough of. Understand that there is this deep web and that when you’re monitoring network traffic to look out for suspicious activity. Very few businesses have a legitimate reason to be going there.” **CDN**



# Customers declared the winner in the Office 365 conflict

by PAOLO DEL NIBLETTO  
@paolocdn

**ORLANDO, FLA.** – In the last four years Office 365 has been a noted driver for small business cloud adoption, according to IDC research analyst Darren Bibby.

As a result, Microsoft has enjoyed significant deployment rate growth for Office 365. Bibby said Office 365 deployments has grown 30 per cent this year. In 2014, Office 365 deployments grew 15.2 per cent. And, compare those numbers to 2012 were Office 365 came in at 4.5 per cent and you can see how far it has travelled.

Dennis Cerasoli, the vice president of SMS&P at Microsoft

Canada revealed that Office 365 grew a whopping 65 per cent in Canada-alone last year.

This is a far cry from when Office 365 was introduced to the market. Back then the channel was unconvinced that Office in its new form would provide the necessary margins for solution providers to make it a successful business practice.

So what has changed in four years?

Bibby believes it's a new world today compared to 2012 and the customer has clearly won here.

"It's a great piece of technology for a few dollars a month. Smart partners have to take a deliberate route here and either play the

volume game or some migrations. Smart partners got beyond the install and started turning on email, One Drive and now Delve. The big one is SharePoint. Partners can do deep dives with that," Bibby said.

Jason Brommet, Microsoft Canada's channel chief, attended the launch of Office 365 and remembers the channel feedback very well.

When Office 365 launched in Canada there are a few obstacles Brommet admitted for the channel such as the hangover of BPOS. Brommet described that period as rough and that it wasn't a great experience.

"Anytime the market moves there is apprehension. There are

early adopters and then there are the laggards. But still at that time there was market momentum and demand for Office 365. Not everyone jumped in. Those that did are very successful cloud-based partners," he said.

Brommet agreed with Bibby that the market has moved in four years. No longer are customers accepting longer sales cycles. The economics have also changed and cloud products are priced low so that everyone can dabble in them.

The cloud has changed the economics of small business said Thomas Hansen, the SMB global lead for Microsoft.

Hansen, who has travelled to 20 countries with significant small business communities this year, believes that small businesses no longer should be categorized as such. Instead they should be described as global micro enterprises. In Canada, for example, the country is made of thousands of smaller businesses that have embraced cloud and are strong job creators with revenue growth and profitability. This group of cloud enabled companies are contributing greatly to the Gross Domestic Product of Canada.

Last year Microsoft Canada through the channel added a million net new Office 365 seats in the country.

"We are seeing volume and velocity in commercial," Brommet said. "On top of that the partner

business models have become sort of a layer cake with the Office 365 SKU as the base layer and third party IP like a Nintex, specific niche solutions as additional layers providing added revenue streams. The final layer can be managed services."

Bibby added that it was never a situation of Microsoft doing something the channel did not like, but more of the customers moving in a changed world. Microsoft just followed the customers.

"All will have different stories with Office 365 in either a volume play or by going deeper with customers. If you think you can do what you have been doing what will happen is you are going to have to sell your solution provider business for cheap or try to catch up," Bibby said.

Hansen confirmed for CDN that it did start with the customer. "Customers voted with their wallets and their feet."

He said that Microsoft looked at the customer and asked questions such as "What's the value proposition for cloud services."

"If you are an SMB, Office 365 has been nothing short of transformational and has provided democratized access to IT. Think about it this way. Five to 10 years ago it was prohibitive to invest in modern technology and be always up-to-date. It was time, effort and spend that SMBs did not have.

SMBs did not have the IT staff let alone the insight to understand it all. Now with the cloud scenario, even small business can have the same technology set up as Fortune 500 companies with hyper scale, enterprise class and security enabling them to do communications and collaboration with customers, partners, suppliers and staff," Hanson said.

Next year Microsoft plans on releasing the next generation of Office 365 with an approach towards teams, networks and people centric security. This will be augmented by Office 364 E5 suite, which grew 700 plus per cent since introduction. The E5 will include Skype for Business, Cloud PBX, Power BI Pro, and Delve. Microsoft will position E5 as a premium suite and believes it can become an upselling opportunity for channel partners to address current accounts who want advanced security. Microsoft will work to build new practice guides and IP around the E5 suite. It has been estimated that E5 could be a \$56 billion market opportunity that has the potential to provide increased margins for the channel.

According to figures from Hansen, less than 10 per cent of companies in the world have gone to the cloud, which gives the channel partner a "tremendous" opportunity to modernize tens of millions of companies. **CDN**



## Hacking the national pastime

### THE EDITOR'S NOTE

#### PAOLO DEL NIBLETTO

pdelnibletto@itwc.ca



**IT WAS MAVERICK** owner Al Davis of the NFL's Oakland Raiders who placed a large poster in the team's locker room that read: If you're not cheating, you're not trying.

In sports players and teams have always tried to gain an edge over their opponent. Look at the media storm that was caused by the current Super Bowl Champion New England Patriots and their star quarterback Tom Brady deflating balls during the AFC Championship Game.

So it was not a surprise to hear that the St. Louis Cardinals, a team considered by many to be baseball royalty, being investigated by no less than the U.S. Federal Bureau of Investigation (FBI) for allegedly hacking another

team in Major League Baseball – the Houston Astros.

I was puzzled as to why a team like the Cardinals who have won 11 World Series Championships in their history second only to the mighty New York Yankees (27) would care to hack into the Astros databases. The Astros have never won anything in their 53 year history. In fact the Astros placed dead last in the entire league from 2011 to 2013 losing a grand total of 323 ball games in that span. The Astros have made the playoffs a measly nine times overall.

According to published reports, the FBI have evidence that Cardinals officials gained access to Astros scouting reports, internal notes on player trades and more.

Speculation on this story has gone wild. From what I heard from various media sources the FBI believes the hackers gain ac-

cess through easily guessed passwords held by a former executive of the Cardinals who is now the general manager of the Astros.

It's common practice for organizations to keep passwords on file. I heard that this particular executive's password was a combination of his last name plus the current year. Obviously, not the toughest password to break. If you know an executives previous passwords you can figure out the patterns that person likes to use.

Noted Romanian hacker Guccifer was able to access the email accounts of U.S. Presidential candidate Hillary Clinton and former U.S. Secretary of State Colin Powell by using simple guesswork.

It's unsure at this point in time whether anyone involved got a competitive advantage because of this hack. But what is obvious to me is that this hack was easy to execute. Guccifer did not profit financially from his hacks, but he too stated that it was easy to break into the Clinton/Powell accounts.

To me this case is like someone tasting grapes at the grocery store. The Astros made it easy for the hackers. In other words: It was like taking candy from a baby.

It also says there is a need for more stringent passwords.

Internal policies should be reviewed to enforce stronger passwords. This is something channel partners should take issue with when developing security systems for their clients. This baseball hacking scandal has shed new light on the use of weak passwords and it can become a rallying point for the channel to take action. **CDN**



## Is the PC dead?

**THIS MONTH'S TWITTER** chat looked at the state of PCs and whether its days are numbered.

Evolution is changing definition of a PC. The traditional #squarebox PC may be “dying” however personal computers are evolving @CraigatLenovo

Content still needs to be created Have you ever tried to compose a lengthy email on a phone or tablet? @idccanada

74% of consumers have no plans to replace their desktop until it dies. 60.6% would replace it ASAP if it dies @idccanada

the PC is becoming increasingly irrelevant. archaic-thinking companies are taking too long to make the switch to laptop/tablet @coreyherscu

#2in1 is a great form factor #justsayin RT @daveyinCDN: @coreyherscu Interesting. Do you think companies should move to 2-in-1s? @e\_mah

It's still about solutions & solving problems. The PC can also be part of it. The channel should not exclude any of its options @PaoloCDN

Cloud is enabling transition between form factors. I can start writing on my laptop and edit on my smartphone. @yindavid

# Cloud income statement impacts

CLOUD INSIGHTS  
**BRUCE STUART**

**YOU ARE AN** experienced businessperson connected with your business and the trends around you. You have begun the process of financial modeling and business planning. All of this talk about structural change has no doubt got you thinking about how the involvement in a recurring revenue driven cloud or SaaS business might impact your company's income statement and therefore profitability and valuation. The cloud or SaaS business requires most business people to think about their income statements differently than they did when they were predominately transaction driven, on-premise focused. The revenue, expense and therefore profit drivers in this new arena are different than the drivers in your traditional business.

### Revenue impacts

In a classic on-premise software reselling focused business revenues are driven by few large transactions that are front ended loaded with revenues (and therefore gross margin) with the majority of the lifetime value of the customer obtained in the first 12 to 24 months after the transaction is closed. Service is “dragged” by software license sales. This pattern and structure of revenue acquisition drives sales force compensa-

tion systems, allowable marketing spend per revenue dollar and the cash flow requirement patterns of the business. Large customer acquisition investments are made in few big clients. This results in lumpy sales revenue flow, lumpy cash flow over time and business valuations that bounce up and down with transitory results.

The revenue drivers and relevant revenue metrics in the cloud and SaaS business are more like the drivers and metrics in the life insurance business. Cloud and SaaS accounts can contain multiple clients that can generate multiple transactions. Accounts are identified by the amount of recurring revenue that remains payable on the total portfolio of contracts in the account. The rate at which accounts, clients or transactions are lost or churned is a huge driver of the revenue side of a cloud or SaaS focused business.

When a cloud or SaaS business loses an account that is going to be generating revenue for a 3-5 year period the net present value of a lost account at a 10 per cent discount rate is easily 30 to 40 times the monthly value of the fees being paid at the time of loss.

The average or median size of transactions in accounts is crucial due to the relationship between the initial size of the cloud or SaaS contract and the likelihood that the stream of recurring revenue will grow organically over time. **CDN**

## DELL BLUEPRINTS ITS FUTURE-READY ENTERPRISE STRATEGY

by **PAOLO DEL NIBLETTO**  
@paolocdn

**TAKE TODAY'S WORKLOADS** and try to fit them into a digital-first environment. Not as easy as it sounds. The reality of today is activities such as crafting emails or Tweets, developing digital content, and online shopping is made easier in the cloud.

Take a gander at these recent stats:

- Two million emails are delivered per second;
- 500 million Tweets are sent per day;
- 300 times growth in digital services;
- 97 per cent of organizations plan to use the cloud;
- Of those 71 per cent plan to deploy software-defined networks in a year; and
- \$2 billion was spent in online shopping.

Meanwhile, the reality for the CIO or manager of IT inside organizations has not shifted much from delivering business results, improving customer satisfaction, cutting costs, improving employee productivity and remaining competitive in the market you serve.

What Dell's vice president of global enterprise solutions and alliances, Armughan Ahmad aims for is for the technology priorities

to move from traditional IT to new IT that can address concerns with optimizing workloads, cloud adoption, ubiquitous mobility in a software-defined environment.

Dell is embarking on a future-ready enterprise strategy, which will see the Austin, Tex.-based vendor forge more partnerships in the market such as the one it did with Nutanix last year and more recently with Red Hat/ Open Stack. The goal of this new direction is for the channel to

New titles such as Chief Digital Officers should be thinking differently if they want to progress in the digital age or risk being left behind by emerging countries such as Mexico in the race to be digital.

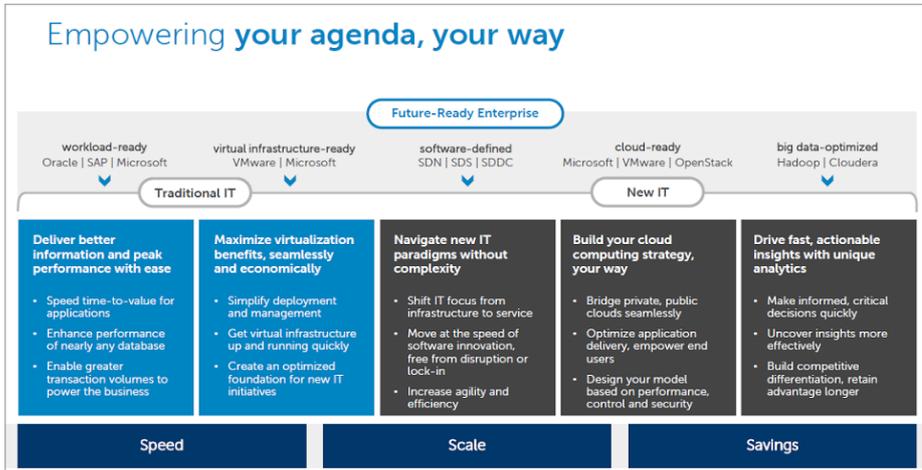
“In Canada, we need to stop talking about speeds and feeds if we are ever going to move from traditional IT to this future-ready enterprise digital environment. Companies can become irrelevant over time without change or accel-

Both vendors offer networking solutions, but Ahmed said this partnership enable management software in a multi-vendor environment. This also helps customers drop its Capex commitments. Compare this with a proprietary strategy and you avoid a closed management stack, limited interoperability and the potential of a lock-in penalty.

Dell is also validated these types of multi-vendor solutions in its lab such as the VMware EVO:Rail, Dell engineered solution for 500 virtual machines. Ahmad added that there validation the channel is able to deploy this type of solution in days instead of weeks.

Currently Dell offers blueprints for unified communications and collaboration, VDI, virtualization, cloud, data analytics, data processing and high performance computing.

According to Ahmad, channel partners are themselves getting disrupted. “They used to focus on data centres and lead with IBM, EMC or HP. They are now worried about SaaS and the private cloud model like Salesforce.com. They have to figure out how to transition their customers into an as-a-service that’s future-ready. We have the blueprints now so it should no longer be about selling a server and marking it up by eight points. The disruption is coming with public cloud and SaaS and channel partners have to go to this new model.” 



create an intersection from traditional IT and the new IT.

“We’re letting alliance partners and ISVs create deeper hooks into our platform. It’s not about just reselling but having blueprints as a vehicle that can combine intellectual property from alliances with Dell to complete compute and storage solutions,” Ahmad said.

Conversations about being future-ready need to happen now in Canada, according to Ahmad.

erating the business,” he said.

Dell’s own internal philosophy has changed because of the digital age. Dell’s approach, for example, will have no deliberate lock in. The company will be open to flexible scaling options with modular systems that do not force customers to rip-and-replace.

Also the Dell Ventures program will arm start-ups with funding.

One example of this is Dell’s partnership with Arista Networks.

# CASE STUDY

DIGITAL HEALTHCARE

---



## PARTNERING TO PUSH HEALTHCARE TOWARDS THE DIGITAL AGE

by **PAOLO DEL NIBLETTO**  
@paolocdn

**RICHMOND HILL, ONT.** – Packed hospital waiting rooms are common at Ontario healthcare facilities. People waiting in these areas are typically unaware that nurses and doctors along with other hospital staff are bogged down with paperwork which is a factor in hospital wait times.

According to the Province of Ontario, nine out of every 10

patients with minor conditions will wait more than four hours in anyone of Ontario's 126 emergency rooms and urgent healthcare units.

Altaf Stationwala, president and CEO of Mackenzie Health, said making clinical decisions is core to what healthcare providers do on a daily basis. However, providers are delayed in advancing key steps in the process because of lack of data and workflow that leads to long hours for patients.

Mackenzie Health, a regional healthcare provider for Southwest York region operating the Mackenzie Richmond Hill Hospital, is looking to change the workflow of nurses, Doctors and staff and have entered into a partnership with technology vendors BlackBerry Ltd., and Cisco Canada.

Today, Mackenzie Health introduced the second phase of its innovation unit called MI2 (Mackenzie Innovation Institute-squared). Phase two will see

Mackenzie Health deploy smart mobile clinical messaging and alerting system in an Internet of Healthcare Things approach.

Phase one saw the healthcare provider implement smart beds and badges.

Stationwala listed phase two goals such as communication that is of faster and more accurate, private and secure that can lead to better informed decisions being made right at bedside.

“The objectives here are to improve the overall patient experience as well as the care provided by the nurses and doctors. We want nurses and doctors spending more time with patients and less time on paperwork,” Stationwala said.

Mackenzie Health is working with BlackBerry, Cisco Canada and Toronto-based independent software vendor ThoughtWire that will see nurses and doctors inside the Innovation Unit sporting BlackBerry encrypted-smartphones connected to the secure clinical alerting and messaging system. BlackBerry Enterprise Server 12 (BES12) is being deployed at Mackenzie Health as the enterprise mobility management platform that will enable nurses, doctors and hospital staff to access data and applications which comply with data privacy regulations in the Province.

BlackBerry CEO John Chen, who was on hand for the launch of MI2, said it’s possible for future BlackBerry smartphones to be dirt proof and water proof. Chen did not confirm that these features will be part of BlackBerry’s product road map but added that if the surface of the smartphone is

bacteria free, for example, it will be one less thing nurses need to wipe down.

“We came to this project from a product standpoint,” Chen said. “Working on this MI2 project is a learning experience for us and now we have more than 300 partners in this area. We learn more about how our technology can become end-to-end and solve problems to make life better for patients.”

Chen said that the current healthcare model is unsustainable and society needs to get involved in changing the way people view patient care.

“People are demanding a healthy life but diseases are found every day. Checking into a hospital is just not going to do it. Home care may be a better solution, while hospitals are used for more critical care. We are working with partners to make home care more of a reality,” Chen added.

Robert Fox, Cisco Canada’s director of healthcare transformation, said home connected healthcare is a complicated matter. There are so many unanswered questions such as:

- How will the doctors get paid;
- How do you get it connected to the home;
- How will it be monitored;
- What are the healthcare approvals;
- How will mobility factor in; and
- How will the data be collected and protected.

“All these questions need to be addressed but there should be

shift to home-based healthcare, but we need to find a solution to the many problems, but I believe the industry can support this along with the channel partner ecosystem,” Fox said.

Bernadette Wightman, the president of Cisco Canada, told CDN that healthcare in the connected home is a priority in the company’s Internet of Everything market strategy.

One of the keys to this is working closely with vendor partners such as BlackBerry, but more needs to happen from a community standpoint.

“The community needs to be committed to a new healthcare process, which means the patients come first for nurses and doctors. Sometimes technology gets in the way,” she said.

Cisco is providing a closed-loop unified communications system that will help to automate workflows mostly for routine tasks.

Meanwhile, ThoughtWire’s Ambient machine intelligence platform will act as an Internet of Things portal for staff, systems and devices.

The main concept for phase two is to get healthcare providers back in front of patients, said Stationwala. “Nurses spend hours documenting and looking for technology at work and that does not improve the workflow. Staff is not stationary. They are moving all the time and the aggregated data needs to move with them. There are so many devices that spit out data, but are not unified. The challenge is access verses security. It’s an argument of this verses that,” he said. 



## Dell unveils next entry in PowerEdge C servers

by DAVE YIN  
@yindavid

**DELL HAS ANNOUNCED** the newest addition to its PowerEdge server series, one aimed at high-performance computing and big data.

The PowerEdge C6320, with compute, storage and automated management can achieve up to 999 gigaflops on a single server, Dell claims.

“The PowerEdge C6320 delivers up

to two times performance improvement on the leading HPC performance benchmark,” Dell said in a statement. “Compared to the previous generation, it provides up to two times the performance improvement on the LinPack spec, up to 45 per cent improvement on the SPECint\_rate benchmark and up to 28 per cent better power efficiency on the Spec\_Power benchmark.”

The specs for the unit include Intel Xeon E5-2600 v3 processors with

up to 18 cores per socket or 144 cores per 2U chassis, up to 512GB of DDR4 memory, up to 72TB of flexible local storage, and integrated iDRAC8 with Lifecycle Controller, allowing for routine management tasks to be automated.

According to Dell, 27 racks have been deployed by the San Diego Supercomputer Center (SDSC) to build its “Comet” petascale supercomputer that features a total of 1,944 nodes or 46,656 cores. [CDN](#)



# HP unveils first Windows 10-oriented tablet designed for business

by **DAVE YIN**  
@yindavid

**HP TODAY ANNOUNCED** its first tablet that will come natively with Windows 10.

According to the company, the HP Pro Tablet 608 is built for business and productivity. It comes in at 8 inches diagonally, with a 4:3 aspect ratio and 2048 x 1536 resolution.

The Pro Tablet 608 will feature full Windows Professional with dual-band WLAN ac/b/g/n and optionally either 3G or 4G WWAN. As for other specs, HP says the tablet measures at 8.35 mm in thickness and weighs under 1 lb.

It will also have dual microphones and dual speakers, a 2 MP front-facing and 8MP rear-facing camera, and has an Intel Core Atom Quad Core Z8500 processor, 4 GB of memory and 128 GB of storage.

As for business features, the tablet comes built-in with HP Client Security 2.0, as well as Trusted Platform Module encryption and NFC. There is also support for a customizable image or BIOS settings, manageability tools, and HP Touchpoint Manager for device management.

Lastly, it's among the first devices to feature a USB-C port, for charging as well as data transfer.

Accessories, including a pen, rugged case, travel keyboards and a portable dock will also be made available. The tablet will be compatible with HP Pro Tablet Mobile Retail Solution to function as a mobile payment terminal for solutions including EMV, NFC, MSR, and "most digital wallets."

HP Pro Tablet 608 G1 will come with Windows 10 in August, but will be first available with Windows 8.1 Pro in July starting at \$479. [CDN](#)

## EDITORIAL

EDITOR	Paolo Del Nibletto
STAFF WRITER	Dave Yin
CONTRIBUTING	Brian Jackson Jeff Jedras
PROJECT SPECIALIST	Penny Gianniotis

## CREATIVE SERVICES

CREATIVE DIRECTOR	J. Coles
-------------------	----------

## SALES

VP & ASSOCIATE GROUP PUBLISHER	Brad McBride
SENIOR ACCOUNT EXECUTIVE	Desere Cowin (416) 290-0240

## CIRCULATION

CIRCULATION MANAGER	Cheryl Patfield
---------------------	-----------------

## NEW SUBSCRIPTIONS

circulation@itwc.ca
---------------------

## CORPORATE

CHAIRMAN	Michael R. Atkins
PRESIDENT & GROUP PUBLISHER	Fawn Annan
CONTROLLER	Rob Novorolsky

ITWC is an affiliate of International Data Group (IDG), the world's largest publisher of computer-related information and the leading global provider of information services on information technology. IDG publishes over 300 computer publications in 85 countries. Ninety million people read one or more IDG publications each month.

Computer Dealer News is published 8 times per year by ITWC, a unit of the Laurentian Media Group, Michael R. Atkins, Chairman, 55 Town Centre Court, Suite 302, Scarborough, Ontario M1P 4X4 Telephone: (416) 290-0240 Fax: (416) 290-0238.

Publishers of CanadianCIO, Computing Canada and Direction informatique. All rights reserved. The contents of this publication may not be reproduced either in part or in whole without the consent of the copyright owner. The views expressed in this publication are not necessarily those of the publishers.

**Date of publication, July 2015.**  
**GST Registration # R122605769**  
**ISSN: 1184-2369**

PUBLISHED BY



The Content Experts

## Lenovo North America president on his first Canadian tour



by DAVE YIN  
@yindavid

**ONLY TWO MONTHS** into Aymar de Lencquesaing's appointment as the new president of Lenovo North America, the French-native executive made his first formal visit to Lenovo's Canadian headquarters in Markham, Ont. to survey the landscape and meet with customers.

CDN got the chance to speak with him and get a sense of his initial impressions of Canada.

**CDN:** What are some of your observations of the Canadian market so far and what goals or challenges do you foresee?

**AYMAR DE LENCQUESAING:** I see mostly opportunity. We're doing well in the Canadian market but there are plenty of pockets of growth. We do extremely well in the large enterprise market – nearly one in two enterprises in this market source Lenovo products – but overall our market share in the PC side is 14 per cent, and worldwide we're 20 per cent, so we're underindexed in the Canadian market. This spells out opportunity, especially in the consumer segment. We're a single-digit market

share now and should be able to double or even triple our market share very quickly.

**CDN:** What would say is your philosophy to the channel?

**DL:** We are totally dedicated to the channel. That usually works very well, We try to make simple programs that we have now unified and integrated with the server business, so it's "one size fits all." We channel most of the business through business partners.

**CDN:** With Windows Server 2003 support ending and the release of Windows 10 just around the corner, are there any updates to Lenovo's server and PC strategies?

**DL:** We have now totally merged the product families that we had with Lenovo on the server side – the ThinkServer – and the x86 product family. Now we run a very comprehensive and complete series of products ranging from the rack and tower devices to the converged systems and densities and blades. So with that we're well-positioned to attack the market, and some of it may see a bit of growth because of the Windows Server 2003 [end of support].

As for Windows 10, we're also quite excited because in most times in this industry that Windows has had a new release, it has spurred an interest in products and an opportunity to renew those products. The early reports that we have seen and read about on Windows 10 are very promising.

**CDN:** Lenovo also has North American manufacturing, which seems to go against the trend of making everything in lower-cost countries. Have you seen any business advantages of manufacturing in the US?

**DL:** You have a lot of flexibility to respond to demand because you can configure the systems closer to the customer. The proximity to the customer and the flexibility it gives you is the main advantage.

**CDN:** Do you have any unique approaches to Quebec's French-speaking market?

**DL:** When in Rome, do as Romans do. When in Quebec, I hope to get there soon and practice my native French, as you know. I was actually born and raised in France, and our products will be delivered and supported in the French language. **CDN**