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The Value of the HP/Microsoft Alliance to Channel Partners in the SMB Market

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The HP and Microsoft Frontline Partnership is a 20-year alliance that is unique in the industry and ensures that Microsoft products and HP products have been designed and engineered to work together and that they are supported by both companies. One of the key focuses of the alliance has been to develop and deliver pretested and preconfigured solutions to small and midsize businesses (SMBs) via the vendors' joint channel.

IDC recently surveyed HP and Microsoft channel partners working in the SMB market, as well as SMB technology buyers, to assess the benefits the Frontline Partnership brings to them.

The following questions were posed by HP and Microsoft to Steve White, program director for the Software Alliance Leadership Council, on behalf of HP and Microsoft channel partners.

Q. What do SMBs expect from IT today?

A. From all of IDC's research with SMB buyers, I'd say it comes down to one word — predictability. What SMBs want is to use technology for their own business advantage, of course, but they also want to do it in a very predictable and cost-effective way.

There's a huge variance in the types of SMBs, but generally SMBs tend to have smaller IT staffs, which means they have fewer resources with which to manage their IT departments and keep up with the pace of change of the latest technologies. So they need support and education, as well as proximity — somebody local who can actually support them in doing this. They struggle when they have to deal with long-distance support, and they can't get real-time answers fast enough.

Again, it comes down to wanting to utilize the technology out there, but needing it to be very predictable, much like a utility. Whether the goal is more secure data, greater business agility, or lower business costs, SMBs expect whatever technology solution they buy to solve their problem. Part of the reason is that technology that was previously seen as available only to larger companies is becoming available to and affordable for SMBs. They expect that technology to work equally well for their business, and there is an increased trust in the solutions because they are seen as proven both in the sense of the brands and within the larger enterprises.

Q. How do HP and Microsoft address these expectations more effectively together than separately?

A. The alliance between HP and Microsoft, an alliance of two large and credible vendors working together, delivers much that SMB customers have told IDC they are looking for. Because specific solutions are built and tested with smaller customers in mind, they deliver the predictability SMB customers are looking for, and even expecting. The development, testing, and interoperability of the solutions by two market-leading vendors are key sources of credibility and trust both for SMB customers and for the channel partners who deliver them. A number of partners have said they don't have to worry whether a given solution will work because they know it has been tested — it's predictable, which is exactly what their SMB customers want.

Good examples of these solutions are messaging and collaboration as well as core infrastructure, including security, management and virtualization, database, CRM, and backup and storage.

Another advantage to SMBs is the large number of dual-skilled and -accredited partners across the HP and Microsoft channel network. A key finding from our research shows that HP has a very strong group of partners, and so does Microsoft. The combination of the two networks delivers deep technical, industry, and geographic coverage. We also heard from some of the partners that their participation as Frontline partners has strengthened their engagements with both HP and Microsoft, thus enabling them to sell and support more effectively.

Picture two concentric circles with a large overlap area in the middle. That area contains partners who can work with both HP and Microsoft technologies — the Frontline partners who are deeply skilled in both technologies. Then there are partners on the outer sides of the circles who might be very deep in some Microsoft technologies or very deep in HP technologies. Customers have the option of a partner in that middle ground who can deliver on both or a partner specializing in a particular technology or industry.

Customer choice is the key thing here — customers can choose the right partner for their business. This model gives customers the ability to make a choice and the ability to choose a partner who can deliver the joint capabilities. Successful partners add a third dimension to the Frontline Partnership by bringing together the assets of HP and Microsoft and adding their own unique expertise to closely address and deliver to their SMB customers.

Q. What are the benefits to joint HP/Microsoft partners in working with both companies?

A. The Frontline Partnership allows those partners who are strong in both HP and Microsoft technologies to utilize support tools, as well as specific solutions developed for the SMB market. For example, Frontline offers partners a wide range of marketing programs, sales tools, and in some cases the opportunity to request flexible marketing funds that are ROI based. This flexibility lets partners be creative with the way they approach marketing to their customers.

For instance, one partner we spoke with proposed and ran a marketing event in which he took a group of customers to a baseball game. He chose a baseball game because the sport is very popular in his area, and he could guarantee to drive attendance as well as X amount of business from that event. This partner ended up doing 20% more business than he originally projected and reported his results to the Frontline program to qualify for the funding reimbursement.

Another major benefit is technical support — from both companies. All the partners we've talked with say that individually, HP support is very good and Microsoft support is very good, but together they're even better. The fact that the partners are dealing with jointly developed and tested solutions obviously helps a great deal. The partners are receiving such great support because the solutions have been so thoroughly tested via an extensive research and development process. They get answers quickly and in turn can be very responsive to their customers.

A third major benefit is the powerful brands of HP and Microsoft, which provide partners with instant credibility. These partners are very capable already, but as Frontline partners, they show additional competencies across both the HP and Microsoft platforms. This is an added level of differentiation that SMB customers recognize. Customers have told us that they see a partner with the capabilities and competencies for both HP and Microsoft technologies as a kind of Rolls-Royce of resellers.

That kind of credibility also enables partners to compete more effectively. Partners have told us that by utilizing the marketing resources as Frontline partners, they've not only won new business but also sold more to their existing clients because of the improved relationships driven by the HP and Microsoft Frontline Partnership. It has absolutely allowed partners to be more competitive in the marketplace.

ABOUT THIS ANALYST

Steve White is program director for the Software Alliance Leadership Council (SALC), which is part of IDC's Software Applications & Business Strategies group. White works with the SALC members to define and research the key topics that affect strategic alliance investments and provides analysis of alliance trends, best practices, and benchmarking.

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