



Name game . . . making a link with security

Success in business is like happiness in love; it's all about knowing what a partner wants, as EAMON McGRANE discovered when he met Topsec MD Dermot Williams

Topsec Technology's MD, Dermot Williams, has one business wish: that if you mention his company's name to an IT professional or someone in the industry, they'll immediately associate it with communications and security.

Topsec has been ploughing that furrow since the company was called System House, back in the late 80s. And it's still fertile ground, insists Williams.

He concedes that he's unsure whether it was happy coincidence or prescient knowledge that positioned Topsec in what is probably the most bountiful sector in the modern IT industry.

He also believes his company has been fortunate in choosing vendors with the same ethos as the company in terms of evolution of the product set. "We haven't had to go out and sign new vendors as the industry moved on," said Williams. "We've stayed the course with the same guys we've been working with, in many cases for over

a decade. Broadband has been a very big factor for us. And it has enabled communications and security to coalesce; the sweet spot for us has been where security and communications have met."

While not a pure channel operation, Topsec is heavily reliant on its trade partners. Indeed, its direct wing handles its high end security sales and, according to Williams, gives the company the ability to acquire business it might otherwise struggle to land.

"We have a clearly communicated structure to our channel. We have a small direct arm. Our communications business is entirely channel and there's not a lot of crossover there. It can seem unfashionable to have that kind of hybrid operation, but what happens is that we clearly communicate it with our partners so they know where we're coming from. In fact, the direct arm allows us to have a greater level of in-house resources available that we bring to our channel partners. So we've said to them: yes, we have a small direct arm, and if it ever becomes a problem let's sit down and talk about it."

More important

Despite security and communications being a rich vein from which to mine, there are plenty of players in the market, so adding value and having a discernible USP are, as ever, vital. "Take the way we operate with the vendor Zyxel. There are people interacting with its R&D operations, its logistic and procurement end, and its support business. We're away with Zyxel at conferences and meetings

throughout the world about half a dozen times a year. It would see us as almost being a branch office because everything they do in Ireland is done with us and through us, and that's the sort of relationship we want with a vendor."

Williams said it's not just being sales oriented – it's about evangelism. "Our job is to take a product that you know your channel partners could really run with. Then you localise and make it relevant to the Irish market. That can be more important than people realise as you often have to translate from American expectations to Irish expectations. By tweaking it for the Irish space, you can often make the product better for the vendor when it comes to selling into other smaller markets as well."

The Topsec MD admitted there's not a great deal of difference between his company's aspirations and those of other players in the same field. He believes that, if a customer is well serviced, the relationship blossoms and it leads to recurring revenue streams that are vital to any sales operation.

Complex problem

"We had a site that originally had 300 users, and that's now ramped up to 7,000

and we've been able to assist them in servicing that account – it's a rolling snowball. If you service your market well, you'll reap the rewards. And the channel partners who have that vision as well, with ongoing recurring revenue, fit in well with our mindset, and those are the guys who've been most successful with us over the years."

Knowing what the customer wants and making its partners money are the two underpinning factors in Topsec's efforts to define its unique selling proposition (USP) to the market. With such tough competition in this space it can be arduous to distinguish yourself and define your selling points. "We try and make sure we're bringing the correct

and relevant products to the market. We focus not just on making our partners money but also on saving them money. We'll tell our vendor if we think the product isn't right for the Irish market or that it's not giving resellers/partners enough bang for their buck."

He said, in some cases and based on the company's advice, vendors had changed aspects of their product offerings. "The product should last for a long time and have upgradeability. We're very focused on finding out what the customers' needs are, giving them a solution and adding value to it as well. It's how we've managed to stay ahead of the market in many categories. For instance, when VoIP started hitting the headlines we already had products in the market and we won a number of key deals before people even realised there were deals there to be won – because we'd listened to the market, knew it would be big, and made sure we were ready."

In relation to VoIP, Williams claimed that Topsec had people trained and certified six months before the product came through. Williams said the resellers he works with generally have to be assisted because they don't have the time to go out and learn everything themselves. "I suppose training is one of our USPs; we have the economy of scale here where we can invest in having the expertise, and bring it to hundreds of reseller partners. A lot of people out there in the channel who've learned from our guys know that the bond with our company is such that, if they come across a complex problem out in the field, they can get in touch with us to help them solve it because of the close nature of the relationship."

Major story

To illustrate this point Williams relates a story about one of Topsec's partners that was approached by a well-known telco for a VPN setup in a number of its retail stores. The installation was beyond what the partner company had done before, so it approached Topsec and asked for a dig-out on the project.

"The partner knew that we had the expertise to back them up and to up-skill them. Though, having said that, we don't

want them to be dependant on us; we want them to learn from us and to grow their << business accordingly. It's a partnership both up and down stream – a relationship we maintain with our vendors and channel partners. So when VoIP came out, it's not like we were experts ... but the vendors we were working with brought us through it and took us up to the level of knowledge required, which we passed on."

With its business firmly entrenched in security and communication, Topsec has been witness to some of the major developments in those spaces for the past few years. Topsec's MD pointed to the growth of UTM in security and the rise of VoIP in communications as the big stories for Topsec in 2005. "In security it would probably be the escalation of UTM appliances. Three of our biggest vendors all have a UTM offering, and it fits in very well for us. At the low end we have Zyxel's products, mid-range we have Watchguard and at the high end it's Symantec.

Williams believes that 2006 is going to be another milestone year for Topsec. He said the growth in its sales of DSL and VoIP will continue and that, four months into the year, the company has already booked its customer forecasts for orders throughout the next eight months ... and it

looks as if sales are going to be substantially higher than last year.

"On the communications side I'd have to go with VoIP as a major story for us in 2005. For the fourth or fifth year in a row people said this was the year for VoIP, and that's the year we saw products shipping in volume. As for 2006? Well, you could probably add a zero to the volumes we're going to ship but, really, it all began in 2005. We had a number of major wins last year and that is now bearing a lot of fruit."

"The convergence of products is driving the solutions that people want. You have to remember that, with IT security, it must be right; you *must* get it right first time. There's no point in having a firewall if you're not using it. And the number one cause of security breaches is incorrectly configured products, not a lack of them. That is a continuing focus for Topsec, that products are easy to configure. There's been a big push for such products, and that's been very welcome in the Irish market." ■

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MD Dermot Williams**