

CHANNEL

MIDDLE EAST

Building and delivering IT solutions for the Middle East

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SPECIAL REPORT

Insight and thought leadership from leading HCI vendors
p35



Asem Galal,
managing partner,
G&K Consulting



Samer Karawi,
managing partner,
G&K Consulting



Nada Ismail,
regional business
development
manager, G&K
Consulting



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TRANSFORMATION AGENTS

G&K Consulting on celebrating its tenth anniversary, evolving tech landscape and how it has pioneered change in a channel market besieged with rapid transformation *p24*



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TRANSFORMATION AGENTS

Galal & Karawi (G&K) Consulting has built its entire business around the notion of creating a niche in business and channel development. In an exclusive interview with *Channel Middle East*, managing partners Asem Galal and Samer Karawi, and Nada Ismail, regional business development manager at G&K Consulting, talk about the company's 10th anniversary milestone, the evolving IT landscape and how the company has pioneered change in a rapidly changing tech industry. *By MANDA BANDA*

When Asem Galal and Samer Karawi set up Galal & Karawi (G&K) Consulting, a business consulting and channel development firm 10 years ago, to primarily help IT multinationals and channel partners in the middle East and Africa (MEA) to achieve outstanding business results, the two managing partners would not have predicted that a decade on, the company they founded would emerge as one of the most influential tech consulting firms in the region.

Today, G&K Consulting has not only exceeded initial expectations, but the company is one of the top consulting firms in MEA with more than 40 customers in the IT, retail, banking, hospitality and chemicals industry in several countries across the MEA market.

The company has built its entire business around the idea of creating a niche in business consulting and channel development in various industry verticals.

Currently, Galal and Karawi have taken this philosophy to a whole new level.

So how have these agents of change reshaped the IT vendor, channel and retail landscape in the MEA geography?

Galal said back then when the company was established, there were lots of agencies in marketing, public relations, events and everything except channel development. "Samer and I saw that opportunity since 1996 when we were working together at Microsoft but we never thought it was the right time to do it," he said.

Galal added that the economic crisis which happened towards the end of 2007 and beginning of 2008, was the trigger moment for the company as lots of the IT vendors were still required to do the same numbers they were doing before the global economic meltdown but with less

resources and clients. He added that the only possible way they could do that was through the channel but the channel had to also operate in a totally different way. "This is when we said it is the right time to do it and on 8th August, 2008 G&K Consulting was fully operational," he said. "When I look at this journey it's been a decade of Middle East channel transformation really. That's what we have witnessed how the channel has transformed into this amazing entity that continues to deliver in very tough conditions and amid declining margins.

Nevertheless, added Galal channel stakeholders [vendors, distributors, resellers and retailers] have reinvented themselves and their business models.

Karawi added that back in 2008, it was obvious that the model of the channel was about to change across MEA. According to Karawi, the Internet started to become a tool that you needed to integrate into your business. "At the same time, the IT business was becoming more dependent on standard IT components, but the opportunity of driving high margins from that industry was diminishing," he said. "It was a

challenging time and sometimes the vendors and resellers were not speaking the same language in the sense that everybody was looking at the bottom line and wanted to maximise the bottom line. What was missing was how to make sure the two bottom lines are aligned and how the action of the vendor would bring value to the channel and the actions of the channel bring value to the vendor."

Karawi said the massive introduction of the Internet shaped and changed the way of buying and selling IT products, consumer electronics and other goods. "Today it's very frequent that a customer will go to the Internet to look for something, specs on a product and information. What this means is that there is a new way of presenting the products to customers," he noted.

He explained that this new dynamic in the market has helped a lot of resellers and retailers in the IT sector to turn that perceived threat [the Internet] into an opportunity where their businesses could benefit from. "Creating that formula of winning customer, winning vendor and winning channel and taking the multi-channel faceted approach as it was known then has contributed to the transformation that the regional IT channel has witnessed in a very short period of time," Karawi added.

The changes happening in the regional channel, where most traditional hardware and software resellers have transitioned to establish value and services practices within their business has more to do with what's happening in the IT industry itself today.

Channel partners and other industry observers say the digital transformation currently happening in MEA goes far and wide, with the potential to impact banking and financial markets, insurance, retail and consumer goods,

SERVICES PORTFOLIO

G&K Consulting is a business and channel development firm serving the MEA market, with an established track record in helping multinational IT vendors and channel partners achieve outstanding business results. The company's core services portfolio includes:

- Re-invent Plus+
- Channel Plus+
- Retail Plus+
- Career Plus+





“When we work with clients we look at it as they outsource their business to us and we in-source our company to them.”

ASEM GALAL, MANAGING PARTNER, G&K CONSULTING

healthcare, government and transportation, among other industries.

Galal said as an established consulting firm with a track record in helping multinational IT vendors and channel partners to achieve the desired business outcomes, the company has four main core services which include: Re-invent Plus+, Channel Plus+, Retail Plus+ and Career Plus+.

According to Galal, Re-invent is G&K's consulting and skills development services to corporates to help them re-invent themselves with a special focus on strategy, organisational effectiveness and innovation. “One of things that we faced when we started was obviously the big names where there on the consulting side of things so we had to curve our own margin and a niche that we can work on,” he said. “Creating a niche was achieved by reinventing ourselves and the business model. Our business model was focused on being more hands on and results driven than how other consulting firms operate in this industry.”

He said from the onset the company went with risk sharing models with the clients. “We would agree the results upfront with clients and work together to achieve those results and the whole compensation model is based on the results in many cases,” he explained. “Some of the things we have been able to do include tailored organisational effectiveness programmes, seminars and workshops, customised

“The Retail Plus+ programme consists of integrated services that are aimed at delivering best consumer experiences.”

NADA ISMAIL, REGIONAL BUSINESS DEVELOPMENT MANAGER, G&K CONSULTING



management consulting and motivational and skills development events.”

Karawi added that Channel Plus+ is a set of services focusing on business and channel development for companies. He said the services offered include lead and demand generation, effective initiatives execution and channel programme design. “Under the Channel Plus+ banner we offer business development programmes, sales and distribution, channel development programmes, lead generation through telesales and telemarketing, specialised campaigns, consulting and skills development, mobile and online services,” he said.

Nada Ismail, regional business development manager at G&K Consulting, said the Retail Plus+ programme consists of integrated services from G&K and affiliates that are aimed at delivering best consumer experience in retail, translating into higher profitability and customer loyalty. “Under this, we offer customer-facing sales force sourcing, management and development, Retail Plus+ Academy, mystery shopping and auditing services, retail consulting, management information systems, mobile and online presence and visual display,” she said.

Galal reiterated that as a small company, one advantage that G&K Consulting has in the market is that it has developed genuine relationships with all its clients where they perceive the company as part of their own



“Creating that formula of winning customer, winning vendor and winning channel has contributed to the transformation that we see now.”

SAMER KARAWI, MANAGING PARTNER, G&K CONSULTING

operations. “When you are a part of the clients’ teams working on projects you get more insight, support and passion around the projects you implement together,” Galal said. “The passion exhibited when implementing projects makes those politics of I am the supplier and you are the customer go away and removes friction.”

He pointed out that G&K is a small company and the best way of achieving the desired results is by working closely with the clients’ teams. “We look at it as they outsource their business to us and we in-source our company to them,” he said.

Karawi added that given that maturity in the computing business has beaten all expectations in that it's happened in a space of 10 to 15 years, it's important that channel partners adjust their business models to the speed of change happening in the market. “Given the pace of change, it's difficult for most partners to readjust their business processes to accommodate the transformation currently underway,” he observed.

However, Karawi believes that in the cloud era, channel partners that will succeed in this business have to be ahead of the change. “You cannot just follow the trend otherwise you will be a ‘me too’ channel partner and all that's left for your business will be to compete on prices which means working in a segment with declining margins and getting deeper into price and margin wars,” he said. ■