



# Cisco Rewards VentureTech Network Members for Driving Channel Partner Profitability

In a landscape where it is often difficult to find new growth opportunities, the small and medium business (SMB), is one of the fastest growing segments of business in Canada. “The channel opportunity is phenomenal for VARs with existing business relationships. The SMB market is worth billions in Canada,” said Richard Caballero, Senior Marketing Manager for Ingram Micro.

SMB segment, it had to resolve this fact and has focused on training technicians on their product line to create buy-in across all levels of a VARs organization. “After working with Cisco on a client pitch it soon became apparent that the benefits of building a complete Cisco solution was definitely the way to go,” said Naomi Carmichael, Director of Operations, OnDeck Systems Inc. and the former

**Business Challenge:** Cisco Systems, Inc. the worldwide leader in networking products solutions, and a founding sponsor of Ingram Micro’s VentureTech Network (VTN), was seeking to significantly increase its Canadian market share in the small and medium business (SMB) market as it introduces SMB targeted products and solutions.

**Approach:** Cisco was looking for the channel to play a pivotal role in its go-to-market strategy. VTN offered a direct route to the SMB market through its member network of SMB focused VARs. Cisco’s objective was to attain measurable growth in the SMB market as quickly as possible by providing training and support to partners that invest in the Cisco business.

**Solution:** Cisco decided to engage with VentureTech Network as its core strategy to achieve its objectives. VTN members represent the fastest route to the SMB market in Canada with approximately 70 member locations from coast to coast. VTN members are solutions providers who possess the technical expertise to effectively implement Cisco solutions and are focused on companies with 20-499 employees as their main installed base. VTN members in Canada collectively represent estimated revenues of over \$500 million annually.

Cisco had a solid reputation in the enterprise market, but there was a common misperception, or rather misinformation, that the learning curve was too complex amongst many SMB focused VARs. Cisco recognized that to succeed in the

President of the VentureTech Network. As a smaller reseller competing with larger national based service providers, OnDeck Systems based on Vancouver-Island in British Columbia serviced a community of 30,000 and was looking to differentiate their value proposition in the market. “Cisco helps its reseller partners respond to and succeed in new competitive opportunities in the Canadian SMB channel by assisting them in building their security practices. As a result of our [OnDeck] decision to invest in Cisco and become a Cisco trained expert, we have grown our Cisco business year-over-year and increased our channel profits.”

## Making an investment in the channel

As a vendor sponsor of VTN, a North American organization of independent IT solutions providers focused on delivering market leading solutions and services to SMB clients, Cisco Systems recognized an opportunity to build their brand penetration and strengthen partnerships within the framework of the membership. “The key was educating partners about the fit of Cisco’s networking and security



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solutions within the SMB marketplace,” said DiAdamo, Channel Account Manager, Cisco Systems Canada Co.

“Our enterprise business was booming, but we needed to find a way to get a bigger piece of the SMB market and VTN members represented a gateway to SMB technology adopters,” said DiAdamo. Cisco’s approach to penetrating the SMB market involved sharing responsibility for the cost of partnership. “Cisco shares the cost of partnering with VTN members and makes it a priority to understand our partner’s margins. With more than 96 per cent of Cisco business going through our channel partners, we are focused on growing our presence in the SMB market,” said DiAdamo.

VTN members are eligible for free training on all Cisco products and training certifications for CCNA (Cisco Certified Network Associate and CCDA (Cisco Certified Design Associate). CCNA certification allows certified professionals to install, configure, and operate LAN, WAN, and dial access networks; and CCDA certification authorizes technicians to design routed and switched network infrastructures involving LAN, WAN, and dial access services for businesses and organizations. Cisco authorized certification indicates a foundation and apprentice knowledge of networking and network design for the Cisco Internetwork Infrastructure. The training courses are specifically designed for SMB resellers and allow trained technicians to manage start-up and installation, health checks and troubleshooting, and inventory and contract management.

Typically, a VAR would have to pay a training company to participate in authorized Cisco training programs, but Cisco has waived the fee for all VTN members. Cisco is targeting VTN SMB focused VARs whose clients are adopting high-growth and advanced solutions in security and business continuity, as well as managed and resiliency services.

### Influencing demand generation

As part of Cisco’s continuing commitment to developing new programs that help increase channel partner profitability, the company launched the Opportunity Incentive Program (OIP). OIP provides financial incentives to reward channel partners for their pre-sales investment associated with security sales opportunities in targeted market segments. OIP rewards partners who identify net new SMB Cisco customers by offering one-time only, promotional incentives and 90-day deal protections to protect

the reseller’s presales investment for registered business opportunities. “The program allows resellers to focus on value delivery to win the opportunity. Cisco has formulated a program to protect and reward partners that are seeking new business, something vendors have only achieved in the past in an ad-hoc manner,” said DiAdamo.

“When OnDeck started selling Cisco solutions our competition wasn’t and we recognized a huge opportunity to specialize. Once OnDeck’s technicians bought into it [the Cisco product line] our sales team soon followed. When our sales representatives introduced it to our clients we began to implement more solutions and increase sales,” said Carmichael. “Today, we primarily sell Cisco products – when it comes to firewall security we will not compromise. And our clients don’t question us because they know based on our reputation they can believe in our ability to only install the best,” noted Carmichael.

The volume of products sold through the channel coupled with shrinking margins has resulted in manufacturers such as Cisco taking a more active role in their channel partners’ financial status. Cisco has taken an interest in understanding the channels’ margins and shares in the cost of partnering to help build profitable and loyal channel relationships that increase customer satisfaction. As a result, Cisco continues to increase its market share in the SMB marketplace through its partnership with VTN.

### About VentureTech Network (VTN)

Established in 1998, VentureTech Network (VTN) is the premier association of the top IT solutions providers in North America dedicated to delivering best-in-class solutions to small and medium business (SMBs), by offering global expertise combined with local relationship and management. For more information, please go to [www.venturetechnetwork.ca](http://www.venturetechnetwork.ca) or call 1-877-VTN-0001.

### About Cisco Systems, Inc.

Cisco Systems (NASDAQ:CSCO) is the worldwide leader in networking for the Internet. Cisco news and information are available at <http://www.cisco.com>. For ongoing news, please go to <http://newsroom.cisco.com>. Cisco equipment in Europe is supplied by Cisco Systems International BV, a wholly owned subsidiary of Cisco Systems, Inc.

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