

Dell grows services 'without channel help'

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DELL HAS VOWED TO AGGRESSIVELY grow its services business, in a move that has received a mixed reaction from the channel.

Rod Arnot, services director at Dell UK, said services are "a strategic objective" as Dell looks to "double the business from \$30bn to \$60bn".

Dell operates a four-pronged approach to services: preferred accounts that cover 300 to 3,500 employees; corporate accounts of 3,500 seats and above; the global

segment; and the public sector.

Arnot reiterated that the firm does not work with third parties. "Our model is completely direct. We will go after all accounts to grow our services business, and that includes those already covered by the channel," he said.

This is despite the fact that the vendor has signed a distribution deal with Tech Data, Computer 2000's parent company in the US.

Other channel players have also claimed the vendor is using partners to help it reach its services goals.

Steve Derbyshire, managing director of VAR Telemon Systems, said: "It is using channel partners, but the services are marketed as Dell's own. It will take a long time before it can recruit a highly skilled team. I'm sure it can put together an incredible low-end offering quite quickly, but the high end will need specialised partners."

Robert May, managing director of VAR Ramsac, said he has partnered with Dell for over five years and has a Dell account manager. "The reason Dell needs partners

is because it can't always deal with entire projects. Its sales people can advise on their products, but products are only ever part of the overall solution," he said.

However, Douglas Hayward, senior analyst at Ovum Holway, said the channel should "watch out" for Dell. "Its model is to commoditise services aggressively, and as Dell expands its share of business hardware markets, it will expand its share of support services," he said.

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