

## Speculation mounts on strategy shift from Dell

Management shake up leads to questions about a possible change in tactics from the direct vendor

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Dell remained tight-lipped about mounting speculation that it may change its business model following the return of founder Michael Dell as chief executive.

After several poor quarters and a drop in market share, Kevin Rollins stepped down as chief executive at the beginning of this month (CRN Online, 1 February). Industry analysts have predicted that Dell could change tactics, perhaps turning towards a more indirect model, or even entering the retail market.

Robert May, managing director of VAR Ramsac, which has been selling Dell kit for more than seven years, said: "We sell a lot of Dell kit and are in communication with it on a daily basis. Nothing has filtered through



Dell's Bracknell office: Rumours are rife about a possible change in strategy.

that would make me think it will change its route to market. I don't think it could replicate its success if it sold entirely through the channel.

"Dell has talked about having showrooms. I think there is merit in that, but I don't think it should do that and sell indirect."

However, Lee Bevan, managing director of VAR Leapfrog Computers,

said: "We've got great relationships with vendors that protect the channel, such as Lenovo. I've always been angry that the UK government allowed Dell to come into the UK and sell direct. VARs will always see Dell as a threat."

Ed Anderson, managing director for Europe at retail analyst Levin Consulting, said: "I find it hard to see Dell putting a lot of resource into an indirect route. It isn't Dell's model that is necessarily wrong. It has been a combination of things that have seen it have a couple of bad quarters.

"If Dell was to do anything different, it would be a very controlled model, perhaps just taking on a few more resellers."

As CRN went to press, a representative from Dell said: "Dell has made no announcements regarding selling through retailers, and will not speculate further on the possibility." **CRN**

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