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Changes to hosted software tested in retail

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A NetSuite trial with US retailer CompUSA to sell hosted software could have long-term implications for the SME channel.

IT retailer CompUSA will take on NetSuite's hosted business software packages in one region to start with and plans to role it out across the US if the trial is successful.

Kristen Brown, alliances and channels vice-president at NetSuite in North America, told *MicroScope* that far from threatening traditional software resellers, it would increase the opportunity. "CompUSA will partner with VARs to deliver services and installation," she said. "A large national retailer together with local VARs will create one large solutions provider.

"The SME has been difficult to sell to because there is not currently a big national brand out there to provide technology and services, but CompUSA is this. It lacks

seasoned services people, but local VARs will deliver this," Brown claimed.

She said there were no definite plans to sign similar deals outside the US, but did not rule it out as an option.

Resellers increasingly get their margins from services around a sale, and the model adopted by NetSuite through its work with CompUSA characterises the changing role of VARs.

George Sanger, head of sales and marketing at Reseller Knowledge IT, said products such as CRM and ERP, which NetSuite offers, still require integration with businesses so a retail brand could help generate reseller business. "This could work in the UK because the market is ready for hosted software."

He added the software and hardware reseller markets would merge through developments such as this. "The traditional hardware guys are going — the next evolution is the reseller that provides hardware and applications." ■