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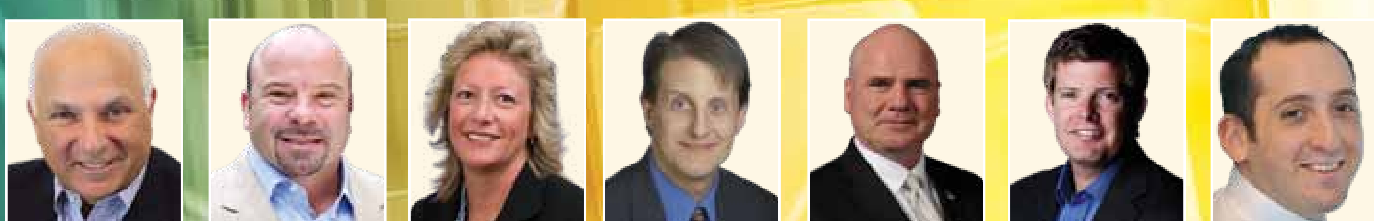

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The technology industry is the fastest growing and changing market in the world, and those that play in the space must work insanely hard to keep up with the trends and adapt their businesses to stay relevant. Every year, new technologies come to market, necessitating fresh business strategies, solutions and experts to market, support and sell these tools. *VSR's Review & Outlook* is more than just a collection of thoughts and opinions, it's a roadmap of where they Channel is and where it's headed, brought to you by some of the smartest and savviest leaders and stakeholders in the IT reseller industry. This year's issue features more solution providers, ISVs and technology manufacturers than ever before, and they all share one common goal—the success of the IT industry and the integrators that drive it. *VSR* presents the sixth annual *Review & Outlook*.

New Haven Cash Register Company
Arthur Rosenbaum
President
www.newhavencashregister.com

If value-added dealers (VADs) think that 2012 was challenging, the year 2013 is shaping into one that will be unlike any other. An onslaught of new technologies, the aftermath of a presidential election, continued business uncertainty around taxes and deficits, and a regulatory climate that resembles the "Perfect Storm," will continue to challenge the role, resolve, and revenue models of many independent dealers.

However, rather than looking ahead to the coming year with fear and anxiety, many dealers would be better served by remembering what some of the values of the term value-added dealer really mean in these uncertain times. I'm talking about customer service, common sense and the "value-added" strategic partnership component that we bring to our street-level customer. We're not just equipment suppliers; we are problem solvers, business partners, income generators and trusted advisers, especially to the small retailer or restaurant owner who doesn't have an IT department, an abundance of computer expertise, or the time to learn how to troubleshoot and resolve POS problems.

Technology trends such as NFC, EMV, SaaS, mobility and the cloud will continue to make headlines as the next year unfolds, and no one doubts the inevitability of their eventual assimilation into our tool kits in some form. However, we as VADs need to continue our traditional multi-faceted role to help steer our clients to the right solution and help them make sense out of this techno bombardment. This is how we can continue to redefine our roles and revenue models in the coming year as the industry catches its collective breath waiting for the eventual winners in the technology race.

We serve a vital role that is not easily replaced. We're still the first call for the restaurant owner/manager whose credit card processing has stopped working on a Saturday night because their Internet access is down, from the panicked small retailer who just dropped their recently-purchased iPad POS and now needs a new one on Sunday at 8 am, and from the bodega where nothing is communicating because its WAP has no power. Not only do they call their POS provider first but they also require a response that will resolve the problem—not just a response that tells them to go to the closest big box retailer to get a replacement, if that is even possible.

The retail and restaurant landscapes are changing at light speed. However, much of mobile computing is still in its infancy and needs to be approached with a certain amount of caution as it relates to how card data is securely entered, stored and processed in the mobile environment. Deadlines for EMV migration related to credit cards, POS devices and ATMs in the U.S. have been issued by both Visa and MasterCard for 2013 and 2014, but many observers predict the industry won't see much movement toward EMV until 2015. And what about additional impending PCI-DSS guidelines for the mobility market? These are all moving targets that need to be addressed.

Tablets, smartphones and other disruptive technologies will continue to make inroads into system sales, but will these "margin-less" solutions be the answer for demanding retail and restaurant environments? If our customers still require the same type of traditional support, if not more, to maintain their systems, who will pay for it? Potential residual income streams are merely breadcrumbs to the value-added dealer when considering the amount of time, effort and expertise needed to maintain our typical customer.

During this time of uncertainty, no one really knows who the eventual winners in the technology race will be; (does this remind anyone of the BETA versus VHS battle) however, the one certainty we can control as VADs is to not only provide the very best in customer service and support to our customers, but to educate them about the issues relating to all the new technologies that some providers seem to ignore.