

# Selling Business Outcomes, Not Boxes: How Enterprise Transformation and Digitization is Impacting Solution Providers

InterComms interviewed Mr. Bareket to learn how the Internet of Things and other industry changes are forcing enterprises to Transform and Digitize, and the impact that is having on solution provider sales.



*Ittai Bareket  
CEO, Netformx Inc.*

**U**nder Mr. Bareket's strategic leadership Netformx, [www.netformx.com](http://www.netformx.com), has become the leader in enterprise sales enablement and profit acceleration platforms. Netformx enables IT solution providers to design and sell winning and implementable multivendor solutions, while operating their businesses profitably. Netformx accelerates solution provider profits by providing powerful business intelligence, actionable insights, collaboration, and automation that connect people, information, and processes. The result is increased competitiveness and productivity across the sales lifecycle.

**Q: Ittai, as you visit your solution provider customers around the world, what are you hearing as their biggest concerns?**

**A:** Dramatic changes are happening in the industry that are having major impact on solution providers and their enterprise customers. Revolutionary changes, such as software-defined networks, virtualization, the Internet of Things (IoT), and the mobile enterprise, are disrupting the

status quo and forcing companies to Transform and Digitize (TND) to continue to be successful.

From a sales perspective, solution providers are faced with a significant change. Instead of selling faster, more secure, or higher capacity boxes and network solutions they need to focus on business outcomes, such as how to support a mobile workforce, how to enable IoT or secure their base. Now Sales needs to understand their customers' desired business outcomes, gather the requirements, and translate them into architectures and successful implementations, including identifying how current assets can be leveraged.

This is a more complex scenario than earlier network-based transitions, such as migrating enterprises to more profitable MPLS, where the solutions varied little from enterprise to enterprise and were driven by technical factors.

Solution providers are also transforming and digitizing their own businesses to address TND challenges and opportunities so that they can provide added value to their customers while maintaining profitability. They need enhanced expertise and tools to support their customers in their journeys to become digital companies.

**Q: Is there one TND solution for all?**

**A:** No, a network of IoT sensors may be the answer for a farm or trucking company, but a bank may be more focused on higher levels of security and elimination of network vulnerabilities. Many enterprises are adapting to a more mobile workforce, with hardly any fixed office lines in use. For some, IoT will improve their internal efficiencies whereas other companies will use IoT to generate new revenues. A lot will depend on their current situation and certainly on where they want to go. Since today's network



architectures and equipment are typically not adequate for the challenges of the new world, solution providers have a big opportunity to help their enterprise customers take that transformative digitization journey to TND — to be more strategic solution providers.

**Q: What is the current state of enterprise architectures?**

**A:** Most are not ready for TND. Many were built years ago, before the business was totally reliant on that infrastructure. Too often organizations have focused on refreshing obsolete devices and sweating ageing equipment to avoid costly infrastructure updates.

The Cisco 2016 Annual Security Report, <http://www.cisco.com/c/dam/assets/offers/pdfs/cisco-asr-2016.pdf>, found that "Aging infrastructure is growing and leaves organizations increasingly vulnerable to compromise. We analyzed 115,000 Cisco devices on the Internet and discovered that 92 percent of the devices in our sample were running software with known vulnerabilities. In addition, 8 percent have reached their end-of-life stage and another 31 percent will reach end of support within one to four years." Many infrastructure devices have already reached their last day of support, so cannot be updated and are not receiving patches for known vulnerabilities.

Most architectures are not prepared to support a sound enterprise mobility strategy and only a small number of network devices are IPv6-enabled. IPv6 upgrades are becoming critical as the number and variety of Internet-connected devices multiplies. In America the IPv4 address pool is already depleted. The situation will become even worse as IoT and Machine-to-Machine devices proliferate

which, according to Gartner, [www.gartner.com/newsroom/id/2636073](http://www.gartner.com/newsroom/id/2636073), is predicted to grow to 26 billion units in 2020.

**Q: Wow, it sounds like enterprises and their solution providers have a challenging road ahead to Transform and Digitize. What steps do they need to take?**

**A:** At a high level, solution providers need to interview their clients to understand the desired business outcomes. Then create a strategy and plan on how to implement that strategy. For example, the outcome could be a mobile workforce, improved customer experience, or increased profitability. Tools to get there can be things like automation and analytics to increase efficiency or migrating to SDN/NFV or IoT.

The TND journey may have phases, such as first upgrading current network assets and eliminating network vulnerabilities, then supporting a more mobile workforce, then incorporating IoT to increase efficiencies, then implementing business analytics to better leverage IoT and increase profitability.

**Q: How is IoT impacting enterprises?**

**A:** The Internet of Things is becoming a driving force for enterprises. It is transforming the nature of their business as well as how they operate their business. The IoT is having a much more disruptive and wider-ranging impact on the enterprise than Unified Communications or Voice over IP ever did. It is requiring a fundamental transformation and digitization of the enterprise.

The enterprise is by far the largest of the IoT's main sectors (the others are government and home) and is expected to include 40% of all IoT devices by 2019. The global

- ▶ IoT telecom services market is forecast to grow from \$2.9 billion this year to \$18 billion by 2022, for a CAGR of nearly 44 percent, according to a Research and Markets report, [www.researchandmarkets.com/research/z99r99/global\\_internet](http://www.researchandmarkets.com/research/z99r99/global_internet). An increasing acceptance of smart technologies for managing logistics and traffic along with network security management solutions are expected to move the segment ahead, the researcher said. That means plenty of business opportunities for enterprises and solution providers.

There are new verticals, such as manufacturing, healthcare, and insurance, to penetrate and ecosystems to create or join. New technology spaces to master. Pervasive wireless connectivity. A new set of manufacturers. New equipment and device types, such as sensors, manufacturing equipment, and connected cars — all with new interfaces. The enormous number of devices will require IPv6 as well as new architectures to manage the massive volumes of data emanating from them — and will be useless without sophisticated big data analytics.

**Q: What are some of the challenges of implementing IoT?**

**A:** Enterprise architectures and designs that are already complex will become even more so with IoT, though the devices themselves, such as sensors, will be simpler. Solution providers need to accurately capture the requirements from a wide range of M2M and IoT devices and incorporate them into their clients' IT architectures.

New experts on M2M devices will need to work with existing networking experts to create integrated architectures. This means an increased need for collaboration across teams and experts during the design process. In addition, solution providers will find it more difficult to manage their business and supply chain as the number of vendors multiplies.

And particularly important for IoT is providing automation and analytics to ensure the economies of scale needed to ensure profitability.

**Q: How do solution providers get started with TND?**

**A:** A first step is to discover the condition and status of the equipment in the enterprise's network, identifying end-of-life and obsolete equipment. Prescriptive analytics can then assess what the solution provider sold to each enterprise, identify what equipment alternates are available, and create a pipeline for upsell opportunities. The same goes for services, identifying expired or out-of-date licenses. This step at least refreshes the existing network.

**Q: You mentioned sales. What is the impact of TND on the sales process?**

**A:** Because of the scale of TND and especially IoT, it is imperative that pre-sales processes be automated and managed. A vital tool for this transformation and digitization is a consolidated sales enablement and profit acceleration platform that gathers vast data from a large number of vendor systems and comprehensive

knowledgebase to enable creation of integrated architectures and validated designs.

Success is realized when architectures and designs move quickly and profitably from concept to requirements to proposal to order to successful implementation. Accurate solutions that can be implemented successfully result in customer satisfaction and significantly impact profitability.

**Q: How is TND changing Netformx' business?**

**A:** TND is impacting us as well. It is changing our mindset from designing complex networks toward enabling complex sales. We still have our award-winning DesignXpert® design solution, but the focus is shifting to providing tools that enable our customers to sell more effectively into their enterprise accounts. This means guiding their sales down the most profitable paths and identifying upsell opportunities.

Until recently, our customers used our applications in silos. They used DesignXpert to configure complex networks. Or ChannelXpert to get better rebates and to manage their deals more efficiently. But the applications didn't communicate or work together.

To meet the needs of TND and increased sales effectiveness we have connected our applications into an ecosystem that provides end-to-end sales workflow management, collaboration, business analytics, automation, and shared data (a single source of the truth) across the entire sales lifecycle.

TND is putting more focus on guided selling templates to make architectural recommendations based on desired business outcomes. Questionnaires can guide the sales person from business outcomes all the way down to the best (and most profitable) architecture or design for that client.

IoT also means that sensors and other simple devices will become part of our KnowledgeBase™. Distributors and solution providers will want to add their own content as they move into new IoT verticals. For example, they can add sensors from their favorite supplier catalogs and publish them instantly to their team, ready to be sold.

**Q: What are your parting thoughts about TND?**

**A:** Solution providers must increase the efficiency of the pre-sales process if they are going to help their customers transform into digitized companies. They need to manage the complexity of IoT and deliver results in a timely and cost efficient manner.

To accelerate profits across the sales lifecycle solution providers need solutions that enable their Design, Sales, and Sales Operations teams to collaborate through cooperating applications and shared data that are integrated across a company's workflow, from opportunity to quote to post-sale analysis and channel management.

It's going to be an exciting ride!

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