

CASE STUDY

CompuCom: A Microsoft Forefront Partner Case Study

Sponsored by: Microsoft

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Market Opportunity

In today's corporate environment, IT security has become a prerequisite for conducting business. No longer a solution to be merely bolted onto the network, integrated secure throughput is integral in many business processes, particularly those benefiting from trusted identity, access, and protection. As such, any technology partner with the support and know-how to address these areas in a tight, readily managed offering should be well positioned to best serve its clients' current needs.

IDC was commissioned by Microsoft to look at select Forefront partners to uncover not only the opportunity these partners are realizing with the Forefront portfolio but also the clear business benefits of partnering with a vendor well versed in servicing the IT partner community at large. Through a series of case studies, key Forefront partners will highlight success stories, illustrate through examples what resources are having the most impact on their business, and share insights on lessons learned.

CompuCom

Dallas-based CompuCom is a \$1.5 billion Microsoft Gold Certified Partner that has worked with the vendor since 1997. Since those early days, CompuCom has encompassed much of the Microsoft product portfolio through a business model that relies equally on resale and services.

To support and add credibility to its Microsoft capabilities, CompuCom has earned four Microsoft Competencies (Licensing Solutions, Information Worker Solutions, Networking Infrastructure Solutions, and Security Solutions) and acts as an Advanced Technology Partner and Enterprise Software Advisor. The latter designations allow CompuCom to access pre-release Microsoft software and provide licensing management services to Microsoft Enterprise Agreement clients.

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From a customer perspective, CompuCom reaches into numerous industries, most prominently financial services, healthcare, and state and local government, with the bulk of its revenue (95%) coming from enterprise accounts (500 or more employees). CompuCom has approximately 7,400 employees in 100 locations across North America.

CompuCom and Microsoft

"Opportunity and necessity" were key components in the forging of the CompuCom partnership with Microsoft, which came through CompuCom's services activities in enterprise accounts. "We worked with Microsoft Consulting Services in some accounts, and in others, we were the deployment partner for large desktop rollouts," said Andrew Reese, principal consultant, information assurance at CompuCom.

Services such as IT infrastructure, application, and software management have become a large part of CompuCom's value proposition from its Microsoft relationship. "We provide a lot of services around the Microsoft products, so our relationship is not just about driving resale revenue," said Reese, adding that clients view CompuCom as a total IT asset life-cycle management company that provides an end-to-end solution with an array of services. CompuCom's expertise in the areas of messaging and collaboration efficiently incorporates Microsoft Exchange and SharePoint technologies. Forefront is a natural complement to this strategy.

That thinking was the impetus behind CompuCom's decision to engage in the Forefront opportunity. Client requirements for increased integration of security within the Microsoft environment, and the extension of its services portfolio, were of prime importance. In fact, many of CompuCom's SharePoint and Exchange clients are in a position to upgrade, and Forefront's integration with those products can make it a cost-effective proposition. "One of our key goals is to drive down customer cost, and standardizing on one vendor can start that process," said Reese. The reasons seem evident. A comprehensive infrastructure portfolio that incorporates security can be seen as an efficient catalyst in moving clients from fragmented environments to more integrated manageable systems. Coupled with a flexible licensing policy that provides volume discount based on quantity of products purchased, cost rationalization can be part of the value proposition CompuCom brings to its clients.

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In addition, CompuCom benefits from having a Microsoft Partner Account Manager who plays a key role in understanding CompuCom's value to Microsoft and joint clients. "He knows us and our capabilities, which is an important factor in differentiating our value with Microsoft and our customer base," said Reese.

The Microsoft Security Opportunity

For a firm such as CompuCom, the linkages to Forefront are natural. Any firm that concentrates its efforts on infrastructure optimization knows the inherent value of having all elements of the system secure and manageable. For example, companies can no longer simply offer communication technologies such as Exchange to customers; customers expect a "secure" Exchange solution and for this secure "value" to be baked into the solution in an efficient, seamless manner. And for many of today's IT decision makers, efficient also means the final solution is not cost prohibitive.

Because messaging and collaboration play a central role in CompuCom's business model, embedding security into its services is a logical move for the firm. In fact, CompuCom's "infrastructure optimization" services will focus strongly on Forefront integration with Exchange and SharePoint. "Microsoft is a vendor of choice in this area, and it gives us reason to talk to customers and address their business needs," said Reese.

Once CompuCom recognized the existing opportunity, even within its own customer base, the company made its commitment. In an effort to prepare its business for the launch of Forefront, CompuCom estimates that it spent approximately \$120,000. The bulk of the company's spend went into training and marketing materials, as well as its involvement in developing a security assessment methodology to be used by other partners. "This is not something you throw together overnight. We're just starting to ramp up our marketing engine and hit clients with it," said Heather Peyton, CompuCom's director of software business development.

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CompuCom's efforts are already paying off. The company has seen high application attach rates in two June deals that involve 41,000 Forefront Exchange and SharePoint seats and is forecasting a Forefront attach rate of 10–20% across 310 active accounts (150 corporate and 160 government). Average deals are expected to be worth approximately \$200,000, depending on client licensing levels. In addition, CompuCom is expecting its security services business to grow as a result of an increase in impact and optimization assessments.

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Leveraging Microsoft Resources

To maximize return on its investment, CompuCom is leveraging Microsoft resources that most prominently focus on addressing the needs of sales to ensure the team members are knowledgeable about Forefront and prepared for customer contingencies. CompuCom expects to drive CompuCom's speed to market with Forefront by leveraging the following Microsoft resources:

- Dedicated partner account management
- Training
- Security Software Advisor program

Of high importance to CompuCom is access to presales technical and sales support through regional Microsoft account managers. "These resources make all the difference — they give our reps confidence to know they have someone to back them up to overcome client objections, which expedites the sales cycle," said Reese.

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CompuCom's strong relationship with Microsoft, and its legacy security expertise, also positioned the company to be invited into the vendor's Security Reach program for early customer evangelism for the Forefront offering. This included working closely with Microsoft to develop a security assessment methodology to assist other partners in positioning the Forefront technology through a set of questions meant to uncover the client business risk profile, identifying gaps, and making solution recommendations. "Being able to go out with something like this makes us a leader, and it's because Microsoft recognized us as having strong security knowledge," said Reese.

In addition, Microsoft has provided a dedicated sales training team to CompuCom at no charge for an intensive daylong session that includes materials such as sales guides. Participation in the Microsoft Security Reach program has also provided CompuCom with a view to the vendor's security technology road map so that CompuCom has time to incorporate any changes into sales, marketing, and services plans.

"All this helps us position the Forefront message with accounts," said Reese, adding that many clients find it appealing that the security products fit under existing Microsoft licensing agreements. CompuCom is also supported in its sales efforts by a 30% back-end fee as a member of the Microsoft Security Software Advisor program, an initiative that offers incentives to partners that provide pre- and post-sales guidance for Microsoft Forefront security products.

Outcomes and Lessons Learned

Many lessons can be drawn from CompuCom's success — most notably its consultative solution approach with customers. "We expect to see a lot of traction with Forefront and are beginning to see a groundswell where we're talking about it and customers are asking about it," said Todd Pekats, CompuCom's director of strategic alliances. "This will be a big part of our everyday business, and we believe our consultative solution-focused approach is bringing security to the forefront, so to speak."

Forefront opens up additional services opportunities for CompuCom, particularly around optimization of security at all layers of the environment. It also allows CompuCom to expand product add-ons to current customer license agreements. "Security is becoming an everyday conversation with clients, and what we can do is define how to tighten their environment and address all layers of defense," said Pekats, adding that having a bigger selection of Microsoft products allows for the easy expansion of Enterprise Agreements at incremental costs.

Another lesson is to take the time to train in anticipation of the solution approach resonating with the client base. Preparations for CompuCom were companywide, spanning an array of employees who have a hand in making the Forefront strategy a success, including licensing experts, solution directors, product specialists, architecture subject matter experts, and professional services security experts. At any one time, CompuCom might have 15–20 people in training. To that end, partners should look to vendors for both support and clear road maps.

Additional future opportunities are expected by CompuCom once Microsoft launches a client version of Forefront. "Lots will happen when Microsoft gets into the client side — there will be displacement of vendors with customers looking for that tighter integration, so lots of opportunities will be there," said Reese.

An irony not lost on CompuCom is that Microsoft has historically taken its lumps for security exposure and is now "making world-class security products and figuring out its integration with key tools — it says something about their commitment to security excellence," said Reese.

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