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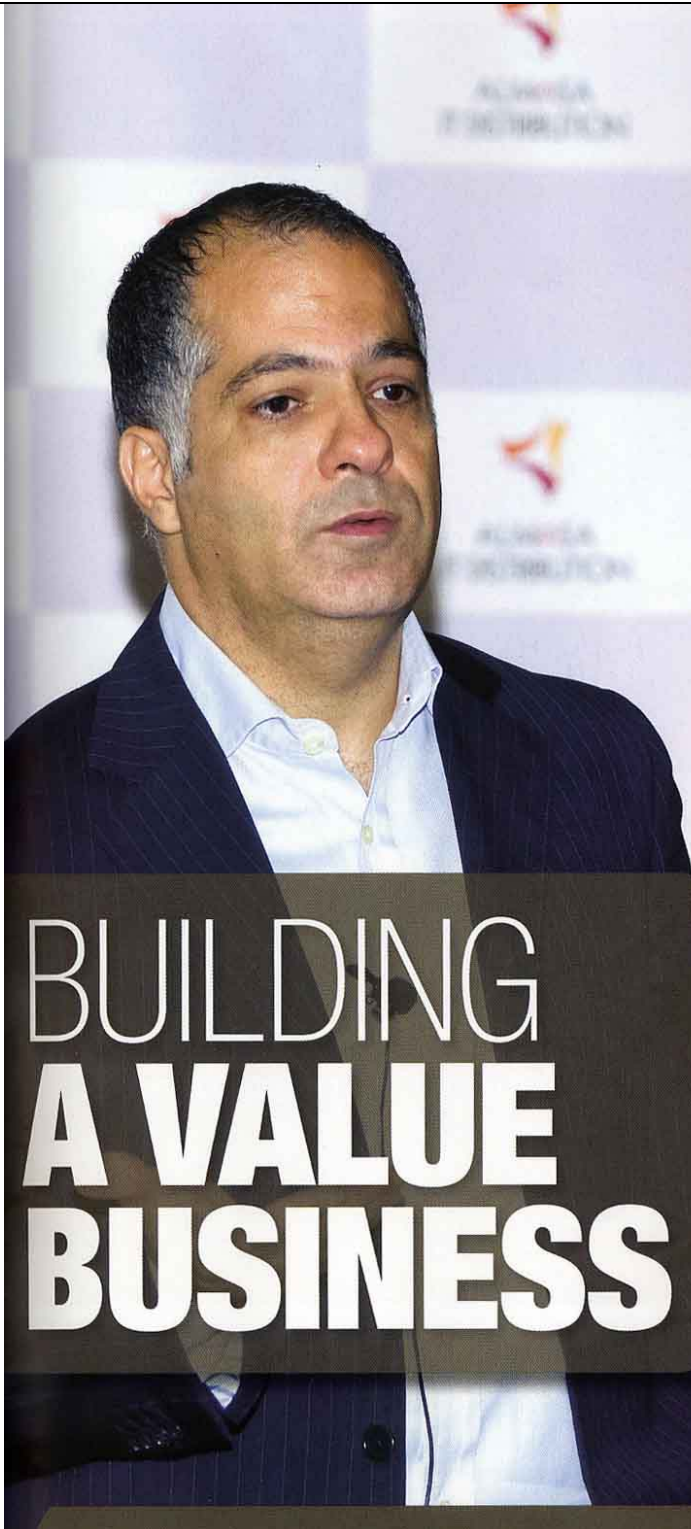
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Article: Building a Value Business



# BUILDING A VALUE BUSINESS

Almasa Holdings has just completed the overhaul of its IT distribution subsidiary in the Middle East. With the revamp now done, Channel Middle East spoke exclusively to Roger El Tawil, the new executive director for the newly formed Almasa Value Distribution (AVD), about why the changes have been made and how the new value business channel strategy is being implemented in the Middle East.

**CHANNEL :** Talk us through Almasa Value Distribution's channel strategy for the Middle East region?

**ROGER EL TAWIL:** Almasa Value Distribution (AVD) is a part of Almasa Holdings. Almasa's value division has been a business unit of Almasa IT Distribution for the last seven years and has been experiencing double digits growth since then. In response to changing global and regional market conditions, Almasa evolved the value business to increase its focus and ensure that the needs of both vendors and resellers are being met. The aim was to give the value business its own identity, leadership and management approach while the IT distribution arm continues to focus on its core business of volume distribution.

**CHANNEL :** Having taken on this role recently, what are your priorities for Almasa Value Distribution this year?

**ROGER EL TAWIL:** After several months in a consultative role, I am now a shareholder and executive director for Almasa Value Distribution. My role is to refine the strategy and execution of our objectives.

Focus is key and today that is what we are doing, providing focus to our vendors and partners. Our aim is to specialise in a portfolio that brings value to our channel partners and that transforms business while reducing cost.

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**CHANNEL :** What vision do you have for Almasa's value business?

**ROGER EL TAWIL:** Almasa Value Distribution has the opportunity to operate independently while leveraging the infrastructure, experience and support of Almasa IT Distribution and Almasa Holdings, giving us the agility and dynamics to move faster and respond to both channel and vendor needs, as well as changing market dynamics. We have a great foundation and platform to take the value business to new heights.

**CHANNEL :** What growth prospects are you looking at in the channel and what value proposition will you be offering partners in the Middle East through Almasa Value Distribution?

**ROGER EL TAWIL:** Growth is imminent but it is not the only criteria for success. You need to understand the market dynamics and manoeuvre quickly, by building on the existing relationships and establishing new ones. We will be addressing the pain points for both channel and vendor partners, bridging the gaps between them to build joint strategies for growth. At the end, it's about people – more so in MEA than anywhere else.

**CHANNEL :** What will be the main brands and solutions that the company will take to market through the Value Distribution?

**ROGER EL TAWIL:** We currently have the full end-to-end Avaya portfolio of telephony, video, data, and WiFi from large to small enterprises across MEA. We have also been an HP partner for ten years across different portfolios, but our focus is on HP networking and with the recent HP acquisition of 3Com, this even further enhances the opportunity for growth in the region. We have just recently signed a master distribution agreement for Gateprotect, a security product made in Germany. Watch this space for further announcements coming from us.

**CHANNEL :** What sort of revenue expectations does the group have for Almasa Value Distribution?

**ROGER EL TAWIL:** The focus is less on the revenue in the value distribution space. It's about contribution of margin, and we have a healthy expectation based on our prior

performance as well as our renewed focus in the market.

**CHANNEL :** A lot has been said about value added distribution. What in your view is value added distribution?

**ROGER EL TAWIL:** True value comes from a holistic approach of people, products, coverage and operational excellence – this is at the heart of Almasa Value Distribution.

We have seven years of value experience and by making value distribution an independent business, Almasa can really differentiate its offerings in the regional market. As for the challenges, we continue to see credit and project delays, which impact the efficiencies of distribution, as

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well as the continuity and linear delivery of vendors' business.

**CHANNEL :** There is a lot of talk around cloud computing and cloud-based services. Is this an area that Almasa Value Distribution is exploring within its business?

**ROGER EL TAWIL:** We will look to align with vendors' cloud strategies and build on these strategies, as long as we see business value in the longer term. We already deliver on key services but we are looking to further evolve and introduce additional services, bearing in mind the size of the regional market and its business demands.

**CHANNEL :** Who do you consider to be your main rivals in the Middle East with the value business?

**ROGER EL TAWIL:** Almasa Value Distribution has a dynamic and entrepreneurial spirit that we really don't see elsewhere. We have the energy, credibility and infrastructure in place to be the leading player in our market.

**CHANNEL :** How challenging has the IT market been for Almasa in the last three years and how did you manage to weather the global economic meltdown?

**ROGER EL TAWIL:** The unpredictable nature of the market had a significant impact on everyone's business, so Almasa took this opportunity to restructure and refocus for growth going forward. We have drawn on our experience to focus on our product mix, market coverage and operational efficiencies to succeed in this new environment.

That said, we see a situation where everyone wants to do and be everything, which doesn't add any real value to the market. That's why Almasa is really focusing on where we can provide benefits to both resellers and vendors.

**CHANNEL :** Looking ahead, where do you see growth coming for Almasa in the Middle East market?

**ROGER EL TAWIL:** We foresee growth in key technologies such as collaboration, security and storage, complemented by anticipated growth in key markets including the UAE, Qatar, and Saudi

Arabia. Among other technologies, we see solutions which address collaboration, security and storage as some of the most compelling right now. ■

