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Beyond Hotspots Agents Warm to WLANs

By Tara Seals

As the Wi-Fi market matures, partners have sighted yet more shores of opportunity beyond the sea of public hotspots. Some equipment vendor channel initiatives offer partners — particularly VARs — opportunities for a business-oriented convergent sale that combines hardware with services and applications. Meanwhile, new markets for Wi-Fi are appearing, and a trend towards co-marketing is enabling more and more partners to set a course for profits from broadband wireless voice and data systems and services.

Industry watchers say Wi-Fi represents smooth sailing in terms of sales. The Telecommunications Industry Association's 2004 Telecommunications Market Review and Forecast reports Wi-Fi is a significant driver for the wireless market as a whole. TIA projects spending on Wi-Fi services to increase from \$21 million in 2003, to \$270 million by 2007.

While employees of large businesses currently make up the largest single segment of business users of wireless data, by 2009, small business employees — will comprise nearly 40 percent of all such users, according to analyst firm In-Stat. More opportunity could be coming down the pike: a survey of 1,000 firms by In-Stat found nearly a third would be very interested in a service that would let them use a cellular phone over a Wi-Fi network. A majority of businesses with deployed WLANs indicated they either already have implemented voice over WLAN or they intend to do so. Wi-Fi/cellular integration, in particular, will be a tremendous growth opportunity for VoWLAN in business environments.

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In-Stat also indicates future deployments will be more pervasive than existing WLANs. For instance, planned WLANs will be accessible to a larger percentage of the businesses' employees and consist of a larger number of access points than current WLANs. WLANs also will be a spending growth area: Respondents are planning larger mean capital expenditure budgets for future WLAN deployments, compared to the mean capex budgets for current WLAN installations, the research firm says.

CONVERGENT WATERS

Selling gear and service together is a key play for partners of Sesame Networks Inc., provider of a Wi-Fi-based guest Internet access system for businesses. "Sesame Spots" allow visitors to access the Internet in a secure manner without compromising the corporate network. The company launched its North American channel program late last year, and it includes partnerships with national distributors, systems integrators, regional resellers and vertical VARs. Cliff Grossner, vice president of product marketing at Sesame Networks, says the majority of the company's sales opportunities lie in selling whole solutions, so channel partners can bump up their Wi-Fi equipment sales.

"To sell customers on the idea of Wi-Fi, if they just wired up all the offices, mobility for the employees isn't a sell," he notes. "But they should ask, what about the guests? Guest access can pull through the sale. Instead of duplicating the existing wired connections, this gives customers a better reason to deploy gear." The Sesame Networks solution requires hardware the first year, and partners receive yearly recurring revenue on the annual charges for Sesame's managed services, which administer the identities and profiles of the guests.

Wireless networking equipment vendor Proxim Corp. also encourages partners to seek out installations that involve both service and equipment opportunities. Ben Gibson, vice president of corporate marketing at Proxim, says the company has been pointing VARs in the municipal wireless direction, for instance. "So it's not just a sale providing Internet access," says Gibson. "It's also interconnecting access points for longer-distance wireless connectivity. They can offer a combined sale and that's very lucrative."



Layering on professional services is another approach that hardware vendors have begun to encourage. "Successful partners in the WLAN space must offer more than just an advanced product; successful partners offer a consultative approach to selling," says Doug Huemme, assistant vice president of

marketing at vendor Strix Systems Inc., which makes the Access/One Network family of products for indoor and outdoor environments. "For many, WLAN is still a big unknown or uncertainty, so helping the end customers through the entire purchasing process (making the decision to deploy WLAN, selecting the appropriate product, designing the network, installing and integrating into the existing network, then supporting the network post sale), makes Strix partners successful."



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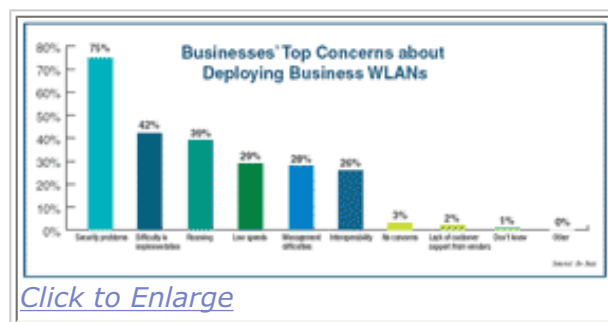
In fact, becoming a trusted adviser for the client may hinge on a partner's knowledge of the entire Wi-Fi continuum. "The customers come to channel partners to find out about the latest technology," says Grossner. "Offering a solution like a guest access system in a somewhat confused Wi-Fi market positions partners as people in the know, and that helps solidify their role with credibility with the client."

Finally, as applications for wireless networks become more important, vendors are helping partners to capitalize here, too. Huemme cites voice over Wi-Fi and wireless point-of-sale applications as examples of expertise that Strix encourages resellers to obtain to differentiate themselves in the market. And some vendors, such as Cisco Systems Inc. and Proxim, have implemented training and certification for partners that wish to specialize in certain practice areas.

"VARs can guide customers to higher-end applications to differentiate themselves, so we put a strong focus on training, and we offer different certifications to help partners find opportunities," says Gibson. Proxim offers base-level certification online for everyone, then specialized tracks of classes that range from one day to a week for certifications in areas like voice over Wi-Fi, public hotspots, enterprise mobility, public safety, or security and surveillance.

A SARGASSO SEA OF MARKETS

Wi-Fi has been characterized as a two-headed solution for enterprise wireless LAN needs and public hotspots, especially coffee shops and the "travel ribbon" of airports, hotels and meeting centers. The addressable market for the technology has continued to widen as more end users become comfortable with the concept, and that offers partners new markets to tap, such as car dealerships and the aforementioned municipalities.

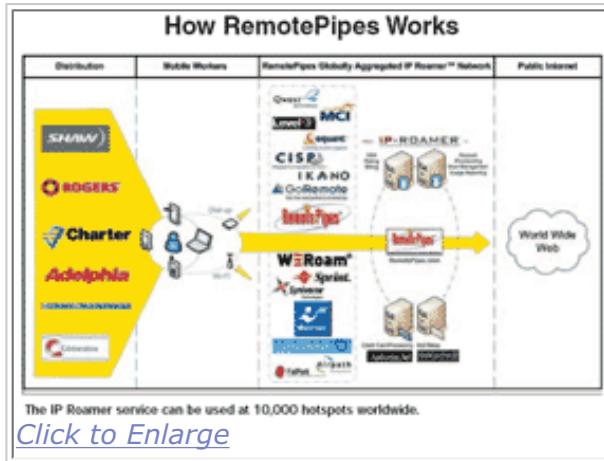


Aiirmesh Communications for instance is a VAR that is making the most of the latter niche. It works with municipalities to create Wi-Fi hotzones, using a mesh architecture. It recently completed a deployment in Cerritos, Calif., and in October 2004 started work

with Los Angeles on a six-month pilot program, starting with the deployment of a government and community area. Aiirmesh targets cities, towns and districts which currently lack the proper infrastructure for either DSL or cable modem service. In Cerritos, the service is being marketed to residents and businesses as a high-speed alternative to dialup Internet, with the added advantage of being thoroughly wireless and available in all outdoor areas throughout the city.

Remote access is another growing area, and one that opens up the market to include almost any business, according to Doug Bonestroo, CEO at RemotePipes Inc. The company provides global Wi-Fi Internet access at more than 10,000 hotspots via its IP Roamer hotspot aggregation service that offers partners a 35 percent revenue share on the monthly charge.

"We built the product around the needs of small and medium-sized businesses," says Bonestroo. "Anyone who wants to sell a global remoteaccess solution to a business customer can be a channel partner. Those with existing business accounts offer this as an additional service to cross-sell. But mainly, because the No. 1 telecom need is remote access, anyone in the communications business who is not selling this just isn't serving the market. If they offer it, they will get the sale. It's as simple as that."



Grossner also points out that offering complimentary service is on the rise in some unusual business environments. "There's a good market here where lots of businesses will subsidize the usage for their customers because they don't feel right charging," he says. "If you use the coffee market as an analogy, you don't expect to pay for coffee at

a dealership or law office. So channel partners through our solution can capitalize on the fact that verticals can use the 'free' concept to make their businesses more attractive."

The low-hanging fruit is law offices, media outlets like newspaper headquarters, leisure environments such as ballparks, and libraries where not having to provide terminals to offer free service amounts to a cost-reduction.

"We are working with one VAR to comarket and raise awareness in the legal field," says Grossner. "We are now a preferred vendor with the Canadian Bar Association, and that gives us credibility in that sector."

SALES AND MARKETING BUOYS

Wi-Fi suppliers are buoying channel partners with a range of support options that encourage everyone from seasoned tech pros to telecom agents to get involved.

The Sesame Networks Quick Start program for instance offers a Sesame Networks salesperson to go out on sales calls and train new partners for 60 to 90 days. "We share the customer list, market on behalf of our partner, set up appointments, do Webinars or on-site demonstrations," explains Grossner. "We have a small direct salesforce that we deploy to warm up a city, and then we turn the market over to our partners. They will show them how to sell this and where the market is." The company also offers them a Sesame Spot kit for free so they can turn their office into a demo location, and makes available on-site training for technicians, installers and salespeople.

Strix Systems is launching a three-tiered structure for its channel with discounts linked to revenue, certification levels, which company handles tech support and so on, with Gold, Silver and base level. Gold partners get the maximum discount, have access to direct sales and

technical support, and have access to a partner's page which contains sales and marketing information. Silver partners simply have access to the Strix partner page. Regional sales teams consisting of regional account managers and field engineers support Gold and Silver partners with onsite visits, joint sales calls, and other support activities. Strix Systems also offers market development funds for regional trade shows or events, advertising and lead generation programs.

Proxim's Wireless Wizard program also provides incentives at different levels of revenue, and recently added a third, "Platinum" tier for partners bringing in \$1 million-plus in revenue. Even the less-producing partners are supported in sales and marketing efforts, however. "We take our internal brain trust and train or certify them," says Gibson. "Proxim sees leads in regions; we match the leads and pass the business opportunity on to the VARs. We can reach a far greater number of end-user customers and spread wireless expertise through channel partners, and we train them so they are extensions of Proxim."

It's clear that the market is growing for Wi-Fi. With all these new islands of opportunity, Huemme says to rely on the basics for navigation. "The principles that apply to selling technology solutions apply to Wi-Fi as well," says Huemme. "There really is no big secret to success here, just a huge market opportunity that can be used to a channel partner's advantage."

Links

Aiirmesh Communications <http://www.aiirmesh.com/>

Cisco Systems Inc. <http://www.cisco.com/>

In-Stat <http://www.instat.com/>

Proxim Corp. <http://www.proxim.com/>

RemotePipes Inc. <http://www.remotepipes.net/>

Sesame Networks Inc. <http://www.sesamenetworks.com/>

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