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Monday 3rd November 2008

Channel Partners – The One-Stop Shop for Australian Businesses in Unified Communications (UC), finds Telsyte

Sydney, 3rd November 2008 - Telsyte's latest research into Australia's enterprise communications market reveals that the emergence of UC and the increased competition in the market has put channel partners into a dominated market position, finally achieving "Trusted Adviser" status among the mid-market and large enterprise (200+ employees) customer segment of Australian businesses. Businesses are looking for channels to provide value-adding service and integrate the complex UC requirements to drive improvements in productivity and business processes.

"Australian businesses, especially in the mid-market and large enterprise market segment, are looking for channel suppliers that can provide end-to-end services for UC implementation, opting to bypass traditional consultants for even the business requirements gathering phase" said Gary Tsang, Telsyte Enterprise Communications Analyst. "In order to capitalise on this, channel partners need to get involved from the beginning, in the requirements gathering and design phases, all the way through to post implementation, by providing quality post-deployment and ongoing support services."

Telsyte has observed that channel partners are faced with many challenges in 2008, including the increasingly narrowing hardware margins and cost pressures from having to up-skill to remain relevant in the complex multi-vendor UC ecosystem. "Typical channel partner gross margins, determined by vendors have been falling steadily over the years. On average gross margins in 2004/05 have fallen from 33% to less than 20% in 2006/07," Gary Tsang explains. "Telsyte estimates that in 2007/08, the gross margin had further declined to around 15%, to half of what it was 2004/05."

Telsyte also put the demise of Commander and the major restructuring of KAZ under the microscope. The difficulties encountered by the two Australian telecom icons have highlighted a number of risks, including the dangers involved in rapid expansion through acquisition and integration of misaligned business models. "The situation at Commander and KAZ highlights the need for more stringent assessment of the strategic fit, at all levels of acquisition targets and the importance of a well planned and executed integration," said Gary Tsang. "While from a back office perspective having shared services can lead to a reduction in operating costs it does not always provide cross selling and bundling benefits, particularly when dealing with products and services that have differing economic value, when transcending from Telecommunication to IT."

These research findings are from Telsyte's latest research report titled, "**Comparative Analysis of Australian Enterprise Communications Sales Channel Program, 3Q2008**". This report provides an authoritative assessment of Australian enterprise communications market developments and reviews vendor channel programs and strategies. It also discusses the changing landscape for channel partners in Australia, in particular analysing in detail the developments and outlook for Commander and KAZ.

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About Telsyte

[Telsyte](#) is an Australian-based market research consultancy specialised in the competitive intelligence of the converged communications market. Telsyte's expertise is centred on the three core competency areas of Carrier & Broadband, Mobile & Wireless and Enterprise Communications. Telsyte provides industry insights through custom research and consulting as well as ongoing research, which includes market reports and online databases. Telsyte is a business unit of Australia's largest independent telecom consulting company, [Gibson Quai-AAS Pty Ltd.](#)

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