



Service and profitability should go hand in hand

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The Networking Firms Enter Danger Zone report from Plimsoll Publishing highlights the divide in the networking space. With pricing models becoming more desperate and questionable accounting practices being used to disguise flaky businesses, the whole industry is facing very challenging times.

The problem is that there are so many organisations offering so many solutions and services that it has become very difficult for end users to understand what is available and make an informed decision that will best meet their business objectives.

More clearly defined roles need to be drawn up to avoid the overlap and confusion that is currently happening. For example, network services are not just the provision of specialist

network providers – PC companies, software companies, telephony companies and even retailers all now offer their own version of “network solutions”.

This means more companies need to be looking at how to add real value with both their product and service solutions. Organisations offering low-end products with no value-add simply will not make enough margin to survive. But more significantly it means that everyone is becoming a generalist and the specialists are disappearing. This could spell disaster for many end user companies.

Although profitability is still a priority, especially in the current climate, it also needs to be about service. By having more clearly defined roles, it will be easier to achieve a renewed focus on profitable business. However, it is vital to remind everyone involved that the key objective is to keep asking, “what does the end user really want?” This is a question that too often seems to get lost in the array of different parties and interests. ●