A workshop at **Channel Focus Europe** explored the topic, "**Is Cloud an Opportunity or Threat?"**

Experienced industry channel managers concluded: **no matter if it's an opportunity or a threat, the channel faces transformation in either case.**
Channel might be dragged into the transformation kicking and screaming.. or channel can face the cloud head-on..But like it or not, the computer industry is facing a major overhaul in the way we do business.

One value-added distributor declares cloud an opportunity in change management, insisting his company and his resellers would enjoy cloud-related business.

"During times of change," he noted, "there's always a need for consulting in the selection of emerging technology, in the discovery of new vendors and in the integration of innovative solutions."

Resellers should learn to exploit their vertical markets, adding business process skills to their repertoire.

Another opportunity exists in aggregating the new cloud solutions. Cloud also opens up resellers to a larger customer base for those resellers that have been proximity-bound.

The real **threats to resellers** are:

- Not facing the transformation will create a survival scenario for most resellers as traditional hardware/service/software business and margins will shrink.
- And telcos/ISPs may join in selling cloud services, creating a powerful competition.

Cloud will also create a new player: any large company that establishes a private cloud for its own use, may turn to pubic cloud as a way to finance their cloud development. Like Amazon book store that expanded into selling a cloud platform, thousands of businesses with vertical know-how, special content, or particular skills, may launch their own cloud services direct or via their own channels. (e.g., an association of dentists selling a dental office solution to its members or a legal publishing company offering lawyers a content management system complete with content.)

Workshop members were very clear in stating **resellers most vulnerable to cloud would be those selling low service, high volume (especially software).**
The general opinion is the channel will, in some parts of their business, become agents (like insurance agents), working for monthly premiums instead of today's "buy/sell" model.

One suggestion from the group to all resellers: be open to customers. Don't be tempted to hide cloud benefits so you can sell traditionally-- or someone else will take your customer.

In most cases, all believe the cloud will float gradually into business skies, creating **a hybrid model for some time.**
No one sees a dramatic over-night cloud burst into an all-cloud environment.

But just the fact that you aren't getting wet doesn't mean that it will soon rain down hard on you. Getting an umbrella out, getting experience with cloud by using it in your own business, seems to be the first step you should take to become a solution provider.

Go **Channels in the Cloud Era**