

What's a PC Dealer to Do?

Written by Bob Snyder
27 October 2014

I may be one of the few voices that still argues the PC is not dead. At least I am a familiar voice: I have stood on stage at many IT events during the last 20 years, defending the PC against death-sayers.

One speech last year is still worth listening to, if you like the tone and fact of this article: [Thinking Outside the PC Box](#)



Listening carefully to the market, it seems while the PC is still alive, it is not cool to acknowledge it. **How can I persist in believing in the PC when statistics show great decline in the PC market?** Mainly because I believe the PC sales we are losing are the most unprofitable ones anyways.

Don't get me wrong-- I am not suggesting PC dealers, resellers and distributors should not change. We've always faced change in the PC business.

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In fact, my discussion today centers on what changes PC dealers and distributors could possibly make to survive: an audit of the possible directions...

Some Directions that PC Dealers & Resellers may be Considering

Consumer electronics

Consumer IT dealers and distributors, if they haven't already, will steadily run to consumer electronics. It's closely-related. But you will find the CE dealers and distributors are already under pressure and many of them are looking to appliances and smart home to find solace and profit. This is not a solution for PC dealers but more of the same.

Mobile

Smartphones and tablets, the "killers" of PC, make a natural route for consumer IT dealers and distributors. Yet rapid commodization makes them unattractive. The real "mobile" business today is in helping companies integrate mobile across all their operations and integration is a totally different business.

Wearables

People refer to a "wearables" market but it would seem that wearables is really driven by health. No one will adorn themselves with a "smart watch" just to tell the time. (OK, maybe a few will in the name of fashion.) But consumers do want to take control of their health. Companies that succeed in wearables will figure out how to sell the healthy lifestyle.

Digital Signage

In many aspects, the IT business is transforming into the digital signage business. When the computing power is in the cloud or embedded in the device, suddenly the display is the computer. What more natural route than to follow the technology into information displays for retail and corporate receptions, kiosks for malls, and wayfinding for campuses? Digital signage is an easy direction for companies that have B2B business in their blood because there is still plenty of "greenfield" to plow for new business. Follow what companies like **AOpen** are doing...

Industrial Computing

In factories, computers still hold their position in industrial automation. The market is competitive, filled with many refugees of earlier PC recessions who now hold a position at the table. Yet even here, new waves of technology bring new opportunity to find a niche. For example, using the latest in miniature PCs, a number of companies were recently able to enter the industrial market.

Internet of Things

It's coming, it's coming...but it's not quite here yet. Companies like IBM, Cisco and Bosch are making huge investments for first-mover advantage but the world of connected things is moving slow. Perhaps a good example of where the money is today: RF Code makes sensors that show where data centers are losing money via temperature control. If a company can spend thousands on small sensors to save tens of thousands on electricity, you have a viable solution to sell. Otherwise many of the IoT sensors are still looking to get embedded: for example, major appliance companies want to embed sensors to directly find out more about their customers under the guise of service.

Smart Home

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The pace in smart home is picking up, including a play in smart building where the Luddite construction industry must transform into over-IP controls. Apple and Google are looking at home automation and that could be a sign that you should, too.

Cloud & Services

The biggest shift in computing platforms is here, floating over the landscape behind a slow, steady breeze. It's all about hybrid cloud services and integration. While bringing cloud to consumers seems to self-defeating, you have no choice. Microsoft had to do it...so do you. Meanwhile bringing cloud to small businesses can be a lucrative play: they will spend money only to save money and cloud fits the bill.

3D printing

This technology promises an era of customization where economies of scale do not exist. One day every factory, every business and every home will have 3D printers capable of replacing broken parts and creating one-of-a-kind products.

Planetary Resources uses 3D printing to build a space probe for under \$2 million. Weighing only 20 pounds and with just 20 moving parts, Planetary Resources will discover and mine asteroids within the solar system: all enabled by 3D printing.

Another project is Google's Project Ara that will create a line of highly-customizable, modular smartphones. Google wants to "3D print" modular smartphones that can be changed or upgraded by unplugging and plugging in parts, like Lego for smartphones.

Big Data

Like many trends in IT, the trend to big data begins with a misnomer. For it is not the size of the data that's important, but how to make sense of whatever data you are overwhelmed with.

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Between IoT and internet, the amount of data we have will increase 10X-100X in the next few years. Many big companies with big budgets already tackle this with their IT giant vendors. The play for consumer IT dealers only comes when disruptive innovators try to bring this to mid-market and SMEs via cloud: these innovators will be represented by computer resellers.

Drones

The commercial and consumer drone industry is expected to grow as big as the PC industry. Really, I'm not kidding. Consumers love drones and you'll find the competition are hobby stores (from remote control lovers) and photographic stores (because of the camera) as well as retailers (especially for DIY builders and Maker's Faire types) and CE dealers. And drones sell with a lot of accessories: including Head-Mounted Displays and "eyewear" from companies like Vuzix and Jobe.



But the real play will be in commercial drones. Take an unmanned aerial robot and add sensors (IoT again) and a video camera and you have a business tool that will change the world. From farmers checking remote crop fields, to Amazon's and DHL's well-publicized future of package delivery, practically every company will find a use for drones. You'll need patience and a license to explore drones but first-movers are flying in: UK already has more than 300 certified drone solution providers, plus more rent-a-drone and drone-as-a-service companies.

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Last Man Standing

In every business that is eclipsed, "the last man standing" is phenomenon that turns a terrible business into a good one. You just have to outlast almost all the competition.

In the case of the retail PC, I will argue this is still more than a decade away but how do you start down the path to this route? I suggest you trim your physical space if it's costly. Stay up to date on your web and social media technologies. Change your shop windows and displays to reflect modern Generation-X use-- and finally get rid of that '90s "stack'em high, boxes everywhere" look. Think more like Apple store and sell by enthusing buyers with the latest applications.

If you are still doing business the way you have done it for years, chances are likely that you are doing it wrong.

Keep the product mix tight but mix together necessities, leading edge, and standard products. Make a constant demonstration of good value to your customer base (in-store, on-line, and in outbound communication) while selling more services (cloud, too). Be prepared to monitor vendors carefully: along the way, your trusted vendor of 20 years may suddenly pull out of the game.

In the case of B2B PC, the world is still your oyster. But, as with oysters, the world doesn't come to you. You will have to go out and systematically scour your geography for the types of businesses you can help the most. The key is an outbound "systematic" approach that relies less on one good salesperson and more on auditing and analyzing the most cost-efficient customer base to reach. There is still a good living by solving technology problems for companies but you'll have to graduate to solution provider level.

Can you do both retail and B2B? Probably not. Although very small business prefers retail/etail as its source for IT, you will need to specialize for the same reason HP splits into two.

What's a PC Dealer to Do? You can see the problem is not a lack of choice. One thing is for

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sure: you need to keep moving with the times. And I hope this article has given you some general idea of the directions that PC dealers and resellers are considering.