

CNZ Corporate Newsletters

January to April 2006

Editorial

Imitation CNZ in Operation!

CNZ is a registered trade mark by Computers New Zealand Limited and is intended to be used as a symbol of excellence for IT service providers. Unfortunately, a search of the Companies Office website has revealed over ten companies in computer related business registered as CNZ ABC or CNZ XYZ etc. This type of imitation is annoying but it indicates the positive brand image of CNZ and the mileage that can come out of imitating the brand. We have since found a defunct company name called CNZ Company Limited and have registered it and stopped its misuse. For our reader's information, CNZ originated from the Compucon reseller channel and the name has evolved to 2 narrow definitions. The first is a business trading entity represented by consultants such as Kevin Davidson, Hamish Fenn, John Luckstedt and Damos Albert. The second is an internal virtual group consisting of Compucon business partners and these partners work together to develop best practices. If you are approached by CNZ people who are not related to Compucon, we would appreciate getting a note from you. editor@cnz.co.nz

IT Suppliers Mistreat Schools

Compucon has developed a relationship with a couple of secondary schools and has made some observations. It has been observed that schools have not been given unbiased professional information and industry guidance as far as their ICT establishments and investments are concerned. Some suppliers have been maximising their gains under the disguise of supplying educational tools. Schools have limited budget but still need to get jobs done. Why schools were supplied with the cheapest computers on the market? Commercial operations also need

computers. Why some buy cheap and some buy professionally? This is a matter of influence by people called IT consultants or those who claim to be. We propose that schools gain the concept of FFP (Fitness For Purpose) and TCO (Total Cost of Ownership) for their IT infrastructure investment. Buying on price is not sensible. Whatever the school does will influence students. Feel free to contact editor@cnz.co.nz for the definitions of FFP and TCO as desired.

State of IT Industry in 2006...

We start with an application of the Competitive Strategy theory from Michael Porter- a Harvard professor and an authority on competition theories. Based on Porter definitions, PC assembly industry in New Zealand is in decline and IT service is transitioning to maturity. The first part is easy to establish as the total market size for desktop has shrunk in terms of unit shipments and revenue. Notebooks, connectivity and telecommunication are responsible for holding up hardware revenue to 0.1% annual growth. Service fares better at 6.8% annual growth but the growth is not evenly distributed. Telecommunication, health and government sectors hold the lion share. The remaining market is small but is heavily contested by an increasing number of competitors. So, what is in Year 2006 for service providers and customers? The quick answer is focus. This means that we do not chase business (suppliers or customers) blindly or with a retail mentality. We should deal with a small number of differentiated suppliers or customers, and do business as if we are partners although there is nothing legally

We want a **Significant** and **Sustainable** Shift

