



LEARNING TO LOVE THE EDUCATION MARKET

Exceptional service and trusted relationships lead the way to a winning specialty practice. **By Alan S. Horowitz**

A

SCHOOL DISTRICT CUSTOMER HAD SERIOUS GLITCHES IN ITS networking operating system. Go.edu, an education VAR, agreed to fix the problem, even though its software was not at fault. Besides the immediate payment, Go.edu got a major bonus — enduring loyalty.

“Their superintendent, who was not enamored of our software, has now moved to a new school district and recommended it,” says Tim McClung, vice president at Go.edu and a company founder. “Our service turned an enemy into an advocate.”

Welcome to the education marketplace, where exceptional service rules in both K-12 and higher education. Though often dismissed as a market short on money to spend, VARs who work at establishing relationships are rewarded with loyal customers and the opportunity for a successful specialty practice. Even smaller schools can provide worthwhile opportunities.

“We’ve chosen to work with small to midsize schools as well as large ones,” says McClung. “We’ve found that most vendors don’t want to spend the time or cost to develop relationships with smaller schools. Therefore, small to midsize schools are often not well served.”

What the Market Wants

Anecdotes abound about the high service needs of K-12 and higher education customers — and the importance of establishing trusted relationships.

McClung tells the story of a woman in a school district who was upset because she couldn’t produce a report required for the state and didn’t think his company’s software could do it. Since she hadn’t attended the training that would have taught her how to produce the report, Go.edu had to scramble to get her up to speed. “If they don’t think the function is covered by the software, users don’t call,” he says. “And if it doesn’t do what they want, they think it’s a piece of junk. Eventually, customer confidence wanes, and they go to somebody else.”

“Be prepared to offer a high level of support,” says Jack Mele, vice president of sales at education reseller Data Impressions. He once had to resolve an incompatibility between a desktop and a wireless card that the OEM would not take responsibility for. “Schools just need a little more attention and accessibility,” Mele says. “We find they

GETTY IMAGES

require more support than corporate customers.”

Education reseller Unique Software & Computers uses great service as a sales tactic. President Joe Walz says his company services Apple computers even though it doesn't sell them. “We take that as a lead-in, and then we sell other services or products on top of that,” he says. He does not need to charge top dollar because the service so often leads to additional work.

It's also a market where folks constantly talk to each other. Schools are a tight community and their people are transient. Everyone talks to everyone else, so if you have a good reputation, you can build on that. “Become their trusted advisor; that's the most important thing,” McClung notes. His customer-support group calls customers to check that everything is OK

if they haven't heard from the customer within the last 30 days. “Be there even when there isn't a buying event,” he advises. “It pays to be a resource, rather than a vendor.”

Invisible Inc., a VAR dba Corporate Technologies, is also proactive with customers in order to solidify relationships. Engineers work with customers regularly to establish trust. “They get to know us as individuals and know they can trust us,” says Chris Lee, the company's sales and marketing manager.

Getting in the Door

This emphasis on personal relationships suggests that cold bidding on educational RFPs is not the best marketing tactic. Usually, another VAR has the inside track. And if your project goes out to bid, anything can happen. “You want to avoid at all costs having to go out to

open-market bid,” says Jason Bystrak, senior marketing manager of Ingram Micro's GovEd Alliance. “Try to ensure that other VARs are not able to come in and steal your project away from you.”

To avoid the RFP process, experts advise getting listed on contracts that allow institutions to buy from them over time. Bystrak notes that a school, for example, might be able to purchase through a number of different contracts, including a state, municipal or other cooperative purchasing contract. You have to find out how institutions buy before you even begin to market to them.

Innovative Technologies Group, based in Michigan, is involved with the state's REMC (Regional Educational Media Center Association of Michigan), which has statewide contracts that allow schools to aggregate purchases for better pricing. “We try to avoid bidding situations,” says Keith Kremer, president. Getting approved for contracts varies enormously from state to state and school to school. Innovative, for instance, had to garner recommendations from five or six school districts to get on the REMC contract. Once on, Innovative was approved to supply various products and services.

In higher education, getting in the door often entails advocating leading-edge technology. Students want to attend technically savvy schools, and such technology — which includes wireless everywhere, podcasting and online classes — offers a competitive advantage. Ingram Micro's Bystrak recommends reading university trade publications to keep up to date, so you can say, “Here's an article about XXX University and look at the technology they've implemented. You might want to do the same.”

For K-12 prospects, leading with expertise in the No Child Left Behind Act often makes sense. Nancy Fisher, CEO of The Sage Team, an educational technology consulting company, notes that this program has reporting and testing requirements that go beyond the capabilities of many school districts. Says Fisher, “Some savvy education

Resources for the Education Market

The better informed you are about who is getting money, the more successful you will be. Nancy Fisher of The Sage Team put together this list of web sites that contain valuable resources for the education VAR.



A nonprofit interactive resource center about the nonprofit community.

- ▶ SchoolGrants, www.schoolgrants.org/welcome.htm — Lists a variety of opportunities available to public and private nonprofit elementary and secondary schools and districts across the United States.
- ▶ Technology Grant News, <http://technologygrantnews.com/> — Covers upcoming grant announcements by government, technology funders, trade associations and private sector foundations.
- ▶ U.S. Department of Education (USDE), www.ed.gov — The government's official education web site provides extensive information from funding opportunities to research and statistics.
- ▶ Bill & Melinda Gates Foundation, gatesfoundation.org — Allocates \$350 million in grants to improve education and the use of technology in the curriculum.
- ▶ The Foundation Center, fdncenter.org — Database of 350,000 grants opportunities from government entities, foundations and corporate givers.
- ▶ The Grantsmanship Center, www.tgci.com/ — Provides support and training in grant writing. Also includes a “Funding Sources” menu for *Federal Register* notices, federal funding, state funding, community and foundation funding, and international funding opportunities.
- ▶ Foundations.org, www.foundations.org — A directory of charitable grant makers.
- ▶ GrantSmart, www.grantsmart.com —

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resellers have capitalized on the lack of school district experience in database management and data mining by offering their expertise and support.”

“We Have No Money”

The most common objection you are likely to hear from an educational institution is, “We don’t have any money.” One way around this is to first study which districts and universities are getting money. With public entities, this information is typically available on the web (see sidebar on Educational Resources).

“When a district says it doesn’t have money, it helps to have some ammunition in the form of knowledge,” says Fisher. “The better informed the VAR, the better the opportunity to help guide the discussion and suggest possible sources of funding to pay for, say, a new security system.” This means being proactive in helping districts find money by suggesting foundation or corporate funding sources in addition to entitlement funding.

Christopher Lee of Corporate Technologies uses “creative invoicing.” If the district is out of money and the new fiscal year won’t start for a month or two, Lee might self-finance a purchase until

the district gets an infusion of money. If the end of the fiscal year is near and the district has money left over, he’ll look for gaps in its infrastructure or antiquated equipment. He sells a lot of printers this way, since these devices tend to keep running even when they’re inefficient.

When Joe Walz of Unique Software & Computers hears an objection to price, he often goes back to the manufacturer or distributor and tries to negotiate. If a software contract ends at the end of April, but the school’s fiscal year ends at the end of June, he’ll ask the software publisher to tweak the contract.

Riding the Sales Cycle

Patience is a leading virtue for VARs in the education market. With a small school district, the sales cycle can be as short as three to six months, with a mid-size district up to a year and with a large district as long as 18 months. For new technology, the cycle could run two or three years, because the district first has to get up to speed about the technology, make the decision and then get the budget to finance the purchase.

To initiate a sale, McClung says that in a large school district, you can approach the head of IT, the director of student services or the director of curriculum instruction. With mid-level districts, a principal, superintendent or CFO is a likely entry point. With small districts, the superintendent or members of the board of education are the ones to contact.

Many VARs initiate contact with technology coordinators. “When you want to get into a district, you’ve got to go to the technology department because they will approve the vendors,” says Scott Rudolph, an account executive at CompuWave. “Ask what their standards are, what they expect and stay on them until they give you an opportunity.”

“We have a standard and we don’t want to change,” is an objection Rudolph often hears. His response is,

“We understand, but if anything ever changes, please contact us.” Then he stays in touch, since standards do often change — eventually. As an example of how patience can pay off, Rudolph tells this story of a school district in Southern California.



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– Jason Bystrak, Ingram Micro

For three years, CompuWave kept in constant contact with the district, including frequent phone calls, e-mails, notes about products being offered and news about recent contract wins. He persisted because he saw that the district, which was buying on price, was getting technology inferior to what CompuWave offered; and the company worked with many clients of similar size, which demonstrated it could handle the account. In 1999, the payoff came. The district was allowed to choose from the three lowest bidders. CompuWave was the third lowest, and won a \$1-million contract that’s been renewed every year since.

That’s the education market in a nutshell. It’s not always easy, but solution providers will find that it rewards persistence and good service with long-term loyalty and ongoing business.

About the author: Alan S. Horowitz is a technology and business freelance writer based in Salt Lake City.

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For more information, Ingram Micro’s customers can visit the GovEd Alliance web site at www.ingrammicro.com/goved, or call the GovEd sales team at (800) 456-8000.

Company Mentions

CompuWave, www.compuwave.com

Data Impressions, www.dataimpressions.com

Go.edu, www.goedu.com

Invisible Inc., www.invisibleinc.com

The Sage Team, www.thesageteam.com

Unique Software & Computers, www.unique-software.com

DOCUMENT MANAGEMENT MAKES SENSE FOR SMALL AND MIDSIZE CUSTOMERS

Document management isn't just for niche verticals like large insurance companies, banks and the federal government. Thanks to significant advances in the technology and falling prices, document management solutions now find willing customers in vertical markets such as healthcare, state and local government, retail and education. In addition, small and midsize customers are increasingly open to considering solutions that help them manage and master the overwhelming glut of both paper and digitally produced documents.

Why are small and midsize customers such good prospects for document management solutions?

SMB customers face the same headaches that enterprises do in managing the sheer volume of paper and digital doc-

uments. With fewer in-house resources, however, they frequently turn to solution providers for simple, cost-effective solutions. Recognizing the potential, many hardware and software manufacturers are targeting SMBs with easy-to-use document management technology such as all-in-one devices, comprehensive software suites and fairly priced workgroup scanners.

What specific trends are helping document management gain traction among SMBs?

- One-touch scanning makes it easy for SMBs to digitize paper documents.
- Many scanners offer built-in software for image enhancement — a plus for budget-conscious SMBs.
- Cost-effective software suites offer comprehensive solutions for managing paper and digital documents. They may include productivity-enhancing features such as automatic workflow and version control.
- Solutions are becoming more user-friendly. Wizard-driven software, for instance, can make it easier for SMBs to maintain and customize solutions after the initial installation.

What resources does Ingram Micro offer for solution providers interested in document management?

- Ingram Micro offers an extensive range of building blocks for document management solutions.
- Ingram Micro's technical support staff can provide the presale, multimanufacturer support you need.
- Ingram Micro's Technology Master Series is designed to help you capture more business in this growing market and provide solutions that meet your customers' needs. The next two series are May 10-11 in Savannah, Ga., and August 9-10 in Chicago.

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