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## VARs Find Value in Facebook

(2008-03-03) - Contributed by Pedro Pereira

The channel is embracing new methods of doing business such as the use of social networking sites.

Whether finding customers on Facebook or drawing inspiration from a business book, solution providers are finding new ways to stay relevant in a changing market.

Lloyd Group, an MSP (managed services provider) in New York, recently closed a deal with a new customer after an introduction through the Facebook social networking Web site. Baroan Technologies, an MSP in Elmwood Park, N.J., is readying a program for other solution providers inspired by the book "The E-Myth" by Michael Gerber.

Both MSPs are members of VTN (VentureTech Network), an elite group of solution providers that source products and services from distributor Ingram Micro. VTN the week of March 3 is holding in New Orleans one of its semiannual gatherings, during which members share business know-how and, often, enter into partnerships with other members. About 350 solution providers are at the New Orleans event.

Part of Baroan's reason for attending the event is to get ideas on how to improve a program the company has developed to guide VARs through the transition to the MSP model.

"We're here because we want to find out what are some of the best practices people have," said company owner Guy Baroan.

Baroan is launching the program under the name Before Networks. The program includes software and weekly 1-hour Web seminars to guide VARs through the steps of setting up the business processes, such as billing, reporting and technical functions involved in delivering managed services.

Baroan modeled the Before Networks approach on the book "The E-Myth," which argues that many small businesses fail because the entrepreneurs that start them typically neglect the advance planning involved in setting up the systems and processes that build predictability and efficiency into the running of the business.

"By setting up processes and systems, you make your business less susceptible to failure," Baroan said.

Baroan has followed the e-myth principles in his business for about eight years, and now he is applying that experience to the Before Networks program, he said.

While other companies have set up MSP transition programs, Baroan's is likely the only one inspired by a book on how to do business better. And that points to the level of creativity that solution providers are employing in meeting business challenges.

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Lloyd Group's recent customer acquisition through Facebook is an example of this. CEO Adam Eiseman said the deal came about when another Facebook member put him in touch with the customer, a hedge fund manager who has already referred Lloyd Group to other prospective customers.

Eiseman said his company has set up profiles on the social networking site for the business and for its LloydCare SMB (small and midsize business) managed services offering.

In addition to using the site for exposure and customer acquisition, Eiseman said Lloyd Group also has recruited employees through Facebook.

"We're recruiting people, we're getting business off it," he said. "It's a great tool for networking."

Social networking sites are emerging as useful tools in the business world, though originally sites such as MySpace and Facebook were created as a way for people to connect with each other in a social context. Ingram Micro in fall of 2007 launched its own site, the Zone, which aims to allow VTN members to share tips and to find partners for specific customer projects.

Eiseman said that while The Zone is useful to find partners, it cannot be used for customer acquisition or recruiting because the site is exclusive to VTN.

Using tools such as Facebook is one of the new ways of doing business in the channel, said Gartner analyst Tiffani Bova, who during a presentation at the VTN event pointed out that a 24-year-old newcomer to the channel would approach the business very differently from channel executives who've been around for years.

The newcomer, she said, will put less emphasis on technology and more on business, forgo overhead and run essentially a virtual business that taps Facebook and LinkedIn for referrals.