

First Distribution & Microsoft Value Proposition



1. Identifying value-added market opportunities



2. Implementing differentiated value-added solutions



3. GTM strategies and delivering ROI for our channel partners

The digital transformation journey has now reached a critical tipping point. To remain competitive, businesses must migrate to the cloud. The responsibility of helping SMBs, SME's, Corporates and Enterprise business make this move is a great opportunity for the partner ecosystem. It is therefore important that partners have a strong working knowledge of the cloud, what is available to their customers and how they can migrate businesses to the cloud in the most efficient, effective, and successful way.

For channel partners, the second challenge is driving demand and scale. How do you scale one customer to five customers, five to ten and ten to 25?

First Distribution is the leading value-added distributor in Africa. Our product portfolio includes global leading Datacentre, Cloud, Networking and Security products and services, with hybrid solutions that provide access to any combination of on-premise, private cloud and public cloud end-to-end solutions from multiple vendors. The portfolio, highly skilled staff to support and manage vendors, and an unrivalled level of expertise ensures our partners have all the key elements required for success. We host one of the largest technology partner-to-partner networks in Africa, allowing partners to extend their reach across the continent.

Based on our extensive experience in the African market, we have identified these two fundamental challenges, and our focus has been on **enablement** and driving **demand** and **scale**.

- **Enablement:** We recognise that channel partners know that they need to start their cloud journey, but they aren't always sure where to begin: what should they offer to customers, where do they begin, what do they need in place and how does it differ from their current offering?
- **Demand and Scale:** How well do our partners unpack their value propositions? Can they evolve their brand messaging in line with Microsoft's messaging? How well do they generate leads, and can they successfully convert those leads?

First Distribution's primary focus has been to drive partner enablement across three clouds: Modern Work and Security, Business Apps (Dynamics 365 with PowerApps and the Power Platform) and Azure. We have selected partners who have the inhouse skills, expertise, and customer service ethics to support our overall strategy in the market.

Very closely aligned with Microsoft, First Distributions strategic focus areas include:

- Heavily investing from a time, content, and funding perspective in GTM (go to market) planning and execution with our partners, supporting them in driving awareness and demand to the end customer Helping our partners scale through the right GTM activities

- Building out IP CoSell offerings

Some of the solutions we have taken to market include:

- CloudSecure:

Multiple offerings which covers security assessments and security hardening across the 3 Microsoft Clouds.

- Sage on Azure:

Moving dedicated or hosted Sage Applications and databases into Azure.

- SQL on Azure:

With the focus on business data and how to efficiently host the data in Azure.

- AD on Azure:

With the focus on hosting Active Directory environments as the core of all business technologies in Azure.

- Teams with Voice breakout and Data Plans:

Removing old traditional PABX environments with new Microsoft Teams integration solutions.

- GoFirst Services

Professional Services on behalf of the partner.

As a Microsoft Indirect Cloud Solution Provider Program Provider (2-Tier CSP), our focus has always been the recruitment and enablement of a partner ecosystem across all South African and MCC territories with our key focus areas on East, West and North Africa, SADC and Indian Ocean Islands (IOI).

Our emphasis is on delivering Microsoft Cloud offerings and enabling partners across both the Modern Workplace and Azure portfolios. The SureStep Program has been CLOUD FOR ALL, LARGE AND SMALL, helping partners scale not only in Enterprise segments but also enabling all segment-focused growth strategies.

We also help our partners build out their relevant Modern Workplace, Dynamics 365 and Power Platform as well as Azure Practices. We have invested in supporting partners with end-customer events and through focused marketing offers, in which content is designed, mailers created and delivered to partners in html format to deliver to their relevant customer bases. We have also invested in digital campaigns that drive direct sales-qualified leads. The delivery of ROI through this type of support has yielded significant results.

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4. Up-selling, cross-selling and increasing demand

First Distribution realizes that cloud computing is not a just a useful facility for enterprise customers. Our services are therefore fully enabled for partners transacting with various business sizes. Over the past year we have put significant focus on increasing Net-Customer Adds, specifically driving a run rate business in SMB/SME as one of our key objectives.

Our messaging to the market has been specific to increase demand in the smallest businesses in leveraging productivity and collaboration tools by using Microsoft. This is amplified by the message that Microsoft Cloud is for every organization: cloud is for all – Large and Small.

Further, we have invested in capabilities to enable resellers to transact with First Distribution as seamlessly as possible. Some of these tools include our License Central capability, or First for Cloud.

First for Cloud is part of First Distribution's objective in aligning with the Microsoft SureStep Program in growing partners throughout their journey and lifecycle. We encourage our partners to have a webstore because this capability helps them to manage their customers, reducing and adding licenses and spinning up new tenants on the fly.

Managing cloud licenses is made easier through this ecommerce solution.



5. Reducing churn and driving longevity

To prevent churn, we focus on ongoing communication with our partners through relationships with associated account managers, enablement, and the continuous evolution of our own value proposition.

Our processes identify customer licenses that are due for renewal 90 days in advance. We inform our partners, and they can then proactively target their customers to facilitate a seamless renewal process and prevent churn.

Because of rate of exchange, we manage ROE forward cover on behalf of our partners, which also helps them to seamlessly transact with their customers, who benefit from fixed monthly costs.



6. SureStep and business growth

The SureStep Program has been CLOUD FOR ALL, LARGE AND SMALL, helping partners scale not only in Enterprise segments but also enabling SME-focused growth strategies.

We facilitate co-marketing with our partners to drive awareness and lead generation and have enabled PROFESSIONAL SERVICES through GoFirst Services.

A key differentiator has been our trademarked eCommerce solution, First for Cloud. The enablement of a webstore used as an extension of the partner's webstore and CI, with direct API integration into Microsoft, has been a unique value-add. Our First for Cloud solution enables each partner to not only transact CSP by creating new tenants, but also gives them full management capability of their customers. These operational efficiencies ensure quick delivery on customer requirements, 24/7.

First for Cloud also enables multiple transaction methods like credit card and PayPal transaction models, and each partner can add their own products and services with Microsoft SKUs to amplify their own value propositions.



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First for Cloud: Taking the cloud to market

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First for Cloud in action

First for Cloud enables multiple transaction methods like credit card and PayPal transaction models, and each partner can add their own products and services with Microsoft SKUs to amplify their own value propositions.

Partners are able to use this capability to either manage their customer's requirements or alternatively expose their webstore publicly for customer self-service.

Aligning with the Microsoft SureStep Program

The First for Cloud offering is part of the First Distribution's objective in aligning with the Microsoft SureStep Program in growing partners throughout their journey and lifecycle. We prefer for partners to have a web store because this capability enables them to manage their customer accounts, reducing and adding licenses and spinning up new tenants on the fly. Managing cloud licenses is made easier through this ecommerce solution.

By investing heavily in operational, sales and brand resources, our partners get the best service. We have enabled 24/7 support as well as Advanced Support, which our partners can leverage to ensure priority on any query which may arise.

Over the past year, First Distribution has set the right goals and exceeded in expectations from an execution perspective. The consolidation of our tools, the way in which we service the channel, our consistency in delivering and exceeding the expectations of our partners has set us apart from the rest.

Our goal is for partners to support their customer in meeting critical business objectives, so time to market and fulfilment are dramatically increased when partnering with us on taking the cloud to market.



GoFirst Services

GoFirst Services is delivered as professional services across the CSP subscription-based products: Office 365, Microsoft 365, Teams and Managed Services. These services include tenant registrations, setup, configuration, and migration of data.

More goes into the Dynamics 365 and Azure products and therefore would require scoping and design, integration, and alternative pre-work prior to solution implementation. These services would typically first need to be scoped before quotations would be provided. As a value add First Distribution would offer these consultation services free of charge.

First Distribution has highly skilled solution architects which can assist partners with scoping environments correctly, generating business requirements, support with TCO (total cost of ownership) and cost estimates as well as scoping solutions. GoFirst Services is available across our Pan-Africa jurisdiction as a remote service.

The deployment and configuration of all 3 Microsoft Clouds on behalf of the partner with a focus on professional services which partners can leverage in cases whereby they do not have the ability, skill or resources to deploy the licenses or workloads. These are services that the partner can white-label and on sell.



Why Azure?

Take control of your Digital Transformation with the Microsoft Azure cloud.

Build the strongest Business Solution Applications with Microsoft Azure. Meet your new business challenges by building, managing, and deploying your business applications with the Azure platform. With over 60 Regions, the Azure global infrastructure is larger than any other cloud provider worldwide. It means that you are able to offer the best services to your customers/employees wherever they are in the world.

When you choose the Azure Cloud, you are getting the quantity AND the quality! With more than 160 physical datacenters, over 90 compliance offerings, you can trust the Microsoft Azure cloud to grow with your company as you modernise your business solutions.



Cloud Adoption – Motivation & Objectives

1. Adapt quickly to new business events

- Datacenter exit
- Mergers, acquisition, or divestiture
- Reductions in capital expenses
- End of support for mission-critical technologies
- Regulatory compliance, data sovereignty requirements
- Reduce disruptions and improve IT stability

2. Take advantage of the Cloud benefits

- Cost Savings
- Reduction in the vendor or technical complexity
- Optimisation of internal operations
- Increase business agility
- Prepare for new technical capabilities
- Scale to meet market & geographic demands

3. Scale faster and motivate Innovation

- Prepare for new technical capabilities
- Build new technical capabilities
- Scale to meet market & geographic demands
- Improve customer experiences/engagements
- Transform products or services
- Disrupt the market with new products or services



Why Microsoft Dynamics is Better?

Discover Microsoft Dynamics ERP, the most flexible business suite for small and medium organisations looking for a powerful ERP solution.

Integrated with all Microsoft Technical Applications, avoid hidden costs and a loss of functionalities. Add third-party features in no time directly from AppSource, the Microsoft Business Apps Marketplace, and easily customise your solution to fit your specific needs.

Manage your organisation by gaining control, reducing financial errors, and making the right decisions to grow your business.

First Choice: Dynamics 365 Business Central

If you are a Small or Medium Company, considering NetSuite might be a waste of time... You are growing and you need to streamline your business by enhancing your operational processes. From pricing, features to deployment, you want to consider Microsoft Dynamics for its customisation capabilities. Not surprising Dynamics NAV only has over 100 000 more users than NetSuite.

Dynamics 365 Business Central vs. NetSuite

Strengths and Weaknesses

NetSuite Weaknesses

- It's complex and cumbersome, takes long to deploy, and requires extensive customization
- Service contracts are inflexible. High per use cost of \$100/month, plus a 1-1.5x subscription price for implementation. A la carte pricing adds thousands of dollars per year. Annual contract renewals increase 10-20%
- NetSuite was acquired by Oracle in July 2016—after \$250M in losses. To make NetSuite profitable, Oracle may cut staff, increase prices, or move upmarket where much of NetSuite's growth in the past five years have been

Dynamics 365 Strengths

- Familiar interface, built-in setup wizards, preconfigured templates, and tutorial reduces training time and enables quicker adoption. Deep integration with Office helps enhance productivity and usability for users.
- High value to license costs – Dynamics 365 Business Central is predictable, user-based, and billed monthly. User licenses start at \$70/month for Full Users, \$8/month for Team Members. 5-year TCO is significantly lower than NetSuite.
- Microsoft offers a complete stack – infrastructure, platform, and applications – with Azure, Dynamics 365 and Office 365 and deep ERP heritage trusted by 160,000 customers.

Upgrade to Dynamics 365 Business Central

The initial selection of QuickBooks seemed so obvious, so natural, it was likely a very fast and easy decision. With the passage of time and growth of the business, that fast and easy decision may now feel more like something that was rushed and poorly thought out. Find out why Microsoft Dynamics is the natural upgrade for QuickBooks users.

Dynamics 365 Business Central vs. QuickBooks

Strengths and Weaknesses

QuickBooks Weaknesses

- Lacks depth of capabilities within purchasing, inventory, manufacturing and distribution, audit control, and advanced reporting. Adding capabilities and service offerings from QuickBooks' partners is expensive
- QuickBooks Pro and QuickBooks Enterprise are built on different platforms than QuickBooks Online so upgrading is not seamless
- Minimal business productivity integration skews the solution to accountants, not business owners
- Companies can quickly outgrow QuickBooks' user and transaction limits, as well as its limited reporting capabilities

Dynamics 365 Strengths

- Dynamics 365 Business Central is a comprehensive solution with advanced capabilities that handle more complex business processes with secure workflows and improve compliance
- The shared codebase between Dynamics 365 Business Central and Dynamics NAV ensures complete consistency and ease of transition for users between on-premise and cloud versions.
- Deep integration with Office helps enhance productivity and usability for users.
- Dynamics 365 Business Central is built on Microsoft Azure platform with the ability to scale to support growing transaction volumes and more users. Includes a web-based reporting portal with extensive reporting capabilities.

Moving from Sage (or Intacct)?

Flexibility is the key when it comes to business growth. The ability to quickly customize and add functionalities to your financial management solution is critical. If Sage claims to be easy to use and have a better user experience, Sage lacks the forecasting features that accounting services within an SMB typically rely upon. Find out why you should have chosen Dynamics ERP.