

REVENGE OF THE NERDS

They started out as clever geeks with cute cars who promised top-notch service in your home

By Elissa Baxter and Simon Sharwood

FEW RESELLERS HAVE EVER had the experience of working in their clients' homes at 9:00pm while the customer brews a pot of tea.

But the burgeoning success of branded resellers who strive to deliver service in the home or on a small business' premises seems likely to make this kind of experience more common for resellers, as vendors push the channel to develop the skills and services that will help them reach the mass market.

The key issue for vendors and resellers alike is service. Most suburban resellers have evolved with their technical skills to the fore. Branding their business or investing in customer service skills has been a secondary consideration.

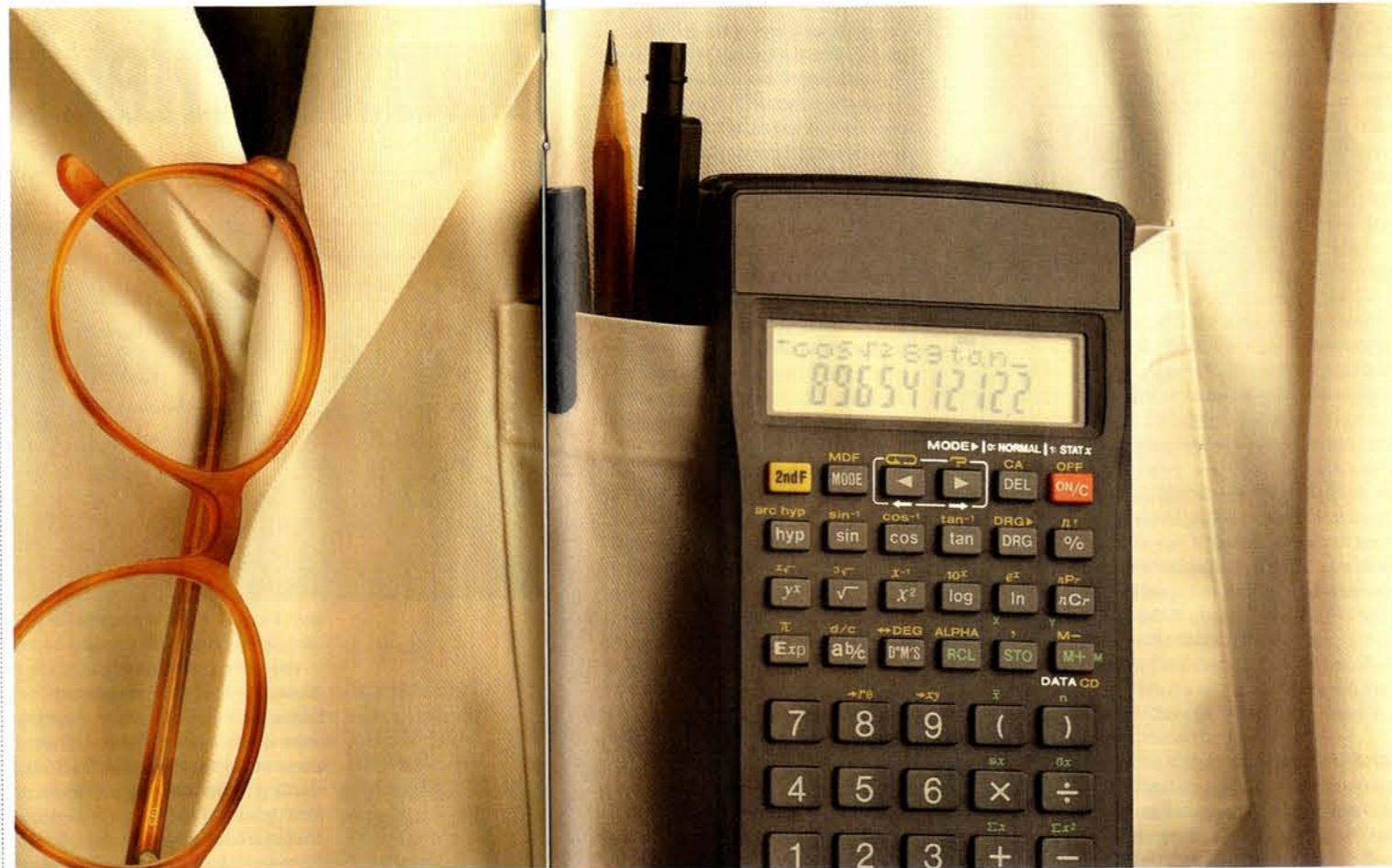
But now that consumers have greater emotional attachment to their computers thanks to the photos stored on it or their role in home entertainment, they are looking for a different style of service.

Consumers are also increasingly incapable of creating and sustaining the complex stacks of equipment needed to, for example, create a wireless LAN. And because this complex equipment is in their bedrooms and lounge rooms, they are looking for service that goes beyond the gruff 'we can fix it, trust us' proposition offered by many suburban resellers.

Their desire for friendly help with their IT has created a new services and re-sales niche that is being filled by a new breed of entrepreneurial businesses that use a franchise model to provide a service experience conventional resellers are not set up to deliver.

And since CRN first identified the trend in September 2005, this style of service has only become more common.

Geeks 2 U, for example, emerged in 2005 when David Hancock considered dropping out of uni in his final year because he saw an opportunity to build a mobile computer business. At the end of 2005, Hancock borrowed from family members to start up the business. In 2007 there is a network of 32 consultants in Sydney, Melbourne and Canberra.



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"I saw there was a need to offer convenience," said Hancock. "Instead of having to lug the computer up to the repair shop, unsure whether it was going to work when it got home, we have a model where we go to the customer's home." While this service is important to home users, it is vital to SMEs who can't justify employing a technician.

"Most of our customers are either a small business or professionals who work from home," said Hancock. "These people don't have an IT department to rely on, although their IT is absolutely integral to their business. We see ourselves as an 'on demand' IT department."

Many new entrants

Another start-up formed at the end of 2005 was Mobile Computer People, whose principal Irene Vasalis spent six years in IT support before branching out on her own.

"Some customers fear that you are not going to do any work on their

computer," she said. "Or they think you'll fix it in one hour but charge for three. They want to see what work you are actually doing. I could see that there was an opportunity to provide services on site in collaboration with the client."

Most of Mobile Computer People's clients are also small businesses or professionals who work at home. But the key to these small business success stories is not just other small businesses waiting for a virtual IT department. They are waiting for the right IT department. One that is professional, service oriented and offers the comfort that comes with a brand they can recognise. They need to be able to trust that the outfit will take care of their computer needs without the worry they are entering into an open-ended and unpredictably expensive arrangement.

"Branding is extremely important," said Geeks 2 U's Hancock. "This is something I am pretty nuts about

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actually. It gives our customers comfort. People place a lot of trust in someone who is working on their computer – it's in their home or in their business so it's very valuable and very personal. Customers like to feel that they are dealing with a reputable company and they can feel that when there is a brand in front of them."

The founders of another new entrant to the services industry, Gizmo, believe that branding is a way to professionalise the cottage industry that is IT services today. One of the most professionally-branded outfits operating in this space, Gizmo takes service, marketing and branding to a new level.

No more nerds

In 2005 Gizmo founder Brett Chenoweth travelled to visit pioneer US company Geek Squad and liked what he saw.

"We liked their model because

it's employee driven," Chenoweth explained. "We liked the fact that they were making it a brand with consistency. But it seems that a lot of people looked at Geek Squad and thought it was all about the name. We very deliberately chose to steer away from having 'geek' or 'nerd' in our name."

Gizmo instead went for the slogan "we've read the manuals" to demonstrate its technical competence. Its website uses beautiful photographs of a perhaps too careful assortment of people from all age groups and races, happily hooked into the digital age – presumably after a little help from Gizmo.

The site uses humour (a quip about your PC making coffee features prominently), cute catchphrases and a database of articles to engage the customer base.

The beauty of the model is more than skin deep.

"For us it is about the back end," said Chenoweth. "We focus on the CRM and the service."

Gizmo also offers fixed-price packages and a 'no fix no fee' service. "We found that capped pricing removes consumer anxiety," explained Chenoweth. This applies not only to the fixing and troubleshooting services, but to set-up and training services. "We need to do a plethora of activities to grow. We are after the whole range of digital devices in the home."

Gizmo plans to grow from its current 60 'gizmotechs' to a workforce of 300 in the coming years.

AWA's Rainbird: Proficient technicians



