

Josef G. Böck, CEO of Singhammer IT Consulting, in an interview with

Microsoft Promotes Singhammer's Vertical

Constant van Limburgh (CVL): Congratulations, Josef. I heard Microsoft Germany has recommended your vertical solution, SITE – an add-on to Navision – to all 22,000 of its partners. Can you explain?

Josef Böck (JB): As you know, Singhammer was one of the first Navision partners to concentrate on a vertical market (we began in 1994). We have completed around 115 installations to date, many of them for Microsoft partners. When Microsoft launched its vertical strategy about 18 months ago, it approached us and offered to help us introduce our solution to its partners.

CVL: What do you think Microsoft's motives were?

JB: Microsoft wants effective and stable partners. In addition, Microsoft has found that its partners do not really use Microsoft software internally, even though that is part of their partnership bonus. Our add-on for IT companies helps Microsoft with its partners in two ways. First, the partners have all their processes incorporated into a tailor-made ERP, with the result that they can do their work more effectively. Second, since SITE makes use of the whole Microsoft stack – from the SQL database to BizTalk Server to Microsoft Office – partners get more experience with full Microsoft integration, which is to their benefit in customer situations.

CVL: Can you describe some of the USPs of your solution?

JB: The typical processes of an IT company are integrated into a single system: CRM, order management, installed base, contract management, helpdesk, service orders, repair orders, even a module for organizing large software projects. Special features include automatic item creation and price updates via interfaces with distributors or manufacturers.

CVL: What part does Microsoft play?

JB: Most important for us is Microsoft's marketing power. Microsoft has produced brochures on our solution, has put the information on its partner extranet, and is presenting our solution as a special service to its partners. We also get leads from them on a more or less

regular basis. What is even more important is that they have offered their partners a special user price for this solution – about 30% below the usual list price for user-based Microsoft Navision.

CVL: How is the business going with Microsoft partners?

JB: Actually, the results so far have been far less promising than the marketing. Many partners know about the special offer, but only a few have expressed an interest in it. For some of them it may be quite a step up from an organization based on Word and Excel to a comprehensive ERP system. It will take more time and more effort by Microsoft to demonstrate to its partners the value they will get.

CVL: What is your strategy outside the Microsoft partner ecosystem?

JB: Our focus is on IT and high-tech companies with between 30 and about 500 employees – from our point of view the ideal basis for Microsoft Navision installations. The German market consists of around 3,500 such enterprises. We cover all of Germany but are prepared to divide the market among a few implementation partners, such as our long-term German partner Samuelson in Berlin. We have not yet set a maximum number of implementation partners for Germany, because we do projects all over Germany using our own resources.

CVL: Did the enormous potential of small Microsoft partners influence your strategy?

JB: When the special offer was first announced we thought, "Gosh, if this is successful we may not be able to handle all the contacts – there are just too many of them, and they're too scattered around Germany." To supplement the implementation partners, whose target is relatively large projects, we decided to authorize roll-out partners to cover the small enterprise market – around 50,000 small enterprises in Germany overall.

CVL: This brings us to your sales strategy. Can you tell us about it?

Constant van Limburgh, Chairman of the FAQT Group

Solution for IT and High-Tech Companies

JB: In 2000, we authorized the first implementation partner – that was in Switzerland. A Microsoft Navision partner approached us with the idea of localizing our solution for the Swiss market and then distributing it there. We quickly agreed on terms and Realeyez (now Boss Info) became our first partner. Qurius in the Netherlands soon followed. Things picked up speed when I got in touch with the FAQT Group through Qurius. Currently we have implementation partners in Italy, Spain, the Czech Republic and the UK. We are pursuing the same strategy as the FAQT Group itself and are expanding at the same rate. In all the countries, implementation partners can also work as distributors for our solution and can authorize roll-out partners to address small high-tech companies.

CVL: *How does your strategy fit with Microsoft's plans? What is happening in other countries?*

JB: Microsoft has announced that it will go vertical in all areas. This is ideal for us because we are the market leader within our focus market and have a lot of experience in it. Microsoft is looking for solutions like ours, ones designed for the international market. We are developing a "Worldwide Version" of SITE and will then distribute it to our partners; this is ideal for Microsoft, as their method is exactly the same. One drawback for us is that the Microsoft sales areas are pretty much independent of each other. We would rather see all Microsoft units act in concert. Microsoft's heterogeneous processes result in completely different approaches to SITE from one country to the next. There is a substantial discount for Navision in Switzerland depending on partner status, our SITE partner in the Netherlands and the Czech Republic receive marketing support only, and there is no action at all in the UK. I wish there was a bit more consistency here.

CVL: *What are your plans for 2006?*

JB: We want to motivate Microsoft Germany to put more effort into marketing our solution to Microsoft Partners. Our second target is to find implementation



partners in all countries worldwide where Navision is an important product. Our third target is broaden the German offering to Microsoft Partners to include all other countries. That would be a huge step in the right direction.

CVL: *All this seems to put you in a pretty good position. What are the critical factors for you in the near future?*

JB: Our growth is limited by our ability to provide top professional service to our end customers and our partners. We are not finding enough skilled senior software developers to support our growth. We spend a lot of money every year on publishing job openings, but in most cases we find new employees by word of mouth.

CVL: *Can you tell us how to get more information on your business model and your solution?*

JB: I recommend that your readers go to www.faqtgroup.com and look at our profile. There is a downloadable factsheet on SITE: www.singhammer.com. Or e-mail us at sit@singhammer.com.