



# The channel in the pandemic, datacentres for investors – Computer Weekly Downtime Upload podcast

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In this episode of the Computer Weekly Downtime Upload podcast, Simon Quicke, editor of MicroScope joins Caroline Donnelly, Clare McDonald and Brian McKenna to discuss how the IT channel has fared and changed in the pandemic, how datacentres have been evolving as investment assets, science, technology, engineering and mathematics (STEM) education for children through the Asha the Agent book series, and the data strategy at Guide Dogs.

Simon first talks about how the pandemic, with its attendant lockdowns and serial Zoom calls, has been for him, and he has a positive take to share.

He then explains the basics of the channel and how it has fared in the Covid-19 pandemic health crisis. Any listeners and readers seeking a 101 on the channel need look no further.

The importance of the channel is clear from Simon's description. It's the main means by which technology gets to customers, especially SMEs (the alternative being direct selling by vendors, which has drawbacks that Simon goes into in the podcast). It's a complex arena, and, as Simon also makes clear, is becoming ever more mature and sophisticated in its evolution.

Caroline is a former channel journalist, so she and Simon go on to discuss the nuances and complexities of the channel on the podcast. They agree that it's never boring and is always the source of a rich seam of stories, given some of the larger-than-life personalities involved in it. Simon also explains, however, that some of that owner-manager colour is fading as the channel matures and the stakes become ever higher. For some vendors, it amounts to 80% of their UK revenue.

The channel has, by and large, done well commercially during the pandemic, but also morally, since the personal relationships that characterise it have proved their value during a difficult period.

It has also – and this predates the pandemic – become more about an ecosystem of IT firms which collaborate as well as compete, and where some players are more focused on becoming trusted advisors to customers, and eschew products and services as such.

Everything changes, says Simon, who is a veteran editor in the space, and reflects some of the many conversations he has had over the years with senior figures in the channel, including at major vendors such as HP and Dell – the latter being the former poster child for direct selling, but which is now very much a channel play. The indirect model is more validated now than ever, Simon maintains, due to the pandemic.

The shift to cloud computing has also caused the channel to morph in a more corporate direction. This has been the year – the pandemic year – where those who position themselves as trusted advisors have had the opportunity to prove that. And they have done so, many heroically, says Simon, such as Logicalis staff getting a Spanish hospital's datacentre up and running again after a crash, and, selflessly, in putting the NHS first when it came to stock acquisition. "It's been a moment when you've felt a lot of pride, being involved with something decent," says Simon.

Caroline echoes this with respect to the datacentre industry and the emergency workarounds evident there.

#### 2021 channel prospects

Looking ahead to 2021, digital transformation will continue and so gives grounds for optimism, says Simon. Under that umbrella term, 5G, data analytics and cyber security are priorities that will stoke growth. It feels very different from the 2008 financial crash, or even the Millennium Bug period. Tech is a good place to be is a common refrain, and also a route to recovery.

Simon refers listeners to a wide-ranging feature by Billy MacInnes about the prospects for the channel next year, Reasons to be positive about 2021, which fleshes out a cautiously optimistic prognosis.

Brexit is also unlikely to disrupt the channel as such, though it might adversely affect customers, explains Simon.

He also conveys the popularity of virtual communications among channel people during the pandemic. Conferences that were previously difficult to get to for people with childcare or other family responsibilities have become more accessible. And those greater connections enabled by communications technology have helped people to care for each other more, comments Simon.

“That needs to stay,” he says. “If you care about each other now, please don’t stop caring about each other when we’re back to Q3, with all guns blazing. The increased humanity we’ve seen will remain, is my hope.”

Datacentres as investment assets in the context of Covid-19

The datacentre industry has also fared well commercially but has been going through some shape-shifting, too.

Caroline brings a different, financial lens to bear on the datacentre industry than is customary, in the next segment of the podcast.

She gives the background to and outlines the main lines of argument of a feature she has written for Computer Weekly, *A safe bet: How Covid-19 is fuelling investor interest in the datacentre industry*.

The pandemic has conspired to make datacentres an attractive, alternative investment prospect for people who play the stock market and invest in real estate, she reports.

The consumption of online services, whether during work or leisure time, requires datacentres, mostly hidden from view. And so, the colocation datacentre space market has seen massive growth during the pandemic.

On the podcast, Caroline relates how regular catch-ups with contacts in the datacentre industry was alerting her to a trend: namely that the colocation art of the industry has been attracting increasing attention from investors.

She traces the links between decision-makers in corporate IT (speeding up cloud migrations) through expansion plans and efforts by the hyperscalers (AWS, Google, Microsoft) to the growth of colocation providers, like Equinix, CyrusOne and Digital Realty. And thence to a spike in interest from a broader

pool of real estate and equity investors than before. Investors – such as pension funds – who had previously gone for aviation, retail or hospitality have shifted focus, she explains. Green energy companies are also moving in, with an emphasis on sustainability in the sector.

Caroline also shades in some caution. There are traps for the unwary, such as the lack of an anchor tenant or sub-optimal location. They don't always come when you build it can be the moral of the story.

Agent Asha as way to get children into STEM

Another story arc that can be said to have an instructional purpose is that of the Bright Little Labs Agent Asha series, about which Clare next speaks on the podcast.

Sophie Deen, CEO of Bright Little Labs, created Agent Asha because she wants to “normalise” what it means to be part of the tech sector, says Clare.

Agent Asha: Mission Shark Bytes is the first in a trilogy of books, plus other resources, aimed at teaching children science, technology, engineering and maths (STEM) skills such as coding, logic sequencing, internet safety, and spotting fake news.

Bright Little Labs notes that only 4% of children's books feature a black, Asian or minority ethnic (BAME) character, so Agent Asha exemplifies a relatable role model, engaged with tech. The 11-year-old protagonist of the series spends the first book using her coding skills to investigate “evil tech giants” to discover who is trying to bring down the internet. She also has a drone as a friend and a farting selfie stick.

On the podcast, Clare talks about a fun brainstorm with Bright Little Labs she was involved in, about how their concept of a Children's Intelligence Agency (now Spy Agency) could be used to get more kids into STEM.

Brian then notes, by way of a segue, that Guide Dogs have a CustomEyes books programme to encourage visually impaired children to read. The charity does not only breed and provide guide dogs.

Gerard McGovern, CIO, Guide Dogs on data strategy

Brian then relates the data strategy at Guide Dogs as described to him by Gerard McGovern, CIO at the charity, and Caroline Carruthers, a data strategy consultant.

Why is Guide Dogs developing a data strategy? Like many organisations, it had, says Gerard, pockets of data management and analysis scattered throughout, but it wants to have a more cohesive data function. Carruthers has been helping the charity's CIO with that.

The organisation has around 1,600 staff, 55 in IT and 20 or so colleagues with data as a major part of their jobs. It also has 15,000 volunteers, 250,000 database records, and 2,500 dogs working hard for their human companions.

Like other charities (Gerard has a background at the Great Ormond Street Hospital Children's Charity), Guide Dogs wants to maximise income from donors, and so its customer relationship management (CRM) system has that as a purpose. But it also has dog data, much of which resides in a Salesforce database, but much of which is also in people's heads, on paper, in spreadsheets, and so on. From January 2021, the charity is deploying an app built with the help of Salesforce so that staff who train the dogs can input data digitally and directly.

Guide Dogs is the largest breeder in the world of guide dogs – mostly Labradors, but some German Shepherds and Labradoodles. For full disclosure, we have to report we have not yet received a definitive answer from Guide Dogs to the “brown Labrador question”. Caroline's private researches suggest the brown ones were bred for play and not for work.

In any case, if Guide Dogs can, through sophisticated genomics data analysis, identify which dogs won't make the grade, that would be an efficiency gain. Gerard characterises this as “hard data about soft data points”. Dogs who don't make the cut are rehomed.

As part of the strategy, the charity plans a data warehouse. But the key thing, as ever, is less the technology, than, in Gerard McGovern's words, to move “from a singular view of data to an organisational view”. Brian comments that this is a principle that can apply to other organisations that wish to be data-driven.

The Computer Weekly Downtime Upload podcast team will be back in January 2021. In the meantime, Brian, Caroline and Clare would like to wish listeners a very Merry Christmas and a Happy New Year!