



The DATA CAPTURE Report

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Special SCAN: The DATA CAPTURE Report Reprint

AIDC Vet Brian Marcel Says Eastern Europe AIDC Sales Are Growing Strong

Spurred by drivers such as an increased presence of international automakers, UK-based **IBCS**

Group is seeing excellent sales growth. Company Chairman Brian Marcel expects the current growth rates of around 20% to jump to 30-40% in 2007. Marcel said a move from being “just a hardware reseller” to “a service-oriented systems integrator” will enable the company to reach its goals. “I hope to see 40% of our revenue coming from service business this year,” he stated.

“Warehouse management systems are a great source of business,” Marcel continued. “Our **Zebra** and **Symbol** hardware is very popular. There’s not a big **Intermec** presence here. We are currently offering managed-services on a paid-transaction basis. This includes managing mobile devices for our clients.”

Marcel has done a complete 180-degree turnaround on his feelings about Symbol. For many years, Marcel—operating under several different company names—was one of Symbol’s largest resellers in Europe. But, by August of 2005, he was completely disenchanted with Symbol. [See [SCAN/DCR cover story 8/12/05](#).] In that story, Marcel said Symbol was losing a lot of business in Europe because it had flooded the market with resellers—cutting the throats of its long-time partners—and that the Holtsville management was completely

unresponsive to its resellers needs.

“I took a lot of heat [from Symbol] for that article,” Marcel told *SCAN/DCR*. “I wasn’t too popular with Symbol’s marketing team, to say the least. But today, it is a completely different story. Symbol is back to being the leader it once was.



Brian Marcel,
chairman, I.B.C.S.
Group.

“Symbol lost a lot of market share to Intermec in 2005. I think it was a wake-up call for the Holtsville team. Now, Symbol is back to doing the things that made it thrive in the past. It is offering great training programs that are very intense. It is investing in its resellers. If we realize our expected growth rates of up to 40%, it will be in large part due to Symbol. The company has cut a lot of partners to make sure the good ones survive. Jan Burton is now the designated Symbol rep in England, and she is doing a great job.”

Is the Motorola acquisition a worry?

It is well-documented that most humans are at least somewhat leery of major changes in life or business situations. That said, the Motorola acquisition of Symbol doesn’t bother Marcel in the least.

“The acquisition of Symbol by **Motorola** is fantastic,” said Marcel. “Motorola has a much broader vision of the enterprise than Symbol. I am very excited about this giant event in our industry.

The networking opportunities alone are unbelievable. And, I think we'll see some interesting new products coming out. We will see brilliant innovation."

The transformation

According to Marcel, the market is changing dramatically. And, that is why IBCS is transforming from a box mover to a systems integrator. "Users, today, aren't impressed with technology on its own," Marcel explained. "There are lots of wonderful gadgets on the market. Businesses are only interested in technology when it can solve a business problem. We have to serve as consultants dedicated to problem solving. Our job is find their pain and show them how we've solved this problem before.

"You have to become a trusted advisor," he continued. "Make it so the customer can't live without you. Even better, create a situation where your customers won't even look to anyone else for advice. Always keep the competition in your sights."

The biggest challenges

Marcel is no stranger to change. As we said earlier, even his business name has changed over the years. For instance, IBCS Group changed to **Mobisys** and then recently back to IBCS Group again. But change doesn't come without hurdles. Marcel listed what his three greatest challenges have been.

1.) One of the biggest challenges is due to the onslaught of new distributors. According to **European Union** law, vendors and distributors cannot be restricted from selling a product. So, virtually any distributor—local or on the Internet—can sell against IBCS. In some cases, they take hardware sales from established VARs. This is a challenge, but also one of the main reasons Marcel is changing the company to be more service-oriented.

2.) Finding talent is another source of aggravation. Giants such as **Microsoft** and **Sun** have set up offices in Eastern Europe, and they are luring talented programmers to their facilities. Smaller organizations, such as IBCS, have a hard time competing when it comes to wages and benefits.

3.) The third challenge is finding new markets. Granted, this is a challenge for any business, whether it is changing or not. But, when you are investing money in a more service-oriented business structure, you have to find new markets that need your services. For instance, a more-established market, such as retail, may not need the same services as a supply chain adopting RFID.

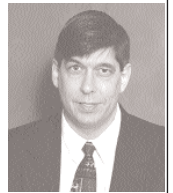
Some of the new markets doing particularly well for Marcel are in areas such as transportation and logistics, and factory automation. Government and the utilities sector are also providing new sales opportunities.

Surprisingly, RFID adoption is still going very slow,

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according to Marcel. "Potential users are still looking for sound business cases for RFID," Marcel told *SCAN/DCR*. "We won't even quote a request for RFID pricing unless we are sure the customer is serious about buying. It's too expensive to do all the research needed to put together a price and then turn around and find that you were wasting your time."

Final words

Closing, Marcel offered some advice for his peers around the globe. "The British government allocated five million pounds to **AIM UK**," said Marcel. "With that money, AIM/Ian Smith has created a **National RFID Center** in Halifax. The Center houses a variety of applications using AIDC technology, such as healthcare and logistics. It also hosts an RFID lab. [See *SCAN/DCR 11/12/04*.]

"There are regional Centers, as well. The Centers have proven very valuable to U.K. VARs and integrators, as well as users hoping to view our technologies in action. I strongly recommend that other AIM groups try to do similar projects."

Comment: We are always pleased when we get a chance to speak with Brian Marcel. To the "old-timers" in the industry, Brian is an admired peer. And although he is often soft-spoken, he rarely holds back when it comes to expressing his opinions. For those who want to see the Nov. 2004 article we referenced, send a request to rickm@scandcr.com and we'll send a pdf.

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