

“We always were plan B”

The transition to All-IP, the weaknesses of the old top dogs in the TC-market and the increase in demand, all play into the hands of smaller manufacturers. innovaphone CEO Dagmar Geer also knows of the growing pains involved.

Currently, innovaphone has about 200 active partners in Germany, and, according to its CEO Dagmar Geer, the company does not wish to actively increase that number. In her interview with Telecom Handel, she talks about the Partner programme, the product roadmap and why puff is not part of the trade at innovaphone.

In times of transition to All IP, business is booming – what about your company?

Dagmar Geer: We've had a very successful fiscal year with growth of 20 percent. All-in-all we're extremely satisfied with current developments.

Yet, partners lament that competitors come from within the ranks of clients...

Geer: First and foremost, we are immensely happy to encounter such great acceptance in the channel, which lets us consider this to be a luxury problem. Nonetheless, we do take these concerns very seriously. It is definitely not in our interest that innovaphone partners compete with each other when dealing with their customers. Therefore we are no longer actively looking for new partners in Germany, but rather looking to strengthen the good existing partners and to increase our business with them. Invariably, along the way, we are also faced with losing partners owing to businesses closing or changing e.g. if a partner turns to another manufacturer. And of course these partners are replaced, but currently we do not see the need to increase the overall number of partners.

Over the years your status among the partners has changed considerably...

Geer: That is true. If you take a look at our history, we have always been somewhat an underdog, the second in line or the plan b, even with our partners. This year we are celebrating our 20th anniversary. Back then we competed against the former top dogs, with the highest number of partners in the programme, with whom they did their standard business. The partners added us to their portfolio either because we caught their interest or because they considered our technology to be good. Yet, we were not first manufacturer. This was our bread and butter for a long time.

Has that changed?

Geer: Yes, luckily this has changed and that is also what we consider to



be our main growth potential. Many partners have revised their strategy. In the first place they now offer innovaphone to their new customers, and that is certainly the goal we would wish to achieve with most of our partners.

Even so, the brand innovaphone is still fairly unknown amongst business clients...

Geer: It is true that our brand awareness among customers is not yet as great as we would like it to be, but the “innova-who” effect has considerably worn off over the years. Naturally, we'd also like to have a strong brand - I mean, who wouldn't? However, we grow through our partners and don't do direct business, hence the significantly slow process. Obviously we could increase the awareness by allocating generous marketing budgets, but puff is not part of our trade. We rather invest in development.

Are you planning to introduce changes to the partner program?

Geer: Yes, but they aren't major changes. We've always had three levels, the innovaphone Authorized Sales Partner (iAS), the innovaphone Authorized Reseller (iAR) and innovaphone Family (inFAM) as the highest level. The latter we've renamed iAR Pro and it will be precisely these partners that we want to expand further and promote even stronger.

This would be the highest partner level, respectively, with the highest turnover?

Geer: Certainly, but the turnover is not the sole criterion. There are many other criteria that are almost even more important than the turn-

over. Some of them are, for example, the familiarity of the partners with our applications, or, their use of our PBX and their ability to sell complex Unified Communications Solutions and not merely telephony. With the iAR Pro Partners we clearly focus on loyalty and quality of the partner, not on quantity. In the end though, the result is often the same.

So are you of the opinion that telephony will take a back seat in the future?

Geer: I believe that in the long run customers will no longer be satisfied with mere telephony – they will expect more of the PBX. In the future there will be an increase in the demand of comprehensive communication tools. We are in the fortunate position to be able to cover all conventional telephony features. Having said this, it is already the case that every second hardware telephone is sold together with a UC Client License that covers video, desktop sharing and outlook integration.

Will you also be offering a subscription model in the future?

Geer: We're working on it and most probably it will come out with one of the next versions of our PBX. In all likelihood we'll start this subscription concept according to the pay-as-you-go principle, which applies to the cloud as well as to the on-site solution. Essentially we'll extend our cloud services. We want to offer innovaphoneCloud to those partners, who so far did not want to take on the burden of the cloud business. Now this does not mean that we'll start with direct sales. The concept solely applies to those partners who cannot or do not wish to set up their own cloud model.

And will you combine the service with access or will you also operate as a SIP trunk provider?

Geer: No, currently we have no such plans. We leave that to our resellers, who are capable of developing added values for the customers and are encouraged to do so. We ensure the technical compatibility with the SIP carriers.

For some time now innovaphone had difficulties delivering sufficient quantities of the IP112, when will this be solved?

Geer: Indeed, we do have a problem that we first encountered last November. The root of it lies in the fact that in November we had triple the number of orders for the IP 112 than thus far. Initially we believed it to be a onetime phenomenon, but we've had a major increase in incoming orders ever since, which was completely unforeseen by us. This caused the mentioned difficulties. However we're catching up and hope to soon be able to successfully resolve them. And although, naturally, we've significantly increased the orders with our suppliers, we do also have relatively long lead times.

The market is currently undergoing radical changes, where do you want to position yourself in the future?

Geer: We started in a densely occupied market and through the years managed to assert ourselves. For one thing, we are not aiming for world domination. Instead we simply trust that we'll keep on having fans that trust us and want to grow with us. We've been in this business for 20 years and during this time we've seen many of them come and go.

Are you not afraid of disruptive approaches?

Geer: No, (laughs), we have a certain level of self-confidence regarding our solution and after all this time we also have developed a feeling for what our customers may wish for or need. And we've never been particularly concerned with our competitors. We try to figure out what a customer might want and do exactly that. And if we're right, which happens more often than not – at times we can also be mistaken, no doubt about that – we are content and in that case we'll assert ourselves.

Interview: Waltraud Ritzer from Telecom Handel (5/17)
Translated by innovaphone