



Arrow ECS points to consolidation

Distributor vows to remain in elite pack of players driving industry consolidation

Doug Woodburn

IT distribution will mirror the financial and automotive sectors by eventually consolidating down to just four major players, according to Arrow ECS' UK boss.

The distributor recently completed a pan-European integration process by uniting about 40 of its companies - including UK arm DNS Arrow - under the Arrow ECS banner.

UK managing director Steve Pearce claimed the re-organisation had nullified a major advantage of rival Avnet and allowed it to focus on improving its position with the top 12 vendors.

The UK organisation now has backing to make



Strong hand: Arrow ECS is determined to be one of the big four

“selected” acquisitions for the first time in 18 months, he added.

“The attitude a year ago was let’s conserve our cash and batten down the hatches,” said Pearce. “It has now been made clear to us at a senior management level that Arrow has the cash and desire to make selected investments.”

Pearce argued that IT distribution was becoming a

“big-business game” and that smaller independent distributors would increasingly struggle. Only four major players will survive long term, he asserted.

“It is settling down to a few enormous players who will either kill the smaller ones or absorb them, and we intend to be one of the ones that prevail,” he added.

Pearce said that Arrow ECS

has a solid offering in both storage and virtualisation but indicated that the distributor’s third area of focus - security - needed work.

“Our security business has ebbed and flowed a bit largely to do with the quality of the team,” he explained. “Now we have the right people in place we see network security as a major area of enterprise computing value add and intend to expand our proposition in that area.”

Barrie Desmond, business development director at niche distributor VADition, said smaller outfits will always have a place.

“IBM said in 1957 that there would only ever be a need for seven computers in the world,” he said. “So I take [Arrow’s] comments with the contempt they deserve. The larger distributors need to be very careful because they risk turning into TNT or DHL.”

DNS Arrow brand dies out

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