

Computer Reseller News

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THE NEWSPAPER FOR VALUE ADDED RESELLING

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IN THE NEWS

Breaking New Ground Multimedia is uncharted territory for most resellers but Medior develops a solution that is garnering a great deal of interest. **PAGE 3**



After The High End Computer Associates launches a reseller program to help high-end VARs provide complete turnkey sales and installation on PCs. **PAGE 20**

Channel Upgrade Several of the nation's largest software vendors change the way they distribute upgrades by farming out more to the channel. **PAGE 159**

Reseller's Big Sale Clinton Computer's founder, Art Lundquist, sells all but his company's education business. **PAGE 10**



VAR Exchange Insci delivers a sophisticated optical-disk system to the American Stock Exchange to help ensure transaction integrity. **PAGE 123**

Market Share Monitor Lotus' share of the spreadsheet market rebounds to 58 percent in March. **PAGE 15**

POSTMASTER: NEWSPAPER HANDLING

VENDOR SETS SIGHTS ON SOFTWARE, NETWORKING

Compaq expands beyond its hardware-only roots

BY LISA L. SPIEGELMAN
Houston

Compaq Computer Corp. executives last week outlined a new system division strategy emphasizing hardware and software integration, as well as server management tools.



Stimac: "Insight is an umbrella for a whole series of products."

This new direction sets the stage for upcoming high-end system announcements that will fall under a new product category dubbed Compaq Insight Server Management, said Gary Stimac, vice president and general manager

of Compaq's systems division. "Our feeling is that Compaq Insight is an umbrella for a whole series of products," said Stimac.

LOW-COST PRODUCTS MAY SPUR PRICE CHANGES

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Hardware and software products under development will focus on server operation and management in the areas of fault tolerance, configuration, performance and security, he said.

Until now, Compaq, based here, has primarily focused on providing just the PC, not the total, integrated network solution, said Stimac. "What we seem to be lacking is having

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IBM PS/1 Pro suffers from identity crisis

VARs balk at name, documentation

BY KRISTEN HEDLUND
New York

IBM Corp.'s PS/1 Pro is suffering from an identity crisis.

While the machine that IBM has authorized distributors to peddle to VARs has enabled the wholesalers to sign on an estimated 3,000 new resellers in recent weeks, many VARs are wondering

just what the PS/1 Pro is and claim it is being shipped with PS/1 documentation.

IBM's choice of names for the machine has some VARs and distributors taking issue with the computer's positioning.

For instance, Tom Scott, marketing vice president of master VAR Software Shops Systems Inc., said: "I think I've heard of

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ON THE WINGS OF CHANGE: When East meets West

JAPAN TAKES NEW AIM AT U.S. MARKET

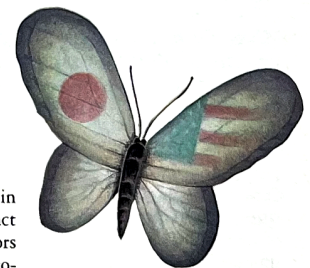
No longer content with playing the role of follower, Japanese PC vendors are striking out with a vengeance to differentiate themselves in a U.S. market that, so far, has offered

only a lukewarm reception.

Leveraging their expertise in miniaturization and product integration, Japanese vendors are now working to bring together a combination of consumer-electronic and computer products designed to drive new technologies, such as multimedia and pen-based computing, into the mainstream.

With market conditions very much in favor of Japanese vendors, U.S. resellers and VARs should expect within the next six to 24 months a host of revolutionary new products, many of which could alter the way they currently approach their customers.

In an in-depth report, *Computer Reseller News* offers U.S. resellers and VARs a bird's-eye



view of where Japanese personal-computer vendors are focusing their product development and marketing strategies in the areas of hardware, software and distribution, as well as the impact these efforts will have on U.S. resellers.

To round out the picture, CRN commissioned The Gallup Organization Inc. to survey 250 U.S. resellers and VARs to gauge their perspectives, as well as their outlook, on the future role Japanese vendors will play in the U.S. channel.

[See The Japan Report. Pages 40 to 43.]

Mail-order shakeout begins?

BY BRIAN GILLOOLY & DAVE GERSTEIN
New York

Everex Systems Inc.'s proposed acquisition of mail-order vendor Northgate Computer Corp. is the latest example of a PC vendor trying to expand its distribution strategy; but it may also signal the beginning of a shakeout among weaker mail-order firms.

Joel Kocher, senior vice president and general manager of Dell Computer Corp.'s U.S. division, said, "You're seeing that the fringe players like Northgate and Zeos [International] have

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HOW RESELLERS RATE JAPANESE AND AMERICAN VENDORS

(1=not successful; 5=very successful)

	JAPANESE	AMERICAN
ADEQUATE PROFIT MARGINS ON MOST PRODUCTS	3.1	2.9
COMPETITIVELY PRICED PRODUCTS	3.7	3.1
INVENTORY-FINANCING PROGRAMS	2.5	3.0
MARKETING PROGRAMS	2.9	3.4
TECHNOLOGICALLY ADVANCED PRODUCTS	3.8	3.8

Source: The Gallup Organization Inc.

ARCnet risks losing share

(Continued from page 47)

ics and ease of installation." Despite the lower bandwidth and deteriorating market share of ARCnet, a number of ARCnet resellers remain positive on the technology.

"You very seldom have anything go wrong with ARCnet," said Don Capoferi, manager of technical support at Micro Electronic Data Systems Inc., Warren, Mich.

In addition, the same type of link integrity that has made 10BaseT so popular has been available on ARCnet since its inception, said David Bennett, a senior systems engineer at Computer for Business Inc., an ARCnet reseller in Hollywood, Fla.

"If you have duplicate node IDs or there is jabber, a hub will automatically shut a port down," Bennett said. Disabling a failed port prevents other nodes on the network from being affected.

Resellers also said performance on an ARCnet LAN is more consistent than that of

Ethernet LANs. Ethernet performance drops off as the number of nodes, and, therefore, collisions, increases, Bennett said. As a result, large Ethernet LANs must often be segmented through the use of internetworking products. ARCnet performance, by con-

If ARCnet Plus pricing moves into the range of token-ring interfaces, which currently cost roughly \$700 to \$800, it could be more attractive, Gilbert added. "They have a very loyal base who will likely upgrade, but they'll have to reduce the list from \$1,000 to \$695."

Standard Microsystems' Karlin views ARCnet Plus as "the best of both worlds" be-

INSTALLED BASE BY LAN TOPOLOGY						
	1991	1992	1993	1994	1995	1996
ARCnet	11.6%	11.2%	10.6%	9.8%	9.1%	8.2%
Token Ring	24.5	26.5	29.5	33.5	37.8	42.5
Ethernet	48.8	48.6	47.5	44.5	40.9	38.0
FDDI	0.3	0.8	2.5	4.2	6.2	8.3
Proprietary	13.8	12.9	9.9	8.0	6.0	3.0

Source: InfoCorp

trast, is more stable and predictable because it uses a token-passing scheme, just as token-ring LANs do.

While Standard Microsystems' 8- and 16-bit ARCnet interfaces are list-priced at \$119 and \$199, respectively, resellers can purchase interfaces for less than \$100, Karlin said.

cause it supports two data rates on a single cable. Nonetheless, SMC is watching ARCnet Plus developments and is not making any commitments.

"I would have had a marketing field day if I had ARCnet Plus two years ago," Karlin said. "But it's now several years later, and the world moves on."

UPGRADES ETHERWAVE RADIO TRANSCEIVER

Microwave adds bridge

BY DIANA HWANG
Braintree, Mass.

Microwave Bypass Systems expanded its line of microwave products with a new duplex Ethernet bridge and upgraded its Etherwave radio transceiver with support for SNMP.

The new LAN-Link 1000-D extends a single point-to-point transmission from 4.3 to 15 miles. Prior to the product's introduction, customers requiring more than 4.3 miles between transmission points needed to install one duplex LAN microwave radio link, one Etherwave Transceiver and an Ethernet retiming device, such as a repeater, bridge or router, at each end of the link, according to the company.

The duplex bridge features three AUI ports for transmission and reception, as well as a standard AUI network port. By implementing three AUI ports "there is no opportunity for

[data] collisions, because of the separate transmit and receive paths," said company president David Theodore.

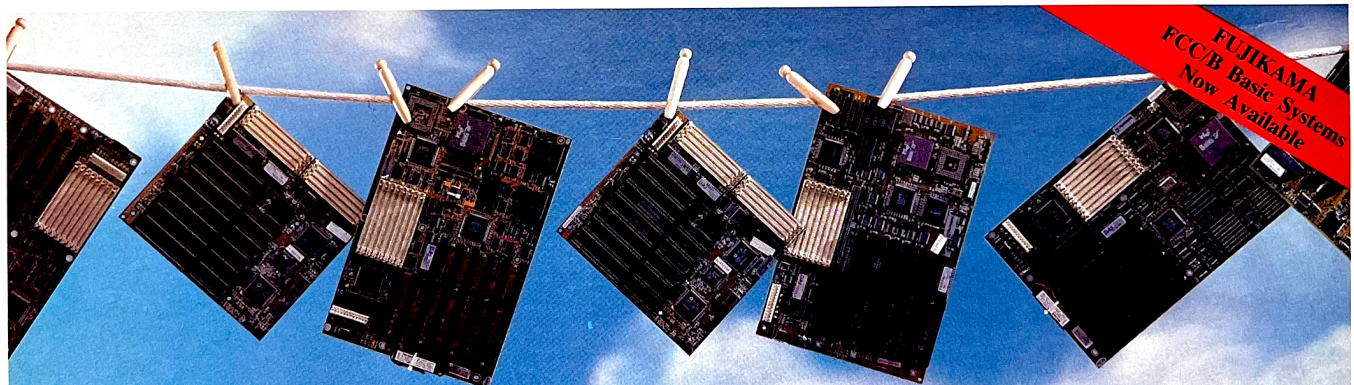
The LAN-Link 1000-D lists for \$6,750 and is slated to be available through VARs at the end of June.

Microwave Bypass also plans to begin shipping in July SNMP support for its Etherwave Transceivers. The device is a LAN-to-microwave radio interface that lists for \$3,700.

FACT

Ninety percent of systems integrators surveyed said IBM Corp. desktop personal computers, including PS/2s, are the predominant client platform used in client/server systems.

—Business Research Group



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