

The stimulus article came out from OCBJ:

Ingram Micro's Latest: Help To Get Stimulus Cash

TECHNOLOGY: Tech company hopes to see money funnel down

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By SARAH TOLKOFF

ORANGE COUNTY BUSINESS JOURNAL STAFF

Ingram Micro Inc. is trying to put its customers in the path of federal stimulus dollars.

The Santa Ana-based distributor of technology goods, software and consumer electronics is set to launch two programs this week intended to help its customers maximize their chances of getting government money thrown their way.

Ingram Micro created "IMStimulus" and "IMGrants," which are programs designed to help its customers get sales leads on stimulus-funded projects as well as write grants, track stimulus deals and get access sales training that's specific to the American Recovery and Reinvestment Act.

"We were watching the new administration come in and the stimulus bill becoming the talk of the town and we wondered, 'How do we get our hands on our fair share of that?'" said Bob Laclede, a vice president of business development for Ingram Micro near Washington, D.C. "It started as a brainstorm to figure out how we could empower our solution providers to go get more of that money so we could bring some of it back to Ingram Micro."

The company's customers are called "value-added resellers." They buy computers, routers and other products from big tech companies via Ingram Micro and then resell them along with installation and other services to businesses and other consumers.

Ingram Micro sells to nearly 200,000 resellers around the world. They range in size from big chain stores to small tech consultants.

The company, which saw \$33 billion in sales last year, nets just pennies on the dollar.

To make up for slim profits, Ingram Micro also offers services to resellers, including help with marketing, handling of warranties and returns, licensing software and financing.

More profits for resellers means more profits for Ingram Micro, which has been struggling as companies slow or stop spending on technology products.

"If we could match up users eligible for stimulus dollars with the people who sell to the end users, we could help them get funded and see the money come back down to us," Laclede said.

Laclede, who for the past 10 years has headed the company's sales efforts to big school districts and the government, was tapped earlier this year by Ingram Micro's North America President Keith Bradley to pore through the stimulus bill and figure out how the company could benefit.

“We started trying to read through a thousand pages of congressional mumbo jumbo,” Laclede said. “This bill got written in 28 days, so there’s not a lot of definition. But somewhere in that haystack there was a needle.”

That needle turned out to be worth an estimated \$3 billion to \$5 billion in market opportunity for Ingram Micro, according to the company.

Stimulus Spending

Laclede gets to that estimate through some math that assumes some \$60 billion to \$80 billion of the funds allocated in the stimulus bill are set aside for things that are technology-related.

He filed the stimulus spending into six general categories that Ingram Micro serves:

- healthcare
- education
- public safety (police and fire departments, emergency workers and Homeland Security)
- energy
- infrastructure (includes the technology components being built into roads and other public works)
- broadband

In addition to finding sales leads, a big part of the program is providing a process that helps resellers apply for federal grants.

Ingram Micro teamed with a Rochester, N.Y.-based company called Grants Office LLC, which tracks all federal money that’s available and the grants that already have been funded in various industries.

Helping companies find grant money and walking them through the process means that Ingram Micro “has a better than average opportunity of winning that deal at the end of the day,” Laclede said.

Resellers pay an initial \$2,500 to enroll in the program, which basically ensures that any orders for technology gear get placed through Ingram Micro.

Ingram Micro pays Grants Office for their services, but wins a deal in the process and helps build loyalty among its resellers.

Benefits to Resellers

The benefits for resellers are many.

“This program will allow our customers (access) to different funding sources that can be used for the projects that they have planned,” said Adam Robinson, chief executive of Irvine-based government contractor Govplace Inc. “If we can help guide those customers to those dollars then they will have more dollars to spend with us. Ingram is bringing to the table a lot of additional knowledge to help us and our customers capitalize on the stuff in the stimulus bill.”

Govplace has been an Ingram Micro reseller for the past 15 years. The privately held company, which sees \$85 million in yearly revenue, gets most of its sales from the federal government. Its customers include the counties of Orange, Riverside, San Bernardino, Los Angeles and others. Robinson plans to sign up for the program when it goes live. Govplace aims to help its customers use stimulus funds to get their in-house technology infrastructures running more efficiently.

“There is an enormous amount of money out there for local agencies to become more efficient and more effective,” Robinson said. “What many customers are looking to do is leverage these one-time stimulus payouts to decrease their ongoing maintenance and operations costs.”