

EMEA “instrumental” to success

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Founded as a private equity spin-off from Finisar just over 18 months ago, Virtual Instruments has continued to grow at a rapid rate. *IT Europa* was keen to find out how it intended to continue its European expansion, so we spoke to VP of Marketing, Len Rosenthal, and Director of EMEA Channel Development, Werner Paulus, to find out more.

It's certainly a good way to start the new year. Following on from the California-based company's 200% growth rate in fiscal 2009, and strong growth in Europe with 150% gains during the most recent quarter, the SAN solutions specialist has announced some new changes.

It has appointed Ulla Leinenweber as its Country Manager for Germany, who in 11 years at EMC, worked in storage solutions sales across the retail, finance, manufacturing, and telecommunications industries. A Country Manager for France, Nicolas Blanc, joins with over 18 years of sales and sales management experience at companies including SAP AG and Siebel Systems.

Alex D'Anna has also been recruited from EMC to become Solutions Consulting Manager for EMEA.

"We just couldn't handle all those customers that we get requests from," says Werner Paulus (above), Director, EMEA Channel Development, of the reason for the latest additions. "It was important to add more people to the organisation who can do enterprise sales."

Len Rosenthal (right), VP of Marketing believes the rapid growth of the company makes it easier to attract people. "When you're a company that's growing so fast, particularly in this recessionary environments and winning some of the big customers like we're doing, it's a good story."

In its first full quarter of operation since the carve-out from Finisar, Virtual Instruments booked

more sales of its virtual infrastructure optimization solutions NetWisdom, than the preceding 12 months of product sales, with gross profit for this quarter's bookings exceeding expenses by 22%.

So, what are the reasons for the continued success?



"The primary reason is that we offer a cost optimisation solution," explains Rosenthal. "Why was VMware so successful? Because they could commoditise to save money. We do a similar thing on the SAN side. They could think about the storage parts they were about to buy, but they don't need them. We help them to save money."

"It can't go fast enough," adds Paulus, saying that the development will continue in other parts of Europe.

"It was always our plan to start in those countries first because they're the largest economies. We're still looking for people in other countries in EMEA for places like the Nordics. We'll continue to hire



people in various EMEA countries but the next step is the Nordics."

"Our strategy has been two-fold," says Rosenthal.

"Working with some of the big companies like HDS (Hitachi Data Systems), IBM, HP,

EMC, who have the ability to resell us, and some of the regional partners. We're actively recruiting in the UK and France, and some other ones as they emerge in the Nordics and other ones."

Within its first year, Virtual Instruments had shown its European ambition by opening offices in the UK and Germany. So just how different does the company see the US and the European markets?

"The US is very much direct-focused, the direct sales people are pretty much the ones calling on the accounts and doing all the work, establishing the relationships," believes Rosenthal. "In Europe, the partners have much closer ties to the end users themselves which is traditionally how it's been with the European channel. They tend to be more independent, more technically competent and in general have better relationships with the end users."

With this in mind, Virtual Instruments intends to grow all parts of the company, not just Europe. "We want more folk in Europe," says Rosenthal. "Currently, Europe is close to 50% of the business. Europe is a big focus for us, but we are not looking to increase that percentage. We want to grow the numbers and try to grow in general. The percentage of Europe will decrease slightly as we get bigger, but the numbers will just get bigger."

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Opening offices in Europe within its first year is a clear sign of intent. Despite founding in a difficult time, Virtual Instruments knows that any company able to save its clients money will always have a good chance of expanding.