



WADE AND JACKIE DANIELSON, COFOUNDERS OF GNS, ARE PREDICTING TRIPLE-DIGIT GROWTH THIS YEAR, BASED LARGELY ON A NEW E-COMMERCE SITE THAT MAKES IT EASIER FOR THEIR CUSTOMERS TO BUY FROM THEM.



Photos By Dan Bryant Photography

Earn Big Network Security Revenue From Small Businesses

Find out how this VAR plans to achieve \$4.5 million in revenue less than three years after its inception.

BY JAY MCCALL

When I discovered that network security VAR Guardian Network Solutions (GNS) was an eight-employee company that had been in business less than two years, I was about to prepare my “let’s talk again in two or three years after you’re actually profitable” speech, when to my surprise GNS President and Cofounder Jackie Danielson informed me they already were profitable. What’s more, the VAR has 2,200 customers and is projecting \$3.3 million in sales revenue growth this year. Even more surprising is how Danielson and her husband, CEO and cofounder Wade Danielson, plan to pull this off — targeting businesses with between 1 and 25 employees, a niche market the duo refer to as the VSB (very small business) market. Whether you target VSBs, SMBs, or enterprise customers, GNS has some tips that will be applicable to your business.

Find Your Network Security Sales Niche

In 2010, while still a sales rep at Sales Genie, a sales lead generation company, Wade identified two trends: There was a growing demand for SEO (search engine optimization) consulting and services, and there was a growing concern among small businesses about protecting their data. “It wasn’t tough deciding to leave a sales position to start a VAR company,” recalls Wade. “What was tough was determining which area to focus on first.” Because of his prior experience as an account manager at a network security VAR, Danielson started GNS in 2010 with the intent to one day start a second company focused on helping customers improve their SEO.

From the start, he had his focus on the VSB market, primarily because it is an underserved market. “This market has been burned by large VARs and online retailers that only focus on large customers,” says Danielson. “It’s typi-

GUARDIAN NETWORK SOLUTIONS (GNS)

FOUNDED: 2010

2011 SALES REVENUE: \$1.2 MILLION

2011 SALES REVENUE GROWTH RATE: 323%

2012 PROJECTED SALES REVENUE: \$4.5 MILLION

2012 PROJECTED SALES GROWTH RATE: 275%

EMPLOYEES: 8

(817) 386-9400

WWW.GNS-STORE.COM

VENDORS: APPASSURE, ASTARO, AVG, BARRACUDA, BITDEFENDER, CA TECHNOLOGIES, ESET, GFI, INTEL, JUNIPER, KASPERSKY, QUEST SOFTWARE, STORAGECRAFT, VMWARE, WATCHGUARD, WEBROOT

cal that a small business will have to wait for two weeks or more just to get a simple quote for buying antivirus software.”

There are a few unique needs within the VSB market, too, which Danielson envisioned himself being able to address. First, these companies rarely have an IT person, and they have a lot of IT questions. Also, because each person often fills multiple roles in the company, decision makers at VSB companies — the business owners — have little tolerance for being inundated with vendor calls and visits. This was one of the biggest challenges GNS faced its first year in business. Rather than relying solely on cold-calling lists from the phone book, Sales Genie, and Hoovers, the start-up tried another angle, too. It formed authorized reseller partnerships with nearly two dozen network security and storage hardware and software vendors. One of the primary opportunities Danielson looked for before formalizing a new partnership was the ability to be listed on the new

partner’s website, at the “find a local reseller” section. “We quickly learned that many small businesses actually do like to have a personal relationship with an IT provider; it just has to be on their terms,” says Danielson. Oftentimes, a small business owner will call into GNS knowing it needs some kind of network and computer security protection, but not knowing where to start. GNS sales reps ask enough questions to get a sense of the prospect’s network environment. “Some companies only have computers, whereas others have computers and servers or computers, servers, and an Exchange server,” says Danielson. Once a GNS sales rep learns the computing environment, they can recommend the appropriate antivirus software, firewall, and sometimes perimeter security appliance, too.

GNS also partners with IT consultants in its area, which has been another primary source of revenue. “Most of the consultants we work with don’t want to make money selling software; they are focused only on making money from their consulting services,” says Danielson. “This works out perfectly for both of us because we’re complementary to each other’s business models.”

How Accessible Is Your Network Security Vendor?

Network security VAR Guardian Network Services (GNS) focuses exclusively on the VSB (very small business) market, which it defines as companies with between 1 and 25 employees. Even though GNS carries multiple lines of antivirus software products, one of its top selling brands is from AVG Technologies, which was a Best Channel Vendors 2012 winner, scoring especially high marks in the categories of product features and product reliability. One reason GNS CEO and



Cofounder Wade Danielson believes AVG is a top antivirus choice among his 2,200 small business customers has a lot to do with AVG’s focus. “They are focused on just a couple of Internet security products, their products are easy to use, and they work really well,” says Danielson. “Some

network security vendors offer too many products, and as they expand, their core products get compromised. “Another nice thing about AVG is that if you have a question about their products, you can call them and talk to a person, unlike other vendors with call directories that are difficult to navigate or worse — they use international call centers that don’t know much about the vendor’s products, let alone the English language.”

One other trait that Danielson says separates AVG from some of its competitors is its channel program. “AVG is channel-driven, unlike other vendors that try to sell some through the channel and the rest direct,” he says. “In fact, AVG helps drive prospects visiting its site to local resellers like ourselves, and they’ve become a significant asset in helping us earn new business over the past couple of years. Plus, as a channel-focused company, we can earn higher profit margins — in the neighborhood of 30% to 40%, compared to less channel-focused companies where you’re lucky to earn a double-digit profit margin.”

www.avg.com

Are Your Network Security Solutions Easy To Buy?

One of the things Danielson has been focused on over the past year is making things as easy as possible for companies to do business with GNS. At the same time, Danielson wants to continue growing his business without being limited by his current number of employees.

To address this challenge, Daniel made the decision in late 2011 to create an e-commerce site, GNS-store.com, which could direct prospects to help them fulfill their orders by themselves. Danielson isn’t leaving his website’s success to chance (and he’s only directing customers to the website if that’s how *they* want to complete their orders). He already has a full-time SEO expert focused on the look and optimization of the website and one part-time employee dedicated to writing the code for the website. “We’re spending thousands of dollars each month on our SEO and web development,” says Danielson. “Our SEO expert has a master’s degree in marketing, plus regularly reads books and attends webinars and conferences to keep up to date with all the search engine rule changes that occur on a regular basis.”

Besides buying Google ad words, Danielson says there are nearly two dozen steps that go into making a website user-friendly and making it easy to find via the major search engines. “Of all the things we’re doing, optimizing our Web pages and creating external links are the two most important steps that help our SEO ranking,” he says. Page optimization entails ensuring articles have the right number of key words and phrases that prospects would type into their Google search (a process known as key word density). Page optimization also entails having

the appropriate key words in the headline of the article as well as in the HTML tags associated with each article and multimedia asset on the website, which Google and other search engines use to rank the web pages.

External linking is another technique GNS applies to its website to ensure a strong ranking. Whenever appropriate, a GNS article or other piece of content will be

linked to a vendor partner's site for more information. To achieve the benefits of external linking without having too many links that drive prospects away from the site, GNS relies on social media. Part of Danielson's and his full-time SEO expert's time is spent generating regular tweets and blog posts on a variety of network security topics, which are posted on social media sites such as LinkedIn, Facebook, YouTube, and Twitter, along with GNS' non-e-commerce site, www.guardiannetworks.com.

GNS' e-commerce site is scheduled to go live at the time this

“Many small businesses actually do like to have a personal relationship with an IT provider, it just has to be on their terms.”

WADE DANIELSON, GNS

article is published. If Danielson's customer feedback on what could make their buying experience better, combined with GNS' investment in building a highly ranked e-commerce site works according to plan, GNS will be poised for another year of triple-digit growth. ●



Jay McCall is network security, storage, and managed services editor for *Business Solutions* magazine.

You can contact him by emailing jay.mccall@bsminfo.com.

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