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Press release

## **Successful implementation of the strategy as the basis of success**

**– ABC Data is the largest IT company operating in Poland!**

ABC Data, a leading provider of innovative IT solutions in the CEE region, is the largest IT company operating in Poland in 2016 according to the “ITwiz Best 100” report. The rankings in the main ranking depended on the amount of the unit sales revenues of IT solutions – software, services, and equipment. What is important, the authors of the report do not include in this category phones and telecommunication devices. This equipment has been treated as a separate product group. ABC Data's first place is the best evidence that the company's strategic initiatives over the past two years have produced tangible results.

The IT industry will remember 2016 as an exceptionally dynamic time full of changes, as well as minor and major challenges. Their significance for the market situation is also emphasised by the authors of the “ITwiz Best 100” report. One hundred largest companies related to the IT sector have generated total revenues of nearly PLN 3 billion lower than in 2015. In the period in question, the public sector, being the main source of revenues for many companies, shrank by PLN 4 billion, i.e. by half. At the same time, the importance, and at the same time the sales, of IT software and services continued to increase, whereas the sales of equipment decreased. As a result, many distributors looking for alternative sources of revenues often sell products that are very far from IT, such as audio/video devices and household appliances, furniture, or toys.

### **IT above all**

ABC Data's core business is the IT sector in which the company generates the majority of its revenues both in Poland and in the CEE region. The company consistently operates only in the

B2B sector, and other product categories are only a supplement to the main offer. Such an approach to the pursued business, combined with the development of the innovative offer of services, produces exceptionally good results. The company gains both in the eyes of the clients as well as in business terms. This is confirmed by the results of the subsequent ITwiz rankings.

*- Almost exactly two years ago, when the "ITwiz Best 100" 2015 edition was published, ABC Data was ranked fourth therein. A few days later, we announced the company's development strategy, on which we had been working on since I took the position of the President of the Management Board six months ago. We have included in this document a number of IT-related strategic initiatives, the implementation of which was started almost immediately – explains Ilona Weiss, President of the Management Board of ABC Data. - After a year, ABC Data was already ranked first in the next edition of the ITwiz report. We also kept this position in the latest edition of the report which covered the year 2016. As we know, 2016 was not a particularly friendly time for our industry – adds Ilona Weiss.*

### **Strategy is the key**

The development strategy focused primarily on areas related to the widely understood IT sector. The company's management has put emphasis on the development of e-commerce, further development of the competencies of the VAD distributor, rendering innovative services provided, among others, in the cloud model. as well as organic development related to the core of the pursued business, i.e. the sale of IT solutions. Another element of the strategy was to strengthen the presence of the company in promising areas, like mobile.

*- At ABC Data, we are constantly monitoring market trends. We are aware of the decreasing share of the IT equipment sales in the total market value. Still, we do not sell toys or tools nowadays, although we have tried it in the past. They did not, however, bring the expected results, and we focus on the thing we do the best, i.e. IT – comments Andrzej Kuźniak,*



Vice-President of the Management Board of ABC Data. - *As the "ITwiz Best 100" report shows, by diversifying our business in line with our development strategy, we once again had a kind of "sixth sense". We focused on the most pro-development sectors of the widely understood IT, such as cloud, e-commerce, VAD, or mobile. These are the areas in which, in addition to the traditional distribution, we can take full advantage of our potential and our sales channel –* adds Andrzej Kuźniak.

### **Competitive advantages**

The year 2016 was for ABC Data a time of strengthening its competitive advantages through the continuous implementation of the development initiatives. As a result of the actions taken, the company has become the first official distributor in the European Union of the renowned Chinese manufacturer of smartphones and consumer electronics – Xiaomi. No more than two months later, it successfully acquired a Polish VAD distributor, S4E. This acquisition enabled ABC Data to obtain a sufficient scale of operation in the area of value-added distribution. All this resulted at the end of last year, i.e. almost two years before the date assumed in the strategy, in the share of ABC Data Group on the Polish IT distribution market reaching already 25%.

- *Through the ongoing and effective implementation of subsequent strategic initiatives, as well as minor and major business projects, we show beyond any doubt that we have both firm foundations and the right business concept –* comments Ilona Weiss. - *The first place in the ranking of the largest IT companies in Poland according to the "ITwiz Best 100" report is the effect of our unconventional approach based on a well-thought-out strategy of operation. The strong position of ABC Data brings even more satisfaction as it concerns 2016. As the saying goes, "You will know a good sailor when bad weather comes". I am extremely proud that in this turbulent time for the industry, we have maintained our position in the ranking without any problems, once again outclassing the direct competition –* adds ABC Data's President of the Management Board.



## For the partners and clients

ABC Data pursues its business activity consistently following the principle that it operates exclusively in the B2B segment, and that it never competes with its clients in the pursuit of potential profit. All the actions and strategic business decisions in the company are made taking into account both the interests of the company and those of its partners and clients. For both of the abovementioned groups, ABC Data has just launched a new e-commerce platform, ABC Data Cloud, dedicated to selling advanced IT services in the cloud model. It allows global and local providers to offer their solutions in the form of cloud services within the IaaS, PaaS, SaaS, and DaaS models. On the other hand, resellers registered in ABC Data's system have now access to a wide and varied offer of, among others, virtual servers, network drives, systems for data archiving and backup, analyses, and planning.

With the launch of the new platform, the company also presented a mobile app to the InterLink system – mInterLink. It allows ABC Data clients to make purchases from the company's offer by using mobile devices. On the other hand, especially for resellers interested in running their own online stores, ABC Data has prepared a new release of Reseller Web. It has been based on a technologically advanced engine of an online store. This tool allows for a quick and trouble-free creation and configuration of an open online store that is fully integrated with ABC Data systems. At the same time, it maintains all the features of an autonomous, professional system.

Investments in e-commerce and the increasingly dynamic development of value-added services are not revolutionary, but are rather a natural evolution of the company's current business model. Providing IT equipment and consumer electronics will remain an integral and essential part of ABC Data's business. However, the progressive digitisation of the economies and societies make the services in the modern IT gain a completely new meaning. That is why ABC Data is developing in this direction, in line with the principle that anyone who is not ahead of others for too long, thinking about what is here and now, is left behind, and in the



long run must make up for the distance. That is why ABC Data has been a step ahead of others for years, setting the development directions and trends in the industry.

#### **About ABC Data S.A.**

ABC Data S.A. is a leader in the modern distribution of IT equipment and consumer electronics in the CEE region. As the only distribution company, it operates directly in eight Central and Eastern European countries. The company successfully creates market trends and systematically expands its portfolio with products in the area of new, innovative technologies. Thanks to many years of investments in online customer service platforms, the distributor is today a leader in B2B online sales. In the years 2009-2017, ABC Data was awarded seven times with one of the industry's most important awards, i.e. the EMEA Channel Academy award for the best CEE region distributor. As the first company in Poland it became a member of GTDC, a prestigious association of the largest IT distributors in the world. Since 2010 it has also been listed on the Warsaw Stock Exchange.

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