

Telecom Reseller, May 2007 column

Used Network Equipment Dealers Unite to Drive Best Practices, Fight Counterfeit

Mike Sheldon, Network Hardware Resale

The elevated prominence given the secondary market during last month's Cisco Partner Summit is the clearest evidence yet that providers of pre-owned networking gear continue to gain traction—and attention—at even the highest levels.

On the Partner Summit section of its web site, Cisco admits that used equipment dealers are effectively selling against the OEM in the government space while also winning on the small side of the SMB market. In response, the network equipment behemoth has fueled an international brand protection campaign with the message that genuine Cisco gear **ONLY** comes from Cisco and its partners.

So, does this mean customers who have purchased “genuine” Cisco gear now have equipment with little to no residual value? Industry observers equate this condition with how it would feel to drive a new car off the lot knowing it now was worthless.

This narrow-sighted view should not be taken lightly, especially since it implies that any gear purchased from alternative channels is suspect—and most likely counterfeit, at least according to Cisco. While acknowledging an important distinction between the gray and black market, Cisco's brand protection chief told a network industry newsweekly that “gray goes to black pretty easily.”

Not so says the 300-plus members of the United Network Equipment Dealers Association (UNEDA). We share Cisco's goal to eradicate counterfeit and black market goods and have made countless offers to Cisco to sit down together and tackle this issue. In fact, UNEDA extended an open invitation to Cisco's brand chief and other executives to join a counterfeit task force that the organization plans to launch this summer.

UNEDA, which represents more than \$1 billion in annual network equipment buying clout, comprises large and small organizations worldwide that share a commitment to providing a growing base of global customers with top-notch service, superlative responsiveness, excellent warranties and fully tested, authentic network equipment. The rising tide of counterfeit gear flooding all channels is as troubling to UNEDA members as it is to customers, law enforcement and Cisco.

Instead of taking aim at providers of secondary network equipment, wouldn't Cisco better serve our shared community of customers by joining forces with UNEDA to increase worldwide counterfeit detection and eradication? It's curious to most people in the secondary market that Cisco views us as public enemy No. 1, rather than competing OEMs.

The time has come for Cisco to stop labeling secondary market providers as purveyors of fake or counterfeit goods in the name of protecting its brand. The secondary market remains a staunch Cisco advocate that continually invests valuable time and resources to test all equipment for authenticity and follow in-depth procedures for identifying possible counterfeiters.

Counterfeit gear is a growing, worldwide dilemma that demands a coordinated and cohesive campaign on all fronts. This is the best way to ensure Cisco customers receive genuine gear—regardless of whether it's purchased direct, from partners or the alternative channel.

###