

Resellers and OEMs must work hand in hand to keep their businesses immune to infection by counterfeit products.

Counterfeiting: Trust but Verify

By Peter Hlavnicka

THE COUNTERFEITING OF GENUINE GOODS IS A GROWING ISSUE in the world of IT, and one that directly affects IT resellers/solution providers and their customers. To mitigate the problem, resellers must make a commitment to work closely with brand owners, setting clear rules of engagement and arming themselves with the information they need to ensure brand integrity. They also need to take proactive steps to address counterfeiting issues by actively securing and monitoring the supply chain from end to end and educating both their staff and their customers.

For years, leading IT companies have been designing and implementing measures to deter counterfeiting of their branded products, and discouraging activities or behavior that intentionally or inadvertently supports counterfeiting. Most authorized resellers purchase from manufacturers directly, or from distributors that have been authorized by the manufacturers to sell their products. As long as resellers behave responsibly and, in some cases, act within the confines of the reseller contracts with their manufacturers, counterfeits will not infiltrate the supply chain.

But should counterfeiters gain access to the supply chain, there are proven strategies to combat the problem, as identified by leading high-tech companies that actively work to reduce counterfeiting in the IT sector. These strategies can help vendors and their reseller partners not only protect customers from inferior goods, but also preserve the all-important integrity of brand names.

For these strategies to succeed, however, the techniques should be deployed throughout the supply chain—from manufacturing to authorized distributors to the reseller channel, and on down to the end customer. Since counterfeiting is a pervasive problem, partnering between resellers and manufacturers to identify and address suspect products is one proactive way that solution providers can substantially reduce their exposure to counterfeits.

Recommended techniques for IT resellers include, but are not limited to, the following:

- **Educate employees, suppliers, and end users.** Develop and deploy anti-counterfeit education materials and training programs for internal and external stakeholders, including multiple-tier sales personnel.
- **Secure resale supply chains.** Monitor contractors and purchasing personnel, using stringent contracts and auditing processes to ensure that agreements contain specific language and provisions for auditing and enforcement. Don't purchase from unauthorized or unverified Internet brokers, unauthorized direct sales companies, retail outlets, wholesalers, or Internet trade Web sites.
- **Develop and implement processes to fight counterfeiting.** Have a robust communications plan targeted at



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specific audiences, including end users, other distribution partners, and third-party service providers, that offers a simple means by which suspect products, Web sites, or other infringements can be reported.

- **React swiftly.** Inform brand owners immediately when there is any question about counterfeiting activity.
- **Work with law enforcement.** Be prepared to actively assist OEMs, law enforcement, and other authorities with actions against illegal counterfeiting activities.

By implementing the above strategies and recommendations, resellers can build a best practice process that provides valuable benefits to all authorized resellers, brand owners, consumers, and the IT industry as a whole.

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