CRN FAST50 2016

Supersonic. Here are the fastest-growing companies in the Australian IT channel.

What a stellar year of growth for the 50 Australian companies that have secured berths in this year's CRN Fast50 list. Now in its eighth year, the CRN Fast50 has been a barometer of performance since 2009, a time of unprecedented change in the IT channel. One constant, though, has been the ability for smart operators to grow sales, to impress customers and to transform their businesses.

This year's fastest company hails from Sydney, marking a return for the trophy after years of circulating the country. We've had winners from Adelaide, Melbourne and Perth since the last time a Sydney company came out on top.

Once again the companies represent a diverse mix of product and services offerings: from two-year-old companies to 20-year-olds and from almost all states and territories. They partner with all manner of vendors, from traditional market leaders Microsoft, Hewlett Packard, HP, Dell, Cisco and VMware, to up-and-comers like AWS, Pure Storage, FireEye, Palo Alto Networks and Splunk.

What they have in common is a willingness to take risks, to evolve and to focus firmly on delivering the best outcomes for customers.

Steven Kiernan editor

Ranking	Company	Percentage growth	Revenue FY15-FY16	Dollar growth	CRN Fast50 appearances	Founded	State	Staff (at time of entry)	Top executive	Top vendors
1	The Missing Link Security	333.26%	$11,520,103	$8,861,146	Debut	2013	NSW	22	Aaron Bailey	FireEye, Fortinet, Palo Alto
2	EFEX Group	292.91%	$11,445,500	$8,532,500	2	2013	NSW	30	Nick Sheehan	Kyocera, Fuji Xerox
3	Araza	263.65%	$11,812,123	$8,563,870	Debut	2013	VIC	110	Victoria Kluth	
4	Solista	228.61%	$3,391,171	$2,359,197	Debut	2013	NSW	7	Noel Allnutt	Nimble Storage, Actifio
5	Correct Communications	180.84%	$9,746,046	$6,275,693	Debut	2010	ACT	17	Andrew Weir	Cisco
6	Adactin Group	138.85%	$3,709,332	$2,156,318	Debut	2011	NSW	40	Navneesh Garg	HPE, IBM, Neotys
7	Katana1	134.71%	$21,928,716	$12,585,812	2	2011	NSW	17	Nick Russell	NetApp, Cisco, Puppet, AWS
8	Touchpoint Technology	119.79%	$7,219,382	$3,934,767	3	2009	NSW	6	William Freeman	HPE
9	onPlatinum ICT	116.94%	$3,789,443	$2,042,654	Debut	2012	QLD	20	Shannon Overs	AWS, Microsoft
10	NGage Technology Group	107.02%	$27,734,788	$14,337,561	4	2011	VIC	18	Jarrod Bloomfield	Pure Storage, Dell
11	Warehouse1	89.75%	$12,073,612	$5,710,578	Debut	2014	VIC	8	Samuel Robinson	HP Inc, Toshiba, HPE, WD
12	BEarena	88.87%	$14,116,165	$6,642,070	2	2007	NSW	15	Darren Ashley	Nutanix, Dell, Veeam, VMware
13	Insentra	84.46%	$10,434,257	$4,777,483	2	2010	NSW	50	Ronnie Altit	Microsoft
14	Onel Consulting	82.83%	$3,573,561	$1,618,943	Debut	2012	VIC	10	Binal Hendawitharana	Nimble Storage, Cisco, Dell
15	Neptune Managed Services	77.67%	$4,405,663	$1,926,008	Debut	2010	VIC	65	Geoff Bentley	Solarwinds
16	Bulletproof Group	68.63%	$47,219,049	$19,218,051	3	2000	NSW	170	Anthony Woodward	AWS, Microsoft, Rhipe, VMware
17	Telegate	67.75%	$5,181,466	$2,092,611	4	2006	NSW	35	Tiernan O'Connor	Symbio, Vonex, AAPT
18	Comwire IT	65.58%	$4,914,356	$1,946,307	3	2010	SA	29	Mark Frahn	Dell, Microsoft, Cisco, HP, VMware
19	Enosys Solutions	63.41%	$13,337,130	$5,175,230	3	2011	NSW	31	Joseph Mesiti	Palo Alto, F5, Splunk
20	RXP Services	61.10%	$127,058,000	$48,191,000	3	2011	VIC	779	Ross Fielding	Tableau, Adobe, ServiceNow
21	Strut Digital	58.25%	$3,670,576	$1,351,139	Debut	2014	NSW	22	Zack Levy	AWS
22	R-Group International	52.85%	$9,853,516	$3,406,840	Debut	2000	WA	39	Josh Newton	Philips, HPE, Huawei, Dell
23	SecureWare	51.35%	$4,667,749	$1,583,608	2	2008	SA	3	Adam Barker	Palo Alto, Splunk, McAfee, Cisco
24	Comlinx	48.22%	$10,303,303	$3,352,085	Debut	2006	QLD	20	Scott Smith	Juniper, Avaya, FireEye, MRV
25	Cloud Plus	46.48%	$6,561,211	$2,081,828	3	2010	QLD	16	Jules Rumsey	Telstra
26	Kinetic IT	42.81%	$179,808,767	$53,905,121	Debut	1995	WA	1200	Michael North	
27	Commulynx	41.98%	$4,144,512	$1,225,468	6	2006	NSW	14	Stephen Knights	Microsoft, Forcepoint
28	VentraIP Australia	41.40%	$9,230,923	$2,702,677	2	2010	VIC	35	Cheyne Jonstone	Dell, NextDC, VMware
29	4mation Technologies	40.90%	$6,463,724	$1,876,408	Debut	2001	NSW	60	Dane Eldridge	
30	ADITS	40.41%	$2,193,429	$631,248	Debut	2006	QLD	20	Ashley Darwen	Dell, Fuji Xerox
31	Insync Technology	38.14%	$4,354,496	$1,202,290	2	2013	QLD	12	Nathan Belling	Microsoft, Polycom, Sonus
32	Virage IT	37.85%	$3,186,860	$875,093	Debut	2012	VIC	15	Paul MacNeill	Dell
33	VMtech	36.70%	$27,350,032	$7,342,759	2	2010	NSW	65	Len Findlay	NetApp, Cisco, Palo Alto
34	Nortec IT	36.24%	$2,724,325	$724,676	2	1992	NSW	11	David Norris	AAPT, HP, Microsoft
35	Blue Apache	35.12%	$17,458,000	$4,537,457	8	1998	VIC	70	Chris Marshall	HPE, Microsoft
36	Bistech	34.93%	$6,298,135	$1,630,436	2	2003	QLD	20	Shane Morgan	IBM, Microsoft, Tableau
37	Innessco	34.63%	$2,628,788	$676,255	2	2005	NSW	11	Robert Cox	HPE, Microsoft, VMware
38	Geek	34.00%	$2,551,278	$647,327	Debut	2005	SA	18	Jon Paior	Datto, Cyberoam
39	1ICT	33.70%	$5,702,923	$1,437,509	Debut	2012	QLD	100	Mathew Tsin	Apple, Microsoft
40	LBNCo	33.67%	$14,810,629	$3,730,659	Debut	2008	NSW	55	Stephen Picton	Huawei
41	Glintech	33.27%	$11,993,488	$2,994,257	Debut	2000	NSW	35	Dimitri Spyridopoulos	Atlassian, IBM, Redhat
42	Best Technology Services	32.76%	$11,907,100	$2,938,061	Debut	2002	NSW	200	John Mcvicker	
43	IT Logic	32.27%	$5,769,139	$1,407,583	Debut	2003	NSW	9	Haydn Tomlinson	HP Inc
44	Revolution IT	31.93%	$38,218,411	$9,250,687	4	2004	VIC	300	Jamie Duffield	HPE, CA Technologies
45	R & G Technologies	31.57%	$6,275,307	$1,505,623	2	2003	QLD	38	Gordon Tan	Nimble Storage
46	Red 29	30.65%	$4,198,281	$984,778	5	2006	ACT	8	Darrin Hunter	Xirrus, HPE, Extreme Networks
47	Calibre One	30.28%	$2,983,599	$693,383	Debut	2013	SA	43	Steve Wemyss	Telstra, ShoreTel, Microsoft
48	Outware Mobile	28.82%	$19,943,518	$4,461,860	4	2009	VIC	140	Eytan Lenko	Apple, Google, AWS
49	Combo	28.51%	$4,013,378	$890,484	3	2002	VIC	24	Rachel Markus	HP, Microsoft, Telstra
50	BigAir Group	27.28%	$79,743,639	$17,093,411	2	2002	NSW	250	Jason Ashton	HPE, Ruckus, Dell, Microsoft

Quick riches

After poring over the numbers from this year's CRN Fast50, editor **Steven Kiernan** seeks to unearth the secrets to success

1 OVERVIEW

This year's CRN Fast50 turned over a combined $863.6 million in revenue, considerably higher than last year's group and the second highest revenue in the awards' history. The companies this year grew sales a staggering total of $304.1 million, year on year.

The average growth rate was up on last year, too. This year's CRN Fast50 grew at a blistering 75.87 percent average. This year's No.1, **The Missing Link Security**, grew faster than last year's winner. Likewise, this year's No.50, **BigAir Group**, was faster than the 50th in 2015. The lowest growth rate to secure a place in the 2016 CRN Fast50 was 27.28 percent, a new record.

What was particularly impressive about this supersonic growth is that in 2016, for the first time, entry to the competition required a minimum revenue of $2 million. That's a million dollars more than last year, and a big step up from the early days of the competition, when companies only required annual revenue of $250,000 to qualify.

Make no mistake, this year's batch are major players in the Australian economy, employing around 4500 staff combined and doing serious business in the IT sector.

As always, there was a diverse mix of company ages, sizes and specialities across the list. Sydney is widely accepted as Australia's tech epicenter, yet last year New South Wales was beaten by Victoria in terms of the state with the most CRN Fast50 companies. NSW is back on top this year, fielding 22 businesses. This was followed by Victoria with 12, Queensland with eight, South Australia with four and the ACT and Western Australian on two apiece.

The No.1 crown also returns to Sydney after five years. The last NSW-headquartered company to take the top spot in the CRN Fast50 was Anittel, which achieved its growth through a concerted acquisition strategy. This year's No.1, The Missing Link Security, achieved pole position through almost opposite means, established in 2013 as a standalone company by a pair of former Dimension Data executives in partnership with directors from well-known Sydney IT provider, The Missing Link Network Integration.

Victorian companies placed a close second, both in terms of entrants and revenue. Victorian revenue was $278.7 million, versus $320.7 million from NSW. Big Melbourne contributors were publicly listed **RXP Services** (No.20), which is headquartered in Melbourne and turned over $127.1 million, as well as $38.2 million **Revolution IT** (No.44) and former No.1 **NGage Technology Group** (No.10), which turned over $27.7 million.

Despite only fielding two companies this year, Western Australia was a huge contributor thanks to the largest company this year, $179.8 million-turnover **Kinetic IT** (No.26). As the firm with the highest revenue in the CRN Fast50, Kinetic IT wins this year's Leader Award.

To be eligible for the CRN Fast50, a company needs to have operated for more than two years. While there were a couple of youngsters – **Warehouse1** (No.11) and **Strut Digital** (No.21) – some 20 of the companies have been in business for a decade. The oldest is Sydney-based **Nortec IT** (No.34), which returns to the CRN Fast50 after last appearing back in 2012.

More than 200 companies have now appeared in the CRN Fast50 over the eight years of the competition. As always, this year was a mix of first-timers and repeat performers – in fact, the list was split neatly down the middle. As one might expect, the first-timers grew faster but represented a smaller overall percentage of revenue, while the repeat performers didn't quite grow as fast but represented a bigger slice of the pie.

The Australian IT company with the greatest number of appearances is once again Melbourne-based **Blue Apache** (No.35), which has secured a ranking in all eight years of the awards, the only company to achieve this feat of consistent performance.

Several other companies in the 2016 CRN Fast50 are part of our All Star club, which recognises businesses to have appeared in the awards at least five times.

Canberra-based **Red 29** (No.46) is our newest entrant to this elite group thanks to slow and steady growth over the years. Red 29 first appeared in 2011, when it turned over $1.6 million, and this year it reported revenue of $4.2 million.

This year also marks a return to the list for **Commulynx** (No.27), which achieved All Star status back in 2014, and now notches up a sixth year in the CRN Fast50. ∎

$863.6 million

Combined revenue of this year's CRN Fast50 companies

Kinetic IT

" In FY2015/16 the company established a national security operations centre to further expand its security services offerings. The new SOC includes new threat intelligence and threat response services, coupled with new security assessment and security awareness services. The new services add a heightened level of proactive cyber defence to Australian organisations. Delivered as-a-service, we take customer's security data, add global threat trends, and turn that into actionable intelligence to protect against attacks.

› CEO: Michael North (pictured)

2 REVENUE MIX

Every year, we ask the entrants to the CRN Fast50 to tell us how much revenue came from hardware, software and services. In a U-turn from previous years, the percentage of revenue from services actually decreased in 2016, after what seemed an inexorable move away from product sales. Services represented 56.48 percent of this year's total turnover, or $487.7 million (last year, services made up more than 70 percent of revenue).

Hardware revenues were worth $223.7 million (25.9 percent) and software generated $152.2 million (17.6 percent). Hardware-led companies grew faster than businesses that were services-dominant, perhaps not surprising given that IT products typically driver higher upfront revenue and hence generate chunkier sales.

In fact, the eight companies that generated the greatest sales from hardware (**Warehouse1**, **Touchpoint Technology**, **Onel Consulting**, **BEarena**, **Correct Communications**, **NGage Technology Group**, **EFEX Group** and **Katana1**) were all in the top 20 fastest-growing companies.

REVENUE BY STATE
AS A PERCENTAGE OF FAST50 TOTAL

QLD SA ACT

WA 21.96%

NSW 37.14%

VIC 32.27%

STATES NUMBER OF ENTRANTS, TOTAL REVENUE AND SHARE

State	Entrants	Total revenue	Share of total revenue
NSW	22	$320.7 million	37.14%
VIC	12	$278.7 million	32.27%
QLD	8	$45.5 million	5.27%
SA	4	$15.1 million	1.75%
ACT	2	$13.9 million	1.61%
WA	2	$189.7 million	21.96%

› On the flipside, of the 10 companies that generated the greatest proportion of revenues from services (**Outware Mobile**, **Bulletproof Group**, **4mation Technologies**, **Best Technology Services**, **VentraIP Australia**, **Araza**, **Strut Digital**, **RXP Services**, **Kinetic IT**, **Neptune Managed Services**), only three were within the top 20.

It would be fascinating to see how these companies compared in terms of profitability, however, it is not something we ask entrants to submit, nor something that many would be comfortable sharing. ∎

75.9%

Average growth of the 2016 CRN Fast50 group

HISTORIAL COMPARISON

Year	Total Revenue	Average Growth
2016	$863.6m	75.87%
2015	$665.1m	67.47%
2014	$781.6m	55.75%
2013	$256.5m	55.69%
2012	$585.9m	56.10%
2011	$520.9m	39.08%
2010	$740.1m	53.68%
2009	$1,063.3m	67.15%

REVENUE CATEGORIES

Category	Revenue	% of total
Services	$487.7 million	56.48%
Hardware	$223.7 million	25.90%
Software	$152.2 million	17.62%

PRODUCTS & SERVICES

Sector	Revenue	% of total
Managed services	$257.7 million	29.84%
Professional services	$179.8 million	20.82%
Public cloud/IaaS	$50.5 million	5.85%
Carrier and telco solutions	$43.02 million	4.98%
Software development	$35.3 million	4.09%
Networking	$29.7 million	3.44%
Application integration / APIs	$25.6 million	2.97%
Information security	$25.2 million	2.92%
Licensing and SAM	$24.4 million	2.82%
Backup and disaster recovery	$23.7 million	2.74%
Analytics / business intelligence	$21.0 million	2.43%
Flash storage	$19.9 million	2.31%
Unified communications	$18.2 million	2.11%
Printing	$14.3 million	1.66%
Servers	$14.3 million	1.66%
PCs and peripherals	$13.2 million	1.53%
Converged infrastructure	$11.5 million	1.34%
Storage	$10.7 million	1.24%
Data centre services	$8.3 million	0.97%
Virtualisation	$4.9 million	0.56%

3 PRODUCTS & SERVICES

We can dig deeper into the categories of products and services to better understand how the CRN Fast50 delivered such strong performances.

The biggest revenue drivers for the CRN Fast50 were managed services followed by professional services. In fact, our entrants told us that these two types of service offerings represented more than $400 million of total channel business, or more than 50 percent of the total turnover of this year's group. The biggest managed services provider, by far, was Perth's **Kinetic IT** (No.26), which specialises in outsourcing and whose $179.8 million revenue heavily distorts the overall managed services number. Without Kinetic, professional services were the biggest money-spinner, with **RXP Services** (No.20), **Revolution IT** (No.44) and **Araza** (No.3) all particularly strong in this area.

'Public cloud and infrastructure-as-a-service' was the third largest category in terms of revenue, with entrants claiming to have driven more than $50 million of public cloud and IaaS business. However, the major contributor to this segment was publicly listed **Bulletproof Group** (No.16), which celebrates its third CRN Fast50 appearance this year. The $47.2 million-turnover company, which gets 80 percent of its revenue from public cloud and the rest from services, is one of the premier local Amazon Web Services partners, and is also increasing its focus on the Microsoft cloud.

None of the other providers came close to driving so much revenue from public cloud. **VMtech** (No.33), which last year won the CRN Fast50 Editors Award, did about $3 million in public cloud/IaaS, as did **Blue Apache** (No.35). **Cloud Plus** (No.25) and **VentraIP** (No.28) rounded out the top five in terms of public cloud/IaaS revenue.

Software development was a significant part of the mix this year, thanks to RXP Services, **Outware Mobile** (No.48) and first-timer **Glintech** (No.41). Brisbane-based Glintech turned over just shy of $12 million in the 2016 financial year, growing off the back of its position as a leading Atlassian partner and solid revenues from IBM.

This year's fastest-growing company, **The Missing Link Security**, drove the largest information security revenues of any company. The rest of the top five infosec providers were, in order of revenue, VMtech, **SecureWare** (No.23), **Enosys** (No.19), and Cloud Plus.

New South Wales-based companies **LBNCo** (No.40), did the majority of its revenue in carrier services, as did **Telegate** (No.17), in its fourth CRN Fast50 appearance. ∎

4 CUSTOMER SEGMENTS

The largest chunk of CRN Fast50 revenue came from enterprise and government customers – no surprise, really, given the bigger budgets and larger projects involved.

In general, smaller providers leant more toward the consumer, SMB and midmarket, while the larger companies did more enterprise and government work. But that wasn't a hard and fast rule. Of the five largest companies this year, **BigAir** (No.50) and **Bulletproof Group** (No.16) claimed their largest share of revenue from the 50-1000 seat midmarket sector. **Kinetic IT** (No.26) is a government specialist, while **RXP Services** (No.20) got 80 percent of its revenue from the customers over 1000 seats.

At the other end of the scale, first-timer **Strut Digital** (No.21), turned over $3.6 million but did the majority of its business in the enterprise sector. Sydney-based Strut is an Amazon Web Services-focused channel partner, and was the first Australian partner to win a customer to AWS' 80-terabyte physical data migration device, Snowball – migrating Bauer Media data to S3.

The same small-meets-big theme applies to $5.7 million-turnover **1ICT** (No.39), which also got 80 percent of its business from enterprise customers. Brisbane-based 1ICT, which claims Apple and Microsoft as its biggest vendors, has secured some big-name customers in the year, including Domino's Pizza, Goodstart Early Learning and Navman GPS devices. ∎

CUSTOMER SIZES

Customer	Total Revenue	% of Total
Enterprise (> 1000 seats)	$311.4 million	36.06%
Government	$228.4 million	26.44%
Midmarket (50 to 1000 seats)	$224.5 million	25.99%
SMB/SME (< 50 seats)	$78.9 million	9.14%
Consumer	$20.4 million	2.36%

FAST FEEDBACK

VentraIP

" We bucked the industry trend by removing our outsourced level 1 technical support team and replacing them with local team members. Customer feedback suggested the outsourced team lacked empathy and compassion, did not have a clear understanding of the solutions they were providing, and obvious language barriers. Since making the change in June 2016 we have seen incredible customer feedback both in private communication and our public Facebook and Twitter accounts praising the company for outstand customer service.

› **Angelo Giuffrida**

5 VENDORS

> The question we always want to understand is, which vendors' solutions drove the best results? We asked all entrants to provide details on their closest vendor partners, and how much each company represented in revenue. This data is intended as a guide only; some entrants provided granular details of even their smallest partners, while others only submitted their largest vendors. Some listed no vendors at all, which perhaps shows how many companies in the channel now see themselves as pure-play service providers.

However, slicing the data does raise some interesting trends. This year, infrastructure vendors featured heavily among the CRN Fast50 than in 2015, no surprise given that hardware revenues were also higher than last year.

Despite many in the channel embracing cloud, hardware is still prominent. For the high-revenue traditional players, namely Dell, Cisco and Hewlett Packard Enterprise, overall revenue came from a bevy of partners. They were the three most popular infrastructure vendors to work with. Over a dozen providers on this year's CRN Fast50 marked Microsoft as an important vendor, making it the single most popular company for our CRN Fast50.

The high revenues generated by newer entrants to the market, such as Pure Storage, FireEye and Palo Alto Networks, was largely down to a small number of specialist partners. Almost all of Pure Storage's revenue was driven by **NGage Technology Group** (No.10); most of FireEye's sales came from **The Missing Link Security** (No.1) and the bulk of Palo Alto Networks' revenue was generated by **Enosys** (No.19) and **SecureWare** (No.23), both told us that the security vendor was their most important partner.

Two IT firms, **Katana1** (No.7) and **VMtech** (No.33), drove NetApp, each doing more than $5 million of business with the storage firm. ∎

VENDORS BY POPULARITY & REVENUE

#	Popularity
1	Microsoft
2	HPE
3	Dell
4	Cisco
5	VMware
6	AWS / Palo Alto Networks
7	HP Inc / Telstra
8	Commvault / Fuji Xerox / IBM / Nimble Storage / Splunk / Veeam

#	Revenue
1	Dell
2	HPE
3	Cisco
4	Microsoft
5	Pure Storage
6	NetApp
7	FireEye
8	Palo Alto Networks
9	IBM
10	Apple
11	HP Inc
12	VMware
13	Splunk
14	Telstra

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VISIT THE WEBSITE AT

www.crn.com.au/fast50

SPECIAL AWARDS

Icon Award
Datacom Australia

Every company that entered this year's awards selected one company they most admired from our from our shortlist. This year's winner, Datacom Australia, joins our two previous Icon Award winners, Brennan IT and Data#3. Datacom has earned the right to call itself one of the most highly respected companies in the Australian channel.

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Leader Award
Kinetic IT

It is no mean feat to combine speed with scale, but that's what the winner of the CRN Fast50 Leader Award represents: fast growth and massive revenues. This year's winner, Kinetic IT, managed to make its Fast50 debut with a staggering revenue of $179.8 million, making the Perth-based company one of the largest to have ever graced the list.

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Editor's Award
Insentra / BEarena

The editorial judging panel was split between two standout Sydney IT providers – so this year, we are handing out two awards. Insentra shone thanks to mammoth Microsoft deals and global expansion while BEarena led a series of transformative projects for major customers utilising hyperconverged infrastructure and flash storage.

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All Stars
Red 29 | Commulynx | Blue Apache

The CRN Fast50 All Stars club is an exclusive group of IT providers to have appeared in the awards at least five times. It's such a tough club to crack into that last year, there were no new entrants. This year. We are pleased to welcome Red 29 as an All Star. The company first appeared in 2011. This year marks a return for two existing All Stars: Commulynx, which achieved All Star status back in 2014, and Blue Apache, which has been in all eight years.

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