

Zentyal bets on Brazil in its internationalization strategy

Sao Paolo (Brazil), 26 of February of 2013

- *The company plans to expand to other key markets in Latin America and in Europe through new partnership agreements*
- *Zentyal stimulates the development of small and medium businesses by offering them an all-in-one IT solution that is easy to use*

[Zentyal](#), developer of easy IT solutions for small business, has presented today the most important aspects of the company's business strategy for 2013 in Sao Paolo, Brazil. The company plans a strong **international expansion** in Europe and Latin America and **consolidation of an authorized partner network** that markets and supports Zentyal-based solutions.

The strategy, built around **software products** designed, developed and marketed by Zentyal, is based on three key pillars: **a fully integrated all-in-one IT solution** from the server to the cloud, a business model based on **subscription services** and a clear **channel focus**, helping partners to offer higher value-added services and to generate more revenue.

Zentyal-based solutions offer an alternative to the traditional software development companies and vendors. Currently **50% of Zentyal's Latin American user base is located in Brazil and Mexico** and this has happened prior to implementing any serious promotion and sales plans and without establishing offices abroad.

In 2012 the second largest individual country by sales was Brazil (after Spain), with 30% of the company's total turnover, revealing a special interest and potential of Zentyal. On the other hand, **30% of the downloads in Latin America came from Brazil**. At the moment the company has established partnership agreements with three Brazilian companies: **Leucotron, NetSol y DBlink**. With the goal of improving the partner-base in the country, the company is currently in negotiations with 16 potential partners.

The Brazilian Government is implementing initiatives and plans in the private sector to stimulate a substantial improvement in the fields of communications and technology. Zentyal plans to **grow its partner network all over the country** and to have presence in the major cities. This will provide customers with technical and commercial support in Portuguese, allowing Zentyal-based solutions to become more competitive, thanks to the adaptation to local circumstances.

The trajectory of Zentyal demonstrates the suitability of Linux-based solutions in the small and medium businesses instead of proprietary solutions. Since the foundation of the company five years ago, Zentyal has managed to become a global reference point for all-in-one IT solutions aimed at SMBs, with a strong international presence. The competitive advantages offered by its products, that require very little local adaptation and are available from a distance for a reduced cost, are the main reasons that have driven the company towards internationalization.

During 2012, more than half of Zentyal's turnover came from abroad. As for the customer base, approximately **60%** were located in **other European countries, Latin America and North America**.

During 2013, the company foresees a consolidation in the Spanish market and expansion to other countries -including **Mexico, Brazil and Chile**-, that offer specially interesting markets for their economic situation as well as for the number of downloads, installations and partnership requests received by Zentyal in these countries. Thanks to this ambitious expansion plan, Zentyal aims to triple its turnover in 2013.

An attractive offering for small and medium businesses

Zentyal's offering is aimed at an extremely horizontal market, namely that of small and medium businesses, independently of their activity or location, and provided always through a trusted IT provider. *"It is a market with a huge potential. 99% of the Brazilian companies are SMBs and they generate about 60% of the 94 million jobs in the country. Moreover, in 2012 Gartner estimated that the expected growth of IT investments in Latin America would be around 12,7%. In Brazil, the expected growth was 15%"*, highlights **José Ramón Padrón, Channel Sales Director for Iberia and LatAm at Zentyal**.

The difficulties small and medium businesses face to gain access to financing and the shortage of qualified IT professionals - expected to reach 200.000 professionals in 2013 in Brazil - are factors that make Zentyal-based solutions very attractive for both IT providers and their end customers. *"Zentyal-based solutions are easy to install, configure and maintain, and they adapt to the budget realities of SMBs, giving them access to professional IT infrastructure without high initial investments and for a low monthly fee"*, explains **José Ramón Padrón**.

From the server software to cloud-based services to manage network infrastructure, Zentyal offers SMBs and their local IT providers the advantages and savings of Software as a Service (SaaS), without license costs and making it possible to improve the safety and reliability of computer networks, reduce technology investments and operational costs. Today Zentyal offers a leading **open source alternative** to Microsoft products aimed at SMBs (Windows Small Business Server or Microsoft Exchange, etc.), providing **up to 50% of savings**.

Zentyal integrates into a single platform solutions that help to manage **corporate communication and network services, Internet access, network infrastructure** and, in addition, these can be **remotely monitored and managed**, all through a simple and easy-to-use graphical user interface that can be used without extensive training. Moreover, as the solution is offered as a subscription service, the cost is very affordable for small and medium businesses that can enjoy a full commercial edition starting from 130 BRL per month.

Unlike other Linux distributions aimed at the SMB market, Zentyal is backed by Canonical -the company behind the Ubuntu distribution- and it offers greater functionality and integration.

A strong commitment to the distribution channel

Zentyal's business strategy is based on the network of Authorized Zentyal Partners with two main categories: **Professional** -Managed service providers with a clear focus on a geographic area or a vertical market- and **Premier** -Strategic partners with extensive knowledge on Zentyal technology and access to large projects. Today Zentyal has 3 Professional and Premier partners in Brazil, and the company plans multiply this number by ten in 2013.

Currently channel sales account for 35% of the company's turnover although the company expects

to increase this percentage to reach 90% next year and to achieve its target of 100% in 2015. To this end, in 2013 Zentyal plans to sign new partnership agreements with IT support and service providers, managed service providers, system integrators and software development companies. The goal is to cover all the Spanish territory through Authorized Partners as well as to boost the partner network in Mexico, Brazil and Chile.

The Zentyal Partner Program offers technical training, ZeCA (Zentyal Certified Associate) Exam together with sales training. Other resources offered by Zentyal to its partners include sales materials and business opportunities generated through company's marketing activities. In addition, partners count on both sales support as well as specialized technical support for Zentyal-based projects.

About Zentyal

[Zentyal](#) designs and develops IT solutions for small and medium businesses since 2004. The company provides SMBs and their local IT providers all-in-one IT solutions that are easy to use, from the server to the cloud. Zentyal-based solutions allow to reduce and rationalize IT investments, improve the security and minimize system downtime.

Zentyal-based solutions are widely used by small and medium businesses independently of their activity or location, as well as by public administration or the education sector. The partnership agreements signed with IT support and service providers in more than 20 countries guarantee the distribution of Zentyal-based solutions to customers worldwide.

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