



TD SYNnex technology ecosystem perspectives project results

EMEA Survey Results

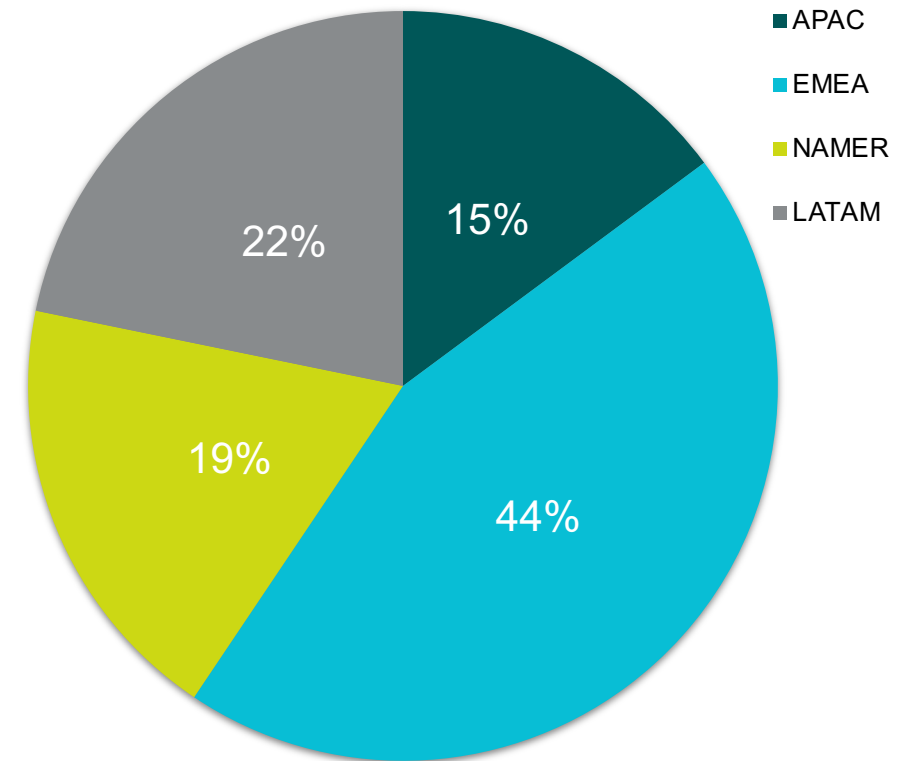


TD SYNnex survey 2023

The 2023 channel partner survey was conducted from May to July 2023 to assess the B2B channel's outlook and sentiment for the year. The survey assessed partners' business performance, views on current business models, expectations for 2023 and beyond.

Partners were asked to provide feedback via an online questionnaire on Canalys' Candefero website. The survey captured feedback from 550 business to business channel partners from over 60 countries, spanning resellers, systems integrators, service providers, MSPs and distributors.

Respondent breakdown by region



Findings | EMEA survey feedback

1

Channel partner revenue expectations have declined in the past year.

- Yet most remain positive about the outlook, with 79% expect some revenue growth in 2023.
- Partners expecting growth between 1% and 10% increased by 10% in 2023.
- At the same time, partners expecting declines in revenue doubled in 2023.

2

Networking is most frequently sold among EMEA partners, with 41% identifying it as an area to invest in.

- Security, networking, and endpoint devices are considered top revenue drivers.
- This emphasizes the role the channel plays in delivering security (over 90% of cybersecurity is partner-led).
- 43% of partners consider hybrid cloud technologies as a top 4 contributor to business.

3

Cybersecurity solutions are a top priority for partners, with 46% planning to offer it.

- 33% plan to offer AI and ML solutions within 24 months.
- Data analytics is also regarded as an investment priority. 37% of partners plan to offer it within 24 months.
- AR/VR and Metaverse remain a lower priority (despite Apple's entry).

4

Partner business models are shifting towards services.

- The percentage of business derived from hardware sales has declined by 17%.
- The proportion of partners selling consumption-based XaaS has doubled in 2023.

5

The ability to provide alternative financing models is becoming an area of focus.

- Partners are focusing on developing flexible payment terms and consumption models, with 59% planning to offer this within the next 24 months.

Findings | EMEA survey feedback

6

ESG is an increasingly more important area for partners in EMEA, with 42% planning to invest in it.

- However, only 31% of partners believe ESG expertise is important to business today.
- DE&I also remains a lower priority for many partners.

7

Channel partners are focusing on targeted recruitment in specific technology areas.

- 37% of partners are currently hiring for security skills, whilst 29% are hiring for data analytics skills.
- Investment in AI/ML is also of key importance for partners, with 20% hiring for these skills.

8

Demand generation and digital marketing have seen an increase in outsourcing.

- However, across EMEA partners are beginning to employ hybrid approaches to demand generation, as seen by an 18% increase from 2022.

9

67% of partners stated that adapting to external factors is a key challenge currently.

- 50% felt increased competition and margin pressures are top challenges.
- 46% of partners highlighted talent recruitment and retention as key issues.
- Looking ahead, 37% expect credit and financial scalability to be a key challenge.

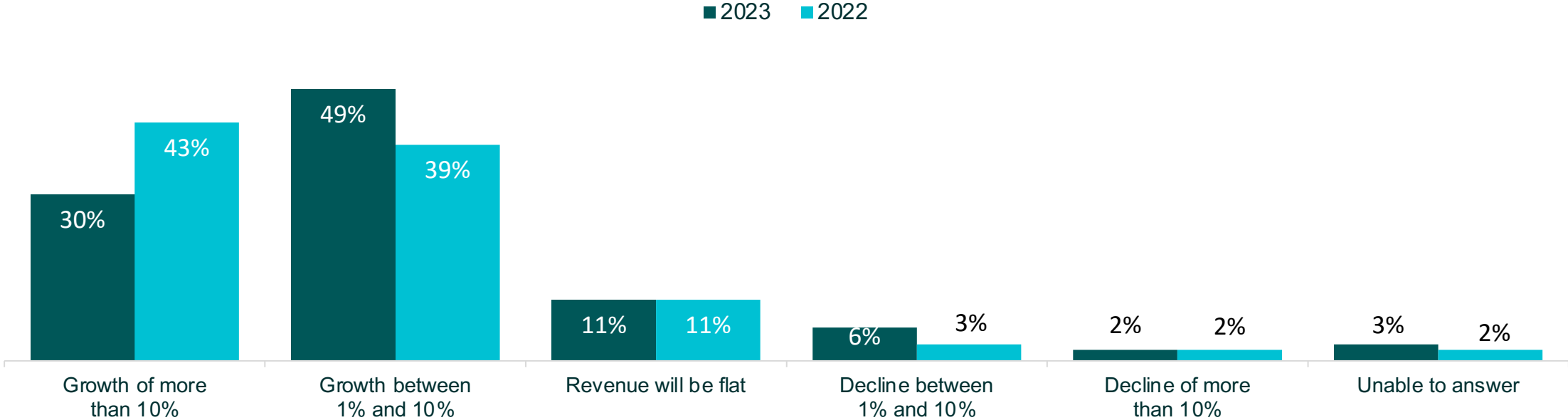
10

Compared to 2022, more channel organizations are looking to acquire.

- 44% of partners said acquiring another organization was most important (up 2% compared to 2022), while 17% said they are now looking to be acquired (down 8% compared to 2022).
- 41% of partners are looking to grow internationally, although the appetite for international expansion has eased, down 15% compared to 2022.

Revenue expectations more muted, but still positive

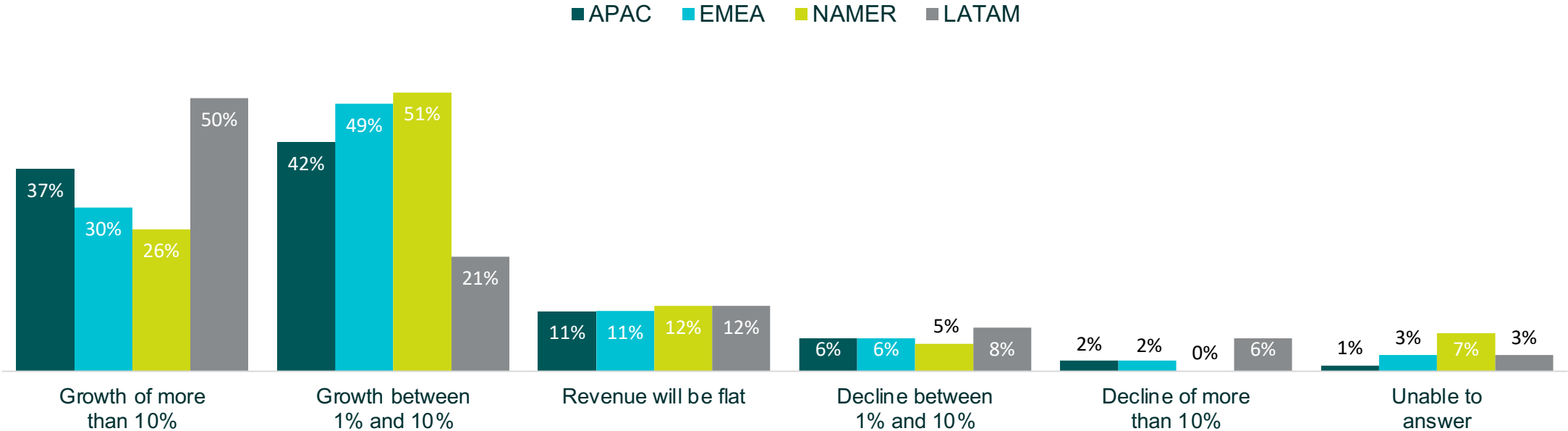
Which statement best reflects your company’s revenue performance this fiscal year, compared to the previous fiscal year? *Please choose one.*



Source: Canalsys, Candefero TD SYNEX survey, 107 EMEA respondents (2022) and 246 EMEA respondents (2023)

Half LATAM partners expect more than 10% growth

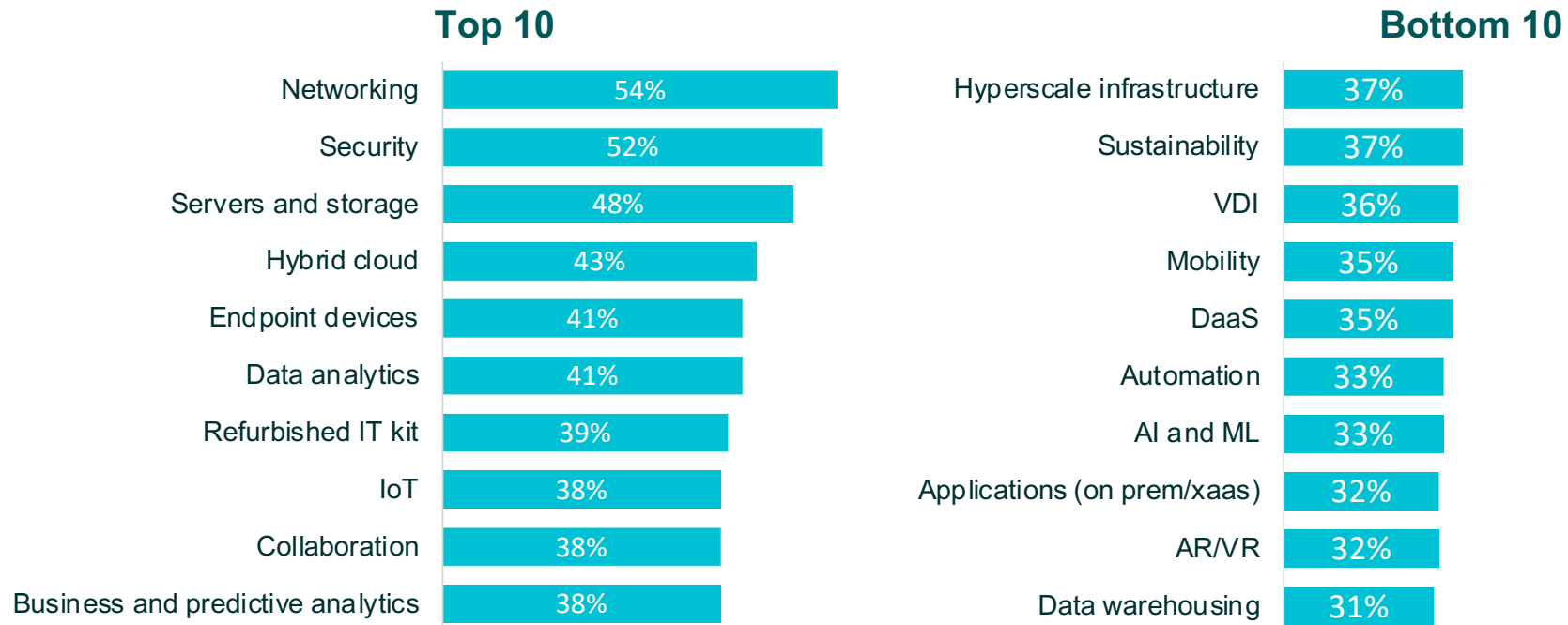
Which statement best reflects your company's revenue performance this fiscal year, compared to the previous fiscal year? *Please choose one.*



Source: Canals, Candefero TD SYNnex survey, 550 global respondents, May – June 2023

Security and infrastructure sold by highest proportion

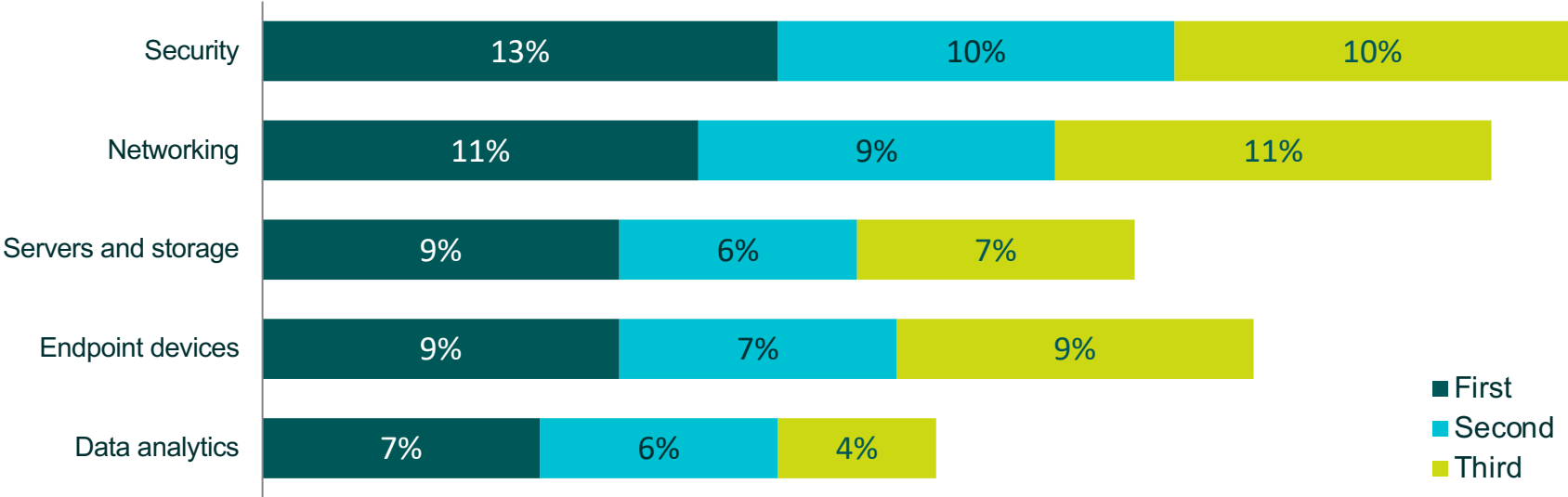
Considering your business during the last 12 months, from the list of technologies, please choose all that you sell.



A broad spread of revenue drivers

Considering your business during the last 12 months, from the list of technologies, please choose the top three revenue drivers.

Top revenue drivers

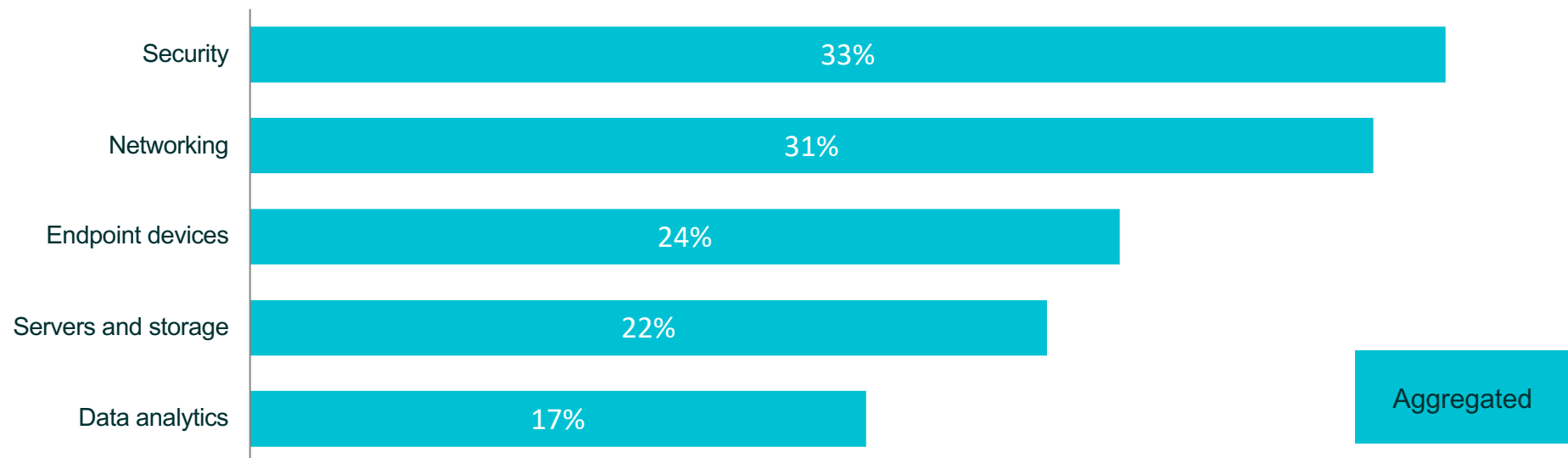


Source: Canalys, Candefero TD SYNEX survey, 246 EMEA respondents, May – June 2023

Networking, servers & storage important to revenue

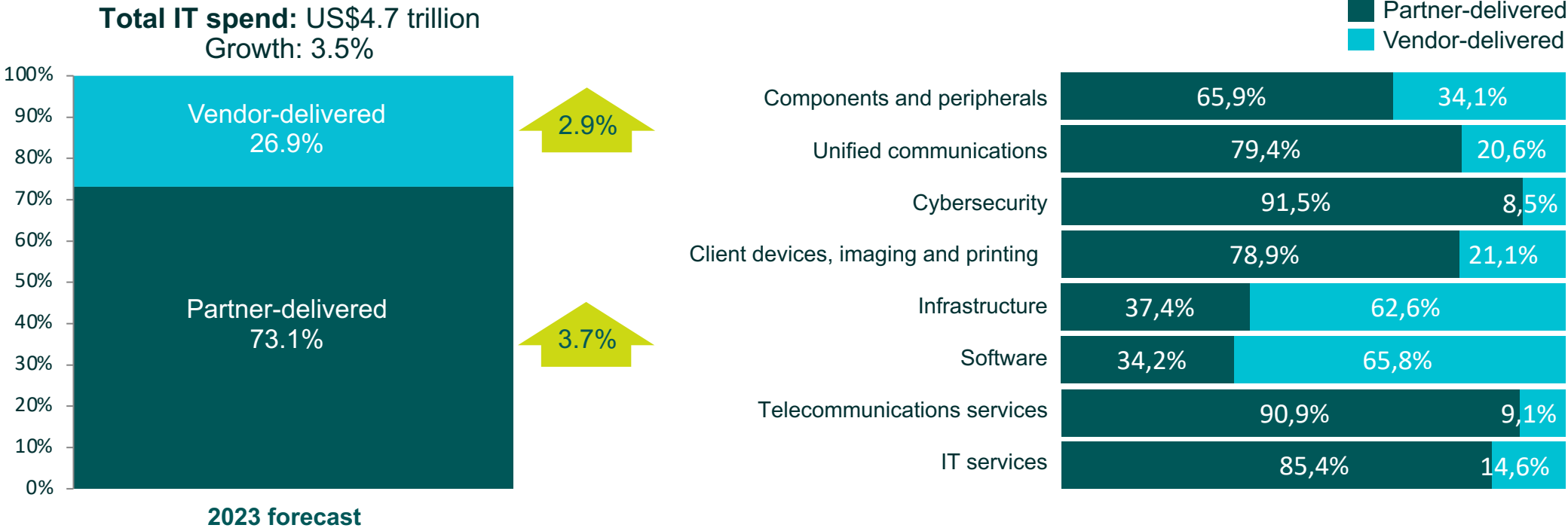
Considering your business during the last 12 months, from the list of technologies, please choose the top three revenue drivers.

Top revenue drivers



Cloud and 5G buildout boosts vendor-delivered

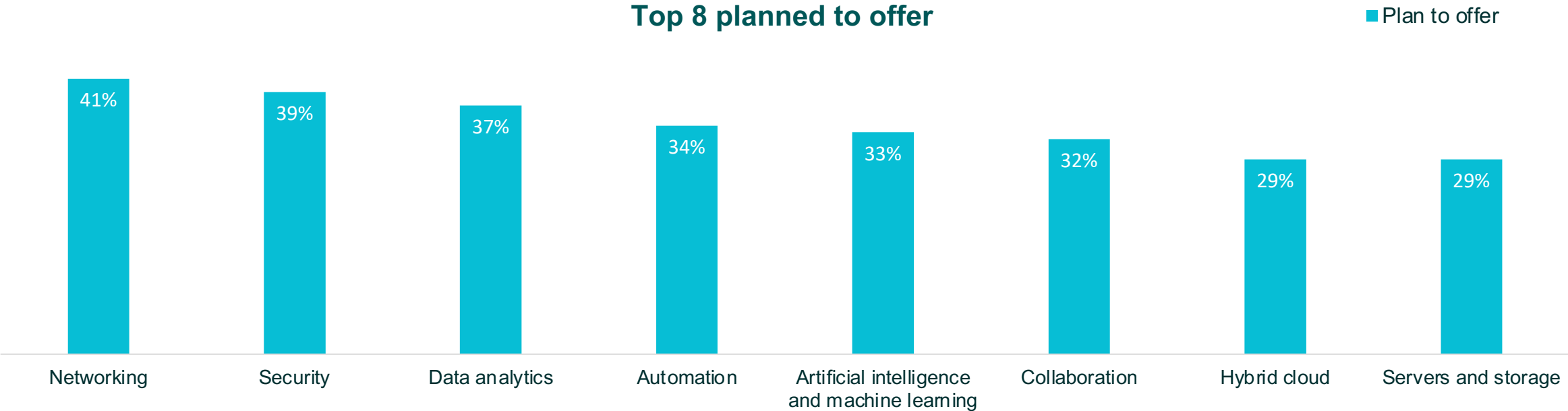
Worldwide total addressable IT market by route to market, 2023 forecast



Source: Canals estimates, Channels Analysis, July 2023 (excluding consumer IT spending)

Analytics, AI, automation making an appearance

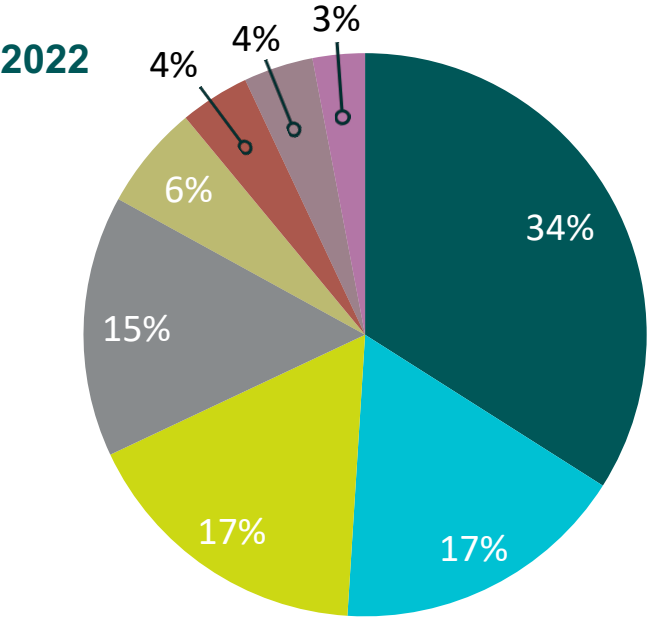
Which technology solutions do you plan to offer in within 24 months? Select all that apply.



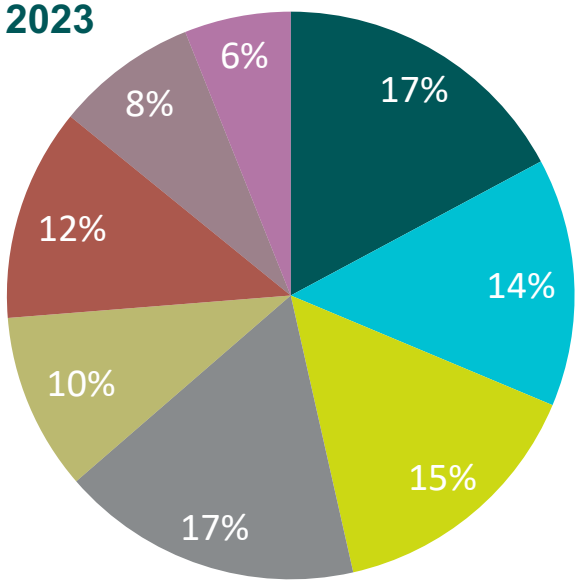
Source: Canals, Candefero TD SYNEX survey, 246 EMEA respondents, May – June 2023

Services take an important share...

What percentage of your business is derived from the following today?
Average percentage across all respondents



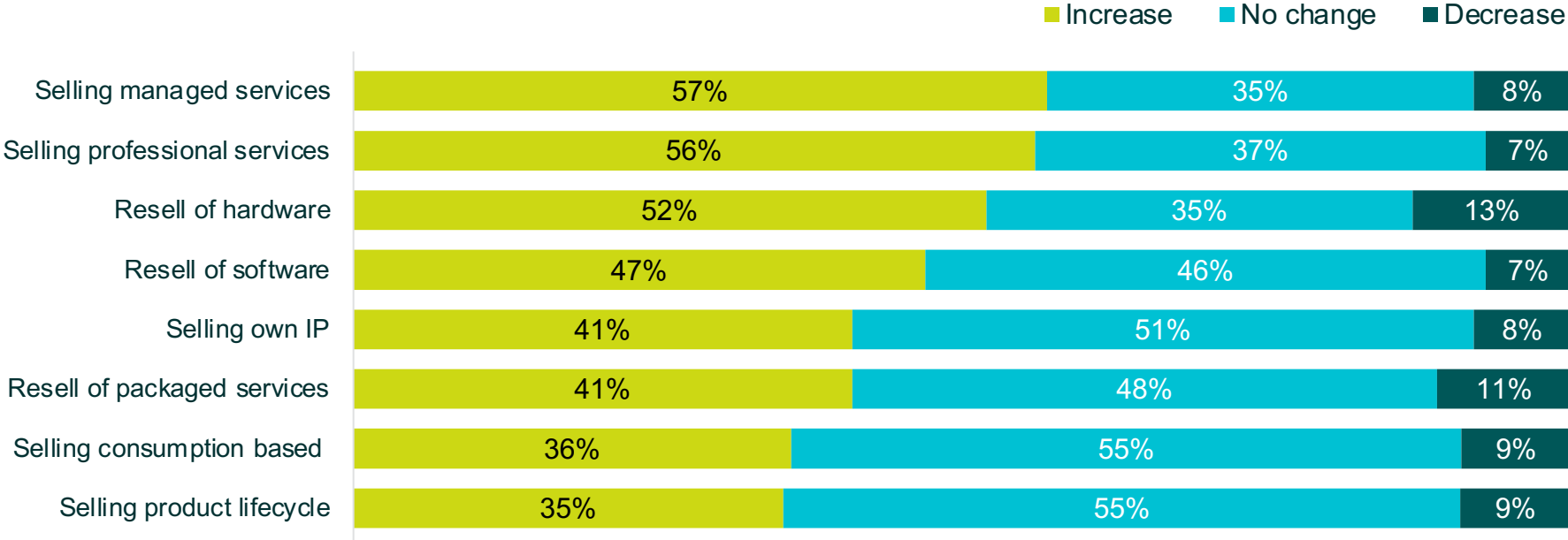
- Resell of hardware
- Resell of software
- Selling managed services
- Selling professional services
- Resell of packaged services
- Selling your own IP
- Selling product lifecycle services
- Selling consumption based XaaS



Source: Canals, Candefero TD SYNnex survey, 246 EMEA respondents, May – June 2023

...and shift to services continues in next three years

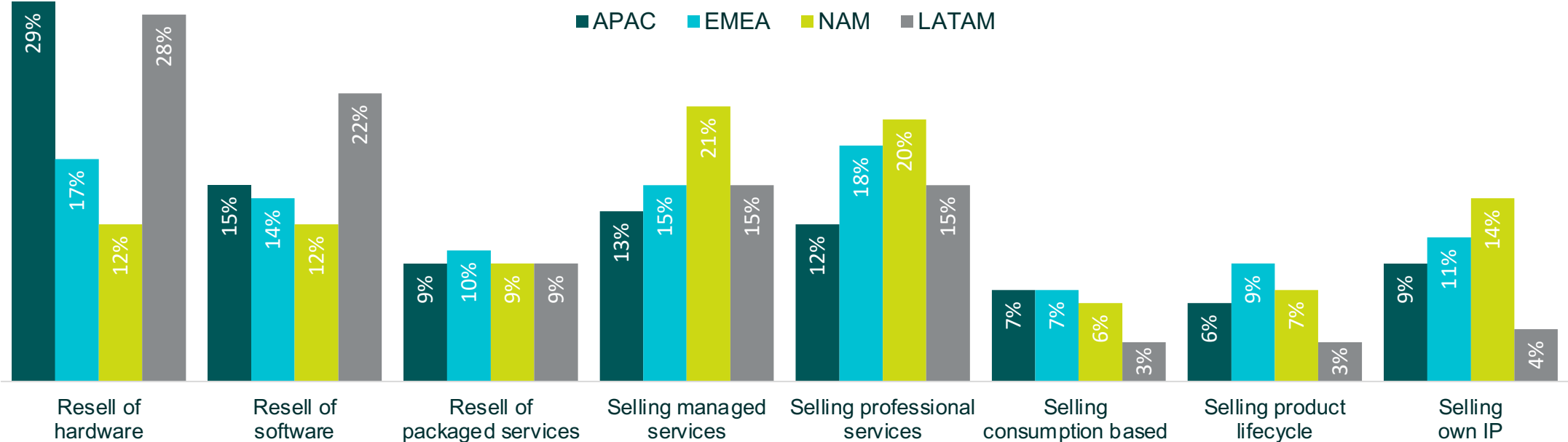
How will this change in three years time as a percentage of your total business?



Source: Canalys, Candefero TD SYNnex survey, 246 EMEA respondents, May – June 2023

N. American partners see greatest shift to services

What percentage of your business is derived from the following today?
Average percentage across all respondents.



Source: Canals, Candefero TD SYNnex survey, 550 global respondents, May – June 2023

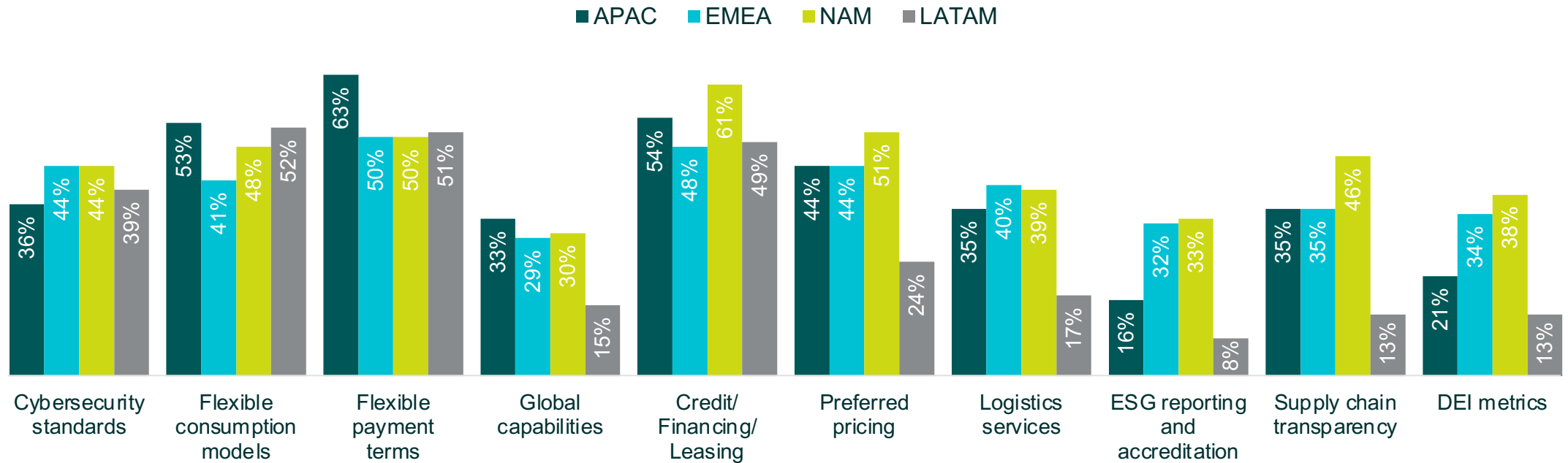
Financing, terms and model flexibility are vital

Which business solutions do you currently offer? Select all that apply.



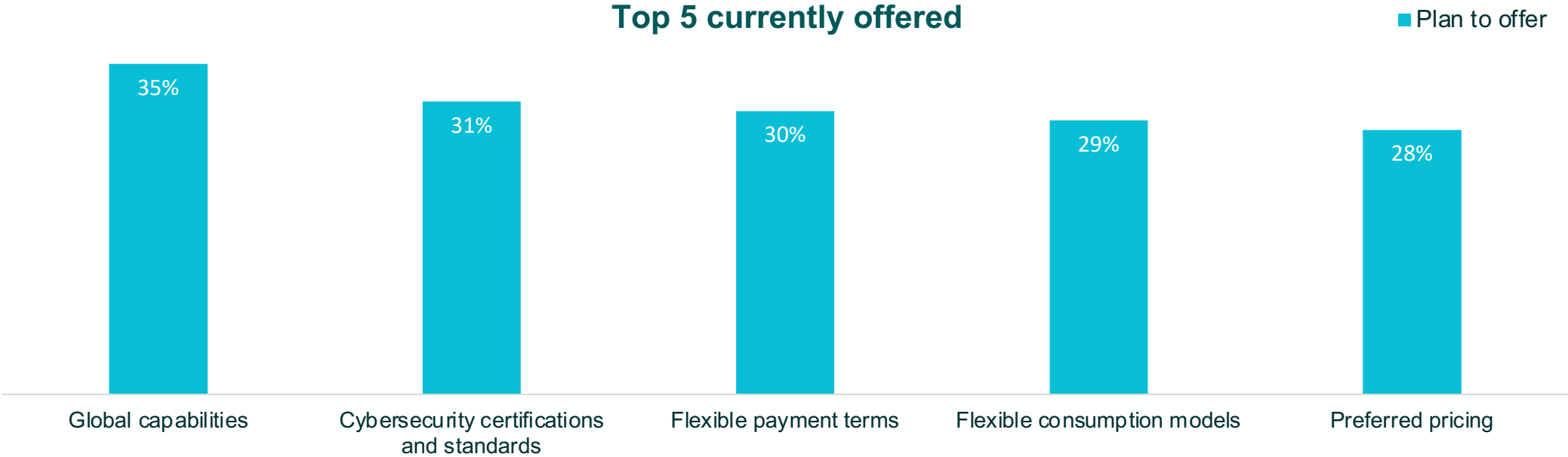
DEI and ESG lowest priority in APAC and LATAM

Which business solutions do you currently offer? Select all that apply.



Partners look to global capabilities and security

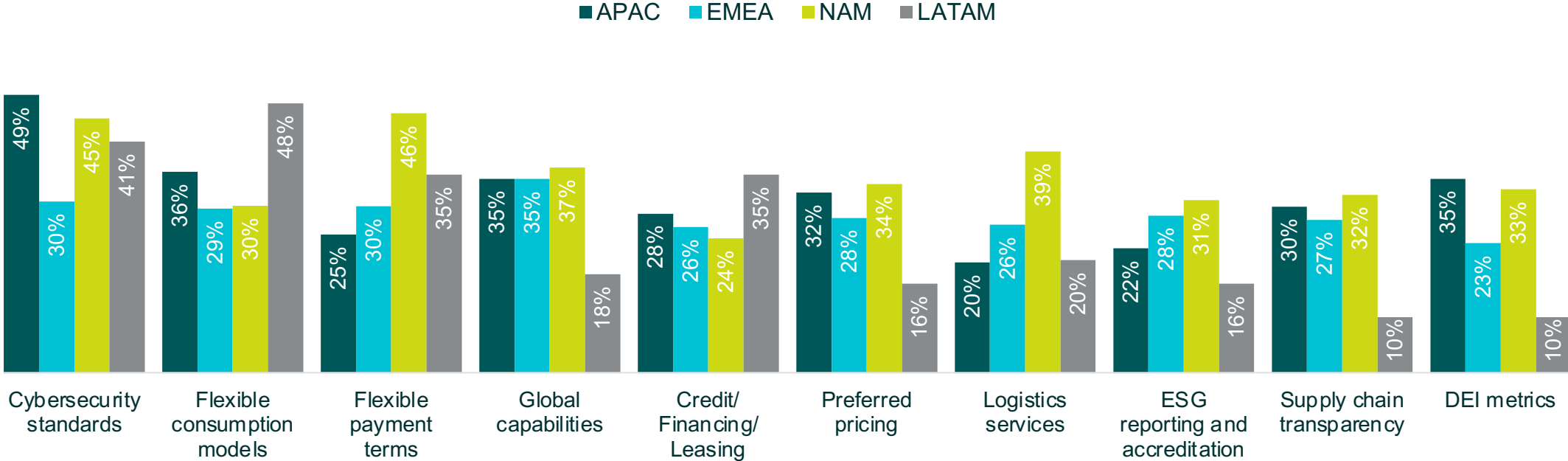
Which business solutions do you plan to offer within the next 24 months? Select all that apply.



Source: Canals, Candefero TD SYNEX survey, 246 EMEA respondents, May – June 2023

Regions show significant variation in priorities

Which business solutions do you plan to offer within the next 24 months?
Select all that apply.

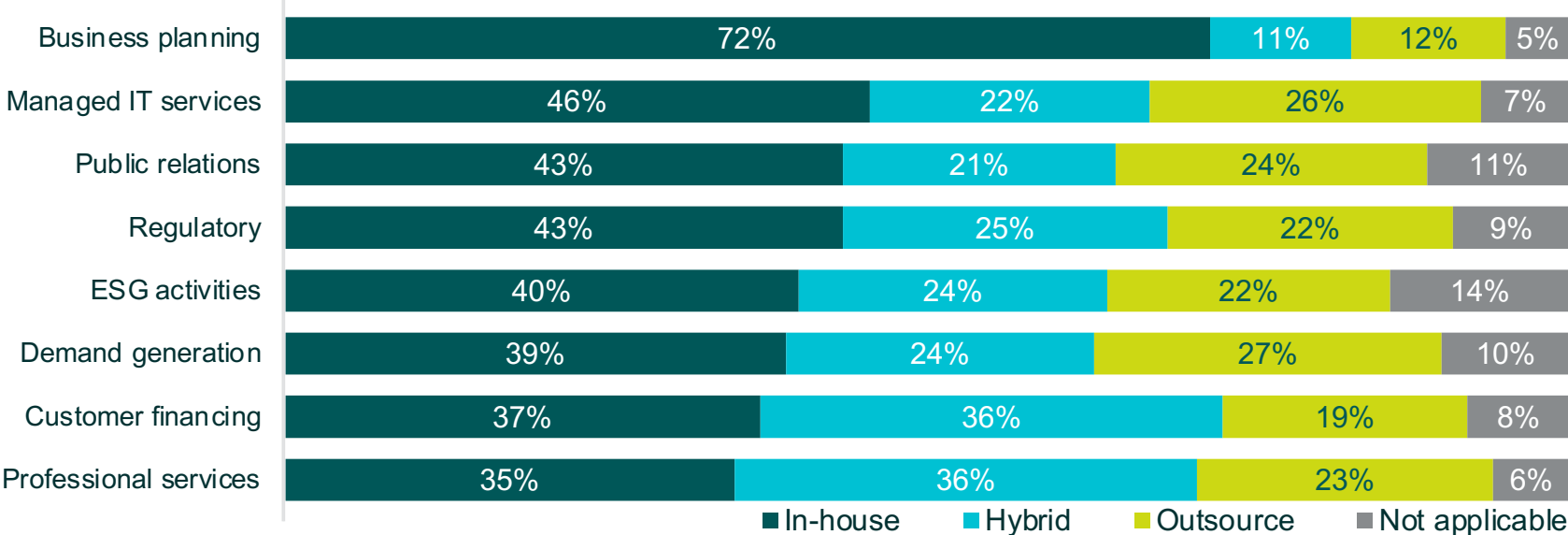


Source: Canalis, Candefero TD SYNEX survey, 550 global respondents, May – June 2023

Business planning remains key in-house function

How do you perform the following business functions?
Please choose one option for each.

2023

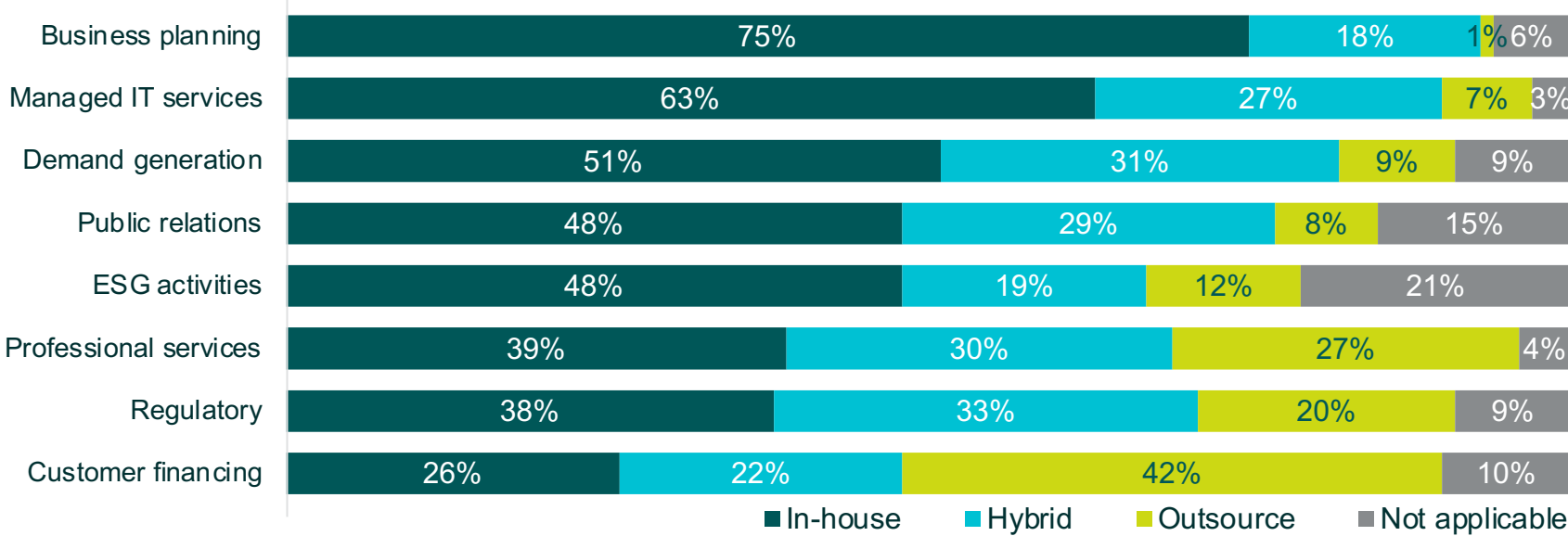


Source: Canals, Candefero TD SYNEX survey, 246 EMEA respondents, May – June 2023

Partners generally outsource customer financing

How do you perform the following business functions?
Please choose one option for each.

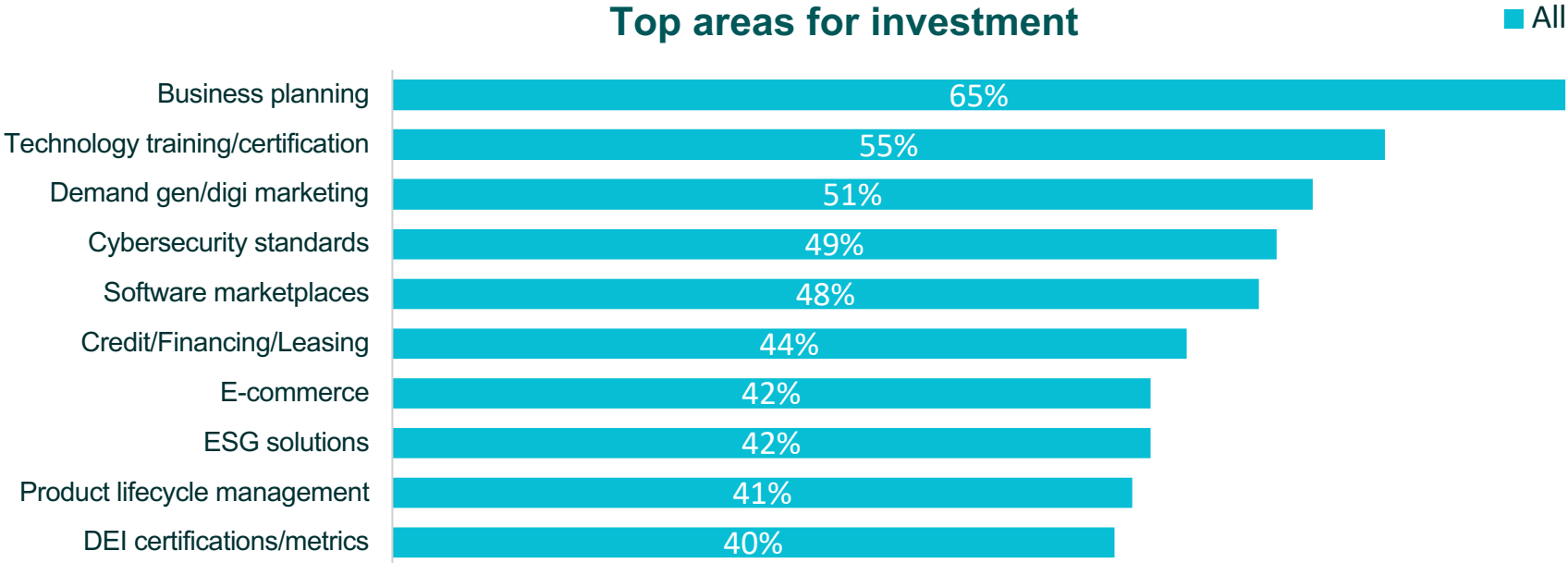
2022



Source: Canals, Candefero TD SYNEX survey, 107 EMEA respondents, July 2022 to September 2022

Business planning and training are key

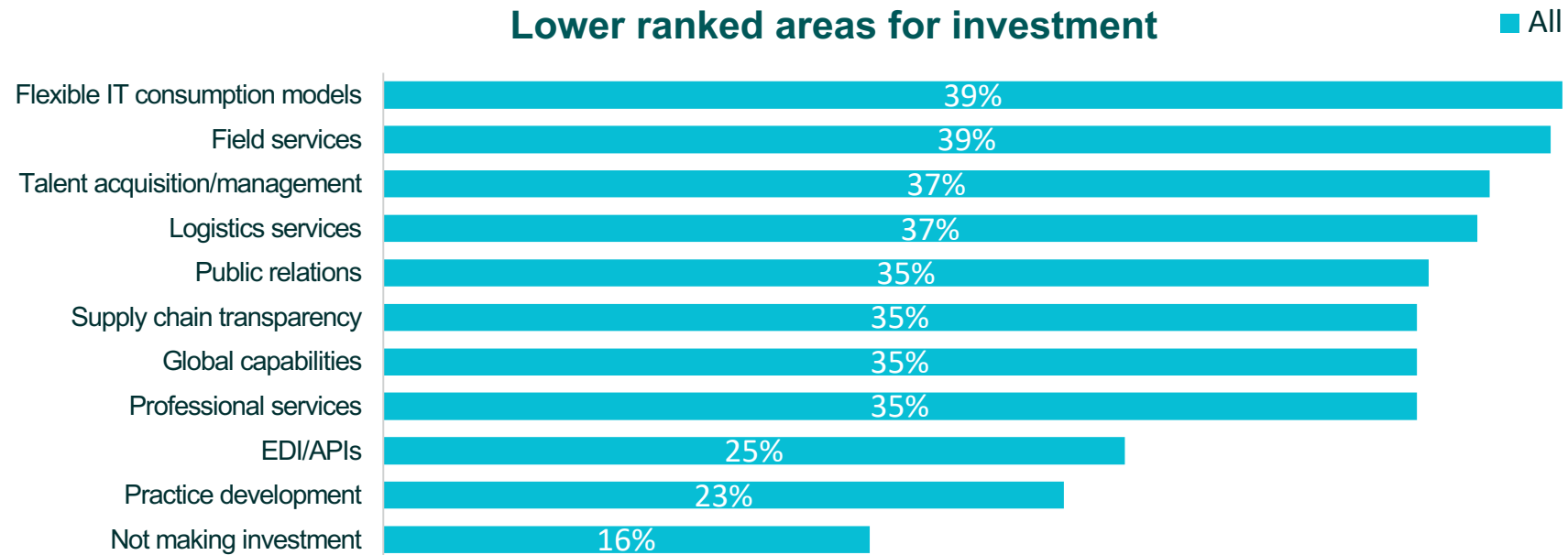
What areas of your business are you investing in? Please select all that apply in the next 12 months.



Source: Canals, Candefero TD SYNEX survey, 246 EMEA respondents, May – June 2023

DEI and ESG feature further down priority list

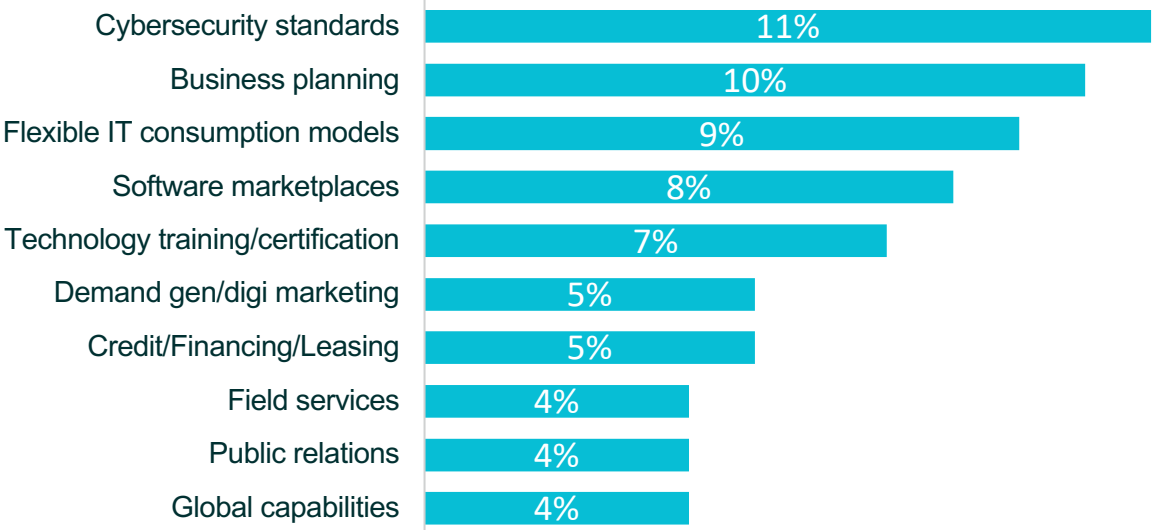
What areas of your business are you investing in? Please select all that apply in the next 12 months.



Range of most important aspects for investment

What areas of your business are you investing in? Please select the most important area in next 12 months.

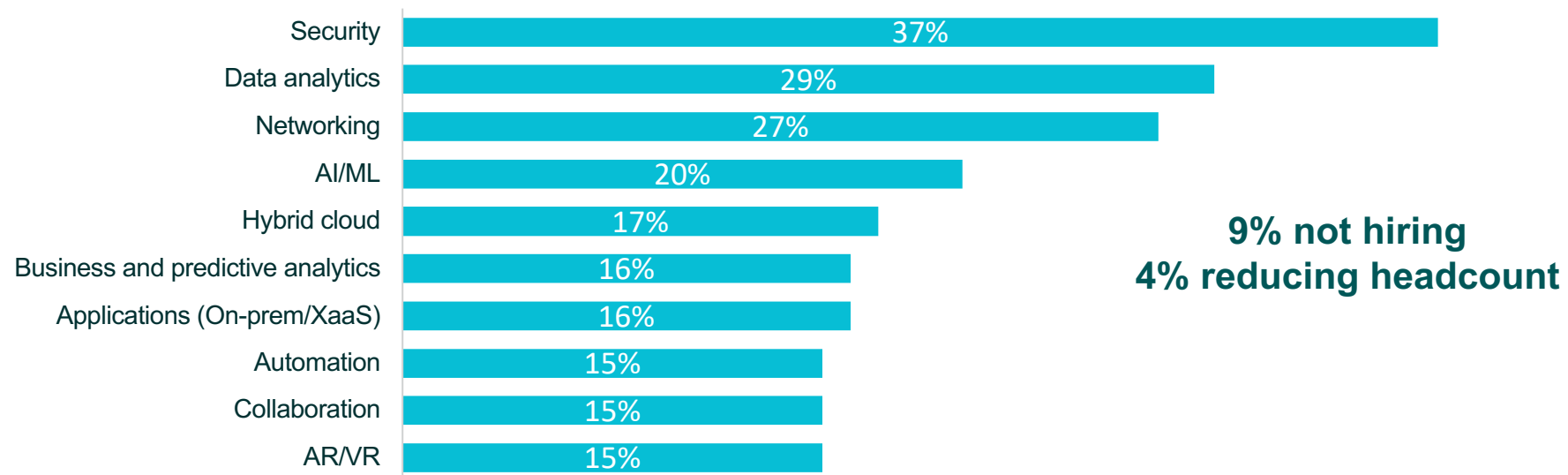
Most important area – top 10 shown



Source: Canals, Candefero TD SYNEX survey, 246 EMEA respondents, May – June 2023

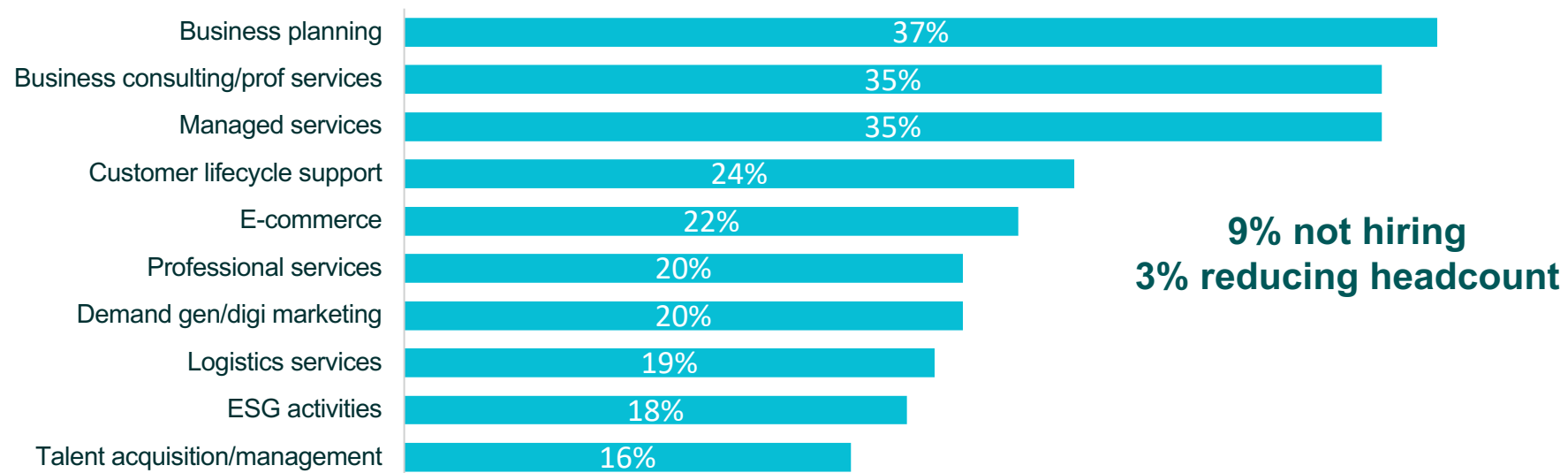
Analytics and AI skills rise up the priority list

Which technology skill sets are you hiring for? Please consider both general technology skills and vendor-specific knowledge. Please choose top three priorities.



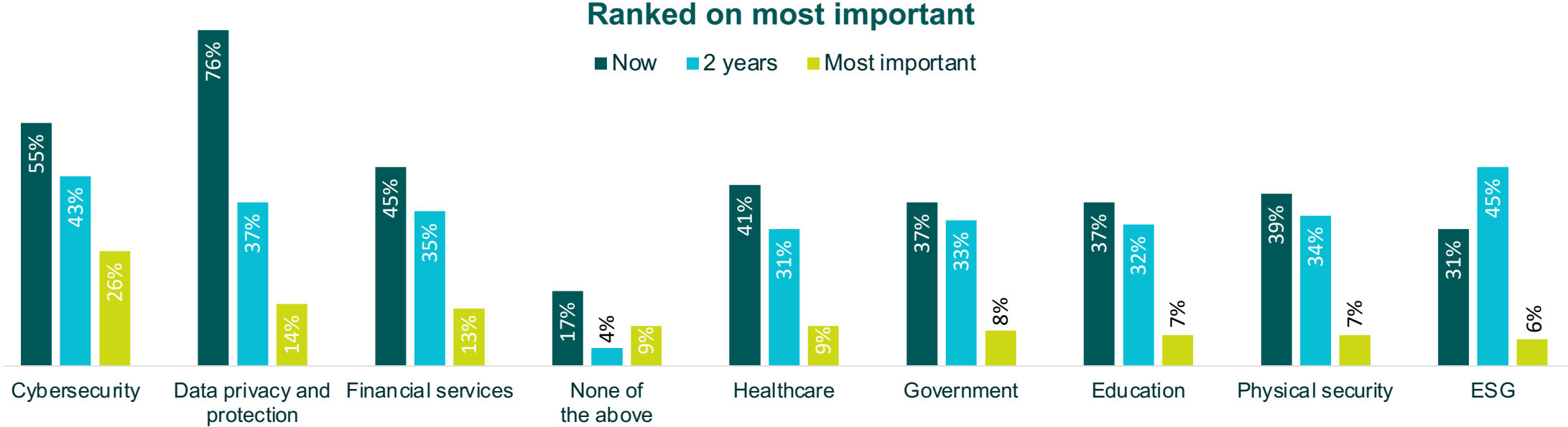
Partners investing in services skills

Which business skill sets are you hiring for? Please choose top three priorities.



ESG to jump in importance in the next two years

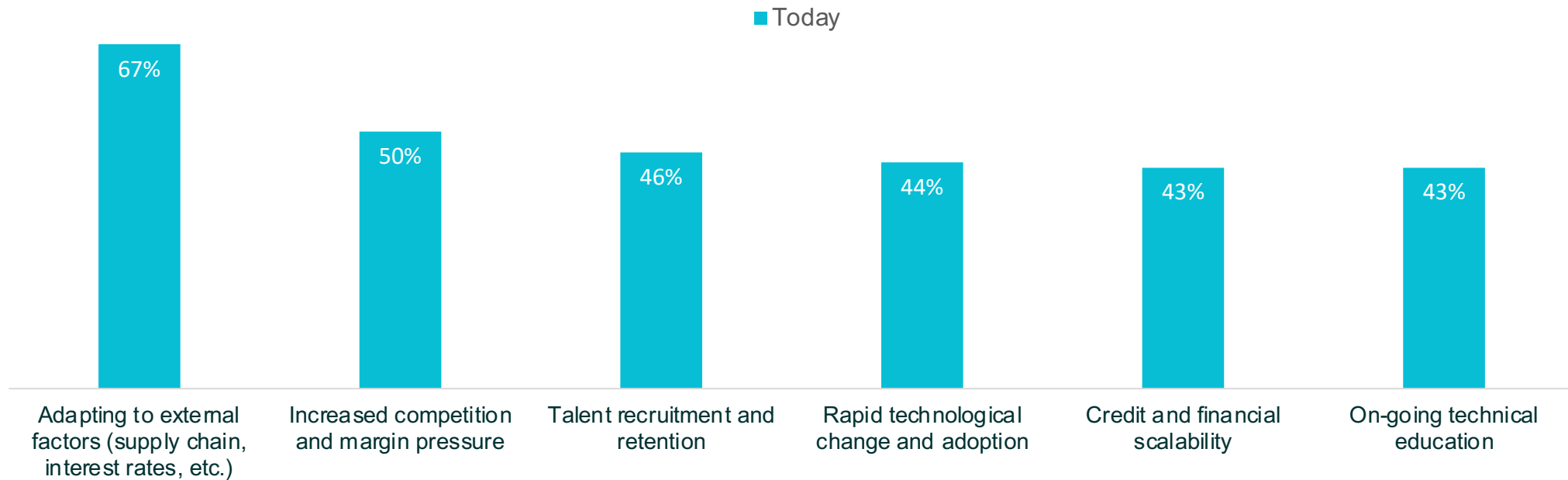
Which areas of regulatory expertise or certification are most important to your business today? Please choose all that apply today and in two years time and then select the most important area in two years time.



Source: Canals, Candefero TD SYNEX survey, 246 EMEA respondents, May – June 2023

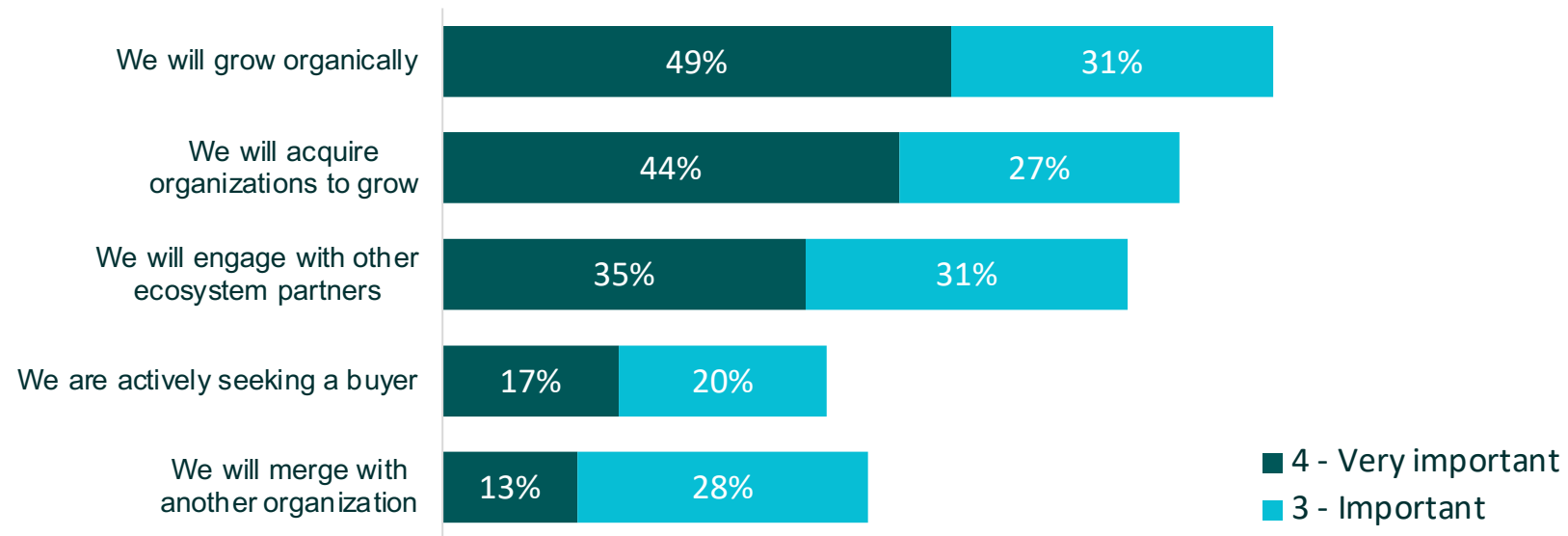
External factors impacting partner business today

Consider the following business challenges please select all that currently impact your business.



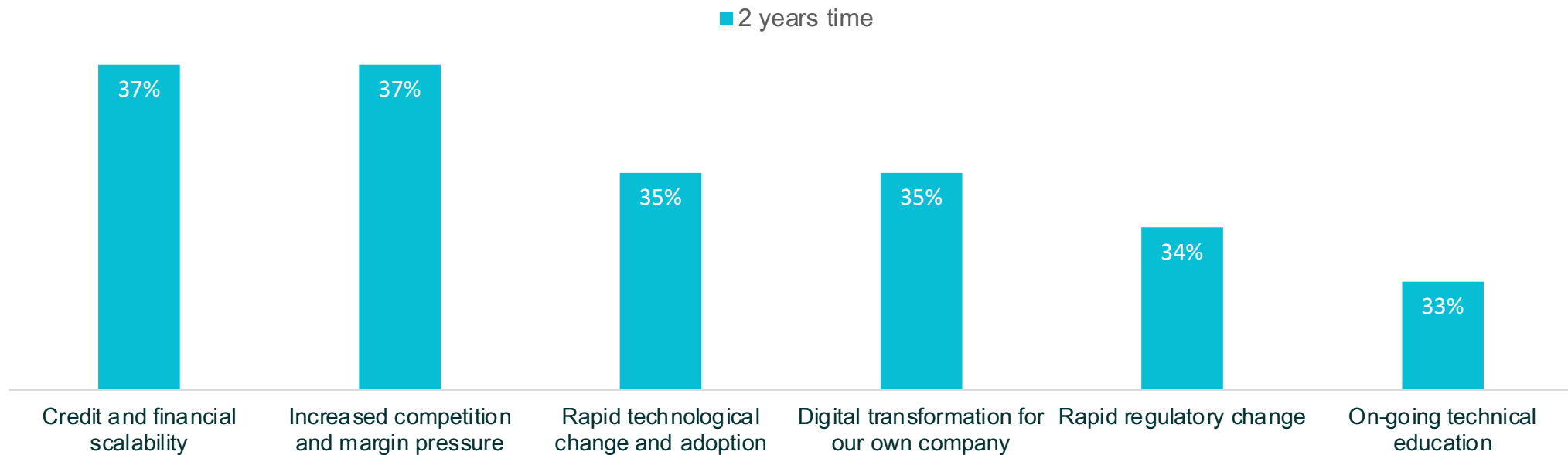
Organic growth and acquisitions currently favored

Which of the following statements describe your organization's attitude toward growth? Please rank in order of importance where 1 is not at all important and 4 is very important.



Credit and margin pressure expected in two years time

Consider the following business challenges please select all that will impact your business in two years time.

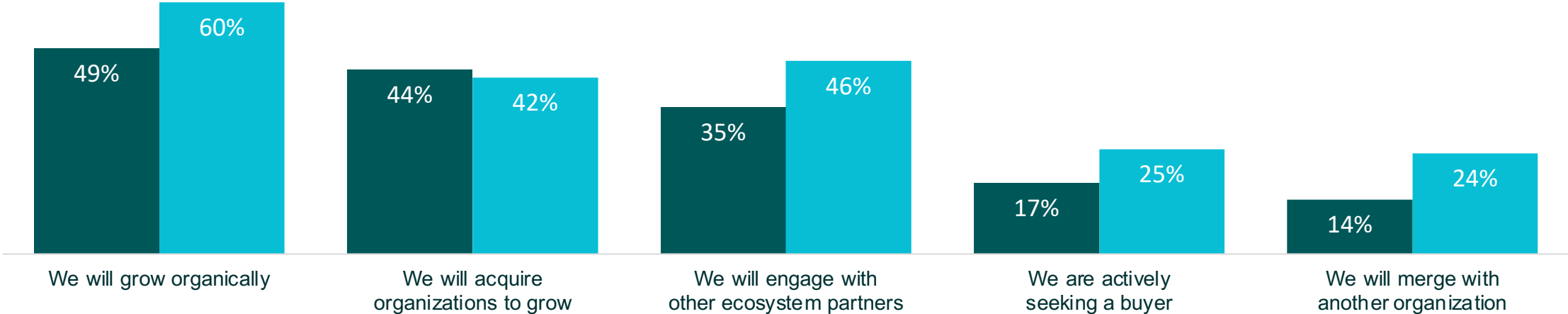


Acquisition focus slightly increases

Which of the following statements describe your organization’s attitude toward growth?
Please rank in order of importance where 1 is not at all important and 4 is very important.

Most important (rated 4)

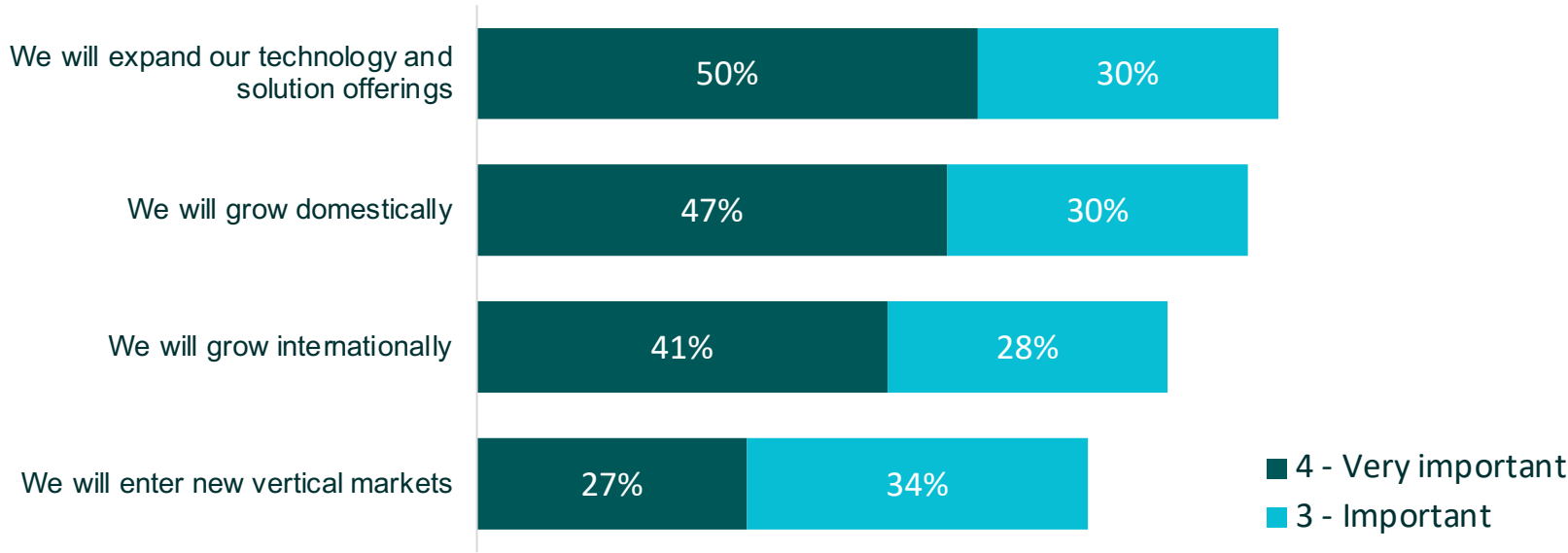
■ 2023 ■ 2022



Source: Canalsys, Candefero TD SYNEX survey, 107 EMEA respondents (2022) and 246 EMEA respondents (2023)

More solution expansion alongside domestic growth

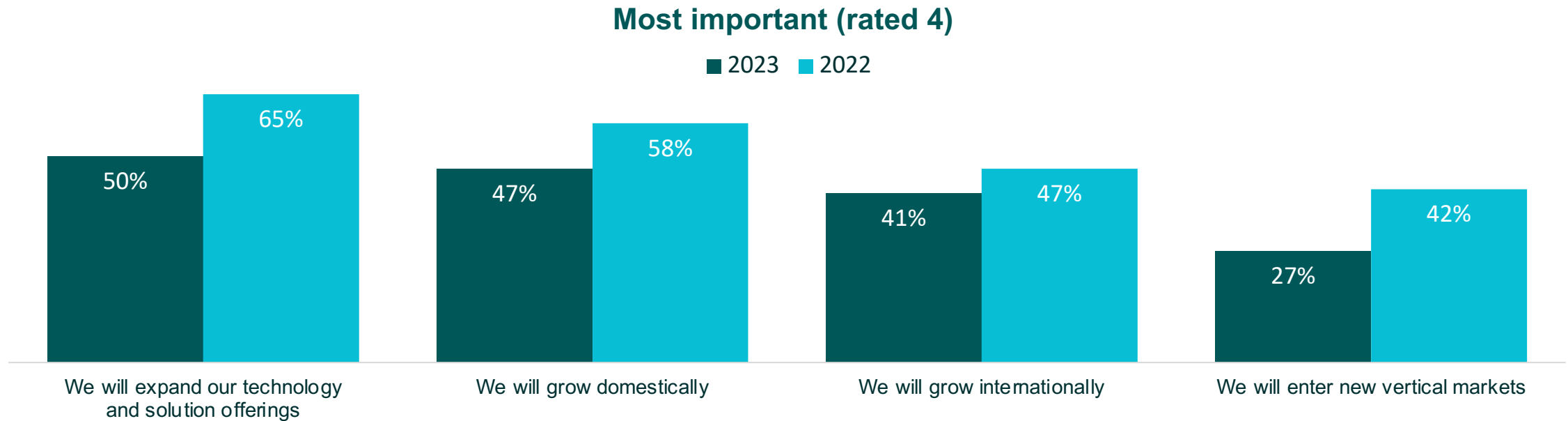
Which of the following statements describe your organization's growth strategy?
Please rank in order of importance where 1 is not at all important and 4 is very important.



Source: Canalys, Candefero TD SYNEX survey, 246 EMEA respondents, May – June 2023

Expansion of offerings important in EMEA

Which of the following statements describe your organization's attitude toward growth?
Please rank in order of importance where 1 is not at all important and 4 is very important.





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