



Direction of Technology 2023: TD SYNEX Ecosystem Report

LAC Survey Results

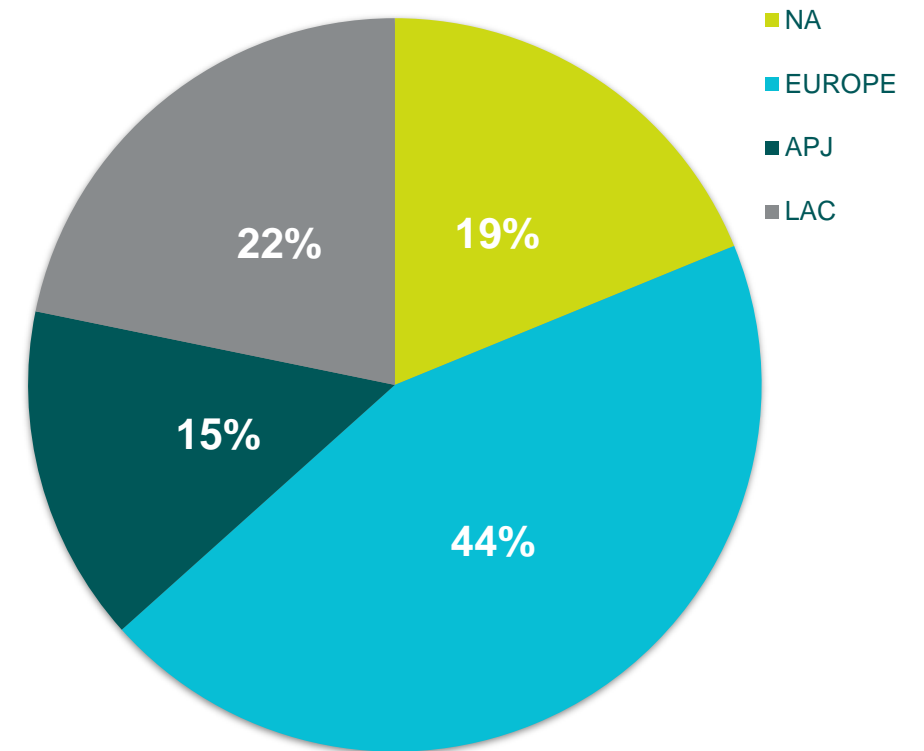


TD SYNEX survey 2023

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.

Respondents by region



Findings | LAC survey feedback

1

Channel partner revenue expectations in LAC have dropped slightly over the last 12 months.

- However, over 70% of partners still expect to see some revenue growth in 2023.
- 50% are expecting growth of more than 10% (a 3% increase from 2022).
- The proportion of partners expecting a revenue decline has increased, but this is only 14% of respondents.

2

Security and networking are critical for many partners in LAC.

- Similar to 2022, networking, security and infrastructure are regarded as key drivers of revenue.
- This reflects the role the channel plays in delivering security (over 90% of cybersecurity is partner-led).
- Automation is not a major revenue contributor, with only 26% selling it.

3

While AI is becoming a priority in other regions, in LAC only 27% are looking to invest in it.

- 40% of partners recognize hybrid cloud as a key area to invest in within the next 24 months. 29% of partners regard hybrid cloud as a hiring priority.
- Professional services are a lower priority for partners in LAC, with only 1% choosing this as most important investment.

4

Partner business models are undergoing a fundamental shift towards services.

- Hardware sales are declining, and while the sale of hardware remains important, the share is shifting to consumption and lifecycle models.
- The selling of IP is less prevalent amongst partners in LAC.

5

Partners are prioritizing technology certifications and demand generation.

- Over 70% cited investments in these two areas as the most important.
- Almost 50% are looking to offer flexible consumption models within the next 24 months.
- Flexible payment terms are expected to become more important in two years, as well as logistics services.

Findings | LAC survey feedback

6

ESG is not a priority for partners in LAC, with only 16% planning to offer it within the next two years.

- This is further highlighted by only 8% of partners currently offering ESG reporting and accreditation solutions.
- DEI remains a low priority, with only 10% of partners planning to offer DEI solutions in the next two years.

7

Cybersecurity and hybrid cloud expertise are key priorities for partners.

- Over 80% cited its importance today and expect it will remain the most important.
- Investment in hyperscale infrastructure skills is also of key importance for partners, with 29% recruiting those skills.

8

Business planning has shifted significantly to in-house amongst partners in LAC.

- Partners in LAC appear to have shifted from an outsourcing approach towards a hybrid approach.
- 29% of managed IT services will be hybrid in 2023 (up 26% year-on-year).

9

76% of partners stated that increasing competition and margin pressure are key challenges currently.

- 69% of partners believe talent recruitment and retention is a key challenge.
- Looking forward, 45% of partners in LAC cited talent recruitment and retention as a key challenge within two years.
- 41% stated ongoing technical education will be a top challenge within two years.

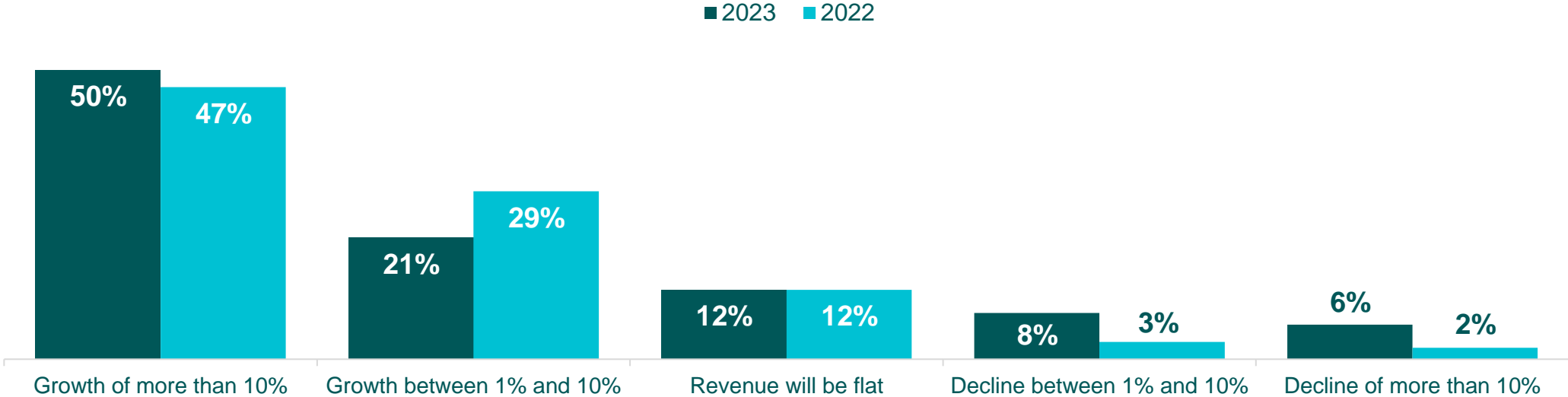
10

Compared to 2022, more partners are seeking to grow domestically.

- 55% of partners are aiming to grow organically.
- More partners in LAC are seeking to grow domestically, with 75% stating this (increased 13% year-on-year), while partners looking to expand their technology/solutions declined compared to 2022.

Revenue expectations more muted, but still positive

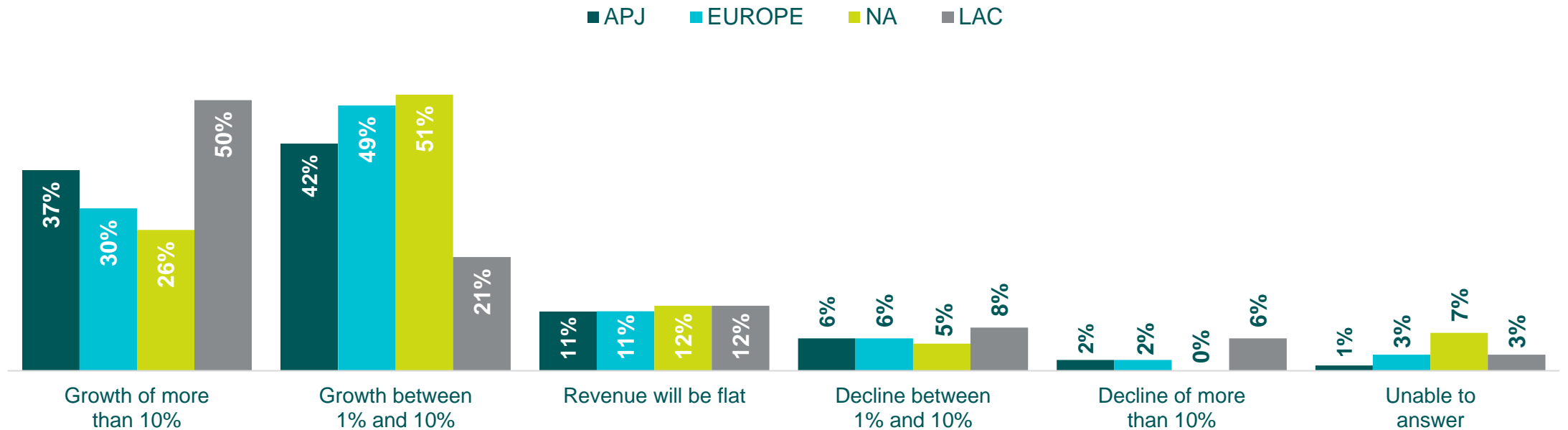
Which statement best reflects your company's revenue performance this fiscal year, compared to the previous fiscal year? *Please choose one.*



Source: Canalys, Candefero TD SYNEX survey, 34 LAC respondents (2022) and 119 LAC respondents (2023)

Half LAC partners expect more than 10% growth

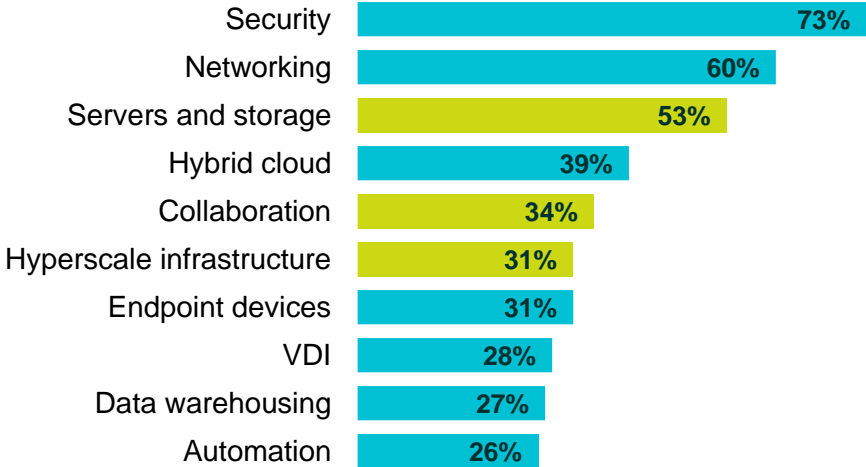
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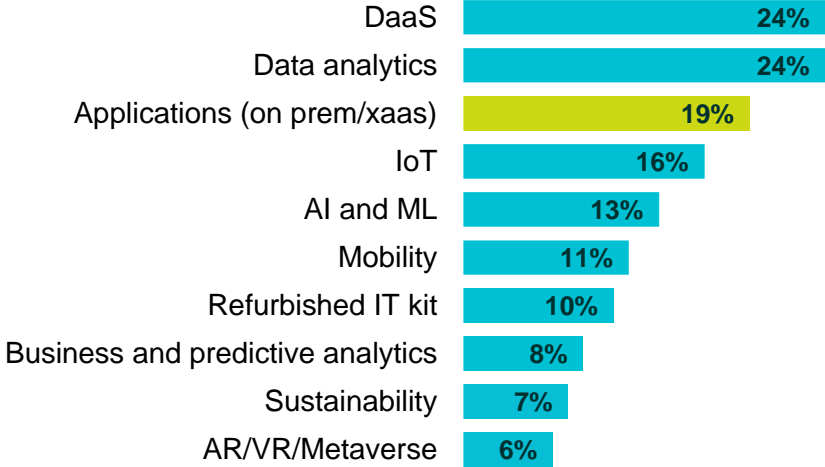
Security and infrastructure sold by highest proportion

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

Top 10



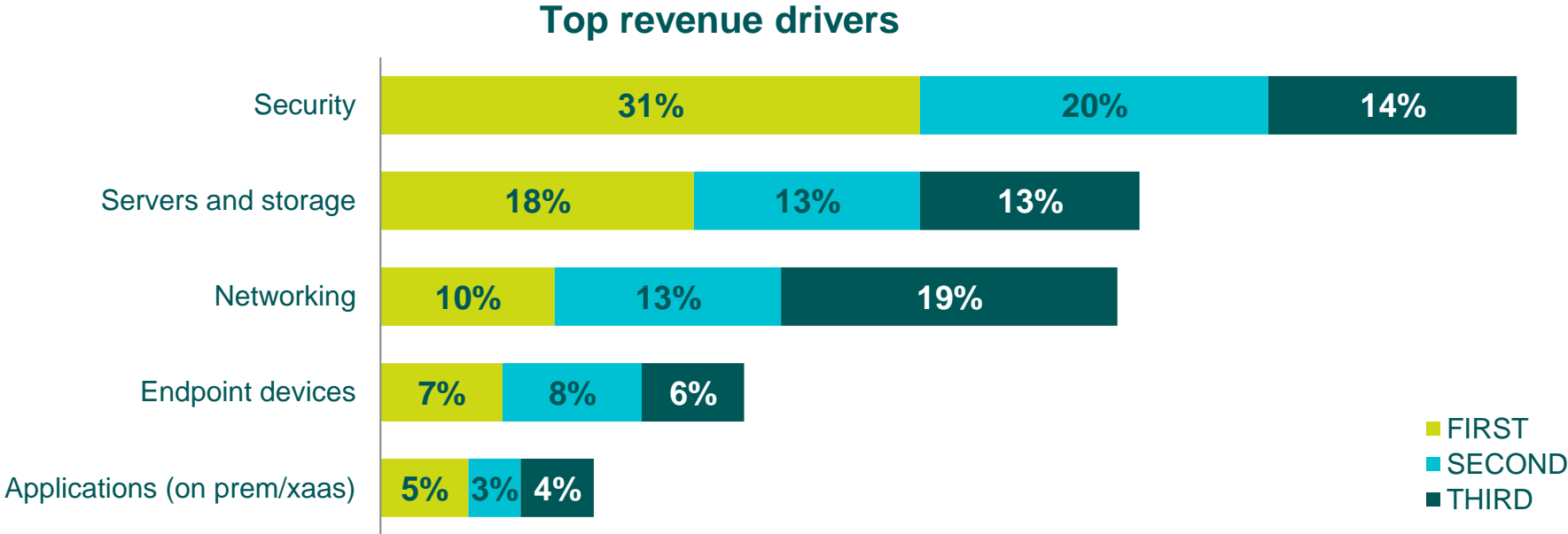
Bottom 10



Source: Canals, Candefero TD SYNnex survey, 119 LAC respondents, May – June 2023

A broad spread of revenue drivers

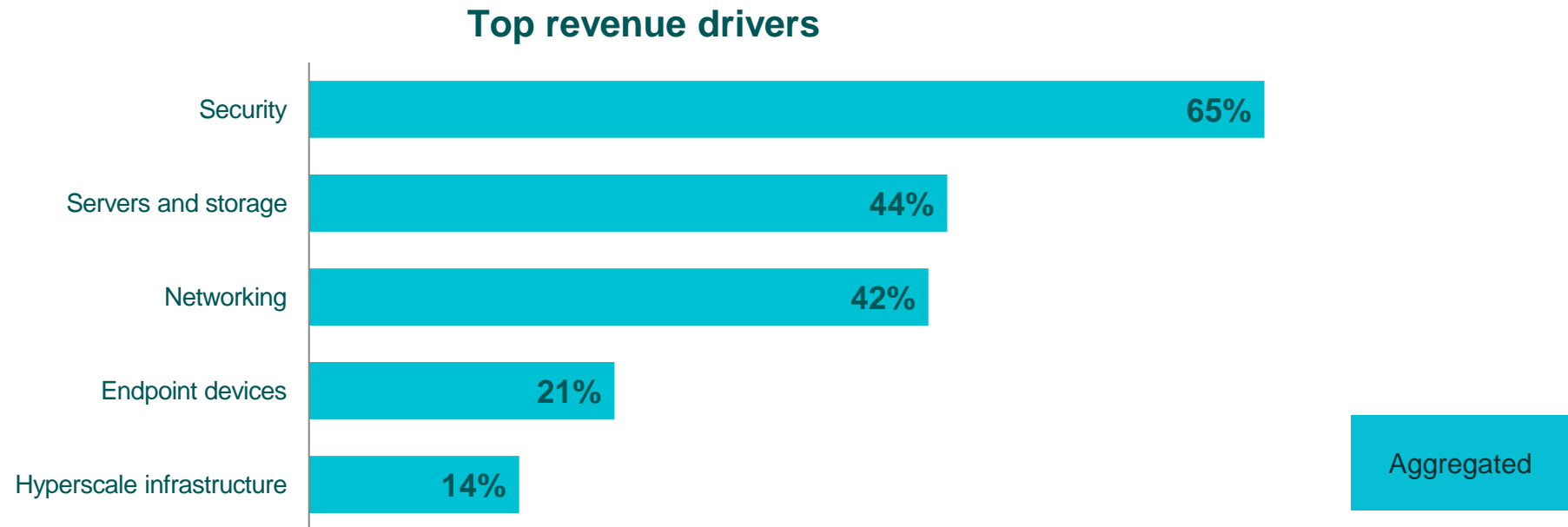
Considering your business during the last 12 months, from the list of technologies, please choose the top three revenue drivers.



Source: Canalys, Candefero TD SYNEX survey, 119 LAC respondents, May – June 2023

Infrastructure important revenue drivers

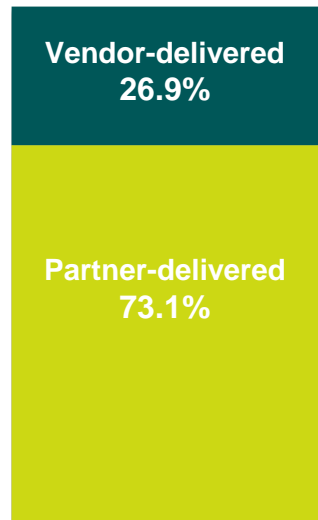
Considering your business during the last 12 months, from the list of technologies, please choose the top three revenue drivers.



Cloud and 5G buildout boosts vendor-delivered

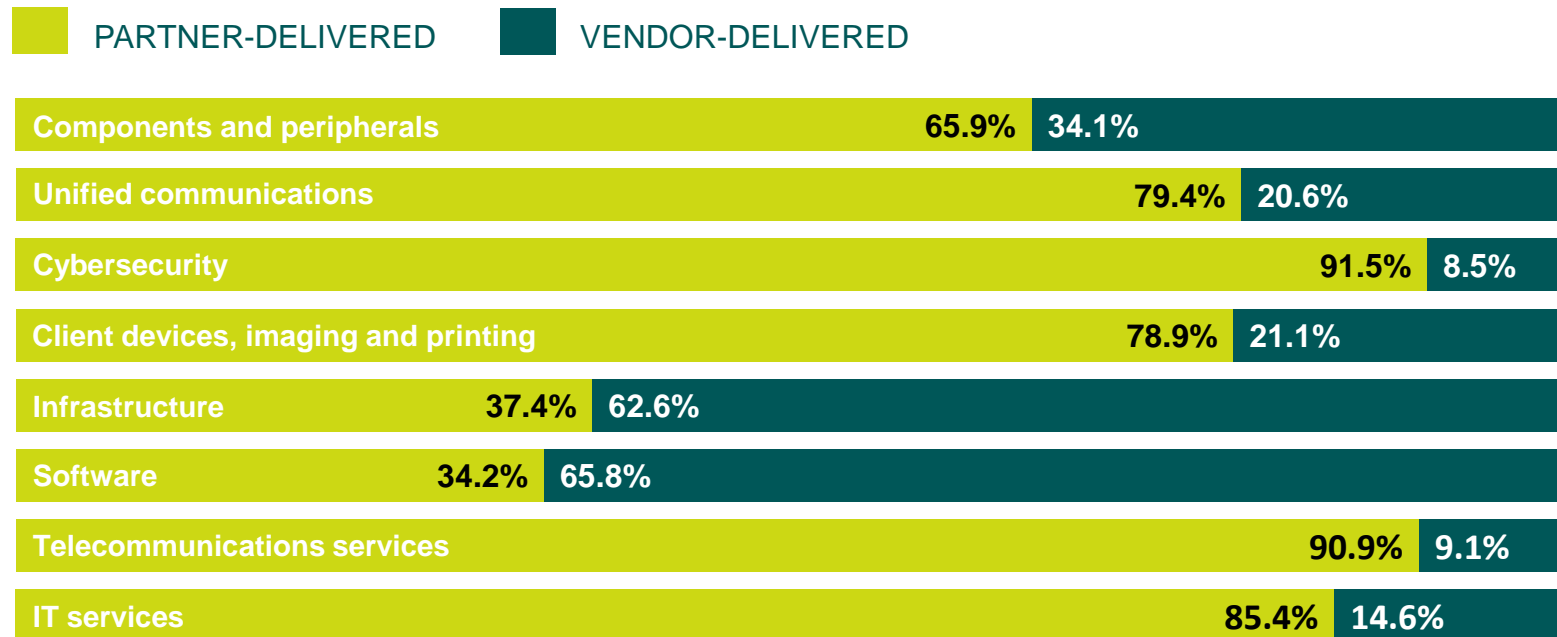
Worldwide total addressable IT market by route to market, 2023 forecast

Total IT spend: US\$4.7 trillion
Growth: 3.5%



2.9%
3.7%

2023 forecast

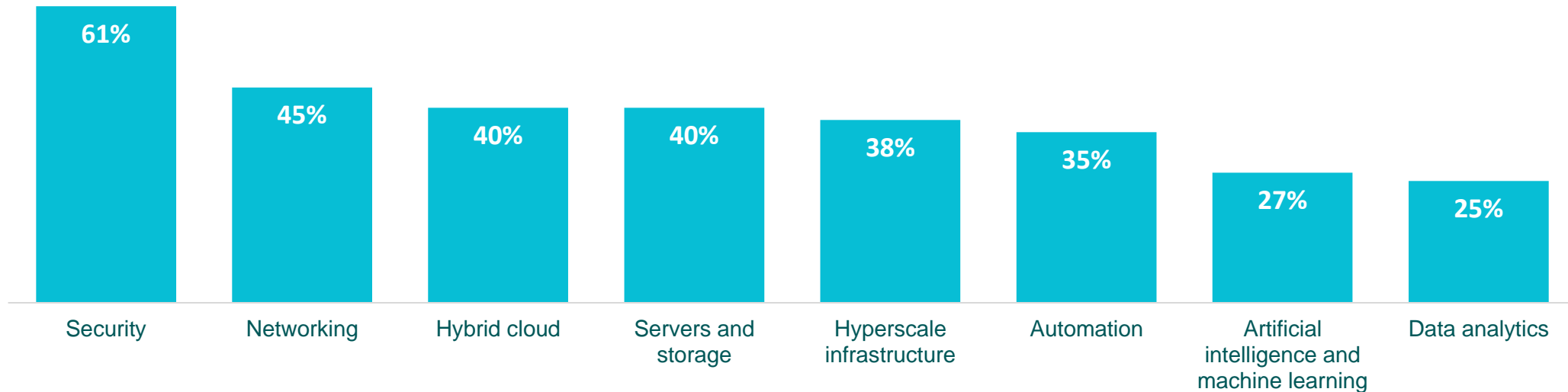


Source: Canalys estimates, Channels Analysis, July 2023 (excluding consumer IT spending)

Security will remain important in two years in LAC

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

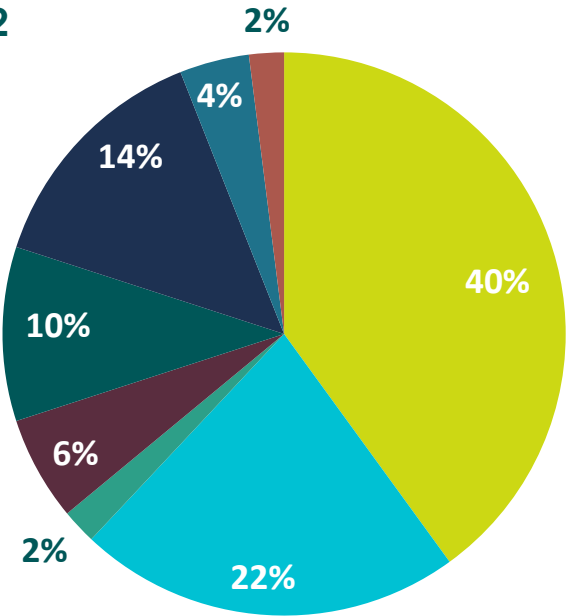
Top 8 planned to offer



Services take an important share...

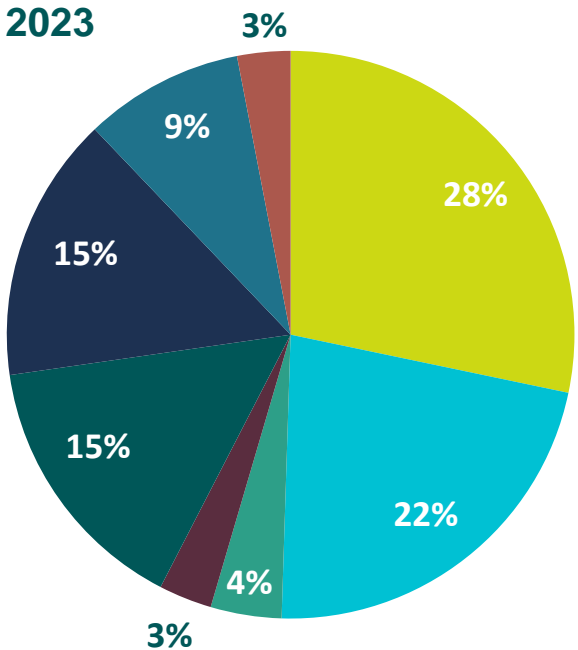
What percentage of your business is derived from the following today?
Average percentage across all respondents

2022



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

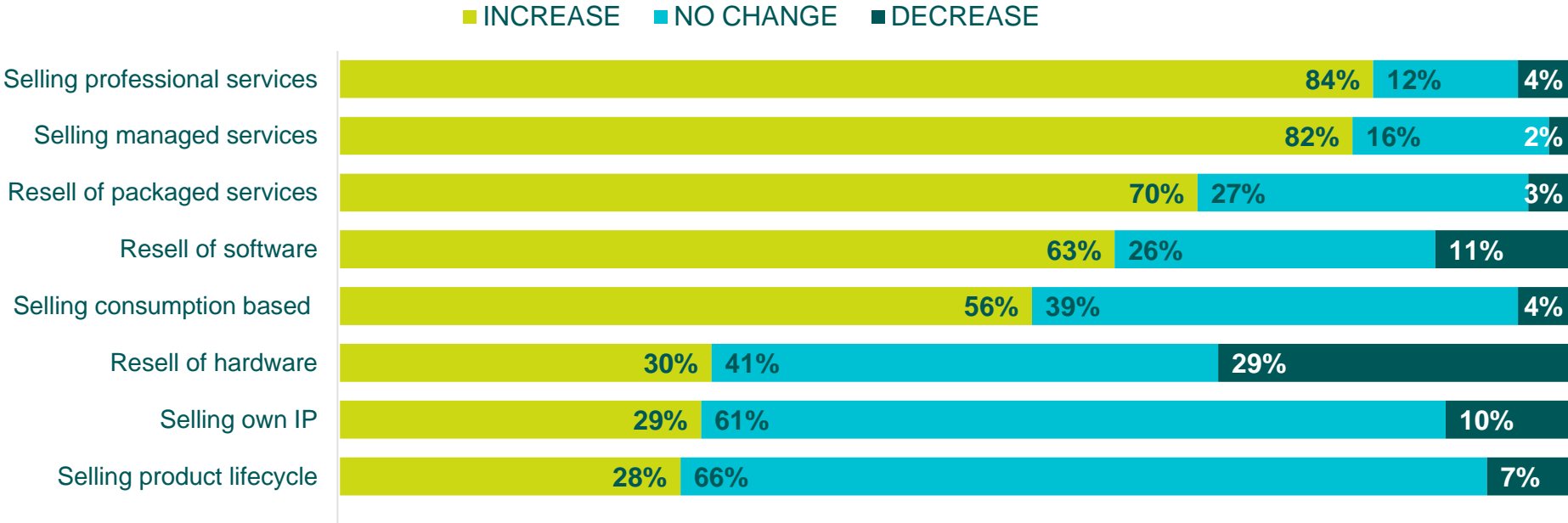
2023



Source: Canalys, Candefero TD SYNnex survey, 119 LAC respondents, May – June 2023

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

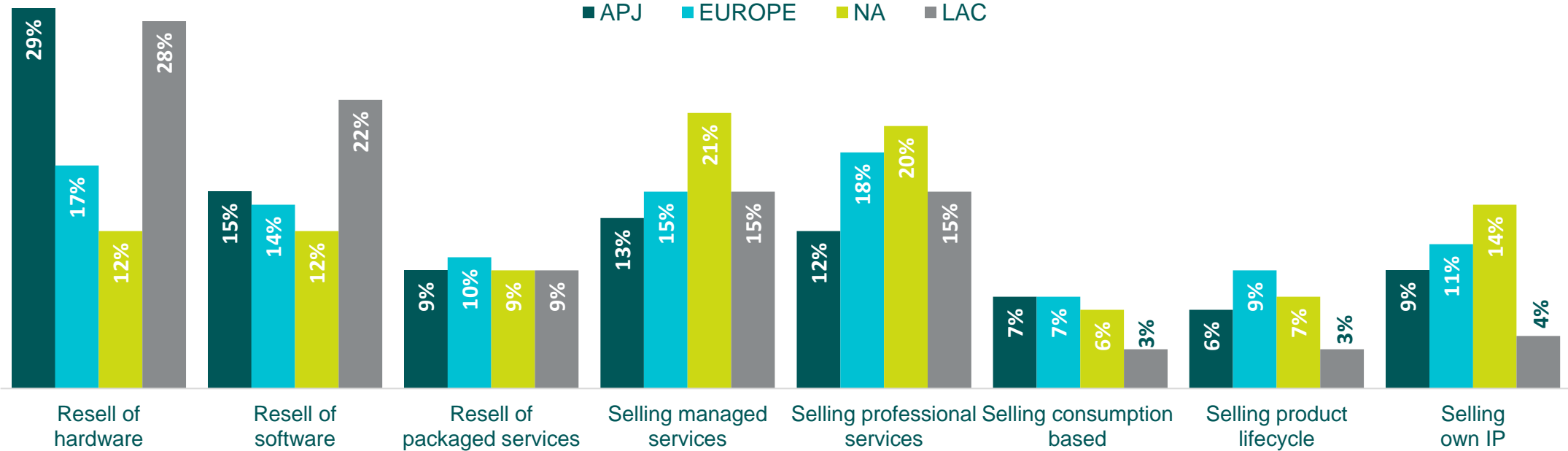
How will this change in three years' time as a percentage of your total business?



Source: Canalys, Candefero TD SYNEX survey, 119 LAC respondents, May – June 2023

North American partners see greatest shift to services

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

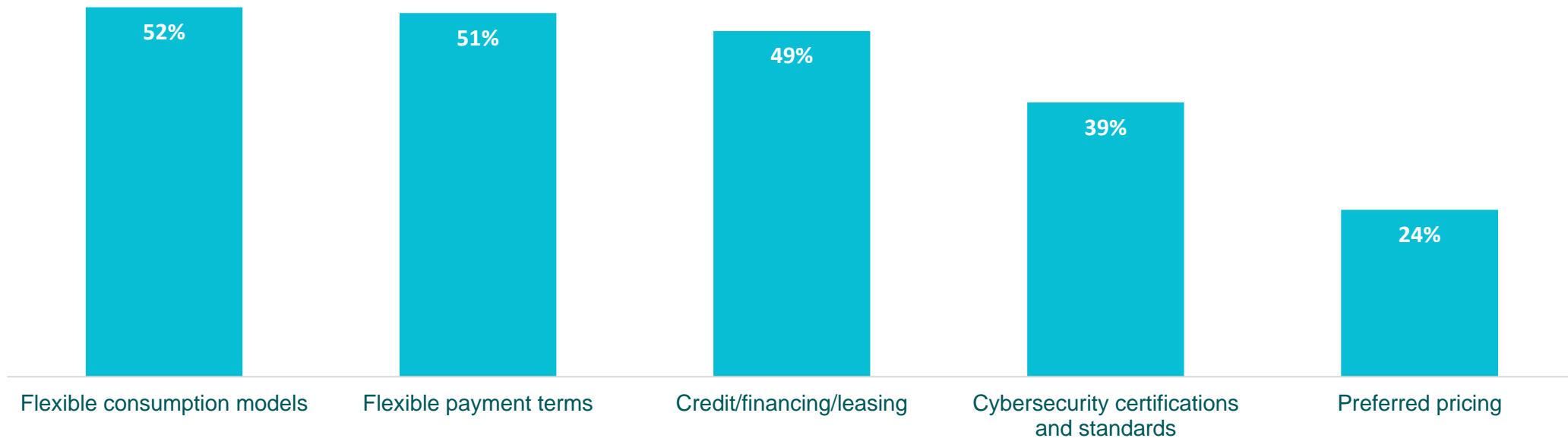


Source: Canals, Candefero TD SYNEX survey, 550 global respondents, May – June 2023

Financing, terms and model flexibility are vital

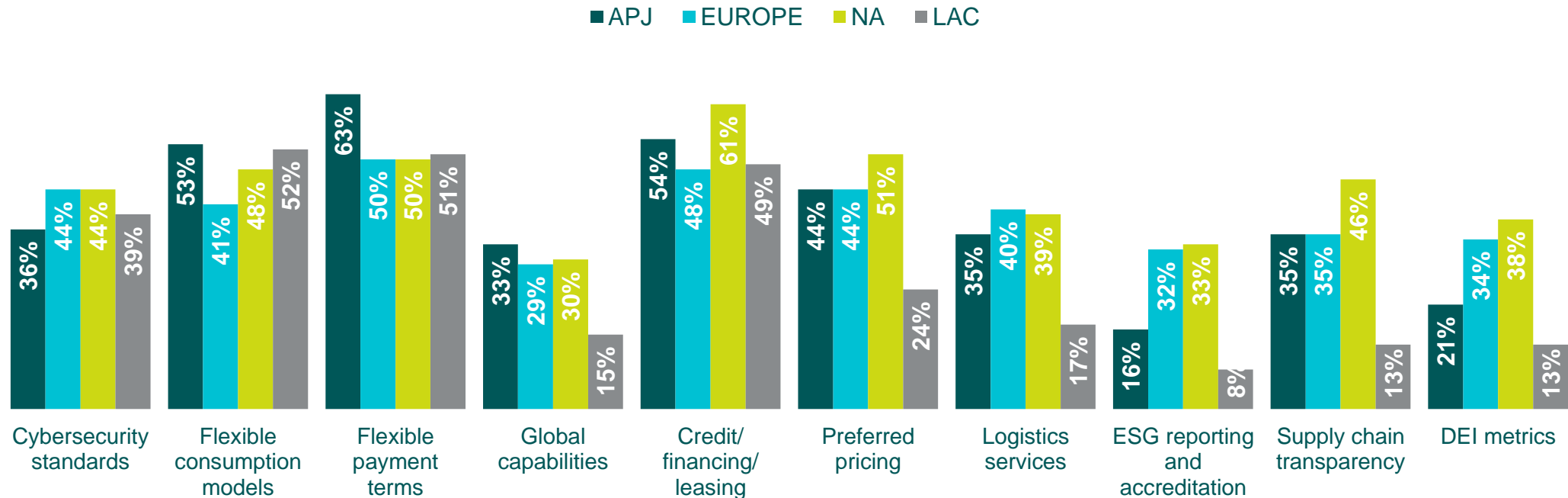
Which business solutions do you currently offer?
Select all that apply.

Top 5 currently offered



ESG lowest priority in APJ and LAC

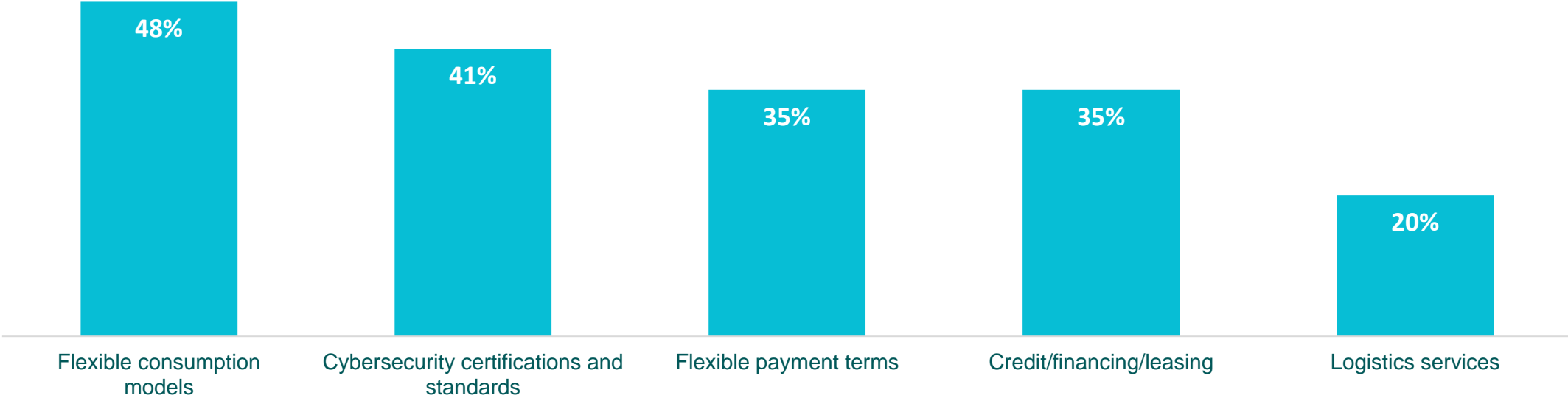
Which business solutions do you currently offer?
Select all that apply.



Partners look to consumption models and security

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

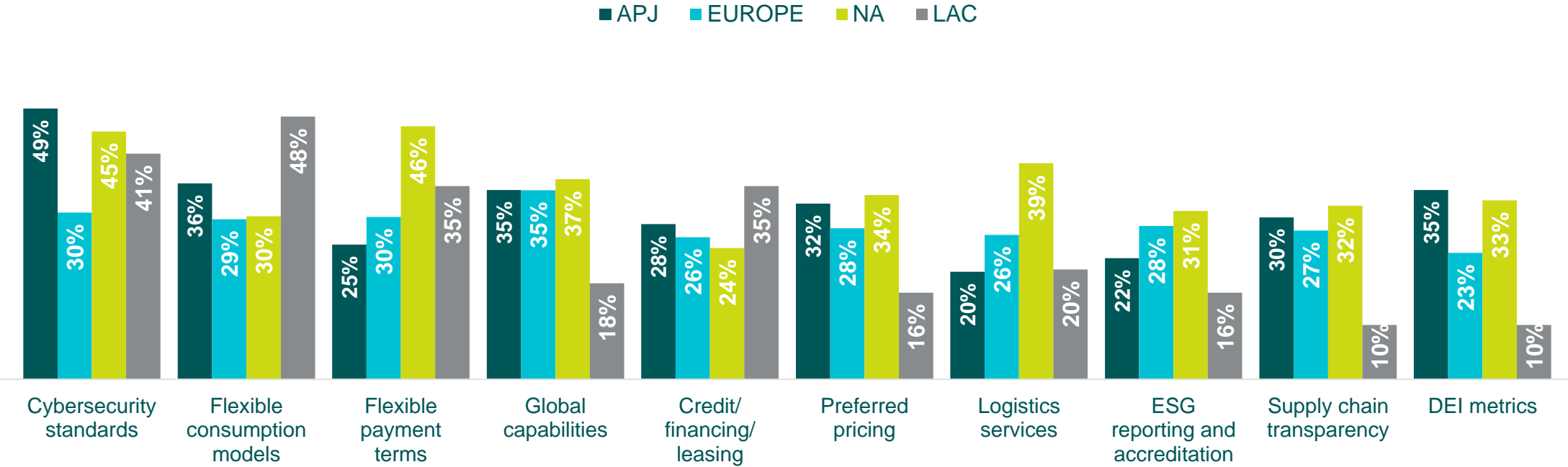
Top 5 planned to offer



Source: Canalys, Candefero TD SYNEX survey, 119 LAC respondents, May – June 2023

Regions show significant variation in priorities

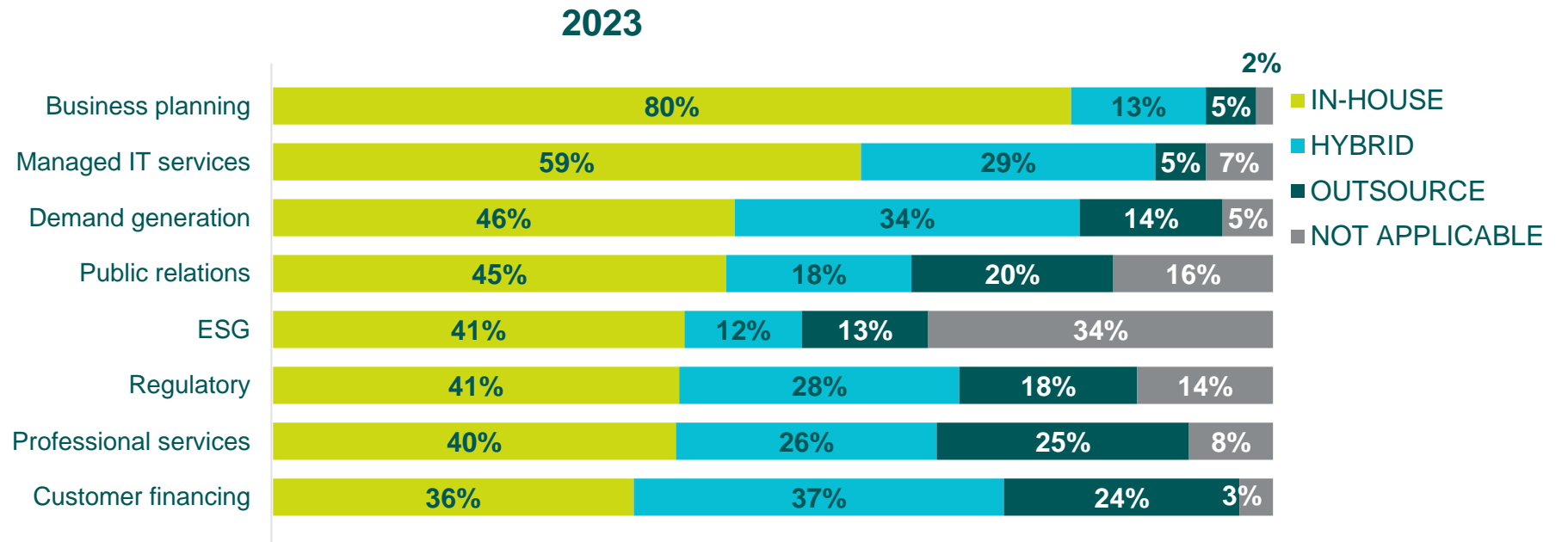
Which business solutions do you plan to offer within the next 24 months?
Select all that apply.



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

Business planning increases importance in-house

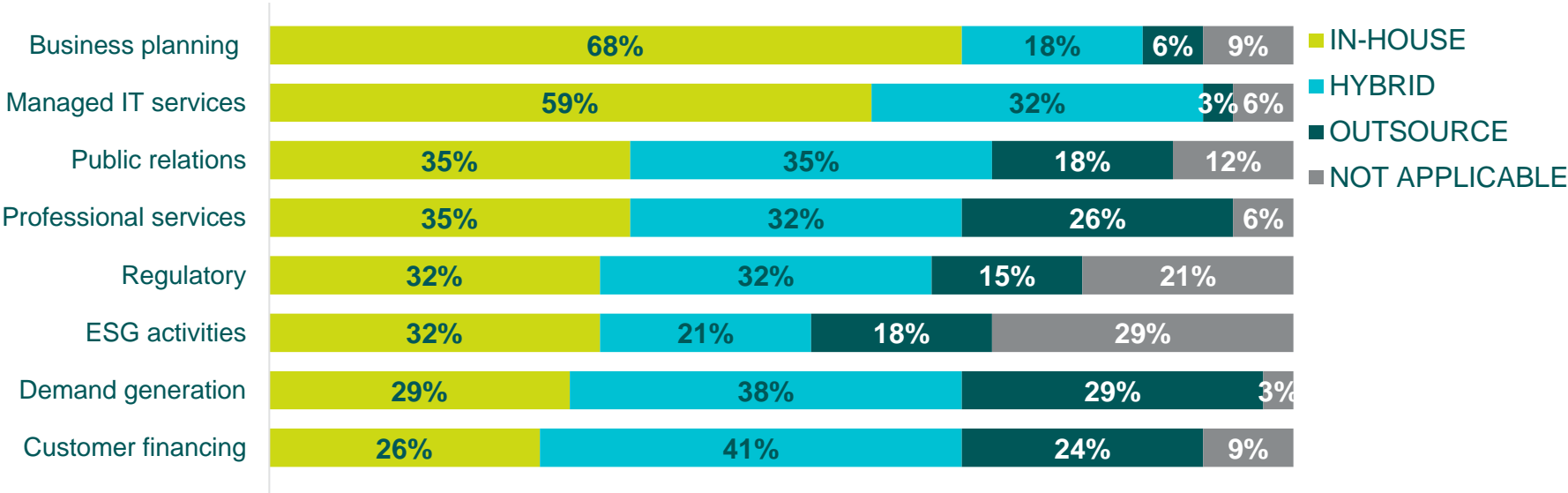
How do you perform the following business functions?
Please choose one option for each.



Partners generally outsource customer financing

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

2022

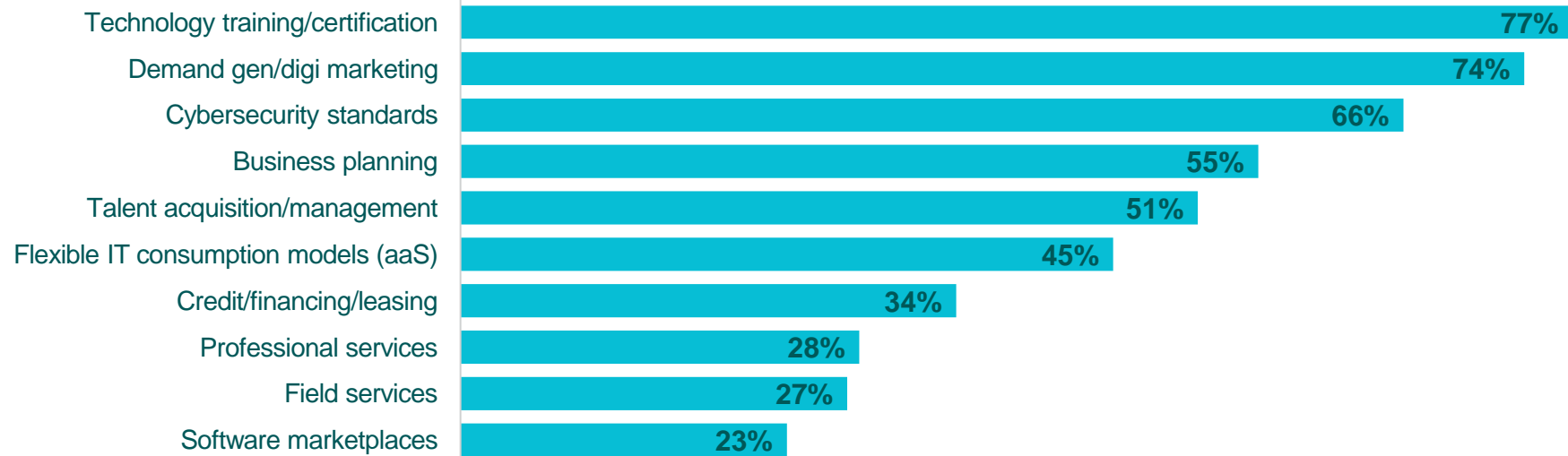


Source: Canals, Candefero TD SYNEX survey, 34 LAC respondents, July 2022 to September 2022

Tech training and digital marketing key priorities

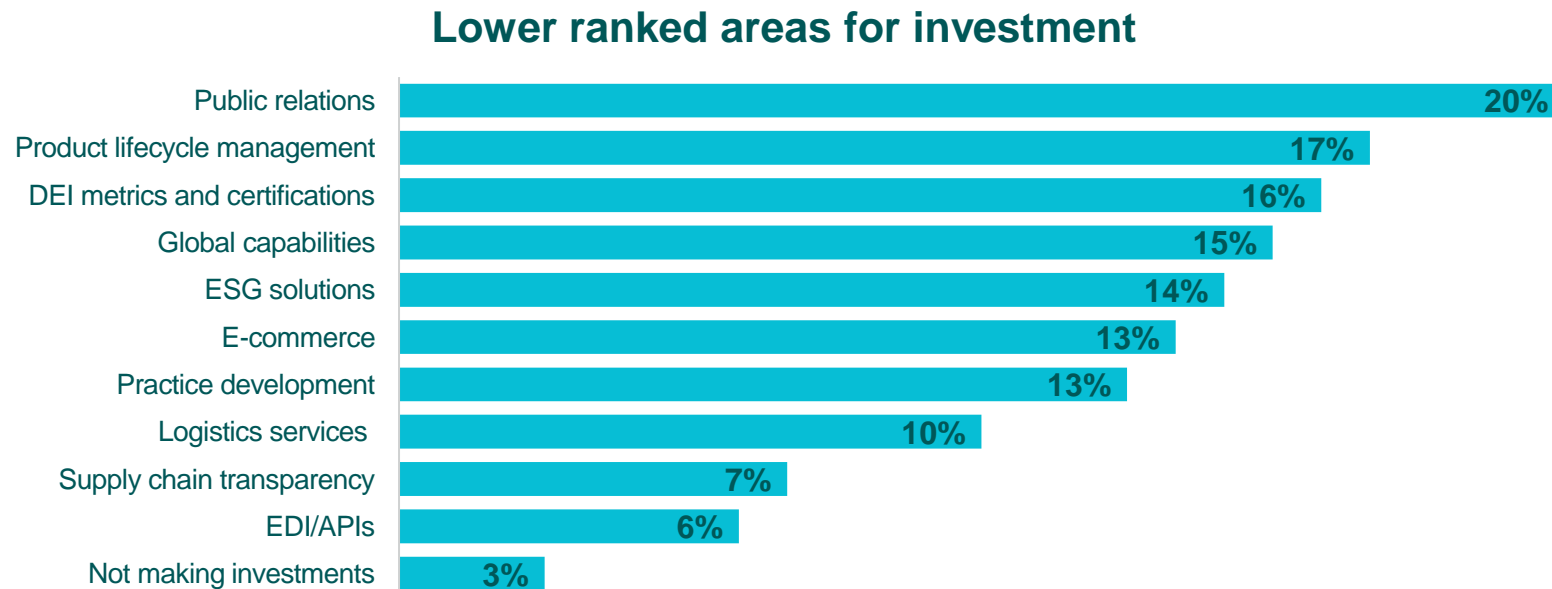
What areas of your business are you investing in?
Please select all that apply in the next 12 months.

Top areas for investment



Supply chain and EDI/APIs lower priorities

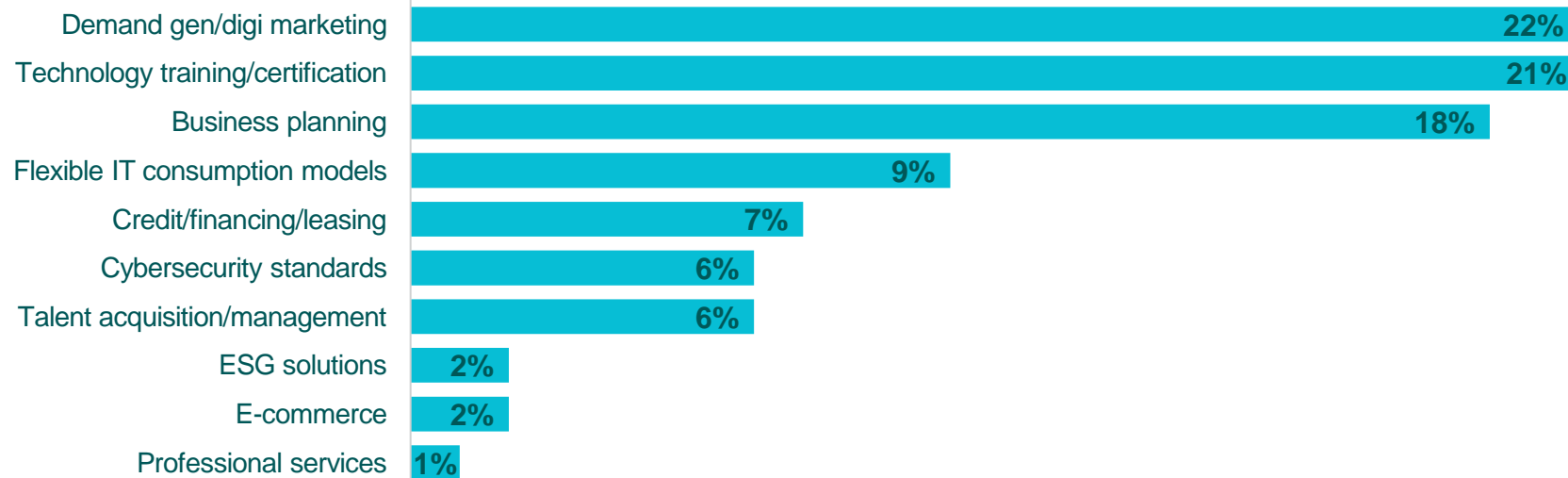
What areas of your business are you investing in?
Please select all that apply in the next 12 months.



Range of most important aspects for investment

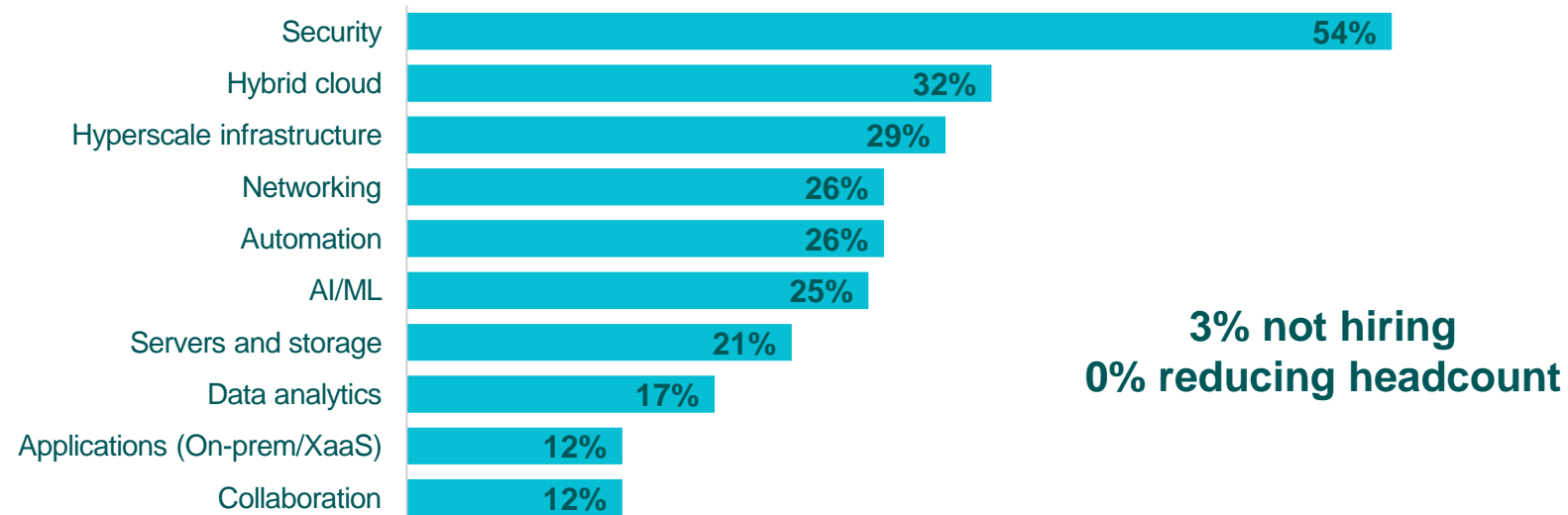
What areas of your business are you investing in?
Please select the most important area in the next 12 months.

Most important area – top 10 shown



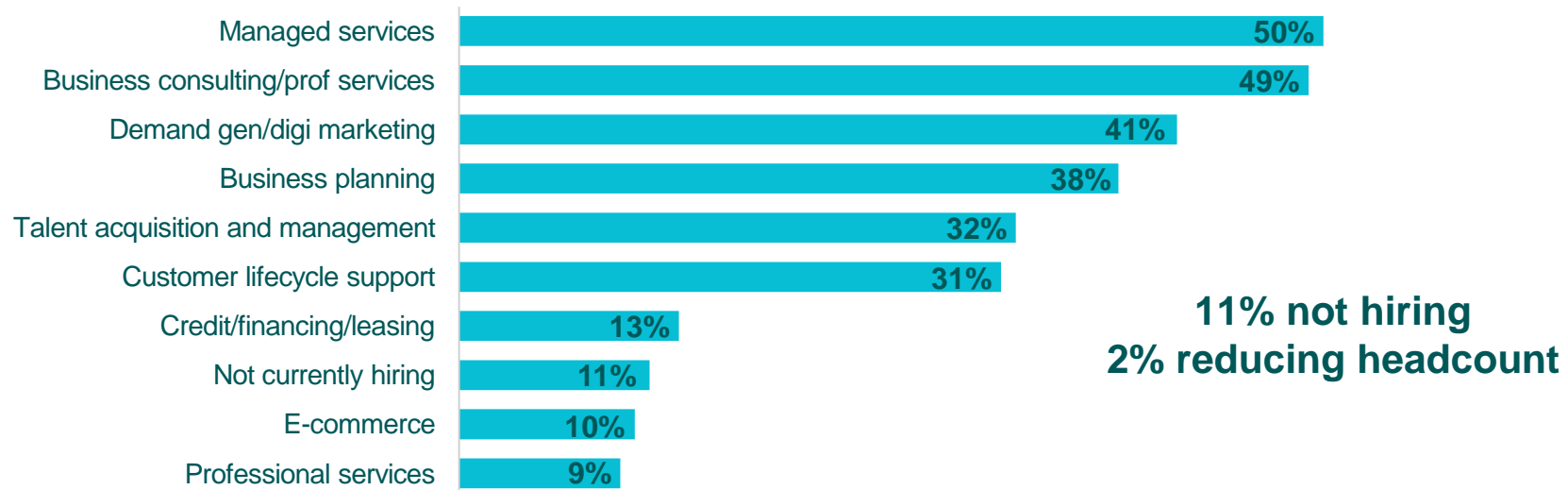
Security is key hiring priority

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



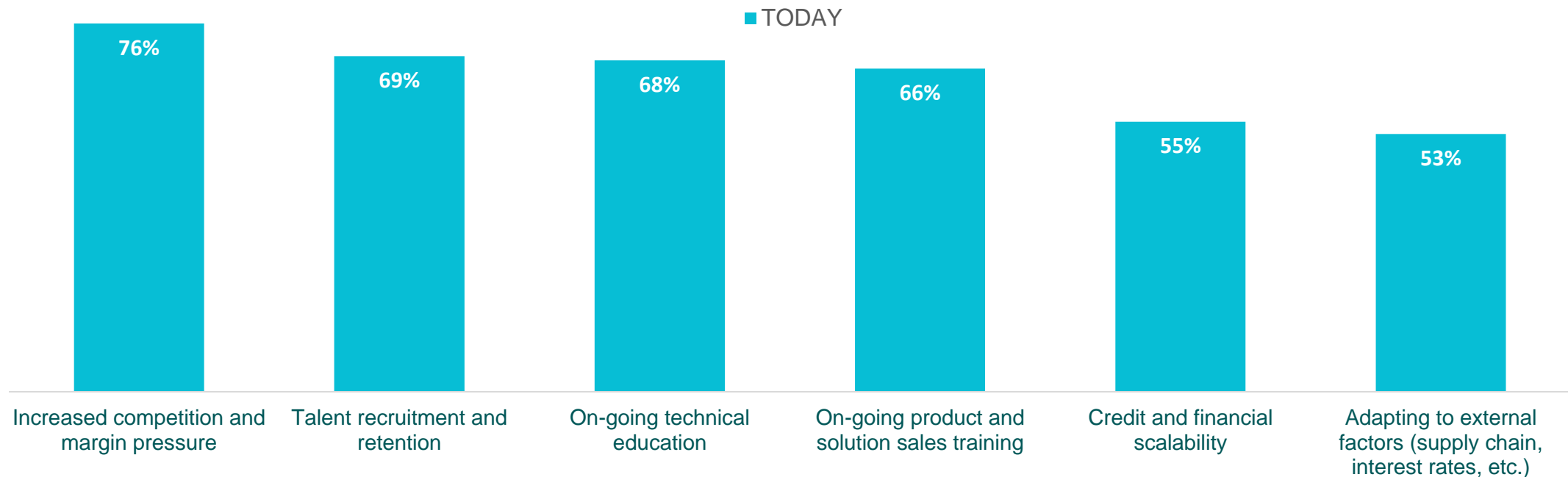
Partners investing in services skills

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



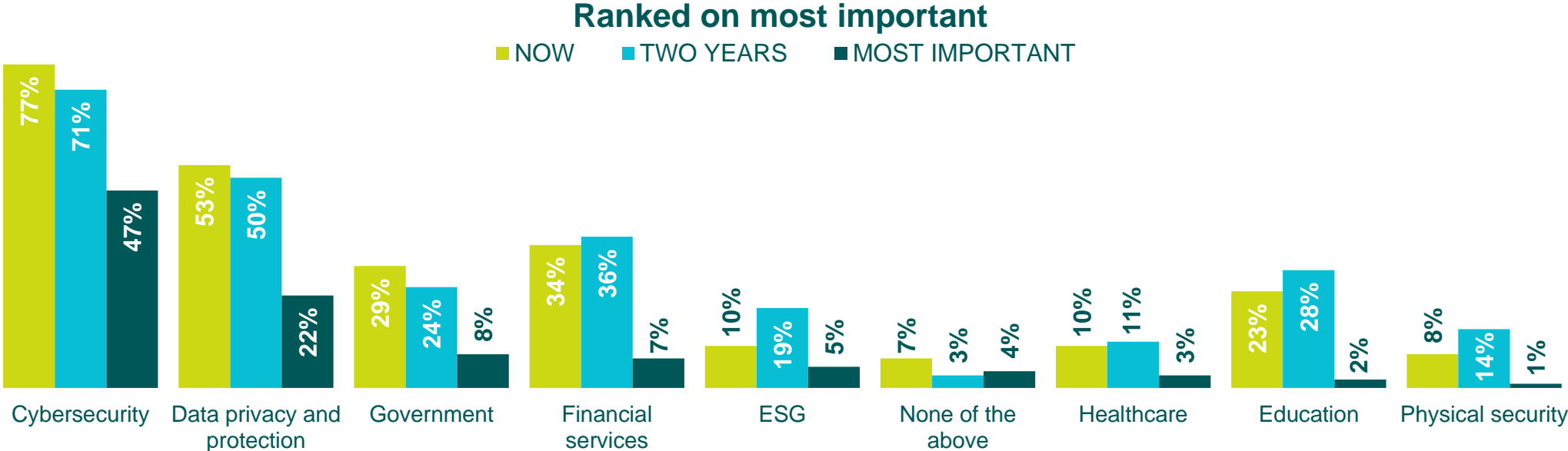
Margin and recruitment pressures today

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



Cybersecurity expertise is and will remain vital

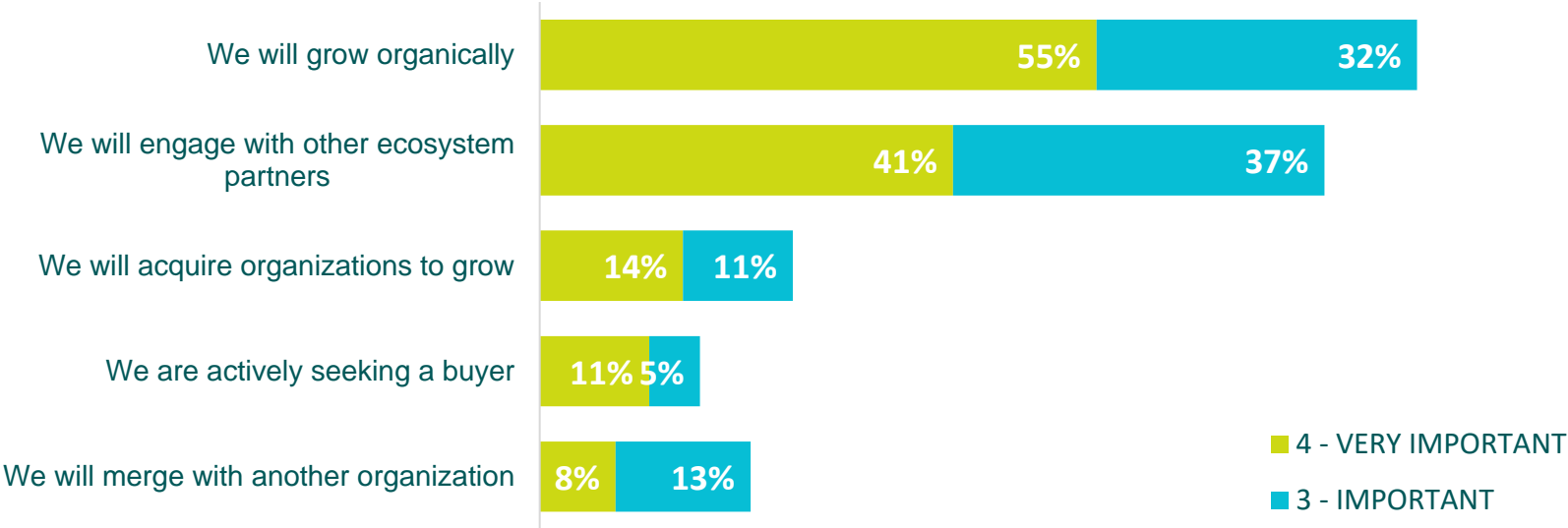
Which areas of regulatory expertise or certification are most important to your business today?
Please choose all that apply today and in two years' time and then select the most important area in two years' time.



Source: Canalis, Candefero TD SYNEX survey, 119 LAC respondents, May – June 2023

Organic growth and partnering currently favored

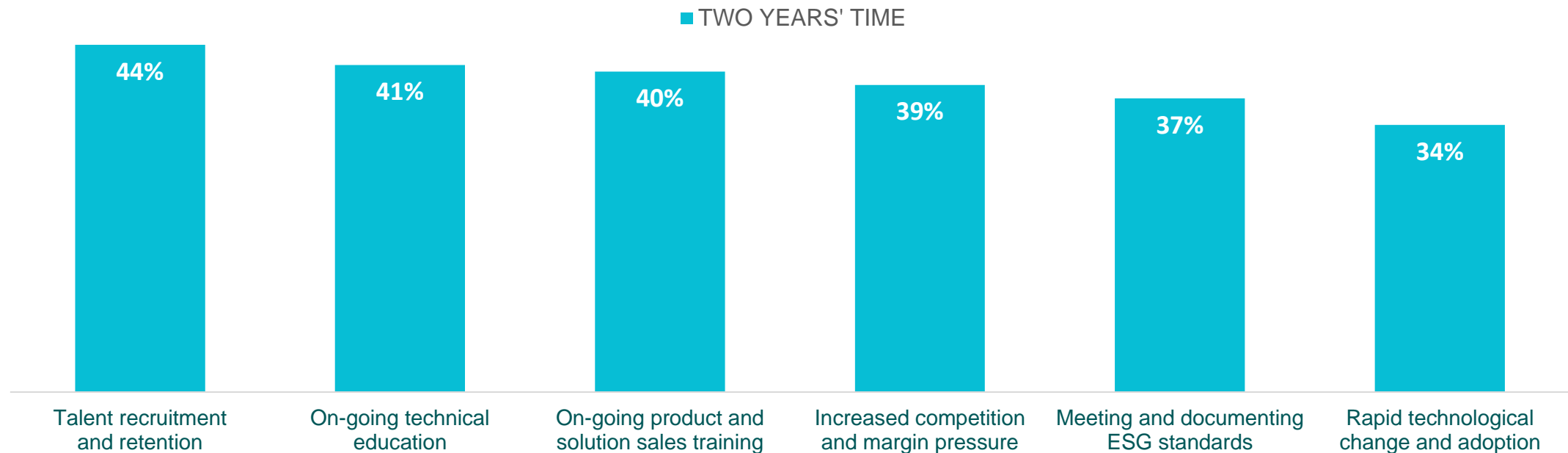
Which of the following statements describe your organization's attitude toward growth? Please rank in order of importance where 1 is not at all important and 4 is very important.



Source: Canalys, Candefero TD SYNEX survey, 119 LAC respondents, May – June 2023

Recruitment and training likely to be challenges ahead

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



Minimal change in partner focus

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)

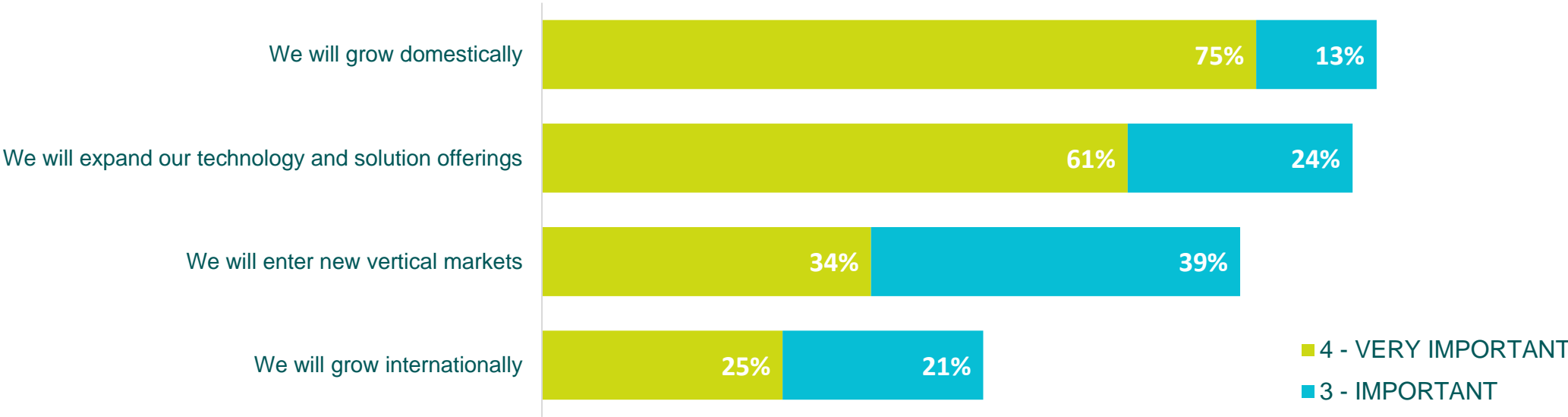
■ 2023 ■ 2022



Source: Canalys, Candefero TD SYNEX survey, 24 LAC respondents (2022) and 119 LAC respondents (2023)

Domestic growth very important in 2023

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.



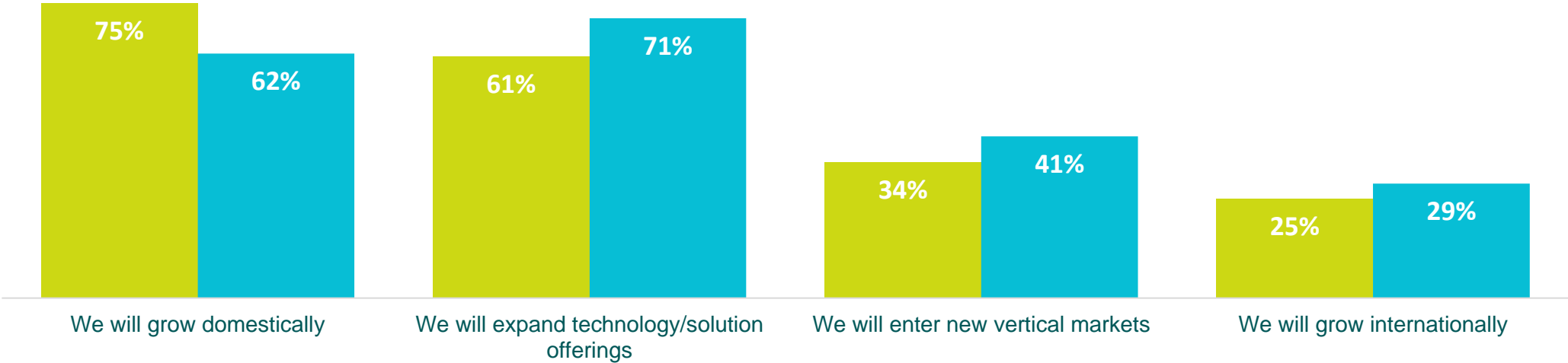
Source: Canalys, Candefero TD SYNEX survey, 119 LAC respondents, May – June 2023

Domestic growth increases importance in LAC

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: Canalys, Candefero TD SYNEX survey, 24 LAC respondents (2022) and 119 LAC respondents (2023)



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TD SYNEX

Ecosystem Report

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