



Direction of Technology 2023: TD SYNEX Ecosystem Report

North American Results

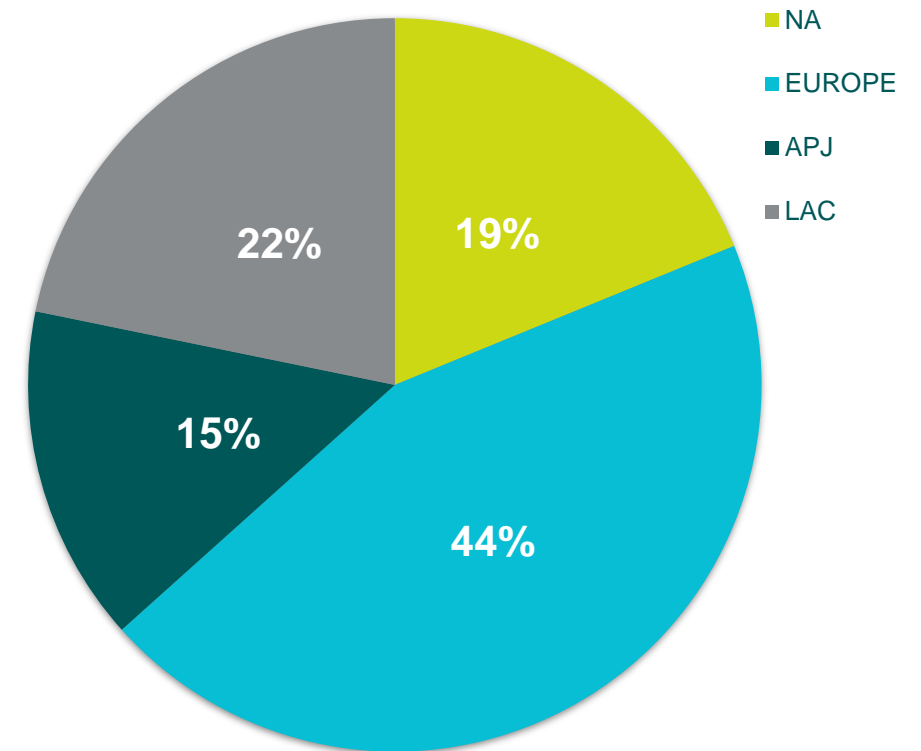


TD SYNEX survey 2023

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 | North American survey feedback

1

37% of partners are now offering AI/ML solutions and 40% plan to offer within the next two years.

- Networking, cybersecurity, and data analytics are regarded as key drivers of revenue.
- North American partners also consider data analytics as a promising investment opportunity, with 46 percent planning to offer it within two years.

2

63% of partners cited hiring for business planning and managed services skills as their top business priorities, as demand for AI/ML and data analytics skills outpaces global average.

- Over 50 percent of partners cited AI/ML and data analytics as skill sets they are currently hiring for.
- Investment in security skills is also of importance, with nearly 30 percent currently recruiting those skills.

3

Partners are continuing to shift toward services, including a nearly 250% jump in sales of product lifecycle services and 80% increase in resale of packaged services.

- While the sale of hardware remains important, share is shifting to consumption and lifecycle models.
- The number of partners selling their own IP also increased 40% from the prior year.

4

36% of resellers included ESG among their top areas of expertise needed.

- Over 60% of partners plan to offer ESG and DEI solutions within the next two years.
- Currently, 39% of partners are investing in DEI metrics and certifications, showing a shift in focus.

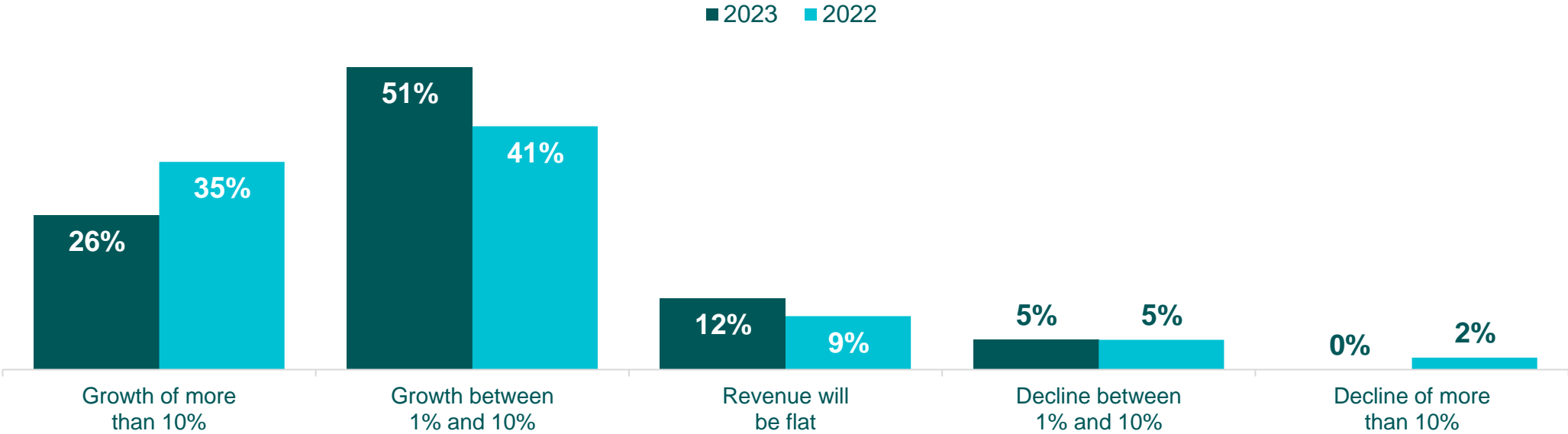
5

Over 60% of partners stated that adapting to external factors is currently a key challenge.

- 50% stated that increased competition and margin pressures are top challenges.
- Looking ahead, almost 40% of partners stated that digitally transforming their company will be a challenge within two years.
- Also, over a third of partners expect recruitment to be a challenge in the future.

Revenue expectations more muted, but 77% still expect growth

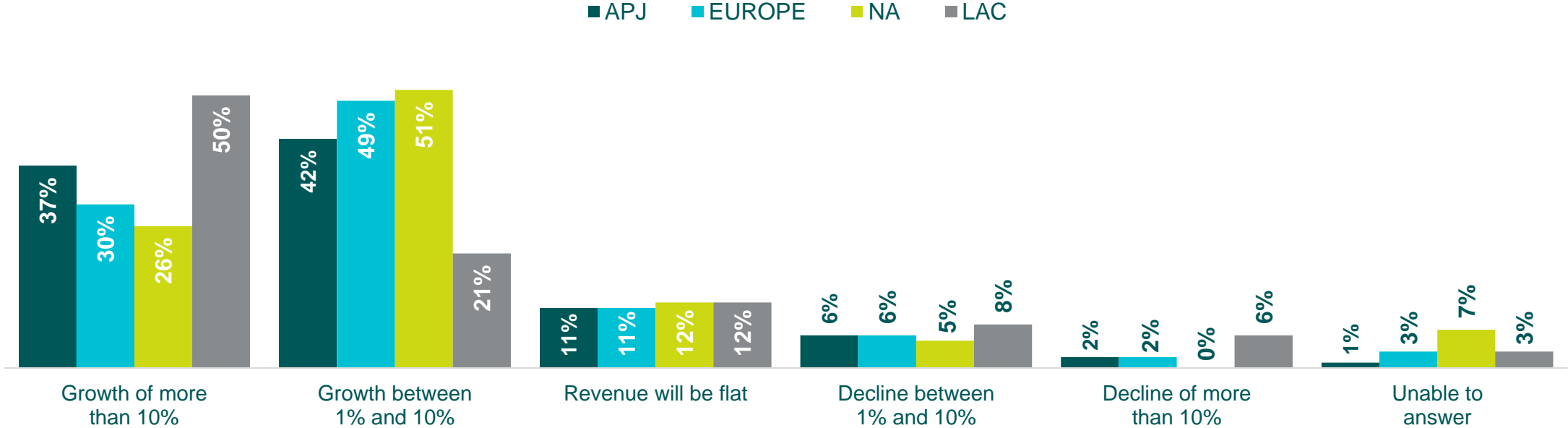
Which statement best reflects your company's revenue performance this fiscal year, compared to the previous fiscal year? *Please choose one.*



Source: Canalys, Candefero TD SYNEX survey, 81 NA respondents (2022) and 104 NA respondents (2023)

North American outlook aligns with APJ and Europe

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

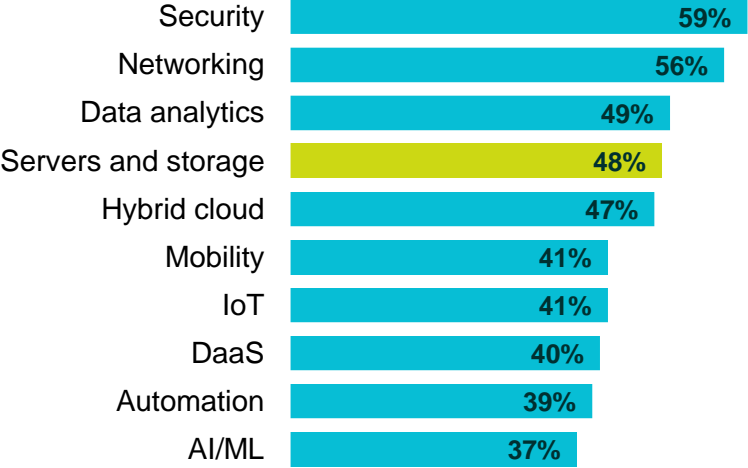


Source: Canalis, Candefero TD SYNEX survey, 550 global respondents, May – June 2023

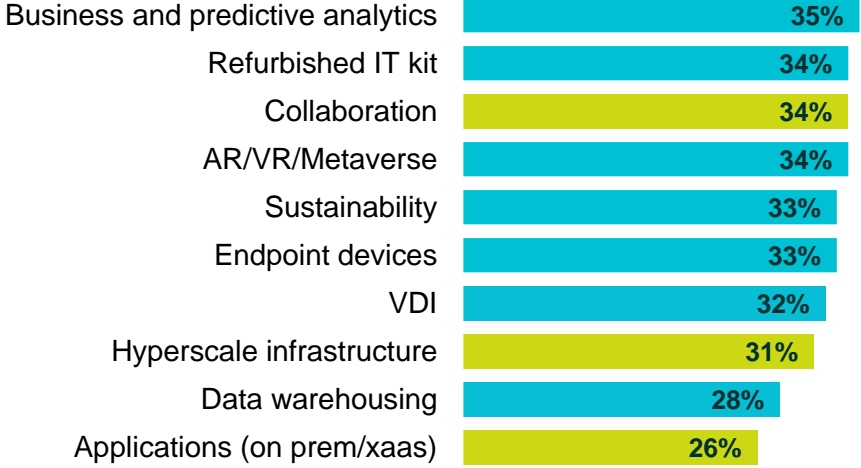
Security and infrastructure sold by highest proportion

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

Top 10



Bottom 10

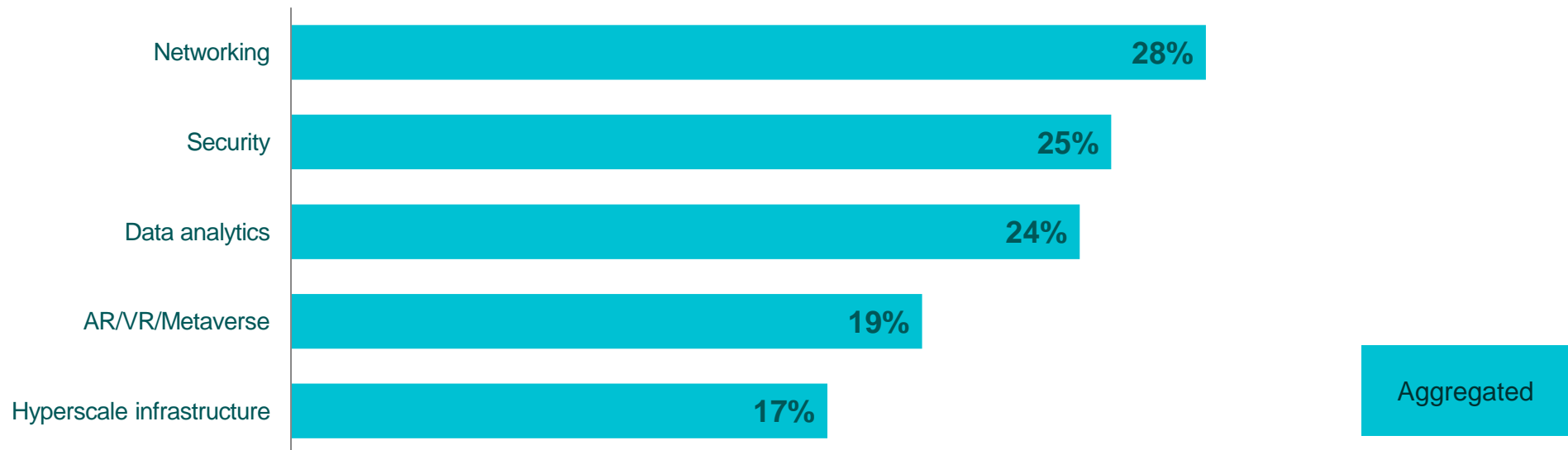


Source: Canalys, Candefero TD SYNEX survey, 104 NA respondents, May – June 2023

Networking, security & analytics are top revenue drivers

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

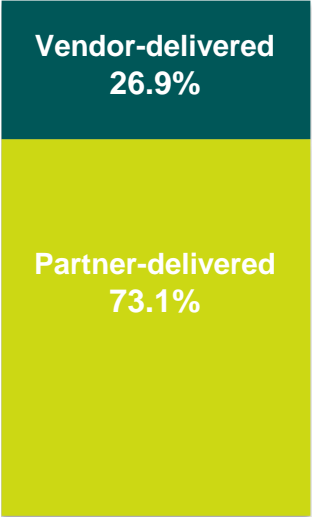
Top revenue drivers



Cloud and 5G buildout boosts vendor-delivered

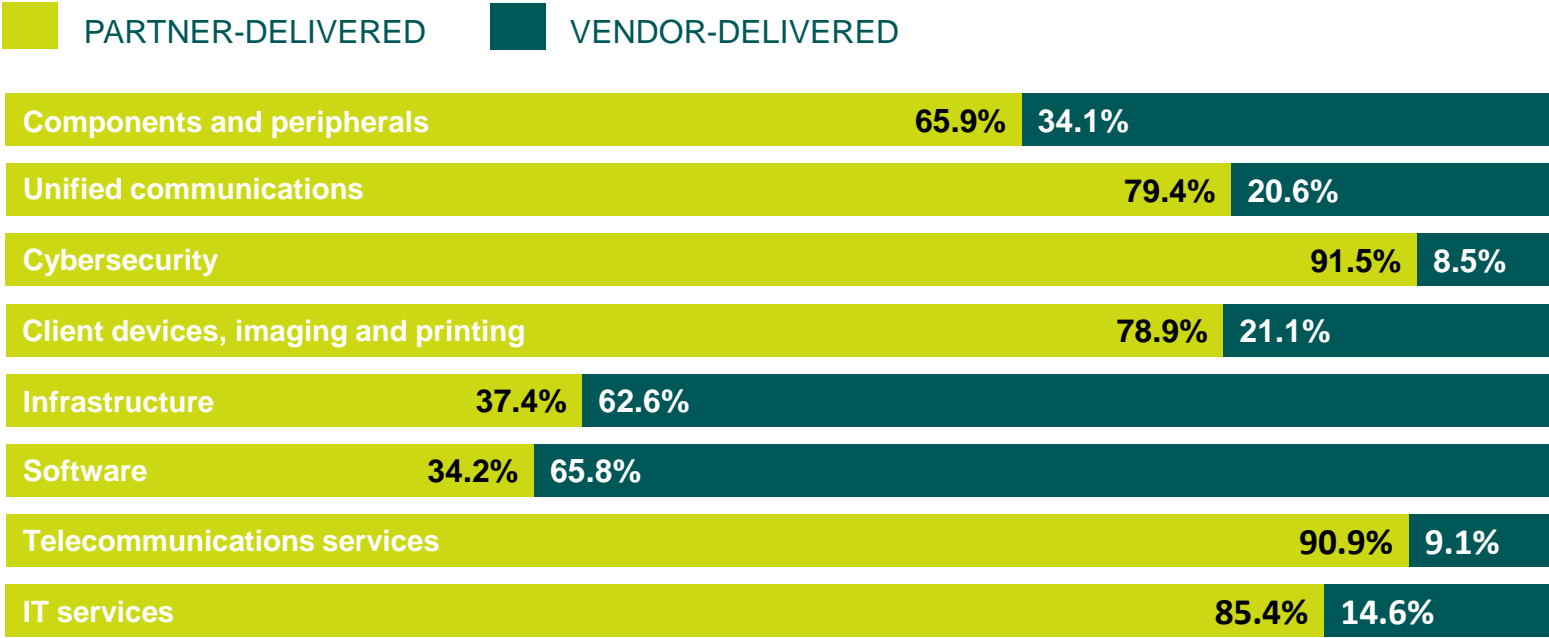
Worldwide total addressable IT market by route to market, 2023 forecast

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



2.9%
3.7%

2023 forecast



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

40% of partners plan to offer AI within 24 months

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

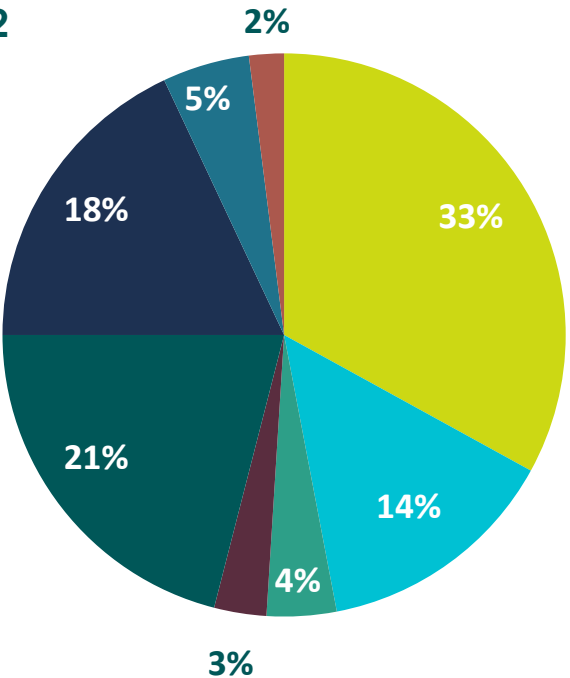
Top 8 planned to offer



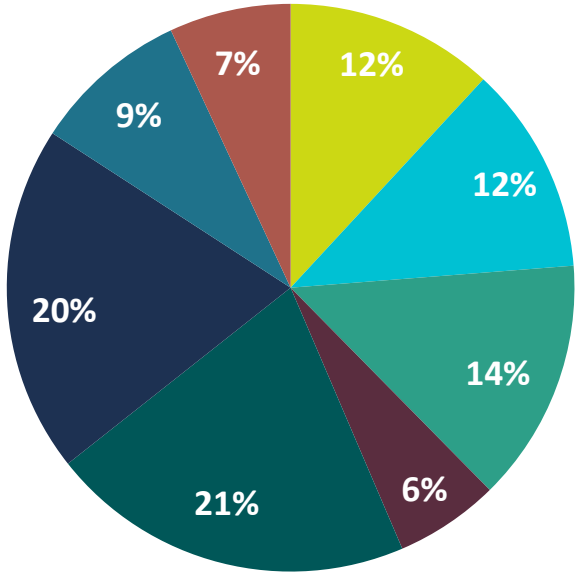
Services and Sales of IP increase share of revenue...

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

2022



2023

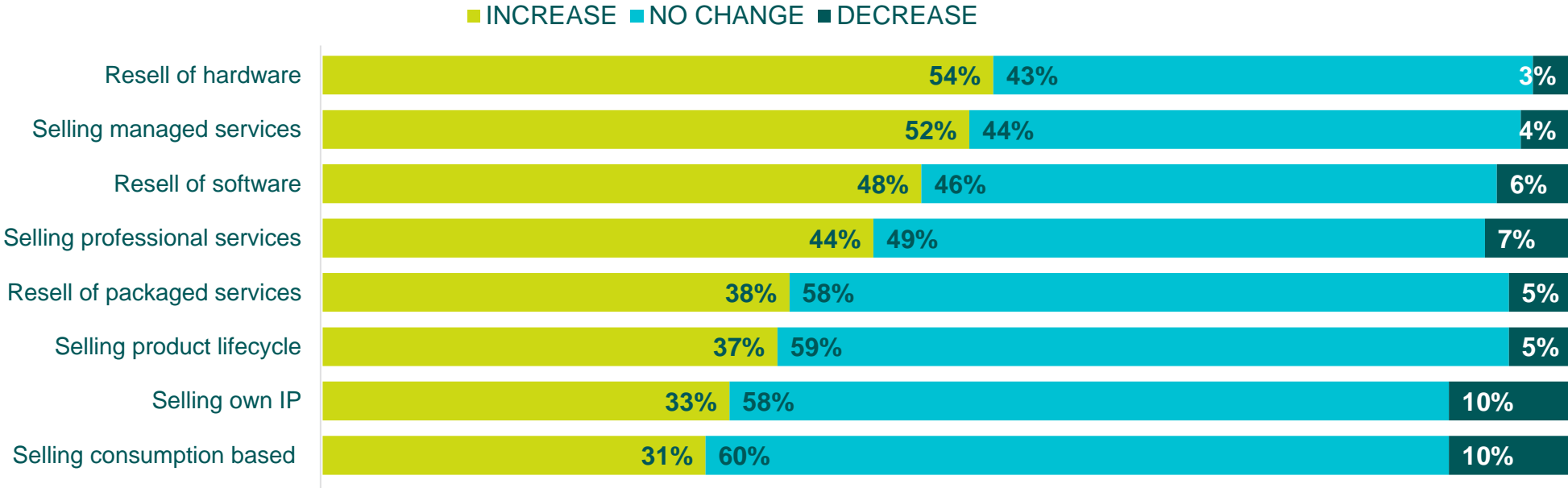


- Resell of hardware
- Resell of software
- Selling your own IP
- Selling consumption based XaaS
- Selling managed services
- Selling professional services
- Resell of packaged services
- Selling product lifecycle services

Source: Canalys, Candefero TD SYNnex survey, 104 NA respondents, May – June 2023

...but software/hardware resell potentially comes back

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



Source: Canalys, Candefero TD SYNEX survey, 104 NA 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.

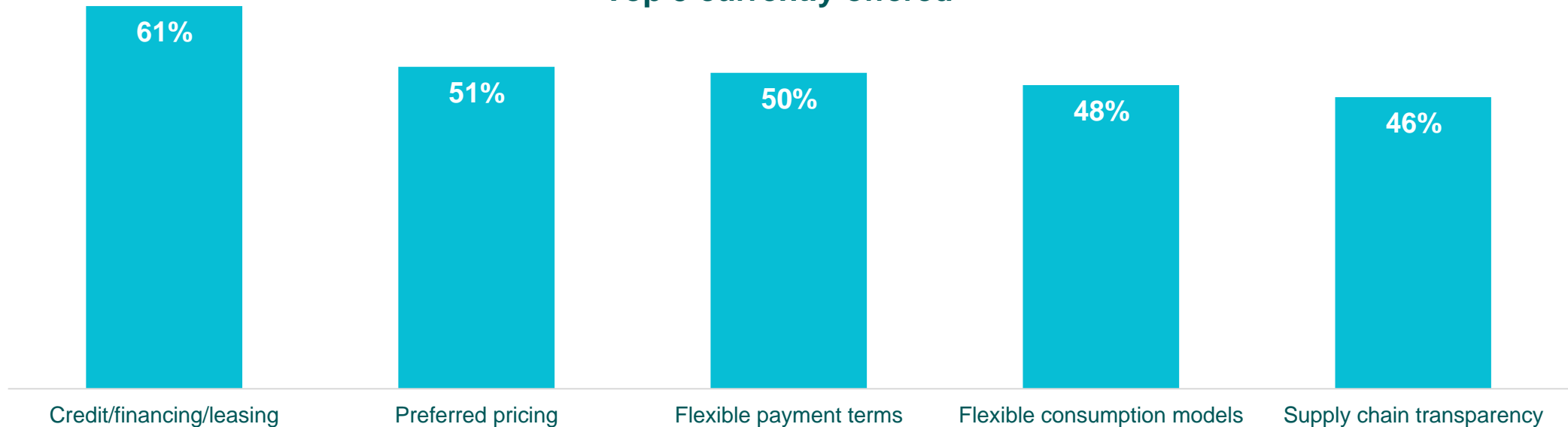


Source: Canalys, Candefero TD SYNEX survey, 550 global respondents, May – June 2023

More than 50% of partners offering credit, preferred pricing and flexible terms

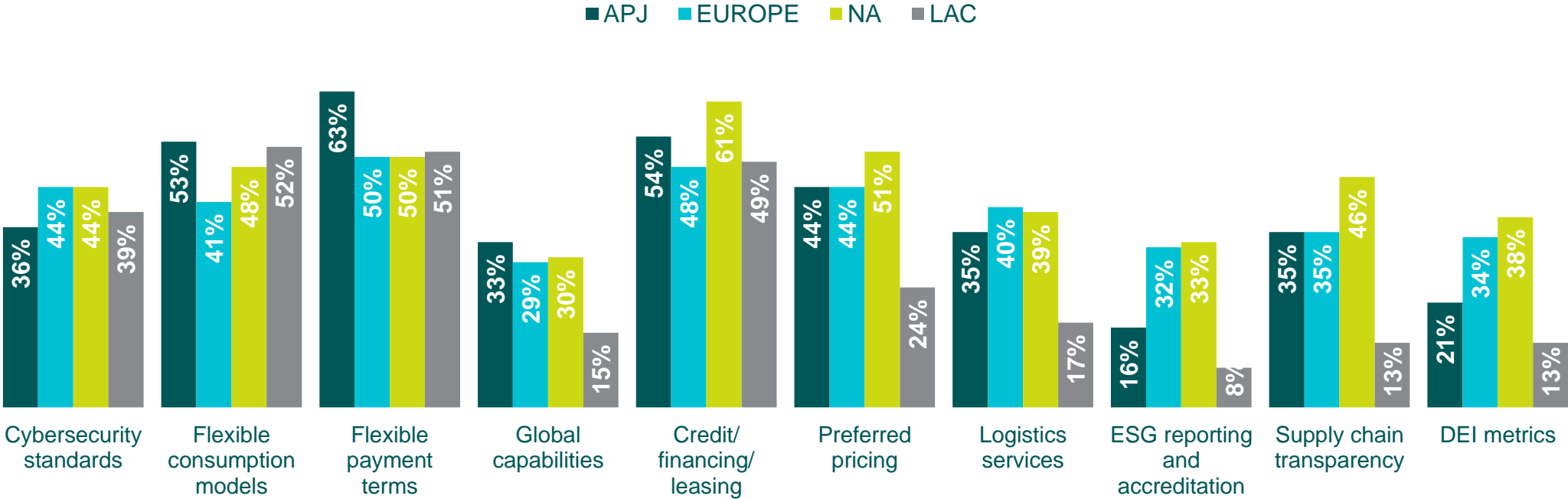
Which business solutions do you currently offer?
Select all that apply.

Top 5 currently offered



NA outpacing other regions on supply chain, credit and DEI

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



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

More than 45% of partners look to offer flexible terms and security standards

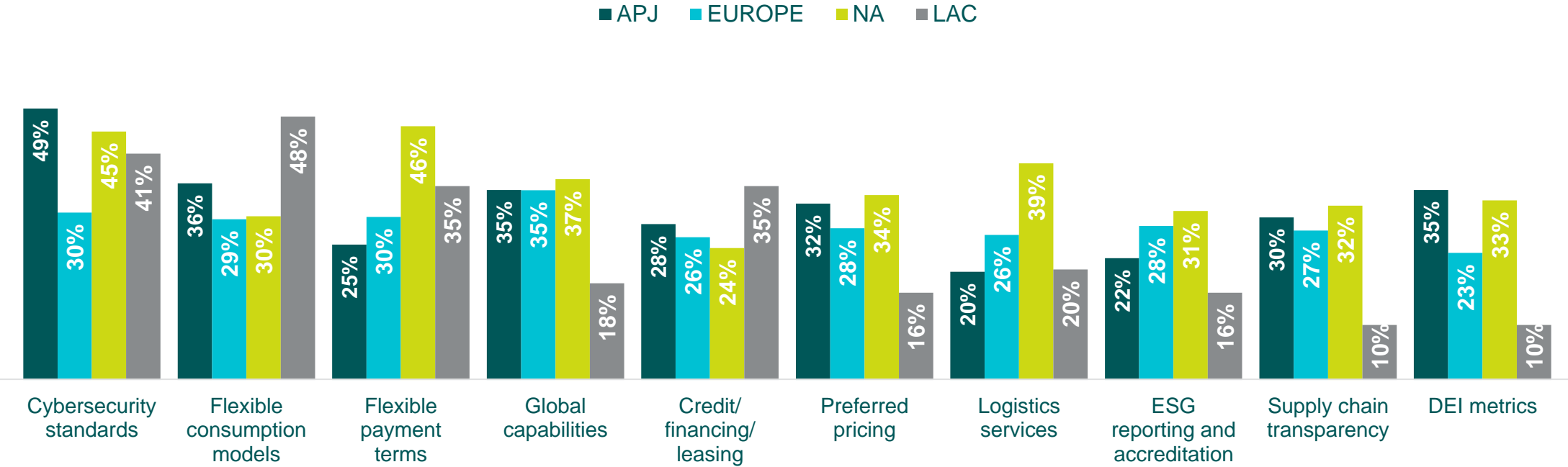
Which business solutions do you plan to offer within the next 24 months?
Select all that apply.

Top 5 planned to offer



NA focused on security stands, flexible terms and logistics

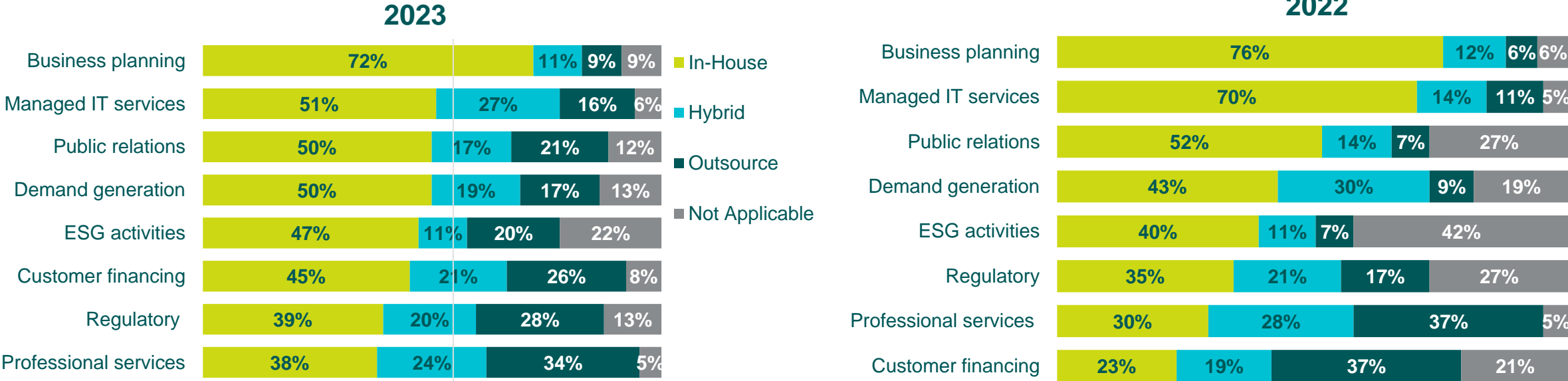
Which business solutions do you plan to offer within the next 24 months?
Select all that apply.



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

Managed IT Services Shifts to Hybrid Approach

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



Source: Canalys, Candefero TD SYNEX survey, 104 NA respondents, May – June 2023

63% of partners investing in business planning

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

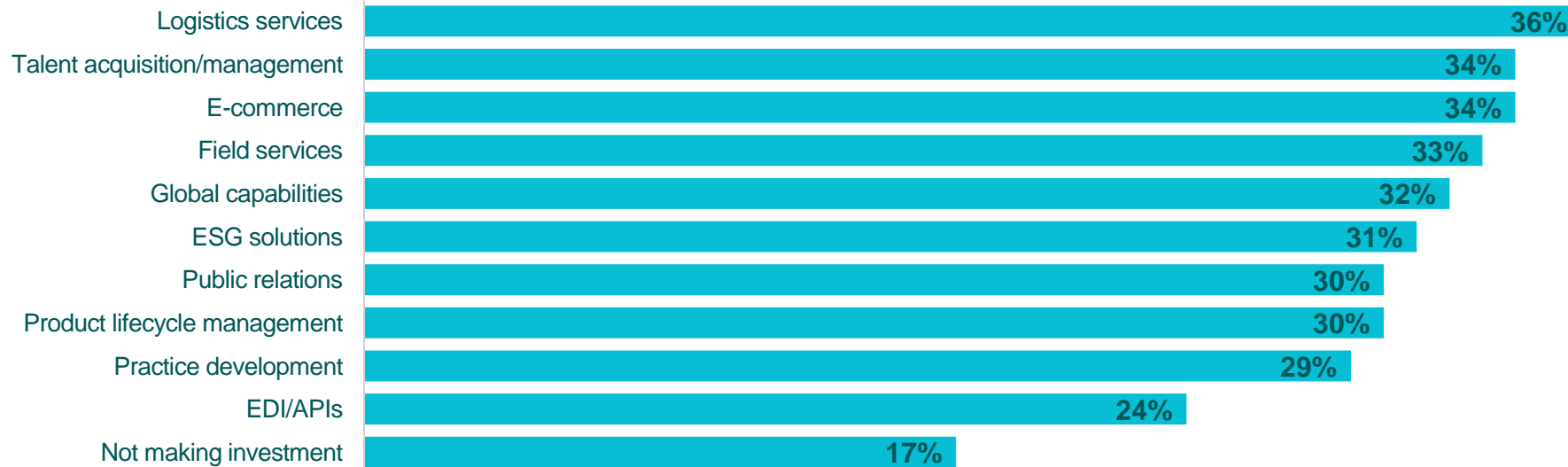
Top areas for investment



EDI/APIs not a priority for the majority

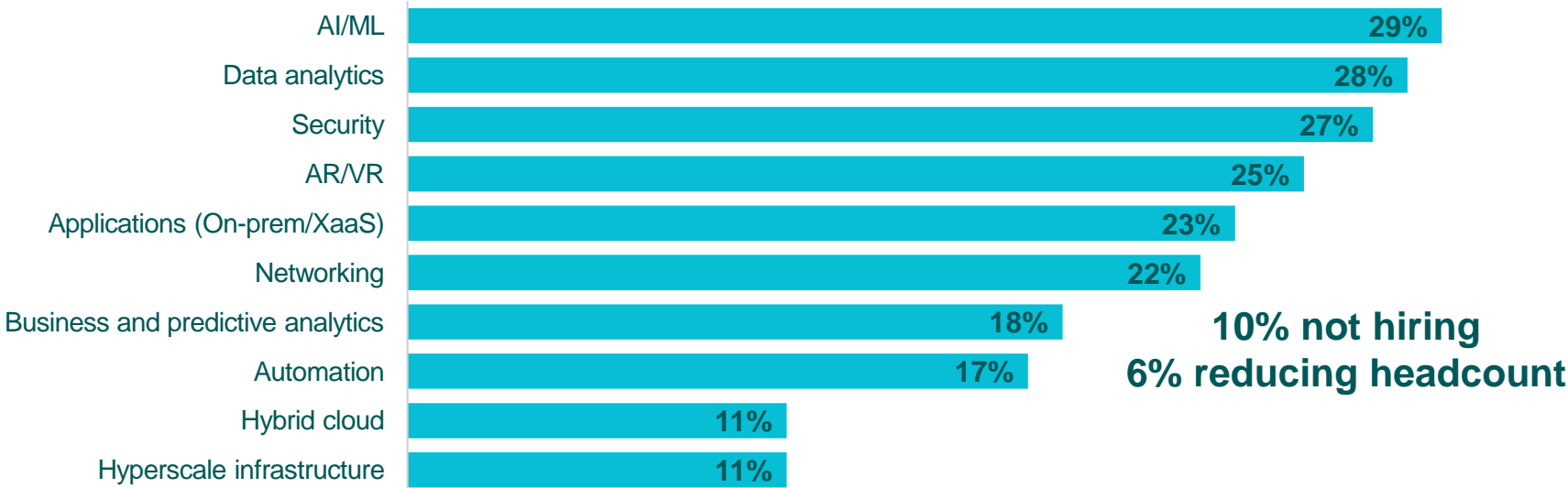
What areas of your business are you investing in?
Please select all that apply in the next 12 months.

Lower ranked areas for investment



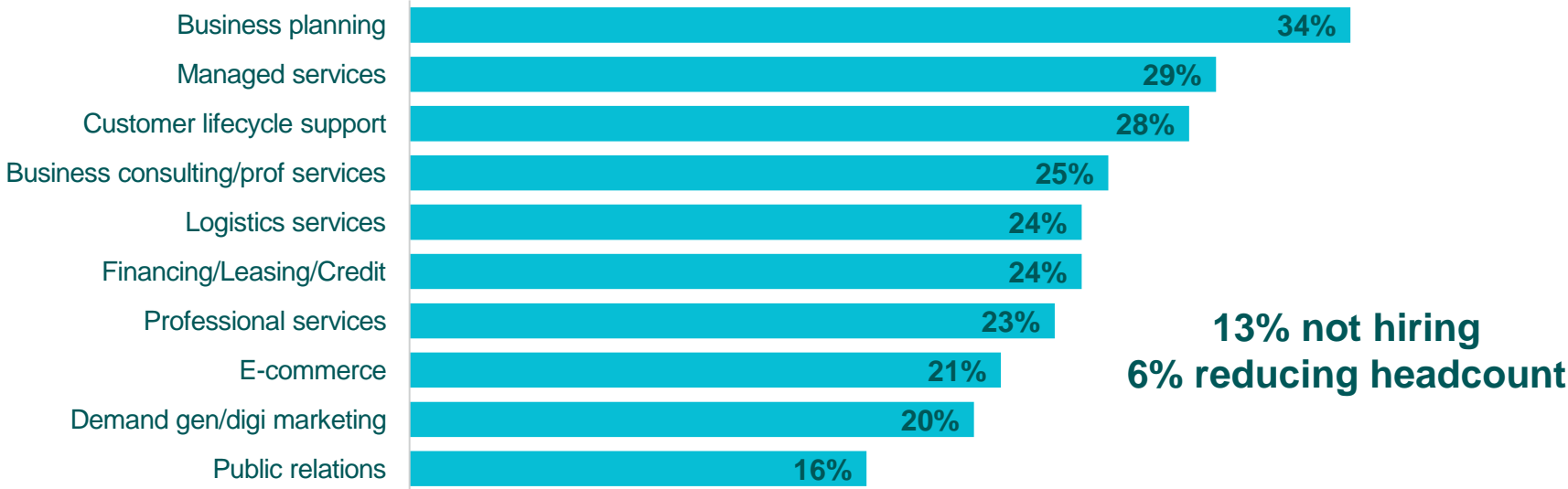
Analytics and AI top the list of desired skills, only region to prioritize AI

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 planning and services skills

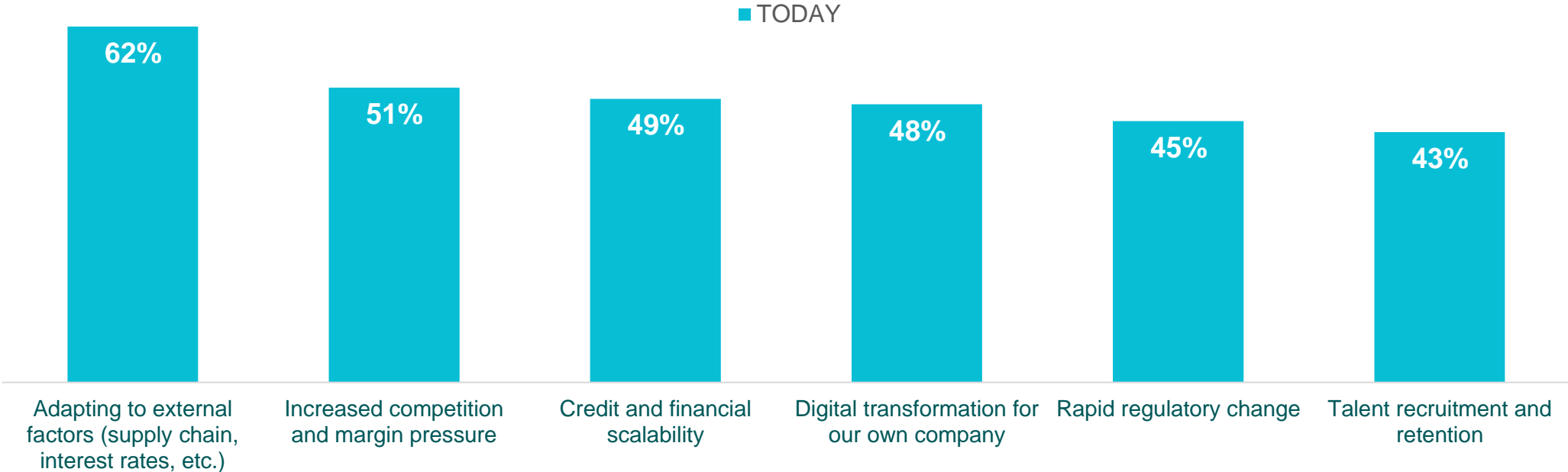
Which business skill sets are you hiring for?
Please choose top three priorities.



Source: Canalys, Candefero TD SYNEX survey, 104 NA respondents, May – June 2023

62% of partners report external factors impacting business today

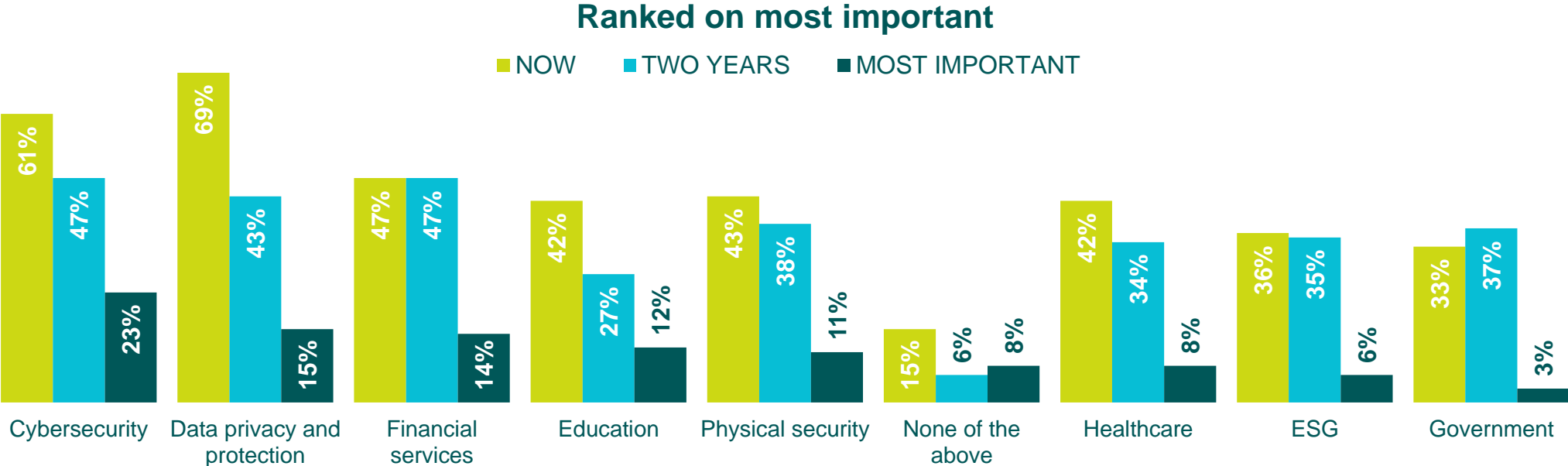
Consider the following business challenges, please select all that currently impact your business.



Source: Canalys, Candefero TD SYNEX survey, 104 NA respondents, May – June 2023

Cybersecurity and data protection expertise considered most important

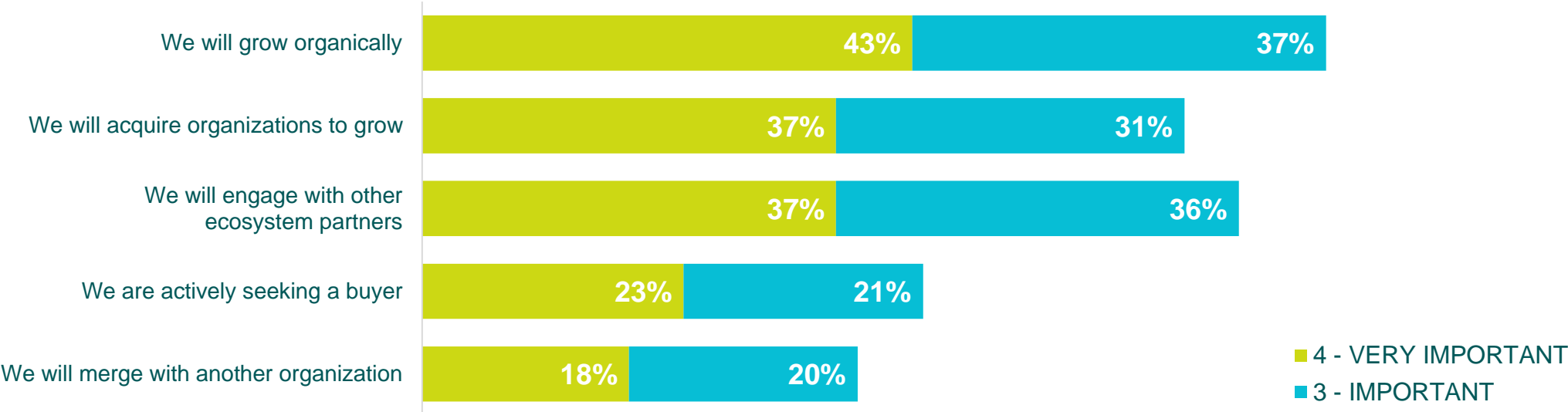
Which areas of regulatory expertise or certification are most important to your business today?
Please choose all that apply today and in two years' time and then select the most important area in two years' time.



Source: Canalis, Candefero TD SYNEX survey, 104 NA respondents, May – June 2023

77% of partners prioritize organic growth

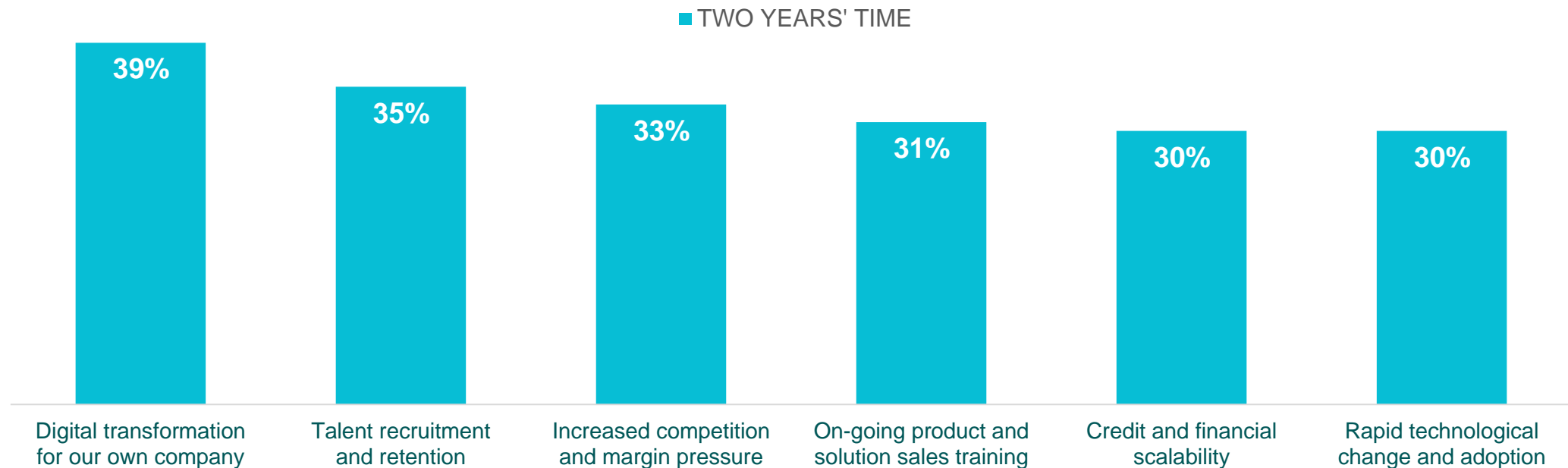
Which of the following statements describe your organization's attitude toward growth?
Please rank in order of importance where 1 is not at all important and 4 is very important.



Source: Canalys, Candefero TD SYNEX survey, 104 NA respondents, May – June 2023

Digital transformation and talent recruitment projected as future challenges

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



More partners looking to acquire or be acquired in 2023

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)

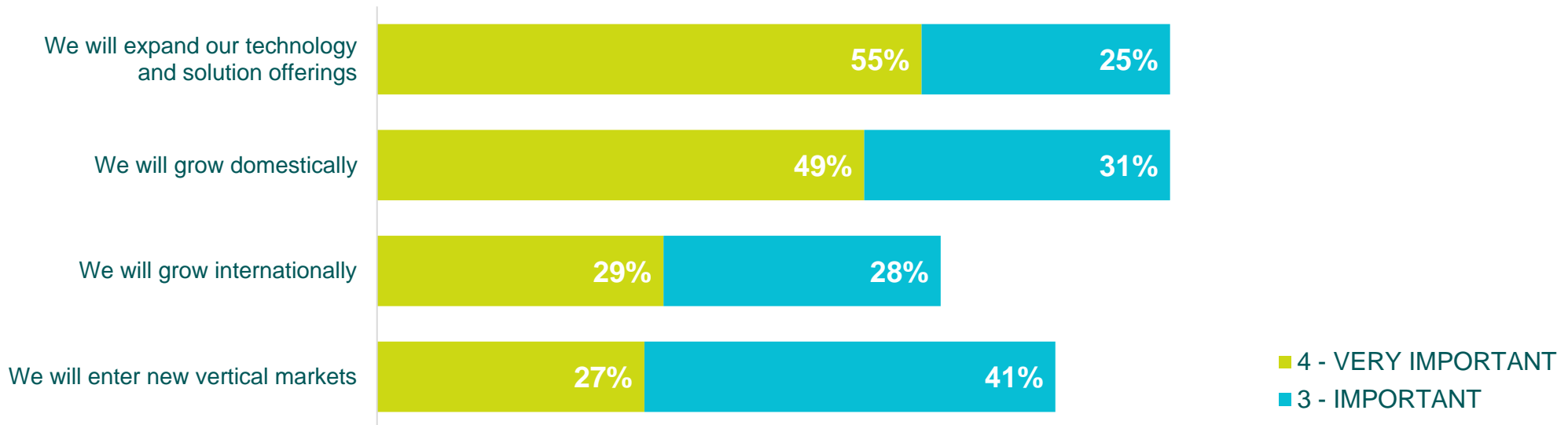
■ 2023 ■ 2022



Source: Canalys, Candefero TD SYNEX survey, 81 NA respondents (2022) and 104 NA respondents (2023)

80% of partners plan to expand technology offerings and grow domestically

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.

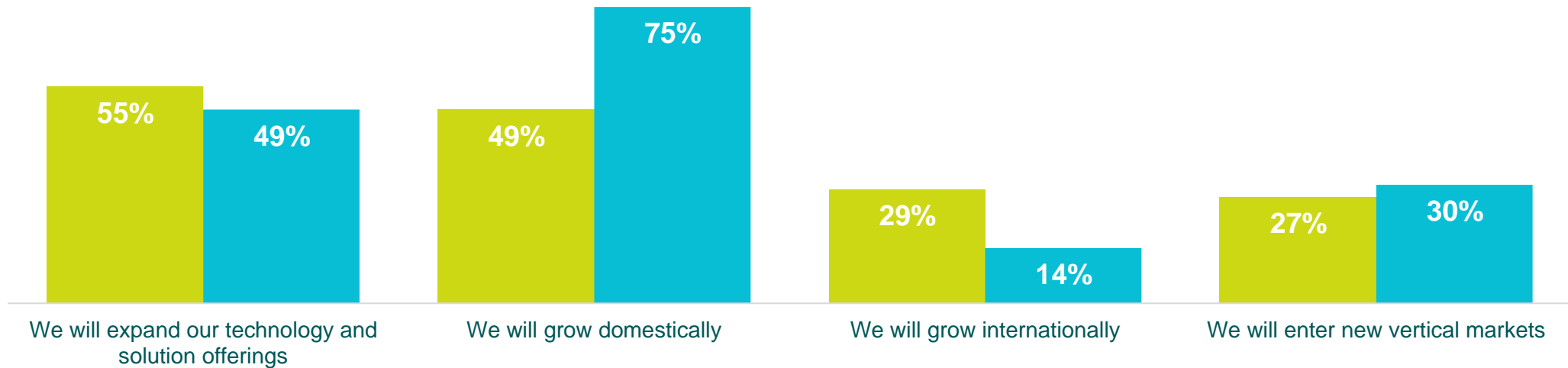


International growth more important in 2023

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, 81 NA respondents (2022) and 104 NA respondents (2023)