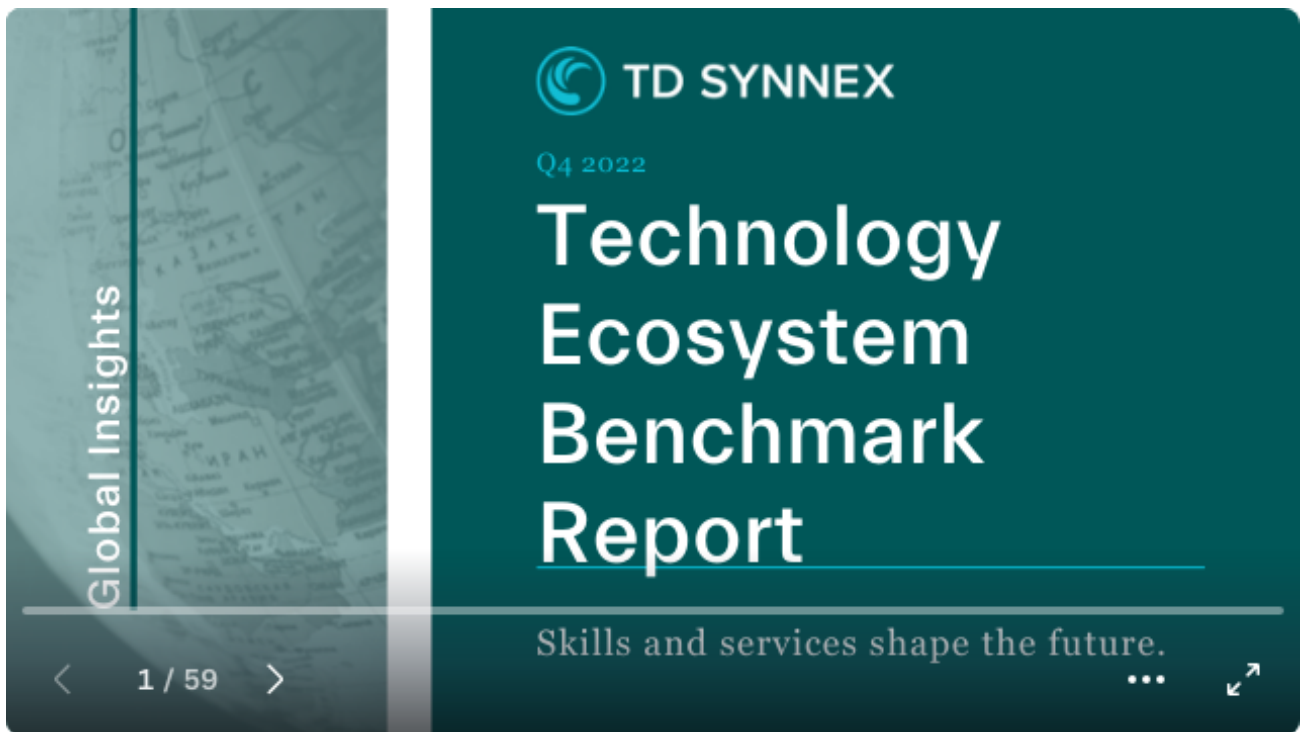




Technology Ecosystem Benchmark Report

2022 Global Insights Executive Summary



About the Report:

The TD SYNEX Technology Ecosystem Benchmark Report was produced to reflect the global IT distributor and solution aggregator's work at the center of a global ecosystem connecting technology producers, resellers, service providers, systems integrators and industry specialists to end-users.

All businesses connected in the global IT ecosystem, have experienced the rapid rate of technological change for decades. This pace has evolved to a state of constant transformation. Researching the impact of transformation as a steady-state is the central mission of this report.

This report focuses on three fundamental factors for technology ecosystem businesses:

1. Anticipating and meeting end-user technology expectations

2. Effectively managing technology ecosystem business operations
3. Technology ecosystem engagement, enrichment and enablement

Survey Methodology:

TD SYNnex surveyed 298 mid-size technology ecosystem partners globally, using the Canalys Candefero platform. A global response rate over 250 is indicative of a market trend according to Canalys market research.

For the purposes of this report, mid-size technology ecosystem partner is defined as 1,000 seats and below.

Fieldwork for the Global Insights Report was conducted between July and October 2022. The pool of survey respondents is comprised of 298 Canalys Candefero community members, TD SYNnex CommunitySolv members and SMB IT businesses in North America.

Who is this report for?

The TD SYNnex Technology Ecosystem Benchmark Report is relevant to every type of player in the global IT ecosystem.

- **Technology manufacturers and publishers (e.g. OEMs, vendors, etc.)** can gain perspective on the challenges and opportunities their channel sales partners have in serving end customer businesses.
- **Many types of value-added technology resellers and service providers (e.g. VARs, MSPs, CSPs, ISVs, SIs, etc.)** will get value from exploring the trends from a respondent group of peers, competitors and strategic partners.

Specialized service and business solutions providers and any other business offering technology or business services can use these insights to understand their connection, relevance and value to ecosystem partners, which can identify growth opportunities.

Major Takeaways:

The survey covered a wide range of topics from growth strategies and business challenges to customer needs and strategic investments. Strong correlations emerged in the 298 global responses revealing five top insights.

Insight #1 Globally, technology resellers' strategic growth plans prioritize entering new vertical markets. Increased ecosystem partnership is likely to play a big part in executing on this growth strategy.

The Insight: Regulated verticals like financial services, government, education, healthcare and ESG are all expected to increase in importance over three years.

Question we asked: Which areas of regulatory expertise or certification are most important to your business today? Which areas will be most important to your business in 3 years?

Financial Services

- Most important today – 34%
- Most important in three years – 38%

Government

- Most important today – 28%
- Most important in three years – 31%

Education

- Most important today – 22%
- Most important in three years – 27%

Healthcare

- Most important today – 21%
- Most important in three years – 34%

ESG

- Most important today – 12%
- Most important in three years – 26%

The So What: Gaining the experience in these categories and delivering the technology solutions requires expertise that's hard to scale, partnership can close gaps to deliver outcomes.

Insight #2 Resellers are putting their investments in people to drive the outcomes customers want most.

The Insight: The largest categories of reseller business investments are directly linked to acquiring skills, certification and expertise.

Questions we asked:

- What areas of your business are you investing in? Please select the top three areas of investment for the last 12 months and within the next 24 months.
- Which technology skill sets are you hiring for? Please consider both general technology skills and vendor-specific knowledge. Rank the top 3 in order of hiring priority.
- Which business skill sets are you hiring for? Rank the top 3 in order of hiring priority.

The So What: More than three-quarters of resellers globally are prioritizing spend to ramp knowledge in technical and business solutions areas customers frequently request: Managed Services, Security Networking, Professional Services, Servers + Storage and Hybrid Cloud round out the top five.

Insight #3 A massive front of cloud solutions is moving in as resellers plan to expand their cloud portfolios.

The Insight: When viewed as a single category, cloud solutions (e.g. cloud deployment, cloud integration, multi-cloud management, etc.) dwarf all other technology solutions resellers say they plan to offer in the next 24 months.

Question we asked: Which technology solutions do you plan to offer within 24 months?

The So What: Other top responses have a clear tie to cloud (device as a service, digital transformation, IoT, security) making cloud solutions fundamental to global resellers' portfolio of offering.

Insight #4 Global resellers are consumed by as-a-Service.

The Insight: The near total adoption of as-a-service consumption models resellers plan over the next two years is a short leap in logic from reseller's responsiveness to customers' technology solutions needs and the intended expansion of cloud offerings.

Question we asked: Which business solutions a) do customers request most frequently b) you currently offer and c) plan to offer within the next 24 months?

The So What: Customers have always indicated they want flexibility when it comes to payment terms. The trend toward OpEx and consumption-based IT means a larger portion of resellers' business is likely to come from recurring revenue.

Insight #5 ESG and the AR/VR market are potential missed opportunities for resellers.

The Insight: In contrast to the emphasis on skills acquisition, portfolio expansion and efforts to enter new vertical markets, sustainability and emerging technology are low on the priority list for solution development and business investment.

Questions we asked:

- Which business solutions a) do customers request most frequently b) you currently offer and c) plan to offer within the next 24 months?
- Which areas of regulatory expertise or certification are most important to your business today? Which areas will be most important to your business in 3 years?

The So What: In different capacities, ESG and AR/VR solutions are opportunities for global resellers – if they have the capabilities. In the case of ESG, earning and keeping business is likely to mean having the ability to respond to RFP/RFI questions about sustainable practices, diversity and comply with supplier codes of conduct. With AR/VR, some analysts forecast a market opportunity of \$800B by 2024, where 50% of that revenue is associated to technology platforms and hardware.

About TD SYNEX

TD SYNEX (NYSE: SNX) is a leading global distributor and solutions aggregator for the IT ecosystem. We're an innovative partner helping more than 150,000 customers in 100+ countries to maximize the value of technology investments, demonstrate business outcomes and unlock growth opportunities. Headquartered in Clearwater, Florida, and Fremont, California, TD SYNEX' 22,000 co-workers are dedicated to uniting compelling IT products, services and solutions from 1,500+ best-in-class technology vendors. Our edge-to-cloud portfolio is anchored in some of the highest-growth technology segments including cloud, cybersecurity, big data/analytics, IoT, mobility and everything as a service. TD SYNEX is committed to serving customers and communities, and we believe we can have a positive impact on our people and our planet, intentionally acting as a respected corporate citizen. We aspire to be a diverse and inclusive employer of choice for talent across the IT ecosystem. For more information, visit www.TDSYNEX.com or follow us on LinkedIn, Twitter, Facebook and Instagram.

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