



Q4 2022

# Technology Ecosystem Benchmark Report

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Skills and services shape the future.

# Introducing the TD SYNEX Technology Ecosystem Benchmark Report

## About this Report

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Our work as a global IT distributor and solutions aggregator puts TD SYNEX at the center of a global ecosystem connecting technology producers, resellers, service providers, systems integrators and industry specialists to end-users.

For every business connected in the global technology ecosystem, the rapid rate of change has evolved to a state of constant transformation.

Researching the impact of transformation as a steady-state is the central mission of the TD SYNEX Technology Ecosystem Benchmark Report.

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

- Anticipating and meeting end-user technology expectations
- Effectively managing technology ecosystem business operations
- Technology ecosystem engagement, enrichment and enablement

## Survey Methodology

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TD SYNEX 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.

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 SYNEX CommunitySolv members and SMB IT businesses.

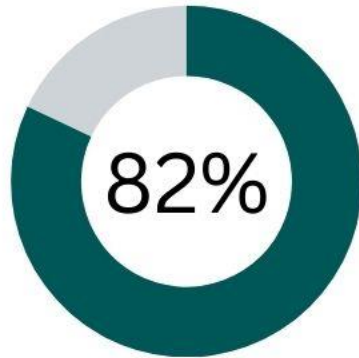


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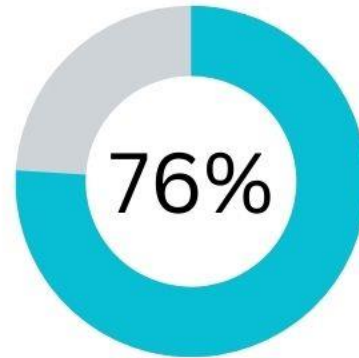
Key  
Takeaway

# Across the globe, technology skills and services shape the future for partners.



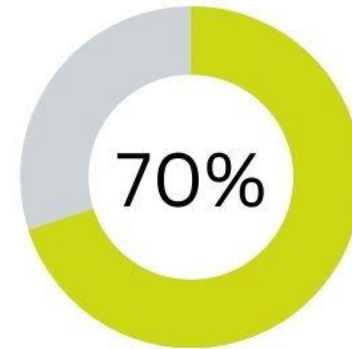
## AT YOUR as-a-SERVICE

Global partners plan to offer as-a-service consumption models to customers by 2024. They are nearly unanimous about the consumption-based sales opportunity with just 6% reporting it will decrease as a percent of total business in three years.



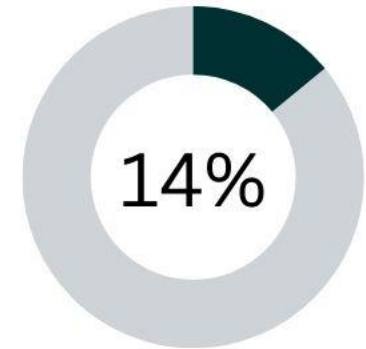
## GROWING EXPERTISE AND OFFERINGS

Investments in the next two years are linked to technology skills acquisition, which are strongly influenced by the technology solutions most requested by customers.



## INCREASING OPPORTUNITIES WITH SERVICES

Globally, managed and professional services are expected to increase as a total percentage of partners' business mix. Partners say services sales represent 43% of their business today.



## FOREGOING THE VIRTUAL REVOLUTION?

A minority of partners plan to offer AR/VR solutions within two years for a global market projected to be \$800B (USD) by 2024. Technology platforms and hardware make up half - \$400B - of the estimated revenue.



# 01

## Cloud coverage is in the long-term forecast.

### Cloud links all partners' technology solution expansion plans.

Globally, 87% of partners say expanding technology solution offerings is important or very important.

A closer look at the top solutions partners are going to market with, and plan to within 24 months, have three important things in common:

- They are directly linked to cloud capabilities
- Consumption-based models apply
- They need to be secured



Global



Asia Pacific



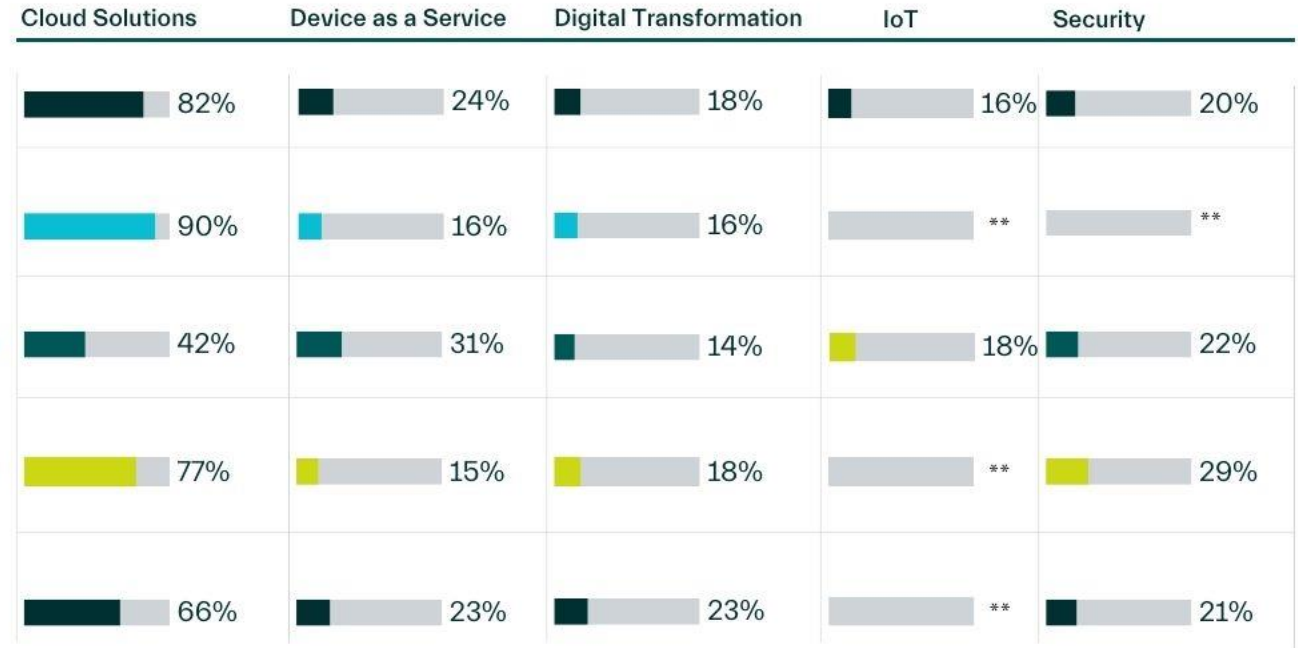
North America



Latin America



Europe



\*\* Not included in the regional top eight planned solution offerings

Q: Which technology solutions so you plan to offer within 24 months?

# 02

## Gearing up for growth in services.

Partners anticipate managed, professional and consumption-based services will accelerate in the next three years.

Partners are making room for professional and managed IT services in their future business mix, anticipating the most increase over 36 months.

Globally, partners are evenly split on hardware as a category with each answer option earning roughly 1/3 of responses. That spread could be interpreted to represent the ways partners are going to market with endpoint.

Considering this and the pivot to XaaS and services, hardware represents the opportunity to attach services. And, hardware-based programs, like device-as-a-service, create a virtuous cycle of revenue partners are clearly planning for.

Projected increase in services sales over 36 months



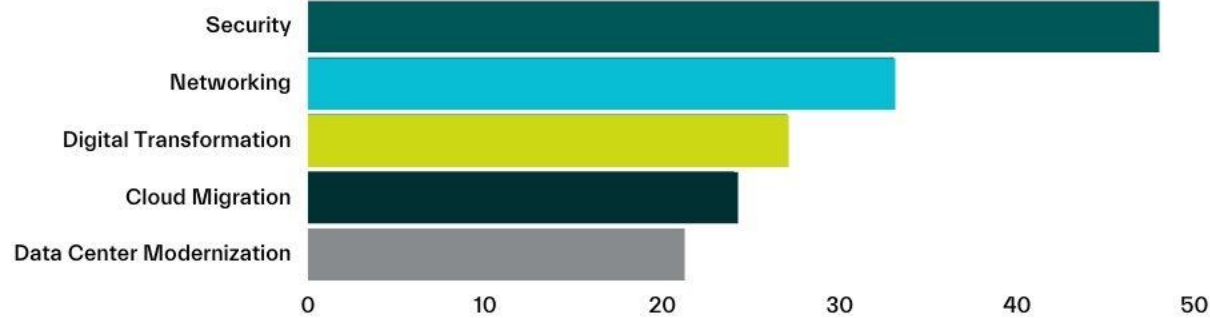
Q: What percentage of your business is derived from the following today? How will this change in three years time as a percentage of your total business?



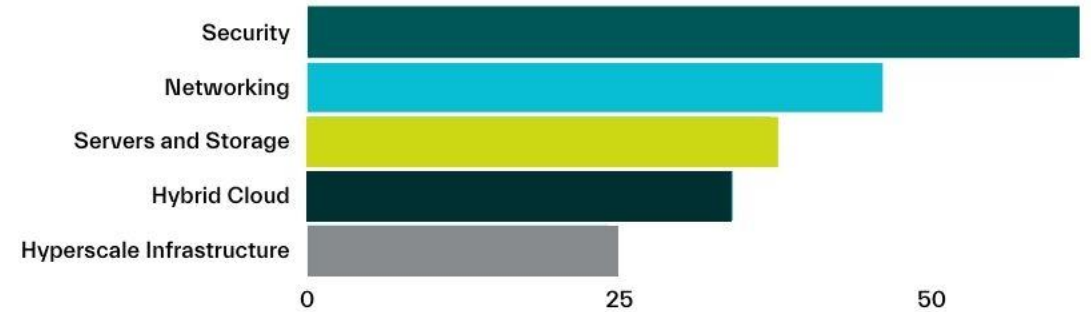
# 03

## Training, certification and hiring priorities parallel customer requests.

Q: Which technology solutions do customers and prospects request most frequently?



Q: Which technology skill sets are you hiring for?



### The Trend: Investing in High-Growth technology skills acquisition

Partner responses indicate they're investing in a two-prong strategy for keeping up with the pace of technological change and delivering outcomes for customers: educate teams and hire for skills.

Sixty percent of partners plan to invest in technology enrichment and cybersecurity certifications over the next two years. Investments in talent acquisition and management are projected to remain static at 18% today, and 24 months out.

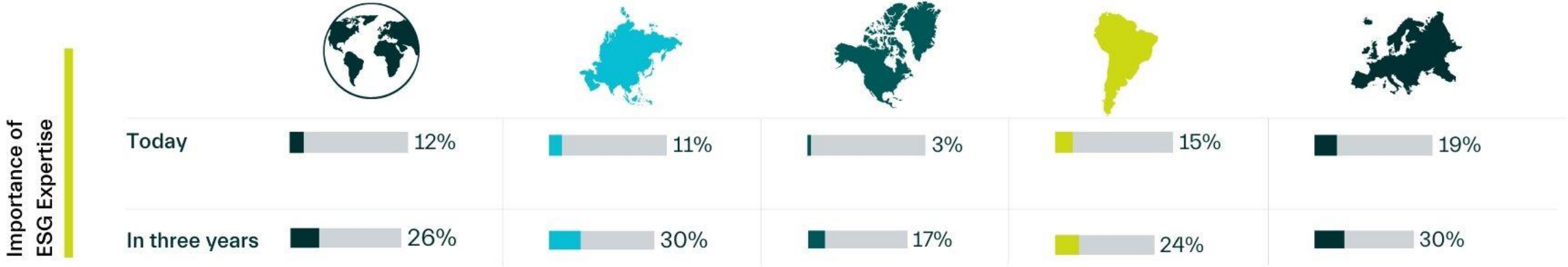
### The Challenge: Scaling knowledge and delivering outcomes simultaneously.

Acquiring and applying knowledge are two different modes. Finding resources to close or optimize skills gaps and getting to market with capabilities requires some creativity. Ecosystem partnerships with providers who offer enablement and solutions and service delivery are key.

Eighty-seven percent of partners say expanding technology and solution offerings is an important (28%) or very important (59%) growth strategy. The customer requests and hiring priorities provide a clear indication of the practice development trends partners aim to bring to market.

# 04

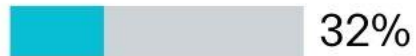
## Importance of ESG regulatory expertise and certification is slow to grow.



Q: 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?

### ESG can be a high-impact solution to partners' biggest business challenges

#### Adapting to External Factors



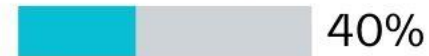
RFP/RFI commonly require responses about ESG practices and supplier codes of conduct increasingly mandate business partners meet sustainability and ESG standards.

#### On-Going Technical Education



Knowledge of concepts like circular economy, sustainable procurement and regenerative practices are very relevant for professional services consulting.

#### Talent Recruiting and Retention



Sustainability and diversity initiatives are effective in attracting and retaining talent with in-demand skills.

#### Competition and Margin Pressure



Reducing business costs can often lead to more sustainable options. Uncovering them can unleash innovation benefiting people, planet and profits.

Q: Consider the following business challenges, which are likely to impact your business in the next 3 years? Choose the top three.



# 05

## The metaverse: Ignore at your own risk?

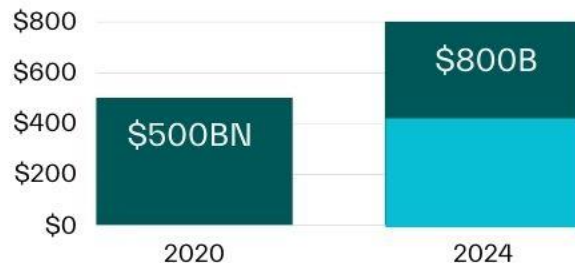


There's an opportunity gap between IT ecosystem partner readiness and analyst projections for the metaverse market.

Headlines generally aren't optimistic about the global metaverse market. But a compilation of data and analysis from Bloomberg, Newzoo, IDC, PWC, Statista, Two Circles and Goldman Sachs projects a very different story.

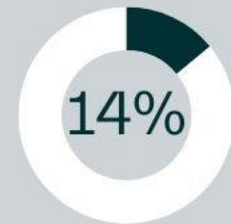
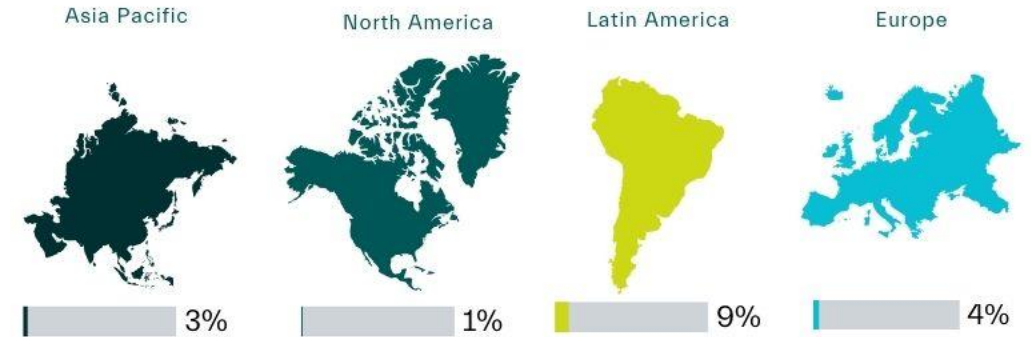
### \$800B

AR/VR, metaverse revenue opportunity in 2024 globally\*



Platforms and hardware are projected to represent 50% of 2024 estimated metaverse revenues - \$400 billion (USD).

### Partners currently offering AR/VR/metaverse solutions



Of partners globally plan to offer AR/VR/metaverse solutions within the next 24 months.

### The Question Is:

How will the technology ecosystem capture a share of the \$400 billion market opportunity associated with this emerging technology?

06

# Don't go it alone when entering new vertical markets.

## Specialization pairs well with collaboration.

Globally, partners see an increasing need for expertise in government, healthcare, education and financial services over the next three years. Developing regulatory expertise or certification to deliver in these verticals is a strategic and significant undertaking.

At the same time, technology specializations, namely cybersecurity, data privacy and protection, professional and managed IT services and high growth technologies expertise is equally strategic and just as much of an undertaking.

Increasing ecosystem partnership is the natural win-win to get to market quickly with specialized capabilities and gain exposure in new verticals.

Critical to success is a global platform connecting IT ecosystem players -- from technology manufacturing, publishing and distribution to VARs, ISVs, MSPs SIs and an expanding landscape of solution providers -- exposing partner-creator solutions to other ecosystem partners.

All of this will enable a true orchestration experience compounding growth opportunities through increased visibility to specialized solutions, low-friction consumption and management.

Q: Which of the following statements describe your organization's attitude toward growth strategy?



Engage other ecosystem partners\*



Enter new vertical markets\*



\* Percentage total of important and very important ranking for each region  
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# 07

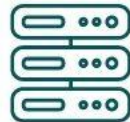
## Endpoint is being redefined.

Globally, the majority (69%) of partners say hardware sales will remain flat or increase over three years.

The breakout of partner responses may be influenced by how endpoint and hardware are perceived and expressed as part of whole solutions. All of which suggests, the technology ecosystem may need to expand the vocabulary around hardware to accurately capture how endpoint and edge technologies contribute to revenue and profit.



"Device-as-a-Service" consumption-based endpoints and subscription solutions.



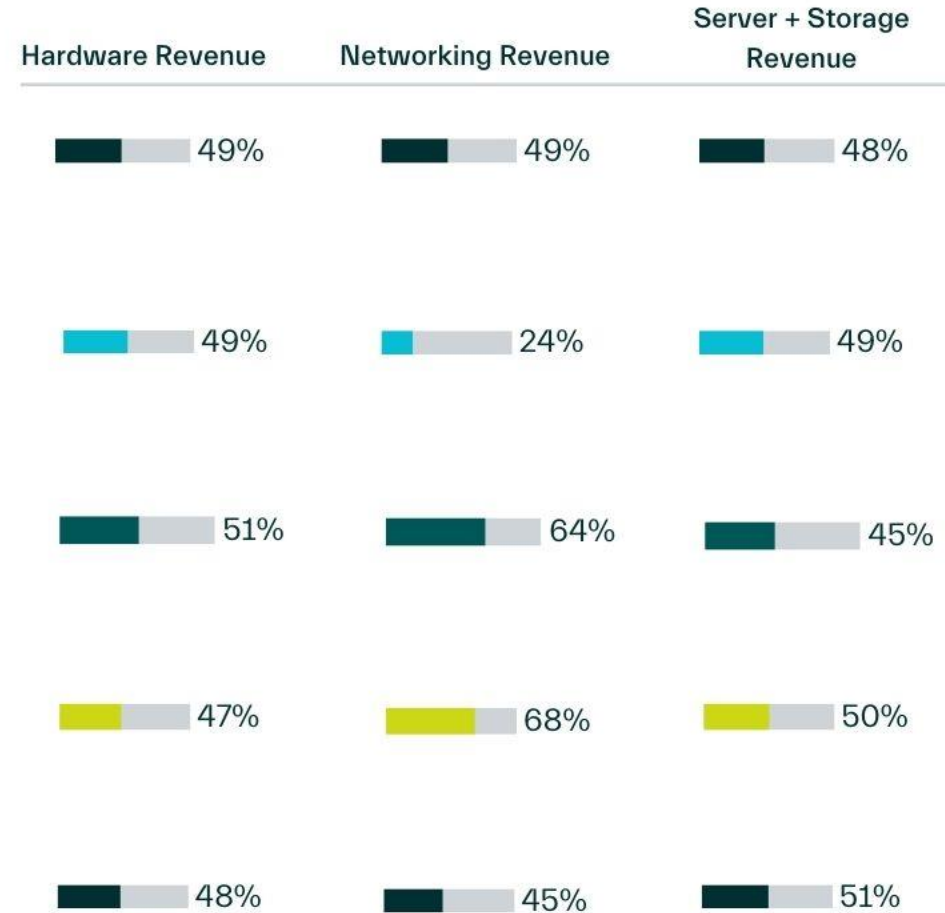
"Servers and storage" endpoint containers holding and securing data.



"IoT" endpoints gathering data.



"Networking" every point connecting an endpoint.



Q: Considering your business during the last 12 months, choose the top three revenue drivers, and the technology that provided the most profit.





# Technology Ecosystem Benchmark Report

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Getting the most from regional insight reports  
Slides 14



North American Insights  
Slides 15-24



Latin America and the Caribbean Insights  
Slides 25-33



European Insights  
Slides 34-44



Asia Pacific and Japan Insights  
Slides 45-56

# Getting the most out of the Technology Ecosystem Benchmark Report



## End-Customer Conversation Starters

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Throughout the regional reports, we've included suggested questions to create conversations with end-customers about how to engage more deeply, better understand where value is added and anticipate approaches to help their businesses achieve great outcomes with technology.



## Reseller Business Strategy Questions

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Utilize the reseller business questions to create conversations in your business about strategic planning in partnerships, offerings, practice development and expansion.





Q4 2022

# Technology Ecosystem Benchmark Report

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All eyes on what's next.



# North American partners eye next-gen to unlock growth.

**74%**

**STRATEGIC SOUNDING BOARDS**

Of North American partners expect to sell more professional services in the next three years.

**55%**

**BETTING ON HIGH-GROWTH TECHNOLOGIES**

Partners are planning investments in high-growth, next generation technology and new consumption models.

**88%**

**AT YOUR XaaS**

North American partners will offer as-a-service consumption models to customers by 2024.

**12%**

**VIRTUAL INSANITY?**

Of partners plan to offer AR/VR solutions within two years for a projected global market of \$800 BN (USD) in 2024.



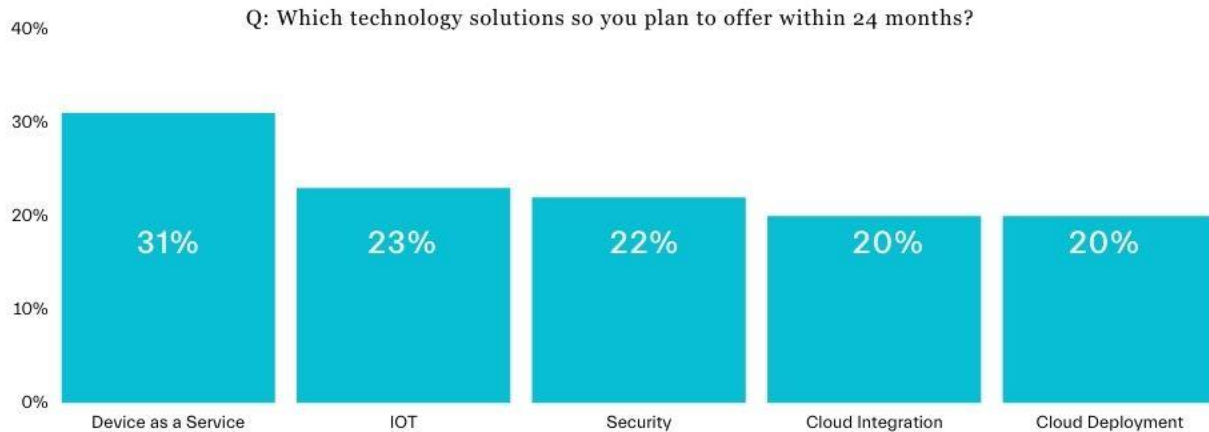
# 01

## Cloud coverage is in the long-term forecast.

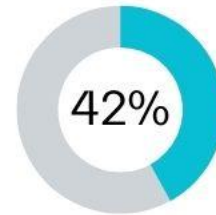
### Cloud links all partners' technology solution expansion plans.

77% of North American partners say expanding technology solution offerings is important or very important. A closer look at the top five solutions partners are going to market with, and plan to within 24 months, have three important things in common:

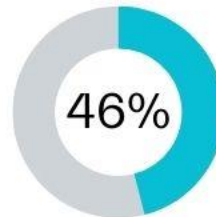
- They are directly linked to cloud capabilities.
- Consumption-based models apply.
- They need to be secured.



### At your as-a-Service.



Of North American partners offer flexible consumption models (XaaS) currently.



Of North American partners plan to offer flexible consumption models (XaaS) in the next 24 months.

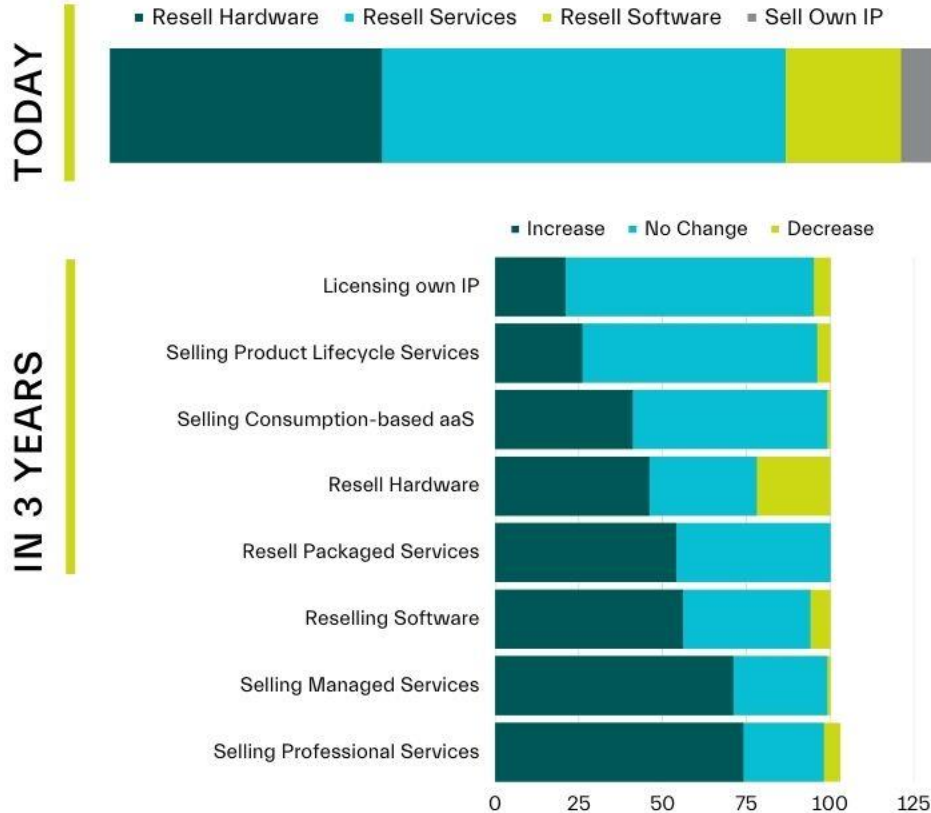
#### The Reseller Business Question:

How will we leverage ecosystem resources to configure, provision, secure, manage and service in XaaS offerings?

# 02

## Services are the new black.

Q: What percentage of your business is derived from the following today?  
How will this change in three years time as a percentage of your total business?



## Services will be everywhere in the next three years. Hardware still goes with everything.

Partners are making room for professional and managed IT services in their future business mix, anticipating the most increase over 36 months.

And while partners see the largest decrease in reselling hardware in the next three years, it's a staple that's never truly out of style. Hardware represents the opportunity to attach services, and hardware-based programs, like device-as-a-service, creating a virtuous cycle of revenue partners are prioritizing as part of their portfolio offerings within the next two years.

Ultimately it's a straight forward explanation for the 78% of respondents who see the category holding steady or growing.

### The End-Customer Question:

How can we support your business outcomes from consulting and design to deployment and management?

### The Reseller Business Question:

Which services are a natural extension of the revenue and profit drivers in our existing business? Who can help us scale services?



# 03

## Partner business investments are about the journey.

Digitizing the customer journey is a partner priority with budget aligned to strategy.

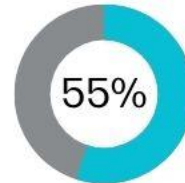
Q: What areas of your business are you investing in?  
Please select the top three areas of investment within the next 24 months.



### Four strategic investment themes.

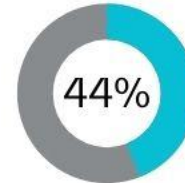
#### Investing in High-Growth Technologies

Cybersecurity and flexible IT consumption model investments together reinforce the trend around cloud and cloud-based solutions partners plan to bring to market within two years.



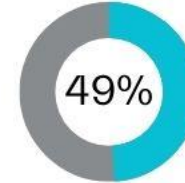
#### Strengthening Portfolios

Partners are investing in business consulting and practice development to expand go-to-market offerings.



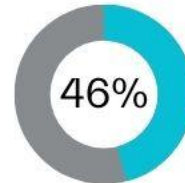
#### Digitally Transforming the Customer Experience

Investments in demand generation, digital marketing and e-commerce are a top-three priority because they help partners scale and give customers the experiences they want.



#### Expanding the Technology Partner Business Footprint

Technology enrichment and talent acquisition are key to expanding into new vertical markets, which 60% of partners see as an important growth strategy.

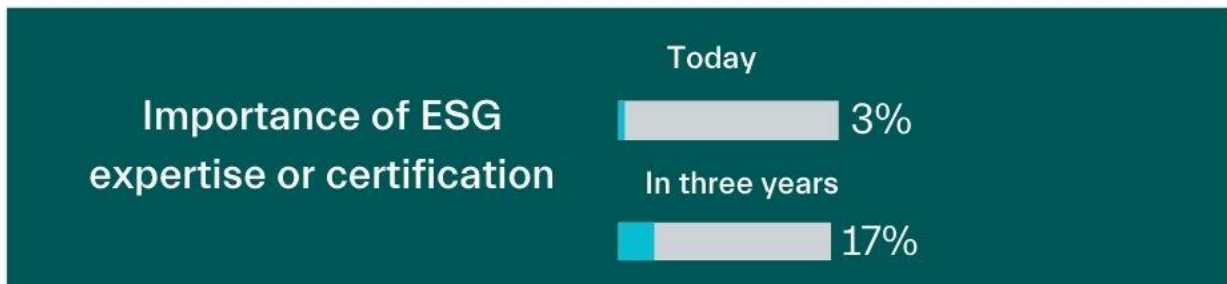


# 04

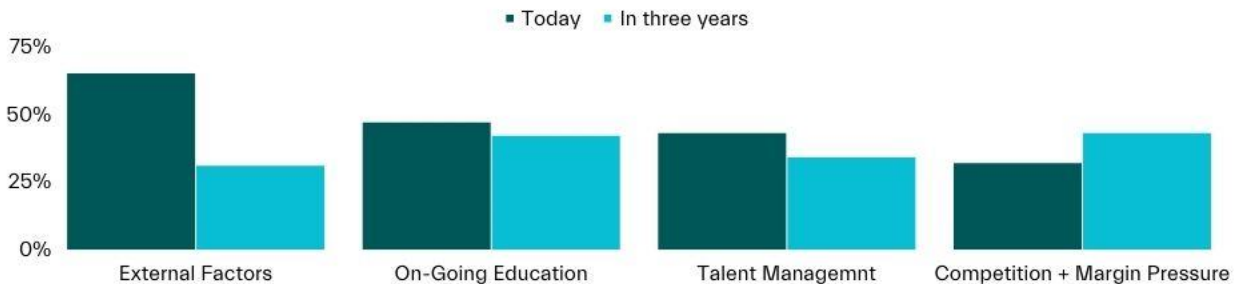
## ESG can be a high-impact solution to partners' biggest business challenges, but...

42% of partners say ESG activities aren't applicable to their business.

Q: 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?



Q: Consider the following business challenges, which a) currently impact your business and b) likely to impact your business in the next three years? Choose the top three for each time frame.



### Adapting to External Factors

From macro economic uncertainty and geo-political tension to climate change and new U.S. regulatory proposals, businesses are adapting on many fronts. In the IT ecosystem, ESG can help partners adapt to the new standard of earning and keeping business. The RFP/RFI process increasingly includes required responses about ESG practices. And, if awarded the business, supplier code of conduct agreements commonly require business partners to meet standards supporting ESG and sustainability goals.

### On-Going Technical Education

Multi-cloud management and cybersecurity training and certifications are top of mind for partners. These topics are specifically earmarked for investment, and the curriculum partners will encounter is very likely to include concepts like circular economy, supply chain transparency, sustainable procurement and regenerative practices. Understanding the assignment around ESG can mean partners gain greater relevance in professional services consulting.

### Talent Recruiting and Retention

Sustainability is a theme that emerges time and again in reporting on the state of the workforce. As younger generations enter the business world, company leaders are discovering that sustainability initiatives are one way to attract and retain key talent with in-demand skills like security and high growth technologies.

### Increased Competition and Margin Pressure

Reducing business costs can often lead to more sustainable options. A change in packaging or operational efficiencies can release some margin pressure. This work can unleash innovation to benefit people, planet and profit which is increasingly important to investors and stakeholders because of the business and financial value ESG programs return.



# 05

## The metaverse: Ignore at your own risk?

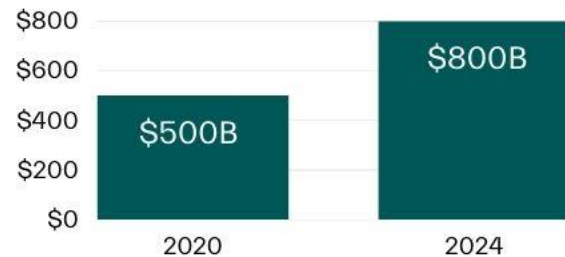


There's an opportunity gap between IT ecosystem partner readiness and analyst projections for the metaverse market.

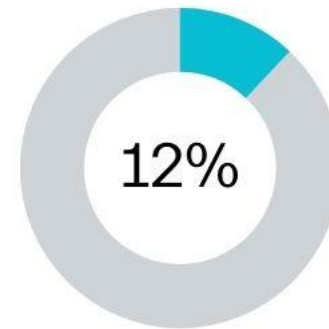
How will the technology ecosystem capture the metaverse market opportunity?



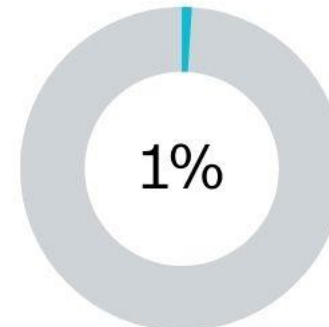
Headlines generally aren't optimistic about the global metaverse market, but a compilation of data and analysis from Bloomberg, Newzoo, IDC, PWC, Statista, Two Circles and Goldman Sachs projects a very different story.



Platforms and hardware are projected to represent 50% 2024 estimated metaverse revenues - \$400B (USD).



Of North American partners plan to offer AR/VR/metaverse solutions within the next 24 months.

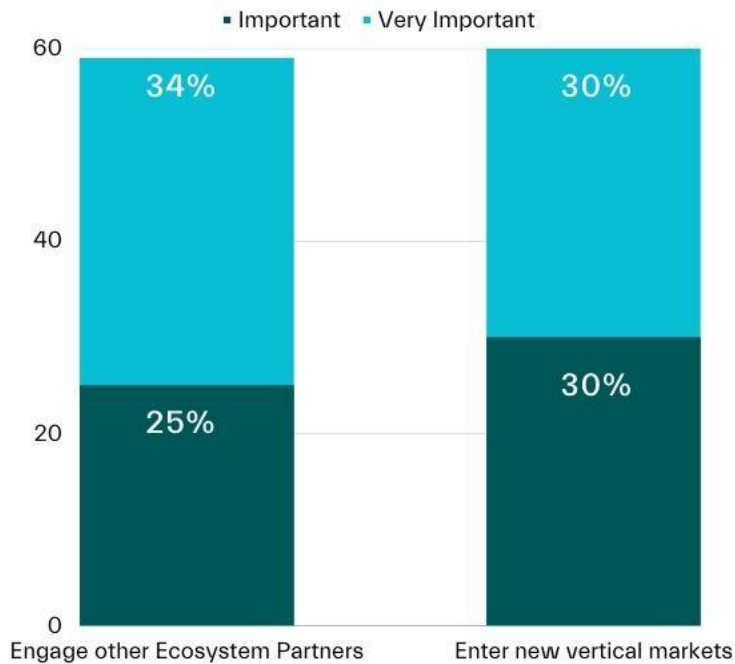


Of North American partners currently offer AR/VR/metaverse solutions.

06

# Don't go it alone when entering new vertical markets.

Q: Which of the following statements describe your organization's attitude toward growth strategy?



The proportional alignment between the desire to enter new vertical markets and engaging other ecosystem partners is a logical and efficient approach to growth.

## Specialization pairs well with collaboration.

North American partners see an increasing need for expertise in government, healthcare, education and financial services over the next three years. Developing regulatory expertise or certification to deliver in these verticals is a strategic and significant undertaking.

At the same time, technology specializations, namely cybersecurity, data privacy and protection, professional and managed IT services and high growth technologies expertise is equally strategic and just as much of an undertaking.

Increasing ecosystem partnership is the natural win-win to get to market quickly with specialized capabilities and gain exposure in new verticals.

Critical to success is a global platform connecting IT ecosystem players -- from technology manufacturing, publishing and distribution to VARs, ISVs, MSPs SIs and an expanding landscape of solution providers -- exposing partner-creator solutions to other ecosystem partners. All of this will enable a true orchestration experience compounding growth opportunities through increased engagement.

**The End-Customer Question:**

Is there an opportunity to partner with other service providers supporting your business?

**The Reseller Business Question:**

Which IT ecosystem players can benefit from the strengths we offer? Who has strengths to complement our business?



# 07

## Endpoint is being redefined.

22% of North American partners say reselling hardware will decrease over three years, but...

In the technology ecosystem we may need to evolve our vocabulary around the word "endpoint" in order to describe the many and varied kinds.

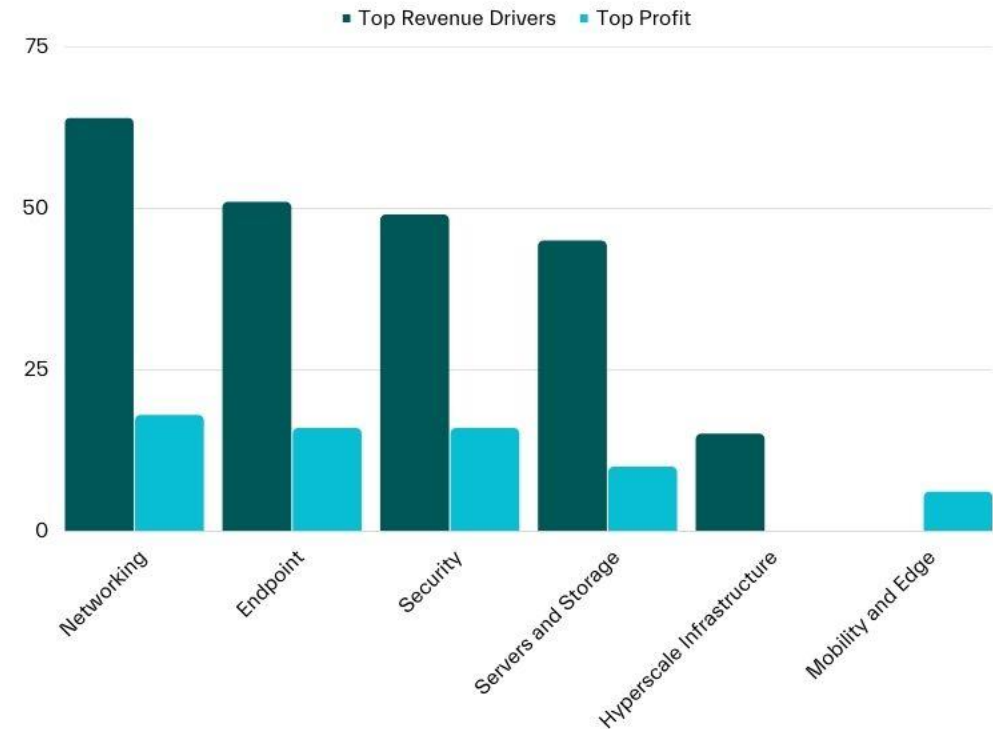
"Device-as-a-service" indicates consumption-based endpoints and subscription solutions.

"IoT" describes endpoints gathering data.

"Servers and storage" are the endpoint containers holding and securing data.

"Networking" speaks to every point connecting an endpoint.

Q: Considering your business during the last 12 months, from the list of technologies below, choose the top three revenue drivers, then select the technology that provided the most profit.



### The Reseller Business Question:

What do our revenue and profitability numbers look like if we associate endpoint and hardware sales to the high-growth technologies that create whole solutions?

Achieve great outcomes: Leverage the TD SYNEX Technology Ecosystem Benchmark Report for relevant, data-informed technology and business discussions about new ways to serve.

## The Reseller Business Strategy Questions

01 PORTFOLIO EXPANSION

What practice development, technology enrichment and service delivery partnerships do we need to scale to demand today and in the future?

02 XAAS

How will we leverage ecosystem resources to configure, provision, secure, manage and service in XaaS offerings?

03 SERVICES OFFERINGS

Which services are a natural extension of the revenue and profit drivers in our existing business?  
Who can help us scale services?

04 ECOSYSTEM COLLABORATION

Which IT ecosystem players can benefit from the strengths we offer? Who has strengths to complement our business?

05 ENDPOINT EVOLUTION

What do our revenue and profitability numbers look like if we associate endpoint and hardware sales to the high growth technologies that create whole solutions?





TD SYNEX

Q4 2022

# Technology Ecosystem Benchmark Report

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Aware and focused on what's next.



# Latin American partners eye next-gen to unlock growth.

**71%**

**STRATEGIC SOUNDING BOARDS**

Of Latin American partners expect to sell more professional services in the next three years.

**86%**

**PORTFOLIO EXPANSION PLANS**

To grow, partners are planning to expand offerings. Four of the top five technology solutions are cloud.

**92%**

**AT YOUR XaaS**

Latin American partners plan offer as-a-Service consumption models to customers by 2024.

**15%**

**VIRTUAL INSANITY?**

Of partners plan to offer AR/VR solutions within two years for a projected global market of \$800B\* (USD) in 2024.

• Source: Bloomberg Verified Market Research, July 13, 2022  
 Source TD SYNnex Technology Ecosystem Index Survey, 34 Latin American respondents, July -October 2022, conducted on Candefero  
 © 2022 TD SYNnex Corporation.



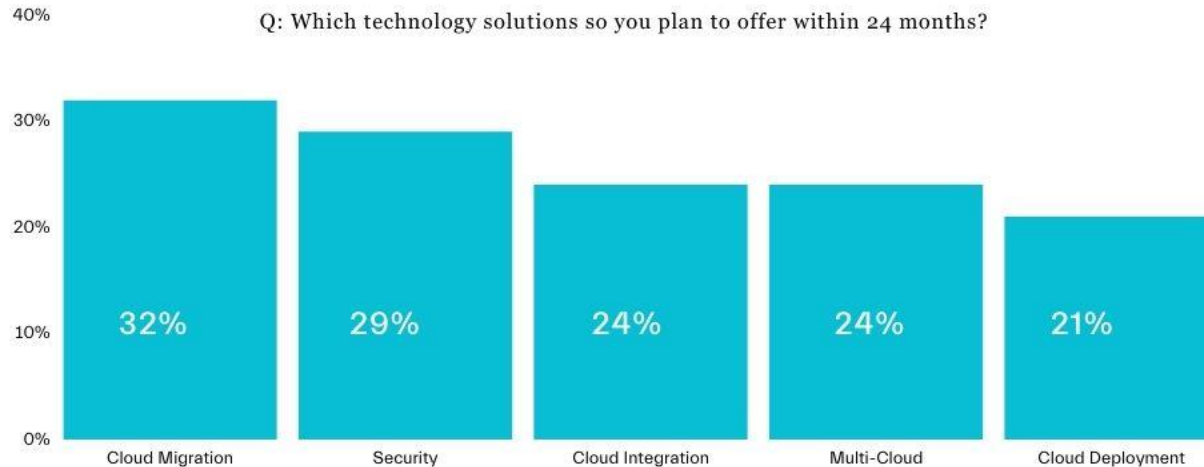
# 01

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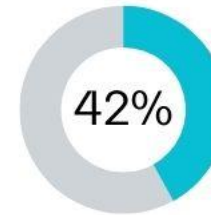
### Cloud dominates partners' technology solution expansion plans.

86% of Latin American partners say expanding technology solution offerings is important or very important. A closer look at the top five solutions partners plan to go-to-market with in 24 months are heavily weighted toward cloud capabilities.

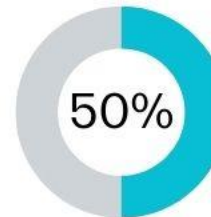
**50% of LAC partners say Hybrid Cloud technology skill sets are a top three hiring priority.**



### At your as-a-Service.



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Of Latin American partners plan to offer flexible consumption models (XaaS) in the next 24 months.

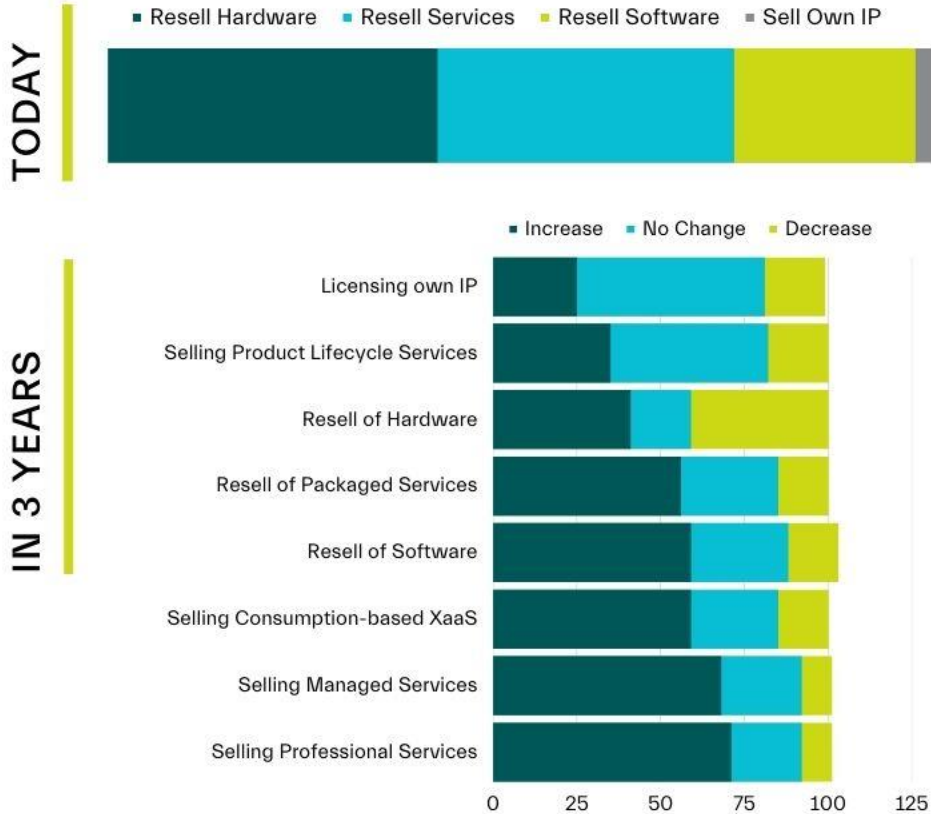
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## Services are the new black.

Q: What percentage of your business is derived from the following today?  
How will this change in three years time as a percentage of your total business?



## Services will be everywhere in the next three years. Hardware still goes with everything.

Partners are making room for professional and managed IT services in their future business mix, anticipating the most increase over 36 months.

And while partners see the largest decrease in reselling hardware in the next three years, it's a staple that's never truly out of style. Interestingly, an equal percent (41%) of LAC partners say hardware sales will increase. Hardware is fundamental to solutions end-customers request today, especially networking and connectivity and digital transformation initiatives. Likewise device-as-a service, which nearly a quarter of partners offer today, creates a virtuous cycle of revenue. All of these solutions present opportunities to attach services, and have direct links to cloud offerings.

<p><b>The End-Customer Question:</b></p> <p>How can we support your business outcomes from consulting and design to deployment and management?</p>	<p><b>The Reseller Business Question:</b></p> <p>Which services are a natural extension of the revenue and profit drivers in our existing business? Who can help us scale services?</p>
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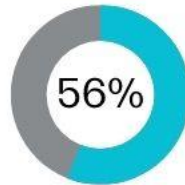
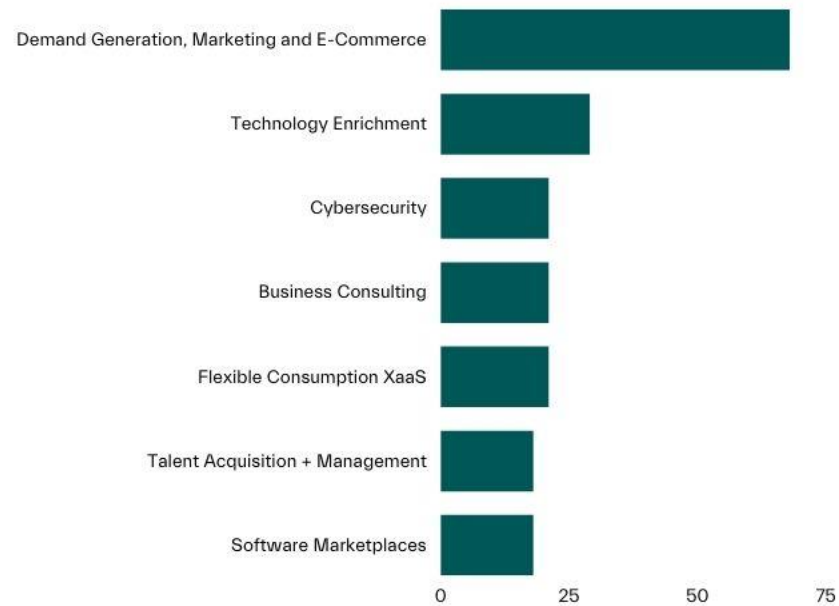
03

# Partner business investments are about awareness.

68% of LAC partners plan to digitize customer journeys and scale demand over two years.

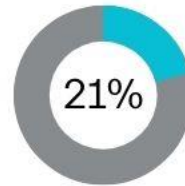
Hiring priorities reflect importance of relationships and customer engagement.

Q: What areas of your business are you investing in?  
Please select the top three areas of investment within the next 24 months.



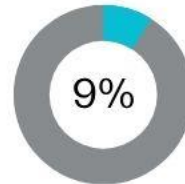
### Demand Generation and Digital Marketing

Digitizing the customer experience has a dual purpose: deliver targeted, personalized awareness experiences and scale relationships by engaging customers where they are. This hiring priority is broad and can include sales as well as data analytics and campaign management.



### E-Commerce

Meeting customers where they are means giving them the ability to transact according to their preference. With flexible consumption XaaS and software marketplaces also making the list of investment priorities, e-commerce skills are a natural fit for creating seamless experiences that drive engagement and revenue.



### Worth Noting: Customer Lifecycle Support + Public Relations

These two hiring priorities make the top ten for LAC partners, each earning nine percent in the aggregate rankings. These skillsets are natural complements to demand generation and e-commerce, as well as important for creating awareness for new solutions and enriching digitized customer experiences with support for success at every stage.

# 04

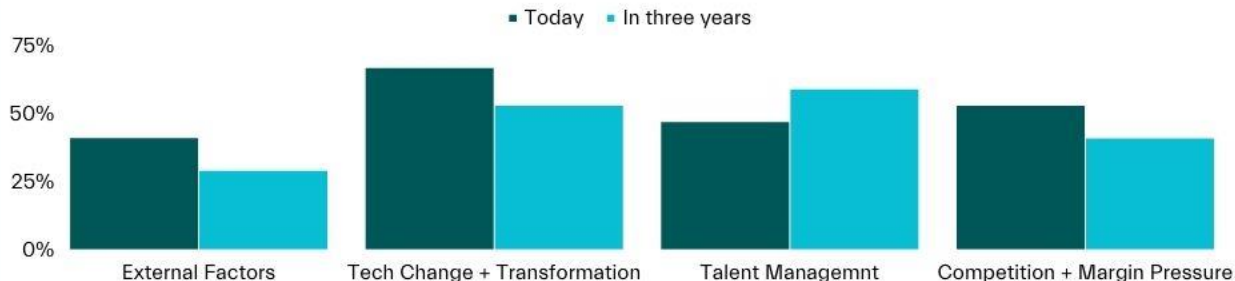
## Sustainability can be a high-impact solution to partners' biggest business challenges, but...

Less than one quarter of LAC partners say sustainability expertise is a priority in three years.

Q: 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?



Q: Consider the following business challenges, which a) currently impact your business and b) likely to impact your business in the next three years? Choose the top three for each time frame.



### Talent Recruiting and Retention

Sustainability is a theme that emerges time and again in reporting on the state of the workforce. As younger generations enter the business world, company leaders are discovering that sustainability initiatives are one way to attract and retain key talent with in-demand skills like security and high growth technologies.

### Rapid Technological Change + Digital Transformation

Transformation is constant, and a challenge. In addition to developing expertise in emerging technologies, partners may find they need to adapt to business concepts like circular economy, supply chain transparency, sustainable procurement and regenerative practices. ESG transformation can position partners gain greater relevance as a technology and service provider of choice.

### Increased Competition and Margin Pressure

Reducing business costs can often lead to more sustainable options. A change in packaging or operational efficiencies can release some margin pressure. This work can unleash innovation to benefit people, planet and profit which is increasingly important to investors and stakeholders because of the business and financial value ESG programs return.

### Adapting to External Factors

From macro economic uncertainty and geo-political tension to climate change and anticipated regulatory proposals, businesses are adapting on many fronts. In the IT ecosystem, ESG can help partners adapt to the new standard of earning and keeping business. The RFP/RFI process increasingly includes required responses about ESG practices. And, if awarded the business, supplier code of conduct agreements commonly require business partners to meet standards supporting ESG and sustainability goals.



# 05

## The metaverse: Ignore at your own risk?

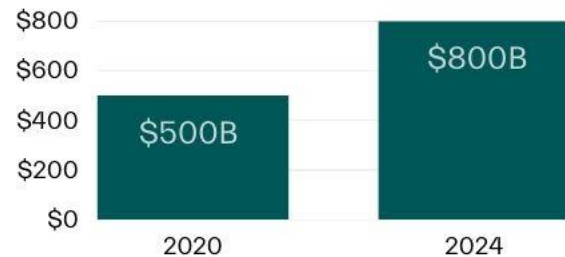


There's an opportunity gap between IT ecosystem partner readiness and analyst projections for the metaverse market.

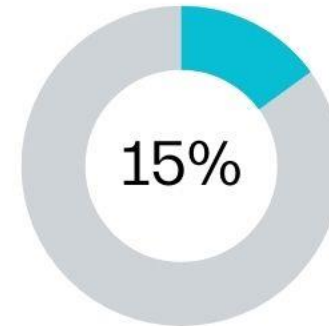
How will the technology ecosystem capture the metaverse market opportunity?



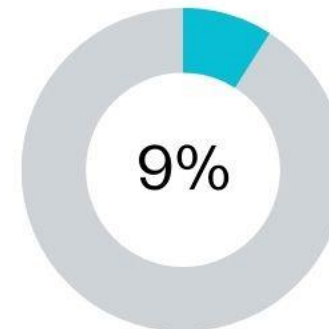
Headlines generally aren't optimistic about the global metaverse market, but a compilation of data and analysis from Bloomberg, Newzoo, IDC, PWC, Statista, Two Circles and Goldman Sachs projects a very different story.



Platforms and hardware are projected to represent 50% 2024 estimated metaverse revenues.



The total percent of LAC partners who plan to offer AR/VR/metaverse solutions within the next 24 months.

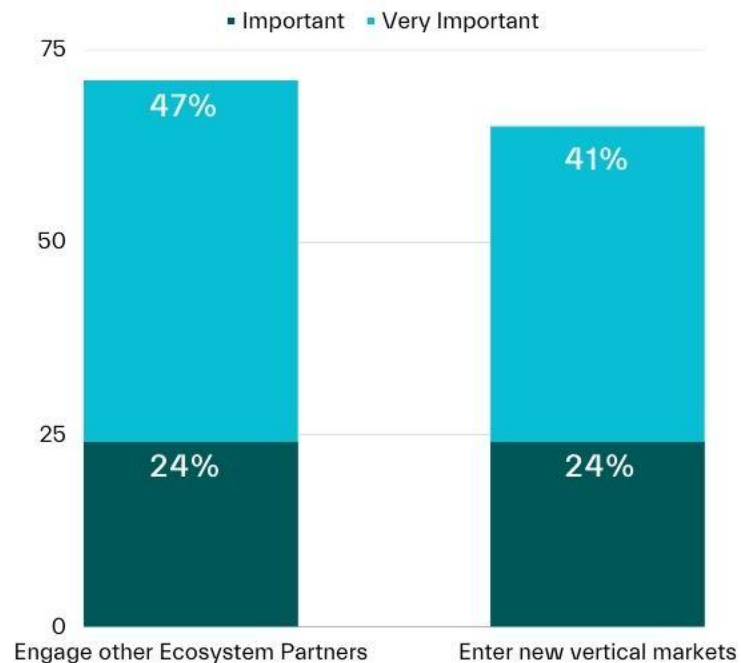


Of Latin American partners currently offer AR/VR/metaverse solutions.

# 06

## Don't go it alone when entering new vertical markets.

Q: Which of the following statements describe your organization's attitude toward growth strategy?



The proportional alignment between the desire to enter new vertical markets and engaging other ecosystem partners is a logical and efficient approach to growth.

### Specialization pairs well with collaboration.

Latin American partners see an increasing need for expertise in government, healthcare, education and financial services over the next three years. Developing regulatory expertise or certification to deliver in these verticals is a strategic and significant undertaking.

At the same time, technology specializations, namely cybersecurity, data privacy and protection, professional and managed IT services and high-growth technology expertise is equally strategic and just as much of an undertaking.

Increasing ecosystem partnership is the natural win-win to get to market quickly with specialized capabilities and gain exposure in new verticals.

Critical to success is a global platform connecting IT ecosystem players -- from technology manufacturing, publishing and distribution to VARs, ISVs, MSPs SIs and an expanding landscape of solution providers -- exposing partner-creator solutions to other ecosystem partners. All of this will enable a true orchestration experience compounding growth opportunities through increased engagement.

#### The End-Customer Question:

Is there an opportunity to partner with other service providers supporting your business?

#### The Reseller Business Question:

Which IT ecosystem players can benefit from the strengths we offer? Who has strengths to complement our business?



# 07

## Endpoint is being redefined.

### 41% of Latin American partners say reselling hardware will decrease over three years, but...

The same percentage of LAC partners say reselling hardware will increase over the same time period. In the technology ecosystem the vocabulary for "endpoint" is expanding to describe the many and varied kinds.

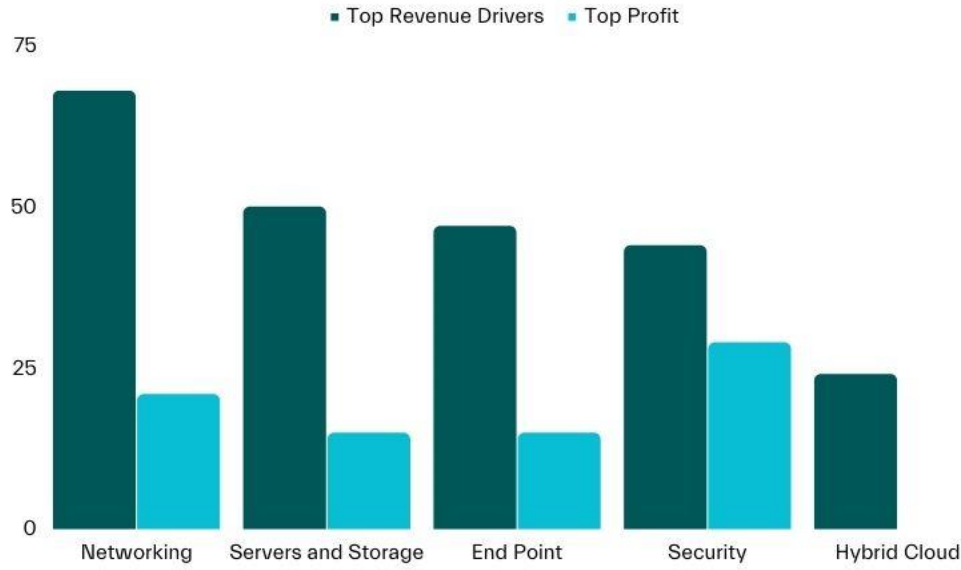
"Device-as-a-service" indicates consumption-based endpoints and subscription solutions.

"IoT" describes endpoints gathering data.

"Servers and storage" are the endpoint containers holding and securing data.

"Networking" speaks to every point connecting an endpoint.

Q: Considering your business during the last 12 months, from the list of technologies below, choose the top three revenue drivers, then select the technology that provided the most profit.



**The Reseller Business Question:**  
 What do our revenue and profitability numbers look like if we associate endpoint and hardware sales to the high-growth technologies that create whole solutions?



TD SYNEX

Q4 2022

# Technology Ecosystem Benchmark Report

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New ways to serve.



Key  
Takeaways

# European partners called to serve the IT ecosystem in new ways.

74%

## SERVICES EXPAND

Of European partners expect to sell more managed services in the next three years.

79%

## COLLABORATION INCREASES

View increased IT ecosystem engagement as an important growth strategy.

17%

## VIRTUAL BECOMES REALITY

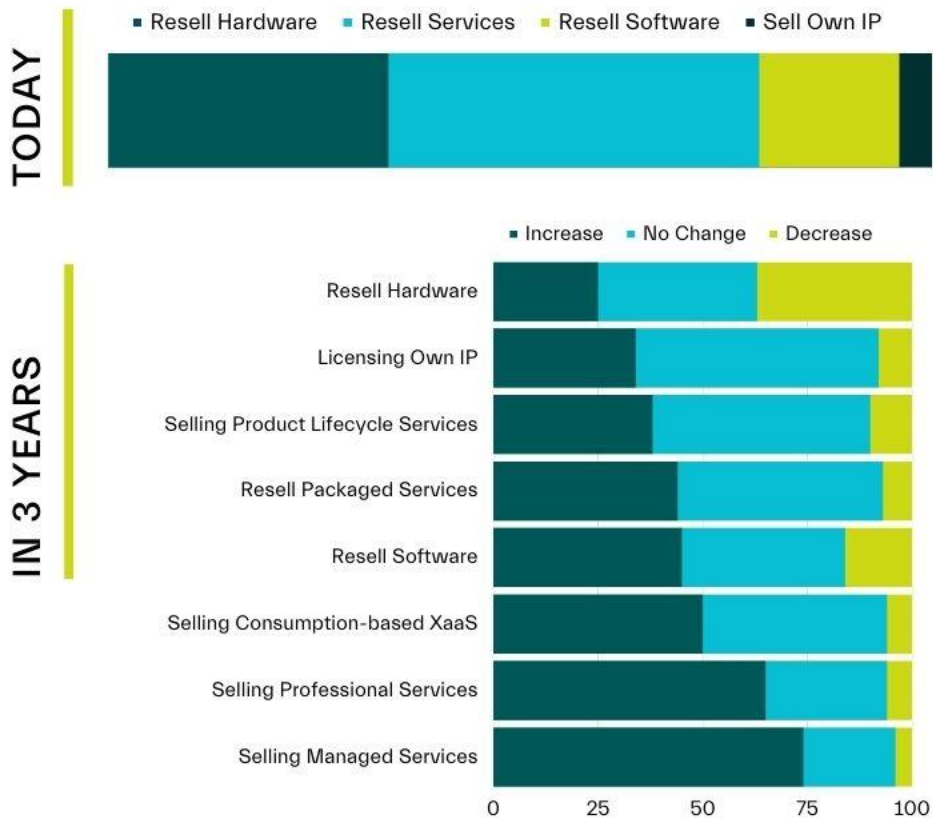
Of partners have plans to offer solutions for a \$800 Billion USD\* global metaverse technology market in 2024.

## SURVEY SAYS:

Expanding services, ecosystem engagement and emerging technologies emphasize that business evolution unlocks potential for European partners.

# 01

# Services are the new black.



Services will be everywhere in the next three years. Hardware still goes with everything.

Partners are making room for managed IT services in their future business mix, anticipating the most increase over 36 months.

Partners see an opportunity to express themselves through the licensing of their own IP. This is a trend to watch with a predicted 30% increase over three years.

And while partners expect reselling hardware will decrease in the next three years, it's a staple that's never truly out of style. Hardware represents the opportunity to attach services, and hardware-based programs, like device-as-a service, creating a virtuous cycle of revenue.

Q: What percentage of your business is derived from the following today?  
How will this change in three years time as a percentage of your total business?

**The End-Customer Question:**

Where are services driving the most outcomes in your business?

**The Reseller Business Question:**

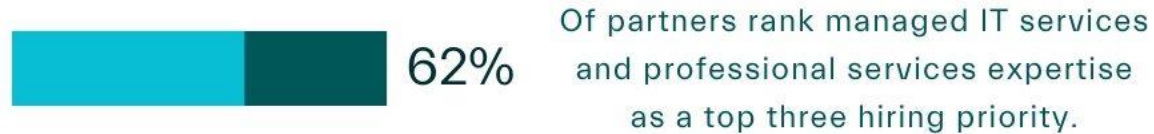
Which services are a natural extension of the revenue and profit drivers in our existing business? Who can help us scale services?



# 02

## Services strength begins within.

63% of partners have managed IT services talent on-staff.

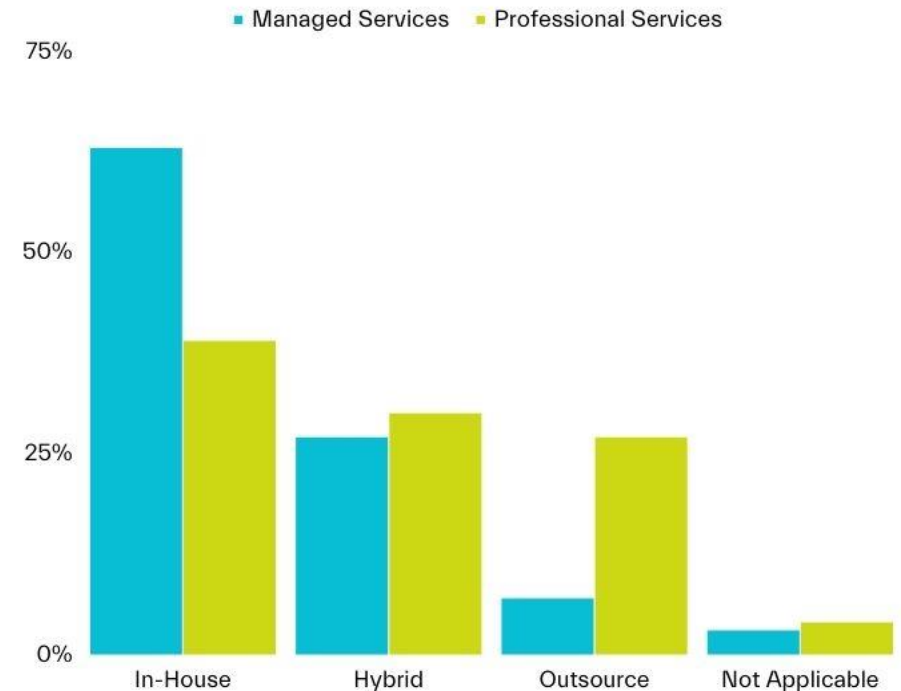


The trend is clearly growing services teams. This is complemented by partners' plans for technology enrichment.

- 47% of partners say technology enrichment is one of their top three investment areas today.
- 33% have continued investment plans over the next 24 months.

Scaling and skilling take time, making hybrid and outsourced partnerships a critical strategy in the short and long term.

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



### The End-Customer Question:

How can our services talent be an extension of your team?

### The Reseller Business Question:

What technology enrichment and services delivery partnerships do we need to scale to demand today and in the future?

# 03

## Mind the consumption model gap.

49% of partners report customers frequently request flexible IT consumption models.

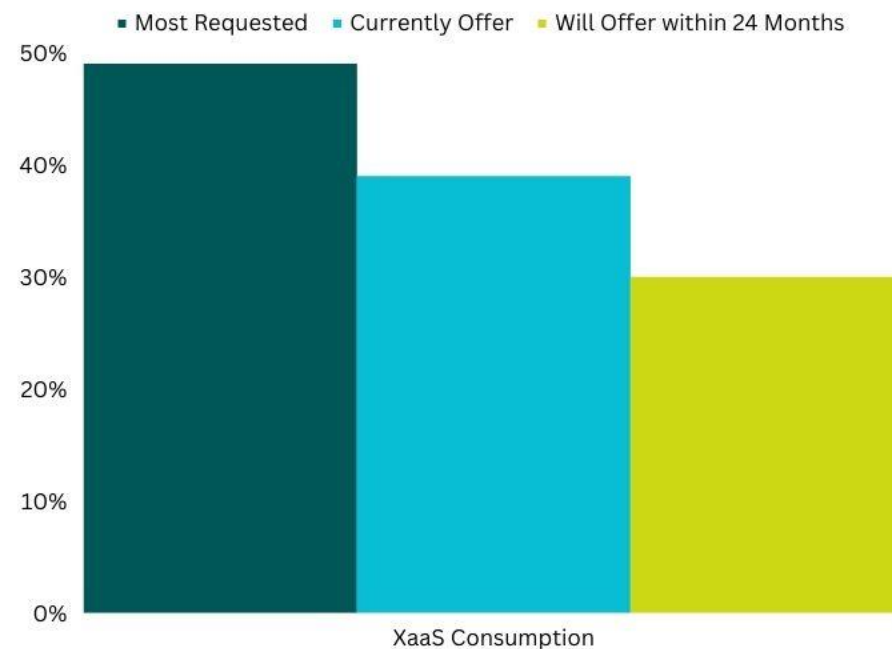
Today, only 39% of partners offer the XaaS consumption customers seek.

By the start of 2025, 70% expect to deliver XaaS along with existing offerings around credit, financing and leasing.

Closing this gap is critical for partners to adapt to as customers' technology funding moves increasingly toward OpEx.

This shift is ultimately a diversification of payment and financing options for customers. In addition to XaaS, partners indicate they will continue to offer preferred pricing and flexible payment programs as well as credit, financing and leasing options.

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



### The End-Customer Question:

What technology investments in your business need the most agility or scalability?

### The Reseller Business Question:

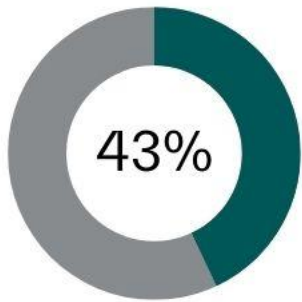
Are we leveraging ecosystem resources to configure, provision, secure, manage and service in XaaS offerings?



# 04

## Reality check: Be well-versed in emerging trends.

### Partners know they must put down roots around sustainability.



Of technology ecosystem partners plan to offer sustainability reporting in the next 24 months.

The energy partners put toward this area may need a jolt.

Only 14% of partners list ESG solutions as area of investment within the next 24 months and just 8% of partners rank ESG skill sets as a top three hiring priority.

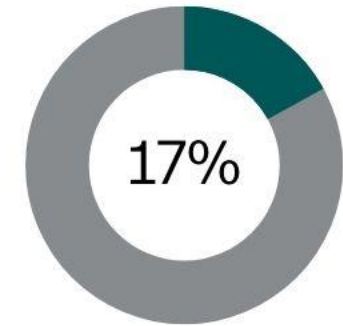
Partners equipped to help customers meet ESG commitments and requirements will have outsized opportunities in the market.

### The metaverse is not virtual insanity.

Headlines generally aren't optimistic about the global metaverse market, but a compilation of data and analysis from [Bloomberg](#), [Newzoo](#), [IDC](#), [PWC](#), [Statista](#), [Two Circles](#) and [Goldman Sachs](#) projects a very different story.



50% of the projected 2024 revenues are comprised of platforms and hardware.



Of European partners plan to offer AR/VR solutions on the same timeline.

#### The Reseller Business Question:

How can we leverage ecosystem partnerships to support customer needs around emerging technology and business trends?

# 05

## Partner business investments demonstrate FLAER.

Diverse business investment connected by the FLAER customer engagement framework.

Q: What areas of your business are you investing in? Please select the top three areas of investment within the next 24 months.



Investments in the next 24 months appear diverse at first glance. The connection is customer engagement. Partners are investing at every stage of the FLAER (find, land, adopt, expand, renew) framework.

These investments intersect with responses on the top three hiring priorities for partners.



Q: Which business skill sets are you hiring for? Rank the top 3 in order of hiring priority.

### The Reseller Business Question:

Do our investments position our business to keep up with the rate of change and transformation in the market?



# 06

## Understatement of the year: Never-ending transformation is hard.

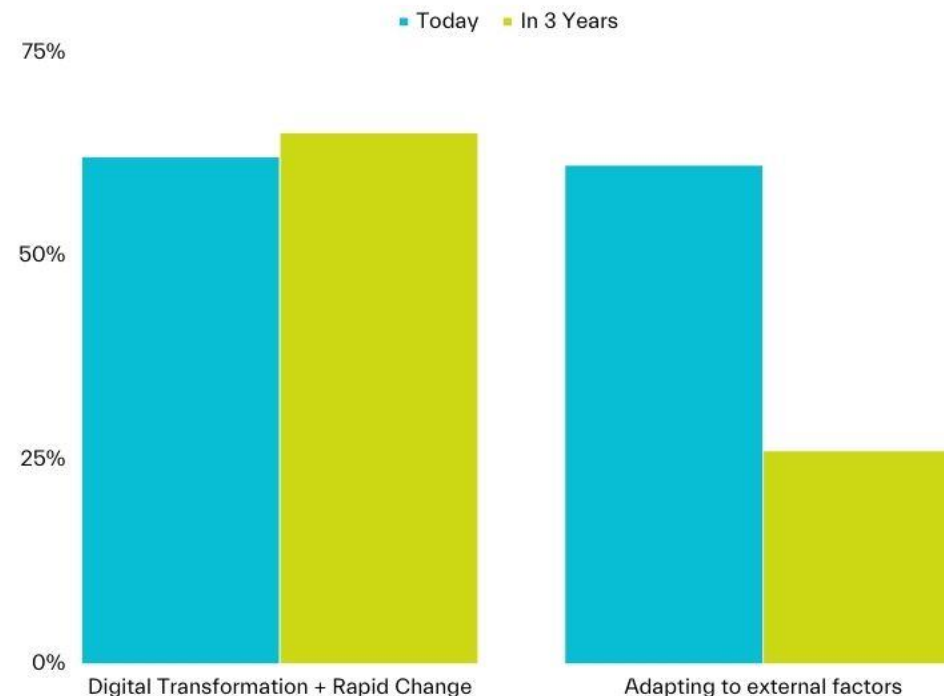
Partners have a pragmatic approach to adapting to external factors: leave tomorrow's worries for tomorrow.

Considering the impact of rapid technological change and their own digital transformations, roughly two-thirds of partners indicate they fret about relentless transformation and its impact on their business today and in the future.

While adapting to macro-issues like the economy, a changing geopolitical landscape and regulation are a challenge for two-thirds of partners today.

In 36 months time, that sentiment takes a precipitous 26% drop.

Q: Consider the following business challenges, which a) currently impact your business and b) likely to impact your business in the next 3 years? Choose the top three for each timeframe.



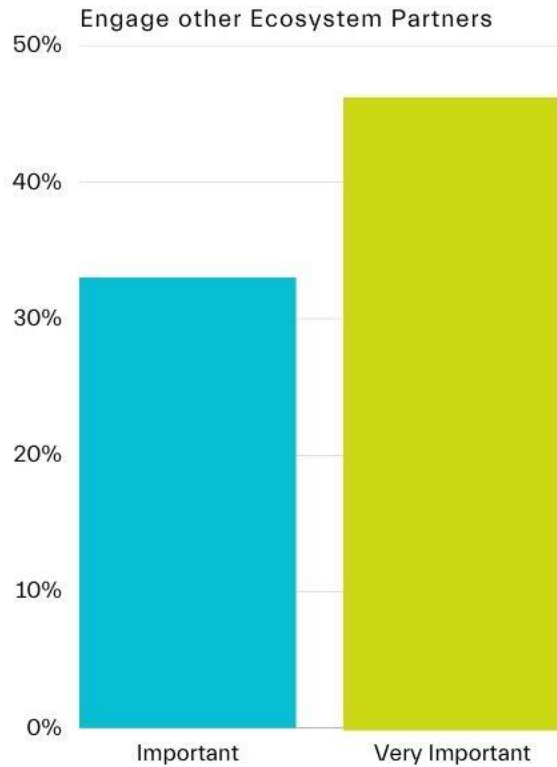
### The Reseller Business Question:

What - if any - external factors impact our own digital transformation or ability to keep up with rapid technological change?

# 07

## To deliver outcomes and accelerate business growth, don't go it alone.

Q: Which of the following statements describe your organization's attitude toward growth?



To unlock their full potential European partners are making a mind-set shift from fierce competition to increased collaboration.

Organic growth is not a surprise strategy. The level to which engaging ecosystem partners is an important or very important growth strategy is.

The appetite for increased ecosystem partnership makes perfect sense, because these engagements represent a sales channel for intellectual property solutions. European partners project IP licensing opportunities to increase by 30% as part of their business mix in the next three years.

Critical to success is a global platform connecting IT ecosystem players -- from technology manufacturing, publishing and distribution to VARs, ISVs, MSPs SIs and an expanding landscape of solution providers -- exposing partner-creator solutions to other ecosystem partners. All of this will enable a true orchestration experience compounding growth opportunities through increased engagement.

### The End-Customer Question:

Is there an opportunity to partner with other service providers supporting your business?

### The Reseller Business Question:

Which IT ecosystem players can benefit from the strengths we offer?  
Who has strengths to complement our business?



# 08

## Partners say growth is secure for 2022.

### 82% of European partners expect to report growth this fiscal year.

When combined, 43% of partners say security, servers and storage are the top revenue drivers, and 40% say these technologies are the most profitable.

The single most profitable technology for European partners is security.

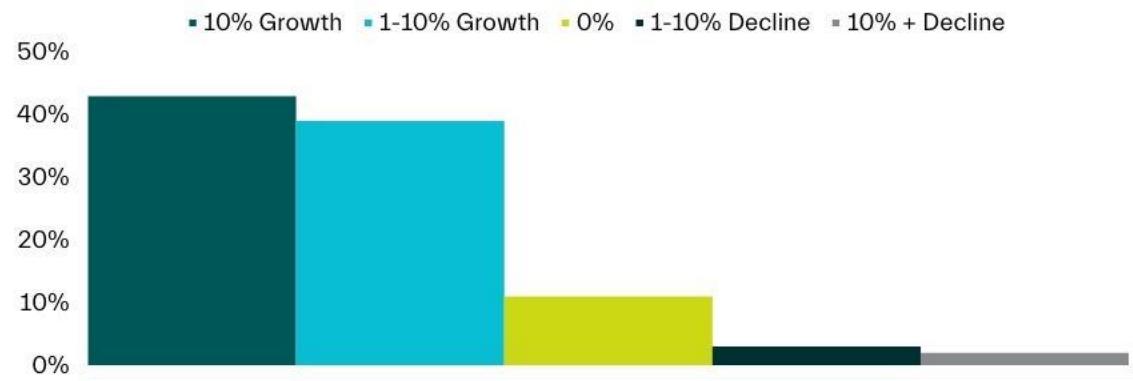
Endpoint devices and networking are tied for second as top revenue drivers. Together, 24% of partners say these technologies are most profitable for their business.

A quarter of partners identified hybrid cloud as a top three revenue driver.

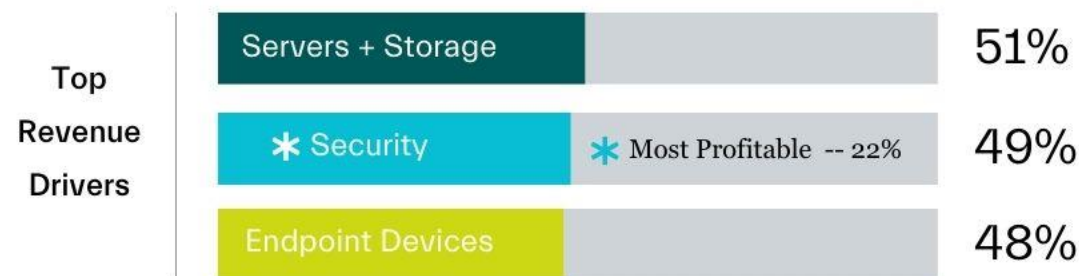
In the final quarter of 2022, European partners maintain a positive perspective. But like any forecast, the conditions can change.

Based on what partners shared, success in 2023 will likely involve adding services offerings, increasing collaboration and ramping capabilities to be ready for emerging trends.

Q: Which statement best reflects your company's revenue performance this fiscal year, compared to the previous fiscal year?



Q: Considering your business during the last 12 months, from the list of technologies below, choose the top three revenue drivers, then select the technology that provided the most profit.



### The Reseller Business Question:

How can we leverage ecosystem engagement to support services expansion and prepare for emerging business and technology trends?

Achieve great outcomes: Leverage the TD SYNEX Technology Ecosystem Benchmark Report for relevant, data-informed technology and business discussions about new ways to serve.

### The Reseller Business Questions

01	GROWTH DRIVERS	Which services are a natural extension of the revenue and profit drivers in our existing business? Who can help us scale services?
02	SUPPORTING SERVICES	What technology enrichment and services delivery partnerships do we need to scale to demand today and in the future?
03	BUSINESS SOLUTIONS	Are we leveraging ecosystem resources to configure, provision, secure, manage and service in XaaS offerings?
04	ESG + METAVERSE	How can we leverage ecosystem partnerships to support customer needs around emerging technology and business trends?
05	BUSINESS INVESTMENTS	Do our investments position our business to keep up with the rate of change and transformation in the market?
06	BUSINESS CHALLENGES	What - if any - external factors impact our own digital transformation or ability to keep up with rapid technological change?
07	ECOSYSTEM COLLABORATION	Which IT ecosystem players can benefit from the strengths we offer? Who has strengths to complement our business?
08	FUTURE PERFORMANCE	How can we leverage ecosystem engagement to support services expansion and prepare for emerging business and technology trends?



A map of the Asia Pacific region, showing major cities and geographical features. A vertical yellow bar is on the left side of the map. The text 'Asia Pacific & Japan Insights' is written vertically along this bar. The text 'Q4 2022' is written vertically below the bar.

# Asia Pacific & Japan Insights

Q4 2022



**TechData**  
A TD SYNnex Company

# Technology Ecosystem Benchmark Report

Betting on continued transformation.

# Asia Pacific & Japan partners are betting on continued transformation.

**+75%**

## SERVICES EXPAND

Of APJ partners expect to sell more managed and professional services in the next three years.

**94%**

## COLLABORATION INCREASES

View increased IT ecosystem engagement as an important growth strategy.

**24%**

## SECURITY IS THE TOP GROWTH DRIVER

Of partners indicate security technology solutions are most profitable for their business.

**53%**

## AS A SERVICE ADOPTION

Of partners say flexible consumption models are most frequently requested by end-customers.



# 01

## Security, servers and storage are good for business.

Of the top 5 revenue-driving technologies only 4 make the most-profitable list.

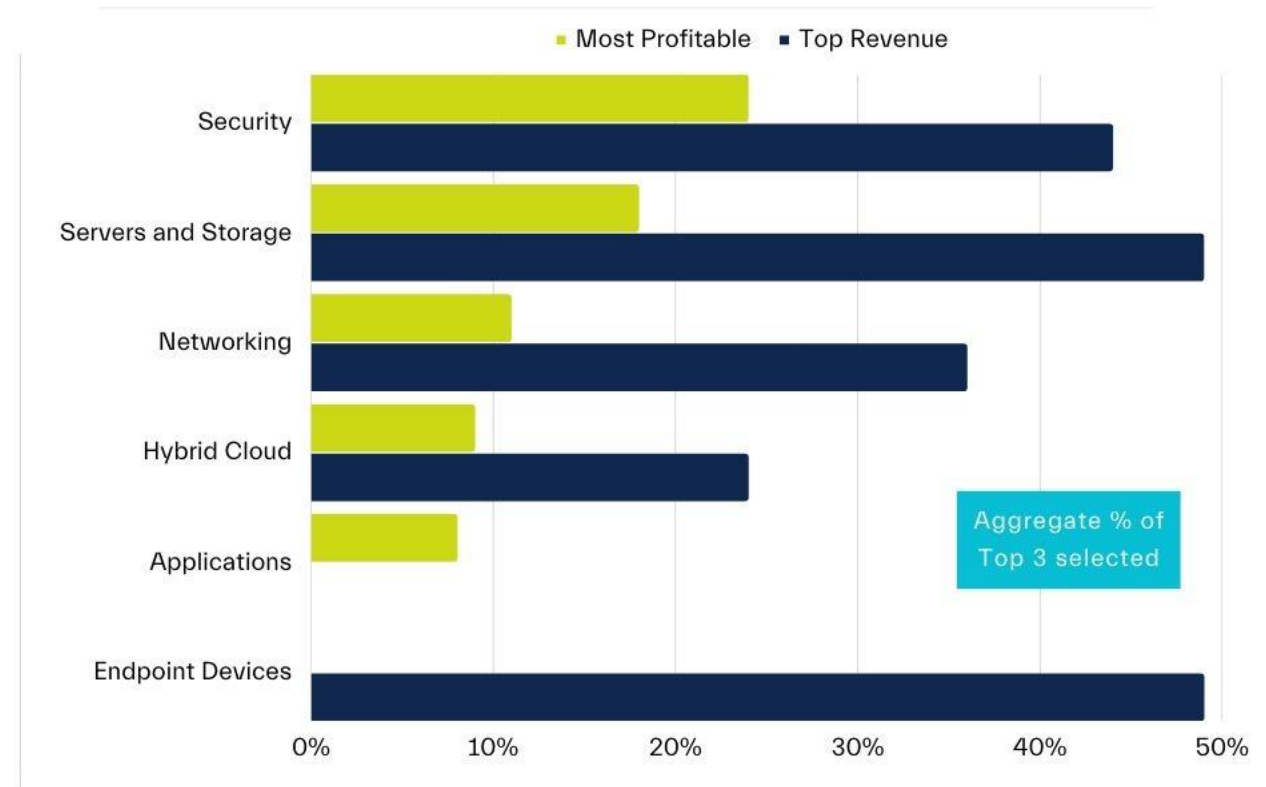
Partners report that servers and storage and endpoint devices drive the most revenue for APJ partners.

Security follows close behind with 44% of partners saying these offerings are among their top three revenue drivers. It's also the most profitable technology for APJ partners (24%). Servers and storage ranks second (18%).

And while endpoint is just as likely as servers and storage to bring in business, this technology isn't represented in top five most-profitable technologies. Conversely, 8% of APJ respondents say applications are most profitable for their business, but don't drive revenue.

An important footnote for endpoint devices and applications is that both categories are naturally embedded as part of solutions for the top revenue and profit drivers.

Q: Considering your business during the last 12 months, from the list of technologies below, choose the top three revenue drivers, then select the technology that provided the most profit.



### The Reseller Business Question:

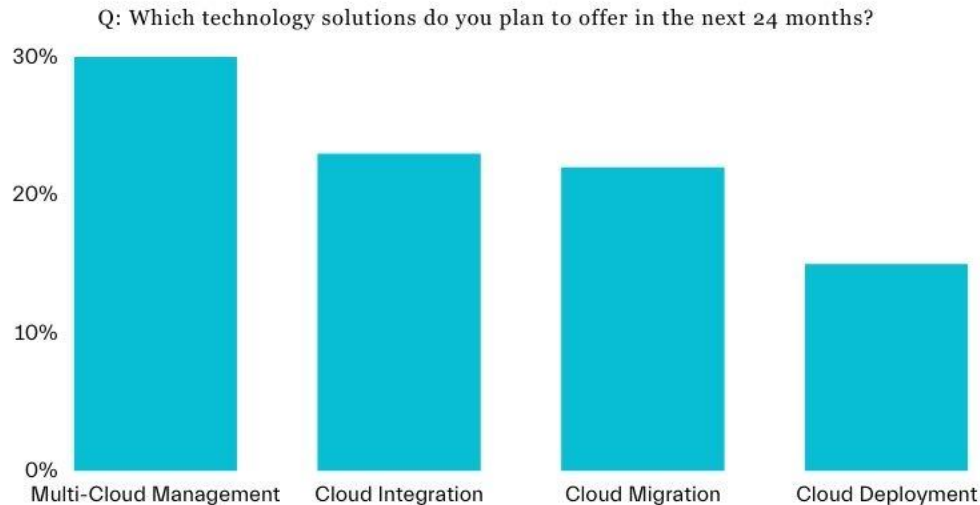
How can we leverage ecosystem engagement to balance our portfolio for profitability in order to prioritize and re-invest for high-growth technology solutions?

# 02

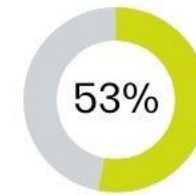
## The two-year forecast is increasingly hybrid cloud.

### APJ partners plan to expand their portfolio of cloud offerings.

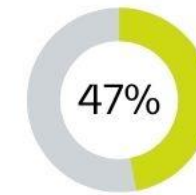
Cloud offerings dominate the list of capabilities partners plan to offer. And, cloud is foundational to technology solutions that round out the top eight APJ partners plan to offer in the next two years, which also includes: artificial intelligence and machine learning; mobility and edge; device as a service and digital transformation.



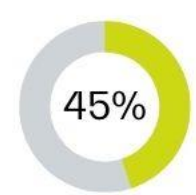
### As-a-Service enters the mainstream.



53% of APJ end-customers want aaS consumption options



47% of APJ partners currently offer aaS consumption options



45% of APJ partners will offer aaS consumption options within 24 months

In line with the expansion of professional and managed IT services, and the shift to consumption-based OpEx models, APJ partners have plans to enhance or develop cloud capabilities.

With a growing majority of APJ partners reporting that they have or will have as-a-Service offerings, it's a reasonable assumption that this includes software sales in addition to other advanced solutions and recurring revenue services.

#### The Reseller Business Question:

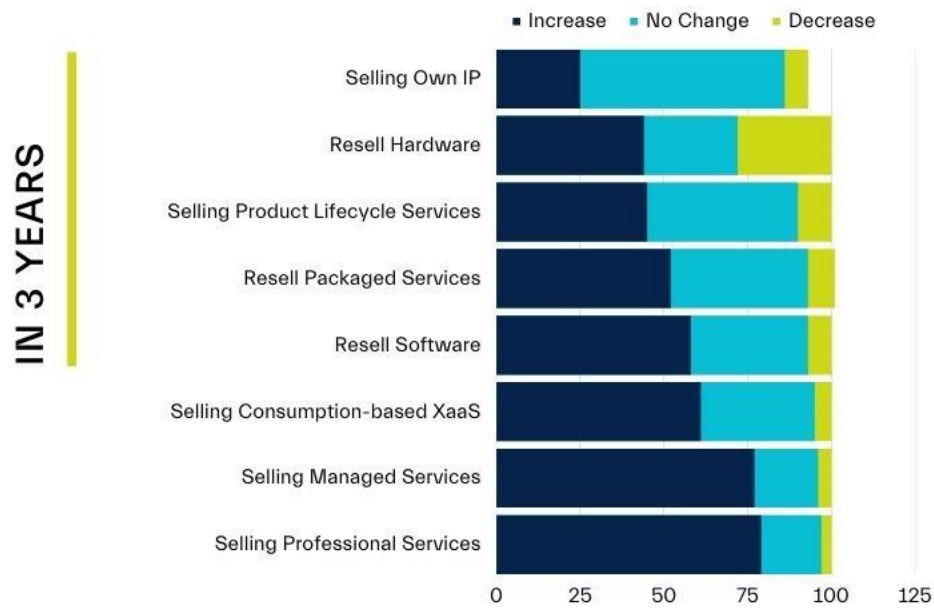
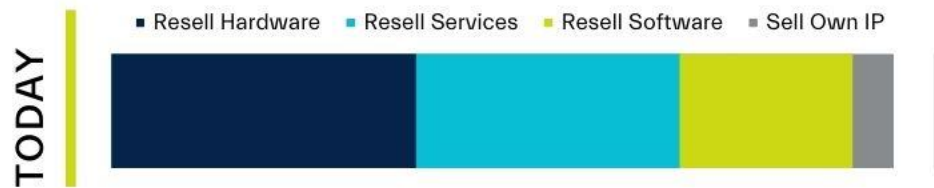
How will we leverage ecosystem resources to configure, provision, secure, manage and service in XaaS offerings?



# 03

## Partners shift to services.

Q: What percentage of your business is derived from the following today?  
How will this change in three years time as a percentage of your total business?



## Services see big increase in the next three years. Hardware is still a core business.

Partners are making room for every type of service in their future business mix, anticipating the most increase over 36 months.

APJ partners are placing their bets on professional services, likely because four of the top five technology solutions end-customers most frequently request are strategic initiatives requiring the expertise to consult, design, integrate and deploy with business outcomes in mind.

Managed IT services are a close second, and a natural extension of professional services engagements - proactive, preventative and predictive services that increase operational efficiency and continue to advance business outcomes.

Partners remain optimistic about reselling hardware, just 28% of respondents indicate they believe the category will decrease in the next three years.

The growth in services and the resilience in hardware are likely linked by opportunities to attach services to hardware-based programs like device-as-a service, which creates a virtuous cycle of revenue for partners.

### The End-Customer Question:

What strategic technology initiatives are important to drive business outcomes?

### The Reseller Business Question:

Which managed IT services are a natural extension of our professional services engagements? Who can help us scale both types of services?

# 04

## A team of trusted ecosystem advisors is key to driving growth.

APJ partners are investing in talent, technologies and partnerships to deliver great outcomes.

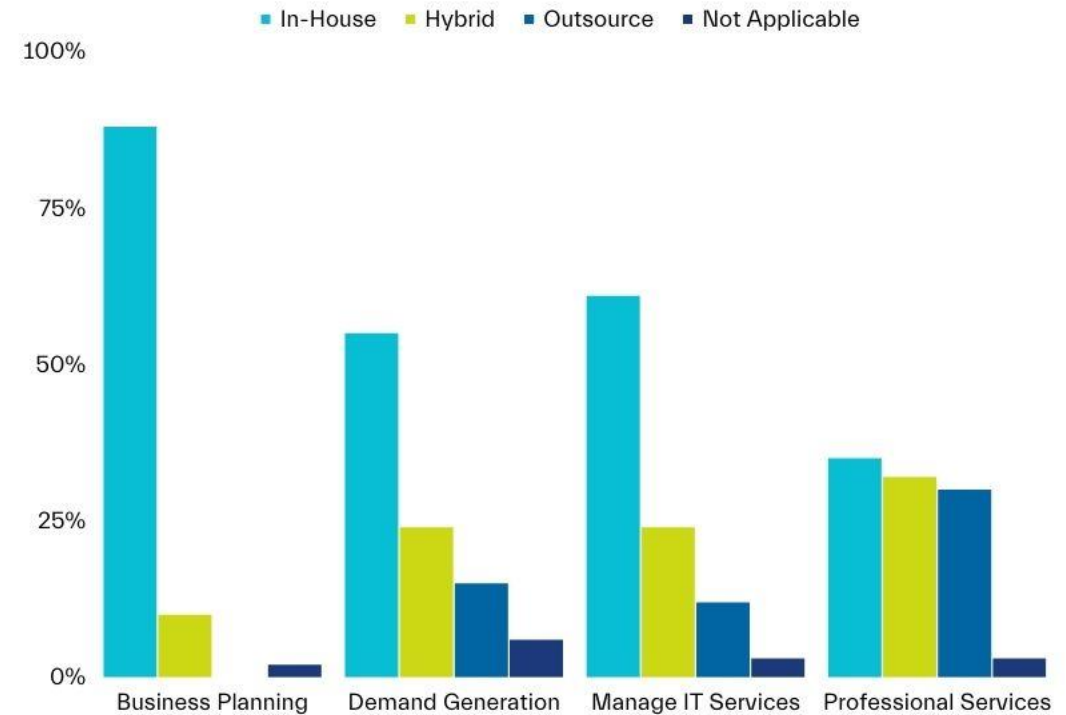
In a rapidly changing environment, roles like strategic planning, demand generation and services are essential to execute business priorities. And, all of these in-demand roles can be tough to hire for.

Scaling and skilling take time, building hybrid and outsourced partnerships for a variety of business functions is a critical strategy in the short and long term.

Q: Which business skillsets are you hiring for? Rank the top three in order of hiring priority.



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



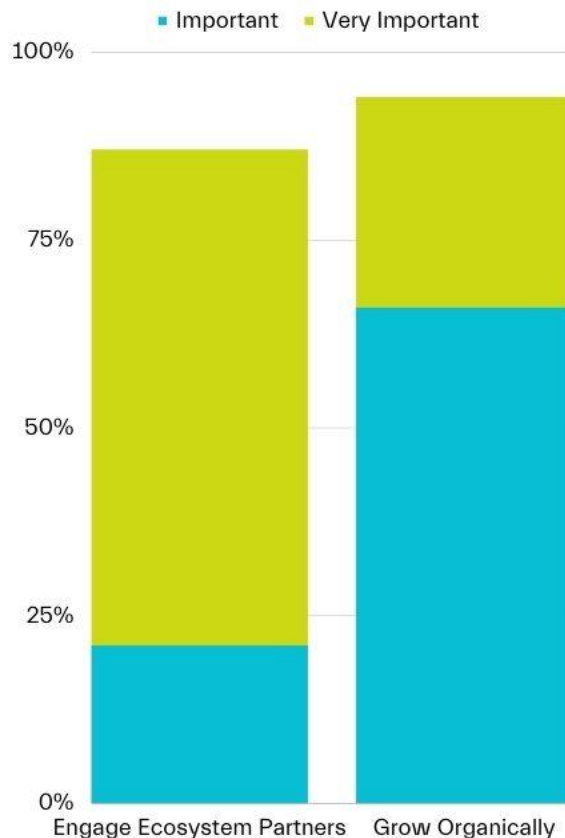
### The Reseller Business Question:

What technology ecosystem partners are able to support us across business planning, demand generation and scaling our services capabilities?



# To deliver outcomes for customers and accelerate business growth, don't go it alone.

Q: Which of the following statements describe your organization's attitude toward growth?



## To unlock their full potential APJ partners make a mind-set shift from fierce competition to increased collaboration.

Organic growth is not a surprise strategy. The level to which engaging ecosystem partners is a very important growth strategy is.

The appetite for increased ecosystem partnership makes perfect sense, because the most requested technology solutions span across a variety of disciplines. APJ partners can scale more quickly through collaboration to deliver digital transformation, cloud migration and data center modernization solutions and business outcomes for end-customers.

Critical to success is a global platform connecting IT ecosystem players -- from technology manufacturing, publishing and distribution to VARs, ISVs, MSPs SIs and an expanding landscape of solution providers -- exposing partner-creator solutions to other ecosystem partners. All of this will enable a true orchestration experience compounding growth opportunities through increased engagement.

### The End-Customer Question:

Is there an opportunity to partner with other service providers supporting your business?

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Which IT ecosystem players can benefit from the strengths we offer? Who has strengths to complement our business?



Asia Pacific Insights

Q4 2022

# Technology Ecosystem Conversation- Starters







There's an opportunity gap between IT ecosystem partner readiness and analyst projections for the metaverse market.

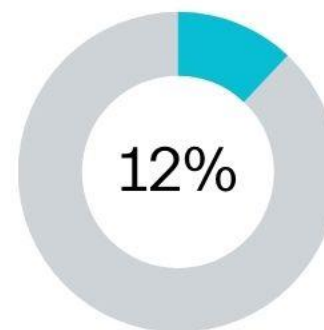
How will the technology ecosystem capture the metaverse market opportunity?



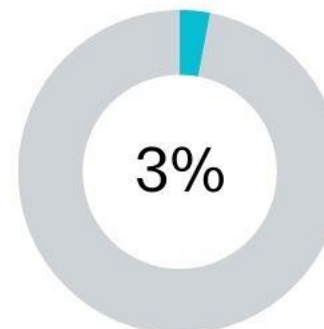
Headlines generally aren't optimistic about the global metaverse market, but a compilation of data and analysis from Bloomberg, Newzoo, IDC, PWC, Statista, Two Circles and Goldman Sachs projects a very different story.



50% of the projected 2024 revenues are comprised of platforms and hardware - \$400B (USD).



Of APJ partners plan to offer AR/VR/metaverse solutions within the next 24 months.

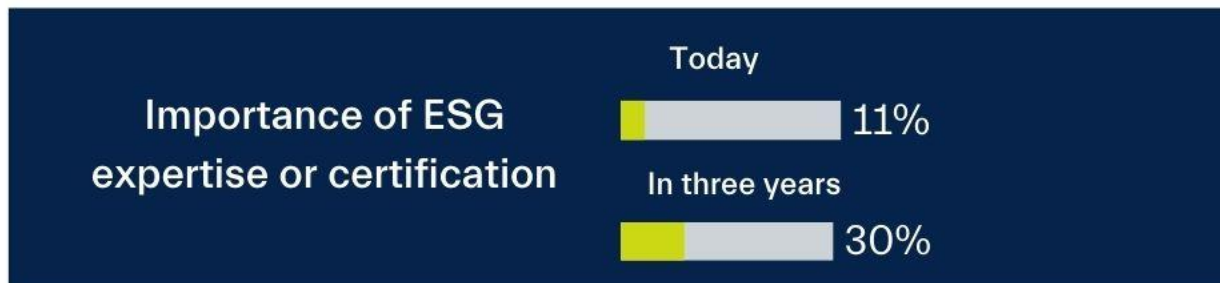


Of APJ partners currently offer AR/VR/metaverse solutions.

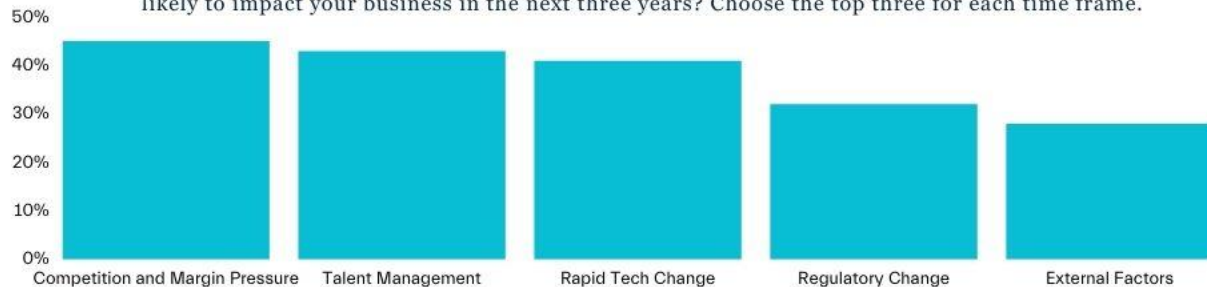
## ESG can be a high-impact solution to partners' biggest business challenges, but...

### Adoption around ESG expertise and certification is a slow process.

Q: 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?



Q: Consider the following business challenges, which a) currently impact your business and b) likely to impact your business in the next three years? Choose the top three for each time frame.



#### Increased Competition and Margin Pressure

Reducing business costs can often lead to more sustainable options. A change in packaging or operational efficiencies can release some margin pressure. This work can unleash innovation to benefit people, planet and profit, which is increasingly important to investors and stakeholders because of the business and financial value ESG programs return.

#### Talent Recruiting and Retention

Sustainability is a theme that emerges time and again in reporting on the state of the workforce. As younger generations enter the business world, company leaders are discovering that sustainability, diversity, equity and inclusion initiatives are ways to attract and retain talent with in-demand skills like security and high growth technologies.

#### Rapid Technological and Regulatory Change

The accelerating rate of technological change is not new for technology ecosystem partners, but it is no less challenging. Add to this regulation that is trying to keep up and the impact can be significant for any business. Proactively establishing sustainability programs now can mitigate the impact of change in the business as regulation is implemented. This allows partners to be ready for changes in technology

#### Adapting to External Factors

From macro economic uncertainty and geo-political tension to climate change and anticipated regulation, businesses are adapting on many fronts. In the IT ecosystem, ESG can help partners adapt to the new standard of earning and keeping business. The RFP/RFI process increasingly includes required responses about ESG practices. And, if awarded the business, supplier code of conduct agreements commonly require business partners to meet standards supporting ESG and sustainability goals.



# The big opportunity: Keep betting on a transformative future.

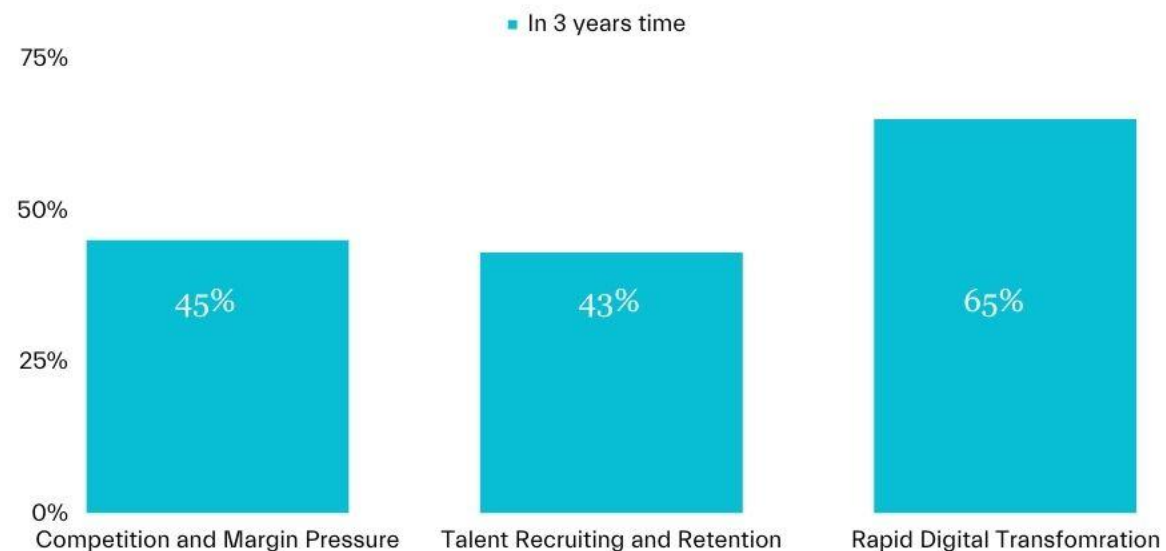
## APJ partners anticipate the impact of continued change and transformation.

In the near term there are macro economic uncertainties, but survey respondents indicate they anticipate continued rapid digital transformation in the next 36 months - there's a clear opportunity here.

Taking a longer look back, IT channel and ecosystem players who invest well during times of uncertainty can emerge as leaders winning business in the marketplace.

Therefore, partners should consider how to continue to invest in order to strengthen their position in the long run.

Q: Consider the following business challenges, which are likely to impact you in the next three years?



### The Reseller Business Question:

Are you having the right conversations about balancing and building a portfolio of technology solutions and practices that enables re-investment in your business for long term transformation?

**01 GROWTH DRIVERS**

Security, servers and storage are good for business.

**02 STRATEGIC PLANNING**

The two-year forecast is increasingly hybrid cloud.

**03 BUSINESS MIX**

Partners shift to services.

**04 BUSINESS SOLUTIONS**

A team of trusted ecosystem advisors is key to driving growth.

**05 ECOSYSTEM COLLABORATION**

To deliver outcomes for customers and accelerate business growth, don't go it alone.

**06 EMERGING TRENDS**

The metaverse: Ignore at your own risk?

**07 ESG**

ESG can be a high-impact solution to partners' biggest business challenges, but...

**08 ON THE HORIZON**

The big opportunity: Keep betting on a transformative future



# Achieve great outcomes: Leverage the Tech Data Technology Ecosystem Benchmark Report for relevant, data-informed technology and business discussions continued transformation.

## The IT Business Questions

01	GROWTH DRIVERS	How can we leverage ecosystem engagement to balance our portfolio for profitability in order to prioritize and re-invest for high-growth technology solutions?
02	AS-A-SERVICE EXPANSION	How will we leverage ecosystem resources to configure, provision, secure, manage and service in XaaS offerings?
03	SCALING SERVICES	Which managed IT services are a natural extension of our professional services engagements? Who can help us scale both types of services?
04	BUSINESS OPERATIONS	What technology ecosystem partners are able to support us across business planning, demand generation and scaling our services capabilities?
05	ECOSYSTEM COLLABORATION	Which IT ecosystem players can benefit from the strengths we offer? Who has strengths to complement our business?
06	FUTURE PERFORMANCE	Are you having the right conversations about balancing and building a portfolio of technology solutions and practices that enables re-investment in your business for long term transformation?

## We empower our partners to achieve great outcomes with technology.

Technology moves fast. We partner with the entire technology ecosystem to manage relentless transformation, execute confidently, and evolve to capture opportunities up ahead.

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## About TD SYNEX

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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](http://www.TDSYNEX.com) or follow us on LinkedIn, Twitter, Facebook and Instagram.

## Safe Harbor Statement

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