

Technology Ecosystem Benchmark Report

New ways to serve.

2022 TD SYNEX



Technology Ecosystem Benchmark Report

About this Report

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 relentless 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

In partnership with Canalys, TD SYNEX surveyed 300 mid-size technology ecosystem partners across North and South America, Europe and Asia Pacific countries.

Mid-size technology ecosystem partner is defined as 1,000 seats and below.

Fieldwork for the European Insights Report was conducted between July 19, 2022 and September 30, 2022. The pool of survey respondents is comprised of 107 Canalys Candefero community members.

Getting the most out of the Technology Ecosystem Benchmark Report



Create End-Customer Conversations

Throughout this report, 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

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

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

SERVICES EXPAND

74%

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

COLLABORATION INCREASES

79%

View increased IT ecosystem engagement as an important growth strategy.

VIRTUAL BECOMES REALITY

17%

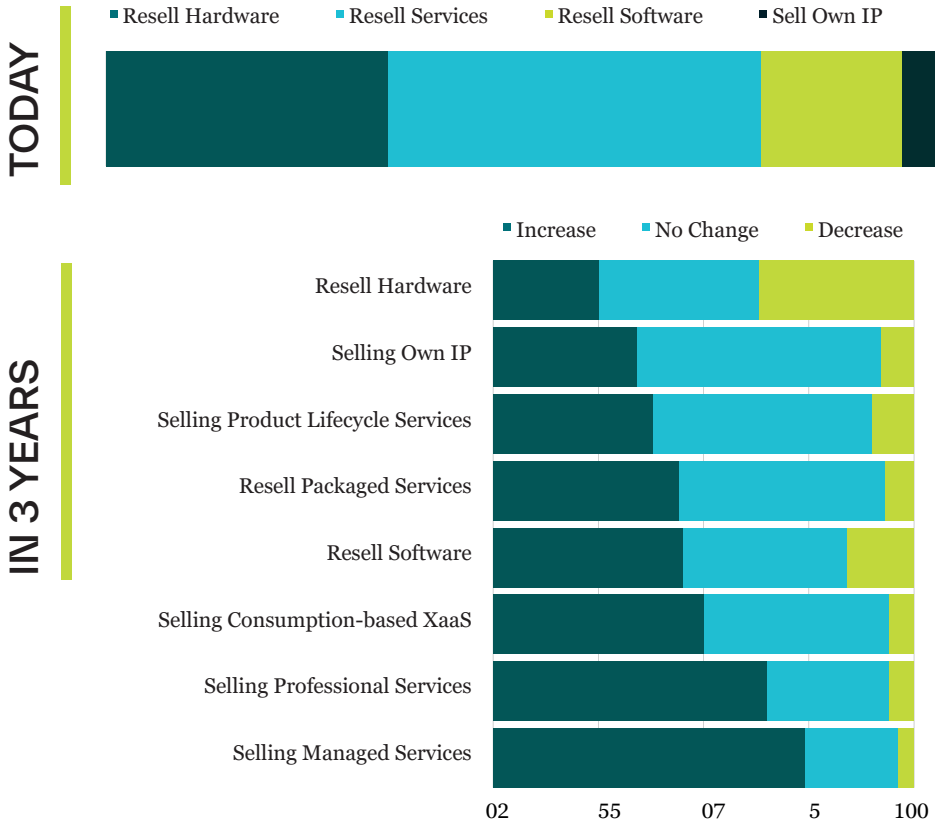
Of partners have plans to offer solutions for a \$800 Billion USD* global metaverse technology market in 2024.

SURVEY SAYS:

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

1

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 sale 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 attach services, and hardware-based programs like device-as-a service create a virtuous cycle of revenue.

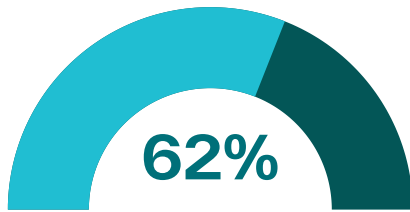
Q: What percentage of your business is derived from the following today? How will this change in three years time as a percentage of your total business?

The End-User Question:	The IT Business Question:
Where are services driving the most outcomes in your business?	Which services are a natural extension of the revenue and profit drivers in our existing business?
	Who can help us scale services?

2

Services strength begins within.

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



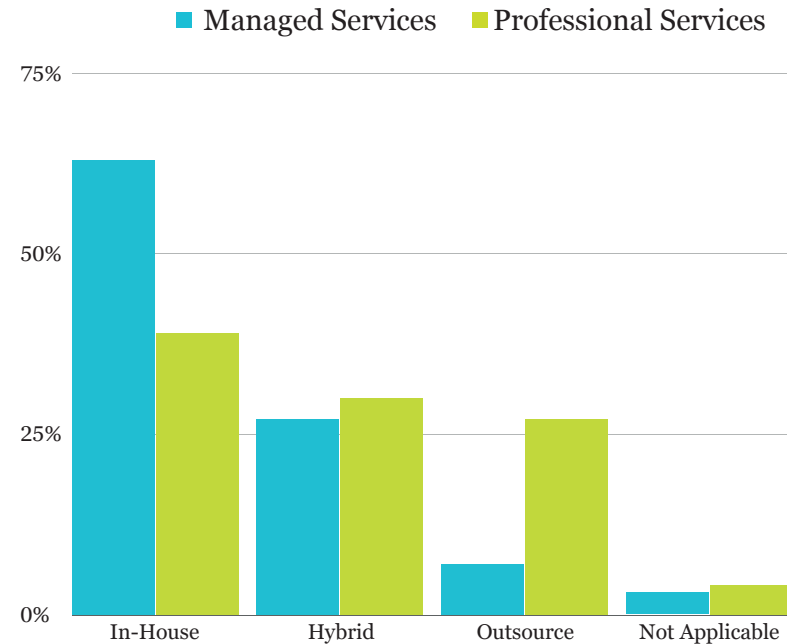
of partners rank managed IT services and professional services expertise as a top three hiring priority.

This is complemented by partners' plans for technology enrichment.

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

At the same time, building strong extensions of in-house teams is important with a combined 57% of respondents indicating they have a hybrid approach to delivering managed and professional services.

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



<p>The End-User Question:</p> <p>How can our services talent be an extension of your team?</p>	<p>The IT Business Question:</p> <p>What technology enrichment and services delivery partnerships do we need to scale to demand today and in the future?</p>
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3 Mind the consumption model gap.

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

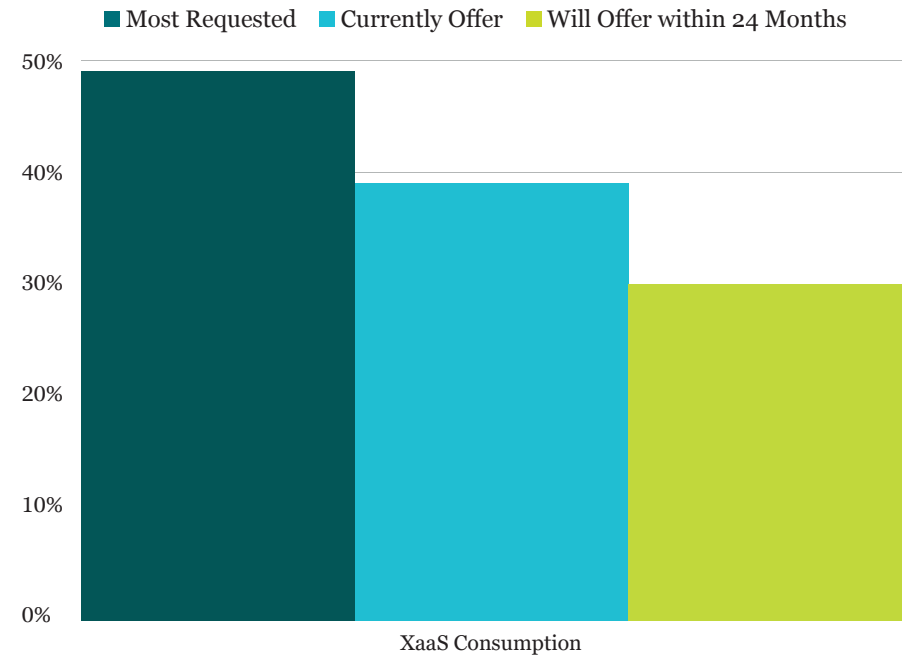
Today, only 39% of partners offer the XaaS consumption customers seek.

By the start of 2025, 70% expect to deliver both XaaS and credit, financing and leasing offerings to their customers.

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-User Question:

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

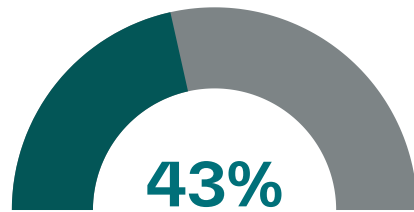
The IT Business Question:

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

4

Reality check: partners need to 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.

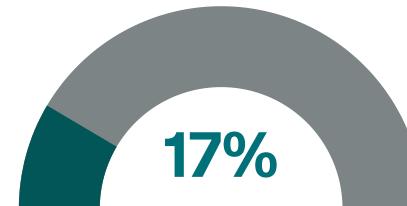
Partners equipped to help customers meet ESG commitments and requirements will have outsized opportunities in the market.

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 IT Business Question:

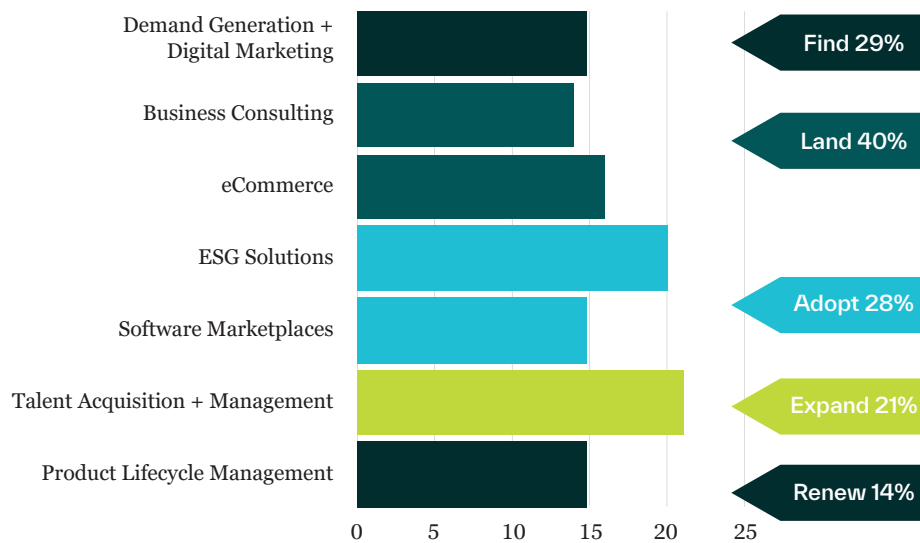
How can we leverage ecosystem partnerships to support customer needs around emerging technology and business trends?

5

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.

■ ESG
 ■ eCommerce
 ■ Customer Lifecycle Support
 ■ Talent Management
 ■ Demand Gen + Marketing
 ■ Business Consulting



The IT Business Question:

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

6

Universal truth: adapting to rapid technological change is a perpetual challenge.

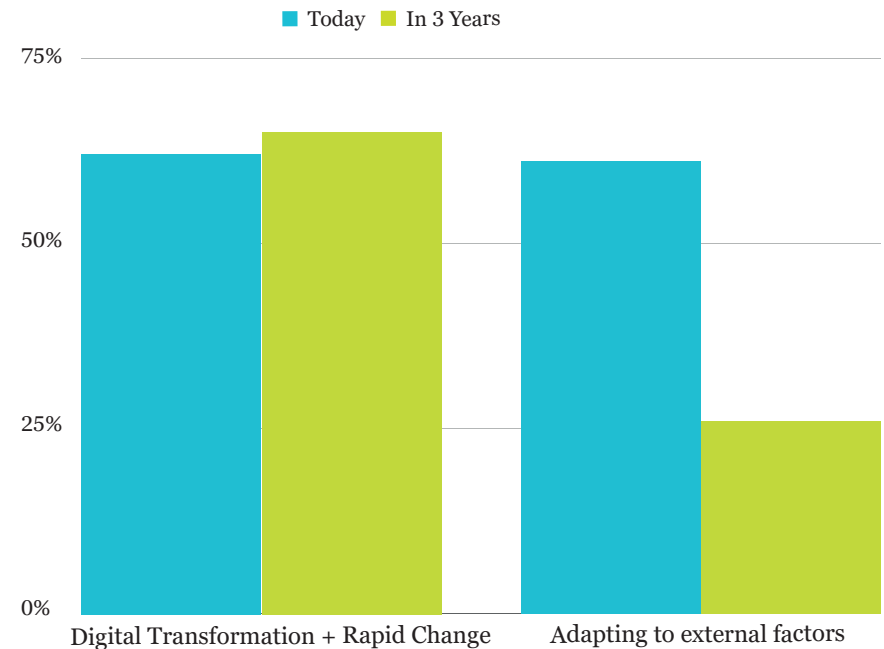
Partners have a pragmatic approach to for each timeframe. adapting to external factors: leave tomorrow's worries for tomorrow.

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 to for each timeframe.

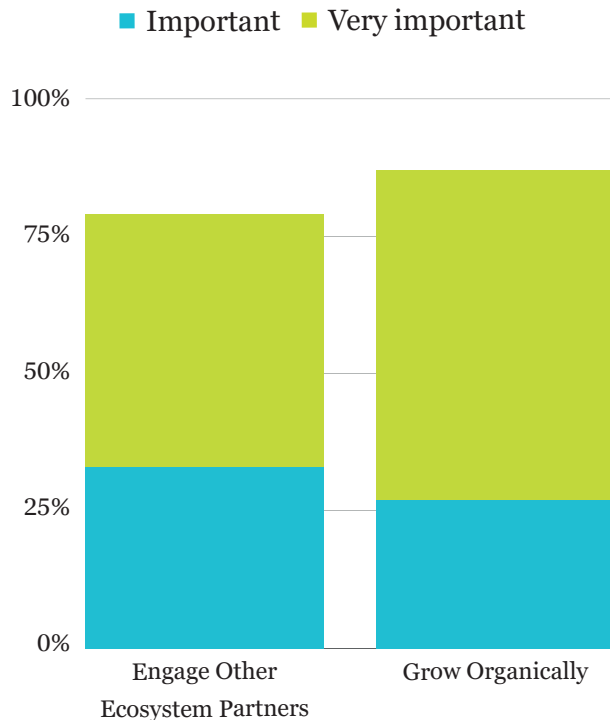


The IT Business Question:

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

7

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



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 sales 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-User Question:

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

The IT Business Question:

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

8

A sunny outlook... for now.

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.

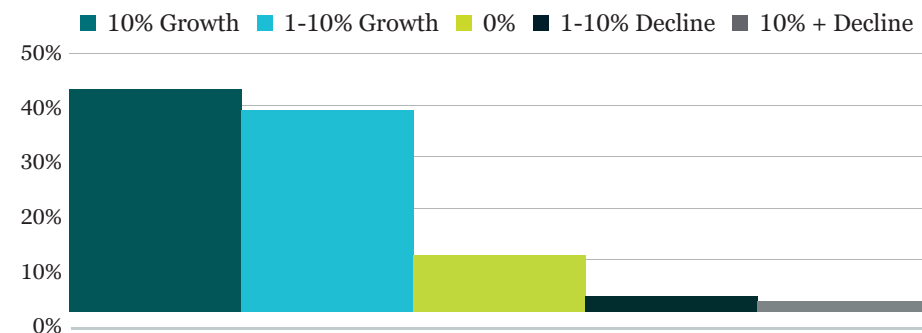
Endpoint devices and networking are tied for second as top revenue drivers. Together, 24% of partners say these technologies are most profitable for their business.

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

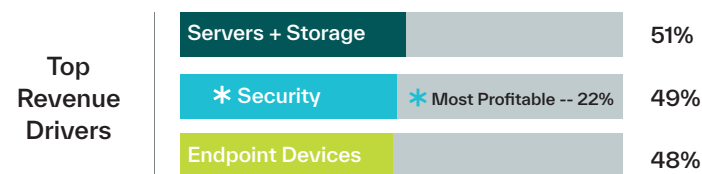
In the final quarter of 2022, European partners maintain a positive perspective. But like any forecast, the conditions can change.

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?

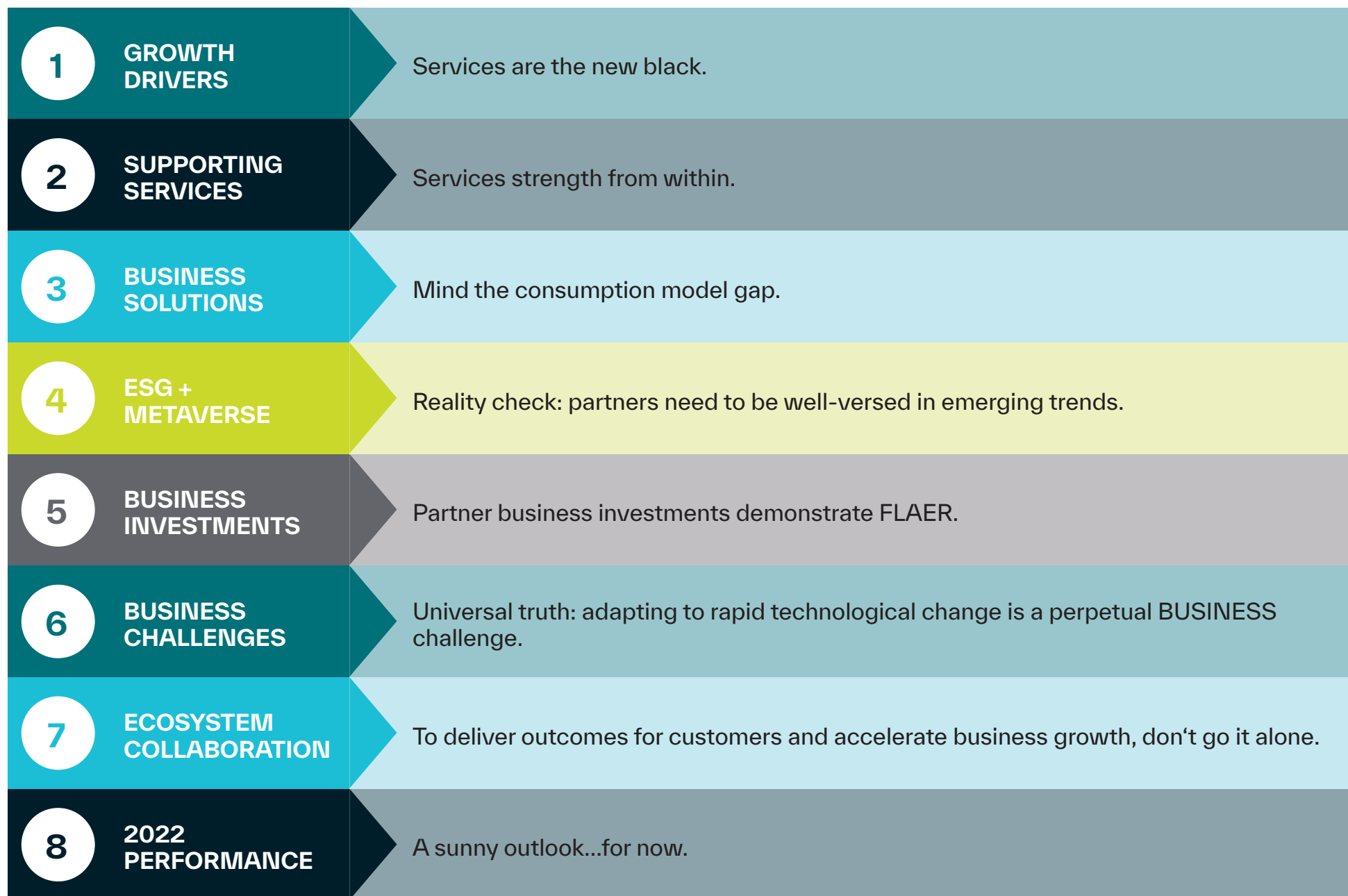


Q: Considering your business during the last 12 months, from the list of technologies below, choose the top three revenue drivers, then select the technology that provided the most profit.



The IT 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 IT Business Questions**

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



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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.



About TD SYNnex

TD SYNnex (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 SYNnex' 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 SYNnex 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.TDSYNnex.com or follow us on LinkedIn, Twitter, Facebook and Instagram.

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