Unlocking Value in Partner Ecosystems

Infinigate CyberVerse Live 2024

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IDC Speaker

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Today's Agenda

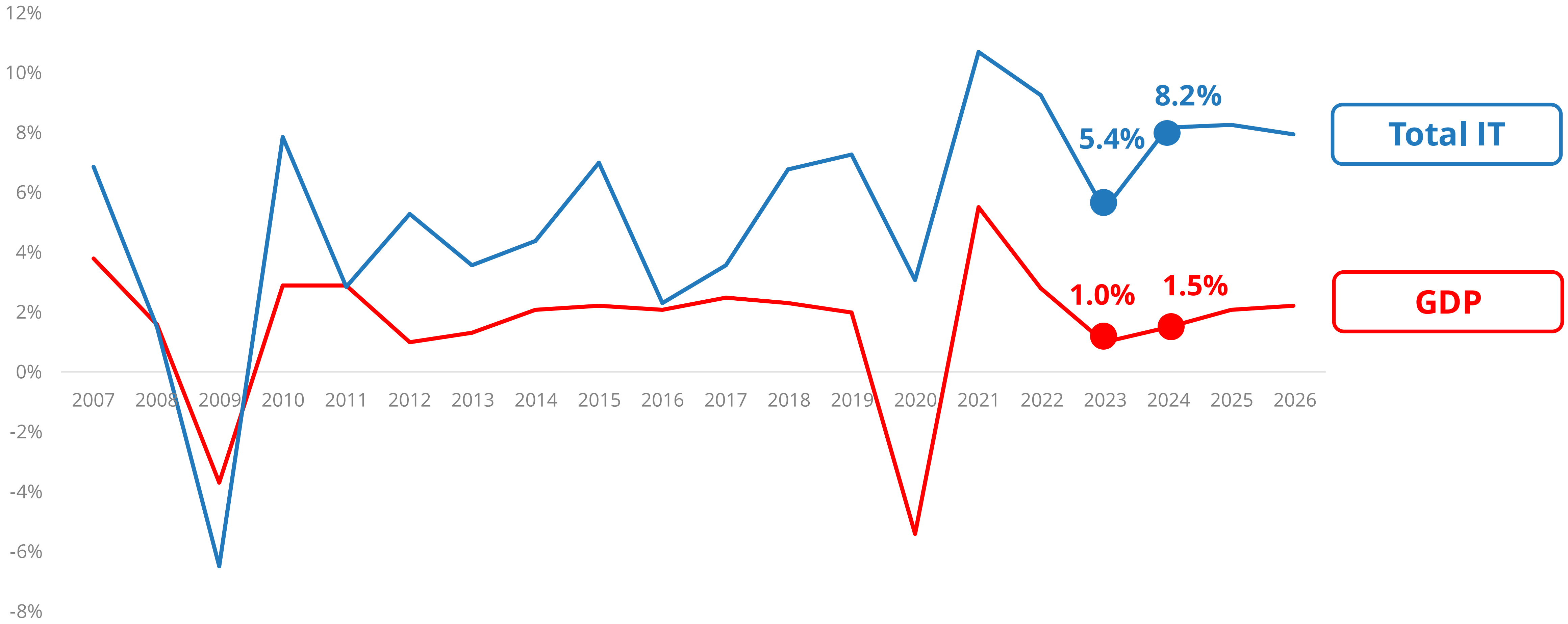
- EMEA Market Dynamics
- Connected Ecosystems
- Partner Evolution
- Success Factors in 2024 and Beyond

Market Update & Customer Insights

Economic trends & IT spend decision-making

EMEA IT spending growth rate trending up in 2024

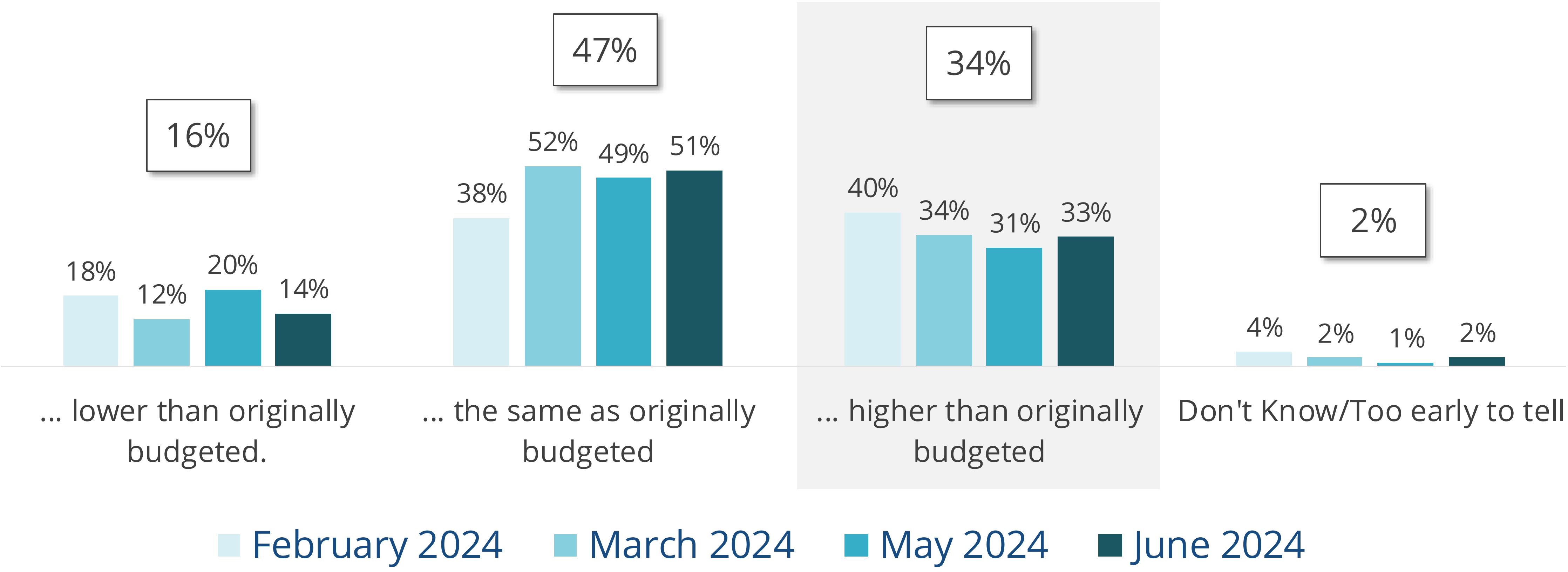
(Y-o-Y Growth Rates)



Source: **IDC Worldwide Black Book (August 2024)**; growth in constant currency; IT Spending excludes telecom spending and business services

4 in 5 customers spending on IT 'as budgeted' or more than planned in 2024

Based on current conditions, what is your best estimate of your organization's **IT spending plans for 2024?** "Likely IT spending in 2024 will be …"

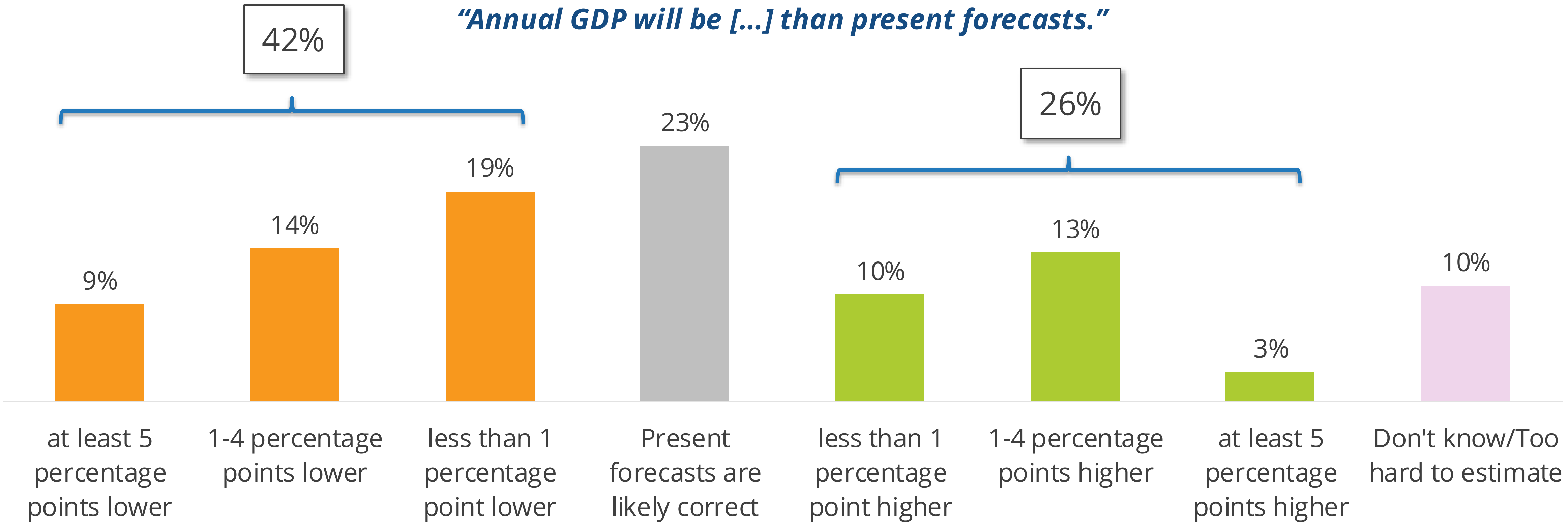


Source: Future Enterprise Resiliency & Spending Survey Waves 2/3/5/6, IDC, February/March/May/June 2024, WE only N=220 (Wave 2 N=225) Data weighted by IT spend (500+ emp size)

Customers' perception of economic prospects mixed for 2025

What impact do you think continued uncertainties related to managing geopolitical tensions, inflation, supply chain disruptions, and fears about economic uncertainty will have on the economy in 2025?

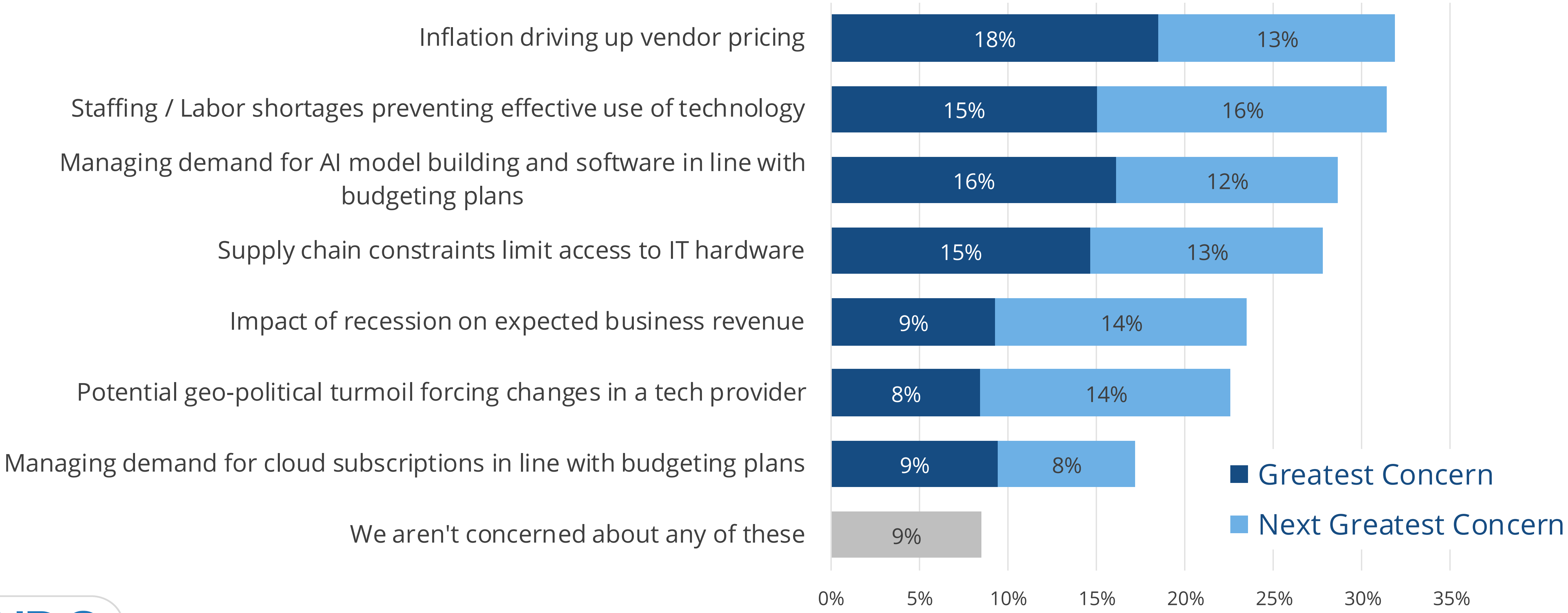
"Annual GDP will be [...] than present forecasts."



Source: Future Enterprise Resiliency & Spending Survey Wave 6, IDC, June 2024, WE only N=220 Data weighted by IT spend (500+ emp size)

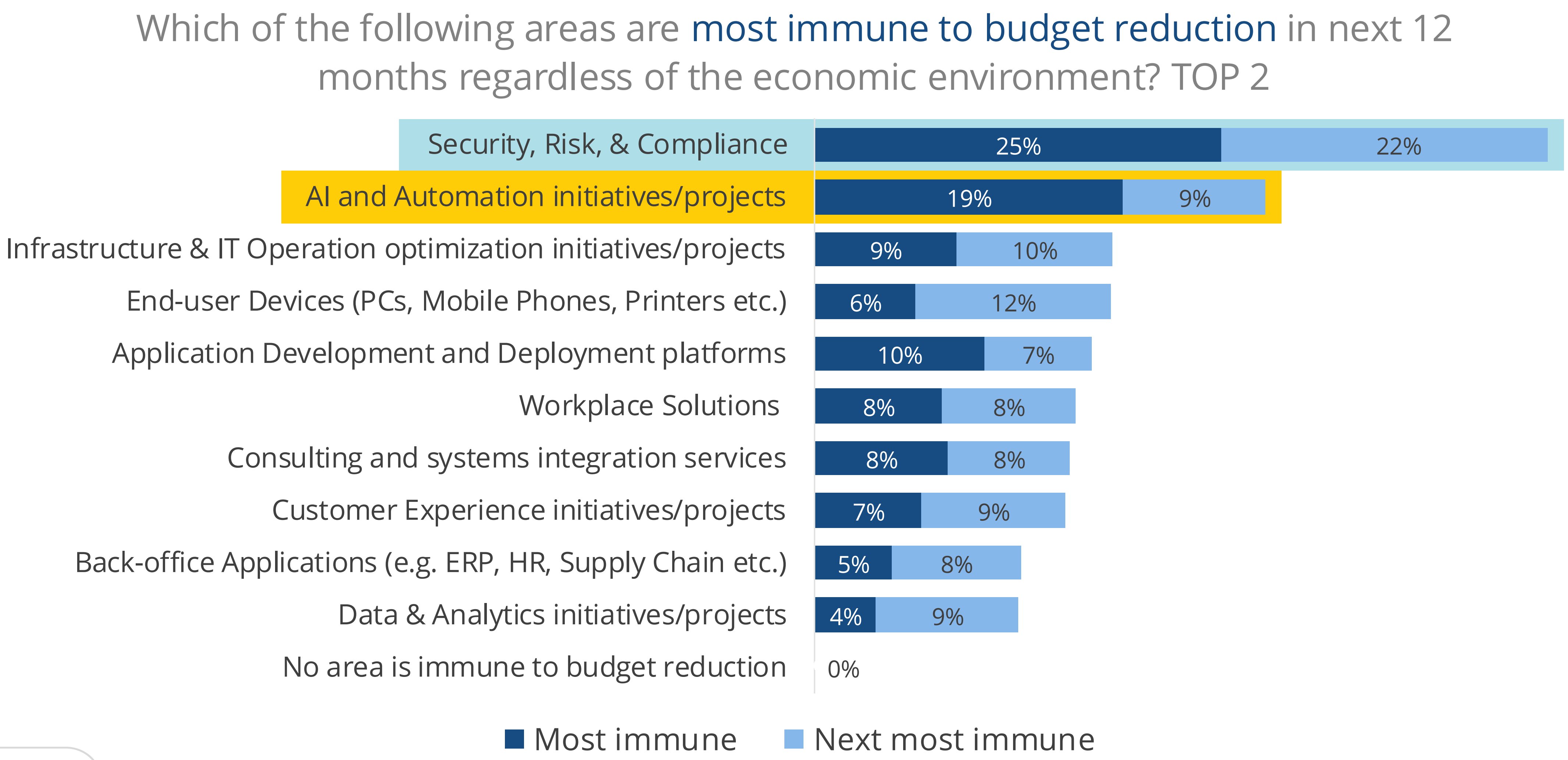
Variety of risk factors impacting tech strategies and spending intentions

Which of the following **risk factors** related to your organization's tech strategies and spending for the next 12 months concerns you the most? Top 2.



Source: Future Enterprise Resiliency & Spending Survey Wave 6, IDC, June 2024, WE only N=220 Data weighted by IT spend (500+ emp size)

Security-related investments are most immune to budget reductions, followed by AI and automation initiatives.



Source: Future Enterprise Resiliency & Spending Survey Wave 6, IDC, June 2024, WE only N=220 Data weighted by IT spend (500+ emp size)

Intelligent customer segmentation incorporates secondary and tertiary variables

Primary

Headcount

Revenue

Industry focus

Location

Secondary

Time in business

Technology intensity

Technology spending capacity

Organizational structure

Current technology stack

Procurement preferences

Tertiary

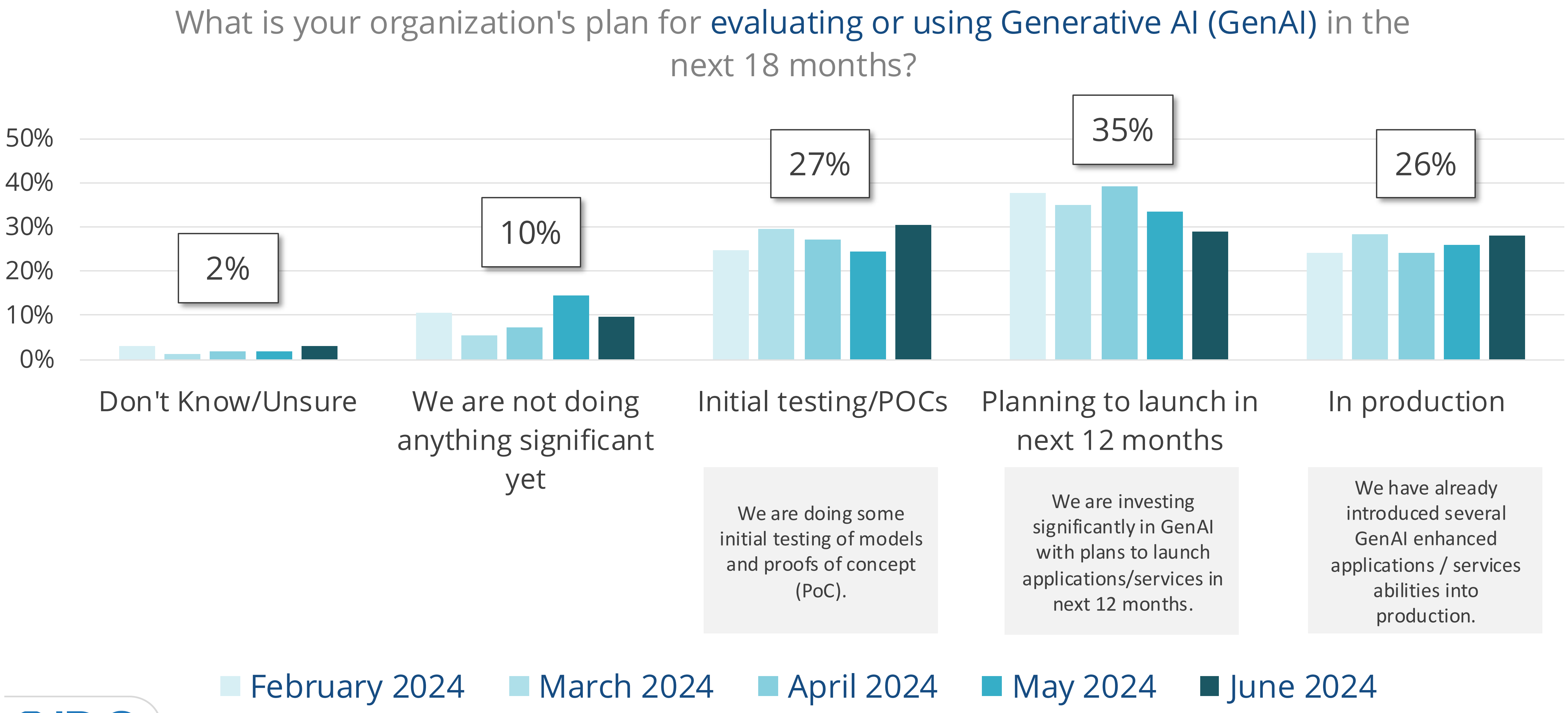
Roles/personas

Demographics of decision-makers

AI Reality Check

Focused customer engagement

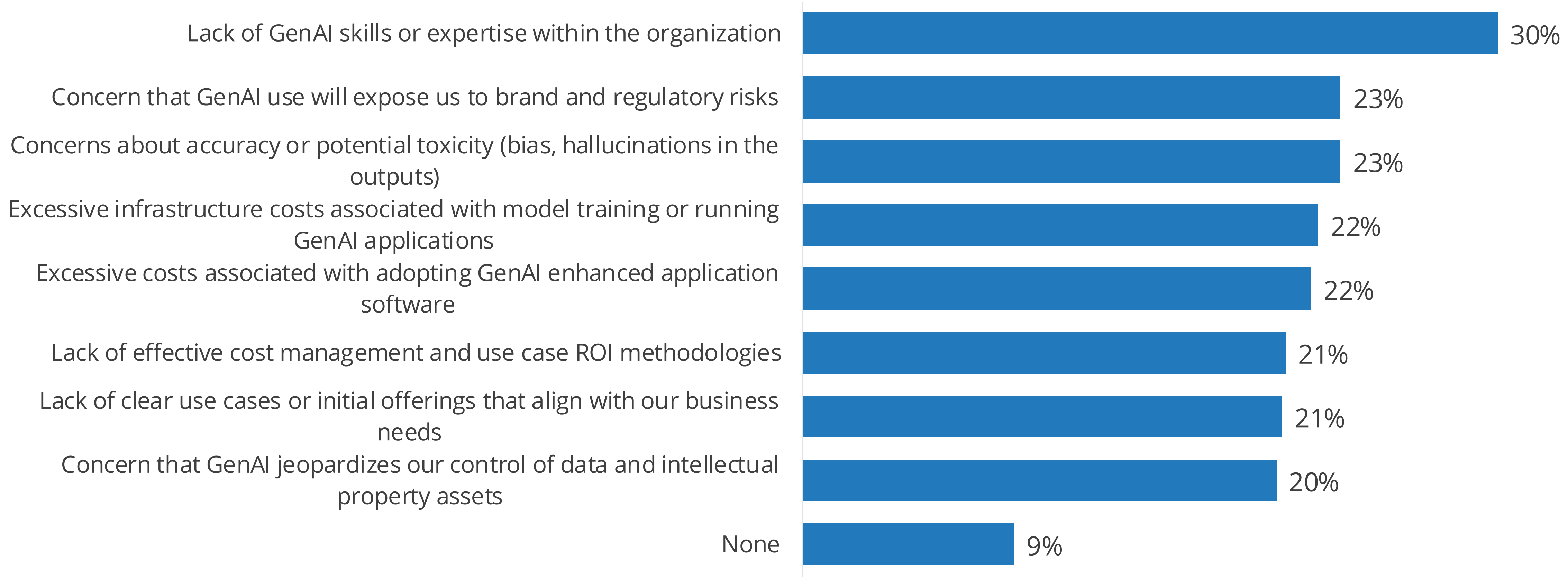
9 in 10 European customers have activities related to GenAI, but only 1 in 4 have any GenAI-enhanced services in production.



Source: Future Enterprise Resiliency & Spending Survey Waves 2-6, IDC, February/March/April/May/June 2024, WE only N=220 (Wave 2 N=225) Data weighted by IT spend (500+ emp size)

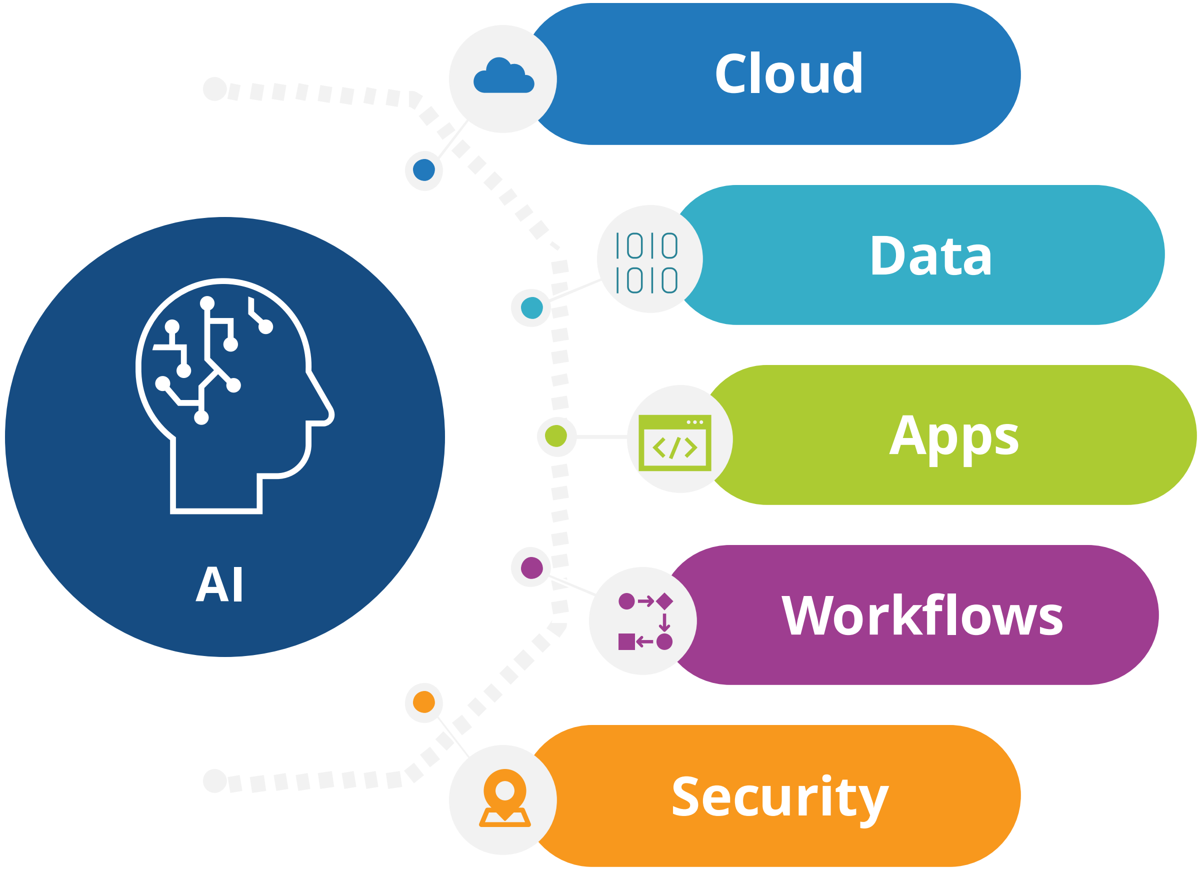
Factors limiting GenAI adoption represent partner opportunities

What **TWO** factors are most significantly limiting further evaluation or expanded use of GenAI in your organization? **COMBINED RESULTS**



Source: Future Enterprise Resiliency & Spending Survey Wave 4, IDC, April 2024, WE only N=220 Data weighted by IT spend (500+ emp size)

AI becomes an accelerator, catalyst and connector for DX strategy



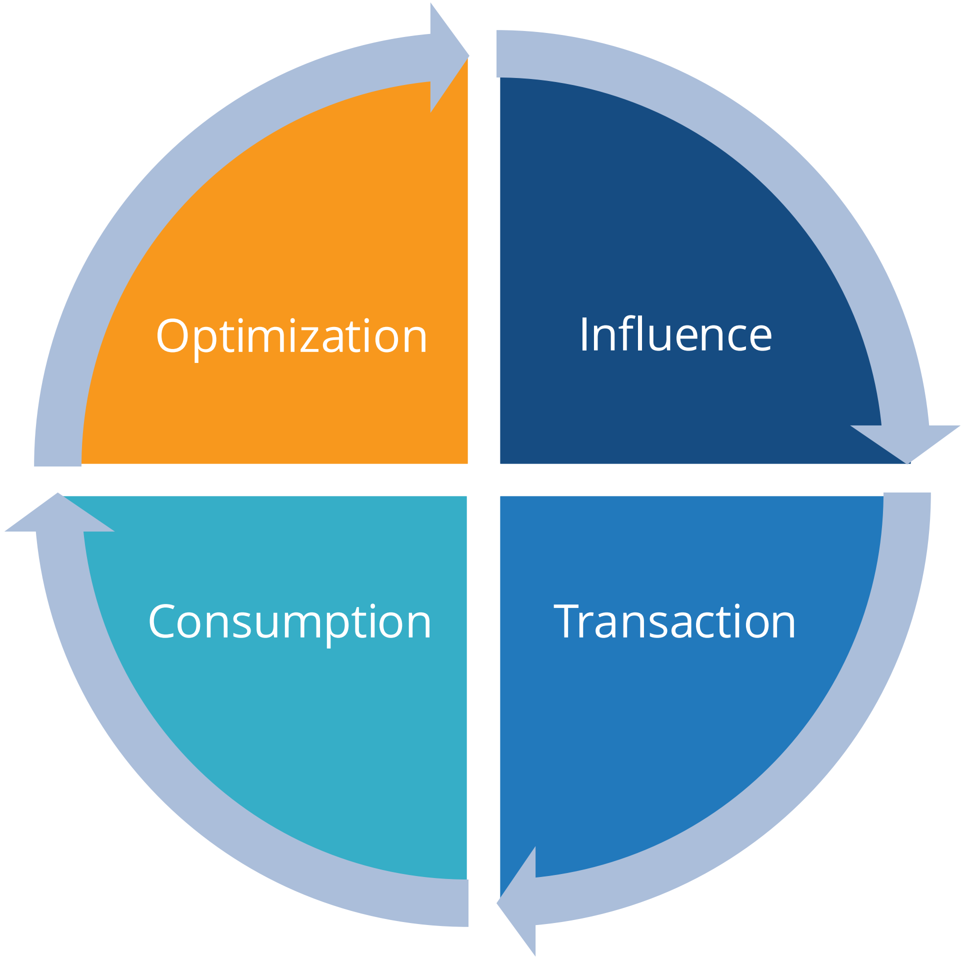
Partner positioning

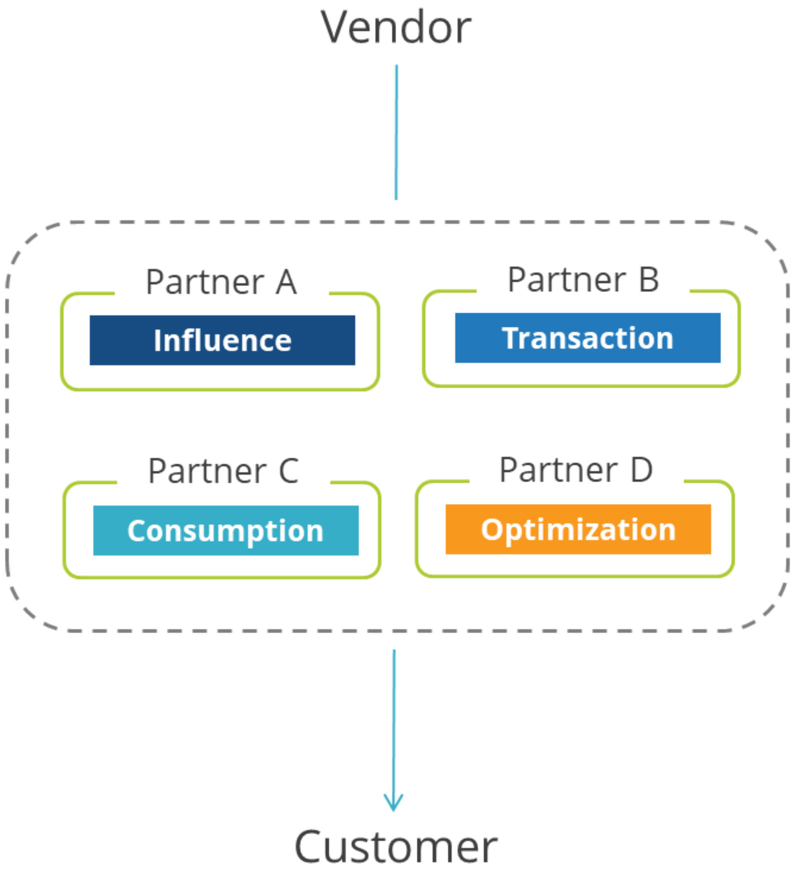
- **AI embeds and overlays** across multiple technology domains
- Use AI to position **growth** to LoB execs and **efficiency** to IT
- Focus on digital business innovation. **AI unlocks wider DX narrative**

Connected Ecosystems

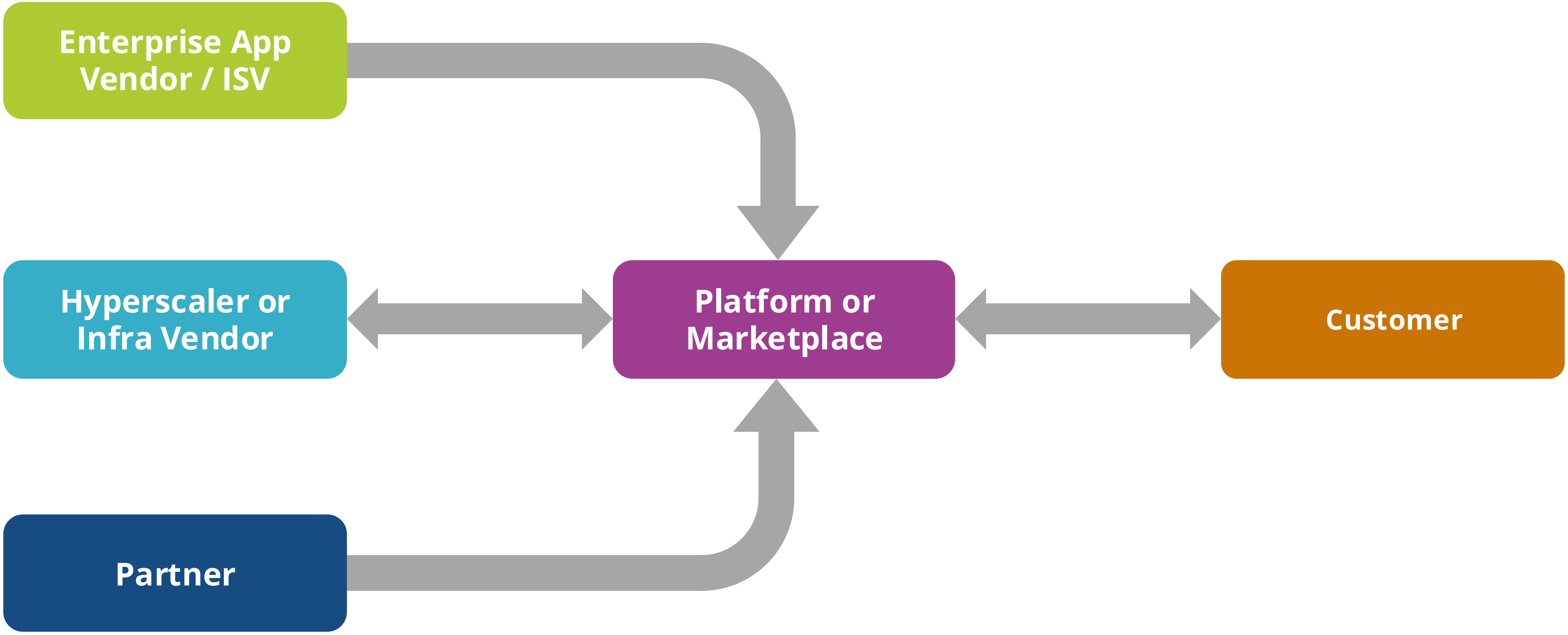
Perceptions and positioning

Multiple partners co-exist and perform different functions at different stages of customer journeys in complex ecosystems

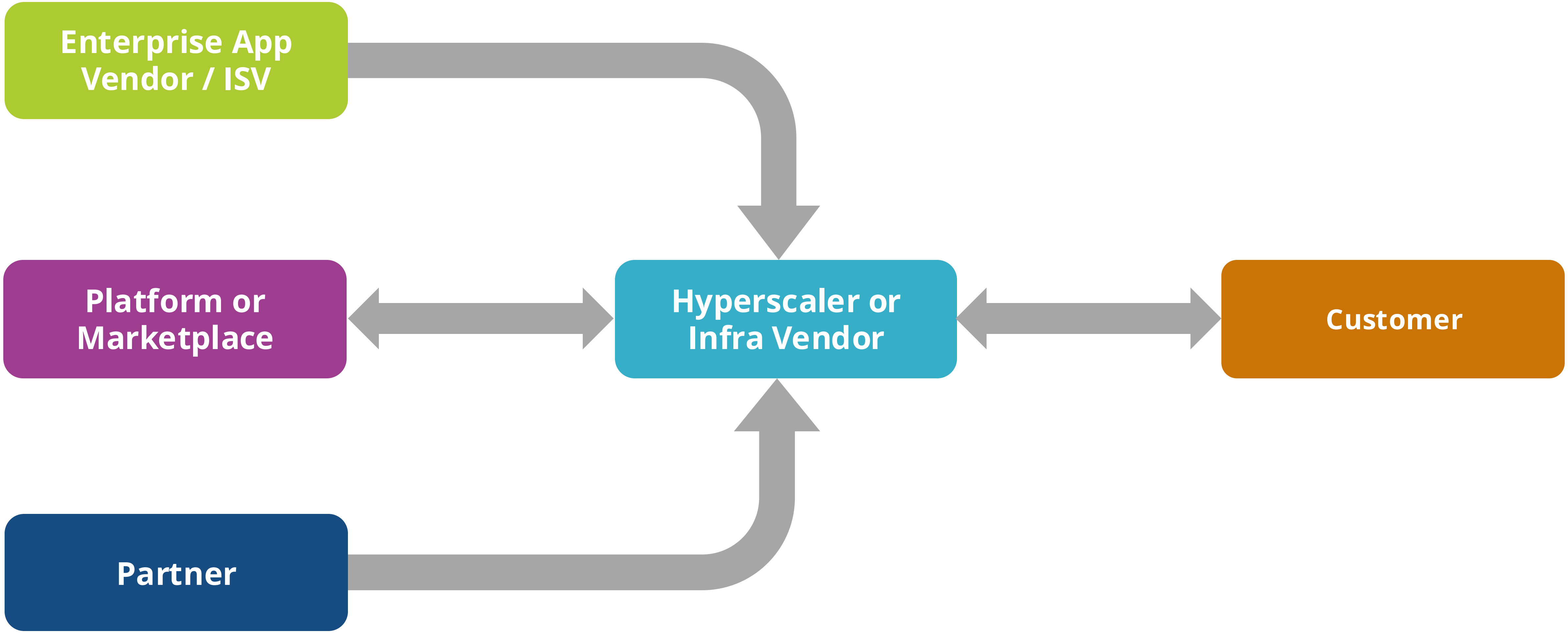




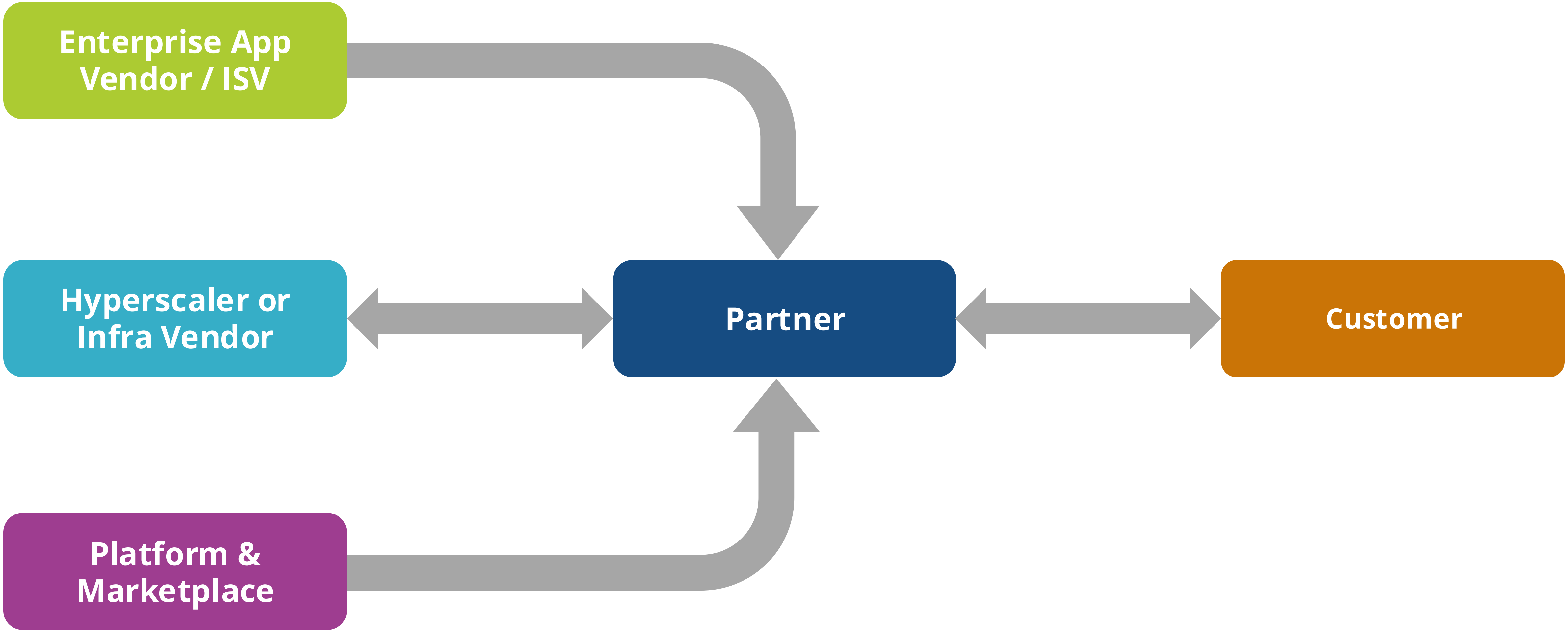
How platform and marketplace players perceive the ecosystem…



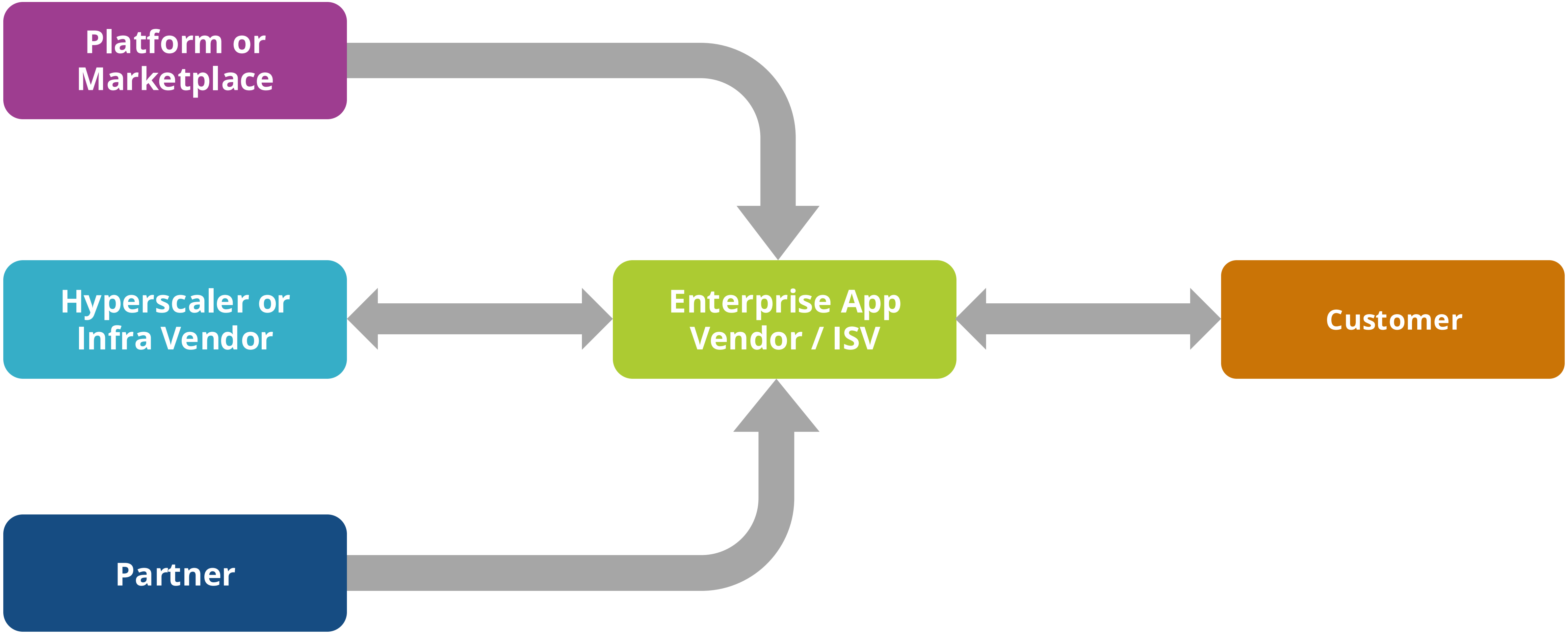
Differs from how hyperscalers and infrastructure providers view the ecosystem…



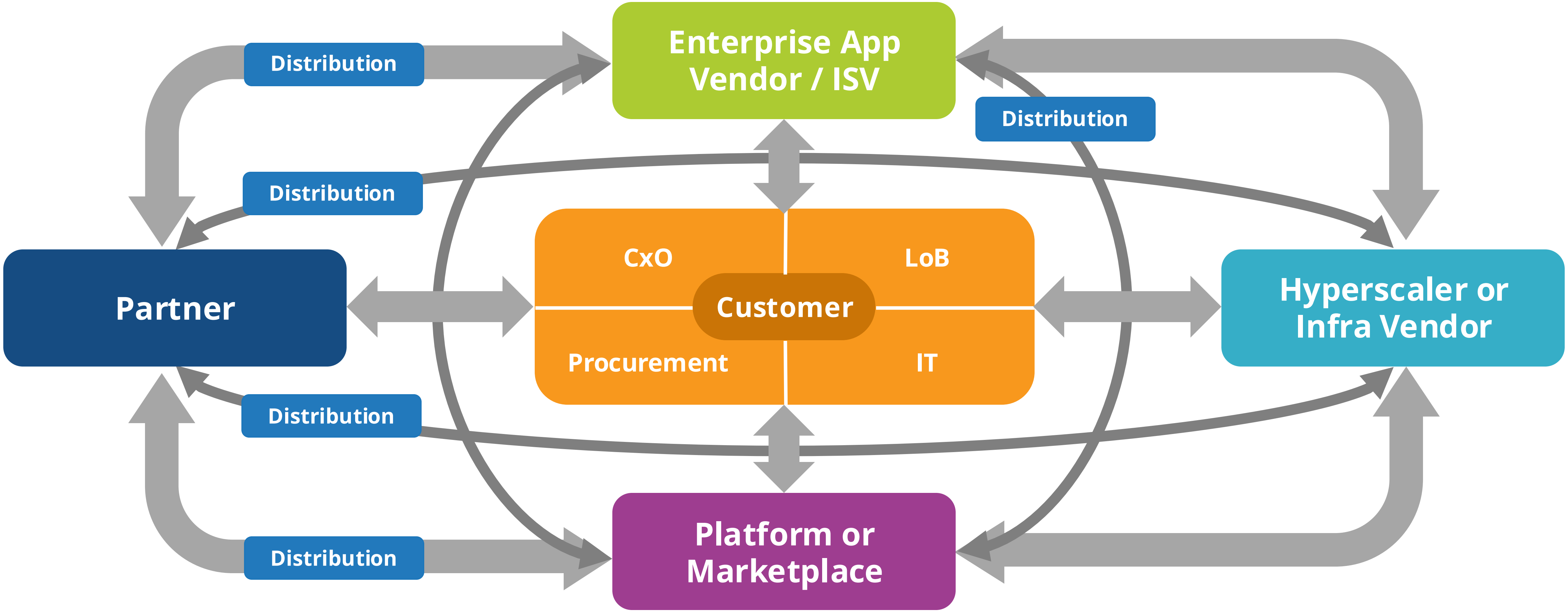
While ‘partners’ may believe they are still in control…



Enterprise app vendors and ISVs maintain a different perspective…



Ultimately, it is each customer that shapes their own ecosystem



The ecosystem belongs to all participants…

Categories are **NOT** mutually exclusive

Each customer is a **complex** organization

Ecosystem roles are **fluid** and dynamic

Participation is more important than **orchestration**

Multiple ecosystems overlap and **intertwine**

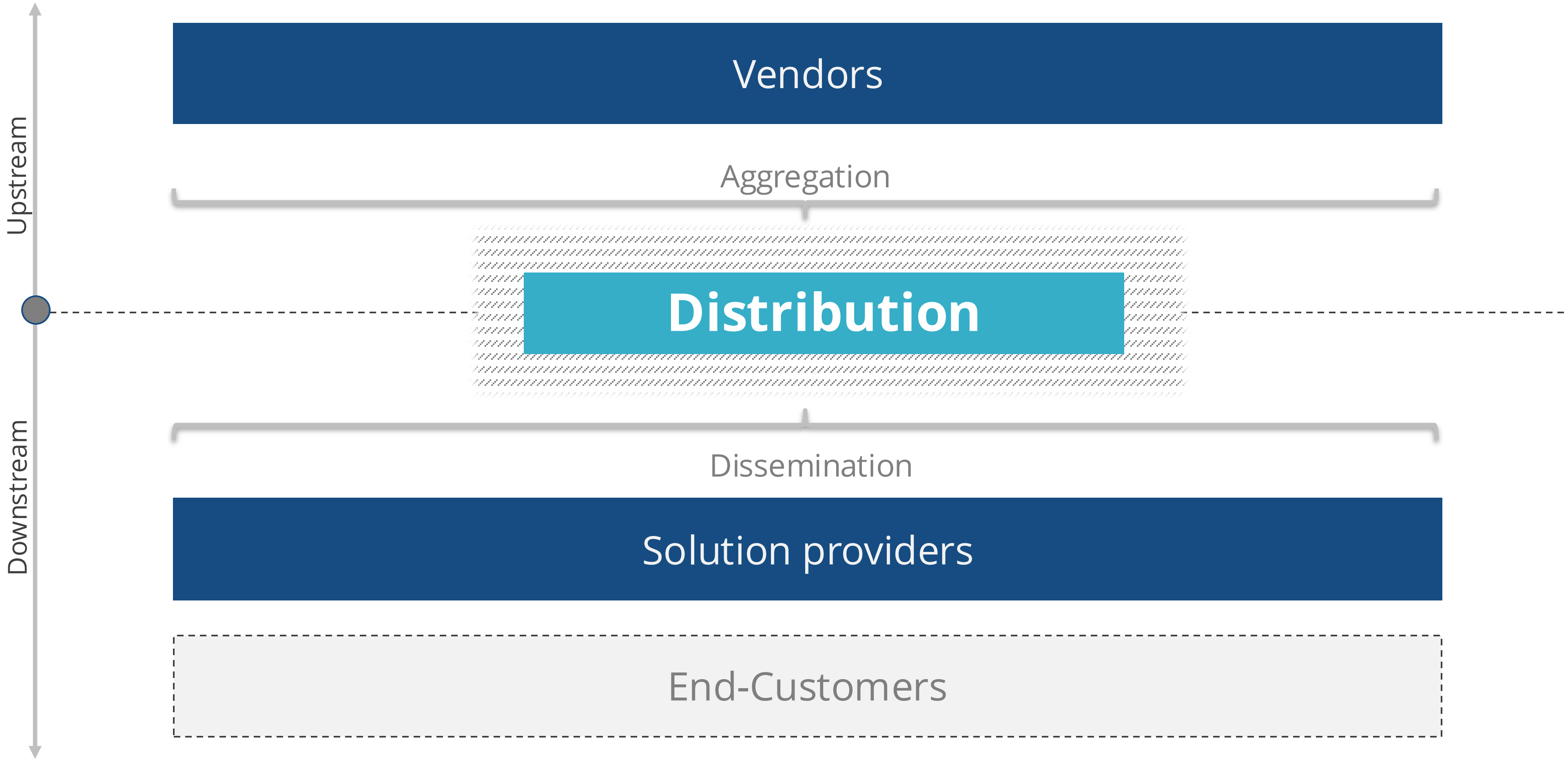
Positioning is the driver of ecosystem success for all participants

1) Focus on mutually beneficial multi-directional relationships

2) Commit to ongoing evolution of positioning to maintain relevance

3) Tracking wider ecosystem trends improves positioning ability

Distribution continues as the glue that enables the tech industry



The enduring value-add of distribution in complex ecosystems

Distribution services

New ways to monetize?

For vendors:

- ✓ Partner management as-a-service
- ✓ **Data insights as-a-service**
- ✓ Influence (marketing)-as-a-service
- ✓ **Partner recruitment as-a-service**
- ✓ Demand generation-as-a-service
- ✓ **Configuration as-a-service**

For partners:

- ✓ **Aggregation-as-a-service**
- ✓ Private offers as-a-service
- ✓ **Specialist skills as-a-service**
- ✓ Training as-a-service
- ✓ **Finance/billing-as-a-service**
- ✓ Logistics-as-a-service

Evolution Paths for Distribution are Shaped by 3 Key Characteristics

Ecosystem-*centric*

- The value delivered by distribution maps on to unique needs of each vendor and every partner served

Platform-*enabled*

- Efficient aggregation and dissemination at scale requires robust platforms

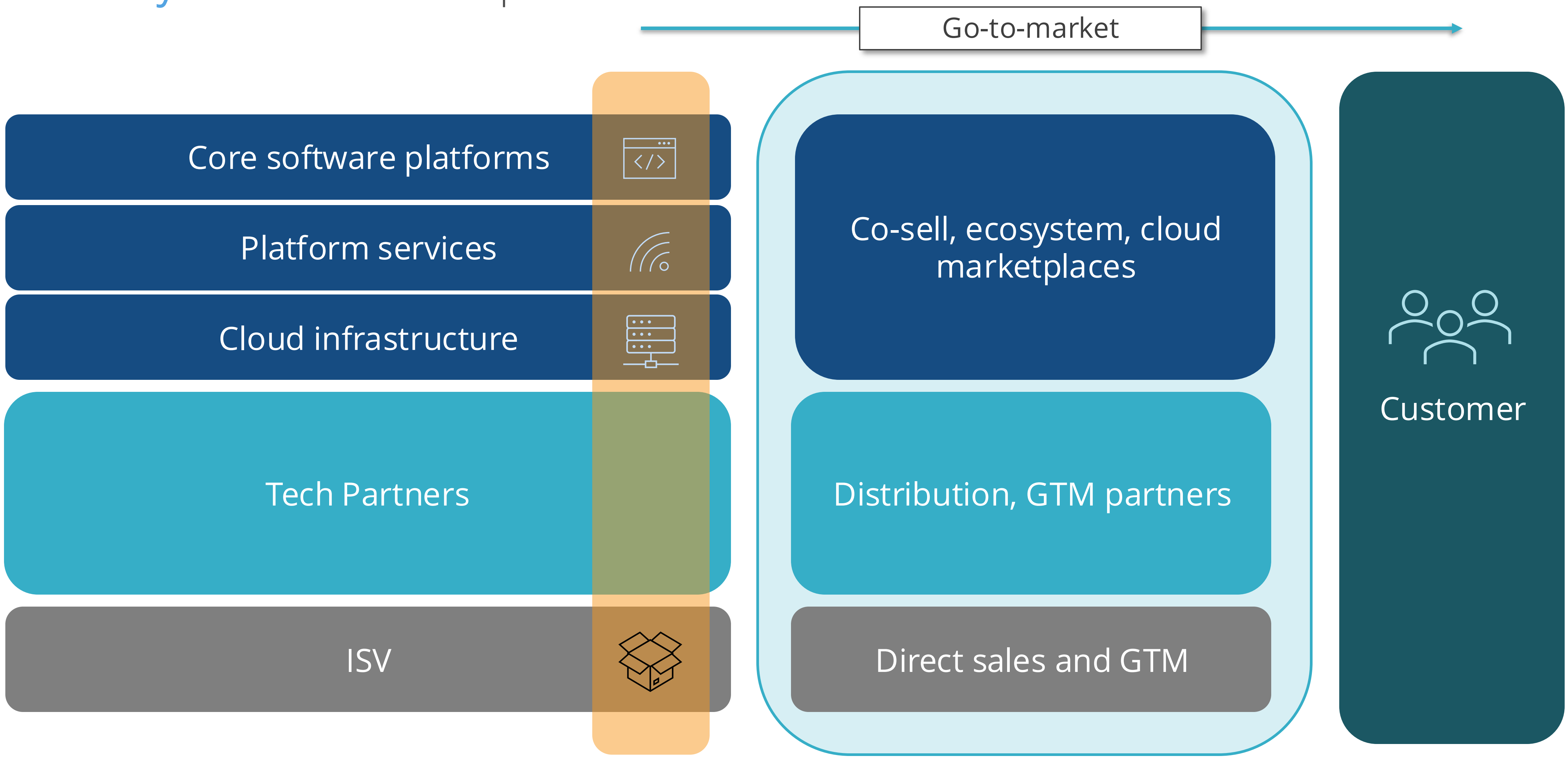
Data-*driven*

- Multi-vendor and multi-partner data insight provides value and strategic intelligence for distribution

ISV Evolution

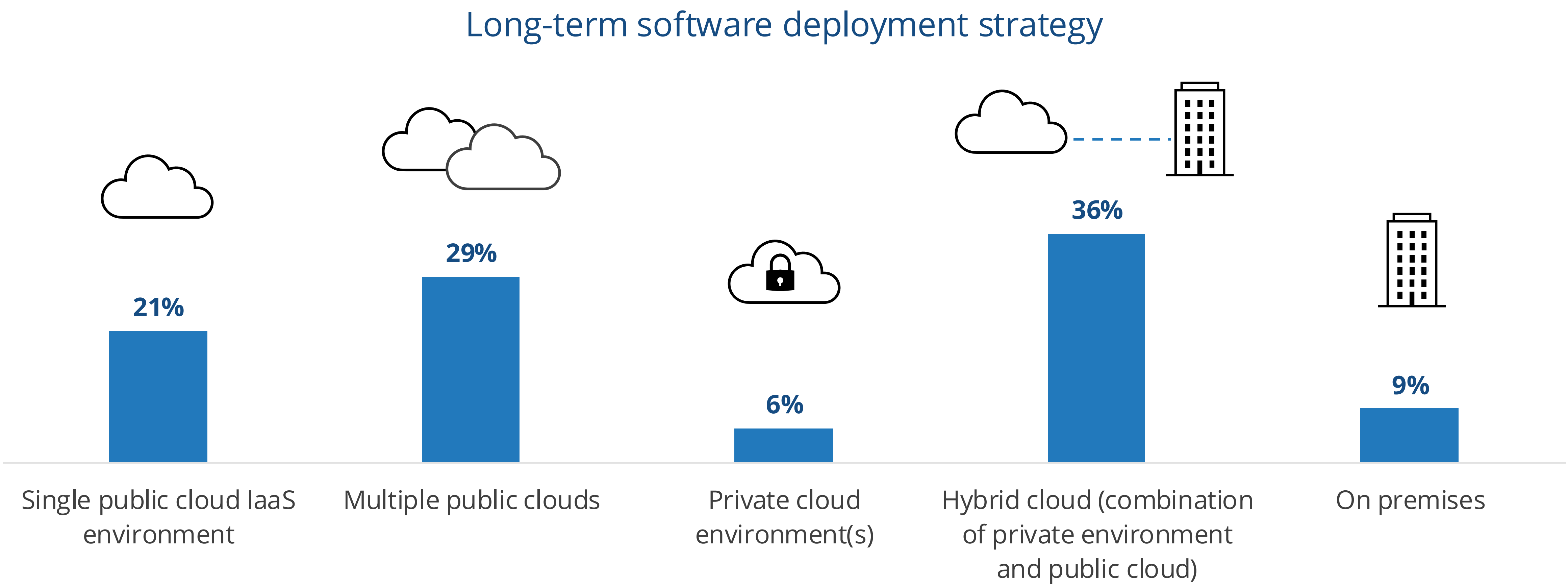
Mapping ecosystem influence

ISV ecosystem relationships



86% say their long-term primary deployment strategy will involve public cloud environments

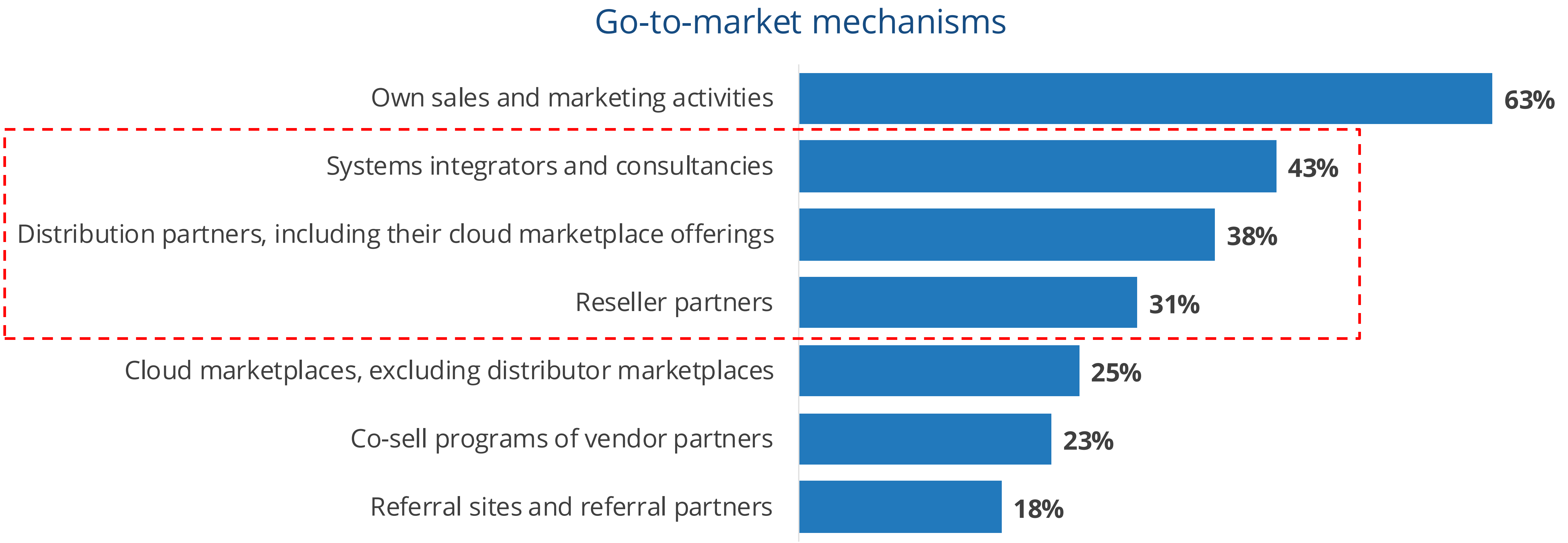
What will your primary deployment strategy be for your software product(s) in the long term (i.e., in 3–5 years)?



IDC's *EMEA ISV Survey*, March 2024 (n = 400)

ISVs rely on multiple mechanisms to drive their go-to-market strategies.

Q: Which of the following does your company rely on for your go-to-market strategy? [Choose all that apply]



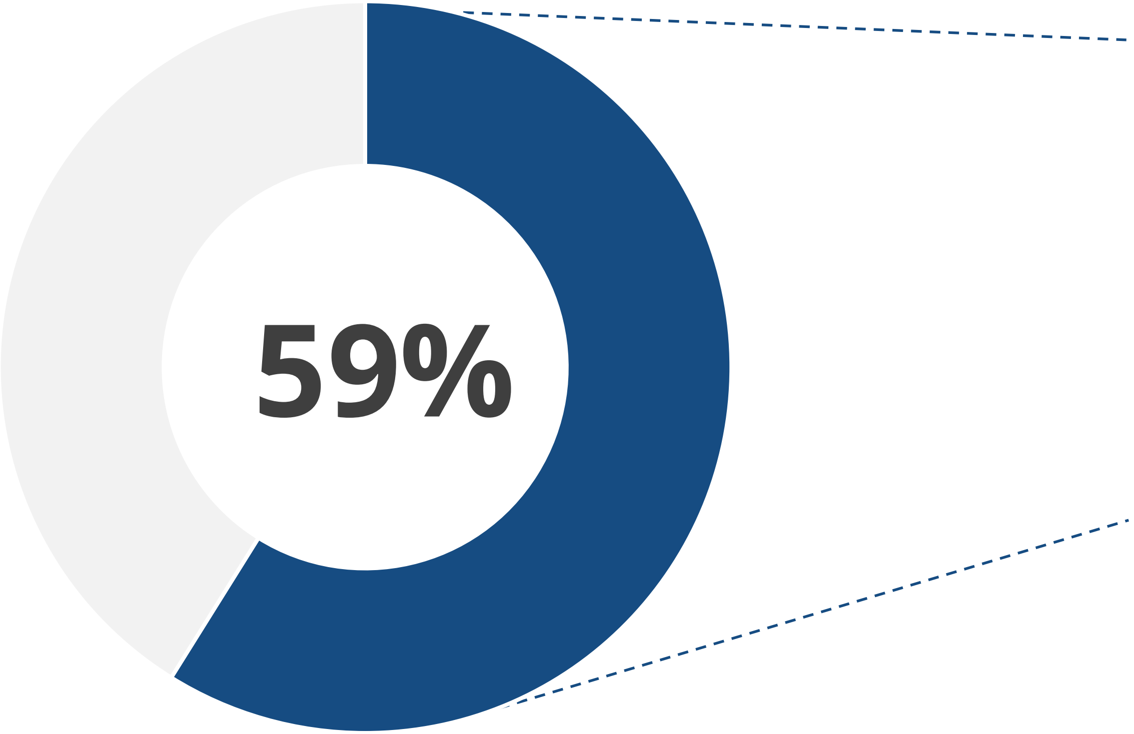
IDC's *EMEA ISV Survey*, March 2024 (n = 400)

Partner Evolution

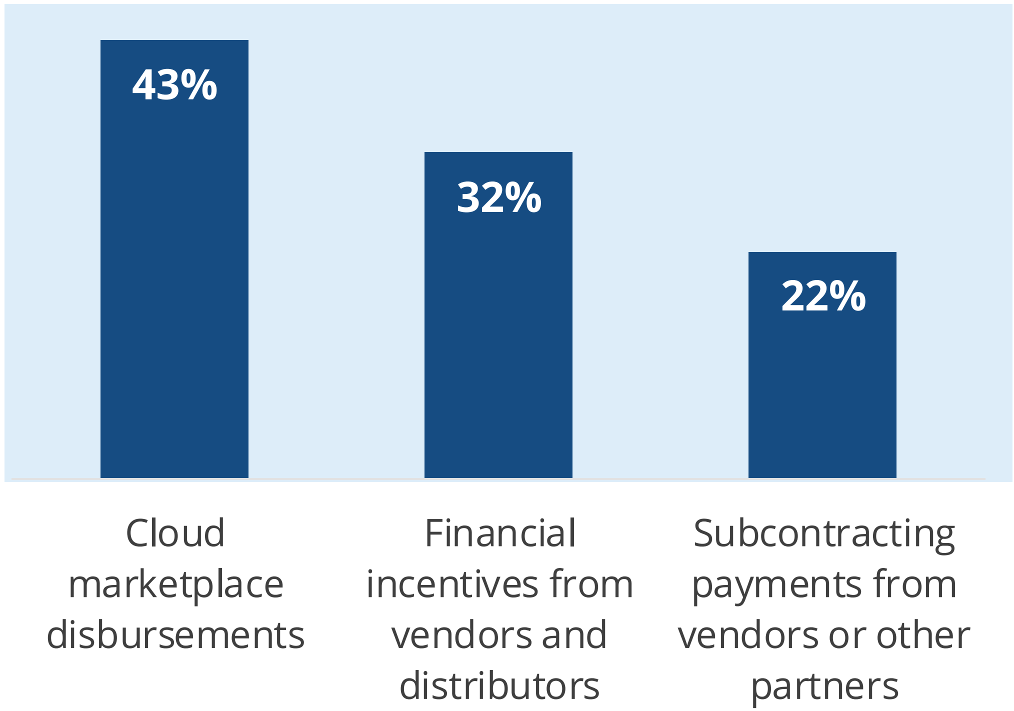
The need for continuous transformation

Revenue flows are shifting within complex non-linear ecosystems

What share of your company's total revenue is received as **payments from third parties** (as opposed to direct payments from end-customer organizations)?



How does the share of third-party revenue break down across the following sources?

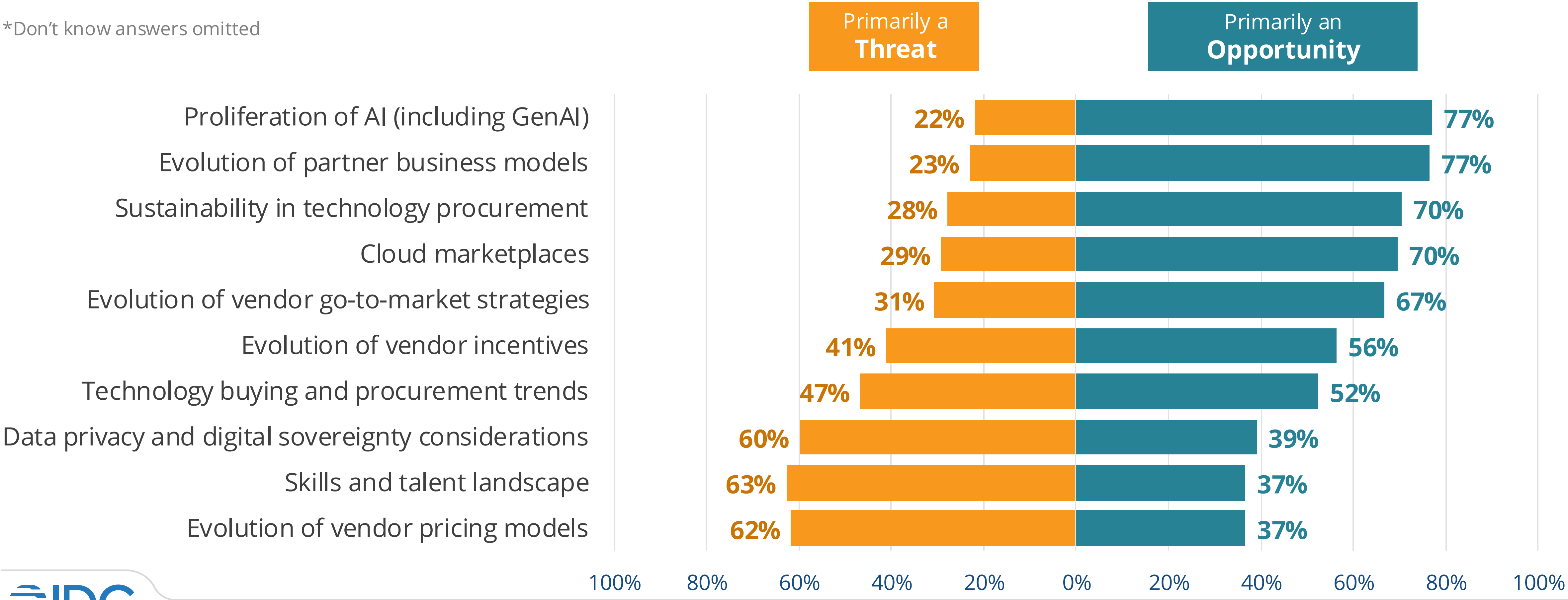


Source: IDC EMEA Partner Survey, IDC, October 2024, Interim results (50% of sample), N=503

Continuous partner transformation drives success in rapidly changing market

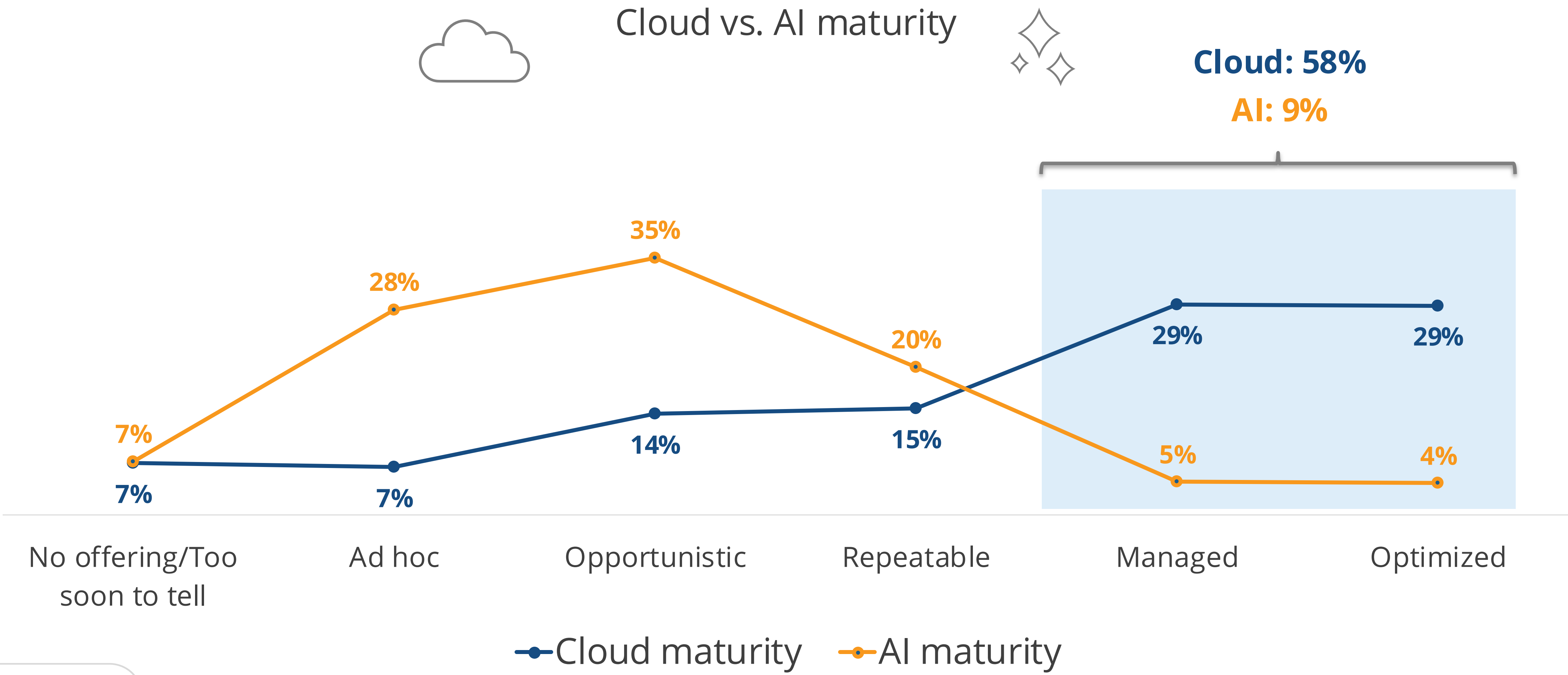
For each of the *following, please indicate whether it is primarily a **threat** or an **opportunity** for the future of your business.

*Don't know answers omitted



Source: IDC EMEA Partner Survey, IDC, October 2024, Interim results (50% of sample), N=503

58% of partners indicate high levels of cloud maturity, compared to only 9% in AI



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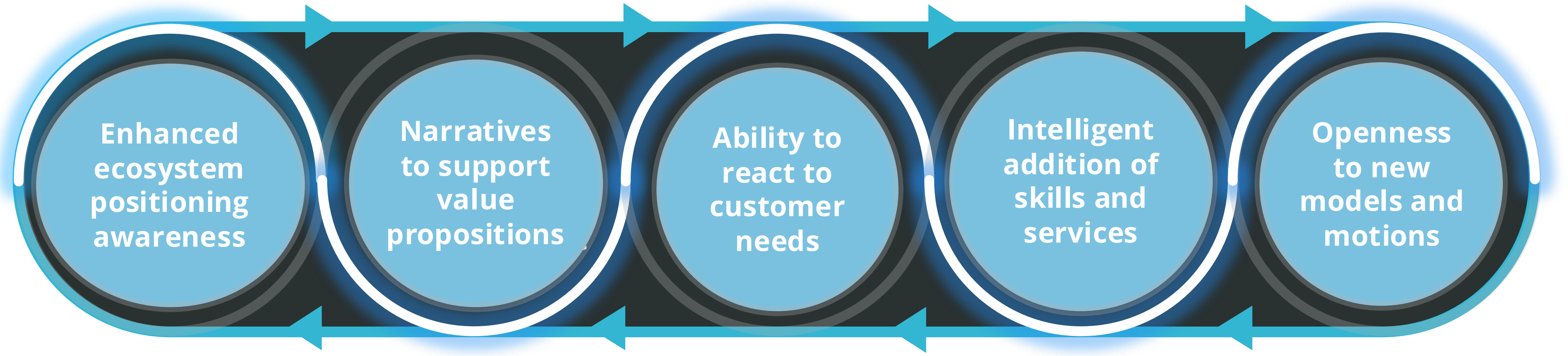
What will drive ecosystem success in 2024-25



Thank You

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