

A map of the Asia Pacific region, showing major cities and geographical features. The map is overlaid with a vertical yellow bar on the left side. The text 'Asia Pacific & Japan Insights' is written vertically along this bar. The map includes labels for countries like China, Japan, South Korea, North Korea, Philippines, Indonesia, Malaysia, and Singapore, as well as major cities like Beijing, Shanghai, Seoul, Tokyo, and Jakarta. The Yellow Sea, East China Sea, and South China Sea are also labeled.

Asia Pacific & Japan Insights

Q4 2022

TechData
A TD SYNnex Company

Technology Ecosystem Benchmark Report

Betting on continued transformation.

2022 Technology Ecosystem Benchmark Report

About this Report

Our work as a global IT distributor and solutions aggregator puts Tech Data, a TD SYNEX Company 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 Tech Data 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**

Source: Canalys, Candefero TD SYNEX Technology Ecosystem Index Survey, 74 Asia Pacific respondents, July-September 2022

Survey Methodology

Tech Data surveyed 300 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.

Throughout this report the APAC region will be referred to as Asia Pacific & Japan (APJ)

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

Fieldwork for the Asia Pacific & Japan Insights Report was conducted between July 19, 2022 and September 30, 2022. The pool of survey respondents is comprised of 74 **Canalys Candefero** community members.

Getting the most out of the Technology Ecosystem Benchmark Report



End-Customer Conversation Starters

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.

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.

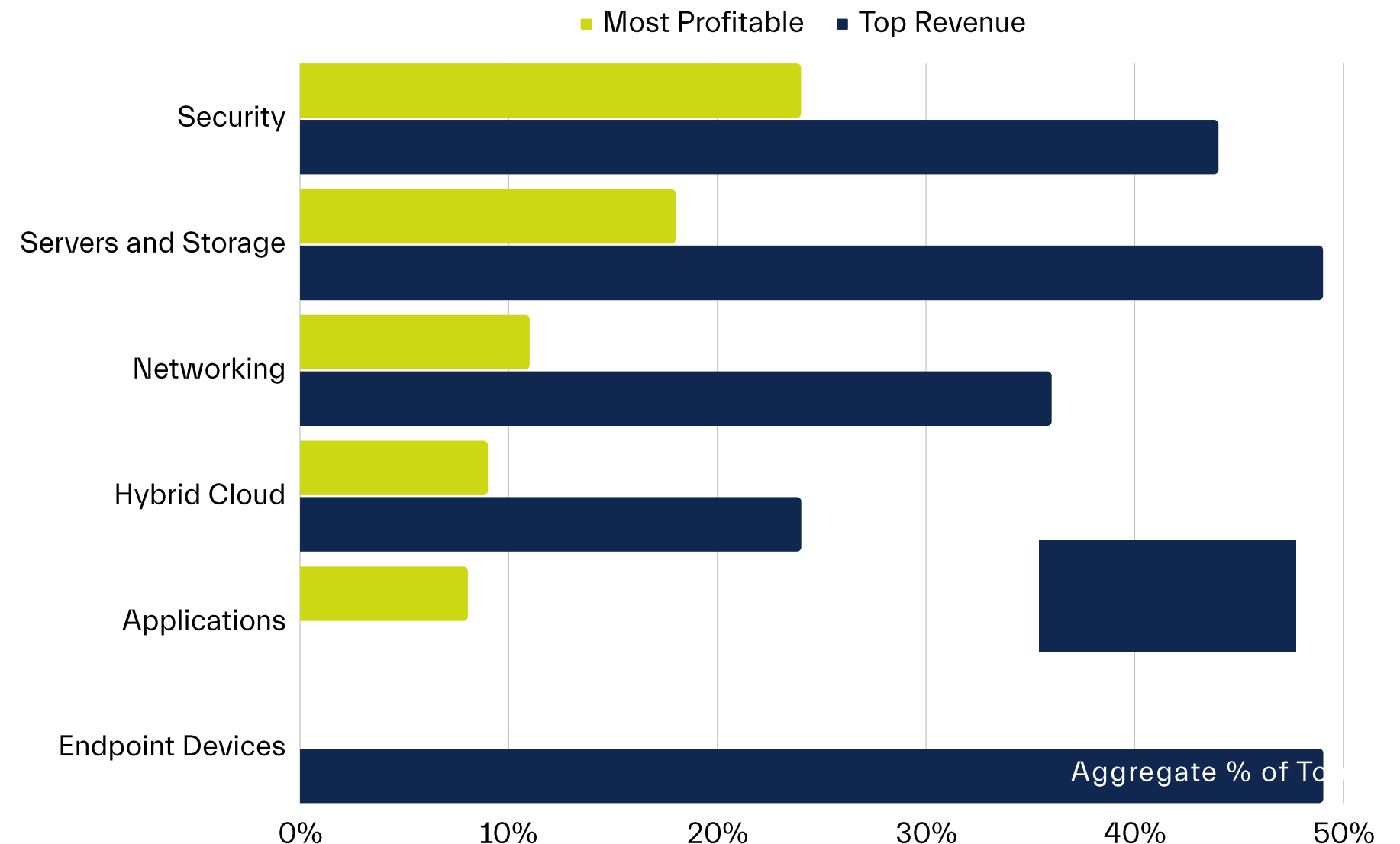
Partners report that servers and storage and endpoint devices drive the most revenue for APJ partners.

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:

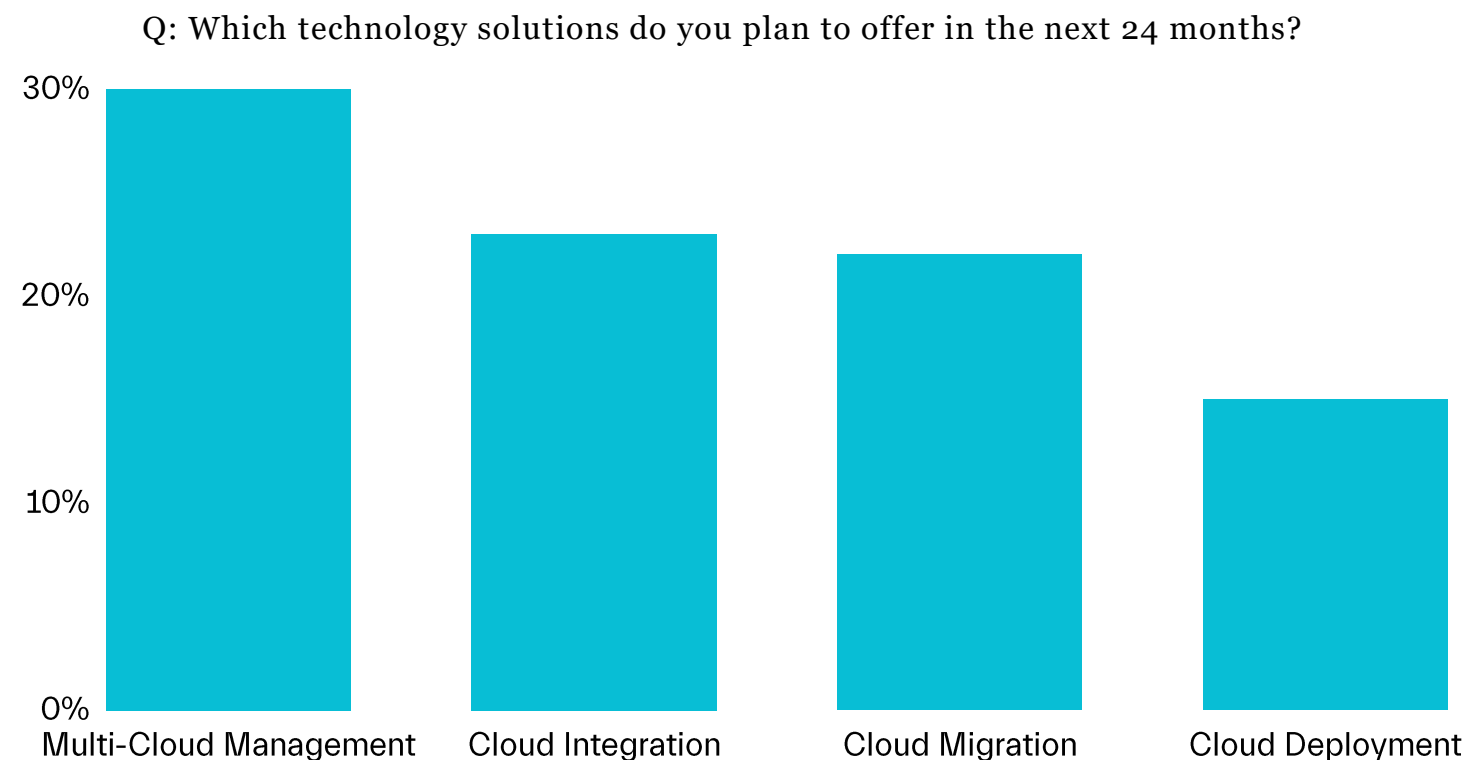
How can we leverage ecosystem engagement to balance our portfolio for profitability in order to prioritize and re-invest for high-growth technology solutions?

02

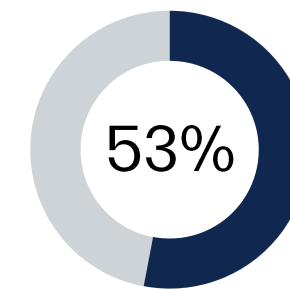
The two-year forecast is increasingly hybrid cloud.

APJ plan to expand their portfolio of cloud offerings.

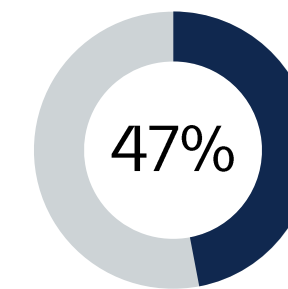
Cloud offerings dominate the list of capabilities partners plan to offer. And, cloud is foundational to technology solutions that round out the top eight APJ partners plan to offer in the next two years, which also includes: artificial intelligence and machine learning; mobility and edge; device as a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



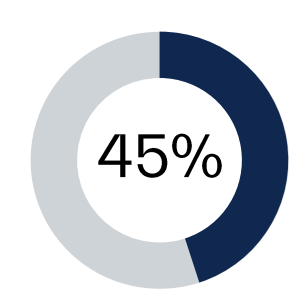
As-a-Service enters the mainstream.



of APJ end-customers want aaS consumption options



of APJ partners currently offer aaS consumption options



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?

Source: Canalys, Candefero TD SYNEX Technology Ecosystem Index Survey, 74 Asia Pacific respondents, July-September 2022 © 2022 TD SYNEX Corporation.

04

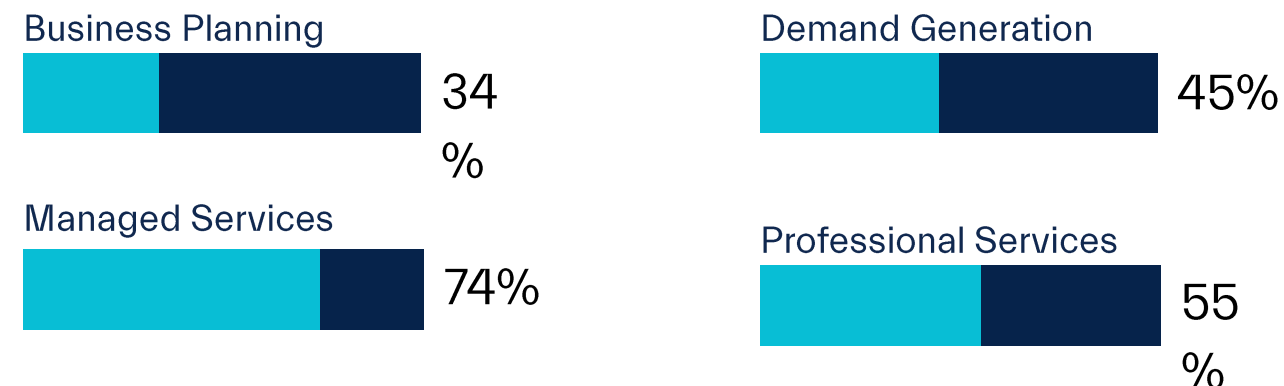
A team of trusted ecosystem advisors is key to driving growth.

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

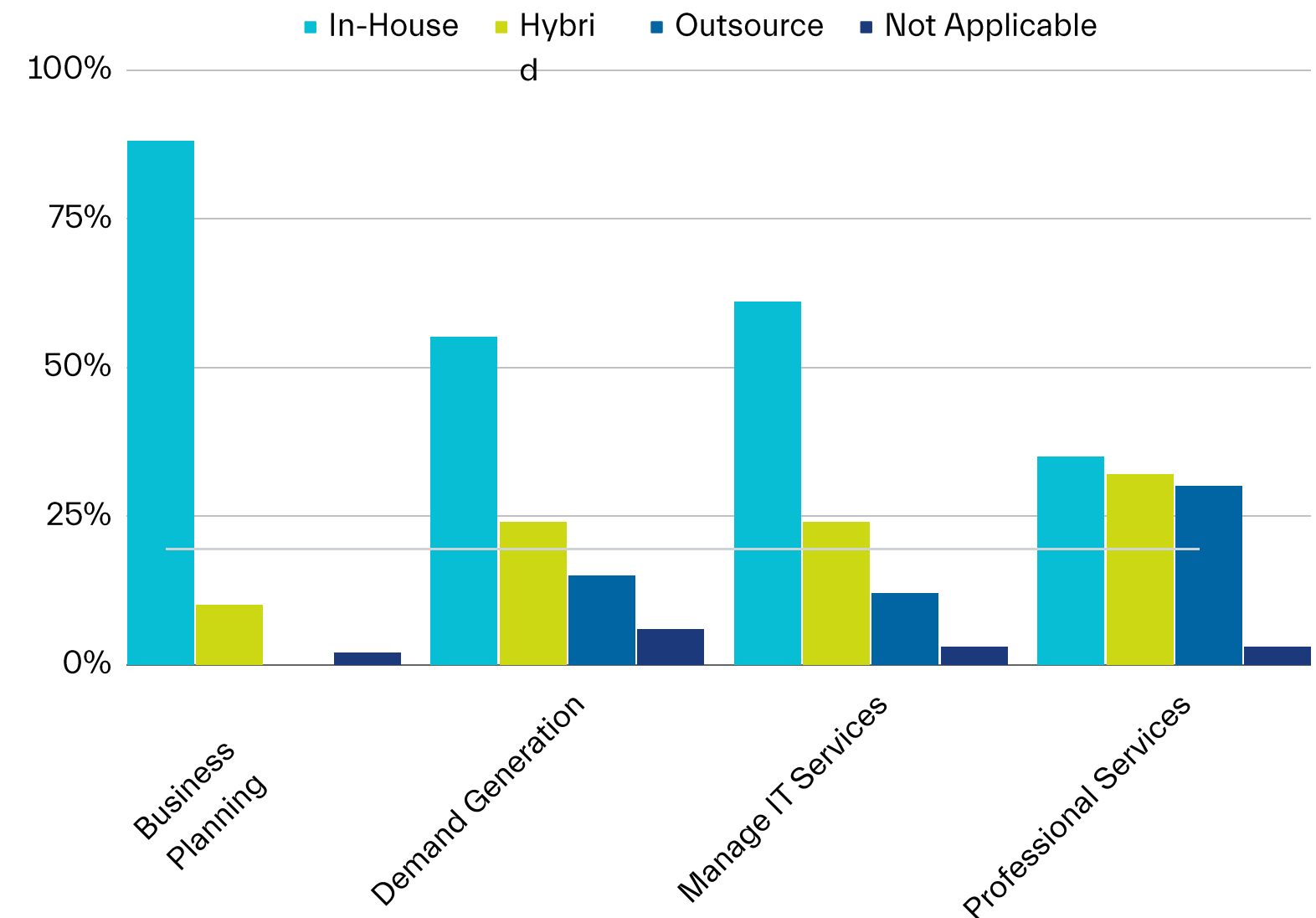
In a rapidly changing environment, roles like strategic planning, demand generation and services are essential to execute business priorities. And, all of these in-demand roles can be tough to hire for.

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.

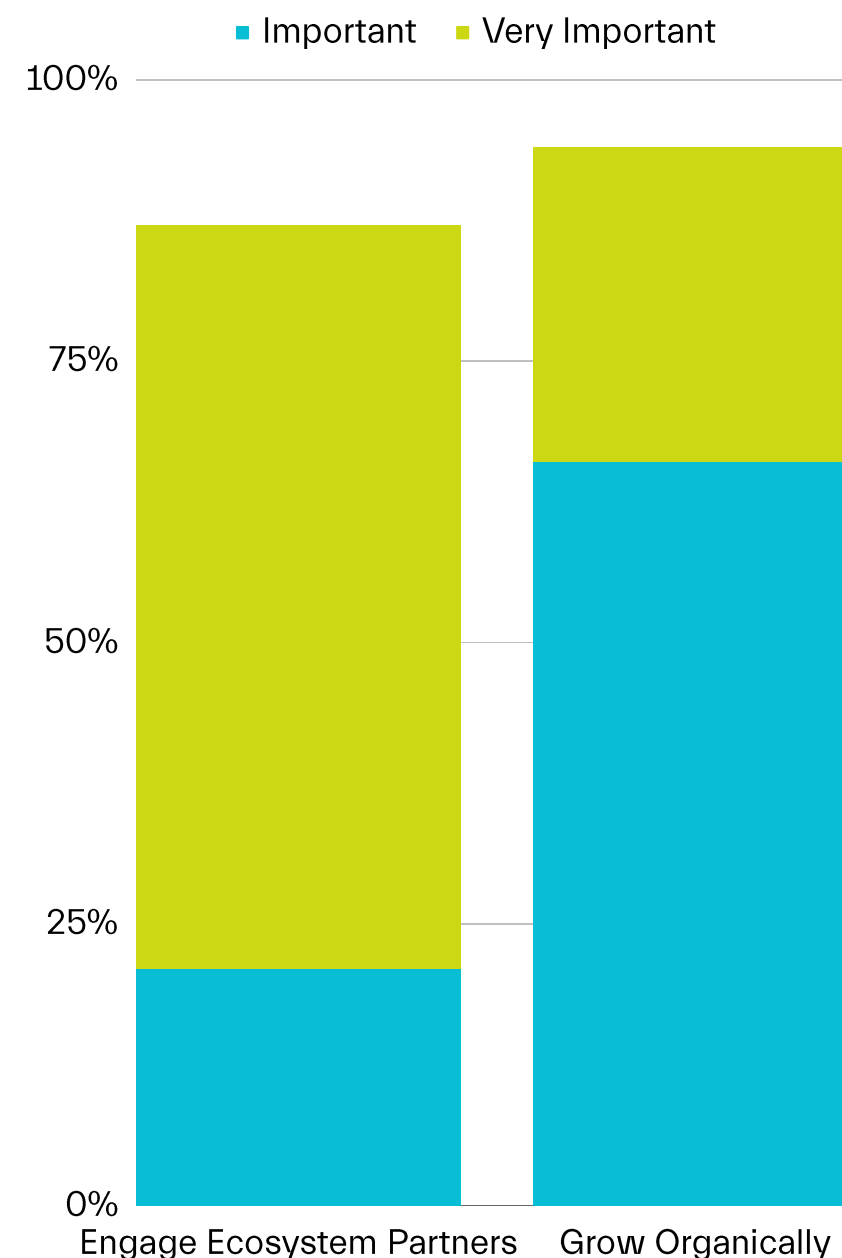


The Reseller Business Question:

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 mindset 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?

The Reseller Business Question:

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



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Technology Ecosystem Conversation- Starters

06

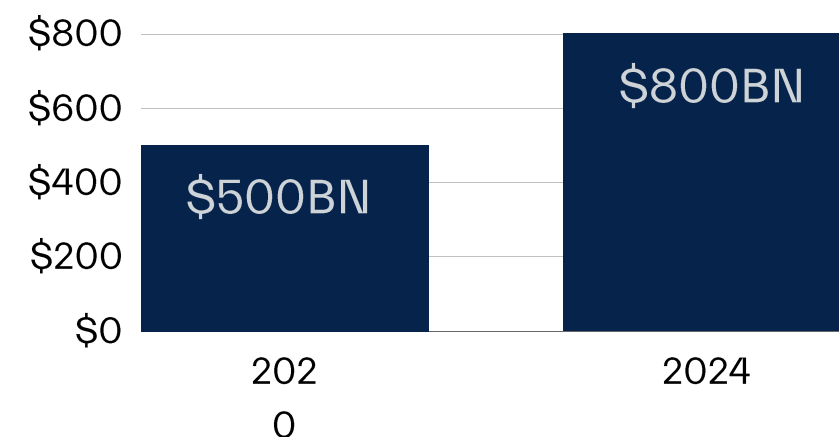
The metaverse: Ignore at your own risk?

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

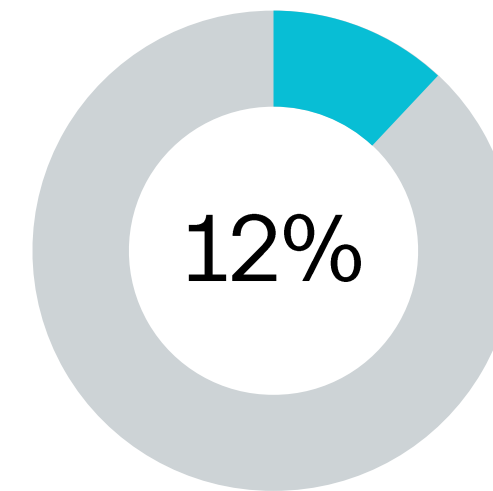
How will the technology ecosystem capture the metaverse market opportunity?



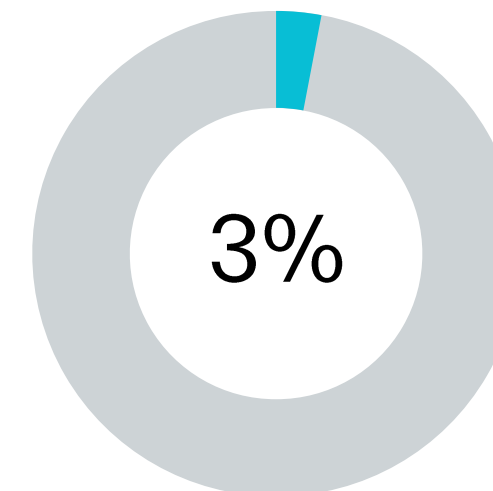
Headlines generally aren't optimistic about the global metaverse market, but a compilation of data and analysis from Bloomberg, Newzoo, IDC, PWC, Statista, Two Circles and Goldman Sachs projects a very different story.



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



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



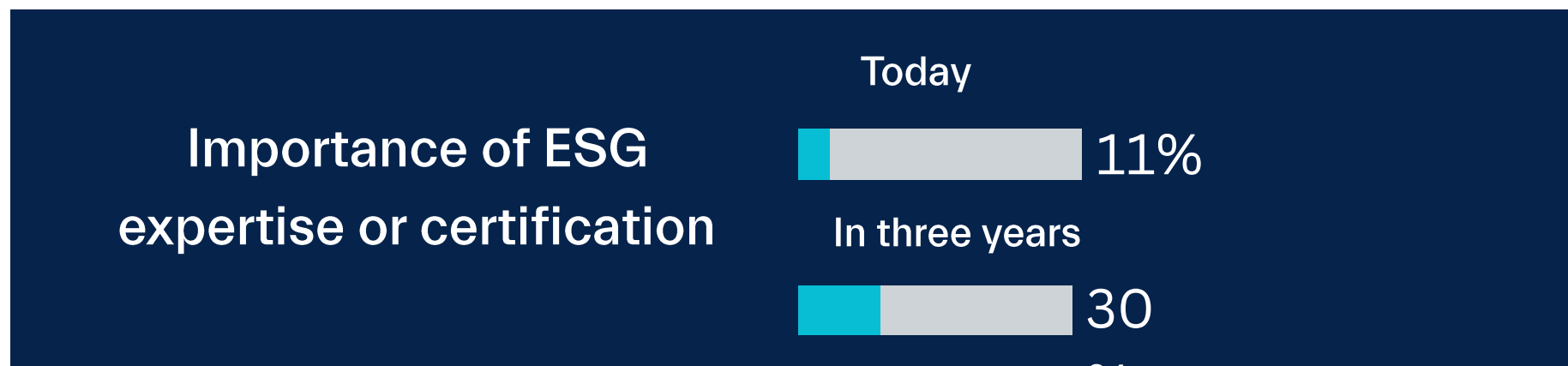
Of APJ partners currently offer AR/VR/metaverse solutions.

• Source: Bloomberg Verified Market Research, July 13, 2022

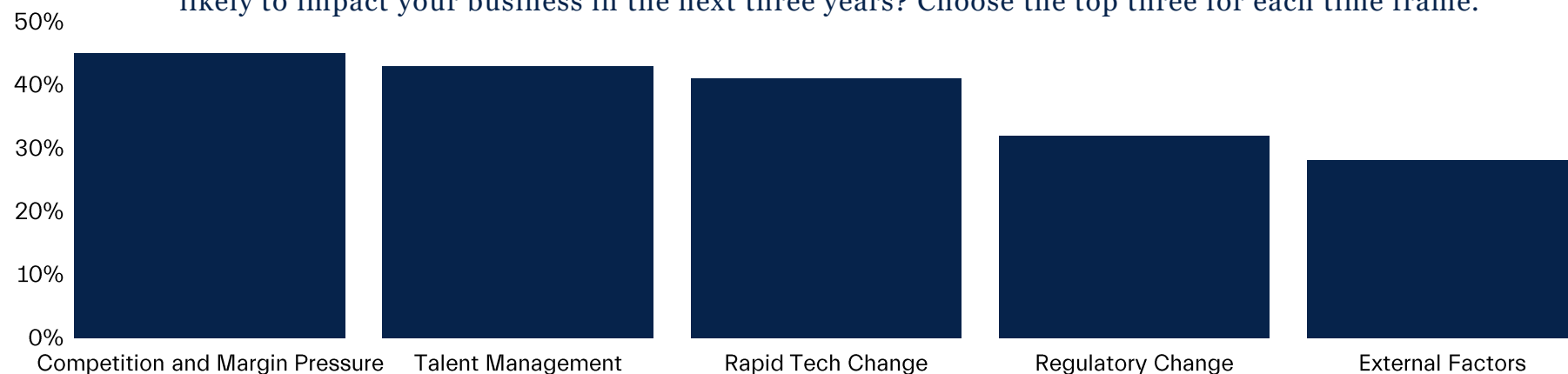
ESG can be a high-impact solution to partners' biggest business challenges, but...

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.

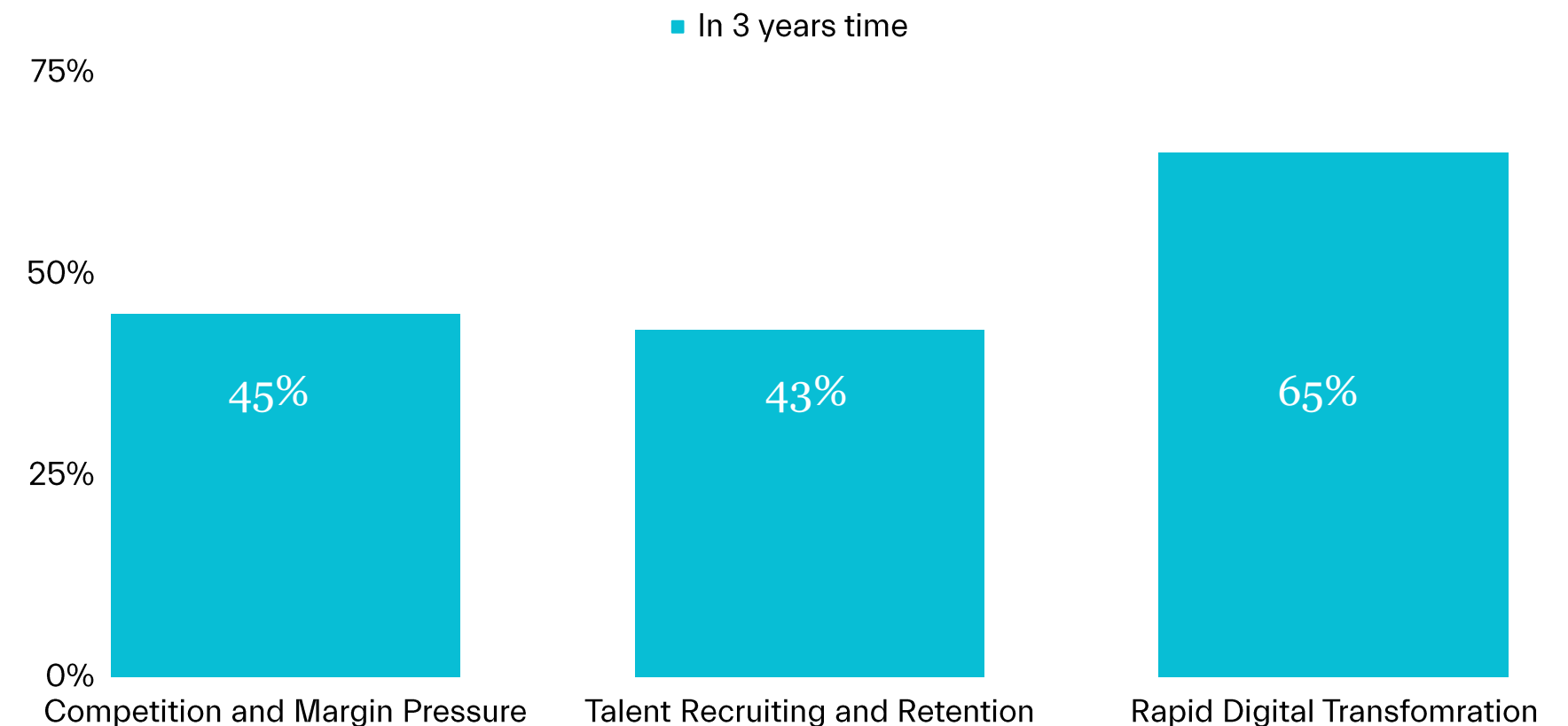
APJ partners anticipate the impact of continued change and transformation.

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?



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?

A stylized map of the Asia Pacific region, showing major cities and geographical features. The map is overlaid with a blue and green gradient. The text 'Technology Ecosystem Index' is written vertically in white on the left side of the map.

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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.

[TECHDATA.COM/APAC](https://techdata.com/apac)

Technology Ecosystem Index

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About Tech Data, a TD SYNEX Company

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

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