



ecosystem

The Future of Tech Alliances

# The Evolving Partner Landscape: 2023 Edition

AUTHORED BY

**Niloy Mukherjee**

Principal Advisor, Ecosystem

**JUNE 2023**







# The Partner World in 2023

Way back in 2021 I wrote about the evolving partner landscape and the rise of non-traditional partners. This trend has continued to grow, and the “partner” has now evolved to include many of the things I mentioned.

These new avenues provide opportunities for growth but also bring with them some challenges. Building a successful partner program that considers the growing importance of new kinds of “partners” while managing the existing partner network can be a difficult task – one that many providers are still struggling to perfect.

Simultaneously, the expectations from traditional channel partners have also changed. The role of these partners is changing as platformisation and access make it easy to transact without an intermediary.

**The partner world in 2023 is in an extraordinary state of flux.**





# Why the Partner Landscape is in a State of Flux

- **“Frenemies”.** **Trending now** – the practice of putting aside rivalries and work on specific areas for mutual benefit. Market consolidation, squeezing out smaller players, is accelerating this.
- **Everything-as-a-service.** This is driving more non-traditional partnerships. Tech providers that are able to identify these opportunities early and figure out execution, are seeing large gains.
- **Generative AI.** This is emerging as the biggest threat to the partner ecosystem. It provides the potential for providers to “go-it-alone” using AI and bots to mine customers and replace channels in some form.

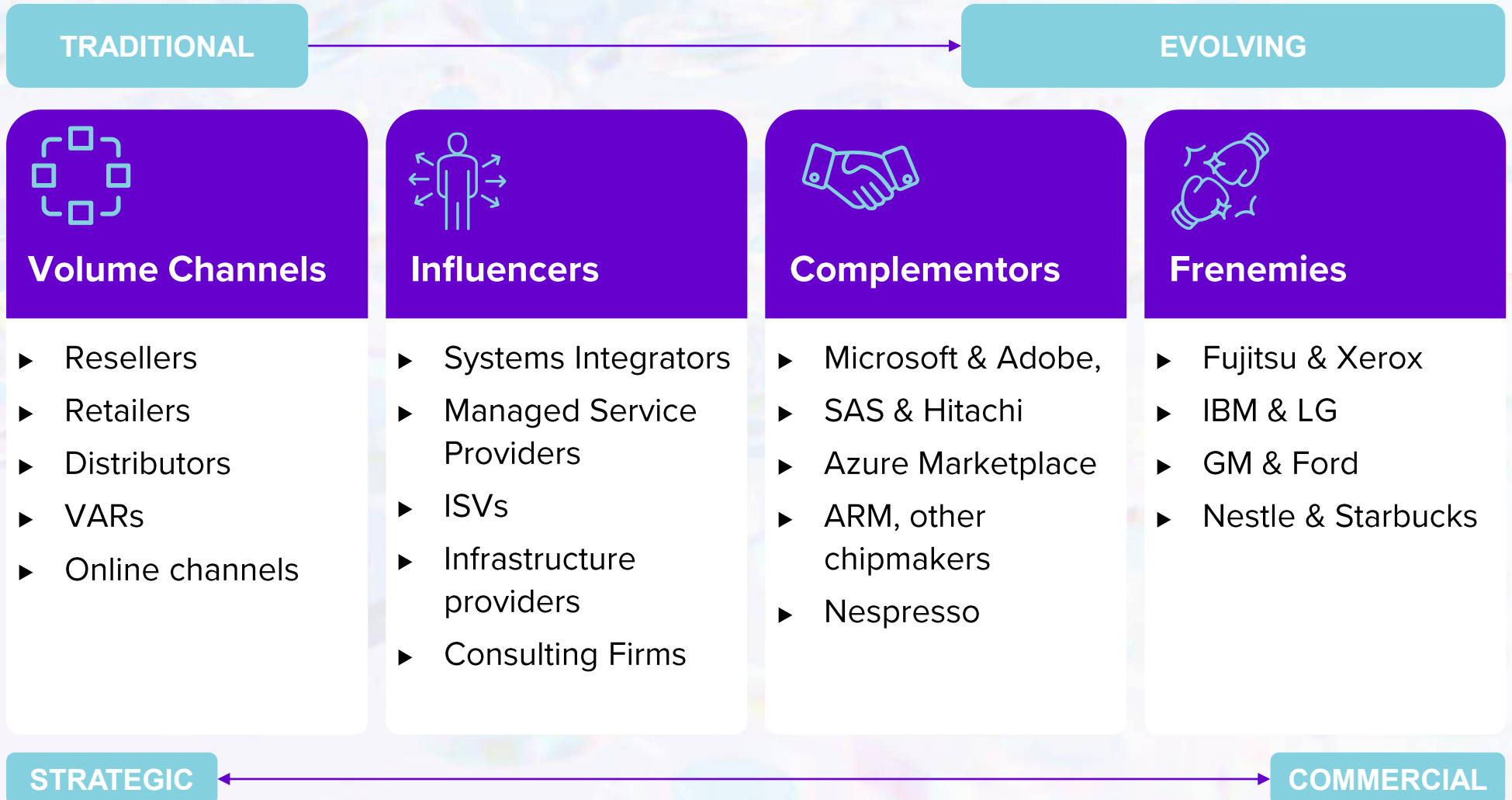


## IMPACT

While the trends are evolving, the impact on revenues in most cases, is small. Are the evolution trends actually helping growth or just creating resentment within the existing partner ecosystem?



# The Different Types of Partners in the Landscape





# Partnerships in Each Category have Different Motivations

TRADITIONAL

EVOLVING



## Volume Channels

- ▶ Basic business model
- ▶ Customer coverage
- ▶ Market share play
- ▶ Source of revenue
- ▶ Source of profitability



## Influencers

- ▶ Horizontal alliance
- ▶ Go-to-market
- ▶ Customer needs
- ▶ Pathway to the customer
- ▶ Landing deals which yield continuing revenue



## Complementors

- ▶ Multiplier effect
- ▶ Market expansion
- ▶ Vertical alliance
- ▶ Strategic benefits
- ▶ Business Growth
- ▶ Capabilities Leverage



## Frenemies

- ▶ Strategic benefits
- ▶ Defensive move
- ▶ Geographical expansion
- ▶ Long term goals
- ▶ Business growth

STRATEGIC

COMMERCIAL



# The Evolution of Traditional Partners

## TRADITIONAL ROLES

**Feet on the street**

**Coverage width**

**Transaction management**

## EVOLVING ROLES

**Feet on the street**

**Coverage width**

**Transaction management**

**Digital/Cloud Capabilities**

**Solutioning**

**Customer Experience**

## Forces of Change

**Digitalisation**

**Everything-as-a-service**

**Customer Experience**



# Impact on Traditional Partners

---



## **Ability to use digital and cloud platforms.**

Digitalisation necessitates a move to a model where products (hardware or software) flow directly from vendor to customer; and customers prefer more digital interactions.



## **Making internal changes.**

Everything-as-a-service needs overhauling of mindsets, capabilities, and compensation structures.



## **Selling solutions, not products.**

Technology offerings have evolved to where the customer is now looking for solutions and not individual products or even services.



## **Delivering better customer experience.**

In a world of platforms and constrained resources, the partner is a key resource in the delivery of customer experience.





# Impact on Technology Providers



## **Designing an omnichannel strategy.**

Tech providers need to figure out the right omnichannel strategy. This is easier said than done with implications on channel conflict, pricing, customer experience and satisfaction – and even brand value and cost to serve.



## **Managing the transition of traditional channels.**

This impacts how tech providers design their channel structure, channel program, and strategy to onboard and enable partners.



## **Enabling partner sales.**

With new types of channels, managing the right information flow can be a nightmare. This is further complicated when tech providers ‘poach’ partner resources and the pace of technology change, putting additional strain on training resources. Generative AI can provide an opportunity to solve these issues.





# Engage our Analysts



**Darian Bird**

Principal Advisor  
Cloud, IT Services,  
Telecommunications



**Niloy Mukherjee**

Principal Advisor  
Digital Strategies &  
Go-to-market



**Peter Carr**

Principal Advisor  
Cloud, IT Services,  
Telecommunications



**Sash Mukherjee**

Vice President,  
Industry Insights



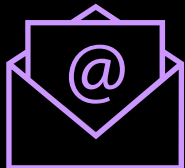
**Tim Sheedy**

Vice President,  
Research



**Venu Reddy**

Managing Director -  
India



[info@ecosystem360.com](mailto:info@ecosystem360.com)



[www.ecosystem.io](http://www.ecosystem.io)