



Inaugural TD SYNnex Industry Benchmark Study Finds North American Businesses Focusing on Next-Gen Solutions for Growth; Highlights Significant Gap in Metaverse Opportunity

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~ Nearly 75 percent expect to sell more professional services in the next three years ~

~ More than half are planning investments in next-generation technology ~

~ Only 12 percent of say they will offer AR/VR solutions in next two years ~

~ Nearly 9 of 10 will offer as-a-service consumption models by 2024 ~

FREMONT, Calif. & CLEARWATER, Fla.--(BUSINESS WIRE)-- Only 12 percent of North American technology ecosystem business leaders say they will offer augmented and virtual reality (AR/VR) solutions by 2024, despite aggregate **analyst and financial research** forecasting an \$800 billion global metaverse market, in the next 24 months.

These findings are part of the first-ever TD SYNnex (NYSE: SNX) Ecosystem Benchmark Report. While opportunity exists with the metaverse, these same businesses have fully embraced the professional services trend, with almost three-quarters of respondents anticipating increased revenue from this solution area.

"We're pleased to introduce the TD SYNnex Technology Ecosystem Benchmark Report to empower our partners to achieve great outcomes for their businesses and their end-customers," said Michael Urban, TD SYNnex president of the Americas business. "This report offers insights every type of IT channel partner can use to make smart investments in their businesses, expand strategically and accelerate the adoption of emerging technologies."

Conducted in collaboration with technology market analyst firm Canalis, the TD SYNnex Ecosystem Benchmark



Report underscores that every business is connected in the global technology ecosystem, as well as the rapid rate of change that has evolved to a state of relentless transformation.

The report was developed based on an industry survey of mid-size technology ecosystem partners, which is defined as technology companies with 1,000 seats and below. The North America Insights benchmark report identified four themes for the technology partner ecosystem in responses with a 24- to 36-month outlook:

- Professional and managed IT services expansion
- High-growth technology investments
- As-a-service consumption model adoption
- AR/VR opportunity gap

Growth Drivers

Seventy-seven percent of North American partners say expanding technology solution offerings is important or very important, with a focus on solutions being directly linked to cloud capabilities, applying consumption-based models, and ensuring solutions are secured. Within 24 months, partners indicate offering technology solutions, including:

- Device as a Service (31 percent)
- IOT (23 percent)
- Security (22 percent)
- Cloud Integration (20 percent)
- Cloud Deployment (20 percent)

Services are the new black

Partners are making room for professional and managed IT services in their future business mix, anticipating the most increase over 36 months. The survey finds that every category of services are projected to grow:

Services Type	Percent of partners indicating an increase
Professional Services	74%
Managed Services	71%
Packaged Services	54%
Consumption-based XaaS	41%
Product Lifecycle Services	26%

Partners see the largest decrease in reselling hardware in the next three years, however, most North American partners (78 percent) forecast hardware resale will be fundamental to their business mix.



Networking (18 percent), Endpoint (16 percent), and Services and Storage (10 percent) representing three of the top five revenue drivers for partners. Networking came in as the single most profitable technology for North American partners.

Respondents indicate hardware categories represent the opportunity to attach services, and hardware-based programs, like device-as-a service, creating a virtuous cycle of revenue, which partners are prioritizing as part of their portfolio offerings within the next two years.

"Channel partners are actively developing their services businesses," said Alex Smith, vice president of channels at Canalys. "We see that partners are looking to invest across the technology ecosystem."

Reality Check on Emerging Business and Technology Trends, Investments

While 42% of partners say ESG (environmental, social and governance) activities aren't applicable to their business, IT business leaders know they need to grow capabilities around sustainability and ESG, with 17 percent expressing the importance of ESG expertise or certification in three years.

The report notes that, "understanding the assignment around ESG can mean partners gain greater relevance in professional services consulting."

"Just as TD SYNEX plays a vital role in helping to transform the technology landscape, we believe we have an equally important responsibility help TD SYNEX partners accelerate their aptitude around ESG," said TD SYNEX Director of Global Corporate Social Responsibility, Adam Rutstein. "Helping partners get enabled for this increasingly important business function is in total alignment with our corporate responsibility initiatives, which is why we've launched a **sustainability certification program**."

Expansion Into New Verticals Parallels New Partnerships.

North American IT partners signal that collaboration is a high-priority growth strategy, with 59 percent of respondents ranking engaging ecosystem partners as important or very important to future growth. This statistic is tight alignment with the partners who indicate they will enter new vertical markets to grow (60 percent). Respondents also see an increasing need for expertise in government, healthcare, education and financial services over the next three years.

"For North American IT businesses to deliver outcomes in new vertical markets and bring solutions to market faster, ecosystem collaboration is essential," said Kaye McMillan, vice president of sales transformation and development, and leader of TD SYNEX CommunitySolv programming. "One thing we consistently see in our communities

program is that technology ecosystem collaboration accelerates time to market, reduces costs and minimizes technology skills gaps so partners can keep their eyes on what's next.”

An executive summary of the **North American Insights** from the TD SYNEX Technology Ecosystem Benchmark Report is available for download. European insights from the inaugural Benchmark report are also **available for download**.

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 North American Insights Report was conducted between July and October 2022. The pool of survey respondents is comprised of 81 TD SYNEX CommunitySolv and SMB IT businesses.

About TD SYNEX

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's 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](#).

Safe Harbor Statement

Statements in this news release that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, such as statements regarding the launch of our annual corporate citizenship report; our commitment to lower our global carbon footprint, set targets for emissions reductions, and increase sustainability initiatives; our plans to achieve net-zero greenhouse gas emissions and the timing thereof; our deployment of environmental management systems; our plans to increase representation of people who identify as women, including in leadership roles, and the timing thereof; our plans to

increase board of director representation of underrepresented groups and the timing thereof; our plans to expand compensation and benefits parity programs; our commitment to increase the diversity of our business partner ecosystem; and our other ESG commitments, involve known and unknown risks and uncertainties which may cause the Company's actual results in future periods to be materially different from any future performance that may be suggested in this release. A description of risks and uncertainties relating to TD SYNEX can be found in its most recent Annual Report on Form 10-K and subsequent filings with the SEC and available at www.sec.gov. The Company assumes no obligation to update any forward-looking statements contained in this release.

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