TD SYNNEX Report: AI Spending Is Surging, but Revenue Isn't Keeping Pace

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Fifth annual Direction of Technology Report finds 66% of IT partners accelerating AI investment, but only 21% generating meaningful revenue from it

CLEARWATER, Fla. & FREMONT, Calif.--(BUSINESS WIRE)-- TD SYNNEX (NYSE: SNX) today released its fifth annual Direction of Technology (DoT) Report, revealing a significant gap between technology investment and realized value in the technology channel. The report found that while 66% of partners are accelerating investment in AI solutions and services, only 21% derive a meaningful share of revenue from those investments – a 45-point investment-to-revenue gap, the largest among the technologies studied.

Based on insights from more than 1,500 channel partners (SMB technology resellers) across 45 countries, the report highlights the growing challenge of turning investments into measurable business outcomes. Only 13% of partners report that most end customer AI pilots successfully convert into scaled production deployments, underscoring the challenges businesses face in moving from experimentation to implementation. Yet, partners that embed AI across their own operations report stronger growth, higher margins and greater success moving customer AI projects into production, pointing to the competitive advantage of putting AI to work internally. As access to technology becomes increasingly commoditized, partners are differentiating themselves through their ability to deliver results, guide adoption and earn customer trust.

Building that trust requires the right expertise and capabilities, and those surveyed said that distributors can help develop both. Twenty-nine percent value their primary distributor's pre-sales technical expertise and consultation, 26% value help building new practices in areas such as AI and security, and 28% are leaning more on distributor enablement programs to address the IT skills gap.

"Trust has always mattered in this business, and this year's research reinforces that," said Patrick Zammit, CEO of TD SYNNEX. "Forty-five percent of those surveyed say existing relationships and trust are the leading reason they win competitive AI deals, ahead of technical capabilities or certifications. As technology continues to change, the partners who build on that trust and continue to expand their capabilities have a tremendous opportunity ahead."

Key findings from the fifth annual Direction of Technology report include:

- **77% Report Growth, but Sustaining Its Value Is Getting Harder:** Revenue growth rebounded,

rising 10 percentage points from the prior year. Yet growth is outpacing profitability: 67% of surveyed resellers report improved margins, while pricing pressure and margin compression rank as the leading challenge to scaling, cited by 44%. At the same time, surveyed resellers continue to increase investment in cybersecurity (72%), cloud (68%) and AI solutions and services (66%), underscoring the pressure to turn expanding demand and investment into sustainable value.

- **Only 13% Are Turning Most Customer AI Pilots into Production**: Just 13% of surveyed resellers say a majority of their customers' AI pilots or proofs of concept converted into scaled production deployments. Security, legal or governance concerns (42%), an unclear business case or return on investment (39%), and a lack of internal skills to manage AI after deployment (35%) are the leading barriers. These challenges create opportunities for surveyed resellers that can provide governance expertise, advisory services and ongoing guidance throughout implementation and adoption.
- **70% Say Trust, Not Certifications Alone, Will Define the Winners:** As technology becomes easier to access, relationships and business understanding are emerging as important differentiators. Existing relationships and trust are the leading reason surveyed resellers say they win competitive AI deals (45%), followed by the ability to translate AI complexity into plain business language (37%) and knowledge of the customer's industry or business problem (34%). By comparison, 32% cite having the strongest technical capabilities or certifications.

"Each year, the fifth annual Direction of Technology report highlights how the channel is responding to changing market realities," said Jill Kermes, Corporate Vice President, Global Corporate Communications and Citizenship, TD SYNNEX. "What's particularly interesting this year is how the definition of value is shifting. The research goes beyond identifying which technologies are gaining momentum to examine what separates investment from meaningful business results. By bringing together perspectives from surveyed resellers around the world, the report provides practical insight into where opportunities are emerging, what is preventing progress and how surveyed resellers can position their businesses for long-term growth."

The fifth annual Direction of Technology report also includes regional executive summaries covering insights relevant specifically to North America, Europe, Asia-Pacific and Japan and Latin America.

The full report is available at **www.tdsynnex.com/dot**.

About TD SYNNEX

TD SYNNEX (NYSE: SNX) is a leading global distributor, solutions aggregator, and original design and contract manufacturer that plays a central role in connecting the technology ecosystem. We support more than 150,000 customers across over 100 countries with a comprehensive edge-to-cloud portfolio spanning cybersecurity, analytics, artificial intelligence, mobility, and Everything-as-a-Service. We are a Fortune 100 company that helps partners maximize the value of technology investments and achieve measurable business outcomes through our global reach, expertise and enablement capabilities. Headquartered in Clearwater, Florida, and Fremont, California, the Company's distribution business brings together a broad portfolio of IT hardware, software and systems, providing access to products across the global IT ecosystem. The Company's Hyve Solutions business partners with technology companies to design, manufacture, and deliver traditional and accelerated compute, cloud, and connected infrastructure. For more information, visit www.TDSYNNEX.com, follow our newsroom or follow us on LinkedIn, Facebook and Instagram.

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