



EVOLVE
FOR YOUR PARTNERS
2023 REPORT

A new era of eco-focused IT Channel partnerships.

INTRODUCTION



The way we select our partners has changed dramatically in the last few years, and as Channel companies, we have taken a new approach to choosing who we work with and what their priorities are to make sure they align with our own.

Having the right partner not only benefits the company and its impact on the planet, but also who it does business with and the calibre of its clients. To ensure they are working with like-minded organisations, Channel leaders need to continue to find new ways to strengthen their businesses through strong relationships with their partners.

Having experienced a challenging economic climate in recent years, the efficiency and financial benefits of having the right partners became

noticeable. With more pressures and expectations than ever before, those who weren't already taking note of who they were partnering with and the support it offered began making changes.

The emergence of 'communities' within the industry is continuing to gather pace, and we are seeing business leaders taking a much more collaborative and agile approach, not only within their Channel companies but across partner ecosystems, something that we will focus on within this report. What has become evident is that without moving forward and leaving behind incompatible partnerships there is no progression, and businesses have quickly learned just how beneficial an aligned partnership is to achieving long-term growth.

With so many factors at play, the act of building a sustainable culture has never been more important, so striving for these like-minded alliances has become vital.

We are seeing that in today's culture, IT businesses are more open to change, and are working regularly to ensure that Channel leaders find new ways to strongarm their companies while prioritising who they are building longstanding partnerships with.

In this 'EVOLVE for Your Partners' report, you will be connected to the advice, lessons learned, and facts from key decision-makers across the UK Technology Channel, with regards to how partnerships are formed, and the value the right one can bring to those in the industry.

The report will also discuss the importance of taking accountability, maintaining a balance and hearing how this has been put into practice by industry experts.



How would aligned partnerships benefit your business?

EVOLVE: VOICE OF THE CHANNEL

This 'Evolve for Our Partners' guide is the final part in the series of 'How-to' reports, which are a part of our channel insight campaign, 'EVOLVE: Voice of the Channel'. In June 2022, Agilitas launched its latest Channel Confidence Index: EVOLVE. This research came at a pivotal moment for the channel industry and the wider world as we moved beyond COVID-19 and explored the new trends and expectations that have emerged.

To reflect on how the industry has changed and what it has in store, we measured the global Technology Channel's attitudes and reviewed trends, predictions, forecasts and commentary about the Channel today and how to future-proof it for tomorrow.

PARTNER OPTIMISM SCORE

The Channel's optimism for building transparent relationships with like-minded companies has stayed strong, and when explored, confidence in the longevity and transparency of these partnerships saw all MSPs surveyed rank the importance at



7.0

least 7 out of 10.

The research discussed in this report was conducted in February 2022 in partnership with respected research firm Opinion Matters. As in previous years, we surveyed 250 business leaders working in UK-headquartered companies with an annual turnover of over £5 million.



SUSTAINABILITY ALLIANCES



Sustainability is no longer something that can be achieved through small actions or gestures; it requires a complete transformation of business processes and even deeper collaboration with partners.

Whilst the environmental impact of a partnership is an important part of the relationship, a true sustainable partnership is about developing a long-term relationship where values and objectives between the companies align, enabling both to grow in a way that can benefit both parties.

These sustainable partnerships also have a direct impact on being able to reduce carbon emissions, improve working conditions and build better communities. In the long term, working with the right

partners can ensure a full circular economy strategy is put in place. Aligning with the right partners also affects both parties' brand reputation, customer experience and ultimately their revenue.

When a Channel business sets out to put sustainability at the heart of its operations, it has a responsibility to maintain it, which involves changes at multiple touchpoints across the entire customer journey.

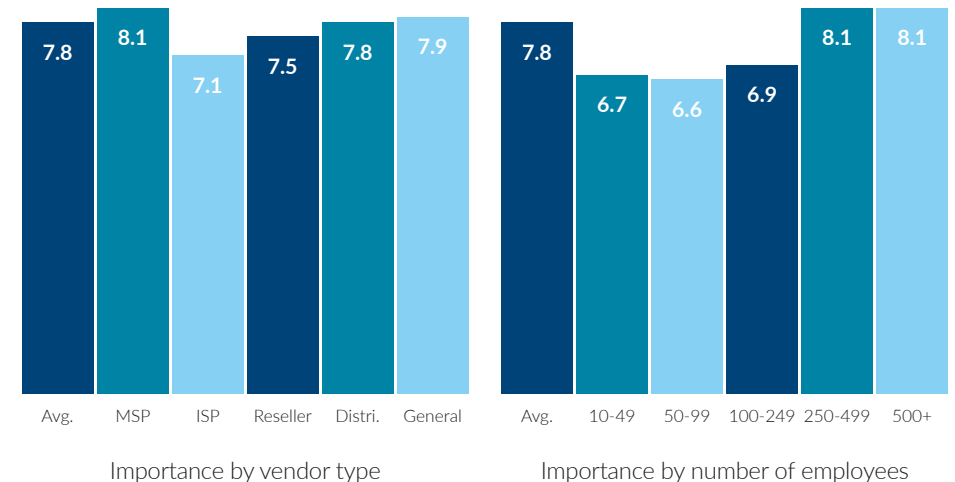
By partnering with experts within the supply chain in areas such as transport, logistics, packaging, asset disposal, finance and marketing, organisations can strive to meet their sustainability objectives and work towards a true circular economy much faster than when they are doing it alone.

We asked Technology Channel decision-makers how important building sustainable partnerships with like-minded businesses was to their organisation. Whilst all sectors felt partnerships were important, MSPs and General Tech providers felt it was more critical to their organisations.

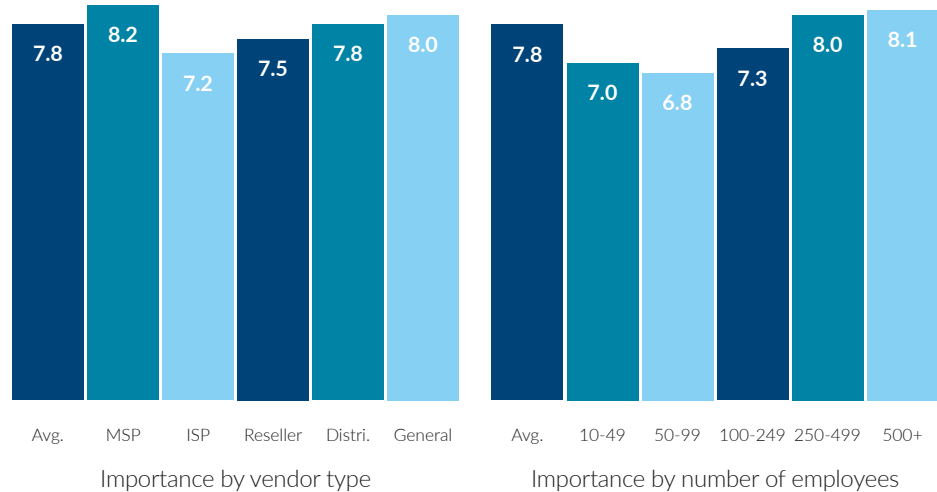
How important is building sustainable partnerships with like-minded businesses?

The findings varied even more dramatically when looking at the size of the organisation with companies over 250 employees valuing eco-friendly partnerships significantly higher than their smaller competitors. This provides some interesting food for thought – are the bigger players in the game further ahead when it comes to forming partnerships? Are they more likely to be working with government and public sector contracts where sustainability throughout the supply chain is so important? Are the third of smaller businesses that do not find eco-partnerships important missing a trick or are they able to manage their customer journeys without third party assistance?

Average rating out of 10 on the importance of sustainable partnerships.



This feedback was interesting, and to follow it up we investigated whether the Channel's outlook on partnerships may change during the next year. It was encouraging to see that smaller businesses did expect the importance of partnerships to increase in the next 12 months, with the average score for all three categories under 250 employees increasing.

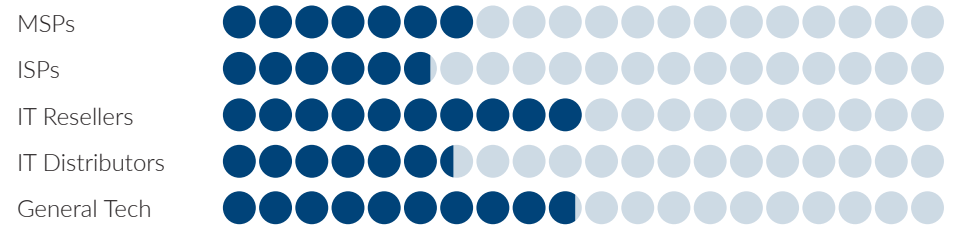


We also asked which factors Technology Channel businesses should look for when creating sustainability-focused Channel alliances. When collated, the most popular five factors overall were:

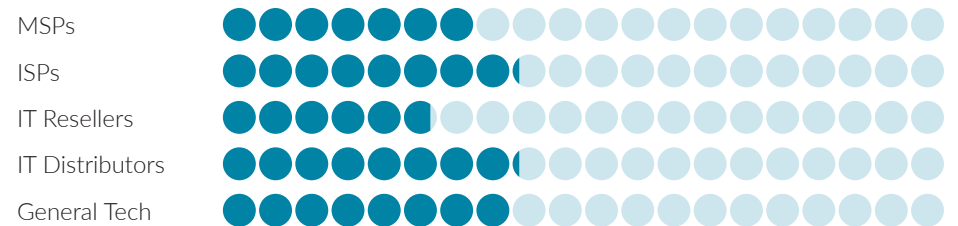


RESULTS BY SECTOR

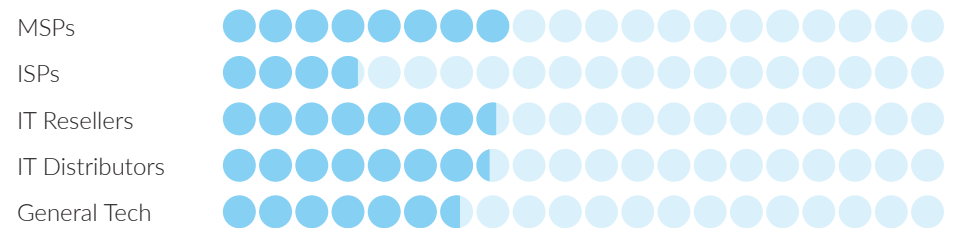
Company culture supporting sustainability:



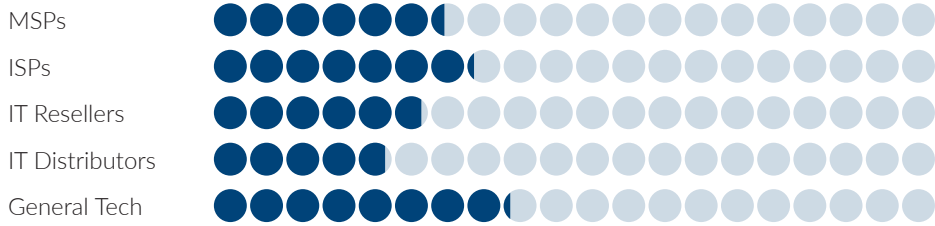
A framework to measure the sustainability of partnerships:



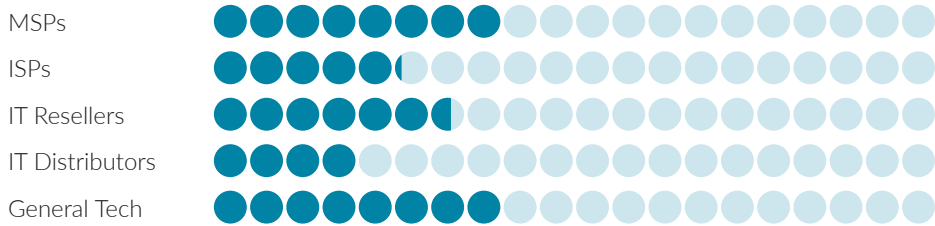
All members of the business clear about commitment to sustainability:



Building partnerships based on efficient technology:

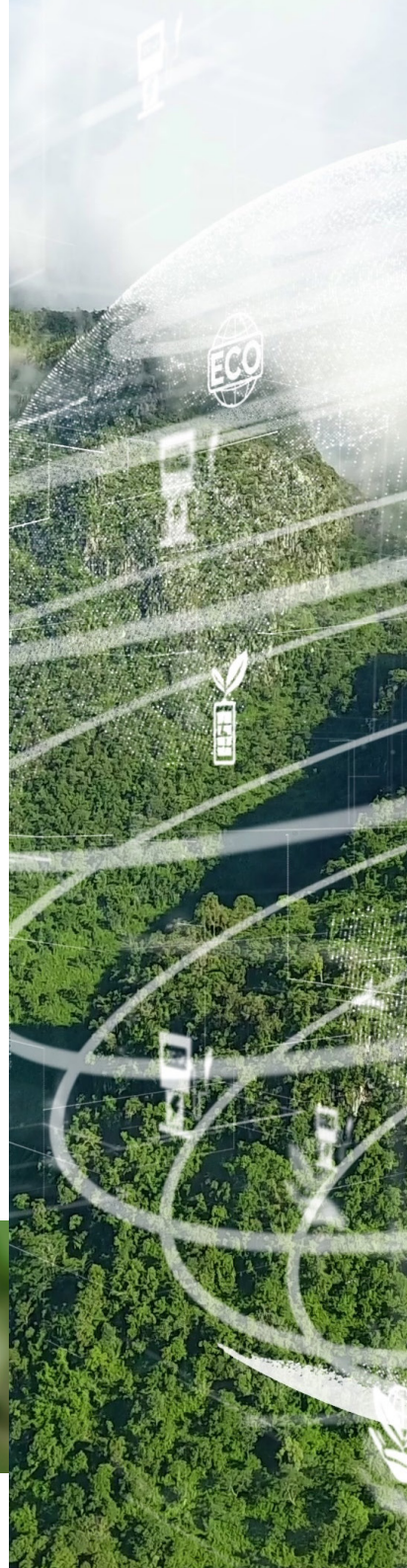


Simple effective communication of set eco-targets:



Interestingly, general technology solutions providers, which include OEMs and vendors significantly valued pledges and commitments from their Channel partners as well as business methods that support the circular economy. IT resellers on the other hand were more focused on culture and communication whilst distributors and ISPs were keen to see frameworks that could measure the sustainability of partnerships.

Frameworks were also highly valued by larger businesses, with half of all respondents from large businesses with more than 500 employees selecting this as an important factor. With larger scale businesses likely to have more partnerships to manage, being able to easily quantify and benchmark sustainability is an important factor.



Agilitas says:

“For decades, businesses have often kept their strategies close to their chests and aren’t as open to sharing detailed statistics about their organisation, for fear that competitors would take advantage. However, there has been a fundamental shift in recent years, with customers wanting to know more about the suppliers they are working with. Price is often not the winning factor and establishing longer-term partnerships with organisations they can trust and align to determines who they do business with.

Forming partnerships rather than simply having suppliers requires strong relationships across the business to discuss longer term growth strategies and not just to manage contracted SLAs. Increasingly, our partners have more touchpoints across different departments so subject experts can collaborate closely, enabling our partners to develop XLAs (Experience Level Agreement) focused on enhancing Customer Experience.

In the last few months, we have experienced a significant increase in requests from our partners for our ESG credentials, suggesting many organisations in the Channel are evaluating their supply chains to form eco-partnerships. Our research suggests that half of IT Resellers are already well underway with this process. Many end users, particularly government and public sector contracts, are demanding more from their supply chain and companies without a clear ESG strategy and sustainable procurement policies in place may find they lose out on contracts.”

TAKING ACCOUNTABILITY

It is easy for organisations to take credit when things go well, but taking responsibility when actions fall short is a huge part of moving forward.

With initiatives and changes needing to be implemented for achieving Scope 1, 2 and 3 emissions for example, accountability that those within the Technology Channel are on a journey to making an impact needs to be declared.

The process can be made easier by choosing partners who are on the same path, or even those that are ahead, who can offer advice and support for getting to that next level.

Regardless of business type, there are some key steps that Channel companies can take to achieving these lasting, honest, and transparent relationships.

When asked what measures their business is currently taking, the top five responses amongst Technology Channel leaders were:

Increased flexibility to meet changing partner needs:

38%

Understanding customer challenges and defining clear propositions:

37%

Collaborating on projects and initiatives outside of SLAs:

34%

Digital tools/services for streamlined CRM and systems integration:

33%

Timely response, delivery and resolution:

32%

Interestingly, **MSPs and VARs both rated 'increased flexibility' above average at 43% and 42% respectively.** VARs also scored project collaboration outside of SLAs above the average at 42%, whilst MSPs felt that a personalised approach to service was also an important factor.



Agilitas says:

“Providing sustainability credentials is currently a little bit like marking your own homework. Organisations are calculating their carbon emissions and devising policies across ESG, but interpretation can differ dramatically between industries and even between companies within the same industry. Whilst several benchmarking and rating tools are now available to offer some level of continuity, transparency between partners is key to ensure that tracking ESG success across the Channel is as efficient as possible.

Many companies have been tracking Scope 1 and Scope 2 emissions for a number of years, but the Technology Channel is under increasing pressure to also track its Scope 3 emissions across the entire value chain. Partners that can offer flexibility with how they work together and collaborate on additional initiatives outside of standard SLAs can not only assist each other with driving down Scope 3 emissions, but also create greater efficiencies and improve the overall customer experience.”

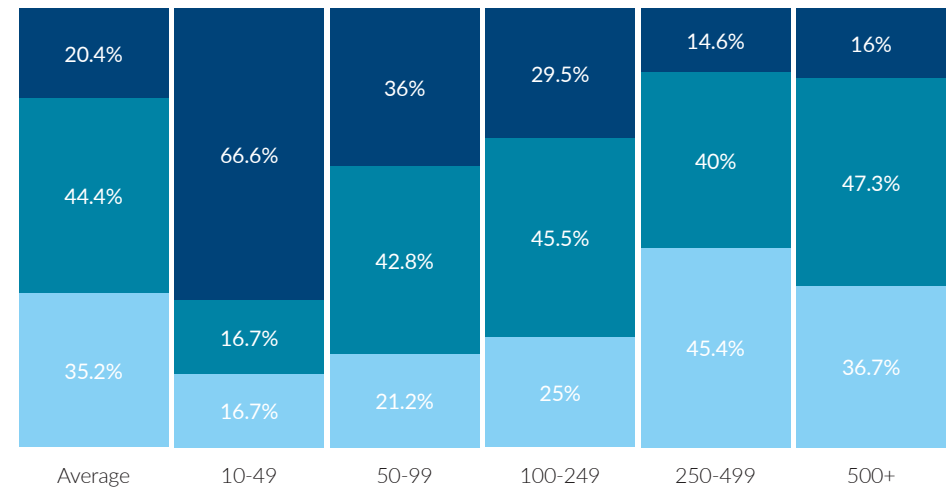




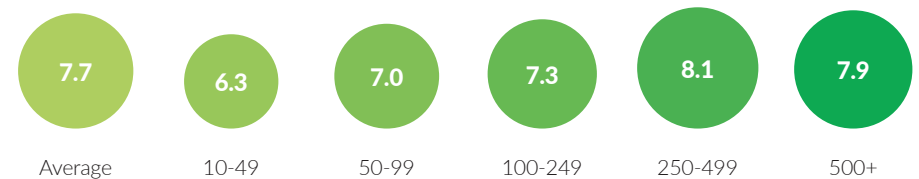
It's clear that confidence in how the industry is advancing has been positive, with businesses embracing new ways of working, which has led to the improvement of the quality of partnerships they are seeking. However, the level of optimism varied across companies of different sizes, with most confidence evident in businesses employing 100 or less employees.

How optimistic are you about building sustainable ecosystems by forming long-term relationships with like-minded companies?

Key: Pessimistic ● Optimistic ● Very Optimistic ●



Average score out of 10:



In line with our focus on attracting the right partners, we have expanded our analysis to not only explore attracting the right businesses, but also the critical need to retain them.

To achieve this, we asked Channel leaders to respond to the following statement, 'we have clearly defined what we want to be valued for by our partners'. Positively, the response to this statement was very optimistic, with 85% of respondents scoring 7 or above out of a possible 10.

STRIKING A BALANCE

Technology Channel companies need to demonstrate their use of innovative technologies and how they track ESG objectives. With typically over 90% of a company's carbon footprint in their supply chain, the need to support their partners and customers in their transitions to becoming greener, more sustainable, and efficient has never been so critical.

Today, sustainability credentials are increasingly at the fore when Technology Channel businesses look to evaluate the partnerships they form and how they hold partners to account.

In our last report, 'EVOLVE for Your People' we discussed the importance of purpose vs. profit, and why that no longer needs

to be an either/or for decision-makers. Here, we elaborate on how to manage that balance, and how prioritising the importance of purpose over profit impacts who Channel firms partner with.

Firstly, almost half (46%) of those asked revealed that they evaluate profit and purpose in equal measure. However, 12% also admitted that profit is primarily prioritised over purpose. This split was consistent across each sector, with a small percentage in each industry stating that this is something that is currently under review.

Interestingly, 25% of IT Resellers, the highest industry to record this response, answered that purpose or profit is not a priority when it comes to selecting partners.



'EVOLVE' FOR YOUR PEOPLE

Missed a report? Read the second edition of our series below.

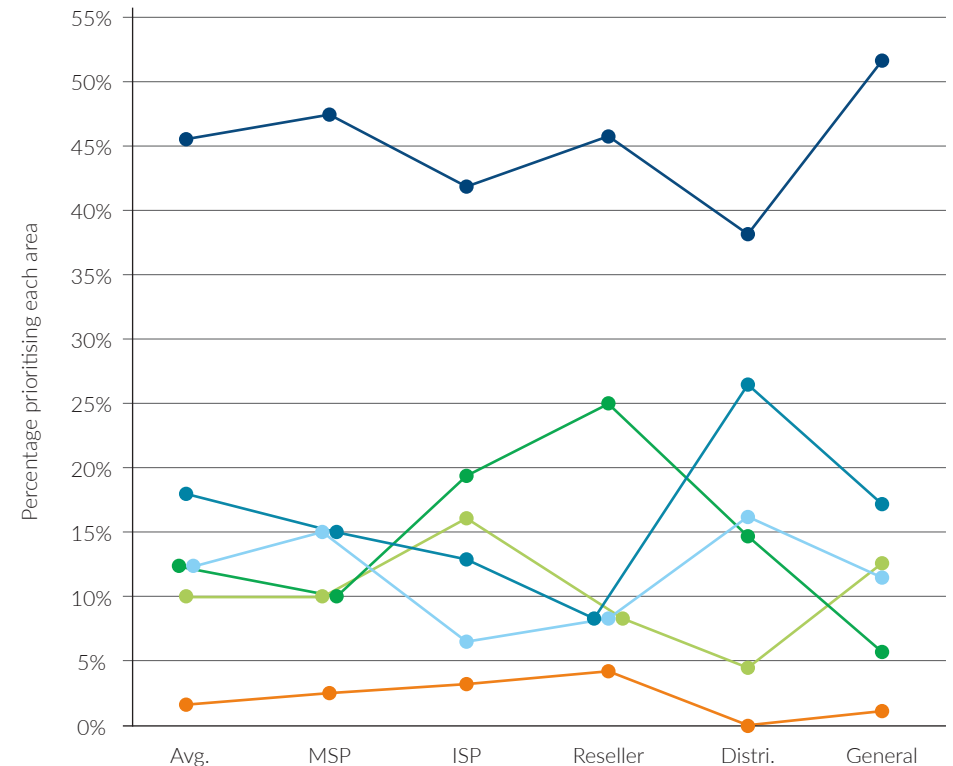
Find out about the latest industry insights, statistics, how-to info, and more surrounding the importance of people and culture within your business.

agilitas.co.uk/agilithub/research

Do you prioritise Purpose over Profit within your business?

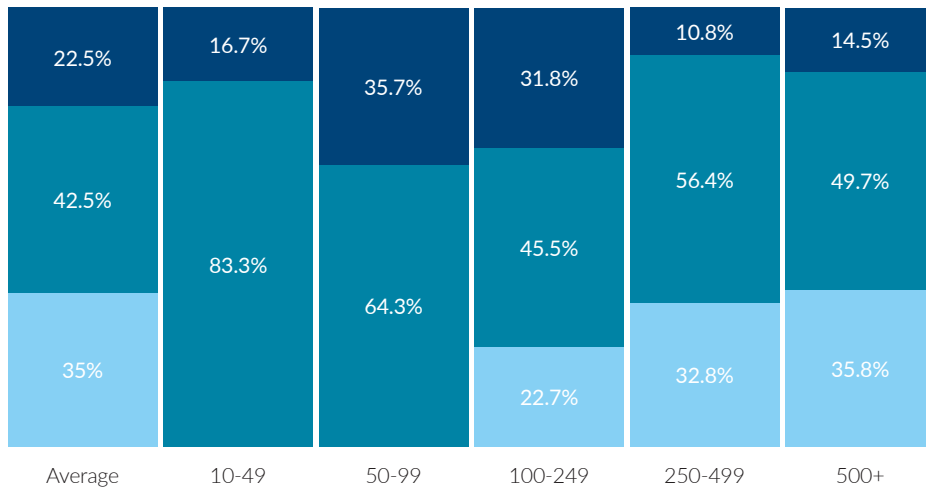
Key:

- Currently evaluating profit and purpose in equal measure ●
- Primarily prioritising purpose over profit ●
- Primarily prioritising profit over purpose ●
- Currently not prioritising partnerships by profit or purpose ●
- Re-evaluating approach to partner collaboration ●
- Don't know ●

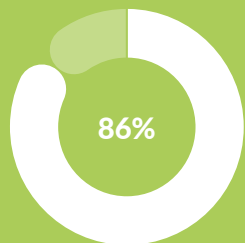
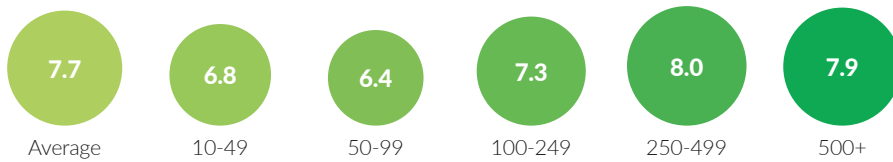


The confidence in the Channel's ability to build these partnerships remains high, with 82% selecting 7 or more out of a possible 10, with 13% of those answering the highest possible 10. This confidence was weighted towards the larger businesses with no respondents in organisations of under 100 employees scoring 9 or 10 and almost a third of respondents in businesses with between 50 – 250 employees displaying lower confidence.

Key: Low Confidence ● Confident ● Extremely Confident ●



Average score out of 10:



With **86%** of respondents suggesting that the value that strategic partnerships could bring would be **highly beneficial** to their businesses, SMEs need to ensure they don't get left behind.

How can you increase confidence when building partnerships?

BUILDING EFFECTIVE PARTNERSHIPS

While the optimism for creating these partnerships is there, how it is prioritised differs between businesses of varying sizes. For example, delivering on promises scored highest in companies that employed 10-49 staff, but came in as the least important factor for organisations with 500 employees or more.

This also came across when analysing results by industry, with MSPs declaring that providing more flexible communication channels was important to building strong partnerships, while IT Resellers revealed that this was a low priority for them.



Agilitas says:

“An organisation’s internal culture also plays a huge role when it comes to prioritising profits over purpose. With departments typically focused on their budgets, senior leaders play an important part in educating their teams to understand the importance of the business’ purpose and determine how much that should influence the suppliers and partnerships that their organisation works with.

Whilst a partnership may seem profitable in the short term, if key values are missing, the business could experience a decline in profits in the longer term. Getting the balance right is key.

With many macro-economic pressures putting significant strain on Channel firms, especially when it comes to rising costs, it can be difficult to prioritise spending on longer term initiatives such as carbon reduction. By selecting the right strategic partners whose

values reflect their own, Channel firms can experience the benefits through their supply chain. With key partnerships helping to drive efficiencies, successful relationships may even achieve greater profits and greater purpose, enabling both parties to achieve high levels of customer experience and growth.

MSPs and IT Resellers that may have operated transactionally in the past may find the shift to forming strategic relationships more of a barrier initially.

A partnership requires commitment from both parties and having resources available to help build and strengthen relationships is essential, especially when forming new partnerships. Leaders need to ensure that their teams have the resources to develop strong partnerships, both up and downstream to their organisations and new KPIs may need to be established to recognise what building a successful partnership looks like.”



Joanne Ballard

ESG Strategy and Compliance Director at Maintel

Agilitas is proud to be building partnerships with companies that are looking to accelerate their ambitious growth plans and improve sustainability within their organisations in order to meet climate change goals.

During the pandemic, Agilitas announced its successful partnership agreement with trusted provider of Cloud and Managed Communication services, Maintel, to provide a flexible, automated and well-integrated inventory management service that will enable the company to grow and enhance the speed of delivery at scale.

We asked Joanne Ballard, ESG Strategy and Compliance Director at Maintel what sustainability means to them, and how the company is addressing the growing need to do more to take action against climate change.

Maintel says:

“In order to evolve our efforts over the last two years, we have moved from limited disclosure, which was required through the regulations we work to, towards embedding Environmental, Social and Governance (ESG) into everything we do across our business (and that journey is ongoing). This involves making it part of our company culture and widening our reach by understanding what is important to our key stakeholders, both internal and external, and linking our activities to the UN Global Sustainable Development (SDGs).

2021 saw the launch of our ESG at Maintel website and the start of the Maintel Forest which enables employees to plant trees. We plant 25 trees for every 500 Cloud seats our customers connect through us. Early 2022 saw the publication of our first Sustainable Business report and we are now working on low carbon products and services to enable customers to improve their environmental impact. In December 2021, we launched our volunteer policy enabling all team members to have three days paid volunteer leave per year to aid our local communities be that through tree planting, litter picking or serving teas and coffees at a local support centre.”

How has Maintel fared when tracking their ESG credentials?

Like many other businesses looking to make changes, Maintel has faced its fair share of challenges and red tape in its journey to become more sustainable. However, this has not hindered its drive to push forward and bring its partners in on the transition.

Each partner has an impact on the ability to reduce carbon emissions, improve working conditions and build better communities. By

working together, a full circular economy can be put in place and identify improvements that assist in reducing the impact of production and transportation.

Maintel outsources 65,000 tech devices to drive stock efficiency and enhance customer experience, and its advice for other organisations looking to become more sustainable is 'don't panic, listen, collect data and set strategies'.

IN CONVERSATION: ESG

Do you want to learn more about tracking ESG credentials, and how to implement core strategies within your own business?

View our latest mini-series over at:
bit.ly/InConversationESG



Maintel says:

“The world of ESG can be daunting with the number of regulations, frameworks and ongoing changes, as more companies fall within the remit of the regulations or just want to move forwards with an ESG programme of activities. However, it doesn't have to be. A good place to start is to understand what is important to your stakeholders.

Customers have regulations that they must adhere to and employees will have their own thoughts as to what is important, as will the Board. Collating all the thoughts enables appropriate strategies to be set and targeted. It's not about what one group thinks, it's about setting strategies across all areas. Yes, meeting the regulations is imperative but ESG is a movement for the future of people, planet and prosperity. The work we do now will form the basis of improvement in the future, or at the very least not make anything worse.

Companies have been reporting on their finances for years and reporting on sustainability is very similar. The information is available – start with gas, electricity and transport (Scope 1 and 2) and build from there into Scope 3, working with suppliers and partners to set targets, implement initiatives and work together to improve the environment, local communities and supply chain working arrangements. Taking it step by step also makes the whole process a bit less daunting.”

CONCLUSION

While the EVOLVE era has been different, our focus on providing actionable market insight remains the same. Throughout this report, we have reviewed the importance of choosing the right partner, selecting those whose values not only align with your own but also offer longevity that can help the business progress in its current sustainability efforts. Diving deeper into the findings, it has been evident that confidence has remained high but did vary across companies of different sizes, while also highlighting the industry sectors that are not prioritising

the creation of good quality and rewarding collaborations.

Our previous report, 'EVOLVE for Your People' discussed the value of choosing purpose over profit, which also revealed some interesting responses in regards to partnerships. As expected, there is no one-size-fits-all approach, however, Technology Channel businesses are encouraged to strike a balance in tackling each initiative.

There is no overnight fix, and the importance of accountability for areas that are currently lacking is key to making progress, for

example sustainability. According to Deloitte, one in every three companies surveyed said an error could easily go undetected in their sustainability data, so a move toward accountable sustainability can't come soon enough.

With this report concluding the 'EVOLVE Voice of the Channel' series, we will be launching our 2023 research in the coming months which will showcase the latest progress being made across the Technology Channel. Our next research we will continue to explore how Planet, People, Partner values are impacting the

Channel industry. As we move into our next series, 'EVOLVE - Voice of the Channel', we will delve into the responsibility of the industry to act with impact and continue to map the key themes and trends that are shaping the future of the Channel.

Stay tuned in to our website and social media channels, following the #ChannelConfidenceIndex #EvolvewithAgilitas hashtag for further news, views and insights from across the UK Technology Channel.

A white graphic of a rainbow arching over the word 'EVOLVE'. The rainbow is composed of two parallel lines forming a semi-circle. The word 'EVOLVE' is written in a large, white, sans-serif font, with the 'E' and 'V' on either side of the rainbow's ends. Below 'EVOLVE' is a thin white horizontal line, and below that is the text 'THE CHANGING CHANNEL' in a smaller, white, sans-serif font.

EVOLVE

THE CHANGING CHANNEL



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