EVOLVE

FOR YOUR PEOPLE
2023 REPORT

Nurturing a sustainable, people-first culture for the future.

AGILITAS®
PASSION TO INNOVATE

INTRODUCTION

The way we value our people has changed dramatically in the last few years, and as companies, we have learned to embrace the hybrid working revolution. Businesses have had to instil trust, invest more in wellbeing and keep up with the demands that staff have come to expect from their employers, something which is only set to advance in the years ahead.

Without becoming people-focused there is no future, and businesses have quickly learned just how integral a people-first culture is to achieving long-term growth.

At the time of writing, the UK is facing the force of 'The Great Resignation', a term that is used to describe the highest rate of mass employee resignations across the region since 2009, according to official data.

This movement has left many UK businesses with considerable challenges in both retaining staff and finding new talent in a competitive market, where the level of open vacancies is the highest on record.

With so many factors at play, the act of building a sustainable culture has never been more important in the

Businesses are beginning to change to better the wellbeing and needs of their employees.

race for attraction and retention, especially as the next generation is entering and disrupting the workforce.

Today, IT businesses are more open to change, and are working regularly to ensure that Channel leaders continue to find new ways to strongarm their companies while prioritising their most valuable assets, their people.

In joining and being part of a business, team members are seeking a sense of belonging and are undergoing extensive due diligence on whether the values and aspirations of that business aligns with their own. The emergence of 'communities' is continuing to gather pace, and we are seeing business leaders taking a much more collaborative and agile approach, not only within a company but across partner eco-systems.

In this 'EVOLVE for your People' report, you will be connected to the advice, lessons learned, and facts from key decision-makers across the UK Technology Channel, with regards to people within the industry. The report will discuss how changing business models, implementing initiatives and ultimately transforming businesses can help Channel firms take the next steps into being a more people-centric organisation, whilst still continuing to drive profits and achieve net zero targets.

Is your business following the trend and becoming more 'people-focused'?

EVOLVE:
VOICE OF THE CHANNEL

This 'Evolve for your People' guide is the second part in the series of 'How-to' reports, which is 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 in the market.

To reflect on change and look ahead, we measured the Technology Channel's attitudes and curated trends, predictions, forecast and commentary about the Channel today and how to future-proof it for tomorrow.

CHANNEL CONFIDENCE SCORE 2022

The Channel's optimism for leadership within the industry has stayed strong, standing at an impressive 7.8 out of 10 when it comes to growing an environment of trust where leaders are encouraged to be brave in embracing innovation and transformation.

7.8

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 technology companies with an annual turnover of over £5million.
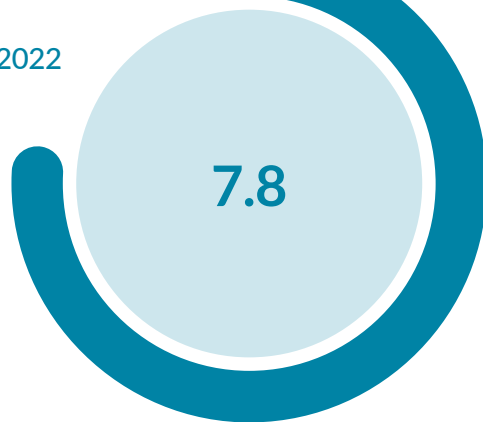
NURTURING CULTURE

Modern workplace culture across the Technology Channel is a new theme for this year's Channel Confidence Index, and was defined to respondents as 'building a culture that team members believe in and contributes to long term retention.'

Creating a positive culture that works for every member of the business is no easy feat, nor is it a one-size-fits all approach. However, it is a fundamental need, and our latest research revealed just how high Technology Channel leaders are placing culture on their agendas.

We asked Technology Channel decision-makers to select the top three ways that they believe can most improve their company culture. When collated, the most popular five factors were:

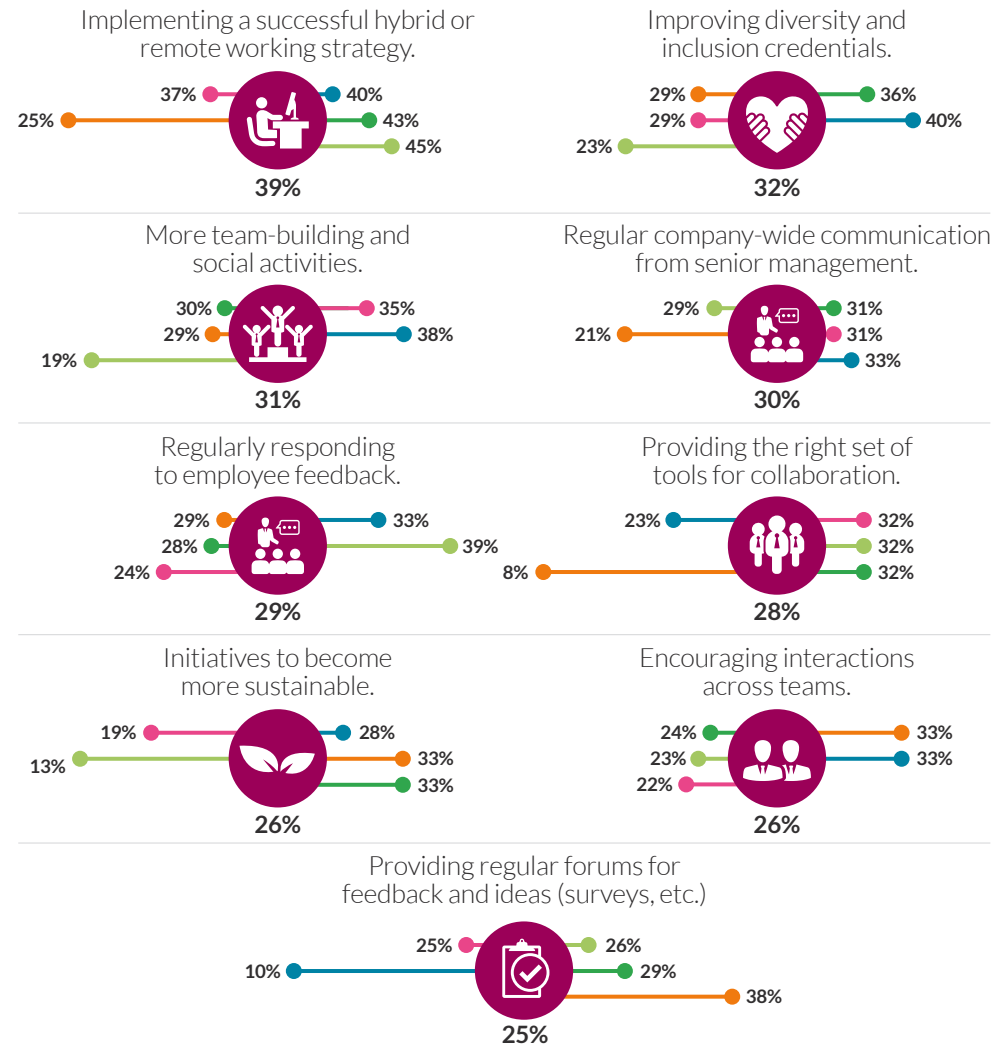| Factor	%
A successful hybrid or remote working strategy	39.2%
Improving diversity and inclusion credentials	32.4%
More team-building and social activities	31.2%
Regular company-wide communication from senior management	30.0%
Regularly responding to employee feedback	29.0%

This feedback was interesting and differed depending on the industry type and business size. For example, only 25% of IT Resellers thought implementing a successful hybrid or remote working strategy would improve company culture. This was scored at 40% or higher by other industry professionals such as MSPs, ISPs and general technology solutions providers.

Businesses under 50 employees felt greater interaction across teams was the most important factor to improve company culture, perhaps due to many teams consisting of just 1 or 2 people. Their smaller size meant that many factors that were considered highly important by larger organisations such as hybrid working strategies, improving diversity and inclusion and responding to employee feedback were less important and in some cases irrelevant.

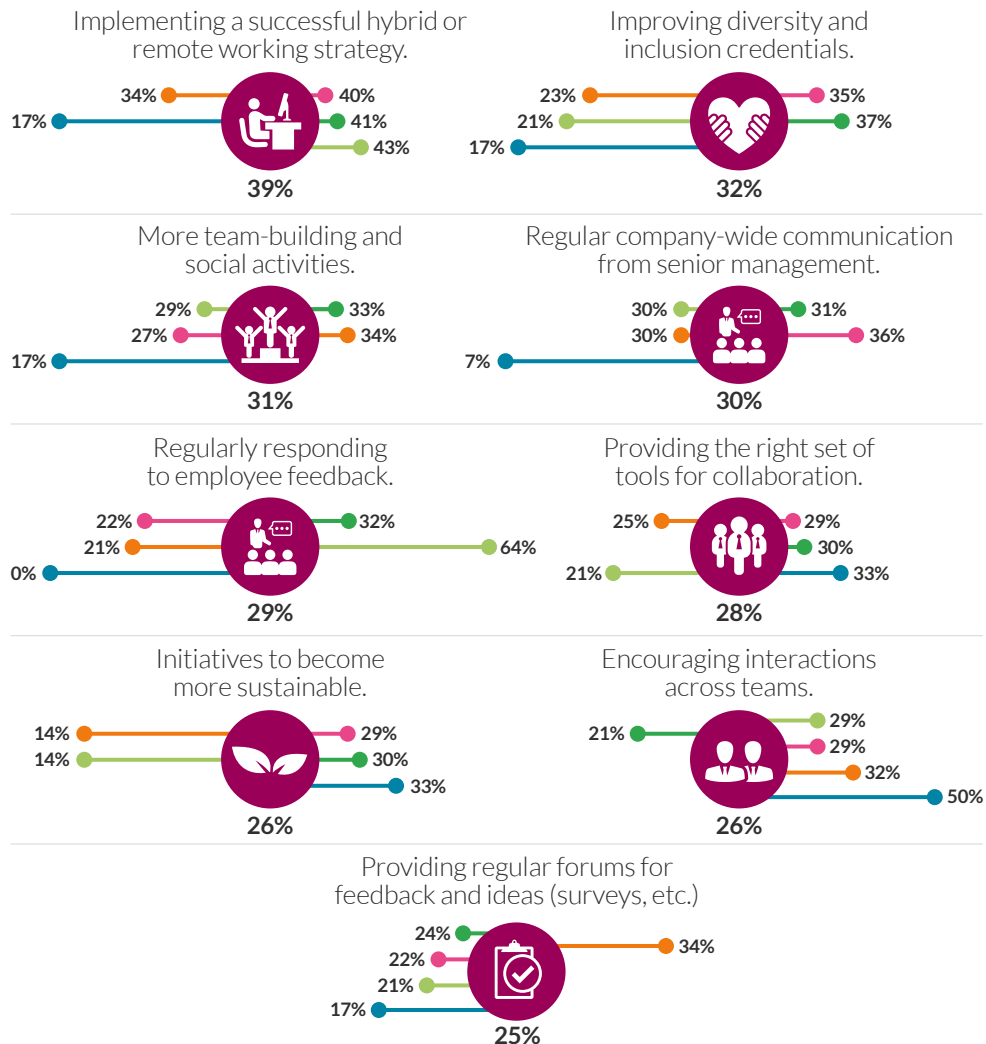## Factors to improve company culture by Industry type:

Key: ■ MSP ■ Software ■ VAR ■ Distributor ■ General Tech

Implementing a successful hybrid or remote working strategy.
40% MSP, 43% General Tech, 45% Software, 37% Distributor, 25% VAR — 39%

Improving diversity and inclusion credentials.
36% General Tech, 40% MSP, 29% Distributor, 29% VAR, 23% Software — 32%

More team-building and social activities.
35% Distributor, 38% MSP, 30% VAR, 29% General Tech, 19% Software — 31%

Regular company-wide communication from senior management.
31% General Tech, 31% Distributor, 33% MSP, 29% Software, 21% VAR — 30%

Regularly responding to employee feedback.
33% MSP, 39% Software, 29% Distributor, 28% General Tech, 24% Distributor — 29%

Providing the right set of tools for collaboration.
32% Distributor, 32% Software, 32% General Tech, 23% MSP, 8% VAR — 28%

Initiatives to become more sustainable.
28% MSP, 33% VAR, 33% General Tech, 19% Distributor, 13% Software — 26%

Encouraging interactions across teams.
33% VAR, 33% MSP, 24% Software, 23% General Tech, 22% Distributor — 26%

Providing regular forums for feedback and ideas (surveys, etc.)
26% Software, 29% General Tech, 38% VAR, 25% Distributor, 10% MSP — 25%

How are you improving diversity and culture within your business?

Factors to improve company culture by business size:

Key: ■ < 50   ■ 50 - 99   ■ 100 - 249   ■ 250 - 500   ■ > 500

Implementing a successful hybrid or remote working strategy.
- 17%
- 34%
- 40%
- 41%
- 43%
- **39%**

Improving diversity and inclusion credentials.
- 23%
- 21%
- 17%
- 35%
- 37%
- **32%**

More team-building and social activities.
- 29%
- 27%
- 17%
- 33%
- 34%
- **31%**

Regular company-wide communication from senior management.
- 30%
- 30%
- 7%
- 31%
- 36%
- **30%**

Regularly responding to employee feedback.
- 22%
- 21%
- 0%
- 32%
- 64%
- **29%**

Providing the right set of tools for collaboration.
- 25%
- 21%
- 29%
- 30%
- 33%
- **28%**

Initiatives to become more sustainable.
- 14%
- 14%
- 29%
- 30%
- 33%
- **26%**

Encouraging interactions across teams.
- 21%
- 29%
- 29%
- 32%
- 50%
- **26%**

Providing regular forums for feedback and ideas (surveys, etc.)
- 24%
- 22%
- 21%
- 17%
- 34%
- **25%**

Agilitas says:

"Many VARs have a tried and tested model when it comes to their people strategy. They are incredibly good at bringing new talent through apprenticeship and graduate schemes, plus their onboarding programmes are often comprehensive to ensure new employees are integrated fully into their culture. This can often feature more in-office/in-person based initiatives such as work with the community, charity days and employee wellbeing. With many of this conducted face-to-face, the hybrid working model and collaborative tools have not played as big an impact to this sector than the rest of the market.

In contrast, MSPs showed a fairly even distribution across factors that they believe affect culture. Culture can be very unique to an individual business and finding what aligns with your companies' values is key to shape the future of the people that want to work for you. MSPs are having to decide what they want to be famous for and what cultural strategies align with their company values – be it flexible working, diversity, sustainability, collaboration or a combination.

Distributors were more aligned to General Technology Solutions providers in their responses. With many vendors falling in the General Tech segment it makes sense that these two categories align as distributors are the main route to market for vendor products.
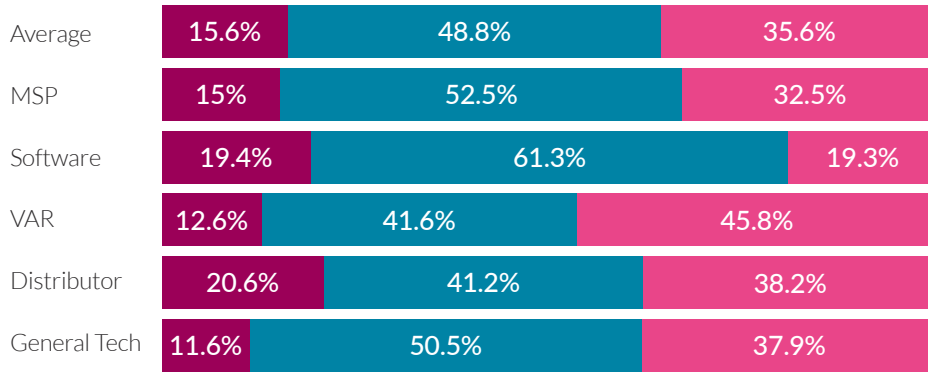
No matter the size or sector of your company, business leaders should remain open minded to new ideas and concepts to ensure they don't miss new trends, especially when attracting the next generation of workforce."

The changing landscape has required a major shift in how we manage and support our people, so we asked leaders to rate their confidence in their own organisation's methods to prioritise the people across their business. The results painted a very positive picture, with confidence in this area reaching a mean score of 7.9 out of 10 (where 10 was 'very confident').

How confident you are in your methods to support people by sector:

Key: ■ 0 - 6 (Not so confident)   ■ 7 - 8 (Somewhat confident)   ■ 9 - 10 (Very confident)

Sector	0 - 6	7 - 8	9 - 10
Average	15.6%	48.8%	35.6%
MSP	15%	52.5%	32.5%
Software	19.4%	61.3%	19.3%
VAR	12.6%	41.6%	45.8%
Distributor	20.6%	41.2%	38.2%
General Tech	11.6%	50.5%	37.9%

Additionally, when asked: 'How will culture impact the future success of your business in the next 12 months?' **88%** ranked between 7 to 10 (where 10 was 'significantly'). Of this number, **23%** scored the maximum 10. This was noticeably more important in companies with more than 500 employees, with 92% scoring 7 or higher compared to 67% for organisations employing 10-49 staff members.

88%
ranked between
7 to 10.
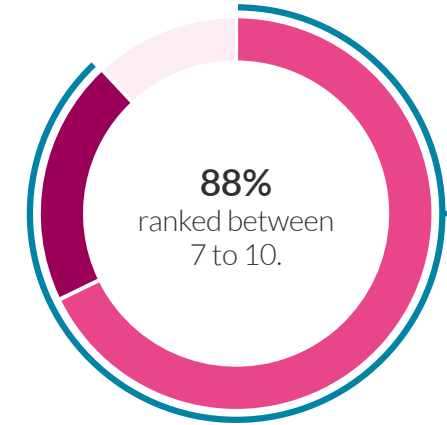
92% scoring 7 or higher in companies with more than 500 employees
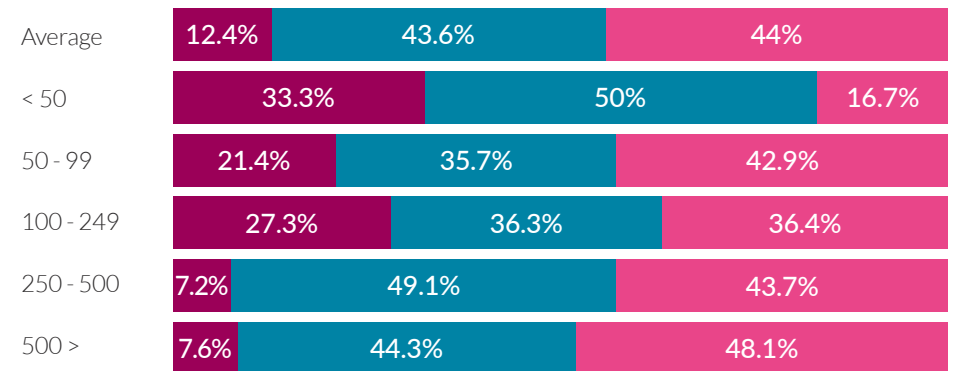
67% scoring 7 or higher in companies with 10 to 49 employees

How important is culture, by business size:

Key: ■ 0 - 6 (Not so confident)   ■ 7 - 8 (Somewhat confident)   ■ 9 - 10 (Very confident)

Business size	0 - 6	7 - 8	9 - 10
Average	12.4%	43.6%	44%
< 50	33.3%	50%	16.7%
50 - 99	21.4%	35.7%	42.9%
100 - 249	27.3%	36.3%	36.4%
250 - 500	7.2%	49.1%	43.7%
500 >	7.6%	44.3%	48.1%

TALENT:
ATTRACTION & RETENTION

To improve and enhance our focus on our people, we have expanded our analysis to not only explore attracting the right people, but more critically how we retain staff. To gauge how important this is within the industry, we asked Channel leaders to respond to the following statement, **'we are confident that we have the right recruitment policies in place to maximise our position'.**

Positively, the response to this statement has returned to 7.6 this year, having decreased to 7.3 in 2021 from 7.6 in 2019.

This increase may be a sign that many Technology Channel businesses have worked hard to evolve their recruitment strategies in line with their own transformation. This allows them to appeal to a wider talent pool that are capable of meeting customer needs, while also

introducing new skills that can fulfil emerging technology-based roles.

Looking at the sector as a whole, we asked respondents to share how confident they felt in the Technology Channel's ability to not only attract talent, but retain it. Contrary to The Great Resignation, Technology Channel leaders showed strong confidence in this area at 7.8 out of 10, with 64% scoring 8 or above on the scale.
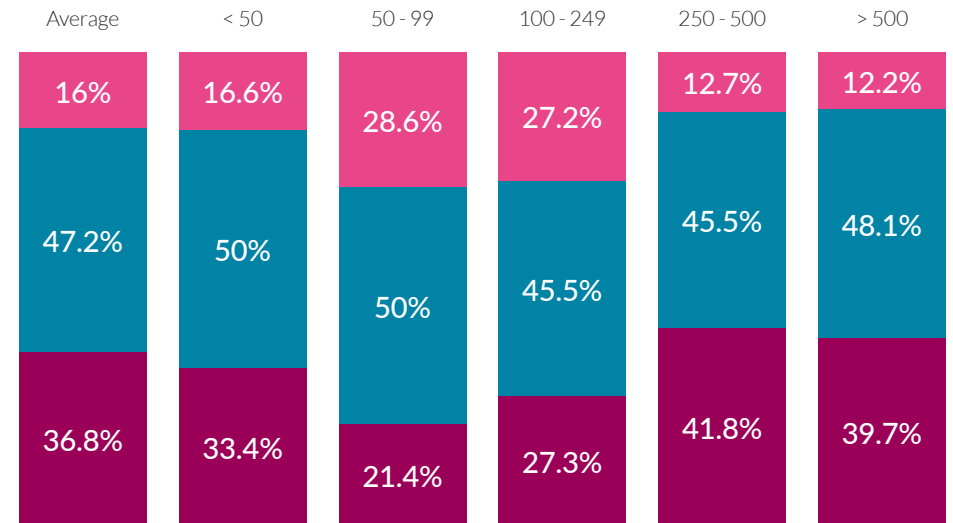
Technology Channel confidence in attracting and retaining talent:

| 7.8 average rating out of 10 | |

It's clear that confidence in how the industry is advancing has been positive, with businesses embracing new ways of working whilst seeing improvement of recruitment and staff retention in the long run. However, the level of optimism varied across companies of different sizes, with the most confidence prominent in businesses with more than 500 employees.

Confidence to attract and retain talent by company size:

Key: ■ 0 - 6   ■ 7 - 8   ■ 9 - 10

	Average	< 50	50 - 99	100 - 249	250 - 500	> 500
0 - 6	16%	16.6%	28.6%	27.2%	12.7%	12.2%
7 - 8	47.2%	50%	50%	45.5%	45.5%	48.1%
9 - 10	36.8%	33.4%	21.4%	27.3%	41.8%	39.7%

Companies employing 10-49 and 50-99 employees both revealed confidence at more than 50% for attracting and retaining talent moving forward. However, of the companies with 50-99 employees, 7% answered the lowest possible response of 1 out of 10 for optimism.

Additionally, 4% of respondents in organisations of 100-249 staff members selected 4 or below for optimism moving forward.

Agilitas says:

"It is understandable that mid-sized companies are more pessimistic about attracting and retaining talent. As they've grown in size, they may have lost that 'family-feel' that attracts talent to smaller organisations and yet they are not large enough to have significant career progression routes in place. With ambitious employees looking to progress in their careers, it can be difficult to retain talented team members if the next level job category doesn't exist in their business model.

Medium enterprises need to take care that they don't end up in 'no-mans land'. Ensuring they have core values defined, with feasible resources in place to reinforce them can help steer where they are going as a business. Communicating this well to the marketplace is key to ensure they remain attractive to potential candidates.

When it comes to people strategy, recognising that people want different things is extremely important. Not everyone will be the right fit for your business – and that is okay! The key is ensuring

you are attracting the most suitable candidates for your business as this will ultimately help with retention too. Being honest and upfront at the interview stage when demonstrating your company's culture will enable you to align your values to your employees.

Interestingly, the research also found that some departments were more optimistic than others with their ability to attract and retain talent. Sales leaders were more pessimistic than most, only scoring 5.5 out of 10 compared to the 7.8 mean score. Post-Covid, the nature of

sales has changed – sales cycles are increasing, it's harder to close certain deals and customers are savvier and only committing to shorter contracts. All this is putting a lot of pressure on sales roles with attrition rates in sales roles fairly high.

It is becoming increasingly important for business leaders to recognise what elements of company culture can support and attract staff in high pressure roles in order for them to get the best results from their workforce."

INDUSTRY *Voice*

HIGHGATE
SOLUTIONS

Jenny Latimer
Head of Alliances and Operations at Highgate

Highgate IT Solutions were founded in 2010 and they have grown from strength-to-strength in the last decade as an established reseller with both corporate and public sector clients. As a 100% remote 'work anywhere' organisation, with a 4-day working week, a huge focus on sustainability and a passion about employee wellbeing, Highgate fully promote putting their people first which was undoubtably a factor in their recent accolade of Reseller of the Year (sub £100m turnover) at the CRN Channel Awards.

We spoke with their Head of Alliances & Operations, Jenny Latimer, to discuss the results from our research and how Highgate's People Strategy plays a crucial role in their business roadmap.

Highgate have been 100% remote from the start – what advice would you offer small businesses that are deprioritising the hybrid/remote working strategy? Are they missing out?

Highgate says:

"Ahead of the pandemic, it would not necessarily occur to someone to question if working in an office suited them best (professionally and personally). For a lot of people, it was all they knew and it's the only option they had.

With lockdowns forcing those that could work from home, to work from home, it has shed light on a previous unknown.

What is very important for smaller businesses to consider is whilst senior leadership/decision makers that completed this survey, deem that being in the office is best for the organisation, have they considered what may be best for their employees as individuals?

Some individuals thrive in an office environment, whereas some thrive in a quieter place of work, such as at home. Some of your employees may be introverts and find an office overwhelming. Offices can be distracting, so are you getting the highest level of productivity from your employees by them being in the office?

Plus, when attracting new talent to fill roles, you may be limiting yourself to a certain area and postcode. This could also limit the diversity of candidates/employees.

If there is a reluctance to permanently move to a hybrid/remote working strategy, consider trialling it, ensuring you are able to measure the success to the business but also the impact on employee wellbeing."

Why do you think IT resellers prioritised mental health so highly?

Highgate says:

"I am surprised that mental health and wellbeing support doesn't feature in the top 5 - this would suggest to me that it is still yet to become a 'norm'.

Perhaps for employees that have worked in the same place for a while, a place that doesn't offer these benefits, they may not realise that other companies do and therefore it's in a transitional phase.

I do not think it is possible to generalise by an organisation's type as to whom is making the most headway in this area. What it really does come down to, is the leadership of an organisation and the type of environment they are building and creating.

I think over the next 3-5 years, as more organisations focus on their employees mental health and wellbeing, others will be forced to take action too."

How have your people efforts evolved over the last 2 years?

Highgate says:

"Many of the policies and strategies we have implemented at Highgate are ones that we plan to keep as we evolve and grow.

We believe there is a great benefit to building strong foundations from the beginning, giving the company an identity and core which remains present throughout.

For example, having introduced a 4-day work week model when we had 24 employees meant we could trial it and tweak as needed over a 6 month period. Feedback could be obtained easily from all participants and any changes could be made quickly. Now this model is part of who we are and although there may be new challenges that arise as we grow, we are confident that it is established enough to not face anything significant.

Of course, as the business grows, there may be changes we have to make along the way. For example, perhaps one day we'll require an office, rather than remaining 100% remote, as we are now.

Organisations thrive when they adapt and evolve."

What have been the biggest challenges Highgate has faced regarding culture and supporting its team?

Highgate says:

"Highgate has always been a 100% remote organisation, since it was founded in 2010. It means that we've always had to put a twist on the traditional way of doing things.

We promote a 'cameras on' policy to replicate being face-to-face as best we can and are regularly touching base with all members of Highgate.

We have companywide weekly meetings, a WhatsApp group and initiatives that involve everyone. We do understand the importance of meeting in-person too and in 2023 are planning a minimum of six company events.

Being 100% remote, I think that we are more conscious of the need to touch base and keep in touch with one another."

Do you feel that your benefits and recruitment strategy give you a competitive advantage?

Highgate says:

"Every individual has their own personal and professional needs/desires when looking for a new role.

At Highgate, our hope is that we are able to create an environment for our employees where they feel safe, can thrive and be the best version of themselves.

We are proud of the benefits we offer, such as a 4-day work week, free private healthcare with mental health support, companywide sustainability initiatives, to name but a few. However, it all comes down to what a candidate prioritises for themselves. For example, some people prefer to work in an office, something we are unable to offer."

How can partners play a part in contributing to Highgate's employee experience and culture?

Highgate says:

"We are keen to work with partners that have similar goals and similar values to our own.

We believe in the importance of a partnership being beneficial to both

parties and therefore treat partners as an extension of Highgate.

A lot of our internal practices are extended to our partners too, such as meeting up throughout the year and collaborative video calls."

What would you recommend to channel businesses looking to enhance their investment in their workforce?

Highgate says:

"Try to avoid introducing a wellbeing initiative to tick a box.

For these types of initiatives to be successful, they need to have belief and passion resonating through
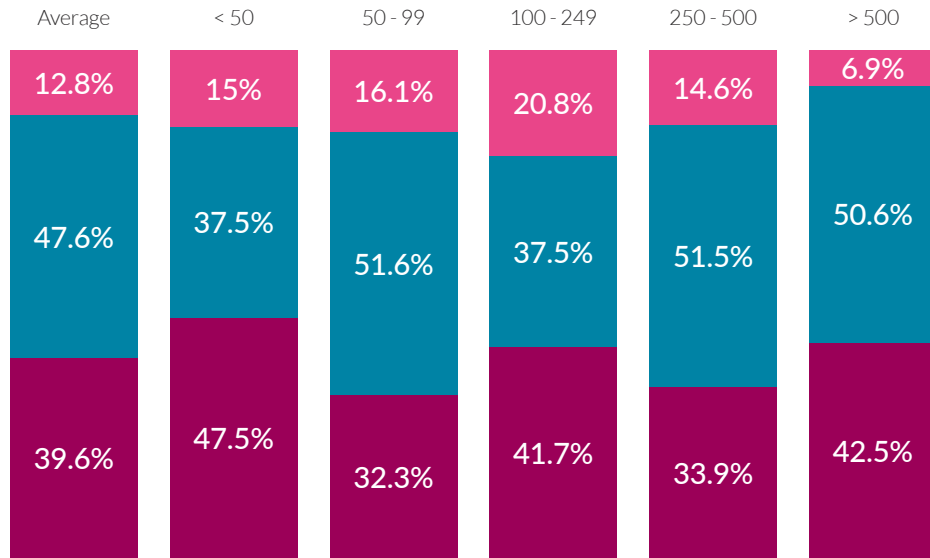
them, from the leadership team.

Employees who are happy and well, are more likely to be productivity and less likely to want to leave. There is so much to be gained from taking care of your employees."
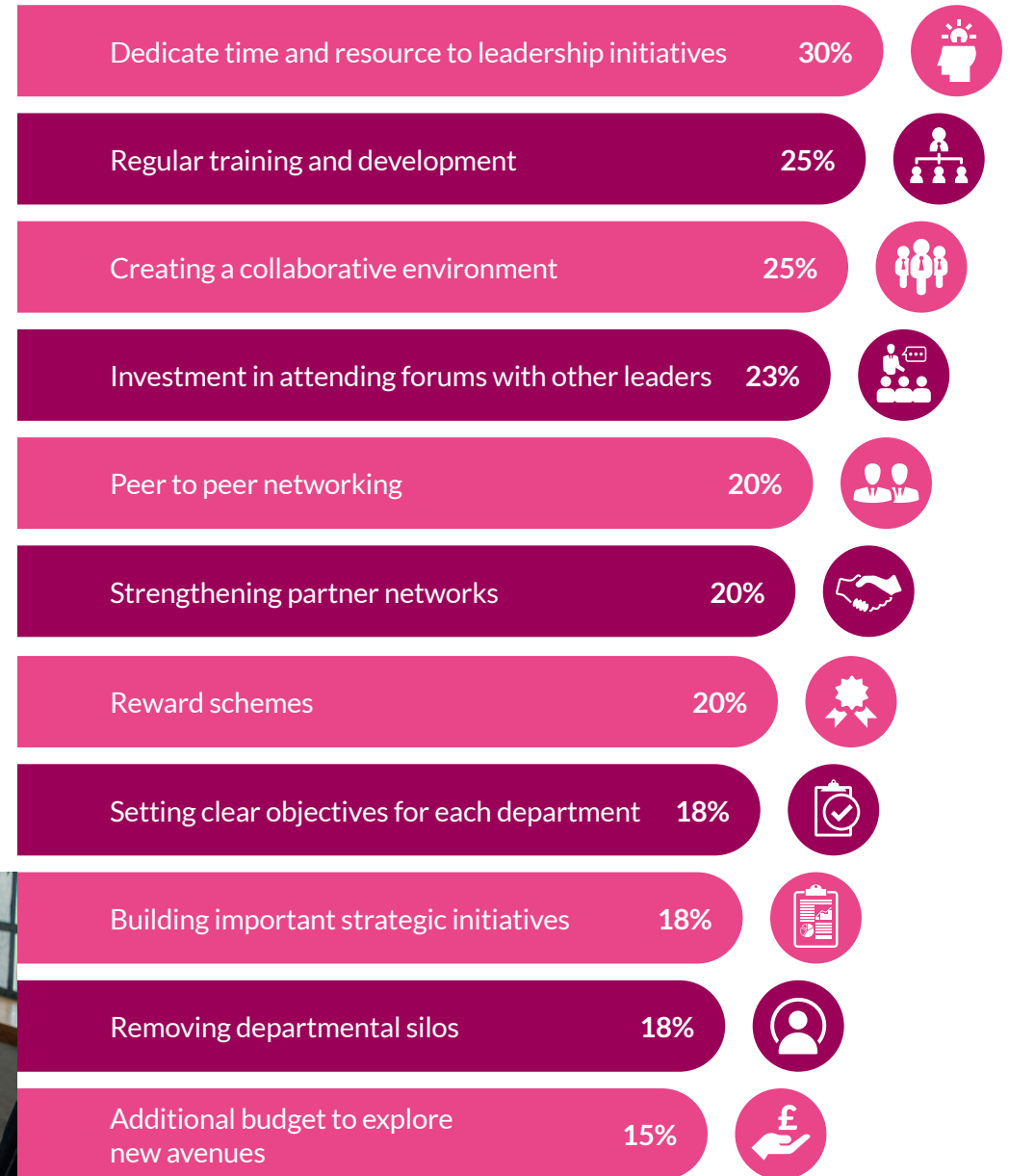
LEADING THE WAY

In order to make an impact in the industry, it is evident that leaders have to be brave and bold with their ideas. This was especially prominent among the MSP responses we received, with 86% of those asked scoring 7 or higher out of a possible 10 for the importance of building an environment of trust that encourages brave and bold decisions.

How important is it for leaders to be brave and bold with ideas:

Key: 0 - 6 | 7 - 8 | 9 - 10

	Average	< 50	50 - 99	100 - 249	250 - 500	> 500
0 - 6	12.8%	15%	16.1%	20.8%	14.6%	6.9%
7 - 8	47.6%	37.5%	51.6%	37.5%	51.5%	50.6%
9 - 10	39.6%	47.5%	32.3%	41.7%	33.9%	42.5%

When asked 'what measures should channel businesses adopt to empower leaders in their business?' 35% of MSPs, who have previously taken different approaches to other industries, selected creating a culture that encourages vision as the most important. Other responses ranked:

Dedicate time and resource to leadership initiatives	30%
Regular training and development	25%
Creating a collaborative environment	25%
Investment in attending forums with other leaders	23%
Peer to peer networking	20%
Strengthening partner networks	20%
Reward schemes	20%
Setting clear objectives for each department	18%
Building important strategic initiatives	18%
Removing departmental silos	18%
Additional budget to explore new avenues	15%

PEOPLE POWER

Treating our employees as assets is not a new strategy for Agilitas, with the company having introduced a number of initiatives and policies that promote the value and investment in team members. In fact, the business even has its own dedicated Chief People Officer, Bev Markland, who is driven and motivated to create and build a positive, engaged as well as diverse and inclusive workforce.

There are many 'new people' challenges post-pandemic, so providing a Human Resource service that is both employer and employee-led has also played a crucial role in Agilitas' ambitious growth plans.

The main key for Agilitas is to ensure that the policies and initiatives created align to the company's core PRIDE values – Passion, Respect, Innovate, Deliver, Embrace. These values are reiterated constantly through Agilitas' employee reward schemes and training, as well as displayed in action by the various workshops, volunteering days and support that is on offer. From the 'I am Remarkable' workshop, designed to improve team confidence, to the increased support for those affected by the menopause – the values are a consistent part of Agiliteam life.

Through Bev's work, Agilitas is determined to continue to adopt a people-first mentality where its team members can feel a true sense of belonging. Not only has the company successfully implemented hybrid and remote working strategies and embarked on several employee well-being initiatives, but it is also empowering its employees through the introduction of 'Project Acorn' which encourages staff from all levels to drive improvements and efficiencies throughout the business.

CONCLUSION

While the EVOLVE era has been different, our focus on providing actionable market insight remains the same. Over the coming months, you can expect our third report in the series which will showcase the progress being made across the Technology Channel in the areas of People, Planet and Partners.

Throughout this report, we have reviewed the strides made in the Channel's investment in its people following the pandemic. Diving deeper into the findings, it has been evident that confidence has remained high but did vary across companies of different sizes and those in varied job roles.

As expected there is no one-size-fits-all approach, however, Technology Channel businesses have been widely confident when it comes to nurturing company culture and the next generation of talent.

Questions around the investment in people and overall retention received positive responses, but also highlighted areas where there are still improvements to be made, especially for smaller organisations that have less resources.

With the force of 'The Great Resignation', keeping staff and finding new talent in a competitive market has been a challenge, so looking after our people has become even more important. There are many external factors that are having a widespread impact, from the cost of living to the rise in the need for mental health support, so positioning our teams as our greatest assets, creating a sense of community and value are needs that will continue to require attention.

In our next report, 'EVOLVE For Our Partners', we will explore

how to withstand change and ensure Channel leaders continue to find new ways to strengthen their businesses through strong relationships with their partners. This will include collaboration, partnering with companies who share similar goals and values as well as longevity in the industry.

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 IT Channel.