



2023 CHANNEL TRENDS

Unlocking the power of
TOTAL EXPERIENCE

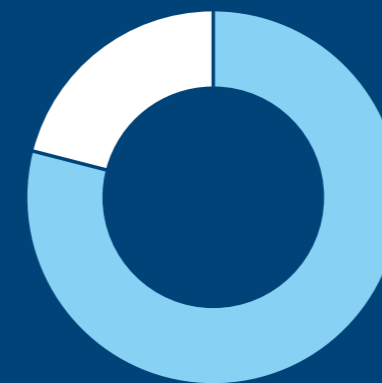
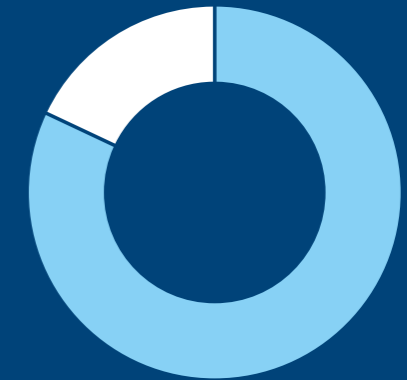
AGILITAS



KEY TAKEAWAYS AND CHARTS

82%

of the Channel are focusing on Customer Experience over the next 12 months.

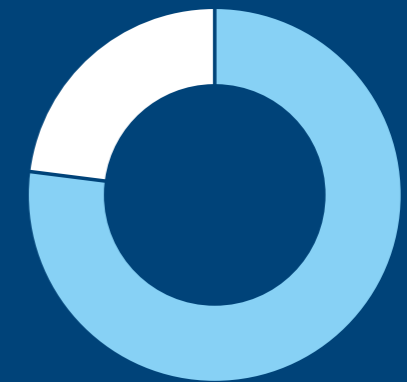


79%

are proactively working with suppliers to create more eco-friendly supply chains.

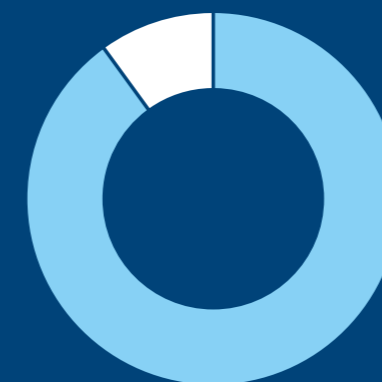
77%

are tackling supply chain disruptions caused by external factors.



90%

believe that company culture is key to a successful business.



The Channel is in uncharted waters. Never before has it been so clear to distinguish the winners and losers in the marketplace. As leaders, we are faced with the challenge of steering our companies through this unknown territory. This involves staying agile, informed, and calculating risk – being brave and bold to make decisions, whilst ensuring our stakeholders are protected at all costs.

With a rapidly changing landscape, we must gather as much information as efficiently as possible to build resilient strategies, that not only ensure the safety of our businesses, but enable them along with our people, customers, and investors to thrive.

That's why we believe our annual research identifying the trends of the Channel has never been so important. Our research-led campaign provides the Technology Channel with a voice, giving them a much-needed resource that provides advice, insight, and recommendations to help leaders build resilient business strategies.

Focusing on the areas that matter including sustainability, customer experience, culture, leadership, purpose and alliances, this year's research also explores the rise in Channel Businesses implementing 'total experience'. This is defined as a business strategy that connects employee, customer, user experience and multi-experience to provide a holistic experience for all stakeholders. This is something that we at Agilitas are committed to driving across the Technology Channel with the introduction of our new CX Edge framework.

The findings explored in this report were gathered in early 2023 in partnership with respected research firm Opinion Matters. To align with previous years, we surveyed 250 respondents working in UK-headquartered businesses with an annual turnover of over £5million.

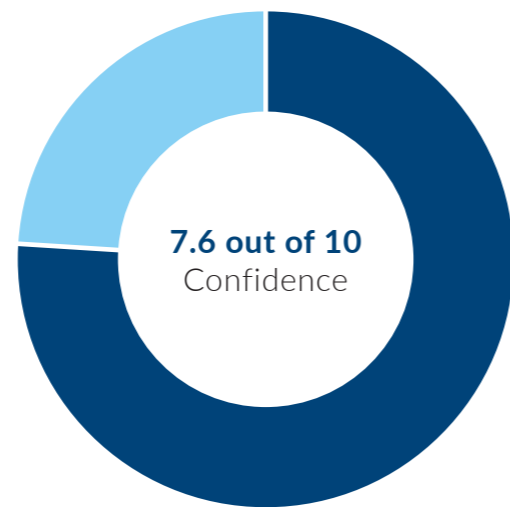
DECLINING CONFIDENCE ACROSS THE TECH CHANNEL



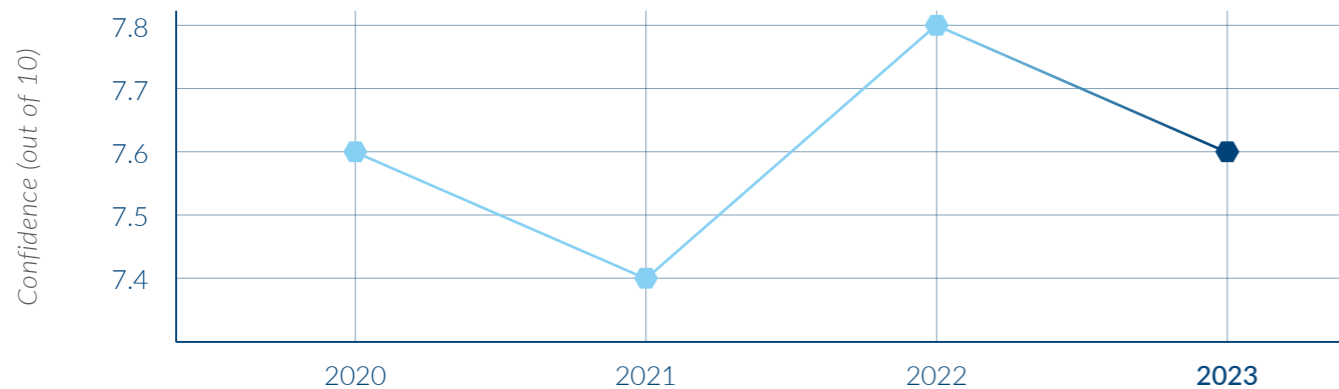
OVERALL CONFIDENCE TAKES A SLIGHT DECLINE FROM 2022. IT DISTRIBUTORS THE MOST CONFIDENT IN THE MARKETPLACE. SMALLER COMPANIES PESSIMISTIC ABOUT THE YEAR AHEAD.

When asking Technology Channel leaders how optimistic they were about the future success of their company in the next 12 months, they ranked 7.6 out of 10, which is down from 7.8 last year.

Looking closer at the data reveals that 45% of respondents ranked their optimism at a 7 or 8, with a third of Channel decision-makers, highly optimistic about the year ahead, ranking their optimism at a 9 or 10.



OVERALL CHANNEL CONFIDENCE BY YEAR:

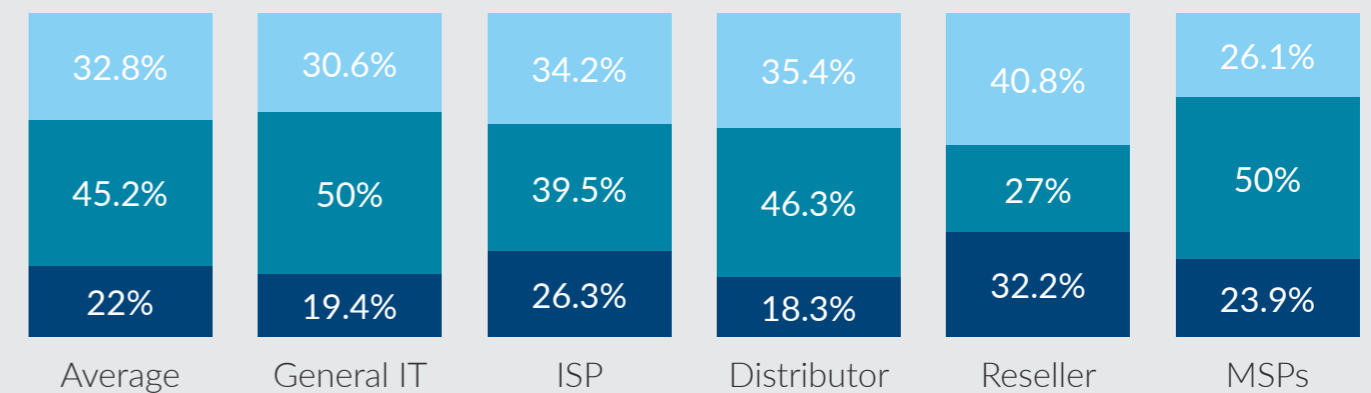


Whilst the 2022 report demonstrated a huge increase in optimism amongst MSPs, this year's barometer reveals that MSPs are the least confident, alongside ISPs. On the other hand, IT Distributors are the most confident in the market, highlighting their drive to reinvent the way they operate and better serve their customers. Interestingly, IT Resellers are the most polarised when measuring their confidence.

According to the findings, the larger the business, the more confident they were about the future success of their company in the next 12 months. Large Technology Channel businesses, with more than 500 employees, were the only group to have more than 40% of respondents score between 9 or 10, in comparison to 57% of companies with 10-59 employees ranking optimism below 6.

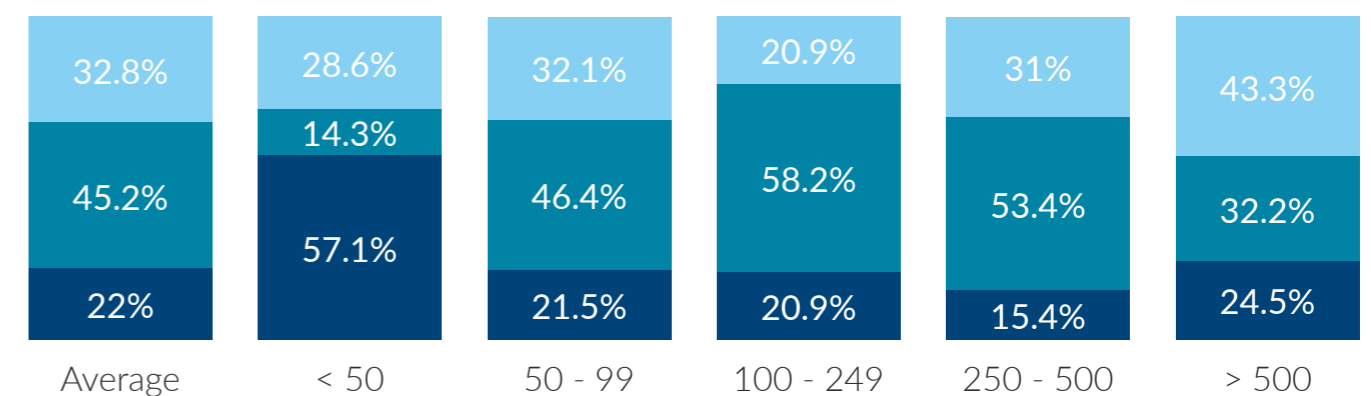
CONFIDENCE BY SECTOR:

0-6 - Not as Confident ● 7-8 - Confident ● 9-10 - Extremely Confident ●



CONFIDENCE BY BUSINESS SIZE:

0-6 - Not as Confident ● 7-8 - Confident ● 9-10 - Extremely Confident ●



PRIORITIES FOR FUTURE SUCCESS

87% OF LARGE ORGANISATIONS PRIORITISING SUPPLY CHAIN DISRUPTIONS, WHILST SMALLER ORGANISATIONS FOCUSED ON ESG.

TOP 3 CHANNEL PRIORITIES:

Creating eco-friendly supply chains

Building strategic partnerships to allow collaboration

Embracing the next generation of talent

80% of the Channel are focused on creating eco-friendly supply chains. However, there were variations by sector with MSPs and Distributors prioritising people strategies whilst resellers focused on supply chains.

It's no secret that Technology Channel companies have faced many unforeseen challenges and were forced to pivot their business models at speed to meet new customer demands and maintain their value. The fact that business leaders have so many priorities to juggle has enforced the need for strategic partnerships.

Interestingly, this year's data reveals a difference in focus depending on the size of the organisation. Whilst smaller organisations are focused on ESG, larger Technology Channel companies are focusing on external factors, such as strategic partnerships and supply chain disruptions.

TOP FOCUS BY BUSINESS SIZE:

Under 50 ESG in our Organisation - 71%

50 - 99 ESG in our Organisation - 82%

100 - 249 Strategic Partnerships to allow Collaboration - 79%

250 - 500 Creating a more Eco-Friendly Supply Chain - 81%

Over 500 Addressing Supply Chain Disruptions - 87%

TOP FOCUS BY INDUSTRY

The following is based on industries choosing 9-10 for high-priority focus.





INTRODUCING THE TOTAL EXPERIENCE



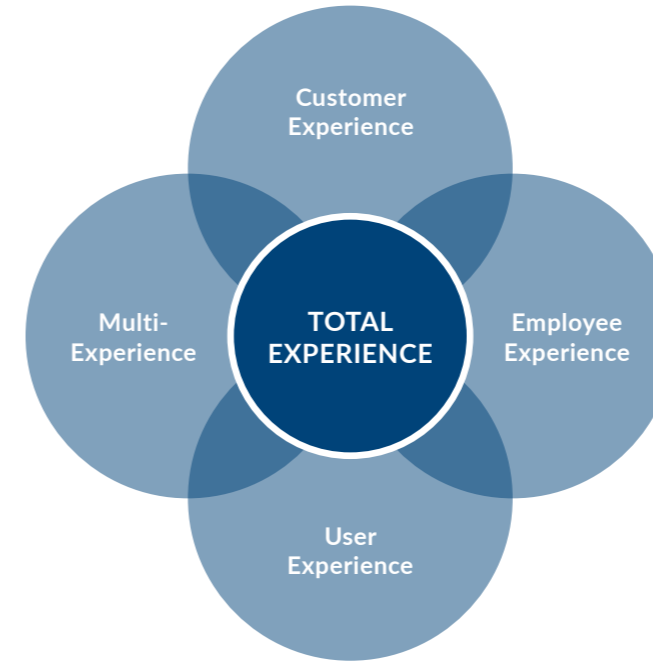
TECHNOLOGY CHANNEL PRIORITISING CUSTOMER EXPERIENCE AND CULTURE WITH LARGER ORGANISATIONS LEADING THE WAY.

When thinking of the future of the Technology Channel over the next 12 months, respondents ranked the most important factors to their business.



Once again, the Channel Leaders we surveyed highlighted how they are ultimately juggling several high priority strategies with just a 4% difference in the top 5 focus areas.

With customer experience and culture topping the list, now is the time for Technology Channel businesses to establish a Total Experience. This works internally and externally to enhance employee and customer satisfaction. By improving experiences for all stakeholders and implementing this transformational strategy, Channel leaders can build more resilient business models.

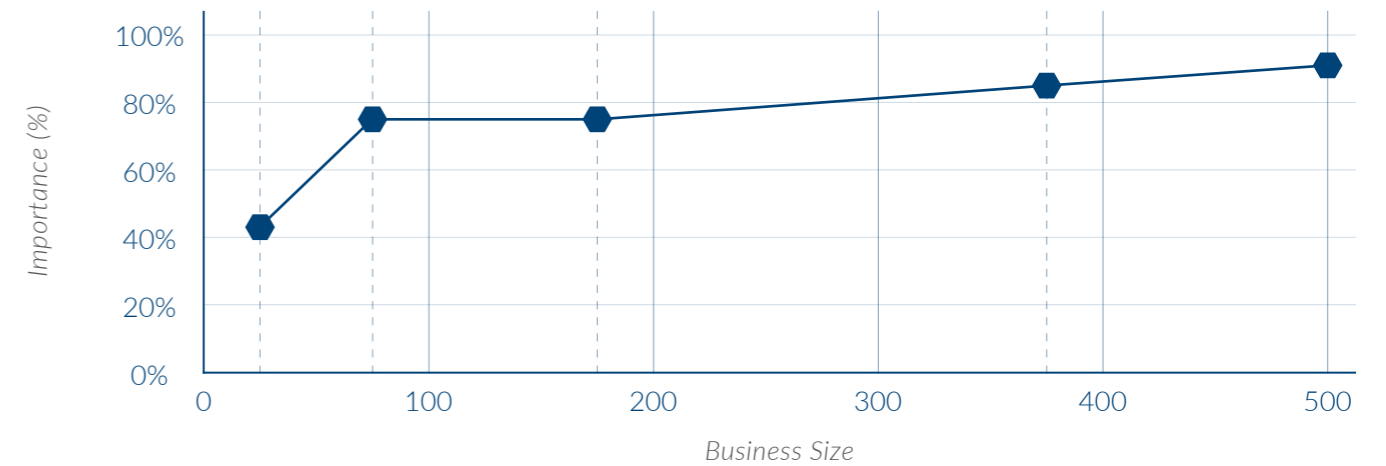


WHAT IS TOTAL EXPERIENCE?

Total experience is based on the idea that no experience is siloed. Employee experience impacts customer experience, user experience impacts employee experience and so on. With greater collaboration and an increase in focus with all four, core areas - Channel businesses can immediately see a shift within their business, bolstering a stronger strategy and allowing better experience all-around.

By improving experiences for all stakeholders and implementing this transformational strategy, Channel leaders can build more resilient business models.

IMPORTANCE OF CUSTOMER EXPERIENCE - BY BUSINESS SIZE:



TRACEY WARDELL, CUSTOMER EXPERIENCE DIRECTOR AT AGILITAS

"The challenging external environment has increased the pressure on Channel businesses, which has often affected the whole experience for the customer. Its really encouraging to see Customer Experience as the top priority. At Agilitas, this is also something we are prioritising with the introduction of CX Edge. We've embedded the CXEdge framework in our systems, structure and culture allowing our customers greater control, forecast and predictability. Every part of the customer journey is considered."



A FOCUS ON COLLABORATION & COMPANY CULTURE



COLLABORATION THE FOCUS AS BUSINESSES LOOK TO IMPROVE COMPANY CULTURE.

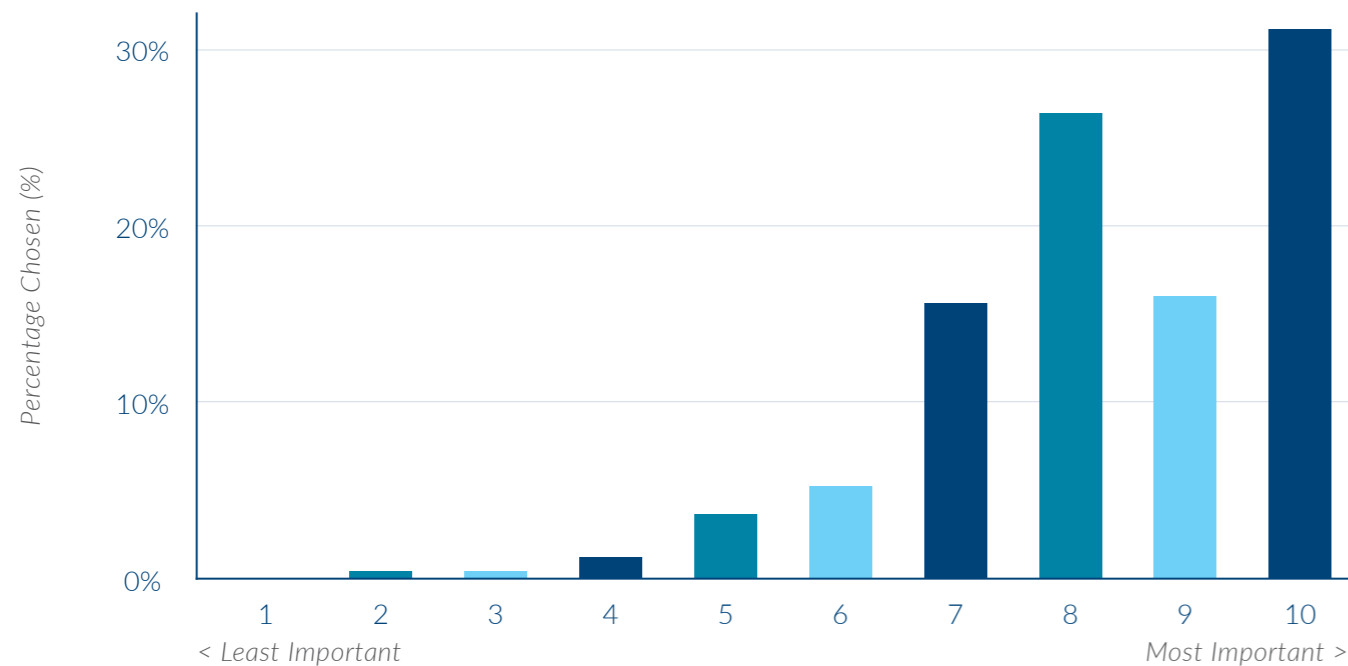
Every organisation's most valuable asset is its people, and businesses in the Technology Channel are understanding the importance of establishing a sustainable culture that supports its people, attracts and retains the right talent, and puts its leaders at the centre of change.

With employee experience a key component in an organisation's Total Experience, it's

promising to see that company culture is increasing in importance to businesses, with 74% of respondents ranking it 8 and above and 31% ranking it 10 out of 10.

However, it is interesting to discover that the importance of company culture is ranked higher for larger businesses (8.63 out of 10) compared to smaller businesses (7.5 out of 10).

HOW IMPORTANT IS COMPANY CULTURE TO YOUR BUSINESS?



With businesses now adjusted to hybrid working, it's clear that there has been a focus shift to productivity in terms of factors that improve a company's culture.

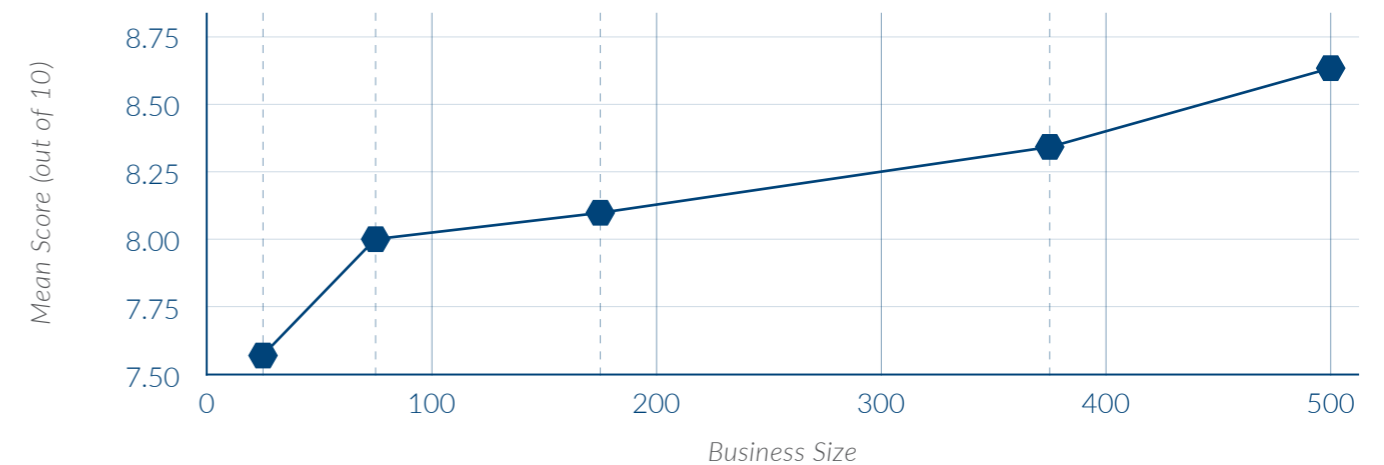
TOP FOCUS FACTORS:



There has also been a change in priorities from equality (providing the same to all) to equity (allocating resources and opportunities needed to reach an equal outcome) with businesses across the Technology Channel, recognising that each employee has different needs, wants, and circumstances that may affect their work / life balance, such as:

- 24% of respondents were enabling employees to take holidays to suit their own religious beliefs or celebrations.
- 21% were providing diversity training.
- 14% were actively making changes to accommodate employees with health conditions or disabilities.

IMPORTANCE OF COMPANY CULTURE - BY BUSINESS SIZE:



THE FIGHT FOR TALENT



We asked how confident Technology Channel decision-makers are in the Channel's ability to attract and retain talent, with respondents ranking their confidence at 7.9 out of 10 - which has improved from 7.8 in 2022.

The results also found that Channel companies are prioritising retention strategies and promoting from within, rather than focusing their efforts on monetary benefits for employees.

HOW BUSINESSES CAN EMPOWER THEIR LEADERS:

Our leaders across the organisation play a crucial role in driving the Employee Experience. Our research uncovered that communication, collaboration and transparency were the most important factors - all of which are vital in successfully adopting the total experience principles.

Set clear objectives that are aligned to the overall business - **36%**

Create a code of conduct that encompasses behaviour and values - **34%**

Create a collaborative environment with other decision-makers - **32%**

Strike a balance between internal promotion and external expertise - **30%**

Make a culture that encourages vision and accepts mistakes - **30%**



IMPROVING EMPLOYEE EXPERIENCE

Implementing / Have Implemented Will be Implementing No Current Implementation Plan

| | | | |
|--|-----|-----|-----|
| Attracting Out-of-Industry Talent | 38% | 46% | 16% |
| Providing Apprenticeships or Graduate Models | 47% | 42% | 13% |
| Career Development Plans to Promote from Within | 55% | 38% | 7% |
| Refining the Onboarding Process, Internal Training, Learning & Development | 54% | 39% | 7% |
| Offering Family-Friendly and/or Long-term Staff Benefits | 49% | 43% | 8% |
| Hybrid / Remote or Work-from-Anywhere Working Strategies | 58% | 35% | 6% |
| Increased Annual Leave or Pay | 39% | 45% | 16% |
| Providing Internal Mental Health Services | 51% | 34% | 14% |
| Improving Day-to-Day Workloads Through Technology or Automation | 57% | 32% | 10% |
| Commit % of Revenue to Environmental Schemes & Charities | 43% | 42% | 15% |

BEV MARKLAND, CHIEF PEOPLE OFFICER AT AGILITAS

"Creating a positive employee experience goes beyond pay and financial incentives - it's about ensuring your employees are engaged and feel valued. This needs to go across the entire employee life cycle - from recruitment, onboarding, their time within the company and then also for them to be a positive advocate when they leave."

Engaged employees are 41% less likely to be absent from work and engaged workplaces experience as much as 59% less turnover. Companies are also more likely to experience higher levels of productivity and an improved quality of work. But perhaps most importantly, engaged employees are more likely to make positive connections with customers and go 'above and beyond', directly impacting customer experience. It's all connected - if you have dis-engaged employees delivering your customer experience, then you are set to fail before you even begin."



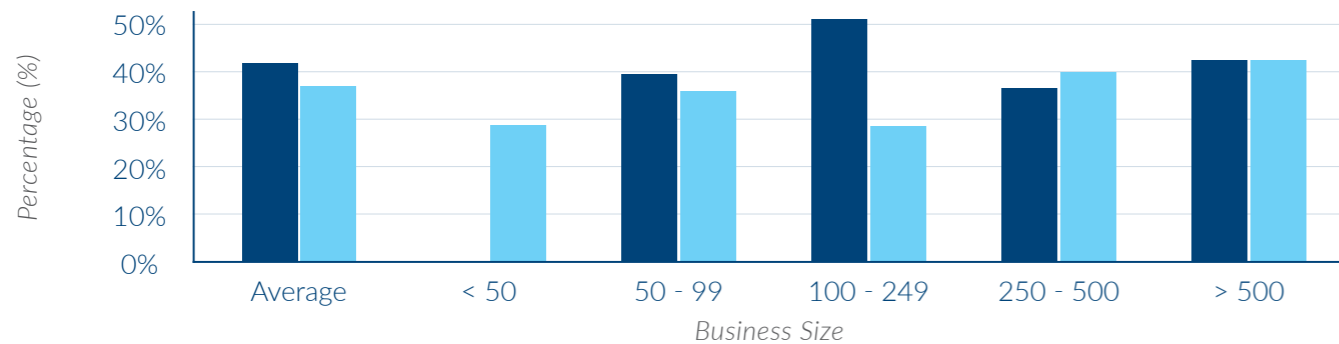
REMAINING RESILIENT THROUGH PARTNERSHIPS



A key element of building resilience is recognising that alliances with like-minded companies are vital in developing solutions that drive both a return on investment (ROI) and growth, and ultimately affect the overall Total Experience. As we look ahead, evolving partnerships between businesses and their Channel partners are becoming increasingly important as companies look to expand their reach across global markets, scale their operations and digitise their supply chains to create a resilient business model.

FOCUS ON RESILIENCE - BY BUSINESS SIZE:

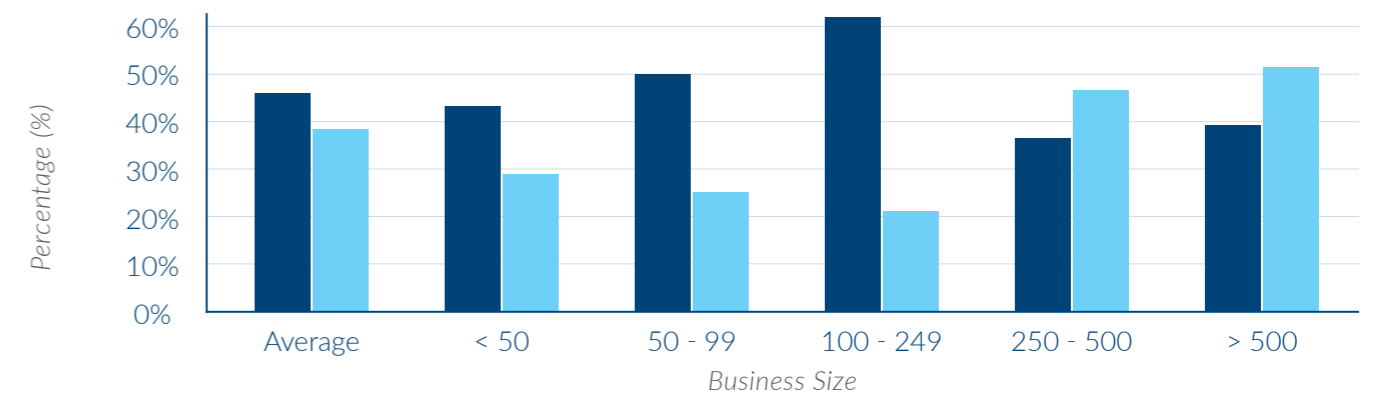
7-8 - Confident ◆ 9-10 - Very Confident ◆



Today, many Channel businesses are adopting a 'Globalocal' way of working, which translates to companies using local supply chains at a global level. Our research found this was especially important in larger organisations who were more focused on addressing supply chain disruptions. Not only do these local supply chains reduce environmental impact, but they can create great efficiencies and cost savings if executed correctly. In our research Technology Channel leaders cited it as a significant focus moving forward, ranking it 8 out of 10 - up from 7.7 in 2022.

FOCUS ON BUILDING GLOBALLOCAL PARTNERSHIPS - BY BUSINESS SIZE:

7-8 - Confident ◆ 9-10 - Very Confident ◆



STEPS CHANNEL LEADERS ARE TAKING TO BUILD TRUSTING PARTNER RELATIONSHIPS:

- Digital tools and services for streamlined CRM and systems integration - **38%**
- Understanding customer challenges and defining propositions to address these - **35%**
- Increased flexibility to meet changing partner needs - **29%**
- Collaborating on projects and initiatives outside of service-level agreements - **26%**
- Timely response, delivery and resolution - **25%**

MOST IMPORTANT FACTORS IN BUILDING EFFECTIVE AND ECO SUPPLY CHAINS:

- Digital tools and services for streamlined CRM and systems integration - **38%**
- Understanding customer challenges and defining propositions to address these - **35%**
- Increased flexibility to meet changing partner needs - **29%**
- Collaborating on projects and initiatives outside of service-level agreements - **26%**
- Timely response, delivery and resolution - **25%**

IS THE CHANNEL STILL FOCUSED ON ESG?

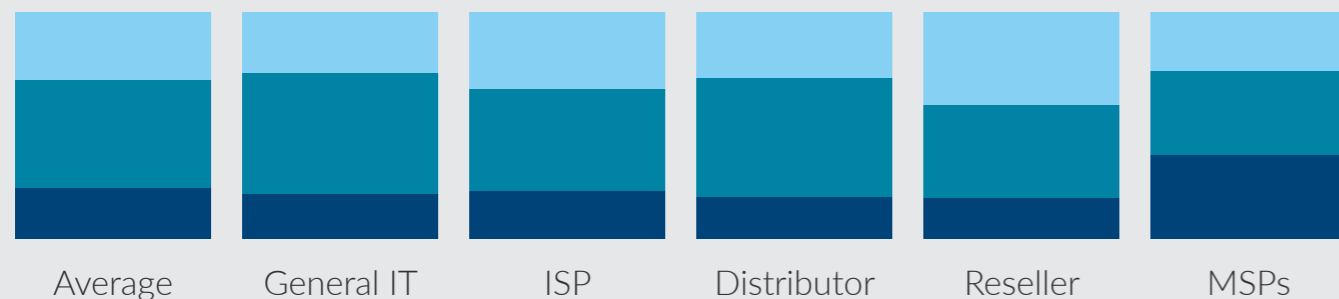
MSPS AND MID-SIZED BUSINESSES LESS LIKELY TO BE ACTIVELY EVALUATING THEIR ESG.

This year, it was interesting to discover that despite confidence levels for the Channel's overall ability to create a better, more sustainable future at an all time high (up to 7.9 from 7.6 in 2022), almost a quarter of Channel businesses lacked confidence in their own organisation's ability to actively

evaluate their ESG commitments. This was higher in MSPs and mid-sized businesses with 37% of organisations having little to no ESG strategies in place. In contrast, 82% of Resellers were focusing on ESG strategies with 41% of VARs surveyed highly prioritising sustainability.

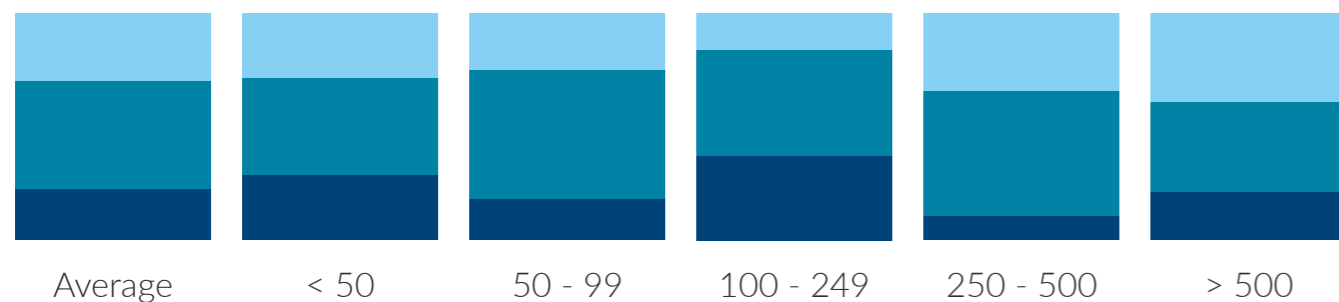
BUSINESSES ACTIVELY EVALUATING THEIR ESG - BY SECTOR:

No ESG Strategy ◆ Some Focus on ESG Strategies ◆ High Priority on ESG Strategies ◆



BUSINESSES ACTIVELY EVALUATING THEIR ESG - BY BUSINESS SIZE:

No ESG Strategy ◆ Some Focus on ESG Strategies ◆ High Priority on ESG Strategies ◆



Encouragingly, when asked how their company was committing to a more sustainable future, many cited carbon reduction strategies, rather than offsetting strategies as their focus with energy efficiency, remote working and adopting a circular economy approach all featuring in the top 5.

HOW COMPANIES ARE COMMITTING TO A MORE SUSTAINABLE FUTURE:



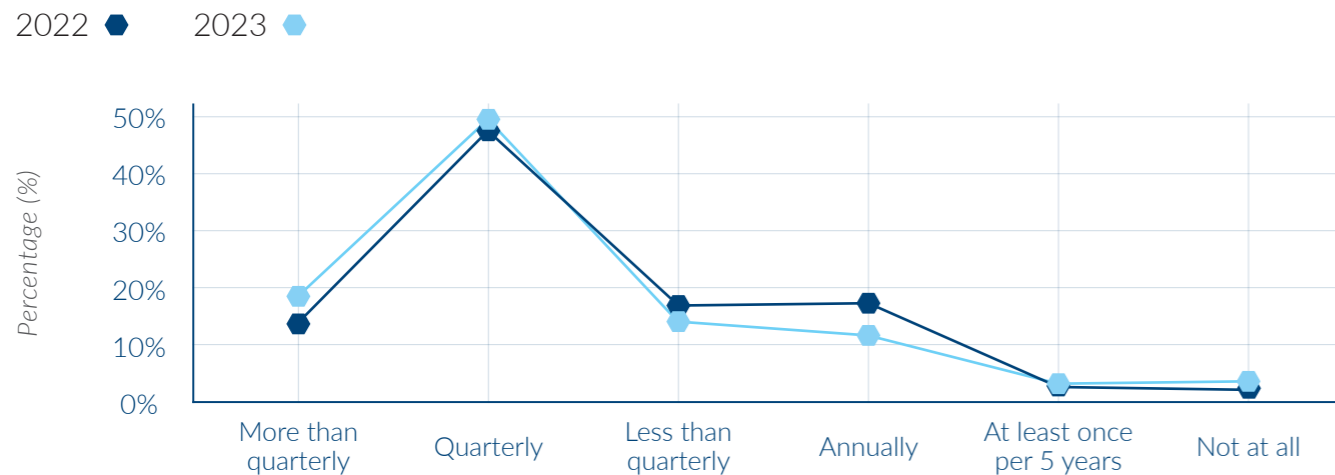
THE RISE OF ESG DATA AND ANALYTICS

68% OF CHANNEL BUSINESSES MEASURING THEIR SUSTAINABILITY TARGETS AT LEAST QUARTERLY, UP 7% FROM PREVIOUS YEAR.

Despite concerns that some Channel Businesses still have little to no ESG strategies in place, for those organisations that have started their sustainability journeys, the wealth of data they are collecting is going from strength to strength. With 68% of the Channel Businesses

surveyed measuring targets at least quarterly, it no longer appears that tracking ESG targets is just for the pioneers in the movement towards a sustainable future. It is fast becoming a necessity and those that are yet to start could find themselves losing out in the competitive marketplace.

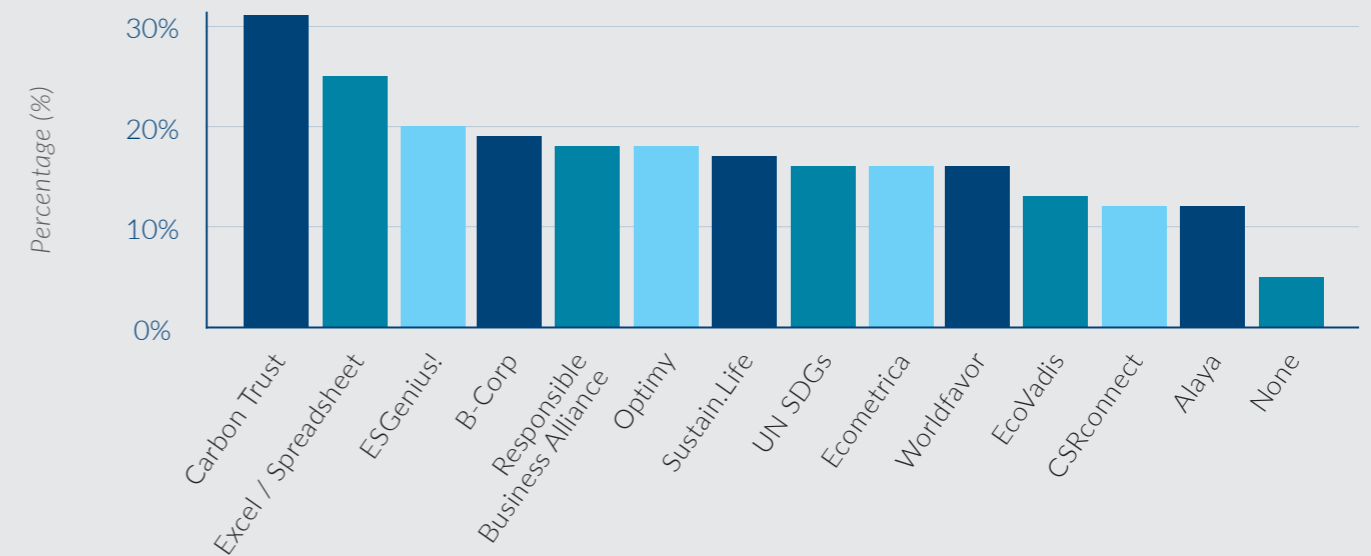
HOW OFTEN BUSINESSES MEASURE THEIR SUSTAINABILITY TARGETS:



From the 250 respondents in our research, ISPs were the most proactive with using data and analytics for ESG with 82% measuring against their targets at least quarterly. This dropped to 61% for MSPs, who were also more likely to be using internal spreadsheets

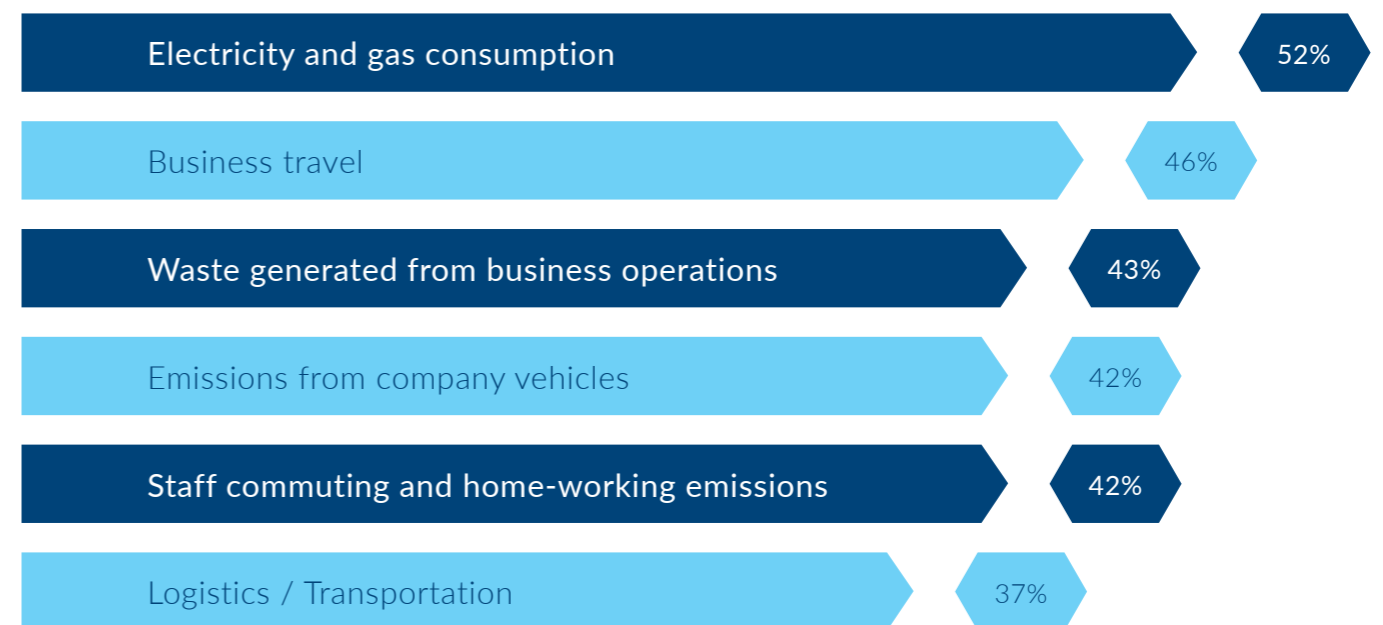
and online self-calculators to measure their ESG targets. Resellers, in contrast, possessed much higher confidence and were more likely to use ESG management tools and benchmarking software.

HOW IS THE CHANNEL MEASURING THEIR ESG TARGETS?



CHOOSING WHAT SUSTAINABILITY DATA TO TRACK:

When looking at what sustainability commitments Channel leaders are tracking...





ARE SUSTAINABLE ALLIANCES THE KEY TO ESG?



82% OF CHANNEL BUSINESSES BELIEVE THAT WORKING WITH LIKE-MINDED COMPANIES TO BUILD SUSTAINABLE ECOSYSTEMS IS IMPORTANT.

DEBORAH JOHNSON, HEAD OF ESG AT AGILITAS

"In 2022 we received over 4 times the number of ESG supplier questionnaires than in 2021, demonstrating just how fast Sustainability requirements in the Channel are evolving. Being transparent, honest and having good governance in place is key to ensuring we can provide what our customers need in a timely fashion for them to share down the supply chain. In many cases it can be the difference between winning and losing contracts.

It's been a steep learning curve but every quarter we find ourselves more knowledgeable and in a better position and this has largely been due to aligning with partners that share similar ESG objectives. In the last 12 months we have committed to Science Based Targets, received a Silver EcoVadis rating, renewed our ISO 14001 accreditation and have begun calculating our Scope 3 emissions."



With 22% of Channel companies only working with suppliers who have a clear eco-policy and 19% of companies conducting ESG questionnaires with their key suppliers, it is starting to become clear how ESG plays its role in the overall Total Experience.

Channel leaders are continuing to face external pressures with governmental commitments, regulatory initiatives, investor

demand for sustainable investments and expectations from customers across the supply chain, so finding a balance between profit and purpose when building collaborative partnerships, is even more imperative.

Our research discovered that culture, transparency and governance are key as Channel businesses look to form partnerships.

WHAT FACTORS DO BUSINESSES NEED TO CONSIDER WHEN LOOKING TO CREATE SUSTAINABILITY-FOCUSED CHANNEL ALLIANCES?





JOHN HAYES-WARREN,
CHIEF REVENUE OFFICER AT AGILITAS

“Total Experience directly impacts customer retention, loyalty and business growth. Getting it right can lead to a more robust and profitable customer base creating a win-win for both the IT channel partner and the end user client. But creating a successful Total Experience involves all stakeholders working together. Miscommunication, unresolved issues and lost revenues are just some of the outcomes when relationships, whether that be internally within your organisation or externally with your partners and customers, fail to align.

It is why we have placed customer alignment at the forefront of our CX Edge operating model and why we are embedding it fully across our entire organisation. Well aligned partnerships can enable the Channel to stay competitive in a rapidly evolving industry.



CLOSING REMARKS

Sustainability, Customer Experience, Culture, Leadership, Purpose and Alliances all contribute to a business' Total Experience and getting the balance wrong can be the difference between winning or losing in the marketplace.

It can seem an overwhelming responsibility for Channel Leaders to dedicate resource to every area, but whilst businesses in the Technology Channel are understandably monitoring their bottom line, it's important to remember that profit and purpose don't need to be an "either-or".

The concept of Total Experience has demonstrated how the factors are closely linked – get the strategy right and you'll feel the positive effects across your organisation for your customers and your stakeholders.

Over the coming months, we'll be delving further into the findings from our research as well as hearing from several of Agilitas' dedicated partners who will be sharing the initiatives that their organisations have implemented.

Join the conversation! Follow us on [LinkedIn](#).

AGILITAS

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[AGILITAS.CO.UK](https://www.agilitas.co.uk)

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