

Canalys EMEA Channel Leadership Matrix 2020

Summary

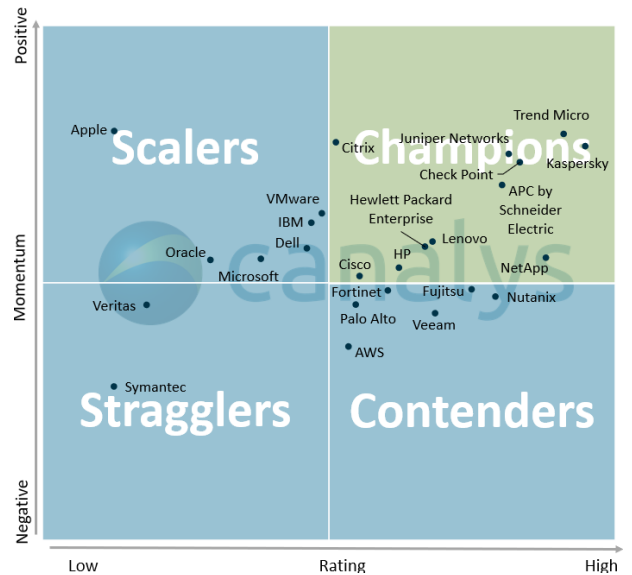
Eleven vendors have been crowned Champions in the 2020 Canalys EMEA Channel Leadership Matrix: APC, Check Point, Cisco, Citrix, Hewlett Packard Enterprise, HP, Juniper, Kaspersky, Lenovo, NetApp and Trend Micro. The challenges created by the pandemic have shone a light on vendors' commitment to their channel partners. Champions status recognizes those vendors demonstrating the highest level of excellence in channel management, (see slide 4 for further details), while driving growth and supporting partners' most urgent needs through the crisis, including supply, communication, financial support, simplicity and account management.

A vendor's position in the Canalys Leadership Matrix is based on partner feedback to the Canalys Vendor Benchmark, combined with a detailed assessment of their recent channel activities and future prospects by Canalys analysts. **Champions** demonstrate the highest levels of partner support and engagement, but have also seen the greatest improvement in partner sentiment, as measured by the Vendor Benchmark. **Contenders** have higher ratings than average, but have not seen those ratings increase year-on-year. **Scalers** (formerly **Growers**) have improved sentiment, but either have yet to achieve the highest ratings in the benchmark, or cannot yet demonstrate consistently strong channel engagement. **Stragglers** are vendors with the lowest ratings that have seen their channel performance decline over the last 12 months and have suffered a deterioration in partner sentiment.

Seven vendors have retained Champion status from 2019: **APC, Cisco, HP, Kaspersky, Lenovo, NetApp** and **Trend Micro**. This requires a vendor to deliver year-on-year improvements on an already industry-leading performance. **HPE** re-enters the Champions segment, while **Check Point, Citrix** and **Juniper** become Champions for the first time. The Champions of 2020 span a range of technology segments, including PCs, networking, data center infrastructure, software and security. However, they all exhibit some common characteristics, including a strategic commitment to channel business models, a focus on simplifying processes and increasing channel investments, and a close alignment with partners to deliver joint success.

*Minimum number of vendor benchmark responses required for a vendor to be included in the Channel Leadership Matrix

EMEA Channel Leadership Matrix
December 2020



EMEA Channel Leadership Champions 2020



Canalys EMEA Channel Leadership Matrix 2020

Summary: Contenders, Scalars and Stragglers

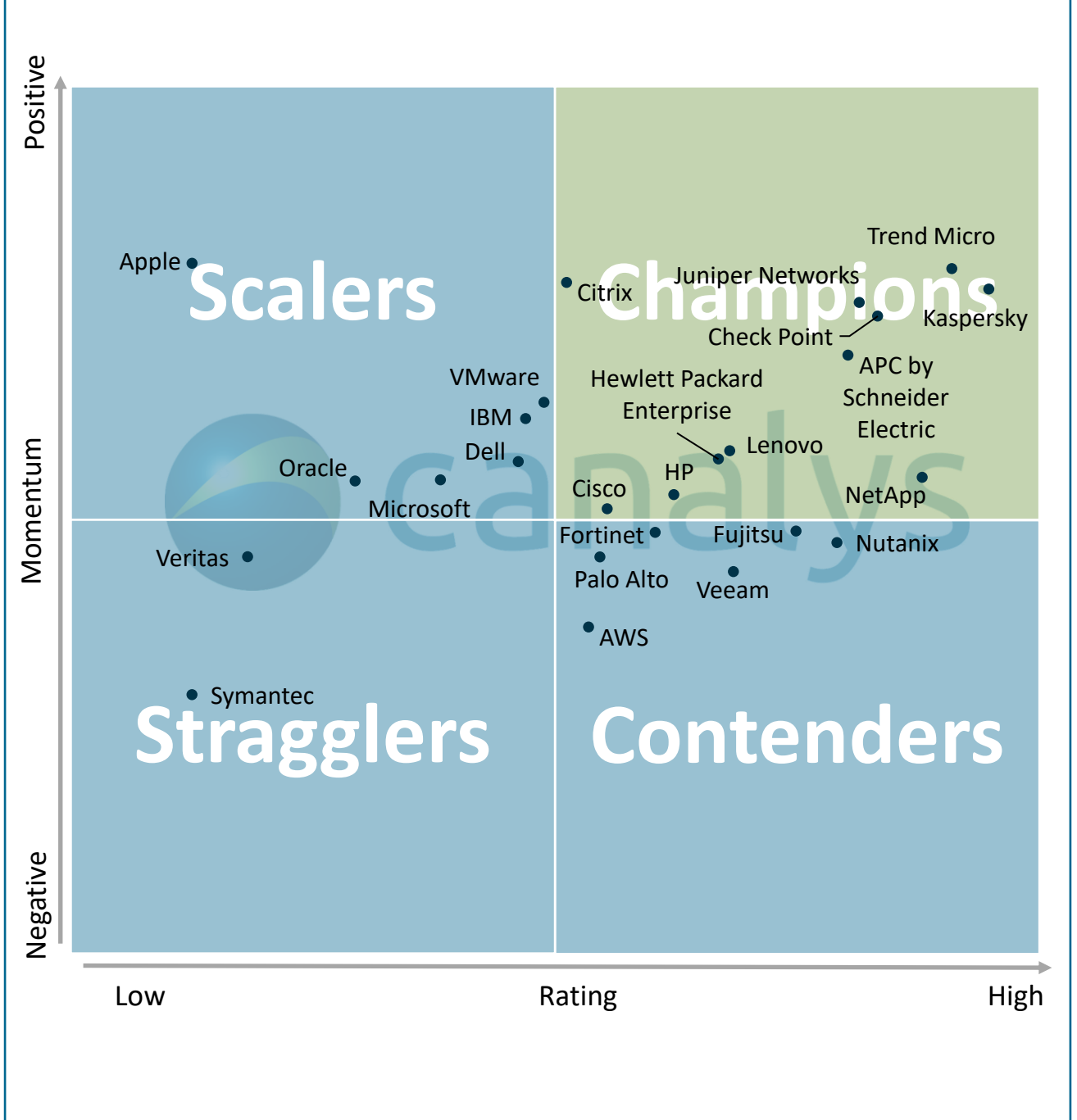
Contenders: **AWS, Fortinet, Fujitsu, Nutanix, Palo Alto** and **Veeam** are Contenders in the 2020 Leadership Matrix. Last year's Champions had the difficult job to improve on their strong 2019 channel performance, while also navigating a global pandemic. Fujitsu saw its channel share of sales grow to over 80% in H1 2020 as it responded quickly to the crisis by extending financial support, delaying certification deadlines and relaxing rebate terms, but suffered from some availability issues. Its prospects for 2021 look encouraging, having launched an innovative ecosystem program in December to support partner-to-partner engagements and enable 'co-creation', while simplifying its partner program. Training and enablement are key priorities. Nutanix remains highly rated and its partners have benefitted from growth trends, including VDI, during the crisis. It must now focus on capitalizing with partners on the expansion of its portfolio into areas like hybrid cloud and database. Nutanix introduced a simplified partner program – Elevate – in September, with streamlined tiers, improved profitability and simplified deal registration, which positions it well for the future. Veeam remains an important disruptor in the backup industry, and is 100% channel centric, but partners have felt increased pressure on margins. AWS continues to turn to partners to help sustain its strong cloud growth and is signing up hundreds of new partners every month, while hiring experienced channel leaders. SMB is a strategic focus area for 2021, and AWS is actively building SMB resources, including expanding distribution partnerships, to accelerate momentum. Executing on this will be key to achieving Champion status in 2021.

Scalars: **Apple, Dell, IBM, Microsoft, Oracle** and **VMware** saw improvements in their vendor benchmark scores over the last year, but are still below the scores of the highest performing vendors, or have demonstrated inconsistency in their strategy or execution. Dell has restructured globally for more focus and go-to-market consistency across international markets. Dell's partner strategy tends to focus on its larger, more strategic partners, which works well in enterprise, but smaller partners can feel less well served. Competition with direct sales is an ongoing frustration, particularly in the client business, the main growth driver in 2020. Microsoft has seen its partner rating improve as its channel benefits from strong cloud growth during 2020. Many partners are choosing to prioritize Microsoft as a strategic cloud vendor, in part because of Microsoft's focus on rewarding partner managed services, IP and migration, and its cloud distribution (CSP) model. Yet Microsoft also creates significant frustration by exerting sustained pressure on resell margins and constantly changing programs. Oracle has seen improvements in partner sentiment on the back of its refreshed partner program and cloud traction, while IBM's new program model and greater emphasis on multi-cloud with Red Hat is driving renewed relevance. VMware's Future Ready strategy positions it well to meet demand across Hybrid Cloud, Workplace, Application modernization, Security, Networking, and it has committed to a partner-first strategy as it moves more towards subscription and as-a-service, although this has yet to be fully defined. Its Partner Connect program is still complex and requires heavy partner investments, leading to greater polarization of partners. Distributors can be frustrated by continued competition with Dell as a VMware distributor.

Stragglers: **Symantec/Broadcom** and **Veritas** are the only Stragglers in the Leadership Matrix, which is a powerful endorsement of the focus most vendors put into their channel during the crisis. Symantec has lost relevance to partners under Broadcom and has failed to maintain its loyal partner base. Veritas remains challenged by more nimble, next generation back-up competitors such as Veeam and Acronis, and Veritas partners feel a lack of support. EMEA channel management have driven some improvements, but can be held back by a lack of necessary investment in channel partners by Veritas' PE owner Carlyle.

Canalys Leadership Matrix

Europe, Middle East and Africa
December 2020



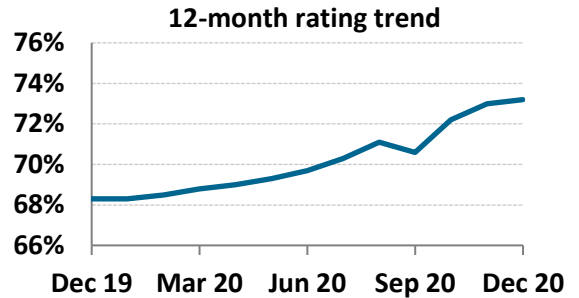
EMEA performance highlights – Champions



VB rating
December 2020:
73.2%

Number of
responses
53

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Quality of technical support provided to channel (8.1)
 - Effectiveness of account management (7.7)
 - Ease of doing business (7.7)



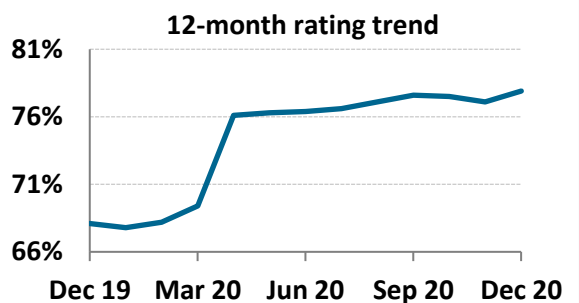
- APC has retained Champion status by listening to its partners and pushing for better channel relationships. It has improved its partner program and account management capabilities, as well as its product and marketing strategy, while enhancing ease of doing business. It has provided specific use cases, technical certifications and sales training to partners in key growth areas including edge.
- However, to maintain Champion status it must address some niggling partner concerns, such as availability of technical information on its core products. It must also continue to invest in its account management, both in channel relationships outside its top tiers, but also in some countries where feedback has not been so consistent.



VB rating
December 2020:
77.9%

Number of
responses
53

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Usefulness of portals and electronic tools (8.1)
 - Quality of technical support provided to channel (8.1)
 - Effectiveness of account management (8.1)



- Check Point's strong channel sentiment was helped in part by the launch of a new partner program, Check Point Engage, in 2019. This introduced a host of improvements and enhancements to its renewal tool, and simpler processes. Partners have responded well. Account management support, and regular channel communication, is highly valued. Partners also highlighted Check Point's quick response to the pandemic. This included working closely with partners to adapt marketing and communication to customers during lockdowns, as well providing frequent partner training webinars for in-demand areas such as Zero Trust. However, it has seen channel sentiment dip in the last few months. Check Point has been relatively slow at developing effective MSP models for partners, and this needs further focus. It recently launched its first cloud distribution offering via Ingram's cloud marketplace and ArrowSphere.

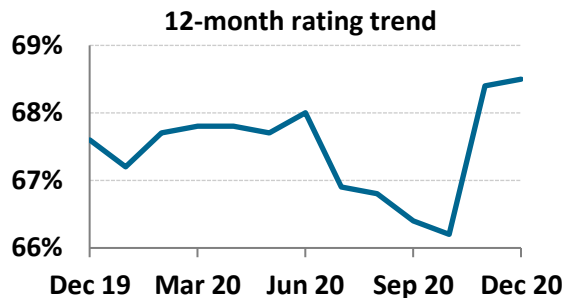
EMEA performance highlights – Champions



VB rating
December 2020:
68.5%

Number of
responses
73

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Quality of technical support provided to channel (7.4)
 - Usefulness of portals and electronic tools (7.4)
 - Product availability and supply (7.1)



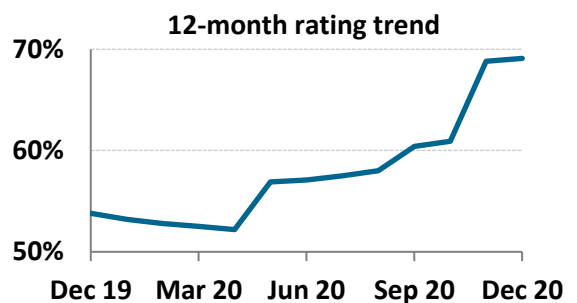
- Cisco has faced a challenging year, as parts of its business have come under sustained pressure during the pandemic. But it has maintained a laser focus on partners as part of its 'Perform' and 'Transform' strategy, which prioritizes current partner success, while creating a pathway to new partner business models as it continues its transition to subscriptions and services. This has seen it extending partner payment terms, launching deferred payment schemes via Cisco Capital (giving partners access to upfront payment) and protecting partner program tier status. In November, Cisco unveiled a new, role-based Partner Program, reflecting partner roles as Integrators, Providers, Developers and Advisors, and consolidating multiple legacy programs. The simplified model has been broadly well received so far, though many details have yet to be defined. Profitability and complexity remain key partner concerns.



VB rating
December 2020:
69.1%

Number of
responses
112

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Product availability and supply (7.8)
 - Quality of technical support provided to channel (7.1)
 - Ease of doing business (7.0)



- Citrix jumped from Straggler to Champion in the Channel Leadership Matrix as partners benefitted from strong demand, in particular for desktop virtualization, driven by remote working. Partner satisfaction improved, helped by Citrix's financial support and closer engagement with key partners. It is also working hard on developing its distributors' services capabilities to better support partners. Citrix has become a critical workload for many customers, and it is engaging in go-to-market partnerships with a wide range of vendors, from Microsoft to Nutanix, to AWS. But the shift to subscriptions and cloud continues to create tensions with legacy partners, with increasing pressure on profitability on Citrix. Citrix needs to better reward partner lifecycle roles, such as renewals. Its biggest risk is it fails to help partners expand into its wider portfolio, and sees its performance (and relevance) wane in 2021.

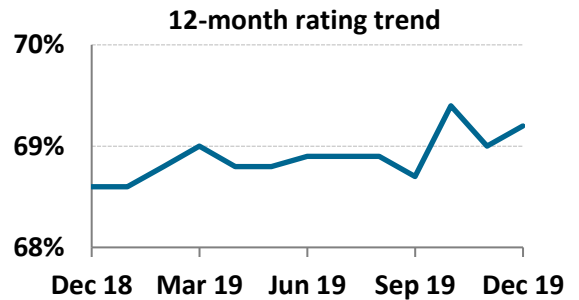
EMEA performance highlights – Champions



VB rating
December 2019:
69.2%

Number of
responses
111

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Usefulness of portals and electronic tools (7.3)
 - Accreditation and specialisation programs (7.2)
 - Ease of doing business (7.2)



- HP made significant investments to support partners through the crisis, including extended payments, upfront MDF payments, delayed certification requirements and the removal of rebate thresholds. That boosted partner sentiment in EMEA. HP is still heavily channel-led, with 84% of EMEA business generated indirectly in 2020. Its partner portal and tools, such as smart quoting, remain industry leading. In November, HP launched its radically new Amplify partner program. This consolidates multiple programs into one, and simplifies processes, but it also requires greater levels of data sharing from partners and measures new capabilities such as online sales, services and 'omni-channel' presence. This is creating some concern among partners, which could affect HP's position in future.

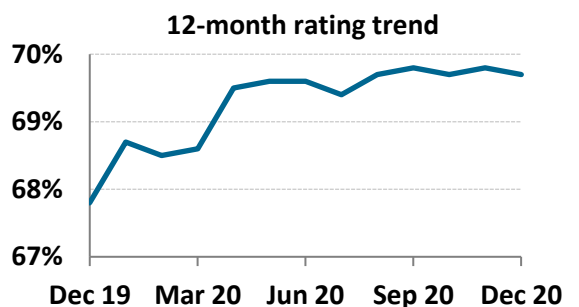


Hewlett Packard Enterprise

VB rating
December 2020:
69.7%

Number of
responses
134

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Quality of technical support provided to channel (7.6)
 - Accreditation and specialisation programs (7.3)
 - Usefulness of portals and electronic tools (7.2)



- HPE becomes a Champion again in EMEA after its partner sentiment improved throughout 2020, helped by a rapid response to the COVID-19 crisis. HPE extended financial support via distribution, suspended revenue thresholds, and moved partner resources (training, demos etc) online. Supply issues caused initial challenges for partners, but these have gradually eased, helping the channel to return to growth. It also introduced a simplified channel model for its GreenLake as-a-service/ consumption model, as it doubles down on its 'as-a-service' strategy. The emphasis on GreenLake can be a point of friction with partners, so making it more channel-oriented will be critical. But HPE is also investing heavily in partner technical, marketing and sales skills through its 'Pro-Series' and its programs are highly rated. It is planning to increase focus on SMB in 2021, which will benefit partners.

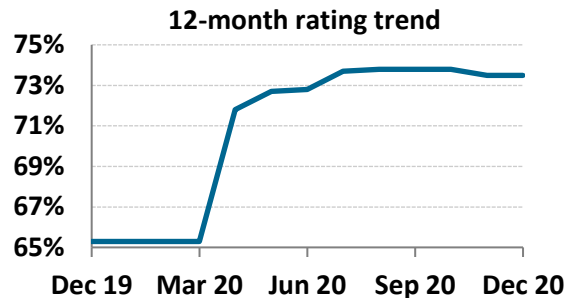
EMEA performance highlights – Champions



VB rating
December 2020:
73.5%

Number of
responses
135

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Effectiveness of account management (7.7)
 - Accreditation and specialisation programs (7.6)
 - Quality of technical support to the channel (7.5)



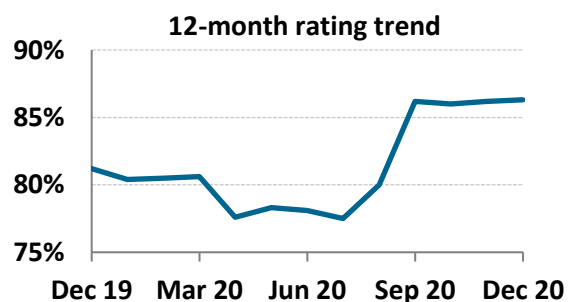
- 2020 has been a pivotal year for Juniper, which becomes a Champion in the Leadership Matrix for the first time. Partners are seeing growing momentum with Juniper's 'AI-driven enterprise' strategy, as Juniper extends its MIST AI engine from WiFi into the rest of its portfolio, meeting customer demand for 'intelligent automation'. Juniper has backed this with a big increase in channel investment and engagement, including the launch of its well-received Enterprise Plus program. This delivers enhanced support and benefits for partners that are delivering enterprise growth, as well as committing to training and marketing activities. The Accelerate Plus program, meanwhile, provides 'white-glove' support to help new partners accelerate with Juniper. Almost 80% of Juniper business is via partners.



VB rating
December 2020:
86.3%

Number of
responses
554

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Product availability and supply (9.1)
 - Effectiveness of account management (8.9)
 - Ease of doing business (8.8)



- Kaspersky has fostered a highly committed and satisfied partner base through the strength of its account management, and simplified processes. Its support through the COVID-19 crisis has been highly praised, and it closely tracks and responds to partner sentiment. It launched a new United Partner program in 2019, and a new Partner Portal that provides access to reporting dashboards, on-demand multi-lingual training, automated deal registration and MDF. Feedback from partners highlights Kaspersky's responsiveness and care, sales and marketing support, plus lead generation and training. It has also launched a License Management Portal to support partners developing MSP models. Partners report healthy profits, but there are some indications of discount cuts, which could cause frustration.

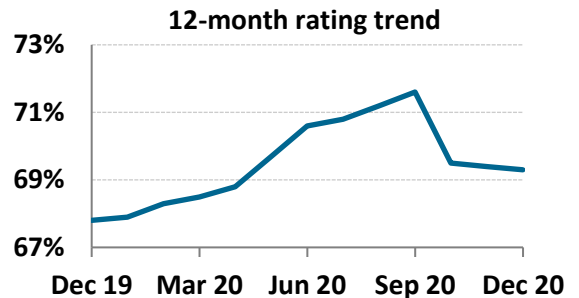
EMEA performance highlights – Champions

Lenovo

VB rating
December 2020:
69.3%

Number of
responses
111

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Ease of doing business (7.2)
 - Usefulness of portals and electronic tools (7.2)
 - Effectiveness of their account management (7.2)



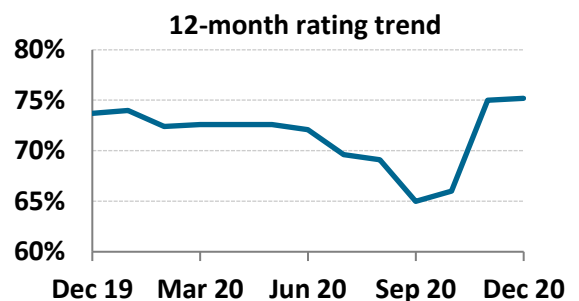
- Lenovo's supply chain excellence has been a key differentiator for partners in 2020, when competitors have struggled to fulfil demand. But Lenovo's Champion status also reflects its channel commitment. Over 90% of total sales are through partners, one of the highest indirect shares among its peers in both data center and client. It has invested heavily in improving ease of doing business through Velocity, a global project to automate and digitize processes. It recently launched a unified partner portal for both data center and PC partners, and has invested successfully in lead generation to support run-rate growth for SMB and mid-market partners. But a greater reliance on digital tools can bring new challenges, and maintaining Champion status next year will require even greater effort by Lenovo as rivals recover. It also needs to formalize a partner model for its TruScale 'as-a-service' offer.

NetApp™

VB rating
December 2020:
75.2%

Number of
responses
44

- ✓ **Highest rated benchmark metrics (out of 10)**
 - Accreditation and specialization programs (7.8)
 - Usefulness of portals and electronic tools (7.7)
 - Quality of technical support to the channel (7.7)



- NetApp is on a transformation journey to become more cloud and software-enabled, and is increasingly bringing as-a-service offers to market and turning to hyperscaler marketplaces as a new route to market. This could pose a threat to legacy hardware partners, but NetApp is maintaining its commitment to a partner-centric business through this transition. Around 90% of business is still indirect. Partly that is driven by a transition to a partner-led model in large parts of CEE and MEA, where it has withdrawn direct resources and moved fully to a channel model, supported by its distributors. It also continues to offer attractive incentives to its legacy partners – including healthy competitive displacement and tech refresh rewards. But it is also putting significant investments into supporting partners moving to cloud/as-a-service, including enablement, support and incentives.

EMEA performance highlights – Champions



VB rating
December 2020:

78.1%

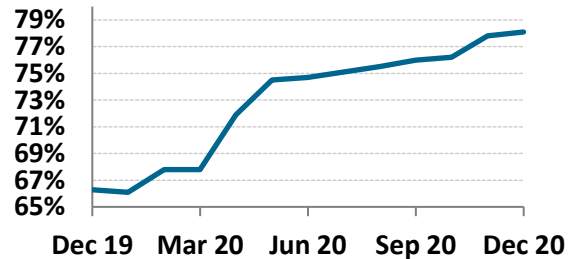
Number of
responses

74

✔ **Highest rated benchmark metrics (out of 10)**

- Product availability and supply (8.6)
- Ease of doing business (8.1)
- Effectiveness of account management (8.1)


12-month rating trend



- Partners highly value Trend Micro's ease of doing business and account management effectiveness, highlighting its partner-centric strategy. Over 90% of business is driven through partners, via distribution. Partners also benefit from local engagement with Trend, and its focus on training and enablement. In 2020, Trend has focused on building out an MSP go-to-market, with new MSP solutions launched and supported by recruitment, onboarding, training and activation activities with MSPs across EMEA. It enhanced its MSP programs with a central licensing management platform. This has already seen a significant number of MSPs start to trade with Trend in EMEA. Trend is also selling through the AWS Marketplace, and supports partners through AWS' CPPO (Channel Partner Private Offer) model.

Canalys EMEA Leadership Matrix 2020

About the Canalys Leadership Matrix



Latest Candefero
Vendor Benchmark
rating, and annual
change

Feedback from
channel partners
on vendor
strategy and
execution

Canalys analysts'
insights

The Leadership Matrix assesses vendor performance in the channel, based on channel feedback into the Vendor Benchmark over the last 12 months, and an independent analysis of vendor channel strategy, investment, execution and planned initiatives by experienced Canalys analysts. The Vendor Benchmark tracks leading technology vendors around the world, collating the experiences that channel partners have when working with different vendors. Channel partners are asked to rate their vendors across the 10 most important areas of channel management (ease of doing business, profitability, support, marketing etc).

The Canalys Leadership Matrix provides a graphical representation to assess the performance of each vendor over time, and positions them in one of four categories:

- **Champions:** Vendors with high Vendor Benchmark scores, which have shown both continued improvement in channel management, strategy and execution, and a commitment to driving future improvements.
- **Contenders:** Vendors with high Vendor Benchmark scores or a strong channel business, but which have seen declines in channel sentiment and/or a deterioration in channel commitment or execution.
- **Growers:** Vendors with low Vendor Benchmark scores, but which have seen improvements in channel sentiment and performance.
- **Stragglers:** Vendors with low Vendor Benchmark scores, which have seen channel sentiment and/or performance deteriorate or stagnate.

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