

Channel Program Trends:

*Engaging Services
Delivery Partners*



*Beth Vanni – Director, Market
Intelligence*



August 4, 2009



Harness the power of
partner ecosystems

Amazon Consulting At a Glance

We help technology companies elevate the impact of partnering by designing, implementing and automating partner models

Based in Mountain View, CA

40 consultants worldwide

- Boston, Denver, Portland
- Calgary, London, Singapore

Ability to execute globally

Founded in 1998

- 9th year of business
- Proven track record

Wealth of experience

- Hundreds of client projects
- 100% referenceable

Variety of partner types

- System integrators
- Solution providers
- Alliances
- Distributors
- Retail
- Developers
- OEMs

Flexible engagement models

- Project based
- Outsourced services
- Retainer



Home Top 100 Lists Press Room CEO C

No. 1,050 Amazon Consulting



Recent Clients



Today's Discussion



Where vendors are focused and investing



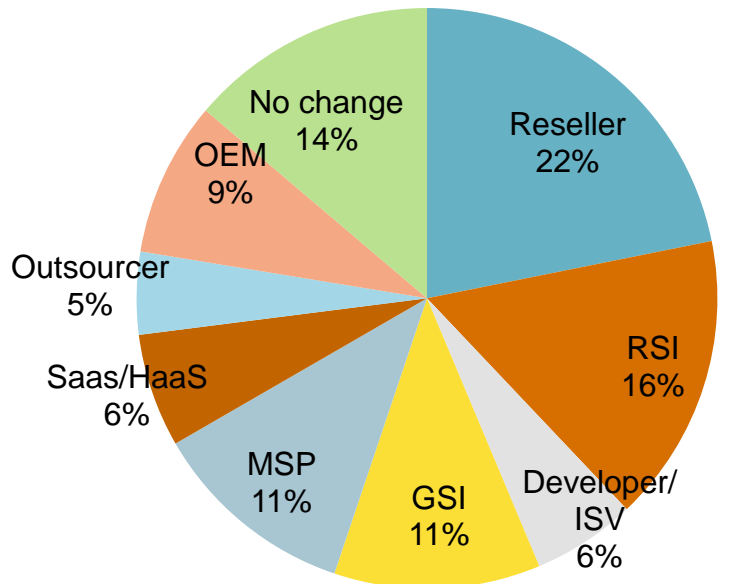
Service providers and how they're treated in channel programs



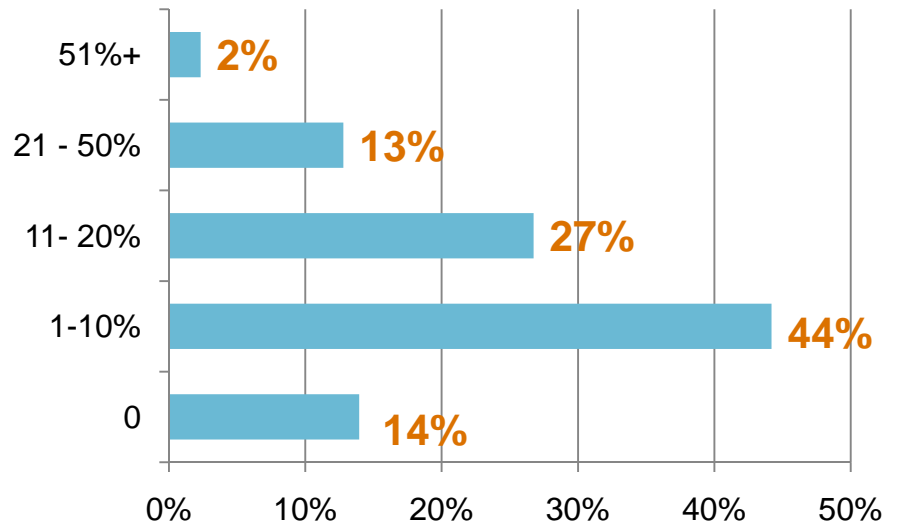
Things to watch for in the next 18 months

Partner Segmentation

- Resellers still a focus
- Systems Integrators (RSI's, GSI's) now included in program structure
- MSPs now a standard part of programs – 31% planning to add an MSP program
- ISVs, Outsourcers, SaaS providers still separate from main program



What partner type(s) are you adding to or focusing on your partner program in 2009?

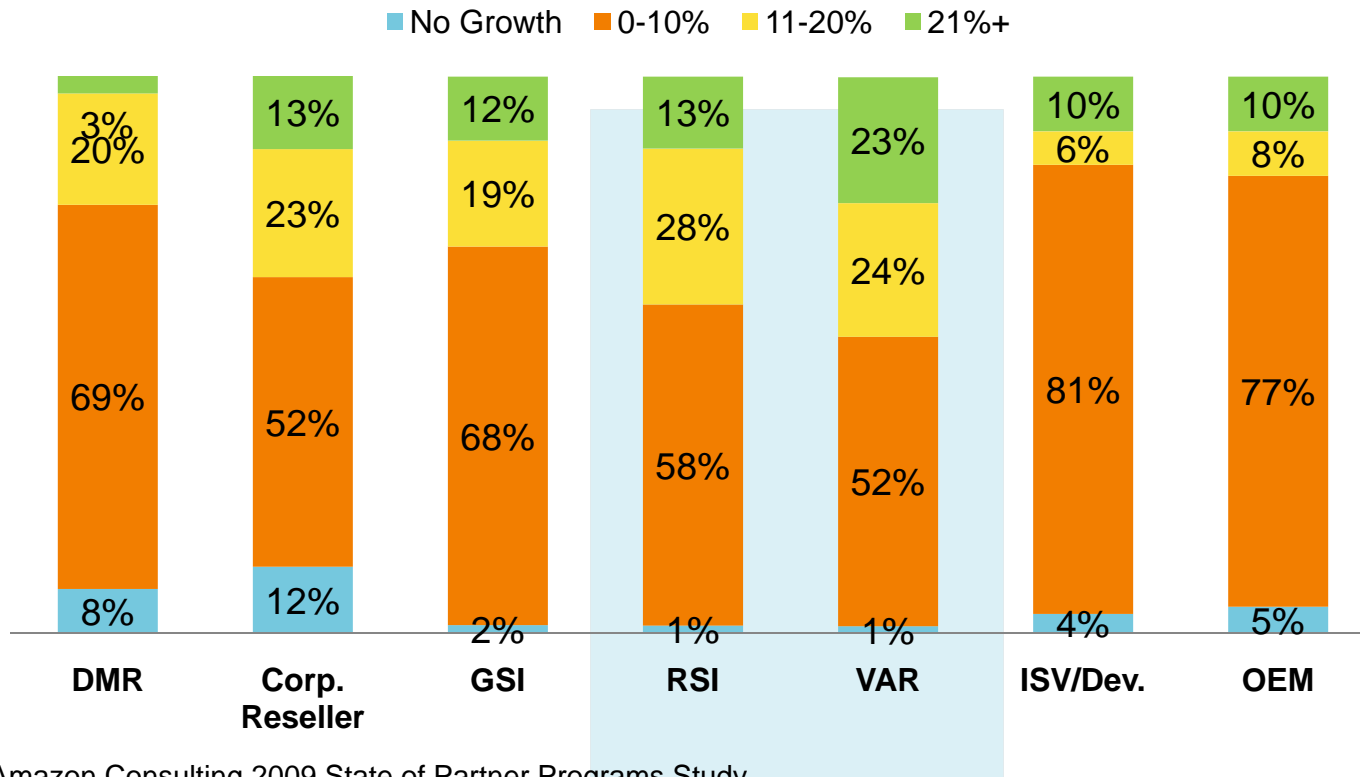


What percentage of your partners already have an MSP business model?

Source: Amazon Consulting 2009 State of Partner Programs Study

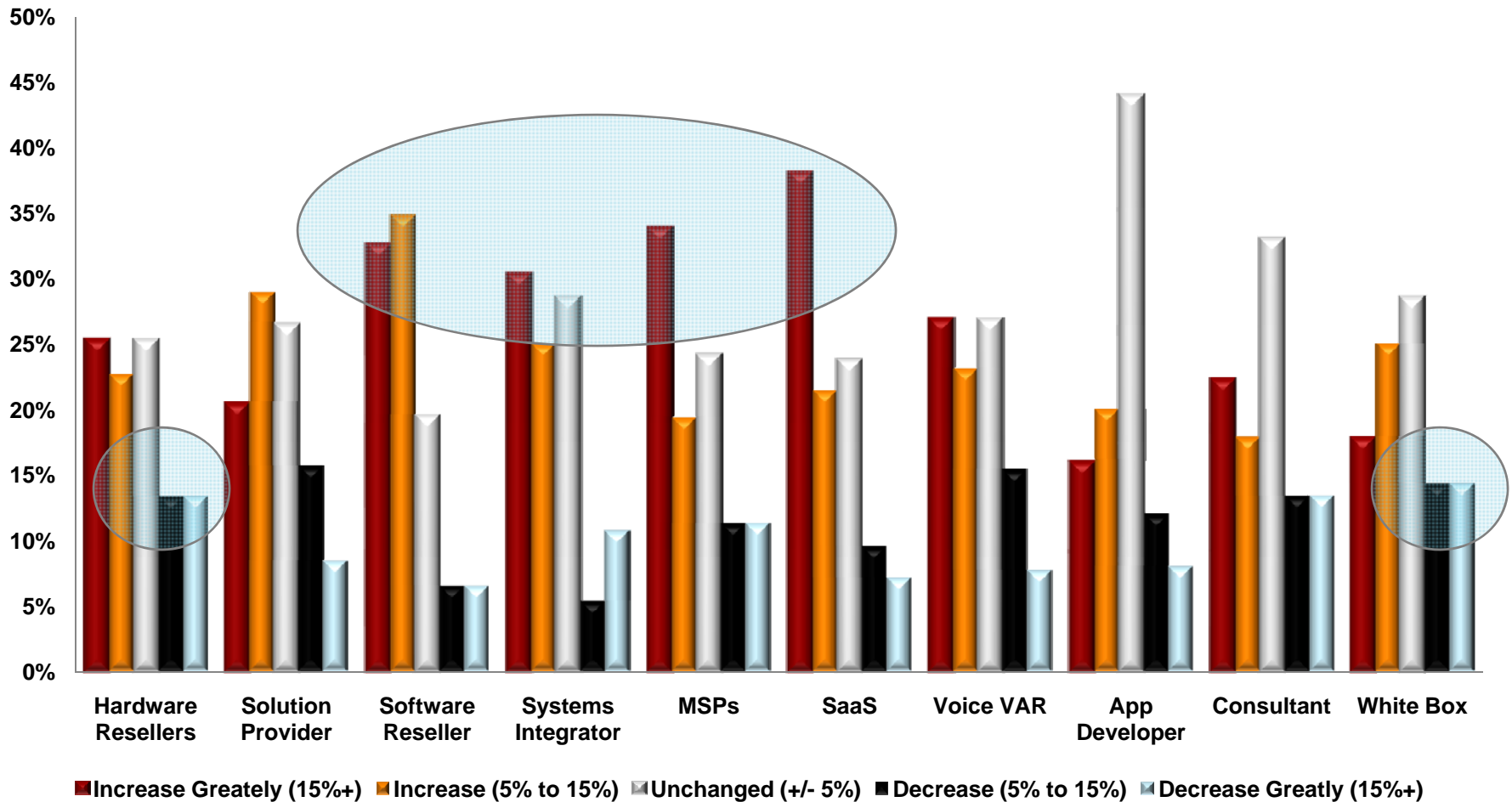
Vendor Growth Projections - 2009

- Average range of projected growth in 2009 = 1-10%
- Traditional VARs still projected to grow faster than others
- Regional SI's second highest growth projection



Source: Amazon Consulting 2009 State of Partner Programs Study

Partner Growth Projections - 2009

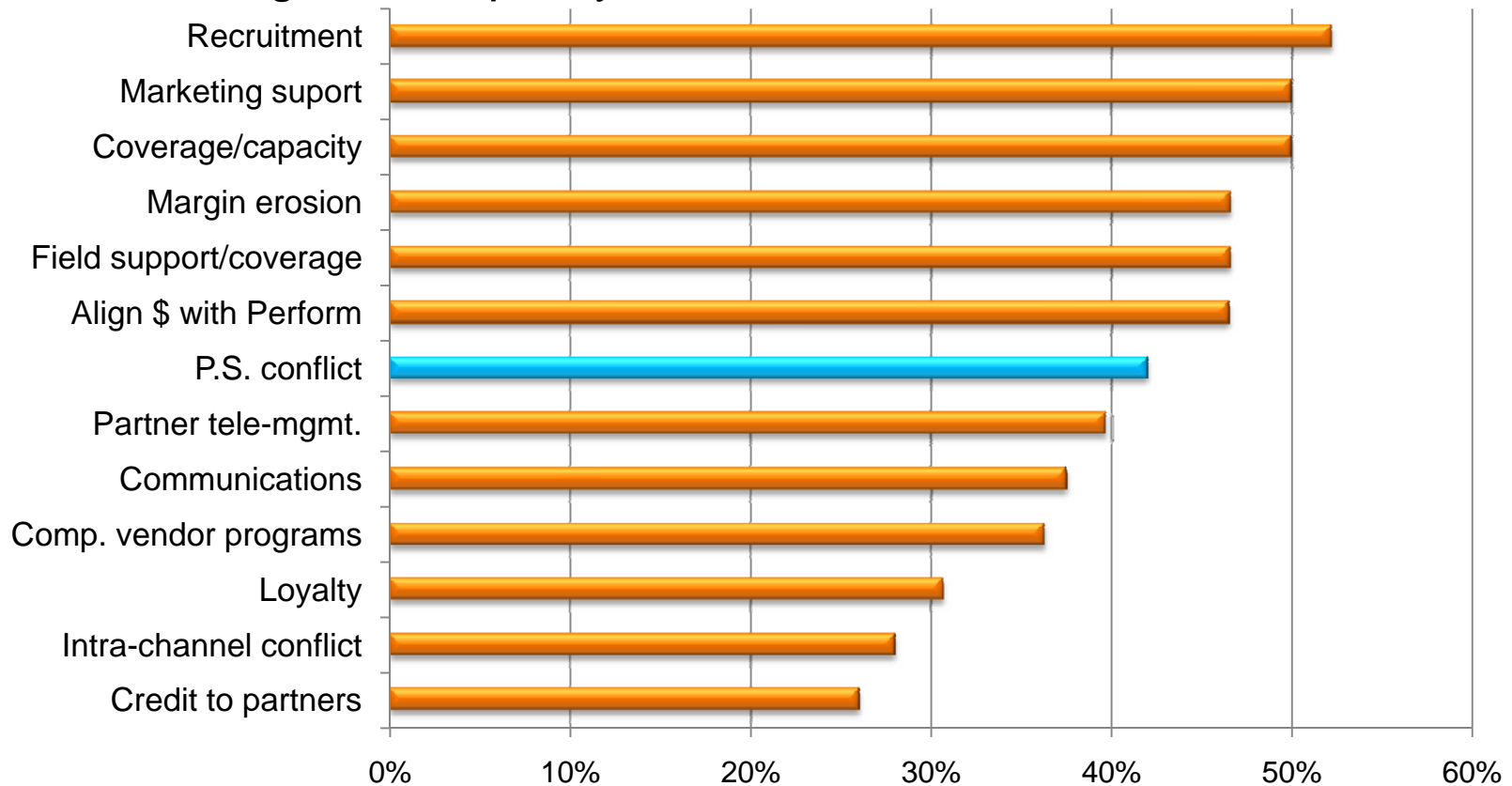


Source: 2009 Market Pulse Study

[ci]channelinsider

2008 Vendor Challenges

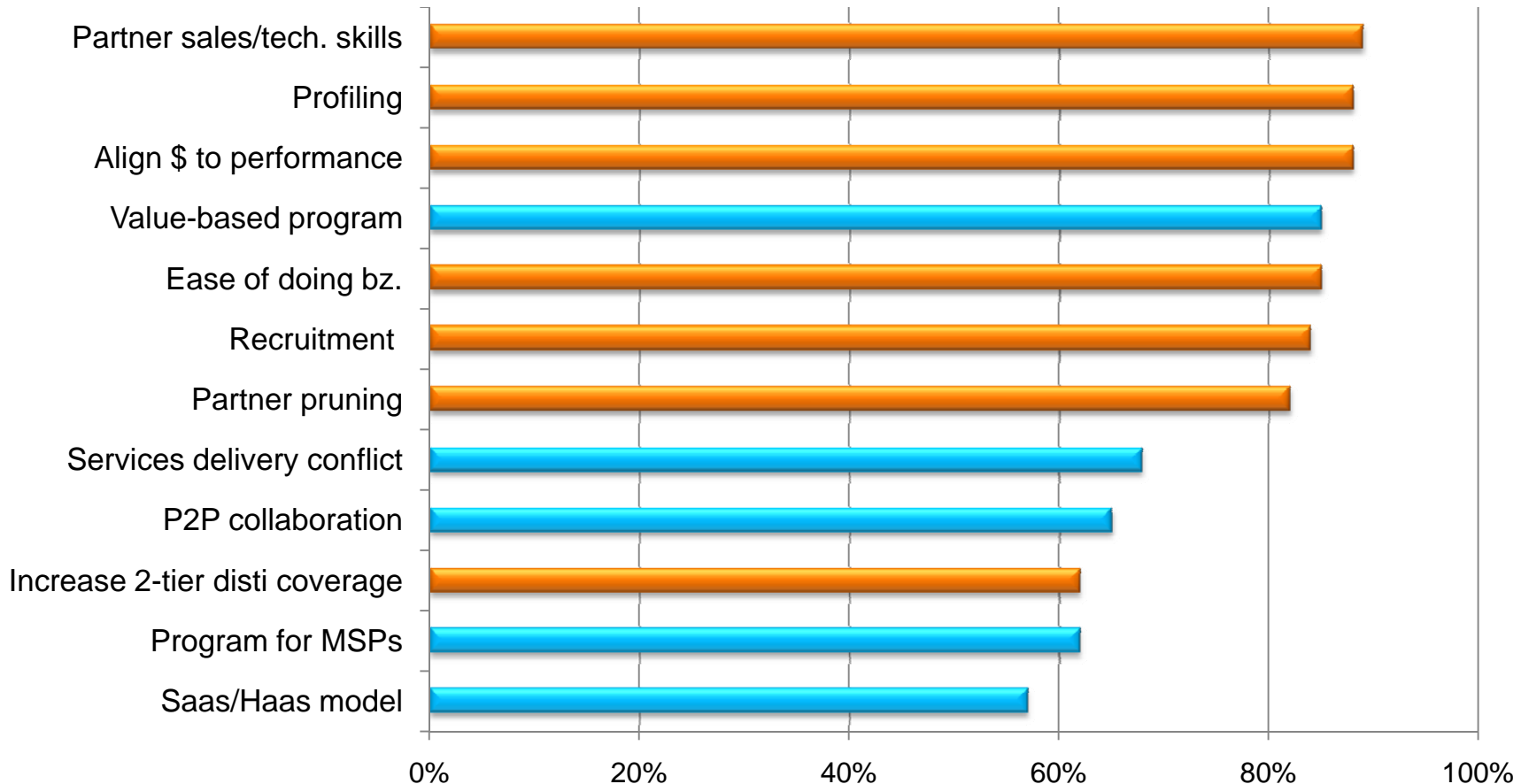
1. Partner recruitment
2. Marketing support
3. Coverage and capacity model



Source: Amazon Consulting 2009 State of Partner Programs Study

2009 Vendor Priorities

1. Partner sales/technical skills
2. Better partner profiling
3. Aligning channel spend to performance

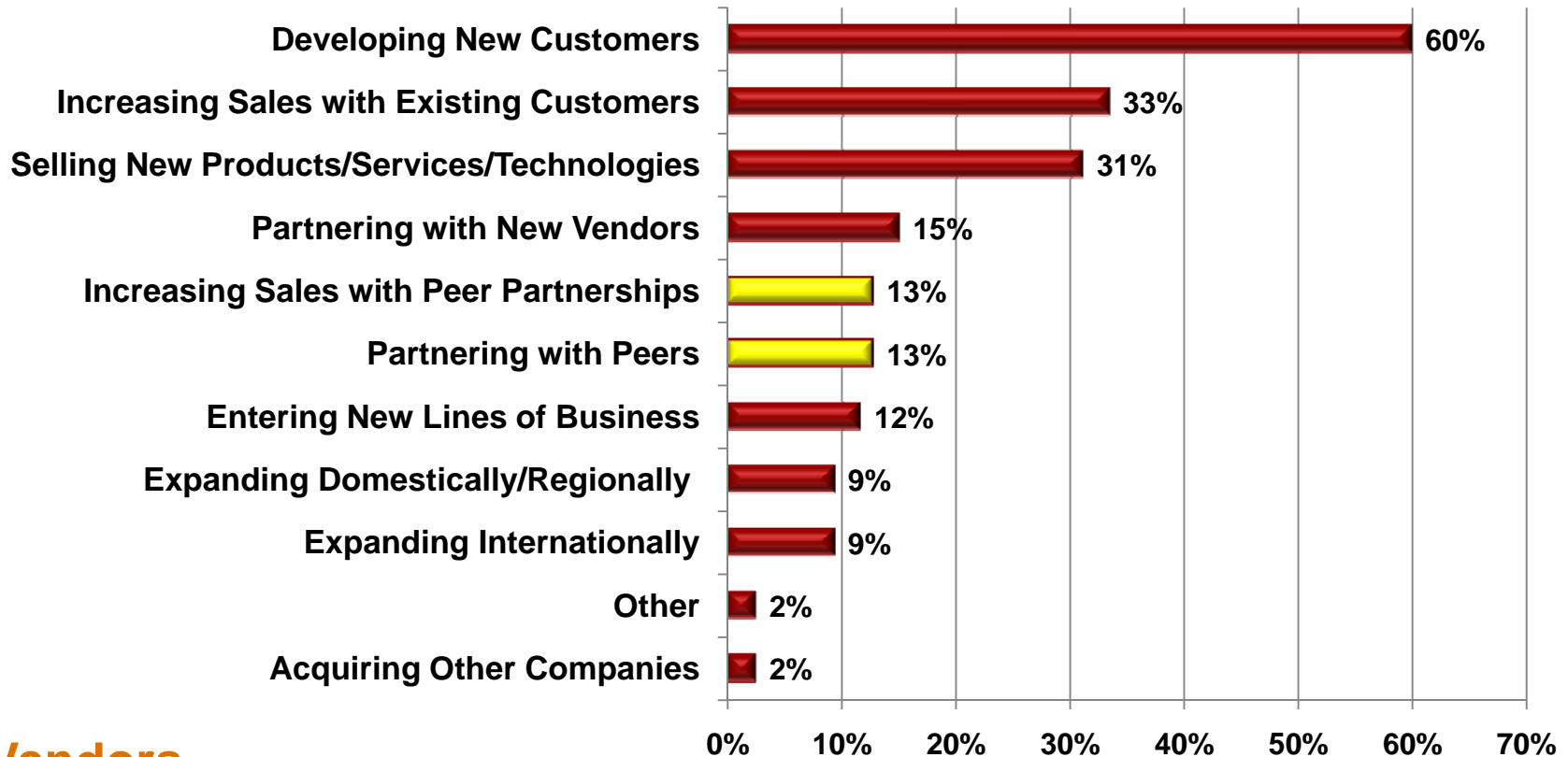


Source: Amazon Consulting 2009 State of Partner Programs Study

Experimentation in P2P Collaboration

Partners - Growth Strategies

[ci]channelinsider



Vendors

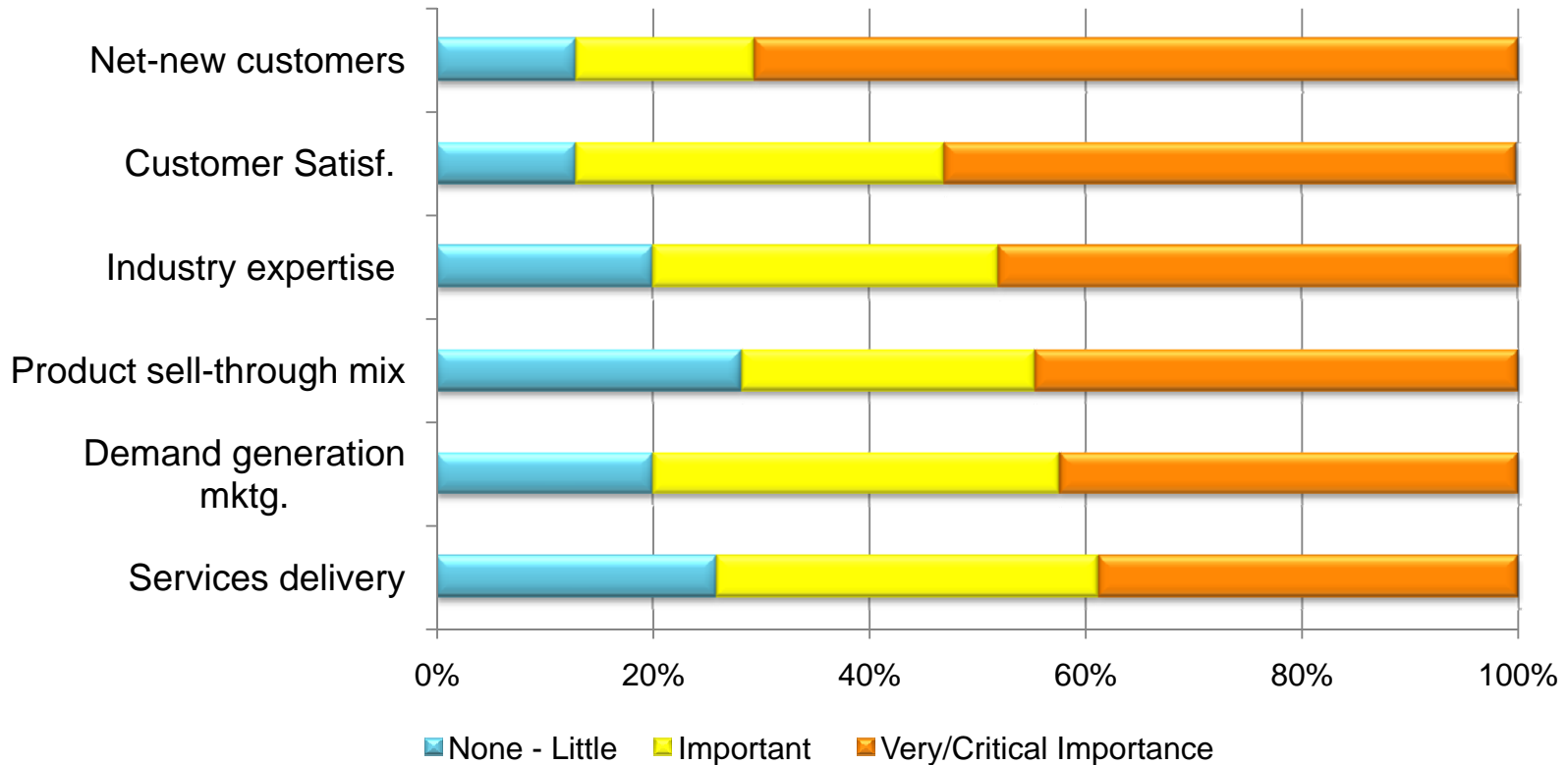
Nearly 30% actively pairing VARs to SI's and ISVs

30% plan to conduct 2 or more activities around P2P in 2009

Source: Amazon Consulting 2009 State of Partner Programs Study

Vendor Partner “Value” Metrics

1. New customers
2. Customer satisfaction
3. Industry expertise

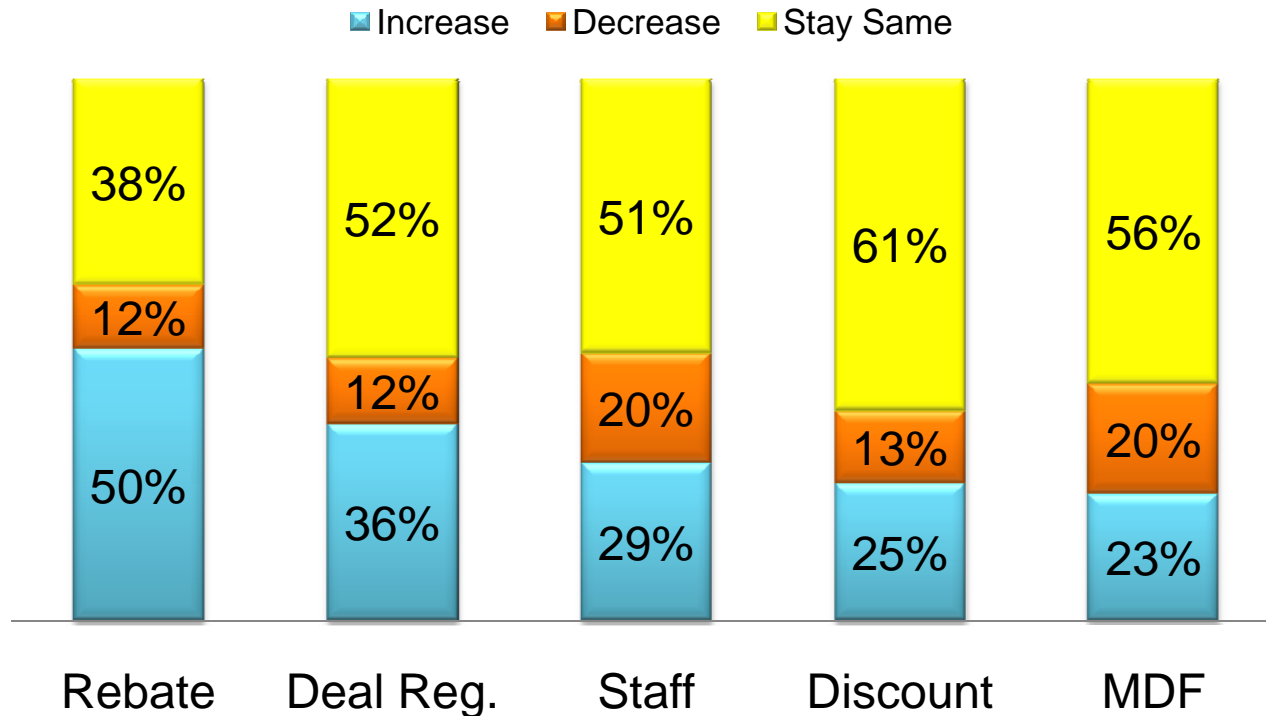


Source: Amazon Consulting 2009 State of Partner Programs Study

Vendor Channel Spending: 2009

“Pay-for-performance” environment:

- Biggest increase expected with rebates, deal registration
- Decreases expected in MDF and some staffing



Source: Amazon Consulting 2009 State of Partner Programs Study

Recap . . .



Where vendors are focused and investing

- Closely re-qualifying and re-profiling partners
- Filling in gaps in coverage and capacity
- Experimenting with P2P collaboration
- Continuing skills development & certification investment
- Enhancing value-based program criteria
- Enhancing performance based spending

Today's Discussion



Where vendors are focused and investing

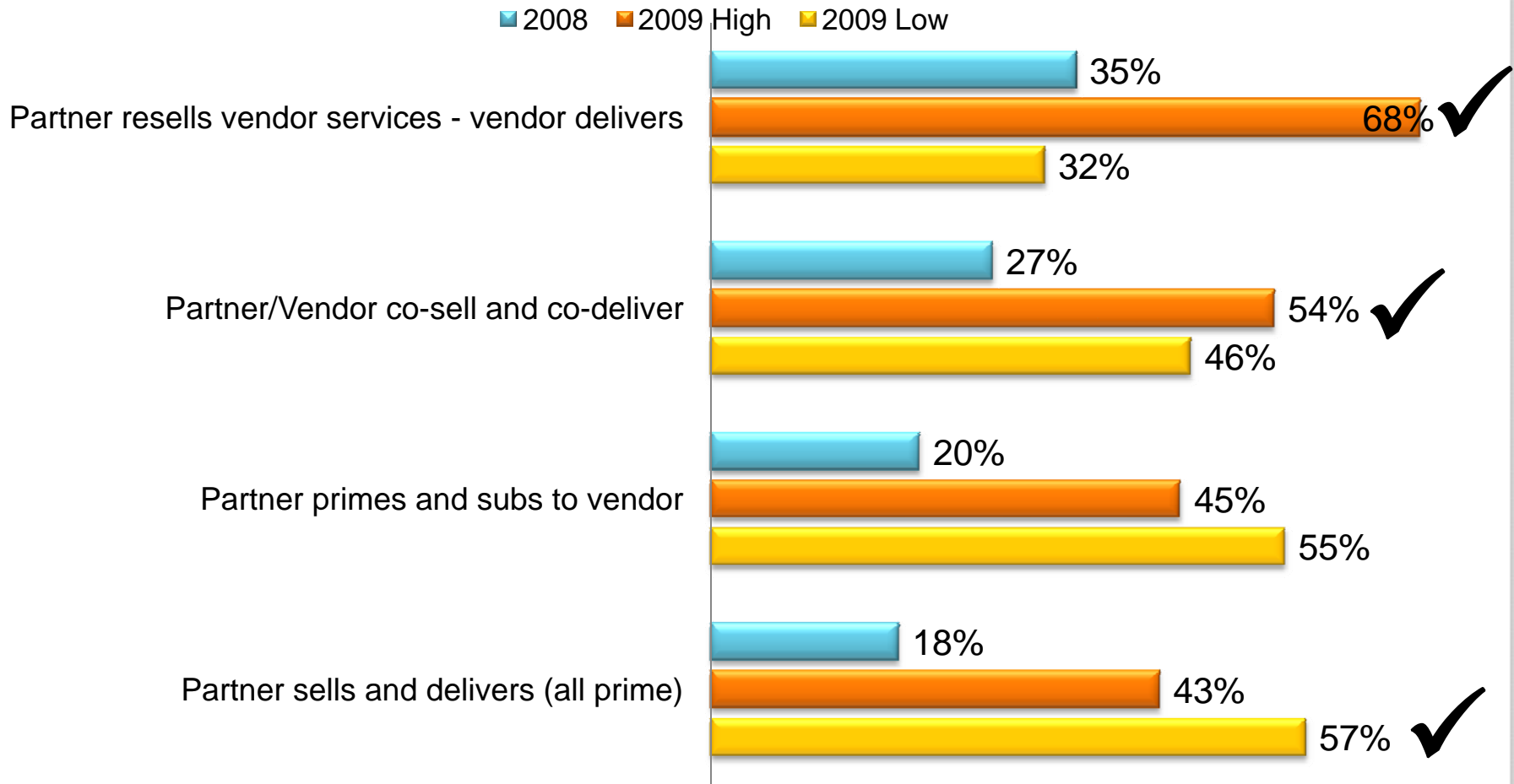


Service providers and how they're treated in channel programs



Things to watch for in the next 18 months

Services Sales and Delivery: Engagement Model Trends



Source: Amazon Consulting 2009 State of Partner Program Study; N= 108 vendors

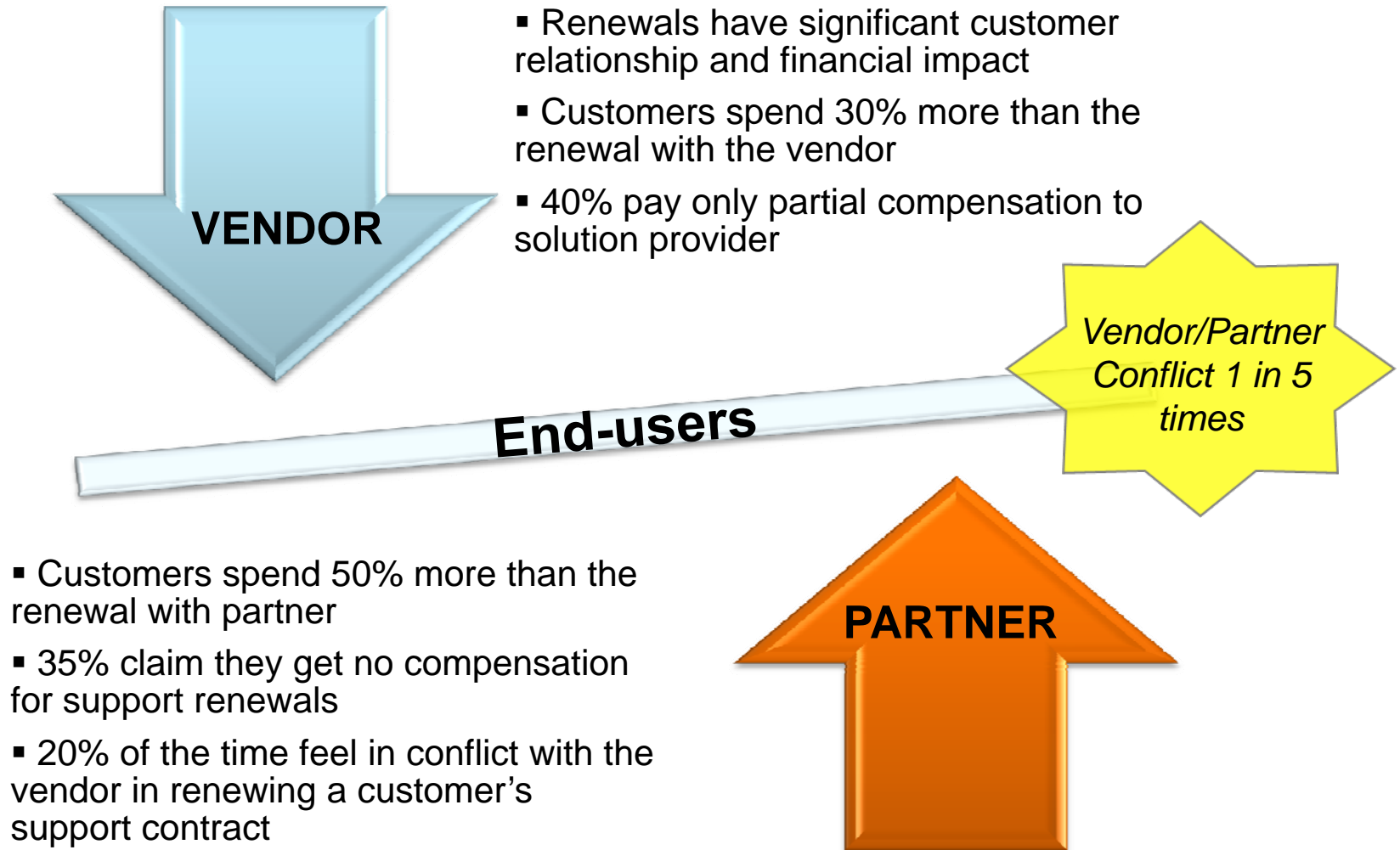
Professional Services Conflict

62%

Percentage of vendors
with known channel conflict
over services delivery

Source: Amazon Consulting 2009 State of Partner Program Study; N= 108 vendors

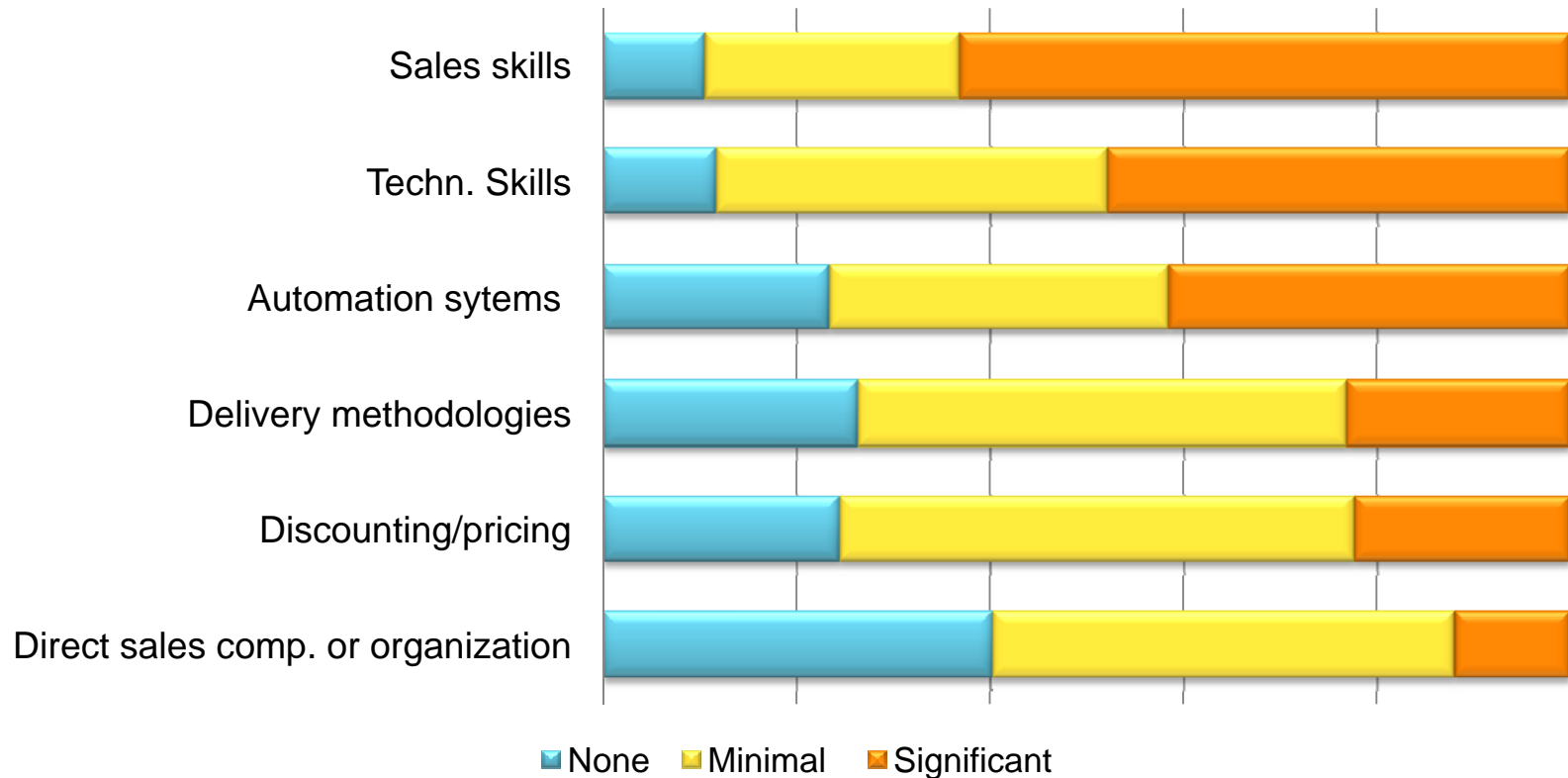
Support Renewals



Source: Amazon Consulting 2008 "Who Owns the Customer" Renewals Research

Enhancing Services Partnering Model

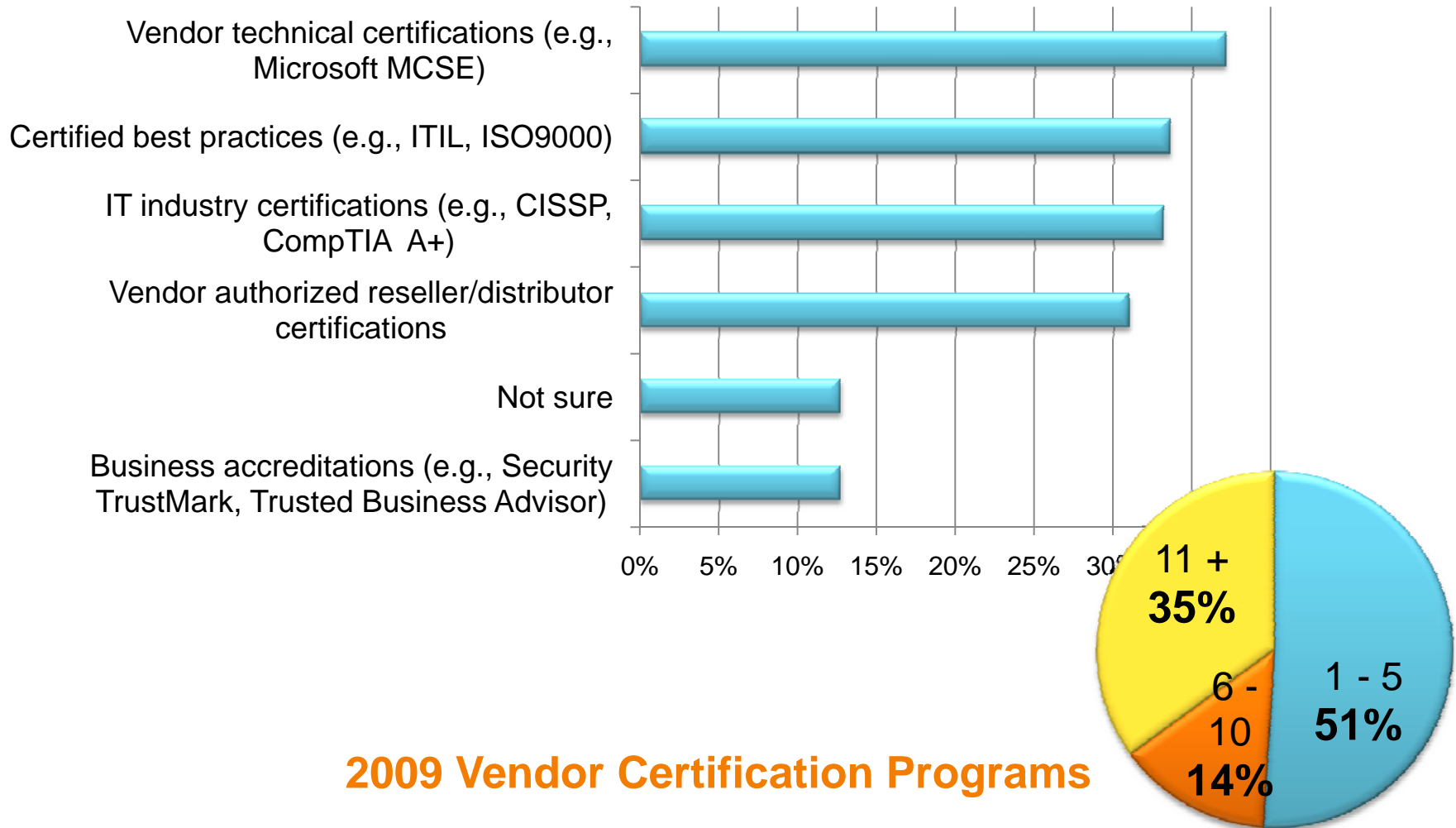
2009 vendor investments focus on skills development, systems and better sharing of methodology



Source: Amazon Consulting 2009 State of Partner Programs Study

Certification Program Trends

End-User Preferences



2009 Vendor Certification Programs

Source: Amazon Consulting 2009 Training & Certification ROI Study

Recap . . .



Services partners and how they're treated in vendor programs

- Vendors still have known Professional Services channel conflict
- Support renewals are more critical revenue stream than ever
- Lots of changes and additions to certification programs
- Vendor engagement models seek to monetize and track service delivery
- SMB will be the only services delivery “safe zone”

Today's Discussion



Where vendors are focused and investing



Service providers and how they're treated in channel programs



Things to watch for in the next 18 months

Trends We See

Professional Services

- Methodology sharing
- Measuring customer satisfaction & services quality
- Clearer market segmentation and coverage models
- Squeezing sub-contracting rates

Support

- “Holy war” on support renewals
- Collaborative services, with predictive technology
- Investment in better systems to manage partner/vendor communication

Managed Services

- Further experimentation with business models
- Standards emerging in licensing and financial models
- Outsourcer & MSP models beginning to merge

Vendor Examples

Microsoft®

- More value in certification
- “Advanced” competencies
- Measuring customer satisfaction and delivery methodology
- “Services-ready” program
- Resolved to fix remaining channel conflict
 - Changed field sales compensation for service lines
- Retiring several key service lines in deference to partners



- Integrated program structure with WW channels
- Leveled base discounts
- Higher up-side on performance incentives
- Clearer measurements of sales & delivery quality
- Retiring old Shared Support model
- Big push on “Collaborative Services”

What You Should Do About It ...

Business Model

- Crisply define your business model(s)
- Capitalize on vendor program changes to vary your engagement models and benefits

Marketing

- Be zealots to get your market differentiation understood
- Watch for vendor marketing tools and funding changes

ROI on vendor investments

- Reevaluate the ROI on vendor certifications
- Prepare for new program structures and performance metrics
- Be willing to drop the lines you should