

Canalys APAC Channel Leadership Matrix 2020

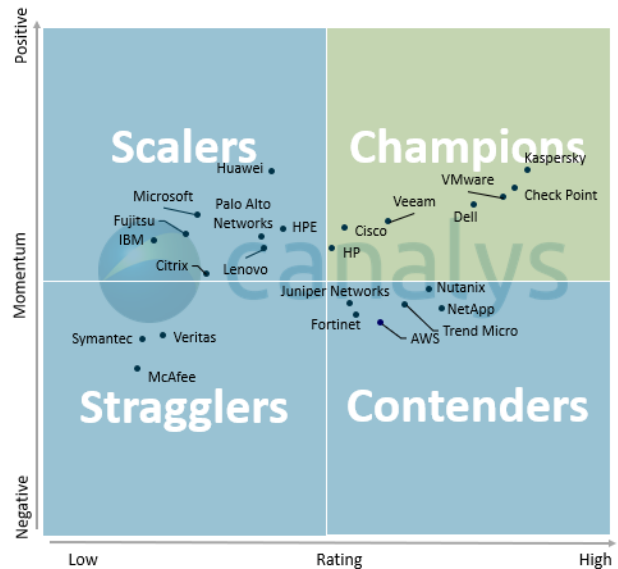
Summary

Seven vendors have been crowned Champions in the 2020 Canalys APAC Channel Leadership Matrix: Cisco, Check Point, Dell, HP, Kaspersky, Veeam and VMware. The impact of the pandemic has shone a light on vendors' commitment to their channel partners. Champion status recognizes those vendors demonstrating the highest level of excellence in channel management, while supporting their partners' most urgent needs through the crisis, including supply, financial support, ease of doing business and account management relationships.

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 channel activities by Canalys analysts. **Champions** have the highest ratings in the Vendor Benchmark, and demonstrate consistently high levels of partner support and engagement. **Contenders** have higher ratings than average but have seen those ratings decline year on year. **Scalers** (formerly **Growers**) have seen their ratings improve, 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 research period and have suffered a deterioration in partner sentiment.

Only two vendors have managed to retain Champion status from the previous edition: **Dell and HP**. This is an exceptional achievement, requiring a vendor to deliver improvements on an already industry-leading performance. **Cisco, Veeam and VMware** re-enter the Champions segment, while **Kaspersky and Check Point** 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. But they all exhibit some common characteristics, including a majority share of indirect revenue, a strategic commitment to partner-led business models, and a corporate-wide focus on increasing investments in partner channels.

APAC Channel Leadership Matrix
December 2020



APAC Channel Leadership Champions 2020



Canalys APAC Channel Leadership Matrix 2020

Summary: Contenders, Scalars and Stragglers

Contenders: AWS, Fortinet, Juniper Networks, NetApp, Nutanix and Trend Micro have maintained high vendor benchmark ratings relative to their competitors, or have made significant investments, but have seen partner sentiment fall over the last year. **AWS** continues to refine its engagement with partners, as the channel becomes more important to its growth. Partners, from large SIs to resellers, are increasingly investing in building AWS practices. SMBs are a strategic focus area for 2021, and AWS is actively building SMB resources to accelerate momentum. **Fortinet** recently made some changes to its partner program, including a tiering rename tagged to a partner's engagement level. Partners are also able to customize their Fortinet support to match their business model. **Juniper Networks** has made significant increases in channel focus and investment, including the launch of its successful Enterprise Plus program. This delivers enhanced support and benefits for partners that are delivering growth with Juniper, as well as committing to training and marketing activities. **NetApp** is evolving into a cloud-based vendor and along with this, its channel program is also evolving with upgraded partner incentives tied to cloud-based purchases and emphasis on landing new business. **Nutanix** announced a new, simplified partner program called Elevate, bringing together its global partner ecosystem under one integrated platform with a focus on accelerating growth across its expanded portfolio. It is well positioned for success in 2021. **Trend Micro** continues to enhance its channel program by making network, endpoint and email security solutions available through a standard platform and has increased the number of dedicated account managers to support channel partners across the region. It is also prioritizing the development of MSP channels.

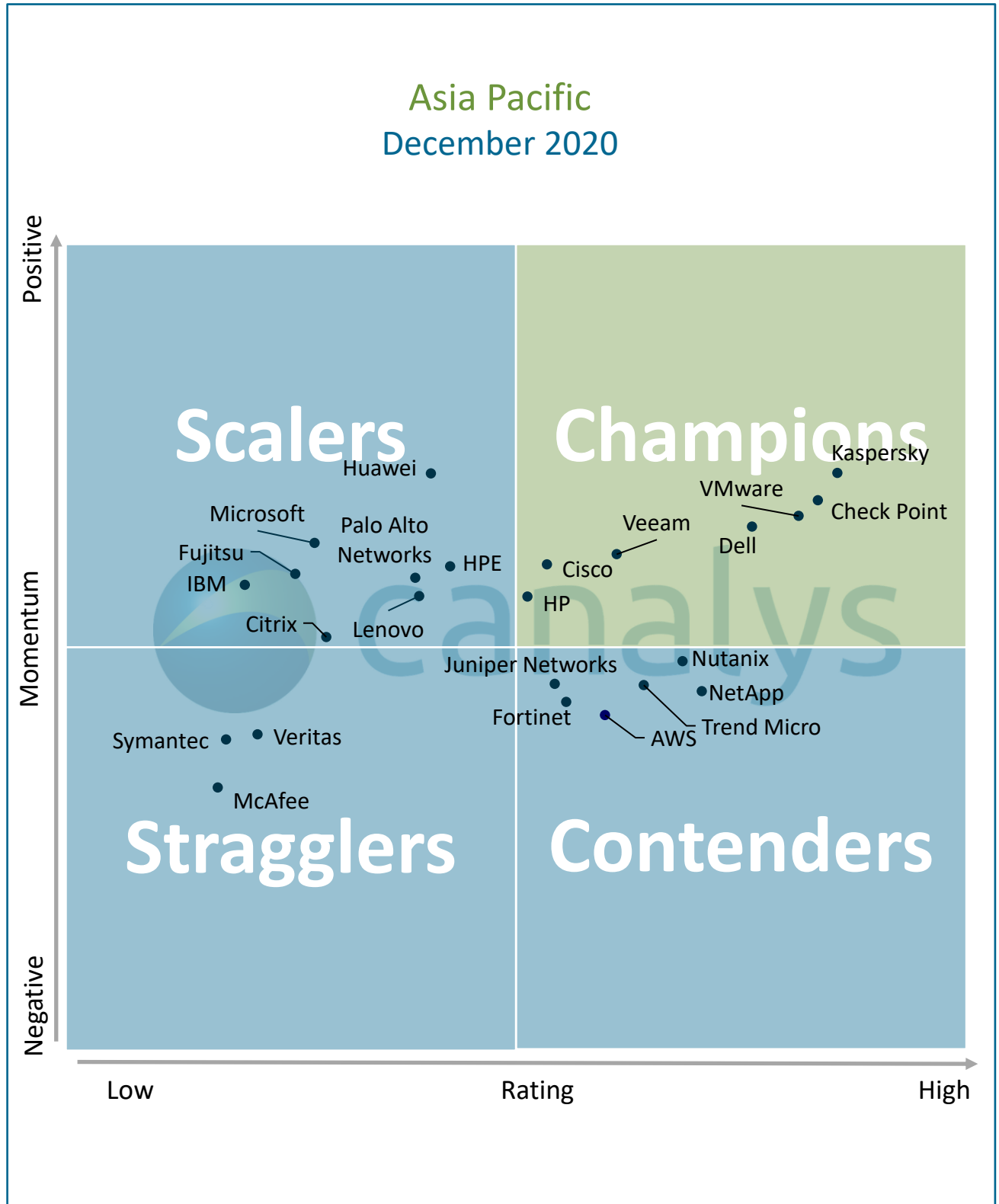
Scalars: Citrix, Fujitsu, HPE, Huawei, IBM, Lenovo, Microsoft and Palo Alto Networks have seen improvements in their vendor benchmark scores over the last year but are still below the scores of the highest-performing vendors or have demonstrated inconsistency in their strategy or execution. **Citrix's** partner momentum has been steadily increasing with partner sentiment improving over the last year, helped by demand for its VDI solutions during lockdowns. **Fujitsu's** channel momentum in APAC has steadily gained pace, as it focuses on building new channel partnerships in several countries within the region and providing support and enablement activities. **HPE** continues to drive its partners, through incentives and programs, toward higher-value solutions in hybrid IT and consumption-based offers with a key focus on its GreenLake solution. HPE's investment in the channel and key technology alliances with vendors such as Nutanix helps drive its ongoing channel relevance. **Huawei** has been expanding its channel presence in the region, with a strong focus on its cloud platform and artificial intelligence (AI) portfolio of solutions. But it remains to be seen how the ongoing tension between China and the US will affect Chinese vendors such as Huawei. **IBM** has been encouraging partner specializations around hybrid and multi-cloud, AI, cybersecurity and advanced analytics among its partners. **Lenovo** has made improvements to its bid processes and incentives through the launch of project "Velocity", with the aim of further simplifying its channel tools and processes across both its PC and data center groups. **Microsoft** continues to direct its partner incentives toward those building managed services and/or developing their own IP for cloud, as opposed to license resell, reflecting its focus on cloud platforms and solutions. Microsoft also offers the most channel-centric cloud go-to-market strategies compared with its cloud competitors. **Palo Alto Networks'** emphasis is on managed security and enabling partners to provide managed security services, supported by its dedicated MSP program.

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Summary: Contenders, Scalars and Stragglers

Stragglers: McAfee, Symantec/Broadcom and Veritas have the lowest partner scores, and have seen partner sentiment stagnate or fall in the last 12 months. **McAfee** has just completed its IPO listing and partners will hope that this will increase the vendor's focus on account management as well channel enablement programs. **Symantec's** acquisition by Broadcom continues to lead to a deteriorating relationship with its existing partners, with partners expressing concern about the lack of communication and commitment from the cybersecurity vendor. **Veritas** struggled with channel engagement in this region, especially among the smaller channel partners across APAC. Account management as well as profitability are areas where partners have rated Veritas low compared to its competitors.

Canalys Leadership Matrix



APAC performance highlights – Champions

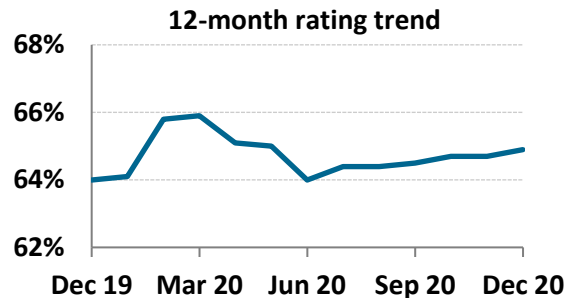


VB rating
December 2020:
67.8%

Number of
responses
41

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

- Quality of technical support (7.1)
- Usefulness of portals and electronic tools (6.7)
- Accreditation and specialization programs (6.7)
- Product availability and supply (6.7)
- Ease of doing business (6.6)



- Cisco has faced a challenging year, as parts of its business – particularly on-premises networking and data centers – have come under sustained pressure during the pandemic. But its collaboration business has been a bright spot and Cisco has maintained its focus on its partners during the crisis as part of its “Perform and Transform” strategy. This prioritizes current partner success as well as helps partners create new business models for the future as Cisco continues to transition toward services and subscriptions. It has extended partner payment terms, launching deferred payment schemes via Cisco Capital and protected partner program tier status for a year, to help partners navigate cashflow challenges. It announced a new partner program structure that will better reflect partner roles.

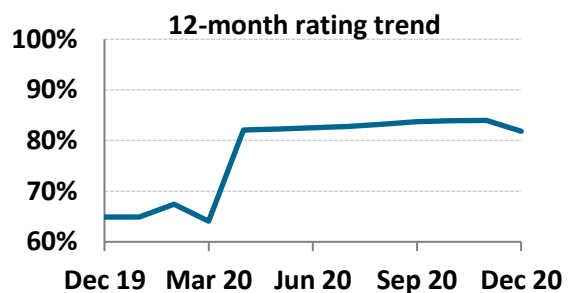


VB rating
December 2020:
81.8%

Number of
responses
67

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

- Usefulness of portals and electronic tools (8.6)
- Ease of doing business (8.4)
- Product availability and support (8.4)
- Effectiveness of account management (8.3)
- Managing channel conflicts (8.2)



- Check Point has doubled down on its commitment to the channel, with the announcement of a new global partner program in early 2020. The program focuses on encouraging new wins, growing new areas within the Check Point portfolio, and improving ease of doing business. Channel partners can expect predictable growth margins and recognition when winning new accounts, closing strategic win-backs, and accelerating customer adoption and success in cloud security.
- The program has resonated well with partners, who are encouraged through competitive deal registration and other benefits. Partners are also rewarded for their value-add professional services and MSSP initiatives, which improves the overall customer experience.

APAC performance highlights – Champions

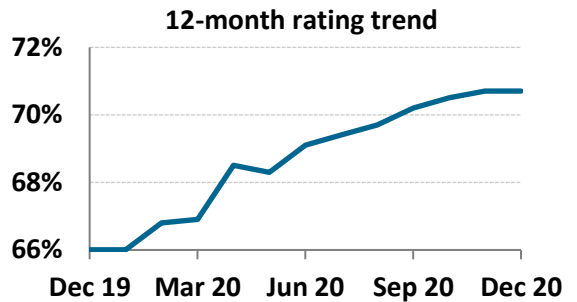


VB rating
December 2020:
70.7%

Number of
responses
56

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

- Product availability and supply (7.8)
- Quality of technical support (7.5)
- Ease of doing business (7.4)
- Accreditation and specialization programs (7.3)
- Usefulness of portals and electronic tools (7.2)



- Dell continues to invest and show its commitment to the channel, emphasizing profitability and simplicity for its channel partners. Partners are encouraged and rewarded for selling solutions across the Dell Technologies family, which counts toward their tier status and revenue requirements.
- During the early stages of the pandemic, Dell provided a one-time market development fund pay-out to partners as well as free training for metal tier partners on select products, alongside 0% interest on server and storage purchases, backed by customer deferrals of up to nine months. Dell also removed client solution growth targets for the first half of the financial year while increasing the base rates to help improve earning predictability.

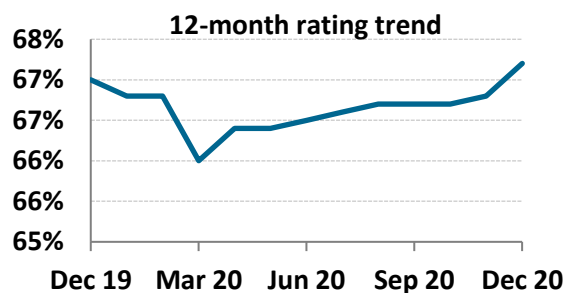


VB rating
December 2020:
67.2%

Number of
responses
47

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

- Usefulness of portals and electronic tools (7.2)
- Quality of technical support (7.0)
- Ease of doing business (7.0)
- Accreditation and specialization programs (6.5)
- Effectiveness of account management (6.4)



- HP announced its new partner program, Amplify, which features a new compensation structure and a greater focus on services and data-sharing with channel partners. The new program rewards partners that offer services, collaboration between HP and its partners, and a strong digital presence.
- The Amplify program brings a deeper focus on enabling increased delivery of services such as device as a service. Service delivery capability is one of the new performance indicators that will be used to measure rewards in the Amplify program. Sales volume and goals are still part of the compensation structure under Amplify but HP is driving a shift in partner value. HP's emphasis on data-sharing requirements from partners creates concerns for some.

APAC performance highlights – Champions

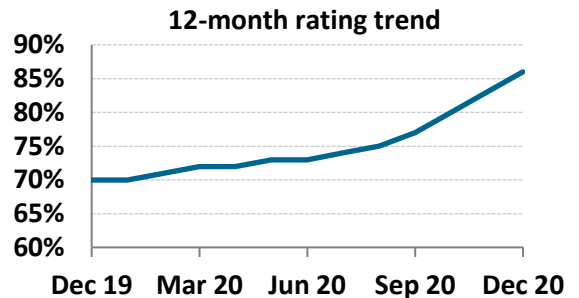
kaspersky

VB rating
December 2020:
86.2%

Number of
responses
83

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

- Managing channel conflicts (9.7)
- Ease of doing business (9.6)
- Effectiveness of account management (9.6)
- Quality of technical support (9.4)
- Product availability and supply (9.0)



- Kaspersky has fostered a highly committed and satisfied partner base, supported by ongoing improvements and continued investment in its United Partner program and a new partner portal. Partner feedback on rebates has also been positive. Building an MSP community is a key area of focus for the vendor. Kaspersky has also introduced new billing models and increased investments in terms of hiring dedicated account teams across the region.
- The newly launched partner portal provides access to reporting dashboards, documents, an on-demand multi-lingual training library, marketing content, automated deal registration and MDF processing. A multi-region lead-generation program was also implemented.

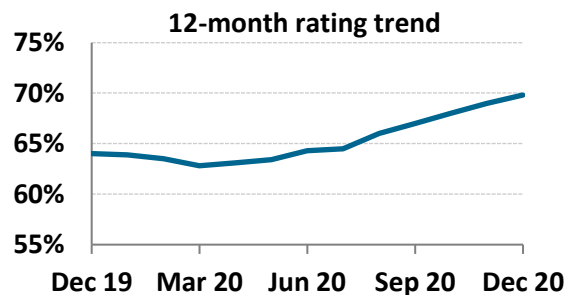
VEEAM

VB rating
December 2020:
69.8%

Number of
responses
66

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

- Product availability and supply (8.0)
- Quality of technical support (7.5)
- Ease of doing business (7.3)
- Effectiveness of account management (6.9)
- Managing channel conflicts (6.9)



- Veeam remains a channel-focused vendor and its technology alliances with Microsoft, Lenovo, NetApp and others are appealing to channel partners. Veeam's professional services department has been aligned with its channel engagement model and the enhanced Veeam Accredited Service Partner program helps channel partners differentiate their business models and drive customer journey success.
- Veeam's focus on services will benefit channel partners that have services capabilities, as opposed to product-only resellers. Partners can also increase profitability on Veeam by offering bundled services, while at the same time increasing their value to end customers.

APAC performance highlights – Champions



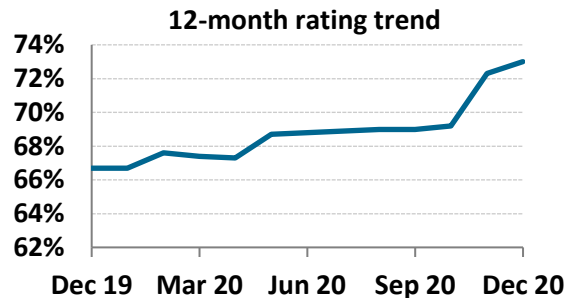
✔ **Highest rated benchmark metrics (out of 10)**

- Product availability and supply (8.4)
- Usefulness of portals and electronic tools (7.7)
- Quality of technical support (7.6)
- Accreditation and specialization programs (7.6)
- Ease of doing business (7.5)

- VMware launched its Partner Connect program in March this year, a significant revamp from its previous iteration. The new program is designed to enable channel partners to work with VMware based on partners' business models, with an increased emphasis on customer experience, especially for solutions such as cloud. Program enhancements include an incentives and development fund portal, with dashboards and improved visibility to help channel partners track their business and pipeline. Channel partners have received the new enhancements well. VMware's Future Ready strategy, spanning multi-cloud, application modernization, digital workspace, security and networking, gives it a powerful end-to-end portfolio for the future, enhancing its channel relevance.

VB rating
December 2020:
73.0%

Number of
responses
42



Canalys APAC Leadership Matrix 2020

About the Canalys Leadership Matrix



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.
- **Scalers:** 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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