An ecosystem orchestration platform can help partners navigate the increasingly complex IT marketplace.

The Arrival of the Ecosystem Orchestration Platform: An Almost Perfect Storm

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IDC outlined the growing need for an ecosystem orchestration platform (EOP) in 2019, and we now see it coming to life in various guises, most notably in the form of marketplace-like platforms that enable multivendor solutions and facilitate vendor and partner go to market.

The need for an EOP originated with the explosion of cloud-based IT options, which increased customer choices and multiplied complexity. Partners working as trusted advisors for those customers were affected accordingly, as their role in navigating these options was both a challenge and an opportunity. For vendors or IT providers, their approach has typically been to develop their own marketplace to facilitate solutions and extensions to their own platforms or portfolios.

With all this complexity and the rapid move to digital delivery and adoption of technology combined with consumption or as-a-service offerings, the focus on helping customers navigate these options has never been more important.

IDC research indicates that 95% of CEOs are now pursuing a digital-first strategy. This represents a dramatic change that has been magnified by the pandemic, global unrest, and previous IT trends, which have driven customers' digital transformation. Customers no longer look at successes of born-in-the-cloud companies such as Uber and Airbnb as models as they see fellow industry participants digitizing their businesses. Never has there been a time where technology seems better received by customers.

These customers are shifting their attention to the cloud and hybrid or multicloud solutions that drive their business outcomes, whether customer focused or more internally cost or efficiency focused, using automation, cross-cloud services, and AI/ML.

In response to these needs, the partner ecosystem must transform. The majority of partners are now clearly positioning themselves as solution providers and are working to be closer to their customers' true business needs and becoming more industry centric or knowledgeable.

AT A GLANCE

WHAT'S IMPORTANT

An ecosystem orchestration platform must meet today's industry needs while being flexible for future business trends. It's not just another marketplace but a fluid, expandable platform that can help partners regardless of their digital transformation journey.

And this is where the arrival of distribution-founded EOP plays a key role: Vendors and partners still need a reliable two-tier route to market their existing offerings, but they also need to address the shifting needs of customers, with digital demand a big focus. Building off the two-tier model that distributors have perfected over decades, the EOP will provide a bridge for partners to manage their existing streams and help them digitally transform their business model to accommodate for digital-first technology that customers are demanding.

The EOP is also a natural realization of the transformation that distribution has been undergoing over the past few years, evolving from classic distribution to digital distribution, and then further to expand to solution aggregation. All of this transformation has been driven by the changes in end-customer demand but also to enable the success of those distribution customers that partner with end customers and the IT vendors that supply the technology through this ecosystem.

What Does an EOP Require?

An ecosystem orchestration platform must meet today's industry needs while being flexible for future business trends. It's not just another marketplace but a fluid, expandable platform that can help partners regardless of their digital transformation journey. The EOP must support digital-first technology, cloud, multicloud, multipartner, and multivendor engagements while facilitating subscription and recurring revenue consumption models. On top of that, it must be multilanguage and multicurrency to support ever-growing globalization.

IDC partner survey data reveals three important factors for partners when working with an aggregator/orchestrator:

1. **Product enablement.** This allows partners to have portfolio breadth and depth with an opportunity to expand their business model.

2. **Management capability.** Managing the vendor, the customer, and the business in one place with access to use case blueprints, technical support, and cross-cloud management options for a single customer invoice.

3. **Ability to create a market for the offering.** Partners can offer solutions to customers and other partners and globally scale their footprint by building alliances and recruiting specialized partners to fill use case requirements.

Today's Almost Perfect Storm

It's often said that crises compel change, and the pandemic and global unrest period accelerated change supported by technology like no other time IDC has seen since we have been tracking IT markets.

The worldwide workforce went from traveling to the office to being on lockdown and working from home. Global gross domestic product (GDP) and technology spending fell. Worldwide economic pressure challenged customers, industries, and governments.

The 2008 financial crisis created a similar worldwide economic downturn. GDP dropped 6%, and IT spending plunged 4% further in line with this. In comparing the 2008 financial crisis with the 2020 pandemic-related economic downturn, we found that while GDP also dropped by 6% during the pandemic, technology spending did not follow the same path. Instead, technology investments held up and were seen to help flatten the curve for businesses.

Over this period, customer acceptance of digital transformation supported by technology rose dramatically. Technology became a tool to help businesses retain customer connection, improve business processes, and even control internal costs. IDC's most recent customers surveys show that 95% of customers are now following a digital-first strategy.

Of course, not all of those customers are finished with their digital strategy; the majority are at some stage on the journey, which contributes to digital demand that in turn feeds the almost perfect storm that helps customers navigate the route forward (see Figure 1).

FIGURE 1: *The Digital-First Strategy Launches the Era of Digital Business*
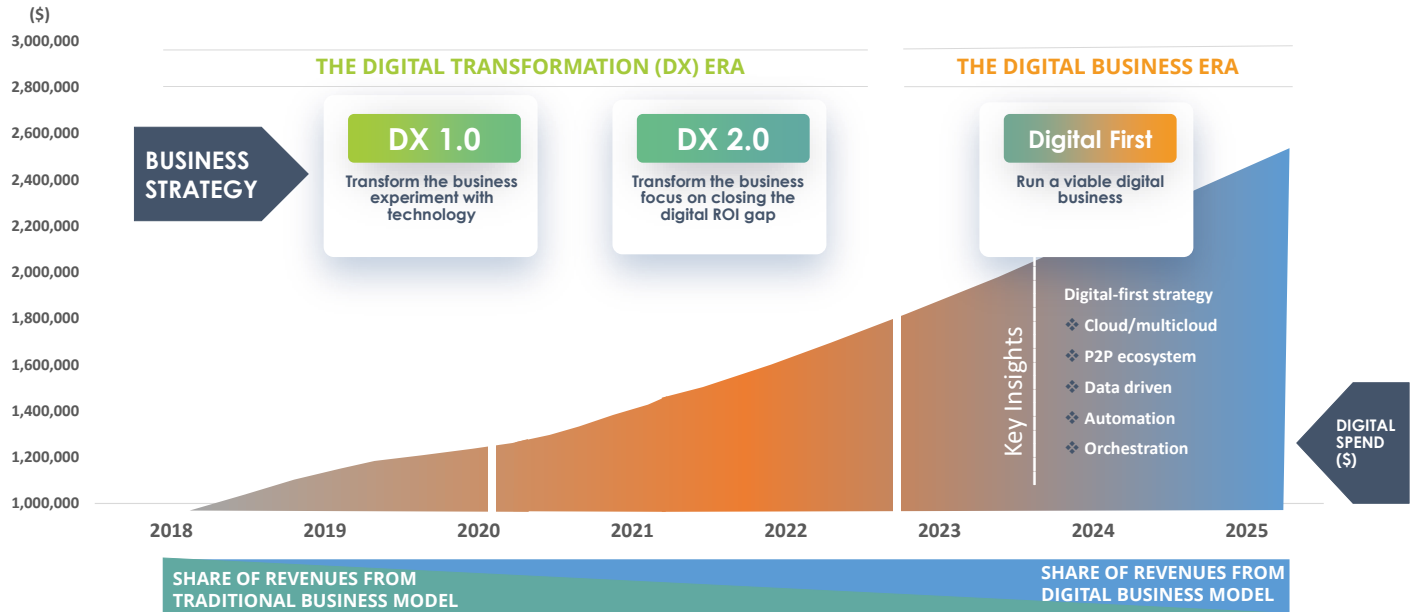
Source: IDC's Worldwide Digital Transformation Guide, 2021

As IDC research shows that we are entering a new digital era underpinned by technology, but also compelled by disruption, challenges continue to rise that require an EOP that enables multivendor solutions and, in particular, enables partners to help their customers navigate the complex and stormy waters.

IDC describes the current period as storms of disruption, and IDC research indicates that 69% of tech leaders are very or extremely concerned about technology investments required to remain competitive. Companies need to transform and evolve their businesses in response, and technology and the partner ecosystem will be important in helping them define a road map to success.

TD SYNNEX StreamOne Platform Is an EOP Today

IDC has observed TD SYNNEX evolving its StreamOne platform, which is not a new endeavor. This work has been going on for a number of years as TD SYNNEX has been going through its own business transformation, and we believe it will continue to evolve to deliver all the requirements of an EOP to both partners and IT vendors.

IDC wrote the document *The Case for an Ecosystem Platform to Transform the Way Value Is Created and Delivered* in 2020 to examine partner-related business challenges and the emergence of an EOP concept. The paper documented the role of Tech Data as a distributor that saw the accelerated change, and the distributor envisioned how the channel industry would shift in the future.

Tech Data introduced its StreamOne platform with a release of its capability and road map in 2019, positioning itself for the future as an EOP provider. StreamOne is an EOP that provides a pathway to the future for suppliers and consumers of technology.

IDC believes that the EOP is more than a typical marketplace. IDC research identifies several benefits to developing an ecosystem orchestration platform:

» The EOP produces increased efficiencies with simplified partner connections and a "we versus me" value proposition.

» Solution development with a neutral, collaborative go-to-market strategy can reduce the complexity of delivering solutions in a digital world.

» Improving structure and compliance in simplified billing and compensation strategies is key to the outcome.

Achieving these benefits requires choosing the right partner. Figure 2 shows survey respondents' reasons for selecting a lead digital infrastructure ecosystem partner.

FIGURE 2: *Reasons for Lead Digital Infrastructure Ecosystem Partner Selection*
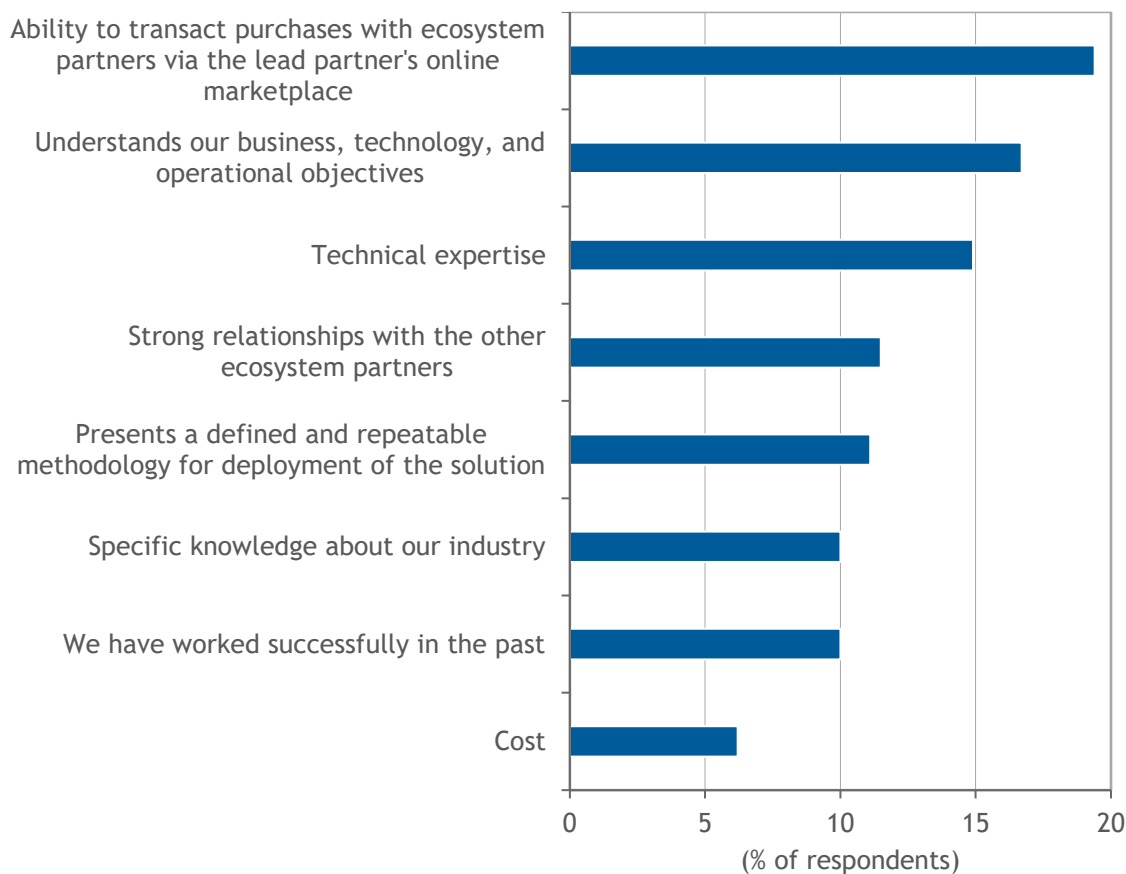
n = 1,058

Note: Data is weighted by country GDP.

Source: IDC's Future of Digital Infrastructure 2022 Global Sentiment Survey, June 2022

The EOP requires a well-architected foundation to support today's solution selling, subscription, and consumption models. IDC shows that customers prefer ecosystem partners that offer rapid innovation to meet their needs. Complementary partner services with fast application and deployment capabilities are the greatest business attributes of industry ecosystem participation.

IDC research over the past few years has shown an increased willingness among end customers to engage with their industry ecosystem for better outcomes and also an increased willingness to engage with the partner ecosystem to identify technology solutions to support business goals. We believe this mindset further supports the perfect storm.

In terms of the StreamOne platform, IDC believes there are several key elements that show it is an EOP not only for today's demands but also for future evolutions:

» StreamOne is architected to enable interactions between all platform participants. Users will have the flexibility to build and modify use cases based on individual customer needs, giving them access to the same tool that TD SYNNEX uses to build solutions. This "any to any" architecture is key as partner types and activities continue to shift.

» StreamOne builds upon the two-tier model and enables partners to bring digital-first solutions through the platform to others worldwide. Partners can move from consumers to producers and enhance their ability to consume and sell solutions on a global platform. StreamOne is a global multitenant platform. That means the same code runs in each of the 70+ countries it serves.

» StreamOne supports the current solution aggregation needs of its partners while helping them move through digital transformation into the future — from today's one- or two-tier delivery system toward a next-generation any-to-any model. Access to a robust solutions catalog, including Click-to-Run solutions, speeds time to market for partners.

» StreamOne continues to provide support for business operations. It builds from a methodology that continues the essential services of distribution, such as financial services, warehouse logistics, deployment, enablement, and technical support.

IDC believes that StreamOne offers a significant capability as an EOP to TD SYNNEX customers, whether partners or vendors, that will enable more ecosystem participation options in aggregate than individual parties have today. In addition, StreamOne has the ability to evolve as customers (partners and vendors) further evolve.

TD SYNNEX has been at the forefront of industry trends and understands the future business opportunity well. The partners and vendors that make up the TD SYNNEX customer base are concerned about today. Still, the most important piece of StreamOne is that it addresses today's needs and will help partners through digital transformation when ready.

Any-to-Any Model Is Notable

Of particular interest is the way StreamOne design uses a mesh capability to deliver an any-to-any ability that enables a partner to transact through multiple tiers. This design is flexible, enabling a partner to transact from one tier or two tiers to numerous tiers (n-tiers) to a multipoint capability linking multivendors and multipartners. Thus this design creates a true ecosystem-based orchestration platform.

The vision of StreamOne evolution is to expand on the platform's n-tier capabilities to connect vendors, resellers, and customers to support the transaction of services across multiple vendors, partners, and cloud providers. Partners can have n-tiers in the platform. That means an ISV's partner can add its partners and multiple customers residing in the EOP.

Given the complexity of choice, the changes the whole partner ecosystem and vendors are experiencing around changing business mix, evolving go-to-market options, and the ability to work well with other partners in the ecosystem depending on their role, IDC feels this architectural design is noteworthy.

Opportunity for Partners

An EOP and EOP providers can enable partners to expand their business opportunity, not only from a pure solution catalog perspective but also from a business transformation perspective. As the EOP evolves to offer solutions across the ecosystem, from existing business models to digital delivery, it can act as a given partner's capability catalog or business expansion road map.

As customers look to move to digital-first strategies, partners should be able to expand their offerings in an effective manner. IDC also sees the opportunity for partners to work with the EOP provider to build their own business transformation or expansion plan based on the data the EOP is able to share.

Opportunity for Technology Vendors

For technology vendors as customers of the distribution EOP, the key advantages are reach and evolution. IDC does not believe any technology vendors are set up to deal with the long tail of small and medium-sized business (SMB) customers and partners, nor should they want to. The distribution EOP provides technology vendors with not only an opportunity to reach partners and customers they would not normally be able to serve but also an environment or a platform in which to provide their solutions alongside complementary solutions that could also be widely used by customers. In effect, this creates a neutral platform to enable solutions, a Switzerland of marketplaces if you will.

Challenges

The intricacy of creating a platform that globally connects vendors and partners as well as their customers is massive. The platform must interweave next-generation technology, automation, consumption, and commerce to meet each user's current needs. Ease of use defines how readily partners will adopt the concept. IDC notes the channel prefers simple, convenient, and intuitive tools that deliver a strong partner return on investment. Adoption and enablement for partners and vendors will be a key success enabler.

Competition in marketplace territory is strong, and competing with other marketplaces could prove challenging. TD SYNNEX must amplify its EOP messaging to let the industry know its full capability of orchestrating customers, vendors, partners, and hyperscalers in one pane of glass. TD SYNNEX's message should include the ability of the StreamOne EOP to manage multiple providers with out-of-the-box support for public cloud and multicloud providers.

IDC sees the storms of disruption continuing through 2023. Global conflict, the Great Resignation coupled with a skills gap, inflation, and supply chain challenges all point toward future uncertainty.

Ecosystem Orchestrator Success Factors

While there is no way anyone could have predicted the events that have created the current environment, TD SYNNEX saw the general direction in which the market was heading as far back as 2019. In architecting its StreamOne EOP, TD SYNNEX is now advantageously positioned to deliver key ecosystem orchestrator success factors:

» **Create a win-win value proposition.** Focus on the total ecosystem's success, and create opportunities for all participants. There is a clear, shared participation, but orchestrating all the moving pieces is critical.

» **Reduce barriers to the timely introduction of new solutions.** Invite co-innovation between customers, vendors, and partners. Work together to enable customized, configurable designs that deploy rapidly.

» **Focus on the customer's success.** Create tools to match partner capabilities better. Establish a customer success strategy for all solutions.

Tech Data and SYNNEX have a culture in their DNA as trusted advisors that have been around for decades. TD SYNNEX builds off that history by helping vendors and partners tackle challenging market transitions. IDC notes there will be challenges in creating a global ecosystem orchestration platform, but the company culture can see that trend continue.

About the Analysts

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MESSAGE FROM THE SPONSOR

StreamOne® is the foundation of TD SYNNEX's digital business orchestration strategy, putting ecosystem partners in control through data driven decisions, rich customer insights and solutions aggregation. It addresses the challenges of subscription and consumption-based IT service models and simplifies management of multiple cloud providers in a single platform with out-of-the-box support for AWS, Microsoft and Google.

StreamOne® provides enhanced customer delivery options including white label storefronts and the ability to purchase for your client through a "Buy on Behalf" option. Publish products to your storefront with the pricing, quoting, purchasing, provisioning and billing to make it easy for customers to buy. The StreamOne® Solutions Marketplace provides a portfolio of over 50 Click-to-Run™ solutions across major cloud providers. These pre-configured solutions speed time to market at lower costs and higher margins while delivering increased customer value.

For more information or to request a demo, visit tdsynnex.com/StreamOneIon.

IDC Custom Solutions

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