

What 2023 has in store for the Channel

Fernanda Catarino, Head of Channel, Alliances and Ecosystem Europe at Fujitsu

Making predictions is generally a risky undertaking, particularly during turbulent times. Conflicting reports from across our industry compound the challenge – on the one hand, smart money is in a recession hitting most regions in 2023. On the other, analysts expect increased spend on IT technologies and solutions designed to drive efficiencies and reduce costs. This unusual combination bodes well for the channel – as businesses look to lean on their trusted advisors to help them make informed investments to set them up to weather any new disruptions. Fujitsu channel head Fernanda Catarino looks at the opportunities and challenges the Channel will face over the next 12 months.

1. **2023 will be the year of the Ecosystem - with a small minority of projects being completed entirely by a single partner.**

When any downturn hits, partners who participate in Ecosystems tend to fare better in riding out the economic storms. The most successful channel partners will double down on their existing expertise and differentiation – what we at Fujitsu refer to as their 'superpowers'. Collaborating with peers in the context of an ecosystem means unique access to greater customer reach and new business opportunities. Today, only the most straightforward projects can be delivered by individual partners. By participating in an ecosystem – partners of all sizes and with expertise in all areas can benefit through new revenue streams and markets. We expect to see highly skilled niche players increasingly collaborate to work across borders, from CCTV pros to industry-specific data experts.

The ongoing skills shortage will bite harder: The rounds of layoffs that the tech industry has seen in the US may soon hit Europe. Unfortunately, this means we'll see many talented people migrate out of the IT industry, making key skills more in demand than ever – particularly in emerging technologies. The great news for the channel is that businesses will increasingly turn to their existing technology partners to fill their own skills gaps.

In turn, the channel will find creative new ways to meet customer demands for these skills. This is another area where partners within ecosystems will emerge as winners. By allowing members to focus on their unique skills but collaborating to fill any gaps in know-how, ecosystem participants will have greater access to new markets and verticals and can collectively offer a wider variety of technology solutions to their customers. They will also increasingly look to leverage vendor resources, such as centers of excellence for core technologies to help them define and configure projects to rapidly roll out proofs of concept and full deployments.

2. **Steps towards gender equality:** In 2023, we will likely see promising steps toward gender equality in the channel. But,

as an industry, our record on diversity is dire, particularly for senior positions. A recent Canalys poll revealed that a quarter of partners have ZERO women on their management or executive teams. That might take some time for the numbers to change. However, the starting point is increasing the number of women entering the industry, particularly in technical roles. This will require concerted effort for resellers to take effective action. The year 2023 could see a breakthrough – this is my hope and a prediction.

3. **We can't talk about the IT Channel without touching on the technologies and** the biggest channel opportunities that I see for the next 12 months and beyond lie in multi-cloud, cybersecurity, and AI. To meet growing customer demand in these areas, partners will be able to position themselves to offer support, potentially leaning on strategic alliances within ecosystems.

- **Data security** continues to keep businesses awake at night. As their potential attack surfaces remain large, and their precious data stores continue to grow exponentially, managing and mitigating the associated risk leaves most feeling overwhelmed.

- **AI everywhere** – businesses are scrambling to deploy AI to ensure that their customer experience remains competitive and to automate processes to increase operational efficiency. This is another key opportunity for partners able to access and leverage these skills.
 - **We're in for a year of cloud reckoning:** Many businesses are currently suffering a post-pandemic cloud hangover. Almost three years after the urgent scramble to put workloads in the cloud and enable widespread remote working, businesses have had time to live with the decisions made. Many will revisit this strategy in 2023. A significant percentage will discover that many cloud-based workloads are better suited to on-premises or private clouds. Others will find that they are paying more than they should for cloud-based workloads. Analysts at IDC think somewhere between 10 and 50% of all current cloud spending is wasted.
 - The reorganization and reconfiguration of cloud workloads will cause significant disruption for businesses and create opportunities for partners – particularly those following a strategy of finding the right cloud for the right workload hybrid strategy, optimizing usage and spending. In an industry characterized by too much choice, businesses will look to channel partners to help them balance risk, cost, performance, and flexibility.
4. **Sustainability:** Although most regional partners are not yet focused on sustainability, these initiatives are becoming part of their customers' objectives. In 2023, we can expect sustainability to directly impact the channel's bottom line as businesses increasingly expect their supply chain transparency to mirror their own. The last couple of years have seen growing customer interest in transparency regarding aspects such as CO2 emissions, energy efficiency, and ethical supply chain. We will increasingly see these factors baked into the IT purchasing decision-making process, with the carbon footprint of each solution likely to be a consideration in ever more customer tenders and projects. This presents an opportunity for differentiation for enterprising partners focused on sustainable delivery models or solutions.

Today the only market for partners to reuse equipment is charitable donations of reconditioned products to good causes. However, in 2023, we'll see increasing adoption of schemes that reduce waste differently. For example, we expect to see more partners focus on correctly sizing projects at the outset and making them easily scalable to meet demand. For example, by deploying Fujitsu's uSCALE model which enables customers to reduce overprovisioning by deploying just the hardware they need and dynamically adjusting when required. This, of course, also has benefits in terms of shrinking project carbon footprints. Over the year, we'll also see the adoption of tangible metrics for tracking the true carbon footprint of technology solutions. But we have yet to agree on the metrics of how to measure, let alone make a start.

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London-based Fernanda Catarino is responsible for driving Fujitsu's Channel Business strategy and business growth by maximizing the strengths of our distributors, alliance partners, and channel partners of all types.



Fernanda leads Fujitsu's focus on working together with channel partners to create value, and on building solutions to support the business transformation strategies of end customers. As Head of Channel, she's responsible for Fujitsu's 27,000 partners in Europe. Her vision is to build a channel ecosystem that connects people, technology, and ideas, enabling the creation of a more sustainable world.