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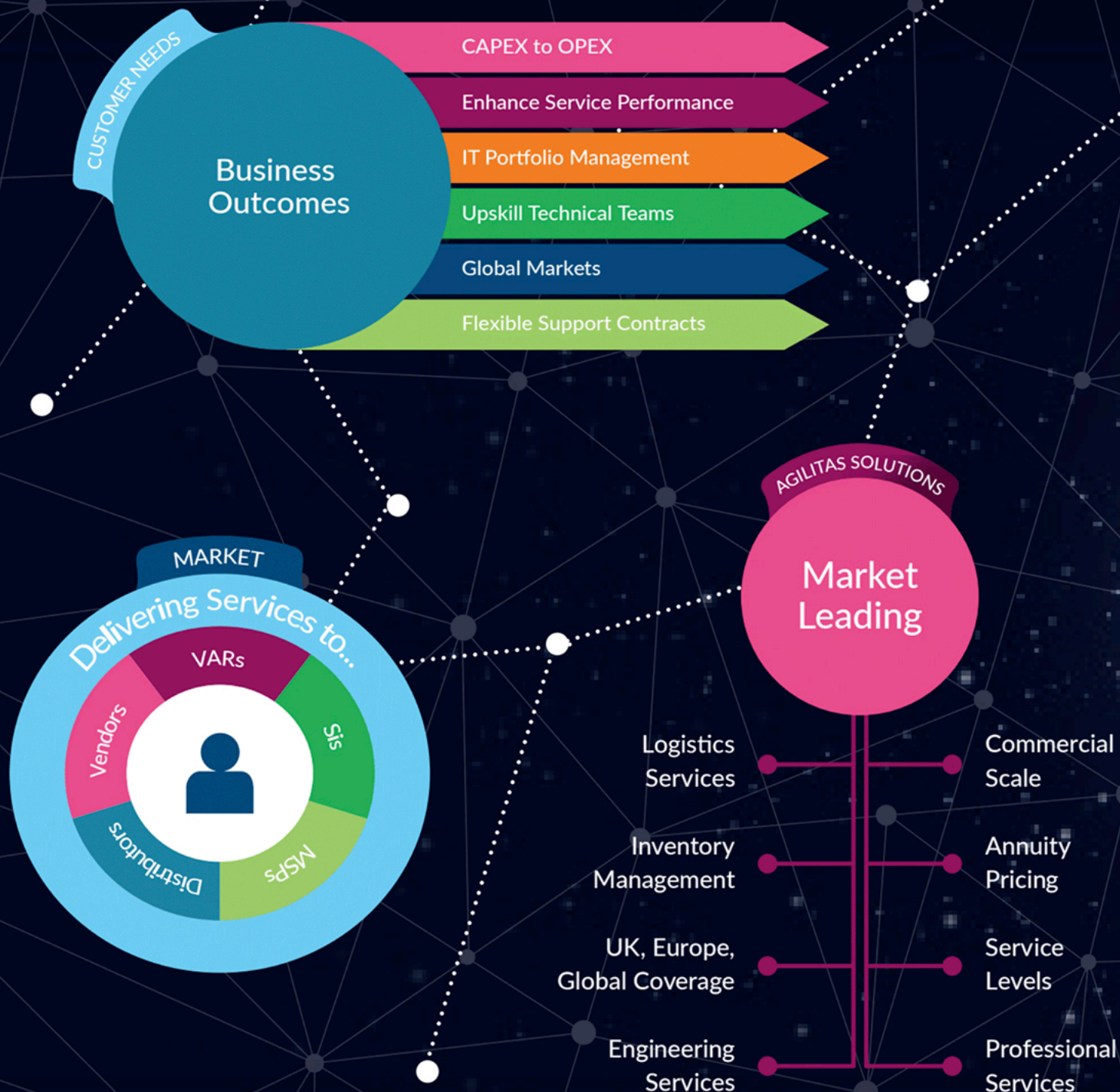


2020: The Year Technology Changed the World


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GLOBAL CHANNEL SERVICES



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Digital evolution, not revolution



This year's *CRN On* event marks the fifth year in a row that Agilitas has partnered with *CRN* to bring together some of our industry's leading visionaries, providing a platform to share their opinions and insight on the future direction of our industry. This year's theme; 2020: The Year Tech Changed The World demonstrates the seismic impact this year's events have had on our daily lives. The COVID-19 pandemic proved to be an unforeseen catalyst for change as millions of people were suddenly forced to work from home. As a result, businesses were made to quickly implement new working methods, speeding up the process of normalising a 'work from home' culture as a viable business model.

Although digital transformation had been on the horizon for many companies, it was never expected to undergo a wholesale implementation. For companies operating in the channel, it has meant that they have needed to adjust their services and support processes to help serve their partners in a more flexible and agile manner.

Now that we are adapting to this new normal, we can start to assess how successful this transformation has been. After all, change does not have to be seen as a negative influence, and innovation is something that businesses should embrace. Today the global IT channel has evolved to meet these changing customer requirements, including new technologies, business models and services to fit the evolving landscape.

Transformation is a topic commonly brought up when reviewing performance at the end of the year. However, never has it had so much relevance in the immediate present. In many ways, 2020 was the year in which technology triumphantly helped businesses stay afloat during what have been significantly challenging times. What's important now is that we continue to learn from this experience and look at how we can innovate further and start shaping the future direction of our industry.

At Agilitas, we have a passion to innovate. Implementing incremental changes can go a long way in remaining relevant to our channel partners. As we continue to grow as a company, adaptation to the changing climate is crucial. Digital and operational transformation will be key in order to remain competitive and respond to the needs of our partners and customers in the channel.

Every sector has been impacted by the pandemic, and this is no exception for the IT channel. But while the challenges



have been significant, we have also learned that we are agile enough to adapt to change.

Now, those within the channel can restructure their businesses to be better prepared for future disruption and embrace the new world of services – particularly those who serve across a range of different international markets.

Moving forward, the channel should revisit strategies and investigate the ones that were less successful during the pandemic. This is essential to stay relevant to customers and to offer the best services possible. Also, those who are taking a sustainable approach to these services are likely to stand out from the competition.

In our latest campaign, 'CONNECT – Voice of the Channel', we want to build and strengthen connections across growing channel audiences. Using research-led insights, CONNECT will look to share valuable intelligence within the channel to help shape service strategies. Earlier this year, we launched 'CONNECT to Collaborate', which is the second in the series. The report investigated how taking a collaborative approach to partnerships can help businesses to survive this challenging time.

The report also reveals that decision-makers have come to accept and understand that innovation has a key role to play to ensure business survival. However, there are differing opinions on how to implement this, and what drives it.

One of the most encouraging insights derived from the report was decision-makers' optimism regarding innovation, which came in higher than the overall average confidence score. In addition to this, the results indicated a significant shift in attitudes regarding disruption and innovation, with nearly two thirds of respondents considering these positive forces on the IT channel. In terms of transformation, it is clear that this drive will advance technology further.

Shortly, we will be releasing our 'CONNECT to Transform' report which will explore business transformation further for those channel businesses asking themselves how they can transform their business and strategies, and also embrace the new normal. Our aim for these reports is to help advise and shape the future strategic direction of their business in order to remain relevant to their end-user clients. Remember, it's about evolution, not revolution, when planning your digital transformation journey.

■ Shaun Lynn, CEO of Agilitas

Technology: a new front line

As we near the end of a year that has been challenging to say the least, CRN, in association with Agilitas, carried out some research among more than 150 end-user customers to see exactly how technology has helped them through the pandemic and the role IT suppliers have played in that, plus the challenges they have faced, and much more

“Never was so much owed by so many to so few” is a famous quote by Winston Churchill about the Battle of Britain in 1940.

And that is also the case with this ongoing battle against our latest enemy: the unseen COVID-19 virus that is affecting every way of life on the planet, has so far infected over 10 million people, killed over 500,000 people and has battered – and continues to batter – the global economy. Without the bravery of front-line medics, key workers and scientists around the world battling to find a vaccine, we would be in a much worse state.

But there has also been a surprise extra front line emerging during the pandemic, and that is the technology and communications industry.

Without technology, and those providing the vital managed IT services, many more businesses could have gone under, thousands more would be unemployed, and the NHS would definitely not have the much-needed Nightingale Hospital resource that could come into its own this winter.

Digital transformation rates have rocketed as firms in all sectors have scrambled to get their workforces working remotely, and video communication tool uptake went through the roof as people strived to keep in touch with colleagues, customers and loved ones. IT projects have been signed off and completed in record time during the year – faster than ever before.

So with all this in mind, and as part of the ‘2020: The Year Technology Changed The World’ event in association with Agilitas, CRN undertook some research among more than 150 end users to find out what part technology has played for them and where they will be looking to invest in the future.

Firms questioned for the research ranged from those with 50 to more than 1,000 employees, with 29 per cent of respondents from the public sector, and 71 per cent in the private sector.

Of those from the public sector, the biggest majority (over 60 per cent) were from the education sector, followed by the

healthcare sector, then local authority/councils and Ministry of Defence and finally, central government.

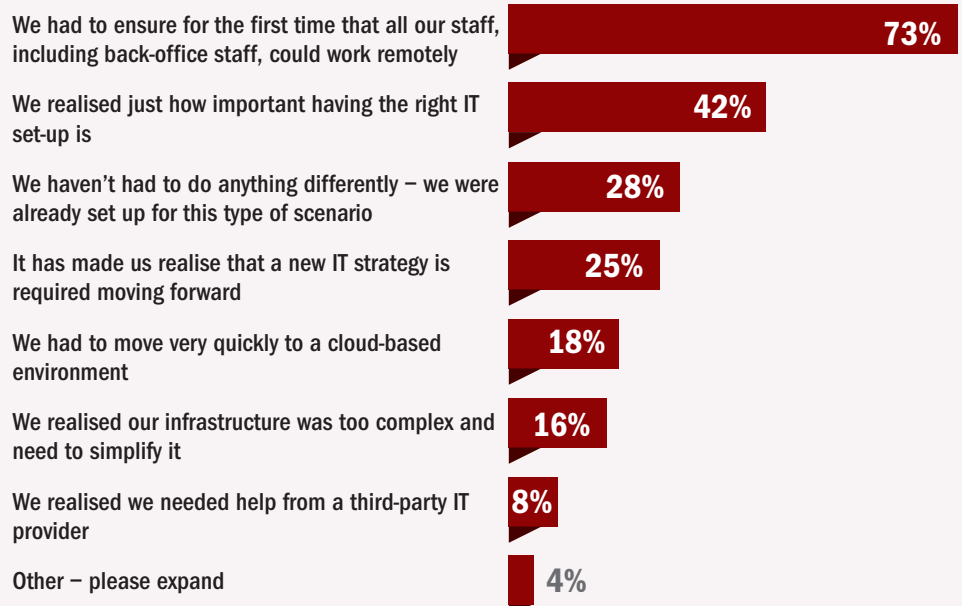
The private sector company respondents were varied and verticals included financial services, banking, manufacturing, media and PR, leisure, legal, retail, IT/telecoms, transport, insurance, energy, logistics, oil and gas, charity and hospitality. CRN also asked what their annual IT budgets were and these ranged from less than £50,000 to £20m-plus – quite a cross section.

Quickening the pace

Our next question asked how the COVID-19 pandemic had prompted them to look at their IT set-up differently and they could pick as many options as applied (*Fig. 1*).

The largest number – 73 per cent – said they had to ensure all their staff, including back-office staff, could work remotely – something they hadn’t had to do in the past. A further 42 per cent said they realised just how important having the right IT set-up is. Reassuringly, 28 per cent said they didn’t actually have to do anything differently – they were already set up for this type of scenario, but a further 25 per cent said the pandemic has made them realise that a new IT strategy is required moving forward. In addition, 18 per cent said they had to move very quickly to a cloud-based environment and 16 per cent said they realised their

Fig. 1: How did COVID prompt you to look at your IT set-up differently? (Select all that apply)



Technology: A new front line

infrastructure was too complex and needed to be simplified. These views were reflected in a virtual roundtable held as part of the *CRN On* event, which featured both VAR and end-user speakers, along with Agilitas CEO Shaun Lynn.

Speaking during the discussion, Gareth Davies, head of IT and infrastructure at global student network organisation UniDays, said his firm had luckily been well placed: “We were quite fortunate really. We are a young company and have always tried to be quite mobile – we have offices across the UK, America and Australia and quite a lot of commercial work when people wanted to travel and move around – the majority of business was mobile with laptops and other equipment, so just before the announcement was made by the British government we had already moved everyone to home anyway

“So we coped very well, especially when I compare with some friends who work in much larger technology organisations who had to scramble a little bit to get sorted.”

Also speaking on the panel, Annabel Berry, CEO of security VAR Sapphire, said it was the speed at which lockdown happened that caught out some.

“It depended quite heavily on the type and size of organisation,” she said. “The tech organisations were better placed in terms of the technology they already had. That was the case for us – we have been investing heavily in cloud and cloud apps [so it was an] easy transition for us and that has been the case for many of our customers.

“I think what caught people out was the rapid pace of it – I don’t think any of us have been through such a rapid change of pace in such a short period of time. But we saw that those companies used to working in a much more agile way were able to get the changes through quickly and those not used to running agile projects have struggled a bit more.”

Our next question asked end-user respondents what the biggest technology-based challenge their organisation had faced because of the pandemic (*Fig. 2*).

The majority said that remote working and acquiring the equipment they needed to allow for remote working was a challenge, along with the short timeframe they had to get everyone up and running. Demand for secure VPNs and general endpoint security was also a concern, as was ensuring all licences were up to date and relevant. Others said remote IT support was definitely a challenge and some said having to use outdated equipment posed a problem.

Speaking on the panel, Manuj Sarpal, chief technology officer of financial services giant Granite Shares said the company already had the necessary hardware.

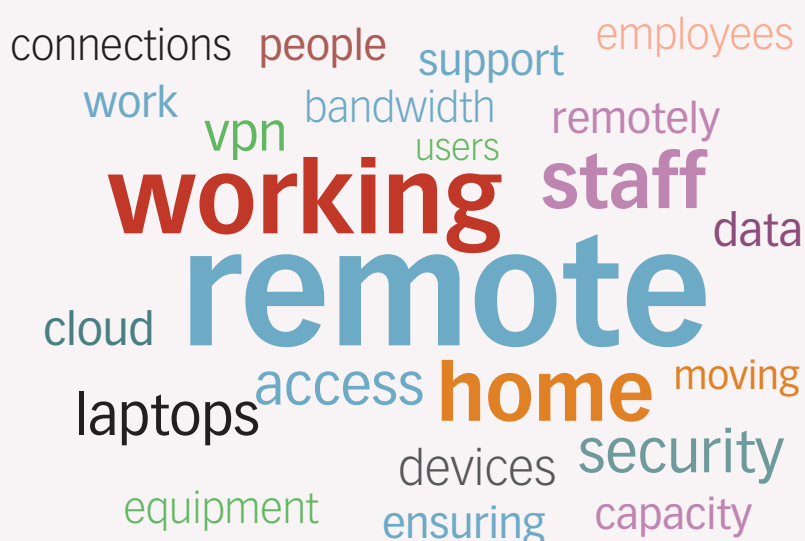
“For us the struggle was how to deal with compliance, data privacy and cybersecurity,” he said. That is a challenge we are still trying to rectify. It was not just an issue with us, many companies are in the same boat. Nobody had planned for this.”

He added that his carefully thought-out disaster recovery (DR) plan had never predicted this type of situation.

“I read my DR plan – it was based on what I had been doing for the last 10 years,” he said. “The probability of this scenario was almost nil, the plan said this cannot happen in all the offices – something out there would never have this kind of impact. But that DR plan was thrown out of the window.”

Also on the panel, Bob Olwig, vice president of corporate business development at global VAR giant WWT, said: “I agree that the level of sophistication and ability to work from home really varies by size of organisation and the industry those companies are in. Being in the tech industry, WWT was well equipped. Nearly half of our employees already worked from home and we had the infrastructure in place whether wireless or VPNs to cope with that,” he said.

Fig. 2: What was the biggest technology-based challenge your company faced because of the pandemic?



“Many of our customers were not that fortunate – they span global service providers, large telcos and the largest banks in the world – and some of those industries were not as equipped to deal with it. Many didn’t have a large remote workforce to begin with so many of the things that they needed to implement were brand new. That is what kept our company very busy this year.”

Agilitas’ Lynn said COVID had posed some different challenges.

“For us it was how do we manage getting engineers to the right place, how do we get access to spares that have been properly tested, how do we deal with basic stuff such as COVID protocols? All of that has been changing on frequent basis – so how do we make customers and our own staff comfortable dealing with those problems?

“It was all about thinking slightly differently, leveraging people’s capability using tools and technology – and also doing a lot of talking.”

Our next question asked what percentage of our respondents' staff worked from home before the pandemic, and the results were very interesting (Fig. 3).

A whopping 49 per cent said less than 10 per cent of their staff worked from home, while 28 per cent said less than 25 per cent. A further six per cent said less than 50 per cent of their employees worked from home before COVID, and just three per cent said they had always had a 50:50 split of remote and office-based staff. Conversely, just five per cent said more than 50 per cent of staff worked from home before and a further five per cent said up to 75 per cent worked from home. Even more interesting, just three per cent said they could already support 100 per cent of staff working from home before the pandemic hit.

End-user respondents were then asked to pick the key benefits their employees had mentioned about working from home and were able to pick all the situations that applied (Fig. 4).

Topping the list with 86 per cent was the fact that there was no commute to the office. Secondly, 75 per cent said they had a better work/life balance, while 44 per cent said it made them more productive. Interestingly, 31 per cent said they had experienced improved health as a result and 29 per cent said they had been more collaborative with other departments via video communications. Finally, but by no means least, 21 per cent said working from home had resulted in increased loyalty to the business.

There will come a point when COVID is brought under control and businesses can operate offices at full capacity once more. So our next question asked what percentage of respondents' staff will work from home post-COVID (Fig. 5, p8).

Four per cent said their staff have to be present due to the nature of their job, and just six per cent said they wanted everyone back in the office as soon as possible. This perhaps raises the question, will staff stay with a company if remote working is no longer an option after this year?

On the other end of the scale, 31 per cent said they were giving their staff the option of working half the week at home and half in the office, while 24 per cent said they had always encouraged flexible and remote working, so there would be no change. A further 19 per cent said they would only expect people to come into the office once a week and one per cent said they were getting rid of their physical offices entirely. Finally, 15 per cent picked 'other' with answers ranging from still deciding policies to waiting to see what happens. "This is under review but there will be a large increase in working from home," said one. Another added: "There will be an option to work from home or in the office as required, but we will be encouraging people back to the office if possible." Another said: "It is too early to tell. However, we do expect to change the way we work."

Fig. 3: What percentage of your staff worked from home before the pandemic?

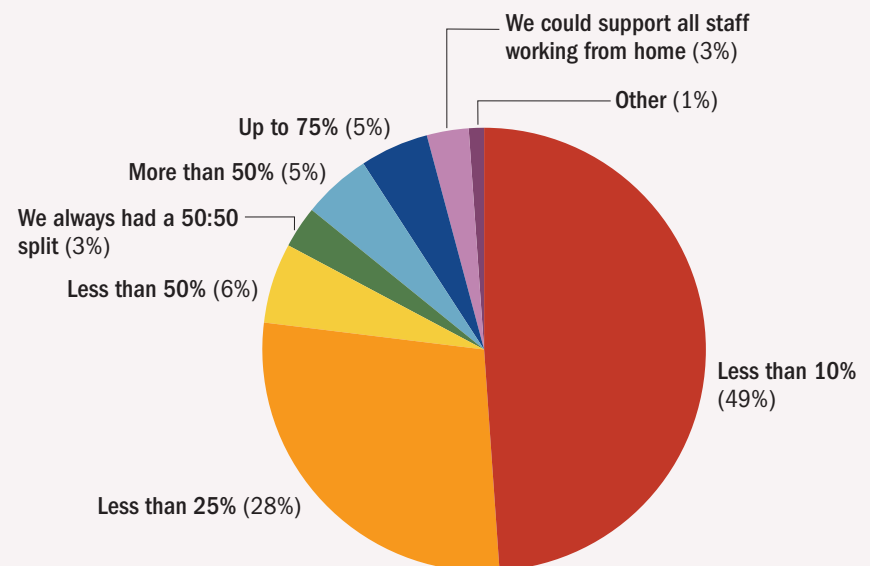
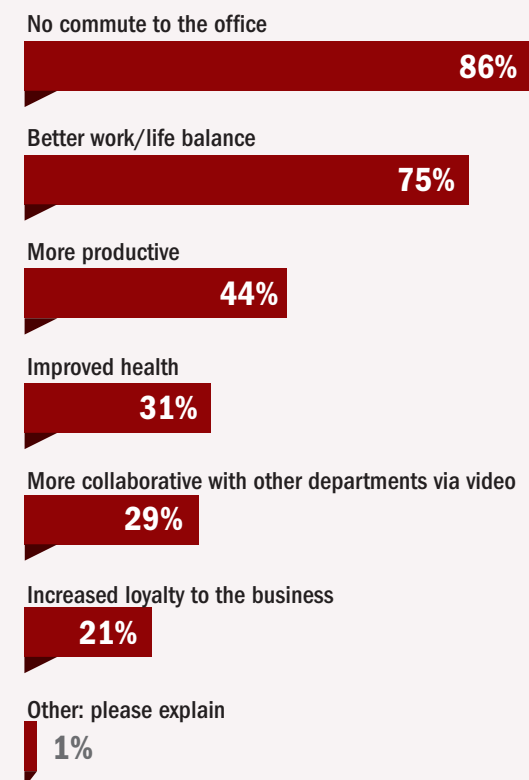


Fig. 4: What are the benefits highlighted by your teams of remote working? Please select all that apply



Technology: A new front line

Agilitas' Lynn said that COVID has made a lot of companies completely re-evaluate how they operate, particularly in the supply chain.

"COVID – both now and as we come out of the pandemic – is making people think about what is important to them. That is, what am I famous for; why am I trying to manage infrastructure if that is not what I'm selling; do I need my own logistics ops?" he said. "The fact that global supply chains have been so heavily impacted, I think, means we will see more regional supply chains emerge – people will focus more on core rather than context. There will also be a lot more partnering, which will actually be the big benefit from COVID."

Securing business

As we said at the beginning of this report, technology has kept the global economy going, but what are the technologies that our respondents have either invested in or are planning to invest in? (Fig. 6, p10)

Unsurprisingly, security topped the list with 57 per cent of votes. This hasn't come as a surprise to Sapphire's Berry.

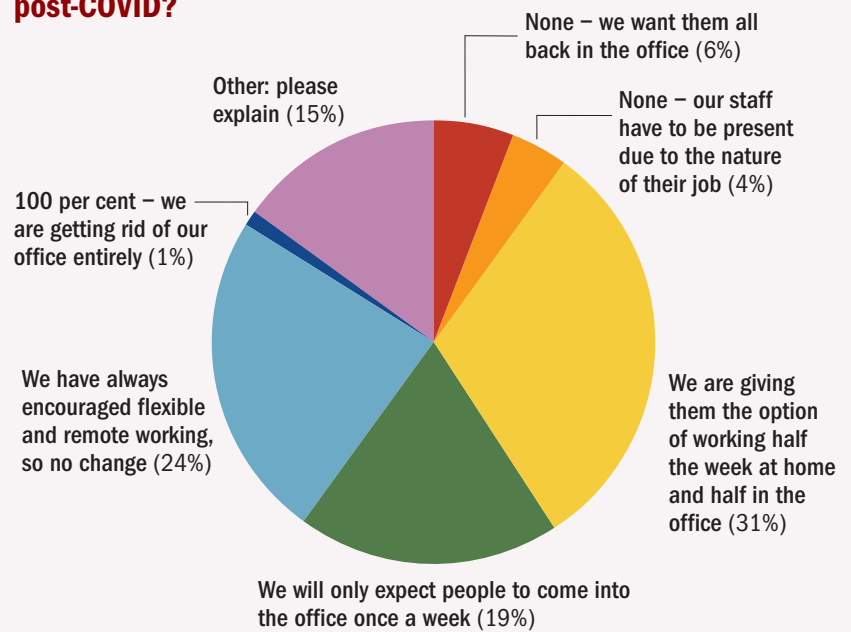
"A lot of people talk about security basics but I recently heard a CISO talk about security fundamentals," Berry explained. "I think that is a better word– 'basic' alludes to the fact it is easy to do, but a lot of it is not easy to deploy, especially in the new hybrid environment we will all be in; where we are not quite back in our offices, but not quite working from home full time like we have been."

She added: "It is about getting that right, the fundamentals around authentication, effective malware controls, good perimeter controls if you still have offices, securing the cloud, all basics we need to be looking at such as patch management and so on. We are seeing people investing again in looking at security culture, training and awareness across the board in different scenarios and focusing away from just emails and phishing attacks."

WWT's Olwig agreed: "Security is definitely a top-of-mind issue – it was before COVID, but it is top of mind today. I am a bit of an optimist – I see a silver lining to the world situation. We have proved that technology is a big answer in solving problems that customers have – we can help them figure out the right technology for them, what change management they need to be thinking about – that was the case before COVID and it is the case today."

Close behind security, with 55 per cent of votes, was videoconferencing and comms technology, and 54 per cent also picked Office 365-based applications. Cloud-based apps scored 51 per cent, with automation some way behind with 21 per cent. Disappointingly for green campaigners, just six per cent said that they were currently investing in greener/sustainable IT bundles, and seven per cent said they were not investing at all, but they were reducing IT budgets.

Fig. 5: What percentage of your staff will work from home post-COVID?



Sticking with the environmental issue, it is one area that has definitely benefited from the slowing down of the human race, as people take fewer business flights, commute to work or meetings far less, and generally stay in their local area. But we asked our respondents if they were considering taking any steps to reduce their impact on the environment, encouraging them to select as many options as applicable (Fig. 7, p10).

Encouragingly, 53 per cent said they will be reducing international travel and using more videoconferencing technology for meetings, while 50 per cent said they have implemented a home-working policy to reduce unnecessary trips to the office and cut carbon footprints that way. Thirty-six per cent said they were extending the life of their existing IT infrastructure and 21 per cent said they were looking into investing in greener IT in the future to help save them money. A further 15 per cent said they carbon offset through various schemes whenever they can, and in a boost for the channel, eight per cent said they needed help and advice on how they can be a more sustainable company.

Feeling the love

In a further boon to the channel, we asked our respondents if they actually worked with IT providers (Fig. 8, p11). A whopping 71 per cent said they have always worked with them, while three per cent said they were looking at appointing a service provider to help them sort out their infrastructure this year. Three per cent also said they only started working with them because of the pandemic, and five per cent said they intend to increase how much they work with IT service providers to help extend the life of their IT infrastructure.

On the other end of the scale, 13 per cent said no and that they don't plan to, and five per cent said they used to but took all IT functions in-house to save money.

A BAROMETER OF THE TRENDS AND OPINIONS
IN THE CHANNEL TODAY

CHANNEL CONFIDENCE INDEX



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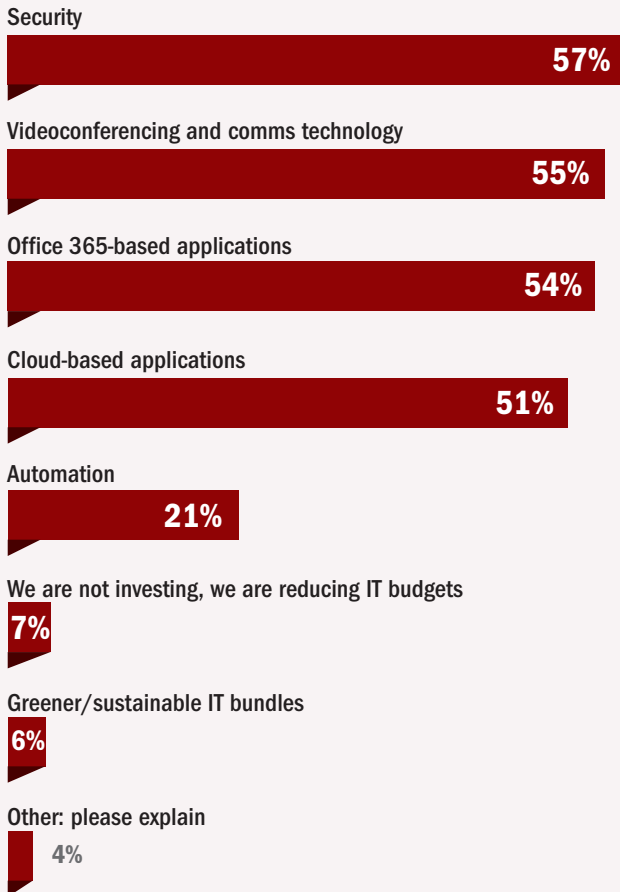
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Fig. 6: What technology have you invested in/are you planning to invest in this year? Please indicate all that apply



Following on from that, we looked to see how influential and helpful the channel had been to its customers during the pandemic, asking what role IT suppliers played in helping them get through the crisis (Fig. 9, p11).

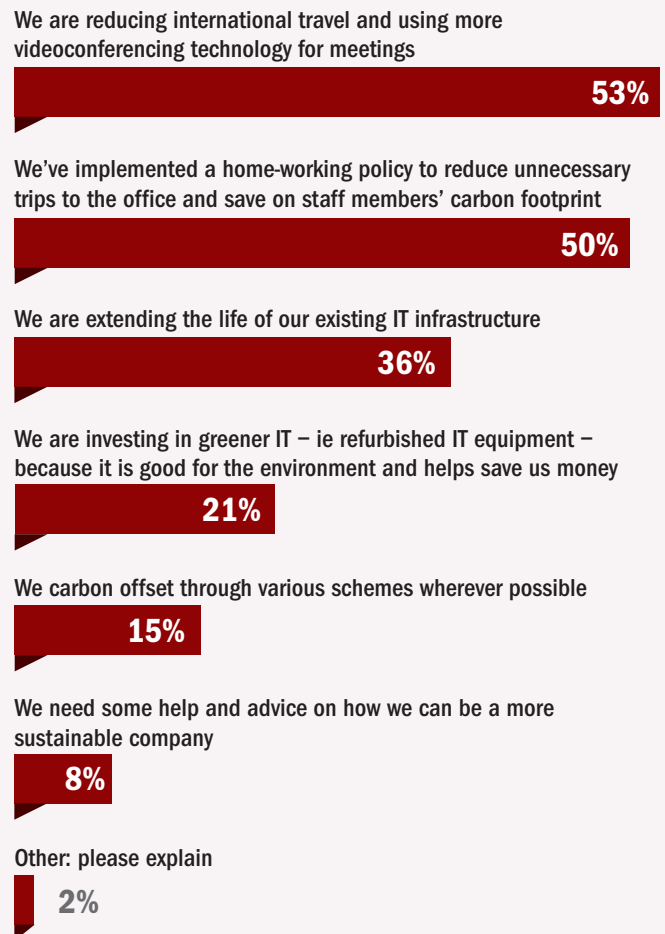
Thirty-nine per cent said resellers were vital in keeping their businesses running smoothly, while 33 per cent said resellers helped staff get set up at home in a very short time.

UniDays' Davies said IT providers stepped up in several ways.

"A lot of our providers have been quite agile, giving us what we need quickly. Some of our providers did have to furlough staff and make redundancies, but were facing more work than ever. Away from the tech side, payment terms and payment flexibility has been fantastic from our providers as well – a lot of businesses have faced uncertainty around cashflow."

Back to the results, and a further 23 per cent said resellers had helped them save money because they had the technology knowledge about what to use and what to perhaps stop investing in. An additional 13 per cent said the channel introduced them to new technology that they now couldn't do without. Fifteen per cent picked the 'other' option which ranged from 'an ability to supply hardware at short notice' to the more negative 'they didn't help us that much!'

Fig. 7: Is your firm taking any steps to reduce its impact on the environment? Select all that apply



Flexibility and communication is key

In the interest of fairness, we asked our end-user respondents what the channel could have done better to help their customers during the pandemic (Fig. 10, p12).

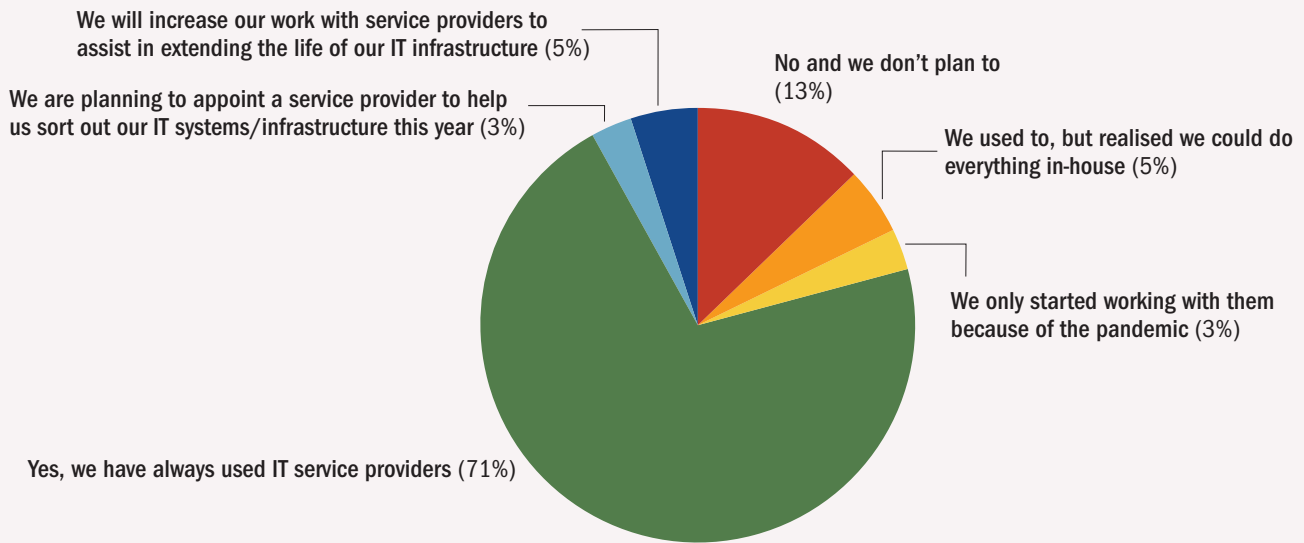
Topping the list, with 35 per cent of votes, was to implement cost-saving measures to reduce IT overheads, while conversely 32 per cent actually said they needed to do nothing else, because they did everything they needed them to do and more.

However, 30 per cent of respondents felt that resellers should have been more proactive and asked companies if they needed any extra support, while 29 per cent said they could have better explained how some of the technology could help them.

Davies added: "At times there has been failed communication as providers have had an influx of people coming to them so moving forward, from what I've seen, they need to strengthen communication with customers which will help us get to where we need to be."

Sarpal said perhaps resellers need to think about what they can and can't do in the future.

Fig. 8: Do you work with third-party IT service suppliers/resellers?



"I think trust and reliability are the same thing – we need suppliers who can scale when needed. That is going to be the future – you stick with what you are good at and the other things you will outsource to other people. It doesn't matter to us who is doing it – we just want that work to be done in predefined SLAs. I think that is going to happen more."

WWT's Olwig said flexibility for customers was absolutely key both for payment terms and deployment schedules.

"I think they are going to want more from their existing suppliers, whether this is managed services or staff augmentation to give a degree of flexibility. A bit of empathy is needed as well. We are all in the same boat together – we are giving each other grace, empathy and understanding about each other's situations. We have been provided with glimpses into people's homes with their cats, dogs and family situations that we have never seen before. It is all about being a bit more human and treating each other that way."

Sapphire's Berry agreed: "Flexibility is definitely needed – not only on the financial side, but being able to flex with customers and react quickly. Often we are called on to turn on a pin and we try our hardest to do that," she explained.

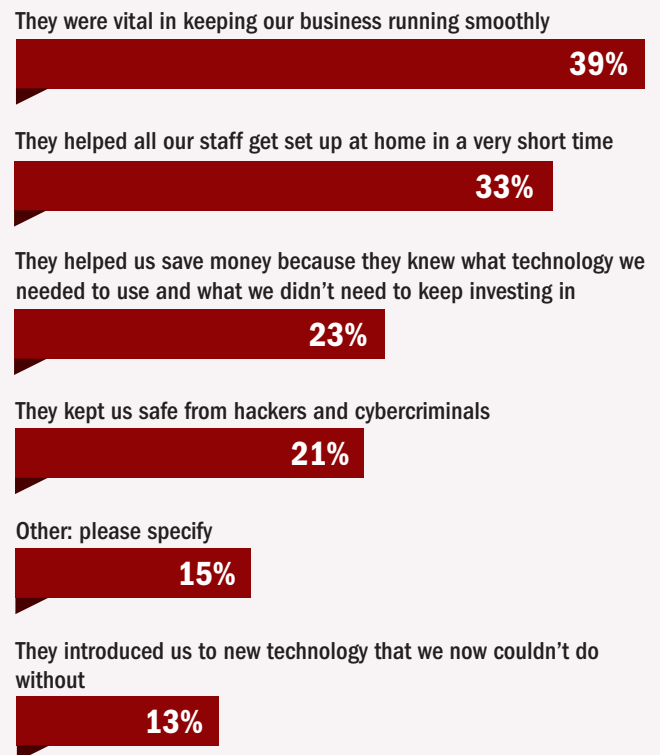
"Flexing with customers, understanding the challenges they are going through and understanding about their businesses and the individuals we are dealing with. There is not a single person who hasn't been affected by this professionally or personally in some way, so understanding that will make us better partner to our customers."

Changing attitudes

Our final question asked respondents how their attitudes had changed to IT investment after the pandemic. The results were encouraging for the IT industry (Fig. 11, p12).

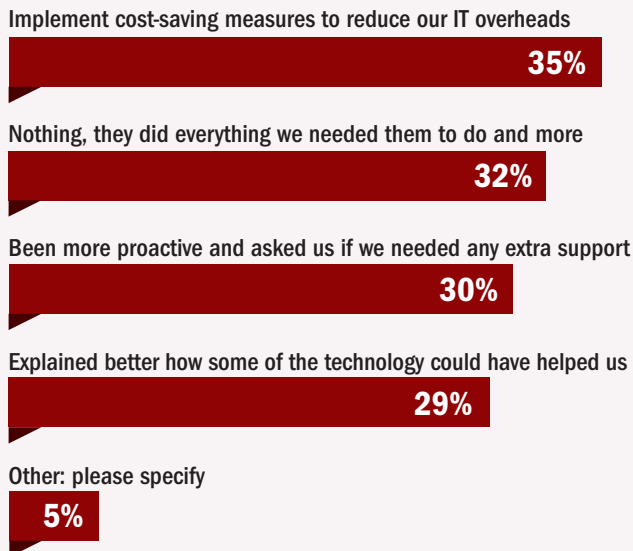
Topping the list, with 38 per cent of votes, was that customers had realised just how much IT can help them run their

**Fig. 9: What role did your IT suppliers/resellers play in helping you get through the crisis?
Please select all that apply**



business more efficiently, while 32 per cent delivered a warning for any complacent vendors out there, saying they have less loyalty to a specific vendor and solutions as it is more about being agile and delivering a specific business outcome. Additionally, 24 per cent said they were increasing their IT budgets as they were not investing enough before, and 23 per cent admitted they had to rely on IT experts a lot more than they did in the past.

Fig. 10: What could IT suppliers have done better during the COVID-19 pandemic? Select all that apply



Sarpal said his earlier investments in IT had been fully justified during the lockdown and it was a lot easier to advocate spending budgets on more technology as a result.

“One thing I have seen is it’s a fast track approval on budgets for technology – if you can give a justification as to why you are spending, your value in the whole business process has gone up. Without investing that money it would have been difficult to survive in this environment,” he said.

However, despite the positivity, a still significant 15 per cent of respondents said they were reducing their IT budgets because they felt they were not getting value for money. This represents a clear signal for resellers to engage in conversations with their customers to make sure they are happy with the ROI on their technology investments.

And this key point, communication, is where everybody needs to focus, said Agilitas’ Lynn.

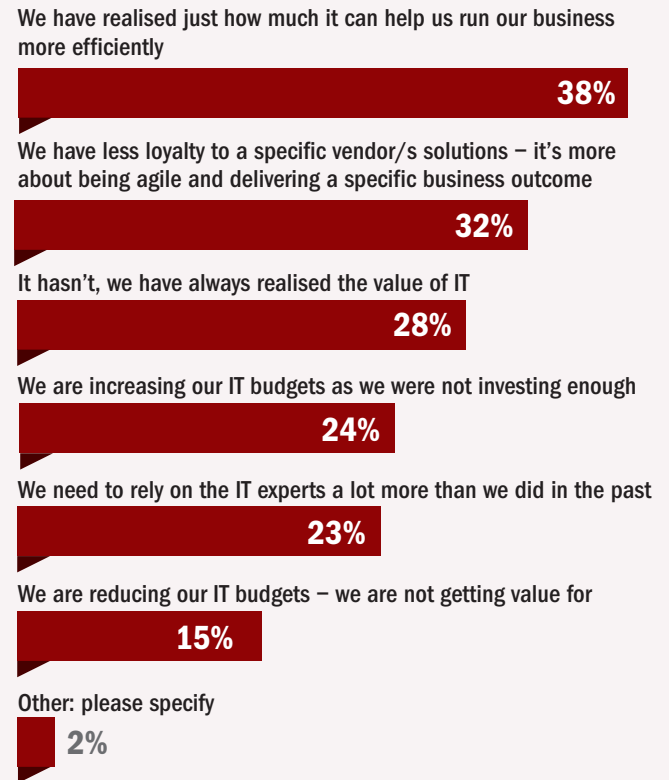
“I think it is going to be much more about focusing on business outcomes [in the future], what the customer wants and needs and trying guide them. We have to recognise there is going to be a limited money supply and we have to focus on outcomes rather than trying to sell more products,” he explained.

“We have to have honest and grown-up conversations where you advise a customer they need to spend on this but recognise that you need to slow down spending on that because the world is a different place.”

Lynn said communication has definitely changed. People are used to selling in person, not over video.

“We have to find a way of adjusting to that and it is all about reconnecting. I think ‘Reconnect’ is definitely the word for 2021,” he added.

Fig. 11: How has your attitude to IT investment changed, if at all, after the pandemic? Please tick all that apply



Conclusion

There is no doubt that the IT industry is an opportunistic place to be right now and it has emerged as an undeniably essential source of investment for many firms that have found themselves working in a completely different way – and the likelihood of returning to how things were before the pandemic is slim to zero.

Of course, nothing is guaranteed in these turbulent times, but there is still a chance to connect with customers more than ever before and really help them be as efficient as they can. As our research and our roundtable discussion shows, customers want to connect and communicate and many need resellers more than ever before.

Encouragingly, there is a significant appetite for investment in technology among customers of all sizes, and there is an opportunity for the channel to become an even more valued adviser by being honest, and telling them what they do and even more importantly, what they don’t need.

Being flexible and able to move quickly is what has set many channel players apart and they have literally saved livelihoods with their actions – enabling customers to carry on operating and providing a valued service to their own customers.

As an industry, the onus is on us to savour our new-found popularity and not get greedy or complacent, because once this pandemic is over, it will be a fantastic foundation on which to build even more in the future.

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