by Braham Shnider



In Part One of this post, I will answer the question, "What won't be a channel value-added service in 2020? And why?" In Part Two, I will deal with the question of which new channel value-added services will exist in 2020.

Part One.

It's my belief a significant portion of what we commonly refer to today as "technical services" will move from being procured as project-based to market-based. Many technical services will soon be "uber-ized."

We have many examples of professional services digital marketplaces today which are growing at very fast rates such as Toptal and Expert360. Workmarket has 300,000 Techies today providing services through their digital marketplace to both the channel and to end users.

Consider the black town car or limo market where Uber began. This was an industry where there was a highly inefficient system of matching buyers (many of us) and sellers (individual owner-drivers). It was so inefficient it created an oversupply of town-car or limo cars which meant many drivers spent too much of their time idle, not earning income. As we all know, Uber came along and provided a simple digital experience, matching buyers and sellers far more

efficiently.

We are seeing many of the same inefficiencies in the provision of some technical services--implementation and support services provided on data centre and client hardware products are a good example.

If you want to buy implementation services for Cisco, HPE or Dell hardware products, it is generally provided by an integrator or VAR. These are channel partners who employ highly skilled individuals with the relevant vendor certifications. These channel partners need to maintain high utilization rates to derive any profit, yet they are limited to selling to a small number of customers whom they know-- when there many more customers out there who could use those same services.

Added to this poor matching of buyers and sellers is the fact these channel partners need at least a 30 - 50% gross margin to make a profit on these services.

Combine this with a worldwide macro trend of individuals choosing to be their own boss (contingent workers) rather than being employed and I think we have the brewing of a perfect storm.

According to Forbes, "by 2020, 50% of the U.S. workforce will be freelancers. (This does not mean they are all full-time freelancers, but one of every two workers will be freelancers in some capacity."

I believe-- in certain technical services segments-- digital marketplace will prosper when the following conditions exist…

- Where there is an oversupply of highly disaggregated sellers (technically certified individuals) versus buyers
- Many of these sellers (technically certified individuals) choose to move from being an employees to being their own boss
- There is a critical mass of sellers and buyers
- Sellers pricing their services at market rates which will be approx. 40% less than what a

channel partners sell for today

- A simple way for sellers to showcase their capabilities and expertise
- A highly customized digital interaction where it is very easy for a buyer to determine if the seller has the expertise (certification) and experience (ability to reference other buyers) to do what they need

The question to be asked by all those in the channel ecosystem: Which types or services meet these conditions and thus will be uber-ized?

Join me next week for Part 2 of this post when I reveal many of the emerging and new channel value-added services in 2020.

Feel free to reach out to me to discuss or--even better-- to let me know if I can help you and be your GTM disruptor.

Braham Shnider is a channel management expert, strategic thinker, change agent, and implementer of innovative hybrid sales models for global companies in more 30 countries. Braham was the founder and served as CEO for 13 years at Channel Enablers, a global channel training provider for vendor channel teams and channel consulting solutions company with expertise in multi-channel routes-to-market. He negotiated the sale of Channel Enablers to Miller Heiman Inc. in 2013. Braham continues to work with a select few global clients on their next generation channels and partner ecosystems.

Go Braham Shnider