Solution Partner Delivered Services Remain Strong

Written by Bob Snyder
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IDC's Channel Panel in USA found partner-delivered services revenues remained strong in Q2 2009 with the highest levels (47% of total partner revenue) coming from those selling networking products.

Revenue received from reselling 3rd-party services is dramatically lower, with storage services leading the way and contributing just over 15% of partner revenue.

Services continue to grow in importance to channel partners largely because of their universal demand: all products within the IT market require services and the types of services are independent of the product vendor. In addition, services can be sold to customers at a variety of times and represent a potential annuity revenue stream for the astute channel partner.

Because the channel partner has the opportunity to deliver its own services, resell the suppliers' services, or subcontract to or from the supplier, services have become a critical component in determining who will be the leaders in the channel and the winners among the suppliers.

"Suppliers that are not prepared to allow the partners to participate in delivery of their own services will face increased competition from, and possibly some loss of share to, suppliers with similar products that allow partners to determine their own mix of service offerings," notes Matt Healey, research manager, Software and Hardware Support Services at IDC.

The Channel panel also found…

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- Partners that sell servers experienced a similar pattern as networking equipment in terms of services revenue.
- Partners that sell storage, whether a primary product set or not, have the lowest incidence of delivering services.
- In terms of revenue received from the delivery of services, there is not a significant difference between partners that sell a combination of hardware and partners that sell only one type of hardware.

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