Securing a profitable future with Next-Generation technologies

Introduction

The market for Next-Generation technologies is set to increase by

85% by 2023

with IoT, cloud, hyperconverged infrastructure, analytics, mobile and security some of the areas that will grow most quickly.
But what does this mean for your business and how can you be sure that you and your customers can take full advantage of this next wave of technology advancements – driving profitable growth and successful business outcomes?

This Tech Data White Paper – 'Securing a profitable future with Next-Generation technologies' – explores:

- How the market for IT solutions is changing and what this means for channel partners

- How to succeed in delivering Next-Generation solutions and where the biggest opportunities lie

- The business value and key benefits of investing in Next-Generation solutions

- Real-world examples that illustrate the reality and ROI of Next-Generation solutions

- Why working with Tech Data can provide you with the best possible support and enablement, when developing your Next-Generation solutions portfolio

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The market for Next-Generation solutions

The IDC FutureScape Industry Predictions Study presents a strategic blueprint for organizations on their digital transformation (DX) journey – highlighting the key technology areas that will require significant focus in order to ensure ongoing success in today's fast-paced, data-driven world. According to their 2018 study, by 2020, 60% of all enterprises will have fully articulated an organization-wide digital platform strategy and will be in the process of implementing that strategy in order to compete in the digital economy.
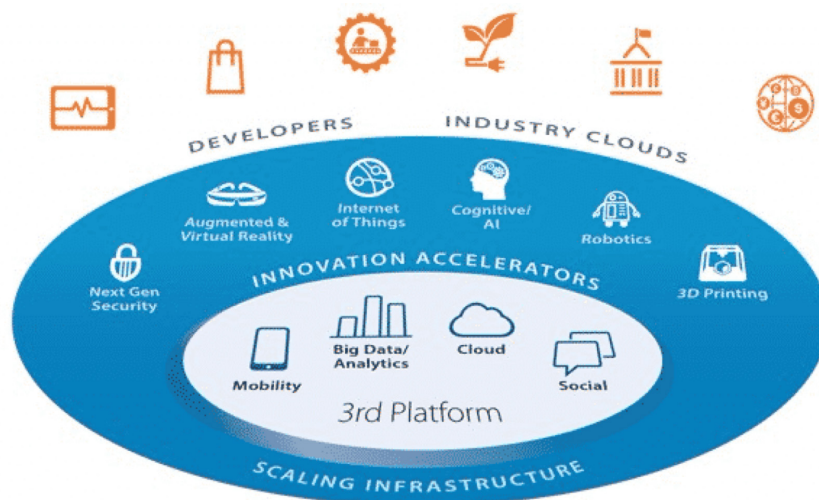
According to IDC:
By 2019, **3rd Platform technologies and services will drive nearly**

75% **of IT spending** – growing at 2x the rate of the total market.

By 2020, **67%** **of enterprise IT infrastructure and software will be for cloud-based offerings.**

Source: IDC FutureScape: Worldwide IT Industry 2018 Predictions, October 2017

Frank Gens, IDC SVP and chief analyst, comments: *"In 2018, the key pieces of the 3rd Platform's second chapter will come together with even greater force, driving enterprises to multiply their digital innovation pace and scale through mastery of digital platforms, external digital developer communities, data-as-a-service (DaaS) marketplaces, expanding artificial intelligence (AI) services, blockchain as a service, new human-digital (HD) interfaces, and open API ecosystems."*

So essentially, technology is increasingly not only an enabler, but a real driving force for solving business issues and delivering value that will help organizations to gain and retain a competitive advantage. The question is, what does this mean for you as an IT solution provider partner and how can you capitalize on the biggest and most profitable opportunities, without incurring significant cost or risk?

The impact of Next-Generation solutions on the IT channel

IT purchasing and consumption is now being driven by the need to achieve particular business outcomes, rather than the traditional approach of cyclical refresh investments, meaning IT channel partners are also having to transform their thinking and business models.

There is a growing expectation on partners to support their customers in using the latest technology to help achieve their business goals, but in-house skills and vendor support aren't necessarily able to adapt quickly enough to keep pace with changing demands.

IDC has found that those solution providers that focus on specific customer business needs and / or use cases, grow faster and more profitably than those pursuing all potential IT Projects. Focusing efforts in this way helps to drive innovation and business value in a specific market – resulting in significant economies of scale that enable the partner to expand their footprint and deliver better business outcomes more quickly.

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In partnership with IDC, Tech Data has explored the key areas that traditional solution providers must transform in order to deliver successful DX initiatives:

1   **Moving to a cloud and 3rd Platform technology architecture**

2   **Changing business models to focus on recurring rather than project-based revenue**

3   **Changing sales focus from a technology-led approach to one that targets specific business needs**

4   **Adopting a specialization /market expert focus, instead of taking a generalist approach**

5   **Efficiently creating complete, outcome-driven solutions for business customers. Some of the approaches solution providers are using include:**

     a)   **Creating their own reusable IP that extends vendor products**

     b)   **Creating pre-integrations for combinations of vendor(s) products**

     c)   **Automating manual and repetitive tasks**

     d)   **Tracking and reporting on the business value driven through technology investments.**

Highlighting unique approaches to the vastly changing technology marketplace, Tech Data has created an eBook that provides best practice guidance for channel partners looking to drive DX initiatives. You can access and **download the eBook here.**

How to secure a profitable future

Those solution provider partners that can gain the in-depth understanding and knowledge of their customers' unique business needs will be the ones that succeed in building profitable growth into the future.

Today's business leaders are constantly having to make important decisions about which technologies and platforms to adopt – keeping up with the demands of their own users, their customers, and the competition. As highlighted in **Tech Data Cloud Solutions' White Paper: 'Connecting the dots to capitalize on hybrid cloud'**, this need to change dynamically means that most organizations are recognizing the need to adopt true hybrid environments that will make effective use of both public and private cloud solutions and services. For IT solution providers, this means having a comprehensive portfolio of on-premises and public cloud solutions that make it easy for customers to quickly access the right IT services at the right time – regardless of platform or delivery.

A Transitioning from a financial model based on transactional business, to one that relies on recurring revenues requires significant investment in terms of both time and resources, as well as a step change in customer engagement, from a transactional relationship to one that's based on supporting both current and future needs. On the plus side, making this transition will bring significant advantages in the long-term – providing greater financial stability and strengthening customer relationships.

B Solution providers will need to develop new kinds of services and provide the orchestration and security that will seamlessly connect the public and private cloud solutions that will be used within each customer's hybrid environment. They will need to become much more closely-involved in managing the quality and speed of technology adoption by their customers throughout its lifecycle – helping organizations to make the most of the increased agility and control that hybrid cloud brings.

Cognitive Computing, IoT, Artificial Intelligence, Machine Learning and Blockchain are seen as some of the next big areas of opportunity for the IT channel – unlocking the value of the increasing volumes and varieties of big data that are readily available in today's digital world. As these solutions continue to go mainstream, with the majority of data now living in the cloud, demand for enterprise-level 'as-a-service' cloud-based solutions will continue to accelerate.

Emerging transformational technologies, such as business intelligence and analytics, are being made more accessible and affordable by the cloud, and thus enabling further transformation and greater agility. That's fuelling the expectation that we can all react, perform tasks and deliver results faster.

That in turn, is driving the need within the IT industry to develop applications and services that will enable even quicker, more incisive and intelligent responses. In the future, being able to provide solutions that enable faster and better analysis and interpretation of data will be key to differentiating your business.

For end-user customers and for channel partners, there is no choice but to keep up with the pace. The cloud enables us to bring more information from different sources together; new apps and technologies give us the ability to interpret and derive meaning from it. The speed at which we now need to work and process information also bring some challenges of course - particularly in areas such as security and compliance – which also need to be at the heart of any DX initiatives.

The increase in digital speed means that customers will have higher expectations and become ever-more demanding. Solutions and services providers will consequently need to be much more agile and capable in driving business outcomes and value through Next-Generation technologies – developing new approaches and capabilities to meet customer' needs as the pace of change continues to accelerate.

The reality and ROI of Next-Generation Solutions

Tech Data has identified a number of technologies which are set to grow significantly over the coming years and has formed specialist business units to help our partners maximize their potential.

Internet of Things (IoT)

IoT and data analytics are two areas which in combination, could lead to huge incremental growth for the IT Channel. By leveraging the expertise through our services capabilities and specialist business solution practice areas, Tech Data is in a unique position to support partners across the entire IoT spectrum, from sensor and edge devices to cloud, analytics and corporate systems integration; and from business concept to fully deployed solution.

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About the cooperation **Andy Baker,** the program manager at Hitachi, says:

We had some false starts with previous suppliers of custom hardware. In each case, their approach was one of a traditional 'waterfall' approach of requirements definition, functional and technical specifications leading to prototype build with formal sign-off for each stage. This was not what we or the customer was looking for. Tech Data's approach of 'Agile Hardware Design' inspired us and the customer to create a real, physical solution quickly and enabled us to change it without risk. Their expertise and can-do attitude has helped us win more business with our customer.

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Tech Data case study:

Tech Data's UK IoT practice was approached by Hitachi Consulting in September 2017 to help them solve an issue they had been unable to resolve with two previous IoT partners. The end customer was looking for an asset tracking and operator identification system for high value rental equipment. This equipment is rented out to the constructions industry in Europe and beyond. The teams quickly established an excellent working relationship and a suitably scoped and priced Proof of Concept was agreed. This was followed by a field trial of a pre-production run for 10 control units that would be installed on managed equipment at their customer construction sites.

The solution is basically a specialist RFID card and PIN access control system with GPS tracker that is remotely configured via any mobile network and connected to a portal based on Microsoft Azure, which is then integrated to the company's ERP system. This allows for seamless enabling of the rental equipment for particular users, determining location of the equipment graphically and alerting to key safety and operational alarms.

Hitachi Consulting are the customer-facing partner, with Tech Data provided architecture and sensor design services. Tech Data will also manage the supply chain with the Contract Electronics Manufacturer to ensure that regulatory approvals, obsolescence and upgrades are managed over a significant lifetime of the hired assets.

Modern Workplace

Today's modern workplace is likely to include a potentially complex blend of on-premises, cloud and hybrid technology to ensure your customers always have the very best tools for the job. In an attempt to improve agility, reduce costs and fuel innovation, each organization has its own unique needs, opportunities and obstacles. Tech Data is committed to helping our partners stand out from the crowd and support your transformation from selling products to managed services and unified solutions, delivered through a pay-as-you-go model.

Tech Data case study:

Scenario 1

End customer: Provides sales and services in the heating and ventilation systems field, including the hardware and tools, installation services and ongoing maintenance.

Management Issue: The IT department runs approx. 100 users – all provided with laptops running various versions of Windows OS, and company-issued iPhones and Android Smartphones. IT deployed Office 365 Business Premium on all devices. An internal analysis discovered a huge increase in costs for device and application management. IT staff focused too much on managing different OS environments, ongoing training and complex licensing scenarios.

Solution: The reseller selected Microsoft 365 to drive a more device and user-centric approach. Microsoft 365 provided a common feature set for all devices, a central device management for automated OS deployment and endpoint security that is always-on and up-to-date.

Scenario 2

End customer: Design Marketing Agency, providing strategic support to the SMB market in Germany.

Management Issue: Half of the computing devices are company-issued and half employee-owned. Mobile phones are issued by IT and not selected by employees. Managing such a mixed environment was proving stressful and costly, particularly without a standardized version of MS Office running across all devices. As a result, the IT team were focusing more time on device management than on the underlying infrastructure.

Solution: The reseller pitched Microsoft 365, with the addition of InTune, which would provide a modern workplace solution where the head of IT was able to manage all devices in a fully automated manner. By deploying Office 2016 on all devices for a common feature base, the amount of training time and technical support has been significantly reduced. Employees can bring their own phones and tablets into the workplace, without compromising the security of business data, with MS365 providing a central secure platform that works hand in hand with 3rd party vendor products, and InTune enabling secure access from all mobile devices.

Hybrid Cloud

Hybrid cloud has become one of the biggest talking points in the IT channel today, but there's often a debate over what it really means for business. Some organizations view 'hybrid' as any environment that includes a mix of both on-premises and cloud computing. From a business perspective however, a hybrid computing environment needs not only to have a mix of on-premises infrastructure and private, third party and public cloud services, but most importantly, effective orchestration between the different platforms. This enables IT teams to move workloads between private and public cloud platforms as business needs and IT costs change – ensuring greater flexibility and investment protection, optimized costs and resources and improved data deployment options. Tech Data Cloud Solutions works closely with partners and customers to find the right mix of technology, platforms and in-depth business knowledge to support the latest application and data demands – building solutions that seamlessly span traditional IT, private and public cloud. Helping your customers develop a hybrid approach to their IT infrastructure is key to success – providing a safe and secure storage space, where data and applications can be easily accessed and running costs are kept to a minimum.

Tech Data case study:

End customer: Provides HR services, including pay-roll and recruitment

Scenario 1

Management Issue: The IT department runs approx. 40 users across 3 locations and wanted to implement a central data backup and recovery strategy in the cloud. All locations were creating daily backups and storing them locally in an on-premises IT environment. This high maintenance approach created a high volume of data, with all the associated costs of storage and maintenance.

Solution: The IT department wanted to create a single cloud-based environment as a backup and recovery platform for users across their 3 locations, using Microsoft Azure and NetApp's ONTAP Cloud. The company can now failover from its on-premises systems to Azure for disaster recovery and manage all of its storage using a single interface. This central cloud environment for data backup and recovery eliminates the costs of maintaining 3 separate local backup and DR environments, and also avoids unnecessary duplication of data.

End customer: A global manufacturing company with IT departments in +10 countries

Scenario 2

Management Issue: All countries were developing and testing software locally by using separate DTA environments, custom software and test automation. The company wanted to optimize and standardize this – reducing costs across multiple environments.

Solution: The reseller pitched a managed, standardized and cloud-based DTA environment, which each individual country (IT department) can use on demand. This environment is based on Red Hat OpenShift, running on Microsoft Azure. Here, local IT departments can provision full development and testing cycles, without any upfront investments and/or the need to recreate entire DTA environments from scratch.
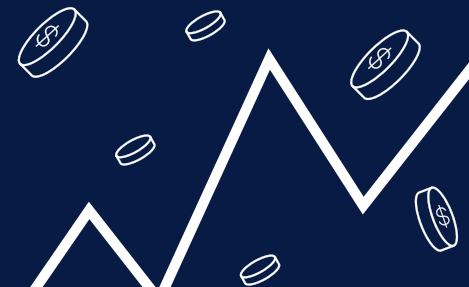
Why work with Tech Data Cloud Solutions?

Working with Tech Data Cloud Solutions, enables partners to deliver expert, specialist practice areas – helping you to chart a successful and profitable path in digital transformation. Build end-to-end cloud competencies, complete the technology ecosystem to meet customer demand and exceed future expectations – acquiring the talent needed to support your burgeoning cloud practice.

Tech Data's in-depth technical expertise and specialist knowledge of vertical markets enables you to support your customers' needs along each stage of their DX journey – leveraging our project management skills, in-depth knowledge of Next-Generation technologies and consultancy expertise to enhance and expand your own capabilities.

Complete Cloud Control

As a global leader for technology and cloud solutions, Tech Data has a vitally important role to play in enabling our partners to understand, deliver and manage the hybrid cloud solutions that are such a critical component of success in today's data-driven world. So, wherever you are on the cloud maturity journey, Tech Data Cloud Solutions is perfectly positioned to give you complete control over how you transform your business and secure profitable growth into the future.

Explore Tech Data Cloud Solutions capabilities in more detail and get in touch with our team of experts by visiting our website at: techdatacloud.com.au