Canalys Leadership Matrix

12 vendors have achieved "Champion" status in the latest Canalys Leadership Matrix for EMEA, more than doubling the number from February 2018.

AWS, Dell EMC, ESET, Fortinet, HPE, HP, NetApp and **Sophos** become Champions for the first time in 2018, while **Fujitsu, Lenovo, Palo Alto** and **Veeam** must be congratulated for the impressive feat of keeping their Champions' crowns. Dell EMC, HPE, HP and Lenovo – four of the top six most important vendors in terms of channel revenue in EMEA – have all contributed to substantial growth for the channel over the last 12 months. Four of the 12 Champions are security vendors, highlighting the opportunity that IT security is creating for partners.

These results reflect the growing importance that technology vendors are placing on indirect business, as they recognize the strategic value of partner relationships in the era of digital and hybrid IT. At the same time, vendors are becoming more selective in these relationships (risking alienating some partners), while partners are pursuing more diverse, differentiated business models. This makes the vendor's job of managing a channel even more complex and fraught with risk. In this environment, Champion status in the leadership matrix becomes an even greater achievement.

The Leadership Matrix combines partner feedback from Canalys' unique Vendor Benchmark tool with an independent assessment by Canalys analysts of each vendor's momentum in the channel, based on their investments, strategy improvements and execution. Champions have the highest scores in the Canalys Vendor Benchmark, and exhibit some common characteristics: ongoing improvements in channel processes to drive simplicity and ease of doing business; investments in programs; and a demonstrable commitment to growing the share of revenue generated through partners. They must also show that they are making sustainable investments in the future of their channel models.

With competition for the attention of the most successful channel partners intensifying, established channel vendors can no longer afford to be complacent. This should come as a wake-up call to vendors falling into the "Straggler" quadrant at the other end of the spectrum – **Check Point, Extreme Networks, Huawei, McAfee, Microsoft** and **Symantec** – the latter four of which have failed to move beyond Straggler status since the publication of the last Leadership Matrix in February. As more vendors move up into the Contender, Grower or Champion quadrants, the Stragglers are at risk of being left further behind. Microsoft is perhaps the exception in this group: its rating has remained low due to the pressures on partner profitability, the complexity of doing business and constant changes to its partner programs. Yet it is also the most important vendor to the EMEA channel in terms of overall revenue share. With few alternatives for the channel, and high customer demand, the majority of its partners will continue to build businesses around Microsoft as it moves to cloud.

"Growers" have seen some of the strongest improvements in partner perception over the last 12 months. **Acer, Adobe, APC, Apple, Citrix, Juniper Networks, IBM, Veritas** and **VMware** have all benefited from their investments in operational improvements, simpler processes and more attractive financial incentives, as well as stronger commitment to their partners.

AWS, APC, Citrix, Veritas and **VMware** deserve special mention for escaping the Straggler quadrant, reflecting the active focus that all of these vendors are placing on their partners. VMware's rating in 2017 was affected by its appointment of Dell as a distributor. But this has been offset by its investments in partner enablement, support and profitability, as it undertakes a substantial change in its go-to-market model. AWS is the only vendor moving from Straggler to Champion, as partners acknowledge the improving quality of its technical support, its investments in partner programs, and the service and support opportunities it is creating for the channel.

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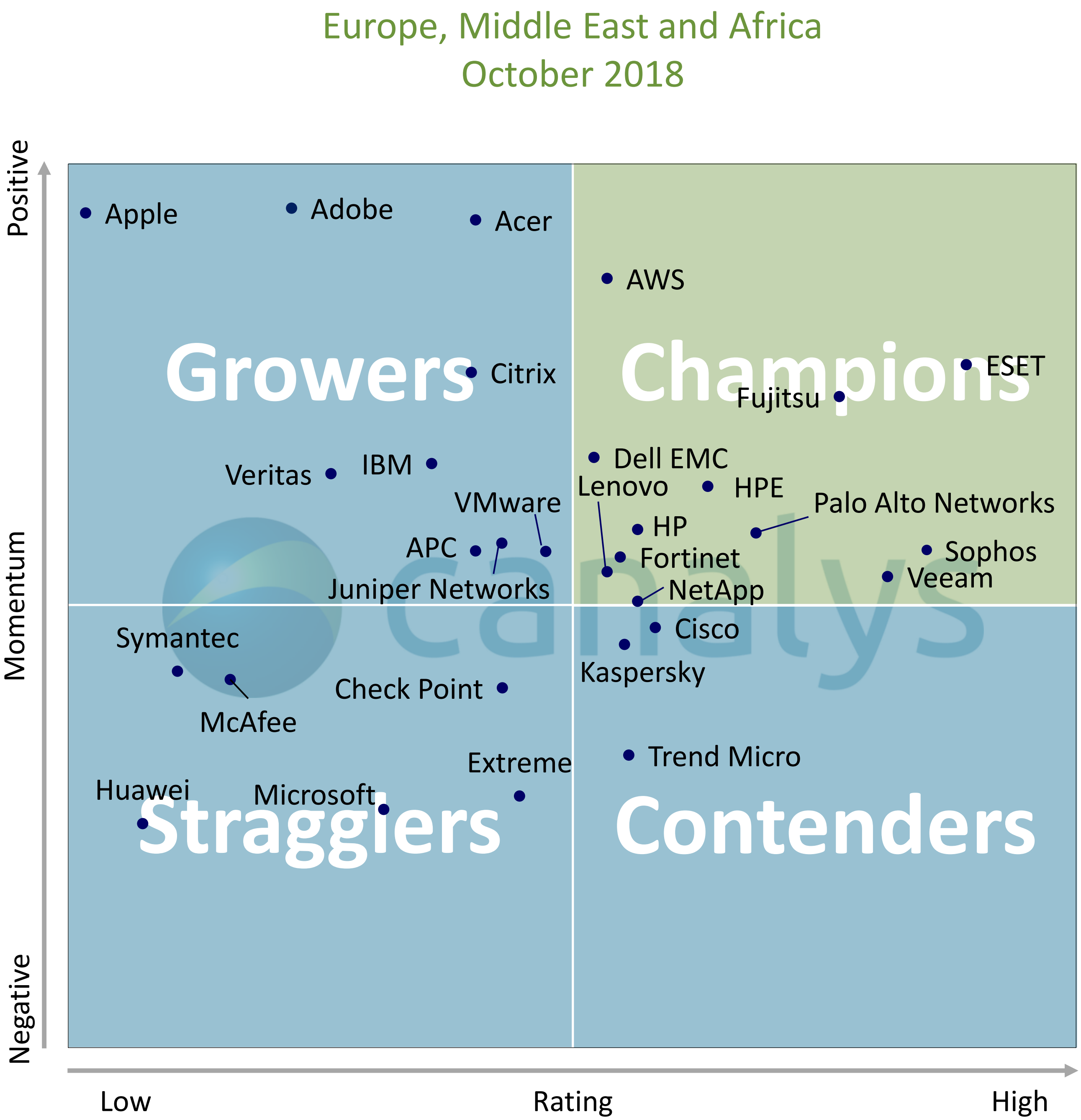

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The remaining vendors tracked in the Canalys Leadership Matrix are classified as "Contenders". These are vendors that are still rated highly by partners, but whose ratings have stagnated or declined over the last 12 months. **Cisco** is the only vendor to drop from Champion to Contender, in the face of headwinds created by changes in EMEA channel management, price rises and a challenging shift it is pursuing in its own and partner business models. Cisco and the other Contenders have an opportunity to improve their status, but this requires imminent action.

About the Canalys Leadership Matrix: The Leadership Matrix assesses vendor performance in the channel, based on channel feedback into the Vendor Benchmark over the last 12 months, and an independent analysis of vendor channel strategy, investment, execution and planned initiatives by experienced Canalys analysts. The Vendor Benchmark tracks leading technology vendors around the world, collating the experiences that channel partners have when working with different vendors. Channel partners are asked to rate their vendors across the 10 most important areas of channel management.

The Canalys Leadership Matrix provides a graphical representation to assess the performance of each vendor over time, and positions them in one of four categories:

- **Champions:** Vendors with high Vendor Benchmark scores, which have shown both continued improvement in channel management, strategy and execution, and a commitment to driving future improvements.

- **Contenders:** Vendors with high Vendor Benchmark scores, but which have seen declines in channel sentiment and/or a deterioration in channel commitment or execution.

- **Growers:** Vendors with low Vendor Benchmark scores, but which have seen improvements in channel sentiment and performance.

- **Stragglers:** Vendors with low Vendor Benchmark scores, which have seen channel sentiment and/or performance deteriorate or stagnate.

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