by Braham Shnider



In Part One of this blog, I answered the question, "What won't be a channel value-added service in 2020? And why?" Today in Part Two, I will deal with the question of "What will be a channel value-added service in 2020?"

Part Two.

Many may have interpreted my last blog on the future of channel-delivered value-added services as dire, nothing could be further from the truth.

The demand for value-added services delivered by channel partners will increase but it will be the types of services that will change dramatically over the next 3-4 years.

Let's first take look at the emerging technologies I think will be most relevant to the channel in 2020? To make this assessment I have used the following subjective criteria:

- As a result of this technology, more than 25% of channel partners will have to either start

new business models, make significant investment or add new value-added services to compete better

- As a result of this technology, more than 25% of channel partners will see profitability or cash flow materially affected if they do not respond
- As a result of this technology, there will be a large influx of new Channel Partners who are better prepared to respond

So based on the above criteria I believe there are 3 groups of emerging technologies which are most relevant to channel in the next 3-4 years. These can be grouped as

1. Data is the currency of the emerging digital economy. These include…

- Artificial intelligence and predictive analytics capabilities to analyze environmental data to mimic cognitive functionality and support good decision-making
- Data scientists to extract new insights from structured and unstructured information
- IoT to digitize and connect physical devices requiring smart (predictive) and autonomous (self-healing) functionality

2. Automation to redefine the front and back office. These include…

- Work environments and entertainment to be redefined as virtual reality simulates a user's physical presence in an imaginary environment
- Autonomous agents, virtual personal assistants, smart advisors and bots to become more pervasive
- Collaboration technologies to drive virtual work productivity
- Cloud provisioning tools to allow transparency and management of cloud (and other) services

3. Industrial Technologies will change how things get done. These include…

- Augmented Reality (AR) to add sensory inputs to real world environments
- Robots, droids and drones automatically to carry out increasingly complex actions
- Everything as a Service (XaaS) to enable, as needed asset utilization
- Smart sensors to feature built-in intelligence for monitoring and engaging environments
- Edge and Fog Computing to perform Data Processing before reaching a WAN
- 3D Printing or Additive Manufacturing (AM) to be used to create three dimensional objects
- Driverless, autonomous and electric transportation to revolutionize transport logistics

Based on the above emerging technologies (combined with the fact business end user customers are limiting investments to core competencies), it's my belief there will be 3 types of value-added services which can offer significant differentiation and high gross margins to the channel. These are…

1. Pure Data Services. The focus is all about helping business customers monetize their data by identifying, analyzing and leveraging their data sources to increase revenue. Partners will need to invest in…

- Data scientists
- Artificial intelligence and predictive analytics
- Deep vertical domain data expertise in the customer verticals targeted

2. Industry Packaged Solutions. Vertically integrated solutions to embed technology into life and work, driving operational efficiencies from device to sensor, to the edge and to the app in the cloud including predictive analytics and AI. All to be included as part of a single recurring charge.

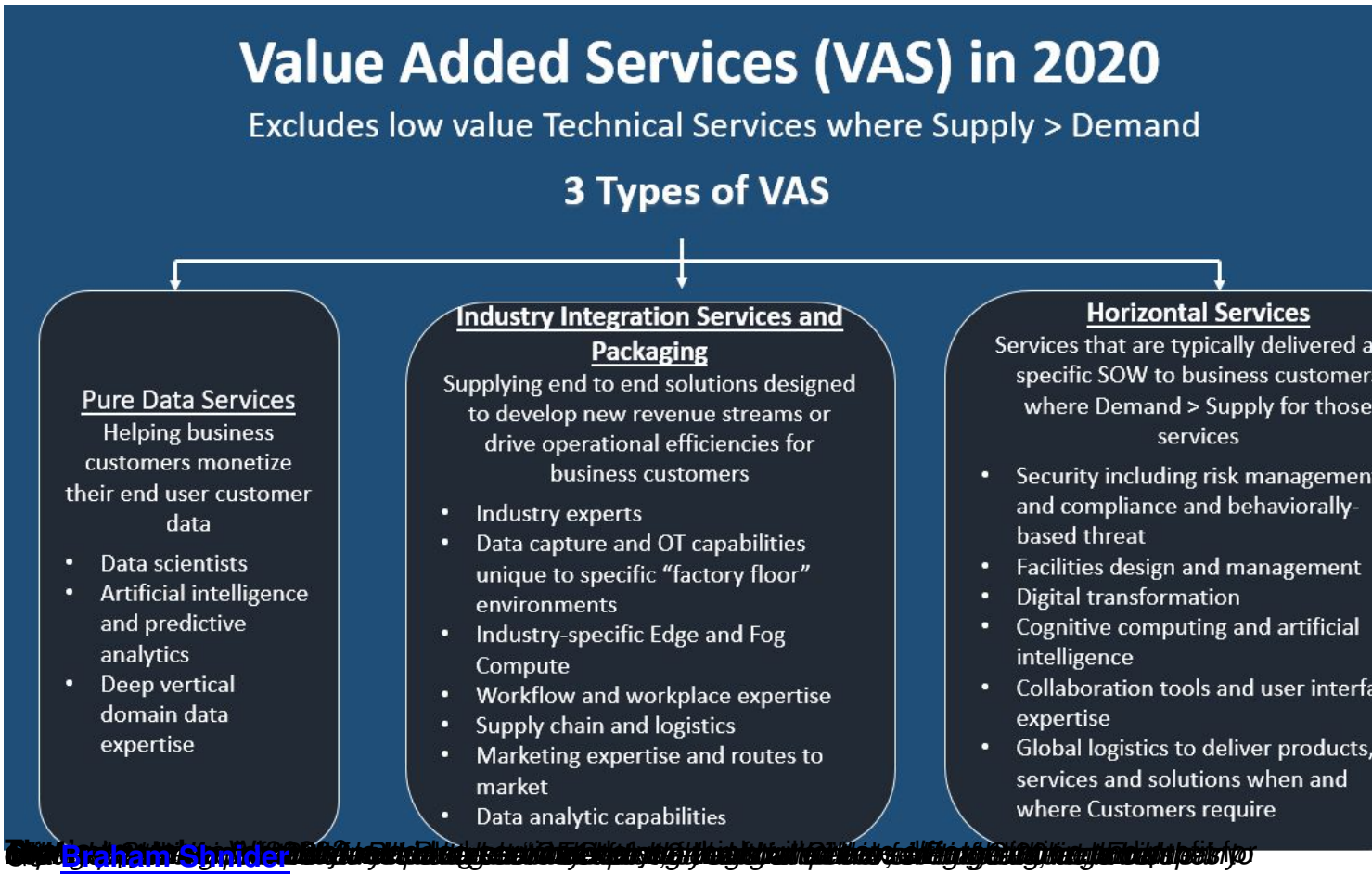
These Solutions will be delivered and customized in small, Industry specific fully integrated packages. The services will be included as part of recurring charges, with partners needing to invest in…

- Industry experts in the targeted customer verticals
- Data capture and OT capabilities unique to specific “factory floor” environments
- Industry-specific “edge” and fog computing solutions
- Workflow and workplace expertise
- Supply chain and logistics needs unique to specific verticals
- Marketing expertise and routes-to-market requirements by industry
- Data analytic capabilities

3. Horizontal Technical Services. These are technical services common to many end user customer segments. It is the inverse scenario to what I wrote about in my last blog, where there is an undersupply of technically competent individuals to satisfy customer demand. Simple macroeconomics.

These will typically still be delivered by a customer-specific Statement of Work. It is much harder to predict the supply versus demand equation in 2020 than for points #1 and #2 (above) but below are my thoughts on some of the bigger services opportunities…

- Security including risk management and compliance and behaviorally-based threat identification and enhanced pen testing
- Facilities design and management including Workplace-as-a-Service
- Digital transformation resources, processes and tools
- Cognitive computing and artificial intelligence
- Collaboration tools and user interface expertise
- Global logistics to deliver products, services and solutions when and where customers require



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