

*by Tim Curran, CEO, GTDC*



As the digital era transforms the way companies do business, it's also ushering in a new wave of services opportunities for IT distributors. A new research report by the GTDC reveals that GTDC members are making unprecedented investments and experiencing sales growth for services capabilities around cloud, managed services and other next-generation solutions.

A GTDC survey reveals that European distributors cite demand generation, solution development and education and training as particular high-growth, high-demand opportunities. Of course, those services have been mainstays for many years around the various product lines that distributors carry, from PCs to networking to storage and security. What's new is those services now are in demand for the accelerating adoption of digital technologies.

Vendors and solution providers simply don't have the bandwidth nor the coverage to design, build and market complete, multi-vendor services capabilities that help a business transform how it operates. So distribution's value takes center stage.

### **Fulfilling a Need for Vendors, Solution Providers**

Distributors have the ability to pull together many different strands to create an end-to-end, cohesive value proposition, notes Peter Adams, director of services, Europe, at Tech Data in the new report. "The key to success is making sure you choose elements that are close to your core and executed really well," he says.

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The fact that distributors in EMEA—and around the world—are building out their services portfolios isn't necessarily surprising. It's what both vendors and solution providers increasingly want, and demand, said executives.

After all, distributors are in a much better position today to drive demand and influence channel decision makers than ever before, said Arrow ECS EMEA President Eric Nowak.

"We're becoming an aggregator of IoT ecosystems, for example, by enabling the different layers of the IoT stack," Nowak says in the report. "In light of the changing market conditions, digital transformation and disruptive business models, services are not just a growth market; it's the future of IT distribution!"

### **Distribution History: Innovate. Transform. Repeat.**

You may recall that during the 1990s, and into the 2000s, there was much debate that distributors would be disintermediated—that they were deemed obsolete by new business models that would bypass them in the night. Of course, that never happened and distributors add more value—and more kinds of value—than they ever have before. Their services capabilities are evidence of that, according to Jeremy Davies, co-founder and CEO at CONTEXT, one of the GTDC's database partners that tracks weekly invoice-level channel sales for 90% of the European IT distribution market.

"Distributors stepped up then and showed the breadth of services they provided and were planning to provide," Davies says in the research report. "The digital era creates an entirely new range of opportunities and challenges that will redefine all aspects of the industry for years to come."

Well said, Jeremy. Part of what makes distribution so viable and so valuable to solution providers and vendors is its ability to adapt and transform to meet rapidly-changing business models and demands.

## Digital Disruption Key to Distributors' Services Opportunities in EMEA

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Distributors will continue to evolve and adapt. They remain the premier go-to route to market for thousands of IT vendors looking to serve the small and medium-sized business market through a global network of channel partners.

Their flexibility and transformative capabilities have served them well over the last three decades. Their business models 30 years ago wouldn't work 15 years ago. Their models 15 years ago wouldn't work today. And their models today won't work 15 years from now. Distributors make the changes necessary to not only survive, but thrive.

Tim Curran brings 25 years of international technology industry/channel experience to his position as CEO of the Global Technology Distribution Council, whose members drive more than \$130 billion in worldwide sales. The organization's Summits in the US, Europe, and LATAM are open to channel/business leaders from major technology companies. Learn more about technology distribution in the digital era by visiting the GTDC's research center.

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