

IT VENDOR GUIDANCE FOR BUSINESS TRANSFORMATION TO XAAS

As the XaaS economy continues to accelerate, new customer consumption models are driving vendor subscription offers. According to Jay McBain (Canalys), this "is forcing new go-to-market strategies and accelerating disruption within distribution" (refer to **Trend Alert: Routes to market are diversifying (quickly) for IT vendors (linkedin.com**)). This disruption is largely driven by the intersection of born-in-the-Cloud service-providers with newer routes-to-market and long-time, trusted technology vendors and their business partners that are trying to evolve in a way that balances their economic viability with actual customer demand. Whether working with the most recognizable global technology vendors or pure-play SaaS and marketplace providers, we've identified *six critically important questions* that all IT Vendors have in common and need to consider when developing their partner and ecosystem strategies:

1. Is our XaaS portfolio partner-friendly?

- **a.** Are there opportunities for our partners to add differentiated value?
- **b.** Are we providing our partners with actionable telemetry that they can utilize with their customers?
- **c.** Do we have API's in place that enable partners to create value through ecosystem relationships?



2. What roles do we need our partners to play?

- a. Sales, marketplace, commerce, or agency?
- b. Delivery, managed services, full lifecycle?
- **c.** What ecosystem relationships will empower value for our customers?

3. What partner capabilities are required?

- a. Vertical subject matter expertise
- b. "New" decision-maker relationships
- **c.** Specialized skills (i.e., developers, data scientists, NOC, SOC, etc.)

4. What are the 'rules of engagement'?

a. Who 'owns' the sales opportunities (vendor-led, partner-led, marketplace) and what are the parameters for determining that?

b. How do you ensure excellent customer experiences that lead to adopt, expand, and renewal, regardless of the channel used?

c. Customer transaction data

5. What are the new IT Vendor – partner economic models?

a. What are the levers that will drive monetization and profitability for the vendor and their partners?

b. Does customer success = vendor success = partner success?

c. How do vendor partner programs need to evolve to drive the right outcomes for customers, partners, and the vendor as well?

6. Finally, are your current partners the right ones for the future?

a. Are your current partners ready, willing and capable of evolving to meet forward-going XaaS requirements and market demands?

b. As a vendor, do you have the desire and ability to invest in partner transformation?

c. Do you have the skills, resources, and time to drive the required partner and program transformation?

Over the past few years many vendors have attempted to evolve within their existing partner relationships, frameworks and programs but found that approach lacking. They've invested countless hours and dollars into a band-aid approach that has left them no further along in their business transformation journey, and possibly further behind their competitors. As you can see, these six critical questions that we started with barely scratch the surface: when we double-click on each one, we uncover other questions and considerations that must be investigated and factored into any recommendation or solution. As you consider your next steps, keep these three key points in mind:

- Who are the key stakeholders and decision makers?
- What roadblocks to success have we encountered with our XaaS offerings?
- What does a successful business transformation for XaaS look like?

We can help

At nVision Consulting Group, our years of experience and deep expertise in XaaS business transformation can help you navigate this complex new world and ensure that you are taking the right steps for creating a profitable and sustainable XaaS practice. We've been involved with more than 1,000 engagements in over 50 countries, so you can feel confident that our capabilities are unmatched. We invite you to reach out to us to discuss your particular ideas, plans, and XaaS offers. We will work hand-in-hand with you to craft the best business transformation plans and models, and all while accelerating your time to market and profitability. We look forward to helping you succeed!



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