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The global IT channel have proven to be remarkable change-agents, both in front of their customers and inside their own businesses. Thinking about the amount of churn over the past 35 years can be downright dizzying.

Starting from the first disconnected PC's to last week's WannaCry ransomware attack, channel partners have transitioned their skills to dozens of new technology opportunities. At the same time, they have transformed their business models from resell, break-fix, installation, maintenance, to solution providing and recurring managed services, among others.

The one thing that has stayed relatively constant over these decades is how customers decide and procure technology. Led by CIOs and IT departments, channel partners and vendors have fine-tuned their product and messaging mix to capitalize on this customer buying journey. Over the past couple of years, driven by cloud and the growing acceptance of SaaS business ecosystems, this journey just took a hard right turn.

Analysts are now reporting that 72% of technology decisions are influenced and/or made by line of business executives (Gartner). These leaders of departments such as sales, marketing, finance, operations and HR are increasingly taking ownership of their own digital

transformations. In fact, it is predicted that this number will rise to 90% by the year 2020.

Here are some other startling numbers that are reflective of this new buying journey:

29% of technology decisions have no involvement by the IT department. The business executives are building the solution without internal help and in many cases are using external talent to advise on things like security, backup, compliance, disaster recovery, etc. (Forrester)

- 52% of business executives are using business-unit budgets to buy technology as opposed to assigned technology budgets from IT departments. (CompTIA)
- 58% of business executives are significantly involved in deciding and hiring third party services firms to implement and integrate these projects into the back-end of their company. (Forrester)
- 73% of B2B buyers prefer buying from the web, or self-service functionality from the vendor. Reselling technology and taking a margin will soon become a relic of the past. (Forrester)
- 68% of purchases through distribution are now categorized as simple or transactional. This is because business buyers are doing the upfront research, building the solution, and in the absence of self-service options, are purchasing at the part number level. (National Association of Electrical Distributors) Business leaders are clearly looking for full-service solutions and are putting together the resources and teams to make it happen. They are increasingly relying on a new set of influencers including SaaS ecosystem partners, industry-based professional services firms, ISVs, born in the cloud firms, and the startup community. These [shadow channels](#) are [discussed in detail here.](#)

There are three reasons why I feel this will be a difficult (and futile for many) transition for channel partners:

**1. B2B Marketing Weakness** - As the book *The E-Myth* masterfully outlined, most SMB channel partners are technicians at heart and haven't focused on the sales and marketing skills required to scale their business. Now that there are ten times the amount of buyers at each customer, this weakness will be amplified. Many vendors are also guilty of focusing only on the IT buyer and have a serious visibility problem with the new buyer as well, assuming their products and services are even relevant in this new world.

**2. Lack of Sophistication** - About a decade ago we started a march towards specialization. The secret to success was becoming verticalized in certain markets and industries. The new buyer is looking for a level of hyper-specialized skills around business outcomes. In this new world, "vectorization" is now required which means having skills germane to the line of business itself, customer size and segment, sub-industry, geographic nuances and business technology application and how it integrates with the organization as a whole. [Further discussion of vectors is here.](#)

**3. May Not Have The Will To Change** - This industry is about 35 years old, and most of the traditional channel started their companies in the 1980s with IBM, Apple or Compaq or in the early 1990s with the rise of Microsoft. It doesn't take long at an industry event to see that the aging channel is not being replaced by millennials. In fact, IT does not rank in the top 10 of desirable industries for college grads today (CompTIA).

After all of the technology and business model twists and turns, and with 40% of the US channel planning retirement in the next 7 years (CompTIA), there may be a lack of energy or enthusiasm for this latest curveball.

This is more difficult than adding a new technology practice or specialty to the line card. I even think this is harder than changing a revenue model. Working with a completely different buyer, with different preferences, motivations, requirements, and levels of influence will profoundly challenge the channel like nothing before it.

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