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→ PREDICTIONS 2021

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INTRODUCTION

Just as no-one could have predicted the events of 2020, planning for 2021 looks like a similarly difficult task. What we have set out to do in this Predictions 2021 special report is to look at the lessons learned in the last year, split out the long-term trends from special crisis impacts and look at how the various parts of our industry are working on ideas to help them plan for the future.

It could be some time before the industry is able to resume its steady upwards path, but it is clear that some trends such as security and remote working and management have been accelerated by the crisis. While there has been a move to technology solutions to solve immediate problems and this has pushed elements of digital transformation along considerably, most customers have been more concerned with the immediate effects of 2020 and this has affected their investment plans for the foreseeable future.

Europe as a region has seen a greater divergence of outcomes as the crisis impacts and state responses have seen different timescales and clarity. This makes planning a European view of the future even harder, particularly in the UK where the split from Europe's economic and legal entities creates an even more opaque business environment.

The characteristic optimism of the IT sector has carried most channel players through the last year; indeed, some have done particularly well where they have been able to respond with flexibility and agility. But this has not been without a cost in terms of management functions and keeping up with a greater than usual pace of change.

→ **BEFORE THE PANDEMIC, MOST ORGANIZATIONS MOVED THEIR DIGITAL STRATEGIES FORWARD AT A STEADY PACE. THE WAY FORWARD IN 2021 IS FOR ORGANISATIONS TO INCREASE, RATHER THAN DECREASE, THE SPEED OF THEIR DIGITAL BUSINESS INITIATIVES.**

John-David Lovelock, Research Vice President – Gartner

So less detailed and fewer actual predictions than usual will appear in this study; instead we have trawled through the hundreds of items and research views to create what we hope is a useful insight into an industry set for continued change, with pointers as to where profitable business will be done in 2021.

There is a clear sense of opportunity and a desire to build something out of 2020, however.

Take former professional footballer Andrew Harman, ex Wycombe Wanderers, who left Canon a few decades ago to found his own business Annodata which he sold for millions. He is now back in play with an IT investment company and sees a real opportunity in the next few months.

Talking to the researchers – Gartner is predicting a bounce back for enterprise software in 2021. John-David Lovelock, distinguished research vice president at Gartner: "Before the pandemic, most organizations moved their digital strategies forward at a steady pace. The way forward in 2021 is for organisations to increase, rather than decrease, the speed of their digital business initiatives and fund those initiatives by diverting funds from other areas of IT."

Tim Jeans, Major UK reseller Softcat's Solutions Sales Director: "Results continue to show that enterprise and public sector work is growing faster than the mid-market for us. But there are more flavours to that; the market dynamics from Softcat where the business is diverging from the mid-market heartland we came from, so there is a lot of addressable market."

Every challenge has an opportunity, he says. "I think customer loyalty is a challenge now – as IT organisations are pressured more internally – from a commercial or financial perspective, that loyalty and need to demonstrate value is a challenge. This also means that there is an opportunity for us to demonstrate to customers who need to get a second opinion or option just what Softcat can do."

Then there is the issue of risk and resilience, security compounded by the work from home move, and the need to remain in touch with customers and potential new business.

The issues then are – discover the opportunity, work out how to build agility, identify the right markets and concentrate limited resources on them, be secure and look after customers and each other in difficult times.

2021 MARKET BACKGROUND

As respected analyst Richard Holway put it in his first newsletter of 2021: "The pandemic has hastened the importance of tech. Indeed, many are saying that 'nine years of digital transformation has been achieved in the nine months since C-19 hit'. I really can't see us reversing that transformation. Online shopping, WFH, 'Zooming' etc are the new norms."

But it is not straightforward, not based on plain economic functions: this study in late 2020 - IDC Europe's 10 Predictions to Create a Sustainable Digital Economy in 2021 and Beyond said that "we are on an accelerated journey to a digital destiny". What has shone through is the power of technology to help customers achieve things they never thought possible.

As a result, there is a divergence between country GDP and technology investment which had previously marched in step. So IDC predicts that digital investment will outstrip GDP recovery by a factor of 300% at a double-digit rate.

89% of European CEO's are under INCREASED Pressure to Digitally Transform as a Result of the Pandemic

14% EU DX INVESTMENT GROWTH IN 2021

4.2% EU GDP GROWTH IN 2021

Some of this will come from state support and backing for certain industries. It is clear that not all businesses will be supported, and so there will be a divergence between vertical markets and regions which will invest and grow, and others who will bear the weight of the crisis. Overall, it is expected that something like €1tn of funding will be used to stimulate the economies though not all parts will feel the benefit. Any area or vertical regarded as a "zombie industry" will be discouraged and left to wither, with governments having a perfect excuse to cease support. It is clear that some countries will find it easier economically and politically to support the recovery. IDC takes a dim view of likely help in the UK, while Italy and Germany get the strongest backing.

Essentially the investments are targeted at outcomes rather than long term planning, which means they will raise the profile of IT departments and leaders in discussions with other senior managers. There is a new importance to technology which will place new demands on IT channels and suppliers as well.

As a key example in late 2020, Herbert Diess, CEO of Volkswagen Group, said that the company would be doubling its digital transformation spend for the next four years as part of its digital plan.

So as IDC characterises this as a split into digital transformation and survival markets, it will be important for IT suppliers and channels to understand just where their best chances in 2021 will lie. It will be crucially important to structure the IT business so as to be able to respond rapidly to opportunities while also avoiding the market sectors in downturn. Judgement will also be needed to avoid the "bleeding edge" of innovation where early adopters may be called on to do the heavy lifting with limited returns. AI (discussed later in this report) may be one of those areas which warrant watching on this basis.

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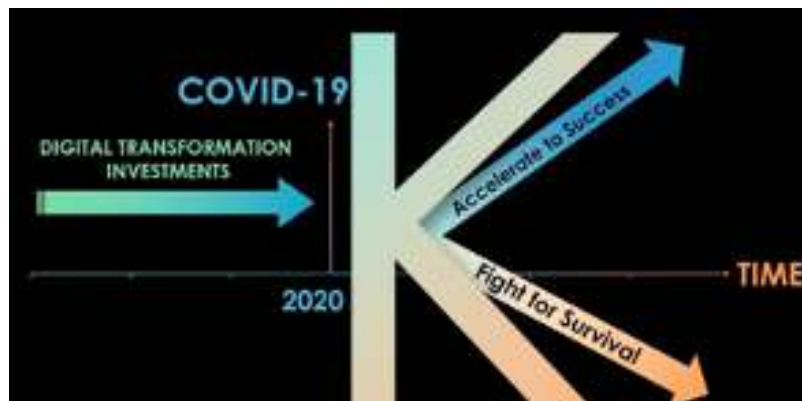
→ THE WINNERS IN THIS MARKET WILL BE THE AGILE ORGANISATIONS – AND IN 2021 THAT MEANS CLOUD AND SERVICES IN ALL THEIR FORMS.

As researcher Forrester says in its 2021 forecast: in 2021, 30% of businesses will continue to accelerate their spend on cloud, security and risk, networks, and mobility — including struggling businesses looking to leapfrog less wily competitors and gain advantage coming out of the pandemic. Leading CIOs will embrace cloud-first and platform strategies for speed and adaptiveness, eschewing stovepipes for end-to-end solutions.

Its interviews with leading CIOs found that they are collaborating more across organisations, objectives, and budgets, extending IT-business partnerships into enterprise level shared accountability. They will also invest aggressively in employees, breaking down old ideals and resolving resistance within the organisation. In fact, CIOs focused on employee experience will help their businesses attract, develop, and retain talent that can provide competitive advantage in a critical year. They will make the investments to foster social collaboration, make information easier to find and use, and provide less distracting security. CIOs who are slow or unable to adapt will become mired in short term fixes that lead to digital sameness, not differentiation, and their top talent will get frustrated and leave for more visionary pastures.

THE IT EUROPA 2021 PREDICTIONS PANEL

The IT Europa 2021 predictions panel in December 2020 recognised the problems in trying to forecast with so many unknowns, so went back to first principles as a guide to succeeding in 2021. There is no doubt that the first half of the year will be demanding and it will be important to maintain morale and understanding, both internally and externally. The lessons learned in 2020 about good communication and staying effective should be incorporated into best practice.

Among the many issues discussed was technology, particularly AI and machine learning (ML): Chris Bunch, COO of Google's largest independent European partner CTS: "On the issues of AI – part of the problem is that it gets mixed in with a lot of marketing hype: I think we will see the continuing development of machine learning, with people using the scale of computing that wasn't available before to identify trends, predicts outcomes and solve problems. We are a bit away from true AI, but ML is taking off in a cross section of industries."

Kyle Torres, in charge of channel accounts at Sophos says his business has put some emphasis on deep learning – "it is a subset and is working well for us. We are now incorporating it into products." It means adding deep learning to identify abnormal behaviour.

Amelia Paro, running channel developments at ID Agent says "Bad actors can take anything and use it for bad purposes. ML and AI will be important going forward – we are going to see activities which require sophisticated tools to keep them out. Phishing defence tools are particularly important now there is no network edge."

> **AS AN END-USER THE AI HAS TO INK THE THREAT INTELLIGENCE. WE WANT TO HAVE ALL THE INFORMATION. YOU HAVE TO LOOK AT THE BUSINESS AND PLAN FOR THREE YEARS AHEAD – WHERE DO YOU WANT ALL THE INFORMATION.**
>
> **Don Randall, former head of security – Bank of England**

Naj Raja, general manager at Unitrends MSP says that his company has been using ML to look at large sets of data to work out what the best solutions. "MSPs have a tonne of data in their SOCs, RMM and PSA. There will be new companies and developers offering to take that data and create a plug-in that creates an easy way to digest that data," he predicts.

Alex Ford IT Glue Sales Director EMEA agrees that learning from the issues of 2020 and the drive for efficiency, at the moment it is all about automation. "There is some interesting stuff in AI being done, and it will be worth watching."

Mark Winter, RapidFire Tools Sales VP says we will need to be able to analyse more quickly and especially in security – "internal threat detection will use ML to look for patters and anomalies on the network."

AI and ML have been conflated, says Kelvin Murray, threat research analyst. "At Webroot we have some 70 million sensors being analysed and that is starting to inform on trends." Criminals are certainly looking at AI, he warns. The malware delivery service Emotet, for example uses ML to reach more phishing targets. "We're seeing AI impersonating voices; we expect faces to follow. It will be at the cutting edge of the threats."

Don Randall, former head of security, Bank of England: "As an end-user the AI has to ink the threat intelligence. We want to have all the information. You have to look at the business and plan for three years ahead – where do you want all the information. I don't just want to know about the abnormalities, I want to know about the abnormal abnormalities. And the way you get to those is through the threat intelligence, through ML and the security centre.

So how to ensure survival and growth in 2021 – unsurprisingly, for the panel it was about continuing to differentiate, particularly in the MSP market.

Chris Bunch's differentiation advice is to learn the art of the consultative sell. "Too often channels turn up with a suitcase of products, where what they need to do is understand the customer and the business. You can find some quite small organisations as customers who have a few people but large revenues – get out of the habit of talking about what your own business does."

Alex Ford: "The end of year is a good time to think about this aspect of differentiating the business. You can shout about speeds and feeds, but the best thing is to talk to customers and find out what makes the relationships work. Ask your customers why they are with you and what they. it is hard to take that step back to look at the wider picture".

Mark Winter says channels can differentiate with a consultative sell, but MSPs will be working with security and compliance and they need to take a hard look at how they are delivering. "There are good tools sets that do all that, but channels need to have a stack that works with them."

The consultative approach is something we use as a differentiator, says Kyle Torres, plus the flexibility with a diverse portfolio. "The MSPs that are going bust and failing because their customers are failing. We must be flexible and stay agile with secure managed environments. Take the time to think less about project work, but review the remote working and implement MFA". Re-inventory the work you have done already is his advice.

There is too much noise in the market, according to Naj Raza. "You have to give the content that people want. MSPs want to know how to sell and market. We're doing workshops on social media and managing sales pipelines. It is not clear cut, however and depends on which verticals."

Kelvin Murray says "Listen to the customer - security is a holistic business. One of the differentiators is that there is a huge gap between what cybercrime gets reported and what happens. Ransomware is a huge global crisis. We have not been doing a good enough job on talking about how much money is being made in the crime sector."

Amelia Paro: "There is a paradigm shift in that a lot of the focus has been on the end-user doing the wrong thing. To us the focus should be on helping MSPs to focus on the customers doing it right. More focus on the herd mentality doing it right and praising that. MSPs talking to business owners is a different conversation."

So stay on top of the right messaging and be aware of the pressures in 2021. As Don Randall says: "Look at your people and staff, particularly for the first half of the year – there will be massive uncertainty in 2021 – unemployment, extra pressures, economic decline. But when your people are out talking to us as customers, they should have confidence, believe in the products and organisation – A bit of hugging, when we are allowed, will go a long way!"

If you are interested in watching the full panel debate, please visit our IT Europa Website.

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CUSTOMER NEEDS IN 2021

A lot has changed in terms of customer demands – a new awareness of risk and resilience, heightened security awareness, the push to remote working and a new flexibility evolved quickly in 2020, along with perhaps a new recognition of just what could be achieved as a matter of necessity.

And as researchers have said in their forecasts, the cloud is the natural response to challenges because it offers agility, revenue models, choice, and scale. For providers and suppliers, the downside is that offers easier transition and less lock-on compared with traditional on-premise solutions.

Worldwide Public Cloud Services End-User Spending Forecast (Millions of US Dollars)

	2019	2020	2021	2022
Cloud Business Process Services (BPaaS)	45,212	44,741	47,521	50,336
Cloud Application Infrastructure Services (PaaS)	37,512	43,823	55,486	68,964
Cloud Application Services (SaaS)	102,064	101,480	117,773	138,261
Cloud Management and Security Services	12,836	14,880	17,001	19,934
Cloud System Infrastructure Services (IaaS)	44,457	51,421	65,264	82,225
Desktop as a Service (DaaS)	616	1,204	1,945	2,542
Total Market	**242,696**	**257,549**	**304,990**	**362,263**

BPaaS = business process as a service; IaaS = infrastructure as a service; PaaS = platform as a service; SaaS = software as a service. Note: Totals may not add up due to rounding.Source: Gartner (November 2020)

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Recent Gartner survey data indicates that almost 70% of organizations using cloud services today plan to increase their cloud spending in the wake of the disruption caused by COVID-19.

As enterprises increase investments in mobility, collaboration, and other remote working technologies and infrastructure, Gartner expects growth in public cloud to be sustained through 2024. The rising trend of cloud service providers partnering with telecommunications companies to extend their reach into the edge and support a hybrid workforce may also lead to further market growth.

"As CIOs think more strategically about how to lay the foundations to support a return to growth, it is clear that the move to digital and associated services will play a big role for organizations in the future," says Sid Nag, VP Technology and Service Provider group at Gartner research. "Cloud adoption therefore becomes a significant means to stay ahead in a post-COVID-19 world focused on agility and digital touchpoints."

The latest Global Interconnection Index (GXI), an annual market study published by Equinix, shows that the COVID-19 pandemic has already had a dramatic effect on how businesses are planning their digital infrastructure initiatives over the next three years. According to this, the fourth volume of the report, digital service providers, within industries like telecommunications, cloud & IT services, content & digital media and technology providers, are forecast to increase private connectivity bandwidth 5x by 2023, driven by greater demands from enterprises to close digital gaps at the edge.

As the pandemic continues to accelerate the shift to digital, enterprises facilitating more remote working, such as telecommunications and cloud & IT providers, are expected to contribute to 54% of the total interconnection bandwidth growth in EMEA, outpacing other industries in the region. Frankfurt, Amsterdam, Paris and London are predicted to be the top metros in Europe for interconnection bandwidth growth, with the region as a whole expected to account for 23% (3,782 Tbps) of the projected global installed interconnection bandwidth.

The report also forecasts that overall interconnection bandwidth—the measure of private connectivity for the transfer of data between organisations—will achieve a 45% compound annual growth rate (CAGR) from 2019 to 2023, within the EMEA region. In London, interconnection bandwidth is expected to grow at the same CAGR as the wider EMEA region, to 1,337 Tbps. This growth is at least three times higher than Paris, and more than twice that of Amsterdam. This supports London's vital position as a strategic interconnection hub for digital business looking to compete on a global scale, despite the UK's recent departure from the European Union.

Remote working: What has work-from-home done to the market?

One of the markets that is actually growing not only during… but because of the global pandemic. Remote working and video conferencing go hand-in-hand in this upswing and both markets are projected significantly increase revenues in the coming years. Remote work, home office, work from home, telework are some of the terms used to describe settings where workers are not physically present in the office of their employer or the purchaser of their services. The concept mainly works for jobs and tasks that involve a large amount of screen work, (including marketing and sales functions).

At the beginning of the pandemic, as millions shifted to remote work unexpectedly, a major concern for employers was that productivity would suffer. However, in a survey of 12,000 workers across a range of industries, Boston Consulting Group found that 75% of employees responded they were able to maintain or improve their productivity for individual tasks.

→ **A STUDY BY RESELLER SOFTCAT IN NOVEMBER 2020 FOUND THAT 95% OF INDUSTRIES AGREE THE RAPID SWITCH TO REMOTE WORKING DURING THE PANDEMIC HAS BEEN THEIR BIGGEST TECH CHALLENGE OF 2020.**

A recent report from Statista said that: "The increasing availability of stable, reliable, and fast fixed and mobile broadband connections, along with the rise of cloud computing, provides the backbone infrastructure for work from home. The steady growth of cloud solutions offers companies and workers alike the flexibility to have access to data and tools from anywhere." Zoom was the big winner, with it diversifying in conjunction with its video business. In early 2021, for example, it announced that it had sold one million Zoom phones, with one click team connection. As Unified Comms was hit by enterprises looking more closely at fixed physical solutions to communications, including video-conferencing systems, the options for hybrid solutions, including remote working opened out, especially in the cloud.

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A survey published by HR consulting firm Mercer demonstrated that at the beginning of the pandemic, productivity was only affected by the logistical challenges of setting up functional workspaces. Issues such as company software and VPNs were among the complaints.

The Statista Report continued: "Spending… on cloud-based business applications, collaboration tools, cybersecurity, and remotely managed IT services are projected to grow by almost $100bn over the next few years for example. Spending for on-premises solutions is forecast to stay nearly flat on the other hand."

Placed on top of the fundamental infrastructure, collaboration and communication tools provide the necessary services to work collaboratively as a team in remote settings. In line with the growth trend of the cloud market, the revenue from the cloud email and collaboration market is set to double in size by 2024 compared to 2020 and is projected to be worth around $81 bn dollars annually, almost doubling its projected size in 2020.

The digital workspace has become instrumental in the past few months as vast numbers of employees were forced to work from home. In fact, it is currently the top priority for 40% of European companies as they seek to enable their remote workforce in the long term, as well as their IT departments with an intelligent helpdesk and modern management tools, says IDC.

"Working in the Next Normal will be markedly different from our recent past, as over 60% of European companies plan to retain their remote working policies in the long term. Indeed, a hybrid workplace (empowered with digital workspace technologies) will be the status quo in the new reality, and employers will be tasked to make it financially sound, employee-centric and inherently secure," the researcher says.

→ **WHILE THE COVID-19 PANDEMIC WAS UNIMAGINABLE JUST A YEAR AGO, OUR 2020 PREDICTIONS—ANCHORED BY THEMES OF WELLNESS, ADVOCACY, AND EMPOWERMENT— NOW SEEM SERENDIPITOUS.**

Dr Chris Mullen (left), executive director – The Workforce Institute at UKG

Dr Chris Mullen (above), executive director at The Workforce Institute at UKG says: "While the COVID-19 pandemic was unimaginable just a year ago, our 2020 predictions—anchored by themes of wellness, advocacy, and empowerment—now seem serendipitous. Organisations and their people are now doing things they once thought impossible, showing incredible resiliency and creativity, presenting a small silver lining to a year we'd otherwise wish to forget. As we look ahead at 2021, workplaces everywhere will be presented with the opportunity to take the lessons learned from the last year to reimagine a better world of work for the future."

He says: work will be (re)shaped in real time as organisations decide which pandemic-era practices stay and go.

"We're on the verge of the Great Reset. The circumstances of 2020 brought out the creativity and resiliency of workplaces worldwide, as many businesses did things they once thought impossible. With months of data to analyse the impact of actions, over the next year we'll watch in real time as organisations make conscious and deliberate decisions about policies, processes, and practices. They will move beyond reacting and begin to refocus and reinvent."

Which pandemic-era policies will stay and go? Which will be refined? Which "old ways" of work will come back? The answers may take years to solidify, he suggests, which illustrates that the true future of work will be steeped in the ability to embrace uncertainty. 2020 will provide valuable lessons about employee safety and wellbeing, alternative scheduling, and remote work—among countless other areas—as leaders seek to balance financial sustainability in a recovering economy. During the Great Recession, organisations with a strong CFO and CEO survived."

For this Great Reset, the triumvirate of the CEO, CFO, and CHRO developing policies that protect their people and their bottom line while moving the business forward will gain a competitive edge. Additionally, the importance of internal reskilling efforts will be paramount, and organisations that emphasise protecting employee jobs will increasingly turn to internal gig marketplaces to redeploy talent as needs evolve."

→ **WE'RE ON THE VERGE OF THE GREAT RESET. THE CIRCUMSTANCES OF 2020 BROUGHT OUT THE CREATIVITY AND RESILIENCY OF WORKPLACES WORLDWIDE, AS MANY BUSINESSES DID THINGS THEY ONCE THOUGHT IMPOSSIBLE.**

Dr Chris Mullen, executive director – The Workforce Institute at UKG

ID Agent comments that technology investment is being modified and is likely to change for 2021, including Smart WFH Tech. Cloud, Digital Communication (VoIP, Video), Devices, SD-WAN.

"We have heard a lot about Zoom, Webex and Microsoft Teams. Those platforms, and others in the category (8x8, RingCentral, Pexip, Poly, etc), have seen explosive growth in use and development to make them both easier and more secure. However, we have also seen significant growth in the deployment of WFH devices, which has led to growing PC sales as well as investment in new secure connectivity like SD-WAN at scale to offer improved connectivity to the office as well as flexibility that VPN isn't as well suited for. In 2021 and beyond, smart work from home technologies are going to become increasingly important and more possibilities will open up for everyone."

Not surprisingly, such a profound switch raised a lot of issues about the future of the workplace. Some of the lessons this forced transformation has taught us is….

→ Productivity is possible remotely, but the bigger challenge is effectively managing a remote workforce.

→ How do we now maintain company culture and keep remote workers connected to the company?

→ How are businesses going to build strong remote relationships with their team?

→ How are they going to measure productivity of remote workers?

The honeymoon is over for workers who now wake up and begin work at home. Productivity spiked when Work from Anywhere (WFA) was first implemented, but many see it slipping more recently. So, while people are beginning to accept the realty that WFA will be part of the new normal, there is still the challenge of how to monitor and motivate remote teams, and importantly, how to monitor and support emotional health. There is much concern around how to keep people from working all the time leading to burnout agrees ID Agent.

IT Support is the critical backbone of business. Businesses need to ensure that their remote workers have the right technology and apps to create, communicate and collaborate seamlessly with colleagues and clients. But more importantly, business leaders need to make sure that remote workers have access to a dedicated information technology support team to quickly address technical disruptions and keep schedules running smoothly.

Remote working also means that Cybersecurity is finally getting the intention it needs. "As folks are beginning to catch their breath, security has risen to the top of the heap when it comes to areas that need to be shored up from the transition to work from anywhere. The network edge is gone, and people moved out of the office with minimal focus on securing their environment."

"The threat of cyberattack was a problem before the pandemic, but the danger is arguably greater now because of workers who use public WiFi or personal devices without updated protection. The question then becomes how to support the business without becoming involved in supporting personal networks and equipment. Some are seeing it as an opportunity, while others see it as a big risk. Ransomware is still a critical problem - attacks are increasing and the request for ransom is climbing. However, we are also seeing that End customers are much more aware of the need for security and are more willing to have discussions with MSPs about what it takes."

Work from home also means more opportunities to be attacked. As McAfee says:

The increasingly dense overlay of numerous connected devices, apps and web services used in our professional and private lives will grow the connected home's attack surface to the point that it raises significant new risks for individuals and their employers.

"While the threat to connected homes is not new, what is new is the emergence of increased functionality in both home and business devices, and the fact that these devices connect to each other more than ever before. Compounding this is the increase in remote work – meaning many of us are using these connected devices more than ever."

Since the onset of the coronavirus pandemic, McAfee Secure Home Platform device monitoring shows a 22% increase in the number of connected home devices globally and a 60% increase in the US. Over 70% of the traffic from these devices originated from smart phones, laptops, other PCs and TVs, and over 29% originated from IoT devices such as streaming devices, gaming consoles, wearables, and smart lights.

McAfee saw cybercriminals increase their focus on the home attack surface with a surge in various phishing message schemes across communications channels. The number of malicious phishing links McAfee blocked grew over 21% from March to November, at an average of over 400 links per home.

This increase is significant and suggests a flood of phishing messages with malicious links entered home networks through devices with weaker security measures.

Security specialist Sophos also found that ransomware amounts were increasing, showing that the attacks are working.

Average ransom payouts, quarterly

Q4 2019	$84,116.00
Q1 2020	$111,605.17
Q2 2020	$178,254.19
Q3 2020	$233,817.30

This contrasts with a corporate office environment filled with devices "hardened" by enterprise-grade security measures. We now work with consumer-grade networking equipment configured by "us" and lacking the central management, regular software updates and security monitoring of the enterprise.

The future of work from home is less certain: a global business survey commissioned by Xerox shows an estimated 82% of the workforce in respondents' organisations will have returned to the workplace in 12-18 months' time, on average after the study date in late 2020. In preparation for a return, companies are investing in new resources to support a hybrid remote / in-office workforce, with 56% increasing technology budgets and 34% planning to speed their digital transformation as a result of COVID-19, it says.

→ WHILE THERE IS NO DOUBT THE COVID-19 PANDEMIC HAS CHANGED THE WAY WE WORK, OUR RESEARCH FOUND THAT OVER TIME MANY COMPANIES PLAN TO HAVE MOST EMPLOYEES BACK IN AN OFFICE ENVIRONMENT.

Steve Bandrowczak, President and chief operations officer – Xerox

Respondents reported challenges caused by the sudden transition to remote work, with 72% citing they were not fully prepared from a technology perspective. In addition to technology (29%), the biggest pain points during the required work from home period were communication breakdown across teams/employees (26%) and maintaining focus (25%).

 "While there is no doubt the COVID-19 pandemic has changed the way we work, our research found that over time many companies plan to have most employees back in an office environment. This could be for a variety of reasons, including communication, speed of decision-making and talent development," said Steve Bandrowczak, Xerox president and chief operations officer. "At the same time, the sudden shutdown and ongoing hybrid work environment has exposed technology gaps that require new or additional investment in the coming months."

Prior to work from home requirements being imposed, 33% of respondents said network/ data security and privacy was their biggest concern with a remote workforce; 24% cited employee productivity followed by 16% citing technology infrastructure. These concerns, coupled with the belief held by 95% of respondents that in-person communication is important for personal development and assessing talent, indicate widespread remote work will not replace more traditional workspaces.

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However, now that businesses are more comfortable with remote work, attitudes and policies of C-suite leaders and IT decision makers are shifting. Among the countries polled, the US is the most likely to have an increase in confidence in remote working (86%), followed by the UK (80%), Germany (80%), Canada (77%), and France (75%). Furthermore, 58% plan to change their work from home policy within the next year, highlighting the need for companies to support a hybrid workforce.

The rapid transition to remote work was difficult for most businesses, with only 28% saying they were fully prepared and 29% citing technology as their biggest pain point. Among the specific countries polled, France was the least likely to be fully prepared for the sudden transition to remote work, while the US was the most likely to be fully prepared. With regards to technology specifically, respondents said their top challenges were remote IT support (35%), inadequate workflow solutions (27%), lack of communications and collaboration tools (22%) and lack of cloud-based solutions (10%). 85% of business leaders also missed the accessibility and ease of use of their office printers, with US respondents missing them the most (93%) followed by Germany (92%) and France (91%).

DataSolutions, the Dublin-based distributor of IT and security solutions, did a survey involving more than 1,019 UK respondents who have worked from home during lockdown. The survey found that:
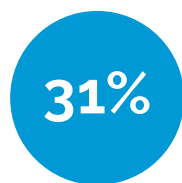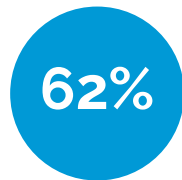
31% of office workers admitted they would leave their current company if not offered the option to work from home, either part-time or full-time.
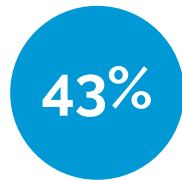
43% of organisations have not communicated their plans to staff in terms of a return to the office in the future.
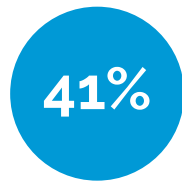
41% of respondents will be expected to return to the office full-time.

62% of organisations have not allocated budget to allowing workers to create a more permanent work from home environment.

Finally, Google's product manager TJ Varghese says: "The challenge with hybrid working is how to provide that experience when not everyone can achieve the same in-home environment – what we're hearing from customers is the growing conversation around equitable working experiences." There needs to be an accompanying product or form factor for those who are working remotely – whether that's in the form of a tablet or another device, he says.

But managing apps and services remotely could still be a problem, even in the cloud. Scott Chancellor (above), Chief Technology & Product Officer, Apptio: "While the pandemic inspired an 8% decrease in global technology spend this year, SaaS remained the fastest growing area of cloud spend. In making the shift to a distributed workforce in the spring, enterprise organizations rapidly adopted new cloud services in order to ensure business continuity, yet much of that adoption was hurried and piecemeal. Without a centralised purchasing and accountability structure, we saw a sharp rise in redundant SaaS licenses and underutilised tools, ultimately undermining the potential cost benefits of SaaS products.

If the aftereffects of the move to the public cloud 5-7 years ago are any indication, 2021 will be a year of reckoning for IT and finance teams as they look to streamline SaaS management with an eye toward better visibility and accountability across business units in order to stabilise costs after a period of rampant adoption, he says.

ID Agent:

"Naturally, the collective response to this outbreak has generally been fear and uncertainty, but we've also created a tale of a coming together to help each other. Companies large and small have committed to their employees that they'll do whatever it takes to stay in business. In the channel community, we saw MSPs deploy technologies almost instantly that helped organizations in nearly every sector move their workforces' home."

They brought up remote offices across the globe, and now employees are working around spouses and kids and animals, utilizing home internet connections. However, turning those unsecured home wireless networks into secure vehicles to ensure commerce continues has been a major challenge that providers have had to face.
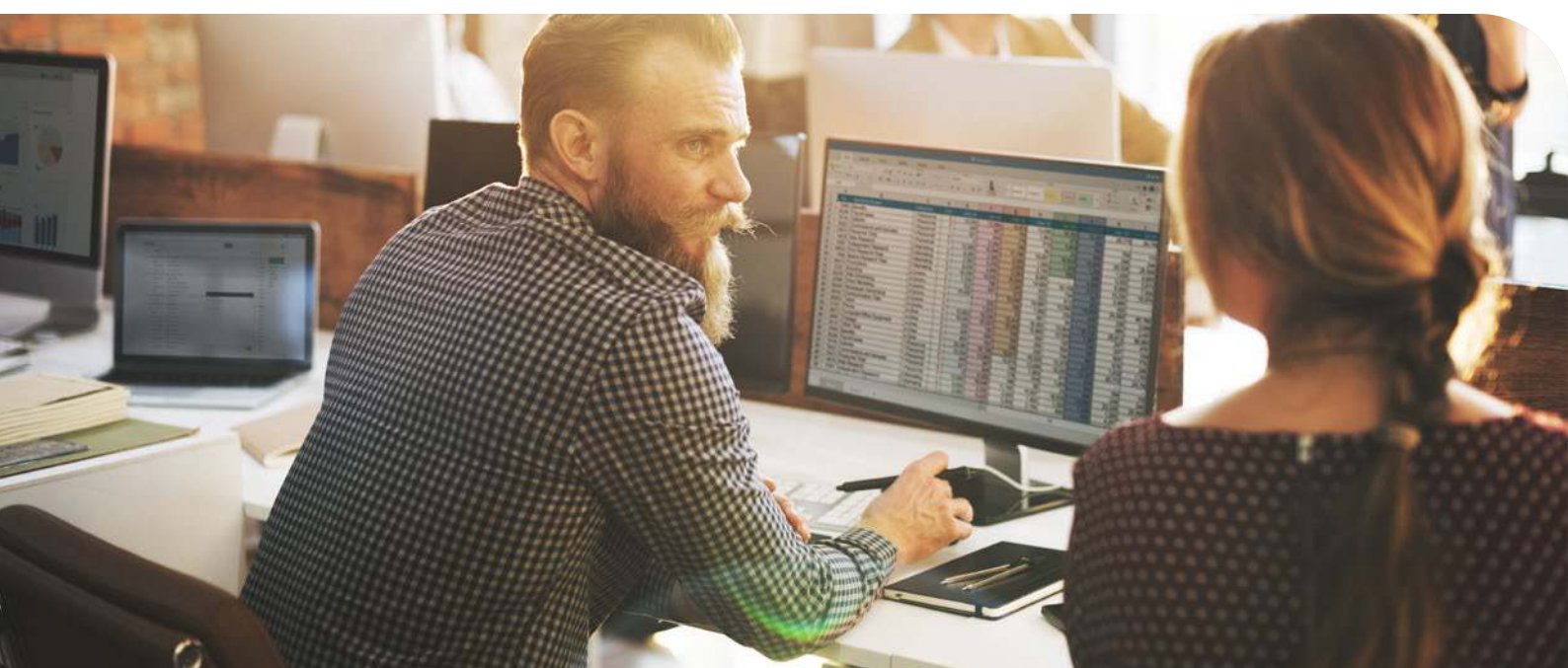
It may also mean more testing and resilience analysis says Jay Alexander, CTO at Keysight Technologies and also a member of the US government's National Institute of Standards and Technology (NIST) committee. He is an expert on testing and diagnostics and thinks this will drive the pace of innovation in 2021. The adoption of digital tools, processes and software-led solutions will change the speed at which enterprises innovate, grow, support customers and conduct business.

"The impact of a hybrid workforce on technology development, design and deployment will be addressed via software: A hybrid workforce, social distancing and other dilutions of historical work efforts will accelerate software enablement for product design and development."

→ **THE IMPACT OF A HYBRID WORKFORCE ON TECHNOLOGY DEVELOPMENT, DESIGN AND DEPLOYMENT WILL BE ADDRESSED VIA SOFTWARE.**

Jay Alexander, CTO – Keysight Technologies

Software-led processes will play an enormous role in 2021. Product design, R&D, testing, manufacturing/production and diagnostic troubleshooting will be accomplished remotely through software-led solutions. Companies will rely on software to support a remote workforce by leveraging the cloud and providing advanced computation abilities.

Marketing engagements, customer interactions and customer support will each be at the centre of digital transformations in 2021. Greater personalisation in marketing and communication is assured.

Software will also be critical to digital transformations: Enterprises will speed transformations using software that improves productivity, efficiency, accuracy, security and time-to-market by collecting and acquiring information digitally, coupled with the use of advanced analytics and data visualisation to gain insights needed to accelerate innovation.

More services and service delivery models are emerging. Among the more interesting is Project Cortex, a Microsoft AI project from partner Content and Cloud which looks at how content can be managed across Office 365.

Chris O'Brien, Product & Services Director at Content+Cloud and a Microsoft Most Valuable Professional, said: "I am the products and services director at Content+Cloud and I look at what new services we can bring to market. 2020 for us was a year like no other. We spent a lot of time helping customers move to remote working and we think some form of hybrid working is the future for most organisations."

"Every organisation is looking for technology to bridge the gap and make the user experience for those at home the same as in the office. Microsoft is certainly doing a lot of work in this area and we will see more of that."

This will include aspects of the building of the value in online meetings – in the leadup, the meeting itself and follow-up, capturing content and making it more effective, by being more automated.

→ 2020 FOR US WAS A YEAR LIKE NO OTHER. WE SPENT A LOT OF TIME HELPING CUSTOMERS MOVE TO REMOTE WORKING.

Chris O'Brien, Product & Services Director – Content+Cloud

"Being named as one of just 17 companies globally is a massive achievement for the Content+Cloud team. But the real benefit lies with our customers. Through this exclusive access and status within Project Cortex, we can deliver value for any investment in resulting capabilities. This is because we have been intimately involved from the outset in developing the project's core functions and services, providing our insight to Microsoft's own engineers to ensure the greatest return on investment."

Project Cortex pushes knowledge to people rather than expecting people to find it in some sort of knowledge base. That can be really powerful, he explains. For example, in Content+Cloud itself, it is being used to provide a ready-made resource that anyone in the organisation can access.

It takes the data as a set of signals on the content to capture information that comes out in any other project that is relevant. Instead of it being buried and anything leaned being lost. It creates a series of topics that are then a resource for analysis or wider use.

For example, in Content+Cloud itself, it is being used to provide a ready-made resource that anyone in the organisation can access. Once it has created the topics which reflect the organisation, it sets out to mine the available data for the best sources and identify those and the expertise sources. This then becomes the organisation's knowledge base, and what would previously be very resource-intensive to generate becomes an AI-powered, human curated source.

So any email, online discussion or document that mentions one of the key topics will be highlighted and this will lead to the best available sources of wider information.

And, like Office 365 itself this is not just a large-scale solution for huge data stores. "I think this is suitable for organisations with a few hundred people, and certainly well-below enterprise level, there is a big case for using it in an organisation that is knowledge- focused."

This can also be linked to other partners in the ecosystem.

Knowledge management can be revolutionised by these technologies and Content+Cloud is continuing to work with Microsoft on this.

How Much Does Time Waste Cost You?
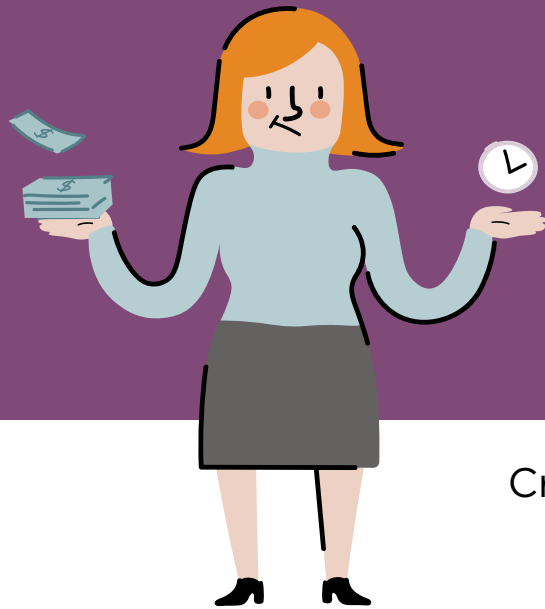
a. £5,000
b. £10,000
c. £15,000
d. £20,000

Crazy, right? According to IDC, **time waste costs MSPs £20,000 per employee per year!**

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MANAGED SERVICES CONTINUE TO WIN BUSINESS

The hot area for 2020 is continuing as customers buy using a revenue model; for MSPs the issues remain how to work with scarce resources, become more efficient and keep the customer happy, while in marketing terms differentiating themselves for customers and potential customers. In addition, they will want to continue to augment services and offer new types of service, while getting as much support as they can, automating as rapidly as possible, and generally succeed in doing more with less?

Holistics win in managed services

RapidFire Tools comments: MSPs who view their client relationships on a holistic basis are the ones who will be the most successful in 2021. They need to embed IT security in everything they do; and they need to regularly perform pro-active IT assessments to ensure that their clients are in compliance with the IT security policies and procedures that have been uniquely established for each client.

In the United States, the National Institutes of Standards and Technology (NIST), created a cyber security framework based on widespread input from across the globe on IT Security best practices. The framework is flexible and designed to allow MSPs (and internal IT Departments) to create and implement a set of IT security policies and procedures appropriate for the organisation. Software solutions, like Compliance Manager from RapidFire Tools, help MSPs to create unique and branded cybersecurity services for tailored for each client, and then manage compliance with the standards they create.

MSPs have proved their importance and their essential benefit to their customers. As Fred Voccola, CEO at Kaseya says, the pandemic showed small and medium sized businesses just how indispensable technology is to operate their businesses safely and effectively. "It became clear that technology not only helps SMBs fight the economic challenges they face today, but that it is also their best weapon against a recession."

"As SMBs invest more into technology and rely on MSPs to deliver their essential IT needs, MSPs will flourish. I foresee strong growth, margin expansion and more opportunities for MSPs to serve not only the traditional SMBs sector but also move upstream into larger midsized organisation, where they can help augment or replace internal IT resources by delivering greater speed, efficiency and effectiveness relative to small, internal IT teams."

"As a result of the pandemic, competition is at an all-time high for MSPs. Sales and marketing, or in other words, an MSP's go-to-market strategy is more crucial to their success than ever before. Even though SMBs are spending more on technology, there's more competition out there for every IT dollar. During tough economic times, businesses need to maximise the value out of every dollar they spend so they're driving a harder bargain. As a result, there's a lot more pressure being put on the MSP by their client to deliver better services and to deliver them at a better price."

Relative to the overall global economy, the outlook for MSPs next year looks very promising. In the wake of the COVID-19 pandemic, small and medium-sized businesses (SMBs) have realised that technology is indispensable for the safe and effective operation of their organisations. Technology has not only helped SMBs fight the economic challenges they face today but has also proven to be their most effective weapon against recession.

→ **IT BECAME CLEAR THAT TECHNOLOGY NOT ONLY HELPS SMBS FIGHT THE ECONOMIC CHALLENGES THEY FACE TODAY, BUT THAT IT IS ALSO THEIR BEST WEAPON AGAINST A RECESSION.**

Fred Voccola, CEO – Kaseya

As SMBs invest more in technology and rely on MSPs to deliver their essential IT needs, the latter will flourish. We foresee strong growth, margin expansion and more opportunities for MSPs to serve not only the traditional SMB sector but also move upstream into larger midsized organisations, where they can help augment or replace internal IT resources by delivering greater speed, efficiency and effectiveness relative to small, internal IT teams.

While MSPs are increasingly becoming irreplaceable partners for many companies in these times of accelerated digital transformation, it won't be all plain sailing from here on out. As companies now deal with brand-new cloud deployments and entirely new IT team makeups as well as innovative but deadly new security risks, MSPs also need to proactively evolve according to changing market needs. The channel's focus in 2021 will be on security, compliance and digital transformation/remote work support.

However, due to the pandemic, competition among MSPs is at an all-time high. Sales and marketing, or in other words, an MSP's go-to-market strategy, is now more crucial to its success than ever before. Even though SMBs are now spending more on technology, there's more competition out there for every euro/pound spent on IT. During tough economic times, businesses need to maximise the value of every euro/pound they spend. As such, they're driving a harder bargain and there's a lot more client pressure on MSPs to deliver better services at a more competitive price.

MSPs that have strong sales and marketing engines will enjoy a significant advantage over their competitors. While many MSPs focus on having the best technology, it's rare that the best technology alone wins new business. Instead, MSPs will need to focus on selling themselves better — both to new and existing customers — and help their customers stay ahead of the curve in terms of their ever-evolving IT needs to thrive in this new marketplace.

MSPs need to be able to sell their value proposition to both new as well as existing customers and clearly articulate the value of what they're offering to stand apart from the competition.

Second, start moving upstream into larger, midsized companies with existing in-house IT teams, where you can augment or replace some of these internal IT resources. These revenue streams are more stable and lucrative.

Third, prioritise automation in your service delivery framework. This will allow you to more easily scale your business based on your customers' needs as the economy changes. Fourth, utilise a technology stack that delivers the following capabilities:

→ It should be comprehensive and provide all IT management functions needed by the MSP to cater to its clients — RMM, PSA, IT documentation, Security, BDR and Compliance

→ It should offer deep workflow integrations between tools to increase technician efficiency by 25 percent or more

→ It should reduce MSPs' IT management "kit" costs

→ Last but not least, be empathetic towards your customers. Empathy goes a long way in maintaining positive, collaborative and long-term relationship with your customers.

MSPs have to be careful about competition in 2021. RapidFire Tools says that Microsoft sells its ubiquitous Microsoft 365 suite of business cloud services, and its Azure public cloud infrastructure, directly to SMBs. This has the potential to completely disintermediate MSPs from an important and growing component of the clients' IT environment. With the explosion in the use of Microsoft Teams, SharePoint and OneDrive by both SMBs and the Enterprise, the way MSPs can continue to remain relevant is through the ongoing management of these environments using tools like Network Detective, which can provide them with visibility and reports that the clients do not have. Identifying security risks, managing changes to permissions and shares, and monitoring the environment for waste through file duplication and unneeded legacy documents that are not being accessed, can save the client money . . . and keep the MSP relevant.

As MSPs aim to increase efficiency within their organization, a key area of focus will likely be centralizing the different vendors being used for backup, business continuity and disaster recovery. Most MSPs understand that a robust BCDR solution not only helps them and their clients sleep easier at night but also see it as an evergreen revenue opportunity both within their existing client base and new customer acquisition.

Unitrends says that many MSPs report using anywhere from 3-5 vendors for backing up on-premise systems/data, remote machines, public cloud servers/data and the rapidly growing segment of data in Office 365 and this inherently creates inefficiency from a management and administration perspective. Technicians are spending more and more time juggling multiple partner portals and user interfaces instead of focusing on valuable tasks that grow the business. Not to mention the amount of time it takes to train on different technologies, evaluate different vendors and ultimately add one more silo to remember and keep track of on a day to day basis.

As a result, many MSPs are rapidly adopting a single Unified Continuity platform that protects and restores data no matter where it lives. Leveraging a single platform for management and integration of all BCDR and backup solutions is a game changer and one of the biggest drivers of efficiency and optimization. Many MSP business owners are simply unaware of the TCO behind managing separate appliance based, direct to cloud, public cloud and Office 365 backup solutions. In some cases, after adopting a single platform there is no longer a need for a dedicated staff member to just manage backup and BCDR. There is also the potential for increased margins by leveraging bundled pricing and consolidating your buying power with one vendor, argues Unitrends.

→ AS MSPS AIM TO INCREASE EFFICIENCY WITHIN THEIR ORGANIZATION, A KEY AREA OF FOCUS WILL LIKELY BE CENTRALIZING THE DIFFERENT VENDORS BEING USED FOR BACKUP, BUSINESS CONTINUITY AND DISASTER RECOVERY.

"Unitrends MSP provides a robust Unified Continuity platform for MSPs, protecting all of your clients' data, no matter where it lives. Our platform automates, integrates and provides a single pane of glass for management and administration of all the systems or users you are providing business continuity and disaster recovery services for. Whether your mission critical systems and data live on-site, in Office 365 or in remote locations or the cloud, we can provide the same protection Fortune 100 companies use at an exclusive, MSP friendly price for your SMB customers."

IT EUROPA

DISTRIBUTION PROVES RESILIENT

The distribution model had proved resilient this year and was preparing to meet challenges in a time of uncertainty. Frank Vitagliano (below), CEO of the Global Technology Distribution Council (GTDC) told his organisations' virtual event in late 2020 that he thought that "the New Normal" was still taking shape, but the industry could draw some strength from the appreciation that the distributors are offering resilience and agility, and can be depended on, as proved by the lack of disruption to most supply chains in the crisis.

→ **'THE NEW NORMAL' WAS STILL TAKING SHAPE, BUT THE INDUSTRY COULD DRAW SOME STRENGTH FROM THE APPRECIATION THAT THE DISTRIBUTORS ARE OFFERING RESILIENCE AND AGILITY.**

Frank Vitagliano, CEO – GTDC

The European IT channel ended an extraordinary year on a high, with distribution sales hitting a record €26.3 billion and year-on-year growth of 10.2% for Q4, according to CONTEXT, the IT market intelligence company.

The figures are in keeping with a year in which the channel outperformed expectations every quarter, despite unprecedented supply chain challenges and the closure of many offices for much of 2020.

Full-year sales were €83.3 billion, and growth stood at 7.2%, versus figures of €77.8 billion and 3.6% in 2019.

Despite the fall in demand in many enterprise IT categories, the push for digital transformation and increased demand from home workers and students helped to propel most countries to impressive annual sales growth. These were led by Poland (30%), the Czech Republic (15%), Spain (13%) and Italy (11%), with only France (-2%) Austria (-5%) and Slovakia (-7%) recording negative growth for the year. Mobile PCs played a huge role in this growth, particularly notebooks where volumes grew 37% year-on-year in European distribution and revenues grew 31%.

There was strong business demand from the education sector for tablets and laptops, and from the healthcare sector, while commercial organisations continued to invest to support remote working. In the consumer space both traditional and gaming laptops were popular, as buyers looked to support work and play during lockdowns.

Small and medium resellers (SMRs) continued to dominate the channel, with a market share little changed from 2019 on 36.5%. Corporate resellers lost 2% of their share over the period, accounting for 26.4% of the market in 2020, while retail chain players saw their share increase by almost one percentage point to 23.3%.

Etail business outlets remained relatively unchanged on 3% while the etail consumer channel increased its share by 1.6% to reach 10.7%.

Despite relatively disappointing performance across the year, there was good news for corporate resellers at the end of 2020 thanks to some big software and warranty deals, which drove an increase in value sales and a bounce back in fortunes.

→ RATHER THAN START THE YEAR WITH AN EMPTY PIPELINE AFTER THE STRONG FINISH TO 2020, WE'LL SEE THE OPPOSITE.

Adam Simon, Global Managing Director – CONTEXT

"The IT channel in Europe has ended 2020 by once again outperforming expectations — we have not seen double-digit growth in a quarter in recent years. With the current level of demand for digital products, there's more to come in 2021. We expect growth to restart in the early part of January," said CONTEXT Global Managing Director, Adam Simon. "Rather than start the year with an empty pipeline after the strong finish to 2020, we'll see the opposite. There's still huge demand that can't be satisfied due in part to supply shortages and this will continue to drive channel sales growth."

CONTEXT predicts that 2021 will come close to being the first ever €100bn revenue year for the IT channel in Europe.

But what else is needed for the distribution/ two tier model to continue its development? The ChannelWatch Report 2020, produced for the GTDC by researcher CONTEXT, polled more than 7000 channel partners in late 2020 and showed rising support for the two-tier model as well as insights into changing markets for distributors. For example, the number of resellers that provide cloud technology solutions to their clients, for example, jumped sharply in 2020 compared to 2019. In particular, the percentage of ICT channel companies that implemented cloud back-up, disaster recovery and storage solutions in 2020 increased to 70% in 2020 compared 44% in 2019.

"The results found in our ChannelWatch 2020 report are proof of the acceleration toward digital and XaaS solutions among channel companies," said Adam Simon, Global Managing Director at CONTEXT. "The big difference in the last two years is the number of resellers that sell more than three services than a few years ago."

In addition to a greater embrace of cloud digital innovations, the ChannelWatch 2020 report also probed ICT channel companies on their perceptions and engagement with ICT products and services distributors. In 2020, the perceived quality of distributors, for example, increased in nearly every category measured by CONTEXT. This includes billing and other cloud services, field support, training and certification and lead generation.

"Each year, the results of the ChannelWatch report provide distribution companies invaluable information about reseller purchasing decisions and intentions, needs and challenges," said Frank Vitagliano. "That channel companies increased their opinion of distributors during the pandemic is no surprise to the GTDC, which tracked how members fortified their supply chains, expanded their cloud capabilities and increased the marketing and financing support provided to channel companies last year."

→ IN 2020, THE PERCEIVED QUALITY OF DISTRIBUTORS, FOR EXAMPLE, INCREASED IN NEARLY EVERY CATEGORY MEASURED BY CONTEXT.

When asked about the support they need from distributors to be successful at selling and delivering technology as-a-service in 2021, 55% percent of study participants said "training and education"—more than any other category. Marketing was named by 40% of those surveyed, followed by financial support (35%) and sales assistance (34%).

The distributors aim to continue to deliver results for vendors and deliver a good experience to the end user customers, he said. The distribution model aims to stay on top of trends and track the industry to provide data for decision-making.

IT EUROPA

M&A: WHERE ARE THE HOT AREAS OF THE BUSINESS?

With a vibrant market and relatively cheap funding available, it is no surprise that there is continued interest in how to build value for potential mergers and acquisitions activity. But spotting winners and losers is no easier, and physical meeting problems may be delaying things.

Security has been one of the hottest areas for valuations and is seen as an in-demand sector by the private equity companies. Volumes have been clicking up since 2018, says Tech M&A experts Hampleton Partners – see chart.

But software has also been a star, particularly for large business. The first post Covid-19 Enterprise Software M&A market report from Hampleton Partners in the last few months of 2020 showed that transaction volumes dropped by five per cent, with 602 deals recorded in the first half of 2020 compared to 631 deals in the second half of 2019.

Hampleton's report did register $34bn worth in disclosed transaction value, however, with a handful of blockbuster billion- and nine-digit deals.

Contrary to previous quarters, in Q2 2020, 61 per cent of European targets were bought by acquirers that were also European, pointing to more regional deal-making in this year. This is likely to be due to travel restrictions and local lockdown measures strongly impacting the prospects for intercontinental M&A.

Miro Parizek, founder, Hampleton Partners, said: "COVID-19 is re-shaping the Enterprise Software M&A market. Both private equity and strategic buyers are focusing their sights on companies helping to improve communications, streamline processes or facilitate remote working capabilities; businesses that help fuel the e-commerce boom, like supply chain logistics software critical for improving last-mile fulfilment; and, of course, healthcare software.

"Looking forward, we anticipate robust M&A activity as buyers jockey for position in the new, post-pandemic, business environment."

Looking at technology areas, video-conferencing is attracting new acquirers. In April 2020, telecommunications company Verizon acquired BlueJeans, a US provider of videoconferencing, webinar and online event management SaaS, for $400 billion at 4x revenue. The software can integrate with existing systems and is accessible through multiple web browser platforms and on mobile devices. In March 2020, private equity firm Marlin acquired Lifesize, a provider of 4K video conferencing SaaS which allows users to host free video and audio calls instantly via a share link to their teams, for an undisclosed sum.

→ **LOOKING FORWARD, WE ANTICIPATE ROBUST M&A ACTIVITY AS BUYERS JOCKEY FOR POSITION IN THE NEW, POST-PANDEMIC, BUSINESS ENVIRONMENT.**

Miro Parizek, founder – Hampleton Partners

But healthcare remains biggest software vertical in demand and it dominated the vertical software segment in 1H2020. In February, CompuGroup Medical, a German healthcare information management SaaS, acquired the German and Spanish assets of Cerner Corp. Cerner provides healthcare practice management software and SaaS which has features for billing, EHR (electronic health records) management and electronic data interchange (EDI). The acquisition closed at $249 million, at 3x Cerner's revenue and 17.1x its EBITDA.

The digitalisation of healthcare is continuing to accelerate the growth of data volumes. With more data, healthcare players need new and improved tools in artificial intelligence (AI), machine learning (ML) and predictive and prescriptive analytics to comb through this massive pool of data.

"We've seen the number of AI targets rise exponentially as the early movers and pioneers of this space are becoming ripe for sale," says Parizek.

PREDICTIONS: RETURNING BUSINESS OWNER SAYS WHAT HE LOOKS TO BUY IN 2021

Andrew Harman (left), ex-owner of Annodata, ex-professional footballer with Wycombe Wanderers, is now running a tech investment business and looking for his next target.

Annodata was sold as part of a multi-million pound deal to Kyocera in 2016, so now out of the business for a few years. Andrew has recently co-founded Strive Capital, where he plans to use the proceeds for further M&A activity across the technology sector. This process is already in full flow, with Strive's recent acquisition of Academia, a £70m-revenue Apple partner.

He talked to IT Europa about his plans.

"I still enjoy the business, and I have had so many people wanting to reconnect – the technology is still changing, and I can see an opportunity." Challenges like 2020 are an opportunity, he says – "I've been through three recessions before."

So, what is the business potential now? "I've been out of the industry for a while; I find that technology has changed dramatically – in telco, printing and others, but that consolidation has left a gap in the market for a true independent."

> **→ I STILL ENJOY THE BUSINESS, AND I HAVE HAD SO MANY PEOPLE WANTING TO RECONNECT – THE TECHNOLOGY IS STILL CHANGING, AND I CAN SEE AN OPPORTUNITY.**
>
> **Andrew Harman, ex-owner – Annodata**

There are the likes of Softcat and Computacenter, he says, but there is an opportunity through consolidation. Customers want a reduction in suppliers and will also want a lot more services.

"It is customer-led – the customer wants to trust you. So, I think that is very interesting. In the government framework where Academia plays, for example, the customers want to give us more, we just to need to show we can supply."

How does he find acquisition targets – is it about customer lists, culture, people?

"First, I need to get under the bonnet, even having done the due diligence, and find the good areas. Anything I look at needs to be in the right area, with complimentary product skills and we (Academia) are centred on local authority and education, so ideally I want more commercial and corporate areas that we can sell into," he says. If there are a couple of senior people in the business, that helps, he adds.

"It has to be profitable and have a good track record. I don't want to pick up businesses with inherent problems."

In terms of what technology interests him, Andrew added: "Print has become mature and so I'm interested in what Microsoft is doing. Cybersecurity and GDPR are other areas. There is a premium on cybersecurity companies at present. But I'm looking at the software technologies out there and seeing what will help us expand in customer areas. We are mapping out the companies we want to talk to. I have a few opportunities, but I want to make sure it complements and strengthens what we are doing.

→ **WE HAVE TO BE MORE VERSATILE AND FACE NEW WORK CHALLENGES. THIS INCLUDES PEOPLE MANAGEMENT WHEN WORKING FROM HOME – WE HAVE SOFTWARE TO HELP MONITOR PEOPLE AT HOME, BUT YOU HAVE TO HAVE TRUST.**

Andrew Harman, ex-owner – Annodata

What would be the best target – "Anywhere from Birmingham down, with strong accreditations – Microsoft, Cisco or HP and giving us a stronger badge, and with good commercial clients. At Annodata we grew in recessions because of the mix of customers public sector and corporates. A broad spread in the portfolio."

How to plan for next year? "You have to plan longer term. There have been challenges but we are looking to expand and take on more."

For good companies, now is the time to grab market share. We are financially strong. The City of London is one challenge with everyone working from home, he says.

"We have to be more versatile and face new work challenges. This includes people management when working from home – we have software to help monitor people at home, but you have to have trust. So, I'm relaxed about that. The key is that in some respects as long as you are open and candid with people, they respond. We have to adapt to the new world, and this is an opportunity to add products that play into that."

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CHALLENGES: RISING COMPLIANCE & REGULATION

GDPR is not over; security in regulated industries is a real issue and is predicted to go further in 2021.

It is anticipated that 2021 will see data protection continue to dominate the regulatory landscape with main events focused on the UK's transition from the EU, the impact of the Court of Justice of the European Union (CJEU) Schrems II case ruling on Privacy Shield, the California Consumer Privacy Act (CCPA) anticipated increase in lawsuits, cookie consent management monitoring and the anticipated arrival of the ePrivacy Regulation says the British Standards Institute.

RapidFire Tools comments: MSPs with clients in the EU are obligated to educate their clients about the GDPR and should proactively preform assessments to determine if they are compliant with GDPR. Compliance Manager, from RapidFire Tools, has a GDPR module with an intelligent workflow automation engine that literally walks the MSP, and their clients, through the GDPR assessment process and produces all the necessary documents and evidence of compliance required by the law.

→ SOFTCAT SURVEY IN NOVEMBER 2020 FOUND ORGANISATIONS PRIORITISING "BUSINESS AS USUAL" TECH TO SUPPORT CONTINUITY AND DISASTER RECOVERY AT THE EXPENSE OF INVESTMENT IN EMERGING TECH.

The General Data Protection Regulation (GDPR) was a long time in development, and took time to take hold, but now entering its third year the regulatory bodies across the EU are stepping up enforcement and fines. The huge penalties to the likes of Google have made headlines, but hundreds of smaller organisations have also been penalised for not following the necessary precautions to protect the personal data of EU citizens with whom they do business and collect and store information.

 "High impact compliance issues will dominate the data protection landscape in 2021 and will require important reviews of compliance frameworks for organisations across the globe. With the UK becoming independent of the EU, adopting a risk-based approach is required for companies selling goods or services in the UK or who are monitoring UK based data subjects. They will need to assess whether they fall under the scope of Article 27 under the General Data Protection Regulation (GDPR)," says the BSI.

 "Likewise, the almost 5,000 organisations who have used the Privacy Shield for data transfers will need to revise their transfer mechanisms, and update or introduce Standard Contractual Clauses (SCCs) following the Schrems II decision. An upswing in CCPA lawsuits and the passage of new CPRA – California Privacy Right Act, Brazil's LGPD (Lei Geral de Proteção de Dados), New Zealand's Privacy Act and imminent changes to Canada's PIPEDA (Personal Information Protection and Electronic Documents Act) will keep data privacy and legal teams scrambling to stay on top of compliance requirements," says Stephen O'Boyle, Global Practice Director - Cyber, Risk and Advisory at BSI.

IT EUROPA

CHALLENGES: SECURITY & CYBERSECURITY

The Consulting Services team at the British Standards Institute (BSI) has outlined key trends across the cybersecurity and data governance landscape for the year ahead, demonstrating how vital information resilience will continue to be for many organisations across the globe in 2021.

2020 saw the impact of commodity attacks that evolved to combine traditional attack skills such as Phishing, Remote Desktop Protocol (RDP) brute force and network vulnerability exploitation with ransomware to maximize return on investment for attackers. Ransomware will continue to rise in number and sophistication in 2021 across all sectors and organisation sizes, it says.

Stephen O'Boyle, Global Practice Director - Cyber, Risk and Advisory at BSI says: "The cyber-world is a haven for cybercriminals and this year we have seen how unscrupulous ransomware attackers can be as attacks on healthcare during the global pandemic persisted and ramped up. The trends of 2020 clearly highlighted new techniques to shorten time to pay. Attackers began to leverage brand and reputational impact by exfiltrating key data sets before encrypting and posting samples on-line and threatening full disclosure of data. Ransomware will remain very lucrative and in 2021 it will continue to evolve - and until the cost or perpetrating a ransomware attack becomes more than the financial return, we can expect an increase in activity."

→ **A STUDY BY RESELLER SOFTCAT IN NOVEMBER 2020 FOUND THAT CYBERSECURITY IS RANKED AS ORGANISATIONS' TOP TECHNOLOGY PRIORITY BY 86% OF INDUSTRIES AGREED, UP FROM 83% IN 2019.**

 Cloud migration will continue to advance in 2021, used by organisations to protect assets, preserve users experience, and add value and will be of benefit to those operating a hybrid working environment. Secure Access Service Edge (SASE), a Gartner-defined concept, comprises the interconnection of network and security components in a cloud-delivered model that meets organisations digital and security needs. Organisations benefit from a focus on technologies that secure cloud applications, data, devices, networks, and users including advantages of convergence, cloud scalability and security visibility. SASE provides a unified route in moving to a Zero Trust Model.

"Remote working has amplified the move to cloud with many workforces connecting to applications and accessing information from remote locations outside of traditional corporate networks. With SASE, companies are enabling remote connectivity resilience and security for an increasingly distributed workforce. Cloud hosting solutions have meant that the challenge of consistently protecting employees and data is adding real value for many organisations and this will continue to grow in 2021." said O'Boyle.

2021 will see the continued rise and shift towards the hybrid security methodology of purple teaming with organisations investing in attack and adversary simulations (Red teaming) and defensive techniques (Blue teaming) together. Working harmoniously, both teams are used to maximize the information resilience capabilities of an organisation through continuous feedback, knowledge transfer and adoption of best practice.

"It is estimated that attackers go undetected on a network for an average of 146 days which is a long time for them to gain access to privileged information. As attacks increase, being able to verify the effectiveness of existing security controls and vulnerabilities is essential. Purple teaming will become more popular as more and more organizations begin to understand the benefits of performing attack simulation tests for their organisation, and more importantly gain assurance that they can respond in a timely and effective way." concluded Stephen.

→ ## DON'T RETHINK YOUR APPROACH TO SECURITY. INSTEAD, RETHINK YOUR APPROACH TO IT AND THE MANNER IN WHICH BUSINESS APPLICATION AND DATA SERVICES ARE PROVIDED TO USERS.

Chris Kissel, IDC research director, security and trust products

IDC research director, security and trust products, Chris Kissel (above) advises, "Don't rethink your approach to security. Instead, rethink your approach to IT and the manner in which business application and data services are provided to users. Addressing security without addressing IT produces a suboptimal, kludged, band-aid-riddled mess."

His research key findings included:

→ COVID-19: The pandemic has put siloed infrastructures under a microscope and increased the need for integration between operations and security teams, including mutual visibility of systems.

→ Communication: Organisations with teams that communicate regularly rise to meet the challenges of multicloud, multidevice, multinetwork, etc.

→ Standardisation and team collaboration: These two strategies can reduce and contain costs and complexity across IT and security teams.

→ Shared concerns: IT and security share discreet concerns, such as risk and workflow that can help align teams.

→ Risk: An organisation has to be finely attuned to "risk" and manage risk at the right levels.

Webroot also says that MSPs, IT admins and IT sec experts need to do a better job at training people to deal with the new realities of WFH etc.

Most security problems are a failure of understanding, it finds and despite the fact that billion-dollar targets make the news all the time the vast majority of criminal money is being made on SMBs.

ITEUROPA

The elite hackers and criminals that rob these top targets then package all of that skill, technique and personal data into easy to use packages to sell to lower level crooks. Malware-as-a-service, RaaS, APT as a service and other crime as a service opens the criminal market up to anyone to get involved.

Cybersecurity

ID Agent says: "With the pandemic, cybersecurity has become very relevant again. Hackers have exploited the coronavirus pandemic to expand their campaigns of attacks against businesses worldwide. A 600% increase in phishing attacks on SMBs was observed from January to April 2020 alone. With fewer employees working onsite on the same secure network, it is imperative that companies shore up their networks and upgrade their cybersecurity strategies and expand them to home networks and mobile work-from-home devices. AI and Machine Learning will be important for this trend as we will see the continued increase in attempted nefarious activities require more sophisticated tools and algorithms to weed out."

Today's service providers are bombarded with questions from clients about enhancing their cybersecurity posture and ensuring the safety and security of their data. Unfortunately, the ever-changing threat landscape makes it challenging for MSPs to have all the answers. Complicating matters is that the conferences where MSPs would normally get that knowledge have been cancelled due to the COVID-19 pandemic. At the same time, the pandemic's impact on IT – such as the transition to remote work, securing endpoints outside of the corporate network and increased reliance on work collaboration applications – has significantly increased the cybersecurity risks.

In general, digital risk is increasing in the business world due to the rapid adoption of new disruptive technologies in various industries and are more pervasive than cybersecurity risks. On a broader scale, digital risks can be classified into physical, technical and administrative risks. The security challenges within digital environments can be better addressed if organizations knew how to identify these risks and incorporate preventative security measures and controls, along with proactive solutions and detailed plans, to overcome their digital vulnerabilities. For MSPs, the opportunity is in helping customers to identify the different types of digital risks they should be looking out for and how to mitigate them, it says.

For the solution providers, the issue is selling the concepts to SMB, enterprise and staff. One way is conducting cybersecurity assessments – (for example) use a DarkWeb scan as a way to get a 'foot in the door' then as a vehicle to have conversations with prospects and clients. Not only do these conversations generate leads, they also reinforcing your role as your client's trusted cybersecurity expert.

But in the end, it is not so much 'new' as more complex and sophisticated threats leveraging emotional and psychological hot-buttons to get us (humans) to react impulsively and make threat-actors' jobs easier by literally giving access to secures systems by way of phishing.

The pandemic has resulted in many office-based teams adapting to a work-from-home environment. This new working infrastructure has also forced numerous security operation centres (SOC) to work remotely, while simultaneously having to deal with an increased number of cybersecurity threats. "Working remotely is subject to distractions that you would not typically have in a physical SOC, such as family, friends, pets, roommates or even not having a good home setup, such as working from the couch versus your typical desk," Chris Triolo, Vice President of Respond Software says.

The recent major hack of SolarWinds, which compromised US federal agencies and thousands of companies worldwide who use SolarWinds' Orion software to monitor their computer networks, was also a major wakeup call to the industry.

Several tech companies, including Microsoft, have since commented on the hack, with the technology conglomerate explaining in a blogpost that "this latest cyber-assault is effectively an attack on the United States and its government and other critical institutions, including security firms. It illuminates the ways the cybersecurity landscape continues to evolve and become even more dangerous. As much as anything, this attack provides a moment of reckoning. It requires that we look with clear eyes at the growing threats we face and commit to more effective and collaborative leadership by the government and the tech sector in the United States to spearhead a strong and coordinated global cybersecurity response." Overall, the global cybersecurity market size overall was valued at USD 156.5 Billion in 2019 and is expected to expand at a compound annual growth rate (CAGR) of 10.0% from 2020 to 2027, according to data by Grand View Research.

The lessons from 2020 are about making systems and management resilient and being able to sell the concepts to SMB, enterprise and staff. Adding skills in the cyber-security practice is likely to be one of the biggest tasks in 2021.

Webroot says that the lessons from 2020 are:

→ When users are left to invent their own IT solutions, they cannot ever hope to make secure ones.
→ Home security is rubbish
→ No-one is faster than cyber criminals at adapting their "advertising" (phishing etc.)
→ The rise of crypto-crime correlates to the rise of the price of cryptocurrency, especially BTC. This is a mirror of what happened during the crypto-crash in 2018/9

Predictions:

→ Ransomware is getting so serious it will be at the pinnacle of political discussion next year
→ Criminals will get much better at exploiting home environments, they are far off potential in this sphere

IT EUROPA

Another approach to shoring up cybersecurity, particularly when addressing communications and data privacy, is confidential computing. The idea of confidential computing is to encrypt the entire computing process, not just the data, creating additional layers of security around sensitive information. Google, Microsoft, IBM, Alibaba, and VMware are helping develop new protocols and best practices by way of the Confidential Computing Consortium. The technology is still in a state of relative infancy, but we should begin to see confidential computing slide into the mainstream in 2021.

Part of the problem of all aspects of security is the wide range of tasks that it involves, particularly for the enterprise, but increasingly for the smaller organisation (see chart from Henry Jiang's 'Cybersecurity Domains' graphic (below).

Each of these tasks will take resourcing in the customer – and also is a role which can be fulfilled by the channel partner, but the tasks of keeping up to speed with all these areas should not be underestimated.

CHALLENGES: TECHNOLOGIES

While 2020 put many things on hold, the march of technology did not stop – new ways of working were imposed on top of a normal underlying increase in power and options. This will not stop and the recognition by some customers that things can be changed relatively easily might encourage them to experiment with further changes.

The pace of innovation hardly hesitated in 2020 and will probably accelerate in new directions, so here is a round-up of what might be significant in 2021 with some expert comments:

"For success in 2021, especially after a very challenging 2020, one must understand fundamental trends early, and take a view on those trends that are buoyed by hyperbole and those that are sure to be uncomfortable realities. Now is the time to double down on the right technology investment," says Stuart Carlaw, Chief Research Officer at ABI Research.

AI

Steve Joyner (), Managing Director UK&I at Avaya says every job in the western world will be influenced by AI in 2021, particularly with the rise of "work from anywhere." Artificial Intelligence (AI) can now be added on top of existing cloud-based video meeting and team collaboration solutions to cancel out background noise and even blur out your entire background. Outside of remote collaboration, every job in the western world will be influenced by AI in 2021 to drive productivity and better real-time decision-making.

→ **EVERY JOB IN THE WESTERN WORLD WILL BE INFLUENCED BY AI IN 2021, PARTICULARLY WITH THE RISE OF "WORK FROM ANYWHERE".**

Steve Joyner, Managing Director UK&I – Avaya

Maddie Walker, Industry X practice lead at Accenture UKI: "From automated testing to automated incident ticket triage and resolution, AI can be implemented across the end-to-end software development lifecycle to faster, higher quality and more predictable releases. Our view is that paired with a culture of modern engineering culture (Agile, DevOps) and a continuous innovation mindset, automation in software development and application management are opening the door for IT to be an innovation partner to the business. We even see opportunities for no code / low code automation in the future, in other words using automation to accelerate automation itself."

Brad Drysdale, Field CTO, SnapLogic: "AI/ML will play a bigger role in 2021 in helping make more and more tasks "invisible." In our integration space, AI to date has been primarily around learning and assisting to streamline complex integration tasks (such as data mapping, for example). In 2021, machine learning will continue to improve to the point where the AI will be doing less "assisting" and more "augmenting" by actually undertaking tasks which today are normally done by a human, with AI "assistance," via suggestions. As the AI does more and more of this, these tasks will become invisible and "just done for you," bringing us one step closer to autonomous, self-driving integration.

Gary Sievers, Senior Director of Channel & Alliances, APJ at Veritas: In the data protection space, AI bots are expected to take a bigger role in monitoring the success of backups. Freeing up this time will allow channel partners to focus on value-added activities instead. Because ransomware is continually on the rise, data protection is also more important than ever.

The rise of ransomware and cyberattacks makes it urgent for businesses to close the digital transformation gaps that have widened during the pandemic. Veritas research found that 64% of companies suffer from a transformation gap and that it's also starting to appear in the networks of Managed Service Providers. Closing these will be a key focus for 2021.

Cloud

According to Forrester's Predictions 2021: Cloud Computing, the public cloud infrastructure market will grow 35 percent to $120 billion in 2021. The acquisition will enable partners across multiple geographies to capitalize on market trends and growth trajectories.

Scott Grebe, Senior Product Marketing Manager for Application Delivery Controller Solutions at A10 Networks: migration to the cloud will continue to grow and over 90% of enterprises will have adopted a hybrid cloud strategy by the end of 2021.

Microsoft 365 will remain the most widely used app. However, HR tools such as Workday will close the gap. In 2021, the number of apps available in the Apple App Store and Google Play will exceed 5.5 million as consumer appetite for apps continues to grow.

83% of enterprise workloads were expected to be in the cloud in 2020. That number will grow to over 90% in 2021. This will drastically increase secure application delivery and load balancing needs.

Data is the new capital says Emma Kendrew, intelligent engineering lead for Accenture Technology in the UK and Ireland: "Looking ahead to 2021, putting data on cloud will be a big focus. Changes forced by COVID-19 mean that businesses are looking at cloud strategies for optimisation and innovation, often with a 'lift and shift' model, multispeed analytics and applying AI to data. These changes driving the future of data architecture are due to the variety of consumption patterns that need to be supported. Instead of specific data pipelines for specific services, companies will make more efforts to build data hubs for integrated, consistent data services that no longer operate in siloes.

"Finally, using machine learning to curate and wrangle data is becoming a fast reality to deliver business insights. Data has been enabling machine learning and AI in recent years. Now, we are working with clients to answer the questions: Can machine learning and AI auto-discover, auto-classify and auto-label my data? The idea is to create an autonomous environment where data manages and fixes itself and becomes self-healing. This will free up precious talent resources to focus on innovations that drive business value."

Digital

Jonathan Wagstaff, business intelligence manager, Exertis Group, says Digital transformation and automation continue to be huge opportunities, Wagstaff says: "These will be the key drivers alongside the growth of Edge solutions that will support the expected IoT systems, vehicles and devices dependent upon them. Unlike centralised cloud provision, Edge needs the channel to push out rather than pull back in, so to speak."

Looking at potential threats, the Exertis Group's business intelligence manager believes the macroeconomic shock of CV19 combined with the UK leaving the Customs Union could impact both consumer and business demand. "We benefit from a strong balance sheet and diverse portfolio/geography," he says. "However, the channel players who lack these advantages, or are lagging in their digital capabilities, may struggle."

→ **LOOKING AT POTENTIAL THREATS, WAGSTAFF BELIEVES THE MACROECONOMIC SHOCK OF CV19 COMBINED WITH THE UK LEAVING THE CUSTOMS UNION COULD IMPACT BOTH CONSUMER AND BUSINESS DEMAND.**

Healthcare

As well as technical innovations the healthcare sector in 2021 can be expecting to be challenged in its security. As Ryan Weeks, CISO at Datto says: Healthcare organisations need to remain on red alert in 2021.

"Given the COVID-19 pandemic, it's no surprise that the healthcare industry has been a primary target for cybercriminals in 2020. Between highly desired intellectual property and the opportunity for major payouts, the incentive to exploit even the smallest of healthcare institutions, let alone larger networks, will remain a top priority for malicious actors in 2021. Specifically, ransomware will be the primary attack method because the consequences are higher for healthcare organisations that can't risk down time due to the critical services they provide for patients."

It will be critical for hospitals and other healthcare organisations to evaluate their IT and security budgets ahead of the new year to ensure they're able to implement advanced security and data management tools that allow them to effectively back up and secure networks while enabling business continuity efforts in 2021.

IOT

Ezra Gottheil, Principal Analyst, TBR: "There will be less talk of IoT, as it will be increasingly viewed as one technique among many for delivering digital transformation. This trend was accelerated by the pandemic, as organisations focused on operating in the crisis and preparing for greater uncertainty during and following the recovery. In a sense, once IoT was better understood by customer organisations, including IT, operational technology (OT) and business management, it no longer required special attention. The focus shifted from the enabling technology, IoT, to the problems to be solved using all techniques including IoT."

AI in IoT will increasingly be encapsulated in specific functions like recognition and detection, he says.

Partner Ecosystems

"In an Accenture survey, 76% of CEOs agree that current business models will be unrecognizable in the next five years — with ecosystems as the main change agent," said Jay McBain, Principal Analyst at Forrester. "The channel software industry is rapidly building out ecosystem functionality and acquiring key assets as these companies look to emerge from the 'decade of the channel ecosystem' as winners."

Researcher TBR says that digital transformation engagements shifted into overdrive last year, with clients moving rapidly from ensuring safety and productivity to improving operations and then to transforming their technology environments to meet an altered and uncertain business environment. Clients that had been experimenting and becoming comfortable with emerging technologies sought help with more rapid adoption. IT services vendors and consultancies had primed their clients with years of education and advice around artificial intelligence and blockchain; now, these clients were ready to buy. IT services vendors and consultancies had been speaking about re-evaluating their alliances with technology partners, reflecting changes in business models, leadership and clients' expectations around the infusion of technology into every services engagement.

Although COVID-19 accelerated these re-evaluations, particularly around those technologies in greatest demand, such as cloud, networking and collaborative tools, it was not clear which partnership elements would be most critical in the near to medium term. Some vendors opted for public displays of partnering, while others targeted acquisition investments and training dollars toward specific technology skill sets. With remote-only sales motions complicating joint go-to-market efforts, some IT services vendors and consultancies opted to reconfigure sales teams. In 2021 TBR expects market consolidation may exacerbate challenges around partnering, particularly as IT services vendors and consultancies increasingly look to technology partners for avenues into new logos, a sales motion that has been disrupted by the pandemic. Adding to the challenges and further complicating the entire ecosystem, technology vendors, especially the cloud giants, will increasingly seek to expand their services, likely at the expense of the traditional IT services vendors and consultancies.

Payments

Scott Johnson, Head of Product at Western Union Business Solutions: "This year saw a sudden surge in the need for digitisation across all services. Our own Global Services Trade Revolution report studied the impact of the sudden digitisation of the economy, forced by the onset of COVID-19. It projected the value of international trade in services rising from $6.1tn in 2019 to $8.0tn by 2025 – accelerated by the adoption of new technology and remote working practices. At the heart of this, it found that financial services would play a critical role in the future digital economy – and hypothesized that digital transformation would enable the financial services industry to increase in value by 32% by 2025.

"A growing digital economy requires a digital payments infrastructure and as more banks and countries adopt local and cross-border real-time payment systems, I predict that payments will continue to clear and settle faster in 2021. We'll also see payments become more embedded in the business processes they serve, making the process of initiating payments faster and easier for end customers. Looking further ahead, we can expect to see a broad range of new business models redefine the possibilities for cross-border transactions, with developments such as 5G and fibre broadband further supercharging this. The industries and global markets that adapt fastest to enabling seamless cross-border digital payments will be the first to recover, and ultimately thrive, economically."

SASE

Michael Wood, CMO at Versa Networks: "As the most comprehensive networking and security trend to hit the world of cybersecurity for Enterprises in the last two decades, Security Access Service Edge (SASE) is primed to become an essential IT framework for bringing together networking and security for organisations looking for consistency, flexibility, and high-performance.

In 2021 SASE becomes an essential strategic initiative, design approach, and implementation standard for Enterprise network and network security deployments around the globe, he says. Users can seamlessly access all their provisioned cloud and on-premises applications anytime from anywhere with a well-architected SASE solution. After completing extensive due diligence, organisations will adopt SASE solutions delivered through a fully integrated single software stack that does not rely on service chaining or connecting multiple functions or services together. "SASE will see an astronomical 100X increase in adoption in 2021 because of its benefits, integration, and ease of implementation."

Satellites

Marco Hogewoning, Manager of Public Policy & Internet Governance at the RIPE NCC - the Regional Internet Registry for Europe, the Middle East and parts of Central Asia says COVID-19 has highlighted a global need for Internet connectivity. As we head into 2021, we expect the below trends to take off at speed:

→ Advancements in satellite-based Internet will open great opportunities, but also create challenges

→ The continued use of IPv4 will become a costly affair

→ There will be more regulation for IoT

CHALLENGES: CHANNEL ISSUES, CLOUD SKILLS

Where are the threats to the channel/reseller model? Where are the hot areas for skills and training needs? What is newly available in training and accreditations? What are channels talking about with vendors?

Like no other year, the period we experienced in 2020 showed how dependant we are on others. For many in the technology business it meant a new evaluation of the systems and methods used to stay in touch with customers, staff and suppliers.

And there was perhaps a new recognition of people. As author Greg Orme told us at the Managed Services Live event in October 2020, technology skills and simple knowledge are being replaced by AI and automation. In his book, "The Human Edge", selected as the Business Book of the year he outlined how the core skills of curiosity and creativity are vital in the new world and MSPs and IT companies generally will have to draw on them in future.

THE HUMAN EDGE BY GREG ORME
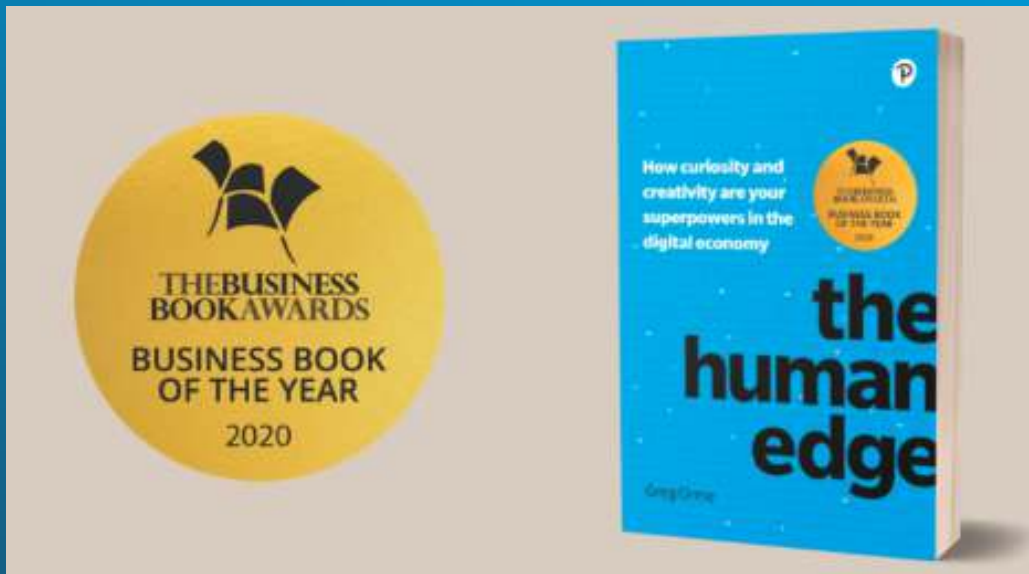
Curiosity and creativity

What do humans need to show to differentiate what they do in the world full of technology. Greg leads development programmes at the London Business School and is interested in the human side of business and technology. His book, which is actually good news for us, is in response to the issues of what is left for humans in the workplace in the world of machines and AI.

His research shows how technology affects people and he finds audiences in the technology industry very responsive. "We are all aware of the hyperbole around AI, but trends are being accelerated."

On the jobs question, his response is that AI is great at running smart washing machines and so some jobs are going – especially the repetitions and routine-based positions. But most people are in complex jobs and AI will slice away the basic tasks, but leave the human aspects.

So the book is about being more human, using the skills of creativity, consciousness, being curious and collaborative. Humans should concentrate on the skills that make them different from machines. Future skills around empathy, passion and having a sense of humour will be beyond AI for many years to come, he says. Making connections and being curious means solving the next issue, not the last one; knowledge is cheaper so expertise will not be enough. People need to rediscover the human skills.

Of the various aspects of book, he says, the human skill that is most underrated is "curiosity" and he is finding that HR departments are starting to rank this higher, particularly with senior management. He is cautious about the use of fixed tests on these aspects. Work environments have tended to knock curiosity and creativity out of people, and this needs to be found again. It is a learned behaviour which can be unlearned.

The book gives practical ways to rediscover your creativity and curiosity, so is recommended especially for those of us who have been in the IT industry for a while. The skills are useful, bit just to differentiate us as people from the machines, but also from each other, particularly in environments where forward planning is very difficult, such as now, he says.

IDC sees the battle for scarce resources continuing. This is especially prevalent in booming technology areas such as cloud and security where the challenges could be a threat to traditional channels. But it could also be a differentiator.

IDC also sees the challenge of change in behaviours with employees no longer cogs in the machine – (see chart below). Planning for this may become even more difficult in 2021, since surveys are showing that a lot of IT staff plan to move job once things settle.

Recruiter Reed says some 36% of IT professionals are currently looking for a new job vs 27% before lockdown with nearly a third (31%) wanting a career change and to move sectors. Employer behaviour (38%) and a better work-life balance (38%) are cited as prime reasons for wanting a move.

Chris Adcock, Director of Reed Technology, said: "The health and financial impact of coronavirus has been devastating to many. But in the technology the industry has been slightly better suited, and in some cases ideally placed to make the most of this situation.

→ **MANY EMPLOYEES KNOW THEIR VALUE OR FEEL THAT THEY HAVE BEEN POORLY TREATED AT THIS TIME – PERHAPS IN PART TO CLOCKING LONG HOURS AS TRANSITIONAL PERIODS CONTINUE.**

"Many businesses will have turned to their IT and technology professionals to help them set up and cope throughout this pandemic. For instance, without IT teams the overnight switch to working from home would have not been possible – these professionals have been vital parts of keeping the economy going.

"But many employees know their value or feel that they have been poorly treated at this time – perhaps in part to clocking long hours as transitional periods continue. In this sector it has never been truer to say that there are some highly talented people looking to jump jobs, or who have been made redundant as a result to the current climate.

"It is important that whether in or out of work people continue to hone their skills. For those in work, progress must be continued but for many out of work at this time reskilling is something to consider to move into new sectors where there are more jobs."

More than a third (36%) of people in work have completed training in the last six months, a figure that rises to 47% in those aged 18-24. With digital skills (35%), wellbeing training (31%) and management training (25%) among the most likely to be undertaken.

Research has also found that, according to employees, less than half of UK organisations were prepared to manage through the start of the COVID-19 pandemic (42%) and their organisations made mistakes during the pandemic (44%). However, more than half (53%) say their organisation went above and beyond expectations during the pandemic.

The most common complaints were that workers wished their organisation had acted with more empathy for employees (31%) and communicated sooner and more openly (31%). This was then followed with 28% wishing the response had been quicker.

→ **AS ORGANISATIONS AROUND THE WORLD OPERATE THROUGH AN UNPRECEDENTED GLOBAL PANDEMIC, THEY NEED TO DOUBLE DOWN ON THEIR EMPLOYEE EXPERIENCE STRATEGY.**

The biggest employee operational concern in the UK is balancing their workloads (42%) so they don't get burned out, says the survey. With over half of the workers stating that they've been working either the same or more hours regularly since the start of the pandemic (51%), it's imperative that organisations recognise this and respond accordingly.

Overall, organisations are focusing more on ensuring staff do not burn out, which is further reflected in the fact that the top three concerns about operating over the next 18 months in the UK are: future redundancies or furloughs due to economic instability (40%), ability to help employees balance workloads to prevent fatigue/burnout (39%), and the ability to offer necessary learning and development opportunities.

Dr Chris Mullen, executive director, The Workforce Institute at UKG says, "As organisations around the world operate through an unprecedented global pandemic, they need to double down on their employee experience strategy. However, instead of looking for trendy perks, they must get back to the foundational needs every employee requires: physical safety, psychological security, job stability, and flexibility. Among employees who trust their organisation more now than before the pandemic, 70% say the company went above and beyond in their COVID-19 response. By truly putting the employee first, a mutual trust will begin to take hold that will propel employee engagement – and the success of the business – to new levels."

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CONCLUSIONS

There are no right answers until we get to the end of the year 2021, but we have pulled out some salient points for consideration:

Remote working and systems management win on flexibility

Remote and associated technologies are here to stay, and IT channels and providers have to get used to it. But again, the flexibility and agility message means that they have to prepares customers for scaling up and down, and moving between remote and office solutions. Systems for this have to include security and management, and probably also an element of user onboarding to make them more aware of the implications of work from home.

RapidFire Tools: Many, if not most, professional services businesses have closed down their centralised offices and still have employees working from home. This shift has significantly benefitted the IT sector, as it has required major changes to business computing environments. Employees accessing corporate assets from home computers has created a demand for new software applications, additional hardware purchases and/or significant revisions to IT security policies and procedures – all of which is creating more work for MSPs and driving innovation throughout the channel. As an example of this, RapidFire Tools modified its network and remote computer assessment tools to allow MSPs to create branded "self-serve" web-based IT assessment portals. This allows their client employees who are working from home to download and automatically run the IT assessment tool and then upload the results back to the MSP for analysis and any necessary remediation.

IT Marketing is changing

The need to build pipelines online and work remotely has given a new real purpose to marketing of technology. The danger is that the boost to e-commerce and emergence of new sophisticated buying models and rising adoption by consumers provides a new element of competition to traditional reseller models.

IT Glue comments: "I think the content has adapted, the messaging and aim remains the same. IT Providers have all the latest buzz words in their marketing, COVID, remote working etc but the difficulty is the same that is has always been, how do you stand out from the business down the road offering the same services? What makes you unique? What value are you offering that others aren't? When you experience such a huge global event it becomes quite hard to stand out from the crowd and convey what makes you unique. Businesses really need to remind themselves what makes them unique, the best thing to do is speak to your clients, ask them why they are happy and use that. Anyone can market tech, shouting loudest about speeds, feeds and features isn't going to grab anyone's attention, focusing on value, solving challenges and business outcomes remains key. "

"The new normal in 2021? Well let's face it, even with vaccines and a testing system that works we are never going back to what the world was like in January 2020, the world has changed forever and therefore so has the way we buy and consume technology. Of course there are some clear winners and losers, the sale of laptops, unified comms, SaaS and cloud will continue to rise and I would expect to see a decline in the sales of on-prem infrastructure, but these are trends we were already seeing so this is more like an acceleration of those trends. But overall, the purchase of new technology is no longer being signed off by 1 or 2 people because it is now a board level decision that touches every single part of a business."

Providers that have strong sales and marketing engines have a significant advantage. Many MSPs focus on having the best technology, but it's rarely the best tech alone that wins new business. MSPs have to sell themselves better – both to new customers and existing – and help their customers stay a step ahead of ever evolving IT needs in order to thrive in this new marketplace.

The transition

IDC takes longer term view of the industry's transition in the next few years. It sees the future as pandemic response followed by the building of resilience and then a re-ignition of technology investment (see chart). For technology providers, there is a major problem in that these moves will take place at different speed and levels in various industries and vertical markets.

IT Glue comments: Well I would hope that technology is top of the list in any 2021 budgetary planning now. As I mentioned when discussing the recent challenges, security needs to be one of the primary areas for investment, if you're not going to invest in security then why bother investing in anything, it would be like building a beautiful house, filling it with a load of fancy expensive gadgets and then deciding you can make a saving by using cardboard for the windows and doors.

What I think we are seeing now is a realisation around just how important an MSP is to the SMB. A lot of them would not be in business without them today following the ups and downs of 2020, and while I have heard of a few SMBs making a knee jerk reaction to cut costs by cutting ties with their IT service provider - which to me seems like scoring a huge own goal - I've heard that a lot of those clients are now starting to return to their MSP, those are the ones who have learnt the hard way! Of course every pound, dollar, euro is going to be scrutinised so that means every MSP needs to be delivering value, you don't want any client to have a reason to start looking at that provider down the road offering to provide the same level of service for 30% less - they don't know they are likely lower value until it's too late by which time so much time and money has been lost with off-boarding.

I also think we are going to see more mid-market and Enterprise businesses embracing MSPs, internal IT can often be viewed as cost centre for many while the use of MSP can be a much more cost-effective and strategic way of working.

People business

But there will be difficult times ahead: the Workforce Institute found that only a fraction of employees (20%) felt their organisation met their needs during the initial months of the COVID-19 pandemic. But there is a silver lining: a third of employees globally (33%) say they trust their employer more now than before the pandemic began because of how organisations reacted.

In these uncertain times and as we enter a new period of increased restrictions, there are many employee expectations and concerns that business and HR leaders must address in order to alleviate anxieties around the world of work.