

CLOUD

IS AT THE CENTER OF GROWTH IN THE SOFTWARE MARKET

2020
70%

IDC predicts that by 2020, over 70% of cloud services providers' cloud revenue will be mediated by channel partners and cloud brokers.

SAAS
WILL REMAIN
DOMINANT

60%
BY 2020

SaaS will remain the dominant cloud computing type, capturing nearly two-thirds of all public cloud spending in 2017, and about 60% by 2020.

5.5x

CAGR 2013-2017

22%



4%



CLOUD SOFTWARE SPENDING GROWTH IS OVER 5.5X THAT OF PACKAGED SOFTWARE

PUBLIC IT
CLOUD SERVICES
REVENUE

WILL GROW
at 21.5%
CAGR

TO REACH OVER
\$204.5B
in 2020

7x

the growth rate of
the overall IT market

WHAT OPPORTUNITIES DOES CLOUD PRESENT FOR CHANNEL PARTNERS?



More predictable recurring revenue

66%



New upsell opportunities

63%



Higher customer acquisition

58%



Rapid growth

52%



Geographic expansion

51%



Quicker sales cycle

51%



Higher profitability

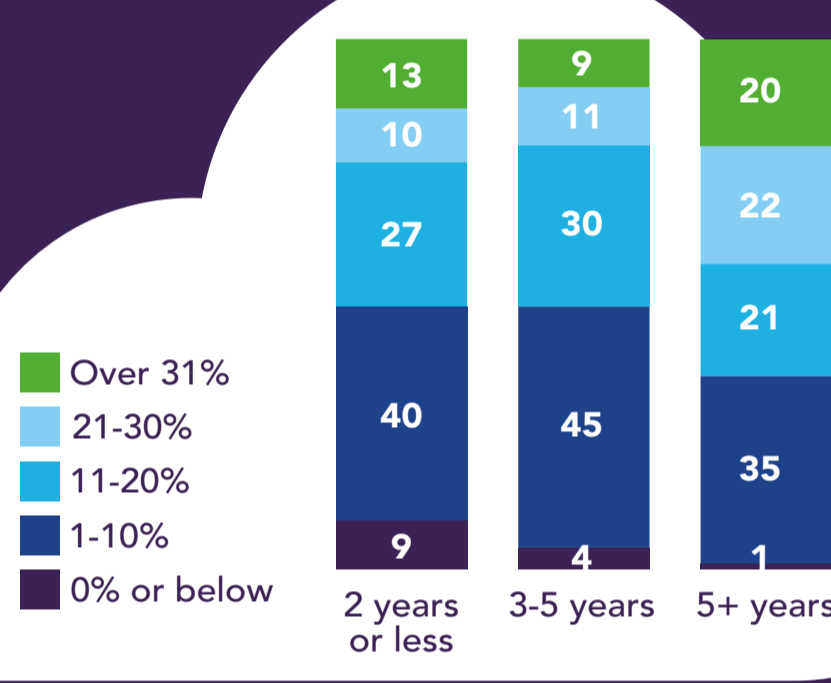
47%



Higher revenue per employee

46%

THE LONGER
CHANNEL PARTNERS
OFFER CLOUD,
THE MORE PROFITABLE
IT BECOMES



BECOMING A SOFTWARE PARTNER OF THE FUTURE

WHAT?

TECHNOLOGY
FOCUS
ACTIVITIES

PAST

FUTURE

On-Premise Applications
Broad
Resale
Professional services
Services

SaaS Applications
Specialized
Services
Managed services
Creating IP

WHO?

CUSTOMER
COMPETITION
ALLIANCES

PAST

FUTURE

IT
Traditional
Do it ourselves

Business and IT
Non-traditional
Partner collaboration

HOW?

SALES MOTION
TIME HORIZON
MARKETING

PAST

FUTURE

Deal
Short term
Traditional

Relationship
Long term
Digital

WHAT ARE THE MOST PROFITABLE CLOUD CHANNEL PARTNERS DOING RIGHT?

Profit margins from cloud business achieved by channel partners



Up to 10%



From 11-20%



Over 20%

INVESTING IN CLOUD SALES PEOPLE



33%

48%

66%

INVESTING IN CLOUD TECHNICAL PEOPLE



41%

55%

66%

INVESTING IN SERVICES



42%

57%

60%

INVESTING IN AREAS OF SPECIALIZATION



31%

33%

54%

INVESTING IN DIGITAL MARKETING



41%

41%

53%

For more info www.sage.com/futureisinthecloud