As CompTIA peers into its crystal ball, a number of trends are coming into view that will shape the tech landscape in the year ahead. Emerging patterns, old favorites and the wholly unexpected will see daylight in 2017. Technology providers and customers alike will be presented with new opportunities, as well as new competitive pressures. Those with an orientation toward action – be it incremental or giant leaps forward, will be best positioned to succeed. This preview provides a starting point. CompTIA’s complete IT Industry Outlook report, with a full slate of technology, channel, and business trends, will be published January 2017.

THE TOOLS OF THE CLOUD ERA EMERGE

CompTIA has described the evolution of IT in three stages—the mainframe era, the PC/Internet era, and the cloud/mobile era. There are many factors that define distinct eras, but the end result is a new foundational platform that supports new tools and techniques. Moving forward, new elements built from a cloud mindset will play larger roles. Software-defined components will lead to hyperconverged infrastructure. Blockchain will redefine database architecture. Artificial intelligence will provide a new layer for technology interaction. These changes, as with cloud, are primarily focused on the backend and will see initial adoption at the enterprise level before moving downstream into the SMB space.

WORKERS PUSH THE BOUNDARIES OF ‘BRING YOUR OWN COLLABORATION’

With the growth of telecommuting and remote work arrangements, coupled with demographic shifts, and leaner, more team-oriented organizational hierarchies, workforce dynamics continue to evolve. At every stage, technology has been both a driver and facilitator of these workplace changes. Of late, an ever-increasing array of new collaboration and communication tools has further changed the equation. Mirroring the BYOD trend, organizations have not always embraced these new tools at the same rate as their employees’ desire continue...

to use them. Workers eager to move beyond legacy corporate email systems, intranets, or project management applications can often be up and running on cloud or mobile-based alternatives with little more than a simple registration. As with any “shadow IT” scenario, organizations must balance the potential benefits of greater worker productivity and job satisfaction with security and corporate IP risks.

NEW FACES, NEW FOCUS TEST TRADITIONAL GO-TO-MARKET APPROACHES

No longer dominated by resellers of products, much of today’s channel is shifting to a services focus and specializing across vertical industries and/or solutions niches. In the year ahead, more channel firms will be developing their own intellectual property too, whether that is a piece of custom code or a business process they replicate across end customers. And the players in the channel will keep changing their look: digital agencies, marketing firms, accountants and other non-traditional partners are selling or recommending IT solutions today, a development that has upended the traditional competitive landscape. The SaaS ecosystem alone is reinventing what it means to be “in the channel,” with a new take on vendor relationships, selling strategies and compensation demands.
2017 – ANOTHER YEAR OF CAUTIOUS OPTIMISM?

Several years removed from the Great Recession, cautious optimism continues to be the predominant sentiment among IT industry executives heading into the new year. A reasonably stable economy, a strong pipeline of new tech products and services, and customers eager to pursue digital business strategies contribute to the sense of optimism.

On the flip side, economic turmoil always seems to be just one international incident away. With new competitive pressures in the form of new market entrants or increased customer leverage, compounding the ever-present challenges of commoditization and margin pressures, caution is never far from the minds of industry executives.

As expected, projected growth categories include security, cloud, mobile devices and services, and IoT. While these categories have mostly moved passed the emerging technology phase, there are a number of new elements and nuances to their place in the market in the year ahead.

Complementing the top ranked growth categories are the integration and digital services to bring disparate technology components together through platforms, APIs, and business process automation. While certain facets of technology are becoming easier to manage, the overall complexity of managing technology ecosystems often exceeds the capabilities of many customers, especially small businesses. For this reason, managed services also ranks as a likely growth category in 2017.

IT INDUSTRY EXECUTIVES SEE GROWTH OPPORTUNITIES AND CONTINUED STABILITY IN MANY CATEGORIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Declining</th>
<th>Stable</th>
<th>Growth</th>
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<tr>
<td>Security</td>
<td>11%</td>
<td>41%</td>
<td>43%</td>
</tr>
<tr>
<td>Cloud - SaaS</td>
<td>6%</td>
<td>45%</td>
<td>42%</td>
</tr>
<tr>
<td>Cloud - IaaS</td>
<td>7%</td>
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<td>47%</td>
<td>35%</td>
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<tr>
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<td>47%</td>
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<tr>
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<td>58%</td>
<td>27%</td>
</tr>
<tr>
<td>Digital services</td>
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<tr>
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</tr>
<tr>
<td>Telecom / UC</td>
<td>15%</td>
<td>54%</td>
<td>17%</td>
</tr>
<tr>
<td>IT Repair services</td>
<td>22%</td>
<td>55%</td>
<td>15%</td>
</tr>
<tr>
<td>Desktops / laptops</td>
<td>23%</td>
<td>60%</td>
<td>11%</td>
</tr>
</tbody>
</table>

RANKING OF KEY DRIVERS IN REACHING 2017 GOALS

1. Improving consultative sales / reaching new customers
2. Operational efficiency / process improvements
3. Stability / avoiding crisis mode
4. Staff productivity improvements / staff upgrades
5. Traction with new product categories

To capitalize on growth opportunities IT industries executives recognize the need for continuous improvement. As noted in the aforementioned trend to watch, numerous changes on the customer front make consultative sales more critical than ever. Investing in staff training and getting more creative with professional development are musts, but it may also mean making process improvements, such as getting better at content marketing and social engagement. Executives rank gaining traction with new product categories as a secondary contributor to reaching 2017 goals, which is somewhat surprising given the expectation for growth in the IoT and digital services categories.
COMPTIA MEMBERS WEIGH IN ON 2017

I’m optimistic that 2017 will be a better year than 2016 for the IT channel, in that I believe that the political maelstroms that held up IT projects have cleared, and business always finds a way to move forward. That optimism is tempered with realism, in that the world economic stage is entering into turbulent and unpredictable waters.

Dave Sobel  
CompTIA Vendor Advisory Council  
Director of Partner Community  
Logic Now

The trend for 2017 will be where the VC money was invested in 2015-2016. Platform companies designed to compete with Salesforce.com will emerge. Not CRM companies, but cloud-based platform entities.

Jeffery Ponts  
CompTIA Distributor Advisory Council  
Executive Vice President  
Datatel Solutions Inc

There will be even more consolidation in the service provider arena, with more M&A activity and more “saw sharpening” as providers decide to focus on their core competency services. Some are selling off colocation assets, as an example, to focus more on network than trying to compete with AWS. There are also quite a few VoIP and Colo and IaaS companies that likely will join forces in order to compete more favorably.

Craig Schlagbaum  
CompTIA Vendor Advisory Council  
VP, Indirect Channels  
Comcast Business

IoT will stall out until security gets addressed/fixed. We will see more MSP consolidation as the big get bigger. Also, cloud adoption will slow as reality sets in that it’s not a magic bullet for everything.

John Krikke  
CompTIA Partner Advisory Council  
Vice President, Onward Computer Systems

What seems to be sticking in my mind is the ‘wild west’ of the security industry and the ‘end user’. No matter how much we focus on perimeter or data security, it’s the end user that is ultimately the weakest link. I see an increase on end-user training and security services that help identify and reduce phishing, smishing, and vishing exposure.

Joe Infante  
CompTIA Partner Advisory Council  
President  
Dynamic Strategies

I see this as a time of rapid, incremental change. Rather than seismic shifts that lurch us forward, we will see rapid innovation done in small, incremental steps. I’m bullish on the channel, with an expectation of continued opportunity. The channel excels at managing change, and while the waters ahead may be choppy, those who plan and execute will benefit.

Dave Sobel  
CompTIA Vendor Advisory Council  
Director of Partner Community  
Logic Now

More partners will move more of their business to recurring revenue and more will sell services on behalf of service provider companies (telcos, cablecos, cloud companies) or they will partner with experts in those areas to solve their client needs.

Craig Schlagbaum  
CompTIA Vendor Advisory Council  
VP, Indirect Channels  
Comcast Business
RESEARCH METHODOLOGY

CompTIA’s IT Industry Business Confidence Index is published at the beginning of each quarter. A total of 280 U.S. IT companies participated in the survey, yielding an overall margin of sampling error at 95% confidence of +/- 6.0 percentage points. Sampling error is larger for subgroups of the data.

As with any survey, sampling error is only one source of possible error. While non-sampling error cannot be accurately calculated, precautionary steps were taken in all phases of the survey design, collection and processing of the data to minimize its influence.

CompTIA is a member of the Market Research Association and abides by its guidelines for survey best practices and research ethics.

CompTIA is responsible for all content contained in this report. Any questions regarding the study should be directed to CompTIA Research and staff at research@comptia.org.

ABOUT COMPTIA

The Computing Technology Industry Association (CompTIA) is a non-profit trade association serving as the voice of the information technology industry.

With approximately 2,000 member companies, 3,000 academic and training partners, 100,000 registered users and more than two million IT certifications issued, CompTIA is dedicated to advancing industry growth through educational programs, market research, networking events, professional certifications and public policy advocacy.

USEFUL RESOURCES

RESEARCH

To review CompTIA’s trends to watch for 2016, check out the IT Industry Outlook 2016. Additionally, CompTIA publishes 20+ studies per year, adding to an archive of more than 100 research reports, briefs, case studies, ecosystems, and more.

IT Industry Outlook 2016 – and soon to be 2017

EDUCATION & CHANNEL TRAINING

CompTIA has an extensive catalog of Quick Start Sessions, Executive Certificate Programs, Playbook Workshops, and Vendor & Distributor Education. Many aspects of the training include elements of the trends featured in CompTIA’s IT Industry Outlook.

CompTIA Training Catalog

COMMUNITIES & COUNCILS

CompTIA member communities and councils are forums for sharing best practices, collaborative problem solving, and mentoring. Discussions frequently revolve around the trends shaping the market in the year ahead.

CompTIA Communities