Global Cloud Spend Report

ISV Cloud Spend by Maturity Level

Continued Growth in a Troubled Economy

Cloud consumption is still a strong source of revenue for TD SYNNEX reseller partners in 2023 and a great way for our sales teams to retire their quotas too.

Continued Growth in a Troubled Economy

As shown in the spending forecast above, and in the compound annual growth rate (CAGR) bellow, cloud consumption continues to offer strong returns. With cloud consumption via software-as-a-service (SaaS) capturing the most revenue, but at a lower growth rate compared to PaaS and IaaS.

We are all coin-operated, but beyond the monetary incentive, why focus on a SaaS? This is a valid question, especially considering SaaS's annual projected growth rate is lower than IaaS and PaaS after all.
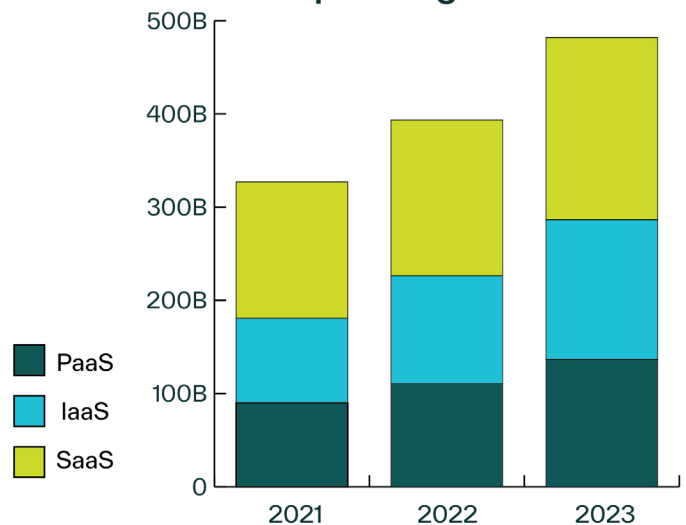
The Value of Promoting SaaS Solutions in our Channel

Software-as-a-service allows our reseller partners to reach their end-customer's business goals and sustain agility in a shifting technology landscape.

Since SaaS solutions are self-hosted and typically multi-tenant, SaaS solutions are easier to deploy and maintain, meaning customer's business needs can be fulfilled quickly.
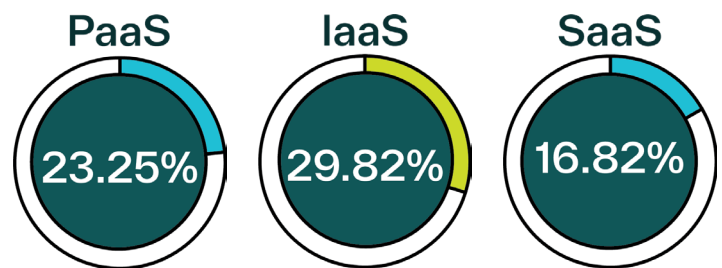
To our reseller partners and sales teams, SaaS also presents an opportunity to bill more cloud spend. Resellers looking to expand their market

Global Public Cloud End-User Spending Forecast

Source: Gartner (October 2022)

Annual Growth Rate by Management Level

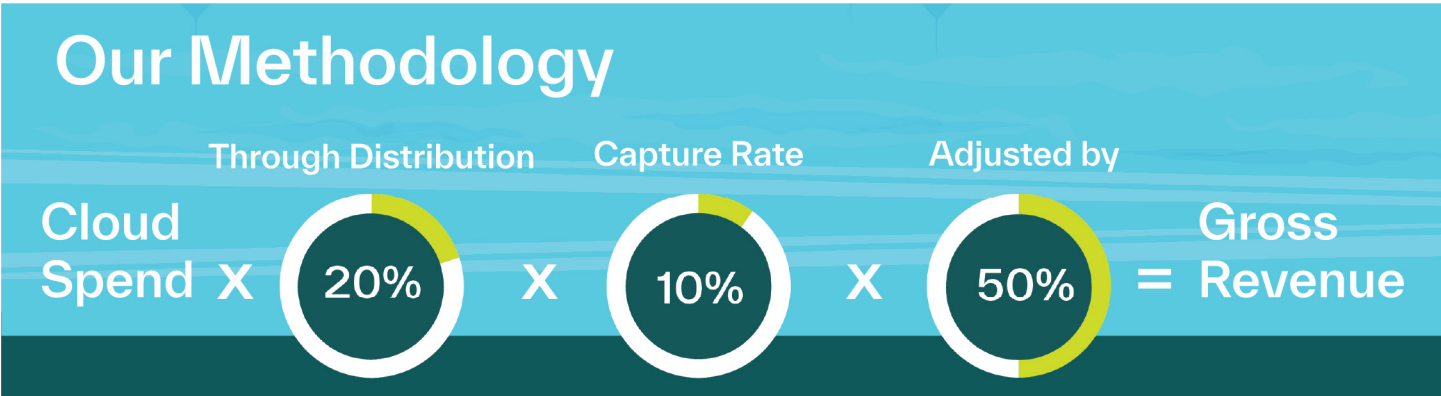
PaaS 23.25% IaaS 29.82% SaaS 16.82%

Source: Gartner (October 2022)

reach or generate more MRR by shifting their install and sales focused practice into a services focus stand to gain the most from the SaaS model.

ISV as a Customer

Growing our Ecosystem with new SaaS solutions, so our reseller partners can expand their market reach is critical, but what about ISVs as a customer?

With a distribution total addressable market (DTAM) of approximately 12.3B, there is a rich market for cloud hyperscalers to access through TD SYNNEX. Projected gross revenue by ISV tier is adjusted by our methodology shown below. Note, the methodology is based off of real-world experience in the channel to provide a realistic estimate.

Our Methodology

Cloud Spend X | Through Distribution **20%** X | Capture Rate **10%** X | Adjusted by **50%** = | **Gross Revenue**

The info-graphic below segments the market opportunity by ISV Tier. As shown bellow, the Builder Tier of ISVs represent a rich market for hyperscalers and reseller partners to persue.

One of the ISV Experience's primary objectives is to create a self-service tract for Builder Tier ISVs to go to market in our Channel with **Channel Builder**. Capturing their cloud spend and providing our cloud hyperscaler vendor teams revenue growth is a key component of that motion.

NA ISV Cloud Revenue Projection

$20.6M Est.
03%
Accelerator
(<$10M)
2,056 Est.

$305.7M Est.
50%
Builder
(<$25M)
12,641 Est.

$132.6M Est.
22%
Ecosystem
(<$100M)
3,700 Est.

$153.7M Est.
25%
Strategic
(<$250M)
1,808 Est.

Sources: No. of Companies — ISV World, Average Cloud Spend — Harness Framework