

US Channel Partners Face Business Model Shifts

New Nintex-commissioned survey finds third-party partners - ISVs, Resellers/VARs, and SIs - are transforming their business models, moving toward more managed services to generate recurring revenue

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BELLEVUE, Wash., March 23, 2016 /[PRNewswire](#)/ -- A new survey of third-party partners from Nintex shows an earnest transformation of channel partner business models, with 42 percent of those surveyed reporting that the services they offer today are *different* than two years ago.

The channel-centric survey found that resellers, value added resellers (VARs) and system integrators (SIs) are evolving their businesses and moving beyond traditional sources of revenue, which have been primarily project-based.

"A project-only mentality will not generally move the needle for partners in the future," said **Nintex VP of Partner Strategy and Programs Josh Waldo**. "Partner business models now trend toward annual recurring revenue. By offering subscription-based and SLA-centric pricing for cloud technologies and by providing ongoing business support, consulting, and training services, partners will establish customers for life versus a one-time profitable project."

Exactly half (50 percent) of all respondents report that they are incorporating managed services—defined as delivering always-on billable services or service level agreement (SLA)-based services for business level support, maintenance, solution enhancements, and training—into their service mix.

Waldo adds, "At Nintex, we offer products and cloud services that help our channel partners build out their IP-based value propositions that leverage their own domain knowledge and experience through repeatable solutions for customers across a variety of industries and business departments."

Additionally, over the last one to two years of this transformative period, partners identified three primary challenges facing them. Top challenges to overcome, by ranking, include:

- Need to develop and refine pricing strategies (48 percent)
- Build practice areas to support new technology (48 percent)
- Hire the right talent (45 percent)

Cloud, Workflow, and Collaboration Technologies On the Rise

Within the next two years, survey respondents expect to see a jump in cloud-based solutions, with nearly 38 percent of partners estimating that more than half of their business will be from the cloud. This is up from about 26 percent in 2015. Interestingly, the top two technology solutions driving this change, according to those surveyed, include workflow automation (40 percent) and employee/collaboration messaging (38

percent).

Seventy-two percent of the respondents also state that managed services will continue to rise over the next two years, and 53 percent expect an increase in their own IP as a differentiator.

Survey Methodology

The channel-driven survey by Nintex was conducted by Research Now in February 2016 and completed by more than 100 leaders from channel organizations in the United States. These individuals hold senior roles in sales, IT, and leadership. Sixty percent of the respondents work for organizations with more than 50 employees, and 55 percent of those surveyed organizations report revenues ranging from \$11 million to greater than \$100 million.

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About Nintex

Nintex, together with its 1,500 partners, helps thousands of customers around the world achieve digital transformation. Operations leaders and IT professionals turn to the Nintex workflow platform to automate processes of all types, pulling together content from disparate sources, from existing enterprise data to content from major ecosystems, such as Microsoft and Salesforce. To become a Nintex partner, www.nintex.com/partners.

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