Ecosystem Intelligence: Key Strategic Changes for 2025

Dec. 19, 2024

Are your alliance partners helping you stand out?
The strategic shift to ecosystem intelligence in 2025
In the last few years, ecosystem intelligence has gained ground on competitive intelligence as the use case clients most frequently employ to leverage TBR's IT services, professional services and digital transformation data and analysis, often in an effort to answer the following questions:

- Can your alliance partners tell your clients what makes you special?
- Do your alliance partners' sales teams know what value you bring to the ecosystem?
- Are you sure you placed your strategic ecosystem bets on alliance partners that are well positioned for the next growth wave?
- Are your competitors gaining ground with your common alliance partners through sales programs, go-to-market motions and training that you are not doing?

This shift to ecosystem intelligence reflects three broader trends:
1. Enterprise buyers want to deal with fewer technology vendors, increase transparency around their IT spend and realize faster returns on technology investments.
2. Portfolio and capability expansion — PwC has expanded into managed services, HCLTech into software, Amazon Web Services into professional services and Lenovo into consulting — has created a more fluid ecosystem, where partnering with competitors and competing against alliance partners have become the norm.
3. Perhaps running as a crosscurrent to the other two trends, the top-performing companies have chosen to play primarily to their strengths, staying in their lane and partnering better, rather than building out capabilities and scale.

In 2025 IT services companies and consultancies will refine their alliances, winnowing lists of 100-plus technology partners to the handful that drive more than 90% of their business, articulate a clear joint value proposition, and align at both the leadership and sales force levels. A technology- and partner-agnostic approach was always a bit of a fiction and in the coming years will become a relic of the past. To make all that happen, IT services companies, cloud and on-premises infrastructure vendors, and consultancies will

invest in ecosystem intelligence and elevate alliance management within their organizations.

Prediction: Cloud providers will have their hands full juggling ecosystem investments amid a changing technology landscape

Trend: Cloud vendors will be challenged in 2025 to build out ecosystem strategies that not only support core cloud technologies but also extend to generative AI (GenAI) offerings.

Drivers: The ecosystem strategies of cloud providers were far from mature when the GenAI interest cycle started in 2023. With a diverse set of partners ranging from ISVs to infrastructure providers to systems integrators, cloud vendors will be even more challenged to mature their strategies and incorporate GenAI programs.

Result: 2025 will be a reorganization year for cloud ecosystems, as the necessary added complexity of GenAI is layered on top of existing technologies and partner strategies. The results and traction from ecosystem investment in cloud and GenAI may not be seen until 2026 or later.

The ecosystem strategies for cloud vendors will mirror but lag overall changes in their business approach and results. While there is a lot of focus and investment around GenAI technologies, the results are likely to stagnate or even dip in 2025 as the collective market — vendors and customers — grapple with tangible benefits and financial justification for AI and GenAI investments.

Many customers jumped in with early AI investments to keep pace with the market and ahead of their competitors, but are now thinking twice about the returns that are being generated. Since all ecosystem activity is ultimately funded by customer investment decisions, it will put cloud providers and their partners in a precarious position in 2025.

All parties participating in the ecosystem will move forward with programs, certifications, joint go-to-market activities and messaging to enhance their market reputation in 2025, but customers have the final say in how those activities generate actual revenue. While the long-term future for AI and GenAI adoption is promising and there are solid financial justifications for that spending, we do not expect it to quickly materialize in the coming year.

Prediction: The most successful IT services companies and consultancies will be the ones that partner best

Trend: IT services companies and consultancies have abandoned vendor-agnostic technology plays for tightly aligned business groups featuring joint go-to-market motions, sustained investments in training, and leadership teams aligned around growth plans.

Drivers: End-to-end has ended, and every IT services company and consultancy depends on alliance partners to deliver value in a technology-centric ecosystem. New commercial models, brought on in part by client demand for cost savings, have forced all parties to

become more flexible around pricing, engagement management and revenue sharing while simultaneously choosing favorites among their strategic partners.

Result: IT services companies and consultancies with scale, agility and a leadership focus on ecosystem alliances will accelerate past peers in a market already pressured by dampened demand and GenAI-enabled changes to the IT services and consulting models. Ecosystem intelligence will complement — and possibly replace — competitive and market intelligence as strategic growth drivers, particularly as the leading players in the technology stack extend their offerings into adjacent areas and fight for additional wallet share. In short, the most successful IT services companies and consultancies will be the ones that partner best. How do you define "best"? That will be the million-dollar ecosystem intelligence question.

Partnering across the technology ecosystem underwent a substantial shift in the wake of the immediate cloud adoption rush during and after the pandemic, with the hyperscalers becoming the voices enterprise customers listened to in making their technology buying decisions. IT services vendors and consultancies, long able to provide advice and maintain an agnostic stance, had to maneuver closer to the hyperscalers and make strategic choices around training, investments and go-to-market efforts.

Further, those companies and firms needed to demonstrate differentiation to their enterprise clients and, critically, their technology ecosystem partners. Some could. Some couldn't. In 2025, the IT services vendors and consultancies that make the right strategic bets on the best-fit ecosystem partners will outpace peers.

Prediction: Infrastructure vendors will gain relevance in AI partner ecosystems

Trend: NVIDIA's dominance in the AI accelerator (i.e., GPU) and AI software space has made server providers increasingly relevant in the broader AI partner ecosystem as buyers seek systems fine-tuned to run NVIDIA solutions. Server vendors are taking advantage of this increased visibility by expanding and deepening partnerships industrywide, playing a greater role in the AI value chain.

Drivers: Partnering with NVIDIA is a prerequisite to competing for AI spend. Winning over customers will require a deeper ecosystem approach.

Result: New and expanded partnerships that marry server vendors with a number of horizontal capabilities will satisfy the needs of a broad customer base. At the same time, vendors will place bets on industry-centric ISVs that offer compelling use cases.

In 2024, infrastructure vendors laid the foundation for enterprise AI solutions, mainly by partnering with NVIDIA to create validated hardware and software solutions that are easier to adopt. This approach has created only minor differentiation in the market, mainly around services capabilities, packaging and proprietary liquid cooling technology. Having learned their lessons from being slow to adapt to hybrid cloud in years past, infrastructure vendors are working much more rapidly to build out partner ecosystems that will enable a wide range of AI use cases, including those leveraging public cloud.

3

Partnerships will expand to include a greater swath of the AI ecosystem, including data management companies, data models, ISVs, systems integrators, public cloud companies and colocation providers. Many of these partnerships are broad, serving a wide range of enterprises. Infrastructure vendors will face go-to-market challenges in identifying the vertical-specific ISVs that will be the best bets for early AI adoption.

Much like the AI-related evolutions of IoT and enterprise edge computing, there are nearly unlimited potential ways to use the technologies, but customers are seeking guidance on which investments will drive the most immediate return on investment.