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The Benefits of Being a BlackBerry Enterprise Software Partner: What the Partners are Saying

A J.Gold Associates Research Report

“To expand its ability to engage with enterprises of all sizes and more effectively bring its products to customers, BlackBerry is putting its channel partners program at the center of its go to market strategy. This report will address some of the key areas of focus of the BlackBerry enterprise software channel program to understand how well its partners think it is working, as well as to provide guidance to those companies thinking about becoming a BlackBerry partner... Most current channel participants see partnering with Blackberry as a successful strategy and as a way to better compete in an increasingly competitive marketplace.”





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Contents

Introduction	2
Are sales of BlackBerry products growing your business?.....	3
<i>Figure 1: How much did your BlackBerry business increase last year?</i>	<i>3</i>
<i>Figures 2: How much do you expect your BlackBerry business to increase in the coming year?.....</i>	<i>4</i>
What are the most important reasons to do business with BlackBerry?.....	5
Is BlackBerry a leading Mobile Security Software vendor?	5
<i>Figure 3: What areas are you most satisfied with BlackBerry as a solutions provider?</i>	<i>6</i>
How is BlackBerry helping you do business?.....	6
<i>Figure 4: Which are the most important benefits of being a BlackBerry partner?.....</i>	<i>7</i>
<i>Figure 5: What business advantages have you seen from being a BlackBerry partner?</i>	<i>8</i>
What are partners selling?	8
<i>Figure 6: Which BlackBerry solutions are you most actively selling?</i>	<i>9</i>
Conclusions.....	9



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Introduction

The mobile market has changed dramatically over the past 3-4 years, as enterprises become less focused on low level device management and more focused on creating a highly secure environment for all of their mobile users no matter which mobile device or other endpoint they choose. Over the past several years, BlackBerry has been transitioning to a security-focused enterprise software solutions company. It has created differentiated software solutions that incorporate its industry leading BlackBerry security technology into a platform that extends across all devices, including smartphones powered by Android and iOS, Windows-based PCs, and increasingly other endpoints in its mission to secure the Enterprise of Things. To expand its ability to engage with enterprises of all sizes and more effectively bring its software solutions to customers, BlackBerry is putting channel partners at the centre of its go-to-market strategy. This report will address some of the key areas of focus of the BlackBerry Enterprise Software Partner Program to understand how well its partners think it is working and how they rate the initiative, as well as to provide guidance to those companies thinking about becoming a BlackBerry partner.

TREND: *Organizations have a compelling need to empower mobile workers, but this provides a significant exposure for data breaches. In the next 1-2 years, we expect many companies to look at device security in a new way, focusing on overall software and cloud solutions that provide a secured workspace for all users and device types, and not simply concentrate on which device has which security features. This next generation capability beyond current EMM will be required as more diversity and uses accelerate. Companies should start now to bring this needed capability on board.*
J.Gold Associates LLC.

Determining the value of being a partner is best done by asking the partner program participants. To this end, BlackBerry initiated a study to determine how its channel program was being perceived by its partners. 132 partners participated in a web-based survey that consisted of 22 questions about their attitudes towards being a BlackBerry partner as well as assessing the support and business advantages they were receiving as a member of the BlackBerry Partner Program. In addition, 5 telephone interviews of executives at partner companies were subsequently conducted to supplement the information from the web-based survey.

This report will analyze some of the key findings of the survey and evaluate the attitudes of BlackBerry's channel partners.



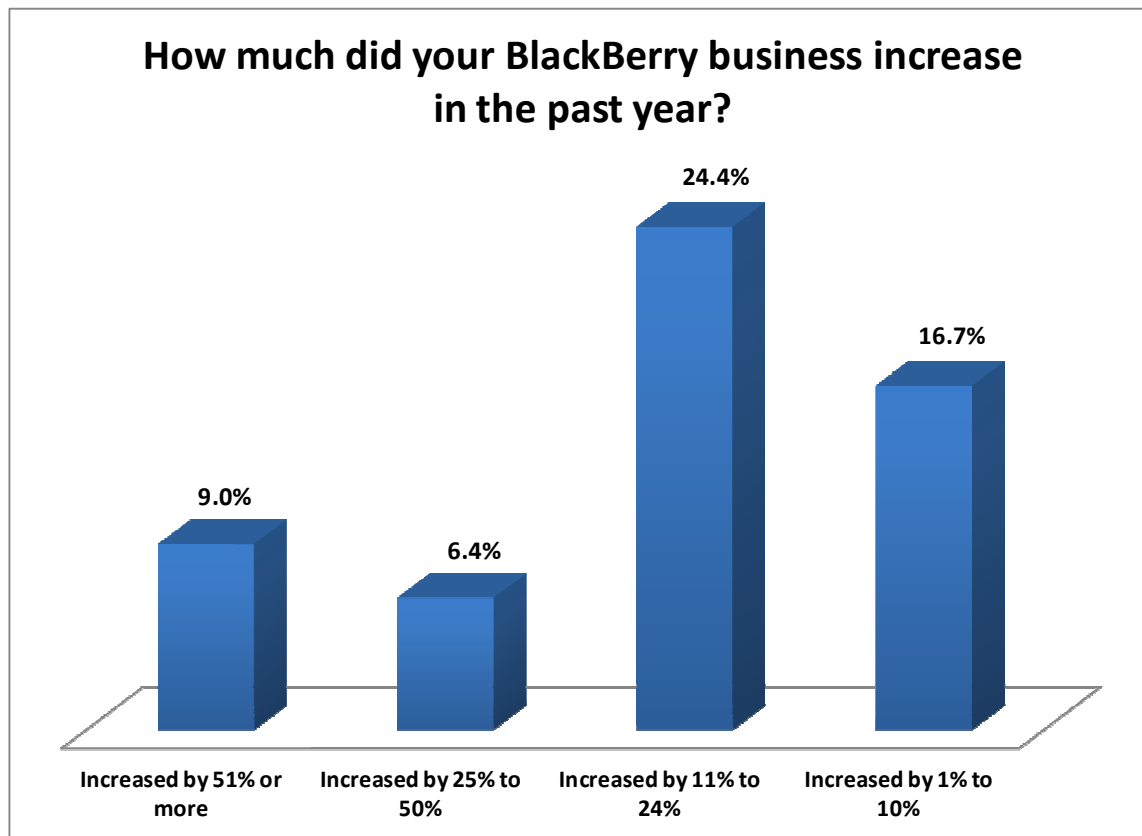
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Are sales of BlackBerry products growing your business?

Perhaps the most important measurement of any partnership is how well the partners achieve success. Clearly any channel program that allows a partner to drive more revenue is a successful program, and 57% of survey respondents indicated that they experienced increased sales due to the BlackBerry partnership. Indeed, 40% indicated that their BlackBerry solutions sales increased by more than 10%, and 16% of respondents indicated their last year sales of BlackBerry solutions increased by 25% or more. This is a strong indication that being a BlackBerry channel partner is providing true benefits to companies selling BlackBerry security solutions.

"From a key partner – We've seen lots of user consolidation, but BlackBerry is surpassing the competition. With Good Work and Dynamics, BlackBerry has a richer cross platform product to provide standardization across the enterprise including application integration and creation. One of our clients had 5-7 competitive servers that were replaced with just one BlackBerry server. This helps us sell and support our solution and gives the client a clear and easily defined benefit."

Figure 1: How much did your BlackBerry business increase last year?



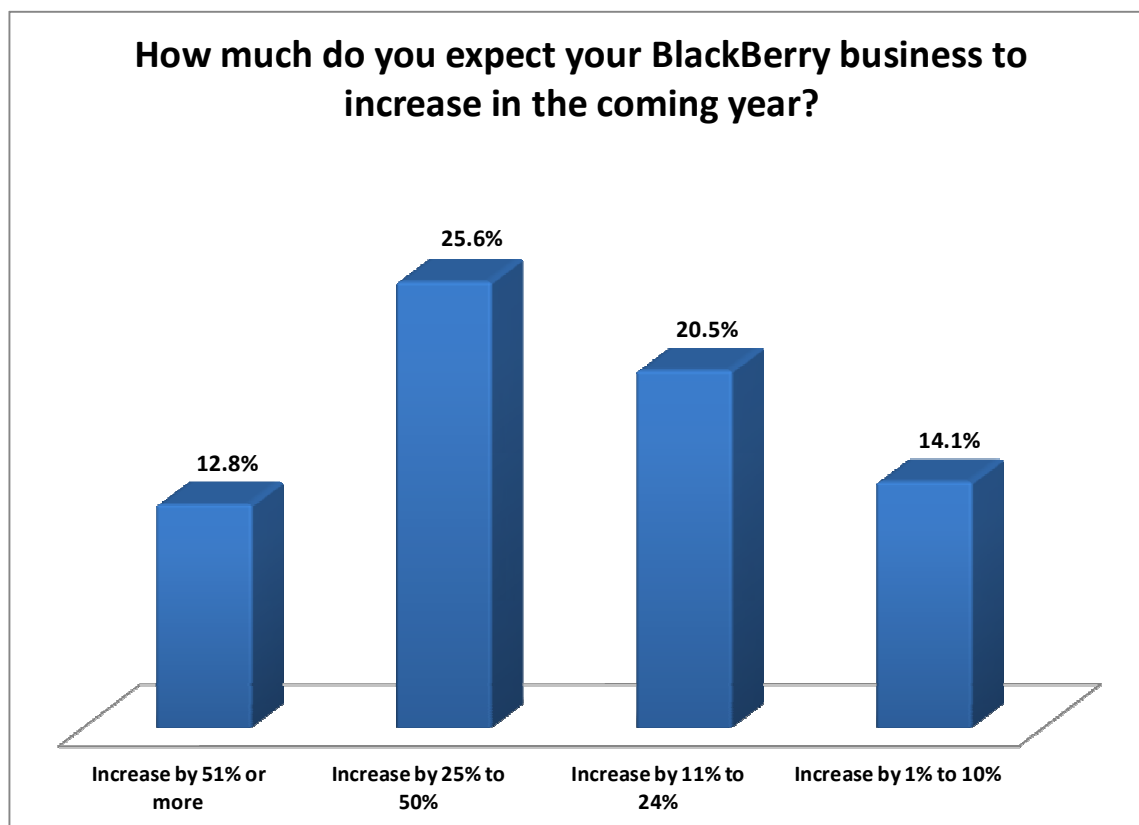


The Benefits of Being a BlackBerry Enterprise Software Partner: What the Partners are Saying

But looking at the past is not as important as being able to predict the future when running your business. In the coming year, 60% of survey respondents indicated they expect BlackBerry solutions sales to increase by at least 11%. And 39% of respondents expect sales to increase by at least 25%. This is a clear indication that security products being offered by BlackBerry are an attractive solution that most channel partners expect their customers to adopt. And while the survey only asked about sales increases in the coming year, it's highly likely the increases will continue and potentially accelerate over the coming several years as enterprise customers add required new security solutions to their expanding mobile and Enterprise of Everything installations. Partners expect to benefit greatly from working with BlackBerry.

***"From a key reseller –*
*We expect to see good growth over the next few years with our BlackBerry sales. We are doing a lot with Microsoft and the strategic partnership between BlackBerry and Microsoft will be a benefit to our customers' ability to tightly integrate the two. We expect this will put BlackBerry in close alignment with Microsoft at the expense of others in the EMM space and make it easier for us to sell BlackBerry."***

Figures 2: How much do you expect your BlackBerry business to increase in the coming year?





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What are the most important reasons to do business with BlackBerry?

Business solution providers realize that success or failure in their business is often determined by how well they work with their key technology suppliers. And BlackBerry understands that to be successful, it must offer partners the support they need to build a profitable and business-responsive security practice around its platform. Above all else, partners value quality and reliability in a vendor they choose to sell. And they look to that vendor to offer quality sales management and enablement to help them be successful. All of these are areas where BlackBerry is placing increased emphasis as it creates a partner's program geared to meet the needs of its valued channel partners. It's also where partners are seeing results as indicated by their high ratings of BlackBerry in these areas. While it's a continuous effort to better meet each partner's needs, BlackBerry is committed to this end.

"BlackBerry partner on why they stayed with BlackBerry -

In the early days, we got involved due to market pull for BlackBerry devices. Now we're more engaged due to the BlackBerry partner program. This shifted for us about 18 months ago, as we got more engaged and are more excited about the BlackBerry software portfolio and markets, and more interested in the partner-side advantages."

Is BlackBerry a leading Mobile Security Software vendor?

Most partners select vendors that can provide their customers with the maximum in functionality at a reasonable price and with good performance and ease of installation. Above all, partners look for product innovation, quality and differentiation to give them an edge in a highly competitive market. The survey participants gave BlackBerry software products high marks for features and functionality, technical innovation and quality – all areas that provide a key selling advantage over competitor's products. BlackBerry is committed to increasing the level of support in all areas of partner engagement over the short term and providing even more value to its channel partners.

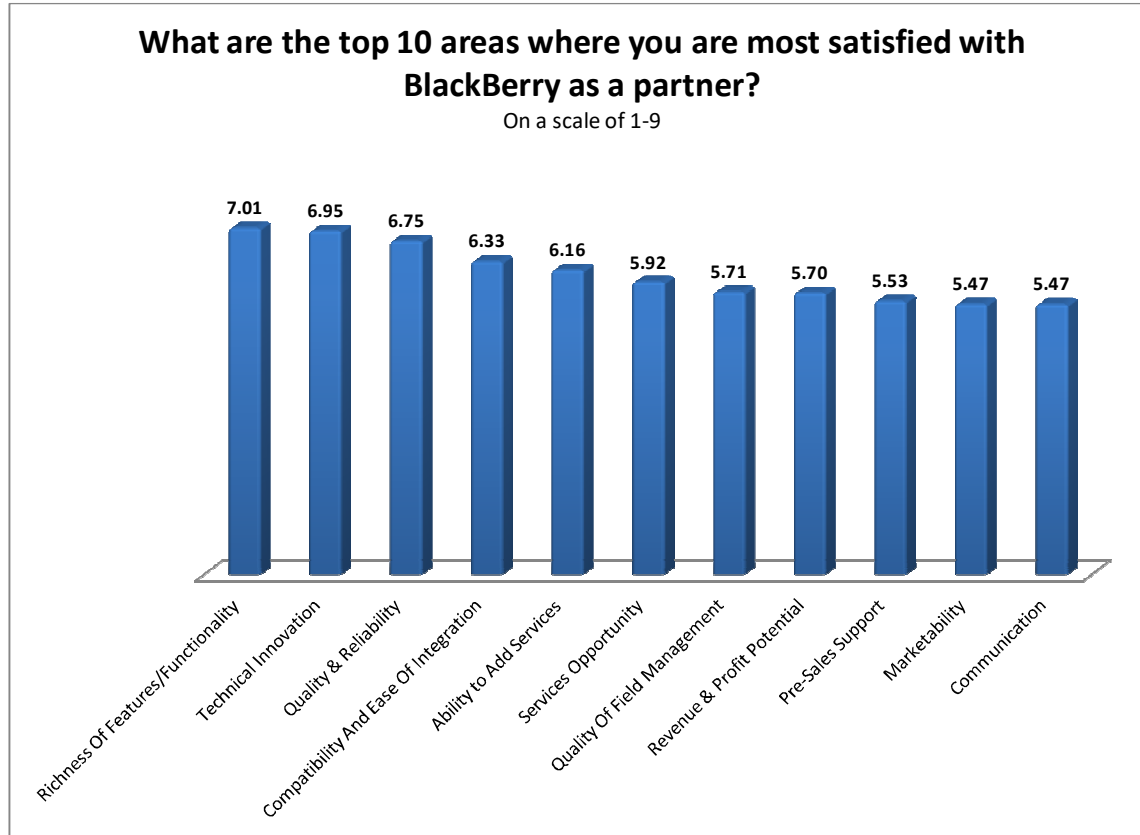
"Case study from a key partner -

A customer using 100's of devices was not satisfied. They wanted secure access to use current internal infrastructure for field users. They had 5-6 servers from a competitor in different modes and configurations. We proposed using one BlackBerry server, did a proof of concept in 4 weeks, and now costs are just 20% of the previous installation."



The Benefits of Being a BlackBerry Enterprise Software Partner: What the Partners are Saying

Figure 3: What areas are you most satisfied with BlackBerry as a solutions provider?



How is BlackBerry helping you do business?

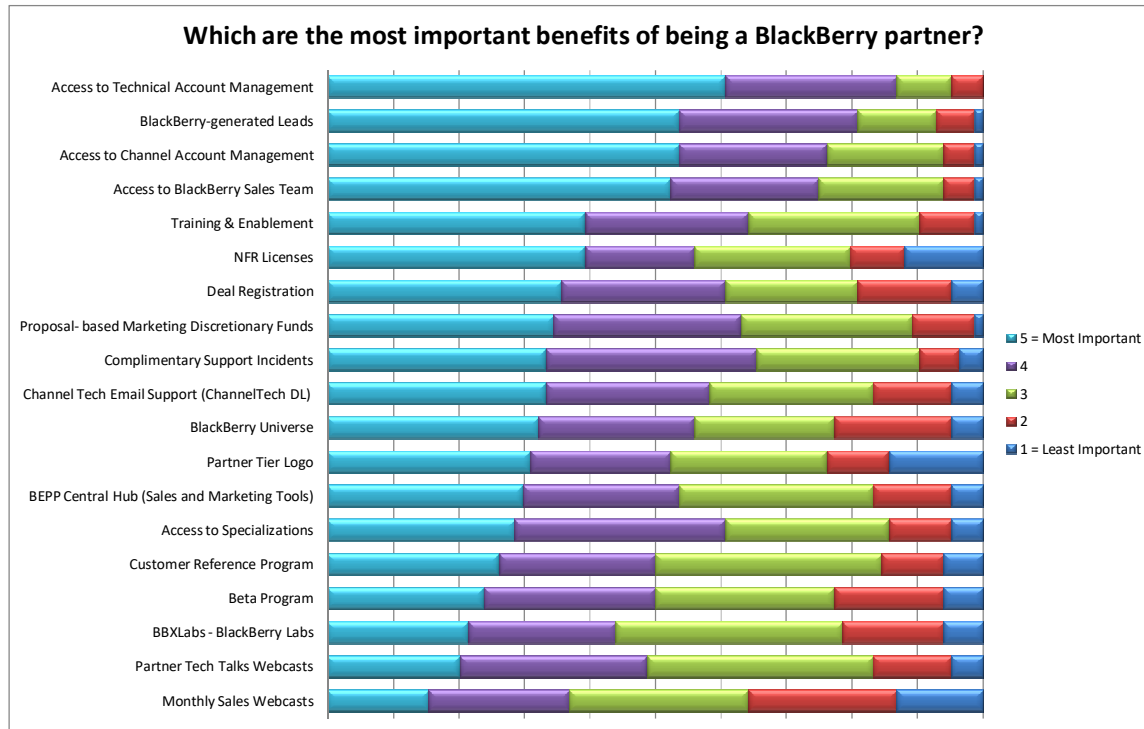
No channels partner program can be successful unless the vendor has put in place programs that make it easy for the partner to sell its solutions. BlackBerry partners indicate that the most important benefits to them are the assistance that BlackBerry provides them in account management, lead generation and sales process. To this end, BlackBerry has been focused on improving both its account and sales management capability as well as improving its lead generation programs to improve partner sales ability and drive demand. It is this enhanced capability that ultimately creates a successful process for BlackBerry's partners, as well as provides increased opportunity for BlackBerry to expand its partner program.

***"From a large BlackBerry solutions distributor-
The level of engagement in BlackBerry's channel program has gone up, as has the level of commitment and resources. BlackBerry is now in the top 30% of all the partners we have in terms of level of its engagement and resources."***



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Figure 4: Which are the most important benefits of being a BlackBerry partner?

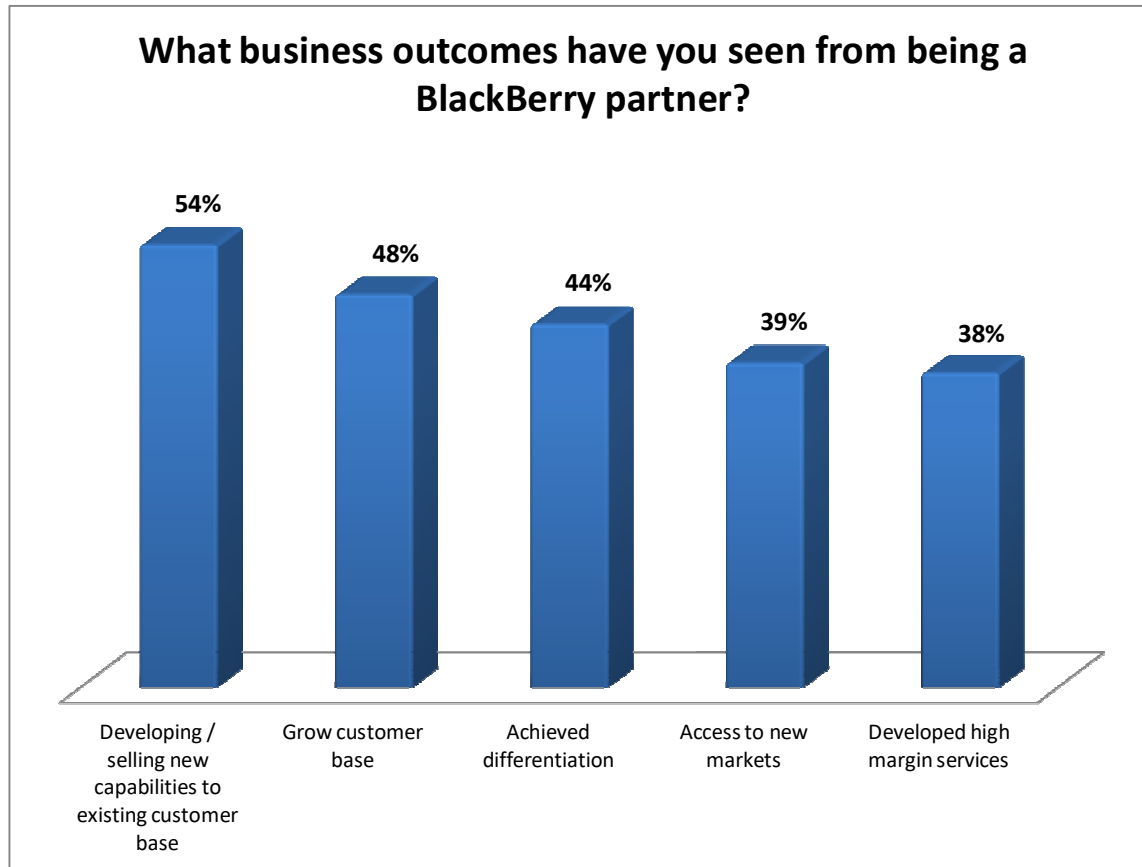


But most important to BlackBerry's channel is the ability for BlackBerry to help them generate new business and increase sales. As the software portfolio of BlackBerry evolves, so does the ability for partners to acquire new sales opportunities and expand their existing customer base. Being a BlackBerry partner has provided 54% of respondents with the ability to expand their existing sales by upgrading their accounts to new products and services, and 48% have indicated that being a BlackBerry partner has allowed them to grow their customer base. Finally, 44% indicate that being a BlackBerry partner has allowed them to differentiate themselves in a crowded market. This is especially relevant as BlackBerry launched its EFSS specialization and Shield Advisor badge to designate solution provider expertise in these areas. When even a few percentage points can make the difference between success and failure in channel selling, the fact that there is a strong ability for BlackBerry to increase sales for its partners is very important.



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Figure 5: What business advantages have you seen from being a BlackBerry partner?



What are partners selling?

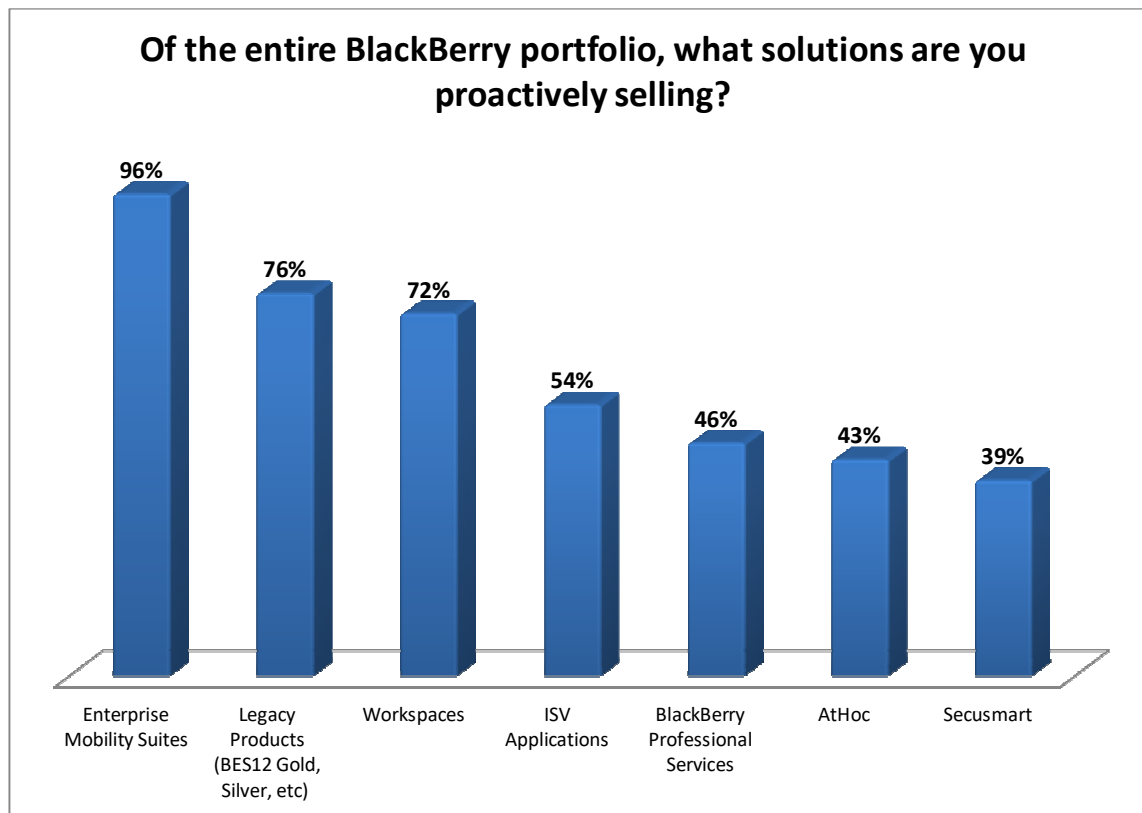
The majority of BlackBerry partners find that the enterprise mobility suite is what their customers want, and it's where they are spending the majority of their efforts. Indeed, the next generation of mobility solutions is being promoted a full 20% more (96% vs. 76%) than the legacy suites which in the past were the predominant customer solution. This indicates that customers understand the need to be more security conscious across all device types and user roles within the organization. To this end, a transition to newer generation products is accelerating and clients are now engaging in more fully integrated security suites. As a result there is rapid growth in popularity of the BlackBerry Workspaces, a leading EFSS solution that provides file-level security to allow customers to collaborate securely, and which is now being actively promoted by 72% of resellers. It's likely this will increase as more enterprises focus on the secured workspace rather than the device type as devices continue to diversify. In addition, more specialized products like the crisis communication solution AtHoc and the voice encryption Secusmart are gaining in popularity for their abilities



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to add to the overall security profile of organizations, moving from specialty products to mainstream components of a broader security infrastructure.

Figure 6: Which BlackBerry solutions are you most actively selling?



Conclusions

The web survey and telephone interviews show that, while relatively new, BlackBerry's partner channel program is well on its way to offering a key strategic opportunity for BlackBerry to increase its market presence and offers partners an enhanced selling opportunity. Indeed, BlackBerry continues to invest heavily in its channel program and sees it as strategic to its long term success, with over 70% of current revenues coming from the indirect channel. As security solutions become increasingly important to a vastly growing number of organizations in virtually all market segments, this will allow BlackBerry to continue its migration into a cloud and on-premises security solutions leader for enterprises of all sizes. Most current channel participants see partnering with BlackBerry as a successful strategy and as a way to better compete in an increasingly competitive marketplace.

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J.Gold Associates provides insightful, meaningful and actionable analysis of trends and opportunities in the computer and technology industries. We offer a broad based knowledge of the technology landscape, and bring that expertise to bear in our work. J.Gold Associates provides strategic consulting, syndicated research and advisory services, and in-context analysis to help its clients make important technology choices and to enable improved product deployment decisions and go to market strategies.



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