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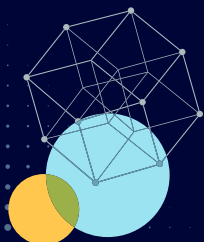


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2023

**CDN TOP 100 SOLUTION PROVIDERS
INDUSTRY BENCHMARK REPORT**



INTRODUCTION AND EXECUTIVE SUMMARY

A quick Google scan of *Top Tech Topics and Trends of 2022* provides a fairly accurate depiction of how the channel experienced the year. The year started out optimistically. We were finally able to put the pandemic behind us, we were embracing new ways of working — work from home or office or a hybrid - there was keen interest from clients in implementing technology enhancements and innovation, and tech industry employment opportunities were plentiful.

What a difference a quarter can make.

By the end of Q1 even the largest of tech companies had started mass layoffs that would continue throughout the year. Tech stocks were plummeting, interest rates soaring, and fears of inflation and recession began to mount.

Yet, the technology industry is renowned for its agility and rapid response to extraordinary shifts. Nowhere is this more evident than in the Solution Provider community, who are constantly at-the-ready to guide their clients through taxing circumstances. Despite budgets being frozen or decreased, these organizations work with their clients and vendor partners to ensure vital systems remain operational and secure.



\$11 BILLION REVENUE



9.5% GROWTH

Despite these headwinds, Canada's Top 100 Solution Providers not only persevered, but prospered. Revenues for the collective were slightly over \$11 billion – posting an impressive 9.5% increase over 2021.

There were some very noteworthy accomplishments this year:

- 53 grew more than the average at 10% or greater
- 36 grew more than 15%
- 23 grew 25% or more!
- And 2 more than doubled their business!!

Not all Top 100 companies were able to post such impressive results. 24 saw their revenue remain flat or decline, a significant increase from 10 in 2021.

TOP 10

We look a little closer into the top 10 companies within the Top 100 Solution Providers. In 2022 these 10 companies delivered 63% of the revenue, down from 70% last year, and grew an average of 15% — impressive considering the economic challenges they faced. All but one grew, that company was flat year over year.

As for the standings, the top 5 remained in the same position, Compucom and Long View Systems traded places at 6 and 7 and Microserve moved up into the number 10 position from 12 last year.


1.  PEOPLE WHO GET IT®	2.  Softchoice	3.  Insight®	4. COMPUGEN	5. softwareONE®
6. CompuCom®	7.  Long View	8.  CONVERGE TECHNOLOGY SOLUTIONS	9.  INTELLIGENCE TL. INTELLIGENCE HUMAINE.	10.  MICROSERVE

MOVERS AND SHAKERS

Further down the list we saw some exceptional performances as well. Due to a very active acquisition strategy, Vendasta of Saskatoon grew significantly, moving the company to the 29th position from 88th. Arctiq a Benchmark Company, of Mississauga rose an impressive 42 positions to take the 32nd position while Decisive Group Inc. of Stittsville, ON moved 13 positions higher to 11th and Carbon60 of Richmond Hill, ON moved 10 higher to stand at position 34.

We welcomed an impressive number of newcomers to the Top 100 Solution Providers with two breaking into the top 50. Petal Health of Quebec City stands at 44, and Gibraltar Solutions Inc. of Mississauga in the 46th position.

It's very exciting to see these new companies join the list and share their business structure and experiences with us. Welcome:

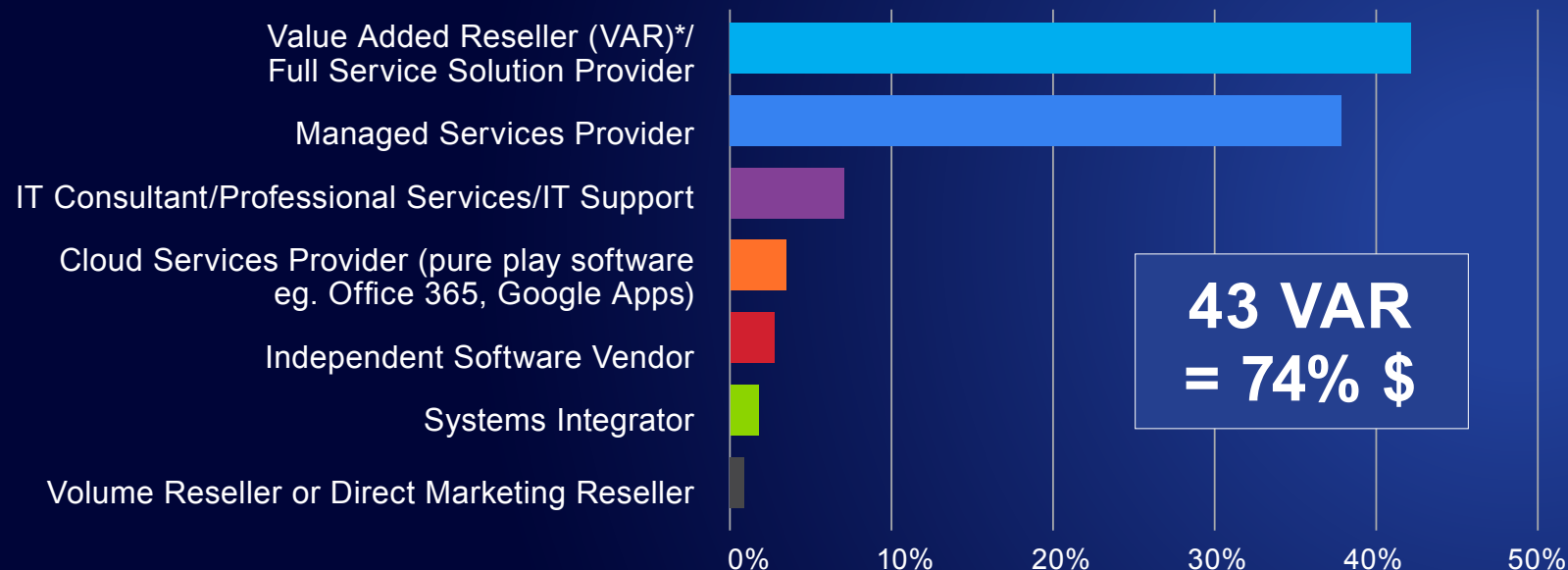
58.  Delivering Transformational Excellence	60. 	65.  EXPERIENCE THAT KEEPS IT EASY.
97.  Secure Data Solutions	99. 	100. 

CHANNEL PROFILE

The Canadian IT channel is made up of a wide range of business types, however the Top 100 Solution Providers are predominantly Value-added Resellers (43) or Managed Service Providers (39). The remaining 18 operate in a number of different business models.

The vast majority are privately held corporations, 93%, 7% are publicly traded.

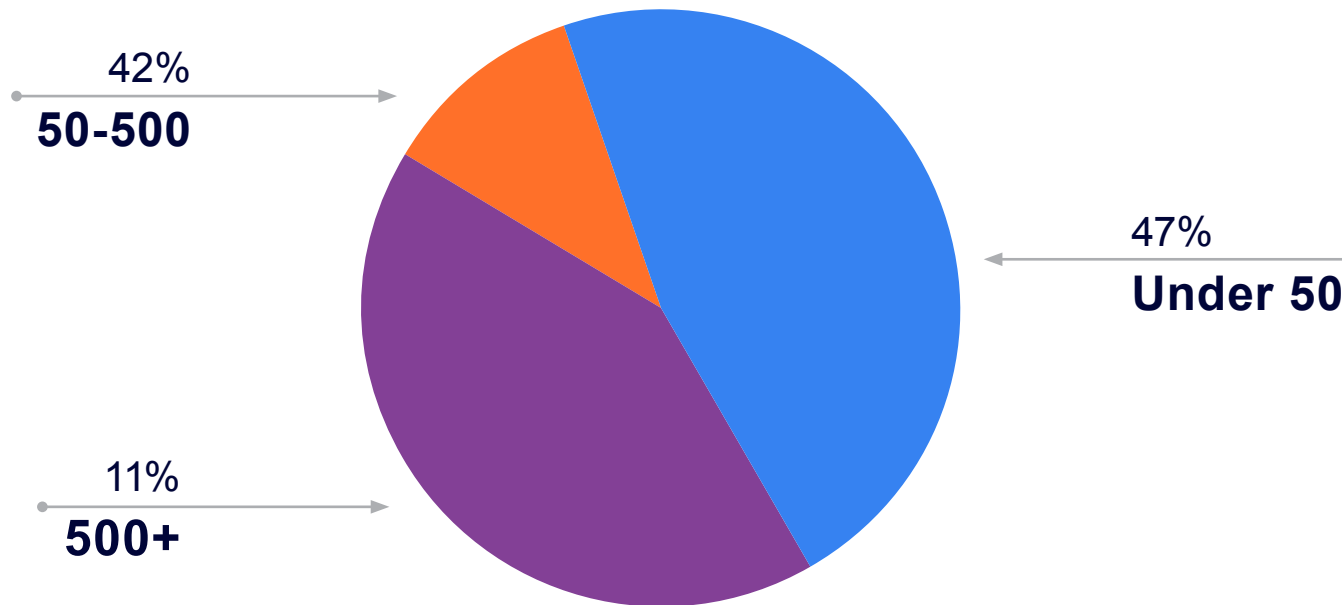
While Value Added Resellers represent 43% of the organizations in the Top 100, they deliver the majority of revenue at 74%, with Managed Service Providers delivering 18%.



NUMBER OF EMPLOYEES

Company size among Top 100 organizations remained relatively stable from last year, with a small increase (from 43.3% to 47%) in representation from solution providers with fewer than 50 employees.

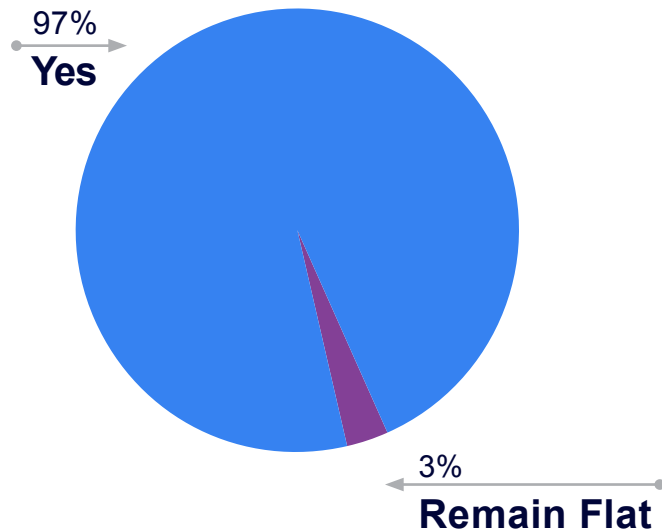
TOTAL NUMBER OF EMPLOYEES



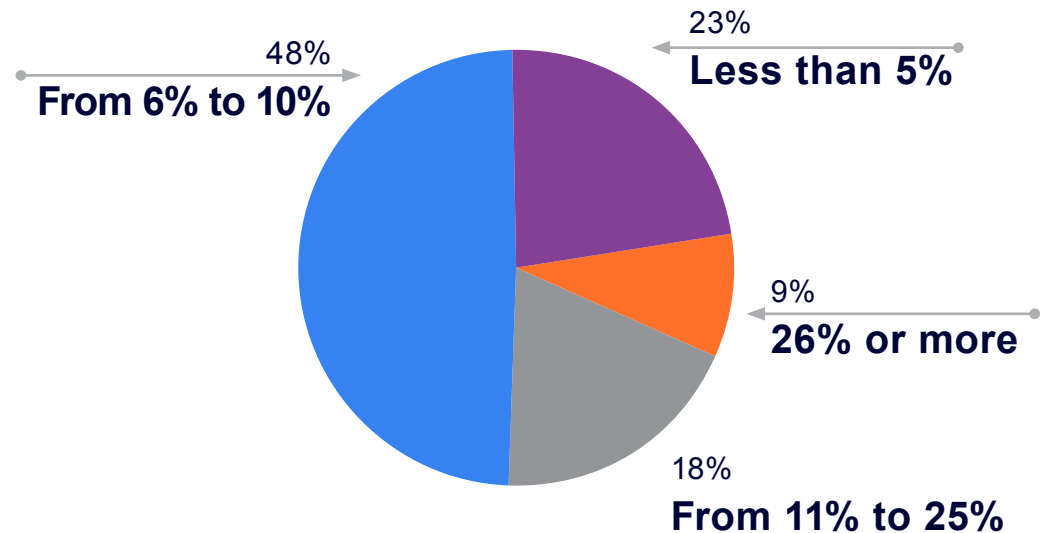
HIRING INTENTIONS

Although organizations expecting to hire more staff this year will decline slightly from 2022, still the vast majority of respondents — 97% expect to hire new people in 2023. Of those hiring, 77% say their expansion will increase their workforce by more than 6%.

WILL YOUR FIRM BE HIRING IN THE NEXT 12 MONTHS?



IF YES, YOU EXPECT TO INCREASE BY...



Similar to last year, the areas companies need to increase talent are in Sales and Business Development roles, followed by those with Security and Cloud skills. A new category this year was Solutions Marketing roles and 30% of the Top 100 are looking to hire these roles.



85%
Sales/
Business
Development



54%
Security



48%
Cloud



48%
Digital
Transformation

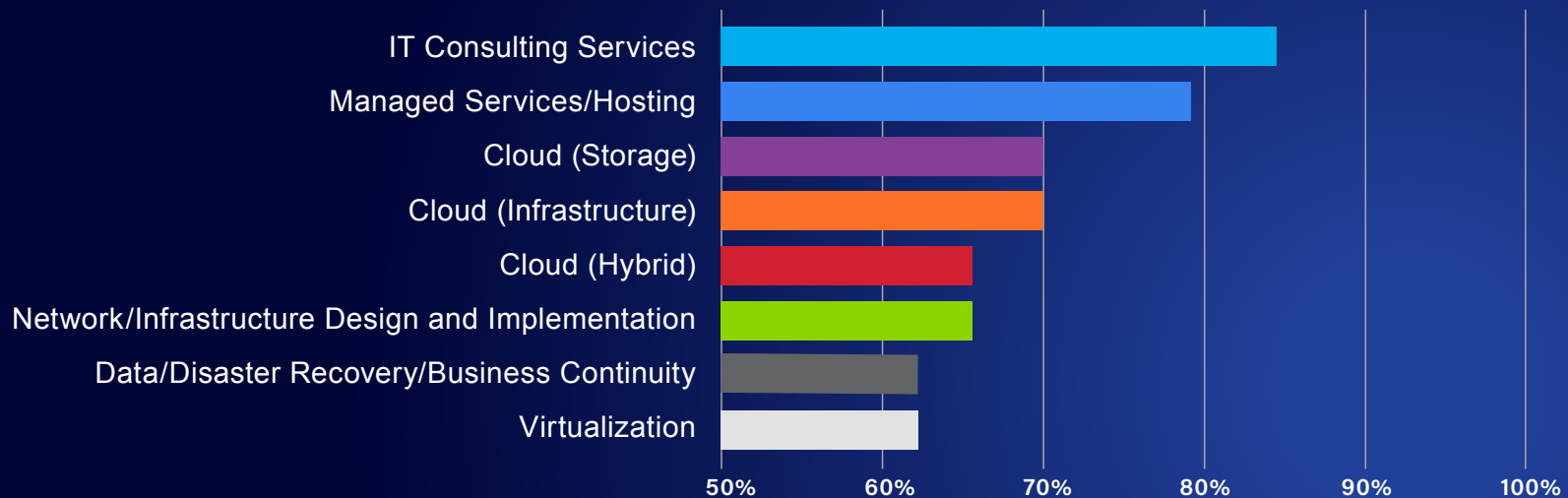


30%
Solutions
Marketing

SOLUTIONS OF THE TOP 100

When asked what solutions the company provides, the top 5 responses were: IT Consulting Services, Managed Services/Hosting, Cloud (Storage, Infrastructure, Hybrid), Network/Infrastructure Design and Implementation and Data Disaster Recovery/Business Continuity.

THE SOLUTIONS TOP 100 PROVIDE



This was very similar to last year with the exception that Virtualization and Data/Disaster Recovery decreased 11% and 17% respectively, and Storage moved to 12th position from 6th in the prior year.

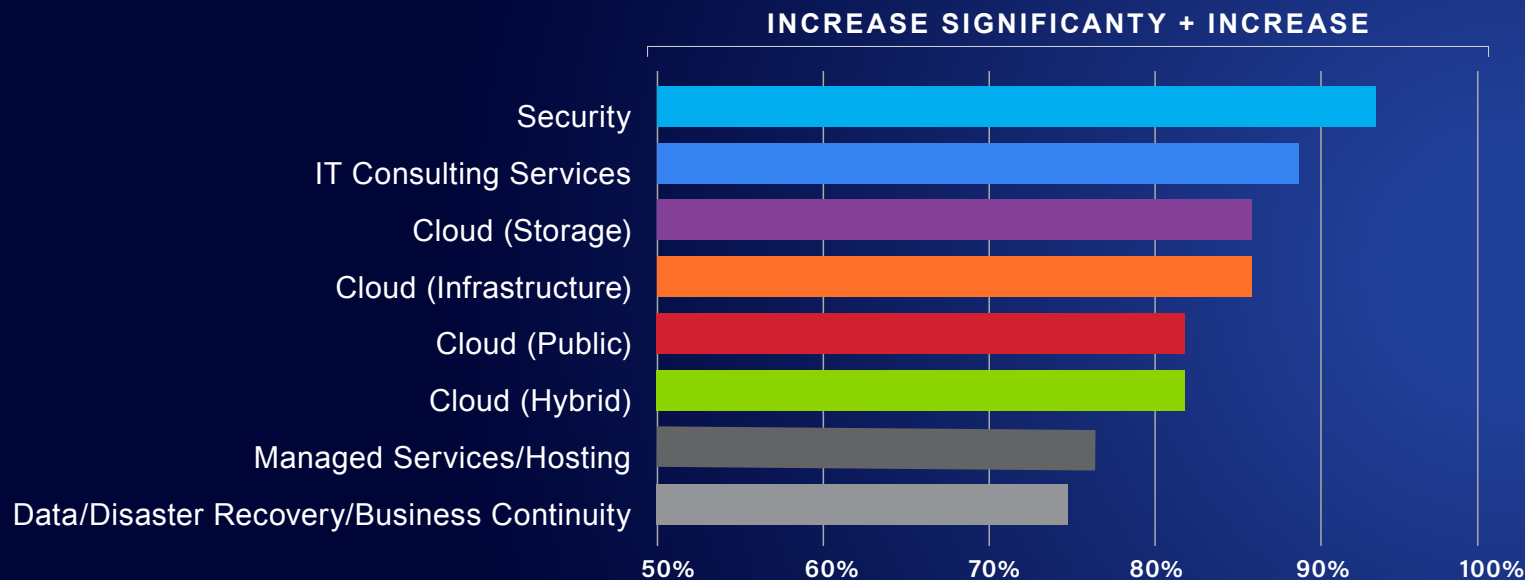
In this year's benchmark survey we asked 3 new questions related to ESG (Environment, Social and Governance) activities on behalf of clients: Power Management, Sustainability Technology and ESG Reporting. Approximately 20% of the Top 100 Channel partners are engaged in power management and sustainability technologies while only 5% are working with their clients on the increasing requirements for ESG tracking and reporting.

This will be an opportunity for solution providers in the future as we are hearing of greater need from companies seeking expertise in these business critical functions. We also find the vendor community is setting expectations that reseller partners will need to develop this expertise. A little more context on this subject is provided in an article on page 21 of this report.

GROWTH POTENTIAL OF SOLUTIONS PROVIDED

When asked which solutions have the greatest potential to grow or grow significantly the results were almost identical to last year. In 2023 the highest growth potential remains with Security, IT Consulting, Cloud Everything (Storage, Infrastructure, Public and Hybrid), Managed Service and Data/Disaster Recovery/Business Continuity leading the list of activities believed to deliver significant growth.

HIGHEST GROWTH POTENTIAL NEXT 12 MONTHS



NEEDED EXPERTISE

Given the challenges faced by the Top 100 companies, it is not surprising that certifications and specializations in Security top the list in importance.

MOST IMPORTANT AREAS OF SPECIALIZATION OR CERTIFICATION



80%

Security



68%

Networking



64%

Cloud



48%

Certified
Systems
Engineer



48%

Project
Management

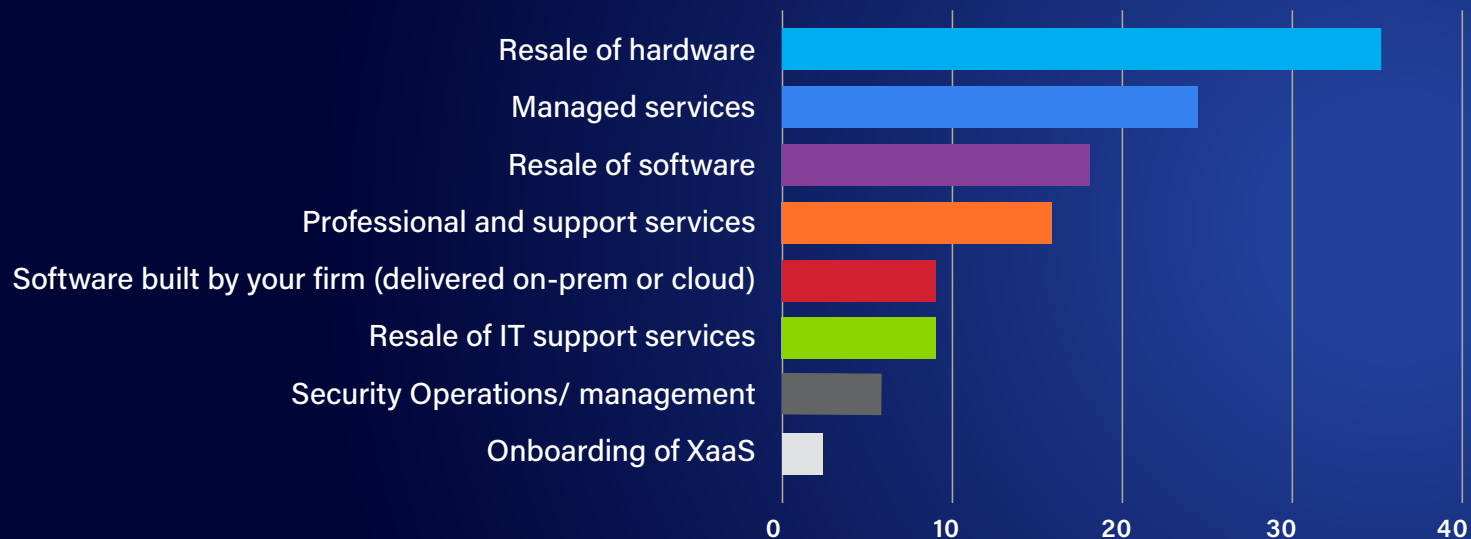
On the other hand, with ESG Reporting and Sustainability important new areas of opportunity, it is surprising that so few companies consider this expertise important. Only 6.5% of respondents considered ESG Reporting or Sustainability Solutions expertise important skills to have within their organizations.

REVENUE SOURCES

The types of solutions the Top 100 provide remains relatively constant year over year with **Resale of Hardware, Managed Services and Resale of Software** the top 3 revenue sources. Surprisingly, Resale of Hardware only declined one percentage point, suggesting that the move to XaaS may be slower than we think. Or as one TOP 100 respondent noted *“the shift OEMs are making to an as-a-service model while our customers are still heavy Capex is an ongoing challenge to help both sides transact.”*

Software built by your Firm was the only area to see significant decline, weighing in this year at 9% of revenue versus 21% last year.

PERCENTAGE OF REVENUE DERIVED FROM THE FOLLOWING SOURCES

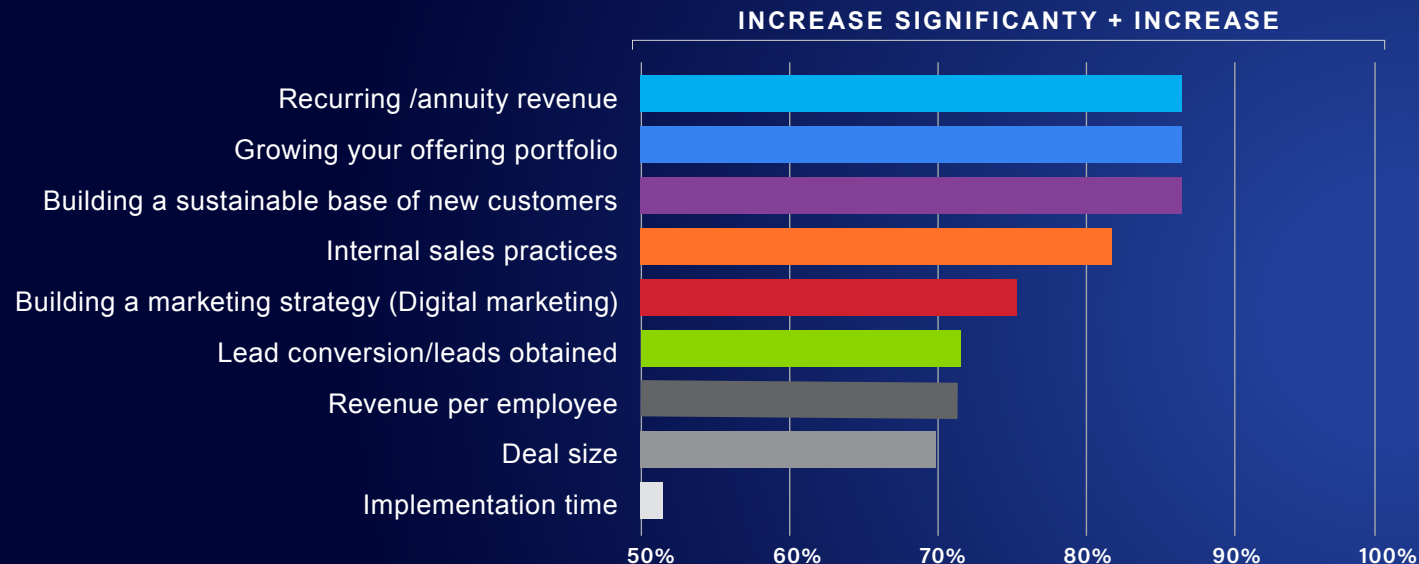


WHAT CONTRIBUTED TO SUCCESS

The Top 100 companies drew success in 4 key areas this year: Recurring/annuity revenue, increasing their offerings, attracting new customers and improving internal sales practices.

This represents a slight departure from last year's survey where new customers and digital marketing contributed more significantly to the company's success.

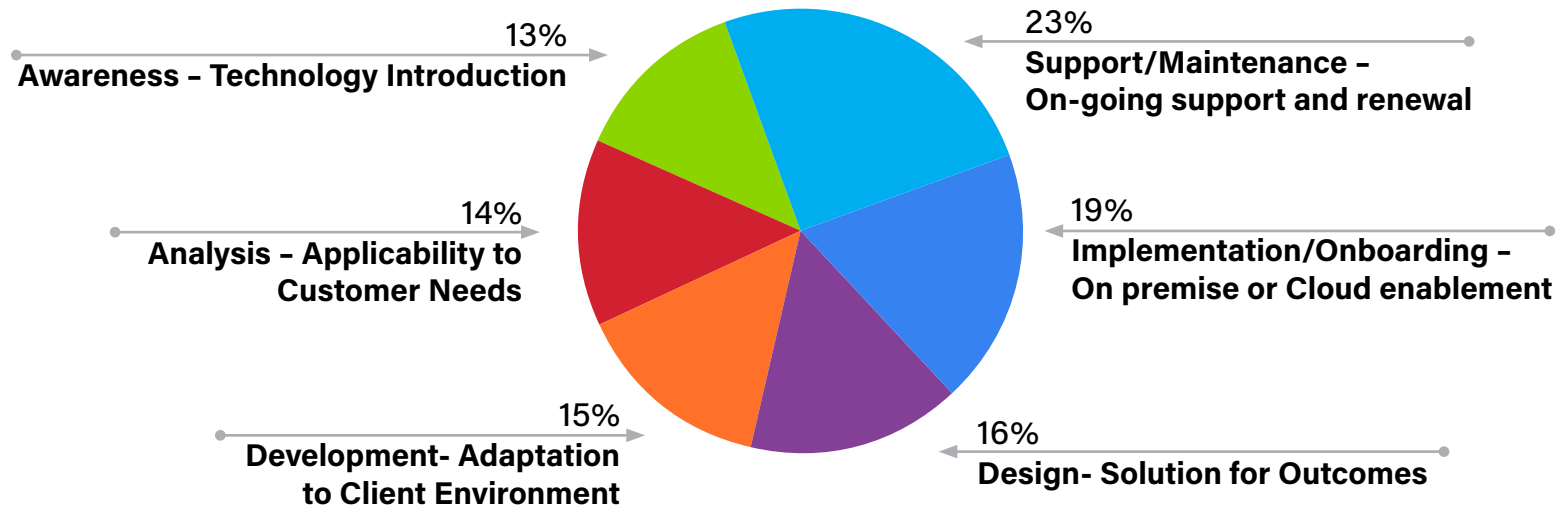
CRITICAL SUCCESS FACTORS



CUSTOMER LIFECYCLE MANAGEMENT

Many technology vendors are taking a Customer Lifecycle approach to supporting their customers and are looking to channel partners to engage as well, in order to ensure the client is well supported throughout **their journey**. Based on the responses to this new question in the 2023 survey, it appears clients are well covered by the Top 100 organizations through their lifecycle, with a relatively equal allocation of time spent on each of the various stages. Not surprisingly, Support, Maintenance and Renewal is where the largest percentage of time is allocated, as this is an extremely important role for partners, very much appreciated by the vendors.

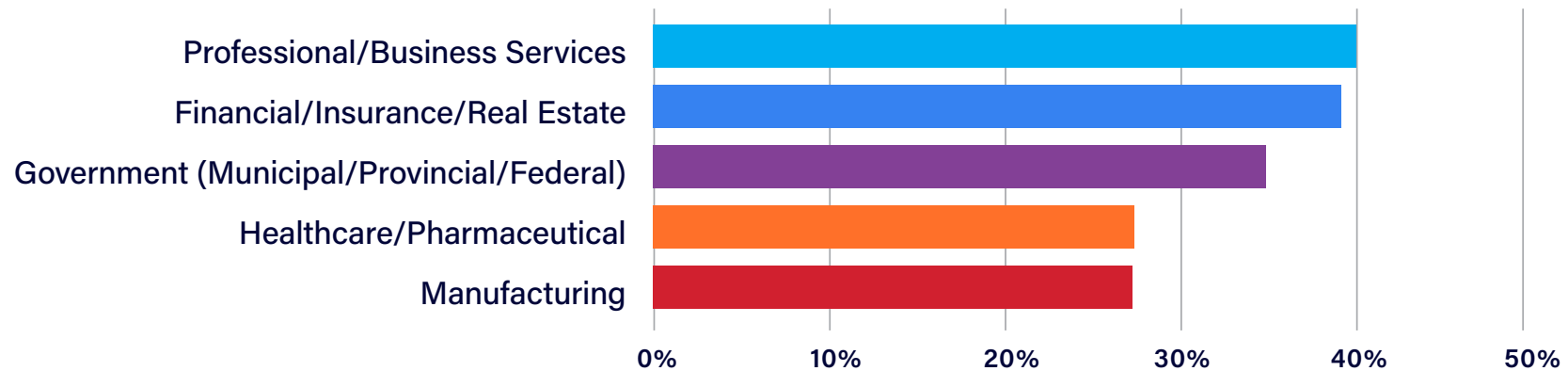
CUSTOMER LIFECYCLE APPROACH % TIME SPENT IN VARIOUS STAGES



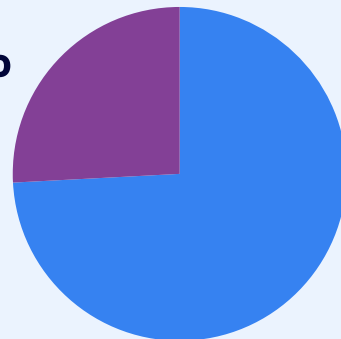
THE INDUSTRIES SERVED

The Top 100 do business across the gamut of industry sectors. The data shows that most Top 100 Solution providers diversify their business, with three quarters stating they do business in more than one industry.

TOP INDUSTRIES SERVED



26%
Yes



74%
No

**MORE THAN 50%
OF REVENUE FROM
ONE INDUSTRY**

The most prominent are Professional and Business Services, Financial/Insurance/Real Estate and Government. While the Top 100 continue to serve similar industries, there are some trends in how providers have shifted their primary focus. Notably, Financial/Insurance/Real Estate is now the primary business of 39 companies, an increase of 38%, Government has grown 17% to be the primary business of 35 of the Top 100 companies versus 29 last year and Healthcare becoming primary for 28 organizations, an increase of 21%.

Industry focus differs only slightly between Value Added Resellers and Managed Service Providers. VARs Top 3 Sectors are Government, Professional/Business Services and Financial/Insurance/Real Estate while MSP's are highly concentrated in Professional/Business Services, followed by Financial/Insurance/Real Estate, then Manufacturing.

TOP CHALLENGES FACING THE CHANNEL IN 2023

One-third of the Top 100 Channel organizations (35) cited human resources challenges as the most pressing they face. Competitiveness for skilled, experienced resources is high on the list of concerns: scarcity of these resources, and compensation challenges in the face of economic headwinds all contribute to make finding talent the number one challenge for channel organizations. The inability to staff appropriately to support the needs of their clients — especially in security, cloud migration and business transformation — creates significant pressure on their organizations. This may seem at odds with the recent headlines on massive layoffs in the technology sector, however when you delve into the positions involved in these downsizing activities, you'll find it is rarely technically skilled roles.

TOP CHALLENGES FOR 2023



35%

Talent
acquisition/
retention



19%

Supply chain



19%

Economic
uncertainty/
recession



12%

Cybersecurity

Another common concern remains supply chain constraints. Product availability issues put projects at risk. From clients reallocating funding to projects that can go forward, to substitution of products or solution to meet immediate business needs [remember the “tech hangover” resulting from Covid?], shortage of inventory is the primary concern for 19 of the Top 100 Channel companies. Fortunately the channel is seeing improvements to product supply and predictability.

Customers tightening their belts out of fear of potential, or actual, economic turbulence.

Supply Chain - without a doubt!

Talent shortage with salary escalation due to competition

Ability to adjust to custom, client environments

Keeping up with security

Finding, retaining skilled resources in high demand areas such as security

Product lead times & back orders of 6-12 months

CDN SHARES EVOLVING TOPICS

This year's survey asked a number of new questions in an attempt to capture the Channel's engagement in technology topics we've started to hear much more about. We asked Channel Daily News about new subjects that they had been covering more frequently over the past year.

One such theme is Sustainability, and the technology industry's impact on accelerating progress. Whether it's developing products that support climate actions, helping companies embark on their own journey to Net Zero, or implementing the software increasingly necessary for capturing data on Scope 1, 2, and 3 emissions to support regulatory requirements, Sustainability is definitely a growing topic for all Channel partners to understand.

Below, **Paul Barker, the editor of Channel Daily News**, shares some observations on this topic:

One of Cisco's key predictions for 2023 is that responsible innovation will move quickly toward building a better, more inclusive future for all. Organizations, it said late last year, "are expected to put their good intentions into action — being purpose-driven is now a corporate requirement. Trust in our institutions and in companies has been tested over the last few years.

The company pointed out that "this has brought us to an inflection point, and we are on the edge of generational change that will become evident through technology in 2023. Ultimately, organizations will have to define a purpose that goes beyond profitability."

What it all means for the channel is that if they are not currently up to speed on what to do when it comes to developing a sound strategy around an acronym known as ESG – short for environmental, social and (corporate) governance – they had better do so soon.

On its web site, BDC, which bills itself as the bank for Canadian entrepreneurs, defines the quintessential strategy as being a set of practices used to evaluate a company's operational performance as it relates to social and environmental impact. This evaluation can be done internally or externally by investors or other stakeholders.

"The environmental criterion looks at whether a company pollutes or implements sustainable practices," it notes. "The social criterion considers how the company works with and impacts its employees, customers, suppliers and the community as a whole. Finally, the governance criterion looks at the company's leadership, its internal controls and audits, board governance oversight and executive pay."

2023 TOP 100 SOLUTION PROVIDERS



2023 TOP 100 SOLUTION PROVIDERS

(BASED ON 2022 REVENUE)

RANK	COMPANY	REVENUE	WEBSITE
1	CDW Canada Corp.	\$1-2B	www.cdw.ca
2	Softchoice	\$1-2B	www.softchoice.com
3	Insight Canada Inc.	\$700-850M	ca.insight.com
4	Compugen	\$700-850M	www.compugen.com
5	SoftwareOne	\$400-650M	www.softwareone.com
6	CompuCom	\$400-650M	compucom.com
7	Long View Systems	\$400-650M	www.longviewsystems.com
8	Converge Technology Solutions	\$400-650M	www.convergetp.com
9	ITI	\$150-300M	www.iti.ca
10	Microserve	\$150-300M	www.microserve.ca
11	Decisive Group Inc.	\$150-300M	www.decisivegroup.com
12	Computacenter	\$150-300M	www.computacenter.com
13	SHI Canada	\$150-300M	www.shi.com
14	Cyderes	\$150-300M	www.Cyderes.com
15	Esri Canada	\$150-300M	www.esri.ca
16	ESI Technologies	\$150-300M	www.esitechnologies.com

RANK	COMPANY	REVENUE	WEBSITE
17	Micro Logic	\$100-150M	www.micrologic.ca
18	Optiv	\$100-150M	www.optiv.com
19	WBM Technologies LP.	\$100-150M	www.wbm.ca
20	MOBIA	\$100-150M	www.mobia.i
21	MicroAge	\$100-150M	www.microage.ca
22	Stoneworks Technologies Inc.	\$100-150M	www.swti.ca
23	PureLogic IT Solutions Inc	\$100-150M	www.purelogicit.com
24	Charter	\$80-100M	www.charter.ca
25	Telecom Computer Services	\$80-100M	www.telecomcomputer.com
26	CPU DESIGN INC.	\$80-100M	www.cpu.ca
27	Audcomp Group Inc.	\$80-100M	www.audcomp.com
28	THINQ Technologies Ltd, DirectDial.com	\$80-100M	www.directdial.com
29	Vendasta	\$80-100M	www.vendasta.com
30	Connex Telecommunications Inc	\$80-100M	connexservice.ca
31	Grand & Toy	\$50-80M	www.grandandtoy.com
32	Arctiq a Benchmark Company	\$50-80M	www.Arctiq.ca
33	CentriLogic	\$50-80M	www.centrillogic.com
34	Carbon60	\$50-80M	www.carbon60.com
35	Groupe Access	\$50-80M	www.groupeaccess.ca
36	Caretek	\$50-80M	www.caretek.ca
37	SmartONE Solutions	\$30-50M	www.smart-one.ca
38	Epic A BellMTS Company	\$30-50M	www.epic.ca
39	Sudden Technologies	\$30-50M	www.sudden.ca
40	Quantum Lifecycle Partners LP	\$30-50M	www.quantumlifecycle.com

RANK	COMPANY	REVENUE	WEBSITE
41	F12.net Inc.	\$30-50M	F12.net
42	Coreio Inc.	\$30-50M	www.coreio.com
43	SolutionStack	\$30-50M	www.solutionstack.ca
44	Petal Health	\$30-50M	www.petal-health.com
45	QRX Technology Group Inc.	\$30-50M	www.qrxtech.com
46	Gibraltar Solutions Inc.	\$30-50M	www.gibraltarsolutions.com
47	IT Weapons, a division of Konica Minolta Business Solutions (Canada) Ltd	\$30-50M	www.itweapons.com
48	BAASS Business Solutions Inc.	\$30-50M	www.baass.com
49	HighVail Systems Inc.	\$15-30M	www.highvail.com
50	Data Integrity Inc	\$15-30M	www.dataintegrity.com
51	EllisDon Energy & Digital Services	\$15-30M	www.ellisdon.com
52	Asca Office Solutions	\$15-30M	www.ascaofficesolutions.com
53	ProServeIT Corp	\$15-30M	www.proserveit.com
54	Brains II Solutions Inc.	\$15-30M	www.brainsii.com
55	PC Corp Inc.	\$15-30M	www.pccorp.com
56	R2i Inc.	\$15-30M	www.r2i.ca
57	Softlanding Solutions Inc.	\$15-30M	www.softlanding.ca
58	iVedha Inc	\$15-30M	www.ivedha.com
59	Annex Pro	\$15-30M	www.annexpro.com
60	Servall Canada Inc.	\$15-30M	www.servall.ca
61	Encore Business Solutions	\$15-30M	www.encorebusiness.com
62	ThinkOn	\$15-30M	www.thinkon.com

RANK	COMPANY	REVENUE	WEBSITE
63	Nucleus Networks Inc.	\$15-30M	www.yournucleus.ca
64	Document Direction Limited	\$15-30M	www.documentdirection.ca
65	Paragon Micro Canada	\$15-30M	www.paragonmicro.ca
66	Synerion	\$15-30M	www.synerion.com
67	Triware Technologies Inc.	\$10-15M	www.triware.ca
68	4 Office Automation Ltd.	\$10-15M	www.4office.ca
69	Difenda Inc.	\$10-15M	www.difenda.com
70	Eastbay Cloud Services Inc.	\$10-15M	www.eastbay.ca
71	SysGen Solutions Group	\$10-15M	www.sysgen.ca
72	Binary Stream Software Inc	\$10-15M	www.binarystream.com
73	Itergy	\$10-15M	www.itergy.com
74	SmartPrint Inc.	\$10-15M	www.smartprint.com
75	Centre d'Ordinateurs S.T.O. Inc	\$10-15M	www.sto.qc.ca
76	WebSan Solutions Inc.	\$10-15M	www.websan.com
77	Fencecore	\$10-15M	www.fencecore.com
78	BrunNet Inc.	\$10-15M	www.brunnet.com
79	Blair Technology Solutions Inc.	\$10-15M	www.blairtechnology.com
80	MYRA Systems Corp.	\$10-15M	www.myra.com
81	Oxygen Technologies	\$10-15M	www.oxygentechnologies.ca
82	Think Communications	\$4-10M	www.thinkcommunications.ca
83	Lanworks Inc.	\$4-10M	www.Lanworks.com
84	Fidelio Cloud ERP	\$4-10M	www.commsoft.ca
85	TheITeam Ltd.	\$4-10M	www.theiteam.ca

RANK	COMPANY	REVENUE	WEBSITE
86	Conpute	\$4-10M	www.conpute.com
87	Clear Concepts	\$4-10M	www.clearconcepts.ca
88	Korem Geospatial	\$4-10M	www.korem.com
89	INFINITE IT	\$4-10M	www.8it.ca
90	Broadview Networks	\$4-10M	www.broadviewnetworks.ca
91	Access Group Inc.	\$4-10M	www.access.on.ca
92	GAM Tech	\$4-10M	www.gamtech.ca
93	MBC Managed IT Services	\$4-10M	www.mbccs.com
94	Commerx	\$4-10M	www.commerx.ca
95	M.I.T. Consulting	\$4-10M	www.mitconsulting.ca
96	Kamloops Computer Centre	\$4-10M	www.kcc.ca
97	Cloud Metric Inc.	\$4-10M	www.cloudmetric.ca
98	JOVACO Solutions inc	\$4-10M	www.jovaco.com
99	MainMicro Technologies Corporation	\$4-10M	www.mainmicro.com
100	CM Inc.	\$4-10M	www.cmigroup.com

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Our research is done by experienced professionals, many of whom have strong academic credentials. Many have published in a wide range of academic and professional journals including the IEEE and other industry standards. We have partnerships with a number of universities in Canada and work with respected corporate groups such as the CIO Strategy Council, CIOCanada, the Canadian Channel Chiefs Council (C4) and the MacKenzie Institute, to name but a few.

Above all we ensure the practical focus of our research by leveraging our readership and corporate contacts at the executive level across business, government and academia.

