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Top VARs 2020

Welcome to Top VARs 2020

*Although uncertain times lie ahead, the UK's top 100 resellers, MSPs and front-line channel partners turned over £17bn in their latest financial years on record, **Doug Woodburn** discovers*

This year's report has a feel of the calm before the storm about it.

As a group, the UK's largest 100 resellers and MSPs had a fairly serene and uneventful time of it in their most recent financial years, posting collective revenues of nearly £17bn – an 8.5 per cent annual jump. Profits were also roughly flat, depending on how you look at it (*see p13*).

Top VARs charts not current financial performance, but the fortunes of these 100 firms in their latest financial years on record – most of which ended before the pandemic hit the industry like a force 10 gale.

This centuplicate of front-line channel partners has, however, held up remarkably well this year.

Although as we explore on p9, interim results released during the pandemic have been decidedly mixed, Canalys chief executive Steve Brazier recently declared 2020 to be the European channel's "most profitable year ever".

The pandemic has taken its toll on some more than others.

Managed print specialists have seen volumes fall to as low as 45 per cent of normal levels (*see Q&A with Apogee, p20*). Those with a retail presence, meanwhile, have also felt the full force of COVID, with 34th-ranked Apple partner Compu b (which also owns 73rd-ranked Stormfront) recently entering a rescue process in its native Ireland.

Fortunately, most resellers and MSPs have been able to weather the storm, with booming demand for remote working technology combining with reduced travel and office overheads to bolster their balance sheets.

The hot 100

The pandemic has undoubtedly cemented the critical role played by the 100 resellers, MSPs and other front-line channel partners profiled in this report, from £1bn-revenue-plus juggernauts Computacenter and Softcat to the £40m-revenue cybersecurity, print, AV, comms and enterprise software specialists that tail the rankings.

> Together, our Top VARs now turn over £16.96bn – that's more than the GDP of Botswana and equal to what the government has spent on PPE and other COVID-related goods and services since April

Together, they now turn over £16.96bn – that's more than the GDP of Botswana and equal to what the government has spent on PPE and other COVID-related goods and services since April. Combined headcount of over 42,000 means they employ more staff than the population of ancient Egyptian city Thebes in its pomp.

When it comes to the rankings, this year's supplement contains more sub-plots than a presidential election.

The race for top spot has heated up, with Softcat just £60m shy of Computacenter's UK top line (we opted this year to rank both on their gross invoiced income, rather than revenue, for reasons explained in the profiles).

The international takeover of Top VARs continues, meanwhile, with 30 of the top 100 now under overseas ownership, up from 19 in 2017. This includes 12 US-based outfits (up from seven in 2017).

This pattern, it must be said, holds in the opposite direction, with Computacenter CEO Mike Norris recently unveiling plans to replicate the firm's European presence on the other side of the Atlantic.

This year's report sees the arrival of several new entrants, not least 99th-ranked Solutionize Global, a Dell partner that has its sights on £100m revenues after growing a dizzying 536 per cent in its latest year.

In a further twist, almost 20 firms in this report have taken advantage of a three-month extension granted by the government and not filed any new numbers on Companies House since last year's report.

When I signed off last year's *Top VARs*' leader with the words "bring on the 2020s", a global pandemic wasn't quite what I had in mind.

But with the brand of the channel enhanced by recent events, and a vaccine now on its way, there is still good reason to be optimistic for the decade ahead.

Doug Woodburn is group editor, channel at CRN

Channelling support

*This year has highlighted the resourcefulness and ingenuity of those working in the channel and it indicates a bright future in the year ahead, says Comms-care's **Simon Day***

The *Top VARs* report has been an important date in the diary for the channel for several years and I suspect this year it will be more eagerly anticipated than it has been in previous years, as channel firms want to learn more about how the largest resellers have fared in 2020.

It is fantastic to see that the Top 100 have grown revenues by 8.5 per cent and a huge congratulations to those businesses that have maintained great sales performances in what could be described as a challenging year to navigate.

2020 has not just been a year for celebrating positive financial performance. Speaking on behalf of Comms-care, we have all been humbled and proud of our industry with so many VARs helping the nation continue to communicate, providing critical services and keeping people working – often without financial benefit.

From the resellers in these pages, we hear of acts such as a senior vice president calling every one of thousands of employees to check in with them personally, partners being instrumental in creating the Nightingale hospitals and enabling employees with capacity to dedicate it to charitable organisations. The world called on the channel and it most certainly answered!

While we cannot be sure of the true economic impact of 2020 with many concerned about sector sustainability, ever-changing world politics and a more transitional workforce, one thing is certain: the channel will be essential to help customers evolve to a 'new world', whatever that may look like. This will be not only be through transforming infrastructures and technology but also how we leverage innovation to make their business more reactive to market changes and ensure we are all easier to do business with.

Comms-care and Ingram Micro have been working hard to answer this challenge through not only designing new, innovative services but also creating new ways of educating and enabling partners to do more and become more relevant and agile. A true channel partner for services.

> From the resellers in these pages, we hear of acts such as a senior vice president calling every one of thousands of employees to check in with them, and partners being instrumental in creating the Nightingale hospitals. The world called on the channel and it most certainly answered!

Access all areas

It is interesting but not surprising to see acquisitions still prominent in the channel and looking at some of the larger ones, they appear heavily focused on quickly gaining access to new services and markets rather than a simplistic numbers strategy. It would appear those in the market are focused more on the answers they can provide as an organisation rather than simply knocking out the competition. I think this is a strategy many businesses can benefit from. Maintaining relevance quickly may be the difference between those who weather the storm in anticipation of the sunshine and those who fear it.

2021 will offer a raft of challenges and without the positive bump that many partners had in 2020 in sales of remote working technology, I expect most to take a cautious approach. Not only on the P/L but also managing the emotional rollercoaster that many of our teams have endured. How ethically business have performed throughout 2020 may be a key component of who customers work with in 2021 – at least I hope so.

Where there is change, inevitable opportunity often follows and I expect 2021 to be no different. Do I expect massive change to the Top 10 in 2021? No. Do I think 2021 could be the year for more new entries to the Top 100 and competition between the rankings? Absolutely.

■ *Simon Day is services director at Comms-care*

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THE TOP 100

Which channel firms have made it onto this year's top 100 list? The countdown starts here...

PROFILES EXPLAINED

100 Xxxxxx

Revenue: £XX.Xm (+XX%)

Net profit: X.X% Staff: XXX

Net profit expressed as a percentage of revenues

Year-on-year growth

Average monthly staff numbers during the year

100 eBECS

Revenue: £41.8m (+20%)

Net profit: -12% Staff: 356

This Microsoft ERP and CRM specialist fell to a £5m net loss in its year to 31 March 2019 as challenges relating to its Saudi Arabian business blotted its copy book. Revenues hiked by a fifth, however, with the UK generating £32.3m of its £41.8m top line. A fully owned subsidiary of IT services giant DXC Technology, Chesterfield-based eBECS claims its focus on ERP, CRM, data analytics and cloud maps directly onto Microsoft's technology strategy.

99 Solutionize Global

Revenue: £41.9m (+536%)

Net profit: 8.4% Staff: 16

The fastest-growing business in this entire report, Dell Gold partner Solutionize claims that it will imminently smash the £100m revenue barrier after swelling its top line by more than six-fold to £41.9m in its year to 31 March 2020. Net profit vaulted from £400,000 to £3.5m. The Wakefield-based outfit hopes a graduate academy it launched this October will become its primary source of recruitment by 2022.

98 Tangible Benefit

Revenue: £42.1m (+47%)

Net profit: 5.9% Staff: 58

Romping into our top 100 on the back of two years of swift growth, this London-based reseller expressed confidence it will match the 27 and 47 per cent revenue hikes it posted in its fiscal 2019 and 2020 in its current year. It banked a £2.5m net profit in its year to 31 March 2020. An HP and Lenovo partner, Tangible Benefit in August handed a dedicated mug to all staff as it welcomed them back into a revamped, socially distanced HQ.

97 Saville Group

Revenue: £43.6m (+25%)
Net profit: 2.3% Staff: 241

This York-based audio-visual integrator is currently working on a "groundbreaking" £5.5m project to enable physically distanced juries to take part remotely in High Court trials from ODEON cinemas in Edinburgh and Glasgow. A lack of fresh accounts means we have ranked Saville based on old calendar 2018 accounts, when it posted a £1.03m net profit on revenues of £43.6m. Following a rebrand last year, Saville has two units, 'Visavi' and 'Sparq', covering AV integration and live events, respectively.

96 TET

Revenue: £43.7m (-4%)
Net profit: 1.1% Staff: 47

The homepage of this London-based reseller heralds its recent inclusion in a £500m, two-year IT framework for the NHS and other public sector organisations. The HPE, Microsoft, Citrix and Veeam partner, which has a small business in the US, hasn't filed any fresh numbers on Companies House since last year's *Top VARs*. Dusty old accounts for its year to 31 December 2018 show a net profit of £835,000 on revenues that fell four per cent to £43.7m.

95 Timico

Revenue: £44m (-13%)
Net profit: -8.9% Staff: 291

The homepage of this midmarket MSP – which counts Burger King and Cancer Research among its customers – greets visitors with news of its inclusion in G-Cloud 12, on which it offers 20 cloud and security solutions. The Horizon Capital-backed Mitel, BT Wholesale, Microsoft and Cisco partner hasn't reported any new numbers since we published *Top VARs 2019*, meaning we have had to fall back on the £44m revenue figure it logged in calendar 2018.

94 CSI

Revenue: £44.8m (+4%)
Net profit: 4.7% Staff: 198

This London-based IBM Platinum partner this October appointed industry veteran Simon Frisk as group chief executive to "spearhead continued growth". The acquisitive cloud and managed services provider – which has in recent years gobbled up Niu Solutions, APSU and Tectrade – had yet to file its 2019 numbers as we went to press. Its calendar 2018 accounts, which do little justice to its enlarged scale, show a £2.1m net profit on revenues of £44.8m.

93 Probrand

Revenue: £44.9m (+6%)
Net profit: 0.1% Staff: 123

This Birmingham-based reseller was this year among the Microsoft partners involved in a Department for Education scheme to equip schools with online learning platforms including Teams. It hadn't filed its 2019 accounts as *Top VARs* went to press, meaning we've had to recycle calendar 2018 numbers showing a £26,000 net profit on revenues of £44.9m. Probrand counts Dell, HP, NetApp, SonicWall and Microsoft among its vendor chums.

92 Millgate

Revenue: £45m (-16%)
Net profit: 1.7% Staff: 111

Despite suffering a 16 per cent revenue slump in its year to 31 July 2019, this Sheffield-based reseller claims it enjoyed a "good result" in a "challenging year" as net profits came in roughly flat at £767,000. Providing an "end-to-end" HPE and VMware solution for vaping brand Blend & Bottle is among the case studies adorning the website of Millgate, which has 7,500 customers and counts HPE, Lenovo, Microsoft, Cisco, HP and Dell as its key vendors.

91 Version 1

Revenue: £45.8m (+8%)
Net profit: 8.6% Staff: 333

This ambitious Oracle, Microsoft and AWS partner claims it is now a €140m-revenue business following its acquisition this May of fellow Dublin-based peer Singlepoint. Its UK arm – which is built on a series of acquisitions made since 2013 – pocketed net profits of £3.9m on revenues of £45.8m in calendar 2019. The Volpi Capital-backed outfit claims to be a leader in ERP, enterprise cloud, digital services and software asset management.

90 Blue Chip Customer Engineering

Revenue: £45.9m (+3%)
Net profit: 7.8% Staff: 216

Restructuring carried out a year earlier helped this Bedford-based IBM maintenance specialist add over £700,000 to its bottom line on roughly flat revenues in its year to 30 September 2019. Founded in 1987 by its current managing director Brian Meredith, Blue Chip is an IBM Platinum Business partner with a focus on Power and Z Series infrastructure. It claims to manage 10 per cent of the UK's banking traffic.

89 Bytes Security Partnerships

Revenue: £46.2m (+23%)
Net profit: 6.2% Staff: 64

This Bytes-owned Check Point partner breaks into the top 100 for the first time on the back of 23 per cent revenue growth in its year to 29 February 2020, which it chalked up to "strong demand for security software in the corporate sector". It also added nearly £1m to its bottom line. Its appearance in *Top VARs* may prove to be a one-off, however, as it was earlier this year merged into its parent. Its services are now pitched to the combined group's clients.

88 Arrow Business Communications

Revenue: £46.5m (+23%)
Net profit: -6.2% Staff: 224

Having made eight acquisitions under its previous PE backer, Arrow pledged in January 2020 to maintain its status as a "leading buy and build platform in ICT and energy services" as it bagged a £50m war chest from new ally MML. The Godalming-based Vodafone and Mitel partner saw revenues pogo 23 per cent to £46.5m in calendar 2019, with almost a third of the total generated by mobile. It has swallowed two businesses in 2020, namely security specialist Altinet and MSP Click Networks.

Vendor agenda

From volume tech suppliers such as Softcat, CDW and Insight that top the rankings, to the niche software consultancies, audio-visual providers, managed print dealers, cloud, datacentre and cybersecurity specialists below them, the 100 firms in this report have one thing in common.

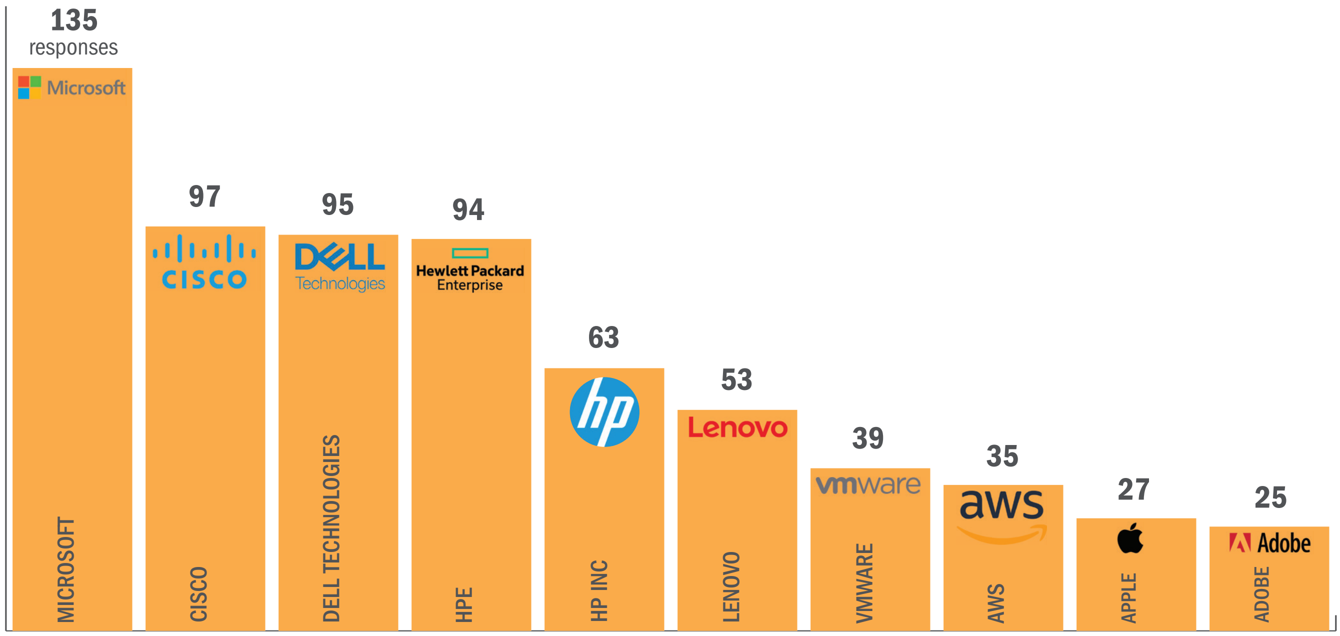
Despite their differences, every single Top VAR – admittedly to a greater or lesser extent – acts as a channel partner for one or more hardware, software or cloud vendor.

A few, including HP and HPE partner DTP and Solidworks reseller Solid Solutions, dedicate themselves to just one or two vendors. Most, however, focus on a handful of preferred manufacturers or stock hundreds or even thousands of brands.

But which vendors have the broadest footprint among UK resellers?

This graph shows the vendors with the most responses in last year's *CRN Vendor Report*, where reseller and MSP respondents were asked to rate up to five vendors with which they did the most business.

Unsurprisingly, Microsoft has a dominant stranglehold, followed by Cisco, Dell and HPE. In a sign of its expanding channel presence, AWS ranked eighth, with cloud rival Google just outside the top 10.



87 SecureData

Revenue: £47.3m (+8%)

Net profit: 0.9% Staff: 205

Having been acquired by French giant Orange and renamed 'Orange Cyberdefense UK', the SecureData brand no longer really exists. But a lack of consolidated accounts for SecureData and Securelink – which Orange also acquired in 2019 – prompted us to break out the Maidstone-based Check Point and Forcepoint partner's numbers one final time. It turned over £47.3m in its year to 31 July 2019, compared with SecureLink's £27.5m 2019 revenue haul.

86 DTP

Revenue: £47.8m (+2%)

Net profit: 1.1% Staff: 101

Starting life in 1987 as one of HP's first UK print partners, this Leeds-based outfit today continues to focus exclusively on HP and HPE. DTP saw revenues inch up two per cent in its year to 30 June 2019, while net profits widened from £415,000 to £530,000. It claims to be among the UK's 10 largest higher-education suppliers and in July bagged a berth on three lots of Crescent Purchasing Consortium's IT framework for schools and colleges.

85 Elite Group

Revenue: £50.1m (-6%)

Net profit: 0.4% Staff: 186

This Lancashire-based Mitel partner's 2019 numbers were hit by customer churn stemming from efforts to switch focus from legacy to growth products, as well as the loss of a large, low-margin client, Liberty Global. It also swallowed a £1.13m loss relating to the investments it holds in quoted stocks, including competitor Maintel. Consequently, net profits for its year to 31 July 2019 fell from £1.9m to £190,000, while revenues dipped six per cent to £50.2m.

84 ANS

Revenue: £50.4m (-5%)

Net profit: 12.3% Staff: 269

ANS was poised to complete its transformation from a hardware business to a digital and cloud consultancy when lockdown hit this March, chief executive Paul Shannon confided during a keynote for *CRN*'s recent Future of MSPs event. The Manchester-based AWS and Azure partner saw revenues dip five per cent to £50.4m in its year to 31 March 2019, although services revenues swelled from £35.3m to £38.3m. Net profits of £7.1m make it one of this report's most profitable firms, relatively speaking.

Top VARs changing hands

Although COVID has to some extent put the kibosh on M&A this year, seven Top VARs have still changed hands since last year's report.

Brushing aside the pandemic, £80m-revenue audio-visual integrator AVMI is the largest of our hot 100 to sell up this year, completing its takeover by Dutch rival Kinly – via videoconferencing – this month.

Several deals took place either just before lockdown – or as it happened – with managed print outfit Altodigital snapped up by Xerox in March and Focus Group and Solid Solutions selling minority stakes to private equity houses Bowmark Capital and LDC in February and March, respectively.

Unsurprisingly, deal volumes picked up after the first lockdown eased, paving the way for £70m-revenue education reseller Academia (*whose owner and managing director Mike Bacon is pictured below*) to conclude its majority takeover by Annodata founder Andrew Harman in October.

November saw another sizeable Top VAR change hands, as Devonshire software licensing specialist Grey Matter's parent company CDF Group was bought by US outfit Wayside Technology Group for $17.4m.

Despite being concluded way back in December 2019, Stormfront's acquisition by fellow Apple Premium Reseller Compu b also technically counts towards the total.

83 Printerland

Revenue: £51m (+13%)
Pre-tax profit: 8.5% Staff: 45

Billing itself as the UK's largest printer, cartridge and toner reseller, this Cheshire-based outfit shattered the £50m revenue barrier in its year to 31 March 2020 on the back of 13 per cent growth. Printerland boss James Kight told *CRN* in May that the Xerox, Lexmark, HP and Epson partner was selling more printers post lockdown, but at lower ASPs, thanks to the homeworking boom. It claims to offer over 12,000 products.

82 Technoworld

Revenue: £51.1m (+57%)
Net profit: 4.4% Staff: 14

This London-based e-tailer storms into the top 100 on the back of 57 per cent growth in its year to 30 September 2019. The HP Gold partner claims to have shifted over one million laptops and devices to consumer and corporate customers since it started as a small shop in 1995. It credited an updated website – along with the success of its model of buying stocks in bulk – for its improved 2019 accounts, which showed net profits widening from £1.3m to £2.3m.

81 PCM

Revenue: £51.2m (+44%)
Net profit: -7.5% Staff: 160

PCM made a big din when it entered the UK in 2017, and accounts for its year to 31 December 2019 confirm the US-based reseller had grown swiftly to become a £50m-revenue outfit on this side of the pond. But PCM's acquisition by larger rival Insight in August 2019 means its stint in *Top VARs* will be short-lived. On 1 January 2020, the assets of PCM Technology Solutions UK were transferred to Insight's UK operation.

80 Trams

Revenue: £51.6m (+9%)
Net profit: 2.2% Staff: 47

Celebrating 30 years in business this August, this Apple reseller saw both revenues and net profits tick up a solid nine per cent in calendar 2019. Counting enterprise device management, storage workflows and media asset management among its fortes, London-based Trams' customer case studies include M&C Saatchi, Guardian News & Media and BBC Sport. It also partners with HPE, Lenovo, Quantum, Dell and Jamf.

79 Node4

Revenue: £51.8m (+14%)
Net profit: 12.7% Staff: 266

This Derby-based hosting supremo snagged a landmark 230-site SD-WAN contract with Stagecoach and packed on nearly £10m of new annual recurring revenue in its fiscal year to 31 March 2020. Revenue consequently bounced 14 per cent to £51.8m, with net profits bulking up from £5.8m to £6.6m. Node4 claims its datacentres in Derby, Leeds and Northampton have a total cloud and co-location capacity of around 1,500 racks.

78 Proact UK

Revenue: £53.1m (+6%)
Net profit: 6.3% Staff: 231

In an eventful October, the UK arm of this pan-European storage integrator acquired £13m-revenue peer Cetus Solutions and bagged a multimillion-pound Cisco deal with NHS Blood and Transport. Group accounts also released in October by its Swedish parent show Proact UK turned over SEK440m (£38.7m) in the nine months to 30 September 2020. The last formal UK accounts filed on Companies House – which we have used at the top of this profile – cover calendar 2018.

77 Roc Technologies

Revenue: £53.4m (+32%)
Net profit: -11.5% Staff: 89

This Newbury-based IT solutions and services outfit claims it is a £70m-revenue outfit following its acquisition of similar-sized Esteem in 2018. Roc's top line rose by nearly a third to £53.4m in its year to 31 March 2019. In June, BGF-backed Roc welcomed a new chairman, Simon Derry, as part of a management refresh. He has "proven capabilities in the areas in which Roc plays", including business transformation and change management, CEO Matt Franklin told us.

76 Solid Solutions

Revenue: £53.8m (+4%)
Net profit: 13.7% Staff: 220

Appropriately for a firm that counts Stannah Stairlifts among its 15,000 customers, this CAD reseller continues its smooth ascent up *Top VARs* after growing revenues four per cent in calendar 2019. Billing itself as SOLIDWORKS' largest UK reseller, Solid Solutions pledged to crack on with its acquisitive and organic growth after taking on minority investment from LDC in February.

75 Logicalis

Revenue: £55.2m (-40%)
Net profit: -22.7% Staff: 197

The UK arm of this Datatec-owned integrator has seen losses spiral – and revenues nosedive by almost three-quarters – since losing a key Welsh public sector deal to BT in 2014. However, UK MD Alex Louth told *CRN* in October that he felt the Cisco Gold partner was "set up for success" following a period of rightsizing and a refocus on five key vendors. In its year to 29 February 2020, net losses virtually halved to £12.5m even as revenues shrank 40 per cent to £55.2m.

74 Ampito Group

Revenue: £55.8m (+24%)
Net profit: 6.3% Staff: 24

This Crawley-based IT and telecoms reseller saw revenues rise by nearly a quarter in calendar 2019, although net profits dropped by £1m to £3.5m. With offices in as far flung location as Kenya, Australia and Hong Kong, Ampito Group comprises 15 different brands including networking and security integrator Vanix, whose key vendors include Extreme Networks, Cisco, Aryaka Networks and Ruckus Wireless. It claims to support 1,000 customers.

73 Stormfront

Revenue: £57.2m (-0.3%)
Net profit: 0.3% Staff: 306

As a high-street retailer, this Apple Premium Reseller has suffered a bumpy 2020, with lockdown 2.0 forcing it to temporarily close its English stores for a second time on 4 November. A High

Is slow growth/no growth the new norm?

Does *Top VARs 2020* give a rose-tinted view of the market?

The simple answer is, almost certainly, because most of the financial years our data reflects finished before the pandemic even began.

Our Top 100 grew 8.5 per cent in their latest financial years on record (as of 20 November).

But quarterly and interim results statements issued by publicly listed solution providers during the pandemic paint a more mixed picture, with some clearly struggling for growth (hardly a surprise given Gartner's prediction that IT spending will fall 5.5 per cent in 2020).

However much resellers and MSPs have profited from booming demand for remote working technologies, many are simultaneously having to battle a spending collapse in COVID-hit verticals and a general slowdown in long-term strategic projects.

Having grown 18 per cent in its first half, Softcat saw a more muted 6.5 per cent uptick in its second half of 2020 ending 31 July 2020, with growth in the final quarter only "slightly ahead" year on year.

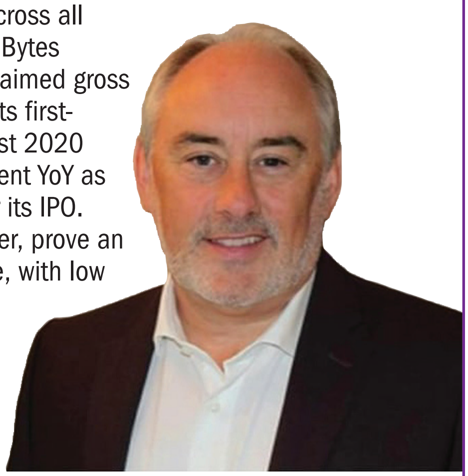
"The slowdown seen during the final quarter gives a good indication of the general net downturn in customer demand seen in response to the uncertainty created," Softcat said in October, adding, however, in a further trading update in November that it continued to see revenue growth in its Q1 2021 ending 31 October.

AIM-listed unified comms specialist Adept hasn't been so fortunate, revealing that its first-half revenues tanked seven per cent YoY in 2020 ending 30 September.

Chairman Ian Fishwick (*pictured*) blamed the "inability to conduct project work onsite", adding that the results were "adversely impacted by some customers downsizing the services they take from Adept and the delay of projects as customers pause and evaluate the impact of the pandemic on their businesses".

US heavyweights CDW and Insight have also seen growth shudder to a halt this year, with the former revealing its UK business saw sales decline "high single digits" in calendar Q3 as government support programmes started to wind down and the latter suffering a four per cent dip in Q3 EMEA sales.

On a more positive note, Computacenter said in a Q3 trading update last month that it is "highly pleased with its performance... across all geographies", while Bytes Technology Group claimed gross invoiced income in its first-half ended 31 August 2020 rocketed 36.5 per cent YoY as it made the case for its IPO.



Bytes may, however, prove an exception to the rule, with low growth – or even no growth – seemingly set to be the norm for resellers during this tough period.

Post-pandemic performance

Softcat	CDW	Insight	AdEPT
'Slightly ahead' in Q4 to 31 July 2020	UK sales down 'high single digits' in calendar Q3	EMEA sales down four per cent in calendar Q3	Revenues down 7 per cent in first-half to 30 September

Top VARs' rising bar

The revenue threshold for Top VARs has grown every year since its inception in 2011, when a top line of £12.5m was enough to make our hot 100.

Nine years later, market growth and improved market intelligence have combined to push the cut-off point to £42m.

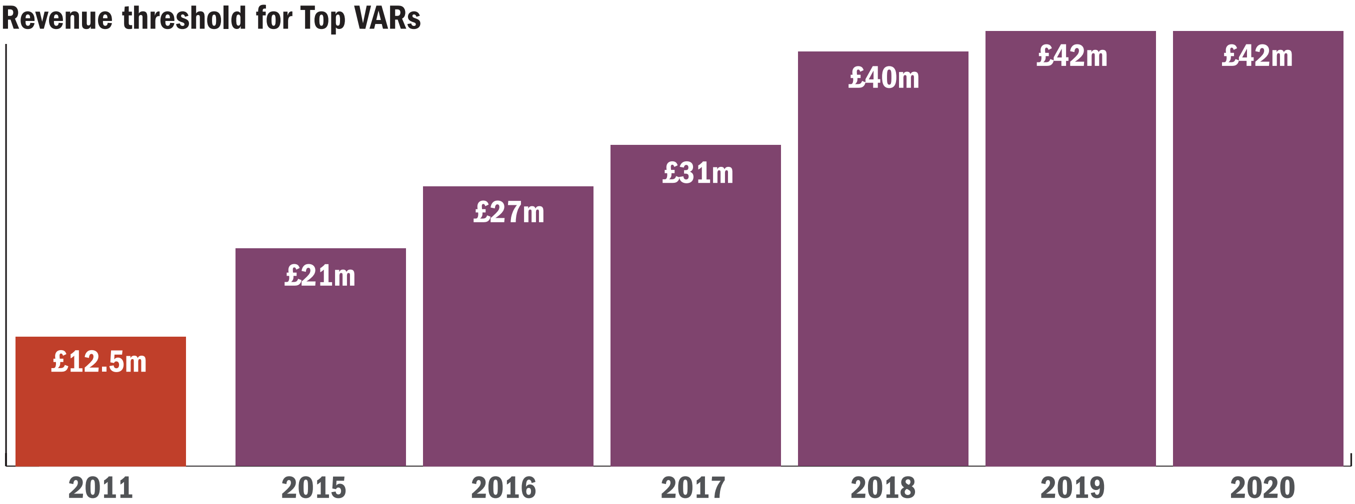
More eligible firms pop up on our radar each year, and we now track over 350 UK resellers, MSPs and other breeds of frontline channel partners who report data on Companies House.

This year, however, the top 100 threshold has risen only fractionally, from £41.6m to £41.8m, with only three firms we have not previously profiled entering the fray (namely Ricoh IT Services, Solutionize – whose CEO David Bentley is pictured – and Southern Communications).

We have also refined the line-up, opting against profiling several ISV or services-focused firms that made the grade last year. BT is another notable casualty from 2019. It merged its reseller activities into its wider business a couple of years back, meaning we no longer have any visibility into how large a player it really is.

Several other firms are making their Top VARs debut this year on the back of lightning growth, including London-based resellers Tangible Benefit and Technoworld.

Revenue threshold for Top VARs



Court judge in October approved a survival scheme for Irish parent Compu b, which acquired Stormfront in December 2019, according to the Irish Times. A lack of fresh accounts means we have recycled Stormfront's calendar 2018 numbers for this profile.

72 Grey Matter

Revenue: £57.8m (+11%)
Net profit: 2% Staff: 123

Having scraped into *Top VARs* by one place last year, this Devon-based software licensing specialist surges up our hot 100 on the back of two years of double-digit growth, with revenues clambering 11 per cent to £57.8m in its latest year ending 30 June 2020. In September, the Microsoft, Oracle, Adobe, Flexera and Sophos partner became one of only three UK partners to bag 'Azure Specialist for ISV' status. In November 2020, Grey Matter parent, CDF Group, was acquired by US outfit Wayside Technology.

71 NSC Global

Revenue: £59.9m (-17%)
Net profit: 3.1% Staff: 207

Boasting global revenues of £215m, this London-based Cisco Gold partner develops comms infrastructure for a targeted set of global technology, media and telecoms customers. Its UK arm saw net profits in its year to 31 October 2019 slide from £2.2m to £1.8m on revenues of £59.9m as efforts to on-board new customers hit its performance. A 5G rollout of Nokia and Ericsson technology for a UK digital comms firm is among the case studies featured on its website.

70 IGX Global UK

Revenue: £60m (+23%)
Net profit: 1.3% Staff: 24

A wholly owned subsidiary of $1.5bn-revenue US tech solutions provider ePlus, this London-based Cisco Gold partner saw revenue hike by nearly a quarter to £60m in its year to 31 March 2019. Net profits beefed up from £182,000 to £763,000. NASDAQ-listed ePlus saw sales pogo 15 per cent in its fiscal year to 31 March 2020, but its top line has slowed during the pandemic, with Q1 2021 revenues tumbling seven per cent YoY.

69 Annodata

Revenue: £61.4m (+11%)
Net profit: -0.8% Staff: 270

Despite it registering a £505,000 net loss in its fiscal 2019, the directors of this managed print specialist said they were "satisfied" with its results in "what continues to be a transitional period" following its acquisition by Kyocera in 2016. Lockdown 2.0 has seen Annodata temporarily close its Hemel Hempstead headquarters, but its Reading service desk and Dunstable warehouse and distribution centre remain open, it stressed in a customer update in November.

Quotes of the year

"We were really keen not to come up with some nondescript Latin or Greek name that nobody can identify around. I understand why people do it, but it's very hard to build any brand understanding, affinity or knowledge around an unknown Latin word."

Content + Cloud CEO Peter Sweetbaum said the 58th-ranked Top VAR wanted a name that "does what it says on the box" as he talked through its rebrand from IT Lab in September

"I'm not taking the money and sailing off into the sunset; it's the opposite - I have a boss for the first time in 17 years and am relishing it."

Academia CEO Mike Bacon told CRN he's not going anywhere following the 60th-ranked Top VAR's majority takeover in October

"You can't win new logos while working from home... Health is key and a number-one priority but I think we should not forget the business."

Rudolf Hotter, CEO of 67th-ranked Top VAR Cancom, did not mince his words on remote working during the Canalys Channels Forum in October

"We've improved the bottom line whilst dealing with a significant number of issues impacting the business."

Logicalis UK boss Alex Louth on the 75th-ranked Top VAR's 40 per cent annual revenue drop in its fiscal 2020

"We've got all the way up to 80 per cent of turnover, GP and EBITDA being made up of digital and not much of old world left - only 20 per cent to go. We were high-fiving strangers in the street."

During a CRN virtual event in July, ANS CEO Paul Shannon said the 84th-ranked Top VAR was feeling like it had "swum the channel" going into its 2020 – before COVID hit.

68 Adept Technology Group

Revenue: £61.7m (+20%)
Net profit: 1.6% Staff: 312

The pandemic will "accelerate the fundamental need for firms to invest in ICT", Adept Technology chairman Ian Fishwick said at its AGM in September, adding that the unified comms specialist is "weathering the COVID storm". Aided by its 2019 acquisition of schools supplier ACS, the AIM-listed Microsoft and Avaya partner saw revenue vault by a fifth in its year to 31 March 2020, with 81 per cent of its £61.7m haul drawn from managed services. Net profits halved to £985,000.

67 Cancom UK

Revenue: £63.4m (-2%)
Net profit: -0.3% Staff: N/A

This Germany-based reseller giant defied "the most severe recession in post-war history" by posting an 8.2 per cent jump in total revenues to €826m in its 1H 2020. Its UK operation – which is built on recent acquisitions OCSL, Novosco and Ocean Communication – is significantly larger than the headline numbers (drawn as they are from pro-rated 2018 accounts) in this profile suggest. Cancom UK bagged Azure Expert MSP status in August and also works with HPE, HPE Aruba and Cisco.

66 European Electronique

Revenue: £63.6m (+25%)
Net profit: 1% Staff: 132

A glut of higher-education deals helped this HPE Aruba partner swell revenues by a quarter and double net profits to £601,000 in its year to 31 March 2020. Rolling out a wireless infrastructure for University College London was among its juicier wins. The Oxfordshire-based outfit listed building a network operations centre and bagging Fortinet MSSP status among its annual highlights. It now plans to establish a secure operations centre.

65 Crayon

Revenue: £65m
Net profit: N/A Staff: 65

This Nordic software licensing giant's market value sped past $1bn in September – a "holy grail" achievement in the words of co-CEO Torgrim Takle. Based on 2013 acquisition FAST, Crayon's UK arm does not report its numbers on Companies House, but market sources suggest its revenues are sitting roughly flat on last year's £65m estimate. The 'Europe' business unit of which the UK is a part generated £248m of the Microsoft, Adobe and Symantec partner's £1.13bn total 2019 revenues.

64 Commercial

Revenue: £65.5m (+5%)
Net profit: 1% Staff: 343

This Cheltenham-based office supplies specialist has revamped its homepage for the COVID era, showcasing virus protection, virus mitigation, social distancing and PPE solutions designed to enable a safe working environment. A lack of new accounts means we have had to recycle numbers for its year to 31 January 2019, when it saw revenues rise five per cent to £65.5m. Its managed print and managed IT arms generated £5.9m and £10.5m of the total, respectively.

63 PC Specialist

Revenue: £66.3m (+20%)
Net profit: 1.3% Staff: 112

Perhaps best known for building performance custom PCs and laptops, this Intel Platinum Technology Provider also targets education customers via its inclusion in Crescent Purchasing Consortium's framework. The Wakefield-based firm, which also counts NVIDIA and Microsoft among its allies, enjoyed a barnstorming year to 31 August 2019, as net profits more than doubled to £862,000 on revenues that rocketed a fifth to £66.3m.

62 Bechtle

Revenue: £68.5m (+9%)
Net profit: 3.6% Staff: 83

The UK arm of Europe's second largest reseller continues to grow nicely, banking a tidy £2.5m net profit on revenues that swelled nine per cent to £68.5m in calendar 2019. That still doesn't match the 24 per cent growth generated by the wider group, which turned over €5.4bn last year and recently made its 100th acquisition. Germany-based Bechtle's growth has slowed in 2020, but it still defied COVID by achieving a four per cent annual sales uplift in Q2.

61 Focus Group

Revenue: £69.9m (+18%)
Net profit: 10.3% Staff: 299

This West Sussex-based comms provider snagged a £150m acquisition kitty from new backer Bowmark Capital this March following a year of robust

Overseas adventurers

The international takeover of Top VARs continues, with no fewer than 30 firms in our hot 100 now either headquartered abroad or owned by an international company.

Some 12 call the US home, with Japan, South Africa, Ireland and Germany hosting five, four, three and two Top VARs, respectively. The remainder have their HQs dotted about in France, Sweden, Norway and Switzerland.

As recently as 2017, just 19 Top VARs were internationally owned, with just seven hailing from the US. Recent news that another big US reseller, Presidio, has entered the UK market only adds to the increasingly international feel of the UK channel.

Origin of top 100's ultimate parent

growth. Aided by a trio of acquisitions, Focus banked a £7.2m net profit on revenues that swelled 18 per cent to £69.9m in its year to 30 November 2019. In business since 2004, it claims to deliver hosted voice, cloud applications, mobile, connectivity and IT services to more than 15,000 businesses.

60 Academia

Revenue: £70m (+3%)
Net profit: 1.2% Staff: 114

Having sold a majority stake to former Annodata boss Andrew Harman in September, this education-focused Apple reseller has pledged to make multiple acquisitions to thrust its revenues beyond £100m. Academia CEO Mike Bacon and chief commercial officer Mark McCormack retain the remaining 25 per cent slice, and have stayed on in their roles. Recently filed accounts for calendar 2019 show a net profit of £648,000 on revenues of £70m.

59 Southern Communications

Revenue: £70.2m (+62%)
Net profit: -18.9% Staff: 338

This acquisitive business voice and data provider saw revenues boom 62 per cent in its year to 31 March 2019. One of only eight O2 Service Providers in the UK, the Basingstoke-based outfit made four acquisitions during the year, three of which came after securing a fresh M&A war chest from Santander and Ares Management in August 2018. Billing itself as a tier-2 ISP, it counts Avaya, SpliceCom, Panasonic and NEC among its other vendor muckers.

Profit perusal

Top VARs may be ranked by revenue, but which resellers brought home the bacon when it came to profits in their most recent financial years?

Proving that a global pandemic need not be a burden to the bottom line, Softcat – whose fiscal year end is more recent than almost any other Top VAR at 31 July 2020 – saw net profits rise from £68.5m to £75.7m year on year.

This means the second-ranked Top VAR is this report's most profitable at an absolute net profit level, edging out Computacenter.

Looking at the 92 firms eligible for this analysis*, adjusted** mean net profit margins fell from 2.93 to 2.05 per cent year on year, with average median net profit margins rising from 1.85 to 1.95 per cent.

Some 46 of the 92 saw their net profit margins improve, while 46 endured margin shrinkage.

Taking these figures together, there is no clear positive or negative trend this year, which may come as a welcome relief given the macro-economic uncertainty that provided the backdrop for many of these companies' latest financial years.

Relatively speaking, Microsoft partner Avanade is the most profitable firm in this report (going by net profits). Its UK arm boasts net profit margin of 15.5 per cent. Alongside Solid Solutions, Node4, ANS and Focus Group, it is one of five firms with a double-digit net profit margin.

Top ten absolute net profits

Softcat	£75.7m
Computacenter	£49.7m
CDW	£46.9m
Avanade	£33.1m
RM	£19.1m
Bytes Software Services	£18.2m
Telent Technology Services	£18m
SCC	£13.8m
NCC Group	£11.7m
Insight	£11.4m

Margin distribution

(of the 92 firms that reported net profits)

Net loss	21
0 to 1%	12
1 to 2%	15
2 to 3%	13
3 to 5%	14
5 to 10%	12
10%+	5

**Seven firms that posted the highest net losses in each year excluded. We have opted to track net profit (rather than EBITDA or other more underlying measures), due to it a) representing the ultimate bottom line and b) it being a measure all firms report*

***Eight firms were excluded from this analysis due to lack of data: Capita, WWT, SHI, SoftwareONE, Kcom Enterprise, Daisy Corporate Services, Ricoh and Crayon*

58 Altodigital

Revenue: £71.2m (-0.03%)
Net profit: -0.9% Staff: 449

Having previously scotched rumours it was looking to sell up, Altodigital finally succumbed to print market consolidation in March, as it was gobbled by Xerox. The Ricoh, Sharp, Kyocera and Canon partner turned over £71.2m in its fiscal 2018 (2019 accounts were overdue as we went to press). If Xerox felt left out watching HP buy Apogee and Kyocera grab Annodata, it has more than made up for it this year by purchasing not only Altodigital but also ITEC and Arena.

57 Content+Cloud

Revenue: £71.8m (+39%)
Net profit: -19.6% Staff: 653

"We wanted a name that does what it says on the box", the CEO of this acquisitive London-based MSP, Peter Sweetbaum, told *CRN* in September as it rebranded from IT Lab. The Microsoft cloud specialist saw revenue bulge 39 per cent to £71.8m in its year to 31 March 2020. During the year, it acquired IT support outfit Mirus and Azure specialist Sol-Tec for a combined £24.8m. Although £26m of acquisition costs and non-cash items pushed it to a £19.6m net loss, pro-former EBITDA topped £10m.

56 Natilik

Revenue: £72.6m (+38%)
Net profit: 3.4% Staff: 212

Appropriately for a firm named after a polar exploration team, this Cisco Gold partner continues its relentless hike up *Top VARs* after logging a 38 per cent revenue jump in its year to 31 March 2020, according to draft numbers it shared with us. Net profits were roughly flat at £2.5m. The London-based outfit, whose clients include Dyson and the London Stock Exchange, bagged over 50 new clients during the year and claims efforts to develop its own intellectual property are bearing fruit.

55 Itelligence

Revenue: £73.4m (+12%)
Net profit: 8.6% Staff: 267

The UK arm of this Germany-based SAP partner opened a new 6,744 sq ft Coventry sales and services centre in January 2020 to help fuel its expansion plans. Itelligence UK hasn't filed any numbers on Companies House since calendar 2018, when revenues hit £73.4m. Part of NTT Data, the wider Itelligence business saw first-half 2020 revenues rise eight per cent YoY to €536m, but admitted it had been "hit hard" by the pandemic in Q2 amid slower spending among manufacturing customers.

54 Zones

Revenue: £76m (+20%)
Net profit: 1.2% Staff: 67

Brexit was top of mind for this US reseller's UK subsidiary as it unveiled a 20 per cent calendar 2019 revenue leap. Drawing £37.6m of its £76m top line from the European Union, Zones (EMEA) Ltd is currently weighing up whether to incorporate separate entities in the Netherlands and Germany – to add to an Irish outpost opened this October – as it looks to sidestep future trade barriers. Globally, Washington State-based Zones is a $2.4bn-revenue IT solution provider.

53 Ensono

Revenue: £76.4m (+21%)
Net profit: -4.8% Staff: 343

The UK arm of this US managed services provider endured a mixed calendar 2019 as it swung to a £3.7m net loss on revenues that rose by over a fifth. Although its organic public cloud and mainframe revenues rose by £4.5m and £1.4m, respectively, the AWS, Azure and IBM partner admitted it is "actively working to improve the cost profile" of a lower-margin mainframe unit it acquired from Wipro.

52 Total Computers

Revenue: £76.9m (+9%)
Net profit: 1.4% Staff: 134

The shift from on-premise to cloud is creating opportunities for technically able resellers, this Kettering-based HP, HPE, Lenovo, Microsoft, Dell and Cisco partner said in its recently filed calendar 2019 accounts. A nine per cent revenue uplift during the year was more than matched at the bottom line, with net profits hiking from £1m to £1.2m. Total was recently confirmed as a top-level 'Power Services' partner in HP's new Amplify partner programme.

51 K3 Business Technology

Revenue: £78.4m (-6%)
Net profit: -19.7% Staff: 690

K3 is now "wholly focused on profitable operations" after placing its loss-making UK Dynamics subsidiary into administration in April, the AIM-listed firm stressed in its interim 2020 results. Its fiscal year ending 30 November 2019 was a year to forget, however, as "weak trading conditions" pushed the retail-focused Sage and Microsoft partner to a £15.4m net loss. Increasing sales of its own intellectual property is now a "major focus".

50 ProAV

Revenue: £79m (+10%)
Net profit: 3.3% Staff: 362

Rising global demand from enterprise clients was highlighted as a key growth driver by this Egham-based audiovisual integrator as it logged a 10 per cent revenue hike in its year to 31 March 2020. Now the UK's largest independent AV specialist following rival AVMI's sale to Dutch Kinly, the Crestron partner said in its business review that it is intent on pursuing organic growth focused on enterprise, public sector and high-end residential clients.

49 Xeretec

Revenue: £79.2m (+9%)
Net profit: 4.1% Staff: 261

Although this London-based reseller sits slap bang in the middle of a managed print sector battered by COVID, its year to 31 August 2019 was a strong one. Revenues surged by nine per cent to £79.2m as net profits widened from £2.8m to £3.2m. In what seems like a timely move, the HP, Xerox and Microsoft partner – which bills itself as the UK's largest independent managed print provider – has recently restyled itself as 'The Remote Working Company'.

48 AVMI

Revenue: £81.2m (+27%)
Net profit: 4.7% Staff: 414

The UK's largest audiovisual integrator was snapped up in June by Dutch counterpart Kinly in a deal appropriately concluded over the latter's videoconferencing system. Buoyed by its 2018 acquisition of Focus 21 and a rise in international projects, AVMI's revenues powered up by over a quarter in its year to 30 June 2019 as it reversed a net loss of £1.1m the previous year to a £3.8m profit. Chief executive Ed Cook departed at the end of September following 19 years at the helm.

47 Stone

Revenue: £81.7m (+11%)
Net profit: 1.8% Staff: 208

This public sector-focused PC builder and reseller was handed extra M&A "firepower" last December when private equity house Suiter replaced RJD as its backer in an MBO. Stone recently told us its revenue are on course to bulge from £94m to £110m in 2020. The most recent figures filed on Companies House, covering calendar 2018, show a revenue of £81.7m. Stone counts HP, Dynabook, Intel, Lenovo, Cisco Meraki, Blancco and Acer among its vendor pals.

46 OneCom

Revenue: £87.1m (+23%)
Net profit: 7.9% Staff: 372

This LDC-backed mobility specialist this August snapped up Glamorgan Telecom Group in what it promised would be the first of a number of acquisitions following a £100m funding deal last year. Vodafone's Strategic Partner of the Year for 10 years running, Hampshire-based

Top VARs in numbers

£16.96bn

Total revenues of top 100, almost exactly equivalent to the £17bn the UK government has spent on Covid-related goods and services since April

8.5%

Growth of the top 100 year on year

536%

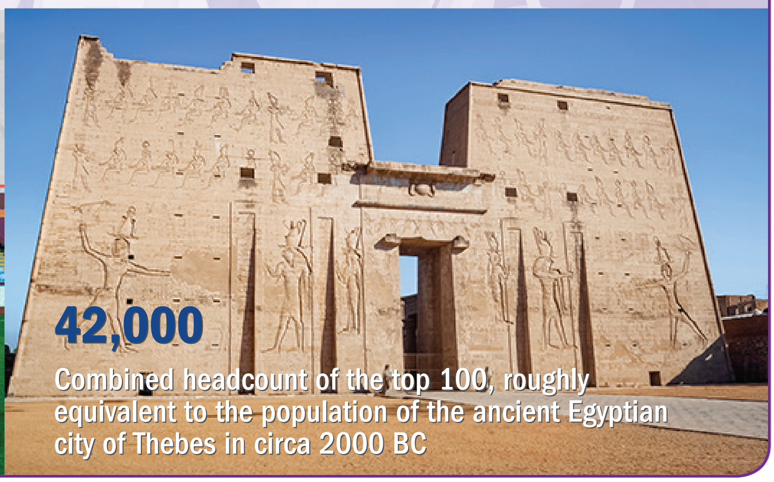
Annual growth of 99th-ranked Solutionize Global

18

Firms have filed no new accounts due to COVID

£297m

Combined net profits of the ten most profitable Top VARs, enough to buy Aston Villa's 20/21 squad (source: Transfermarkt)



42,000

Combined headcount of the top 100, roughly equivalent to the population of the ancient Egyptian city of Thebes in circa 2000 BC

OneCom also counts Mitel, Nokia, Samsung, 8x8 and Apple among its vendor buddies. A lack of fresh accounts means that we have had to recycle its old numbers for calendar 2018, when revenues hit £87.1m.

45 Redcentric

Revenue: £87.5m (-6%)
Net profit: -12.1% Staff: 462

This AIM-listed managed services provider ended a formal sale process in November after talks with suitors including Six Degrees and KCOM owner Macquarie came to nothing. Having seen net losses widen to £10.6m and revenues fall six per cent to £87.5m in its year to 31 March 2020, Redcentric returned to growth in its 1H 2021. In June, it reached a settlement to pay back £11.4m to shareholders following the conclusion of an investigation into an accountancy scandal that dating back to 2016.

44 Sabio

Revenue: £89.2m (+24%)
Net profit: 5.7% Staff: 446

A global pandemic has proved no drag on this Horizon Capital-based contact centre specialist's M&A ambitions, with Bristol-based Genesys partner Anana the most recent of four acquisitions Sabio has made in 2020. The London-based Avaya and Verint partner, which completed a £117m refinancing in January, saw revenues surge by nearly a quarter in its year to 30 September 2019, with net profits rising from £3.2m to £5.1m. Almost half of its top line was generated from outside the UK.

43 Kcom Enterprise

Revenue: £89.7m (+2%)
Net profit: N/A Staff: 95

Better known as an ISP in its native Hull, KCOM also provides contact centre solutions to large enterprises and public sector customers via its Kcom Enterprise division. The fate of this Cisco and AWS partner is a little unclear, however, with a report from the FT in May suggesting that new KCOM owner Macquarie is looking to sell off non-core units. Slightly dusty accounts show Kcom Enterprise turned over £89.7m in its year to 31 March 2019.

42 Centerprise

Revenue: £91.3m (+15%)
Net profit: 1.9% Staff: 183

New customers won via public sector frameworks helped this eclectic Basingstoke-based firm boost revenue by 15 per cent to £91.3m in its year to 31 August 2019, with net profit more than doubling to £1.7m. A Microsoft Gold Devices and Deployment partner, Centerprise's activities span PC assembly, resale, consultancy, managed services, IT recycling and disaster recovery, among other areas. It recently bagged a place on a £260m education framework.

The year in pictures

In November, **Bytes Technology Group** headed by managing director **Neil Murphy** confirmed plans to float on the **LSE** (and Johannesburg Stock Exchange) later this month

Telent said its fiscal 2020 was shaped by the sudden death of its CEO, **Mark Plato**, the previous September. The sixth-ranked Top VAR paid tribute to its 59-year-old former boss, branding him an "**inspirational leader**, friend and mentor".

99th-ranked Top VAR **Tangible Benefit** marked the reopening of its revamped, **COVID-safe office** in August by handing all staff a personalised mug

Top-ranked **Computacenter** announced in April that its top brass **Mike Norris** and **Tony Conophy** were foregoing their base salary for **three months** out of “solidarity” with staff put on furlough

In September, 97th-ranked Top VAR **Saville Group** claimed a UK first as it began providing the technology for **remote jury sessions** in Scotland. The **£5.5m** initiative is in partnership with **ODEON** cinemas

Fifth-ranked Top VAR **WWT’s CEO Jim Kavanaugh** was named among the **top 10 performing CEOs** during the pandemic, based on employee ratings on **Glassdoor**

June saw **Kinly** seal its takeover of 48th-ranked Top VAR **AVMI** over its Kinly Cloud video platform. “I told the team that this is the moment we’re showing we have a beautiful product,” Kinly CEO **Robbert Bakker** told *CRN*

41 GCI

Revenue: £94.1m (+9%)
Net profit: -33% Staff: 487

This Mayfair-backed unified comms giant's true scale is not reflected in its latest accounts, which show revenue hitting £62.7m in the eight months to 31 December 2018 – a nine per cent pro-rated rise. Having gobbled two sizeable Microsoft partners in 2019 – including Telford-based MSP Nasstar for £79.4m in December – London-based GCI is now comfortably a £100m-revenue business. It holds eight Microsoft Gold accreditations, and also counts Enghouse, Cisco and Fortinet as allies.

40 Vohkus

Revenue: £97.1m (+16%)
Net profit: -0.5% Staff: 141

Rolling out an Office 365, Sharepoint and Skype for Business solution for the Parole Board of England and Wales is among the case studies listed on the website of this Southampton-based HP and Vodafone partner. Vohkus saw revenues pogo 16 per cent pro-rata to £105.2m in the 13 months to 30 June 2019, an increase it chalked up to a rise in sales resources and improved output per head. Last May, it acquired fellow Hampshire IT solution provider E-Plenish.

39 NTT Data

Revenue: £102.6m (+25%)
Net profit: -5% Staff: 714

The UK arm of this global SAP, Microsoft and Tibco partner recently drove off with a deal to revamp McLaren's critical IT enterprise solutions. As if in tribute to its new client, NTT Data UK zoomed through the £100m revenue barrier in its fiscal year to 31 March 2020 as growth ticked up to 25 per cent – thanks in part to its integration of RMA Consulting, a firm it acquired back in 2012. It blamed a £5.1m net loss for the year on investments made into the business.

38 Six Degrees

Revenue: £105.8m (+6%)
Net profit: -50.2% Staff: 465

Billing itself as "the UK's leading managed services provider", Charlesbank-backed Six Degrees is built on 17 acquisitions, and claims 59 per cent of its business is based on cloud, managed services, collocation and security. The Avaya, Citrix and Microsoft partner hasn't filed any fresh accounts on Companies House since last year's *Top VARs*. Old figures for its year to 31 March 2019 show a net loss of £53.2m, EBITDA of £25m and revenues of £105.8m.

37 GBM

Revenue: £107.2m (+39%)
Net profit: 0.9% Staff: 62

This Manchester-based Apple partner punches well above its headcount, clawing in £107.2m in revenues in calendar 2019 despite only have 60-odd staff. Net profit doubled to £974,000. It's been two years since education and corporate-focused GBM broke into the consumer space with the launch of its Sync brand. Holding four accreditations with Apple, it also partners with the likes of Jamf, Microsoft, Google, Synology, Adobe, Sophos and Asus.

36 Chess ICT

Revenue: £107.4m (-4%)
Net profit: 2.2% Staff: 529

This acquisitive comms provider kicked off 2020 by installing CFO Mark Lightfoot as its new chief executive. Despite adding £9m to its top line via acquisitions in its year to 31 March 2019, the Cheshire-based firm saw total annual revenues dip four per cent. A £7m drop in mobile revenues was partly to blame. The mission now is to transform from a legacy telecoms provider into a 'connect, cloud, device and security solution provider'.

35 Storm Technologies

Revenue: £108.6m (+17%)
Net profit: 2.5% Staff: 151

Having broken the £100m revenue barrier in 2018, this Watford-based reseller is clearly in expansion mode, opening a 1,200 sqm warehouse and swanky new headquarters in quick succession. The HP, HPE, Dell, Cisco, Microsoft, Lenovo, Citrix and VMware partner hasn't filed any new accounts since calendar 2018, when it banked a £2.7m net profit on revenues of £108.6m. Founded in 2000, Storm claims to be one of the UK's fastest-growing VARs.

34 Compu b

Revenue: £111.7m (-29%)
Net profit: 1% Staff: 148

Having been hit for six by COVID, this Cork-based Apple Premium Reseller was forced into 'examinership' in the summer and had a survival scheme approved by an Irish High Court Judge in October, according to the Irish Times. Old numbers for its 15-month period to 31 March 2019 show a turnover of £111.7m pro-rata, about two thirds of which was generated in the UK. These were filed before it acquired the UK's largest APR Stormfront, which operates 23 UK outlets.

33 Claranet

Revenue: £116.5m (+2%)
Net profit: 4.5% Staff: 523

One of five partners globally to hold top-level status with AWS, Azure and Google, this London-based managed services provider reported a two per cent UK revenue uplift in its year ended 30 June 2019, although net profits sank from £9.2m to £5.3m. Globally, Claranet is a £370m-revenue business with operations in France, Germany, Spain, Portugal and the Netherlands. It recently bolstered its overseas repertoire by acquiring Brazilian peer CredibiliT.

32 Jigsaw24

Revenue: £118.4m (-1%)
Net profit: 2.6% Staff: 249

This Apple reseller stressed that both the quantity and quality of its top line improved in its fiscal year to 31 May 2019 thanks to higher sales of services and creative solutions. Underlying revenues rose by two per cent to £116.5m, £20m of which was recurring, with EBITDA widening from £4.8m to £5.3m. Nottingham-based Jigsaw24, which recently deployed a cloud production solution for BBC series *Springwatch*, counts Microsoft, Jamf, Avid and Cisco Meraki among its other vendor allies.

Q&A: Mark Smyth, Apogee

COO of 24th-ranked Top VAR opens up on the post-COVID demand landscape for managed print providers

Apogee is the UK's largest managed print provider. How badly did lockdown hit managed print volumes, and what's the picture moving into 2021?
Some sectors were up and some were significantly down. [Overall] volumes were about 44 per cent in April and then as we came out of lockdown they got back to around the 70 per cent mark. The target for everyone was getting back to 80 per cent. But as we headed into a second wave of lockdown that slowly headed back down, with hospitality, legal and finance taking the biggest hits.

We're really fortunate to have a very large part of the NHS and healthcare, and those parts of our business remained quite strong. In some cases parts of the NHS were way over their normal month by month print volumes.

What does this mean for the long-term health of the sector?
If you're in sectors that are hit significantly, such as legal and finance, you'll see some recovery, but that will take time. And if the new normal is 80 per cent of pre-COVID levels, or even 70 per cent, that's going to be a challenge for small businesses if they don't have strength and depth in other sectors or technologies to support them.

Is 'the new normal' fuelling any new opportunities for managed print players?
It's meant in some cases we've been able to come up with some new technologies, whether it's in the office or at home, and that's both on hardware and software. And we've tried where we can to offer organisations – regardless of where their workforce is - some synergy and some alternatives that take some of the pain points away from them.

Apogee was a multi-vendor print provider ahead of its acquisition by HP in 2018. Has that changed?
We're still engaged with pretty much all the top vendors, whether it's Ricoh, Xerox, Konica Minolta or Kyocera. It's no secret that of course we lead from an MPS perspective with an HP product. But while we are a wholly owned subsidiary of HP, day to day we operate independently. It's about growth of our business, which in turn delivers shareholder value.

You joined as COO in 2019. What are your priorities in your role?
Our focus for FY2021 is 'optimise', 'grow' and 'new'. That means optimising our existing MSP offering, expanding the services with existing clients, and adding new services.

31 Ultima Business Solutions

Revenue: £122.8m (+11%)
Net profit: 1.1% Staff: 412

Having taken on private equity investment from Apse Capital in 2019, this Reading-based Microsoft and Citrix partner this February launched an ISV arm focused on robotic process automation. Automation is "now intertwined in everything we do", Ultima claimed in its annual accounts showing revenue growing 11 per cent to £122.8m in its year to 31 March 2019. Due diligence costs of £523,000 caused net profits to dip from £1.7m to £1.4m.

30 Maintel

Revenue: £122.9m (-10%)
Net profit: 2.6% Staff: 599

Maintel remains "firmly on track" with its transition to a cloud and managed services business despite a "challenging" 2019 and start to 2020, CEO Ioan McRae said this September. Revenues fell by 10 per cent to £122.9m in the 12 months to 31 December 2019 before registering a further 17 per cent YoY slump in the six months to 30 June 2020. The AIM-listed comms player is taking heart from its forecast that it will close 2020 with over 100,000 contracted cloud seats, however.

29 Cloudreach

Revenue: £123.1m (+51%)
Net profit: -33.9% Staff: 792

Microsoft's reigning UK Partner of the Year saw revenues smash though the £100m mark in its year to 31 July 2019 amid rising demand for its cloud migration services. An Azure, AWS and Google Cloud specialist, Cloudreach now boasts offices In London, Edinburgh, Amsterdam, Paris, Zurich, Berlin, Pune and across the US and Canada following an international expansion blitz. Hefty investment and integration costs incurred during the year saw net losses widen from £22.3m to £33.9m.

28 Scan Computers

Revenue: £130.1m (-1%)
Net profit: 2.4% Staff: 247

After profiting from an "unsustainable" boom in crypto currencies the previous year, this components and custom-build PC supplier was able to maintain revenue at the £130m mark in its year to 30 June 2019 by introducing new solutions and diversifying. Net profits widened from £2.8m to £3.1m. Boasting a 26,000 sq ft Bolton HQ, the Intel, Microsoft and Nvidia partner also offers advice on network design, security and AI to businesses.

27 CAE

Revenue: £132.9m (+28%)
Net profit: 2.3% Staff: 275

Having seen revenues bounce by over a quarter to top £130m in its year to 30 June 2019, this Cisco Gold partner bought a new, larger HQ at the start of the pandemic in April. The move to the new 30,000 sq ft Hemel Hempstead hub – 10 miles from CAE's previous Watford HQ – is on course to be completed by Q3 2021. Holding Gold and Titanium status with HP and Dell, respectively, CAE ranked 26th in the 2020 *Sunday Times* Profit Track 100.

Q&A: Stefni Oliver, Daisy Corporate Services

CEO of 19th-ranked Top VAR on her priorities following Daisy demerger

Daisy is in the process of demerging its four businesses. When will this process conclude?
We have been working on this for 18 months or so and are in the final mopping-up stages now (de-merging isn't easy kids!). The most significant change was the merger of the group's three channel-serving businesses (Daisy Wholesale, Daisy Distribution and Daisy Worldwide) under a new single brand, Digital Wholesale Solutions. The Daisy Partner Services business also began to operate independently, known as Allvotec. The direct businesses Daisy Communications (DCL) and Daisy Corporate Services (DCS) continue to look after UK businesses of all sizes in their respective markets, with my own business DCS focusing on midmarket upwards and DCL on the SMB market.

Daisy Corporate Services is an amalgam of (parts of) recent Daisy acquisitions, including Alternative Networks and Phoenix IT. How would you summarise its size and focus today, and where do you feel the business has the edge over competitors?
Today DCS is a business with c1,000 employees and c2,500 UK customers.
The history of acquisitions in DCS has given us the advantage of a broader portfolio than the competition and has proved itself invaluable this past six months by allowing us to quickly create new and innovative solutions to support the rapidly changing requirements of our customers.

What are your priorities for the next 12 months?
Our priorities centre around those of our customers and as such a key area continues to be our focus on supporting home working and keeping businesses always-on and productive. There's also a growing need to 're-platform' and help our customers embrace the benefits of cloud, collaboration tools and other transformative technology.

Which of your competitors do you respect the most, and why?
I've been following the journey of ANS with interest. They made a decision that many wouldn't have the kahunas to do – to say 'we are an infrastructure business but cloud is where we want to be and that's what we are going to do'. They set out a five-year strategy to their investors outlining the planned change to the shape of their business – making it clear that during that change they would reduce revenues and lose some business, (go backwards to go forwards), invest heavily in people and culture and come back bigger and better. From what I can see it looks like they are now hitting that point.

26 Ricoh IT Services

Revenue: £146m (+19%)
Net profit: N/A Staff: 550

Even before its acquisition of storage integrator MTI in October, Ricoh had through organic and acquisitive growth built a sizeable multi-vendor IT services business in the UK. Counting Microsoft, Cisco and Dell EMC as its key vendors, the unit boasts 550 staff, 13,000 customers and annual revenues of £146m, according to internal figures Ricoh shared with us. Ricoh's IT services push reflects its ambitions of becoming a digital services company.

25 Bell Integration

Revenue: £149.3m (+4%)
Net profit: -0.2% Staff: 349

In a bid to help its clients return to work, this Portsmouth-based storage integrator recently struck up an alliance with O2 to deploy a range of its COVID-19 safeguarding solutions, including thermal imaging tech.

Having grown its top line four per cent to £149.3m in its year to 31 March 2019, the IBM Platinum and Oracle Gold partner said in its accompanying business review that it expects a juicy international IT equipment and services deal bagged since year end to boost future revenues.

24 Apogee

Revenue: £177.1m (-26%)
Net profit: -7.8% Staff: 1,084

The UK's largest print and copier dealer suffered a sharp – but expected – fall in revenue and profit in its year to 31 October 2019 as a number of factors conspired to impact trading. This included a reduction in cost per copy charged for new service contracts and charges related to its 2018 acquisition by HP. Revenue fell by a quarter to £177.1m, with net losses widening to £28.4m. Print volumes on its existing fleet have "reduced significantly" in 2020 due to lockdown, it added (*see interview, p20, for more*).

23 eBuyer

Revenue: £190.5m (-10%)
Net profit: 0.3% Staff: 227

Although e-tailers are having a notoriously bumper year, eBuyer's latest accounts – covering calendar 2019 – show revenues sliding 10 per cent to £190.5m. Efforts to pursue more profitable revenue streams helped it boost gross margin percentages from 9.8 to 9.9 per cent, but net profits still almost halved to £531,000. Part of £600m-revenue West Retail Group, eBuyer is currently pushing temperature screening cameras and CCTV to secure vacant offices at the top of its homepage.

22 Banner Group

Revenue: £191.9m (+25%)
Net profit: 0.2% Staff: 556

Starting off life over 200 years ago as part of HM Stationery Office, this Sheffield-based office supplies giant has had to pivot quickly in 2020, with its homepage currently promoting branded face coverings, home printing solutions and laminated signs. It has a dedicated tech webstore offering PCs, comms and print equipment. A lack of fresh accounts means we have had to rank Banner based on dusty old calendar 2018 accounts, when it posted revenues of £191.9m.

21 Phoenix Software

Revenue: £203m (+33%)
Net profit: 2% Staff: 215

This York-based public sector software licensing specialist smashed the £200m revenue barrier in its year to 29 February 2020 on the back of 33 per cent growth. Net profits were flat at £4.1m. The Microsoft, Dell and VMware partner, which this summer bagged a £46m Microsoft licensing deal with Defra, snagged a place on "several" new public sector frameworks during the year. It is part of £740m-revenue Bytes Technology Group.

20 boxxe

Revenue: £205.2m (+47%)
Net profit: 0.8% Staff: N/A

New owner Phil Doye stamped a new identity on this York-based software licensing specialist on 1 September 2020, rebranding it from SBL to boxxe in a move he said "supports our intentions to innovate within our own market". The defence specialist hasn't filed any new numbers since last year, but told us revenues reached £273.6m in its 16-month period ending 31 December 2019, a 47 per cent like-for-like hike. A £190m, Microsoft MoD deal won during the year bolstered its top line.

19 Daisy Corporate Services

Revenue: £210m (0%)
Net profit: N/A Staff: 1,100

Following the demerger of comms giant Daisy into four independent businesses, we have taken the decision to dedicate our attentions to its most relevant arm, namely Daisy Corporate Services. Built from various acquisitions including Alternative Networks and Phoenix IT, it has 1,100 staff and a £210m revenue run rate, roughly flat year on year, Daisy tells us. Its key vendor partners include Cisco, HPE, Mitel, Microsoft and Gamma (*see interview with MD Stefni Oliver, p21, for more*).

18 Avanade

Revenue: £214.4m (+20%)
Net profit: 15.5% Staff: 499

The UK arm of this Accenture and Microsoft joint venture – which claims to be Microsoft's most highly decorated partner – breached the £200m-revenue barrier in its year to 31 August 2019. Net profits followed suit, vaulting from £28.8m to £33.1m. Globally, Avanade is a $2bn-revenue juggernaut with 39,000 staff and 18 Microsoft Gold competencies. Chief executive Pam Maynard recently told us the pandemic had only boosted the relevance of Microsoft technology in the enterprise.

17 RM

Revenue: £223.8m (+1%)
Net profit: 8.5% Staff: 1,973

RM is now as well known for supplying teaching resources as it is tech, but it was its tech arm – RM Education – that brought home the bacon in its year to 30 November 2019, swelling revenue six per cent to £71.6m against a company-wide one per cent uplift. RM Education has endured a more mixed 2020, with sales starting to improve in June following a tough, COVID-hit first half (*see interview with MD John Baskerville, below*). The LSE-listed firm is seeking a new chief executive following the resignation in September of David Brooks.

Q&A: John Baskerville, RM Education

MD of 17th-ranked Top VAR RM's tech arm on the challenges and opportunities that lie ahead for edtech suppliers

RM Education generated £71.6m of RM's £223.8m revenues in 2019. Do you expect to be up or down on that in 2020?
As a listed company, you will understand why I cannot provide guidance on our financial performance, but it is fair to say that the revenue trend from 2019 to 2020 has not been a "normal" one. Although our UK schools' business has proven to be the most resilient part of our company – with revenues reported in our interim results as broadly flat – the pandemic has limited our ability to convert as much of our sales pipeline as we would have liked. That said, we have enhanced our relationship with many schools during this period, reinforcing the important role that we play in supporting schools through whatever future challenges come their way.

What KPIs are you focusing on the most for 2021?
As a business, we need to ensure that potential customers know who we are and what we do, existing customers need to be willing to endorse our work - increasing their spend with us wherever possible - and new customers need to have reasons to select RM as their technology partner. We must do all of this in a consistent and cost effective way, via a workforce who are committed to the vision and purpose that we believe is relevant today. These drivers are represented within the KPIs that we manage our business against.

What's the biggest opportunity facing edtech suppliers?
COVID has created unprecedented disruption, but it has thrown up opportunities that most schools that I speak with believe are here to stay – not least in how technology can aid an educational system that has "blended learning" at its heart – with students learning at home and in the classroom. Coupled with this is a revisiting of how assessment is undertaken in our education system – the days of written examinations in a school hall may be behind us.

Q&A: Paolo Masselli, NTT Ltd

NTT Ltd is now a $1bn business in the UK, according to UK&I CEO of 15th-ranked Top VAR

Dimension Data and 30 other NTT businesses merged last summer to form NTT Ltd. How is the integration going?
In the UK, we brought together eight companies, the two biggest being Dimension Data and NTT Communications. And we then have a number of affiliates, which are not fully integrated right now.

We've set up a very close working relationship [with the affiliates]. If I went back 12 to 18 months, we were very fragmented and never engaged with each other, even though we were part of the same group. You would have found potentially 10 client managers sitting at one client. What we've done in the first 12 months is make sure we are taking one single portfolio to market and engaging with clients in a much more structured way. The strategy for us to integrate all of those different organisations into our business proper will happen over the next 12 to 18 months.

NTT Ltd ranks 15th in Top VARs, based on an historic revenue number of £258m. How big will the combined business be?
With Dimension Data and NTT Com together we're closer to £480m, but that excludes any of the affiliates – for instance, NTT Security, Global Networks etc. There's a bit of a pass through to us, but at the moment, we're not really taking the full revenues on that. Together, we probably do $1bn in the UK.

How has trading been in 2020?
We've had a reasonably tough year. The UK has been more affected in the area where we were the traditional Dimension Data business - with a value added reseller business - because a lot of clients have put projects on hold and are conserving as much cash as they can. They are moving a lot more to as-a-service type solutions, and there are a lot of upgrades to legacy networks – from MPLS to software defined. We are trading at around 85-odd per cent of our budget, so it's not terrible.

What are your priorities for 2021?
Internally, we are building momentum to work a lot more closely with our sister companies and affiliates. We have shared client lists with our sister companies, NTT Data, everis, Data Services, Itelligence etc. We've agreed how we actually approach each of the clients, and we've come up with a joint go to market for each of those pairs of companies. So for example, with Itelligence, how do we provide cloud services to SAP organisations as they move from on premise to S4 HANA?

Historically, Dimension Data was very much an SI and VAR that actually delivered solutions, but on premise. So the assets were owned by the client. Now what we're doing is changing that completely to either put them on our platforms or manage those assets on their behalf. Moving forward, we're moving towards a much bigger managed services-type organisation, delivering those solutions on our platforms. Globally, the standard that we've been set is that 60 per cent of our revenues need to be from as a service. In the UK we're almost at 60 per cent anyway, so we're going to push up towards 80 per cent.

16 CCS Media

Revenue: £244m (+7%)
Net profit: 2.3% Staff: 487

Counting bed and mattress maker Harrison Spinks among its 14,000 customers, this Chesterfield-based supplies and tech reseller saw revenues spring seven per cent in calendar 2019, with net profits bouncing from £4.7m to £5.7m. The Cisco, Microsoft, Dell, HPE, HP and Lenovo partner opened its third apprentice academy in Romford at the start of the period. Boasting 15 offices, CCS Media offers more than 1.3 million products and works with over 2,000 manufacturers.

15 NTT Ltd

Revenue: £257.7m (-5%)
Net profit: -0.5% Staff: 539

NTT Ltd is a circa $1bn-revenue business in the UK all told, or at least will be once the integration of all its affiliates is completed, UK&I CEO Paolo Masselli told *CRN* (*see interview, left, for more*).

Headquartered in London, $11bn-revenue NTT Ltd is the new brand that houses 30 of Japanese parent NTT's businesses, including Cisco Gold Dimension Data and comms partner NTT Com. Due to a lack of any fresh accounts reflecting its enlarged scale, we've ranked the firm based on the most recently filed annual accounts for the entity previously known as Dimension Data Network Services Ltd. It posted a net loss of £1.3m on revenues that fell five per cent to £257.7m in its year to 31 March 2019.

14 NCC Group

Revenue: £263.7m (+5%)
Net profit: 4.4% Staff: 1,873

This cybersecurity supremo hailed its "significant achievement" of growing in a "difficult market", as it logged a five per cent revenue hike for its year to 31 May 2020. The LSE-listed goliath generated nearly two thirds of its £263.7m revenues from security and risk management consulting, but also saw product sales vault 69 per cent to £10.5m. The UK contributed £117m of the total, with North America and Europe/Asia-Pac chipping in a further £90m and £56m.

13 SHI International

Revenue: £280m (-13%)
Net profit: N/A Staff: 190

Although a shade smaller than fellow three-lettered, US-based reseller behemoths CDW and WWT, SHI claims it is on course for global revenue of $11bn in 2020 – making it the largest minority and woman-owned business in the US.

The Milton Keynes hub the Microsoft, HP and Dell partner set up in 1998 to fulfil the EMEA needs of international clients is now its third largest office. Market sources suggest COVID has left a 10 to 15 per cent dent in trading at its UK-based operation, which we estimate draws roughly 60 per cent of its £280m annual sales from the wider EMEA region.

12 Buy IT Direct

Revenue: £295.5m (+19%)
Net profit: 2.2% Staff: 617

This Huddersfield-based e-tailer recently enlisted former Mothercare COO Keith Basnett to help it scale revenue to £500m. Counting Laptops Direct and Servers Direct among its brands, it also sells furniture and bathrooms.

Revenue for its year to 31 March 2020 vaulted by almost a fifth to hit £295.5m, with net profits swelling from £6.1m to £6.5m. Buy IT has opted to "gamble" on the COVID-induced shift to online becoming permanent and invest in growth, CEO Nick Glynne told *CRN* in June.

11 SoftwareONE

Revenue: £300m (+72%)
Net profit: N/A Staff: 200

This Switzerland-based software licensing giant doubled in size when it completed its acquisition of rival Comparex in January 2019. Although it hasn't yet filed any UK numbers that reflect its enlarged scale, SoftwareONE tells us its UK business generated revenues "in excess" of £300m in calendar 2019, including 11 months' contribution from Comparex. Post-merger, it employs around 200 staff in Wimbledon, Harrow and York.

Having floated on the SIX Swiss Exchange in October 2019, SoftwareONE saw total 2019 revenues double to CHF 7.3bn (£6.1bn), with a "strong performance" in its 1H 2020 pushing its top line up a further five per cent YoY to CHF 3.94n (£3.3bn).

10 XMA

Revenue: £413.4m (-0.2%)
Net profit: 1.4% Staff: 477

Having logged flat revenues of £413m in calendar 2019, this public sector-focused reseller expects its top line to shrink by 20 to 25 per cent this year following the transfer of its low-margin fulfilment business to distribution parent Westcoast. XMA's like-for-like core business is forecast to grow in 2020, however, the Nottingham-based firm said in its 2019 annual accounts, adding that it is "well placed" to withstand a COVID-induced economic downturn.

Claiming to be Google and Apple's top UK education reseller – as well as HP's only UK triple-Platinum partner – XMA features on more than 25 government procurement frameworks and shipped over 650,000 orders last year.

9 Capita Technology Solutions

Revenue: £429.3m (-2%)
Net profit: N/A Staff: 3,200

Based on Trustmarque and several other acquired brands, Capita's 'Technology Solutions' arm (which it recently renamed from 'IT &

Q&A: James Rigby, SCC

CEO of fourth-ranked Top VAR on market opportunities moving into 2021

How would you characterise the strength of the channel right now?
I think what we can say in the channel is that we are very fortunate to be in the sector in which we operate. More than ever our clients have needed us to step up and help them in some urgent situations to modernise and digitise their businesses. That was always the agenda, but it's accelerated to a whole new level.

I do think the client-supply relationships have taken on a new dimension. I see much more engagement and loyalty in that relationship.

How do you see the SCC business developing over the next 12-24 months, and does international expansion fit into your plans?
We cover all of the infrastructure, so we don't need to add any additional capability. For me, it's a question of layering more clients on top of that capability now. We are alive to the prospect of acquisitions and are certainly looking at smaller resellers who can bring us those clients. That is a UK, France and Spain statement. We're not looking to expand into additional territories. SCC has a heritage of being in many more different countries, not all of which were successful, so we are looking to focus on where we've got scale and capability, and add more clients to that.

What do you see as the main challenges and opportunities for the channel moving into 2021?
It's clear the pandemic is far from over. Inevitably that will have some impact on the ability of our clients to invest. If I look at where we've written business during the pandemic, mobility, laptops and remote working solutions are up triple digits percentages, but there are drops in other areas like infrastructure and print, where people just aren't in offices printing things and clients are reluctant to invest in infrastructure. That's been the story of the last six months for all of us.

I think at some point in the future that investment will have to go back into infrastructure, and that will be a mix between on premise and public cloud. So I think the investments will rebalance in the future.

Networks') saw revenue slide by four per cent to £429.3m in calendar 2019.

Citing figures from Teknowlogy group, Capita said this midmarket-focused wing of its business is a top-10 UK provider of digital IT and connectivity solutions and operates in a market worth £54bn and growing at a CAGR of 2.6 per cent. It blamed contract losses and reduced transactional business in LAN and voice networking solutions for its weaker 2019 numbers, which also showed adjusted operating profit dropping from £53.8m to £50.7m.

At a group level, £3.7bn outsourcing giant Capita is reportedly in the process of closing over a third of its offices as part of its shift to a hybrid working model.

8 Bytes Software Services

Revenue: £465.9m (+35%)
Net profit: 3.9% Staff: 320

Taking a leaf out of rivals Softcat's and SoftwareONE's book, software licensing giant Bytes Technology Group confirmed in November that it is gearing up to float on the London Stock Exchange following a period of blistering growth.

Its senior brand, Bytes Software Services, enjoyed a barnstorming year to 29 February 2020, with revenues hiking 35 per cent to top £465m on the back of surging cloud-based licensing and security sales. Although a bumper NHS Windows 10 roll out dented gross margins, net profits virtually doubled to £18.2m. Adding in the contribution of Phoenix Software and Bytes Security Partnerships, Bytes Technology Group is a £740m-revenue monster. It claims it has continued to grow rapidly this year.

A planned, mid-December IPO would see Bytes Technology Group demerge from South African parent Altron.

7 Insight Direct

Revenue: £558.3m (+11%)
Net profit: 2.1% Staff: 798

This global reseller giant last month admitted "the demand environment continues to be challenged" as it posted a one per cent YoY revenue rise to $1.94bn in its fiscal third quarter of 2020 (EMEA revenues slid four per cent to $341.3m). The NASDAQ-listed firm completed its integration of rival PCM during the quarter.

With UK arm Insight Direct yet to file its 2019 accounts as we went to press, we have had to rank it based on its calendar 2018 numbers, when it posted a net profit of £11.4m on revenues of £558.3m. A local management shuffle taking place on 1 January 2021 will see current UK boss Emma de Sousa move up to EMEA president. Darren Hedley will take on her current role.

6 Telent Technology Services

Revenue: £568m (+5%)
Net profit: 3.2% Staff: 2,282

This technical services juggernaut grew revenue by five per cent – and maintained profit levels – in a fiscal year to 31 March 2020 that was shaped by the sudden passing of its CEO Mark Plato last September.

Despite operating partially outside our market, Telent's Network Services arm is a Cisco, Juniper and HPE Aruba partner that provides networking, storage, hosting systems and devices to large enterprises and government clients. In September 2019, it bagged a five-year contract to design and transform the IT and comms infrastructure of the University of Exeter.

Plato, whom Telent described as an "inspirational leader, friend and mentor", had led the firm since 2005.

5 WWT

Revenue: £610m (+9%)
Net profit: N/A Staff: N/A

Global revenues of $12bn make this US-headquartered Cisco, Dell and Palo Alto Networks partner the world's second largest reseller, behind only CDW.

Due to a lack of local accounts, we can only take a wild stab at the size of WWT's Canary Wharf-based UK and European operation, which it launched in 2012, but local sources have in the past pegged it at over £500m. The St Louis-based firm claims to be a "go-to technology integrator" for large institutions in verticals including finance, healthcare, manufacturing and retail on this side of the pond.

Glassdoor recently named WWT CEO James Kavanaugh among the top 10 highest-rated CEOs during COVID.

4 SCC

Revenue: £708.3m (+4%)
Net profit: 2% Staff: 1,911

Sir Peter Rigby's empire now takes in airports, finance, aviation, hotels and real estate, but if he were launching a new venture tomorrow, it would still be a technology business.

So said the tech doyen during an exclusive interview for *CRN*'s Channel Awards last month, which he gave on the heels of "another excellent year" for SCC – the Birmingham-based tech solutions provider he founded in 1975.

SCC's UK arm saw revenues rise four per cent to £708.3m in its year to 31 March 2020, with services powering up 19 per cent and net profits rising fractionally to £13.8m. The wider EMEA business – which includes a £1.5bn-revenue French arm and £85m Spanish operation – posted £2.3bn revenues, with the Rigby Group of which SCC is a part turning over £2.9bn.

SCC has a renewed appetite for reselling in the wake of the pandemic, and may look to expand its UK customer base by acquiring in the VAR space, SCC CEO James Rigby told *CRN* in August. It counts HP, HPE, Microsoft, IBM, Lenovo, Dell ECM, NetApp and Veritas as its key vendors (*see Q&A, p24, for more*).

3 CDW

Revenue: £972.4m (+10%)
Net profit: 4.8% Staff: 1,346

The UK arm of the world's largest reseller edged closer to the £1bn-revenue mark in calendar 2019 as client device refreshes and referrals from US-based customers helped fuel a 10 per cent top-line uplift. Net profits were roughly flat at £46.9m.

The pandemic has inevitably taken a toll on CDW's 2020 performance, with chief executive Christine Leahy revealing last month that UK sales declined "high single digits" in Q3 as government support programmes started to wind down. Global revenues also dipped 3.1 per cent to $4.8bn.

UK managing director Dan Laws last month announced his exit from the firm after 21 years.

Globally, Fortune 500 giant CDW turns over $18bn, boasting 10,000 staff and 250,000 customers.

2 Softcat

Gross invoiced income: £1.646bn (+16%)

Net profit: 4.6% Staff: 1,475

This feline-monikered reseller moves within a whisker of the *Top VARs* top spot after growing its ultimate top line by 16 per cent in its year to 31 July 2020.

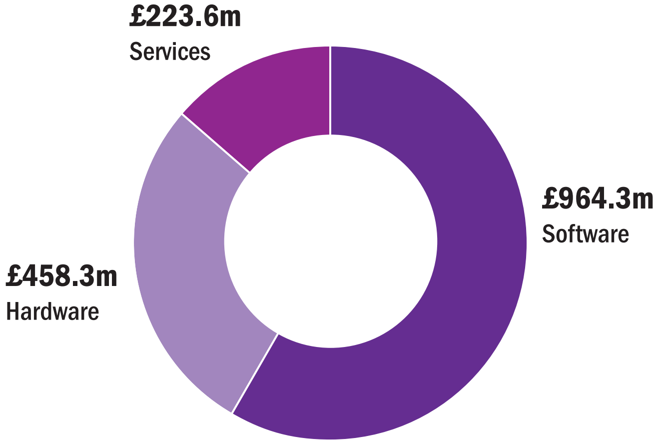
Softcat's gross invoiced income (GII) – as it now terms revenue under new IFRS 15 accounting standards – hit £1.65bn during the year, putting it just £60m shy of Computacenter's GII. Net profits widened from £68.4m to £75.7m.

The LSE-listed firm's strategy is predicated on "selling more to existing customers and winning new ones", and it did just that in 2020, adding 300 clients and boosting average spend among its 9,500 customers by eight per cent to £24,800. A 15 per cent hike in headcount made during the year reflected the investment in the business, particularly in services, technical and specialist capabilities, it said.

Following a "strong" first half, Softcat had to be content with more muted growth in its COVID-hit third and fourth quarters.

In his results statement, CEO Graeme Watt warned that corporate customers "will continue to be circumspect in their spending over the coming months" (*see interview below for more*).

Softcat's 2019 gross invoiced income by category



Customers

9,500
(+3.3%)

Average spend per customer

£24,800
(+8%)

Q&A: Graeme Watt, Softcat

CEO of second-ranked Top VAR assesses its performance for its recently completed year to 31 July 2019

How would you summarise your financial performance in your fiscal 2020?

We were able to achieve growth in every single quarter which is a fantastic testament to the team, and it's all organic. We made really strong gains with our customers. We grew our customer base, we grew our GP-per-customer metrics too, and so we were able to get deeper into existing customers.

You saw impressive growth in services, with sales up 36.6 per cent. Did you do anything in particular to drive that?

There is nothing specific. We haven't done anything more or less with services. For us it's a combination of our managed services and our assessment service around security and cloud. We've never tried to over-push or under-push services. Like everything we do in the organisation we are very customer led and if we think there is an opportunity to build our own capability on services that customers are demanding, we'll do it.

You said in the financial report that you saw a "softening" in demand from corporate customers during the last third of the year. Is that a big concern for you?

Not really, because it will come back and remember we still delivered growth in every quarter last year. Remember lockdown is still there; it has not gone away. It's tightening again at the moment and some people in some customers are still quite cautious about what they're going to spend on, particularly if it relates to on-premises where perhaps they can't do installation.

I think the demand for technology is as healthy and robust as ever before. We have talked about the pandemic shining a light on technology and how well the industry has been able to operate. It's really healthy and gives us a ton of optimism about the future, it's just a question of how quickly the corporates will turn that spend back on, so I'm not concerned about the mid-term and long term.

1 Computacenter

Gross invoiced income: £1.707bn (-2%)

Net profit: 2.9% Staff: 4,003

For all Computacenter's recent globe-trotting, it is its UK business that was the "star performer" of 2020, according to CEO Mike Norris.

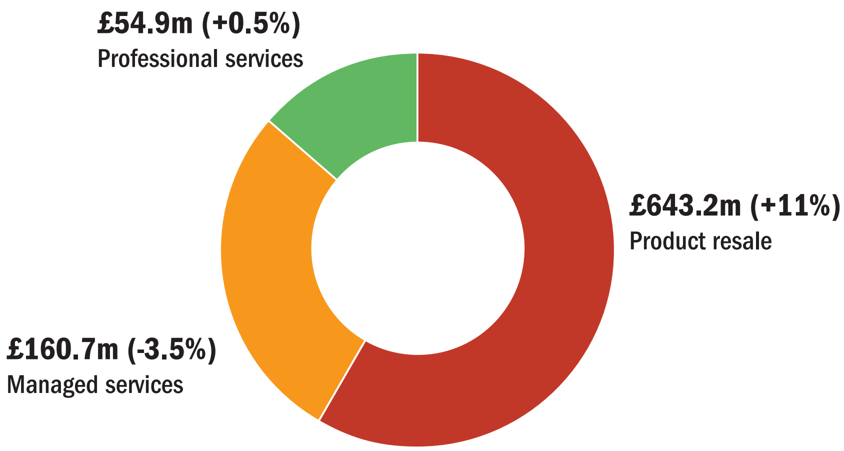
Speaking at the Canalys Channels Forum in October, Norris confirmed that Computacenter's UK arm has "materially outperformed" its German, French and US operations this year on the back of surging demand for large roll outs to support home workers.

Computacenter's UK operation only just clings on to poll position in this year's *Top VARs*, however, on the back of a flat calendar 2019.

It told us its UK gross invoiced income fell by two per cent £1.71bn in its year to 31 December 2019, edging out Softcat's equivalent figure by just £60m. Domestic revenue fell two per cent to £1.58bn, despite a 16 per cent hike in group revenues to £5.03bn.

It stressed its 2018 UK numbers were flattered by two one-off software deals worth a combined £71m.

Computacenter UK 1H 2020 revenue breakdown



The tables have turned in 2020, however, with the UK business defying COVID by posting a 7.2 per cent 1H revenue hike, even as Computacenter's German, US and French businesses achieved – at best – flat revenues. Product resale (or 'technology sourcing' as Computacenter refers to it) led the way, rising 11 per cent to £643m, with professional services up 0.5 per cent to £54.9m. Managed services revenue dipped 3.5 per cent to £160.7m as COVID put paid to some contracts.

Computacenter's 2020 has been dominated by international expansion, with its recently closed acquisition of North American peer Pivot – concluded entirely virtually – set to double US revenues.

Its market value this year hit its highest point since the dotcom era. Talking to *CRN* in October, however, Norris struck a note of caution for 2021, warning that Brexit "has the potential to demoralise firms and slow us down", at least in the UK (*see interview below*).

Q&A: Mike Norris, Computacenter

CEO of the UK's top-ranked VAR gives his perspective on an eventful year

Computacenter's market value has risen to its highest level since the dotcom era in 2020. And you've made another large US acquisition. But what are you personally most proud of this year?

I'm proud that people got through it. I'm proud of the way we responded. The business has performed a lot better than I expected, than I think anyone expected when you go back to March. We always think we're good in a crisis, and I think we've been good in this crisis.

You're the longest-serving FTSE 350 CEO. Who inspired you early in your career?

I've been lucky enough to work for Phillip Hume. This organisation still owes him – as the founder – more than it will ever owe me. He's still the smartest person I've ever met. I'm a bit of a fan of Mark McCormack and Tom Peters who were great 80s and 90s global icons of selling and business, but I owe it all to Phil Hume.

You've been Computacenter CEO since 1994 and joined 10 years earlier. Where does 2020 rank in terms of its eventfulness?

We've done really well to get a lot done. We've done the US acquisition entirely virtually. I didn't think that was impossible until we embarked on it. But I'm sitting at home a lot more. I'm not getting out and I'm not meeting as many people as I normally do. So I would say it's not the most eventful year I've ever had.

How confident do you feel about state of market heading into 2021?

In the rest of Europe, I'm more confident, but in the UK the Brexit issue has the potential to demoralise businesses and slow us down – let's hope it doesn't, but it could. As we go into next year, the panic buying is slowing down – it's stopped. Are we going to get back to business as normal and pick up on the longer term projects? That might not happen until the second half of the year, so the first half of 2021 could end up being tougher for a lot of people.

Quotes of the year

"We have given great thought to the continuation of the group's activities and for it to remain in family hands."

Sir Peter Rigby opened up on his decision to step back from the CEO role at fourth-ranked SCC owner Rigby Group, during an exclusive interview with CRN in October

"The pace of digital transformation is accelerating rapidly. I see a real appetite for clients to embrace new technologies to survive these unprecedented times."

Insight SVP Emma de Sousa told CRN in September that COVID had turbo-charged digital transformation among the seventh-ranked Top VAR's clients

"Why would you spend up to two hours a day commuting into and from a central London office five days a week when you can work just as effectively at home?"

Capita CEO Jon Lewis' quote above - taken from an Evening Standard article from mid August - preceded the bombshell that the firm behind the ninth-ranked Top VAR is reportedly to close over a third of its offices permanently.

"The increasing relevance of Microsoft in the enterprise is being borne out this year."

Avanade is benefiting from Microsoft's rise in fortunes in 2020, according to Pam Maynard, CEO at the 18th-ranked Top VAR

"If I can inspire other younger women to consider [the tech channel] as a career option, I've done my job."

Sam Mudd, MD of 21st-ranked Phoenix Software, on receiving an Industry Achievement award at the CRN Women in Channel 2020

"IoT can play a major role in maintaining social distancing and helping to prevent the spread of the virus. We believe O2's extensive connectivity, combined with Bell Integration's experience in deploying cutting-edge IoT solutions, will enable organisations to return to the workplace safely."

John Davenport, sales director Bell Integration, explains why the 25th-ranked Top VAR struck up an alliance with O2 in September

"Although the short term is difficult to predict, we know that this is the right move for the long-term success of CAE."

CAE boss Justin Harling explained the 27th-ranked Top VAR's decision to defy COVID and move to a larger, 30,000 sq ft HQ in April

Post-pandemic panorama

What will end users need from their tech suppliers in a world where remote working is the norm? This year's Top VARs research into the spending habits of over 300 UK IT decision makers has the answers, as Doug Woodburn finds…

At the risk of sounding crass, technology – and the technology channel specifically – can be said to be having a good pandemic.

Analysts have reversed predictions that 2020 would be the first year in 39 years that direct outgrew indirect sales in the tech channel, as the pandemic underscores the essential nature of the channel.

"We were starting to see a shift, and now we're getting it back," Forrester analyst Jay McBain told *CRN* in the summer.

"The roll on here for many years is going to remind people why we have these essential services."

That's a sentiment very much borne out by this year's *Top VARs* end-user research, whose findings clearly indicate that the tumultuous events of 2020 have left a warm hue on tech solution providers.

Carried out in October 2020, our end-user research quizzed over 300 UK IT decision makers (drawn from the database of *CRN* sister publication *Computing*) on their tech spending habits and how they view their IT suppliers.

Of the 432 who embarked on the survey, 47 were screened out because they did not qualify, and a further 83 did not complete the survey, leaving us with 302 complete, valid responses.

Respondents worked for organisations large and small *(see figure 1)* spanning the full gamut of verticals *(see figure 2)*.

While previous *Top VARs* end-user surveys have zoomed in on themes such as cloud, GDPR and reseller satisfaction, this year – unsurprisingly – we made it our mission to discover how COVID has impacted the brand of the channel and the demands end users will place on their IT suppliers.

COVID heroes or villains?

First off, we wanted to know whether the pandemic has changed their view of their tech solution providers.

Fortunately, some 36 per cent said the pandemic had had a 'positive' or 'very positive' impact on how they see firms in our industry, compared with just 19 per cent who felt there had been a 'negative' or 'very negative' impact *(see figure 3)*. Some 45 per cent picked the middle-ground option of 'neutral'.

When asked to expand on their previous answer, those in the negative camp generally harboured one of two gripes.

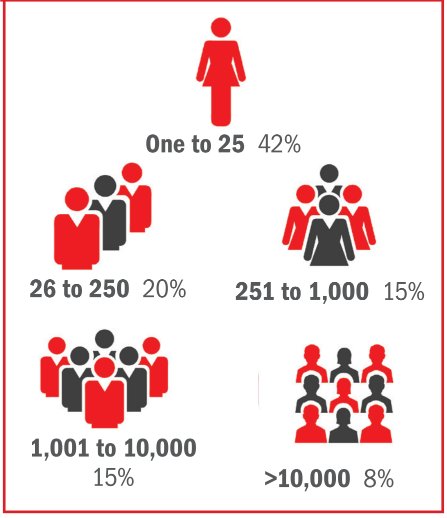
Many of this cohort felt their tech suppliers had been more difficult to get hold of because staff were either on furlough or working from home. In some cases, service levels had suffered, they claimed.

One IT decision maker in the transport sector grumbled that it was "harder to get hold of people within our resellers", while another said his supplier "had to lay off so many he struggled to provide service".

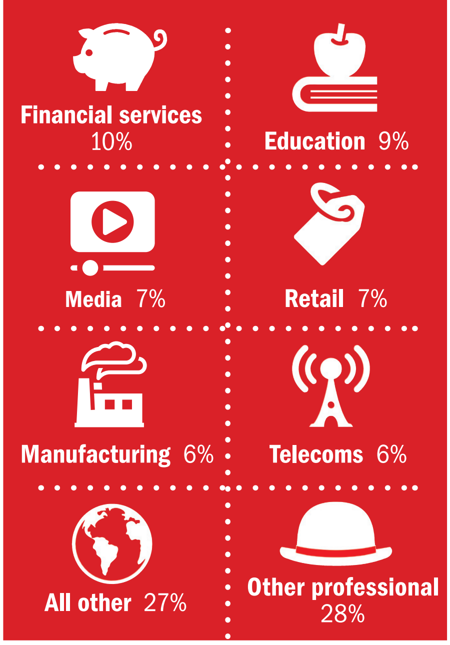
"SLA levels have deteriorated, as they struggle with remote working," complained another at a small retailer.

The second grouping of dissatisfied customers levelled the more worrying accusation that their IT suppliers were exploiting the crisis by unfairly jacking up prices, or even profiteering, and you can read a spread of these complaints in figure 4 on page 30.

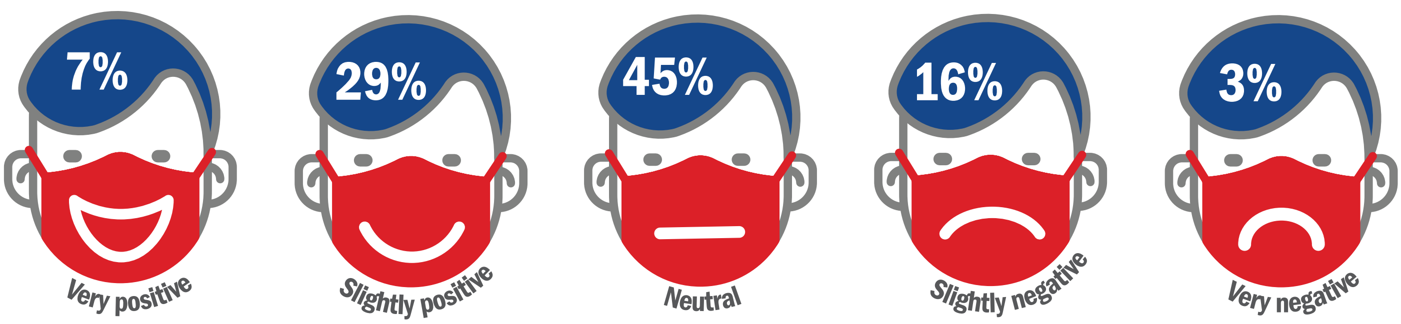
1. How many people does your organisation employ?



2. Which of these best characterises the industry of which your organisation is a part?



3. Has COVID had a positive or negative impact on how you see external IT providers?



4. **Has COVID had a positive or negative impact on how you see external IT providers? Please explain**

POSITIVE IMPACT

❝ A number of our suppliers have gone the extra mile, eg being flexible on pricing and being ready to deliver to tighter timescales.

❝ They've made themselves more available than ever before to help with issues, fulfilment, etc.

❝ They worked out of hours to allow us to work from home.

❝ I'd say their brand has been enhanced overall – the shift to WFH has underlined just how important a role IT suppliers play. That said, I do think there's even more scrutiny now on their performance as the stakes are higher for businesses relying more heavily on IT.

❝ Overall I feel a lot struggled at first but a few, including ours, coped well with the changes needed to keep up support. They then passed on their learning to their customers, eg remote working and security.

❝ Some suppliers were offering special COVID-19 discounts or extra free -of-charge services.

❝ Flexibility on the use of resources when needed.

❝ Our MSP has upped their game significantly during COVID. We've asked for much more and they've delivered, in their own difficult circumstances.

❝ Some suppliers have provided free work-from-home licences for staff and students specifically in response to the lockdown. Other suppliers have provided additional functionality to their software to assist with WFH.

❝ Gone above and beyond! They've been fantastic with all kinds of support, including cloud-based support.

❝ Videoconferencing and VR conferencing companies have been quite good at offering free services and enhancing existing offerings and implementing improvements faster to provide comms to remote workers.

❝ Good response on 23 March when we had to work from home.

❝ Emphasised importance of IT service provider being able to assist in flexible working. Definitely above and beyond.

❝ IT suppliers have all been very helpful in our transition from office to home working.

❝ The majority of our IT suppliers have gone above and beyond their duty of care to ensure the organisation remained fully functional and were able to serve our clients as expected.

❝ Support from IT suppliers has meant we have transitioned smoothly to home working.

❝ I think some of the MSPs have gone above and beyond with payment terms – reductions, etc.

❝ Managed services have gone above and beyond to ensure the whole company is able to work from home throughout the COVID pandemic.

❝ We have found the majority of supplier partners have responded and reacted positively and quickly to assist in keeping the business running during difficult times. It has also given the opportunity for new suppliers to get involved in specialist areas, such as collaboration tools.

❝ Licensing frozen while we were out of action.

❝ Suppliers stepped up to effectively keep IT and communications working even better than before.

❝ Flexed with us on rates at the start of COVID.

❝ IT have been busier than ever and I have been impressed with their response.

❝ Generally the response from our suppliers has been good, considering the situation. We are planning on expanding our relationship with our primary managed service provider next year.

❝ All providers have gone to great lengths to ensure that supplies and services remained constant.

NEGATIVE IMPACT

“ Suppliers are less visible, less engaged; much more committed response from internal staff.

“ Lead times are slower, and the availability of essentials is reduced.

“ The quality of service has dropped slightly, which I believe is due to their increased workload as a result of COVID but without increasing their staffing levels, as they don't know how long increased workload will last. Contingent workers are not being viewed as an option due to the new off-the -payroll rules to be implemented next year.

“ Because of the pandemic we have sometimes found it aggravatingly slow to contact some of our providers due to various members of their staff working from home.

“ Evidence of price gouging from smaller suppliers all the way up to larger suppliers like [company name redacted].

“ Our managed service provider has been poor and looking for every opportunity to increase costs or charge for services that weren't previously identified.

“ Increased problems with delivery.

“ Response time poor.

“ IT suppliers have failed miserably.

“ Generally disappointed in the lack of flexibility shown by most, especially around billing. Budgets slashed next year, they're the easiest savings to find.

“ A number of our IT suppliers reduced staff to a degree that meant the service level we had been receiving pre-lockdown wasn't sustained.

“ We are more dependent on them for a good service and we are not getting it. Items come though different to what we order, and we are not kept up to date when items will be delivered as we are working from home due to office closure.

“ They've been like vultures pouncing on dying animals.

“ It has been harder to get hold of the people you need to speak to. On the whole, I would say that performance has (understandably) decreased.

“ Generally, with one exception, supplier response has deteriorated ranging from significantly to irritating.

“ My supplier had to lay off so many people that he struggled to provide service.

“ Feel that some providers took the opportunity to increase prices.

“ Delays and difficulty receiving immediate IT support responses.

“ Some IT suppliers are finding it difficult to actually deliver, particularly with the required speed that is now required.

“ I have found it difficult to obtain quotes and generally get in touch with suppliers.

“ SLA levels have deteriorated, as they struggle with remote working.

“ Service decreased slightly but understandably.

“ External IT resources have been less available since COVID.

“ Suppliers working from home have been less efficient than normal.

“ Harder to get hold of people within our resellers.

“ Some global cloud brands have suffered unacceptable loss of service on too many occasions.

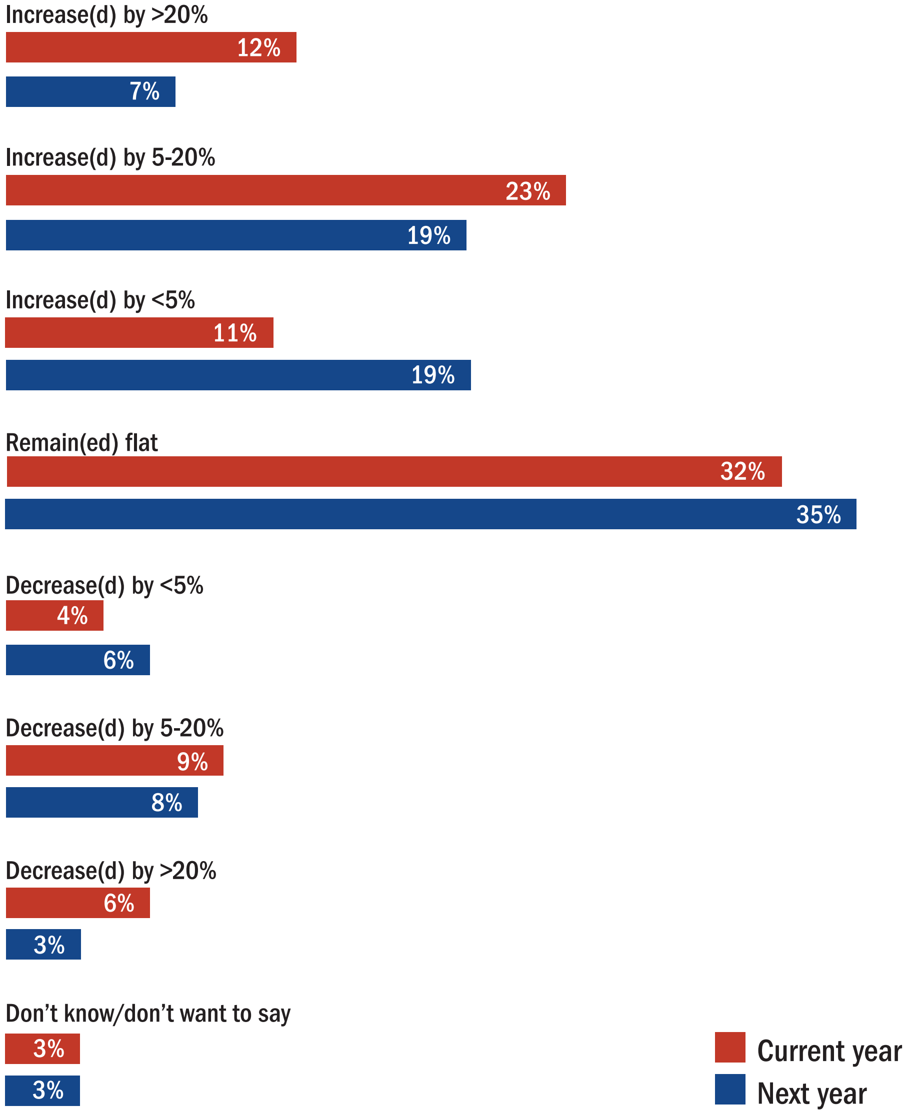
“ Struggling to get people to make decisions and takes longer to get signed off.

“ Been difficult getting hold of contacts within larger providers due to furlough and home working.

“ Many IT suppliers are not available or difficult to get hold of as quickly during COVID.

“ Stock levels seem much lower, lead times much higher.

5. In your current fiscal year, how has your overall budget for IT goods and services fared, and what do you expect for next year?



Fortunately, such tales of woe were outnumbered by more positive testimonies of how IT suppliers have out-performed during the crisis.

Tech suppliers were showered with praise for going above and beyond in the race to switch to remote working.

"They worked out of hours to allow us to work from home," read one typical response.

"From a personal perspective, our MSP has upped their game significantly during COVID. We've asked for much more and they've delivered, in their own difficult circumstances," added a respondent who worked in the financial services sector.

Others singled out the generosity of vendors – and by extension their channel partners – in rolling out free technology during the crisis, and for their flexibility, for instance around payment terms or freezing subscription charges for furloughed staff.

Buoyant budgets

Next up, we wanted to know more about respondents' tech budgets, and how they are changing in the wake of the pandemic.

Although analysts expect IT spending to fall in 2020 – with Gartner, for instance, forecasting a 7.3 per cent drop – our data paints a rosier picture.

Just as in previous years, significantly more respondents said their IT kitty rose than fell in their current year.

Some 45 per cent told us they have more budget to play around with this year than last, with over a tenth seeing an uplift of over 20 per cent *(see figure 5)*. In contrast, just 19 per cent suffered budget shrinkage.

That's pretty much in line with the last four years, with 41, 48, 46 and 51 per cent of respondents in our equivalent surveys in 2016, 2017, 2018 and 2019 reporting budget increases.

And despite the pandemic, IT decision makers also generally expect their kitties to continue growing.

Some 45 per cent of respondents are counting on their war chests expanding in their next financial year, compared with just 17 per cent who think it will shrink, suggesting that technology will be insulated from the worst of the post-pandemic fallout *(see figure 5)*.

Where they will direct this enlarged IT budget was the topic of the next question, which asked respondents whether they expect to increase or decrease investments in 11 different technology areas *(see figure 6, page 33)*.

A whopping 59 vs four per cent and 58 vs five per cent of respondents expect to increase rather than decrease spend in the areas of security and cloud infrastructure, respectively, making them the biggest spending hotspots.

Collaboration tools (49 vs six per cent) came next, followed by comms (32 vs 14 per cent), PCs and devices (32 vs 18 per cent), managed services (29 vs 14 per cent) and enterprise software (27 vs 14 per cent).

IT consulting received a more mixed spread of responses, with a 23 vs 21 per cent balance.

Unsurprisingly, on-prem servers, on-prem storage and on-prem networking were the three categories where more respondents expect spending to fall than rise (12 vs 38 per cent, 14 vs 35 per cent and 20 vs 23 per cent, respectively).

We also delved into what traits IT decision makers most value when they are selecting IT suppliers *(see figure 7, page 34)*.

Price was edged out by honesty and integrity as top dog on this question, with the former scoring 7.6 out of 10 to the latter's 8.6.

The next most important factors were having a demonstrable track record of specialism in the relevant area (average score of 7.4 out of 10), being highly recommended by peers (7.0) and financial stability and scale (6.7).

Existing relationships (6.0), vendor accreditations (5.6) and whether they are based locally (4.3) were generally seen as being less pivotal.

Remote possibilities

With the mantra that 'work is something you do, not somewhere you go' never having rung truer, perhaps it is little surprise that geographic location was seen as the least important factor for choosing suppliers.

On that note, most respondents don't expect their organisations to return to a primarily office-based environment any time soon (*see figure 8, page 34*).

We asked respondents to estimate what percentage of their workforce is primarily remote-based, and how this figure is changing.

Respondents used a slider button for this question, and were asked to select a figure between 0 and 100 per cent for now, pre-pandemic and in 12 months' time.

On average, respondents estimated that 75.3 per cent of staff in their organisations spend most of their time working from home as of the time of the survey (October 2020). That's more than double the 36.6 per cent pre-pandemic (ie February 2020) estimate.

But there will clearly be no swift return to the previous status quo, with respondents estimating that – on average – 65.8 per cent of their staff will still be remote-based in October 2021.

As figure 9 on page 34 illustrates, the remote working revolution has taken hold most strongly among either very large, or – conversely – very small companies, a pattern that looks set to continue for the next year.

Organisations with over 1,000 staff have as it stands on average 80.9 per cent of staff working primarily from home, a figure topped only by firms with 1 to 25 staff (82 per cent).

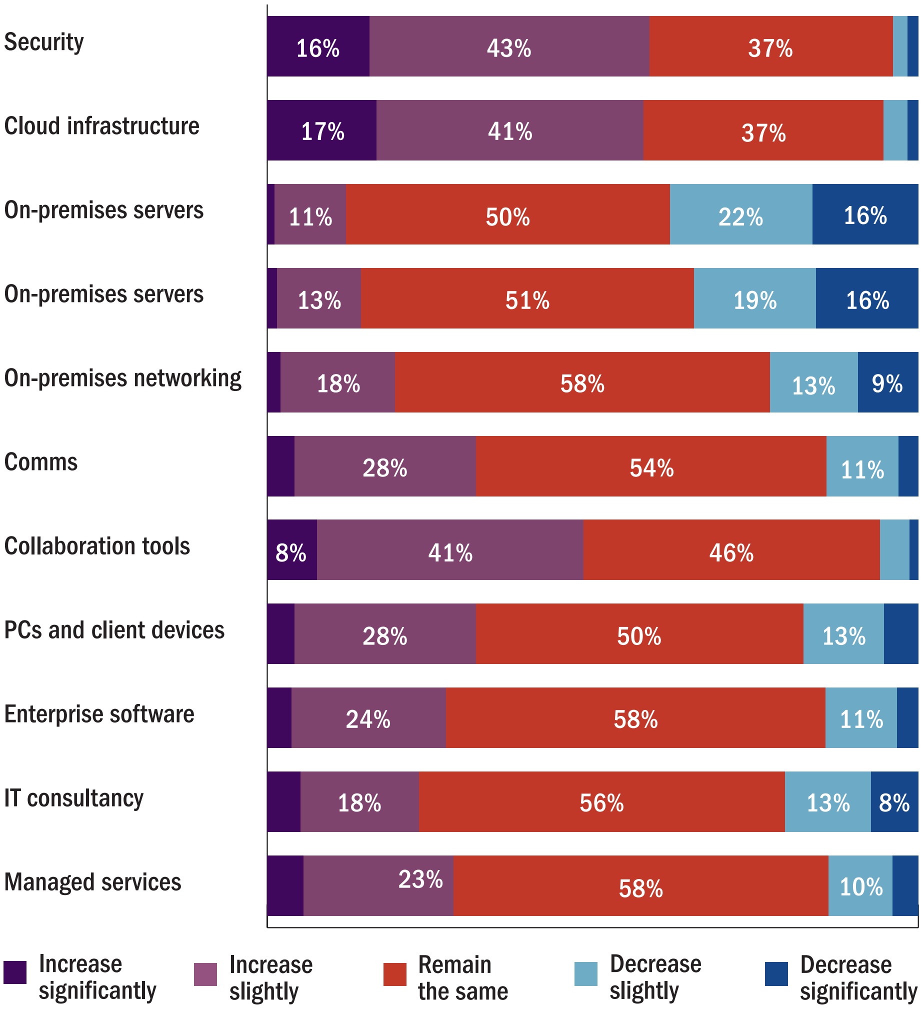
Midmarket organisations with 251 to 1,000 staff expect more staff to be primarily office-based by October 2021 than any other group. On average, respondents in this size bracket estimated that a relatively modest 52.7 per cent of their staff will still be mainly home-based in a year's time.

We then asked respondents to think about this 'new normal' – where hybrid workplaces are the norm – and tell us in their own words what technology and skills they envisage seeking more of from their IT providers in the future.

The responses we received to this question can be best summarised in just three words: cloud, collaboration and security.

"Seamless device interoperability everywhere,", "more cloud-based support", "more and broader collaboration tools", "a good understanding of Teams; VPN and remote desktops; better internet", read four pretty typical answers – a round-up of which can be viewed in figure 10, page 35.

6. Over the coming 12 months, do you expect to increase or decrease your investments in the following areas:



Conclusion

Tech suppliers certainly got a mixed write-up from IT decision makers in this year's survey.

But those respondents nursing a grudge over declining service levels were outnumbered by more positive accounts of resellers and MSPs working long hours, freezing subscription costs or issuing free licenses to keep customers up and running during the pandemic.

With twice as many end users feeling the pandemic has had a positive than negative effect on how they see their tech suppliers, it's safe to say the channel's brand has been enhanced by the events of 2020.

Despite gloomy predictions from market watchers, it is intriguing to note that just 19 of respondents expect their IT budgets to shrink in their next financial years, compared with 45 who expect them to rise.

Resellers and MSPs can expect an influx of spending on cloud, collaboration and security over the coming 12 months, our survey confirms, with eight of the 11 technology areas we asked about set for rising investment.

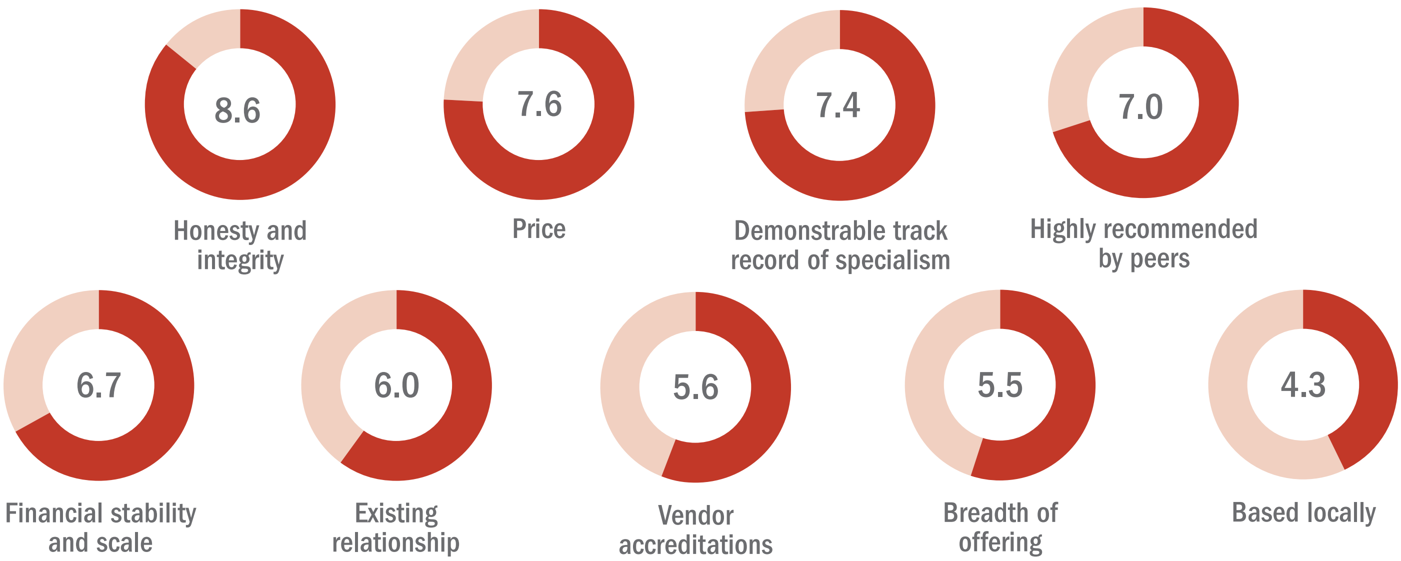
And they will be selling to a customer base that will still be about two thirds remote even in a year's time, our research suggests.

That 'new normal' means end users will require different technology and skills from their IT suppliers in the future. Resellers and MSPs highly skilled in cloud migration, collaboration and security will be best placed to thrive in 2021.

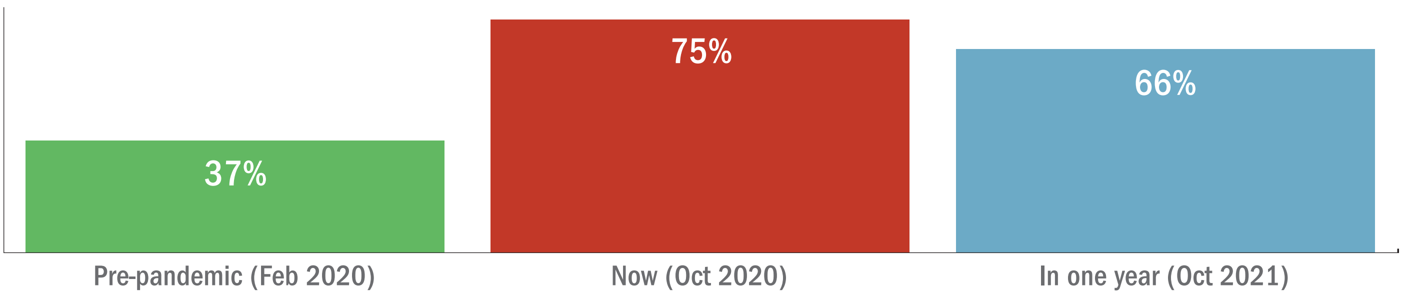
If there is one key takeaway from this year's survey, it is that the actions of tech suppliers during the pandemic – whether heroic or villainous – will reverberate for years to come.

With one IT decision maker at a larger utilities firm remarking that "friends in good times in the future are made in tough times", it's clear the efforts of IT suppliers who worked diligently to keep the UK running in 2020 will not go unrewarded.

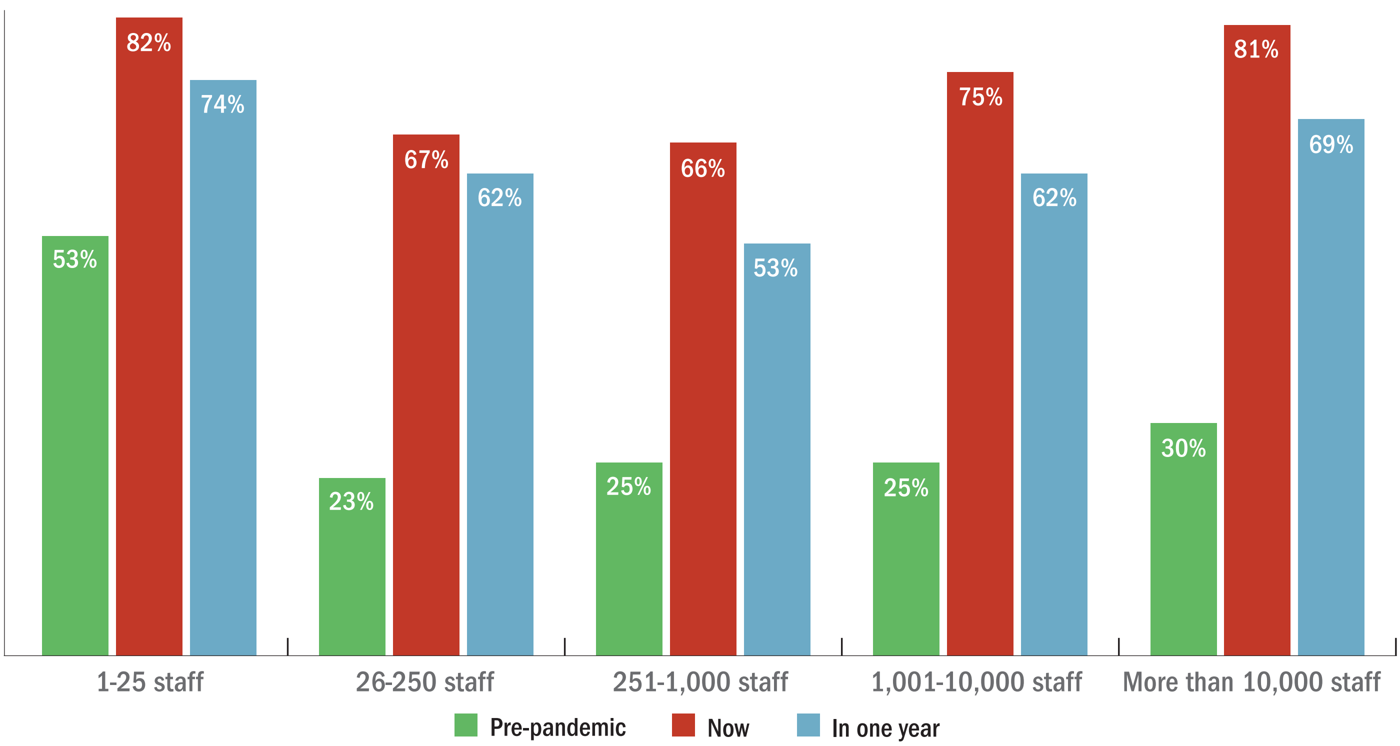
7. Thinking of how you go about choosing your IT suppliers, please score these factors out of 10, with 10 being very important and 1 being not important at all



8. Roughly what percentage of your staff spend the majority of their time working from home, and how is this changing? (All respondents)



9. Roughly what percentage of your staff spend the majority of their time working from home, and how is this changing? (All respondents, filtered by business size)



10. Thinking of the ‘new normal’ of the hybrid workplace, if possible, please tell us in your own words what technology and skills you envisage seeking more of from IT providers in the future

“ Cloud and off-site solutions. On-prem for us is dead.

“ Cloud-based services that are easily accessible anywhere.

“ Seamless device interoperability everywhere.

“ Public cloud and collaboration.

“ We will need additional skills in working in cloud security and cloud technologies.

“ Ability to engage and manage stakeholders over distance. Security for remote working much more important.

“ Better videoconference tools. Better understanding of tools required to work remotely.

“ Better homeworking apps – Zoom, shared drives, collaboration tools.

“ More cloud-based support.

“ Home working is here to stay, I think, so there will be continuing emphasis on items used for that purpose.

“ Looking at more ways to be collaborative, eg how to truly replace the “people at the whiteboard” experience.

“ More remote development; the ability to support a remote workforce – external service desks will have to shape up.

“ We began using Slack as a collaborative tool during the pandemic and found it very useful. We view the future of IT to be more service based, in the cloud.

“ More laptops for remote working.

“ More and broader collaboration tools.

“ Build once, deploy anywhere.

“ Specialist skills in cloud security.

“ Cloud and digital transformation.

“ Technology is not a concern. We will want the ability to fit in well with an established team and pick up potentially complex configuration quickly.

“ Collaboration and communication tools.

“ Remote service provision with flexible growth (up and down) options and flexible funding options.

“ Remote networking and storage.

“ We will offshore and outsource even more IT and try to use it as a genuine service – leaving just architecture and some bespoke industry-specific development in house.

“ A good understanding of Teams; VPN and remote desktops; better internet.

“ Collaboration tools and how to best use them.

“ Remote support, collaboration.

“ We will be looking for more cloud-based services.

“ Collaborative tools, remote working solutions.

“ Cloud collaboration and security.

“ AI and machine-learning capabilities/software.

“ Collaboration and security.

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2 **Softcat** £1.646bn (Gross invoiced income)
3 **CDW** £972.4m
4 **SCC** £708.3m
5 **WWT** £610m
6 **Telent Technology Services** £568m
7 **Insight Direct** £558.3m
8 **Bytes Software Services** £465.9m
9 **Capita Technology Solutions** £429.3m
10 **XMA** £413.4m
11 **SoftwareONE** £300m
12 **Buy IT Direct** £295.5m
13 **SHI International** £280m
14 **NCC Group** £263.7m
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67 **Cancom UK** £63.4m
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78 **Proact UK** £53.1m
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80 **Trams** £51.6m
81 **PCM** £51.2m
82 **Technoworld** £51.1m
83 **Printerland** £51m
84 **ANS** £50.4m
85 **Elite Group** £50.1m
86 **DTP** £47.8m
87 **SecureData** £47.3m
88 **Arrow Business Communications** £46.5m
89 **Bytes Security Partnerships** £46.2m
90 **Blue Chip Customer Engineering** £45.9m
91 **Version 1** £45.8m
92 **Millgate** £45m
93 **Probrand** £44.9m
94 **CSI** £44.8m
95 **Timico** £44m
96 **TET** £43.7m
97 **Saville Group** £43.6m
98 **Tangible Benefit** £42.1m
99 **Solutionize Global** £41.9m
100 **eBECS** £41.8m

The figures on this list are intended to be a fair and reasonable reflection of the annual sales of each company that are generated by a UK-registered trading entity. They are based on annual accounts filed publicly or at Companies House or, in select cases, reliable first-hand testimony or informed market research. Figures may have been recalculated to account for sales or acquisitions; extended or truncated reporting periods; the identification of a UK sales figure from a larger total; or a currency conversion at a historically appropriate exchange rate.
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