

# The Rise of Partner Ecosystems in today's IT industry

## A White Paper

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## Introduction

Partner Ecosystems have become hugely popular in the IT industry recently, but what are they and how are they different to traditional Partner Programs of the past? What motivates technology companies to invest in building state of the art partner ecosystems and how do these ecosystems accelerate both product innovation and market share growth for these companies? Are customers more likely to buy from a vendor with a rich and wide-reaching partner ecosystem?

These are some of the questions this Whitepaper will look to answer by identifying and then exploring the top 8 reasons for why technology companies build a partner ecosystems and demonstrate how having an effective partner ecosystem has become a prerequisite for current day market success.

The whitepaper also investigates 4 primary challenges that needs to be overcome when building a worldclass partner ecosystem and provides the tools and strategies to navigate these challenges and maintain successful relationships with partners in your technology ecosystem that directly contribute to customer satisfaction and profitability.

The entirety of this white paper is sourced by information published publicly. Any Information that is either confidential or restricted (e.g.: accessed from behind a firewall) is not included in this research.

## 1. What is a Partner Ecosystem?

A Partner Ecosystem is made up of independent organizational entities who collaborate to create value, fostering innovation and expanding market reach quickly and efficiently. Partner Ecosystems are different from the traditional partner programs made up of vendor-client relationships that primarily prioritize on tactical revenue growth goals. Modern Partner Ecosystems have a much more complex scope spanning across a network of organizations who are inter-dependent on each other, but where each's success is directly dependent upon the effectiveness of its networked community. These partnerships are structured to leverage complementary skills, technologies, and resources to enhance overall performance and value. The ecosystem can include suppliers, technology partners, service providers, distributors and other stakeholders who play crucial roles in the business process to meet the growing expectations of customers.

A rich partner ecosystem, when functioning properly, creates shared synergistic value through this network of interdependence between Vendor, Partner/s, and Customer/s.

## 2. Why do they matter?

Partner Ecosystems have increasingly become a critical success factor and competitive differentiator for companies in the IT industry. It is no longer economically feasible nor practical for a single IT vendor to independently build innovative end-to-end solutions in-house, and then have a large enough sales force to take their offerings directly to global customers. Furthermore, the pace of innovation with tight time to market (TTM) industry expectations, requires a dependence on partners within your ecosystem to create or assemble wholistic solutions quickly and then reply on a partner sales channel to reach customers the world over.

IT Vendors build partner ecosystems to help deliver value in the following areas:

### 2.1 Accelerating Product Innovation

Time-to-Market means everything. First to market, for example, frequently provides market leadership momentum. Similarly, falling behind your competitors on innovation timelines, quickly makes your products (and thereby, your company) irrelevant.

In the software industry for example, Open Source technologies, Agile development & CI/CD methodologies plus leveraging specialist expertise from your partner ecosystem for key functionality, has shrunk new product delivery release timelines from about once every 6-12 months 20 years ago, to multiple times a week now [[Why software Updates are important](#), Digital Products®, Sep 2024]. This is simple math really. A robust technology partner ecosystem

allows your organization access to diverse perspectives, key specialist skills, and increased resources than you building your product yourself. This Integrate verses Build (from scratch) mindset (by leveraging your partner ecosystem) allows you to innovate faster than ever before.

## 2.2 Filling in Solution Offering Gaps

Beyond just getting to market faster, technology companies today also rely on their partner ecosystems to deliver more complete products than ever before. Today's customers expect products with ever increasing capabilities and functions. A Partner Ecosystem allows your organization to extend your traditional product's features by integrating specialist partner capabilities to fill in product gaps and meet customer expectations. ([Leveraging diverse ecosystem partners for innovation](#), Taylor and Francis Online®, June 2022)

For example, Microsoft Azure® integrates with a variety of partners (e.g., SAP®, Adobe®) to offer enhanced cloud computing, AI, and cybersecurity capabilities. This effectively expands Microsoft's® own foundational product capabilities. Similarly, Apple® and Nike® collaborate on the Apple Watch Nike+® that combines technology and fitness expertise from both companies to create a more complete product that neither company could practically bring to market by themselves alone.

## 2.3 Amplifying brand value via Ecosystem affiliation

Many companies join a larger partner Ecosystem for brand affiliation to automatically enhance your products credibility in the market.

For example, the Red Hat's Partner Connect® ecosystem recruited and onboarded technology partners that were then validated by Red Hat® and given a logo for their products as "Red Hat® Tried – Tested –Trusted", which they could use in their individual marketing programs ([What does Red Hat certified and partner validated mean?](#), Red Hat® Customer Portal, February, 2025). Having the world's largest Open Source® software company list you as a partner and market you as a trusted vendor amplified their brands significantly, generating customer comfort and sales.

## 2.4 Salesforce expansion and access to New Markets

Sales teams are expensive but critical for selling products to customers. Sales teams help build relationships that leads to loyalty and trust with customers by keeping them happy and buying from you, generating new revenue and business growth. But every time you expand your product line or geographic reach, you need to hire more sales personnel, which quickly becomes cost prohibitive, shrinking your product margins and profitability.

Today, most technology companies primarily rely on Channel Business Partners for selling, in what is commonly referred to as a “Channel-First strategy” ([Channel Partners Can Boost the Success of New Channel-First Vendors](#), Channel Futures®, December 2021). Traditional direct sales teams now only focus on selling to the largest customers (commonly referred to as Named Accounts), but 90+% of the market is covered through Channel business partners who come with vertical industry and solutions expertise (i.e.: ability to sell to customers in a specialized industry segment as well as solutions expertise). Channel partners also provide geographical reach, helping sell to customers in a niche region or country.

This approach of leaning heavily on Channel Partners in your Partner Ecosystem for selling, requires selecting, recruiting, and nurturing partner relationships with resellers, distributors, and systems integrators who will expand your market reach, help you access new customer segments, and significantly reduce your customer acquisition costs than doing it alone.

## 2.5 Shared Marketing & Lead Generation

A Partner Ecosystem helps you build affinity and sell to your partners’ customers. “A friend of your friend is also your friend” – and ecosystem partners leverage this to see sell to partners customers. Joint go to market and co-branded campaigns (supported by market development funds), partner lead referrals, and joint co-selling and compensation efforts help partners to generate new leads by working together and improve marketing ROI.

Technology Partners usually conduct an annual customer show/event to cement customer loyalty and amplify their brand with their customers. Strategic Ecosystem partners are showcased at these events, driving awareness and trust of that partner’s products within your customer community.

For examples, consider the ecosystem relationships between Apple® and Nike® again ([Lead generation through partnerships and collaborations](#), AbmaticAI®, November 2023). These companies partnered to create the Nike+ running app, which is designed to help runners track their progress and reach their fitness goals. This partnership has allowed both brands to reach new audiences (each other’s traditional customers) to generate more leads for the other partner, as users of the app are exposed to both brands.

## 2.6 One Stop Shop Marketplaces

For Software companies, B2B digital application marketplaces have truly taken off to become a primary channel for reaching new customers and selling. Customers conveniently access these digital marketplaces to peruse the latest available technology and to quickly purchase products via an all-digital streamlined end to end transaction process. Its fast, its efficient, and very effective. Ecosystem Partners who are part of the partner marketplace, are assumed to be

vetted ad tested to work well with your products, and they automatically become overall solution options for these customers.

The percentage of Software companies who prefer to buy via a B2B marketplace continues to rise – currently at 30% in 2024 (up from the 25% in 2023). According to Jay McBain, Chief Analyst at Canals Group®, a staggering \$17 trillion in B2B transactions is expected to move through Digital Marketplaces by the year 2030. ([G2® Buyer Behavior Report](#), December 2024).

The Salesforce® Business Partner Ecosystem is one of the first and most successful software ecosystems. Today, their AppExchange® marketplace has over 7000 apps from over 2,500 partners, totaling over 10M app installs to date. ([How App Marketplaces Help B2B Partner Ecosystems Thrive With Revenue](#), PartnerStack®, April, 2025).

It is clear that joining a such a impactful marketplace is now a primary draw for why Partners joint IT Ecosystems.

## 2.7 Access to Specialized Services

Technology companies generally create advanced products and solutions that requires specialized services to ensure customer adoption and satisfaction. While in the past, these companies extended themselves to provide these peripheral services to customers themselves, it no longer makes sense. Customer expectations today has evolved such that offering these services requires deep specialized skills and resources, distracting you from your core product focus. Therefore, technology companies now rely on their partner ecosystems to provide these specialized services that complement the core product offering.

These services companies are comprised of Training & Certification companies who train and provide accreditations and certifications on the use of the core products, Consulting & Advisory companies who guide customers on their purchase decision and product fit, System Integration companies who help the customer with core product implementation, Managed Services companies who help with running and operating the core product during production and finally Support companies that provide break-fix maintenance support when things go awry.

These services are tailored for the full life cycle of the core product – both before purchase, during product implementation and continues through live production.

## 2.8 Shared Risk

Financial risk mitigation is a key benefit of having a Partner Ecosystem. Sharing costs, market knowledge, technical expertise and infrastructure with partners within your ecosystem helps companies mitigate risks associated with new product ventures, innovation, and market entry.



For example, a well-functioning ecosystem allows an IT company to focus on building your core product and spread and mitigate the operational and maintenance customer risk of your product to partners who cater to specialized SLAs (Service Level Agreements) directly with the customer. Furthermore, partners help diversify your revenue risk, by spreading your customer footprint across different sales geographies – reducing your company’s dependency on a single market and providing a buffer in case of major market downturns, regulatory changes, or other unforeseen operational challenges.

### 3. Challenges building a Partner Ecosystem

Building a World Class Partner Ecosystem to generate the benefits described in the previous section isn’t easy. Many companies fail because they haven’t prepared to address Ecosystem challenges. The key challenges faced by companies when building their Partner Ecosystem and how to navigate these challenges is explored below.

#### 3.1 Partner Mix

Choosing which partners to target and onboard into a partner Ecosystem is important for Ecosystem balance. A Partner Ecosystem’s effectiveness is dependent on the Partner Mix of the ecosystem. Ecosystem partners should complement and create synergy with your company’s core product offering. For example, if your product is targeted for a certain geography or created to address needs of a specific industry, then having partners that operate in that geography and have complementary services for that vertical industry helps create value to customers (from your ecosystem).

#### 3.2 Active Partnerships

It’s not only about the size of your Partner Ecosystem but also having a membership base that is incented to be active and continuously engaged. There are technology companies that claim ecosystems with tens of thousands of partners who are registered and onboarded into their program but with a large percentage of these partners being dormant and inactive. An Ecosystem should provide its partners opportunities to be active participants by delivering relevant new content updated frequently, sharing and leveraging specialized knowhow, providing opportunities for partners to conduct product certifications, and then tools and resources for active selling. The ecosystem management team should then track individual partner activity within its ecosystem and reward partners for their engagement.

### 3.3 Trust Building

Creating and maintaining trust between you and your partners, and between partners within your Ecosystem is a key challenge to overcome. Ecosystem partners can initially view each other as competition and therefore be unwilling to actively participate in ecosystem forums and information sharing. But the power of an effective Partner Ecosystem is in the synergy of its members, where the value of collaboration exceeds any competitive drawbacks. Having clear rules of engagement, understanding boundaries on when and how an ecosystem partner can engage to help in a “Business to Business to Customer” (B-B-C) engagement helps with trust building.

### 3.4 Streamlining Engagement & Managing Complexity

A vendor joining a partner ecosystem expects to be quickly informed of Ecosystem benefits and then access those benefits quickly and efficiently. Simplifying and streamlining engagement and reducing ecosystem program complexity is an ongoing challenge for many Technology Partner Ecosystem managers. Once a partner ecosystem expands beyond a couple hundred partners, adding human resources to deliver membership requirements becomes untenable and costly. Therefore, building a low-friction digital partner ecosystem portal with streamlined onboarding and easy access to benefits and activities helps its partner community stay engaged, efficient and effective.

As seen above, building a thriving Technology Ecosystems isn't always easy, but if you plan ahead and then build it with the right strategies, tools and capabilities, you can overcome these challenges and create world class Technology Partner Ecosystem.

## 4. Examples of Top Industry Partner Ecosystems

The following technology partner ecosystems are examples of industry leading ecosystems that bring tens of thousands of partners together to deliver a wide array of services and solutions for hundreds of thousands of customers across the world. Each of these ecosystems has foundational similarities addressing the challenges described in the prior section, but has also built in unique differentiation that attracts partners and creating special value as described in section 2, for its participating member companies.

## 4.1 Amazon Web Services® Partner Ecosystem

The Amazon Web Services® Partner Ecosystem is one of the world's largest technology ecosystems in the IT industry. It is made up of 100,000+ partners leveraging Amazon's cloud computing services®, tools and resources, to deliver tens of thousands of 3<sup>rd</sup> party solutions and services built on top of it. AWS® Ecosystem partners are truly global serving over 245 countries and territories with over 10, 000 channel business partners actively co-selling solutions and extending Amazon's® global reach in the marketplace.

The AWS® partner ecosystem provides in membership with deep technical enablement, marketing differentiation through technical validations, co-innovation opportunities, joint go-to-market and co-selling opportunities, powerful partner analytics and insights and digital market place access including funding and incentives to drive global reach (Source: [Overview of Amazon® Web Services, AWS Whitepaper, 2025](#))

## 4.2 Microsoft® Partner Ecosystem

The Microsoft® Partner Ecosystem is even bigger, with over 500,000 partners across 190+ countries (Source: <https://partner.microsoft.com/en-US/>). Its Ecosystem includes a wide array of partner types - independent software vendors (ISVs), managed service providers (MSPs), system integrators (SI's), resellers, consultants, and device companies – creating revenue opportunities by aligning to the Microsoft® brand and technology stack - Azure®, Microsoft 365®, Dynamics 365®, and Power Platform®

Joining Microsoft's® Partner Ecosystem provides significant benefits to partners – access to technical training, co-selling opportunities, funding programs, and go-to-market support. The ecosystem plays a vital role in delivering customer success, with 95% of Microsoft's® commercial revenue influenced by their partner ecosystem.

## 4.3 Red Hat® Partner Ecosystem

Red Hat® boasts the world's largest Open-Source Ecosystem made up of 11,000+ partners, with 100's of new partners joining weekly. Due to its wide array of market leading Open Source based product portfolio, many vendors seek Red Hat® affiliation and its “Tried, Tested, Trusted” guarantee that extends customer trust in Red Hat® to Ecosystem partners who validate their products through the program and carry the Ecosystem member logo.

Partners gain access to Red Hat's® modular collaboration tools, no-cost Product Subscriptions, product certifications, joint solution development, training enablement and go-to-market incentives from the program. Ecosystem Partners with validated solutions can publish their Red Hat® offerings in aligned products, solutions and services, in the Red Hat® Ecosystem Catalog

which helps boost partner visibility and generate customer success (Source: <https://www.redhat.com/en/partners>)

## 5. Summary & Conclusions

Technology Partner Ecosystems have become a modern-day foundational prerequisite for market success both for IT vendors and their customers. This whitepaper went through 8 key reasons for why Partner Ecosystems matter in today's industry and then explored the 4 primary challenges vendors face when building an effective IT Ecosystem program. These challenges can be overcome with adequate planning and careful program execution.

The paper concludes by providing a summarized snapshot for 3 of the world's largest and most successful IT partner ecosystems – illustrating how these partner networks propel these companies to drive extraordinary success with customers, in the global IT marketplace.

## 6. References

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