

## Enterprise app stores to transform IT channel business

- **News from the Canalys Channels Forum, EMEA's largest gathering of channel partners, distributors and IT vendors**

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Canalys today announced its prediction that enterprise app stores will redefine channel IT business over the next three years. Beyond the hype of cloud computing, Canalys foresees the growth of app stores as representing the true transformational force within the enterprise software market.

Coinciding with the increasing number of enterprise app stores, close to 80% of all EMEA channel partners recently surveyed by Canalys named software-as-a-service as the key cloud opportunity for them. Canalys views enterprise app stores as one of the best platforms from which channel partners can potentially generate revenue through cloud software and services.<sup>1</sup>

'Cloud is important, but is having a more limited impact than partners realize right now,' said Canalys Chief Analyst Adam Daum. 'While cloud is certainly one aspect of the changing enterprise software landscape, it is not the key driver. The trends underlying enterprise app stores are much more fundamental.'

According to Canalys, the rise of enterprise app stores is being propelled by a combination of related IT mega-trends:

- **Consumerization:** With or without permission, employees are increasingly bringing their own mobile devices into the workplace. Many companies have modified their IT policies to accept these devices. Others are encouraging employees to bring their own mobile devices, or even supplying them with devices traditionally associated with the consumer world, such as smart phones and pads. Internal app stores enable enterprises to efficiently manage the growing number of mobile form factors and OS platforms, while bolstering employee satisfaction.
- **The decentralization of IT:** Facing mounting pressure from dissatisfied internal customers, difficult-to-manage legacy applications and overwhelming workloads, enterprises are actively seeking new ways of devolving certain IT decisions and tasks away from IT departments to their various business units. Policies may still be controlled centrally, but more choice and control of simple apps will continue to spread throughout the enterprise. Easily navigable app stores effectively enable IT to maintain control over security and governance, while reducing IT department headcount.
- **Changes in enterprise software architecture:** IT departments are starting to emerge from a long, dark tunnel of difficult-to-integrate, difficult-to-manage enterprise applications. End-user demand for simplicity, tied to serious budget constraints, is encouraging IT to expose APIs, enabling simple apps to deliver intended results quickly and efficiently. Without the complexity, these apps can easily be distributed via internal stores, whose interfaces resemble those found in the consumer world.

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<sup>1</sup> Canalys EMEA channel partner survey conducted in August 2011.

- **Everything-as-a-service:** Led by consumer cloud growth, software-as-a-service dominates IT marketing agendas and even mainstream media coverage. In the enterprise setting, the proliferation of mobile devices requires a comprehensive yet easy-to-use software platform, accessible anytime, anywhere.

‘We’re moving to a smart phone world in more ways than one,’ said Daum. ‘Thanks to consumer app stores, the average employee is as familiar with downloading their own software picks as checking their e-mail. They now want that self-service and ease-of-use available in the workplace.’

Numerous IT vendors have already launched their own internal enterprise app stores, while other industries are leaping into the action. When Standard Chartered Bank moved to the iPhone platform and developed its own app store, it helped usher in a paradigm shift in IT decision-making.

‘For too long, IT has been seen as a barrier to business agility,’ said Daum. ‘By using enterprise software improvements as a means for an image make-over, IT can embrace creativity and portray itself as an enabler again.’

Canalys anticipates that the economic crisis in Europe will dominate the regional business agenda for years to come, putting channel partners under greater pressure to alter their business models both quickly and strategically if they want to survive in the long term. As enterprise app stores transform the IT landscape, channel partners will face competition not only from vendors but also from large enterprise customers themselves.

‘The IT channel has traditionally profited from inefficient, complex enterprise software,’ said Daum. ‘Where in the past channel partners have focused on tricky software installations, lucrative licensing revenue, and ongoing training and help-desk services, they’ll need to transition to custom app development and app store management if they want to succeed in the industry.’

## About the Canalys Channels Forum

The Canalys Channels Forum is the only independent event that unites senior managers from leading technology vendors, distributors and channel partners to discuss industry trends, forge new business relationships and create sales opportunities. In addition to vendor keynotes, the event features best-practice workshops, more than 2,000 senior one-to-one meetings and a prestigious gala dinner, among other networking activities. More information about the event can be found at [www.canalyschannelsforum.com](http://www.canalyschannelsforum.com) or on Twitter at @cloudtoclarity.

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