

The Dell VxRail PARTNER OPPORTUNITY

TechTarget's Enterprise Strategy Group recently conducted primary research with a number of Dell Technologies partners to learn about their success with providing VxRail hyperconverged solutions to their clients. In one-on-one conversations, we uncovered a number of ways in which selling VxRail impacted the partners' businesses, including enhancing their ability to differentiate strategic core offerings and developing long-term customer relationships that guide and support digital transformation initiatives.


Partner Benefits

Partners that invest in and commit to the VxRail Hyperconverged platform enjoy clear advantages over their competition. These advantages result in high-level, strategic engagements that yield impressive top-line and bottom-line growth for both products and value-added services.

VxRail: Large Deal Sizes, High Close Rates, and Attractive Margins


How does collaborative selling accelerate sales success?

Order cycles:




- Often tied to budgets and refresh cycles.
- Once engaged with a design and complete bill of material (BOM), typical sales cycles are less than 3 months.

Close rates:



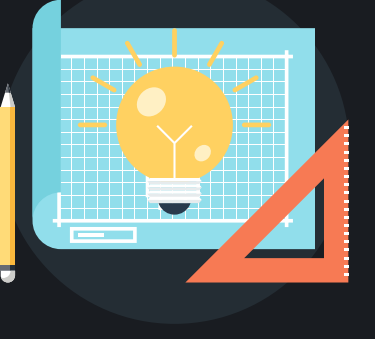
- High close rates for enterprise-level customers.
 - Greater than 75% on registered deals to near 100% for proofs of concept (POCs).
- Dell sales engine support aids high close rates.

Deal sizes:



- Mid-level - \$300K-\$500K.
- Enterprise - \$1M++.


Partner margins:



- Services
 - 30-35% for implementation/configuration.
 - Up to 50% for high-value consulting.
 - Total partner margins average 25% - 30%.


Sales Effectiveness: Insights on Successful Selling from Leading Partners

Partners, with Dell and VMware, jointly employ VxRail sales processes.




- Supports existing knowledge and selling steps, with high enterprise close rates.
- Matches refresh sales motions = efficient use of resources.
- Large deal sizes drive positive behavior/seller engagement/participation.

Partner sellers bring Dell, VMware field support in early.



- Collectively pursue new opportunities, plus farm existing accounts.
- Builds new capabilities and adds IP to pre-sales teams.
- Partners rely on responsive Dell and VMware field support.

Why partners win with VxRail.



- VxRail addresses wide range of customer segments.
- VMware and Dell collaboration in go-to-market efforts.
- Seamless operational experience drives follow-on revenue.

Differentiation: VxRail Enables Partners to Stand Out

What is the business impact of VxRail?



- Utilize VxRail to engage new, growing market segments.
- Engage strategically with senior IT and LOB decision makers.
- See VxRail as a competitive differentiator.
- Expect VxRail to continue to grow in importance.


What actions bring success to leading partners?



- Dedicate executive mindshare and commitment.
- Target the right prospects and customers.
- Anticipate both refresh cycles and digital transformation initiatives.
- Generate more business from existing accounts, plus add new customers.

Bottom Line: VxRail Drives Profitable Partner Growth

Top Business and Engagement Drivers



Key Findings:

Value in sales process, demonstrations/presentations.

- Single operational model scales long term customer value across edge core and cloud.
- Partnership value-add provided from Dell and VMware teams.


Total offers leverage maturity of VxRail.

- Predictable, flexible pricing and high quality.
- Product attach rates of 3-5x from VxRail.

Enable "Land and Expand" strategy

- DC modernization.
- Scale out or up as business needs grow.
- Expand IT footprint and customer value across edge and cloud.
- Consulting for VxRail services and integrations.

Top Economic Drivers for Growth



Key Factors:

- Superior VxRail operational savings for customers is a competitive differentiator.
- Attached revenue: VMware licensing, implementation services.
- Attached products: Security and networking products.
- Follow-on revenue: VxRail is "sticky" and generates "Day 2 services."
 - vSphere deployment, configuration, and installation.
 - NSX implementation.
 - Data migration and app conversion.
 - Managed service provider (MSP) services.

Scoring the VxRail Partner Business Impact

Today's IT partners look for both strategic and tactical impact from their top vendor relationships. The Dell Technologies VxRail platform delivers the goods in terms of short-term and long-term positive financial impact.

VxRail Partner Profitability Drivers



STATUS	PROFIT DRIVERS
GREAT	Top-line Revenue
GOOD	Services Attach
GOOD	Products Attach
GREAT	Services Gross Margin
GOOD	Products Gross Margin
GREAT	Total Profitability

The Bigger Truth

ESG found that partners who actively promote VxRail benefit from a degree of competitive differentiation that enables them to engage strategically with senior IT and line-of-business (LOB) teams at their customers. With VxRail as an enabling technology that leverages existing skills and experience, the partners guide and support customer digital transformation and hybrid cloud initiatives. As high-level advisors, they both "land" and "expand" net-new clients by supporting business growth and enjoy attractive, high-value consulting and managed services.