

"I'm now officially the worst performing Olympian in the family – which I'm happy to own"

Richard Fox, father of Noemie and Jess Fox, Olympic gold medalists, AFR 7th August, 2024

I love the Olympics.

The recent games showcased the remarkable talent of athletes like China's Pan Zhanle, who broke his own 100m world swimming record with a time of 46.40 seconds, finishing ahead of Australia's Kyle Chalmers.

These achievements remind us of the incredible feats that can be accomplished through sheer human effort, untouched by technology, AI, or software.



Yet, technology has revolutionised how we experience the Olympics. The Games, perhaps more than any other sporting event, are perfectly suited to the internet age. With 32 sports and 48 disciplines spread over 754 competition sessions in 19 days, it's impossible to watch everything from start to finish. Instead, we now tailor our viewing experiences through broadcast TV, streaming, and social media.

It is technology, that enhances our appreciation of human achievement and effort.

We take a closer look at the hyperscaler cloud Marketplaces that have disrupted the IT supply chain. Surprisingly, the key to their growth and popularity is due to customers spending down on budget already committed to cloud.

This month we feature the biography of Elon Musk written by Walter Isaacson. Isaacson reveals depth and insight into this incredible man, who has arguably brought more societal-changing technologies and innovation to the world than any other.

Previous Newsletters, including this one, are available on our site in pdf [HERE](#)

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Hyperscaler Marketplaces disrupt IT delivery models

Background: For over a decade, enterprises have increasingly migrated their IT to the three dominant public cloud providers - Amazon (AWS), Microsoft (Azure) and Google (GCP).



These platforms offer a vast array of products directly and through growing ecosystem partners to customers, disrupting traditional IT delivery models.

Marketplace Landscape: As the ecosystems produced more offers for the cloud and from the cloud, a further opportunity emerged for the cloud providers - to offer these products directly to customers in what is now referred to as “Marketplaces”.

Offers: Each cloud provider has developed a digital catalogue featuring listings from independent software vendors (ISVs), pre-configured solutions including development stacks, APIs and data services and tools for AI, machine learning, analytics and DevOps. These offerings typically integrate with the providers’ own cloud services.

Market Size & Impact: Enterprise software sales through hyperscaler cloud marketplaces are expected to reach US\$85 billion by 2028, rising from US\$16 billion in 2023 [LINK](#).

In Australia alone, these marketplaces are projected to generate close to A\$1 billion in business in 2024. The global breakdown for 2024 is as follows:

- AWS Marketplace: Estimated \$10-12 billion in annual sales
- Google Cloud Marketplace: Likely smaller, possibly in the \$1-3 billion range
- Microsoft Azure Marketplace: Possibly around \$5-6 billion

Target Market Segments: The target markets in common include capabilities in AI, machine learning, data analytics, business intelligence, database and storage, cybersecurity, APIs and DevOps tools.

They differ based on their heritage and core products. For example, Microsoft provides a comprehensive ecosystem linked to Microsoft 365 and Google’s is linked to Kubernetes.

Customer Reaction: As companies grapple with budget constraints, many find that purchasing third-party software through these Marketplaces helps them meet their committed cloud spend.

Hyperscalers have accumulated \$348 billion of committed spend from their customers (see diagram below). If customers buy third-party SaaS via AWS or Microsoft Cloud or Google Cloud marketplace, their spend goes towards these commitments.



Cloud commits are a catalyst for hyperscaler marketplace spend. Source: Canalys

Vendors' Reaction: Vendors, while cautious of losing direct customer control and increasing pricing pressure, recognise the growing importance of these platforms.

If vendors don't engage, they potentially lose out on billions of dollars of potential sales and opportunity, much of which has been budgeted (see above).

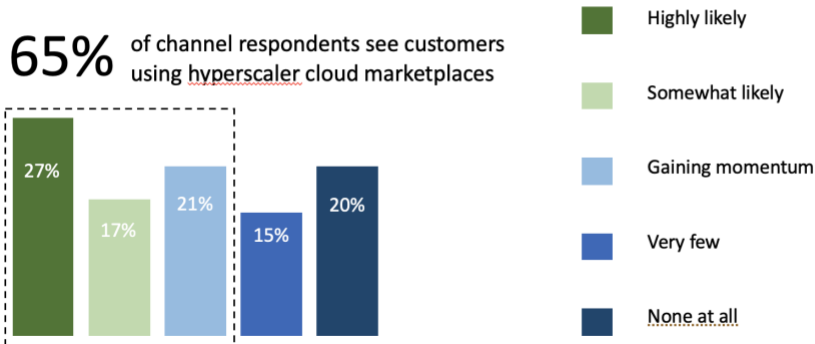
CrowdStrike and Snowflake were among the first to announce reaching US\$1 billion in total cumulative sales through Marketplaces, and many of the largest software and cybersecurity vendors are increasingly adopting this route to market. In 2024, companies like Cisco, Citrix, IBM, NetApp, Nutanix, Red Hat, Salesforce, ServiceNow, and Zoom are among those that have either launched or significantly expanded their sales on the hyperscalers' marketplaces.

Reseller/Channel Reaction: In a similar fashion to vendors, the dilemma for the channel, is centred on concerns around disintermediation, reduced margin and customer control.

“Why buy from a reseller when I can purchase more easily online?”

In a recent survey by Canalys, 65 percent of channel respondents believe that their customers will use Marketplaces. See below.

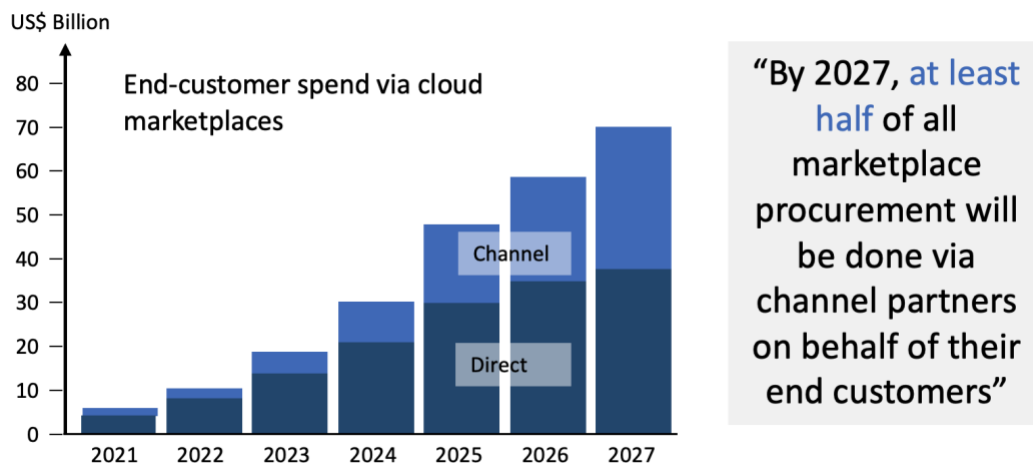
How likely are your customers to buy third-party products from Marketplaces from AWS, Microsoft or Google?



The Channel predicts high adoption of Cloud Marketplaces by Customers. Source: Canalys

Given the marked change in customer procurement behaviour, competitive pressure and the inevitability of Marketplaces, resellers have little choice but to figure out how to maintain relevance and participate profitably.

Vendors acknowledge these concerns and the role of channel partners in driving and influencing customer choice, adoption and growth. As illustrated in the graph below, customers are expected to prefer buying through trusted partners and will still require their skills and resources to design and implement solutions. This is particularly apparent in complex, sometimes very large, IT implementations.



Partners will play a key role in cloud Marketplaces. Source: Canalys

Key Success Factors Across "Best in Class" Resellers: In the face of the growing use of Marketplaces, what should resellers do to maintain relevance and continue to profitably be an integral part of the IT supply chain?

To answer this, we looked at resellers that have been recognised for their successful marketplace strategies and then analysed the characteristics underpinning their success.

Resellers with successful Marketplace strategies include: Insight Enterprises (global), SHI International (global), Crayon (global) Bytes Technology Group (UK, Europe), Rhipes (Asia-Pacific), Rackspace and SoftwareONE.

The following is a summary of their key success factors:

- **Strong Vendor Relationships:** These resellers have cultivated strong partnerships with cloud providers, enabling them to participate in co-sell programs, receive better support, and gain early access to new products.
- **Value-Added Services:** They don't just resell marketplace products; they offer value-added services such as managed services, consulting, and integration that enhance the overall solution for the customer.
- **Specialisation and Focus:** Successful resellers often specialise in particular industries or technologies, allowing them to develop deep expertise and tailor their offerings to specific customer needs.
- **Innovation and Differentiation:** They invest in innovation, whether through developing proprietary tools or creating unique service offerings that differentiate them from competitors.
- **Customer-Centric Approach:** They focus on understanding and meeting customer needs, offering education, enablement, and ongoing support to ensure customers get the most value from marketplace products.

Like the cloud itself, cloud Marketplaces have become an integral aspect of the IT industry and delivery model. Vendors and the channel ignore it at their peril, because clients won't.

Elon Musk, by Walter Isaacson

#1 New York Times bestseller [LINK](#)

“To anyone I've offended, I just wanted to say, I reinvented electric cars and I'm sending people to Mars in a rocket ship. Did you think I was going to be a chill, normal dude?”

Musk as guest host of Saturday Night Live, May 2021

I confess a degree of bias towards Isaacson, one of my favourite authors and author of other bestselling biographies - such as Steve Jobs and Einstein to name a few.

While everyone has heard of Elon Musk, they probably assume they know him. Isaacson will change that.

Isaacson always reveals more about his subjects than you could possibly know. For two years, he shadowed Musk, attended his meetings, walked his factories with him, and spent hours interviewing him, his family, friends, coworkers, and adversaries.

This is the astonishingly intimate story of the most fascinating and controversial innovator of our time - a rule-breaking visionary who helped to lead the world into the era of electric vehicles, private space exploration, brain communication, tunnel boring, artificial intelligence and, most recently, the world's largest town square, “X” (previously Twitter).



The story delves into the genesis of his character from his early childhood as a kid growing up in South Africa, where he was regularly beaten by bullies, to the emotional scars inflicted by his father, an engineer, rogue, and charismatic fantasist.

He developed into a tough yet vulnerable man-child, prone to abrupt Jekyll-and-Hyde mood swings, with an exceedingly high tolerance for risk, a craving for drama, an epic sense of mission, and a maniacal intensity that was callous and at times destructive.

Her main job was keeping Musk from going king-crazy. “You’ve never heard that term? It means that people become king and then they go crazy”.

Talulah Riley, married Musk in 2010

At the beginning of 2022, after a year marked by SpaceX launching thirty-one rockets into orbit, Tesla selling a million cars, and him becoming the richest man on earth - he was secretly buying up shares of Twitter.

This book is packed with story after story highlighting his brilliance, curiosity and fanatical attention to detail.

“Physics does not care about hurt feelings, it cares about whether you got the rocket right”

It is a revealing inside perspective, filled with amazing tales of triumphs and turmoil, that addresses the question: are the demons that drive Musk also what it takes to drive innovation and progress?

Stay connected.

Kevin