

Partner Perfect: Why the Channel is NetApp's Choice for C190

At NetApp, we're excited about our newest product, the AFF C190 All Flash Storage Array. This is a product family that will open the door for revenue growth across our partner channel in a new way. NetApp recognizes the value of our partners to engage customers of all sizes, and we made a strategic and deliberate decision for C190: it's built for partners, pre-priced and pre-discounted, and most importantly, front-end margin rich! Let me tell more about this new offering and why we are so excited.

NetApp is committed to helping partners grow

It's no secret that partnerships are in our DNA at NetApp. Over 80 percent of our \$6B-plus in annual revenues at NetApp are driven by our partners. Since I joined the NetApp team, my number one focus has been the profitability of our channel. That profitability shows up in our products and our approach to services.

As a vendor, NetApp excels at putting partners to work using two key differentiators: a product portfolio that helps partners compete more effectively, and the value proposition that comes from attaching services and profitability around those products. We know this combination works: Partners who deliver services around NetApp solutions can achieve 30 percent growth in profits year-over-year.

From this foundation, our partners have long trusted NetApp to collaborate with them with clear go-to-market messages and best-in-class products that deliver the performance their customers expect. However, we also know that the business landscape is constantly evolving. Listening to our partners, we heard that they need more flexibility in order to stay competitive and evolve with it.

From our 2018 Partner Profitability Study, we found that partners earn up to \$7.41 for every \$1 of NetApp product. Building on that success, we have deliberately refined our partner strategy and programs to identify ways to help our partners generate more NetApp business.

With C190, NetApp has created new opportunities for partners to expand their market for NetApp storage solutions and grow their revenue. Designed for smaller organizations, C190 is an affordable, entry-level product that introduces the NetApp portfolio to customers who previously never considered NetApp's enterprise-level solutions. This means NetApp can offer fully featured All Flash solutions to customers with prices starting at about \$20K. We believe our partners will see excellent front-end margins. And because it is only offered as an express pack, that means it comes pre-priced and pre-discounted, with no extra discount support needed from NetApp.

Our approach with C190 is aligned with our focus on offering differentiated ways for our partners to build profitable, predictable, and sustainable solutions that lead to lasting partnerships between NetApp and our partners, and between our partners and their customers.

NetApp partners have the expertise and connections that perfectly position them to grow the C190 market

Our choice also reflects how much we value and recognize the expertise our partners have in the verticals they serve. Our partners have technical depth, and they're often highly specialized across specific niche markets. Leveraging the expertise of our partner channel is the most effective way to show those customers how C190 and NetApp technology can drive business results.

Our most recent Partner Profitability Study also told us that 75 percent of our partners' NetApp revenue comes from services, with more than half coming from their own branded services. With the introduction of C190, our partners can build services around a NetApp product that will appeal to a new market segment by addressing the specific needs of smaller organizations. With the majority of cloud solutions being created and delivered by partners, it's a win/win for all of us when we can help build out and deliver partner-branded services.