



2021

**CDN TOP 100 SOLUTION PROVIDERS
INDUSTRY BENCHMARK REPORT**

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Okta is the leading independent identity provider. The Okta Identity Cloud enables organizations to securely connect the right people to the right technologies at the right time. With more than 7,000 pre-built integrations to applications and infrastructure providers, Okta provides simple and secure access to people and organizations everywhere, giving them the confidence to reach their full potential. More than 10,000 organizations, including JetBlue, Nordstrom, Siemens, Slack, T-Mobile, Takeda, Teach for America, and Twilio, trust Okta to help protect the identities of their workforces and customers

EXECUTIVE SUMMARY: A TURBULENT YEAR

Each year, Channel Daily News creates a detailed snapshot of Canada's leading IT solution providers. This snapshot is based on submissions provided by managed service providers, cloud solution providers, system integrators, and IT consultants from across the country. Our latest snapshot was made possible thanks to more than 120 respondents representing a wide range of resellers and MSPs. The info was drawn from surveys completed by MSPs between January and March 2021, with revenue numbers based on the calendar year of 2020.

The year 2020 was unpredictable to say the least. Almost a quarter of the solution providers on this year's Top 100 list notched a 20% or better increase in revenue. Approximately 12% of companies recorded a 20% decrease. Total revenue for Top 100 companies in the year 2020 was slightly over \$10 billion, almost identical to last year.

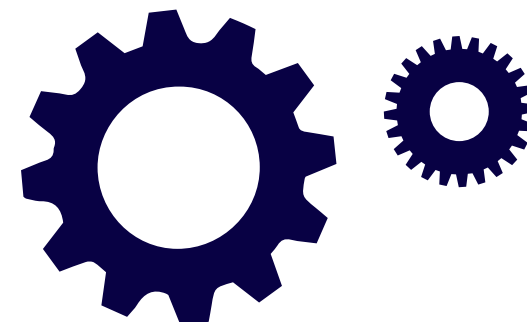
While there was an absence of major milestones being set among the leading players, the top 10 solution providers are still doing most of the heavy lifting, and account for more than 60% of the list's total revenue.

However, there is some competitive jostling occurring in the middle of the Top 100 list as the smaller players tap into new markets and upgrade their services to double down on cloud services.

ThinkOn enjoyed a 65% growth in revenue, climbing from the No. 73 spot to No. 51. **Carbon60** experienced a 57% revenue increase, jumping from the No. 64 spot to 47. **Powerland** added the most to its bottom line. Toronto-based solution provider **Arctiq** has been growing steadily over the past several years thanks to a laser focus on all things cloud and software development. The solution provider jumped from No. 81 on the list to its current ranking of No. 72.



The top 10 solution providers on our Top 100 list are still doing a lot of heavy lifting and account for more than 60% of the list's total revenue.



The Canadian IT industry is also seeing large companies using their balance sheet to acquire companies and grow their services. We saw this with **Vantage Data Centers** acquiring the hyperscale data center business from **Hypertec** in Montreal. We also saw **Bell Canada Enterprises** sell its 25 data centres held in 13 data centre sites for CA\$1.04 billion to U.S. data centre company **Equinix**. The deal has significant implications for both companies and the Canadian market. The transaction makes Bell Business Markets the first Equinix Platinum Partner in Canada, and it also means Bell enterprise customers will gain access to Equinix's global integrated network and cloud solutions.

It's worth noting that the Canadian IT industry as a whole makes a substantial contribution to Canada's GDP. Canada's ICT (information and communication technologies) sector posted strong growth in 2019, and outperformed the overall Canadian economy in output, employment, and innovation growth.

In 2019, the Canadian ICT sector's GDP was \$91.4 billion and generated \$210 billion in revenue. [According to the Government of Canada](#), there are over 43,200 companies in the Canadian Information and Communications Technologies (ICT) sector. The large majority (over 39,000) fall within the software and computer services industries.

GETTING CLOUDIER

Canadian service providers in 2020 mostly stuck to the same offerings as in previous years. IT consulting (85%) and security solutions (80%) still reigned supreme – rightfully so with criminals taking advantage of the pandemic and businesses seeking all the help they could get to keep their operations running remotely – but this year’s Top 100 players also made it clear they’re focused on making their business more cloudy.

When asked to check all that apply, survey respondents said they offered cloud solutions in the following areas:



Cloud
(Storage)
70%



Cloud
(Infrastructure)
72%



Cloud
(Private)
67%



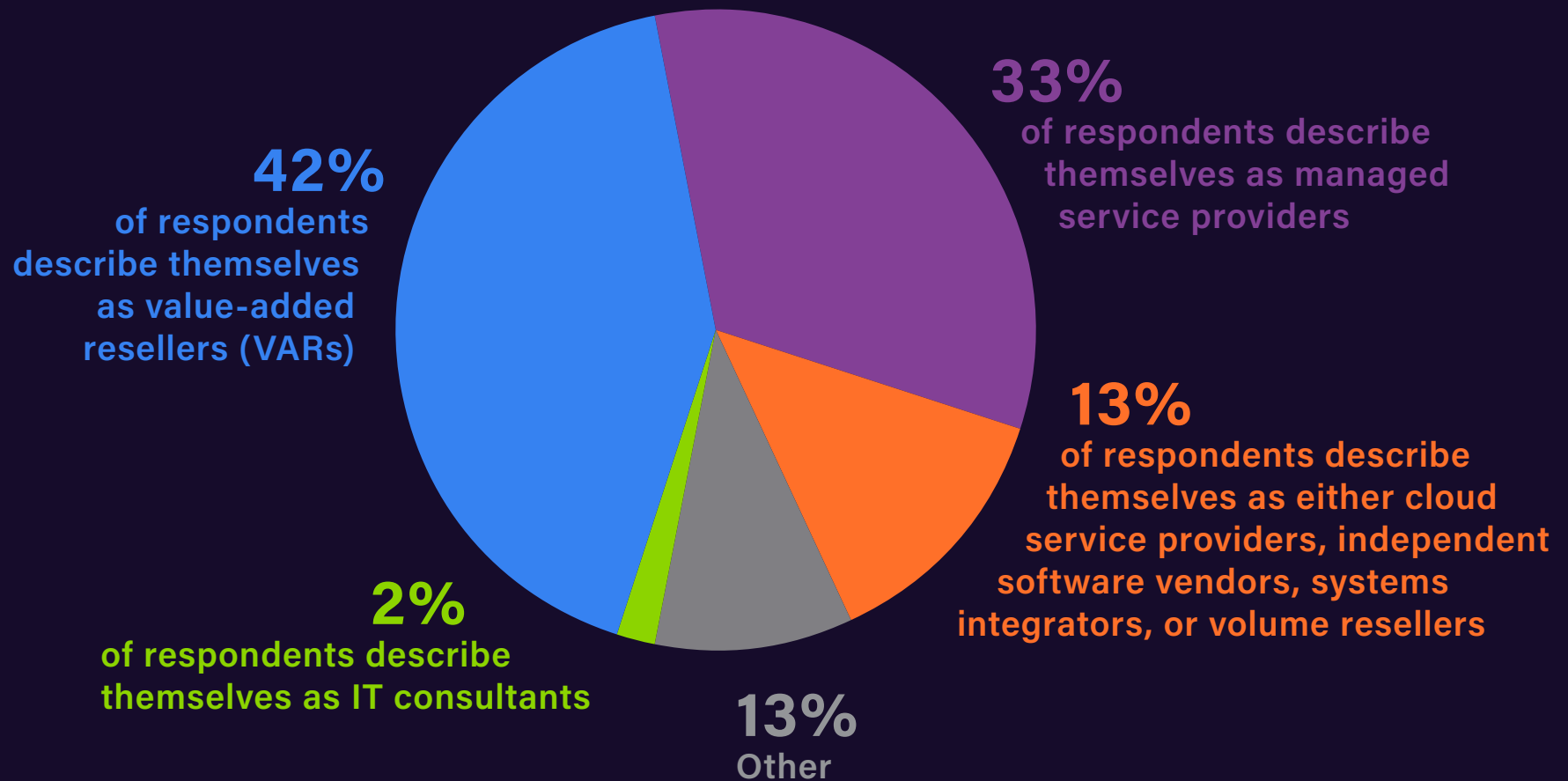
Cloud
(Public)
61%



Cloud
(Hybrid)
67%

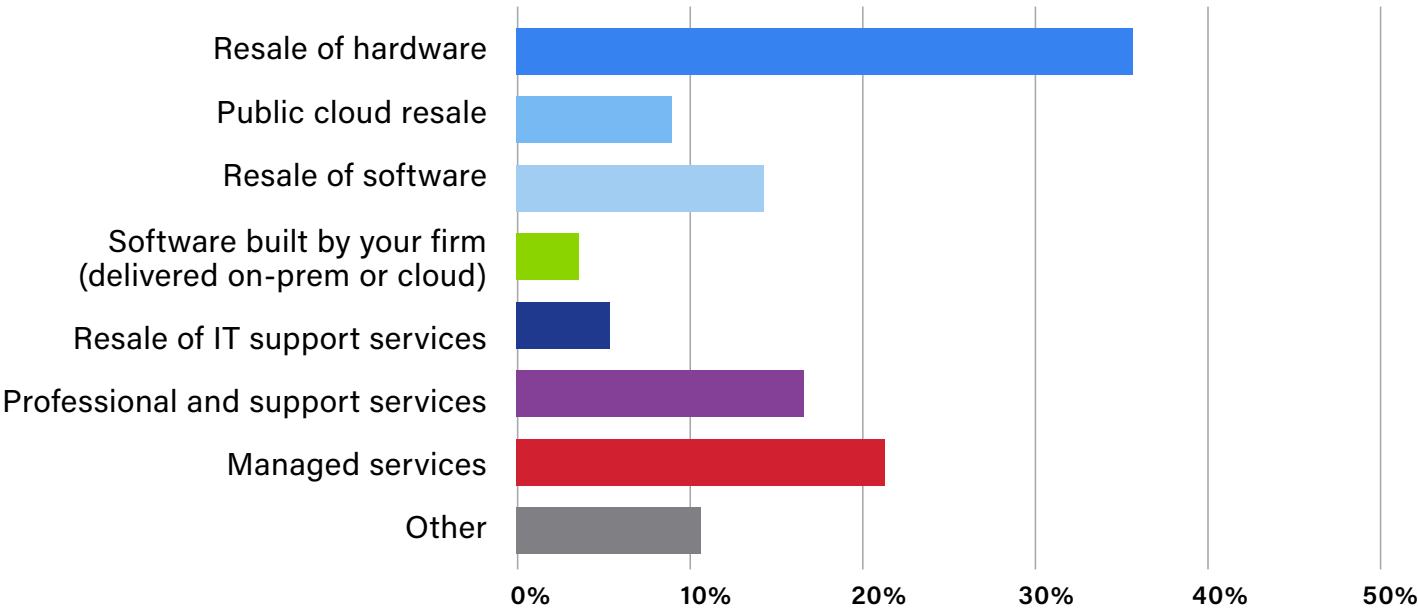
CHANNEL PROFILE

The Canadian IT channel is made up of a wide range of business types, but value-added resellers continued to make up the largest slice of the pie.

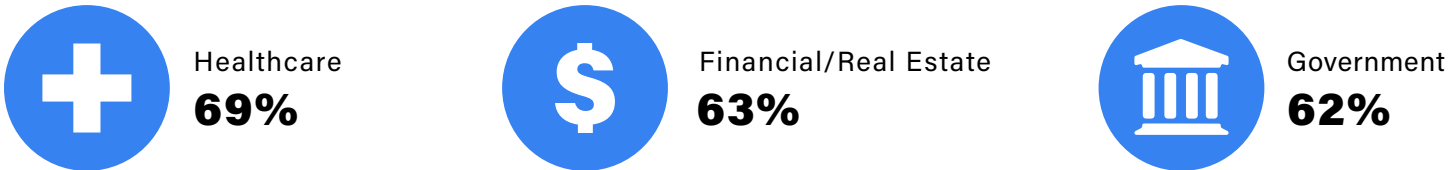


There's serious momentum when it comes to software solutions and services, but the top players in the channel are still clearly tied to a legacy business entrenched in hardware.

The biggest chunk of revenue came from the resale of hardware:



The top three industries this year's Top 100 solution providers sell into are:



MOVERS AND SHAKERS

Important M&A activity in the channel and beyond last year included:

December 2020 - Salesforce buys Slack (\$27.7 billion)

With this acquisition, Slack becomes the new interface for Salesforce Customer 360. At the time of the acquisition, Salesforce said it was looking to “give companies a single source of truth for their business” by unifying the platforms they use within their existing workflows.

November 2020 - Vantage Data Centers acquires hyperscale data center business from Hypertec in Montreal. Terms of deal not disclosed.

The transaction increases Vantage’s presence in Quebec, with a total IT load capacity of 81 megawatts (MW) for all of its three sites. Two years ago, Vantage Data Centres hadn’t even established a presence in Canada; but recently it has been rapidly adding capacity to meet a growing demand within a fiercely competitive field.

October 2020 - AMD acquires Xilinx (\$35 billion)

AMD has purchased Xilinx, the semiconductor company that pioneered the first field-programmable gate array (FPGA) in the biggest deal in AMD’s history. It was an all-stock deal, with AMD estimating the combined enterprise value to be around US\$135 billion. With the acquisition, AMD is aiming to use Xilinx’s FPGAs and adaptive SoCs products to better address cloud computing and data centre platforms.

September 2020 - NVIDIA acquires Arm (\$40 billion)

This deal brings together NVIDIA's AI computing platform with Arm's ecosystem to create a computing company for the age of AI, accelerating innovation, says NVIDIA. SoftBank will remain committed to Arm's long-term success through its ownership stake in NVIDIA, expected to be under 10%.

March 2020 - Insight Partners acquires Veeam Software for (\$5 billion)

December 2019 - Insight acquired PCM Canada as part of its acquisition of PCM (\$581 million)

At the time of the acquisition, Insight Canada's senior vice-president and general manager, John Dathan, said the purchase – which tripled Insight's workforce in Canada and added physical locations to the region – would help bring some of Insight's advanced capabilities into Canada. This newest move, he indicated, should continue to aid in that process.

HIRING INTENTIONS

More than 90% of Top 100 survey respondents are expecting to hire within the next 12 months, a good sign in the face of economic uncertainty brought on by the COVID-19 pandemic. However, one of the positions the channel is *still* desperately looking to fill with new talent is security.

Unfortunately, it's very hard to compete for top-end security talent. Most research suggests there's a zero per cent unemployment rate and nearly 400K open positions across the U.S. The trend is similar in Canada.

If you're a small business, the security challenges and insights you build in your career are just greater. Most Canadian channel organizations are fairly small and dealing with fairly small customers. These channel partners can expect a tough road ahead as they look to compete effectively for a scarce and high-value skill set.

Canadian solution providers are most likely to hire in the following areas over the next 12 months:

 **58%**
Sales/
Marketing

 **60%**
Security

 **58%**
Business
development

CERTIFICATIONS MOST IMPORTANT TO CANADIAN SOLUTION PROVIDERS



81%

Security



71%

Cloud



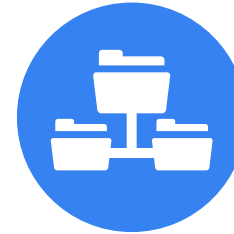
58%

Networking



48%

Certified Systems
Engineer



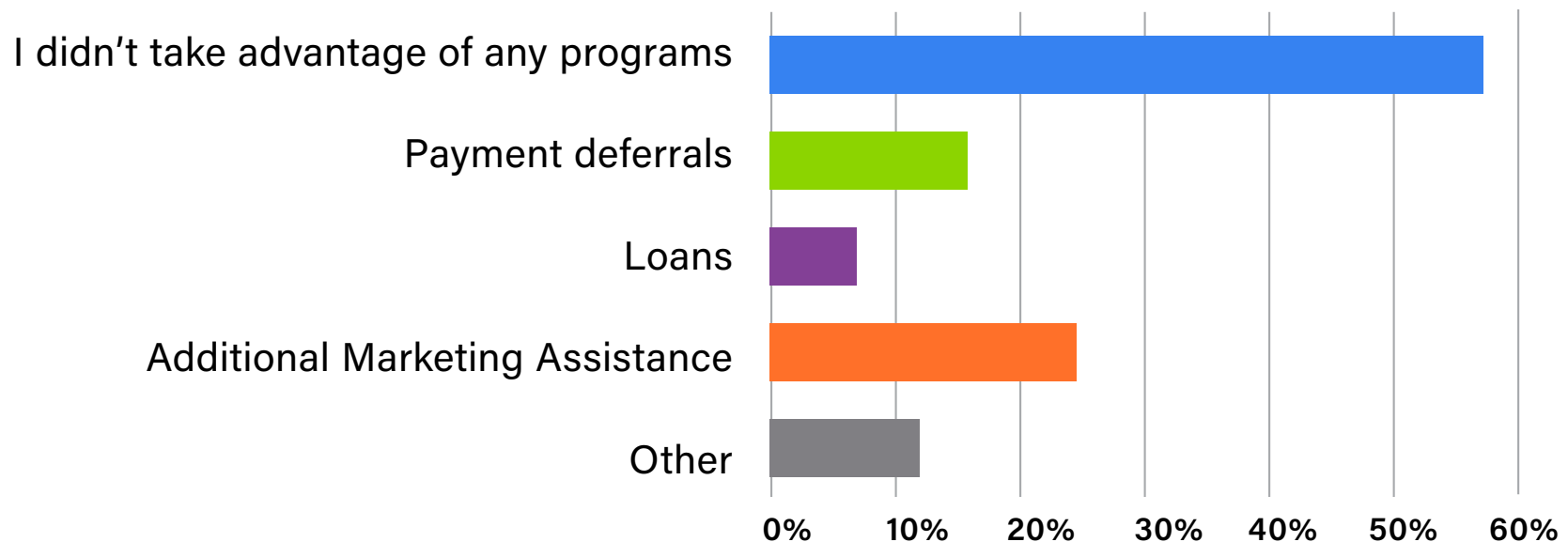
55%

Project
Management

FINANCIAL RELIEF RESPONSE

Technology vendors announced various types of partner relief programs in 2020 to reduce some of the financial burden associated with the COVID-19 pandemic and subsequent lockdowns. Interestingly, however, Canada's Top 100 solution providers found little value in these relief offerings.

WHAT KIND OF ASSISTANCE WAS MOST EFFECTIVE?



TOP CHALLENGES

Once again we picked the Top 100 list's collective brain about specific challenges solution providers are facing this year. Below are some of the comments we received. Each speech bubble represents a different respondent's answer to the question.

Vendors continue to increase marketing and direct sales to end-users while reducing resources to the channel and moving responsibilities for channel management to distribution. It's a two-way street ... no vendor investment and relationship, with the channel will be reciprocated with no channel investment and loyalty from the vendor.

Depleted hardware inventory levels.

Finding new clients and being able to perform network analysis.

Enterprise business was way down in 2020. Projects pushed to 2021 ... need to have the cities open up and get projects back on priority.

The MSP market is stuck in a “maintain and secure” technology-orientated mindset. This attitude and lack of ambition perpetuate the commoditization of the services delivered. Instead, MSPs need to be focused on their clients’ data, not just their technology. How can an MSP call itself a valuable trusted advisor if it cannot guide a business on how it can and cannot use its data, and where opportunities lie?

2021 will be a critical year for all of us. The main challenge facing the channel in the coming year outside of COVID-19 is the acquisition of resellers to large private equity firms.

Operational costs and addressing evolving security threats.

2021 TOP 100 SOLUTION PROVIDERS

(BASED ON 2020 REVENUE)

RANK	COMPANY	REVENUE	WEBSITE
1	CDW Canada	\$1-\$2B	www.cdw.ca
2	Softchoice	\$1-\$2B	www.softchoice.com
3	Insight Canada Inc.	\$650-\$700M	www.insight.ca
4	Compugen	\$600-\$650M	www.compugen.com
5	Long View Systems	\$400-\$450M	www.longviewsystems.com
6	CompuCom Canada Co / Grand and Toy	\$400-\$450M	www.compucom.com
7	ITI	\$200-\$300M	www.iti.ca
8	SoftwareONE Canada Inc.	\$150M-\$200M	www.softwareone.com
9	Micro Logic	\$150M-\$200M	www.micrologic.ca
10	TeraMach, a Pivot Company	\$150M-\$200M	www.teramach.com
11	Powerland Computers Ltd.	\$150M-\$200M	www.powerland.ca
12	Convergint Technologies LTD	\$150M-\$200M	www.convergint.com
13	Herjavec Group	\$100-\$150M	www.herjavecgroup.com
14	SHI Canada	\$100-\$150M	www.shi.ca

RANK	COMPANY	REVENUE	WEBSITE
15	Esri Canada	\$100-\$150M	www.esri.ca
16	Microserve	\$100-\$150M	www.microserve.ca
17	MicroAge	\$100-\$150M	www.microage.ca
18	WBM Technologies Inc.	\$100-\$150M	www.wbm.ca
19	NTT DATA	\$100-\$150M	hello.global.ntt
20	Telecom Computer Solutions Inc.	\$75-\$100M	www.telecomcomputer.com
21	Coreio Inc.	\$75-\$100M	www.coreio.com
22	Audcomp Group Inc	\$75-\$100M	www.audcomp.com
23	CPU Design Inc.	\$75-\$100M	www.cpu.ca
24	Decisive Technologies Inc.	\$75-\$100M	www.decisive.ca
25	Stoneworks Technologies Inc. (SWTI)	\$75-\$100M	www.swti.ca
26	Optiv Security	\$75-\$100M	www.optiv.com
27	Charter	\$50-\$75M	www.charter.ca
28	THINQ Technologies Ltd. DirectDial.com	\$50-\$75M	www.directdial.com
29	Benchmark Corp	\$50-\$75M	www.benchmarkcorp.com
30	PureLogic IT Solutions	\$50-\$75M	www.purelogicit.com
31	Technology Integration Group	\$50-\$75M	www.tig.com
32	CentriLogic	\$50-\$75M	www.centrilogic.com
33	Connex Telecommunications Inc	\$50-\$75M	www.connexservice.ca

RANK	COMPANY	REVENUE	WEBSITE
34	MOBIA	\$50-\$75M	mobia.io
35	ISA Cybersecurity Inc.	\$50-\$75M	www.isacybersecurity.com
36	Groupe Access Inc / Tenet	\$40-\$50M	www.groupeaccess.ca
37	PrintersPlus	\$40-\$50M	www.printersplus.net
38	SourcetekIT	\$40-\$50M	www.sourcetekit.com
39	Sudden Technologies	\$40-\$50M	www.sudden.ca
40	Epic A Bell MTS Company	\$40-\$50M	www.epic.ca
41	Annex Consulting Group Inc.	\$40-\$50M	www.annexgroup.com
42	Caretek	\$30-\$40M	www.caretek.ca
43	F12.net Inc.	\$30-\$40M	www.f12.net
44	QRX Technology Group Inc.	\$30-\$40M	www.qrxtech.com
45	IT Weapons	\$30-\$40M	www.itweapons.com
46	Canada Computers Inc	\$25-\$30M	www.canadacomputers.com
47	Carbon60	\$20-\$25M	www.carbon60.com
48	Brains II Solutions Inc.	\$20-\$25M	www.brainsii.com
49	SolutionStack	\$20-\$25M	www.solutionstack.ca
50	4 Office Automation Ltd.	\$20-\$25M	www.4office.com
51	Think On, Inc.	\$20-\$25M	www.thinkon.com
52	R2i Inc.	\$15-\$20M	www.r2i.ca

RANK	COMPANY	REVENUE	WEBSITE
53	EllisDon Energy & Digital Services	\$20-\$25M	www.ellisdon.com
54	Asca Office solutions	\$15-\$20M	www.ascaofficesolutions.com
55	Data Integrity Inc.	\$15-\$20M	dataintegrity.com
56	Softlanding Solutions Inc.	\$15-\$20M	www.softlanding.ca
57	Encore Business Solutions	\$15-\$20M	www.encorebusiness.com
58	End to End Networks Inc.	\$15-\$20M	www.endtoend.com
59	ProServeIT Corp	\$15-\$20M	www.proserveit.com
60	SysGen Solutions Group	\$15-\$20M	www.sysgen.ca
61	Triware Technologies Inc.	\$15-\$20M	www.triware.ca
62	Document Direction Limited	\$15-\$20M	www.documentdirection.ca
63	Synerion	\$15-\$20M	www.synerion.com
64	HighVail Systems Inc.	\$10-\$15M	www.highvail.com
65	SmartPrint Inc.	\$10-\$15M	www.smartprint.com
66	Itergy	\$10-\$15M	www.itergy.com
67	Calligo	\$10-\$15M	www.calligo.cloud
68	WatServ	\$10-\$15M	www.watserv.com
69	Digitcom	\$10-\$15M	www.digitcom.ca
70	MYRA Systems	\$10-\$15M	www.myra.com
71	Annex Pro	\$10-\$15M	www.annexpro.com

RANK	COMPANY	REVENUE	WEBSITE
72	Arctiq	\$10-\$15M	www.arctiq.ca
73	CENTRE D'ORDINATEURS STO INC	\$10-\$15M	www.sto.qc.ca
74	SmartONE Solutions Inc.	\$10-\$15M	smartone.solutions
75	Eastbay I.T. Consulting Inc./ECS	\$10-\$15M	www.eastbay.ca
76	BrunNet Inc.	\$10-\$15M	www.brunnet.com
77	Think Communications Inc.	\$5-\$10M	www.thinkcommunications.ca
78	WebSan Solutions Inc.	\$5-\$10M	www.websan.com
79	Blair Technology Solutions Inc.	\$5-\$10M	www.blairtechnology.com
80	CloudOps	\$5-\$10M	www.cloudops.com
81	Binary Stream Software Inc	\$5-\$10M	www.binarystream.com
82	Lanworks Inc.	\$5-\$10M	www.Lanworks.com
83	COMMERX	\$5-\$10M	www.commerx.ca
84	Difenda	\$5-\$10M	www.difenda.com
85	Conpute	\$5-\$10M	www.conpute.com
86	TechReset	\$5-\$10M	www.techreset.com
87	INFINITE IT	\$5-\$10M	www.8it.ca
88	Broadview Networks	\$5-\$10M	www.broadviewnetworks.ca
89	Clear Concepts	\$5-\$10M	www.clearconcepts.ca
90	Access Group Inc.	\$5-\$10M	www.access.on.ca

RANK	COMPANY	REVENUE	WEBSITE
91	My Blue Umbrella	\$5-\$10M	www.mbu.ca
92	ERP Fidelio Cloud by Commsoft Technologies	\$5-\$10M	www.commsoft.ca
93	pavliks.com	\$5-\$10M	www.pavliks.com
94	Korem	\$5-\$10M	www.korem.com
95	Kamloops Computer Centre	\$5-\$10M	www.kcc.ca
96	THEITEAM LTD.	\$5-\$10M	www.theiteam.ca
97	FenceCore	\$5-\$10M	www.fencecore.com
98	Vendasta	\$5-\$10M	www.vendasta.com
99	MBC Managed IT Services	\$5-\$10M	www.mbccs.com
100	User Friendly Systems Inc	\$5-\$10M	www.ufs-inc.com
100	JOVACO Solutions Inc	\$5-\$10M	www.jovaco.ca
100	M.I.T. Consulting	\$5-\$10M	www.mitconsulting.ca
100	FoxNet Inc.	\$5-\$10M	www.foxnetsolutions.com