ESG RESEARCH INSIGHTS REPORT

Understanding the Value of AWS Training and Certification to AWS Partner Organizations

How Skilling Up and Supporting AWS Certification Contributes to Partner Success

September 2021

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Executive Summary

Introduction

AWS Partners are a global community of Partner organizations that leverage Amazon Web Services (AWS) to build solutions and services for customers. AWS has millions of active customers and over tens of thousands of Partners globally. AWS helps Partners build, market, and sell products, services, and solutions by providing business, technical, and marketing support. One of the ways AWS supports Partners is through its AWS Training and Certification programs.

These programs aim to help Partner teams build and validate their skills on AWS. These skills may include improved application development capabilities, faster troubleshooting and migrations, and increased ability to architect workloads according to established security best practices. While improved operational skills may be the more obvious outcome of AWS Training and Certification, it is also believed that these programs enable Partners' staff to help grow the business through more successful customer engagements. For example, AWS Training and Certification can help increase the credibility of Partners' staff, resulting in more positive customer interactions. How? As Partner teams become more effective in explaining the benefits of AWS solutions, they will be able to provide expert recommendations to customers' deployment or operations questions. These staff competencies put Partner organizations in a better position to drive optimal customer outcomes. In doing so, AWS Partners can improve customer satisfaction, reduce churn, and increase customer wallet share.

To validate whether AWS Training and Certification programs are effectively helping AWS Partners succeed, AWS worked with the Enterprise Strategy Group (ESG) to conduct new original primary research. This research was designed to help Partners better understand the value that these programs offer and determine if their current level of participation in these programs is sufficient.

Research Objectives

The goal of the research was to understand whether, and to what degree, AWS Partners are deriving value from AWS Training and Certification programs.

Specific areas of focus included:

- Business development benefits to AWS Partners—Are AWS Certified and trained staff more effective in helping drive revenue and profitability for their business through more successful customer engagements?

- Operational benefits to AWS Partners—Are AWS Certified and trained staff better positioned to conduct their day-to-day responsibilities more efficiently and effectively?

- Recruitment and retention benefits to AWS Partners—Does investing in AWS Training and Certification help Partners attract and retain in-demand cloud professionals?

This research study encompassed two web-based surveys with individuals employed at AWS Partners who are responsible for defining training and certification strategies and needs for the business. One survey focused on topics related to AWS Training (N=292) and the other focused on AWS Certification (N=469), with a total of 761 Partners participating in the study.

Key Findings

The research shows strong support for the beliefs that **Partners gain operational and business development benefits** from AWS Training and Certification programs. The research also uncovered that these AWS programs give Partners a **competitive advantage**. The key findings can be summarized as follows:

- Over 90% say that their staff's participation in AWS Training and AWS Certification puts their organization in a better competitive position.

- Over 75% reported that having AWS-trained and AWS Certified staff improved their organization's ability to innovate and stay competitive by being on top of new technologies.

- Over 75% of organizations reported that AWS Training and AWS Certifications help their staff achieve a range of operational efficiencies.

  - Benefits from AWS Training include increased proficiency in architecting services for customers, improved ability to help customers select the right AWS services for their needs, improved capabilities building apps on AWS Cloud, and improvements in how the business innovates and adopts new technologies.

  - Benefits from AWS Certification include accelerated troubleshooting, faster completion of customers' AWS projects, faster project migrations, and increased security of AWS implementations.

- **81% report that their customers care that Partner staff are AWS Certified.** This customer sentiment is likely due to Partners' proven cloud competencies, increased credibility, and better service resulting from AWS Certification, which give customers greater confidence when engaging with them.

- **Partners with a high adoption of AWS Training reported a 42% higher average gross margin for their AWS practice.** ESG believes this correlation is logical because AWS Training improves a staff member's on-the-job efficiency and effectiveness. As the proportion of AWS-trained Partner staff increases, so too does the overall team's operational competencies and productivity. ESG believes that these collective improvements contribute to bottom-line results.

The research also supported additional business development benefits gained as well as talent recruitment/retention advantages which are worth noting:

- More than half of Partners say that staff participation in AWS Training helps them generate more revenue from customers (59%), increase their close rate (59%), improve customer retention (56%), and accelerate sales cycles (51%).

- More than half of Partners report that investment in AWS Training helps them recruit and retain valuable talent (52% and 58%, respectively). Similarly, over half report that investment in AWS Certifications helps them recruit and retain valuable talent (58% and 65%, respectively).
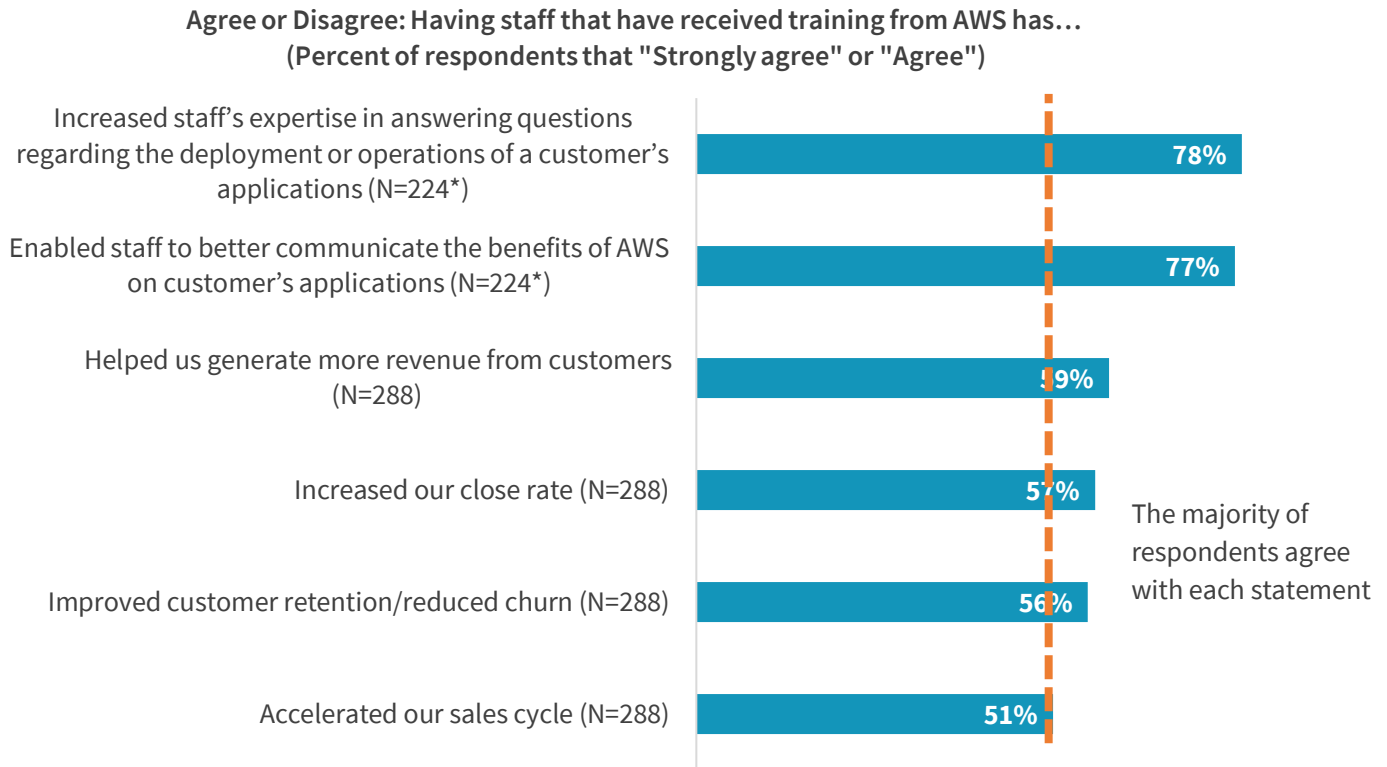
Detailed Findings

How AWS Training and Certification of AWS Partners' Staff Improves Business Development

AWS has training courses and programs specially designed for Partners (AWS Partner Courses). These are intended to help Partners have productive conversations with clients about cloud migration strategies, as well as effectively market and sell AWS solutions or solutions built on AWS to customers. For example, introductory classes designed for Partners lay out AWS foundational services and advise on how to speak to core business value propositions to end customers. In addition, Partner trainings cover additional topics such as cloud economics, co-selling strategies, and customer education and objection handling. There are also specialized training modules that focus on helping customers build a business case for AWS as it relates to specific workloads like Windows, SAP, and IoT.

Beyond AWS Partner-specific training, courses from the core AWS Training program (available to the general market) can help Partner staff build AWS skills and prepare for AWS Certifications. For example, AWS Partners can support their staff in their efforts to earn any number of certifications, including AWS Certified Solutions Architect – Associate with the *Architecting on AWS* classroom training, which covers best practices for building IT infrastructure on AWS. To guide learning, Partners can take advantage of learning paths for technical, role-based certifications (e.g., Architect, Developer, Operations) or Specialty certifications (e.g., Advanced Networking, Machine Learning, Security) to enhance their skills and give their customers confidence that they are working with AWS experts. Overall, AWS Certifications provide an opportunity for Partner staff to validate their AWS skills, build credibility, and better serve their customers. But are AWS Training and Certification programs having their intended effect of helping AWS Partners improve their business results? Our research shows strong evidence that they do.

With respect to AWS Training, we asked AWS Partners' points of view on a series of benefits related to business development. That is, does having their staff participate in AWS Training deliver on any of the business development benefits we evaluated? We found general agreement among AWS Partners surveyed that AWS Training does. Specifically, a majority of respondents (78%) report improvement in their staff's ability to communicate the value of AWS to customers after having staff participate in training. Many AWS Partners also report having achieved increased customer spend (59%), higher close rates (57%), sales cycle acceleration (51%), and improvements in customer retention (56%, see Figure 1).

Figure 1. Business Development Benefits Enabled by AWS-trained Staff

Agree or Disagree: Having staff that have received training from AWS has…
(Percent of respondents that "Strongly agree" or "Agree")

Increased staff's expertise in answering questions regarding the deployment or operations of a customer's applications (N=224*)   **78%**

Enabled staff to better communicate the benefits of AWS on customer's applications (N=224*)   **77%**

Helped us generate more revenue from customers (N=288)   **59%**

Increased our close rate (N=288)   **57%**

Improved customer retention/reduced churn (N=288)   **56%**

Accelerated our sales cycle (N=288)   **51%**

The majority of respondents agree with each statement

*Asked only of AWS Consulting Partners

Source: Enterprise Strategy Group

We see a consistent story with AWS Certifications. We asked AWS Partners their perspective on whether or not having their staff earn AWS Certifications delivers any business development benefits. The majority of Partners surveyed also agree that AWS Certifications do. Improvement in their staff's ability to communicate the value of AWS to customers was the most frequently mentioned benefit (79%). Many Partners also saw improvement in customer satisfaction (62%), increased spending from customers (56%), and increased close rates (55%) to name a few (see Figure 2).

When evaluating either AWS Training or AWS Certification, we see consistent results: AWS Partner organizations experience a variety of business development benefits that are associated with staff participation in these programs.

Figure 2. Business Development Benefits Enabled by AWS Certified Staff

Agree or Disagree: Having AWS Certified staff has…
(Percent of respondents that "Strongly agree" or "Agree")

Helped us better describe capabilities and benefits of AWS solutions to customers/prospects (N=366*) — **79%**

Enabled staff to better communicate the benefits of solutions and services we offer (N=469) — **77%**

Helped us better describe our solutions running on AWS to customers/prospects (N=103**) — **68%**

Improved customer satisfaction (N=469) — **62%**

Helped us generate more revenue from each customer (N=469) — **56%**

Increased our close rate (we turn more leads into customers) (N=469) — **55%**

Improved customer retention/reduced churn (N=469) — **52%**

Accelerated our sales cycle (we close deals faster) (N=469) — **49%**

The majority of respondents agree with all but one statement
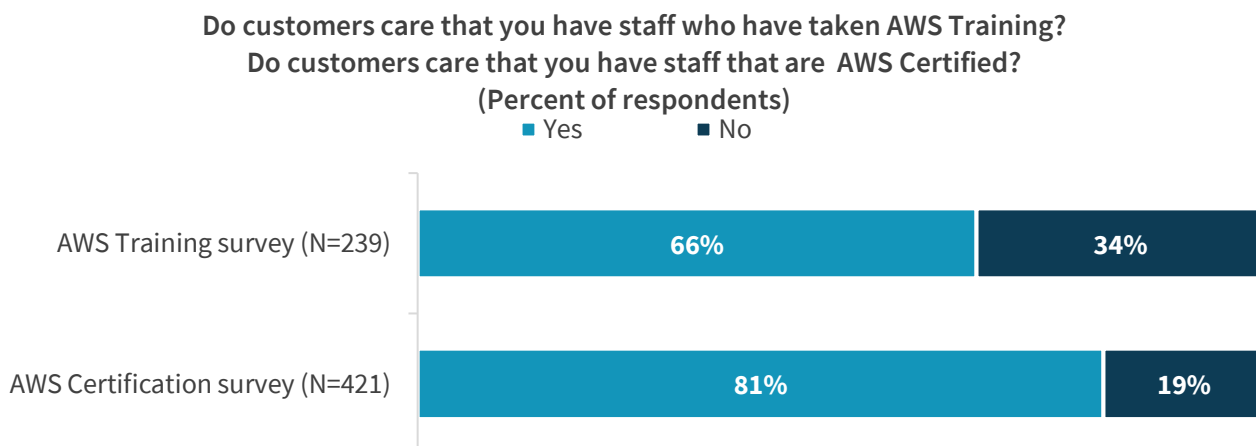
*Asked only of AWS Consulting Partners
**Asked only of AWS Technology Partners

Source: Enterprise Strategy Group

How AWS Training and Certification of AWS Partner Teams Help Improve Operations

AWS Partners are not the only ones who see value in both AWS Training and AWS Certification; the research shows that their customers do so as well. Two-thirds of AWS Partners (66%) reported that it matters to their customers that AWS Partner staff are AWS-trained, and 81% said that their customers care that AWS Partner staff are AWS Certified (See Figure 3).

Figure 3. Partners' Customer Preferences Related to AWS Training and Certification

Do customers care that you have staff who have taken AWS Training?
Do customers care that you have staff that are AWS Certified?
(Percent of respondents)
■ Yes   ■ No

AWS Training survey (N=239) — **66%** | **34%**

AWS Certification survey (N=421) — **81%** | **19%**
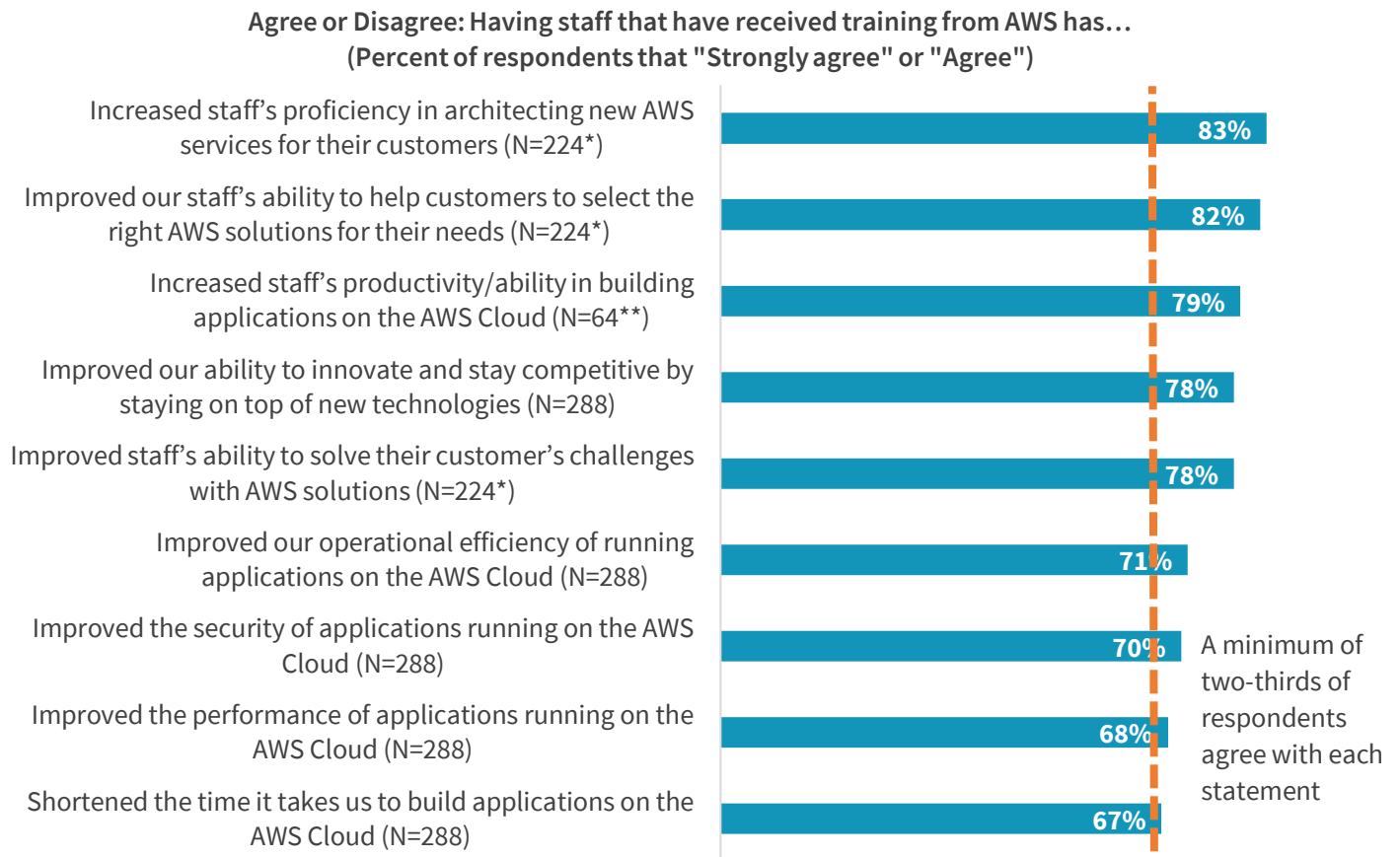
Source: Enterprise Strategy Group

One reason why customers care that Partners' staff have taken AWS Training and are AWS Certified may be that AWS has developed its core training curriculum and certifications to help any AWS user advance their cloud competencies and enhance their credibility. The core AWS Training portfolio of courses helps Partners, as well as the general market, build and deepen cloud skills while also helping them prepare for AWS Certification exams that then validate those skills. Examples include technical certifications for development, solutions architecture, and specialty areas like security and machine learning.

Moreover, our research shows that these technical programs help improve AWS Partners' cloud operations. We found broad agreement among AWS Partners that having staff participate in AWS Training delivers a range of operational benefits. These include improvement in staff architectural proficiency (83%), staff ability to guide customers to the optimal solution for their business needs (82%), and team productivity building on AWS (79%, see Figure 4).

Partners also gain a host of operational benefits stemming from their employment of AWS Certified staff. The majority of respondents agree that having AWS Certified staff improves troubleshooting times (80%), accelerates the completion of customers' projects and migrations (78%), and helps AWS Partners ensure the security of AWS implementations (77%, see Figure 5).

The data shows that staff participation in AWS Training and achievement of AWS Certifications result in increased staff competencies and improved technical operations.

Figure 4. Operational Improvements Enabled by AWS Training

Agree or Disagree: Having staff that have received training from AWS has…
(Percent of respondents that "Strongly agree" or "Agree")

Increased staff's proficiency in architecting new AWS services for their customers (N=224*)	83%
Improved our staff's ability to help customers to select the right AWS solutions for their needs (N=224*)	82%
Increased staff's productivity/ability in building applications on the AWS Cloud (N=64**)	79%
Improved our ability to innovate and stay competitive by staying on top of new technologies (N=288)	78%
Improved staff's ability to solve their customer's challenges with AWS solutions (N=224*)	78%
Improved our operational efficiency of running applications on the AWS Cloud (N=288)	71%
Improved the security of applications running on the AWS Cloud (N=288)	70%
Improved the performance of applications running on the AWS Cloud (N=288)	68%
Shortened the time it takes us to build applications on the AWS Cloud (N=288)	67%

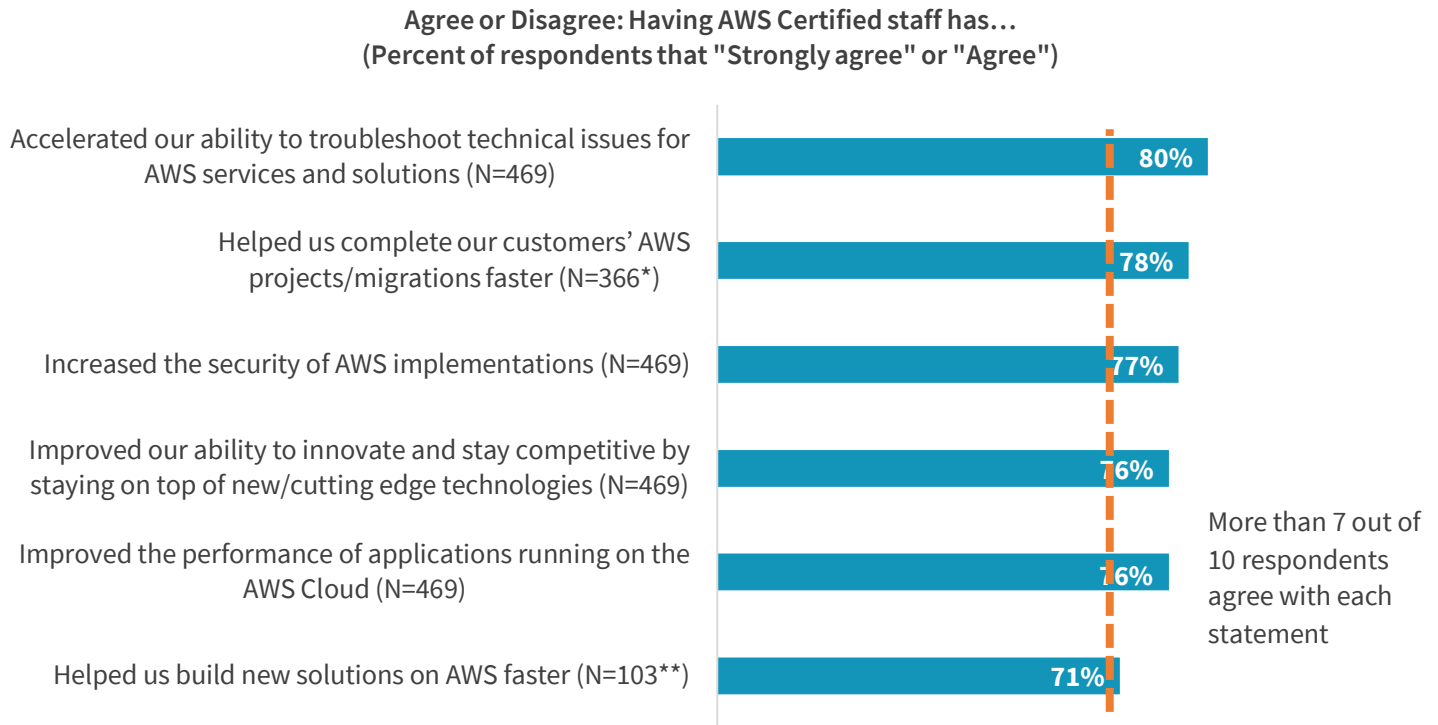A minimum of two-thirds of respondents agree with each statement

*Asked only of AWS Consulting Partners
**Asked only of AWS Technology Partners

Source: Enterprise Strategy Group

Figure 5. Operational Improvements Enabled by AWS Certifications

Agree or Disagree: Having AWS Certified staff has…
(Percent of respondents that "Strongly agree" or "Agree")

Statement	
Accelerated our ability to troubleshoot technical issues for AWS services and solutions (N=469)	80%
Helped us complete our customers' AWS projects/migrations faster (N=366*)	78%
Increased the security of AWS implementations (N=469)	77%
Improved our ability to innovate and stay competitive by staying on top of new/cutting edge technologies (N=469)	76%
Improved the performance of applications running on the AWS Cloud (N=469)	76%
Helped us build new solutions on AWS faster (N=103**)	71%

More than 7 out of 10 respondents agree with each statement

*Asked only of AWS Consulting Partners
**Asked only of AWS Technology Partners

Source: Enterprise Strategy Group

Impact of AWS Training and Certification Investment on Talent Recruitment and Retention

There is consistent corroboration from our research that AWS Partners reap many benefits from AWS Training and Certification programs. AWS Partners acknowledge these programs enhance both business and technical capabilities. It also matters to their customers that AWS Partners' teams are AWS-trained and AWS Certified. Given these trends, it is not surprising for Partners to report that they tend to fund their staff's AWS Training and AWS Certification exam fees. Specifically, 61% of Partners surveyed say their organization always or usually funds employees' AWS Training costs, and 75% do the same for AWS Certification exam fees.

Investing in AWS Training and Certification for staff also demonstrates a culture supportive of skills development and professional advancement. As a result, AWS Partners that invest in AWS Training and Certification also enjoy improved employee retention and recruitment performance:

- 58% of Partners that invest in their teams' AWS Training saw improved employee retention, and 52% saw improved talent recruitment.[1]

- 65% of Partners that invest in their teams' AWS Certification exam fees saw improvement in employee retention, and 59% saw improved talent recruitment.[2]

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[1] For both retention and recruitment, the remainder were "neutral" responses, and less than 10% disagreed.
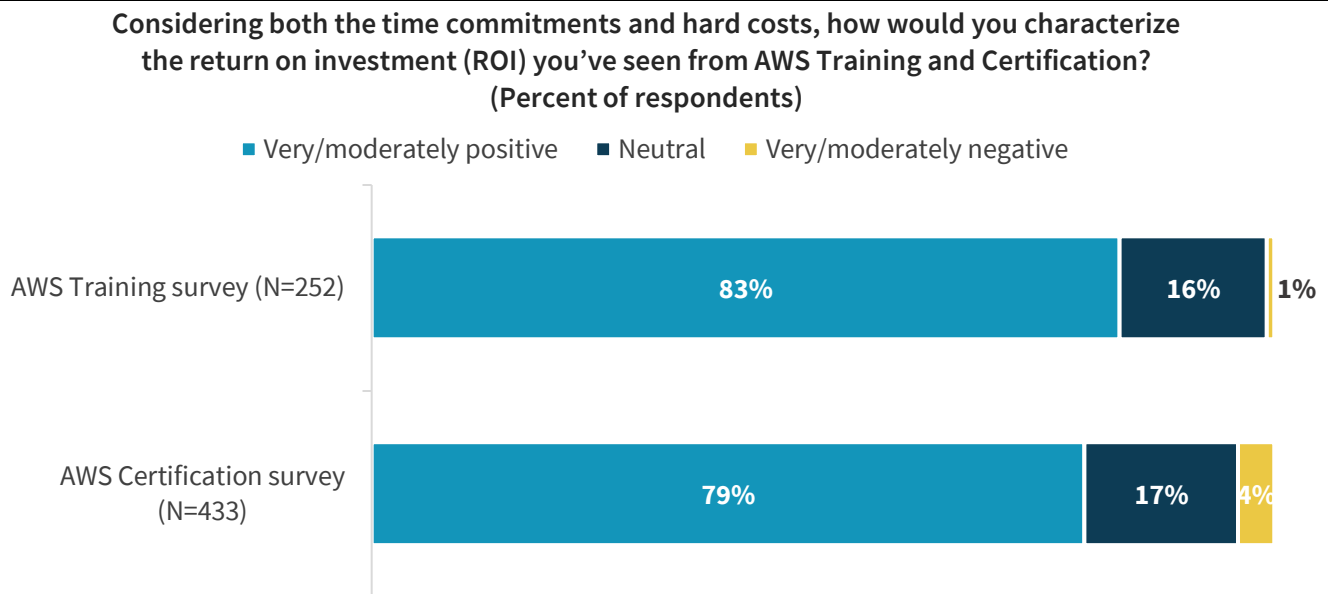[2] For both retention and recruitment, the remainder were "neutral" responses, and less than 9% disagreed.

Conclusion

As end customers have looked to increasingly adopt cloud services, technology players, including consultants, managed services providers, and independent software vendors (ISVs), have needed to increase and validate their cloud skills. One avenue to meet this requirement is to become an AWS Partner and participate in AWS Training and Certification programs.

Our research has demonstrated that by skilling up Partner teams with AWS Training and promoting skill validation via AWS Certifications, Partners can improve both their business and operational performance. It is likely due to these positive outcomes that most Partners evaluate the return on investment (ROI) of the programs as positive. More than four out of five Partners (83%) characterize the ROI associated with AWS Training as positive, and 79% describe the ROI associated with AWS Certification as positive. This is despite the hard cost of training and the opportunity cost of pulling staff away from billable work in favor of professional development (see Figure 6).

Figure 6. ROI of AWS Training and Certification

Considering both the time commitments and hard costs, how would you characterize the return on investment (ROI) you've seen from AWS Training and Certification? (Percent of respondents)

■ Very/moderately positive ■ Neutral ■ Very/moderately negative

AWS Training survey (N=252): 83% / 16% / 1%

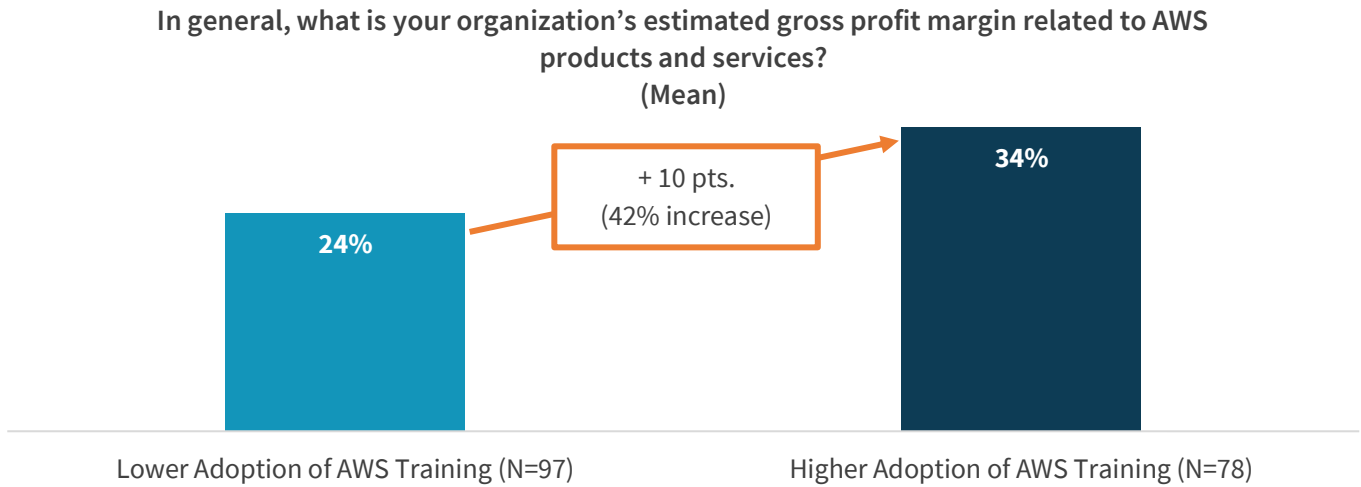AWS Certification survey (N=433): 79% / 17% / 4%

Source: Enterprise Strategy Group

We also observed a notable correlation between AWS Partner teams participating in AWS Training and the profitability of their AWS practice. Survey respondents were first asked to estimate the gross profit margin of their AWS-specific products and services. We then divided AWS Partners into two groups: those with a high adoption of AWS Training (i.e., where the majority of AWS-focused staff had taken AWS Training) and those with a lower adoption of AWS Training (i.e., where half or less of staff had taken AWS Training). When we compared the profitability of these two groups of AWS Partners, a significant difference[3] emerged. **AWS Partners with a high adoption of AWS Training reported a 42% higher average gross margin for their AWS practice** (see Figure 7).

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[3] Difference is statistically significant at a 95% confidence level.

Figure 7. Differences in AWS Partner Profitability, by AWS Training Adoption

In general, what is your organization's estimated gross profit margin related to AWS products and services?
(Mean)

24%

+ 10 pts.
(42% increase)

34%

Lower Adoption of AWS Training (N=97)   Higher Adoption of AWS Training (N=78)
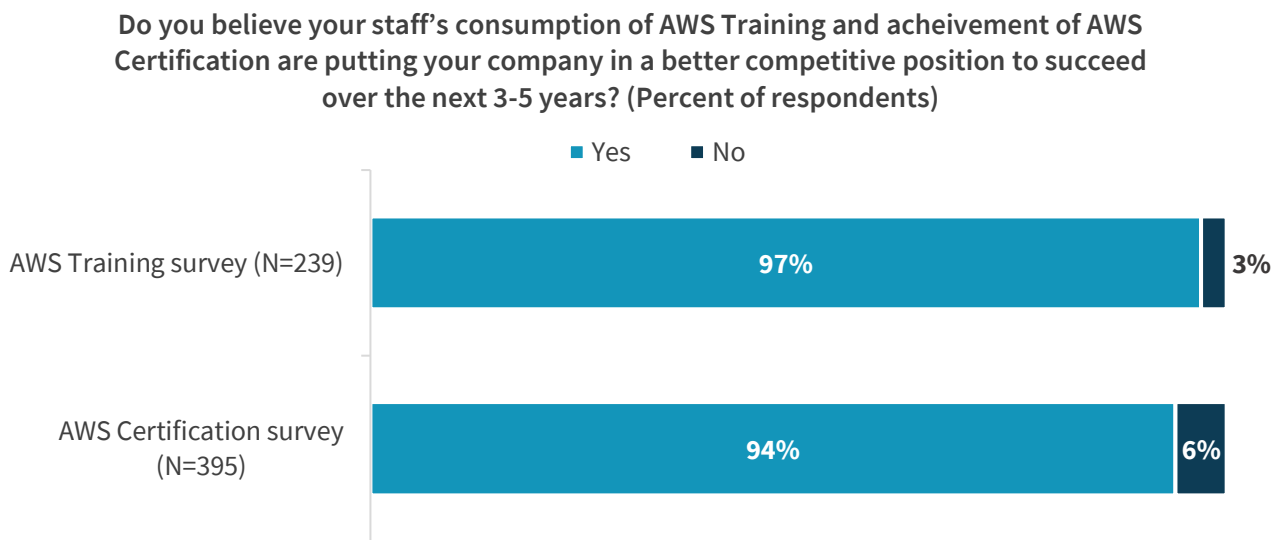
Source: Enterprise Strategy Group

While AWS Partners can consume training and obtain certifications from other providers, our data also shows that they have a strong preference for AWS Training and Certification, likely due to the benefits and outcomes identified thus far.

- 73% of AWS Partners report a preference for training offered through AWS.

- 82% of AWS Partners report a preference for AWS Certifications.

In closing, the research has shown that AWS Partners are deriving significant value from AWS Training and AWS Certifications. It should come as no surprise that there is near universal agreement among Partners that these AWS programs put their business in a better position to compete and succeed over the next few years (see Figure 8).

Figure 8. Does AWS Training and Certification Support AWS Partners' Business Success?

Do you believe your staff's consumption of AWS Training and acheivement of AWS Certification are putting your company in a better competitive position to succeed over the next 3-5 years? (Percent of respondents)

■ Yes ■ No

AWS Training survey (N=239)   97%   3%

AWS Certification survey (N=395)   94%   6%

Source: Enterprise Strategy Group

Therefore, we can conclude that AWS Partners would be well served to encourage and drive AWS Training and Certification offerings among their teams to optimize staffing, operations, and business results.

Research Methodology and Demographics

To gather data for this report, ESG conducted two comprehensive online surveys of individuals employed at AWS Partners. One survey focused on topics related to AWS Training (N=292 respondents), and the other focused on AWS Certification (N=469 respondents).

After applying quality control and data integrity protocols, a final sample of 761 respondents across both surveys was achieved.
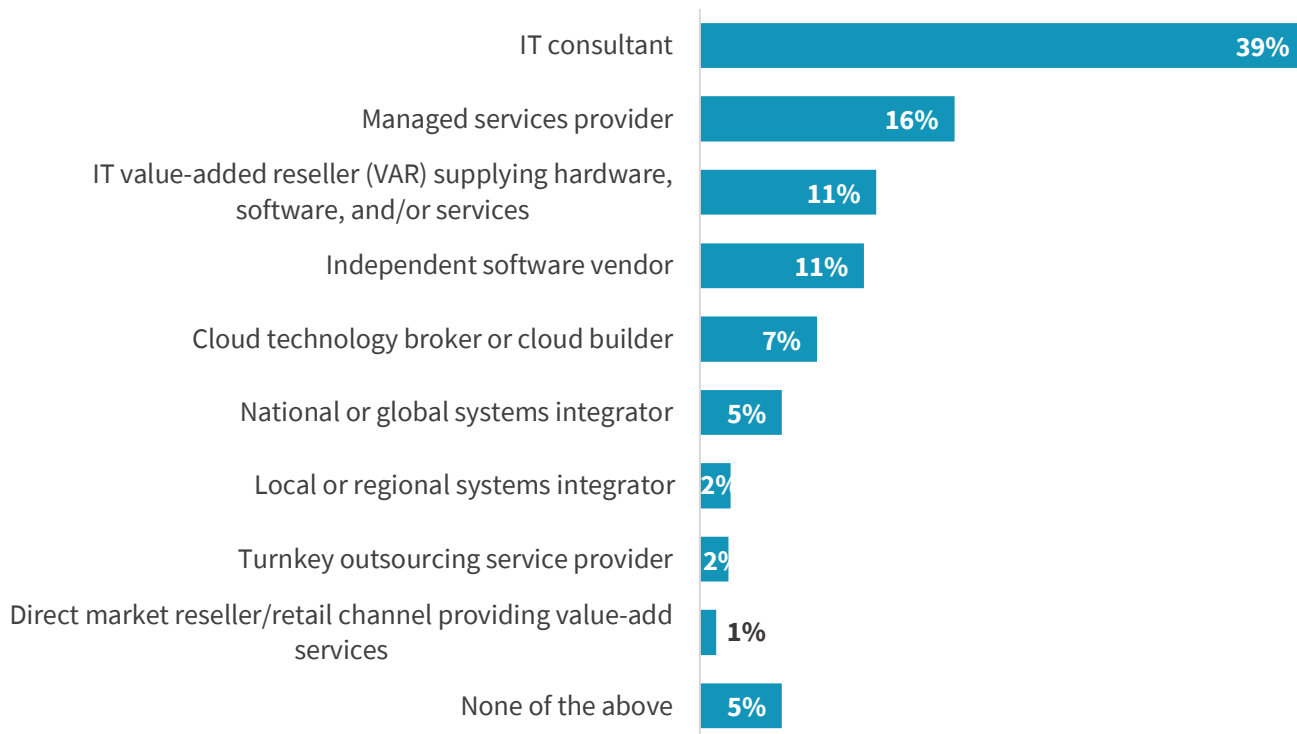
The sample consisted largely of individuals directly involved in determining staff's training or certification needs. Respondents were distributed globally across North America (24%), Europe (28%), Asia Pacific (41%), and the rest of the world (7%). Businesses represented also varied by company size. Specifically, 39% of respondents were employed at small businesses (<100 employees), 22% within the midmarket (100-999 employees), and 40% at enterprises (1,000+ employees). The survey was fielded between October 8, 2020 and January 4, 2021.

Analytical Note: Totals in figures and tables throughout this report may not add up to 100% due to rounding. The margin of error on a sample of N=761 is + or – 4 percentage points. Statistical testing was conducted at a 95% confidence level.

Figures 9 - 12 detail the demographics of the respondent base: individual respondents' roles, as well as respondent businesses' total number of employees, annual revenue, and primary industry.
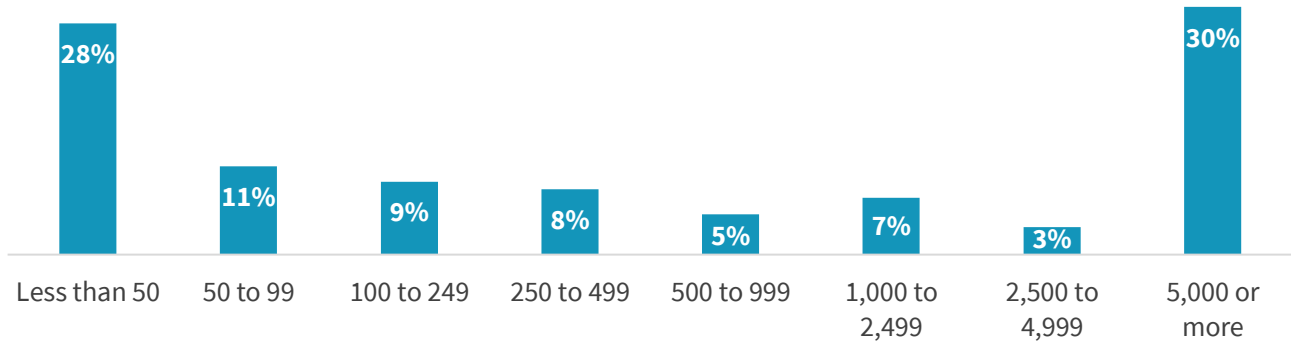
Figure 9. AWS Partner Type

Which category below best describes your organization's primary business today?
(Percent of respondents, N=761)

IT consultant	39%
Managed services provider	16%
IT value-added reseller (VAR) supplying hardware, software, and/or services	11%
Independent software vendor	11%
Cloud technology broker or cloud builder	7%
National or global systems integrator	5%
Local or regional systems integrator	2%
Turnkey outsourcing service provider	2%
Direct market reseller/retail channel providing value-add services	1%
None of the above	5%

Source: Enterprise Strategy Group

Figure 10. AWS Partner Company Size

How many total employees does your organization have worldwide?
(Percent of respondents, N=761)

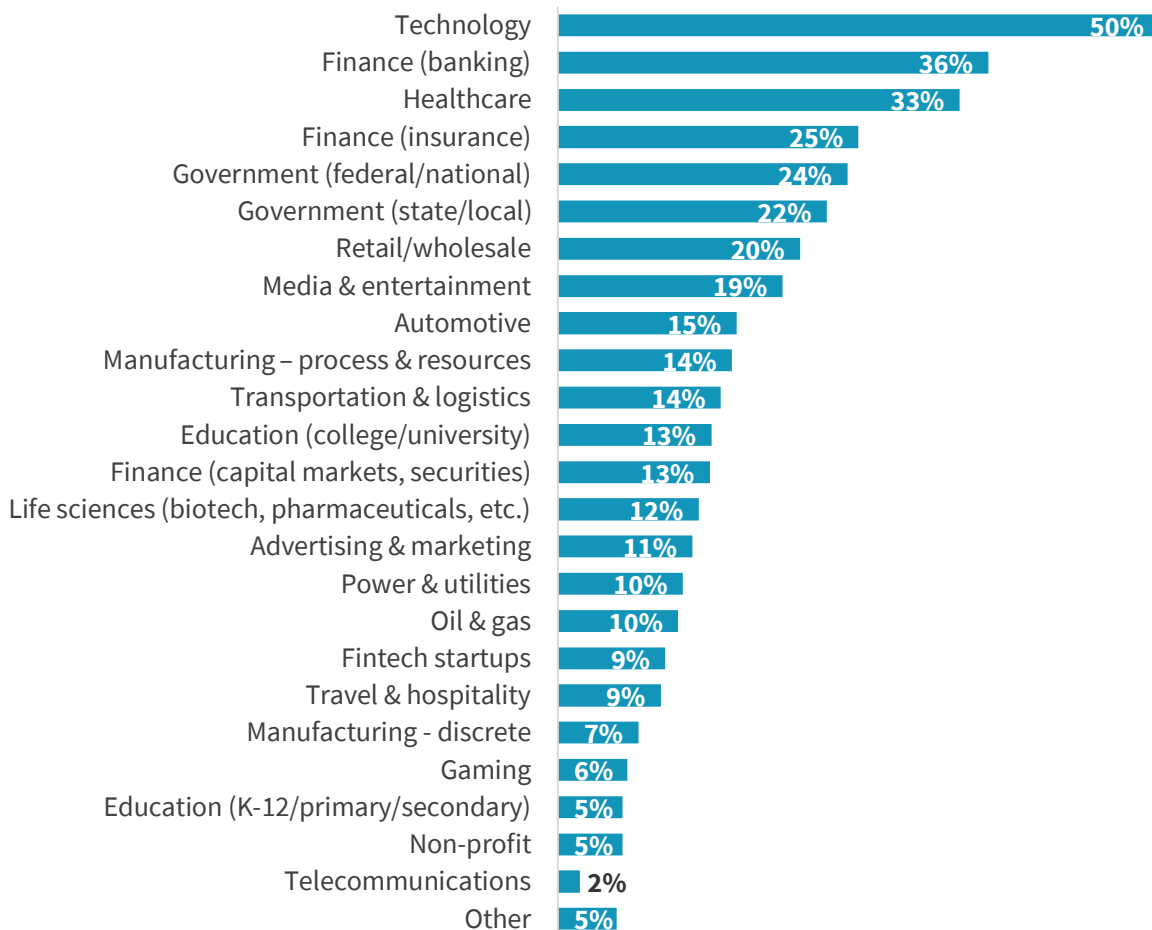| Category	Percent
Less than 50	28%
50 to 99	11%
100 to 249	9%
250 to 499	8%
500 to 999	5%
1,000 to 2,499	7%
2,500 to 4,999	3%
5,000 or more	30%

Source: Enterprise Strategy Group

Figure 11. Markets Served

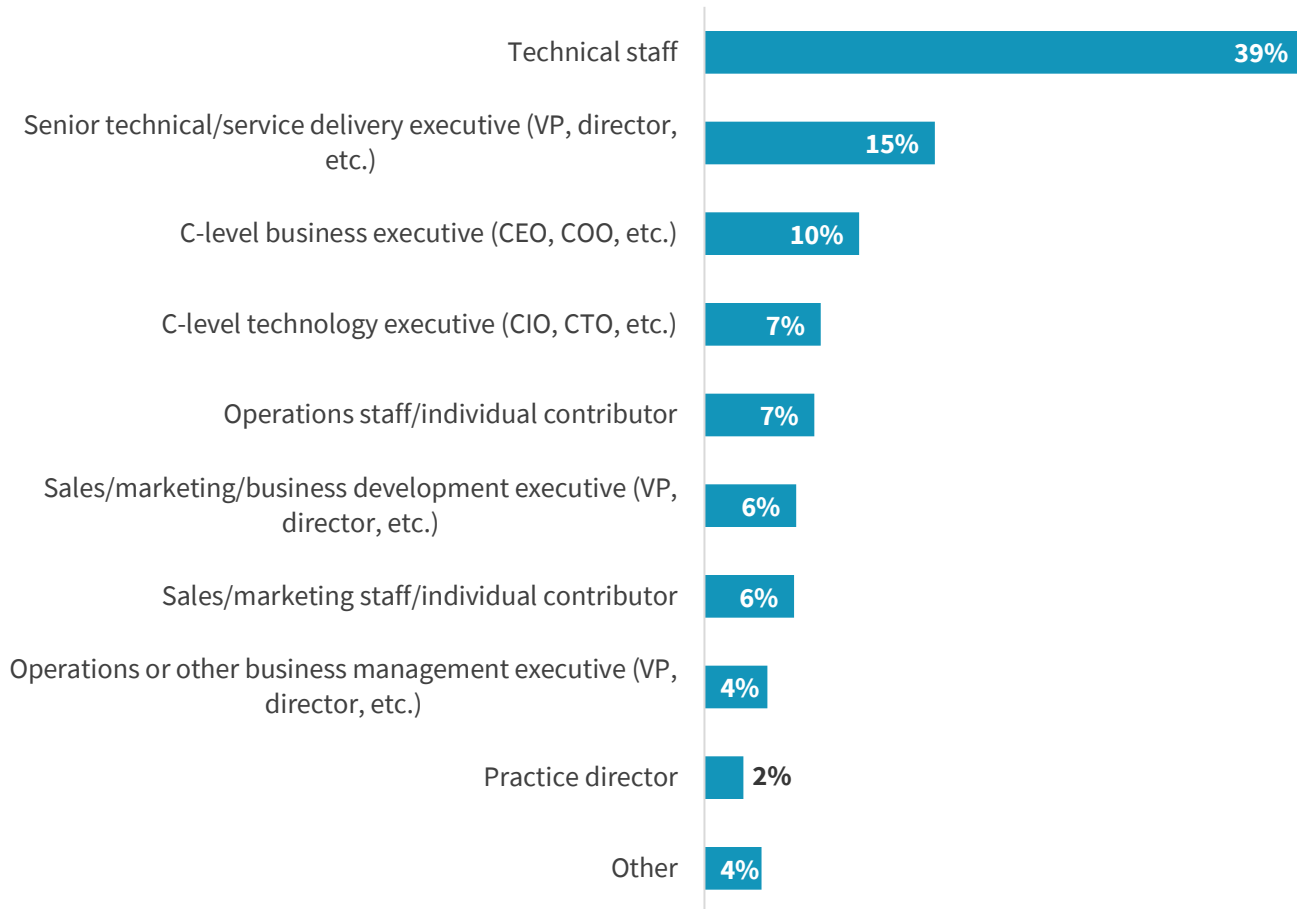### What of the following industries does your organization target with its products and services?
(Percent of respondents, N=761, up to five response accepted)

Industry	Percent
Technology	50%
Finance (banking)	36%
Healthcare	33%
Finance (insurance)	25%
Government (federal/national)	24%
Government (state/local)	22%
Retail/wholesale	20%
Media & entertainment	19%
Automotive	15%
Manufacturing – process & resources	14%
Transportation & logistics	14%
Education (college/university)	13%
Finance (capital markets, securities)	13%
Life sciences (biotech, pharmaceuticals, etc.)	12%
Advertising & marketing	11%
Power & utilities	10%
Oil & gas	10%
Fintech startups	9%
Travel & hospitality	9%
Manufacturing - discrete	7%
Gaming	6%
Education (K-12/primary/secondary)	5%
Non-profit	5%
Telecommunications	2%
Other	5%

Source: Enterprise Strategy Group

Figure 12. Respondents by Role

Which of the following best describes your current job responsibility?
(Percent of respondents, N=761)

Role	Percent
Technical staff	39%
Senior technical/service delivery executive (VP, director, etc.)	15%
C-level business executive (CEO, COO, etc.)	10%
C-level technology executive (CIO, CTO, etc.)	7%
Operations staff/individual contributor	7%
Sales/marketing/business development executive (VP, director, etc.)	6%
Sales/marketing staff/individual contributor	6%
Operations or other business management executive (VP, director, etc.)	4%
Practice director	2%
Other	4%

Source: Enterprise Strategy Group

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Enterprise Strategy Group is an IT analyst, research, validation, and strategy firm that provides market intelligence and actionable insight to the global IT community.

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