

Canadian Channel Report

The Collaborative Backbone Delivering Innovation Nationwide

Executive Summary

Canada's channel partners form the resilient, relationship-driven heart of the country's technology ecosystem.

In a nation defined by vast distances, diverse industries, and a predominance of small-to-medium enterprises (SMEs), these VARs, MSPs, distributors, systems integrators, and specialists bridge vendors and end customers with local expertise, trust, and hands-on delivery.

Far from mere resellers, they embody a distinct Canadian character: pragmatic, collaborative, and focused on long-term outcomes over quick transactions.

Canadian channel partners operate in a tight-knit community where relationships matter deeply. Post-pandemic, partners have become far more involved in complex digital transformation projects, shifting from break-fix hardware sales to strategic advisory roles centered on cloud, cybersecurity, AI integration, and managed services.



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Executive Summary and Macroeconomic Overview

The Canadian Information and Communications Technology (ICT) sector generated an estimated \$298 billion in total revenues in 2024, representing a 35% growth since 2020. The sector contributes approximately \$131.6 billion directly to Canada's GDP.

According to the [Government of Canada ICT Sector Profile](#), industry revenue is distributed across four primary segments:

- ICT Wholesaling: 23.8% of total share (approx. \$71.0 billion).
- Communications Services: 23.0% of total share (approx. \$68.5 billion).
- Software and Computer Services: Leading the market in dominance, following recent year-over-year gains.
- ICT Manufacturing: 3.6% of total share (approx. \$10.7 billion).

This rapid growth is fueled by government digital transformation, infrastructure upgrades, and strict new corporate cybersecurity laws.

For international channel partners—like MSPs, VARs, and system integrators—Canada is a prime target for expansion. However, winning here requires mastering federal procurement rules, provincial data laws, and Quebec's distinct language requirements.

The market is top-heavy. A massive long tail of small tech firms competes beneath a concentrated group of multinational giants. Over the last five years, the market has rapidly shifted away from hardware manufacturing toward high-margin software and cloud services.

Combined with falling interest rates, Canadian enterprises are financially motivated to upgrade their tech. This creates a massive, federally subsidized opportunity for channel partners to sell cloud migrations and AI readiness to the mid-market.

A critical insight is the decoupling of nominal versus real IT spending. As noted by industry analysts, while Chief Information Officers (CIOs) are seeing budget increases, a substantial portion of these funds is being absorbed by price hikes in recurrent spending categories.

Vendor consolidation, increased licensing costs for AI-enabled software (such as

Microsoft 365 Copilot), and foreign exchange fluctuations (CAD/USD) are eroding purchasing power. Consequently, Canadian organizations are prioritizing projects with immediate return on investment (ROI), such as automation and efficiency, over speculative innovation.

The Channel Ecosystem: IT Suppliers, Distributors, and Market Entry

Entering Canada means navigating a consolidated distribution landscape and a fiercely competitive reseller tier.

The Distribution Landscape and Vendor Consolidation

Distribution in Canada is shifting from traditional hardware fulfillment to cloud-native, recurring revenue models. Channel partners must pick their distributors carefully based on their specific tech focus and financing needs.

Tier 1 IT Distributor	Core Strengths and Strategic Market Positioning	Digital Platform & Vendor Breadth
TD Synnex Canada	The dominant mega-distributor. Unmatched vendor breadth and great for complex, multi-vendor integrations.	StreamOne Ion marketplace; 500+ hardware, software, and cloud lines.
Ingram Micro Canada	The legacy heavyweight. Massive logistics footprint combined with a strong cloud marketplace.	Cloud Marketplace augmented by Xvantage AI; 1000+ vendors.
D&H Canada	The SMB favorite. Offers creative hardware financing and rapid regional fulfillment.	Tailored SMB enablement; competitive mid-market pricing.
Exclusive Networks	Pure-play cybersecurity and networking. Perfect for building zero-trust architectures.	X-OD subscription portal; 100+ security and networking brands.
Pax8	The cloud-native disrupter. Exclusively SaaS and IaaS, built for MSP speed and automation.	Unified cloud marketplace; 200+ SaaS and IaaS vendors.

A major turf war is happening between legacy broadliners (like TD Synnex) and agile

cloud marketplaces (like Pax8). Smart MSPs use a hybrid approach: they use Pax8 for fast software licensing and TD Synnex or D&H for physical hardware and enterprise networking.

The Solution Provider and Reseller Hierarchy

To win large enterprise or government contracts, foreign vendors often partner with established Canadian giants. These billion-dollar entities have the scale and relationships to dictate market terms:

- CDW Canada: The undisputed volume leader. Dominates public sector and large enterprise hardware procurement.
- Softchoice: The strategic advisor. Leads in cloud-native consulting and massive Microsoft/AWS migrations.
- Compugen: The uniquely Canadian powerhouse. Deeply entrenched in provincial government and healthcare IT support.
- Long View Systems: The co-managed IT expert. Bridges the gap between outsourced IT and internal staff augmentation.
- Insight Canada & SHI Canada: The volume software specialists. Backed by massive global supply chains localized for Canada.

Strategic Market Entry: The Non-Resident Importer (NRI) Program

Cross-border shipping is the biggest hurdle for foreign IT suppliers. Forcing your Canadian client to act as the importer introduces customs delays, hidden fees, and administrative headaches.

The solution is the Non-Resident Importer (NRI) Program. By registering as an NRI, foreign tech companies can act as both the exporter and the importer.

This allows you to sell technology at a fixed, all-inclusive landed cost. To the Canadian buyer, the transaction feels exactly like buying from a local vendor in Toronto. It removes the border as an obstacle, neutralizing tax burdens and making your pricing highly competitive.

Government Procurement and Security Programs

The Government of Canada (GC) is the largest buyer of IT in the country, and Shared Services Canada (SSC) is the gatekeeper. SSC's procurement strategies fundamentally shape the channel ecosystem, determining winners and losers through its framework agreements and standing offers.

SSC's main goal is to consolidate the government's fragmented infrastructure into highly secure, unified networks. They prefer buying in bulk from pre-qualified vendors.

To win federal work, partners must secure spots on mandatory supply vehicles. The most important are ProServices (for smaller IT consulting jobs), TBIPS (for IT staff augmentation), and SBIPS (for comprehensive, outcome-based IT solutions).

The Security Clearance Barrier

The highest barrier to federal work is security clearance. Without it, you cannot bid on contracts.

Federal Security Clearance Level	Access Profile and Purpose	Estimated Processing Timelines
Reliability Status	The baseline. Access to protected, unclassified data.	3 to 24+ months.
Level II Secret Clearance	The IT standard. Access to classified infrastructure.	6 to 24+ months.
Level III Top Secret / NATO	Defense and intelligence. Highly sensitive access.	Multi-year process.

Getting clearance is slow and bureaucratic. The best market entry strategy for new players is to subcontract under an already-cleared Tier 1 domestic giant, like CDW or Compugen, while waiting for your own clearances to process.

Data Sovereignty and "Protected B" Residency Requirements

When selling cloud or managed services to the federal government, data residency is non-negotiable. Sensitive government data is classified as "Protected B." This data must be stored, processed, and maintained geographically inside Canada. It cannot cross the border.

Major cloud providers like Microsoft and Google have built localized Canadian data centers just to meet this rule.

To sell to the government, channel partners must use Canadian-hosted infrastructure, maintain domestic control over encryption keys, and use security-cleared personnel for tech support. Failing to do this instantly disqualifies you from federal contracts.

Agile Procurement and Indigenous Participation

SSC is actively moving away from monolithic, "winner-take-all" contracts toward Agile Procurement. This methodology involves iterative testing and "Invitation to Qualify" (ITQ) phases, designed to lower barriers to entry for smaller innovative firms.

Indigenous Procurement Mandate:

A transformative policy is the requirement that a minimum of 5% of the total value of federal contracts be awarded to Indigenous businesses.

- Result: In 2023-24, SSC awarded 10.34% of its total contract value to Indigenous businesses, significantly exceeding the target.
- Ecosystem Effect: This policy has catalyzed the formation of Joint Ventures (JVs) between large non-Indigenous integrators and Indigenous-owned tech firms. Partners who can demonstrate meaningful Indigenous participation (e.g., Acosys Consulting, Plato Testing) are seeing preferential access to government contracts. This is a critical strategic consideration for any vendor entering the federal market.

The GC Cloud Brokering Service

To modernize government IT, SSC established the GC Cloud Brokering Service, a

centralized mechanism for departments to procure cloud services. This system allows departments to access "Protected B" (sensitive) cloud environments from pre-qualified vendors.

- Mechanism: SSC holds framework agreements with hyperscalers (AWS, Microsoft, Google, Oracle, IBM).
- Partner Role: While the primary agreements are with the vendors, the fulfillment and management often involve channel partners. Partners like Softchoice and Calian provide the "on-ramp" services, helping departments navigate the complex "Protected B" security control profiles.
- Performance: In 2022-23, SSC fulfilled 99.17% of cloud brokering requests within service level standards, rising to 100% in subsequent years. This efficiency indicates a maturing procurement vehicle that partners can rely on for consistent deal flow.

Provincial Procurement and the MUSH Sector

Provincial IT buying is separate from the federal government. In Ontario—Canada's largest market—procurement for Municipalities, Universities, Schools, and Hospitals (the MUSH sector) relies on the Vendor of Record (VOR) program.

VORs are multi-year, pre-qualified vendor lists. Getting on these lists gives you streamlined access to massive public sector budgets. Missing the refresh cycle locks you out for years.

The Enhancing Digital Security and Trust Act (EDSTA)

A massive new law called EDSTA will hit Ontario's MUSH sector in July 2026. It is designed to aggressively harden public institutions against ransomware and AI risks. Schools, hospitals, and universities will be legally forced to conduct bi-annual cyber maturity assessments and report data breaches within 72 hours.

The Bottom Line: EDSTA creates a massive, legally mandated pipeline of revenue for the IT channel. Public sector organizations will be desperate to buy security audits, incident response services, and virtual CISO consulting before the 2026 deadline.

Channel Ecosystems

Microsoft

Microsoft's footprint in Canada is ubiquitous. From the federal government to the smallest SME, the Microsoft stack (Office 365, Azure, Dynamics) is the default standard. The partner ecosystem is mature, highly segmented, and currently undergoing a transition from the legacy "Gold/Silver" competencies to the new "Solutions Partner" designations.

Partner Types and Definitions

The Microsoft ecosystem is categorized by the partner's transacting capability and technical depth.

- **Licensing Solution Provider (LSP):** Formerly known as Large Account Resellers (LARs). These are the only partners authorized to sell Enterprise Agreements (EAs) to organizations with 500+ users. They focus on volume licensing, asset management, and supply chain logistics.
- **Cloud Solution Provider (CSP):** Partners who transact cloud services (M365, Azure) on a monthly billing model. This is the primary model for the SME and mid-market.
- **Azure Expert Managed Service Provider (MSP):** The highest technical distinction for Azure partners. These firms must pass a rigorous third-party audit of their people, processes, and technology, proving they can manage complex Azure environments at scale.
- **Global Systems Integrator (GSI):** Large consulting firms that focus on high-level strategy and complex transformation, often influencing the buying decision rather than just transacting the license.

Key Canadian Microsoft Partners

Large Scale Enterprise / Licensing Solution Providers (LSP)

These partners manage the "paper" for Canada's largest corporations and government bodies.

- **Softchoice:** Headquartered in Toronto, Softchoice is a dominant LSP and Azure

Expert MSP. They have successfully pivoted to a services-led model, offering proprietary asset management tools that help clients optimize their Microsoft spend. They were recently named Cisco Canada's Commercial Impact Partner of the Year, highlighting their cross-vendor strength.

- Long View Systems: Based in Calgary, Long View is a powerhouse in Western Canada. As an LSP and Azure Expert MSP, they specialize in the energy and resources sector. They pioneered the "OneCloud" service, a unified management plane for hybrid cloud environments.
- CDW Canada: A subsidiary of the US giant, CDW leverages massive scale to serve the public sector and enterprise markets. Their strength lies in logistics and supply chain, supported by deep licensing expertise.
- Insight Enterprises: A global Fortune 500 partner with a strong Canadian presence. Insight differentiates through its "Solutions" practice, focusing on modern workplace transformation and supply chain optimization.

Azure Expert MSPs & Specialized Infrastructure Partners

- ITI Inc. (formerly ProContact): A leading Quebec-based partner. ITI provides bilingual managed services and infrastructure solutions, bridging the gap between hardware procurement and cloud management.
- Third Octet: A boutique Toronto firm that punches above its weight. They focus on the intersection of "Workplace, Workload, and Workforce," delivering high-touch Azure migration and management services.
- Crayon: While a global player, Crayon's Canadian operation is a leader in Software Asset Management (SAM) and FinOps. They help clients navigate complex licensing audits and optimize cloud spend, a critical service in the current inflationary environment.

SME Solutions Providers (The CSP Channel)

- SysGen Solutions Group: A premier MSP for Western Canada (Calgary, Edmonton). SysGen focuses on the SME market, delivering fully outsourced IT departments built on the Microsoft stack. They are consistently recognized as one of Canada's best-managed IT companies.
- F12.net: Known for its "Hardware-as-a-Service" model, F12 bundles hardware, software, and support into a single monthly fee, simplifying IT consumption for Canadian SMEs.

AWS

If Microsoft owns the corporate desktop, AWS owns the developer. The AWS ecosystem in Canada is driven by "builders"—startups, Independent Software Vendors (ISVs), and enterprises pursuing cloud-native application modernization. The AWS Partner Network (APN) segments partners into tiers (Select, Advanced, Premier) based on accreditation and customer success.

Partner Types and Definitions

- Premier Tier Services Partner: The most experienced partners, recognized as leaders in their markets. They have deep technical expertise and demonstrated success working with a large number of customers at scale.
- Advanced Tier Services Partner: Partners with a strong team of trained and certified technical individuals and proven customer experience.
- DevOps Competency Partner: Specialists in automating infrastructure and deployment pipelines.

Key Canadian AWS Partners

Premier Tier Services Partners

- OpsGuru (a Carbon60 company): A definitive Canadian success story. OpsGuru (acquired by Carbon60) is an AWS Premier Partner specializing in Kubernetes adoption and cloud-native data analytics. They are the "fixers" for complex refactoring projects.
- Caylent: A Premier Partner with a heavy focus on Generative AI and cloud-native development. They work with clients to build custom AI applications on AWS Bedrock and SageMaker.
- SoftServe: With a strong presence in Toronto, SoftServe combines deep engineering talent with consulting. They specialize in big data and AI/ML projects for enterprise clients.
- TriNimbus (now part of Rackspace): Historically the first Canadian-born Premier Partner, their legacy continues under Rackspace, providing massive scale for migration services.

Specialized Consultants & Builders

- CloudOps (by Aptum): Based in Montreal, CloudOps is a pioneer in the "DevOps" movement. They specialize in cloud networking and building scalable platforms for SaaS companies and telcos. Their expertise is critical for clients building "sovereign" clouds or complex multi-tenant environments.
- Jarvis / Quantiphi: These partners focus specifically on the intersection of Data and AI. They help organizations unlock the value of their data lakes on AWS, often working with financial institutions and healthcare providers.

Google Cloud Ecosystem

Google Cloud Platform (GCP) occupies a strategic niche in the Canadian market. It is often the "second cloud" for enterprises, chosen for specific workloads: Big Data analytics (BigQuery), Artificial Intelligence (Vertex AI), and Kubernetes management.

Partner Types and Definitions

- Premier Partner: The highest status, indicating success in selling and servicing GCP solutions.
- Specialization Partner: Partners who have demonstrated deep technical proficiency in specific areas like "Data Analytics," "Infrastructure," or "Work Transformation."

Key Canadian Google Cloud Partners

Data & Infrastructure Specialists

- Pythian: An Ottawa-based global leader in data services. Pythian is a Google Cloud Premier Partner renowned for its deep database expertise. They manage massive data estates and provide high-end consulting for clients with complex multi-cloud data needs.
- Premier Cloud: Headquartered in Victoria, BC, Premier Cloud is a dedicated Google Cloud specialist. They focus on Google Workspace migrations and GCP infrastructure, serving a mix of SMEs and large enterprises.
- Onix Networking Canada: A top-tier partner for the public sector. Onix specializes in "Work Transformation" (Google Workspace) and Application Development, helping government agencies modernize legacy workflows.

Boutique Application Developers

- Rise Digital: A boutique firm focused on helping Canadian businesses maximize their investment in Google Workspace. They move beyond simple licensing to provide change management and workflow automation services.
- SE Cloud Experts: A Montreal-based partner specializing in digital transformation and cloud migration, helping Quebec-based organizations adopt GCP while adhering to local language and data laws.

Cisco & Network Infrastructure

The Cisco ecosystem is the backbone of Canada's connectivity. However, the definition of a "Cisco Partner" has evolved. It is no longer just about selling routers and switches; it is about delivering "Network-as-a-Service" and managed security.

Partner Types and Definitions

- Gold Integrator: The traditional high-level reseller certification, focusing on complex architectural design and deployment.
- Gold Provider: A newer designation for partners who offer Cisco technologies as a managed service (e.g., Managed Meraki, Managed SD-WAN).

Key Canadian Cisco Partners

- Bell Canada & Telus: The major telcos act as massive Cisco Gold Partners. They integrate Cisco networking hardware into their managed connectivity services, offering a "one-stop-shop" for enterprise WAN and security.
- Compugen: One of Canada's largest privately-owned IT solution providers. Compugen has deep Cisco expertise, particularly in campus networking and collaboration (Webex).
- Converge Technology Solutions: A rapidly growing aggregator that achieved Cisco Gold Provider status. Converge focuses on "Cisco Powered" managed services, wrapping security and monitoring around the hardware.
- Long View Systems: Recognized as Canada's first "Cisco Plus" partner. This designation allows them to sell Cisco solutions on a consumption basis (OpEx) rather than upfront CapEx, aligning with the shift to "as-a-service" procurement models.

Salesforce & Business Applications

Salesforce partners in Canada drive the "front office" digital transformation. The ecosystem is bifurcated between massive Global Strategic Partners handling bank-level transformations and boutique firms serving mid-market and niche verticals.

Partner Types and Definitions

- Global Strategic Partner: Firms with thousands of certified consultants handling multi-national rollouts.
- Crest / Summit Partners: High-tier consulting firms (formerly Gold/Platinum) with proven delivery excellence.
- Boutique Specialist: Smaller firms often focused on a specific cloud (e.g., Marketing Cloud) or industry (e.g., Non-profit).

Key Canadian Salesforce Partners

- Deloitte Digital: The dominant player for large-scale enterprise transformation. Deloitte handles the massive "Customer 360" projects for Canada's "Big Five" banks and the federal government.
- CloudKettle: A standout boutique firm based in Halifax, Nova Scotia. CloudKettle is a Summit-tier partner specializing in "Revenue Operations" (RevOps) for B2B SaaS companies. They are a prime example of high-value expertise emerging from the Atlantic Canada region.
- Belmar Consulting Group: Headquartered in Vancouver, Belmar focuses heavily on the public sector and non-profit organizations. They specialize in tailoring Salesforce for grant management and constituent engagement, a critical niche in the Canadian market.
- Diabsolut: Based in Montreal, Diabsolut specializes in Field Service Management (FSM). They help utility and telecom companies optimize their field operations using the Salesforce Field Service Lightning platform.

Strategic Insights and Future Outlook

The "Middleman" Transformation

The data throughout this report points to a singular trend: the extinction of the "box mover." With hardware margins compressing and cloud marketplaces (AWS Marketplace, Azure Marketplace) simplifying procurement, the traditional resale model is obsolete.

Insight: The successful Canadian partner in 2025 is a "Lifecycle Manager." They do not just sell the license; they assess the environment, migrate the workload, secure the data, and—crucially—optimize the monthly spend (FinOps). Firms like Softchoice and Crayon are thriving because they have built proprietary software tools to help clients manage the complexity of their cloud bills.

The "AI Pivot" Gap

While global hype around Generative AI is deafening, the Canadian market is currently in an "infrastructure building" phase. The 23.2% growth in Data Center Systems spending indicates that enterprises are upgrading their plumbing before turning on the tap of AI applications.

Opportunity: There is a pronounced "Service Gap." Canadian enterprises are buying AI-ready hardware and Copilot licenses, but they lack the internal governance frameworks to use them safely. Channel partners who can offer "AI Readiness Assessments," "Data Governance for AI," and "Responsible AI" workshops will capture the highest margin dollars in the coming 12-24 months.

Regional Dynamics

- Western Canada: The market is dominated by industrial IoT and energy sector compliance. Partners like Long View and SysGen thrive here by understanding the unique OT (Operational Technology) security needs of the oil and gas sector.
- Central Canada (ON/QC): The hub for finance and government. This is the battleground for the large LSPs and GSIs. Compliance (PIPEDA/Law 25) is the primary sales driver.
- Atlantic Canada: Emerging as a near-shore delivery hub. Firms like CloudKettle prove that Atlantic Canada can provide world-class consulting expertise at competitive rates, servicing clients in Toronto and New York without the high cost basis of those cities.

Conclusion

The Canadian Channel Partner Ecosystem is a vital, sophisticated, and evolving component of the national economy. It acts as the "last mile" for digital transformation, translating global technology into local value. For vendors, the channel is the only path to scale in Canada's vast geography. For buyers, the channel partner is the essential navigator through the storms of cybersecurity threats, regulatory complexity, and the promise of Artificial Intelligence.