

Accelerating Your Cloud Business



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Introduction

Now more than ever, customers are relying on solution providers to help them make their important cloud decisions and migrate their businesses to the cloud. With so many choices, messages and cloud technology providers vying for their attention and business, your customers need a trusted advisor in more ways than they have before. This is a great opportunity for you to take your business to the next level and profit from recurring revenue streams.

In order to accelerate the success of your business, you need to ask yourself these questions

- Do you know who the players are when it comes to cloud?
- What is your future-state business model?
- Do you have metrics in place to track progress?
- Have you defined and built a new value proposition around your cloud business?
- Do your customers know of your unique cloud expertise?
- How are you transforming your staff — new hiring profiles, training, new ways of thinking and problem solving, tracking new measurements?
- Are you adding value to your business with cloud services?
- How are you helping customers decide between on-premise and off-premise cloud options?

Know the Players

As a solution provider, you are but one of the players in the cloud universe as it pertains to the channel and channel opportunities. Here are some others:

Cloud Services Providers

Companies like Amazon Web Services, Microsoft and Google are providing Infrastructure as a Service (IaaS) and/or Platform as a Service (PaaS) for end customers. These companies can be trusted allies as well as competition. Speak with your distribution partners to learn more about how you can partner with these powerhouses for win-win opportunities.

Technology Vendor Cloud Providers

These are the vendors you may already be working with who have integrated cloud products and services into their portfolios along with the technology products they already offer. Think of companies like Dell, HP and IBM. A great first step is to use the relationships you already have with these kinds of vendors to build your cloud business.

SaaS Providers

Software manufacturers who have adopted cloud as their delivery model, and those who specifically design software for cloud delivery, including Salesforce.com, Microsoft 365 and Google Docs, are a mainstay in how customers consume software. For service-heavy solution providers, these companies offer a great opportunity to easily add value attached to other services.

Cloud Aggregators

These are companies that serve as intermediaries between cloud providers and others in the channel. Grounded in distribution expertise, many existing distributors are also serving as cloud aggregators for vendors and solution providers. It may benefit your business to let their experience work for you when connecting with new vendors.

End Users

These customers are creating a new dynamic, serving as both the users of cloud services contemplating private clouds, and as potential providers offering their infrastructure as public cloud services. This can increase profit opportunities for you in addressing their dual needs.

Channel Players

Here's where you fit in. You've likely heard the terms cloud broker, cloud agent, cloud integrator, cloud builder, cloud tools vendor, cloud developer, cloud reseller and so on. This is where you define your business, your unique value and your future.

Define Your Future-Business State

Transforming your business to cloud or to include cloud services means evolving your business model. You need a model that is both flexible — allowing for agile responsiveness to change — and solidly focused — enabling you to build your identity and a competitive edge. Here are three models that balance these qualities.



Cloud Designer and Builder

This model places you in the role of assisting customers in determining their cloud need, assessing which cloud products and services are the best fit, and helping customers migrate to private or public cloud solutions. Offerings for this model include, but aren't limited to: migration services, reselling and designing private cloud infrastructures, and integration of on-premise solutions with public cloud solutions.



Cloud Services Reseller

Also known as a cloud broker or cloud agent, this model focuses on reselling and adding value to existing cloud services from cloud service operators, including white labelling and rebranding services as your own. This model generates sales through recurring revenue with you handling monthly billing to the end user either on behalf of a service provider or for yourself (in the case of white labeling). You can add value to the cloud solution through integration, industry consulting, customisation of SaaS-based solutions or customer consulting to determine their best cloud option.



Cloud Service Provider

If you build, operate and own your own infrastructure to provide cloud services, then this model will work best for you. Similar to an IT organisation more than a traditional reseller, this model's success relies on you to fully develop sales functions, and provide metering, monitoring and some level of self-service provisioning for the cloud services.

***FOCUS ON ONE OR A FEW INDUSTRIES OR APPLICATIONS
TO BUILD UNIQUE EXPERTISE AND SERVICES.***

No matter which model works best for your business, remember things are going to have to change. The old ways of measuring your business and tracking progress aren't necessarily going to work with these new dynamics. For instance, if you have a recurring revenue model, you have to focus on the stability of monthly billing in order to make your quarter or year. The mad rush at the end of a quarter or a big deal at the end of the year won't cut it and you'll be short in total. Be flexible and let yourself and your team adjust to this new way of thinking and doing, and you'll achieve your goals.

Types of Product and Service Offers You Can Use to Capitalise on the Market

Cloud Architecture	Cloud Assessment Services
Cloud Migration Tools	Design and Architecture Services
Hybrid Cloud and Hybrid IT	Cloud Implementation
Management Frameworks	Cloud Migration Services
Integration Frameworks	Cloud Managed Services
Capacity Management	Cloud Brokerage Services
Cloud Brokerage Platforms	Support
Cloud Advisory Services	Training

Shift to a Recurring Revenue Model

Shifting from a CapEx to an OpEx model can put a lot of pressure on your revenue, gross profit and cash flow. When developing or refining your business plan, ask yourself, "Will this strategy be focused on deriving recurring revenue from our existing customer base or will we need to secure net-new customers to ensure we don't inadvertently corrupt our core pipeline?"

Though adopting a strategy that focuses on net-new customers is preferred, what's really important is your commitment to adding a significant recurring revenue component to your business mix.

Build and Articulate a New Value Proposition

In the role of solution provider, many try to be all things to all customers, getting bogged down in the clutter of offering the product choices and integration to please everyone.

To be successful in cloud you need to focus on the services that you bring to the total solution. Do what you do best. Whether its consulting or implementation or support, you can translate this service into revenue and margin growth.

FOCUS ON DRIVING A PREFERRED BUSINESS MODEL WHETHER IT'S SELLING PRIVATE CLOUD, RESELLING OR WHITE LABELING PUBLIC CLOUD, OR BEING THE CLOUD PROVIDER.

Creating a cloud services packaging-and-pricing methodology will enable you to derive the blended gross margins you require to support your business model and plan. To attain your blended gross margin, you need to think strategically rather than opportunistically. Don't just focus on the opportunity to resell an offering. Instead, approach the sale strategically, by creating a sustainable solution with services that you can repeat with many customers.

Remember: The underlying cloud component (i.e. cloud storage) is only a piece of your solution. To create a sustainable solution, include your areas of expertise — architecture, design, implementation, migration, support and operations — to ensure your blended gross margin is achieved.

Also properly analyse your pricing model to make sure it coincides with your financial business model to achieve your business's financial goals. The reasons why so many cloud and recurring revenue service sales plans fail are as diverse as the solution providers.

Here are six common mistakes solution providers make with cloud:

1. Adding "cloud quota" to an existing sales plan
2. Only slightly modifying a transaction-centric sales plan
3. Not changing or altering the existing sales model
4. Not aligning the sales plan with the organisation's business goals
5. Creating a sales plan that does not generate sufficient income
6. Allowing sales professionals to achieve income objectives without delivering cloud and recurring revenue service numbers

Avoiding these pitfalls dramatically improves results and helps you develop a successful sales plan that can generate sustainable and consistent recurring revenue results.

Transform Your Staff

Along with your business model and value proposition, you also need to change how your staff approaches sales and how they interact with your customers. There needs to be a behavioural and cultural shift in the organisation, especially in regards to how your sales team is motivated, trained and compensated.

Traditional sales people are used to receiving commissions whenever they make a sale. The difference with a cloud-centric business is that instead of a large check attached to every transaction, the sales person receives smaller monthly checks over the course of the contract. This impacts the person's behaviour and how they approach selling, and even talking to their customers about cloud solutions. To address this hesitancy, some solution providers offer a combination of spot incentives to sell cloud and pull some portion of the commissions on a long-term contract into an up-front bonus.

To get your staff on board with your cloud transformation, you need to provide them with the proper training and adjust the hiring profiles. Training your sales team on how and why cloud benefits customers creates cloud evangelists who can also advocate on their customer's behalf, ensuring the right solutions are put in place. You also need to invest in training your technical team, encouraging their certification in vendor cloud programs supports your overall cloud strategy. It's never too early to adjust your sales hiring profile so it aligns with your strategy and can accommodate a growing cloud business.

INVEST IN YOUR PEOPLE AND SKILLS TO MAKE THE TRANSFORMATION. INVEST THE TIME TO DEVELOP AND DELIVER UNIQUE SERVICES IN CONJUNCTION WITH CLOUD SOLUTIONS, WHICH DIFFERENTIATE YOUR FIRM. INVEST IN NEW RELATIONSHIPS AND PARTNERSHIPS TO HELP GET YOU THERE.

Consider how you approach your business's cloud sales structure:

- Understand that a transactional-focused sales team may have difficulty transitioning their behaviour and sales approach to a recurring revenue model.
- Acknowledge that having two distinct sales teams — traditional and cloud — ultimately takes less management cycles than trying to get them to change the approach that they have been successful with.
- Accept that a dedicated team focused on recurring revenue will significantly outperform a team that is responsible for selling both traditional and cloud solutions.

Be the Trusted Advisor

As stated in the introduction, cloud has created the opportunity for you to, now more than ever, be a trusted advisor for your customers. This means helping your customers make the right decisions and find the right cloud solution for their business — whether it's public, private or a hybrid cloud.

Before you can advise them properly, you need to learn more about where the customer's business stands today, so you can help them tomorrow. Begin with a comprehensive playbook to help you and your sales team ask the questions that will help you discover your customer's business needs.

Include discussions regarding:

- Aging on-premise email servers and storage servers: Which vendor support contracts will soon expire?
- BYOD (bring your own device) challenges: Do your customers know how to link tablets and smartphones to business applications?
- Aging client-server line of business applications which were not designed to be accessed over the web: How do they want to address these? Are these still utilised and how often?
- Do they have antiquated phone systems that lack unified communications, presence and other points of integration to an IP network?

Five Points to Keep in Mind

1 | BE REALISTIC

Cloud services may have a short-term impact on your organisation's revenue and may require you to make investments.

2 | THINK REPEATABLE

Prepackaged offerings are critical for success.

3 | UNDERSTAND THE OPERATIONAL IMPLICATIONS

Rethink sales goals, adjust reporting metrics and revisit compensation models.

4 | EMBRACE NEW MARKETING TACTICS

Build a plan focused on new customer acquisition, including education for existing customers.

5 | MAKE A COMMITMENT

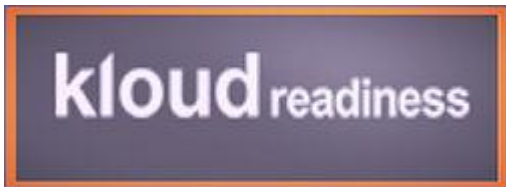
Appoint someone to lead the transformation.

Resources



With more than 2,000 members, 3,000 academic and training partners and tens of thousands of registered users spanning the entire information communications and technology (ICT) industry, CompTIA has become a leading voice for the technology ecosystem. CompTIA focuses its initiatives on supporting the success of businesses across the full IT channel, from the largest vendors on one end to smaller businesses providing IT hardware, software and services on the other, as well as the ICT professionals that make our industry run. CompTIA has invested millions to develop a growing portfolio of resources in the areas of IT education, IT certification, IT advocacy and IT philanthropy to help you and your peers become more successful.

www.comptia.org



KloudReadiness' BusinessTrakker SaaS Platform is designed to help value-added resellers and IT solution providers determine if they should enter or broaden their business within the cloud marketplace or several of the megatrends (big data, mobility, security, application development and the internet of things) presenting themselves as potential areas of business growth and opportunity. The platform will seek to capture all the major elements and decision points that need to be weighed and vetted prior to a decision to invest in a new line of business.

www.kloudreadiness.com



Start with Why, Simon Sinek.

Described as “a visionary thinker with a rare intellect,” Sinek teaches leaders and organisations how to inspire people. With a bold goal to help build a world in which the vast majority of people go home every day feeling fulfilled by their work, Sinek is leading a movement to inspire people to do the things that inspire them.

www.startwithwhy.com



Technology as a Service Playbook: How to Grow a Profitable Subscription Business, Thomas Lah and J.B. Wood

Technology as a Service Playbook defines the tactical and strategic plays technology companies must run to build a profitable subscription business. Whether you are a pure-play cloud company or a traditional technology provider making the pivot to the cloud, tsia's book will help guide your decision-making and execution around the as a service model to put your company on a path to profitable growth.

This cloud-driven journey will affect every part of the organization.

www.tsia.com

Glossary

As a Service Terms

Backup as a Service (BaaS) – BaaS is a subcategory of Storage as a Service (SaaS). It provides users with a system for the backup (often remote), storage and recovery of computer files. Think of it as virtual backup stock.

Business Process as a Service (BPaaS) – BPaaS is a form of business process outsourcing (BPO) that employs a cloud computing service model. BPaaS reduces labour count through increased automation, thereby cutting costs in the process. It adheres to cloud computing's traditional monthly pricing schedule.

Cloud as a Service (CaaS) – CaaS can be defined as any resource that is provided over the internet but the most common cloud services include Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS).

Communications as a Service (CaaS) – CaaS is an outsourced communications solution that can be leased from a single vendor and enables the consumer to utilise enterprise-level VoIP, VPNs, PBX and unified communications without actually purchasing, hosting or managing the infrastructure.

Content as a Service (CaaS) – This service deals with content that can be delivered as a web service and offers hosted content storage.

Data as a Service (DaaS) – Think of DaaS as the cousin of Software as a Service. DaaS means that data can be provided on demand to the user no matter where they are or the separation of provider and consumer.

Database as a Service (DBaaS) – DBaaS is a cloud-based approach to the storage and management of structured data. As a cloud-based service, it gives users flexible, scalable, on-demand performance that's aimed at creating self-service and easy management, particularly in terms of provisioning a business's own environment.

Data Management as a Service (DMaaS) – DMaaS is when a company outsources the validation, storage, protection and processing of data to another party. This party ensures the safety, accessibility, reliability and timeliness of data for data users.

Data Mining as a Service (DMaaS) – This is the same as Data Warehousing as a Service.

Data Warehousing as a Service (DWaaS) – Data warehousing is the electronic storage of a large amount of information by a business. Therefore, DWaaS is when a business entrusts the warehousing of their data to another party. Storage of company data must be secure, reliable, easy to retrieve and easy to manage. As the amount of data companies deal with continues to increase this cloud-based data analytics solution takes a large weight off the shoulders of businesses.

Development as a Service (DaaS) – Here your developers can make use of cloud-based integrated development environment (IDE), which will then allow them to develop applications using a browser.

Desktop as a Service (DaaS) – A cloud service in which the back-end of a virtual desktop infrastructure (VDI) is hosted by a cloud service provider. This service is usually purchased on a subscription basis and the service provider manages the back-end responsibilities of data storage, backup, security and upgrades.

Disaster Recovery as a Service (DRaaS) – Cloud-based disaster recovery as a service is the replication and hosting of physical or virtual servers by a third party to provide failover in the event of a man-made or natural disaster.

Hardware as a Service (HaaS) – A service provision model for hardware that is defined differently in managed services and grid computing contexts. In managed services, HaaS is similar to licensing and in-grid computing. It's a pay-as-you-go model.

Infrastructure as a Service (IaaS) – A form of cloud computing that provides virtualised computing resources over the internet. IaaS is one of the three main categories of cloud computing services, along with Software as a Service and Platform as a Service. In this model, a third-party provider hosts hardware, software, servers, storage and other infrastructure components on behalf of its users.

Integration as a Service (IaaS) – This is making use of the cloud to develop or utilise tools that offer integration between your business applications. Businesses can leverage this to integrate backend systems, sources, files and operational applications. The IaaS model enables integration across the cloud, making it possible to share data between systems as well as third-party vendors in real time.

Monitoring as a Service (MaaS) – MaaS handles the deployment of monitoring functions for various services and applications within the cloud, offloading a large majority of the cost by having it run as a service opposed to an in-house tool. The most common application for MaaS is online state monitoring, which tracks certain states of applications, networks, systems, instances or any application deployable within the cloud.

Network as a Service (NaaS) – NaaS is a business model for delivering network services over the internet on a pay-per-use or subscription basis. What it means is that the network becomes a utility that's paid for and all complexities are hidden from view. NaaS saves businesses money on network hardware and the staff it takes to manage a network in-house, because now the network is a managed service within the cloud.

Platform as a Service (PaaS) – Hosted software that serves as a platform for building SaaS offerings. It provides the capability for consumers to have applications deployed without the burden and cost of buying and managing hardware and software.

Security as a Service (SaaS) – SaaS is a business model in which the management of security is outsourced to a third party. It usually involves applications such as anti virus software delivered over the internet, but SaaS can also refer to security management provided in-house by an external organisation.

Software as a Service (SaaS) – Basically, SaaS is any software offered remotely as a service. SaaS gives the consumer the ability to use on-demand software that is provided by the service provider via a thin client device, for example, a web browser over the internet.

Storage as a Service (SaaS) – SaaS is when third-party providers rent space on their storage to end users that lack the budget or technical personnel to implement and maintain their own storage infrastructure.

XaaS (Anything as a Service) – XaaS refers to the delivery of IT as a Service through hybrid cloud computing. It can be either one or a combination of: Software as a Service (SaaS), Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Communications as a Service (CaaS) or Monitoring as a Service (MaaS).

Generic Cloud Computing and General Computing Terms

BYOD – BYOD is short for bring your own device. In the consumerisation of IT, BYOD, is a phrase that has become widely adopted to refer to employees who bring their own computing devices — such as smartphones, laptops and tablets — to the workplace for use and connectivity on the secure corporate network.

Cloud Computing – The practice of using a network of remote servers hosted on the internet to store, manage, and process data, rather than a local server or a personal computer.

Data Center – A data center is a centralised repository, either physical or virtual, for the storage, management, and dissemination of data and information organised around a particular body of knowledge or pertaining to a particular business.

Hybrid Cloud – Hybrid cloud is a cloud computing environment which uses a mix of on-premise, private cloud and public cloud services with orchestration between the two platforms.

Infrastructure – IT infrastructure refers to the composite hardware, software, network resources and services required for the existence, operation and management of an enterprise IT environment. It enables an organisation to deliver IT solutions and services to its employees, partners and/or customers, and is usually internal to an organisation and deployed within owned facilities.

Internet of Things – The Internet of Things (IoT) refers to the ever-growing network of physical objects that feature an IP address for internet connectivity, and the communication that occurs between these objects and other internet-enabled devices and systems. It is also known as machine-to-machine computing.

ISP – An ISP (internet service provider) is a company that provides individuals and other companies access to the Internet and other related services such as website building and virtual hosting.

Private Cloud – Private cloud is the phrase used to describe a cloud computing platform that is implemented within the corporate firewall, under the control of the IT department.

Public Cloud – A form of cloud computing in which a company relies on a third-party cloud service provider for services such as servers, data storage and applications, which are delivered to the company through the internet.

LET'S GET STARTED DELIVERING RESULTS TOGETHER



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