



# HOW TO MAKE MONEY *in the cloud*

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# INTRODUCTION

You've read about it on blogs and tech magazines, and heard about it from podcasts and YouTube videos: If you're a technology solutions provider, you absolutely need to offer cloud services! You might be hesitant about this endeavour, but the numbers speak for themselves.

By the year 2020, it's estimated that nearly one quarter of all IT spending will be budgeted on the cloud.<sup>1</sup> The global Software-as-a-Service (SaaS) market is projected to grow

from \$49 billion just two years ago to \$67 billion by next year.<sup>2</sup>

**What does this mean for you and your business?** *It means that your potential for capturing revenue in the cloud is growing!* This guide will show you how to overcome your FUD (fear, uncertainty, and doubt), and set your business up to profit on cloud services, despite slim profit margins. It's time to prove once and for all that the benefits far out way the negatives.

Let's get  
*started!*

<sup>1</sup> [http://www.informationweek.com/cloud/infrastructure-as-a-service/gartner-sees-\\$1-trillion-shift-in-it-spending-to-cloud/d/d-id/1326372](http://www.informationweek.com/cloud/infrastructure-as-a-service/gartner-sees-$1-trillion-shift-in-it-spending-to-cloud/d/d-id/1326372)

<sup>2</sup> <https://www.enterpriseirregulars.com/102469/roundup-cloud-computing-forecasts-market-estimates-q3-update-2015/>

# FIRST THING'S FIRST: WHAT IS TRENDING IN THE INDUSTRY RIGHT NOW?

While IT spending is on the rise, the allocation to cloud infrastructure is climbing even faster. More vendors are offering cloud-based software and cloud-based infrastructures over traditional packaged software. For example, 5% of all Microsoft® Office users are now on Office 365™ and that number is increasing. Servers and email are also moving to the cloud.

With such sweeping changes, it can feel like a loss of control for many IT companies—but that's not true. You can still maintain control with the cloud, and you can profit from it as well.



# PUT THE *YOU* IN VALUE

## **THE CHALLENGE:**

Getting Existing Clients On Board with New Services

## **THE SOLUTION:**

Build Faith in Your Technology Expertise

Traditionally, many businesses found their niche by maintaining office infrastructures. Now, with the introduction of the cloud, much of that infrastructure is changing and, often times, being eliminated from the workspace altogether. With these sweeping changes, your customers will be (if they aren't already) looking for someone to not only move their systems into the cloud, but manage them as well.

To put yourself in a position to profit off of this need, you'll need to find new ways to establish your business as a trusted advisor in the cloud arena. Start with your existing customer base. Show them that the best, most efficient way to function in the cloud is to go through you instead of approaching vendors directly.

**Remember, you're not just selling services—you're also selling your expertise!** And that translates to peace of mind for your customers. Let them know that you aren't there to simply complete a task and walk away. You're equally invested in their success, and are in it for the long haul.

## Strategic Tips for Building Trust in Your Services

- 1 Make benefit-driven recommendations
- 2 Conduct quarterly business reviews
- 3 Approach your forward-thinking clients first
- 4 Have a plan in place for stubborn legacy clients

Evolving your image as a forward-thinking TSP means you'll also be evolving your relationship with your customers. Once you've got them on board with your cloud services, you'll likely find that many of them will gladly hand the maintenance over to you to work out.



# THINKING OUTSIDE THE BOX

## **THE CHALLENGE:**

What Your Customers Don't Know CAN Hurt Them

## **THE SOLUTION:**

Prove the Value of Your Services

Hard drives can fail. Flash drives can error. CDs are antiquated (fossils, even). But online backups are a different story. All you need to store anything and everything is a stable and secure internet connection. That's easy the easy part.

The challenge is generating revenue with this. How's it done? By thinking of your business as a full-service shop for all of your clients' technology needs. In addition to cloud services, also offer backup, antivirus, and recovery services.

This way, not only can you sell your customers valuable services that will keep their business information safe and accessible, you'll also be selling your expertise as well. Include backup services in bundles along with internet security or email and spam filtering. Then educate your customers on the safety and security of backup services, while fully supporting their new add-ons.

## THINKING OUTSIDE THE BOX **CONTINUED**

Education is key to building out and marketing bundled solutions. By informing your customers that large vendors don't offer comprehensive recovery options for their products, you can impart the value of fast, granular recovery of their critical or needed data. If you bundle backup disaster recovery services into your offering, you gain an additional edge over the major industry players.

Billions of dollars are spent every year ensuring the integrity of the cloud. Just in 2015 alone, over \$75 billion worldwide was spent on cybersecurity. With backup services your customers don't need to worry about those things, they just keep on working resting assured that you've got everything covered!





# BEING COST EFFICIENT

## **THE CHALLENGE:**

Overcoming Slim Profit Margins on Cloud Licenses

## **THE SOLUTION:**

Creating Recurring Service Bundles

Turning to cloud services doesn't have to be expensive; it can be more cost efficient than traditional practices. There are many distributor incentive programs and discount opportunities out there for TSPs to take advantage of. For example, Microsoft offers stackable incentives so you can get the best deal possible. Pair that with incentives given by your distributor. Once you get the right price for you, offer the right price to your customers to account for your expertise, added services and excellent customer service.

## PRO-TIP:

Make sure you set a high enough price right from the get-go to cover licensing and other expenses, but not too high that your competition will win your clients. Find a happy balance.

# BROADENING YOUR HORIZONS

## **THE CHALLENGE:**

Globalization

## **THE SOLUTION:**

Go Global!

During the height of the break/fix era, you needed to be close enough to your customers so that in a moment's notice you could visit their site and do what needed to be done. With the introduction of managed services, you could venture out further in your territory knowing that onsite visits would likely be few and far between. With cloud services your territory can be as large or small as you want it to be!

Going global sounds daunting, but you really don't have to change everything about your business to offer support clients around the world. That's a major benefit of establishing a cloud services practice area as part of your managed services portfolio.

You can *literally* take  
on the world!

## BROADENING YOUR HORIZONS CONTINUED

**But beware:** this opportunity also exists for your competition. Don't let those guys beat you to it! As we move into a world where everything will be tied to the cloud, technical expertise will still be expected, but the products and services offered will be more homogeneous. There will be fewer differentiators for businesses like yours. The true distinguishing factor will be your customer service.

Continue to offer value and wrap it around the services you offer, so your clients remain sticky and stay with you for the long haul.



# PUBLIC CLOUD SERVICES

## **THE CHALLENGE:**

Knowing What Should Go to the Cloud

## **THE SOLUTION:**

Implement the Right Tools for the Job

One thing to keep in mind with cloud services is knowing which of your existing customers to pitch them to and why. When the public cloud first became available, everyone thought they needed to virtualize their customers' servers to move them into the cloud. That's not necessarily the case.

Moving the workload app by app into the cloud can be the way to go. Public cloud vendors, like Microsoft® and Amazon®, want you to identify the workload that's on the server, find the proprietary service in their clouds, and just use theirs. Don't virtualize if you don't need to. You could potentially run the risk of encountering performance issues if you aren't careful.

Now, if you find yourself in a situation where your customers have a server that's very specific to a certain task that's not already in the cloud, that would be a good opportunity to virtualize the server. Alternatively, you could find them an app that is already cloud-enabled. Taking action like this will further establish you as a trusted technology provider in your customers' eyes, validating your services and solidifying the need for them long term.

# CONCLUSION

The cloud is here to stay, and the demand for comprehensive cloud services isn't going anywhere. The time to step into the cloud arena and provide your customers with the services they need is now. And if you follow the advice in this guide, you'll soon learn that your business stands to gain as much as your customers' businesses do. There's money to be made in the cloud, it just takes a little creativity to repackage the value you already offer to make it a lucrative practice area!

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