

CSP'S GUIDE TO Coexisting with FastTrack



Here are nine partner best practices for making Microsoft's ever-expanding, free cloud migration benefit work for you, not against you. **By Scott Bekker**

THE LAST FEW YEARS have been encouraging and alarming for Microsoft partners selling cloud services.

On the positive side of the partner ledger is Microsoft's ongoing, expanding investment in the Cloud Solution Provider (CSP) program. CSP offers the business model Microsoft partners asked Microsoft to create for years. CSP gives partners the ability to sell more and more of Microsoft's cloud services directly to customers, own the customer relationship and bundle the services to have better control over their margins. There have been plenty of hiccups, but much of the Microsoft cloud portfolio is coming under the business model, and Microsoft is gradually adjusting its field incentives to align with partners' incentives so Microsoft sellers and the channel are moving in the same direction rather than butting heads.

On the negative side of the partner ledger is Microsoft's ongoing, expanding investment in FastTrack. The whole time partners have been enthusiastically signing on to CSP, they've been eyeing FastTrack warily. FastTrack is an internal unit at Microsoft that is ramping up with hundreds of engineers and managers to provide free migration services as a benefit of buying a subscription or license for Microsoft cloud services. Spun up to accelerate the pace of customer migrations to the cloud, FastTrack started four years ago as a pilot program limited to onboarding Office 365 customers with more than 150 seats.

That seat count was originally positioned to partners as a way of signaling that there was plenty of opportunity for them to handle migrations below that bar. Since then, the limit has dropped to 50 seats. The customer benefit has exploded from Office 365 coverage to encompass free migration assistance for Azure Active Directory, Microsoft

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A Worry-Free Journey to the Cloud

For many Microsoft partners who are embarking on their cloud journey, navigating uncharted territories can be daunting. With a lot of great tools on the market such as FastTrack, the wealth of options can get overwhelming, especially for an early cloud adopter. Where do you start? How can you strategize your offerings? And which cloud solutions can benefit your business?

Whether you want to resell Office 365 or Dynamics CRM, the most profitable and fast-growing way to go forward is to become a Microsoft CSP partner, either direct or through a distributor.

Engaging with a Microsoft-certified distributor means resellers can leverage programs that help them go-to market faster and increase their revenue, while saving a lot of time and money. Under these partner programs, such as SherWeb's, for instance, partners own the complete customer experience with direct billing, provisioning, management and support. They also set their own pricing and margins.

It's worth noting the key benefits to partnering with an indirect CSP provider.

Enter the market faster

Going indirect means you don't have to begin on your own. You get all the benefits of working with a born-in-the cloud technology provider to help ensure your success. For example, you don't need to wait until you have the end-to-end customer relationship management infrastructure in place to enter the market.

In addition, you are free from Microsoft's requirements of selling a minimum new Office 365 seats every year, creating a billing platform, or maintaining Microsoft competencies.

Expand your offering

The provider-reseller (two-tier) model gives you access to high in-demand and best-in-class cloud solutions and services from Microsoft that you, in turn, resell to your customers. You get to buy all your SKUs and sell them at the profit you choose. You can also leverage your provider's professional services to build your own value-added offering to increase your revenue.

SherWeb, for instance, works side-by-side with its partners to transition to a cloud model and grow their value with their customers. Their pre-sales engineers can join in on complex deals, which can make the difference between winning or losing an opportunity.

Lower your financial risks

The indirect model means teaming up with an experienced provider and benefiting from the investments they have made to participate in the CSP Program, while owning the full customer relationship and experience.

It also means less pressure on you to make the investments required to be a direct provider, which can range from \$50K to over \$1M. You also get to leverage other value from your cloud distributor, including access to credit, training, and sales support – that all come with a price when you're on your own.

Free yourself to focus on your added value

As an indirect CSP reseller, you are free to focus your efforts where required without having the burden of maintaining multiple systems for billing, provisioning, and support. You do everything for your customers from the distributor's platform, which are, for most, sophisticated marketplaces that resellers can leverage and white label.

The indirect model is great for businesses that want to focus on strengthening their cloud service offerings and invest more gradually in support and billing capabilities.

Secure your share of the cloud

Microsoft has made it clear that its next generation of products will be distributed via the cloud. This is where the CSP Program comes in so you can profit from this opportunity. The program provides partners with a recurring revenue model that allows them to play a more active role in the customer cloud journey.

Starting as an indirect CSP reseller will allow you to take the lead in the migration of customers to the cloud, and carve your place in the cloud reselling ecosystem.

How to Get Started as an Indirect CSP

It's simple. You can enroll in SherWeb's Partner Program in just a few clicks and be ready to accelerate your cloud business with a solid partner by your side with:

- 24/7/365 technical support based in North America with an average response time of 20 seconds
- Your own dedicated account manager, pre-sales solutions architect, training and marketing tools

Interested in a partnership that guarantees your success? Learn more about how SherWeb's Partner Program can further benefit you in their Infokit.



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Intune, Azure Rights Management, Windows 10, Dynamics 365, Azure and, most recently, a competitive offer to switch to OneDrive for Business from Box, Dropbox and Google Drive. FastTrack engineers are available to help with more than initial migrations, expanding their engagement to all stages of the customer lifecycle.

Microsoft has made moves to engage partners with FastTrack, as well, pointing customers (with varying degrees of enthusiasm) to partners and offering partner subsidies (occasionally substantial) for help. A standard rule of Microsoft incentives applies in this case: Partner subsidies emerge in chaos, often exhaust their budgeted amounts prematurely and always sunset. FastTrack, on the other hand, is forever.

Nearly four years in, many partners remain suspicious of Microsoft's ultimate aims with FastTrack and are unhappy about the program's continuing encroachment into once-profitable partner opportunities. As one highly engaged Microsoft cloud partner, who asked not to be identified, said of FastTrack, "I got nothing good about FastTrack."

Yet a sense is emerging within the channel that FastTrack is here to stay, and that the best play is to figure out how to coexist with the program. Several partners independently invoked the same old saying with RCP: When it comes to FastTrack, "You can't fight City Hall."

What's a CSP to do even as Microsoft eats more and more of the cloud migration market with FastTrack? Partners are finding ways to coexist profitably with the program.

1. TELL CUSTOMERS ABOUT FASTTRACK

For Ric Opal, one of the most important things partners need to do is inform their customers about FastTrack right up front. It's a credibility thing.

"There's nothing a customer can be searching with their favorite search engine where they won't find this benefit even without knowing the word 'FastTrack.' Maybe they're searching for 'Office 365 migration.' They're going to find FastTrack," says Opal, vice president of infrastructure solutions at SWC Technology Partners in Chicago. "If you're not embracing FastTrack and figuring out

how to complement it, you could put yourself in a bad position with your client in that you didn't bring the message forward."

Even if the customer isn't looking, Microsoft will often bring up FastTrack, Opal says. "Microsoft is going to tell customers that this exists, and they should, because it's a licensing benefit."

2. FOLLOW THE MONEY

After getting out in front of any FastTrack questions with customers, it's critical to follow Microsoft's incentive money.

"Understand how you as a partner are paid, or not," Opal says.

That can be easier said than done. The first partner subsidy program related to FastTrack was the Office 365 Adoption Offer, which lasted six months from September 2014 to March 2015. Ever since that time, partner subsidies have been popping up, depleting their budgets and disappearing again on a constant basis. It takes attention, connections, agility and perseverance to convert those payments into revenue.

Right now, Opal says entitlement payments are being triggered at different levels of active usage, and he encourages partners to seek out tight engagement with Microsoft for some specialized FastTrack-related programs for partners.

Some recent payments have been relatively rich. Microsoft was recently investing up to \$10,000 for Modern Desktop proof-of-concept projects involving Windows 10 Enterprise and Office 365 ProPlus and up to \$70,000 for Modern Desktop pilots. Both of those promotions involved big customer engagements at 500 and 1,000 seats, respectively.

3. CONSULT ON THE TRANSITION/TRAINING

Chris Pyle, CEO of Champions Solution Group, was an early mover on migrations to Office 365, and the Boca Raton, Fla.-based company's MessageOps unit was a pioneer among automated migration services. As FastTrack has taken a big bite out of the low-hanging fruit in that business, Pyle is still seeing a lot of opportunities. One area is training end users, including helping organizations sequence that user training.

"We help companies with communications templates, and help them figure out who you should train first. We help identify the power users [who lead to broader] adoption in a customer," Pyle says. "Helping

your customer unlock the business value of Office 365,” Pyle argues, is still a billable business.

4. OFFER ‘HANDS ON KEYBOARDS’

Speaking of automation, that’s what FastTrack is all about. “FastTrack is no hands on your keyboard ever,” notes SWC’s Opal.

“They don’t do the work for you that needs to be done on your side. FastTrack is not on-site. They will not come to your building and hug you or hold your hand or tell you, ‘Good job.’ It is all remote,” Opal says.

Domnick Parretta, CEO of Valorem, a Microsoft partner based in Kansas City, Mo., also sees partner opportunity in Microsoft’s automation-heavy approach. “There’s a lot that Microsoft needs to do as the people that built the service,” Parretta said of Microsoft’s moves to use automation to help customers get to their cloud platform. “But there are things that they can’t automate around their service.”

Some of the services partners are providing include on-site migration planning, on-site implementation of project management, Active Directory remediation, reconfiguring the network, handling user change management and optimizing process.

5. MIND THE GAPS

Partners are also filling gaps between the Microsoft-centric and automation-heavy services that Microsoft offers for free.

“FastTrack has some guardrails to it,” Opal says. “If I’m talking about an e-mail move, they’re going to want to move a lot of e-mail in chunks. Let’s say the CEO is going on vacation in the Bahamas. We want to move him in two weeks and everyone else in a week. No, no, no. With FastTrack, it’s 300 accounts in a mass movement. Think ‘Walking Dead’ zombie horde.”

Gaps like that are creating opportunities for partners. In addition to being able to provide flexibility in terms of when migrations happen, partners are also finding opportunities in the other gaps in the FastTrack service. Examples include migrating e-mails and files for accounts with fewer than 50 seats, configuring and deploying in hybrid environments, troubleshooting internal line-of-business applications with the Microsoft cloud and doing the same for third-party applications.

6. THINK OF FASTTRACK AS FREE LABOR

While many partners are downbeat about FastTrack, Opal switched the way he viewed this massive resource of Microsoft technical personnel.

“Here’s another mental model,” Opal says. “I have free labor on my project. I have to assign a resource to manage the free labor, but I have free labor. I can say to the customer, ‘I will get you over the hump and get you deployed.’ Now I’m plugging any customer into the applicable service.”

In SWC’s case, the company has proprietary intellectual property around security services and offers other services for customers running on Microsoft’s cloud.

“I can’t give customers those services until I can get them on a baseline security posture. I know our balance sheet looks better, and

I don’t have all the ebb and flow of a project—I have contracts,” Opal says of the situation when Microsoft is handling the migration portion.

“If I partner with them and offer the high-value services beyond the keyboard stuff that the client needs, and I can get the customer to the cloud, as a managed services provider, I’m accelerating my time frame to get to recurring revenue,” he says.

7. HOVER OVER THE MIGRATION

Outbound calls from FastTrack to your customers are a reality. Pyle says he’s seen it happen several times where Champion had given a customer a bid and then the client heard from Microsoft. “We’ve had clients who said, ‘You know what? Don’t worry about the migration. We’ll get FastTrack to do that,’” he said.

He says that’s fine, but just like Microsoft is hovering over your customers to offer the free service, be sure to hover right back. That way when the FastTrack automation comes up short, the migration runs into a scenario that Microsoft doesn’t handle or the customer needs support that Microsoft doesn’t offer, you’ll be right there to offer the full service.

8. STAY ENGAGED WITH THE FIELD

Parretta also recommends staying engaged with Microsoft, keeping your name in front of the field representatives. “I think they’ve become even more partner-centric. There’s a lot of models out there to pull partners into the FastTrack space,” Parretta says. “When they started this journey, they started it to fill a hole in the market. Over time, they’ve done that with a great deal of success, but they’ve seen that there’s a really wide lens of customer needs. It’s not one-size-fits-all. They want customers to be current and they want to keep them current. I think they’re trying to figure out how to make that happen.”

9. KEEP YOUR HEAD ON A SWIVEL

The through line of the advice from all the partners we spoke with is the need to keep your head on a swivel, constantly looking ahead and trying to anticipate where Microsoft will move the FastTrack program next. The one constant in the last four years of FastTrack is that Microsoft expands it, whether with new employees, new languages and geographies, new migration services or new customer size segments. The promotions will appear and disappear, generally bounded by Microsoft’s July-to-June fiscal year with the heaviest activity usually falling in Q2 and Q3. And don’t get too dependent on anything that feels like easy money, because if it’s too easy, Microsoft will automate it and pull it into FastTrack. •

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