



Services Value in the Cloud: Where's the Value?

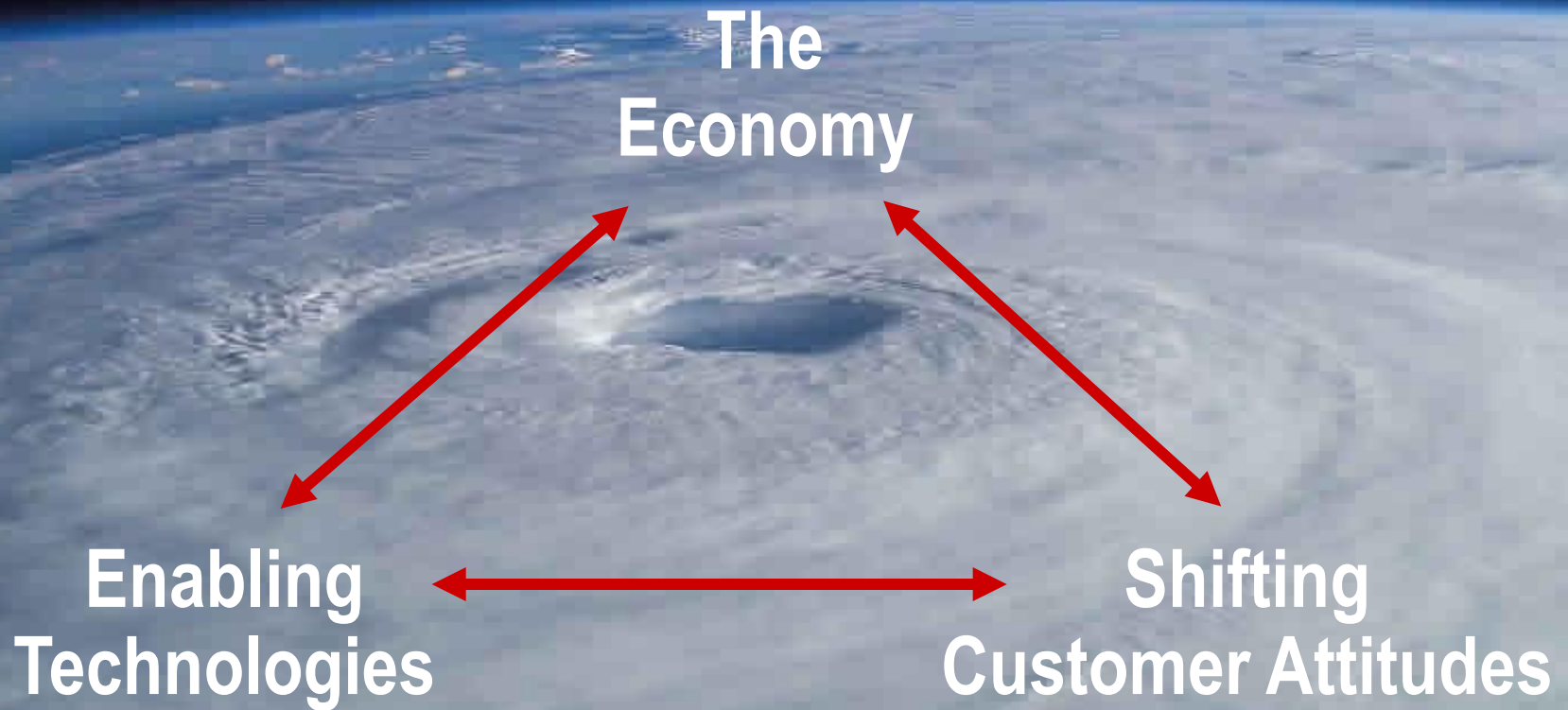
**Presented by,
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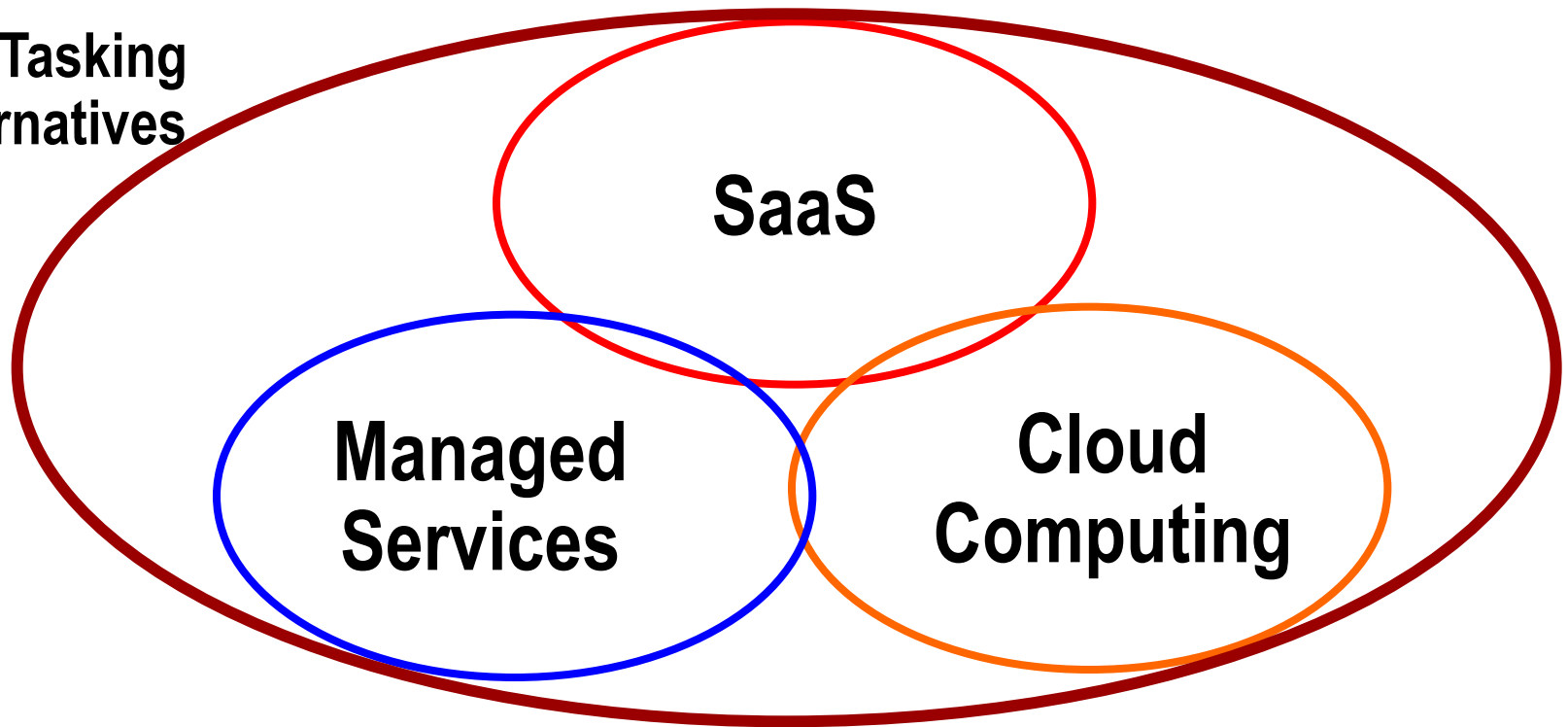
Today's Perfect Storm





Inter-Related Out-Tasking Alternatives

**Out-Tasking
Alternatives**





Defining Terms

Managed Services = Provider assumes specific management responsibility.

SaaS = Vendor delivers software functionality as a subscription service.

Cloud Computing = User obtains highly elastic computing resources.



Traditional Role of Channel Partners

- Satisfy specific user requirements and vertical market needs
- Address technical complexities & provide specialized skills,
 - Planning, Design, Integration, Management, Training & Support Skills
- Extend sales reach/functional capabilities
- Expand addressable market opportunities



Does SaaS/Cloud = Disintermediation?

- Direct Sales/Delivery Model
- Focus on Simplification/Ease-of-Use
- Automated, Self-Provisioning Capabilities
- Ease of Deployment/Configuration
- Emphasis on Time-to-Value
- Business vs. Tech Support Requirements
- Lower Price Points/Tighter Margins



Good News

- SaaS vendors seeking channel partners to,
 - Extend reach
 - Create industry-specific solutions
- Cloud computing is creating confusion
 - Vendors need help packaging raw capabilities
 - Users need help understanding and leveraging resources

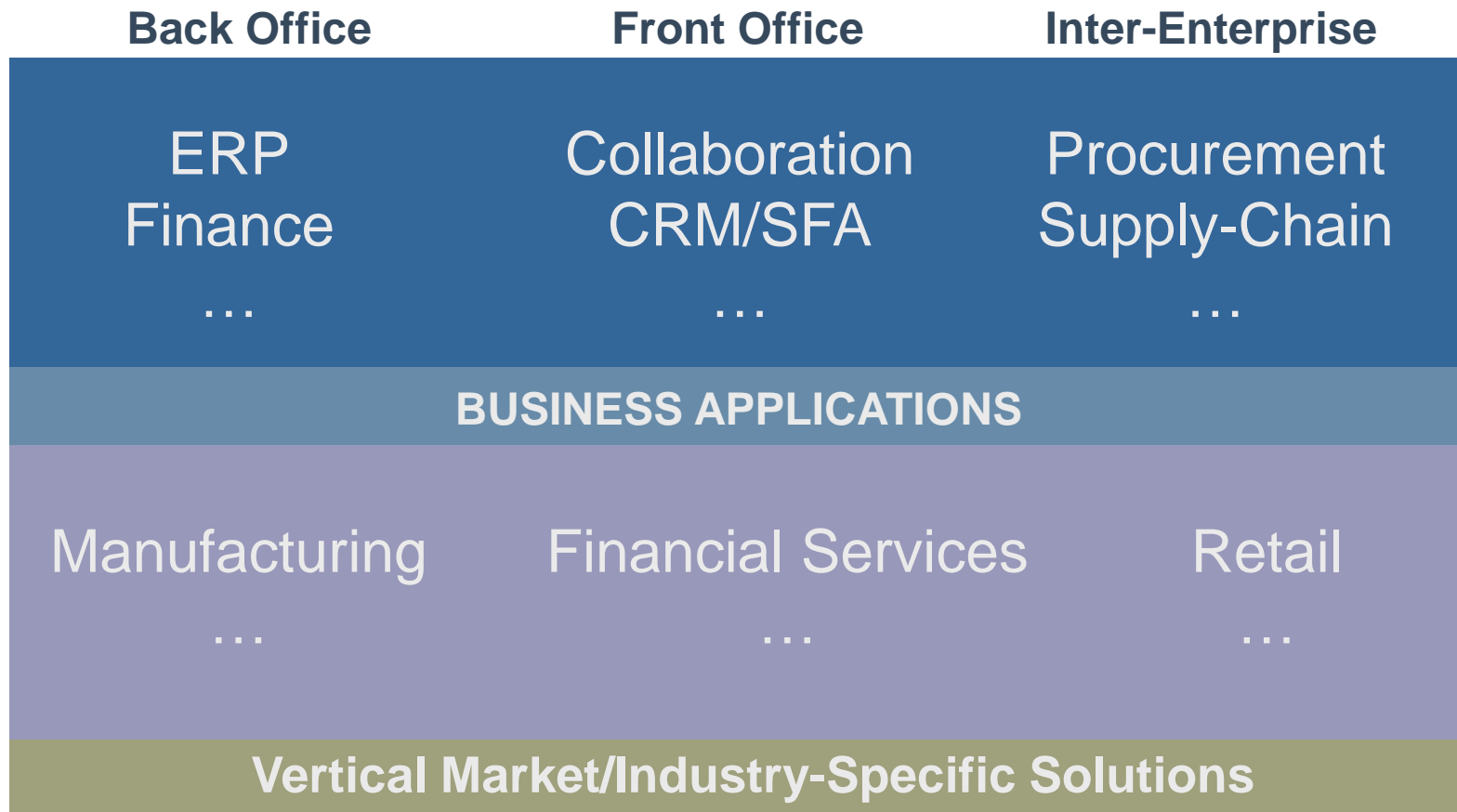


Why the time is right for the Channel in SaaS

- SaaS has gained mainstream acceptance, less education required.
- SaaS vendors perfecting direct selling strategies/techniques.
- Continued growth requires greater vertical market penetration.
- Expanding market penetration requires industry-specific skills.
- Economically extending market reach requires third-party channel partners w/ 'trusted' relationships.
- Establishing new channel relationships accelerates market growth.
- Existing and emerging players hungry for new channels to market.

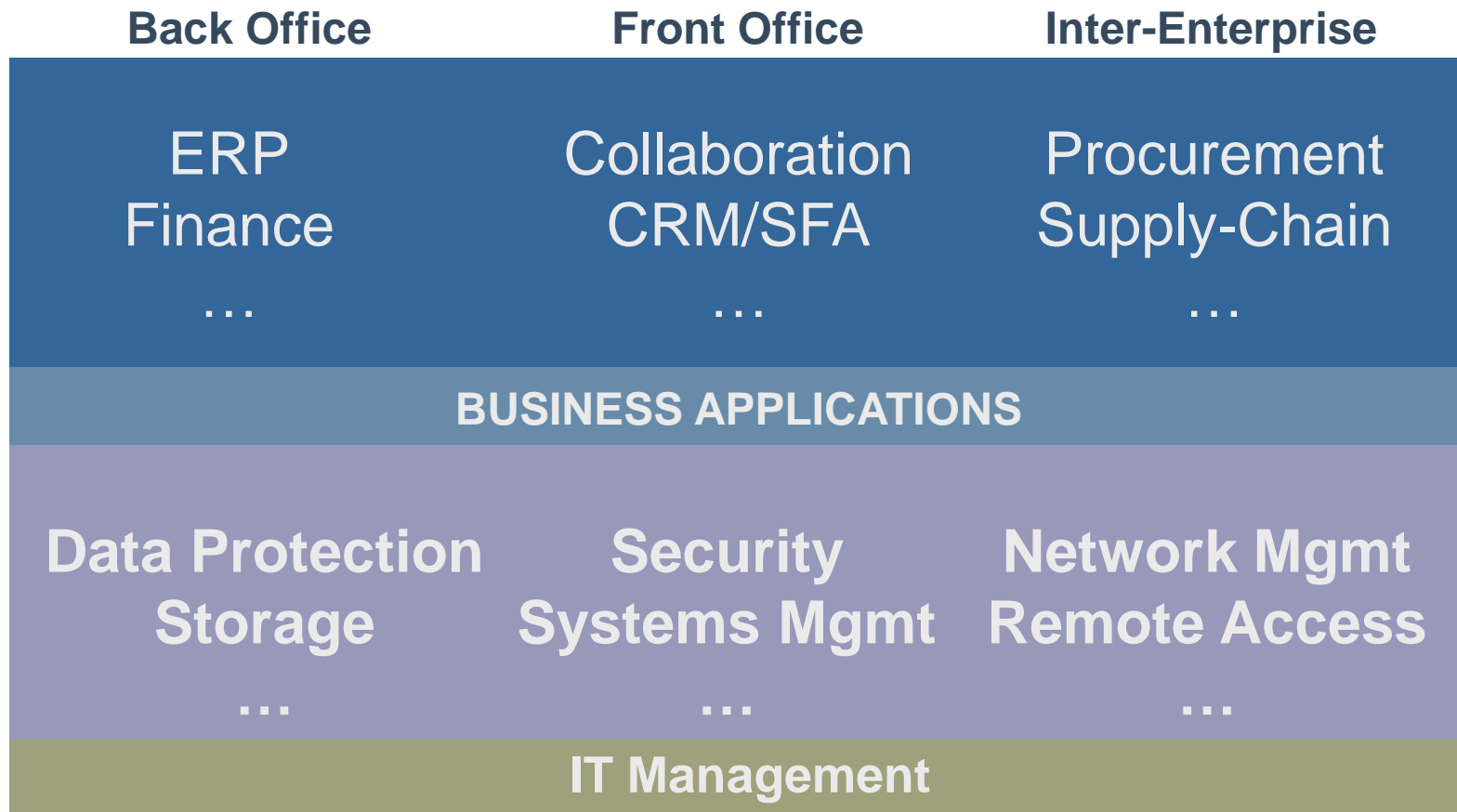


SaaS Expands from Business Apps to Industry Solutions





SaaS Expands from Business Apps to IT Management

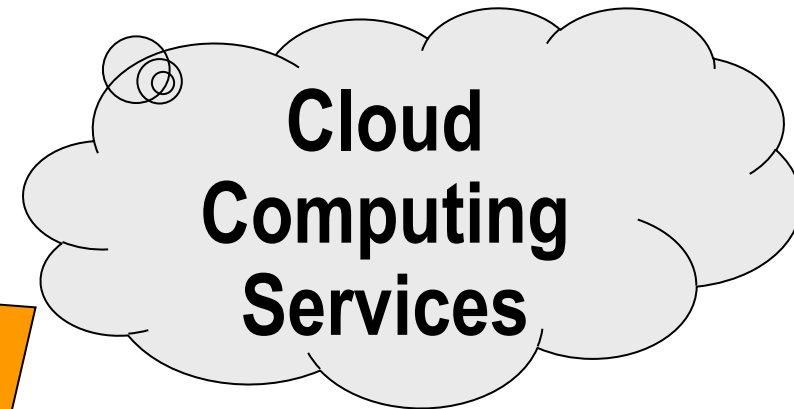
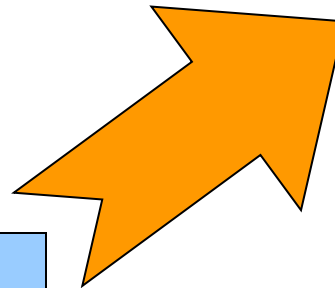




Moving from SaaS Apps to Cloud Computing

Gartner.

**“Top Strategic
Technology for
2010”**



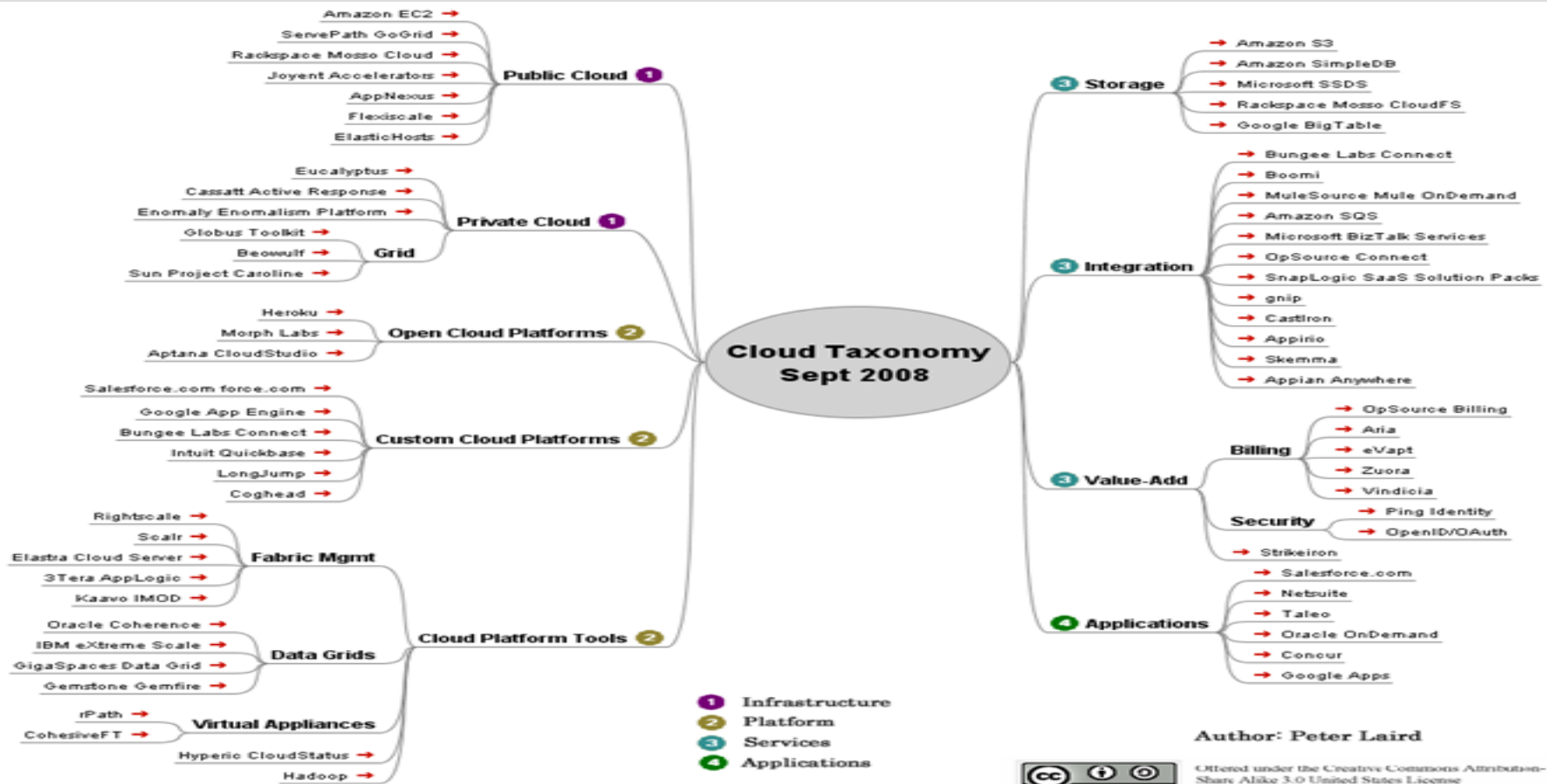
***But what does
“cloud computing”
mean?***



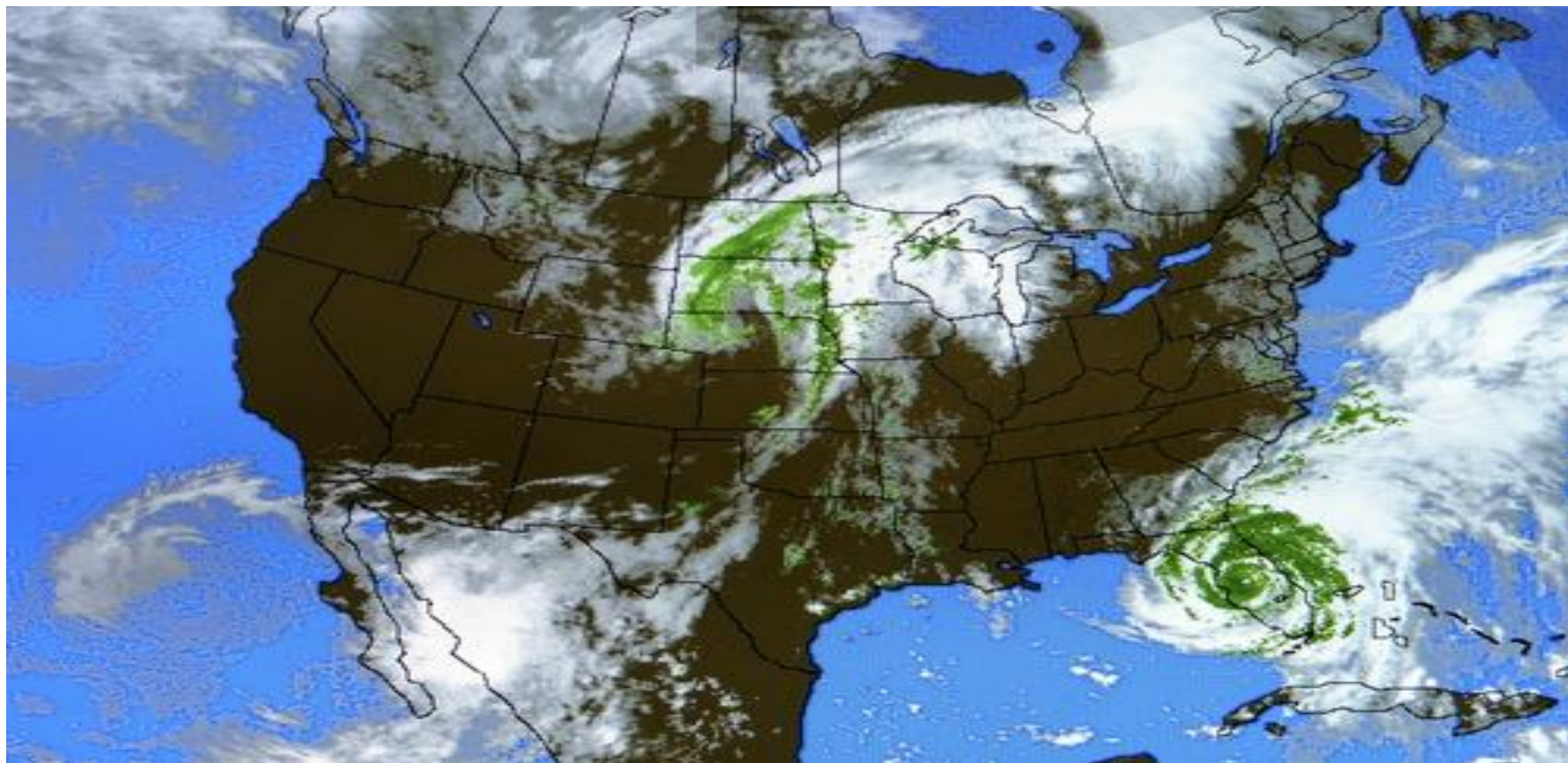
Clouds Come In Many Forms



Users Must Solve Cloud Complexities




Storm Clouds & Changing Weather Patterns






Major User Challenge: Cloud Computing Outages



"Amazon S3
Outage Rains On
Cloud-Computing
Parade"



"Google Outages
Force Cloud
Computing Users
To Rethink
Tactics"



Key Customer Concerns & Industry Responses

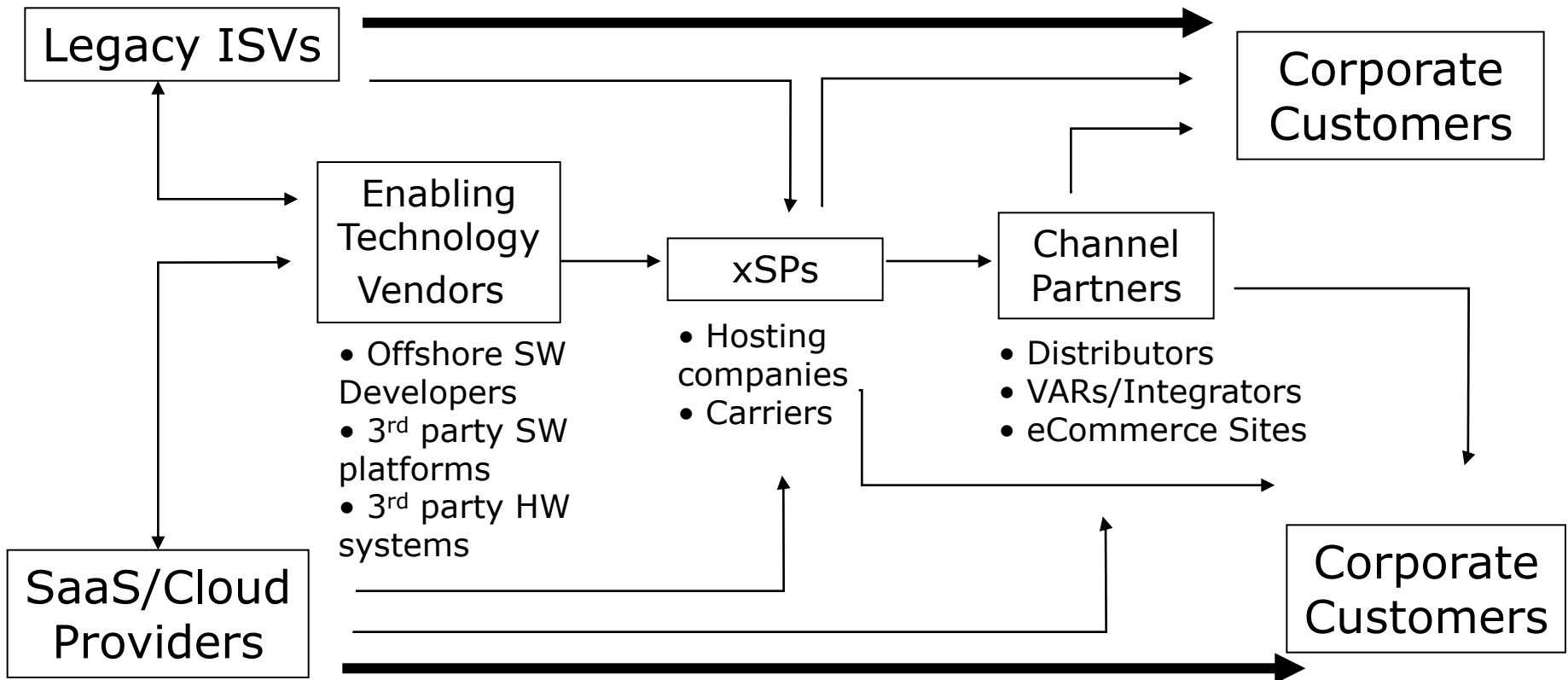
Concerns,

- ✓ Reliability
- ✓ Security
- ✓ Customization
- ✓ Compliance
- ✓ Integration
- ✓ ***Customer Support***

Responses,

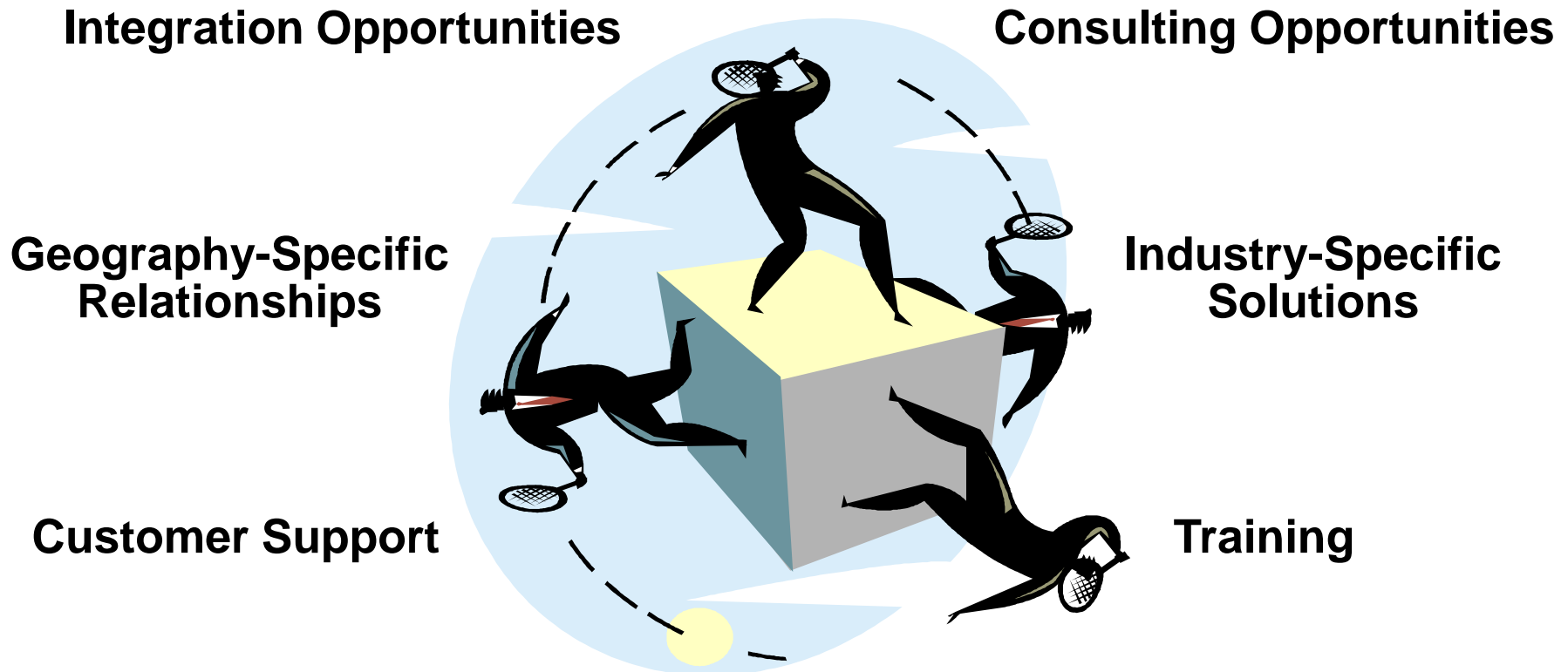
- ✓ SLAs
- ✓ Certifications
- ✓ User Configurations
- ✓ DR/BC
- ✓ Connectors
- ✓ Online/Pro Services

Similar Channel/Supply Chain Dynamics





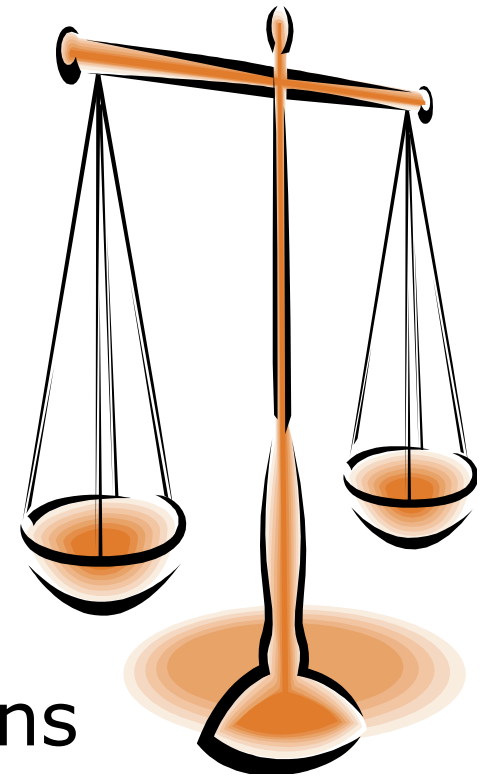
Channel Opportunities





Helping Customers Find the Right Balance

- Help make cloud computing ***location-independent.***
- Help select the right choices.
- Help integrate on-demand/
on-premise solutions.
- Help maximize value of solutions





Design, Deliver & Manage Private Clouds

- Benchmark Market Leaders
 - Amazon
 - Facebook
 - Google
 - Salesforce.com
- Adopt Industry Best Practices
 - Standardization
 - Simplification
 - Automation
 - Agility





Benefits of SaaS/Cloud-Enabled Channel Companies

- ✓ Lower Upfront Costs
- ✓ Easier Deployment
- ✓ Quicker Time-to-Value
- ✓ Lower Total Cost Of Ownership (TCO)
- ✓ Higher Return on Investment (ROI)
- ✓ Greater Flexibility and Agility
- ✓ Create Additional Market Opportunities



Added Dimension of SaaS and Cloud Computing



Community



A New Level of Value in the SaaS Market

- Dynamic clearinghouse of solutions
- Continuous updates, new ideas
- Real-time, aggregated data
- Meaningful benchmark studies
- Practical best practices forums
- ***Build a "club", gain a competitive advantage***



Change Your Business



Business Evolution



How You Can Capitalize on the Cloud

- Augment internal operations
- Test new applications/services
- Handle spikes in demand
- Expand service portfolio
- Broaden partner relationships/
channels to market



Platforms-as-a-Service (PaaS)



CPU and
Storage



Web
Applications



Enterprise
Applications

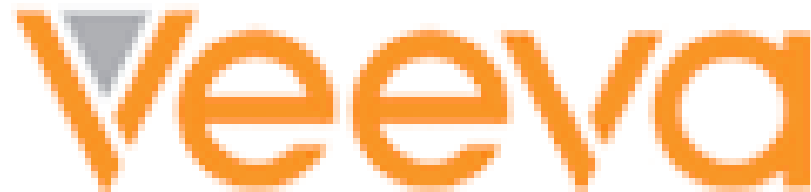


Social
Applications





New Breed of VARs and Consultants





Common Pitfalls

Balancing,

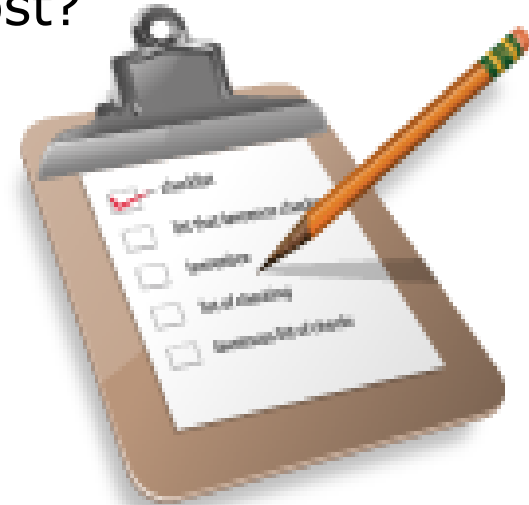
- Multiple Offerings
- Various Delivery Models
- Competing Buyers
- Conflicting Sales Channels
- Varying Compensation Plans
- Differing Revenue Recognition Models





Key Questions for SaaS & Cloud Providers

- ✓ Can you assure high availability/performance?
- ✓ Can you provide a better service at lower cost?
- ✓ Can you safeguard customers' data?
- ✓ Can you support hybrid environments?
- ✓ Can you rapidly on-boarding of new users?
- ✓ Can you track service usage levels?
- ✓ Can you identify & resolve service issues?
- ✓ Can you verify SLA compliance, demonstrate value?
- ✓ ***Can you provide a clearly differentiated value-add?***





THINKstrategies' Balanced Scorecard

- Target Market Segmentation
- Competitive Landscape
- Corporate Management
- Functional Capabilities & Features
- Solution Packaging
- Pricing & Revenue Realization
- Service Delivery Platform & Architecture
- Security and Availability Assurance
- Service Provisioning, Billing and Metering
- Contracting, SLAs and Reporting
- Sales Strategies and Skills
- Strategic Partnering/ Ecosystem Strategies
- Marketing and Positioning
- Customer Support Capabilities
- Financing and Capital Structure



Corporate Positioning Roadmap

***Strategic Vision/
Business Benefits***

**Competitive
Advantages**

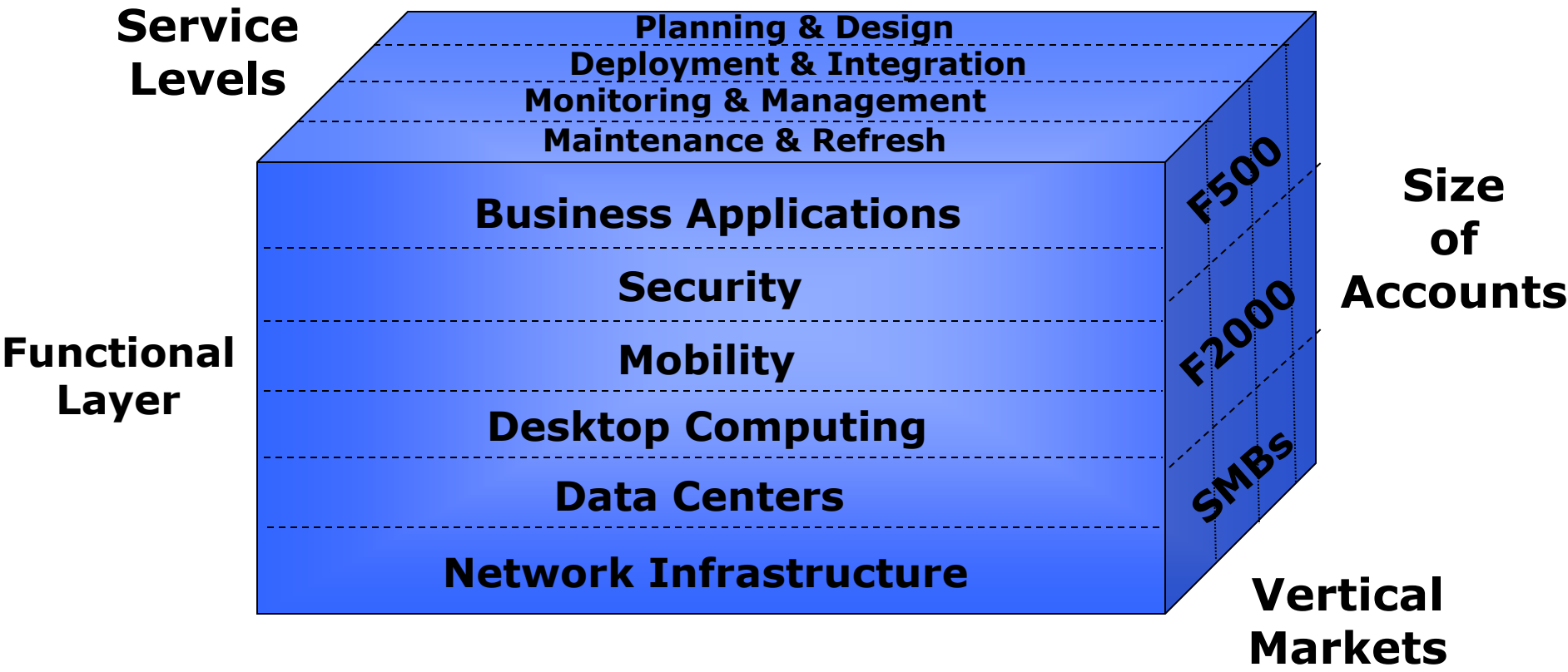
***Technical Features/
Solution Differentiators***

Success Factors:

- Compelling Value Proposition
- Effective Mktg. Messages
- Defined Market Focus
- Unique Technical Competencies
- Strong Products/Solutions
- Solid Customer References
- Articulate Spokespeople
- Targeted Press/Analysts
- Consistent Internal/External Communications
- Continuous/Aggressive Effort

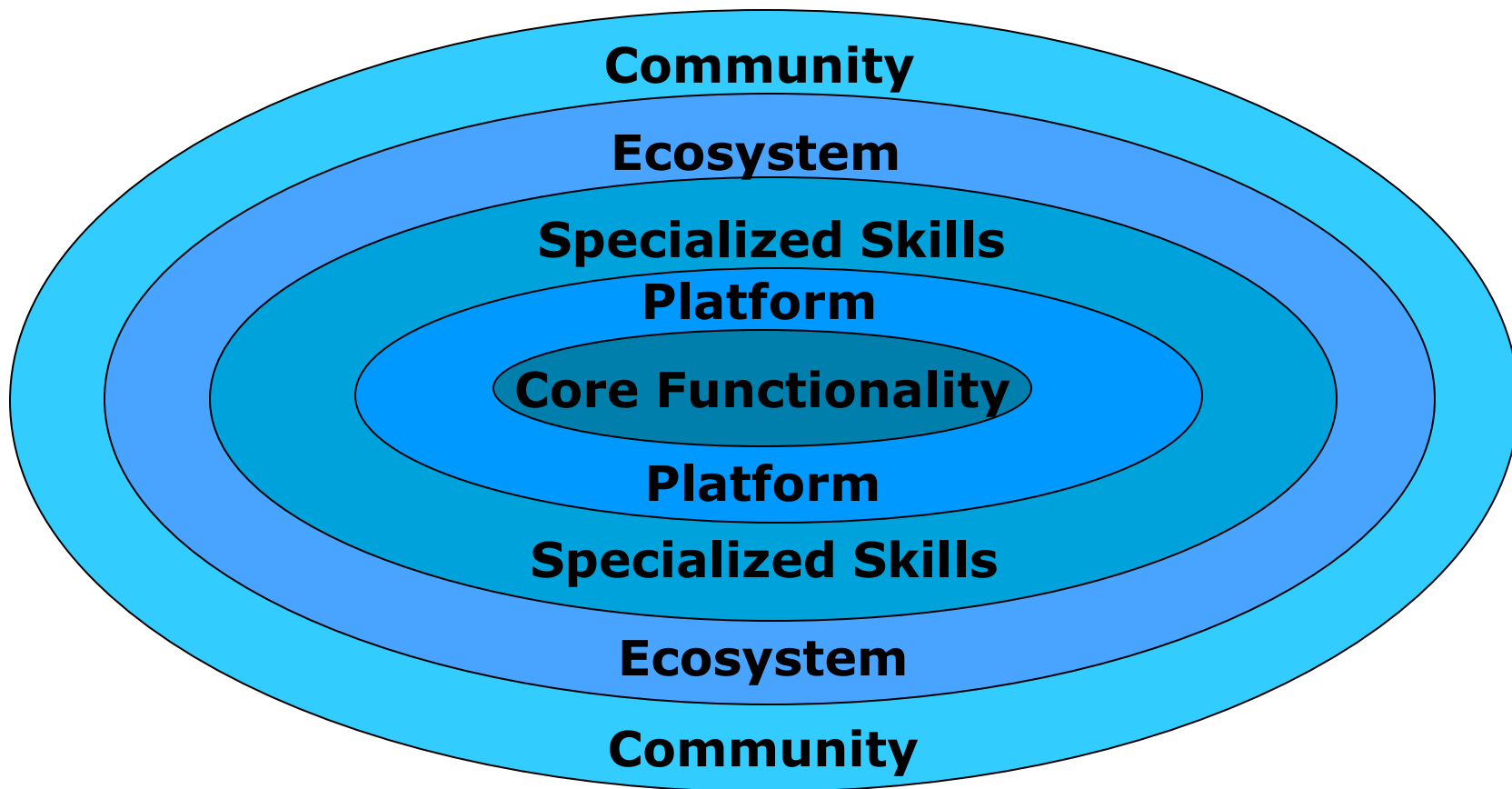


Building Proper Target Market Segmentation





The Circles of Success





Goal: Changing the Vendor/Customer Relationship

- Direct vendor/user connection
- Greater customer insight
- Ongoing feedback
- Real-time analytics
- Aggregated user data
- Operational benchmarks
- Continuous enhancements
- Higher satisfaction/retention/referrals



The Key to Success

Selling and Retaining ***Trust*** Is Your Strongest Competitive Advantage!





Good Luck!

