Disaster Recovery: A Pathway to Reseller Business Transformation

Microsoft

Tech Data

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Introduction

This guide explores the incentives and challenges of moving to a consumption -based cloud reselling model as a channel partner. In addition, this guide looks at the advantages of using Microsoft's Azure Site Recovery, Disaster Recovery as a Service (DRaaS) solution, offered by Tech Data, as an entry point into this advantageous mode of reselling.

The Rise Of SaaS & The Partner Growth Opportunity

The rise of Software as a Service (SaaS) and the consumption-based payment model it enables has brought about clear and unprecedented benefits to businesses and their workforce. These include enhanced agility, mobility, productivity and efficiency.

60 %

Sixty percent of current IT market growth is driven by the Cloud while 50 percent of IT outsourcing deals are driven by cloud adoption[1].

Thousands of small to medium software companies have emerged to deliver cloud applications to solve old and new business problems in innovative, user-friendly ways. Just think of the email, accounting, project management, HR management, or other tools you may use in your own business.

Contrary to initial fears, the rise of cloud hasn't diminished the need for channel partners. It has generated profound challenges for the partner channel and with those, enormous opportunities it has evolved expectations around what your role as a reseller should be. Yet while traditional technology resellers are starting to add cloud applications to their portfolios in large numbers, many have yet to fully jump on the bandwagon, continuing to have more transactional, project-based relationships with their small business customers.
Changing your business model is no simple proposition. With consumption models, customers expect to pay in smaller payments throughout their usage of the product rather than one large upfront payment. New product sets and capabilities as well as more specialised staff may be required.

But the advantages are clear. SaaS consumption and IaaS consumption sales can offer a chance to grow your profits from new streams of IT services, while generating a more reliable, predictable form of income (recurring revenue on a monthly an annual basis is a strong indicator of business fitness). By bundling your services as a reseller with cloud productivity and platform solutions, you can transform your reputation among end users to become more of a solver of business problems than a provider of IT 'things', deepening loyalty.

And it is not the case that a reseller must go in at the deep end. There's a continuum of involvement in cloud reselling, and with each

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1 Tech data 'Capture the Cloud'.

step forward, it becomes easier. At the same time, the longer a traditional technology reseller remains just that — traditional — they may see the potential market share they can access eroded by those who move sooner.

Benefits of developing a consumption-based cloud practice in your business:

•• Consumption-based sales are very attractive to your customers, who can buy into the solution on an opex rather than a capex basis. No more big bank loans to meet the upfront costs and no hardware or software purchases that need to be ripped and replaced when they become outdated.
•• As a reseller, you can build a reliance model that is different to anything you've ever had. Access the opportunity to tie in other services with the technology solution and add more ongoing value as a provider.

Any key concerns associated with shifting to this model can be minimised with forward planning.

Customer churn, for example, often increases if a customer is unhappy with the performance of the technology solution or the support that comes with it, or if they simply find they do not use it as expected. Remember, this is part of why customers want to switch to SaaS: The promise that they will not be locked in to spending money on a product that they are not using. With customer churn, or the cancellation of a consumption, consumption-based income is removed from your business, along with a future opportunity to sell more products or services to that customer.

Getting Started
A Mission-Critical Entry Point

This begs the question: Where to begin? What is an optimal entry point that will make it easier for you to get more of the benefits and fewer of the downsides of consumption-based reselling?

The answer: a solution that is mission-critical to your customers' operation. Seek to offer a solution that mitigates serious risk for your customer's business while also being less risky from a deployment perspective for you as a reseller. One such solution is Disaster Recovery as a Service (DRaaS).

Disaster Awareness is On the Rise

Unfortunately, disaster has been big news globally in 2017. Whether it's hurricanes, fires or earthquakes, catastrophic loss is hard to ignore. And these are just

the most dramatic events. Technical malfunction and uncontrollable human error can also play a part. One in five Australian small and medium businesses (SMBs) have also been impacted by a cyberattack, according to a survey by Norton by Symantec. The average cost of downtime in these cases was $6,600[2].

Applications for every business function are adding massive convenience for businesses yet the more data a business generates via these applications, the greater the expectation that it needs to be available at all times and therefore, protected. Indeed, sometimes the protection of this data is a matter of more than just business continuity, it's an issue of legal compliance — for example in the healthcare sector.

Just ask any business how long they are willing to be out of business, and the answer will inevitably be less than the

amount of time they actually would be out of business if they currently lack an adequate disaster recovery plan. Outages can cost the average small businesses tens of thousands of dollars, not to mention lost reputation and productivity. Furthermore, for some small businesses, a shutdown of more than a certain amount of time can be a death knell.

90%

More than **90% of companies** who experience more than seven days of data downtime go out of business within a year[3].

Whether consciously or not, businesses are becoming more open to the idea that

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2   https://www.lifehacker.com.au/2017/03/small-businesses-lose-an-average-of-6600-for-every-online-attack/

3   https://www.entrepreneur.com/article/275473

they may someday need to invest in a disaster recovery solution that ensures that they are able to get back to full operational status as soon as possible if something goes wrong.

The Evolution of Disaster Recovery — Today's Advantage

Traditional DR models required back-up tapes stored offsite, extending downtime as tapes needed to be collected before data and applications could be re-launched. An alternative but very costly solution was for a businesses to invest in their own secondary facility or use shared services offered by a disaster recovery specialist.

The spread of public cloud and virtualisation has changed all of this. As analyst George Crump details, disaster recovery represents an ideal use case for renting.

For these[4] reasons and more, DRaaS is now considered a mainstream offering and Gartner predicts that its current market value of $2.02 billion will reach $3.73 billion by 2021[5].

Businesses of all sizes can now tap into a disaster recovery solution without overly onerous investment into data centre space. In the event of a disaster, no matter how dramatic or mundane in nature, data is failed over as needed to a cloud-based disaster recovery site, allowing for the added convenience of an "on demand" cost model.

By offering DRaaS, resellers can tap into a win/win for both their businesses, and those of their customers.

For the reseller:
•• Get paid while you sleep. DRaaS is like insurance: you receive payment every month regardless of what happens, rather than only when something needs fixing.

•• Improve customer lock-in and reduce churn: according to Director of Business Development: Worldwide Strategy and Planning, Jeanne Johnson, Disaster recovery solutions like ASR are among the most successful when it comes to ensuring longevity in customer relationships. As a reseller, you are seen as a business enabler rather than someone selling a product, which helps to build loyalty.

•• Start to develop your business as a consultancy. Work with a customer to understand their initial needs, before moving onto planning, installation, and post-deployment.

•• Take advantage of a less risky path into cloud reselling. Disaster recovery doesn't require enormous new technical skills sets but instead leverages any of the in-house skills a Managed Service Provider (MSP) already has, to build applications that scale up and down.

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4   http://searchdisasterrecovery.techtarget.com/video/DR-as-a-service-advantages-include-cost-assistance-testing

5   https://solutionsreview.com/backup-disaster-recovery/whats-changed-gartners-2017-disaster-recovery-as-a-service-magic-quadrant-report/

For the reseller's customers / end users:

•• The customer gets a cloud-enabled resilient disaster recovery solution that reduces the cost of gaining the peace of mind should a disaster strike.

•• Downtime is reduced. DRaaS offers a new paradigm in disaster recovery, one which means no restarting or rebooting. Data is just instantly available and recoverable and doesn't require expensive proprietary data storage.

•• DRaaS offers them a more accessible way to tap into fast disaster recovery even if their IT resources are stretched or they don't have the benefit of a secondary site and can't place an alternate server elsewhere.

•• The customer doesn't need to buy and manage additional hardware and gains scalability should their needs grow over time.

•• DRaaS offers a way for IT departments whose infrastructure and human resources are stretched, back up in the event of a physical server failure, a hack or an outage.

•• It's easier to test, giving you more reassurance that you are truly covered in the event of an emergency, and not just paying for a costly solution that could fail you when you need it most.

Misconceptions: Recovery vs. Back-Up

A McKinsey and Co. analysis found that nearly half of all SMBs began their cloud journey with either a communication/collaboration solution (e.g. email) or a content management system (e.g. Back-up). One of the primary misconceptions to overcome is around the difference between site recovery and Back-up. Providing insight into the difference between these two options will give you a stronger position from which you can sell in the value of the recovery solution.

Back-Up

Stores your operation system, virtual machine, all of your drivers - in other words, everything you have on your computer. Because of this, when a small business suffers an outage, they may need to comb through gigabytes of data before finding what it is that they need. To get back to where you were when your system went down could take on average up to four days. Think of your photos stored on your iPhone which are backed-up in the cloud. In the event that your phone breaks, all of these photos are then downloaded onto your new phone. There is no option to pick and choose based on what you need or are looking for.

Recovery

With recovery, the DRaaS takes a snapshot of your data at small, predetermined intervals for example every 30 or 60 minutes, depending on your needs. This enables a properly protected business to go back to where they were minutes before the failure. They can get as much or as little as you need to get your business back up and running, right away. Access what you need instantaneously, without having to comb through other stuff.

Disaster Recovery, Cloud Enablement And Business Growth — With Tech Data And Microsoft

There's a lot more that goes into the interaction between a reseller and an end user than simply provisioning technology. The scope of the relationship includes managing billing, customer satisfaction surveys, work engagement queries and, in the case of disaster recovery, actual disaster management.

Jeanne Johnson, Microsoft's Director of Business Development: Worldwide Strategy and Planning, says that working with a trusted value-adding distribution partner is an ideal way for a reseller who is developing a new cloud practice to do so with minimal headaches and maximum opportunity for growth and success.

Benefits of working with a trusted distributor to deliver cloud DRaaS include:

•• Speed to market, with simple and easy solutions. Not having to establish your own SLAs/business agreement with Microsoft directly. This is a critical and time consuming document that underlies all of your legal obligations as a partner.

•• Faster response times than when working with the vendor directly.

•• Support with other core functions of ensuring a smooth, satisfactory support function to your end customer.

•• A suite of technology options that enable you to deliver a complete solution to your customers.

•• Minimal impact on transitioning your business to a model focused on monthly recurring revenue.

Johnson explains:

" When customers buy directly from us at Microsoft they are largely on their own with this cloud-enabled technology. It's a bit like having a gym membership. You can spend a lot of money on your membership online in the hope of losing weight, but when you get in there you see that there are a lot of unusual machines and you end up doing what you feel comfortable with — like walking on a treadmill — not what's necessarily going to get you the best results.

"You need a personal trainer to show you how things work, to tell you 'this is how you can benefit'. Tech Data can be that personal trainer in this case, showing you, helping you, standing there while you try things out for the first time. It's your permission to bridge into a new technology and transform your business is a safe, predictable, reliable way," added the Microsoft expert.

Tech Data Cloud Enablement Tools

In 2017, Tech Data signed on with Microsoft to deliver the full suite of Azure products, which together combine to create an Disaster Recovery / Business Continuity suite. When working with Tech Data, channel partners looking to unlock the benefits of consumption cloud solutions receive value-adding tools that enable them to more simply and successfully transform and scale their business as cloud solution provider:

•• Support via Technical Video Training, developing a baseline of institutional knowledge that helps their go-to-market.

•• A comprehensive healthcheck tool that helps you identify further cloud opportunities with your customers (includes a current infrastructure overview and total cost of ownership modelling).

•• Online turnkey business continuity and disaster recovery SAAS platform.

•• Azure Deployment Support that makes it easier than ever to deliver Azure, providing support with activating end users, monitoring usage and billing.

•• Azure Post Sales Support to respond to reseller's inquiries.

In addition, by tapping into DRaaS through Tech Data, resellers can:

•• Leverage the size and scale of Tech Data and their team. Tech Data will enable your business to manage monthly recurring revenue via their StreamOne Enterprise Solution Platform.

•• Provide your customers with the speed, peace of mind and certainty by leveraging an online SAAS solution unique to Tech Data.

•• Take the guess work out of investigating and sizing opportunities with best in class technology, unique to Tech Data.

•• Work with Tech Data to help design, build or run solutions for your customers.

•• Address the challenges related to discovering and documenting DR/BC plans.

Why Azure Site Recovery?

Azure Site Recovery **is the most robust** but **also the most cost effective** DRaaS solution on the market, also appearing as a leader in Gartner's Magic Quadrant for DRaaS. With Azure Site Recovery, resellers can offer a Disaster Recovery solution to their customers.

Azure Site Recovery includes the following benefits:

•• Easily lift and shift data for a seamless transitional period.

•• Protect customer assets through a rigorous methodology and focus on security, privacy, compliance, and transparency.

•• Less expensive and more flexible than other disaster recovery options. Customers only use compute resources when you spin up virtual machines in Azure, i.e. during recovery or testing.

•• Perfect for small to medium sized businesses that lack the necessary expertise to source, configure and test their own unique and effective recovery plan.

•• Takes the thinking out of executing, investing and maintaining your own off site DR environment.

•• Works with Hyper-V, VMWare and physical servers, enabling replication of hybrid environments as opposed to just virtualised ones.

•• Azure Site Recovery gives customers the flexibility of using the system for other purposes beyond protecting applications and data. For example, dev/test (replicate workloads to the cloud for dev/testing purposes) or migrating workloads to Azure (limiting your data centre footprint).

Conclusion

This guide has aimed to show that while building a cloud practice isn't easy at first, the opportunity for traditional resellers to move to a consumption-based reselling model is worth the energy. Consumption-based cloud reselling is a win/win that can deliver huge advantages to both resellers and their customers. By strategically choosing the right cloud solutions to offer to your customers and partnering with a trusted distributor who can add value to your sales, onboarding, and after-sales support process, a channel partner can boost their chances of tapping into profits from new and sustainable cloud-based revenue streams. Microsoft's Azure Site Recovery, a modern disaster recovery solution offered by Tech Data, represents a lower risk entry point for technology providers. A mission-critical solution, it represents a modern, cost-effective and flexible response to current concerns over disaster recovery and data protection, while providing the powerful incentive of allowing resellers to get 'paid while they sleep', according to Microsoft Business Development Director and Azure specialist, Jeanne Johnson.

Who Is Tech Data

Tech Data is one of the world's largest distributors of technology products, services, and solutions and has been named one of Fortune's "World's Most Admired Companies" for eight straight years. Companies like HP, Apple, Cisco, Microsoft—and hundreds of others—depend on Tech Data to bring many of their products to market. IT resellers around the world depend on Tech Data to support the technology needs of end users of all sizes, including small- and medium-sized businesses (SMB), large enterprises, educational institutions, government agencies, and consumers. Doing business with Tech Data gives solutions providers access to a vast array of technology products, including the latest data center, software, cloud, mobility, and consumer technology offerings. These products are offered in conjunction with a comprehensive range of technical, business support, and value-added services.

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