

Starting Up Your Own Cloud Business

Operating a successful cloud business requires much more than simply being able to deliver services through the cloud. There are many stages between deciding to offer cloud services and making customers happy. If you're new to cloud or want to expand your existing offerings, a strong partner who can walk with you through your startup and initial sales is essential to your success.

Build on Your Strengths

Look at what you are already selling and consider what complementary cloud services you can offer your customers. This approach makes it easy to communicate the value of cloud to your customers and get your foot in the door, so to speak. From here you can "land and expand" to increase your engagement with each customer over time.

For example, if you're currently selling storage for on-premises data centers, then cloud-based backup services are a natural fit. As you discuss storage needs, you can ask how the customer plans to protect their data and if they have considered Backup as a Service (BaaS). Because your sales team already understands the value of storage and backup, it won't be a stretch to train them to sell BaaS. Once cloud services are part of the conversation, this makes it easier to offer other related services, such as Disaster Recovery, as well as more general cloud services like those delivering collaboration and productivity capabilities.

An important consideration in how extensive to make your portfolio is your ability to build services out. One path is to work with providers directly and negotiate your own deal; however, this takes time, resources and expertise to integrate software and hardware. As you offer more options, you'll have to work with an increasing number of vendors and platforms.

Alternatively, you can work with a partner like Arrow who has already put together services

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on your behalf and makes them available to you through a single source. With Arrow's cloud solutions, for example, you can offer your customers a great variety of options. You won't have to worry about losing a sale because you don't have the expertise or specific sales channel to address a particular customer need. You can also offer solutions optimized for your customer immediately. In addition, by leveraging Arrow's expansive line card and industry leadership, you will be, in many cases, getting better products and services than you would be able to offer on your own.

As your partner, Arrow also makes a wide range of marketing resources available to you. You don't have to create value propositions, marketing materials or collateral from scratch. Arrow provides the resources you need to become successful, from materials on how to get started to tools for selling services. Arrow can also help you with digital marketing, sales enablement and customer support on many of its cloud programs.

Know Your Customer

The cloud is not a magic cure-all for IT problems, and it is unrealistic to expect companies to move all of their workloads or applications to the cloud. Rather, cloud offers an optimized approach for specific applications and business models. If you can determine where the cloud will best serve your customers, you can ensure that they have a successful migration to cloud. From here, you can expand their presence within the cloud and with your company.

All of this begins with an assessment of the customer's data center. For many VARs and MSPs, this may be beyond your capabilities. To assist you, Arrow offers an Assessment-as-a-Service practice. This assessment

practice enables you to offer your customers access to cloud solution architects who can help them understand their business needs. Through an objective process, your customer will understand which parts of their operations are well-served on-premises and which parts can be more efficiently implemented in the cloud.

This assessment also allows you to understand your customer's current and near-future needs in greater detail. If sections of their network need refreshing, you'll know this and have an immediate opportunity to fill the need. Because Arrow is your partner, you'll have access to the necessary hardware and software so you won't need to establish these channels yourself.

Transforming the Way We Do Business

Like any business, the cloud has many pitfalls for the inexperienced. For example, cloud services can get expensive if you spin up the wrong resources; i.e., running low-priority workloads on high-performance virtual machines (VMs) instead of more economical VMs. Such oversights can be especially distressing if you've extended a line of credit to the customer.

ArrowSphere, Arrow's cloud brokerage platform, helps you help your customers stay within their budget. You have the ability to monitor a customer's usage, and machine-learning capabilities can even provide early warning forecasts if a customer is on track to significantly overrun their budget. In this way, you can enable your customers new to the cloud to understand their business needs and optimize their usage. Being able to offer customer service at this level can be a key differentiator in a market in which your

customers may perceive cloud services as a commodity.

Part of the value that cloud brings to your customers is how it transforms their business. Offering these services will fundamentally transform your business as well. If you are not aware of the different business dynamics of cloud and adapt to them, it could cost you.

For example, if you're used to selling equipment, your cash flow involves large payments and profits very close to the point of sale. With cloud, however, you'll need to make investments up front and achieve ROI over time from monthly payments. In the long-term, you can make more profit with cloud, but you'll need to tie up more cash initially than with equipment sales. Your sales compensation model will need to change as well.

Arrow can help you make this transition. For example, Arrow's Capital Subscription Financing services can finance your migration to cloud as you change over to a monthly revenue model. Arrow can also help you transition your sales staff to cloud-based compensation. From a billing and invoicing perspective, ArrowSphere provides the data that you need through a single portal. You can integrate this data to work within your CRM system seamlessly.

The cloud is an opportunity for your customers and for your own business. With careful planning and the right partner like Arrow, you can start up or grow your own cloud business with confidence.