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How You Can Get Back to Just Selling Your Managed Services Offering





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Most traditional hardware VARs have been transitioning, or attempting to transition, to a recurring revenue model since early 2002. Many have seen the writing on the wall with declining margins in product sales and an ever commoditizing market. Even manufacturers are feeling the pinch of declining hardware sale, as seen with [IBM facing almost 19 consecutive quarters of declining revenue](#).

A majority of hardware VARs have begun successfully incorporating services into their solution portfolios and while they still provide and sell products, their business no longer depends on that as their primary source of revenue. [Gartner reports that while IT spend is intended to increase almost 2.7% through 2017](#), most of that spend is going to IT services and enterprise software, keeping IT devices flat for a third consecutive year. This means tremendous opportunity for those that have successfully made the transition to a recurring revenue model built on services.

The Challenge

While selling managed services, or cloud services, is the goal for most MSPs today, that doesn't mean the transition is easy. End users and companies looking for a managed services provider want to work with someone they can trust. For end users, committing to a large monthly commitment for their companies can be daunting, especially since most MSPs require a minimum network standard that may require a large upfront capital expense.

That upfront capital expense paired with the end user's general unfamiliarity with a potential new MSP, has forced many service providers to create an "entry level solution" or some type of low cost, low barrier to entry offering that satisfies an immediate need.

The recent uptick in malware and ransomware attacks, combined with more grueling weather incidents, has made disaster recovery and data backup the most obvious choice for an entry level solution for most prospective clients. This brings to bear a new challenge. Most Disaster Recovery as a Service (DRaaS) manufacturers and providers require the MSP to buy the hardware required to perform the onsite backup of the local network and push the data offsite to a secure data center.

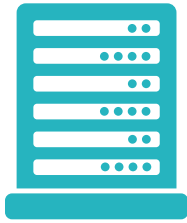
This requirement puts the MSP in a compromised position where they are forced to choose between having to sell the hardware to their prospective clients and potentially lose the opportunity due to the upfront cost or absorb the hardware costs into their monthly service contract and hope that the clients stay long enough to recoup the costs and mitigate exposure. Neither choice is one that any MSP wants to find themselves facing, but it's something that is becoming more common in today's competitive market.

What if There Was Another Way?

Luckily, here at Sky Data Vault (SDV), we have removed the barrier to entry into selling recurring revenue service agreements by making every backup solution we offer, completely OPEX on a month to month billing cycle. This allows the MSP to offer the backup solution their client needs with zero upfront capital. A win-win for both the client and you as their service provider.



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“SDV will backup your mission critical data, software and operating systems in more places than one. We will host data in our secure cloud environment for you so you can focus on your client’s existing infrastructure.”

SDV has a best in breed solution that can fit any scenario or client need. Here is the portfolio of solutions we offer to accommodate your clients:

Direct to Cloud BackUp - This is just how it sounds. With this solution, data will be backed up, encrypted and then sent over the customer WAN to the secure SDV cloud. This gives your clients secure off-premise storage and the ability to access their data immediately through the internet.

Hybrid DRaaS - This solution consists of a combination of cloud and on-premise services. You will receive an on-site device (BDR) that will be the local file and folder storage, as well as a recovery point capable of virtualizing any of your clients protected network. This virtualization includes all data, software, OS, databases, and anything else that would be backed up to give your clients a near real time recovery from malware, CryptoLocker, hardware failure or the like. In addition to this local device, the SDV

service backs up the same information to the secure SDV cloud. So, if the on-premise environment was inaccessible because of a long-term power outage, fire or flood for example, there will also be a protected image hosted in the SDV cloud.

Direct to Cloud DRaaS - This service is similar to Hybrid DR, but it’s typically used with larger clients that want to have a secondary data center with protection and recovery options but don’t want to spend the money for it. SDV can offer that environment and help businesses expand their cloud footprint. SDV will backup your mission critical data, software and operating systems in more places than one. We will host data in our secure cloud environment for you so you can focus on your client’s existing infrastructure. You will also have the power to turn this data accessibility “on” and “off.”

And, as with any of the SDV services, you receive 24x7x365 support for file recovery and image turn up. This allows you time to focus on the customer during a business-critical event, while SDV resources turn all the nuts and bolts in the background to get the system reestablished in the cloud.

This wide portfolio of solutions, paired with a billing model that is completely month to month OPEX without upfront capital costs, lets you get back to offering the services your clients need and away from selling unprofitable and risky hardware.

We understand your business at SDV and we are looking to be more than just your DRaaS provider. We want to be your strategic partner - we have the knowledge and expertise around your specific business model that will help you sell and leverage solutions effectively. We have the tools and methodologies to move your business forward towards tremendous success!

[Contact us](#) today to take the first step.



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