



sky data vault

MSP in the Midwest Transitions from On-Premises Data Center to Sky Data Vault IaaS + Veeam DRaaS via Unique TSD Partnership



The Customer

A well-established Managed Service Provider (MSP) based in the Midwest with over 30 years in business. They have a strong base of small- and medium-sized business clients, many of which have been hosted by the MSP's own regional data center. Their service offerings included managed hosting, backup, disaster recovery, and traditional sysadmin work.



The Challenge

Over the past few years, the MSP's data center has become increasingly expensive to maintain. Key pain points included:

- Rising power & cooling costs, especially due to aging infrastructure and inefficient HVAC.
- Increased expenses for compliance, physical security, and certifications.
- Higher capital expenditures are needed to refresh hardware, redundancy (UPS, generators), and networking gear.
- Staff costs for keeping up with patching, monitoring, and managing physical hardware; these tasks were becoming less profitable.
- Customers are increasingly demanding better uptime, faster disaster recovery, more scalable infrastructure, and compliance (off-site DR, geo-redundancy).

The MSP determined that continuing to invest in and operate their data center would erode margins and distract from their core value: providing managed services and IT consulting.



The Decision

To deliver better value, reduce overhead, and transition to an OpEx-friendly model, the MSP decided to close its data center. But they needed a solution for the many clients whose infrastructure was currently hosted there. After evaluating options (co-lo, building a new facility, migrating to public cloud), they chose to partner with Sky Data Vault (SDV) to provide:



The Decision (cont.)

1. Infrastructure as a Service (IaaS) for existing workloads — including virtual machines, storage, and networking — so those client environments could continue operating without interruption.
2. Veeam-based Disaster Recovery as a Service (DRaaS), to ensure that clients have reliable backups, rapid failovers, and recovery in case of site failure.

They engaged this via a Technology Solutions Distributor (TSD) partner model, using the TSD as the channel through which SDV's services are delivered (wholesale) to the MSP, who in turn supports their end customers.



Implementation

- The MSP identified all existing hosted clients in their data center and categorized workloads by criticality, compliance, recovery time objectives (RTO), and recovery point objectives (RPO).
- Sky Data Vault, via the MSP, designed a migration plan to move virtual machines, storage, and services into SDV's cloud infrastructure.
- For DRaaS, they deployed Veeam replication / backup workflows so that client systems had both regular backups (off-site, immutable storage) and the ability to spin up critical servers in the SDV cloud in case of failure.
- Migration included testing failover scenarios for higher-risk clients and verifying performance, latency, and security.
- Timing was phased: non-critical / low-usage environments first; mission-critical ones later.



The Outcomes

- **Cost Savings & Margin Preservation:** By shifting the infrastructure burden to SDV, the MSP significantly reduced its capital and operational expenses tied to running its own facility (power, space, hardware refreshes). Margins on client contracts improved.
- **Enhanced Profitability & Pricing Control:** Operating under the wholesale model through a TSD allowed the MSP to maintain complete control over pricing. They package IaaS and DRaaS into their existing service bundles at attractive margins, while billing customers directly through their current systems. From the customer's perspective, nothing changes — the invoice still comes from the same trusted MSP. Behind the scenes,



The Outcomes (cont.)

the MSP benefits from reduced fixed costs, predictable wholesale pricing, and the ability to scale revenue without significant capital investment.

- **Improved Client SLAs:** Clients now benefit from more reliable infrastructure, improved disaster recovery capabilities, and faster recovery times thanks to Veeam DRaaS.
- **Scalability & Flexibility:** The MSP can now scale client VMs up/down more easily in SDV's IaaS, without needing to procure and install physical servers.
- **Focus on Core Competencies:** Freed from data center ops, the MSP can focus more on managed services, consulting, security, and service innovation.
- **Risk Mitigation:** By using SDV's cloud, redundancy of datacenters, and Veeam's backup/replication, the clients' data is safer; the MSP is less exposed to hardware failures, power outages, etc.
- **Faster Time to Provision:** New client requests for infrastructure can be provisioned via SDV's cloud more quickly than building or expanding physical capacity.



Key Learnings

- It's critical to map out which clients/workloads are mission critical vs less so — this helps prioritize migration and test failovers.
- Having transparent pricing from SDV (IaaS, DRaaS) was essential to set customer expectations and protect existing margins.
- Technical planning (e.g., networking, latency, compliance/security) needs to be thorough when moving from on-prem to cloud-based infrastructure.
- Strong coordination (MSP + SDV) is needed to ensure migration is seamless from the customer's point of view.