Growing Your Cloud Business with the Microsoft CSP Program

To delivers a platform for partners to own the end-to-end customer engagement by enabling partners to directly provision, bill, and support Microsoft Cloud Services for their customers

Introduction

IT cloud solution providers find themselves in one of the most profitable markets of our days. Extensive studies by renowned institutes show dazzling results and growth expectations for cloud services. Take IDC, for example. In their Successful Cloud Partners 2.0 research of 2014, conducted in cooperation with Microsoft, they have found that:

- Public IT cloud services will reach nearly US$108 billion in 2017.
- Public IT cloud services has a 5 year compound annual growth rate (CAGR) of 23.5%.
- Cloud partners have a 1.5 times the gross profit percentage versus other partners.

Whereas many of these studies apply particularly to the US market, this research was conducted among over 700 partners worldwide, almost equally divided among North America, emerging markets and Western Europe. The opportunities are there. The earlier you seize them, the earlier you will profit.

In this paper, we will give an insight in how you as an IT cloud solution provider - or service provider, hosting provider, cloud provider - can benefit from existing and future cloud opportunities. The focus will be on the Microsoft Cloud Solution Provider (CSP) program and the Microsoft Cloud platform. After reading, you will have a fundamental understanding of the CSP program and the offerings within the Microsoft Cloud platform, how you can grow your business with them and how Insight can help you to onboard smoothly.

What is the Microsoft CSP program?

The Microsoft Cloud Solution Provider program allows you as a cloud provider to sell Microsoft Cloud Services along with your own offerings and services. Customers are now enabled to get all IT services they need from one single cloud provider: you. You own the complete customer lifecycle through direct billing, provisioning, management, and support, which strengthens your customer relationship.

In addition, the CSP program enables you to:
- Create a customer offer, set the price, and own the billing terms.
- Integrate your own service offerings with Microsoft cloud services.
- Stay at the center of the Microsoft cloud customer lifecycle.

The way in which Microsoft is now offering its cloud program is revolutionary for two main reasons. First is that, finally, IT cloud solution providers are in the driver seat themselves to build the best possible cloud experience for their customers from one cloud provider. Second is that cloud providers are now enabled to add their own cloud products and services to a full suite of already familiar Microsoft cloud services within the MS Cloud platform with only one bill for all services.

Why CSP?

Microsoft has introduced the CSP program out of a strong believe that cloud is core. The past IT decennium has been turbulent with many productivity waves one after the other, from which cloud and mobile stand out and collide in a new
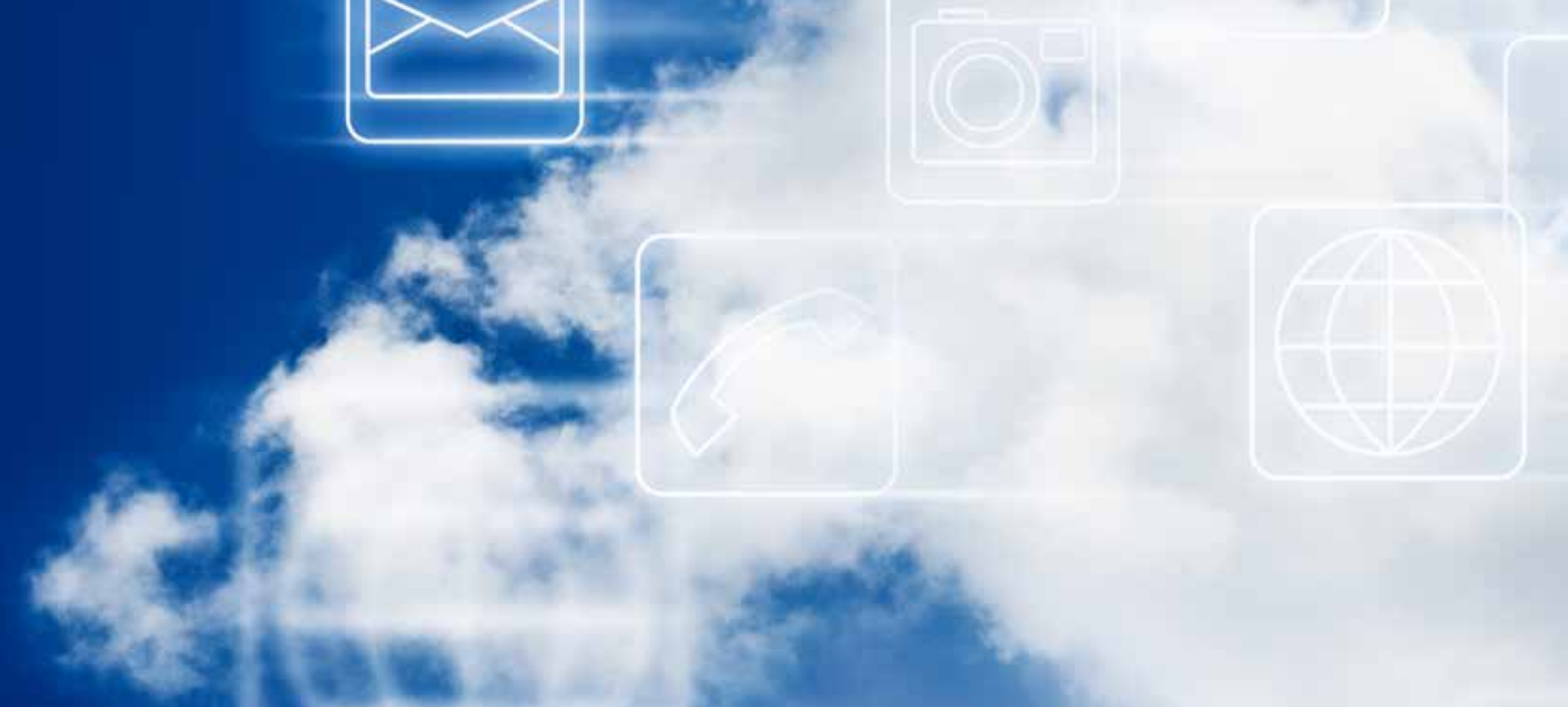
era of IT. A mobile-first, cloud-first world in which IT is always on and always up.

Which trends are at the basis of this movement? Microsoft distinguishes four basic movements.

1. The proliferation of apps means that people in the workforce increasingly use all kinds of different apps for productivity and collaboration. They expect these apps to be available anytime, anyplace. No delay allowed.
2. An explosive growth of data, both structured in systems and (still) unstructured as big data requires new ways of data management and processing. As an example: within 10 years, IDC expects that there will be 44 times more data around than we have at present.
3. Due to the consumerization of IT the number of devices connected to the internet doubles the number of people. Devices are used for private and work purposes alike, putting pressure on compliancy and security requirements.
4. Cloud computing is no longer a catchy phrase, but everyday reality. Almost every organization works with data or apps in the cloud and has embraced advantages like scalability, easy deployment and fast time-to-solution.

These trends are irreversible and herald an era of a new, comprehensive IT strategy. Driven by increasing computing power, decreasing storage costs and faster networks, two market developments already exist: an enormous growth of hosted and cloud services on one hand, and on-going, substantial expenditure in on-premises IT on the other. According to Microsoft, there is a need for a different Operating System (OS), which moves away from individual servers towards complete datacenters. Hybrid systems with cloud as a solid base in which customers' workloads can be run and managed with utmost flexibility in the cloud provider's datacenter, the customer's own datacenter or in the public cloud, which for Microsoft is Windows Azure.

Microsoft Cloud platform as part of CSP

Launching the CSP program, Microsoft introduces a new offering for IT cloud solution providers to really start benefitting from current and new cloud and hosting developments. The Microsoft Cloud platform constitutes an integral part of the CSP program, as it provides service providers with a whole suite of familiar Microsoft products in the cloud as a customer offering. In addition, providers can bundle the Microsoft services and/or integrate with their own services and thus differentiate in the market. Microsoft Cloud platform helps service and hosting providers build a custom cloud platform tailored to their own and their customers' needs.

What is included in the Microsoft Cloud platform?

Microsoft Cloud platform comes with the following products and services:

- Office365
- Intune
- Enterprise Mobility Suite
- Azure (CSP launch in Q4)
- CRM Online (CSP launch in Q4)

What are the benefits of Microsoft CSP for the IT cloud solution provider?

The CSP program allows you to expand cloud sales opportunities by selling familiar Microsoft cloud services, e.g. Office 365, along with your own offerings and services directly to your customers. You create a customer offer, set the price, and own the billing terms yourself. You own the complete customer lifecycle through direct billing, provisioning, management, and support. A third major benefit is that

transforming from a project-based business model towards a managed services model is a solid way into recurring revenue, revenue predictability and successful business.

Microsoft summarizes the benefits as follows:
- You are the first point of contact for your customers' needs.
- You own and control the billing cycle.
- You create unique financing options.
- You sell integrated offers and services – one sales motion to drive services, attach, and upsell.
- You receive in-product tools to directly provision, manage, and support your customers.

What are the benefits for your customers?
Customers will be able to purchase integrated software solutions from you – expert software tools, products and/or services developed by your organization in combination with Microsoft cloud services - completely tailored to the needs of their specific vertical industry. They can more easily add or cancel services to or from their subscription and receive one predictable monthly bill for all services they use. Finally, next to the inherent benefits of the cloud, customers will interact with you more frequently which can serve to deepen your relationship with them.

Are there examples from other cloud solution providers?
The Microsoft cloud offering is a very broad set of solutions. Therefore, the general advice for service providers who want to expand their cloud opportunities is to focus. Focus on one or two areas that you already master and get really good at these. Develop your own strategy and differentiate your cloud business, for example by focusing on verticals you are already familiar with. Finally, keep an open eye on the future

and see how new developments like Power BI, CRM Online and more can add benefit to your business.

On www.microsoft.com you find examples of how other IT cloud solution providers increased their business. Watch videos of how:
- Axon IT has tripled their profitability over the past three years by offering Office 365 and Microsoft Dynamics CRM Online together.
- Microsoft Office 365 has enabled Catapult Systems to drive conversations around business functionality and benefits, strengthening the 'trusted advisor' relationships they share with their customers.
- Fastrack technology has more time to work with their customers to add further value with Microsoft Office 365's fast deployment rhythm.

How can you get started?
Knowing that cloud offers huge opportunities for IT cloud solution providers is one thing. Understanding the cloud business and knowing how to capitalize on it is another. In co-operation with Microsoft, Insight offers you a whole set of consultancy services, tools and support to help you onboard smoothly and maximize your cloud business.
Our advice is to take it step-by-step. First of all, contact Insight. We have a team of experienced consultants to discuss your business opportunities with you. Together, we will take you through all the relevant issues in order to formulate your needs and wishes.
- Scenarios applicable to your business
- Opportunities to differentiate and build your 'package' offering
- Hybrid licensing for your environment
- Program details & program pricing
Once you have signed your CSP Reseller Agreement with us,

we help you select the subscriptions you need. After that, we will help and support you in many ways to make you benefit the most.
- Tooling & management (e.g. CSP Dashboard)
- Training & education (e.g. CSP Boot Camp)
- Differentiating 3rd party add-on solutions (e.g. Lync Enterprise Voice)
- Technical Support

- (white-labelled) Cloud enablement services
- Guidance through the Hybrid Licensing opportunity

If you are interested growing your business or want to more information on the CSP program, contact your Insight account manager. He or she will advise you and help you onboard the Microsoft CSP program so you can start expanding your cloud business. The cloud is now.

Italy hostingitaly@insight.com ▪ + 39 (0) 2 21080210 ▪ it.insight.com/buy/hosting

Netherlands nlsupport.hosting@insight.com ▪ Phone: +31 (0) 555 382 50 ▪ nl.insight.com/buy/hosting

Belgium hosting.belgium@insight.com ▪ +32 (0)2 263 60 20 ▪ be.insight.com/buy/hosting

France hosting.fr@insight.com ▪ +33 (0) 810 606 305 ▪ fr.insight.com/buy/hosting

Spain hosting.spain@insight.com ▪ +34 (0) 91 384 0790 ▪ es.insight.com/buy/hosting

Austria hosting.austria@insight.com ▪ +43 (0) 171 728 302 ▪ at.insight.com/buy/hosting

Switzerland hosting.switzerland@insight.com ▪ +41 (0) 44 878 7608 ▪ ch.insight.com/buy/hosting

Germany hostinggermany@insight.com ▪ +49 (0) 89 94580 316 ▪ www.insight.de/buy/hosting

Sweden hosting.nordics@insight.com ▪ +46 (0) 70 773 53 96 ▪ se.insight.com/buy/hosting

United Kingdom HostedSolutions@Insight.com ▪ +44 (0) 844 692 5454 ▪ uk.insight.com/buy/hosting

Russia hosting.russia@insight.com ▪ +7 (0) 495 653 8222 ▪ ru.insight.com/hosting

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