

An Essential Guide for MSPs & CSPs

SECRETS OF SUCCESSFUL PARTNERSHIPS WITH CLOUD SERVICE PROVIDERS

“Customer demand for managed services is surging and cloud spending is expected to exceed \$500 billion by 2020.”

- MICROSOFT AZURE

OVERVIEW

The cloud has entered a new era of mass enterprise adoption. Leading cloud providers, such as **AWS, Microsoft Azure** and **Google Cloud Platform**, are continually adding new features and services designed to help organizations move their on-premise systems to their platform. They're building alliances with dominant forces in the on-premise world, such as virtualization software company **VMware**—in a bid to facilitate workload mobility and speed up the migration process. At the same time, each vendor's ecosystem of partners and third-party solution providers is playing an increasingly important role in attracting new customers to the cloud.

This IT revolution is opening up a wealth of business opportunities for existing cloud MSPs and CSPs. And, likewise, it offers great potential to traditional managed service partners that are prepared to change and adapt to the new cloud landscape.

Blazing the trail for the MSP, CSP and reseller sector are companies, such as **Rackspace, Smartronix** and **CorpInfo**, that are leading the field on the foundation of their cloud-based services and strong partnerships with key players in the cloud infrastructure market.

But what has made these partnerships so successful? What are the qualities that make such companies consistently top tier Gartner Magic Quadrant resellers?

In this guide, we uncover some of the secrets to successful partnering with a cloud services provider. First, we look at the benefits of these partnerships. Next, we run through the typical steps involved in becoming a partner. We then move onto the knowledge, skills and qualities you need to make the grade as a cloud MSP or CSP and offer advice on how to stand out in a highly competitive marketplace. Finally, we consider the tools you need to accomplish your goals.

BENEFITS OF CLOUD VENDOR PARTNERSHIPS

Partnering with cloud infrastructure providers offers a multitude of benefits that make it the perfect catalyst for fueling your business growth.

- › **Training and support:** Partnership programs typically offer exclusive access to technical, marketing, and business resources, including best practice guides, workshops and exclusive whitepapers, through which you can grow your business and better support your customers.
- › **Accreditation:** Industry-recognized credentials highlight your expertise and provide assurance to customers that you are professional, stay informed of the latest industry developments, and follow best practices.
- › **More exposure:** Partnership opens up new sources of business leads, such as a company profile and detailed landing page in the vendor's partner directory. You'll also become eligible to sponsor and participate in vendor events across the world, raising your profile in the global cloud community.
- › **More recognition:** Authorized use of official partner logos will help you attract more prestigious customers and more lucrative contracts.
- › **Consistent revenue stream:** Partnering can help shape the direction of your business, transforming it into a fully fledged monthly subscription service and providing a more consistent revenue model.
- › **A leading edge:** Partners receive regular information about the latest vendor innovations, product releases and service updates—often significantly before they reach the wider public domain. This means participating MSPs and CSPs can stay ahead of the curve and be more responsive to changes by developing new solutions for their customers ahead of time.

Through direct access to first-hand knowledge and expertise that your cloud vendor is able to provide, you can offer your customers a higher standard of service. For example, they can be sure of informed advice on migrating to the cloud and getting the best out of their infrastructure. They'll benefit from up-to-date guidance on the latest cloud technologies. And they'll also get better ongoing operational support, helping them to stay up to date with the latest OS patches and application updates.

Nevertheless, the most important benefits of using a managed service partner remain the same—your organization takes care of running your customers' day-to-day IT, freeing them up to focus on what they do best. And because their operational management is covered by one simple monthly bill, an MSP or CSP makes it easier for them to plan and budget costs.

HOW TO BECOME A PARTNER

Once your organization has decided to team up with a cloud provider, your next step is to begin the vendor's process of becoming a partner. However, before you can attain partner status, you need to complete the vendor's prerequisite program first.

PREREQUISITE PARTNER PROGRAMS



APN Consulting Partner



Cloud Solution Provider (CSP)



Service Partner

The full route to becoming a qualified MSP or CSP partner varies from provider to provider, and no two journeys are the same. But, as a general guide, the steps you'll need to take are typically as follows:

- › **Get training and certification:** As a prospective partner, you're required to follow a learning plan to build up your baseline knowledge and skills. This usually necessitates a combination of both business and technical accreditation, which shows you're able to offer a balanced set of competencies to your customers.
- › **Build a customer base:** It's equally important to gain hands-on experience of helping customers use the platform. So cloud vendors also expect you to onboard new clients to their services throughout the process. This demonstrates both your business credibility and technical proficiency, as you put the training and knowledge you've gained into practice.
- › **Validate your capabilities:** Cloud vendors also require an independent audit to verify your business meets their strict criteria for becoming a qualified MSP or CSP. This not only assesses your technical capabilities in areas such as migration, security, and system architecture, but also your business as a whole, including financial health, customer service and succession planning.
- › **Submit your application:** First, you'll need to make sure you've satisfied all vendor requirements. These will include a minimum number of certifications and successfully passing the auditing process. You'll also need evidence that your customers are using the vendor's services. This usually means meeting a minimum level of sales generated—either in terms of revenue or number of accounts sold and deployed.

The vendor validation process, in particular, underlines why you need so much more than simply strong technical expertise to become a partner. For example, it's wise to create a business plan, a process for staff recruitment and development, a marketing strategy and different pricing tiers with well-defined SLAs.

You should also plan ahead and consider the tooling you'll need to manage your customer base at scale. As market-leading cloud providers, AWS, Azure, and Google offer a comprehensive range of in-house and third-party services that solve the specific problems cloud MSPs and CSPs encounter.

FOUNDATION

- › Basic IT operations management (Patching configuration, etc.)
- › 24/7 monitoring
- › Monthly health reports & dashboard
- › 24/7 help desk

ADVANCED

- › Advanced level IT operations management including performance monitoring
- › 24/7 monitoring and alerting
- › Daily health reports & dashboards
- › 24/7 help desk with aggressive response SLAs

PREMIER

- › Advanced level IT operations management including performance monitoring
- › 24/7 monitoring and alerting
- › Custom real-time health reports & dashboards
- › Backup and DR with recover/failover SLAs
- › 24/7 help desk with aggressive response SLAs
- › Billing management and cost optimization
- › Dedicated account management

Illustrative Example of CSP Pricing Tiers. Source: Microsoft Azure

“The AWS Managed Service Provider program is designed for APN Consulting Partners who are skilled at cloud infrastructure and application migration, and deliver value to customers by offering proactive monitoring, automation, and management of their customer’s environment.”

AMAZON WEB SERVICES

QUALITIES OF A SUCCESSFUL CLOUD PARTNER

Managing services in the cloud presents a different set of challenges from traditional IT, requiring knowledge and skills in unfamiliar technologies, adoption of new practices, and a strategic shift in your approach to business. The following is a more detailed breakdown of the qualities cloud vendors look for in the approval process for their partner networks.

Cloud vendor expertise: MSPs and CSPs must have a high level of expertise in the vendor's range of products and features. This goes a long way in helping customers get the best value out of their cloud—through the right choices of services to suit their individual needs.

- › **Migration:** You should have strong migration capabilities, both in terms of expertise and tooling, so you can deliver a smooth transition and provide customers with infrastructure that's aligned to best practices. You'll need to provide objective advice on the different methods of migration, highlighting the pros and cons in relation to cost, security and performance. To help customers make an informed decision, you should provide a proof of concept (POC) and a migration roadmap to guide them through the process.
- › **Inventory management:** The cloud is a highly dynamic IT environment where customers are continually spinning up and closing down instances. So, in order to maintain effective cost management and security, it's essential you know what cloud resources they're running at any given time. The other issue you face is the sheer complexity of the infrastructure you need to manage, leaving you with no alternative but to use sophisticated cloud monitoring tools designed with this purpose in mind.
- › **Security:** Cloud MSPs and CSPs also need systems and tools for managing security at scale. Moreover, to further streamline your processes, you should adopt a universal security framework that covers all your customers' individual requirements simultaneously. This will help rationalize the process of onboarding new customers and minimize the scope for security oversights.
- › **Cost control:** One of your key responsibilities as a reseller is to help keep your customers' cloud costs down. Therefore you need to ensure they have clear visibility into their infrastructure usage and control over their costs. They should be able to quickly identify and clean up unused and underutilized resources. They also need a way of identifying and exploiting cost-saving opportunities. With the right cost management tools, you can keep a watchful eye over all your customer accounts while giving them the autonomy to make their own cost optimization decisions.
- › **DevOps pipelines and infrastructure management:** Cloud vendors look favorably on MSPs and CSPs that understand the value of robust infrastructure and application lifecycle management. So you'll need to demonstrate expertise in implementing DevOps practices, such as Infrastructure as Code (IAC), and Continuous Integration (CI) and Continuous Delivery (CD) pipelines, along with a track record of maintaining consistent, stable and secure environments.
- › **Account and billing management:** You'll need a deep understanding of the cloud vendor's billing system as well as federal tax laws and rates. You'll also need to interpret complex cloud bills and have a clear and consistent system in place to allocate costs, discounts, and markups. Some cloud management platforms provide a billing administration feature that streamlines the process of dealing with a multitude of customer accounts.

- › **Customer service:** Substandard service not only affects your relationship with your customers, but could also put the partner cloud vendor's reputation at stake. You should put customer experience at the center of all your business processes—from monitoring and continuous compliance to helpdesk support and incident response.

Viable and scalable business model: Cloud vendors want partners they can rely on. So they look for financially healthy MSPs that will be around to serve their customers long into the future. What's more, they want forward-looking businesses that build in future growth and can handle everyday operational responsibilities, such as change, security and patch management, at scale.



You can learn more about how to grow your cloud-based business by reading our [eBook](#), which covers in detail the challenges MSPs and CSPs face when scaling their services.

STANDING OUT FROM THE COMPETITION

Partnering with a cloud vendor will work wonders for raising your organization's profile and boosting professional credibility. But you'll still need to remind prospective customers why they should buy from you rather than your competitors.

One of the best ways to differentiate yourself as a cloud partner is to target a niche service. For example, many MSPs focus on migration. However, it's important to remember that customers still need help to succeed in the cloud once they've migrated.

You could consider targeting very specific customer needs, such as **security and compliance**, **application development**, **backup**, **hybrid clouds** and **cost optimization** expertise. You could also focus on technologies that intersect with the cloud, such as **DevOps**, **machine learning** and **big data**. Alternatively, you could specialize in specific industry verticals or particular types of workload, such as **mobile apps** or **eCommerce**.

And ask yourself whether your business provides any value-added services. For example, do you offer a new and unique SLA? Do you offer custom cloud features and services that other partners cannot provide?

Many businesses are reluctant to specialize, as they think it limits their options. But, if anything, the opposite is true. In the case of the cloud, as elsewhere, different customers face different challenges. And if you specialize in solving their particular problems, you position yourself as the obvious choice of cloud reseller.

Nevertheless, you'll still need to balance your specialist skills with a broader coverage of technologies and tools, as this generally makes you a more appealing partner to cloud infrastructure providers.



Conducting market research or surveying existing customers are potential tactics to help uncover your organization's key differentiators. This can uncover invaluable information about customer pain points to develop services and capabilities as you scale.

“Our research shows partners use, on average, 13 different tools to deliver cloud-based managed services. Some MSPs manage as many as 30 vendor relationships — including tools used for their on-premises management needs.”

- MICROSOFT AZURE

The Right Tools Make a Difference

Whatever direction you take on your partnership journey, cloud management tools will play a pivotal role in your business growth and success.

They'll take the strain of managing complex infrastructure as you expand your customer base. What's more, with the right tools, you can stay on top of the everyday financials of managing your client portfolio—from creating custom price books and invoices to cost allocation.

They'll save you time. They'll save you money. And they'll also help you provide a better service to your customers. In other words, you can maintain a highly efficient and profitable operation while at the same time offering outstanding value for money.

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