

Accelerating a Profitable Microsoft Cloud Business



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Cloud computing is quickly transitioning from hype and hopes to become a dominant force in the way end users deploy computing power. According to research firm The Enterprise Strategy Group and its 2012 *Cloud Computing Trends Report*, 76 percent of IT departments intend on increasing spending on cloud computing in 2012. Of all the variations of cloud computing, SaaS, or Software-as-a-Service is by far the most mature and the most widely adopted. Nearly 50 percent of users are already deploying some form of SaaS, with email and CRM applications enjoying the widest adoption. Even for those users not currently employing SaaS solutions, fully 31 percent plan on implementing SaaS-based email in the next 12 to 18 months.



For many firms, email solutions serve as a bridge to the cloud. Email is a low-latency, yet critical, application, which lends itself to delivery in a cloud-computing model. As such, it has become the perfect starting point for both existing and startup firms to test the waters of cloud computing.

Today, Microsoft® with its Office 365 cloud offering is an enticing solution for customers looking to leverage cloud for both email and office productivity applications. But moving to the cloud doesn't just happen. Users are concerned with not only the "why" of cloud, but also "how" they get their data to the cloud, and once it's there, how to protect it. IT professionals must ensure they can maintain the same level of control for compliance and

security in a computing paradigm where they may not know exactly where their data physically resides.

Enter Mimecast. Mimecast is a cloud-delivered application providing SaaS functionality for archiving, business continuity and security in Microsoft Exchange environments. Its industry-leading functionality allows users to not only improve the management and resiliency of a traditional Microsoft Exchange deployment, but also provides a critical safety net for customers performing upgrades or moving data to Exchange 2010 or Office 365. For Microsoft solution providers, this means an opportunity to bring unique enterprise capabilities to their customers, and build both recurring and project-based services revenue streams.

Leading Customers to the Cloud

For customers looking to transition to cloud-based solutions, operating in a new paradigm presents both opportunity and challenge. Users must take a hard look at how they approach security and high availability, as well as build a solid plan for migrating data to the cloud. For solution providers transitioning their businesses to take advantage of cloud, not only must they address customers' concerns and provide expertise, they must also consider the changes to their own business models, sales strategies, and how they form partnerships. The cloud business model can be radically different than how most solution providers operate.

End Users

Transitioning to cloud-based email, for example, end users face a variety of complex issues.

1. Maintaining compliance with email-retention requirements across legacy and new cloud platforms.
2. Ensuring data availability during a migration, upgrade or maintenance activity.
3. Reducing the scale, complexity, and cost of an ever-growing Microsoft Exchange environment.
4. Securing data in a cloud model.

Solution Providers

When building a cloud business based on recurring revenue, solution providers must evaluate partner programs and opportunities in a new context.

1. Defining rules of engagement with a cloud services partner and understanding who owns the customer in a cloud services model.
2. Finding a provider who will offer sales support while the sales team comes up to speed.
3. Does the provider's solution allow for bundling professional services to improve profitability?
4. How will a partner protect your revenue long term as customers expand and renew their contracts?

As revenue growth evolves from transaction-based to recurring monthly contracts, solution providers need to realign key elements of the business model, including

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sales compensation, cash management and customer support to successfully operate in a cloud model.

This means choosing a partner who can meet both the needs of the end user and provide business-model support to the solution provider. Mimecast delivers both the channel program and the technology to make this a reality for solution providers. Mimecast enjoys a 98 percent renewal rate with its service, which means solution providers can expect to be able to expand with new customers over long-term relationships. In addition, the Mimecast channel program includes access to inside sales resources, training and margin-protection programs to protect customer relationships.



Expand Revenue—Improve Competitiveness

In addition to helping solution providers gain a foothold in the emerging cloud market, a Mimecast partnership provides the framework to expand the overall Microsoft practice in terms of both licensing and services opportunities.

First and foremost, Mimecast improves the competitiveness of a Microsoft practice by bringing enterprise-class cloud functionality to Exchange. This functionality provides a superior competitive advantage, especially when customers are considering Google for cloud-based email services.

In addition, Mimecast users enjoy built-in 100 percent availability during planned or unplanned outages, which not only protects against the unexpected but also serves as a key safety feature during migrations to Exchange 2010, Office 365 or from competitive platforms such as Notes or GroupWise. This allows partners to not only protect existing the Microsoft licensing footprint, but also helps expand that footprint by making competitive migrations lower-risk.

Overall, a more satisfied customer with a stable environment will expand deployments and renew services leading to additional licensing revenue and recurring profits.

Drive Loyalty and Recurring Revenue Through Services

Moving to the cloud is not a decision customers take lightly. When introducing new technology, end users lean on the services capabilities of their partners for developing requirements definitions, evaluating the feasibility of a solution, performing an investment analysis, conducting a proof-of-concept, implementing and supporting a solution. These services are critical for customers adopting cloud. For Mimecast solution providers, opportunities could include:

- **Consulting** - Develop enterprise-wide archiving, retention and compliance policies and the development of deployment plans. Consulting may include an invest-

ment or risk analysis vs. current state with a plan to close the gaps or mitigate risk.

- **Implementation** - Project planning, integration with on-premises systems, data migration to the cloud, documentation and training are all elements that customers require when deploying new disruptive technologies.
- **Support** - Not only are there opportunities for traditional support services and solution monitoring from a partner's NOC, but many customers require support for the retrieval of archived email and administrative assistance during legal holds.

SaaS with a Face

As customers expand their use of cloud computing, the channel programs of cloud and SaaS providers are evolving to meet the needs of solution providers. Many cloud service providers entered the market three to five years ago, believing that cloud computing would disintermediate the channel and users would work directly with cloud providers. On the contrary, IT organizations of all sizes have continued to rely on solution providers for advice—especially as it relates to cloud. Not only did Mimecast bet that the channel would lead in cloud, but Mimecast took the lead in developing a channel-centric model, and built a program to help solution providers accelerate revenue. Differentiated from other cloud providers, the Mimecast program provides the type of support and benefits common to traditional hardware and software vendor programs. This is rare for “as-a-service” providers, most of whom provide self-service support to both partners and end users.



For Mimecast, this leadership means innovating both in program benefits and contract terms to make partnership with Mimecast both compelling and profitable. Some highlights of the Mimecast program are:

Joint Selling and Marketing

Mimecast partners enjoy access to a dedicated inside sales team that works jointly with them on deals and actively cultivates new leads for channel partners. Solution providers can also leverage MDF funds earned as part of their contract for additional marketing and inside sales activities.

Deal and Margin Protection

Mimecast offers not only a robust deal registration program but it is unique in the SaaS space by offering margin protection on renewal contracts, which prevent low-value providers from poaching deals at renewal time. Partners caught trying to capture renewal deals from the solution provider who currently holds the contract will find themselves hit with a penalty that caps their discounts and makes their business unattractive. In this way, Mimecast increases the lifetime customer value of every contract for the partner, leading to highly profitable long-term recurring revenue streams.

Mimecast: Delivering Growth and Differentiation for Microsoft Partners

Solution providers today must grapple with both growing their businesses and transitioning customers to the new world of cloud. Partnerships must enhance this transition and serve as a platform for growth. Mimecast offers both the ability to grow a new revenue stream in the cloud while enhancing the existing Microsoft business. The combination of superior channel programs and cloud-based technology make Mimecast a compelling partner for Microsoft solution providers seeking to grow their share of cloud revenue.