

Magazine Article | February 13, 2014

4 Steps To Becoming A Trusted Virtualization Advisor

By [Jay McCall](#)

This \$9 million MSP's projected 17% revenue growth is coming from its foray into selling virtualization solutions and services to the SMB market.



E-Safe Technologies

Founded:

1989

2013 sales growth rate:

20%

2013 sales revenue:

\$9 million

2014 projected sales revenue:

\$10.5

2014 projected sales growth rate:

17%

Employees:

22

Phone:

(412) 944-2424

Website:

www.e-safetech.com

Verticals:

education, financial, healthcare, manufacturing

Vendors:

Aruba, Astute Networks, Barracuda, BlackBox, Cisco, Citrix, ExaGrid, IBM, Intronis, NetApp, Nimble, Solutionary, Veeam Software, VMware

Distributors:

Avnet, Ingram Micro

Although virtualization may not get as much press as the cloud when it comes to talking about “IT opportunities for the channel,” the fact is that virtualization solutions and services are in high demand. Consider this: The procurement and deployment of virtualized servers has more than doubled in the last three years. VMware’s research revealed that the percent of virtualized servers vs. physical servers grew from 29 percent in 2009 to 66 percent in 2012, and it continues to grow at nearly twice the rate of historical physical server procurements and deployments. The study goes on to say that the top five drivers for this shift from physical to virtual servers include reduced hardware costs, server provisioning time reduction, disaster recovery improvements, reduced maintenance/ upgrade expenses, and shorter application rollouts.

Unlike the early days of virtualization, where the benefits were reserved for large enterprises that had dozens of servers residing in large data centers, virtualization is now a viable option for SMBs. E-Safe Technologies (E-Safe) is an example of an MSP (managed services provider)/ IT solutions provider that not only recognized this trend a couple of years ago, but acted on that knowledge by implementing a four-step strategic process to market, sell, and support virtualized solutions and IT services to SMBs.

1 — Invest In Virtualization Expertise

Although many of the skills required for managing and supporting a physical IT environment are easily transferable to a virtual environment, there are still enough significant differences that warrant outside training before one can become successful selling virtualized solutions and services. In E-Safe’s case, it went a step beyond sending technicians and salespeople to training classes and opted to hire a virtualization practice manager to train its staff and oversee its virtualization sales plans. “Our certified VMware vExpert has been a chairman for the western PA chapter of VMUG [VMware User Group] for seven years, and he has more than 13 years’ experience working with VMware and Citrix,” says Bruce Thompson, vice president of E-Safe Technologies. “Within the first few months of joining our company, he helped us redefine our offerings, which now include a desktop virtualization solution based on the VMware Horizon View desktop virtualization product as well as virtual backup and disaster recovery services.”

2 — Establish And Conduct A Virtualization Health Check

Just as a VAR or MSP wouldn’t sell a new hardware appliance without first conducting a network assessment to fully understand its customer’s business needs, E-Safe couldn’t expect to sell a virtualization solution without a similar assessment. The goal of E-Safe’s virtualization health check is to ensure each customer has an optimized and secure IT environment that’s suitable for virtualization and will provide the cost savings customers want without compromises in computing performance.

Beginning with a presales consultation, the virtualization practice manager works with the E-Safe salesperson to set up an introductory alignment call with the client to discuss the client’s business needs, technology environment, compliance/mandate issues, and short- and long-term requirements. Next, the E-Safe rep schedules a follow-up meeting to review the proposed assessment plan and to discuss the scope of work, which includes providing a clear

understanding of services to be performed and the requirements for all parties involved. “Our virtualization health check includes a 25-point check, covering areas such as network infrastructure, storage, software licensing [e.g. VMware and Citrix], and business applications,” says Thompson. “The assessment includes 4 hours on-site, plus a couple of hours developing the follow-up report and recommendation. We charge \$3,000 for the assessment, and since launching this practice last year, we’ve been averaging one per month. We’ve found the sweet spot for virtualization among SMBs is with companies that have between 60 and 300 users.”

3 — Develop Bundled Virtualized Solutions

After creating its virtualization health check, E-Safe worked with its virtualization practice manager to select the appropriate virtualization vendor partners to support its new offerings. “We started by assessing our current vendor partners by looking at the quality of their customer support and customer feedback, and we took into consideration how each vendor responded to our feedback/inquiries as well as how their product fit into our solution stack,” says Thompson. “Following the vendor assessment period, we brought in new storage appliance vendors [e.g. ExaGrid, NetApp, and Nimble], wireless networking vendors [e.g. Aruba Networks and Cisco], and cloud backup and disaster recovery vendors who specialize in virtualized solutions [e.g. Intronis and Veeam Software]. We’ve learned over the years that signing up with a new vendor without thoroughly vetting their product first can be very costly. And, when you take into consideration that many of our customers operate in highly regulated industries, protecting their data from server failures, viruses, and disasters — and ensuring IT availability under any circumstances — is of utmost importance.” (See sidebar about E-Safe’s frustrations with its previous backup vendor and the reasons it switched to Intronis, page 22.)

4 — Educate Customers And Prospects About Virtualization

Although E-Safe has been seeing a large uptick in interest among SMB clients wanting to virtualize their IT environments, the MSP still finds another large segment expressing skepticism about adopting something new and different. “The biggest obstacle just about every IT solutions provider runs up against is the ‘This is how we’ve always done things’ mindset,” says Thompson. “This is particularly true with regard to virtualization because even though the term might be familiar, there’s a good chance the client doesn’t understand what it is, and more importantly, how it can help reduce their IT costs and future-proof their IT investments.”

To combat skepticism and convince more prospects to move forward with a virtualization health check, E-Safe developed two virtualization educational programs, which Thompson says are like 101- and 201- level college courses. “The 101 course is a very basic introduction to VMware and virtualization, and it’s designed for business owners and IT owners with no virtualization experience,” he says. “The 201 course is geared toward network/server administrators who already know the basics of virtualization, but need a little more training before they can implement it themselves.”

“We’ve found the sweet spot for virtualization among SMBs is with companies that have between 60 and 300 users.”

Bruce Thompson, VP, E-Safe Technologies

Both courses run from 8 a.m. to 5 p.m. at E-Safe's facility, and the MSP charges \$595 per person to take the course. Thompson also shared that E-Safe does not offer discounts for those who complete the educational course and go on to sign up for a virtual health check assessment. "We like to keep the educational sessions and assessments separate, which we believe gives us more credibility as trusted business advisors, rather than taking the risk of morphing the program into a glorified sales pitch," he says. But some may worry that E-Safe's 200-level course, which empowers end users to handle many aspects of a virtualization deployments without the MSP's help, could be harmful to its business. "We believe that offering this class is what's in the customer's best interest, and up to this point, we've only seen positive results," Thompson says. "The fact is that there are simpler steps involved in virtualization [e.g. moving a volume from one virtual server to another, adding new users] and much more complex steps [e.g. balancing volumes as part of a major upgrade]. It's the latter scenarios that require our expertise and allow us to build stronger customer relationships and earn higher profit margins."

Despite the fact that E-Safe started out as a data center company that was focused on selling IBM products and services, Thompson says it now sees itself as a virtualization/managed services company. "Currently, only about 30 percent of our business comes from recurring revenue," he says. "But, as our virtualization services continue to grow, I see that number reaching the 40 percent to 45 percent category in less than five years."

One thing about virtualization is that it helps prepare E-Safe's customers for the next IT milestone that often accompanies virtualization: the cloud. "Right now, customers are OK with off-site backups, but the vast majority still want their core business apps onsite," says Thompson. "There's just something about seeing a blinking light on a hard drive that provides more peace of mind than accessing resources over the Internet. In time, however, and with the right strategy, we believe the virtualized services we're now providing on-premises will migrate to the cloud, which will offer additional earning opportunities for our company and additional business benefits for our customers."

Cloud Backup Solution Paves Way To 160 Percent Sales Growth

Since its inception in 1989, E-Safe Technologies (E-Safe) has been helping SMBs within the education, finance, healthcare, and manufacturing markets keep their technology safe and secure. But when the VAR started to transition its business to a more proactive managed IT service model that included cloud backup and disaster recovery (BDR) as a service, it uncovered some major gaps in its clients' business continuity planning efforts.

"It was really disconcerting to find out how many clients were backing up their data to zip drives and other unreliable portable media that wasn't encrypted and could easily be lost or stolen," says Bruce Thompson, vice president of E-Safe. "Equally concerning was the fact that many of the small businesses we came across had no off-site backup strategy in place."

To resolve the business issue and bring peace of mind to its clients, E-Safe began reselling a cloud backup service from a popular consumer brand. Initially, it looked as though it had picked a winner, but after the software failed several on-site mock disaster recovery tests during the first

couple of months, Thompson and his team knew they needed to find a new, more robust, and reliable solution to protect E-Safe's customers.

“The restore process simply wasn't performing properly — sometimes requiring multiple restarts — and customer service was of no help either,” he says. “We'd call for support and couldn't get a hold of a live person. We'd have to leave a message, and sometimes no one called us back. We needed to make a change.”

Performing Cloud Backup Due Diligence Pays Off

E-Safe reached out to its RMM (remote monitoring and management) and PSA (professional services automation) vendors for recommendations on best-of-breed BDR solutions. “Intronis came highly recommended to us by our vendor partners, as well as other peers in our space,” says Thompson. “We also liked the fact that the integrations were already in place with our RMM provider and PSA tool, and that Intronis had a B2B focus since its inception. It wasn't a consumer-focused vendor that was trying to adapt its product to the business market.”

Once the paperwork was inked, E-Safe and Intronis worked up a plan to migrate the MSP's customers from the legacy vendor's cloud to Intronis' secure private cloud and rebrand the solution as E-Trieval. “We documented each step of the process and kept a copy of our customers' data in both cloud data centers for 60 days to be sure there were no glitches and everything was being backed up correctly,” says Thompson.

The entire process of switching cloud backup vendors turned out to be straightforward and painless, which was great news for Thompson, E-Safe's team, and its customers, many of which are in highly regulated industry verticals. “In many cases, we were able to perform the switchover during a lunch hour or after work hours so there was little or no disruption or risk for our customers,” says Thompson.

Fast-forward a year, and E-Safe is reporting steady growth for its E-Trieval services and increased profitability. According to Thompson, his company is averaging one new customer every month, and its cloud backup revenue is on pace to be 160 percent higher than 2013.

“The growing interest in the cloud accounts for part of this growth, but it's also a testament to the confidence we have since switching to Intronis,” says Thompson. “Intronis' cloud BDR solution has never failed during any of our monthly disaster recovery tests. And anytime we call Intronis support with a question, we're able to connect with a person who's knowledgeable and able to help us out right away. Now that Intronis backs up VMs [virtual machines] locally with QuickSpin, in addition to cloud-based VM backups, we're eager to begin testing these features and incorporating them into our virtualization offerings,” says Thompson.

www.intronis.com