

# Microsoft Cloud OS Partner Solution Case Study



## Partner Sees Annual Cloud Sales Up 336 Percent, Total Sales Up 25%, with “All In” Cloud Strategy

### Overview

**Partner:** Infinit Consulting

**Partner Website:**

[www.infinitconsulting.com](http://www.infinitconsulting.com)

**Partner Size:** 15 employees

**Country or Region:** United States

**Industry:** Technology services

### Partner Profile

Infinit, headquartered in San Jose, California and with an office in Seattle, Washington, is an IT services provider serving small and medium sized businesses. It was founded in 2006.

### Business Situation

Infinit had shifted from project services to hosting and managed services to gain a more stable business model—then found that model threatened when Microsoft introduced its cloud services.

### Solution

The company adopted the Microsoft services as an offering, and expanded its “CompleteCare” package of managed services around them.

### Benefits

- Cloud Sales up 336 Percent in a Year; 500 Percent Growth Projected
- Managed Services Income Grows 20 Percent Per Month
- Microsoft Hybrid Approach Delivers “Power of Choice”

“Microsoft cloud services have been a tremendous factor in accelerating the growth of our business. We see growth coming at both ends of the market.”

Jerod Powell, Founder and CEO, Infinit Consulting

IT provider Infinit Consulting was already providing cloud-based email—its own—when Microsoft BPOS entered the market. The company quickly shifted its business model not just to sell Microsoft cloud services, but to expand its own in-depth managed services offerings to cover them. It worked. Revenues, profitability, recurring income, income per employee—they’re all up.

## “I wasn’t going to compete with Microsoft.”

Jerod Powell, Founder and CEO  
InfinIT Consulting

### Situation

Jerod Powell thought he knew what type of IT company he wanted to start. He was wrong.

Eight years ago, in 2006, Powell founded InfinIT Consulting with a handful of engineers. They all came from enterprise IT environments and created a company to serve these types of organizations, which they knew best. Their customers ranged from manufacturers to online retailers, and had anywhere from 250 to 5,000 employees. In a post-Sarbanes-Oxley world, they were mostly publicly traded companies that needed new enterprise systems to meet federal and internal compliance requirements. InfinIT made its money from consulting projects, such as onsite deployments of Microsoft Exchange Server and other Microsoft server products. The company would find a large project, get its engineers on it, complete it, and then find another project to repeat the cycle.

It was exhausting.

“We got tired of having to find huge projects to keep us afloat,” says Powell, CEO of the company. “It caused too much gray hair.”

With that realization, InfinIT started its transformation into the highly successful IT provider it is today. An initial step was to begin to shift from project services to hosting and managed services. As Powell says: “We decided to take our enterprise expertise and scale it down to SMBs.”

The company built a business in hosting Exchange Server deployments at its own data center, and in providing a growing range of other hosting and managed services. The average customer size dropped to about 90 employees. InfinIT made less money per customer than it had before, but compensated for that by increasing the number of customers it served. With its hosting business, it took

less time and effort to serve each customer, so scaling to support more customers was quite practical.

And then, in 2008, Microsoft introduced Microsoft BPOS, its first online business productivity suite offering—and a direct competitor to InfinIT’s own Exchange Server hosting.

“I wasn’t going to compete with Microsoft,” says Powell.

### Solution

InfinIT had already begun one transformation with its shift from projects to hosting and managed services. Now, with Microsoft’s entry into cloud services, InfinIT faced the prospect of having to make another transformation. But the company would not retreat from either managed services or cloud services. Instead, it would find inventive ways both to sell the Microsoft services and build its own services and products on top of them.

As a first step, InfinIT migrated its Exchange Server hosting customers to BPOS and, later, to Office 365.

### Managed Services for the Cloud

As a more important step, InfinIT expanded its CompleteCare managed service offering to cover Microsoft cloud services, including both Office 365 and Microsoft Intune. CompleteCare already included monitoring, maintenance, antivirus protection, one-hour SLAs, helpdesk support, escalation, onsite support, data backup and smartphone support. The company’s goal with this service was to become its customers’ outsourced IT organization, covering on-premises infrastructure as well as technology hosted in InfinIT’s Microsoft-based private cloud, called iDNA.

InfinIT’s support for Office 365 through CompleteCare includes: user account additions and deletions; configuring email, mobile devices, Lync, SharePoint, and password reset policy; resolving issues with



cloud services also include secure backup and recovery, unified communications, and a cloud configurator tool. Its private cloud offerings include server and application hosting, virtual desktops, and a comprehensive “virtual office.”

And the company has earned just about every Microsoft cloud distinction it’s possible to earn, both to optimize its provision of cloud services and as a marketing tool to demonstrate its expertise in those services. While InfinIT continues to offer enterprise IT project/consulting services, anyone landing on the company’s website will immediately understand that InfinIT is “all in” when it comes to the cloud. (see screenshot at left.)

### Shifting the Business Model

Shifting from project services to managed services to cloud services has required a shift in InfinIT’s business model, too. Because deal sizes for both managed services and the cloud tend to be smaller than for traditional project deals, InfinIT needs a larger customer base, and a greater volume of potential customers in its pipeline. It also needs to close deals much faster.

To increase the pipeline, InfinIT conducts more marketing events, both live and over the web. It has added sales reps and given engineers some responsibility for sales. “To make the cloud work, you can’t afford to have the business owner do all the selling; you need a sales force,” says Powell.

The company has accelerated its sales cycle from about a month to a week. Most Office 365 deals close on the first customer call, and all close more quickly than traditional deals. Partly, says Powell, that’s because Office 365 deals are simpler. But InfinIT also supports that faster close time with quote templates, internal sales review meetings—and even allowing sales reps to close orders over the phone without waiting for signed agreements. Powell has coached his staff on the new sales model, for example,

InfinIT is so into the cloud, it describes itself to website visitors as “your IT & cloud partner.”

Outlook, Lync, and SharePoint; instruction on creating online meetings; comprehensive support, consistent support team, fast issue resolution SLAs, and direct access to tier 3 support.

Customers can use this integrated, comprehensive support offering to maintain their entire IT infrastructures—on-premises, private cloud, and public cloud—simply, through a single vendor. For InfinIT, the comprehensive offering is a way to increase its value to customers, the volume of business it does with those customers, and its return on investment in its existing support resources, such as its helpdesk.

### Remaking its Offerings for the Cloud

InfinIT’s embrace of the cloud goes far beyond offering Microsoft cloud services and support for them. The company has remade both its own offerings and its marketing for the cloud. The company’s

“Emphasizing managed services and cloud services is smart business. It makes us an increasingly stable company.”

Jerod Powell, Founder and CEO  
InfinIT Consulting

showing them how much time they can afford to spend on relatively small deals, and when they begin to lose money on them.

**It hasn't always been easy.**

Sales reps who used to have between 2 and 6 active leads at a time now need to have more than 70. “Retraining our sales reps for a lower-margin, higher-volume business has been one of the hard parts of the transformation,” says Powell. “You have to treat a 300-seat deal differently from a 20-seat deal or you can't make this work.”

And there are changes to come. Powell says that productizing the company's intellectual property on the cloud will allow it to scale its business virtually limitlessly, so that's a key goal. The company already offers software tools, such as its cloud calculator and business intelligence tools for SharePoint and Microsoft Dynamics Online. Powell plans much more along these lines.

**Benefits**

InfinIT's approach to cloud services is boosting revenues as well as increasing recurring revenue as a share of the total. Its embrace of Microsoft technology gives its customers “the power of choice.”

**Cloud Sales up 336 Percent in a Year; 500 Percent Growth Projected**

InfinIT's total revenues climbed 25 percent in 2013, led by a 336 percent gain in cloud sales. Powell projects that this year's cloud revenues will be five times as big as last year's.

“Microsoft cloud services have been a tremendous factor in accelerating the growth of our business,” he says. “We see growth coming at both ends of the market. Cloud services have enabled us to acquire smaller customers cost-effectively at a lower price point, and they've also given us a successful way to serve larger customers.”

The company's customer roster has grown from 40 to more than 200 over the past two years. The size of managed services deals has almost doubled, from about 70 seats per customer to 130 seats per customer, which Powell attributes to larger customers approaching InfinIT for Office 365. That trend should continue as more of InfinIT's Office 365 customers also sign on for its managed services. About half of Office 365 customers currently subscribe to them now; Powell expects that number to increase to 70 percent.

**Managed Services Income Grows 20 Percent Per Month**

InfinIT adopted managed services to grow its recurring income. It succeeded. That income is now growing at the rate of 20 percent per month.

Beyond representing additional income, the recurring revenue is more regular and dependable than project revenue, making cash flow more predictable and helping to mitigate risk. Recurring revenue now constitutes about 60 percent of InfinIT's total revenues, up from zero percent six years ago. Over that same time, project or one-time revenue as a share of total revenues declined from 95 percent to 25 percent.

“Emphasizing managed services and cloud services is smart business,” says Powell. “It makes us an increasingly stable company.”

It also makes InfinIT an increasingly profitable one. Because managed services increase the return on investment in the company's existing resources they help to boost profit margins.

**Microsoft Hybrid Approach Delivers “Power of Choice”**

Powell says his business has been aided by his decision to base its cloud services and managed services on Microsoft technologies, in part because of Microsoft's emphasis on hybrid cloud solutions.

## Microsoft Cloud OS

Microsoft Cloud OS helps businesses benefit from converging technology trends such as big data, cloud services, and 'bring your own device' initiatives. From rapidly building and deploying applications to supporting real-time analytics across all forms of data, IT can drive efficiency and deliver new value with Cloud OS.

For more information about Microsoft Cloud OS, go to:

[www.microsoft.com/en-us/server-cloud/cloud-os/default.aspx](http://www.microsoft.com/en-us/server-cloud/cloud-os/default.aspx)

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers in the United States and Canada who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:

[www.microsoft.com](http://www.microsoft.com)

For more information about InfinIT Consulting products and services, call (866) 364-2007, email [info@infinITconsulting.com](mailto:info@infinITconsulting.com), or visit the website at: [www.infinITconsulting.com](http://www.infinITconsulting.com).

"Nearly all of our customers run hybrid cloud deployments of some sort," says Powell. "What we love about the Microsoft approach is the power of choice it gives us. We can give our customers a foundation for the future and a cloud strategy on their own terms. There is no other solution in the market that can so seamlessly offer this flexibility and integration."

### Partner Designations

- Microsoft Gold Certified Partner
- Microsoft Northwest Partner of the Year 2013
- Microsoft West Coast Commercial Cloud Partner of the Year 2011
- Microsoft Online Services Partner of the Year Finalist 2011
- Microsoft Tier 1 Cloud Champion
- Microsoft Cloud Accelerate Partner
- Microsoft Windows Intune Black Belt Partner