



eFolder White Paper: 5 Ways to Turn Office 365 into a Profitable Service Offering

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Introduction

As Microsoft has aggressively responded to the encroachment of Google Apps into its productivity software dominance, the powers that be have pushed Office 365 as its primary strategy for serving productivity customers—either directly or through the channel.

While this approach has won over many conversions to the Software as a Service (SaaS) model for Microsoft, it has earned somewhat ambivalent attitudes from the partner community. Many partners see the anemic margins offered by Office 365 and feel threatened by the prospect of moving clients away from more profitable traditional management of on-premises Exchange servers. However, in spite of potential difficulties in transition, Office 365 presents numerous business opportunities for partners willing to evolve their business practices, including the following:

1. Convert the Migration Business Opportunity.

Even before clients get out of the gate with Office 365, they'll likely need help migrating legacy Microsoft Exchange data onto the platform.

Migration is never a simple prospect. It can be made even more difficult in the shift to Office 365 due to the fact that not all organizations plan to switch to the cloud all at once. According to a 2013 study by Osterman Research, of those businesses that planned on an Office 365 migration, half would still maintain some users on-premises for a hybrid approach, and 52% would want to synchronize content between Office 365 and on-premises solutions. This presents to channel partners not only a legitimate business opportunity for project income, but also an opening to build a more meaningful relationship with clients shifting to the cloud. On the front end, the client will need help with data migration, initial configuration, and security configuration in order to ease directly into Office 365 without business interruption. Those services alone offer profitable rewards to partners.

But partners also benefit from providing those services in the long run. Unlike partners that may stonewall clients from utilizing cloud productivity suites due to fear of lost business, those who encourage the shift to the cloud and help clients migrate will win tremendous

goodwill and loyalty in the process. Partners who are willing and able to help clients make the transition are much more likely to solidify their roles as trusted IT advisors as opposed to those who dig their heels in and try to obstruct progress from legacy Exchange to Office 365.

2. Leverage Office 365 Interest for New Client Acquisition.

While the straight margins of reselling Office 365 may seem unfavorable for partners compared with the old way of doing business, the interest in this cloud-based platform is generating one thing that partners can always use: leads.

Smart partners are doubling down on Office 365 by utilizing the leads they're getting from Microsoft to go deeper with these clients once they've helped with initial migration and setup of Office 365. These partners see this initial win as a way of getting a foot in the door as a trusted advisor.

From there, partners can begin to help their clients continue to tune Office 365, as well as to train employees in the new system. Those training and tuning services are yet another value-added service that can help increase margins on what initially seemed like a minimally productive business prospect.

More importantly, though, many partners are looking far beyond office productivity to extend relationships initially established for only a seemingly simple transaction. Partners with complementary offerings such as customer relationship management, vertical or line-of-business applications, security services or fully managed service packages now have a great venue for approaching companies that would otherwise have been cold prospects. These contacts have now been warmed up through a bite-sized initial relationship and may be ready to take the service relationship to another level.

3. Source Office 365 Wholesale and Bundle It With Unique Service Offerings.

After the hue and cry from the channel community was heard loud and clear by Microsoft, the company changed course from its initial direct-billing-only model for Office 365 and now offers partners the ability to wholesale and repackage the SaaS productivity suite.

True, some partners may just prefer to simply use the old model and have Microsoft bill the end user directly and simply take a small cut via revenue share. However, it may make better sense to buy Office 365 wholesale and package it with other unique service offerings, improving the overall profit margin and service stickiness.

Added offerings can include migration services as previously mentioned, along with premium support, backup services or bundling with other SaaS software for a more complete package. Each additional service bundle provides another chance to build more profitable margins into these deals.

4. Provide Premium Support.

Whether a partner chooses to have clients billed directly by Microsoft or selects the wholesale model, providing premium support for Office 365 is a natural, value-added service opportunity for the platform.

Especially for the cheaper versions of Office 365, the direct technical support provided by Microsoft can be extremely meager for businesses that chose SaaS in the first place to simplify their productivity needs. Many of these clients find the a la carte tech support not only expensive but also lacking in customizability to meet their business needs and serve their users.

Often, clients may not realize it until after the fact—but without intervention from a partner, these types of functions may be a bigger hassle for the client in the cloud than with a traditional on-premises Exchange server. Now, Microsoft is in control of a lot of elements that the partner previously had full control over. Proactive partners are finding great success in acting as the backstop for this insufficiency, performing back-end administration such as running the provisioning and de-provisioning of users, as well as providing telephone-based support for all users and maintaining a help desk for Office 365.

If partners decide to go the direct billing route, they can simply bill premium support in parallel with the monthly SaaS fee. Meanwhile, selling a bundled package gives partners the chance to not only build in margin but also take advantage of branding opportunities to differentiate themselves from other partners in the market.

5. Add Backup, Search, Restoration and Reporting.

In addition to the standard premium support services, partners can up the ante by offering add-on services such as backup, search and restore for clients on a per-seat basis. Cloud services like Office 365 may make some things simpler, but they don't eliminate every headache for businesses.

As data is spread into the cloud, it becomes more difficult for clients to keep track of corporate data, search through it to find information and ensure that it is backed up and easily restorable.

By working with eFolder Cloudfinder, partners can easily set up mechanisms for clients that allow them to ensure that every email users have ever sent, received and even deleted is searchable, findable and retrievable down at the user level. At the same time, administrators at managed services providers (MSPs) can also make it easier to centralize backups and search across users when clients require it.

About eFolder Cloudfinder

eFolder Cloudfinder is an advanced cloud-to-cloud backup service designed for easy reselling and repackaging by value-added resellers and MSPs. Cloudfinder can not only help service provider partners add backup, search, restoration and reporting to Office 365 offerings, but it can also be used with other SaaS solutions like Google Apps, Salesforce.com and Box. When clients use it for multiple platforms, Cloudfinder enables unified visibility across the cloud portfolio for a more complete IT service offering.



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