Build a Profitable Cloud Business

IN 8 STEPS

Despite favorable market conditions for cloud services, many value added resellers (VARs) and managed services providers (MSPs) continue to struggle with profitability and rising operational costs. While there's no magic bullet that guarantees success, eight practical steps based on best practices – used effectively at Ingram Micro to build our own cloud business – can considerably improve your cloud sales, marketing, profitability, and business growth. *Learn more about each step in our blog series at: http://www.IngramMicroCloud.com/8steps*

START HERE

Step 1:
Build your solution
Determine if you are already selling something you can convert to the cloud or if you will offer a brand new solution. Either way, it's critical to pre-build your cloud solution for optimal profitability and operational support efficiency. Then, build your solution for business outcomes and specific vertical or horizontal markets.
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Step 2:
Choose vendor partners
When selecting a partner, consider their channel strategy and reputation. Don't forget to conduct financial and technical due diligence and clarify service delivery requirements and support resources.
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Step 3:
Develop a pricing model
Be sure you understand your cost basis and make sure your solution is scalable for future growth and change. And always look for ways to automate operational processes to further reduce costs.
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Step 4:
Establish KPIs as lead indicators
A financial plan driven by KPIs can give you the best understanding on how to reach your cloud revenue goal, but be sure those KPIs are measurable and actionable. Plus, you'll want to roll out a tracking system and scorecard for your chosen KPIs.
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Step 5:
Conduct financial planning and analysis
Next, you'll need to secure executive commitment based on your financial plan and determine funding and investment sources. Be ready to show executive management how your cloud sales will generate ROI, and, most importantly, never set arbitrary sales/revenue objectives. Instead, adjust the KPIs to achieve those objectives.
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Step 6:
Build operational processes
In this step, you'll need to determine a customer contracting process for cloud (a master services agreement), chose a scalable automation platform and implement service delivery tools to drive customer satisfaction.
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Step 7:
Develop a marketing strategy
Cloud Services is a competitive market, so you'll need to target new buyers and lines of business with digital marketing. Focus on thought leadership and closely track your leads so you can increase the marketing activities in the master catalog that are helping you meet your lead goals, or scale back on those that are not getting a good response.
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DONE!

Step 8:
Enable the sales team
Cloud solutions are not monetized in the way that traditional IT is sold, so you'll have to adjust your compensation plan to excite and motivate your team to sell more cloud services. You'll also need to conduct business outcome training to help Sales engage non-IT decision makers and design a customer engagement process to drive consumption.
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