BEYOND SAAS

THINKING OF HARDWARE IN A WHOLE NEW WAY

SAAS DRIVES IT SPENDING GROWTH FOR SMB BUYERS

SOFTWARE AS A SERVICE CONTINUES TO SEE HEALTHY GAINS

The explosive growth of software as a service (SaaS) is one of the great stories of the modern world economy, and it has proven the tremendous power of the Internet as a transformative technology. SaaS is continuing to grow at a healthy clip—well into double digits—and conversations with IT buyers representing small to medium-size businesses (SMBs) suggest the future holds more of the same. Sixty-nine percent of survey respondents expect to increase their use of cloud-based technology in the next three years.

A surge in the use of SaaS by smaller companies makes sense on a number of levels. SMBs face an uphill battle for sustainable growth, challenged by their need for capital at the outset, by their need for scalability and control in the growth phase, and by their need to optimize and innovate as the business matures. SaaS is a natural solution to the problems these companies face as they grow and evolve. Done right, it can be whatever you need it to be, no matter what your business situation is.

SMBs that embrace technology generally outperform those that are slower to adopt and adapt to the pace of change. Moving to cloud-based applications frees up time, capital, and other resources for SMBs—these advantages and the natural scalability of cloud solutions pave the way for rapid expansion and sustainable growth.

HARDWARE SALES CONTINUE TO DECLINE

The world we knew, where computer and server sales were the key indicators of technological adoption (and even the health of the economy as a whole), continues to disappear as the ground shifts under our feet. A recent study of the hardware trend predicts that on-premises infrastructure spending will decline at a 1.3% compound annual growth rate between now and the year 2020.[1]

Earlier this year, The Gartner Worldwide IT Spending Forecast predicted a very modest rise in worldwide IT spending—just a 0.6% increase over 2015. But the same forecast shows spending on devices declining by 1.9%.[2] The trend is clear, and global in nature.

> **69% of survey respondents expect to increase their use of cloud-based technology in the next three years.**

HARDWARE AS A SERVICE ARRIVES TO DRIVE GROWTH

IT'S A NATURAL SOLUTION FOR SMALL AND MIDSIZE BUSINESSES

Cost is a prohibitive factor for SMBs, and hardware purchases are scrutinized more than ever before. Many times, they're put off—sometimes indefinitely. It's not difficult to understand why. Hardware purchases represent a major commitment, and SMBs can ill-afford to have precious capital tied up in hardware with a clock rapidly ticking toward obsolescence. When to buy hardware can be a crippling decision—is the next big thing only a week away? A month? What's the right time to pull the trigger?

These are some of the problems solved by hardware as a service (HaaS). It fills a natural need in an obvious way, and replaces the one-time transaction—one that's become more and more difficult to instigate—with a long-term relationship between client and vendor.

For companies that struggle to pay the cost of hardware upfront, HaaS can be a literal lifesaver.

DEFINING HAAS

The appearance of HaaS is the result of a variety of factors: Building hardware has become easier for manufacturers thanks to cheaper parts, simplified prototyping, and the opening of new channels for distribution. HaaS is attractive for buyers, now able to pay for the use of their desired hardware, rather than the hardware itself.

HaaS packages will typically include the hardware, of course, but also the compatible software, plus a standard maintenance plan—all for a monthly charge. Installation may be included as well under the terms of service. And because HaaS is structured like a service instead of a typical hardware sale, contracts may include a service-level agreement (SLA).

Channel sales leaders take note: The industry is seeing especially strong growth of HaaS in the retail, healthcare, and hospitality industries, among others.

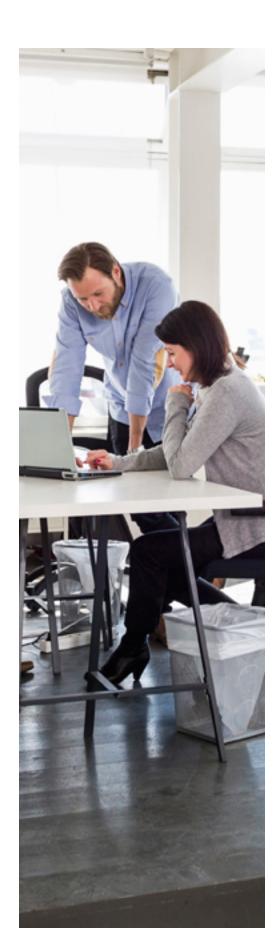## FOUR WAYS THAT END CUSTOMERS BENEFIT FROM HAAS

Cost reduction: Reduced capital expenditure is one of the key drivers for HaaS adoption. With lower hardware costs, companies are able to dedicate more of their available capital for IT architecture and other important functions. With service included in the contract, there's the additional benefit of cost certainty. It's very much a what-you-see-is-what-you-get arrangement.

Utility service: Speaking of service, HaaS helps eliminate uncertainties around the maintenance and performance of the provided hardware. Equipment and services are both included in the service-level agreements signed between the provider and the client. There's less pressure than ever on customers to achieve expert-level knowledge on the maintenance front.

Flexibility and scalability: "If one's not enough, maybe two will do." HaaS enables an enterprise to scale its service package up or down, depending on the changing needs of the business. Components can be added or subtracted as necessary—in contrast to the problems you're likely to encounter when purchasing equipment outright.

Automation and updates: One of the driving factors for the adoption of HaaS is the assurance of regular updates with the latest hardware solutions—which in turn promises regular improvements in performance without additional capital investments.

HOW CHANNEL PARTNERS WILL BENEFIT

HAAS IS CHANGING THE GAME—FOR THE BETTER

Like SaaS, HaaS heralds a fundamental change in the relationship between the vendor and the customer. The old model of the one-time sales transaction is typically clean and neat, but it doesn't guarantee future sales, even when the product and service are perfectly presented and executed. With HaaS, hardware becomes yet another tie that binds—in a long-term relationship that grows over time.

HOW CHANNEL BENEFITS RIGHT NOW

HaaS is also an easier sale to make to cost-conscious customers, because of the lower upfront expense. Warranties are no longer an issue, and the assurance of service (combined with that lower cost) makes it much easier for companies to take the leap and adopt new technologies.
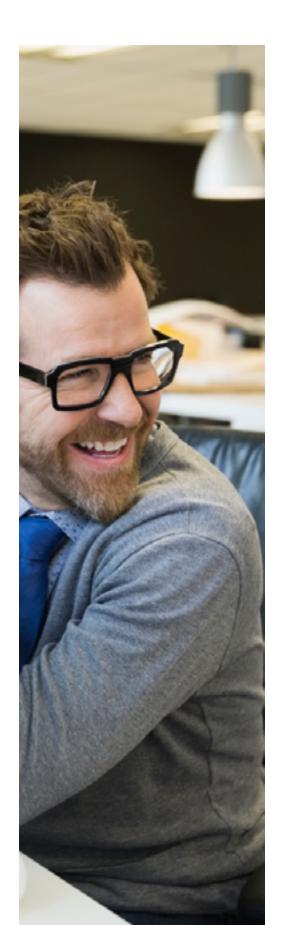
So sales are easier. They're also more regular with HaaS, with contracts that guarantee recurring revenue for channel partners. It's easier to forecast, and easier to budget, and repeat sales aren't just a pretty good bet—they're part of the package.

HOW CHANNEL BENEFITS OVER TIME

That brings us to relationships. HaaS gives channel partners the opportunity to create them and build them over time, which can often drive additional sales. The more chances you have to show a customer what you're made of, the better. Partners can also see improvements in margins by bundling hardware, software, maintenance, and installation.

Finally, the solid, dependable service provided by channel partners will offer some protection against the ongoing commoditization of hardware, because pricing is determined by the customer's perceived value of the service, rather than the cost or perceived value of the hardware itself—which tends to diminish over time.

CARBONITE

DATA STORAGE, DATA PROTECTION, AND HAAS

DATA STORAGE GROWTH IS DRIVING THE GROWTH OF HAAS

The exponential growth of enterprise data is well documented. The digital revolution isn't over—in fact, if we think of it in terms of the sheer amounts of data that'll be produced in the coming years, that revolution has only just begun.

The total amount of digital data in the universe is currently said to be doubling every two years. Understandably, the exploding need for data storage applications and hardware is also expected to drive the growth of the HaaS market.

Enterprise network security is another area presenting challenges that HaaS can help with. Both hardware and software components often require regular upgrades and updates, creating headaches for SMBs—and sales opportunities for channel partners.

When you're crafting solutions for the customers who trust you with their livelihoods, it's essential to work with a vendor that can offer both data protection and integrity.

HOW TO CAPITALIZE WITH CARBONITE

EVAULT AND E2 PROVIDE UNIQUELY POWERFUL BACKUP

Carbonite is well known for SaaS backup solutions and a channel-first sales strategy. The acquisition of EVault and the introduction of E2 mean that Carbonite now has a powerful HaaS offering for channel partners as well.

Hybrid backup creates a more powerful and more dependable solution for end customers. These additions boast better security, lower capital investment, faster updates, and greater scalability—in other words, everything a growing business should be looking for in a backup solution.

A hybrid solution offers redundancy as a failsafe, but that's not all. Carbonite's hybrid backup plans offer a faster way to get your customer back up and running in the event of a data disaster. High-performance on-site hardware means less time spent restoring data, and more time spent generating value.

CARBONITE

CARBONITE HAAS: A HOST OF NEW OPPORTUNITIES

The addition of HaaS to the Carbonite product portfolio expands the offering in all sorts of attractive ways. Consider that Carbonite has now enabled its channel partners to include any and all of the following benefits in customer discussions:

· Cloud-based management via web portal

· VMware backup (at hypervisor level)

· Microsoft SQL Server, Exchange, SharePoint granular backup/restore

· Forever incrementals

· Seeding of initial backups

· Courier recovery

· Hyper-V backup

· Cloud failover

For owners of small to midsize businesses, there's a lot to love about Carbonite HaaS. For seasoned IT pros searching for a solid backup and recovery solution, there's even more. Carbonite HaaS provides customization and easy deployment and management, and offers more capabilities and more advanced features than have ever been available until now.

[1]Source: http://www.computerweekly.com/news/450280991/IDC-research-predicts-gradual-decline-in-on-premise-hardware-spend-as-cloud-adoption-rises

[2]Source: Gartner Worldwide IT Spending Forecast http://www.gartner.com/newsroom/id/3186517