



# How to Find the Right Cloud Distribution Partner



## Cloud Mania

The technology landscape in the IT channel is changing. According to Gartner, more than \$1 trillion in spending will directly or indirectly shift to cloud over the next 5 years.

By removing the hassle of hosting and presenting a recurring-revenue opportunity, cloud services are enabling IT solution providers to gain predictable, monthly recurring revenue while ensuring their customers have access to the latest and most secure solutions at no additional cost. It's a win-win.

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Cloud is the most disruptive force of IT spending since the early days of the digital age.

– Gartner

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Salivating over this opportunity, many legacy technology distributors are implementing half-hearted efforts to rake in the lion's share of that shifting revenue.

Unfortunately, many of these distributors aren't offering the comprehensive platforms, programs, and tools required to help solution providers like you profitably grow a cloud services practice.

Don't fall victim to splashy marketing materials that lead to outdated, broken, and frustrating cloud distribution programs that could hinder your efforts to take to the skies. Read on to discover what to look for when selecting a viable cloud services distribution partner.

# Welcome to Distribution Village

As you can see, not all distributors are created equal. Some may look appealing from a distance, but once you get up close and personal, the outdated programs and overwhelming smell of mothballs sour the experience.

## Residents of Distribution Village:

### 1. Old School

This type of distributor has been around since the dawn of technology distribution. They boast decades of experience, but red tape and office politics prevent them from staying at the forefront of technological advancements.

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More than \$1 trillion in spending will directly or indirectly shift to cloud over the next 5 years.

– Gartner

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### 2. Tiny House

While a bit cramped when it comes to the number of solutions it can offer, you'll often find that this type of distributor will go the extra mile to ensure your satisfaction. However, they lack the expertise and scale to help you be strategic when building your cloud business.

### 3. Fixer Upper

This type of distributor might offer the cloud solutions you want at a competitive rate, but you won't find any creature comforts—like a robust partner program, management platform, or an on-demand sales and marketing team—here. It's just bare-bones solutions.

### 4. Empty Lot

With the advent of the Internet and cloud-based solutions, just about anyone can prop up an e-commerce website and start marketing themselves as a cloud software distributor. This type of distributor often doesn't even list a physical location because the company consists of just one person working out of his/her backyard. They are famous for linking their website to multiple cloud vendors without even ensuring the vendor's credibility.

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Enterprise IT cloud infrastructure spending will rise by almost 19 percent to 37.2 percent in 2016, as spending and non-cloud environments decline.

– IDC

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### 5. Smart House

This type of distributor was born in the cloud. They're not just selling cloud-based solutions. They're using them to drive efficiency within their own organizations. Best of all, they're always vetting cloud vendors, formulating winning bundles, and adding innovative solutions to their line card. This house is intimately integrated with their cloud vendor partners to ensure fast and smooth automated provisioning for solution providers.

## Legacy vs. Born-in-the-Cloud Distributors

The trouble with established, legacy distributors is that they're not really setup to help you thrive with cloud.

The majority of legacy business doesn't come from the cloud. In fact, for many traditional technology distributors, cloud sales actually cannibalize their existing revenue streams.

Legacy distributors often live a double life, touting their ability to provide end-to-end cloud solutions while secretly sabotaging those efforts to protect traditional hardware and software sales.

Where legacy distributors fail you in the cloud:

### 1. Billing

Managing and billing for cloud services can be complicated. Without a centralized dashboard from which to manage it all, and tight integration with your internal accounting system, you could end up with an administrative nightmare on your hands.

### 2. Quote-to-Cash Support

While many traditional distributors offer cloud products, they don't offer comprehensive quote-to-cash tools to simplify your side of the equation.

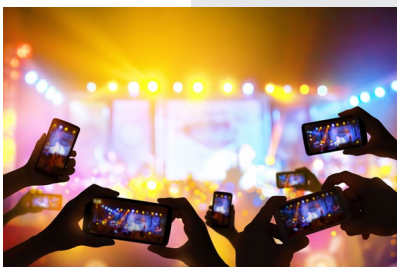
### 3. Pick-Pack-and-Ship Mindset

As technology continues to move to the cloud, traditional distributors are struggling to keep up. Most of the programs and services they offer were built around a pick-pack-and-ship model, and they don't offer the expediency or flexibility of the cloud, thereby depriving you of game-changing cloud benefits.



### VHS Tape Vs. Streaming

Working with a traditional distributor that hasn't adequately invested in building a cloud program is like watching your favorite movie on VHS when a streaming service is available. Sure, you could do that, but why would you want to?





The value your cloud distributor should provide:

### 1. Supersonic Sales Support

When you have complicated questions or need a demo of a product, a dedicated team of cloud solution advisors should be armed and ready to address those burning issues. We're not talking about generalists dedicated to 150+ products, we're talking about dedicated experts who know the products you sell inside and out.

### 2. Marketing Firepower

Positioning cloud services to big new clients isn't always easy. Your cloud distribution partner not only helps you offer enterprise-grade solutions, but they also help you take advantage of special, vendor-provided Marketing Development Funds (MDF) that you can use to bolster your business.

### 3. Combat-Ready Cloud Solutions

If you ever feel like your cloud distributor is serving you last year's leftovers, it might be time to look for a new wingman in the cloud. The top cloud distributors never stop researching, testing, innovating, and adding the latest and greatest solutions available to their line cards.

### 4. Mach Ten Margins

Big-name vendors might have more history, but if your margins with them are razor-thin, fact is, you'll be struggling to beef up your bottom line. Look for a cloud distribution partner that offers margin-rich alternatives to traditional category leaders.

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The value you've come to expect as an IT solution provider shouldn't stop just because services have moved to the cloud.

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## Transition to the Cloud the Painless Way

Most industry research companies like Gartner and IDC predict massive cloud services growth.

You know it's a growth area and so do most distributors. But if the cloud is new to your business model, you'll want to choose a distributor that will help you through the transition.

Unfortunately, many distributors offer only minimal assistance in helping you transition to the cloud, even though they stand to gain a nice chunk of revenue as a result of your purchase.

A value-added distributor, on the other hand, helps you transition to the cloud and beyond. The value you've come to expect as an IT solution provider shouldn't stop just because services have moved to the cloud. A value-added cloud distributor has resources, programs, and tools in place to give you holistic cloud support.

## 5 Reasons You Should Be Offering Cloud Services

### 1. Faster Onboarding

When solutions live in the cloud, implementing them can be quick and easy, giving you a faster time to revenue and your customers a faster time to value.

### 2. Recurring Revenue

Capturing ongoing monthly revenue provides you, as an MSP, with more financial stability while also eliminating high, up-front expenditures for your clients.

### 3. Greater Flexibility

With remote and work-from-home positions on the rise, an increasing number of companies will require solutions that empower their team members to work from anywhere.

### 4. Improved Security

Subscribing to a cloud service rather than buying a one-time software SKU outright ensures your clients will have access to the latest and greatest updates, patches, and features designed to keep their sensitive information safe and secure.

### 5. Less Hassle

If you've adopted a recurring revenue business model and are making double-digit margins—without the need to maintain costly servers at your office—and your customer is receiving more value, everyone wins.

## The Benefits of a Solution Selling Mind-Set

As a solution provider, you use technology to solve problems. Instead of selling individual products or services, you sell solutions to problems. Your technology distributor should take the same approach.

For instance, instead of arbitrarily pushing you toward the anti-virus solution with the biggest SPIF this month, your technology distribution partner should take the time to understand what you need to be successful, and propose a solution that will integrate seamlessly with your existing platforms and services.

## A More Profitable Approach to Delivering Cloud Services

At Pax8, we believe in supporting our clients along each part of their journey into the cloud. From finding the best solutions for their business model to helping solution providers position new services to clients, we are the leaders in business enablement. We will deliver the best cloud products and help you close the deal because we are your cloud wingman, ensuring solution providers make it to the cloud with flying colors.

As a solution provider, you use technology to solve problems. Instead of selling individual products or services, you sell solutions to problems.

But don't take our word for it, look at what our customers say about us:

*"While other legacy distributors have a cloud marketplace, none that we've seen are as mature and well thought-out as what Pax8 offers. Legacy distributors are getting even more difficult to deal with, and their billing is a hassle. We don't have those same challenges with Pax8. Their marketplace is intuitive, and it is much easier to use. Pax8 made moving to a recurring revenue model as simple as possible."*

– Seth Edvalson, CEO at IntegriNet Solutions

IntegriNet Solutions, Inc.

*"With Pax8, I can confidently sell cloud products and solutions to my clients. When I have a problem, I can call Pax8 and they help me resolve the issue—no matter how big or small."*

– Chris McAree, CEO at LeafTech Consulting



*"MoltenWare's partnership with Pax8 has allowed us to help clients get into reliable computing solutions while expanding our Software as a Service catalog and IT services organization's reach. Pax8's great staff and quality product line up is top shelf!"*

– Pete Deichmann, COO and Systems Engineer at MoltenWare

MOLTENWARE

*"I love working with Pax8 as they are knowledgeable, quick to respond and have a detailed understanding of the cloud solutions from Symantec and other vendors. They are also very nimble and can accommodate requests around changing a process. At the end of the day, we need a distributor that provides expertise and is easy to do business with, and Pax8 delivers."*

– Matthew McDonald, Licensing Solutions Professional at SoftwareONE

softwareONE

*"Pax8 has been instrumental in helping us leverage best of breed cloud solutions, including introducing us to ProfitBricks, the IaaS provider we were looking for. The platform performs very well, it is easy to use, and it is cost effective. They are an A player across so many areas."*

– Jon Smith, CEO at Outer Safe



## Designed to Help You Thrive

We don't just want to help you survive the transition to the cloud, we want to help your business thrive in the cloud. Every aspect of the Pax8 programs, services, and support is created to help you achieve success in the cloud.

When you partner with Pax8, you can count on a best-in-class technology marketplace, Cloud Wingman Marketing On-Demand Program, and easy-to-use unified solutions center.

## Why Partnering with a Cloud Expert is a No-Brainer

Though an experienced distribution partner can make transitioning to the cloud quick and painless, there will still be challenges along the way.

A truly dedicated partner will anticipate those challenges and create resources like these to help you avoid turbulence as you journey into the cloud:



### 1. Cost-Management Assistance

Moving to the cloud shouldn't injure your margins. Expert cloud distributors offer a number of different solutions to help you stay in control of your own financial destiny as you gain steam in the cloud.

At Pax8, we intentionally seek out the most effective and margin-rich cloud solutions in every category. This means we carry big names you've heard of alongside less prominent brands that perform well and deliver you greater margins.

### 2. Accurate Billing

With so many moving pieces surrounding cloud billing, it's of the utmost importance that you choose a distribution partner that's developed an iron-clad process for managing cloud billing. This shouldn't all fall to you to aggregate.

At Pax8, we've built a high-performing cloud management platform, called the Command Console, that makes delivering and billing for cloud services a breeze.

### 3. Automated Provisioning

Can you imagine waiting a week for the next movie in your Netflix queue to play? That would be crazy. It is also crazy to have to wait weeks to provision cloud services. Before you purchase cloud services from a distributor, ask how long they take to provision.

At Pax8, the entire provisioning process is made quick, easy, and painless via our automated platform. As soon as services are purchased, they can be rendered.



#### 4. Economy of Scale

If you have to jump through flaming hoops to increase (or decrease) the number of cloud licenses attached to your account, you're with the wrong distributor.

At Pax8, we understand that businesses expand and contract in real-time, and we empower you to painlessly right-size your services to better meet your customers' needs.

#### 5. 24/7 Support

If your cloud distribution partner doesn't offer around-the-clock support, you could find yourself in sticky situations without any reinforcements. You deserve better. At Pax8, we know that emergencies happen, and we commit to delivering the 24/7 support you need to confidently deliver cloud services.

We don't just want to help you survive the transition to the cloud, we want to help your business thrive in the cloud.

#### 6. Try Before You Buy

Can you imagine selling something you'd never tried out? An alarming number of technology distributors do this. To ensure the most robust line card, they'll offer a plethora of solutions without thoroughly stress testing the products to see if they're even a good fit for customers.

At Pax8, we believe in curating the cloud. Instead of offering everything under the sun, we offer a robust list of solutions across multiple categories that we've tried, like, and believe will benefit your business. What's more, we give you the opportunity to try our solutions before you buy them, so you'll always know exactly what you're getting.

#### 7. Cloud Sales Incentive Program

Perks are nice, especially when they add dollars to your bottom line. If you're sending a large volume of cloud business through your distributor, shouldn't you get some kickbacks? We think so.

At Pax8, the more you create bundled cloud solutions for your customers, the more opportunities you'll have to unlock higher margins on certain products and services and receive additional sales and marketing support from our team.

#### 8. API Integration

If your cloud distribution partner doesn't offer a quote-to-cash management tool that integrates with every cloud solution they provide, it might be time to look for another partner.

At Pax8, we partner with every vendor we sell to ensure API integration between their solutions and our Command Console management platform. Our vendor relationships are so strong that many of our partners reach out to us prior to launching new products to ensure they'll seamlessly integrate with our platform, thereby enabling you to automate the quote-to-cash management of those licenses.

## 9. Monthly Recurring Revenue

Building healthy recurring-revenue streams shouldn't be all on your shoulders. By their very nature, cloud solutions are designed to help you capture monthly recurring revenue. But selling and billing recurring services you've never offered before can be complicated.

At Pax8, we understand that building recurring revenue with products you've never sold before can be scary. That's why we're always ready to jump in to help you demo a product to a prospective customer, build a custom solution, or show you how to use the latest and greatest features in the Pax8 Command Console.

## 10. No-Hassle Contracts

Getting locked into long-term contracts with a vendor you've never offered before is risky business. At Pax8, we make contracts hassle-free. We'll never ask you to commit to a multi-year licensing agreement. Just buy what you want, when you want it; and if you no longer want it, painlessly cancel the service. It's that easy.

# A Partnership You Can Bank On

Whether you've started offering cloud services or not, you undoubtedly have discovered that finding success in the cloud requires a different set of tools than you've used in the past, and it's no secret that billing for cloud services can be a nightmare.

Without a cloud wingman you can bank on, entering the cloud could cause you more headaches than it's worth. If you want to grow a profitable cloud services practice that's easy to run, partner with Pax8.

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"Pax8 is an all-around great partner to work with. Their marketplace is easy to use, they offer great pricing, and I get great support."

– Ginny Reed  
President at PC Innovations

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Unlike traditional distributors, every program and service we offer is designed to make offering cloud services profitable and easy to manage.

We offer you a curated selection of top-notch vendors, a platform to manage the entire quote-to-cash process, and a friendly team of cloud solution advisors (available 24/7) to help you quickly resolve any issues that arise.

The cloud is our domain expertise, and if you stick with us, you'll see your cloud business soar to new heights without losing any sleep.

## Dominate the Skies with Pax8 as Your Cloud Wingman

With Pax8, your opportunities to grow  
your cloud business are unlimited.

Contact our cloud solution advisors  
today to learn how you can take your  
cloud business to new heights.



## About Pax8

Pax8 is the leading value-added cloud distributor offering top cloud products and solutions to the IT channel. The company is driving the business transition to the cloud through its comprehensive enablement and technology. The Pax8 cloud marketplace provides efficient and intelligent cloud product configuration so service providers can easily create and customize bundled solutions for their customers. To fuel partners' success, Pax8 offers on-demand marketing programs, sales assistance and training, provisioning automation, and subscription billing. As the experts in cloud innovation, Pax8 is well-engineered to sell, assemble, and deliver quality cloud solutions to its worldwide channel of service providers.



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