

# Cloud Infrastructure Business Partner Opportunities

Jack Duffy

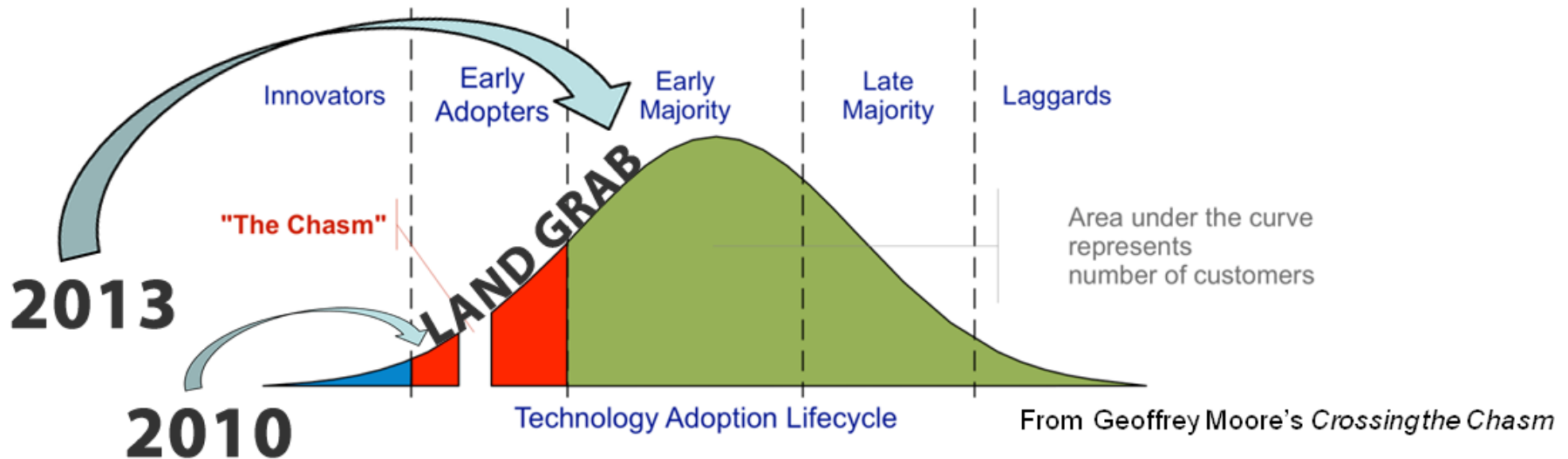
EVP, Sales & Business Development

## Topics

- 🔌 Cloud Market Adoption
- 🔌 Creating the Transformation of IT
- 🔌 Partnering Opportunities
- 🔌 VAR beware – not all IaaS channel structures work
- 🔌 Use case: How a GoGrid VAR makes money

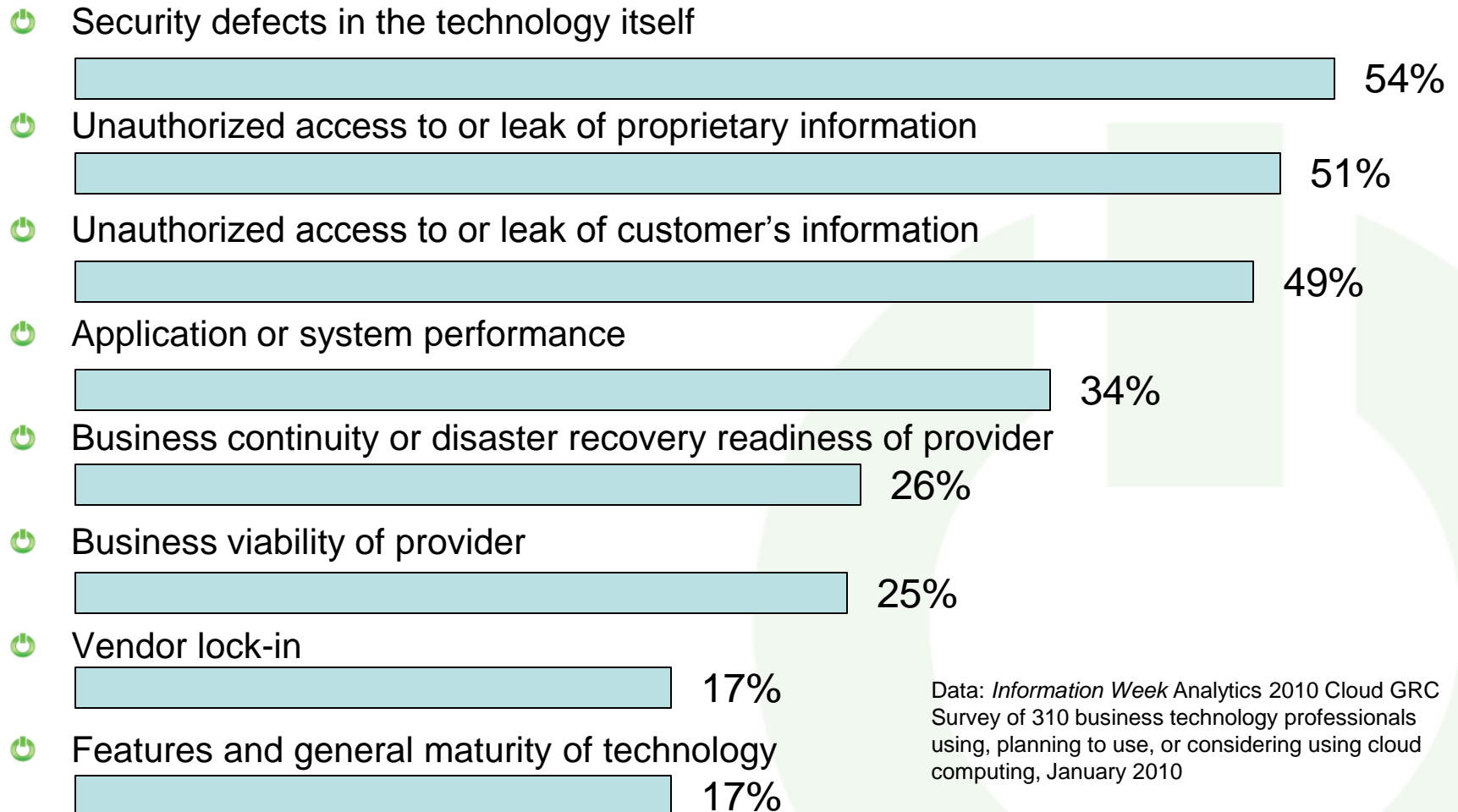


## Cloud Services Adoption



- 🔌 Gartner: “Cloud Services Market will reach \$150 Billion by 2013”
- 🔌 > 2 Million SMBs in North America – Challenge is to effectively scale – need to leverage the “trusted advisor”
- 🔌 Early adopter markets require significant value add
  - value add = higher margin

## Top Cloud Computing Concerns



Data: *Information Week Analytics 2010 Cloud GRC Survey of 310 business technology professionals using, planning to use, or considering using cloud computing, January 2010*

## GoGrid Considered a Visionary By Gartner

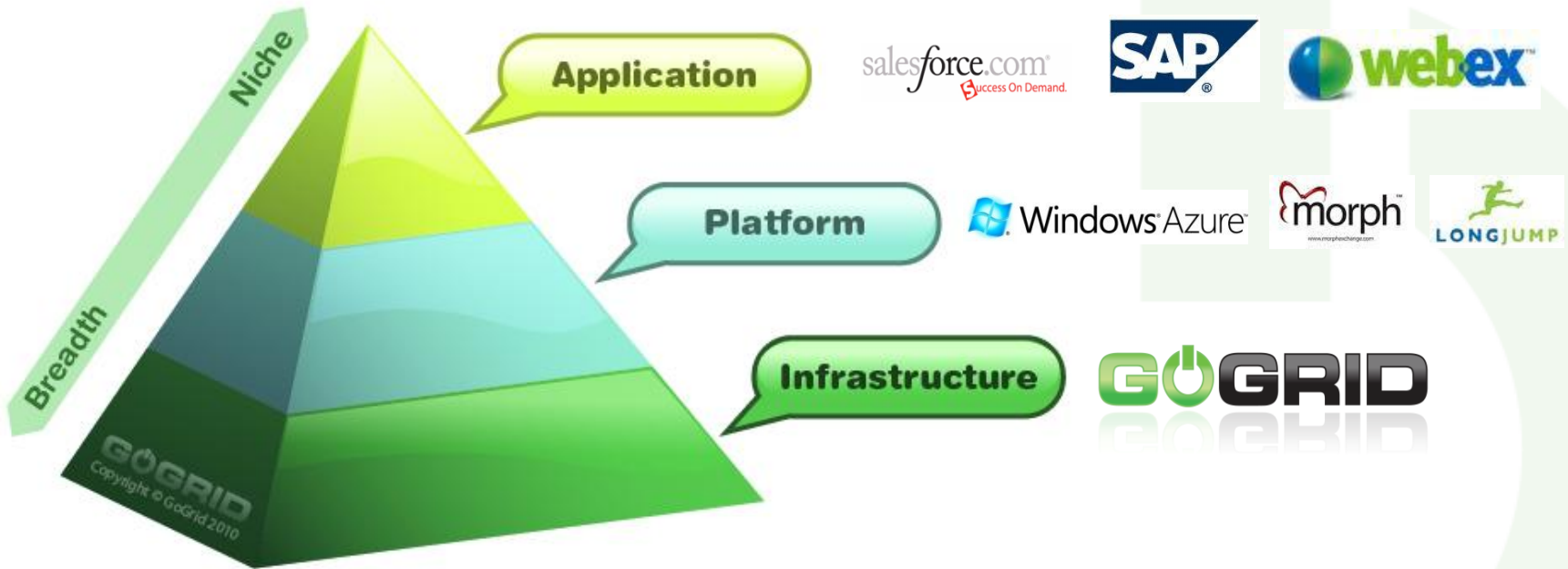
- Ⓞ Web Hosting market evolving rapidly
- Ⓞ Infrastructure Services Converging with Web Hosting
- Ⓞ GoGrid poised to Become Market Leader
- Ⓞ What Gartner has to say about GO Grid
  - ...prices are very competitive
  - 100% uptime service-level agreement
  - Highly responsive customer service
  - Hybrid Cloud offering
  - Clean , attractive , easy-to-use Web based user interface
  - Provisioning APIs supported by 3<sup>rd</sup> parties



As of June 2009

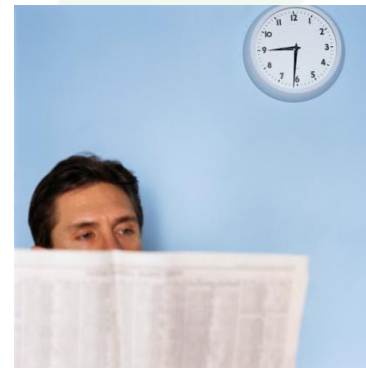
## The Cloud Pyramid

# The Cloud Pyramid



## What is driving the adoption of IaaS

- ⏻ Time to market
  - Quicker deployment
- ⏻ CAPEX vs OPEX
  - Rent vs own
- ⏻ Business Agility
  - Be up and running in minutes
- ⏻ Applications
  - Content
  - New Media
  - Development and Testing
  - Enterprise Class



## Snap Shot of GoGrid

- Providing IaaS since 1999
- Privately funded, Organically grown
- Employees: 150+
- Points of Presence:
  - San Francisco (HQ)
  - Virginia
  - Texas
  - New York
  - Germany
- 10,000+ Accounts



## What is GoGrid?

*Build any complex, multi-tier infrastructure quickly & easily!*

- 🔌 Public/Private Clouds & **Hybrid**
- 🔌 Cloud & Dedicated Servers
- 🔌 Windows & Linux Cloud Servers
- 🔌 FULL *root* or *Admin* access
- 🔌 Web-based Portal & API
- 🔌 Free f5 Load Balancing
- 🔌 Scalable Cloud Storage



*Cloud Fills Every Corner of IT*

## Conflicted VAR adoption

### ⚡ Challenges for VARs

- Early market – largely an uneducated customer
- Self Service Model
- Existing channel program in infancy and unproven

### ⚡ What Resellers Want

- Make Money
- Conflict Free Channel
- Lead- Pass programs
- Marketing & Enablement Programs
- Help in Building Cloud Practice



## GoGrid Partner Program

- ⦿ Designed to Enhance *Your* Business Model
- ⦿ No upfront investment required - with joint business plan
- ⦿ Up to 50% Margins for Business Partners
- ⦿ Co-Marketing Development Fund
- ⦿ Deal Registration Protection
- ⦿ Pre-Sales Technical Support
- ⦿ Tier 2 Post Sales Support
- ⦿ Assigned Relationship Manager
- ⦿ Pre-Qualified Lead Generation
- ⦿ Channel Model Promotes a “Conflict Free” Market Opportunity
- ⦿ Free Demo Account
- ⦿ No Revenue Commitment as We Build Business Together



# Competitive Programs

Program	Competitor #1	Competitor #2	GoGrid
Cost	<ul style="list-style-type: none"> <li>•Depends upon services consumed.</li> <li>•Difficult to manage cost and profit.</li> <li>•Creates market confusion.</li> </ul>	<ul style="list-style-type: none"> <li>•Depends upon services consumed.</li> <li>•Customer charged for all services individually.</li> <li>•Hard to manage costs</li> </ul>	<ul style="list-style-type: none"> <li>•Flat, predictable cost structure.</li> <li>•Easy server bundles.</li> <li>•Load Balancing, CPU, RAM, storage delivered as 1 service.</li> </ul>
Partner Discount	4% based on \$2500/mo	Up to 25% Based on \$10k/mo. Volume	Up to 50% with no Volume Commitment
MDF	2% of sales plus 2% match	No formal program	50% of Approved Expense regardless of sales
Revenue Commitment	\$1k-3k/month	Yes	None first year
Deal registration	None	None	Yes

## GoGrid Partners Driving Success!

- Partners enable our Customers to do MORE NOW!
- GoGrid provides raw datacenter infrastructure in the Cloud...Partners make it even Better!
- Partner Exchange – Exchange.GoGrid.Com



## Actual Reseller quote

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- ⦿ “You get 30 points for reselling something,” he said. “You can’t get that reselling hardware. The cloud is a high-margin product.” ...

## IT VAR Revenue Opportunity

- ⦿ Monthly Reoccurring Revenue (MRR)
  - Ongoing predictable revenue stream
  - No physical inventory hassles
  - Customer gets similar experience to owning
  - Customer “Entangled” to *Your* Services
- ⦿ MRR Means \$\$ to Your Bottom Line
  - \$15k MRR Nets \$7.5k\* Profit to VAR
  - \$7.5k = Profit Equivalent of a \$100k Server Sale (@7.5% GP)
  - Annualized That’s Like Selling \$1.2 Million in Equipment Sales!

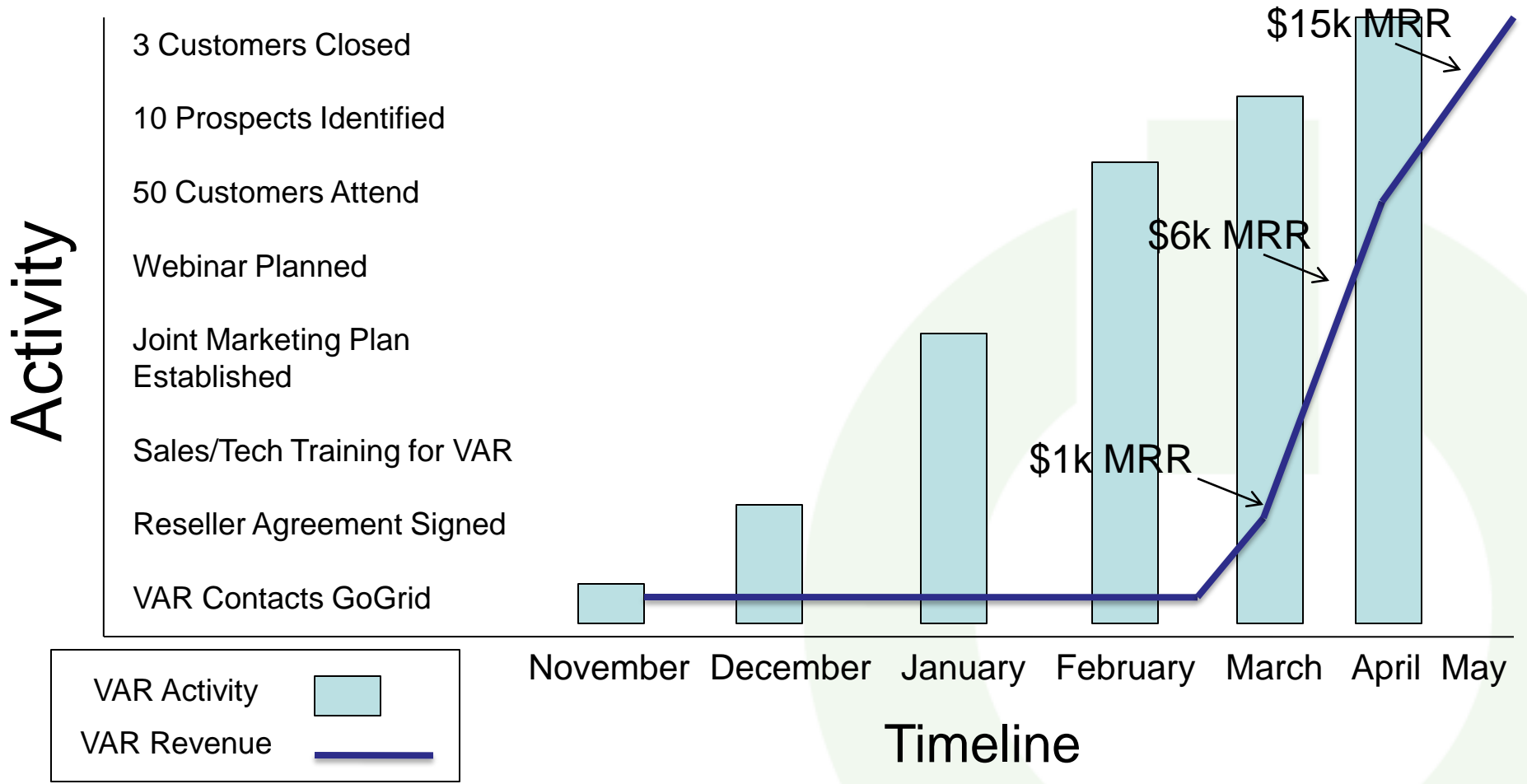


\* Based on pay as you go plan

## How to Start the Transition to IaaS

- 🔌 Identify Customers that May Benefit from a Cloud Infrastructure.
  - Needs to deploy an application within 5 minutes
  - Additional servers needed for short term deployment
  - Needs to spin up/down servers based on peak traffic periods
  - Has applications that can be hosted offsite to free up network
- 🔌 Have Customers Trial GoGrid as Proof of Concept
  - Provide a 15 day free account
  - Assist in provisioning servers
- 🔌 Migrate Applications to Cloud
  - Set timetable for migration deployments
  - Measure cost savings and performance differences to CAPEX

## IT VAR Case Study-

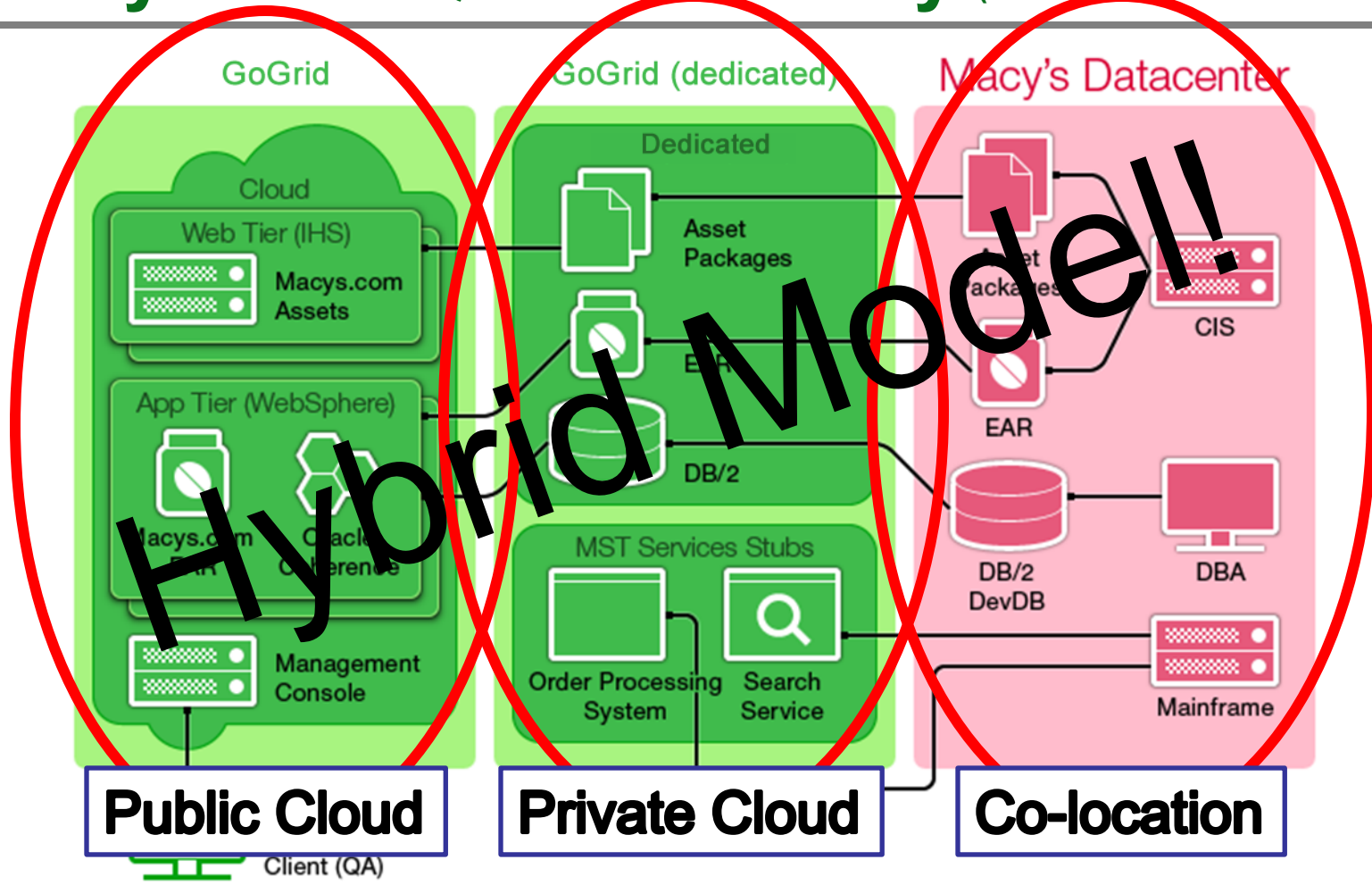


## Macys.com QA Case Study

- ⦿ Built by GoGrid partner Grid Dynamics
- ⦿ QA infrastructure for Macys.com content updates
- ⦿ Hybrid solution:
  - Colocated Macy's security hardware
  - Private Internet connection back to Macys datacenter
  - Private backend connection between colocated H/W and GoGrid
  - GoGrid Public IPs disabled for effective private cloud



# Macys.com QA Case Study (continued)



## Summary

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- 🔌 Market Opportunity in \$150 Billion market
- 🔌 Early adopters will Benefit
- 🔌 Cloud Infrastructure the Sweet Spot for IT VARs
- 🔌 Only viable Hybrid Hosted solution
- 🔌 Align Yourself with a Partner That Compliments *Your* Business Model
- 🔌 Let's Help Each Other Succeed Together
- 🔌 Try The GoGrid Service for Yourself
- 🔌 Call Us to Start Today

## Try US and See for Yourself

- 🔌 Use the Cloud now!
- 🔌 Trial GoGrid for free.

**\$100** Coupon  
code → CPlngram

## Contact Information

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### 🔌 Corporate:

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- Blog: <http://blog.GoGrid.com>
- Wiki: <http://wiki.GoGrid.com>
- Twitter: <http://twitter.com/GoGrid>

