

**Electronic book**

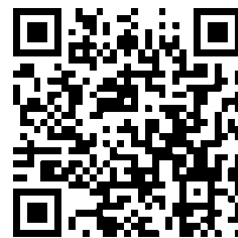
**Cloud Business  
Transformation**

# Cloud Business Transformation

## How to Get the Most Out of the Cloud

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## Introduction

We recently started teaching a "Cloud Business Transformation" Workshop, where we talked about how companies should change their strategies, marketing and sales to get the most out of the Cloud.

The workshop is taught by my partner and I followed, as a listener, the first two. In one of them I was impressed with the amount of notes that the participant made. I believed he would reproduce the workshop within his company, given the detail of the notes.

At the end of the workshop he came to me, exhausted from so much writing, and asked if he could participate again in an upcoming workshop. He told me that the company had already migrated part of the solutions to the Cloud and that they were having a very hard time in the new marketing and sales. He said that the workshop had not only shown him several "cake recipes" that he had never thought of, but that over the course of the day, the workshop had sparked a huge host of new ideas. Hence the intense "paper" record.

I then decided to transform the content of the workshop into a series of eight articles that now constitute this ebook that will also be distributed to the workshop participants.

I hope the content is useful to you and your business and as fruitful as it has been for the participants of the "Cloud Business Transformation" workshop.

Dagoberto Hajjar - CEO  
ADVANCE Consulting

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## Cloud Intelligence

### *The 3 levels of maturity of cloud offerings*

I had the great fortune to meet Peter Weill, author of several books and professor at MIT. He was alone in the cafeteria eating a "sandwich." I asked to sit at his desk, introduced myself and asked "what will the future of technology look like?" He gave a big laugh and said that he would love to talk for 3 days, but that he would have to summarize in 15 minutes. He took my notebook and drew a triangle, then divided it into 3 levels.

At the **first level** we have the basic **technological infrastructure** of companies such as computers, servers, printers, network equipment, database, intranet, Internet and security.

In the **second level** we have transactional **systems**, such as order processing (billing), inventory control, bank withdrawals, generation of statements, accounts receivable and accounts payable.

The **third level** is the **intelligent layer of IT** and subdivided into "**Information**" and "**Strategic**". This is the level that will effectively differentiate the success of companies. At this level customers seek better information to make decisions, better quality of products and services offered to the market, better integration between the links of the value chain, increased sales, better positioning in the market (market share) and, of course, **competitive advantages**. They are systems such as Information Cockpit, BI (Business Intelligence), EIS (Executive Information System), BSC (Balanced Scorecard), support and control systems of strategic planning, strategic systems that monitor the internal and external indicators of the company, and systems of direct impact on the core business, for example, an intelligent credit approval system for financial entities or a logistics system to increase the efficiency of the value chain and the profitability of the production line of an industry.

The **first level** is moving from "on premises" to cloud (IaaS - Infrastructure as a Service). At the **second level**, the cloud has enabled the development and commercialization of a multitude of "apps" that can be accessed on multiple devices. The **level of information**, because of the cloud, gained access to a multitude of data to be analyzed, with the possibility of using artificial intelligence and making predictive analysis. At the **strategic level**, the cloud has enabled the creation of new businesses like Uber, Waze, Netflix where technology is the enabler of the business.

Going from the **first** to the **third** level we have a lot of changes for who is selling IT. The higher the level, the higher the profit margin of the offers. The first level focuses on the product and the customer cares a lot about the features, price and comparison with competition. At the third level the focus is on service and service, and the customer is concerned with efficiency and competitive advantage.

At the **first** level, surely the interlocutor is the purchasing area seeking efficiency for the demanding area. At the **second** level the interlocutor can be the IT or business area, and seeking contributions to the business units. At the **third** level the interlocutor is surely the business area and is seeking contributions to organizational issues.

The cloud today has more than 100 services to consume. In the **first** level we have services of Compute, Storage, Business Applications, End User Computing, Database, Developer Tools, Identity & Compliance (Governance), Migration & Transfer, and Security. In the **second** level we have the workloads and support of the environment and applications of the clients. At the **information** level we have managed services, cost management, and adherence to security and governance best practices. At the **strategic** level we have IoT (Internet of Things) and Machine Learning.

As Peter Weill told me, "I drew in a pyramid because you can't have the third level without having the bases of the first and second level."

**The reseller who wants to make money with cloud, can not stop at the first level, where the margins are very low.**

## How to earn more in the cloud

### *The 5 levels of services that can be offered in the cloud*

I recently had access to a Forrester study that stratified 5 levels of cloud offerings and the margins associated with each of the levels, in the third year of operation, that is, past the investment phase to create and publicize the service in the market.

**Level 1 - Resale of consumption and business support services, with** consumption with billing, reserved and spot instance services and business support, giving margins of 7 to 10%.

**Level 2 - Sale of complementary third-party applications,** including security monitoring, alarms, cost management, adherence to security and governance best practices, visualization applications, and data analysis. Typically, third-party applications are packaged within managed service offerings. Here the margin already rises to 20%.

**Level 3 - Professional services** including planning, design, architectural construction and migration. Margin of 45%.

**Level 4 - Managed services,** including support, operation, and optimization. Margin of 57%

**Level 5 - Sale of value-added intellectual property,** including partner intellectual property, using proprietary software development and engineering capability to deliver specific software applications to business verticals or horizontals. 80% margin. Most software development companies are at a margin well below 80% because they have very high cost structures and outdated infrastructure. The reseller or integrator, which starts to offer cloud solutions, in this one at level 5, has a HUGE revenue possibility that the company would not even think of in the traditional world. The reseller or integrator can encapsulate a cloud service and offer it to the market as their intellectual property.

I will give the example of a resale that serves a large number of institutions of the judiciary (courts). The reseller discovered an AWS service called Transcribe that transcribes, with high fidelity, the audio into text. The dealer began to offer the courts to collect the files with the recordings of the sessions with the judges and return, in a matter of seconds, in text format. The reseller created an "interface" and some reports to get more cute and have your logo. The solution was a huge success. After a few months the reseller began to offer the same solution to schools and universities, transforming the audio of the class into text.

I'll give the example of another reseller that works with smart city projects. In the beginning they sold the cameras to the municipalities, over time they began to rent the cameras, and currently offer the service of rental and operation of the cameras. They discovered the AWS Rekognition service that interprets and recognizes elements in an image. They began to send the feed from the cameras and Rekognition began to recognize license plates doing something irregular and applying the appropriate fines. The same system is being used in some public institutions to recognize the face of the public servant and release access in security areas.

I will reinforce these two examples. They were infrastructure resellers, that is, they bought and sold technology equipment. This market had been year-on-year reducing margins and reducing growth. Resellers changed their business model by aggregating cloud offerings, which enabled recurring revenue. Resellers have developed, with very little effort, an intellectual property of great VALUE for their customers and have become a huge source of revenue that they did not even think of in the past.

AWS, for example, has more than 100 services that can be encapsulated and offered to customers as intellectual property.

**It's a huge world of possibilities!**

## How to migrate the customer to the cloud

### *The 7 Strategies for Migrating to the Cloud*

I'm from the time that microcomputers used DOS and had a text interface. All of a sudden, PCs started coming with Windows, and app developers had to run and migrate their products to the new platform. Some simply used the old version on Windows, the user found it horrible. From a system point of view, "Frankstein" did not use the benefits of Windows and still overloaded the system.

The Cloud came and the same thing happened. Some resellers thought it was just to take the server off the customer's site and move it to a datacenter sharing a more stable electrical power system and air conditioning. Another "Frankstein" that failed to take advantage of the many benefits of the cloud and probably had a higher cost.

In 2011, Gartner outlined the 5 different strategic R's for migrating applications to the cloud, which have been evolving and gaining different versions.

**Rehosting ("lift and shift")** - Move your on-premises applications to cloud environments without modification or change. This strategy involves minimal risk and effort. It can reduce infrastructure and operating costs depending on how it is done. After "already being in the cloud" is that, usually, the company focuses on optimization, modifications and changes.

**Relocate** - Move from one cloud provider to another. At first the reseller chooses the provider for the cost, but then realizes that this is a "shot in the foot" and passes to a cloud provider that can give possibility of additional revenue in services and intellectual property.

**Replatforming ("lift-tinker-and-shift")** - Move applications as is, with a small amount of improvements. In this strategy, few optimizations are made before migrating to the cloud, such as adding managed services or moving from traditional database to database as services, or migrating your application to a fully managed and elastic platform.

**Repurchasing** - Move to a cloud or SaaS application, for example, to a CRM salesforce.com or an HR application like Monday, or a Content Management Service (CMS) like Drupal or Wordpress.

**Refactoring or re-architecting** - Transform a traditional ("on-premises") application into a cloud-native application. It requires a complete overhaul of the "monolithic" application to adapt it to the cloud with a service-oriented architecture.

**Retire** - When you migrate a project to the cloud, you can identify redundant applications and close them to reduce costs. The economics will eventually improve the business case, direct your team's little attention to tools that people use, and decrease the surface area you must protect.

**Retain ("do nothing")** - Perhaps the solution is new or still in depreciation, or the company has invested heavily in on-premises solutions, or has specific applications that require high performance or need to comply with specific regulations. Or the company judges that its existing applications are working well.

The role of the new vendor is to understand the **strategies for migrating to the cloud** and offer the best alternatives so that the customer does not have a "Frankstein", but rather an **environment that can give the benefits of elasticities, integration, new applications, cost reduction and governance.**

## Traditional vs. Cloud

### *What changes in the sales process*

Yesterday I received a phone call from Figueira, saying: "My world was so easy. We showed the product, the customer liked it, bought it, paid it and I received the commission. It's that easy." Figueira was one of the best sellers we had of traditional infrastructure ("on premises") and was now in the phase of understanding and migrating to the Cloud. "It looks like I'm selling electricity bills," continued Figueira, "the client goes on using it and finds out how much they're going to pay just at the end of the month, and I also only find out my commission at the end of the month." Because it is Figueira, the world has changed, it may be that the electricity bill is forever and that the "transaction" with the customer has no end date ...

The seller now has to understand "consumption" and help the customer increase their monthly consumption, using new functionalities and applications.

The customer also had to buy differently. The government, in particular, has used the electricity bill model to create new ways to buy cloud services by creating **UST** (Technical Services Unit ) and **USN** (Cloud Services Unit). You buy a certain number of USN and UST and use it over a period of time. If using a junior resource it will cost 1 UST and a senior resource will cost 3 USTs, for example. Then, the customer has the flexibility to consume everything the vendor has put in the basket of offerings, from basic computing services and storage, to image recognition, IoT, geoprocessing, and machine learning applications.

Some resellers have created "**prepaid**" service packages so that the customer does not have a scare with the bill at the end of the month. It's a similar model to USTs and USNs.

As in the electricity bill the important thing is to monitor and "turn off" what is not being used. There are several tools that monitor usage and make recommendations for improvement, for example "you are underusing a virtual server, we recommend switching to a smaller one".

Figueira said he is confused "you said I have to increase the customer's consumption, but you said I have to help him reduce the bill ... What do I do?" You have to do both.

Today we use the inverted sales funnel model to make it clear that the fact that the customer signs a contract does not mean that he will consume the services. So, signing the contract means the beginning of the work for the seller or for Customer Success. The salesperson will have to know the customer very well and recommend solutions and applications, for example, the use of a database optimized to store texts or a database optimized to store images, or an application that turns text into spoken audio, or an application that connects to the ERP to pull all the data and generate analysis for decision making. There's a lot of cross-sell and up-sell to do.

The cloud has introduced several new concepts such as **CAC** (Customer Acquisition Cost), **MRR** (Monthly Recurring Revenue) and **LTV** (Lifetime value).

One of the instruments that was already well used in the past but has gained fundamental importance is the Account Plan where we will analyze, in depth the client, and define the strategies and actions to serve the customer in the cloud "increasing its intelligent consumption" and "reducing its costs". The smarter the use, the less revenue evasion (or churn) there will be.

In the last 8 years the areas of traditional hardware and software "on-premises" are growing below the market average. On the other hand, the areas of IaaS (infrastructure as a service) and SaaS (software as a service) are growing well above the market average.

**The transition of a company's business model is neither easy nor fast, but it has fantastic financial advantages...**

## Financial model in the cloud

### *Going from drop to drop*

Figueira is an excellent seller. You are always concerned with doing the best for your customers, and earning good sales commissions. At first, when we started talking about the cloud, he didn't understand the financial model. "If I sell an expensive product, I earn fat commission, but if I sell a cloud contract I get a single commission," Figueira said.

It took a few months for Figueira to understand that "that little commission" falls into his checking account every month. It was a "**little drop**" that was accumulating in a very interesting way. Each contract that Figueira closed meant a "**bigger drop**". After 10 contracts signed and consuming cloud, Figueira understood that the cloud represented a much better financial model than the traditional (on-premises).

In January Figueira called me "you don't believe it! We turned the year, my results meter zeroed and my sales goal increased, so I have a lot to sell for the meter to reach the goal. Now... The committee's drip continued... I'm getting rich..."

**That's the beauty of the recurring revenue model.** Let's imagine that Figueira closes a monthly consumption contract of \$10 in January, then the client will pay \$10 over 12 months, that is, the financial impact for the company will be \$120. Now let's imagine that in the same year, another client closes a \$10 monthly consumption contract in December, so the financial impact of this contract will be only \$10 in this first year of the contract. When the new year comes Figueira, without doing ABSOLUTELY anything, will already have 2 contracts with monthly consumption of \$ 10 each, generating a total financial impact of \$ 240!

For the company of Figueira after 3 or 4 years, the **pingadinhos** will be a **waterfall**.

What Figueira has to be aware of is to close the contracts as soon as possible in the year. A \$10 consumer contract can have an impact of \$120 or just \$10 in the first year.

Here Figueira will have to make an **analysis of his sales funnel** and apply the conversion rates, so to close 2 contracts in the year, he will have to issue 6 proposals, qualify 10 opportunities and prospect 20 leads, using the average conversion rates of the market.

The next step is to estimate the **average sales cycle**. For example, if Figueira takes 6 months from the initial approach to the signing of the contract, then if he starts working in January he will only close the first deal in June. This is a relevant fact for the first year where Figueira will have to build a pipeline from scratch.

The last step that Figueira will have to **define is the target market or customers where it will operate**. The cloud offering market, right now, is huge. It's like a lake with lots of fish. Surely you will catch something, but the important point is to think how to catch as many fish as possible?

We have to define a list of customers most likely to buy cloud AT THIS TIME, and your company. What does your company have that could attract or seduce customers? Do you have any areas of differentiation, technical knowledge or business knowledge? Do you have clients who are satisfied with your work and who could give testimonials or authorize the disclosure of success stories? Would you be able to use these customers to attract new customers?

Figueira, for example, has established its focus on the educational market. "I have studied everything about this market, we have customers from this market that I will use as a reference and thus the sale will be easier and faster."

**This is the point, sell faster and increase the financial impact of the sale!**



## A problem in search of a solution

### *New form of sales pitching*

In the old days, salespeople would visit customers and show them a list of products, letting the customer choose what made the most sense at that time. New sales methodologies came, showing that the salesperson should identify the pains, problems and needs of the customer and only then offer the products or services that could solve the customer's challenges.

To have a **problem** is to have too much of something bad, for example, risks, costs or threats. The client who has a problem seeks to relieve the pain with "painkillers." In some cases the pain of one area ends up contaminating other areas and can go up in the organization, creating a "pain path". I had a chef who said, "Wines get better with time, problems don't."

To have a **need** is to lack something good, for example, sales, capacity, differentiation or recognition. The customer who has a need seeks gains through "vitamins". Between a need and a pain, believe me, pain always takes priority.

Among the pains most cited by customers seeking the cloud are: age of the computer park, high maintenance cost, computational limit and potential security risks.

Among the needs are: elasticity or scalability, immediate hiring of new resources, cost reduction, business continuity, lower security risk, better governance, better integration between systems, new solutions (applications) and keep the focus on the business.

In the past, salespeople would ask the customer "what pains do you want to solve this year?" Often the client did not know that he had a certain pain or even knew about the pain but thought that there was no solution, so he stopped thinking about it.

Today the salesperson has to **tell a story** to the customer and see if the customer identifies with what is being told. It can be a **success story** where a client had a pain and you helped them solve it. It can be a **use case** where you present only ideas of how you could help the customer. The important point is that the customer thinks or says "um... I have a similar situation and need to know more about it..."

Here's my most important takeaway from selling CLOUD: **use case**. We are talking about a very new technology, with very varied possibilities. It's not just a matter of getting a server from the customer's home to the cloud, but rather what cloud applications you can offer the customer, stitching together a solution to their pains, problems, and needs. If you, the seller, want to sell a LOT, then you have to know everything that can be offered and create stories of how to use these technologies and have business benefits.

Among the **business** benefits are the viability of a strategy, risk and governance and measurable benefits such as cost reduction, reduction of rework and errors, reduction of delays and inefficiencies, increase of employee efficiency, possibility of increasing the number of customers, increase in quality, better competitiveness, reduction in the number of employees and increase in profit margin.

Figueira, who is an excellent salesman, has a strategy of approach to customers: every 15 days he chooses a technology, creates a story and calls his customers. Figueira has already talked about audio transcription system in text, image recognition, data analysis and detection of anomalies and fraud, image storage system, information backup, security and business continuity.

**Every 15 days Figueira identifies several new opportunities and increases the consumption of its customers...**

## Cloud team structure and compensation

### *How to create a high-performance team to deliver cloud*

Structure and remuneration - that is the big question. This is always the flea behind the ear of entrepreneurs... Do I have the most appropriate structure to serve customers? Am I paying professionals according to the market?

Let's start with the **structure** of a company that is building cloud competencies and offerings. What I've seen as best practices is to have a **separate structure to sell the traditional** (on-premises) and **another to sell cloud**. The traditional structure has to keep bringing in revenue at full speed. The new structure, a very different "mind set", will have other strategies and actions. The two structures will likely act on the same customer base, so the cloud structure will have to be positioned as an expert structure supporting the traditional sales structure. Most likely there will be joint visits and variable remuneration will have to be shared.

The cloud vendor will need a pre-sales, or technical resource, to support them with design, architecture, and security issues. I have seen that the SDR (Sales Development Representative) is also separate, working proactively seeking new customers and CLOUD opportunities using social media and phone calls. CS (Customer Success) is also separate, because it does the all-important job of using cross-sell and up-sell techniques to increase customer consumption. Salespeople, pre-sales, and post-sales use the technique of counting use cases so that the customer identifies themselves and wants new cloud components and solutions.

The area of marketing and demand generation is usually shared, as long as the marketing is directed to produce sales results. If you're still in the institutional marketing phase, then you're going to have to change.

Let's talk about **compensation**. Back in the old world the salesman sold a computer, the customer made the payment, and the salesman received the commission. Simple as that. Now in the new world, the model is similar to the electricity bill, the customer consumes and only knows how much he will pay at the end of the month, and it may be that the customer consumes zero for several months.

What I have seen that gives better results is to create a "**basket of indicators**" for the seller, including sales determined by products or customers, profitability indicator, number of new customers, conversion rates in the sales funnel, and retention rate (for customer success). Usually the indicators are quarterly.

One of the great ingenuities of the cloud compensation model was to change the variable to be **multiples of the salary**. If the seller reaches the indicators of his "basket" then he receives 1 additional salary as a variable. If you reach 80% of the results you receive 80% of an additional salary as a variable (decelerator) and if you reach 120% you receive 120% of an additional salary as a variable (accelerator). This greatly simplifies the accounts for the seller and the finance team.

**The variable is limited in time**. Example: The seller earns the variable for 11 months. In the twelfth month the account passes to Customer Success which receives the variable for another 11 months. The seller and CS will only receive an additional variable if they sell new projects to the customer, so the variable will be about the new projects. The limiter is fundamental to reduce labor risks of contracts without a defined term or with automatic renewal clauses.

The company that is on the "transformation journey to the cloud" needs to build competencies, winning the "**medals**" and "**titles**" of the supplier. You have to put together a plan establishing where you want to go, who will be certified and when, and have someone to control the execution of the plan, along with a strong retention policy to prevent your "medals" from being hired by other companies. I have seen many companies give incentives for professionals to certify faster.

**Well, the cloud requires new structure and compensation, but the gains pay off.**

## Centre of Excellence and PMO

### *How to gain scale in selling cloud services*

Yesterday I had an interesting meeting with a company that has been offering cloud services for about 2 years. The question was "how do I gain scale in the implementation of services, how do I do more with less, do it faster and maintain quality?"

There are two essential elements: the **CCoE** and the **PMO**.

The **Cloud Center of Excellence** is a concept that was introduced by Gartner several years ago. It establishes a multidisciplinary group that meets periodically to discuss the proposals and projects that have occurred and to create standards, procedures and a library of components that should be used in proposals and projects. With this the company will gain in scale and quality. Don't think it will be easy, there is a huge cultural resistance to sharing your knowledge and using the shared knowledge of others. The CCoE has to be the **GUARDIAN** and **PROMOTER** of the library, encouraging intense sharing.

The CCoE typically consists of a salesperson and pre-sales, cloud solutions architect, operations manager to discuss implementations, security and governance, financial manager to analyze prices and margins, HR manager to discuss resources, training and certifications, and marketing manager to discuss demand generation and opportunities.

Among the most frequent discussions in the CCoE are: efficiency of the sales and implementation process, with standardization and reuse of components, and use of tools, risk reduction (security and governance), improvements in demand generation and opportunities with marketing and sales, improvement in costs and margin, new products, services, packaging and ways of approaching the market, standardization, definition of processes and library of best practices. It is impossible to discuss all of this in a single meeting, so what CCoE does is set the agenda 1 week in advance so that everyone can seek information and materials for the meeting.

I have to see that the organization of information (or repository of best practices) is fundamental to the CCoE and growth of companies. So the very first mission of CCoE is to choose a platform or software that will be used, and define the structure of how the information will be stored and searched.

Perhaps CCoE wants to establish a group of smaller clients where the new processes, standards, procedures, and use of the library will be designed. Let's call them pilot clients, to serve with more junior features, but using "scalability". The learning, here, will allow you to implement the changes in the larger customers, gaining a LOT in productivity and quality.

There is one more key element in the process: the change manager. I have seen that companies use the **PMO (Project Manager Officer)** to be the coordinator of the CCoE and to be the change manager. This manager has to be a **CAREGIVER** and a **PROMOTER**.

**CAREGIVER** to ensure that the cloud journey project is being executed, to ensure that Cloud Center of Excellence deliberations are executed, and to answer questions and advise professionals on the cloud improvement process.

**PROMOTER** to publicize the "good progress" of the project, encouraging everyone to embark on the transformation project.

**Changes always scare and most professionals are conservative style, so you need a constant incentive to change... as resonance...**

## Distributor and cloud tools

*To sell well, you have to buy well...*

I have been in the IT market for more than 40 years. I've seen a lot of technologies emerging, maturing, and dying. I've seen a lot of trends that haven't even gotten off the ground. And I've seen the role of the IT distributor discussed and re-discussed over and over again.

I remember the time when people said "distributor is for credit and logistics". The software was the first product to become a license and therefore without the need for logistics. But distributors have reinvented themselves and are reinventing themselves every day.

I know several resellers that are still doing the customer collection, international exchange and shipping process, and payments of the taxes due. All this because they think they have financial gains by doing direct with the supplier. I honestly think there are a lot of elements missing that the distributor could be adding to this account.

The distributor buys and consumes in "high volume", therefore, has access to **higher discount rates** and can create a series of programs where resellers have access to a "cascade of discounts". The distributor has many mechanisms of **incentives, recognitions, rebates, MDF and cooperative marketing**.

I know resellers who allocate a single resource and exclusively to the relationship with the distributor, making periodic meetings, discovering new programs, incentives and synergies. It's like serving a "big customer" that will bring excellent financial results.

### **My Uncle Salim used to say "to sell well, you have to buy well..."**

Distributors are starting to give access, for free, to great tools. One of them is **Cloudcheckr** which was recently acquired by Netapp. With Cloudcheckr you make managing customer accounts much easier and have two interesting features: governance and cost management.

In **governance**, the tool analyzes your client's entire environment and compares it with various governance methodologies and best practices, including the "Well Architected Framework", recommending the improvements that should be made. This is an additional service that the reseller can offer to its customers.

In **cost management** the tool analyzes what is being used, how it is being used and recommends actions to reduce costs, for example, turning off resources that are not being used or changing resources with low utilization. There is one of the resellers that is using this functionality to win new customers "Come work with us, we will analyze and reduce the costs of your infrastructure without you paying anything, we will just share the gains obtained." There are other resellers that do the cost reduction analysis, reallocate the resources, but keep the margin obtained.

There is a myth in the cloud that says "the customer never knows how much he will pay until the bill arrives and when it arrives he takes a scare". This happens only if the customer has an unprepared team or reseller. There is the **PRICE CALCULATOR** where you enter and simulate everything you want to consume and can, including booking and paying in advance. If the project is well done then there are no surprises. The surprise happens when a technician walks into the console, activates a bunch of things "to see what it's like" and then forgets to hang up. The role of good resale is to monitor and alert the customer. Incidentally this monitoring service is another service that the reseller can sell.

**The cloud brings a lot of complexity in selling and the reseller has to use resources and tools that can let him focus on the customer. Only on the client!**

## Cloud Security

*Source of revenue for resellers, solution for customers*

The pandemic has caused many companies to move to the cloud on an emergency basis. The following year was the record year in hacking and hijacking of data or servers. Large companies have gone through the hell of being unable to work and unable to serve their customers for several days.

I have a friend, president of a large company, where the kidnapper called on his cell phone to negotiate the ransom and in the end said that if he indicated another company to be kidnapped, then the kidnapper would pay a commission fee. Do you believe that???

**Many companies think they are secure simply because they are in the cloud.** It is the resale's obligation to show that this is not true. There is what we call a shared responsibility model, where the cloud vendor takes responsibility for the basic layers, but the customer is the one who is responsible for the application and usage layers. For resale this is a FANTASTIC revenue opportunity and for the customer it will be the purchase of a peace of mind and security of business continuity.

I once went to visit a company I dubbed "**post-it security**." I went into the server room and had a post-it note on each of the servers with the administrator's password. We went through the financial area and there were post-its on all the monitors with names and passwords "here nobody forgets the password!" said the manager as if that was a brilliant idea. After 3 months he called me saying that they had fired an employee and before he left, he had done a "mess" using the passwords.

Figueira was an excellent antivirus seller. I remember when he came to my company, ran some software and said "um... interesting... **Your network has more than 3,000 vulnerabilities.** How can you sleep peacefully knowing so many vulnerabilities?" Guys, I didn't know I had a problem! I immediately bought Figueira's antivirus solution.

Today, in the cloud, there are several monitoring solutions that analyze and warn about security vulnerabilities. This is yet another service that the reseller can offer to its customers, monitoring and constantly **reducing vulnerabilities**. Often the customer's technician enters the console, creates a user and gives "powers" far beyond what the function requires, or forgets to delete a user who has left the company, or creates a virtual machine to do tests and then forgets to deallocate the resource.

The resale becomes a "**Big Brother**" helping the customer in managing costs, adhering to standards and good governance practices, and reducing security vulnerabilities.

I met a dealer who did a fantastic job of "Big Brother." According to the CEO of the company "our work is so good that the client forgets that we exist"... Whoops... There's also a problem... If the customer forgets that you exist, then when he has a new opportunity he can call your competitor.

Resellers adopt two instruments to show the customer that they are doing a good job there.

The first is a monthly report for managers, with a summary of the work that was done in the month, what is scheduled for next month, the vulnerabilities detected and resolved, and recommendation for improvements. The second is a quarterly report to the director, describing the gains the client has had from hiring the reseller since implementation to date, and recommending improvements.

**In both cases, recommendations for improvement are an elegant way to offer new services.**