



The Ultimate Guide to Selling Cloud Backup

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INTRODUCTION

Why Should You Be Selling Cloud Backup?

Nearly [half of all businesses in the IT channel are now offering managed services](#) according to a January 2013 CompTIA report titled *Trends in Managed Services Operations*. Many of these organizations are looking to capitalize on the rise in corporate demand for managed IT support, and therefore need to identify the managed service solutions that promise the greatest profit potential.

In its Winter 2012 CloudTrack Survey, market intelligence firm IDC found that **among popular IT workloads and functions, data backup trailed only email as the service businesses were most likely to move to the cloud.**

Separately, the June 2013 [IDC Worldwide Storage Software QView](#) report described an increase in the storage software market's size.

This is good news for managed services providers (MSPs) offering cloud backup and disaster recovery solutions.

"Demand was strongest for data protection and recovery software as well as storage and device management software," according to Eric Sheppard, Research Director for Storage Software at IDC. "This was driven by a broad need for data resiliency, improvements to operational efficiencies, and better insights into installed data center infrastructure."

Why sell cloud backup?

- ✓ Almost 50% of all businesses in the IT channel now offer managed services
- ✓ Data backup is among the most popular IT functions that SMBs move to the cloud
- ✓ Storage software revenues reached \$3.6 billion in 2013

According to the QView report the worldwide storage software market increased 3.2 percent annually during the first quarter of 2013, with revenue during that period reaching \$3.6 billion. Data protection and recovery software revenues increased 7.6 percent annually to \$1.3 billion, while storage and device management software revenues grew 7.3 percent year over year to \$706.6 million.

Beyond the strength of the market, there are many reasons why MSPs should consider offering cloud backup and recovery services to their clients for everything from routine data restoration to comprehensive disaster recovery:

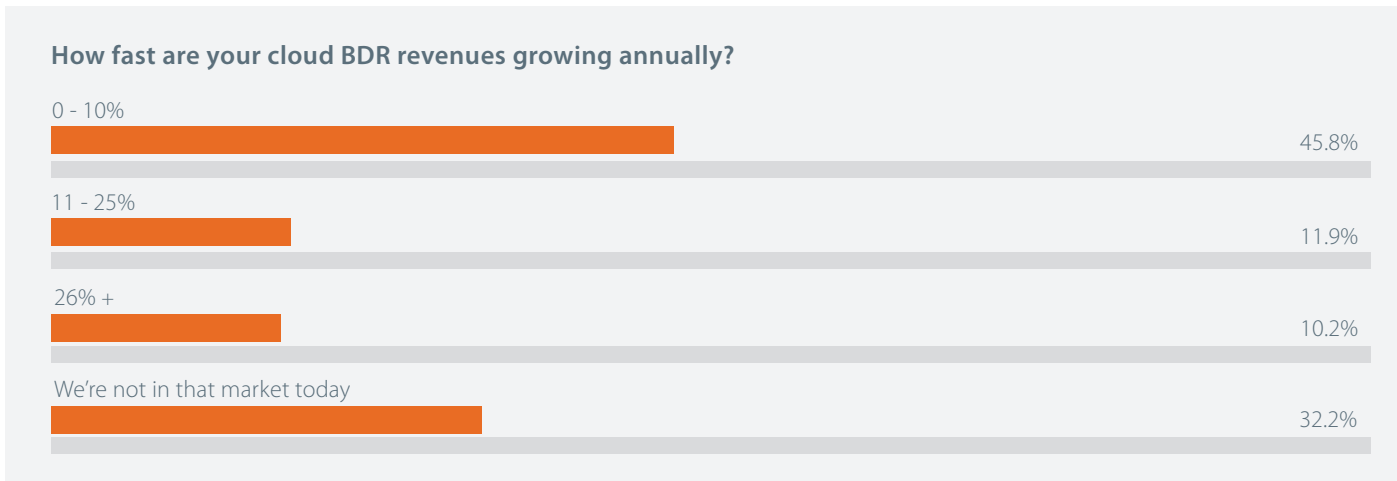
- » 93% of companies that lost access to their data for 10 days or more due to a disaster filed for bankruptcy within one year (National Archives & Records Administration in Washington)
- » 50% of businesses that found themselves without data access for this same time period filed for bankruptcy immediately (National Archives & Records Administration in Washington)
- » IT outages cost SMBs an average of \$12,500 per day if their computers are down, not including its effect on their customers (Bernard Laroche, "Despite Negative Financial Impact, SMBs Are Still Not Prepared for Disasters")

There are also very positive reasons to offer cloud backup and recovery. According to a 2010 study by the Aberdeen Group, 48 percent of mid-sized businesses and 38 percent of small businesses use the cloud for data storage and recovery. These businesses have found that, **in the event of a data disaster, recovery was four times faster with the cloud: 2.1 hours vs. 8 hours.**

These findings illustrate two key concepts:

1. The demand for managed services from business customers has introduced an influx of new blood to the market in the form of new MSPs.
2. The demand for cloud backup is such that MSPs – old and new – need to strike while the iron is hot.

A great proposition for MSPs, right? It is. And so **we were particularly surprised to find that of the MSPs participating in a recent Intronis webinar, 32 percent said that they were not in the cloud backup and disaster recovery market at all.** And of those that are in the market, not all are maximizing their investment in cloud backup.



Cloud backup and disaster recovery, especially in light of recent natural disasters, seems like the obvious choice for businesses. Fortunately for many MSPs, the barrier of entry in the cloud backup market is low. **With the right solution provider even the novice MSP can quickly generate recurring revenue.**

At the same time, success selling cloud backup is about more than just “playing the game.” MSPs who have invested in a backup solution want its benefits to grow long term, and that can be challenging without the right tools.

In what follows, we consider the opportunities for MSPs in the cloud backup and recovery space and how to capitalize on them.

STEP 1

Laying the Foundation

Ease Your Customers' Pain: Work to Understand Their Perspective

While cloud backup and recovery presents a tremendous opportunity for MSPs, it's critical to keep in mind that because the industry has such a low barrier of entry, it's easy to get lost in the shuffle. The best way to differentiate your solution is to identify your customers' pain points. Once you have, you'll be able to communicate and demonstrate your ability to resolve their challenges.

Stand Out: Establish a Unique Differentiator

Differentiation is key to successfully marketing any managed services offering, and cloud backup and recovery is no exception. In a crowded market, you will have a better chance at success if customers immediately associate your name with your unique value proposition.

MARKET TO PAIN POINTS

As we discussed earlier, it's important to first identify the unique challenges your customers face. This will illuminate **what they need most from your backup and disaster recovery solution** and help you craft your marketing and sales approach in a way that communicates your ability to address their needs.

TIPS FOR IDENTIFYING YOUR CUSTOMERS' PAIN POINTS:

- » **Dive into data within your CRM software.** If you use customer relationship management software to track interactions, you might have a treasure trove of client feedback, thoughts, and input readily available. Look through this resource to identify customer patterns, analyze performance, and learn more about what they need from you.
- » **Put yourself in their shoes.** You probably talk to a few current clients or future prospects each day, whether it's in a support call, on-site visit, or a sales meeting. Use these opportunities to draw feedback from your clients. Ask them what challenges they've faced recently – these may be the pains you can focus on immediately. What keeps them up at night?
- » **Ask for feedback.** If you desire a more structured feedback process, you might consider investing in a customer satisfaction or market research survey. A survey will also help your customer feel more valued, and they will provide valuable feedback in return. Beware that you have to respond, but this will help grow your business.
- » **Identify the stakeholders.** What does the Office Manager need? The Director of Sales and Marketing? The front-line workers? How can your solution address the needs of each of these key stakeholders? To sell cloud backup successfully, you need to be able to communicate to the unique pains of each one of these individuals.

With the knowledge you learned from interviewing clients, poring over CRM data, and visualizing challenges, it's time to focus on pains that really hit home – not nifty features, but specific functions or tools that address their most significant concerns.

For example:

- » Are your customers worried about the security of their data?
- » Do they worry about having immediate access to their information after a business interruption?
- » Are there industry-specific regulations that drive IT decisions?
- » Do they operate in a part of the country that is particularly vulnerable to natural disaster?

When you demonstrate an understanding of a prospect's top challenges and explain how you intend to address each one during implementation, customers will have confidence that their cloud strategy is in the right hands.

HAMMER HOME YOUR UNIQUE QUALITIES

Is there something about the way you do business that you think is unique from your competitors?

Consider, for example:

- » Does your support team proactively look for opportunities to help customers? How do you help customers in a way competitors who only react to service calls cannot?
- » Is your team well-educated on a specific, challenging vertical?
- » Are your offerings especially flexible?
- » Do you offer extensive backup reporting and access to data that your competitors just don't have?

It's easy to take a lot of these qualities – some intangible, others measurable – for granted. But in a crowded industry where many MSPs offer similar services, sometimes a particularly helpful customer service department or knowledge of a specific vertical can help your business stand apart from the rest.

Having taken these first two steps, you can begin to assert your business as an authority in whatever niche you desire. With momentum, you can build a strong foundation on which to grow a success brand.

Focus: Target Top Verticals for Cloud Backup

If your company supports customers in an industry covered by federal and/or state standards regarding the protection, preservation and use of data (financial services, healthcare and manufacturing, for example), you know that to address myriad lists of stated and implied rules can be a unique challenge for MSPs. Agencies set high industry standards to ensure regulators and customers' access to critical information while putting security safeguards around the company's infrastructure and confidential data.

MSPs that can present a solid understanding of an industry's rules and incorporate them in the solutions they deliver enhance their value by limiting their client's exposure to regulatory missteps and associated liabilities. Certain industries present particularly good opportunities in this regard.

HEALTHCARE



In the increasingly complex healthcare industry, well-informed MSPs have a prime opportunity to answer questions regarding changing Health Insurance Portability and Accountability Act (HIPAA) standards and provide market consultation, services, or products that can help affected parties remain compliant.

To serve this vertical, solution providers need to offer a HIPAA-compliant cloud backup solution and enter a Business Associate Agreement (BAA) with their clients and any subcontractors that may come into contact with Protected Health Information (PHI), whether it's physical or electronic information.

To differentiate, these MSPs might also market their own expertise serving this vertical. And if they don't have any personal experience in healthcare, it could pay off to establish partnerships with vendors and third-party solution providers to develop a compliance-as-a-service (CaaS) offering.

For more information, see our e-book on HIPAA and healthcare IT: [Backup & Recovery in Health Care IT](#)

FINANCIAL SERVICES

The financial services industry is at the mercy of many laws and regulations, and the frequency with which these rules are introduced and changed is significant. FINRA governs the industry, and companies are challenged to adapt and comply with its regulations.



One of the most significant of these regulations is Rule 3190 (Use of Third-Party Service Providers), which went into effect in July 2012. Rule 3190 makes it clear that member firms cannot delegate responsibility for, or control over, any outsourced functions or activities. This places the compliance burden on the financial firm and requires it to examine the qualifications and competencies of its third-party suppliers thoroughly.

We describe the risks imposed by FINRA regulations in greater detail in our white paper [“FINRA Compliance with Data Storage, Retrieval and Security.”](#)

LEGAL

Data storage is a pressing challenge in the legal industry, as sensitive records are routinely collected, reviewed and stored during the discovery process. Though much of this information – case histories, client notes, depositions, research, and more - is kept in physical formats, law offices are increasingly investing in cloud backup. The volume of data produced in the emerging electronic discovery (e-discovery) process particularly stretches legal offices' data storage capabilities.

While the cloud offers law offices benefits, many in this industry are acutely aware of the risks of off-site data storage. As a result, MSPs that are able to market their competence and expertise serving the data storage needs of legal offices could distinguish themselves in a market that demands strong security features.



ENGINEERING



Engineers invest a lot of time and money developing computer-aided design (CAD) drawings, which describe ideas and information. Because these CAD drawings are labor-intensive and vital in the communication of engineering concepts, design, materials, dimensions, and methods, the loss or unavailability of these computer files could be devastating to a firm.

As a result, some MSPs have specialized in providing data storage and IT services to architecture firms, civil engineers, mechanical engineers, and more. Uptime and availability is crucial here as it is in many industries, but being able to speak the engineering language has helped some Intronis partners market to these firms.



MANUFACTURING

The manufacturing industry requires predictability and repeatability to remain profitable. The entire supply chain – from manufacturer to distributor to retailer – depends on each of its partners, and when something goes wrong along this chain, the ripple effects can create a nightmare scenario. Solution providers with the unique industry expertise to solve these challenges play a crucial role in maintaining business continuity in this sector. In an industry that is hyper-sensitive to interruptions in productivity and the potential for lost revenue, savvy MSPs can thrive.

Increase Profitability: Price Cloud Backup to Earn Consistent Revenue

There are a number of ways to package cloud backup, but broadly, MSPs package their cloud backup solution in one of three ways:

PER GIGABYTE

Some MSPs choose to set a base price-per-gigabyte that accounts for several factors, including:

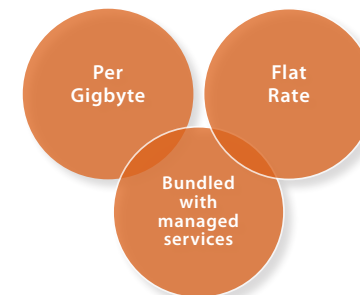
- » The cost of the backup offering
- » Wiggle room for discounts and special offers
- » Competitive pricing in their geographic market
- » Additional value-add services around the backup offering
- » Vertical focus
- » Over-usage

The challenge with the price-per-gigabyte model is that, industrywide, backup prices continue to fall. As a result, MSPs who price based on this model will need to develop effective counterarguments to potential price objections.

BUNDLED WITH BASE MANAGED SERVICES PLAN

Instead of isolating the cost of cloud backup, some MSPs make it a required offering and fold the cost into a larger managed services bundle.

It was once popular to split such plans into a three-tiered structure - Bronze, Silver, or Gold, for example. More recently, a two-tiered structure has become more popular. Either way, cloud backup could be included at each plan level, with the amount of storage offered scaling appropriately.



One Intronis partner sells its managed services offering in this way, defining a basic and a premium plan for servers and workstations. The basic plan comes at a lower cost and includes server monitoring but no off-site backup. The premium plan includes a more generous amount of data storage – as well as a price per each GB after that limit – and full backup monitoring and management.

AS A FLAT RATE

Some experts advocate selling cloud backup as a single flat rate per user. The advantage here is that the customer won't see the price per GB and therefore won't see any fluctuations in cost as they use more storage. That simplifies pricing regardless of how many devices or servers are backed up, which appeals to business customers.

Of the three, Intronis recommends Option 2, the bundled service offering. It provides for 100 percent market penetration, increases revenue and profit for the MSP, and offers the most complete protection for the customers' data.

Customizing pricing by market segment

Once you've identified your prospects, it is valuable to tailor solutions to meet their needs. The more "generic" your solution is, the higher risk of inviting unwanted competition you run. For a look at what you might face, search "online backup" to see what free or inexpensive solutions your prospects may consider alongside yours if you don't bring industry-specific awareness and tailored functionality to your solution.

WHEN YOU CREATE PLANS THAT ALLOW YOU TO SELL THE UNIQUE VALUE OF YOUR SOLUTION TO DIFFERENT CLIENT GROUPS, CONSIDER FACTORS SUCH AS:

CURRENT VS. PROJECTED STORAGE VOLUME

Your clients' storage volume may grow organically as their business develops. Many businesses need up to 50 percent more storage within a year due to normal data growth.

REVISION AND RETENTION RULES

1. Storage space grows between 10 percent and 20 percent per year depending on how long and how many revisions of documents are stored
2. Requirements for long retention and/or multiple revisions are legitimate reasons to charge service premiums

EXISTING SERVICE LEVEL AGREEMENTS (SLAS)

Plans should conform to any existing SLAs and/or you may take the opportunity to enhance existing SLAs to support new plans

COMPLIANCE REQUIREMENTS

Similar to the opportunity posed by SLAs, your plan must address compliance issues. Awareness of these presents an opportunity for "niche" marketing and upselling of cloud backup and recovery and other products

SERVERS AND COMPUTERS

As you move to cloud backup and recovery, hardware becomes less the focus of pricing. The focus is data and recovery, regardless of devices used.

LOCAL STORAGE

Whether you include extra storage is up to you; in general Intronis finds that MSPs who include it as standard build the extra cost into their pricing.

Cloud backup and recovery presents tremendous opportunity for MSP partners. The demand is growing, and the offerings are becoming more numerous. Prepare to compete by distinguishing yourself as a knowledgeable strategic partner, and you will win sustained business and recurring revenue.

Consider this from Charles Weaver of the MSP Alliance in his June 2012 article,

["Cloud Storage Prices: Avoid Turning Your MSP Business into a Commodity":](#)

"Storage MSPs are sitting on an incredible opportunity that is not only critical to the ongoing success of managed services, but also to the health and stability of customers everywhere. There is no benefit to undercutting cloud storage prices at a time when the importance of data integrity and availability is increasing."

The future viability of storage MSPs is promising, but the choices they make regarding cloud storage prices and the perceived value those prices convey will ultimately decide their success.

Data integrity and security mean everything to customers, so storage MSPs owe it to themselves to hold their services in similarly high esteem. Lowering cloud storage prices because other service providers do is the fastest way to become a commodity."

You will avoid commoditizing your service if you base your pricing plan on added value. At each step of the way, remember: You're not selling storage space. You're selling business protection and continuity.

STEP 2

Winning the Sale

Overcome Objections: Get Past Bumps in the Road

You've decided to get in the game. You've invested in a cloud backup solution, identified your customers' most pressing pain points, identified your own strongest differentiators, and developed a marketing strategy that hammers home these points. Now a potential customer is on the phone, but despite your hard work, they remain reluctant to sign a deal.

Now let's take a look at some common objections to paid cloud backup and recovery solutions and suggest educational responses that elucidate the value of this service.

OBJECTION #1: "Free cloud services are just as good as paid."

SECURITY: Users of free unmanaged cloud services generally and reasonably take it for granted that they retain ownership and control over access to, and use of, their data. But a closer look at free providers' SLAs reveals this is not the case. In exchange for free storage, users often give up actual ownership of their data. Given recent headlines around data mining and reselling, now is a particularly good time to educate customers on the potentially devastating risks associated with using free services.

RTO (RECOVERY TIME OBJECTIVE): It is critical to educate your customers on the distinct and equally important functions of cloud-based data storage vs. data recovery. The driving force behind cloud-based data storage is access, while the driving force behind recovery is business continuity.

Common Objections

Using free cloud services

Using consumer cloud provider

Using tape backups

Fear of the cloud

Price

Not ready to invest

Don't see value

It is common for customers to assume that restorations from backups are instantaneous, or close enough. This presents an opportunity for you to educate them on the realities of the restoration process and time requirements, and to explain how your cloud based backup and recovery solution is tailored to minimize downtime in the event of server failure or disaster.

Asking customers whether they have ever tested their current recovery solution helps to reveal that process' weaknesses and clarify the risk-benefit analysis associated with your solution.

Industry Regulations

Certain industry verticals (banking and finance, education, government, healthcare, legal, manufacturing and retail, for example) have regulatory requirements concerning how data must be protected and stored. Failure to comply with regulations may result in significant fines *even if no data breach or disaster occurs*. Learning about each industry's specific regulations will help position you as an expert and valuable partner. Also, given that regulations and technology are both continuously evolving, you may well end up educating customers on regulations and associated business risks of which they were previously unaware. This can only strengthen your position as a trusted and reliable partner.

OBJECTION #2: "Consumer cloud services work fine for businesses"

Not all cloud offerings are made the same. Just as some business customers may be storing critical data with free cloud options, others may be paying for big-name cloud services from providers that are primarily marketing to consumers.

The risks here are similar to those present for free cloud services. Your customers should know that while consumer-grade cloud backup may be just fine for storing personal files or family photos, business data requires a more robust solution.

Corporations need to adhere to legislative demands, industry regulations, and larger financial implications. Recovery times are often more immediate in the professional world because other factors depend on them – payroll, expensing, access to medical information. Things only get more challenging when you assess the situation by vertical.

Can a healthcare client be confident that his or her consumer-grade cloud backup solution is compliant with the unwieldy and complex web of healthcare regulations?

These compounding risks must be addressed, and many consumer-grade offerings aren't always up to the challenge. This is a point to hammer home with clients who are on the fence about embracing your more comprehensive business-grade cloud backup and recovery solution.

OBJECTION #3: "Backing up to tape saves money."

Tape backups have some level of usefulness, but businesses that rely on this format for primary data storage incur far too many risks for this to be a worthwhile long-term strategy. Emphasize the following points with prospects who remain convinced of the financial benefit of tape backups:

- » Manually conducting tape backups means the process occurs irregularly, if at all. That's not a sound way for your clients to ensure they have the most up-to-date data backed up.
- » Tapes are not always left in the most secure locations, meaning your client may be at-risk for violating industry regulations if sensitive information is not secured.
- » It's far too easy to lose a tape, either by accident or theft. Tape restores are not always reliable and consistent, making the risk of data corruption or loss far too serious for businesses to continue relying on tapes as a primary backup option.

Local tape backups are more at risk for damage or loss in the event of a natural disaster, but it's understandable that clients would want to have some sort of local data storage capability to ensure quick restores. In that case, it's worth describing the way your cloud backup solution delivers local backups. Intronis QuickSpin, for example, allows MSPs to restore virtual data on-site for speedy restore times.

Learn more about [Intronis QuickSpin](#)

OBJECTION #4: "The cloud is not secure."

The best way to overcome the fear of cloud security risks is to educate customers, and the best way to educate is to ask the right questions.

Ask the right clients whether they use the cloud already. Anyone who has ever managed their personal banking online has already performed a sensitive task in the cloud, and opening their eyes to this fact is one way to make prospects more comfortable with remote data backup for their business.

This conversation also offers MSPs an additional opportunity to further distinguish their service offering. If you provide a cloud backup solution with strong security features and protections, you can highlight them to further assuage customers' concerns.

OBJECTION #5: "Cloud backup is too expensive."

The broad price objection is often really about value. When a client says "We think your price is too high," it's not always because of a legitimate price concern. More often, the prospect is either unconvinced of your service's value or is simply trying to find a way to get a discount.

At this point, you have likely built a strong case for your product. You may have already addressed some of your prospects' objections, and reminding them of the way your solution addresses their pains further establishes its value. It is sometimes helpful to have a visual aid for your sales team that outlines your solution's objectives, and the benefits and features that address each. This is called an "OBF Chart".

Your sales team might also feel pressured to succumb to this objection by offering a discounted price. Tread carefully here. Some sales experts advise never offering discounts, while others say it can be good strategy to lower price if you also lower value – taking out certain features depending on price. You will have to decide for yourself the best way forward, but remember that there will almost always be a cheaper solution out there. Don't lose sight and lower your price to the point of devaluing your solution.

OBJECTION #6: "My data is safe for now."

One of the most popular objections is the delay approach – when a prospect says they’re simply “not ready” for an investment in cloud backup and suggest talking again in a few months. When talking to these businesses, it’s important to help them understand that evading the issue only puts their business more at risk. Business interruptions don’t occur on schedule, and by leaving themselves unprotected or underprotected for a longer period of time, companies compound the financial risk they could incur.

Downtime, for example, is a huge financial burden, with revenues lost every minute a business is not operating normally. Hard costs – employee salary, property taxes, and utilities - are a major contributor to lost funds, but soft costs – the money your business could have been earning if it hadn’t lost a crucial file or data access – also add up. In the whitepaper “Managing Business Continuity: Twenty-First Century Challenges for Competitiveness,” KPMG said the cost of unplanned downtime is actually increasing as technology makes business processes occur in real-time, turning financial risks into an immediate concern. Simply put, your prospects need to know that the time to invest in data protection is now, not later.

For more on the cost of downtime, read [“Cloud backup insights: How much do slow data restores cost MSPs?”](#) in the Intronis Cloud Backup Blog.

OBJECTION #7: "There is no value in cloud backup."

Some prospects may still simply fail to see the value of your solution, even after you address prior objections. It can be frustrating, but remember that the sales process is about telling stories. If you are able to paint an effective picture for your prospect, describing the way your solution addresses their pains and solves real-world problems, they may be able to visualize its benefits more easily.

For example, one Intronis partner was able to [save his client's company by providing complete data backup](#) mere hours after a devastating fire destroyed the company's place of business. As a result, the client was still able to make payroll and stay afloat even while it literally rebuilt the business from the ground-up. That's a real world example of the benefits of cloud backup, and it's just one of many. By telling these types of stories, your sales team will be in a better position to build the value of your service with prospective clients.

For more cloud backup success stories, visit the [Intronis Partner Stories page](#).

Add Value: Find Opportunities to Grow with Your Customers

At this point, you've been able to successfully market your cloud backup solution and perhaps you were even able to convince a previously skeptical prospect to become a client. You're beginning to grow your stable of cloud backup clients beyond just a small handful of customers, but you want to maintain your momentum. How do you turn these first-time cloud backup clients into long-term partners?

To start, you will need to eliminate the set-and-forget mentality and remember that these days, solution providers need to remain active participants in their client's IT management if they hope to maximize profits and ROI. If you have a deep managed services catalog, you can leverage that to strengthen your status as a trusted business advisor, become a significant and trusted MSP, and uncover opportunities to expand your services.

Developing sustainable, profitable customer relationships

Keeping open a regular dialogue with your clients is crucial to maintain a healthy and productive long-term relationship. This means staying abreast not only of their backup needs, but also the other IT challenges that can only be resolved with a combination of services, solutions and out-of-the-box creativity.

Intronis Vice President of Channel Development Neal Bradbury suggests the following strategy:

"Start with a clear, comprehensive assessment of your customers' IT environment. Think of it as intelligence gathering: to pave the way for future sales, begin by introducing a wide range of monitoring services. This includes high-margin offerings around threat monitoring, performance, optimization, customer and employee activity and bandwidth usage.

From there, identify critical solution and infrastructure gaps. Monitoring potential risks around stored or backed up data, for example, opens doors for security solutions like encryption and data loss prevention. It also sets the stage for heftier security suites and even more robust compliance strategies.

Monitoring storage performance and optimization enables solution providers to identify capacity issues that can be remedied with solutions such as deduplication or storage management offerings."

By taking this approach to ongoing customer relationship management, you are more aware of your customers' full IT environment and needs. As a result, you're better able to successfully suggest products and services that can elevate the long-term value of your partnership.



STEP 3:

Developing a Top Sales Team

Incentivize: Compensate Your Team to Sell Cloud Backup Effectively

Your new cloud backup marketing strategy is working well, your sales team is able to beat back objections, illustrate ways your solution addresses clients' pain points, and deliver continued value to your customers in the form of ongoing consultation and support.

But of course, your sales reps need to be compensated for their great work. Cloud backup isn't often sold as a one-time fixed-price product, and if you aren't already selling on a recurring revenue model, it may seem daunting to make the switch. However, a fully bought-in sales team understands that recurring revenue:

- » Offers consistent, predictable income, effectively increasing the value of every dollar you win from a client
- » Allows your business to grow by improving and expanding relationships with existing customers
- » Means your business doesn't have to start from scratch each fiscal year to meet new revenue targets

Having educated your team on the benefits of recurring revenue, it's time to decide on a revenue model that works best for you and that considers both the value of the initial sale and also ongoing revenue. Three revenue models to consider are ACV, TCV, and MRR. (See right.)

REVENUE MODELS

- » **ACV (Annual Contract Value)** Under this model, a sales rep's compensation is determined by the annual value of the contract. The industry standard compensation rate is 8 percent-12 percent of a contract's annual value, with the majority falling right around 10 percent. For example, if a sales rep brings in a contract that is worth \$10,000 annually, they might expect to earn \$1,000 total on the sale, or anywhere between \$800 and \$1,200.
- » **TCV (Total Contract Value)** As with ACV compensation, sales reps are paid a lump sum according to the assessed total value of the contract. For example, if an 18-month contract brings in \$1,200 per month and also included a one-time upfront cost of \$2,400, the TCV would be \$24,000 $((\$1,200 \times 18) + \$2,400)$. The sales reps' compensation would be determined based on that full \$24,000, rather than the annual or monthly value of the contract.
- » **MRR (Monthly Recurring Revenue)** In this model, sales reps are compensated according to a customer's monthly fees continually as a contract continues over time. ACV remains the overarching basis, which lands monthly payments at roughly 1 percent of monthly revenue. MRR is sometimes a popular model for companies to start with, as it offers more predictability and limits problems that arise when compensating sales teams based on future revenue that has not yet been collected (as with TCV).

Many organizations also reward sales team members who are able to generate an upsell – expanding a current account’s value by selling additional services. These individuals are compensated based on a percentage of the new revenue added to the account.

Whatever model you choose to pay your reps with, make some noise around it the first time it is introduced. You’ll want your reps to get excited about selling cloud backup, and it helps to build confidence with appealing incentives and friendly competition in the early stages. Once confidence builds, it becomes easier and a lot more fun for your reps to sell backup.

Organize for Growth: Build a Scalable Sales and Marketing Process

Paying your sales team is one part of the process. Building a successful team is another. A well-defined and consistently deployed sales and marketing process is critical to any product’s success. Selling cloud backup is no exception.

While experts have described any number of slightly varied “selling systems,” all of them possess three common attributes:

1. Initiate more than contact: Open by establishing a relationship

From the start it is vital to establish a rapport with a prospect. The most effective way to do this is to position yourself from the outset as a partner, not a vendor. Your job is less to sell your product than it is to work with your prospect to help them operate more efficiently with you than without you.

2. Ask the right questions

The right questions will uncover your prospect’s needs or “pains.” We discussed this earlier, and offered examples of how you may uncover your client’s specific vulnerabilities around cloud-based recovery.

It is important to note here that your prospects may not fully understand their needs or the potential impact of a disaster. Asking questions is a way to uncover these for your sake and the client’s. The closer you get to a depiction of a disaster moment in which you are the partner who steps in to resolve it, the better a relationship you will have established from initial contact.

Start with the most basic and generic questions regarding your services.

“What are your concerns about backing up data?”

“What would happen to one of your patients if you lost their patient records in a fire?”

“What would happen to you/your business if you lost all your customer, finance, and inventory data?”

“How would such a loss affect you personally?” Keep in mind that in every business, disaster changes life outside of work.

Once you have asked pointed questions and received detailed and revealing answers around how a disaster would disrupt your client’s business and perhaps livelihood more generally, recap to make sure you have understood your role as partner in recovery. This demonstrates both that you’ve been listening and also that you are competent and prepared as a partner with your prospect’s interests at heart.

3. Close the deal

By the time you understand your client’s needs and pains, they understand your relationship with them as a partner and appreciate your solution as a sound investment and a “good bet.”

Once a client has agreed to your offering as a concept and established their intent to enter into a partnership with you, putting prices into context with regard to their plans, needs, pains and risks as you’ve come to understand them will be more natural and defensible.

SCALING YOUR SALES AND MARKETING TEAM

Intronis CEO Rick Faulk recommends the following strategies and tips around formalizing your sales and marketing team for scale:

1. Have the right team in place

Regardless of product, size of the company and size of the team, you must have the right talent in place. The right talent will understand not only the strengths of your offerings and customer service but how to initiate, cultivate and sustain partnership relationships with prospects. Assess your talent relentlessly. Where you see gaps, fill them, and where you see potential in an employee, leverage it.

2. Formalize your sales process

It sounds simple, but write it down. Literally. Define each step as clearly and specifically as possible. Though not every salesperson will have the underlying natural talent to take your guide and run with it, you should develop and hone the guide so that, in theory, anyone could follow it through to a sale.

A formalized process is teachable and assessable. You may also build or alter it to address the divergent sales strategies for generating new business vs. building on existing business.

Companies that formalize their sales process consistently enjoy what Rick calls the "Three V's":

- » **Value** - bigger deals
- » **Volume** - more deals
- » **Velocity** - faster deals

Even though you've formalized your sales process, make sure you've left flexibility for changes when needed. You will need to eliminate processes that don't work and focus on those that do.



3. Measure your sales process

Assessing sales metrics is central to evaluating your processes and talent, and to strategic planning more generally. To ensure you are evaluating your sales process properly, figure out the three or four assessment points that really matter. For example, cost per lead, close rate and sales cycle are valuable metrics that should all be assessable in the context of your formalized sales plan and employee reports.

4. Establish "Rules of Engagement"

It is important to acknowledge that sales and marketing have technically divergent roles. Too often companies conflate the two and muddy the waters around their respective goals and measures of success.

Your sales team initiates sustainable relationships and closes initial deals. Your marketing team expands the reach of your brand and establishes you as an authority in industry conversation. Their efforts must be in sync and work in service of overarching strategic initiatives, of course, but the more clearly you define their roles and measurable outcomes, the more effective each will be.

As in the case of formalizing your sales process, Rick recommends literally writing descriptions out.

For additional strategies and tips, [download OpenView Partners' free e-book, "Get More Customers."](#)

CONCLUSION

The cloud backup and recovery market offers MSPs exciting revenue opportunities and a strong foundation for future managed services success. Businesses seek storage capacity with increasing eagerness – **June 2013 research from IDC predicts the average amount of external storage space companies acquire to increase by 35 to 40 percent annually for the next four years.**

The steps we've outlined in this ebook will ideally offer you helpful guidance and best practices for selling in this sphere, whether you're a solution provider offering managed services for the first time or a seasoned MSP who is new to the world of cloud backup.

Intronis can help along the way.

Why Intronis?

100 Percent Channel-Focused: We Won't Compete with You

Intronis is 100 percent channel-focused. Unlike other cloud backup vendors, we never sell direct to end-users, meaning you don't have to fear competition from your vendor. Instead, we commit to developing the software and resources your business needs to succeed in the BDR market, a focus that has helped us maintain a partner retention rate of over 90 percent.

Read an [independent industry analysis](#) of Intronis from IDC

Complete White-Label Branding: The Solution is Truly Your Own

Your clients never have to know that your cloud solution was built by Intronis. With a convenient portal branding tool, you can completely brand our web portal with your logo, custom colors, and unique notifications in four easy steps. We also offer white-label marketing and email templates that allow you to completely and easily market our solution as your own.

Learn more about our [white-label cloud backup](#) solution

Innovative Software Features and Robust Security

MSPs enjoy success selling the Intronis Cloud Backup and Disaster Recovery solution because it is one of the industry's most innovative and robust cloud backup solutions. We include business availability features like QuickSpin – a local VMware disaster recovery tool that enables faster restores – and Intelliblox, our block-level backup technology that allows for quicker backups. We offer military-grade encryption on files in transit and storage as well as 24/7 monitoring and biometric controlled access at our U.S.- and Canada-based data centers.

Read our [Technology Overview](#) whitepaper to learn more about our software

Everything in One Place: Deeper Integrations and Backup Reporting with our Portal

Don't waste any more time using multiple tools to manage your BDR environment. Intronis offers integrations with the industry's top Remote Monitoring and Management (RMM) and Professional Service Automation (PSA) tools from a single centralized management portal. We also offer reporting tools and dashboards to help you monitor your clients' backups at any time.

Read about the value of a [fully integrated backup environment](#) in this Intronis whitepaper

Comprehensive Partner Program With Leading Technical and Marketing Support

We work to give our partners the best chance possible to succeed selling cloud backup. Through one-on-one onboarding and training, our Partner Success Managers are available to offer you the support you need to achieve success selling our solution, with best practice guides available to help you price your solution and build a stronger sales team. Our leading [technical support](#) team is also highly regarded in the industry, having won [service awards](#) and been rated a 78 on the [Net Promoter Score](#) rating system.

Read [success stories](#) from current Intronis partners

For continued support and guidance, we encourage you to reach out to the Intronis Sales Team at 1-800-569-0155 or via email at sales@intronis.com.

About Intronis

Intronis Cloud Backup and Recovery is a world-class cloud backup solution for the IT channel. Intronis provides the industry's easiest-to-use secure data solution for offsite and local backup, which generates a monthly recurring revenue stream to add to your business. Intronis offers the best, deepest Exchange, SQL backup on the market, supports virtualized environments with native VMware backup and is integrated to major solutions in the MSP ecosystem. Partners receive expert customer support from our U.S.-based team. The solution has been field tested by thousands of MSPs, and the company has been named Best Revenue Generator seven times and Best Customer Support three times by members of ASCII.

You are welcome to republish excerpts from this e-Book, as long as you link back to Intronis for attribution. Please also share this e-Book in its entirety with anyone you think would be interested.

Visit the [Intronis website](#) and our [Cloud Backup and Recovery Blog](#) for more backup insights and expertise.

Additional Resources

SELLING AND MARKETING MANAGED SERVICES

- » <http://www.trumethods.com>
- » <http://www.robinrobins.com>
- » <http://www.technologymarketingtoolkit.com>

IT CHANNEL INDUSTRY NEWS AND RESOURCES

- » <http://www.mspmentor.net>
- » <http://channelnomics.com>
- » <http://www.mspalliance.com>
- » <http://www.bsminfo.com>

IT CHANNEL INDUSTRY RESEARCH

- » <http://the2112group.com>
- » <http://www.gartner.com>
- » <http://www.idc.com>
- » <https://451research.com>

INTRONIS PARTNER STORIES

- » [Disaster recovery success story](#)
- » [Building a business continuity offering](#)
- » [Better serving the dental industry](#)
- » [Creating a healthcare-focused MSP business](#)