

Selling Business Continuity to SMBs

A Three-Step Process to Developing a Successful Business Continuity/Disaster Recovery Practice

Even with limited resources and budget, SMBs require robust business continuity systems and disaster recovery plans.

The impact of data loss and downtime can have profound effects on small to medium-sized businesses (SMBs). To meet this challenge, SMBs typically rely on IT Service providers to bring both solutions and expertise that can minimize the SMB's exposure to such events.

Market Overview

Information fuels business. Modern organizations subsist largely on how well they handle the reams of corporate data that define them. Every step of today's commerce and business interactions generate vast quantities of vital information needed to keep the engines running and the wheels turning. The importance of protecting all of this data is starkly evident in large enterprises, but the matter is no less important or critical in small and midsize businesses. Even with their limited resources and IT budgets, SMBs require robust business continuity systems, disaster recovery plans and safeguards to ensure their precious IT assets are accessible in the event of a catastrophic outage or system failure.

SMBs' Top IT Concerns

Business continuity and disaster recovery is the top priority for small and mid-sized businesses. When it comes to BC/DR, SMBs are most concerned with the following:

- Protecting databases (68%)
- Safeguarding e-mail (45%)
- Backing up accounting data (39%)
- Protecting network services (36%)

Source: Forrester Global IT Budgets, Priorities, and Emerging Technology Tracking Survey, June 2011

Unfortunately, many SMBs have ignored the basic safeguards of proper business continuity and disaster recovery (BC/DR). As a result,

82 percent of significant service disruptions in U.S. businesses could be reduced or avoided by implementing even the most rudimentary business continuity plan.

SMBs are at great risk when disaster strikes and network operations are disrupted. Like their enterprise counterparts, SMBs risk serious and long-lasting damage to their brands and reputations from such disruptions. And because their size often makes them less able to withstand such a blow, their very survival can be jeopardized.

Despite this need, many SMBs are grossly under-protected from systems failure because of their lack of essential BC/DR capabilities. CDW's Business Continuity Straw Poll (Sept. 2011) indicates 82 percent of significant service disruptions in U.S. businesses could be reduced or avoided by implementing even the most rudimentary BC/DR plan.

Solution providers who serve the SMB market are uniquely positioned to fill this gap through proactive business continuity planning and reactive disaster recovery response systems for their small and midsize clients. According to the Cloud & Technology Transformation Alliance's State of the Cloud Channel (March 2012), public and hybrid cloud offerings are in demand by between one-third and one-half of SMBs, and some 60 percent of that demand is focused on backup and data recovery services.

The channel is responding in kind. More than 25 percent of solution providers offer some form of cloud-based services, and another 30 percent plan to do so, as reported by Forrester Research's The High-Growth Managed Backup Services Market (March 2011). Of those, 77 percent say they are focused on storage and backup services, and 64 percent are targeting remote backup/disaster recovery.

SMB BC/DR Basics

SMBs have a finite set of systems and data vital to their businesses. The basic tenets of business continuity and disaster recovery, however, remain the same no matter the breadth of the organization.

Business continuity for SMBs describes proactive systems of replicated data and redundant networking and applications designed to "failover" in the event of an outage. This allows mission-critical systems to remain operational with limited disruption. Included with

The business continuity and disaster recovery market for small and midsize businesses is expected to reach \$25 billion by 2015. Nearly 90 percent of SMBs polled say they expect their BC/DR budgets to increase or remain the same over that time.

Source: Allied Business Intelligence

business continuity are the more complex scenarios that address not only IT systems, but also things like personnel changes, supply chain challenges, malware and other risk management issues.

Disaster recovery, meanwhile, is more reactive, focusing on the use of backups to restore failed IT systems such as servers or mainframes, a private branch exchanges (PBX) or even local-area networks (LANs). The end goal is to provide whatever is necessary to meet the immediate business needs in the event of trouble.

The greatest growth in cloud-based, managed BC/DR services will come from SMBs. Today 5 percent of SMBs employ backup-as-a-service, remote backup or online backup services from a managed services provider. About 38 percent plan to employ these same services within two years – a growth rate of 660 percent, according to a 2011 study by Forrester.

Three-Step Selling Process

The development of a successful SMB BC/DR practice requires solution providers to approach sales with a three-step process: (1) a thorough assessment of client needs and capabilities; (2) optimization of the offering; and (3) a solid go-to-market strategy. This methodology helps ensure a complete, effective and right-sized SMB BC/DR offering that maximizes performance and profit potential while delivering superior customer service.

1. The Assessment Phase

Business continuity and disaster recovery sales in SMBs depend, initially, on a thorough assessment of clients needs. The solution provider needs to know not only what data and systems are critical to the business, but also what kinds of continuity or recovery mechanisms are in place, how the client has reacted to IT disruptions, and how able the customer is to invest in and maintain BC/DR systems. It is also essential to understand the client's industry to account for any regulatory or compliance concerns. Steps to a thorough BC/DR assessment for SMBs include the following:

The three step process for developing a business continuity practice include:

- 1. Assessment phase*
- 2. Optimizing the offering*
- 3. A go-to market strategy*

Examine client policies and standards The client's specialized needs are the foundation of subsequent data protection and disaster recovery work. Solution providers need an understanding of the operating requirements and environment. Also, revenue-producing systems and regulatory requirements can greatly influence BC/DR decisions.

Critically review existing systems Scrutinize existing equipment with an eye toward systems that should be upgraded or consolidated. Outdated, unreliable underlying hardware, networking, storage, security, applications and bandwidth often cannot support sufficient BC/DR mechanisms and should be replaced or optimized. The same goes for software and management systems.

Develop a business impact assessment (BIA) The BIA maps BC/DR priorities including lines of jurisdiction, areas of primary business concern and the order in which systems will be restored. This part of the assessment is built on a strong understanding of the client's vital business processes, the interdependencies and relationships between the client's systems and services, and, ultimately, the customer's data loss tolerance. The BIA is an excellent tool for framing the continuing discussion on BC/DR needs with the customer and for selling long-term BC/DR engagements.

Deliver a comprehensive BC/DR plan The assessment phase concludes with a follow-up to the BIA in the form of a more comprehensive BC/DR plan. This complete plan adds technical specifications, data recovery stratification mapping, and additional details such as testing schedules, contact trees and the parties responsible for reporting and mitigating disruptive events.

2. Optimizing the SMB BC/DR Offering

With a full understanding of typical client needs, it's time for the solution provider to make a case for the sale of BC/DR services. This begins with a firm understanding of the value proposition and is expressed through effective packaging and marketing of services. Detailed performance agreements formalize the service and its guarantees. All of these elements are brought together in a solid go-to-

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market strategy.

The value proposition Real value is defined by what the service provider does, not the tools it uses. Consider the inherent value in the plans, policies, processes and professional support the solution provider brings to the BC/DR engagement. This expression of technical expertise, experience in supporting customers and the unique requirements of the target market encapsulate the value proposition in a way that will resonate with SMB buyers looking to entrust a partner with critical services such as BC/DR.

Product packaging All of the constituent products, technologies and third-party services the solution provider collects when crafting a BC/DR offering are merely pieces of the puzzle. In aggregate, they make up the differentiated, value-added service SMB customers seek. Solution providers should conspicuously brand these products and services with proper names so that users will identify with the partner's brand and unique value proposition.

Contracts and SLAs In BC/DR services, performance is more than a promise; it's a contractual function between provider and subscriber. Proper service-level agreements list the terms under which the solution provider guarantees the restoration of data, applications and processes in the event of disruptions. These provisions are typically expressed as the recovery time objective (RTO), a measure of how quickly IT managers can find, access and retrieve protected assets; the recovery point objective (RPO), the time in which the service provider should be able to recover or roll back systems; and the recovery granularity objective (RGO), the level of detailed storage architecture recovery by file, block and transaction level.

3. Go-to-market strategies

The solution provider's first foray into the SMB BC/DR market represents the most critical time for the success of its services and its continuity and recovery practice. To improve the odds of success, solution providers should follow a structured go-to-market strategy program:

Sales objectives should be defined in metrics such as number of leads, meetings and sales conversions, as well as actual sales.

- **Launch a small, manageable number of BC/DR offerings to start.**
Limiting the menu to one or two key offerings gives the solution provider an opportunity to focus on customer segments and gain experience from repeatable implementations. Going too broad at the start could overtax support resources.
- **Scout out early adopters.** These first-line BC/DR customers will likely come from existing SMB accounts. Solution providers can leverage their existing knowledge of the client's business and IT systems to help hone the continuity and recovery offering.
- **Set firm sales objectives.** These should be defined in metrics such as number of leads, meetings and sales conversions, as well as in actual sales. This is the best way to test sales methodologies and determine if the BC/DR practice can generate sufficient revenue to recoup initial investments and support operations.
- **Field test and collect feedback.** Though the BC/DR systems were tested early in the development phase, it is important to test them again under real-world conditions during the launch phase. Here, adjustments can be made that facilitate adding accounts and upping utilizing rates. At the same time, the solution provider should solicit feedback from early adopters to make sure client perception matches that of the provider.

Summary

Despite the obvious pitfalls, SMBs are living dangerously when it comes to the lack of judicious backup, recovery and business continuity. This vacuum of prudent BC/DR planning provides opportunity for solution providers who can leverage their knowledge of the client's business and their own facility with the myriad of cloud and hosted backup and recovery tools available today. SMBs are increasingly moving to the cloud, and backup services top the list of the most sought after hosted initiatives.

Like any new product or practice, however, a solution provider's development of a new BC/DR offering requires more than simply



amassing technology assets and moving toward the sale. BC/DR requires thoughtful business planning to deliver thorough assessments, and an SMB-optimized service with a strong value proposition that resonates in the market.

About Continuum

Continuum provides a leading SaaS-based managed services platform that Managed Services Providers (MSPs) use to efficiently backup, monitor, troubleshoot, and maintain desktops, servers and other endpoints for small and medium-sized businesses. The comprehensive platform provides an intelligent Remote Monitoring and Management (RMM) solution and an advanced backup and disaster recovery (BDR) offering branded Continuum Vault – all integrated with an industry-leading Network Operations Center (NOC), delivering a single, unified managed services experience. The company currently employs more than 650 employees worldwide, supports over 3,300 MSPs, and monitors nearly 500,000 endpoints. The principal owner of Continuum is Summit Partners (www.summitpartners.com), a Boston based growth equity firm that has raised more than \$15 billion in assets. For more information, please visit www.continuum.net.