

AMI-Partners Inc.
Thought Leadership Paper



Accelerate Growth and Profitability with Office 365 Migrations and Ongoing Cloud Services

HOW MSP-ISV PARTNERSHIPS ARE
EMPOWERING SMALL AND MID-
SIZED BUSINESS IN THE CLOUD

JOSEPH BERTRAN & KUNIKA SODHI

AMI-PARTNERS, INC. | 505 8th Avenue Ste 1705, New York, NY 10018

Executive Summary

Small and mid-sized firms with 1-999 employees (SMBs) are an increasingly attractive market for ISVs and their partners, with migration to the cloud becoming a growing focal point. These SMBs generally rely on trusted partners [Managed Services Providers (MSPs)] to lead them and provide ongoing support as they traverse unknown territory. MSPs, in turn, are collaborating with ISVs that can provide the right solutions to bring the benefits of the cloud to their customers.

One of the first workloads that SMBs typically migrate is their email and related productivity tools. With its market-leading share, Office 365 migrations present a fast-growing space for SMB-focused vendors and partners. WW SMB spending on services like Office 365 is expected to grow at a compounded annual growth rate of 25% to \$40 Billion by 2022. However, as customers move to the cloud, they will need MSPs to go beyond just migration. As a result, many MSPs are branching out to meet their customers' needs by providing cloud-centric services such as Office 365 backup. These solutions are in high demand, but not all ISVs have been swift in their response to this opportunity.

To evaluate the preferences of MSPs using various email migration and cloud backup tools, AMI-Partners (AMI) conducted a follow-up to its 2015 Office 365 migration white paper. In this expanded study, AMI connected with over 100 partners globally (North America, Australia/New Zealand, and Europe). The goal was to uncover insights into MSPs' experiences with ISV solutions and how these partners leverage the benefits provided by various tools. The study focused on vendors that offer email migration tools, such as BitTitan, Microsoft, SkyKick, and region-specific vendors such as CloudMigrator365 and CodeTwo in Europe. Findings related to the latter two vendors are excluded as only a small number of partners were using those tools. This whitepaper covers three key areas that are vital to MSPs:

- Comprehensive Office 365 migration technology
- The implications of automation-aided migrations on business profitability
- And, the role of post-migration workloads like ongoing cloud services in a successful Office 365 MSP practice

Vendors that deliver in each of these areas can truly enable partners to bring their customers into the cloud while creating market differentiation and economic success for their cloud practices.

KEY FINDINGS

MOST IMPORTANT FEATURES OF A MIGRATION TOOL *What MSPs are Saying*

Data Quality
60%

Ease of Use
52%

Time Savings/
Efficiency
35%

BENEFITS FOR MSPs

- ✓ Save up to **18** **hours** on avg. on a typical SMB migration project
- ✓ Up to **95%** report material impact on profitability

Email Data Migration Tools Landscape – Partners Value “Technical Completeness”, “Ease of Use,” and Comprehensive “Project Automation”

Office 365 email migrations can be time-consuming, manually intensive, and risky if not performed using the right tools. Thus, many partners turn to ISVs to help them more effectively plan and execute migration projects for their customers. Finding the right migration solution is the key to a successful Office 365 email migration and, by extension, a satisfied customer. This study focused on the three most widely used tools for Office 365 migrations for SMBs. The three vendors position their toolsets as follows:

BitTitan offers a migration solution and a portfolio of adjacent services (“MSP Complete”). Using a cloud-based platform, it allows users to migrate data from source to destination email environments.

Microsoft has a built-in tool called Exchange Admin Center within Office 365 which can be used to migrate data from a hosted or on-premise Exchange or IMAP environment to Office 365. Migration batches help to assign requests that can migrate all mailboxes at once or only a subset of mailboxes.

SkyKick offers a suite of integrated cloud-based products that enable MSPs to manage all aspects of an Office 365 migration project – from sales to delivery to support. SkyKick has recently expanded its product line with a cloud backup service and cloud management portal.

Partners find that the “best” tool:

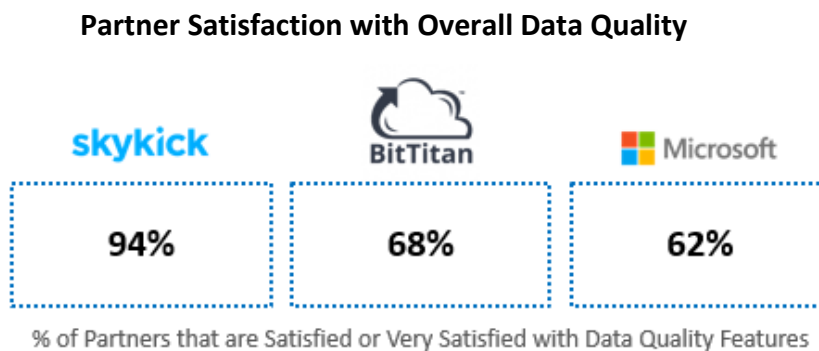
- Simplifies an otherwise technically complex exercise
- Helps reduce risk for the customer
- Increases margins & profitability through efficient & effective automation

A tool that successfully meets these needs empowers MSPs in their own transformation to the cloud and helps them optimize their business opportunities. There is a long checklist of attributes for what makes a solution “right”- streamlined migrations, ease of use, responsive customer support, time saving features, risk mitigation features, etc. Thematically, these drivers fall into three categories:



1. Technical Completeness and Data Quality

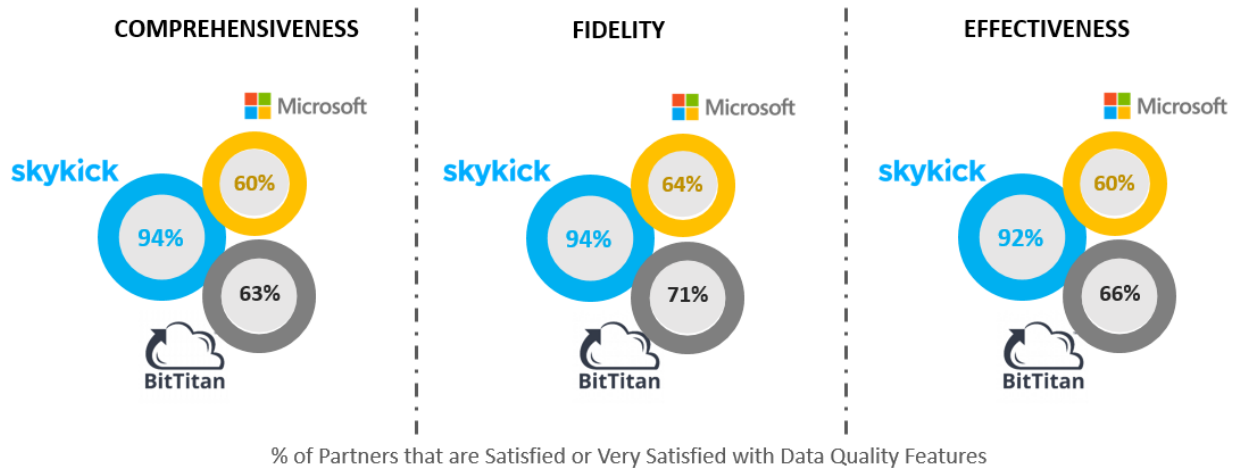
MSPs express that Technical Completeness and Data Quality is one of the most important features of an email data migration solution. Of MSPs surveyed, 60% indicated that overall data quality is the key driver of their tool selection. One respondent indicated, “our top priority is to find a tool that will help us deliver a high-quality migration experience to our customers.” Survey participants rated their level of satisfaction with the overall data quality of BitTitan, Microsoft, and SkyKick.



Technical Completeness and Data Quality is a broad category, consisting of a variety of attributes that are essential to MSPs. We asked MSPs about the attributes they value most highly. The study uncovered three key areas within this category that partners consistently seek:

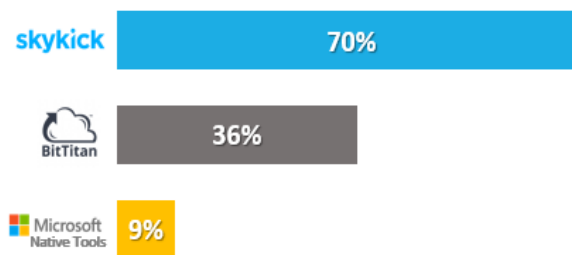
- **Comprehensiveness:** A good tool must allow partners to migrate different types of data including email, calendar, contacts, and tasks, as well as Public Folders and shared resources from various source types such as Exchange, Google, POP, IMAP, etc.
- **Fidelity:** Data fidelity is essential to a successful migration. Poor data fidelity can derail a migration project, disrupt customer productivity, delay completion, and result in lost or misplaced data (e.g. mail migrated to the wrong folder).
- **Effectiveness:** Smooth and complete transfer of data from one platform to another is vital to a successful migration. A good tool should automate data syncs before, during, and after cutover to ensure no data is lost or left behind.

Partner Satisfaction with Technical Completeness & Data Quality Features



Technical Completeness and Data quality is vital because it reduces the risks inherent in a migration project. Risk reduction refers to qualities such as more predictability and fewer issues during the migration project, resulting in an overall higher peace of mind for partners and their customers. When asked to rate the degree of perceived risk reduction delivered by the various tools, partners reported significant differences across the migration vendors.

Risk Mitigation Capabilities



% of Partners that Experienced High or Very High Levels of Risk Reduction

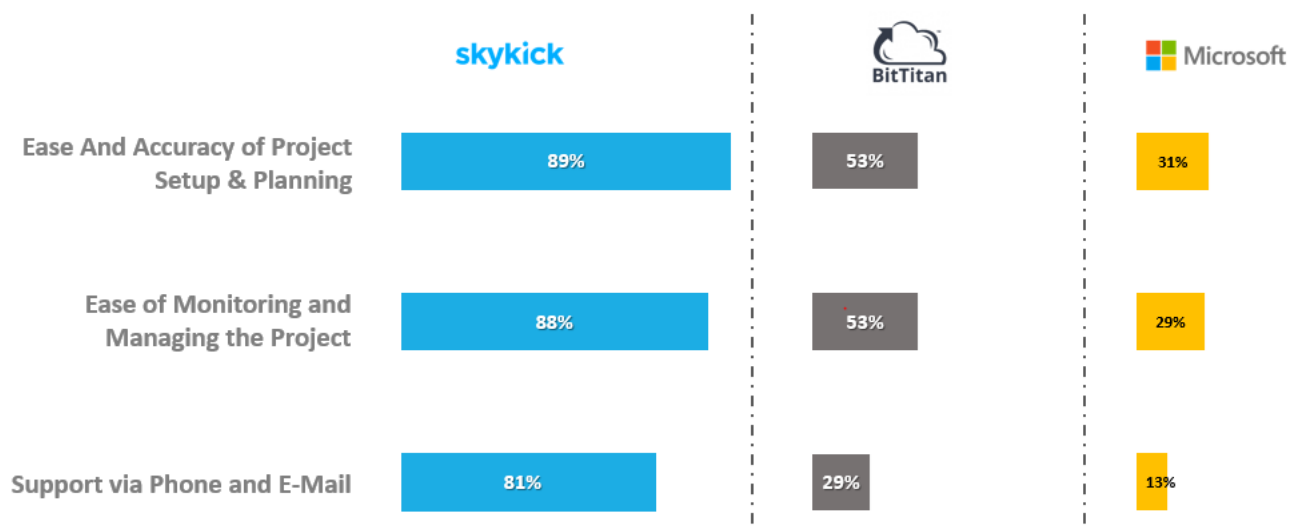
Vendors that successfully mitigate risks of data loss elicit a high level of confidence in partners. Many partners we spoke with emphasized the importance of an exemplary experience for the end customer as the key to building confidence and an ongoing customer relationship (“Smooth migrations unlock the customer for life”). Confidence in a migration solution sets the stage for a positive partner experience.

2. User Experience and Support

User experience and support was next on the list of top feature categories that shaped the tool preference of MSPs. More than 50% of respondents ranked user experience as the first or second most important feature of an email migration tool. The two most important factors that contributed to a positive user experience were “Ease of Use of the tool” and “Quality of Technical Support”.

Respondents were asked to rate their level of satisfaction across a range of features related to user experience and support.

Partner Satisfaction with User Experience & Support Features



% of Partners that are Satisfied or Very Satisfied with User Experience and Support Features

Project Setup and Planning: An essential component of a successful migration project is efficient planning. Partners spoke to the value of “Migration Planners” in strategizing and configuring a migration in advance.

Project Monitoring and Management: Due to the complexities and potential of unforeseen issues in a migration project, MSPs emphasized the need for an easy and comprehensive way to monitor and manage every project at every stage.



“Having a tool that enables us to plan out our entire project ahead of time, and proactively alerts us to issues we may need to address takes a lot of guesswork out of the complexities of a migration project.”

Technical Support: MSPs we interviewed stressed the importance of the quality of vendor support. They felt a partner-centric ISV that offers intuitive tools and backs them up with reliable support is one that prioritizes the success of its partners. Many partners expressed high satisfaction with SkyKick’s support.

They cited the vendor's free and unlimited email and phone support that spans issue resolution, pre-sales and project planning consultation.



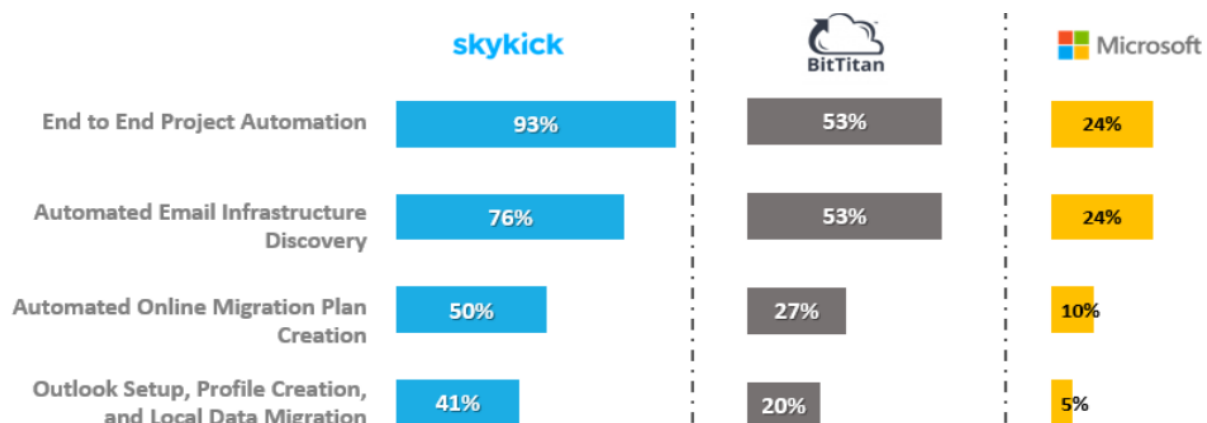
"We look for vendors whose products are self-explanatory, and rarely require a support call. On the rare occasion that support is needed, it's important that the issue is addressed quickly and effectively"

While great technology and support is vital, MSPs felt that a true indicator of the value of an ISVs solution is the ability to unleash efficiencies by automating manual processes as highlighted in the next category.

3. Effective Project Automation & Efficiency

The number of hours required to accomplish the various manual tasks outside the core data migration can make migration projects cumbersome. Thus, the time savings delivered by automation was high on the list of important features for MSPs. Vendors who provide effective project automation tools can help MSPs be more profitable by reducing time per migration and increasing the number of projects that can be performed with the available resources.

Partner Satisfaction with Project Automation Features



% of Partners that are Satisfied or Very Satisfied with Project Automation Features

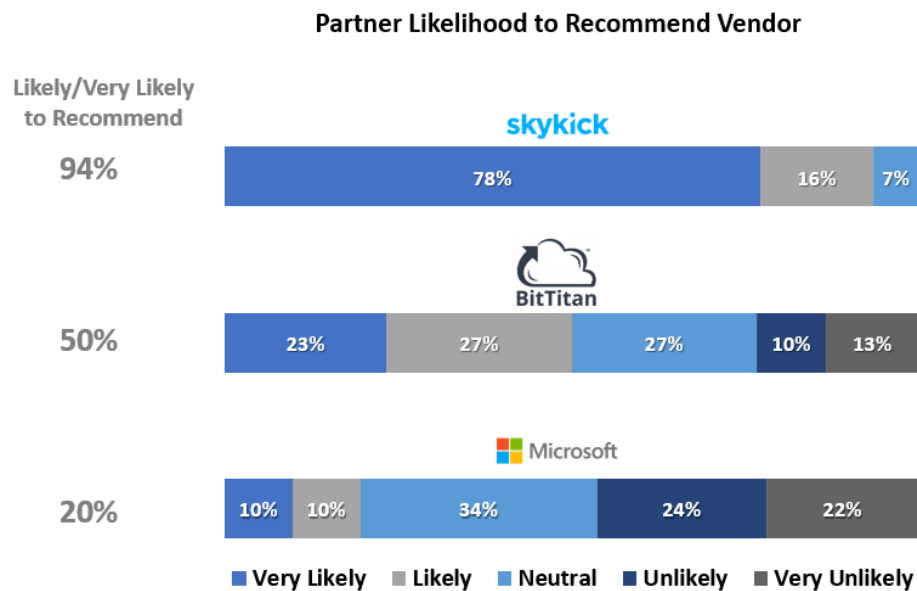
Project automation is where the difference in satisfaction among the top migration tools became more pronounced, as shown in the table above. Upon probing this angle further, partners indicated that there were important differences in how deep the vendors went into migration project planning and project management.

End-to-End Automation: While partners favor tools that provide the most comprehensive automation of manual tasks, they also want visibility into and control over the project. This combination of automation and control was a key contributor to partner satisfaction with SkyKick, as many cited that these features minimize the potential for data loss, downtime, data corruption, and other risks.

Automated Discovery: Automated discovery of the source email infrastructure during the planning phase provides a solid framework when consulting with customers during the pre-sales process. Using these tools, MSPs felt that they could uncover important data for their customer and prepare them for any challenges. For example, MSPs highlighted the benefit of being able to discover data from past or forgotten mailboxes and migrate that data to a shared mailbox without the need for an additional Office 365 license. This type of planning provides the clarity MSPs need to set expectations with their customers and to further optimize the customers move to Office 365.

MSPs Want ISVs to Bring Together Great Technology, Intuitive Experience & Effective Automation

While each key purchase driver is important on its own, most partners felt that vendors that can deliver on all three have the greatest impact on a partner's ability to drive superior results and achieve ongoing success. We found that the partner satisfaction for each individual feature, when combined, resulted in a compounding effect on the partner likelihood to recommend a tool to their peers.



While good data migration and migration project management tools are critical to MSPs, deeper conversations with partners confirmed that it was the impact of these tools on time savings and profitability that matters most to MSPs.

ISVs Become Agents of Success When They Facilitate Profitability and Business Acceleration

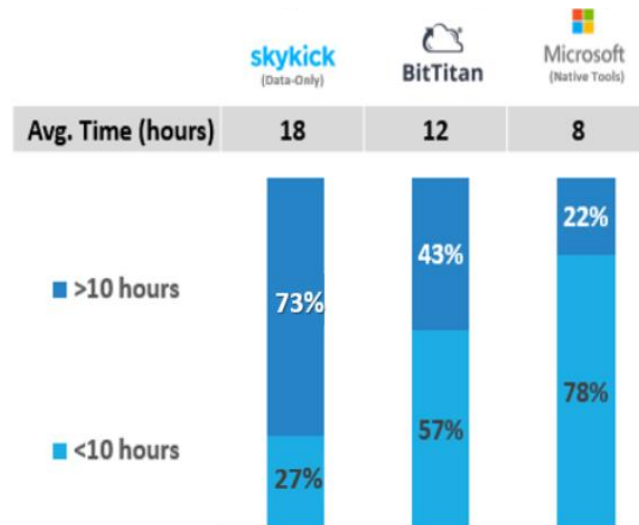
As vendors seek to be a part of their partners' transformation journey into healthy, profitable businesses, the focus moves to time savings through superior quality data migrations and risk mitigation, which in turn drives more favorable economics. Profitability and business acceleration greatly depend on the depth of automation of a migration solution and the efficiencies they deliver. An automated email migration tool enables MSPs to improve more than just the core email data migration, including automated selling, planning, and project management.

Study participants were asked to assess the impact on project profitability of the various solutions they had used. SkyKick outperformed the competition on this key dimension.

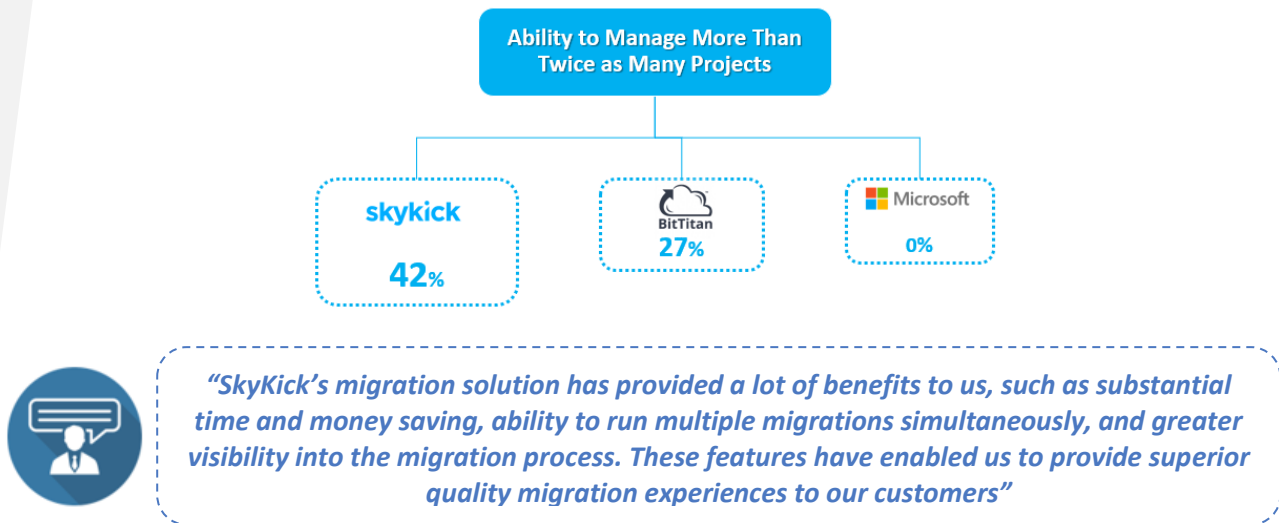
95% of SkyKick Partners Saw a **Material Increase in Profitability**

The profitability of each tool was directly attributed to the time savings it delivered and the ability to complete more projects. The table below shows how often the responding MSPs felt that the migration tool delivered material savings of time, defined as more than 10 hours on a typical 30-seat SMB migration.

Time Savings on a Typical 30 Seat Migration

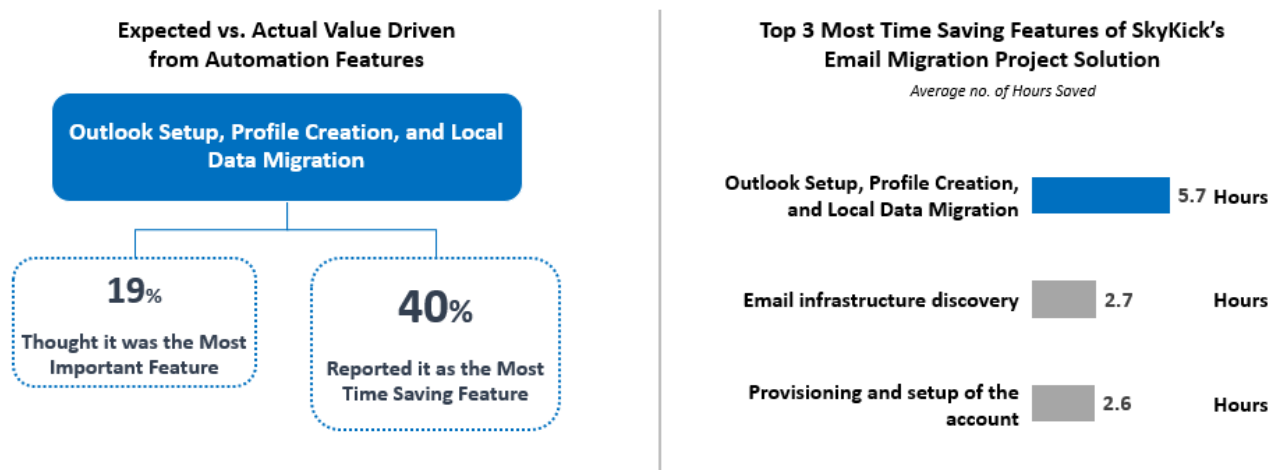


A 50% increase in time savings on migrations can have a tremendous impact on the number of projects that can be completed, particularly in a high demand environment where MSPs are often capacity constrained. This additional capacity enabled a substantial proportion (42%) of SkyKick users to undertake 2x or more projects. Many BitTitan users also saw an increase (27%) in the number of projects that could be completed. The native tools provided by Microsoft did not fare well in this category, validating the role of purpose-built migration ISV tools for MSPs serious about this space.



To understand why some of the vendors tools enabled more efficiency and scale, we sought to better understand the difference in their approaches. Some of the vendors took a broader lens to automation that extended beyond just the core of the data migration.

Partners spoke favorably to the breadth of SkyKick's approach and its emphasis on "Outlook setup, profile creation and local data migration." While this feature is sometimes underestimated, partners find it to be the key factor in greater time savings. For instance, when asked to cite the most important automation feature of a migration project tool, only 19% of partners thought "Outlook setup, profile creation and local data migration" would be most important. However, after the migration, nearly 40% indicated that this was the most time saving feature of their solution.



A good solution provider will empower its partners to scale their business and become more profitable through automation-enhanced migrations. But more than that, it will enable MSPs to expand their migration practice and provide more cloud services. Once migrated, SMBs often turn to their MSP for continued support and additional services. To help MSPs provide this type of support, some ISVs are implementing solutions that go beyond email migration tools.

Beyond Office 365 Migrations to Cloud Practice Profitability

As savvy MSPs move their customers to the cloud, their broader focus is always on building profitable cloud practices fueled by recurring revenue services. Many partners viewed the migration itself as a critical beachhead for a more evolved, and ongoing advisor relationship with their SMB customers. These MSPs have focused on identifying the best-fit cloud services that deliver customer value while serving as an engine of profitability in their cloud practices. In fact, some MSPs expressed that having strong, post-migration services strengthened their differentiation on the migration itself. Therefore, ISVs who provide ongoing cloud services are as critical to MSPs as those who assist them with migrations to the cloud.



"We love the fact that vendors are going from just Office 365 migration services to providing ongoing services like backup. In addition to opening a recurring revenue stream, these help us close a lot of migration deals, as we are able to offer customers an immediate and long-term data protection in Office 365."

The partners we spoke to, highlighted that SkyKick stood out as an early mover in layering value-added cloud services to its portfolio. It has an Office 365 backup product that allows MSPs to add this service to every migration. This provides an immediate stream of recurring revenue for the MSP, while protecting customers against the risks of data loss. MSPs indicated that it is a welcome addition to their tool belt as it not only meets the customers' needs, but it's also easy to implement.

Given the level of interest in backup services expressed by partners, we focused on understanding the points of value from the MSP perspective. The MSPs interviewed indicated that they prefer an Office 365 backup solution that delivers the same mix of functionality as the migration tools: high-quality technology, intuitive user experience, and automation.



"SkyKick's cloud backup solution is intuitive and easy to use. Implementation of other solutions we've previously used wasn't as easy."



"The backup solution gives us the doorway to have a strategic conversation with clients where we can guide them with our knowledge of Office 365."

Finally, MSPs' high level of satisfaction with SkyKick's email migration solution and support played a significant role in their decision to consolidate the post-migration workload of Office 365 backup with SkyKick. The feedback from MSPs showed a high level of confidence in adopting SkyKick Cloud Backup, based on experience, and that decision was later validated as the solution was put to use.

Conclusion

In this follow-up study, AMI-partners sought to expand upon the findings presented in the white paper titled *Migrating SMB Customers to Office 365*, published in May 2015. The aim was to uncover insights from a broader group of MSPs and gain deeper perspectives on the changing MSP and email migration landscape.

Partners who can successfully migrate customers' data and e-mail to Office 365 are more likely to win customers' trust. To win trust and maximize profitability, it is critical that partners carefully choose the right migration tool. Finding the right tool will allow partners to save time, complete more migration projects, open new revenue streams, win new customers, and maximize customer satisfaction. The study findings revealed that SkyKick continues to be the leader with respect to partner satisfaction across these critical areas and is leading the charge in helping partners expand beyond email data migrations.

The success of a partner's collaboration with a vendor depends not only on the technical aspects of the solution, but also on the overall partner-centric mindset of the vendor. Partners want to collaborate with a vendor that understands their transformation journey, business needs, and future plans.

Our study validated the ROI of purpose-built migration solutions from vendors like SkyKick and BitTitan relative to the native tools offered by Microsoft for Office 365 migrations. Further, SkyKick emerged as a vendor that has better embraced its partners' needs and provided solutions that create real business value for their partners. This has moved SkyKick beyond its leadership in Office 365 migrations, to becoming a comprehensive cloud business enabler.

Appendix

This whitepaper was developed by AMI-Partners (AMI), a leading global SMB research and strategy consulting firm. AMI collaborated with SkyKick to connect with partners (channel partners and MSPs) to determine which migration solutions have empowered them to provide great customer service and support. The information shared in this white paper is based on the results from qualitative and quantitative surveys conducted with channel partners around the globe offering Office 365 migration services and cloud backup services. Responses were drawn from 104 participants in North America, Europe, the Middle East and Asia Pacific. AMI additionally conducted in-depth interviews of partners that use email data migration, and cloud backup solutions to migrate customer data and manage it in the cloud.

Methodology:

- Quantitative survey of **N=104** channel partners
 - **N=70 US respondents**
 - **N=34 Non-US & English speaking respondents**
 - Analyzed data by systematically applying statistical techniques to generate insights
- Qualitative interviews with 5 channel partners
 - Results of interview incorporated into white paper

Targeted Regions	
NA	70
AUS/NZ	12
Benelux	10
UK & Ireland	8
ROE	4

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