



10TH MAGNITUDE

How to Make Money with Azure

EMBRACING THE CLOUD ECONOMY BUSINESS MODEL

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THE PROPHECY: 2011

Find a way to include cloud in your mix and fire your customers who aren't ready to adopt.

To sell cloud and innovation you may have to fire your sales force.

- Gartner Analyst Tiffani Bova, XChange 2011



FAST FORWARD: THE RESEARCH



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Companies with over 50% of revenue from cloud-related business outperform their peers on multiple metrics:



Public Cloud Services Spending will reach \$98B in 2016, with a CAGR 5x the growth of the IT market overall.

Source: IDC/Microsoft "Successful Cloud Partners" study

BORN IN THE CLOUD



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Cloud Pioneer

- I started a cloud company four years ago when few were doing this, and 10th Magnitude is 100% cloud. We have been using Azure since it launched.

Growing the Market

- I want to share tactical, actionable ways to thrive with Azure so we can all benefit from this exploding market.

Seeing the Future

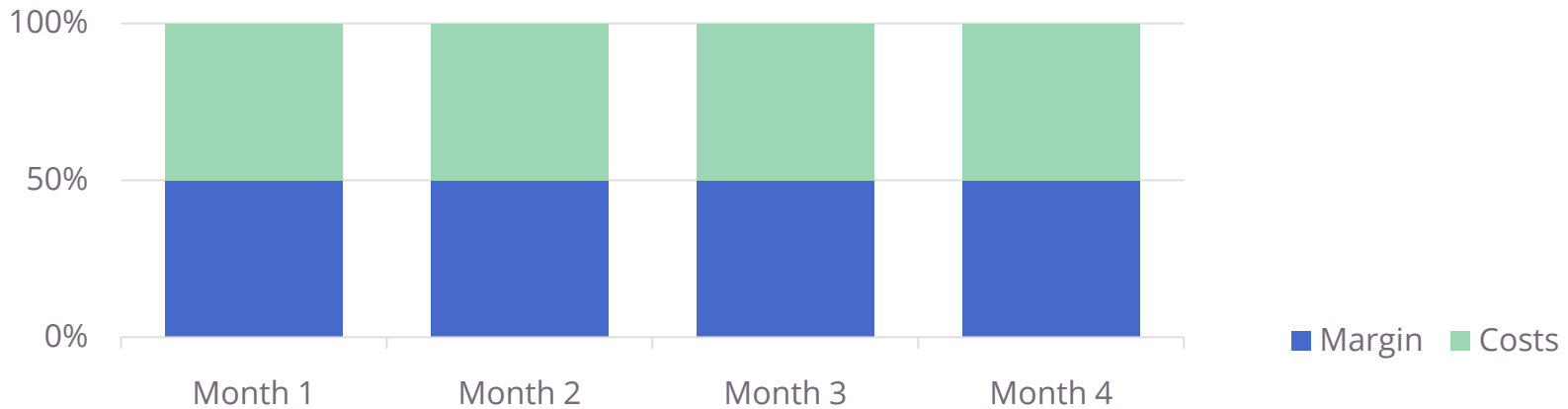
- I'm here to connect the dots between Tiffani Bova's prophecy and IDC's reality.

BEFORE CLOUD, IT WAS ALL ABOUT PROJECTS



You used to be able to win with:

- Big projects: ERP Deployment; Exchange Migration.
- Big teams: multi-person, multi-level teams.
- Big margin: high margin for life of project.



IN THE CLOUD, IT'S ALL ABOUT RELATIONSHIPS



*Instead of thinking about the value of the **project**, think about the value of your client **relationship**.*



HOW IT WORKS



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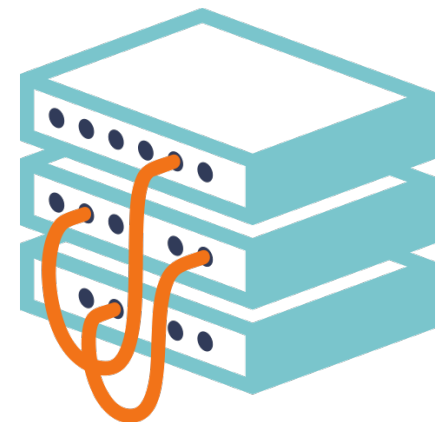
- Small, Agile Teams
- Recurring Revenue
- Multiple, Smaller Sources of Margin
- Capitalizing on Additional Opportunities in the Account
- Land and Expand

HOW TO TRANSACT WITH AZURE: THE ABC CORP. EXAMPLE



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ABC is a 2,000 person multi-national data-analysis and strategic consulting company that currently houses their vast amounts of data in a colocation facility.



So how do I think about a client engagement with ABC? How am I going to make money in this account?

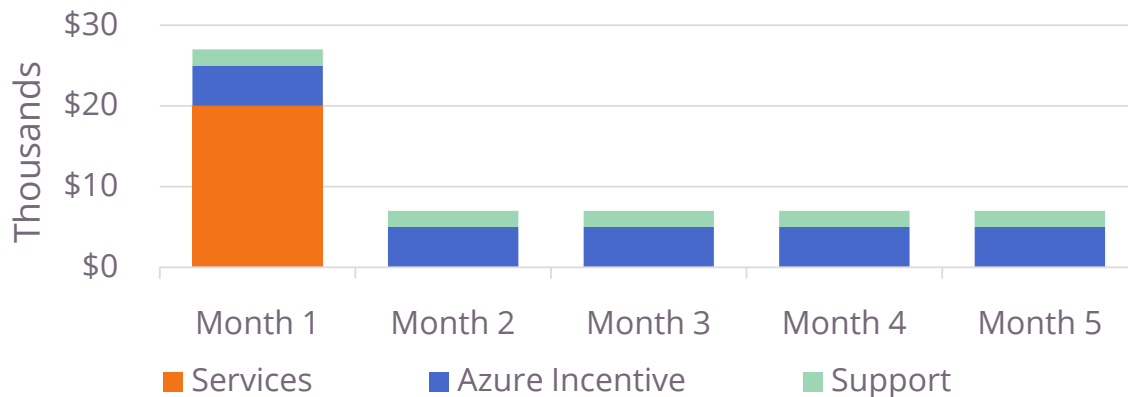
ABC PHASE ONE: DIPPING A TOE IN



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ABC wants: *To learn about cloud, do some testing, try it out with something easy.*

My response: Give me one of your SANs and I'll show you how to do back up to Azure.



1 person



1 month

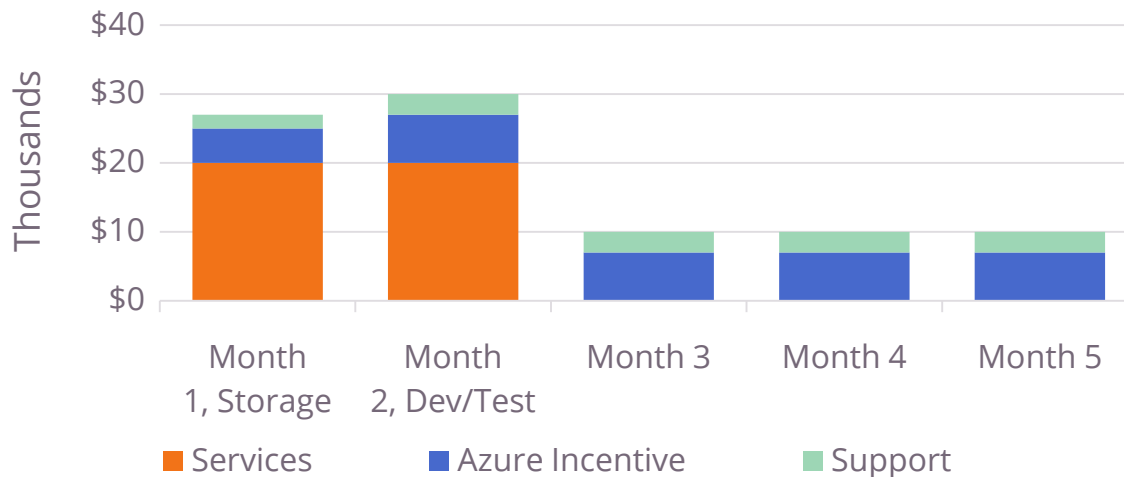
ABC PHASE TWO: WHAT'S NEXT



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ABC wants: *To know the next step to Azure.*

My response: Move the dev/test environment to Azure.



1 person



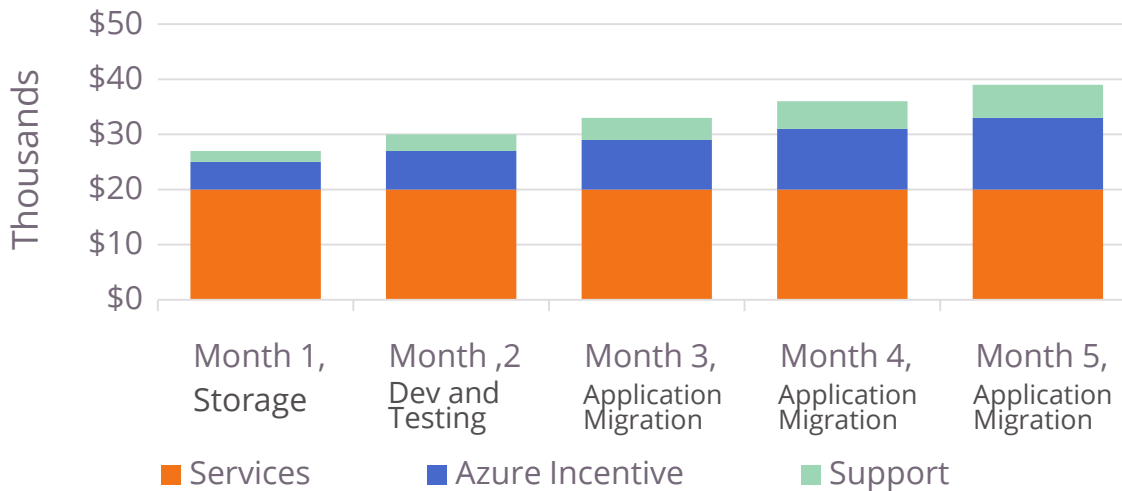
1 month

ABC PHASE THREE: CAN YOU PUT MORE STUFF IN AZURE?

{ X }
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ABC wants: *To know if instead of renewing hardware leases that are up, can they put that stuff in Azure?*

My response: Of course! So we do an assessment, make a recommendation, do some testing and move 20 apps to Azure.



1 person



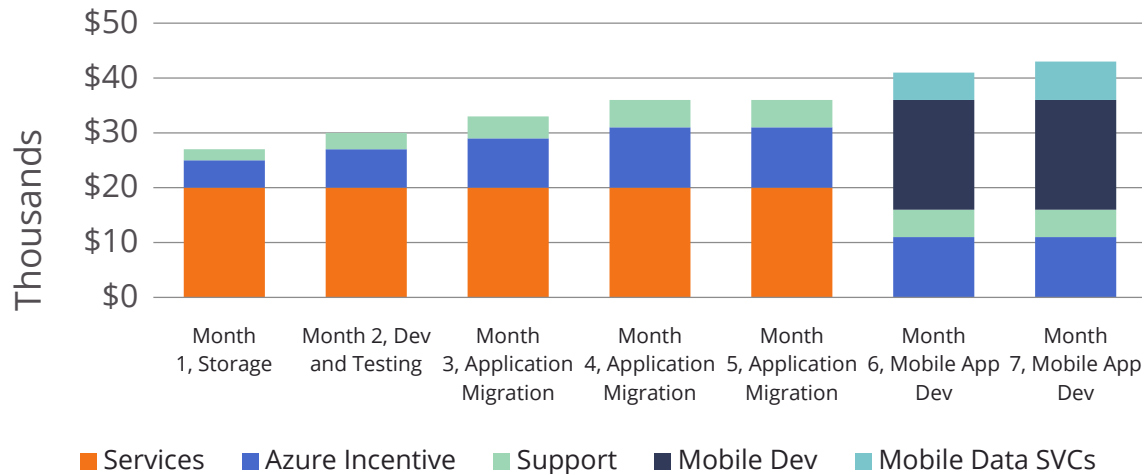
3 months

ABC PHASE FOUR: HOW ABOUT THAT MOBILE APP?



ABC wants: *To placate LOB execs who are frustrated that IT hasn't given them a mobile app that helps them sell their data.*

My response: No problem! Now, since data is already in Azure, it's easy for us to push it down into a mobile app, and using PaaS means I have access to turnkey mobile data services.



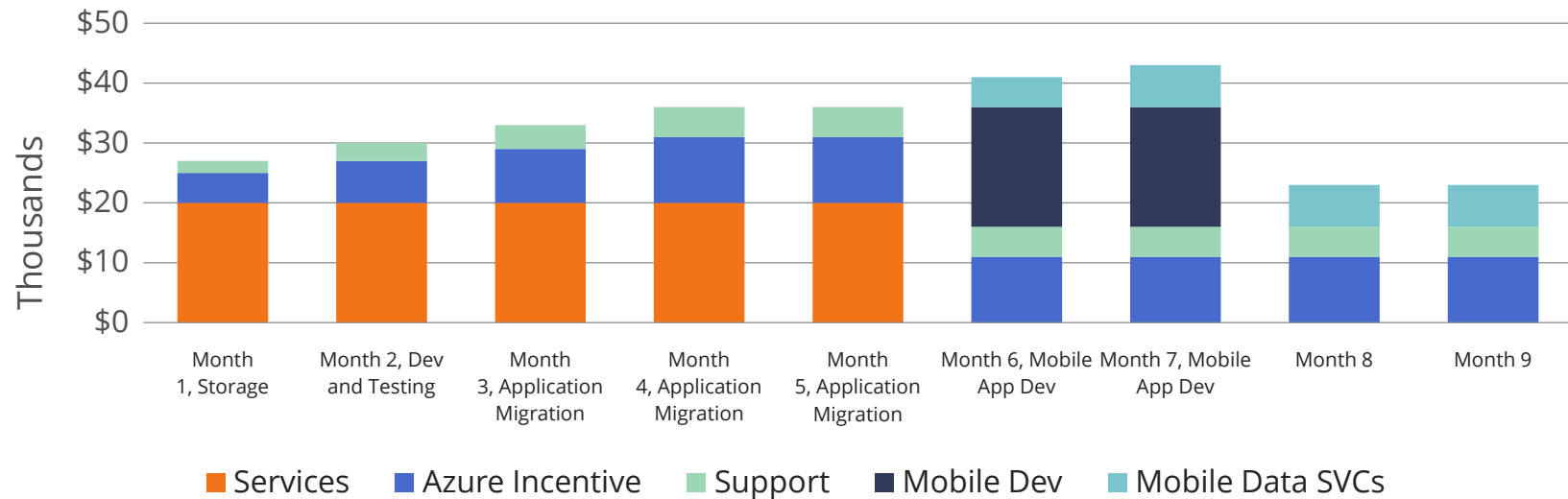
1 mobile developer



1 UX Designer

SHOWING THE MONEY

*This is the value of the client:
An ongoing relationship that generates
recurring revenue streams.*



COMMIT TO AZURE



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*The evolved Azure client relationship is built around a continual stream of recurring revenue created by pieces of professional services—**which is why your sales team may no longer be the right fit.***



COMMIT TO AZURE



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The transition to Azure isn't going to get any easier as cloud adoption explodes.

- Flip your business model
- Adjust your cost structure
- Find new customers
- Retool your sales force

To shift to Azure you have to fully commit, but the payoff is there.

