

Cloud-Powered Evolution for MSPs: Business Scaling with Cloud Services

Transforming Managed Service Providers
through Cloud Services: A Route to Growth



MSPs USAGE OF CLOUD SERVICES DRIVES GROWTH

In today's dynamic market, Managed Service Providers (MSPs) are experiencing a profound paradigm shift. Beyond their traditional roles in IT infrastructure management, MSPs are increasingly positioned as strategic partners for businesses seeking comprehensive solutions. They bring a wealth of knowledge and experience to the table, enabling organizations to offload the complexities of infrastructure management, monitoring, and maintenance.

MSPs are part of a very competitive landscape, competing on multiple fronts, including operational efficacy and new services offering. They are in a constant struggle to balance B2B2B end customers' need to spend less, their own imperative to work more efficiently and to achieve maximal monetization from their OPEX investments.

The competitive edge for MSPs today hinges on their capacity use cloud services to introduce change in three major areas, where a change to one area inevitably reflects on the others.





Operational Excellence: **Harnessing Cloud Services for Optimal Efficiency**

Managed Service Providers (MSPs) face a particularly steep challenge when striving for operational excellence in a multi-cloud environment. Operating across multiple cloud platforms adds layers of complexity that many MSPs are ill-equipped to handle. A lack of real-time insight into their cloud operations hampers their ability to optimize the value of their cloud assets effectively. The multifaceted nature of multi-cloud management raises critical questions for MSPs: Do they build strong internal IT teams with diverse cloud skill sets, or do they adopt a hybrid approach through partnerships with specialized providers? The answer often lies somewhere in between, requiring a fine balance of in-house expertise and strategic collaborations.



Business Scaling: **Strategic Expansion Through Optimization and Cloud Fairness**

The journey towards business expansion is marked by a dual approach: enhancing efficiency and broadening service accessibility. The art of refining operational effectiveness and extending services to a diverse set of enterprises unlocks substantial potential for rapid customer acquisition. Simultaneously, this strategy guarantees a deliberate placement of clients within the operational framework, optimizing resource utilization. This, in turn, results in a surge of workloads stemming from varied clients, fostering growth that surpasses what could be achieved with a limited customer base.

It's paramount for MSPs to comprehend the intricacies of operational data surrounding the cloud environment. By employing advanced analytics and predictive models, MSPs can adeptly strategize planning, improvements, and the introduction of innovative campaigns and services. Beyond the foundational monitoring and control provided by native cloud provider solutions, the future beckons MSPs to integrate enhanced advanced analytics. While the absence of such integration today might not pose an immediate concern, it is essential to recognize and align with industry trends and roadmaps. By doing so, MSPs substantially reduce risks, orchestrating their strategies based on a deeper understanding and interpretation of the wealth of data at their disposal.



Market Reach Amplified: Enriching Business via Bundled Solutions and New Business Models

The pursuit of business growth converges with the objective of enhancing market reach. A strategy to expedite this journey involves strategic bundling alongside pre-existing services. Additionally, the infusion of automation serves as a catalyst for this approach. Within the realm of Managed Service Providers (MSPs), the art of crafting business bundles interwoven with cloud services emerges as a powerful tactic. The collaboration of omni-channels and cloud services further fortifies connectivity, providing an integrated approach that propels businesses towards new market frontiers.



FINOPS: THE NEW HORIZON IN CLOUD MANAGEMENT

FinOps, or Cloud Financial Management, comes into play as a synergistic approach that empowers MSPs to optimize cloud resources, control costs and enhance performance. It empowers organizations to align cloud investments with budgetary goals, fostering a culture of accountability, collaboration, and cost-consciousness.

FinOps, however, works best when implemented timely, meaning at the very beginning of the cloud journey (if possible), smartly using clear targets, and with the right partner. This ensures achieving significant positive business impact.

FinOps enables profound understanding of cloud-related data, near real-time spending insights, segmentation of customer needs and classifications and enhanced operational efficiency, enabling MSPs to offer new services with the appropriate dynamics and reduced risk of failure.



Best Practices for MSPs:

Integrating FinOps using a FinOps Certified Platform

In the realm of Managed Service Providers (MSPs), FinOps certified platforms such as CloudVane emerge as indispensable assets when extending cloud services to clients while simultaneously driving optimization initiatives. These platforms establish a solid framework that equips MSPs to deliver streamlined, cost-efficient solutions.

By adhering to FinOps best practices, MSPs can skilfully navigate cloud cost management and resource allocation, resulting in competitive pricing models for clients. This optimization not only elevates the service value but also fosters client contentment and loyalty. As MSPs consistently furnish optimized cloud services, their credibility surges, resonating with a growing customer base in pursuit of streamlined, economically-sound solutions. In this context, a FinOps certified platform acts as catalysts, propelling MSPs toward an augmented clientele, increased workloads, and overall organizational expansion.

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REAL-WORLD EXAMPLES: INSIGHTS INTO OPERATIONAL EXCELLENCE AND STRATEGIC INNOVATION

The following examples provide an in-depth look at how MSPs leverage s FinOps certified solution to drive operational excellence and achieve competitive advantages. Each example examines a specific problem and outlines the solutions employed, providing a well-rounded view of the strategies and technologies that lead to success in today's multicloud landscape.

Maximizing Internal System Cost Reduction in Multicloud Service Delivery

As MSPs continue to expand their multicloud service offerings, they are increasingly looking inward to optimize their own operational costs.

- **Human Resource Efficacy**
The addition of each subsequent cloud provider into MSP's service offering exacerbates the human resource issue, as it involves more specialized personnel for workload management, billing and cost control across different cloud service providers.
- **Labor expenses**
Consequently, MSPs face rising staff costs, especially with the need to onboard experts to handle the specific nuances of each cloud provider's billing and resource management systems.
- **Resource Asset Management**
Using various tools for tracking assets and resource utilization results in a lack of a unified view. This leads to suboptimal asset utilization, contributing to increased operational costs.

MSPs can adopt a FinOps certified platform to bring about a strategic change in their internal cost structure. They get precise visibility into what was being paid for versus what was actually being used. This granular insight enables a more informed allocation of resources, leading to substantial cost savings.



Through automation and streamlined workflows, the platform minimizes manual tasks that were otherwise resource-intensive. This boosts human resource efficacy, reducing the need for specialized staff for each cloud service provider.

With centralized asset tracking, MSPs can manage resources more efficiently. The platform's analytics tools further help in identifying idle or underutilized assets, making it easier to optimize resource allocation and thereby, reduce costs.

Navigating the Complexities of Multicloud Service Delivery

MSPs that offer multi-cloud services across a range of providers including AWS, Azure, GCP and Oracle encounter specific challenges. These include inconsistencies in workload management due to provider-native tools, complexities in workload consolidation and the laborious task of issuing consolidated invoices.

- **Provider-Native Tools and Workload Management**

Dependence on cloud service provider native tools in the management of customer workloads and monitoring costs led to inefficient and inconsistent management practices. The lack of a centralized viewpoint makes it difficult to optimize resources and control expenses.

- **Workload Consolidation**

With customer workloads spread across multiple cloud providers, MSPs face challenges in consolidating these efficiently. The unique resource management paradigms and pricing models of each provider complicated the issue.

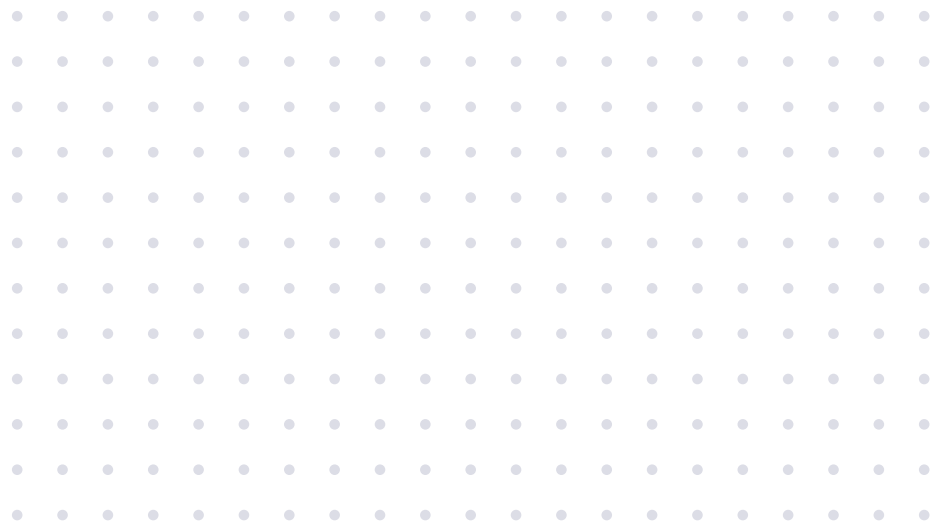
- **Consolidated Invoicing**

Creating unified invoices for services from multiple cloud providers proves to be both time-consuming and prone to errors. The administrative overhead is unsustainable and often leads to delays in billing, impacting customer satisfaction.

The implementation of FinOps best practices using a FinOps certified platform addresses the issues of cost complexity and visibility by providing the granularity needed in understanding costs across all providers. This newfound clarity allows MSPs to manage costs better and offer more competitive pricing to their clients.

A FinOps certified platform offers consolidated workload analytics that streamline resource allocation. This improvement leads to more efficient utilization of resources, reducing waste and elevating the level of service delivered to clients.

On the issue of simplifying billing complexity, a FinOps certified platform that offers chargeback can generate accurate, consolidated invoices that integrate custom rate cards and product catalogs. This feature not only saves administrative time but also enhanced the transparency and accuracy of billing, leading to increased customer satisfaction.



Streamlining Oracle Exadata Cloud@Customer Multitenancy

MSPs who integrate Oracle Exadata Cloud@Customer into their product offerings gain the ability to provide high-performing, converged infrastructure solutions to their clients. However, diving into this specialized service, especially for MSPs without prior cloud experience, poses unique challenges.

- Lack of Experience in Cloud and Exadata Services**

Some MSPs have limited expertise in cloud services and most of them are entirely new to Oracle Exadata Cloud@Customer. This results in a steep learning curve and makes it challenging to manage and optimize the service efficiently.
- Non-Existent Automated Chargeback Mechanism**

MSPs face significant issues with chargeback, especially when accommodating multiple customers on a single Exadata service. The absence of a straightforward chargeback mechanism makes it complex to fairly allocate costs among different clients.
- Limited Billing Capabilities**

MSPs lack the ability to automatically include value-added services, product catalogs, or add markups to end-user invoices due to the limitations of their existing billing system.

MSPs that turn to a FinOps certified platform tailored to address these unique pain points can easily overcome these challenges. Such platforms offer custom dashboards with analytics to help bridge the MSP's knowledge gap in cloud services and Exadata management. The insights provided allowed for faster, more informed decision-making.



With the FinOps certified platform, MSPs can implement a detailed and fair charge-back mechanism. This is crucial for allocating costs appropriately among multiple customers sharing a single Oracle Exadata Cloud@Customer instance. The platform featuring automated chargeback allows MSPs to include value-added services, integrate product catalogs, and automatically apply markups in the invoicing process, delivering a more comprehensive and transparent billing solution to the end-users.



Transitioning from Telco to Digital Service Provider

As telecommunications companies transition into comprehensive digital service providers, many are exploring ways to incorporate multicloud services into their existing product portfolio. One of the most prominent challenges on their journey is how to bundle cloud services effectively.

The telco's initial approach could only go as far as reselling cloud services 'as-is' from providers like AWS, Azure, GCP and Oracle. They are constrained by their limited capabilities to bundle these cloud services with their own specialized networking offerings, which otherwise could make them stand out among a sea of generic MSPs. What limits them is the lack of skill-set specific to cloud services, compliance and security concerns and most importantly, billing complexities.

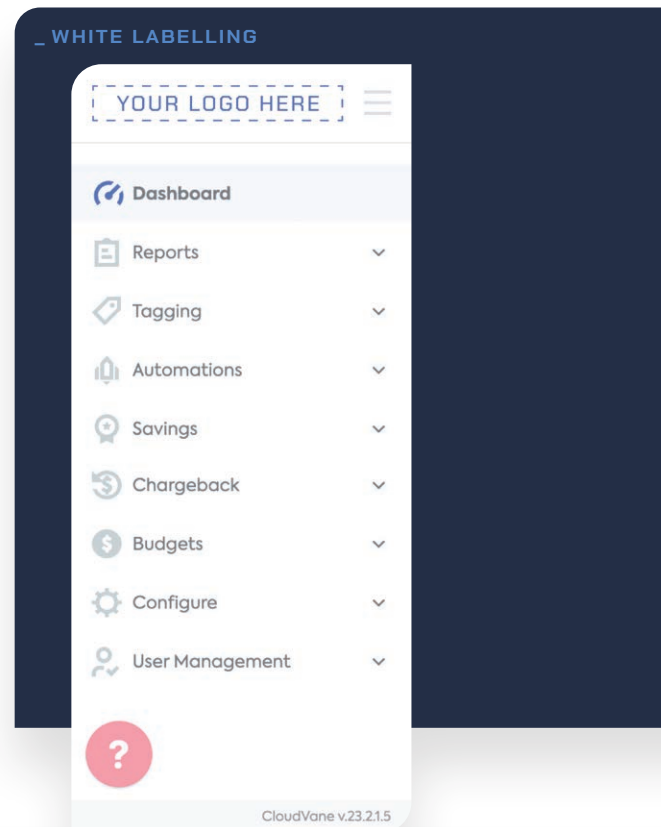
Without an automated chargeback process, telcos find it nearly impossible to issue invoices that include added-value services, product catalogs and markups.

Although touched upon in other examples in the whitepaper, it's worth reiterating that without an automated chargeback process, telcos find it nearly impossible to issue invoices that include added-value services, product catalogs and markups. This limitation severely restricts their ability to provide customized and competitive offerings.

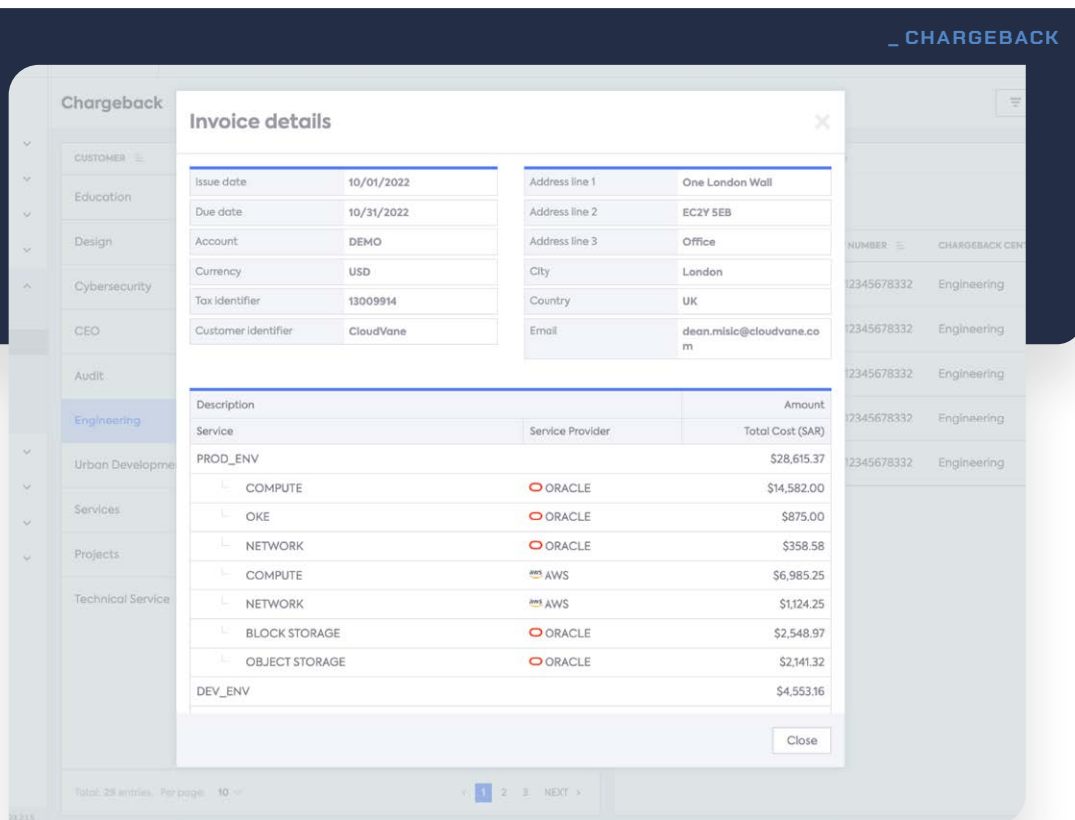
Recognizing that these challenges are holding them back, telcos should turn to a FinOps-certified platform as a game-changing solution. With a FinOps platform that enables automated chargeback, custom price lists, dashboard with profitability insights, integrated product catalog and white label customer portal, telcos can bundle their unique networking services with cloud offerings, creating a differentiated product that sets them apart from other MSPs.

CLOUDEVANE'S FINOPS-DRIVEN APPROACH TO RESOLVING MULTICLOUD COMPLEXITIES FOR MSPs

In the dynamic landscape of MSPs, providing clients with innovative solutions is paramount. When it comes to cost management platforms, white labeling emerges as a game-changer. This strategy empowers MSPs to seamlessly integrate and offer a fully customized experience under their own brand, strengthening client relationships and boosting competitiveness.

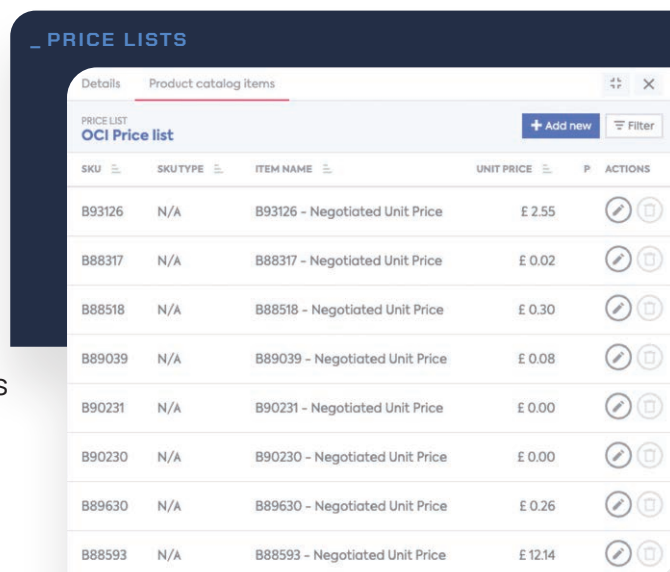


SOLUTION



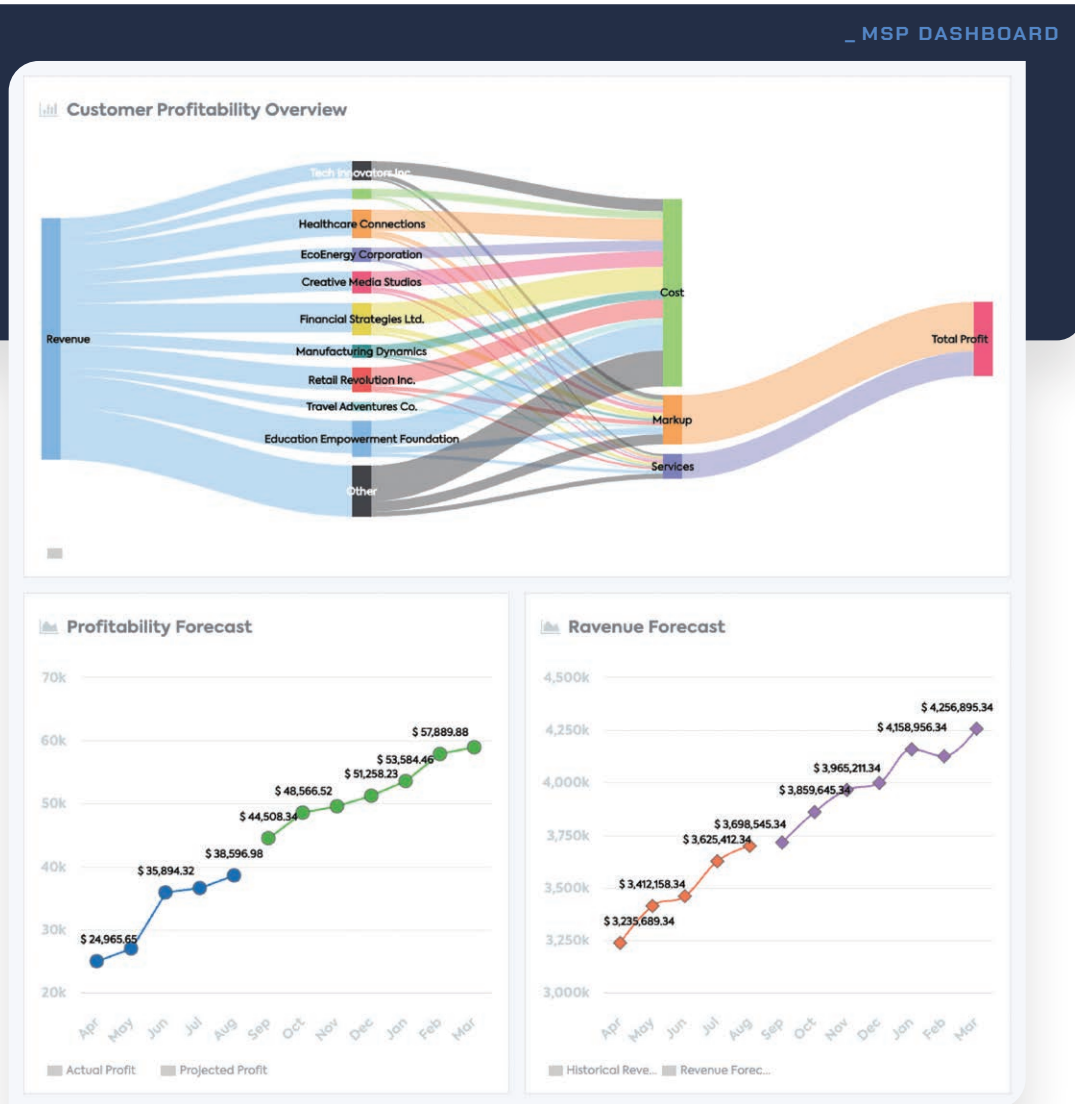
Chargeback empowers MSPs to accurately assign costs to clients and services in multicloud setups, facilitating the generation of tailored invoices. These invoices incorporate personalized rate cards and product catalogs, enhancing transparency and ensuring precise billing for the range of services rendered.

By leveraging the CloudVane’s Custom Price lists, MSPs can tailor pricing structures to meet the unique needs of individual clients. This flexibility not only enhances customer satisfaction but also empowers MSPs to compete effectively in the market, adjusting their offerings to align with clients’ financial preferences.



SOLUTION

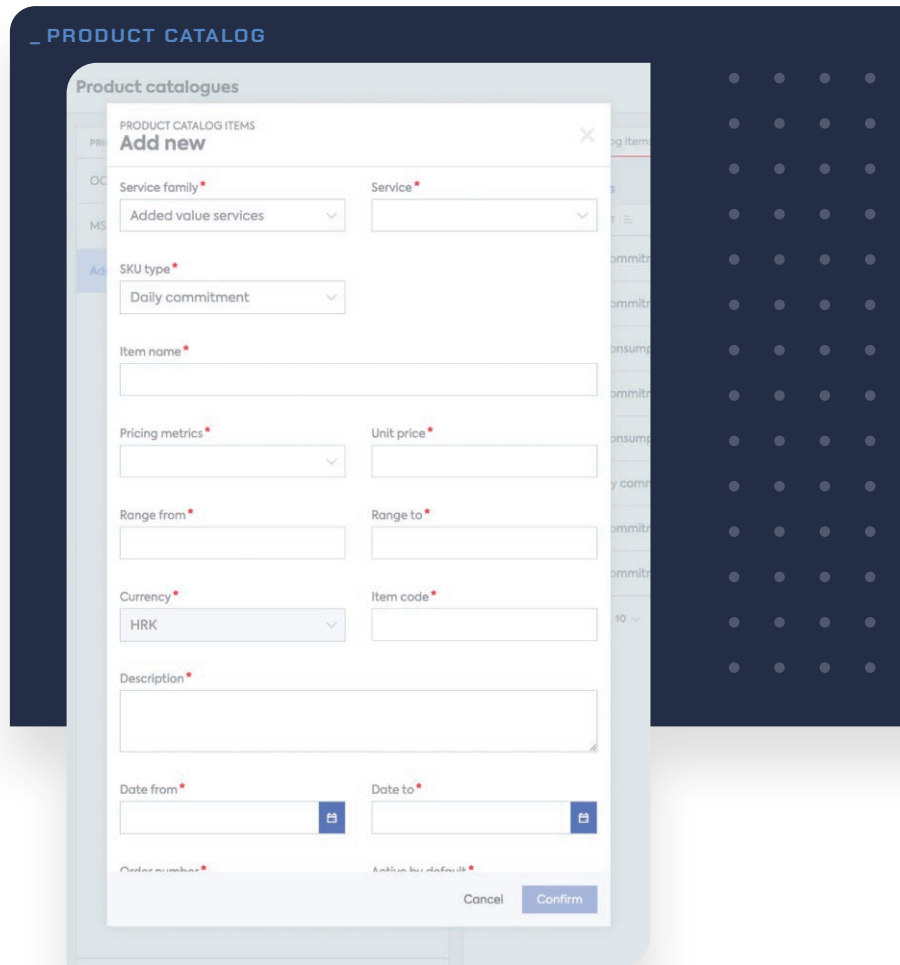
CloudVane’s provision of MSP dashboards equipped with profitability insights transforms the landscape of business decisions. MSPs gain a comprehensive view of their financial health, analyzing profitability trends, and identifying areas for improvement. This data-driven approach empowers informed decisions that contribute to increased operational efficiency and optimized resource allocation.



The inclusion of Customer dashboards showcasing uplifted costs fosters transparency and trust between MSPs and their clients. Clients gain insight into the cost structures of services rendered, promoting accountability and facilitating more meaningful discussions around service optimization.



The integrated Product Catalog for added value services elevates the MSP's offerings. By highlighting value-added services within a unified catalog, MSPs position themselves as comprehensive solution providers. This approach not only enhances the perceived value of their services but also opens new avenues for revenue generation.



FINAL THOUGHTS: **THE INTERSECTION OF MSPs AND FINANCIAL OPERATIONS**

Managed Service Providers (MSPs) stand at the crossroads of growth, propelled by cloud services but challenged by complexities in refining operations, optimizing resource allocation, and expanding their services. By embracing FinOps-driven strategies through CloudVane, MSPs equip themselves to tackle these challenges and play a vital role in business expansion.

Start your journey of growth and innovation by exploring CloudVane through a live demo. See how CloudVane is tailored to empower Managed Service Providers to overcome challenges, optimize operations, and expand their service horizons. Step into a future where CloudVane empowers MSPs to overcome challenges and elevate their role in the digital landscape.

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