Can solutions providers grab their piece of the cloud market? Absolutely yes. But it takes some careful planning and the right infrastructure blueprint upon which to build a recurring revenue business.

The flexibility and cost savings potential of this IT approach attracts customers from small businesses to the largest enterprises. Explosive growth rates are the rule. Market Research Media reports that the global cloud computing market will expand at a 30 percent annual clip through 2020, when it will hit the $270 billion mark. IDC estimates that public IT cloud services will grow at a 27.6 percent rate through 2015.

Naturally, solutions providers vie to stake a claim in the expanding cloud services market. To a certain degree, companies are compelled to migrate. IDC suggests that by 2015 one out of every $7 dollars expended on packaged software, server, and storage gear will be acquired via the public cloud model. Companies that don’t develop cloud strategies now will likely miss out on a significant chunk of revenue later.

If those market forces have you thinking cloud, you can bet your competitors are heading in the same direction. The bottom line: the cloud services market will become increasingly crowded as solutions providers look to mine the sales opportunity. Your job: pick cloud services wisely and differentiate your services.

Selecting a technology partner is another important consideration. CA AppLogic, the turnkey cloud platform from CA Technologies, provides solutions providers a foundation through which they can offer a range of cloud services.

CA AppLogic features an app container that handles data, business logic and messaging for complete scaling. As a result, MSPs can offer customers SLA-driven performance, low latency, high availability and multi-tenancy capabilities.
CA AppLogic’s true believers include Long View Systems, a Calgary, Alberta-based IT solutions and services company that informally conferred with its customers to gauge their interest in cloud services.

“We really listened to our clients and ... opened a dialog around what they were willing to do in the cloud,” said Kevin Crowe, Long View’s director of Cloud Services.

In addition to listening to client feedback, Long View formed a cloud task force consisting of company executives and solution architects. The group hashed out what they wanted to do in the cloud and identified service lines for investment.

“We went to market from there,” Crowe noted.

Long View launched three cloud services initially: building on-premise private clouds for customers, offering private cloud services through its own on-demand infrastructure, and aggregating third-party cloud solutions.

Long View uses CA AppLogic to build and manage private clouds. Crowe said what makes cloud computing stand out from traditional IT environments is the rapid provisioning of resources, the movement of workloads among those resources, and the agility of workflow. Enterprise-class tools, he said, play a critical role in helping solutions providers provision, manage and orchestrate cloud services.

“We feel tools like CA AppLogic are the real magic of the cloud,” he said.

CorePLUS, a Dallas, Texas company, has also made CA AppLogic a key component of its cloud business. The company’s CorePLUS Cloud Management Platform, which offers centralized management and provisioning of applications and services, builds upon CA AppLogic.

“CA AppLogic provides a foundation with features such as security stack isolation, scalability, operational efficiencies, service packaging and portability, monitoring metrics, and automation interfaces that complement the CorePLUS Cloud Management Platform in a variety of ways,” noted Kent Potter, chief marketing officer at CorePLUS.

He said CA AppLogic enables cloud applications to be on-boarded, scaled, and maintained in an extremely rapid and efficient manner using the Cloud Management Platform.

CorePLUS’ transition to the CA AppLogic-based cloud platform was many years in the making. Potter said the company had worked with various virtualization solutions, but found that they failed to address all the problems the company faced. While working on a large customer project, the company decided to create its own solution.

“In doing so, it became apparent that we had developed a true virtualization cloud management platform using CA AppLogic that could change the marketplace,” Potter said.

CorePLUS delivers its management platform in public, private, hybrid and community cloud deployments.

At Cirrus9, CA AppLogic has become the technology of choice for customers needing a private cloud, noted Mike Michalik, the company’s co-founder and chief executive officer.

The company, which helps customers evaluate cloud platforms, conducts a private vs. public cloud analysis to determine where best to deploy a given application.

“We make the recommendation and if it is private cloud, we re-architect the application to take advantage of the scalability of CA AppLogic and cloud in general,” Michalik explained.

When projects call for public cloud deployment, Cirrus9 goes with Amazon Web Services. Michalik said Amazon is more reliable than other options and has the most features.
While a solid management layer helps companies stand out in the cloud, solutions providers point to other ways to differentiate.

Michalik cited the amount of analysis the company conducts when assessing the programs customers wish to move into the cloud. Cirrus9 considers the complexity of the applications -- are they physically multi-tiered or on a single server? The company also takes into account the extent to which an application is mission critical. This process identifies good candidates for the initial push to the cloud, typically applications that are less mission critical.

The idea, Michalik said, is to establish some “quick wins and move on to more complex applications.”

Beyond cloud analysis, a focus on customer support and service-level agreements also services to differentiate the company, Michalik added.

That service emphasis plays a pivotal role at Bird Hosting. The company offers virtual dedicated servers, cloud hosting, and cluster solutions. The majority of the company’s services are built around CA AppLogic. Bird Hosting signed a multi-year license agreement with CA Technologies in 2011.

“We really just differentiate by service,” said Michael Wallace, CEO of Bird Hosting.

Wallace said other providers may offer similar services, but they may take longer to get the job done. He said he’s heard of other companies that take a month to build a virtual private data center, for example. Bird Hosting can do a complete build out in hours if it has the equipment, and in about a week if it doesn’t, he explained.

“So what we can do in a matter of a week, it takes the competition a month to get done.”

Crowe, meanwhile, cited Long View’s origins in IT infrastructure products and services as helping to set the company apart. The company’s background includes selling hardware and software, integrating technologies, and providing managed services.

“From our perspective, our technical depth is really a key thing that allows us to differentiate,” Crowe said, noting that 700 out of the company’s 950 employs focus on the technical side.

Long View’s history in procurement, integration and outsourcing also means it can offer clients traditional IT along with cloud services.

“We are not just cloud,” Crowe explained. “The fact we can be so holistic with clients is resonating with customers.”

Wider coverage is also a factor that helps set CorePLUS apart. The company provides an end-to-end cloud management platform, while other companies in the market sell desktop, client or virtual desktop infrastructure (VDI) offerings as a complete solution, Potter said. Those vendors fall short of that aim, he noted.

“No one enjoys being sold a complete solution and then come to find out that in order for the ‘complete solution’ to work they must now purchase the tools.”

“The fact we can be so holistic with clients is resonating with customers.”
Not every value-added reseller (VAR) or managed services provider (MSP) stands ready to build and sell their own cloud services. Established cloud players, however, offer smaller VARs and MSPs an onramp to the cloud. Indeed, channel companies can tap into an expanding network of CA AppLogic-based cloud solutions providers. Such partnerships provide cloud revenue today, while offering VARs and MSPs a stepping stone toward eventually creating their own CA AppLogic strategies.

That’s where Cloud Commons, an online community launched by CA Technologies, enters the picture. Many CA AppLogic service providers participate in the Cloud Commons ecosystem, which includes a marketplace that facilitates the buying and selling of cloud services and content. Also, a Cloud Commons Developer Studio allows service providers to plan, build and test cloud-based software solutions.

CorePLUS, Potter noted, is a Cloud Commons participant and sells its service through resellers such as VARs, ISVs, and MSPs. The company’s resellers attend a full day of training at CorePlus offices or via WebEx. The training shows resellers how to sell, implement and train, following a methodology throughout the customer engagement.

“They learn the best method for selling cloud delivered aggregated applications and services to any device and how much easier it is to make more money by partnering,” Potter said.

Cirrus9, for its part, provides its Cloud Service Provider Platform. The platform lets partners offer cloud solutions on private label basis, while relying on Cirrus9 “to handle the load and provisioning,” according to the company.

Similarly, ScaleMatrix Inc., a San Diego-based colocation and private cloud hosting provider, lets MSPs and VARs work with its channel sales teams or white label the company’s solutions under their own brands, the company noted. ScaleMatrix, also a Cloud Commons member, offers CA AppLogic-based solutions as part of its services portfolio.

“We want to be the MSP’s MSP,” said Mark Ortenzi, CEO of ScaleMatrix.

For cloud solutions providers, and their allies, the cloud represents a real opportunity. Crowe of Long View, which is currently brainstorming a formal partnering approach, said the cloud reminds him of virtualization technology, which first took root in test and development environments and then emerged in an organization’s daily operations.

“We see a huge momentum building,” Crowe said.