

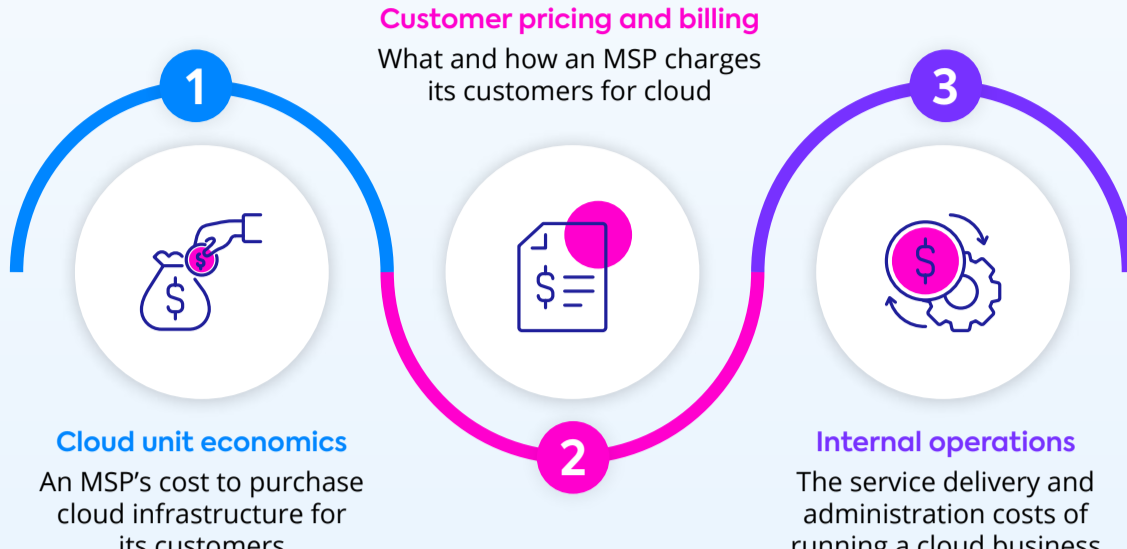
How to be an optimized cloud MSP

Three simple steps to a margin-rich cloud business

Discover how to power profitable cloud services

If you're a managed service provider (MSP), you know that to attract and retain customers in a crowded cloud marketplace, you must deliver cloud management and optimization services that stand out. But building a profitable business isn't without significant challenges.

To help MSPs be profitable, we've broken down the path to optimizing cloud services profitability across three key drivers:



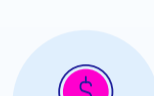
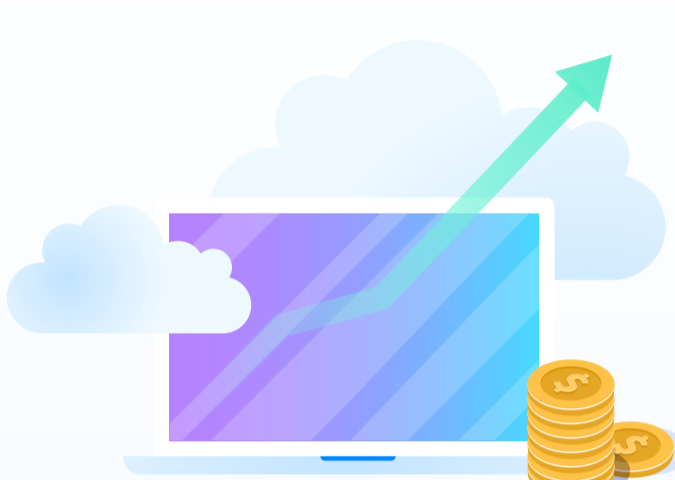
Let's start by reviewing how you can improve your cloud unit costs.

Customer pricing and billing

The pains of ineffective pricing packages



Many customers initially think of an MSP's pricing and a cloud provider's pricing as an apples-to-apples comparison. But my MSP business provides so much more—how do we price so customers see that added value and are willing to pay for it?"



MSPs that combine the right cost optimization and pricing strategies can effectively increase cloud service margins.

Solution

Most IT organizations seek to harness the cloud, but they often lack the internal resources and capabilities to maximize their investment. This gap represents an opportunity for your MSP business to provide value-add services that both drive revenue and transparently support the needs of your cloud customers.

With the right cloud management platform capabilities, you can:

- ✓ Develop custom rates and charges for cloud services that clearly align to the actual value of the offerings provided
- ✓ Create custom tiers to bundle different solution offerings in a methodical, easily replicable fashion
- ✓ Build pricing tiers that align to common support needs for customer types, such as varying levels of in-house cloud expertise

When keeping track goes off track



It's unclear what each customer's exact usage and resource costs are. What is clear is the sheer volume of charges. I'm spending countless hours making sure that I've applied the rules from our pricing strategy when I re-rate for the customer.



Optimizing billing processes through automation can yield a significant reduction in invoice processing time.

Solution

Multiple interfaces, manual calculations, human error: Using traditional tools to keep track of pricing and invoicing is notoriously risky and incredibly time consuming—especially at scale. And if you can't see your customers' usage and resource costs clearly, you can't know if you're optimizing costs.

With the right technology solution, you can gain the assurances of pricing governance:

- ✓ Sophisticated billing at scale that calculates and recalculates blended or unblended costs—and does all the re-rating
- ✓ Automating the process of calculating rates for pricing policies and contractual situations on a per-client basis
- ✓ Tagging cloud resources to accurately charge back to the right cost centers and deliver associated reporting

Premiums that discount customer trust



I don't want to overdo it with discounts—I can't afford to give away value. Problem is, I can't tell which markups and markdowns will keep my customers happy and won't leave me seeing red in my bottom line.



Solution

It can be difficult to navigate the terrain of premium pricing and discounts as customer relationships grow and evolve. You can reduce the price at certain stages. However, you can't give away value without shrinking profitability over time.

With the right solution, you can optimize your markup strategy by:

- ✓ Setting custom billing charges for additional fees on the dollar, percentage, or combination of both
- ✓ Establishing rules that allow for premiums or discounts that leave some margin in place
- ✓ Taking the guesswork out of calculating the impact of markups and markdowns with profit analysis reports
- ✓ Gaining the ability to edit markups on services to compensate for markdowns on cloud resources

Learn how CloudCheckr, now part of the Spot by NetApp portfolio, empowers you to take control of your cloud:

- >> [See how to come out on top in cloud unit economics](#)
- >> [Discover how to optimize internal operations](#)
- >> [Read the full white paper and learn how MSPs can own every cloud opportunity](#)

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