

clients, comprising primarily the small and medium enterprises (SMBs), that has never deployed applications. It is this characteristic of the cloud computing market that has the capacity to dramatically change the dynamics in the business world. Small enterprises accessing latest technology will become nimble and have the potential to provide serious competition to established players in any field.

Channel partners have immense potential to provide cloud computing-based services to clients as the addressable market is huge. Cloud computing as a model is relevant for enterprises across the spectrum. Large and established businesses will seek to leverage the cloud to quickly scale up and down its capabilities, or to expand geographically. But it is especially relevant for small businesses as it will provide access to the latest technology without the pain of huge upfront investment and delayed return on investment.

SMBs are careful when it comes to investments that do not directly bring revenue, including people. Most small businesses already outsource their IT needs to a third party, and often complain about the time-shared service. Mid-sized businesses that do own an IT team often complain about the amount of time spent on support and maintenance. Summing up the cloud opportunity among the SMB segment, Anil Raghavan Chief Delivery Officer, Marlabs Software says, "When you outsource to a cloud service provider, routine IT and network management tasks are performed by your provider."

Opportunities for channel partners

Cloud Computing presents new opportunities for channel partners. Broadly, there are three key areas for the channel to take advantage of cloud computing: assessment, transformation and broker. Partners that tackle assessments have an opportunity to engage closely with the client, examine the requirements and suggest the best possible technology solutions. They offer basic education on what the cloud is and where organizations should focus their cloud efforts. Essentially channel partners offering assessments

provide a starting point for the cloud and determine if a client should embrace private clouds, public clouds, or both.

"The assessment helps put the channel partner into the decision-making process—rather than find themselves disintermediated and locked out," wrote Thomas Bittman, Gartner vice president and distinguished analyst in a research blog.

Further, as the client proceeds with the execution, requirements will change providing opportunities for the partner to move up the value chain. Partners can help clients in the transformation process by identifying processes that need to

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be improved and enabling changes both from the business and technology perspective. Successful cloud strategies require changes at several levels: processes, management, organization, skills, culture and politics.

The third opportunity area for channel partners will be to evolve their role from being a trusted advisor to providing integration services, and managing the relationship with cloud service providers. Partners can take on a broker or aggregation role to stay on with clients after assessments and transformations are completed. "Most companies leveraging cloud computing will have several (perhaps many) providers. The channel has the opportunity to aggregate those services, provide value-added integration, and other services that include providing insurance, dealing with failures, monitoring SLAs, and becoming a single point of contact. For private cloud, the channel can smooth the way to hybrid cloud computing, and remain the broker in the equation," Bittman wrote.

In the transformation process, partners will play a key role in developing the right architecture, architecting the security framework, migrating and testing the load, managing the changes in internal processes that will accompany the move from a traditional setup to a cloud setup.

Many vendors are already working with their partners to help them provide cloud related services to customers, from assessment, deployment and management. Says Gaurav Agrawal, Product Manager, VAS, Sify Technologies, "We want to enable our system integration partners to offer two key choices to end customers: a dedicated setup

that is owned by the customer, and cloud platform services that will be based on the pay-per-use model. Partners will be able to add a lot of value by helping customers make the right choice for their business and providing them with a one-stop-shop solution. We are aware that currently many customers are exploring alternate options of hosting directly on the web. However, given a choice, they would prefer to outsource these services."

Increased SMB sophistication (leading to demand for more complex and customized solutions and services) and higher margins for partners are the primary reasons that a significant proportion of partners are transitioning towards offering more software and services.

Says Rothin Bhattacharyya, Executive Vice President, HCL Infosystems, "The primary scope for the partners is high-margin service offerings which they can package as a bundle to their customers to create a sticky and stronger value proposition. As the cloud services market grows,



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WHAT KIND OF OPPORTUNITY DO YOU SEE IN THE SME SPACE?

Small & medium enterprises are the biggest beneficiaries of this technology. While we are seeing some amount of technology maturity taking place in this space, we believe that the potential is not fully tapped. A recent industry report indicates that India's cloud computing market will be around USD 1 billion over the next five years. This only goes to say that there will be a lot of avenues open for the same. Hence, we see lot of potential in the SME space, especially from an IT support services standpoint.