



Cloud Channel Opportunities Abound, If You Take Them

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November 15, 2011 10:00 AM ET

Cloud computing is scary. It changes channel business and forces solution providers to adopt new methods and models.

But the [fear that the channel will be disintermediated by the cloud](#) and that there are no opportunities for partners in a cloud computing world are straight up false, according to a panel of four cloud industry experts during the [COMDEXvirtual](#) session "Cashing In On The Cloud."

"It's obvious, this is a scary environment, but it's also true that the cloud vendors themselves have never needed channel partners more than they do today," said Jeffrey Kaplan, managing director of THINKstrategies Inc.

According to Kaplan, there are a host of opportunities for solution providers in the cloud. Whether its customer support, training, integration, consulting, industry-specific solutions or geography-specific relationships, the cloud puts the channel in great demand as end users look to navigate the new murky waters of the cloud.

It's up to the channel to demystify the cloud for clients. To remove the confusion. And to lead the cloud charge, Kaplan said.

Donald Ryan, vice president of research firm Market Probe said that research found that cloud awareness is starting to take hold, and major vendors like Amazon (NSDQ:[AMZN](#)), Google (NSDQ:[GOOG](#)), IBM (NYSE:[IBM](#)) and Microsoft (NSDQ:[MSFT](#)) have grabbed cloud mindshare both in the public and private cloud arenas.

Market Probe also found that the cloud is being used for mission critical application in production environments, with 10 percent of takers of a recent survey saying they use public cloud for critical apps in production, and 12 percent use private cloud. Additionally, 13 percent said they are using cloud in production with non-critical applications in private clouds and 15 percent in public cloud. Meanwhile, more than 30 percent of companies are considering public and private cloud plays.

"We think that these numbers underscore that the cloud is bigger than what we think," he said.

Ryan said that market momentum shows that cloud computing is gathering steam and creating opportunities for solution providers.

"The main things that these vendors can do to drive cloud adoption is to provide more definition, delineate benefits better and also define the role of public versus private solutions," Ryan said.

According to Phil Wainwright, vice president of EuroCloud Procullux Ventures, the biggest opportunity currently is around SaaS, which is where the bulk of cloud spend is and is predicted to

stay through 2020. But Wainwright said cloud computing creates a new area for partners where they are charged with guiding clients to the cloud and ensuring they stand at customers' sides throughout the duration.

"It's a voyage of learning and discovery," he said. "And the opportunity for channel partners, I think, therefore, is to be your customers' guide to harnessing the cloud."

Wainwright said most companies and businesses have already been exposed to the cloud in some form and will rely on their partners to help them migrate and make the transition.

"It's an ongoing journey," he said. "The projects may be shorter, but they're never finished. The relationship continues." He added that partners have the opportunity to evolve with customers and engage them on a month-to-month basis.

But it's not all rainbows and lollipops, said Earle Humphreys, executive director at ITEEX. He said that while the cloud offers a host of good opportunities for solution providers, including the ability to sell more services at the same delivery costs and improved operating margins, there is a downside created by selling less infrastructure product, changing business models, and lower margins for SaaS products compared to on-premise offerings. But those can all be overcome, he said.

Plus, Humphreys added, cloud vendors still need VARs.

"VARs are still the vendor's last mile," he said. "Without you, there are serious issues with implementation," he said. He added cloud providers and vendors don't want the burden of consulting and support, they don't want to target the SMB and they don't have the vertical expertise of solution providers. VARs give vendors the trusted relationship with clients, market reach, support, integration, vertical expertise and professional services capabilities that they can't sharpen on their own.

"The cloud vendors still need the channel and the channel will need the cloud vendors," Humphreys said. "It's a very symbiotic relationship and there isn't going to be disintermediation."

Overall, Kaplan said, the cloud is a confusing area, but it is confusing for both solution providers and their customers, and it's up to the solution providers to take the reins and bring their clients into the cloud era. He said there are countless opportunities as long as VARs are ready to take the plunge.

"You have to ask yourself: Are you ready to redefine your business to take advantage of the cloud and capitalize on these opportunities?" he said.

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