

|| Parallels™ Summit '20

Profit from the Cloud

Partnering to Profit from the Cloud

Serguei Belousov, CEO, Parallels

> Welcome to Parallels Summit 2010



A special Thank You to our sponsors!

PLATINUM Sponsors

Microsoft

VeriSign

GOLD Sponsors

UNISON

QUEST SOFTWARE

enom

InterNetX

intel

Google

SILVER Sponsors

OPENSRS
RESELLER FRIENDLY
SINCE 1999

AMD

hp

e.pages sedo

keepit

OX
OPEN XCHANGE

KASPERSKY .lab

GATESECURE

Novell.

4psa
com

ISILON
SYSTEMS

.CO

HORDESKINS
SARITO CORPORATION

Partnering for Profit

The opportunity is in small business

- Why is small business large?
- Small business needs **Services**

Profit from the Cloud – time to act is NOW

- Innovate, optimize, and grow to provide more complete IT **Services**

Parallels is your partner in the Cloud

- Investment in being better **Partner**
- **Focusing** engineering around **Services**
- Cloud **Services Architecture**

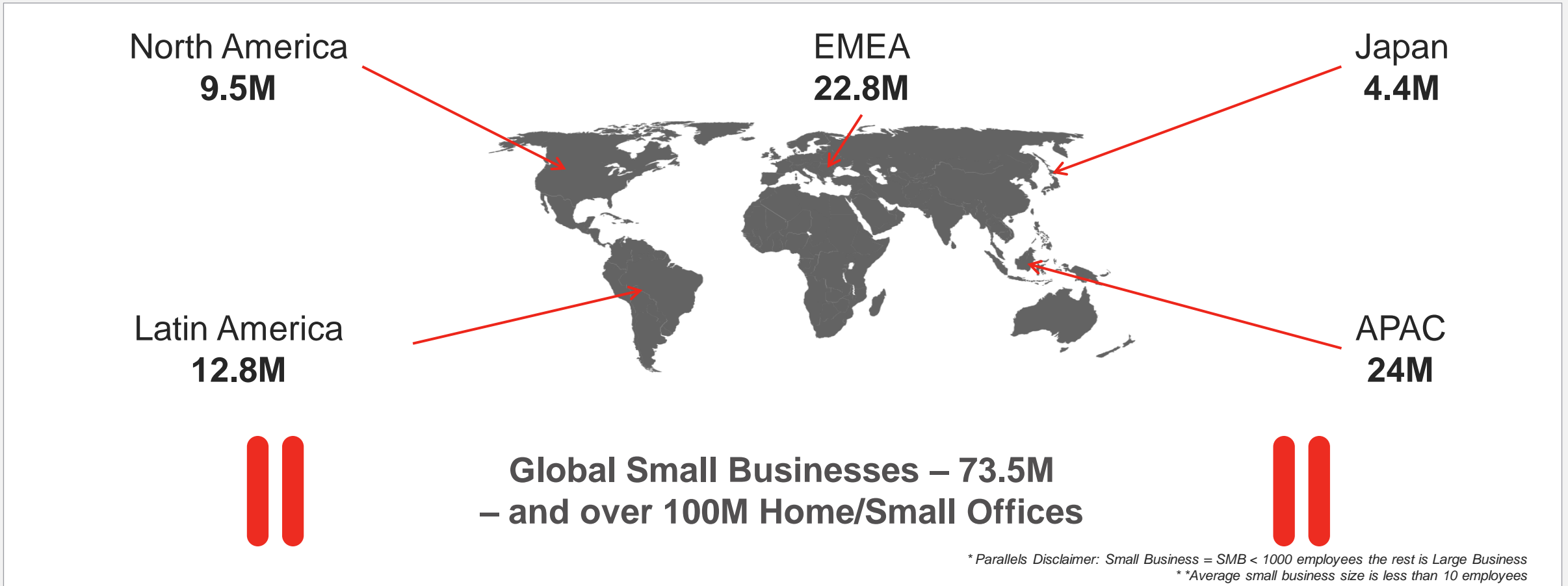


> The Opportunity is in Small Business

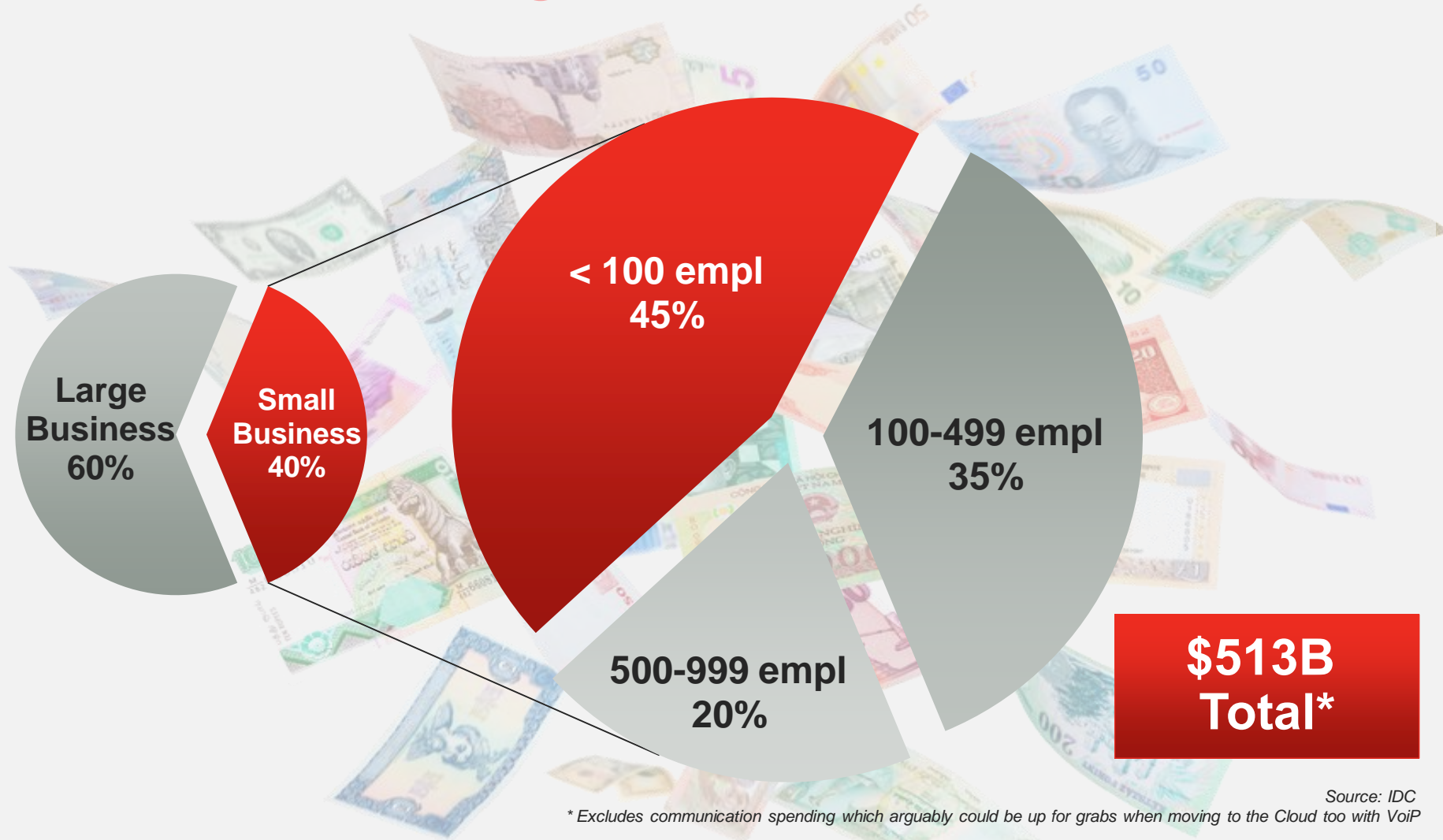


Small Business*

Fastest growing segment of global economy



Small Business with Large IT Spend



Small Business Needs from (server based) IT



Let's Picture a Typical Small Business



Flower Dressing

3 part time employees

Web Site; E-mail; 1 PC

Flower dressing order,
Payment and Contacts

**IT consultant –
once a month**



Dog Hotel and Training

10 employees

2 phone lines; 4 PCs

Booking, time
tracking, and contacts

**IT consultant –
once a week**



Small Law Firm

50 employees

50 PCs and phone lines

Collaboration, time tracking, and
accounting

**1 full time IT – but basic and
overloaded**

So, Can Small Business Use Technology?

Technology

- Developers could use it to build **Applications**

Applications

- Integrators could use them to build **Solutions**

Solutions

- IT departments could use them to provide **Services**

Services

- **Small Business needs Nanny IT Services!**



The Cloud Makes it Possible

and Satisfies Small Business IT Needs!



Simple

Up-Front

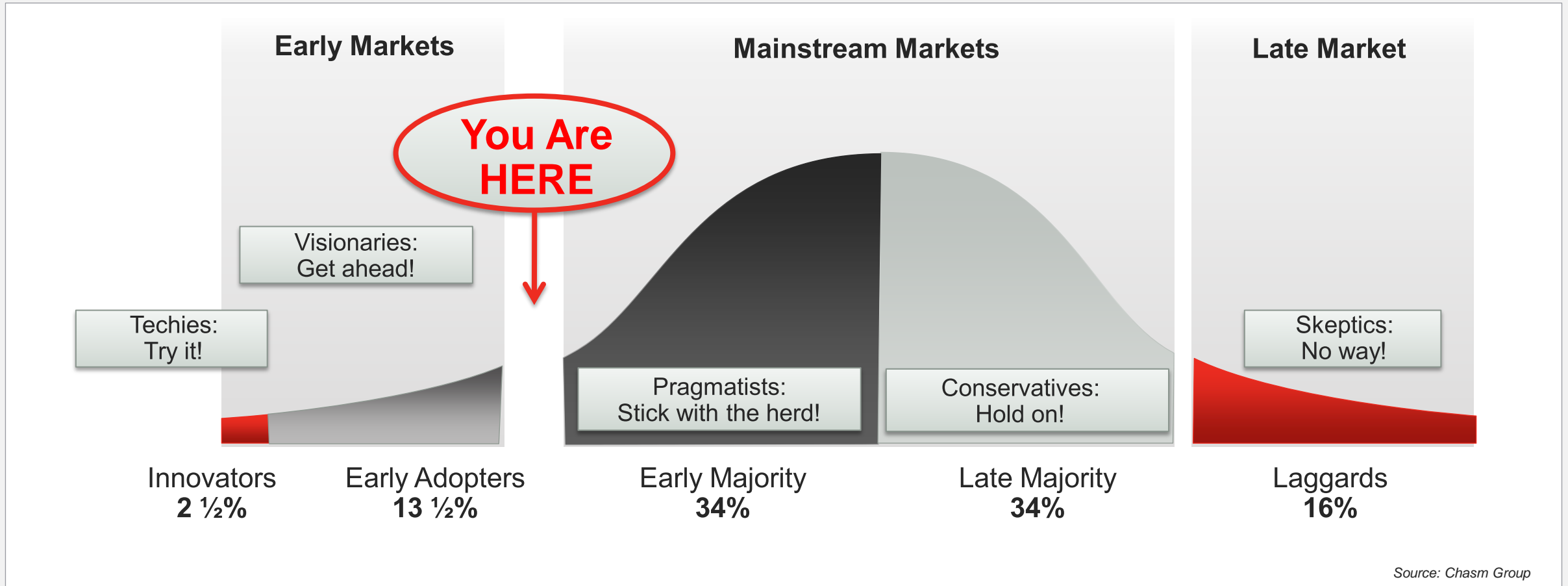
Cheap

Flexible

Reliable

Cloud enables Small Business to get access to full fledged IT services they need

The Opportunity is Real; The Time is **NOW!**



The Opportunity is Shifting...

Shared Web Hosting



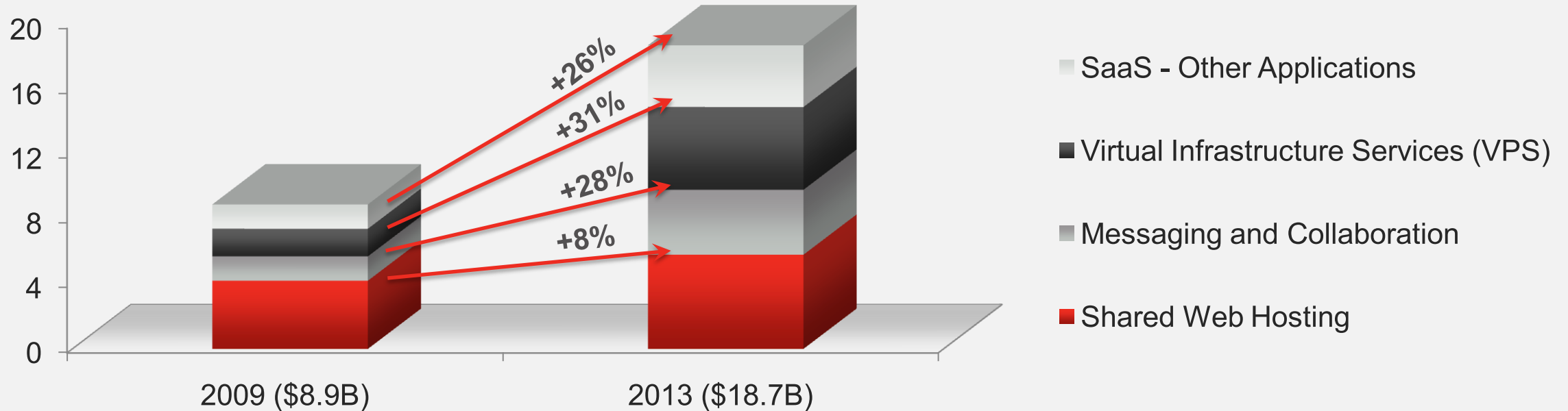
Messaging



Infrastructure



SaaS



Shared Web Hosting will remain the largest segment for Small Business in 2013.
Highest margins and absolute growth will be a healthy \$1B+!

Is a Hotel Just a Room with a Bed?

Itty bitty Service details...

But also	And	And
<ul style="list-style-type: none">• Concierge• Housekeeping• Mini-Bar• Business Services• In-room dining• Conference Rooms• Internet Access• Fitness Center	<ul style="list-style-type: none">• Nanny Services• Air conditioning• Cable/satellite channels• Video-on Demand• Phone• Voice mail• Wake-up calls	<ul style="list-style-type: none">• Clock radio• Coffee/tea maker• Microwave• Refrigerator• Hair dryer• Bathrobes• Rollaway beds• Ironing board

Full Service Hotel is at the same time

- More attractive and more profitable
- While offered at lower prices
- And it has less churn

What are the Giants Doing?

Microsoft[®]

Google[™]

amazon.com[®]



Giants are still 3+ years away from offering full fledged IT services



> How Do You Profit from the Cloud?



How to Profit from the Cloud?

- Small Business Cloud opportunity is **HUGE**
- The threat of giants while not immediate is **CERTAIN**
- You must move forward and stay ahead of the **CURVE**



Act Now! If you don't, someone else will

Innovate

- Develop new services
- Drive better bundled services
- Develop new business model

Business Challenge

Complement business model to offer SaaS through its channel of resellers

Parallels Partnership

Parallels Automation Hosted Exchange, OCS, CRM Sharepoint, Shared hosting, SaaS and VPS modules

Result

Offered complete multi-vendor SMB Cloud services with automated billing and customer self-service under “Fusyx” brand. LIVE with 80 resellers!

Optimize



- Improve time to market
- Create a better customer experience
- Optimize Operations

Business Challenge

Homegrown systems outgrew ability to cost-effectively provide shared hosting and expand new services

Parallels Partnership

Parallels Automation for Shared Hosting for 16,000 accounts. Expanded to Hosted Exchange for 300,000 mail boxes

Result

- Decreased operation costs by 40% automating and streamlining OSS/BSS
- Reduced time-to-market for customized service plans by 80%

Grow



- Up-selling and cross-selling
- Improving the quality of your offerings
- Grow customer satisfaction through loyalty and channel programs

Business Challenge

Create NEW add-on Microsoft services with automated billing/provisioning

Parallels Partnership

- Parallels Automation for VPS, Hosted Exchange, OCS
- Add-on services including SharePoint, Blackberry and VOIP

Result

- Quickly launched new service
- Offered extensive white label service
- Added reseller capability within 90 days

> Parallels is your Partner in the Cloud



Partner

Parallels was busy in 2009

Innovate

- Parallels Small Business Panel, Parallels Server Bare Metal, Parallels Automation
- More in works and coming – H2E, C2U, PHP10!

Optimize

- Brands to Parallels
- Business in Seattle, R&D in Moscow and Novosibirsk, Support in Novosibirsk
- Sales organization under **Jim Herman**
- Marketing and Alliances under **Yakov Zubarev**
- 7+ acquired companies, code bases and product lines, and numerous entities

Grow

- Hired **top talent** in operations, sales, marketing, engineering, and services – from Microsoft, Amazon, VMware, Symantec, Dell



Partner

Parallels investing in you!

PartnerNet

- Internal Parallels Research and Market Intelligence
- Campaigns-in-a-box for services and more!

Marketing Clinic

- Leverage Parallels on-line marketing expertise.
- Schedule an appointment at our booth

Business Model Best Practices

- Check how do you stack up against industry's best
- Churn, Conversions, Operation, and Infrastructure Costs

Partner Certification

- Gain direct access to Parallels 2nd line support experts
- Raise expertise of your technical staff

Partner Awards immediately following this speech



Partner

Go Daddy and Parallels

Go Daddy Overview

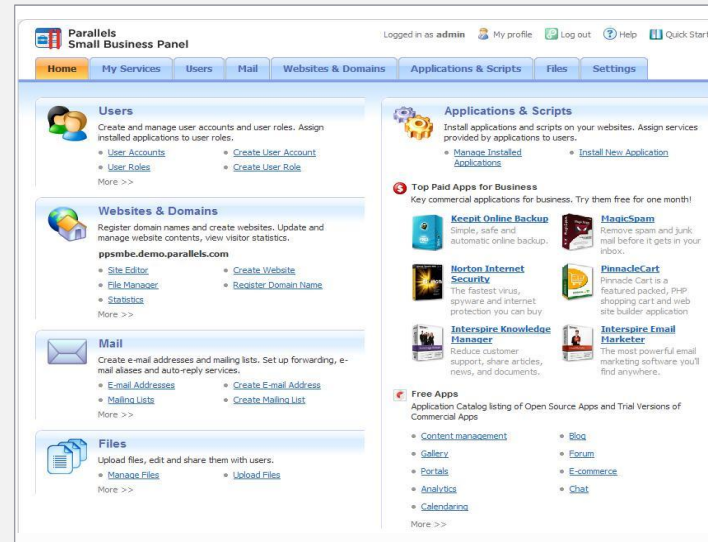
- World largest registrar and hoster
- 39+ million domains and 28%+ certificate market share
- Over 7.5 million customers

Parallels Partnership

- Partners since 2004 - Parallels (Virtuozzo) Containers and Parallels (Plesk) Panel

Parallels Small Business Panel

- Parallels was listening to feedback
- Parallels Small Business Panel designed for small business VPS customers **now launched!**



Focus

Engineering was product focused

We were providing building blocks for your overall hosting systems

Control Panels

Parallels Panels

Provisioning

Parallels Operation Automation

Billing

Parallels Business Automation

Virtualization

Parallels Containers, Parallels Server Bare Metal



Focus

What makes a Service successful?

Service **COMPONENTS**

Selling/**BILLING** Options

Operational and
Infrastructure **COSTS**

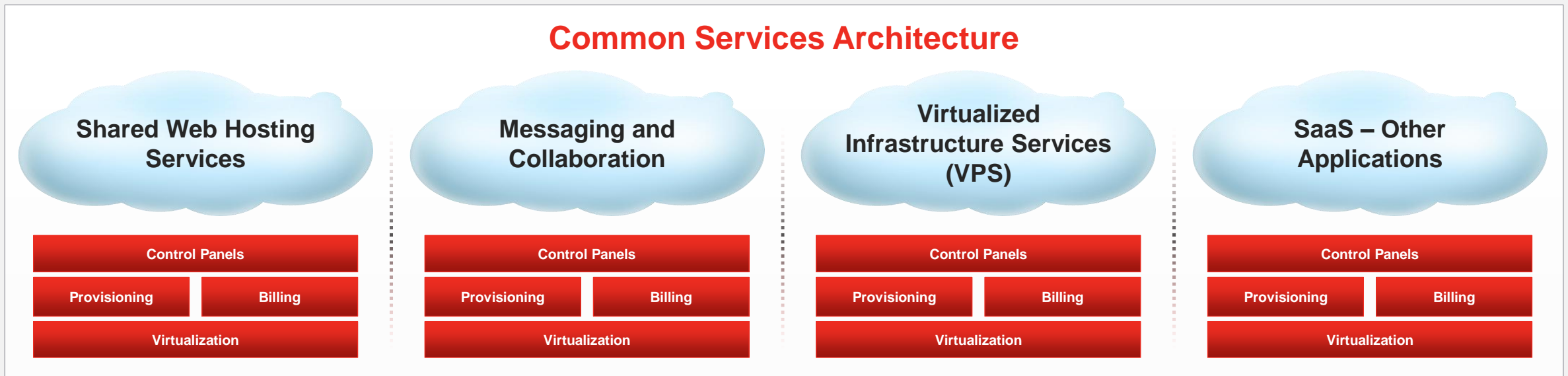


Focus

Focusing engineering around your services success

Appointing dedicated engineering leaders to own features across integrated **Service Delivery Software Solutions** enabling a most competitive **SERVICES** with best choices of

- Service **Components**
- Selling/**Billing** Options
- Operational and infrastructure **Costs**



Focus

Shared Web Hosting Services

Opportunity

Growth 2009 – 2013:
8%

2009	2013
\$4.2B	\$5.8B

Trends

- “Must offer” – foundation for growth
- Services are still evolving:
 - More non-technical users
 - More included apps
 - From PHP to Joomla and WordPress
- Price stabilized but perceived competition with “free” “offerings”

Focus

Shared Web Hosting Services

Investment in Leadership



Craig Bartholomew
VP, Panels

- 21 year Microsoft veteran
- Expert in user experience

Coming in 2010

Parallels Plesk Panel 9.5

Parallels Hosting Panel
10 with Marketplace

Parallels Automation
High Efficiency Shared
Hosting (H2E)



Making Money with Parallels Panel

Today: 3:35 pm – 4:15 pm



Focus

Messaging and Collaboration Services

Opportunity

Growth 2009 – 2013:
28%

2009	2013
\$1.5B	\$4.0B

Trends

- Stickiest and most strategic service when used
- Most competitive market – from Google/Cisco/MSFT to telcos and traditional hosters
- Basic email can be leveraged for number of add-on services
 - Traditional – AV/AS, archival, mobility
 - Collaboration – from SharePoint to Web Conferencing and Project Management
 - VoIP and related including PBX, minutes, phone conference, etc.

Focus

Messaging and Collaboration Services

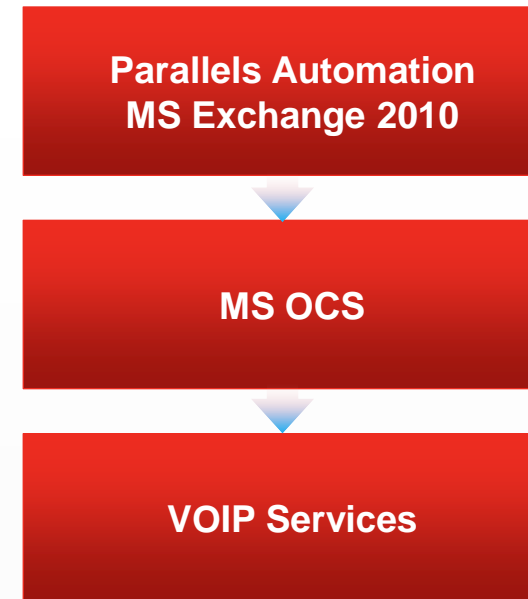
Investment in Leadership



Oleg Melnikov
VP, Automation

- Co-founder and long-time architect @ Parallels
- Creator of Parallels Automation

Announcing



Launching New Cloud Services
Today: 2:35 pm – 3:15 pm



Focus

Virtualized Infrastructure Services (VPS)

Opportunity

Growth 2009 – 2013:
31%

2009	2013
\$1.7B	\$5.1B

Trends

- Highest growth
- Three end-customer segments: Business, ISVs, Online Services
- Still lots of confusion around these services and what's *really* important
- Add-ons Storage, Monitoring, Backup, DR, limited SLAs

Focus

Virtualized Infrastructure Services (VPS)

Investment in Leadership



Amir Sharif
VP, Virtualization

- Led product management at VMware
- Expert in virtualization

Coming in 2010

Parallels Virtuozzo
Containers v 4.6



Parallels Server for Mac
Bare Metal Edition



Cloud Utility Computing
(C2U)



Best Practices with Virtualization

Today: 1:55 pm – 2:35 pm



Focus

SaaS – Other Applications

Opportunity

Growth 2009 – 2013:
26%

2009	2013
\$1.5B	\$3.8B

Trends

- Sales and Marketing Tools
 - Winners so far : CRM, SEO and Social Media
- ISVs looking for new channels – take advantage
 - Aggregation (if white label) or inside your datacenter
- Support, integration, customer ownership are challenges

Focus

SaaS – Other Applications

Investment in Leadership



Matt Domo
Chief Technology
Officer

- One of the guys who built Amazon Web Services
- Expert in distributed systems and Cloud services

Coming in 2010

Common Services
Architecture

Parallels Partner
Marketplace v2

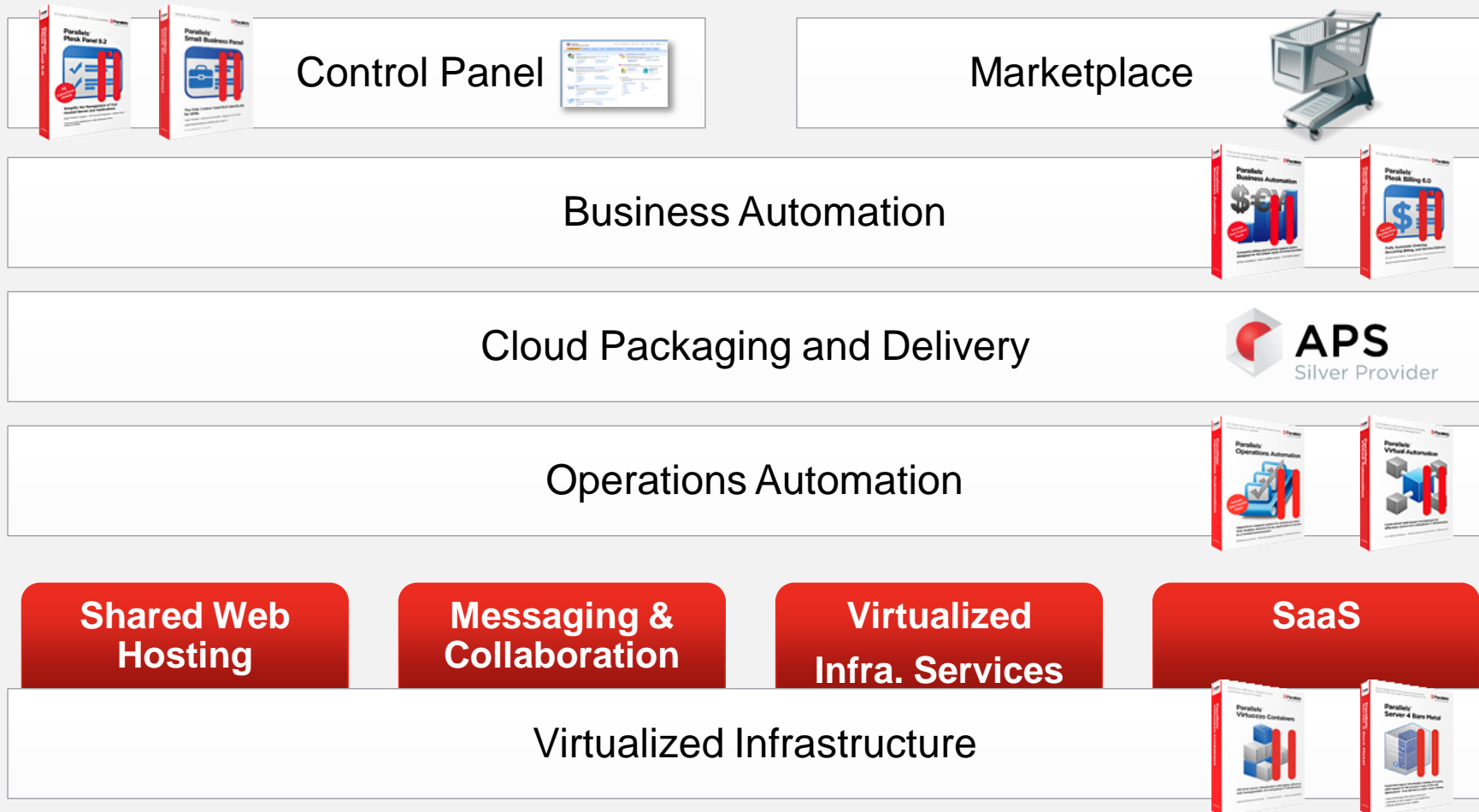
Application Packaging
Standard 1.2

|| How to launch and make money from Cloud Services ||

Today: 3:35 pm – 4:15 pm

Architecture

For Cloud Services Delivery Software



Architecture

Design principles of solid platform
for profitable Cloud services

Reliable

Scalable

Adaptable

Simple

Fast

Secure

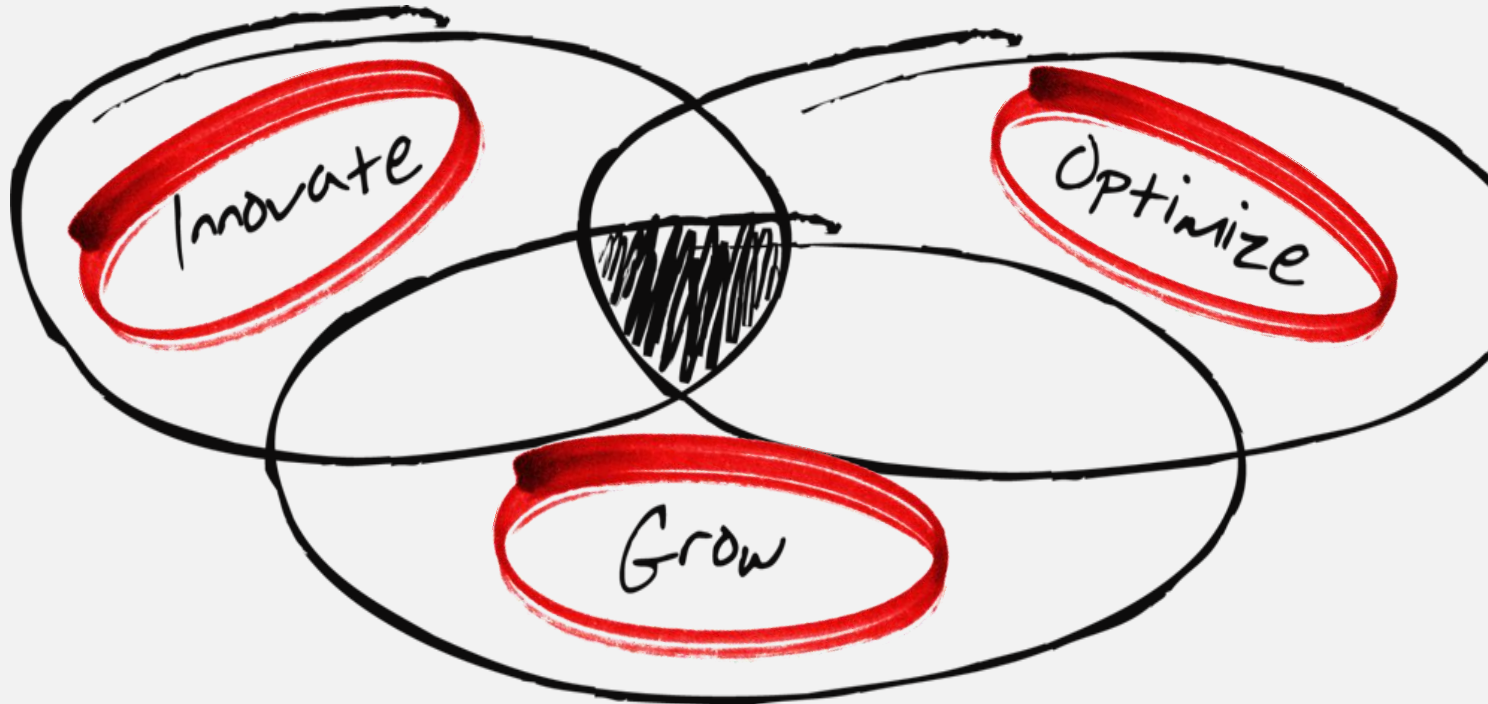
Manageable

Cost Effective



Architecture

APS – Simplify Cloud packaging and delivery



ISV

Innovate

- Focus on innovation not installation
- Expand reach
- Minimize distribution overhead
- Lower support costs

Service Provider

Optimize

- Easier to create solutions
- Higher ARPU and margins
- Faster time to market
- Lower support costs

Small Business

Grow

- Offload IT
- Pay-as-you-go consumption
- Self-service management
- Wider choice of applications

Cloud Computing Utility - C²U

Innovate

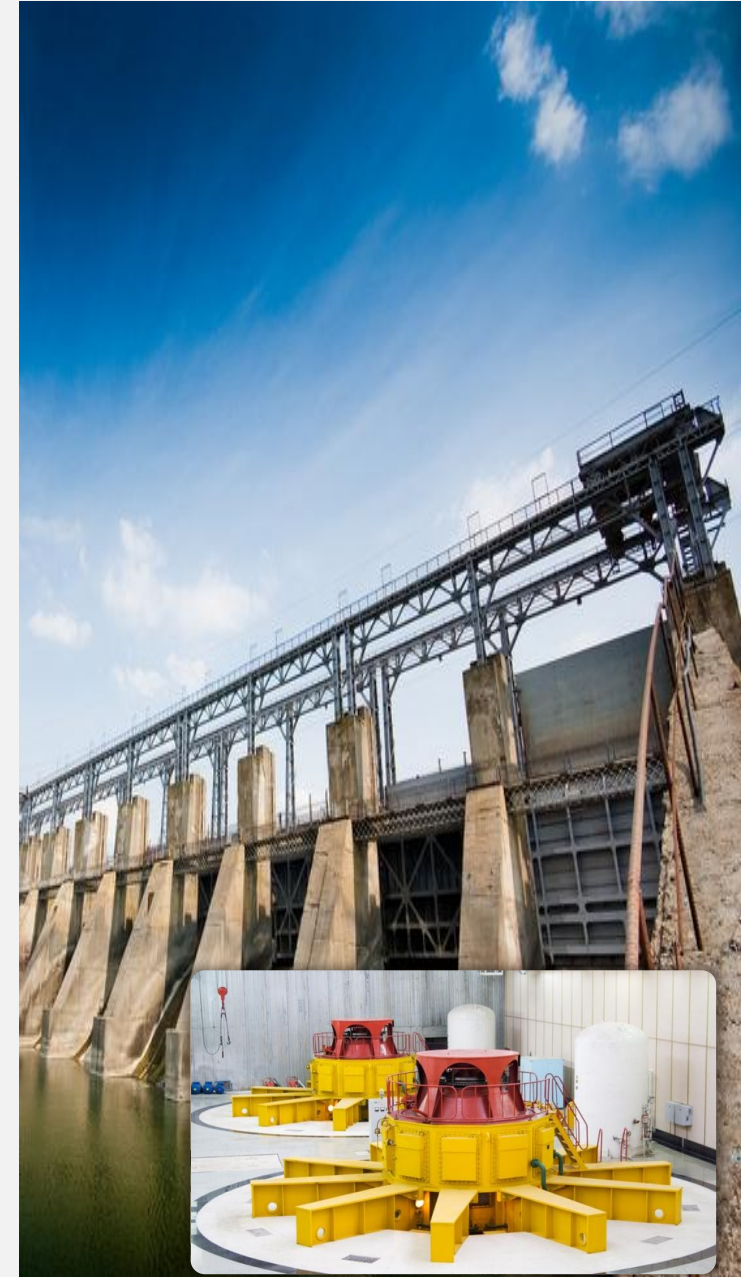
- Provide your own Cloud Service offerings
- “Out of the Box” **Quick Deployment**

Optimize

- **Hardware-Agnostic** , uses existing infrastructure
- Built as a module of Parallels Automation
- Simple, yet capable Panel UI

Grow

- Expand into new multi-billion dollar market
- Customers expand services on demand
- Expand capacity: Simply **Add More Servers**



> Partner to Profit from the Cloud!



The Time to Act is Now!

Focus on IT Services for Small Business

- Opportunity is huge and Cloud is perfect for it

Innovate, Optimize and Grow

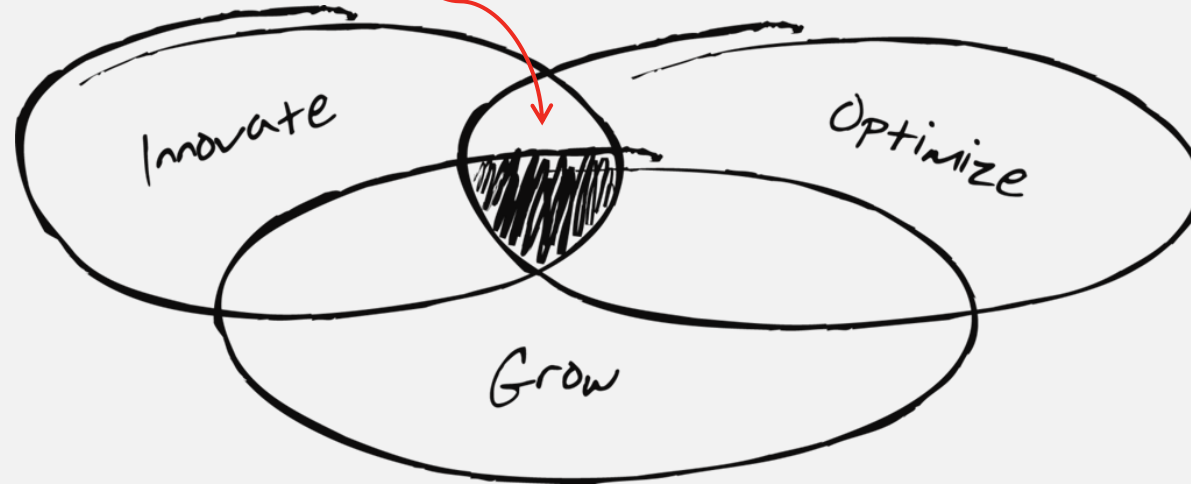
- To provide more complete IT **Services** for Small Businesses

Parallels is your partner in the Cloud

- Visit Marketing Clinic, New PartnerNet, Get Certified!
- Leverage Parallels **Service** Delivery Software:
 - Look at H2E, PSBM, discuss C2U
 - Parallels Small Business Panel with Marketplace
 - Parallels Plesk Panel 9.5
 - Parallels Hosting Suite (Now!)
 - Automation w/Exchange 2010 and VoIP



Profit from the Cloud



Thank You!

Contact me anytime at sb@parallels.com!

See us this year: EMEA RoadShow, APAC Summit

Next Year Summit: February, 2011

> Partner Awards



Bravo to Our Partner Award Winners!

Rookie of the Year

The logo for Arsys, featuring the word "Arsys" in a blue, cursive script font.

Cloud Innovator



Brand Champ



Most Inspiring

