

|| Parallels®



Parallels
Summit 2012
Profit from the Cloud™

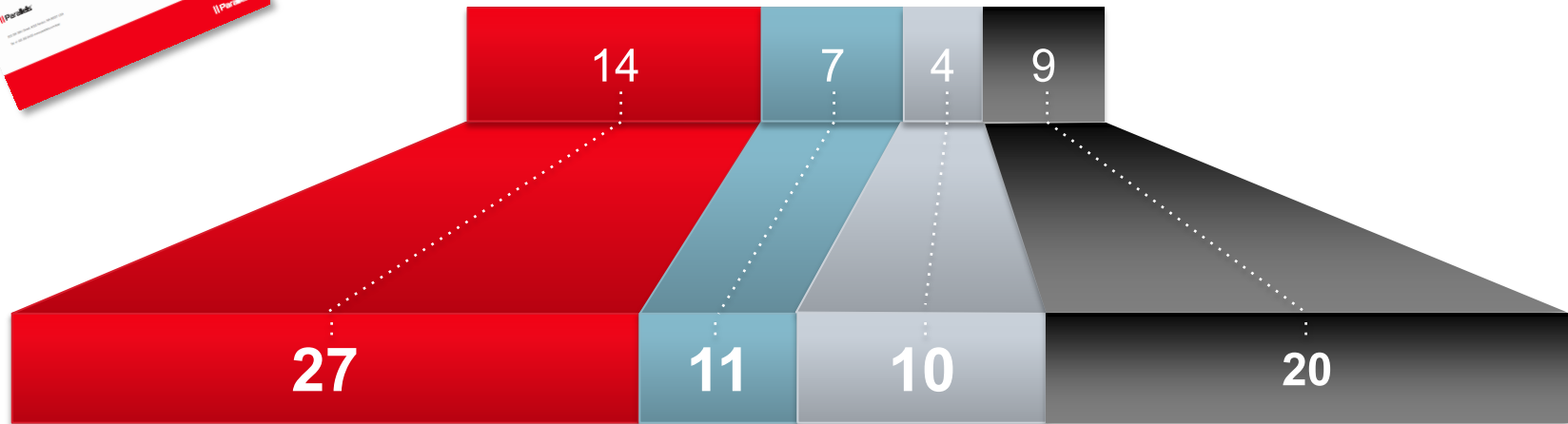
Offering the Service Bundles SMBs Need

Alex Danyluk, Sr. Director SaaS/ISV Alliances, Parallels

Quantifying the SMB cloud opportunity



Current Market (WW, 2011) = \$34B




Estimated WW SMB Market in 2014 = \$68B

 Hosted Infrastructure

 Web Presence

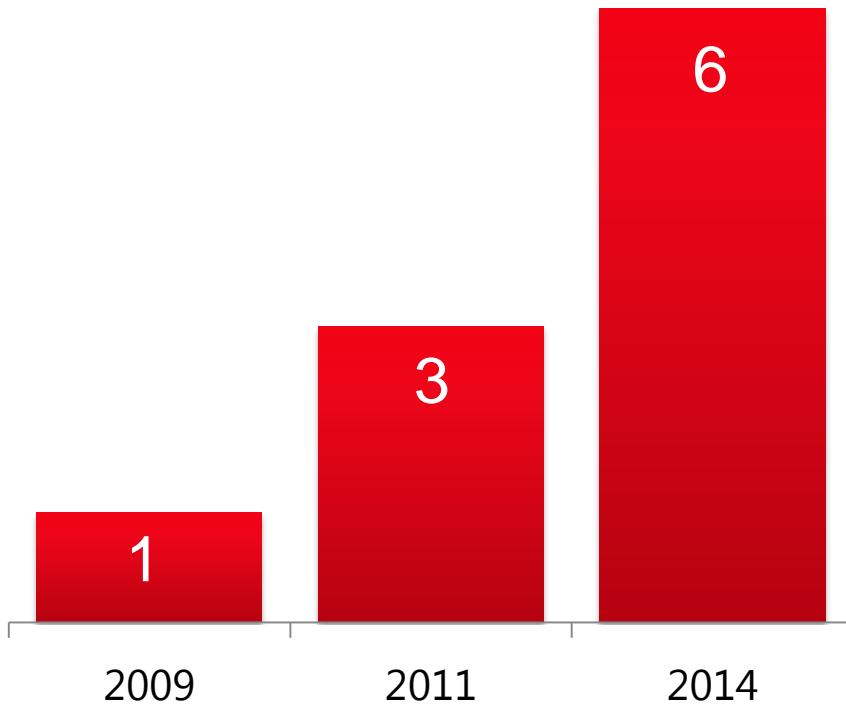
 Communication and Collaboration

 Other Applications

Source: Parallels SMB Cloud Insights™, 2012

SMB buying more services

US average number of hosted services

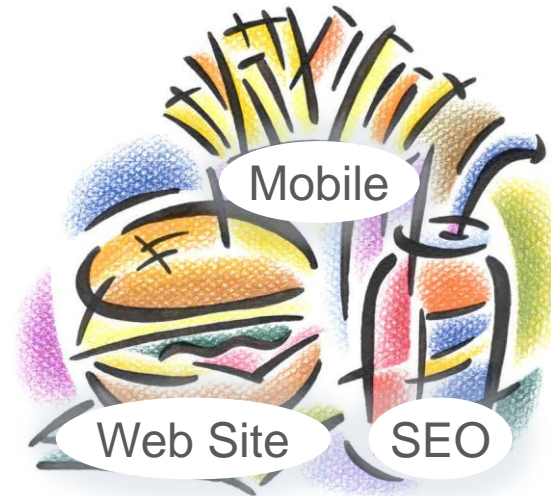


Source: Parallels SMB Cloud Insights™, 2012

Bundled Solution Preference

38% of U.S. SMBs prefer to obtain SaaS as part of a package/bundle

AMI 2011



Focus on up-sell , cross-sell & bundles with core

Anchor: Lead offerings within the Workload

Up-Sell: Complementary to the core Workload (enhancements)

Cross-Sell: Purchaser of Workload is the same decision maker

Workloads	Anchor	Up-Sell	Cross-Sell
Communication & Collaboration	<i>E-mail, Anti-virus</i>	<i>Archive, Collab.</i>	<i>LOB</i>
Web Presence & Web Applications	<i>CMS</i>	<i>SEO, Mobile</i>	<i>CRM</i>
Hosted Infrastructure (IaaS)	<i>Server, Virtualization</i>	<i>Backup, CDN</i>	<i>C&C, LOB</i>
Business Applications	<i>Highly specific to each Business Application</i>		

Upsell & cross sell works when used effectively

The screenshot shows the Amazon.com product page for the book 'Enchantment: The Art of Changing Hearts, Minds, and Actions' by Guy Kawasaki. The page features a navigation bar with 'Shop All Departments' and a search bar. Below the navigation bar, there are tabs for 'Books', 'Advanced Search', 'Browse Subjects', 'New Releases', 'Best Sellers', and 'The New York Times® Best Sellers'. The main content area displays the book cover on the left, which includes a 'Click to LOOK INSIDE!' button. To the right of the cover, the book title and author are listed, along with a star rating of 4.5 stars based on 235 customer reviews and a 'Like' button with 299 likes. The price is shown as \$15.83 (Prime) with a crossed-out list price of \$26.95, indicating a 41% discount. The book is marked as 'In Stock' and ships from Amazon.com. A table below the price details the available formats: Kindle Edition, Hardcover, Unknown Binding, and Audible Audio Edition. The Hardcover format is highlighted in yellow. A promotional box at the bottom right features 'Penguin Classic Tote Bags'.

amazon.com
Hello, Oleh Danyluk. We have [recommendations](#) for you. ([Not Oleh?](#))
Oleh's Amazon.com | [Today's Deals](#) | [Gifts & Wish Lists](#) | [Gift Cards](#)

Shop All Departments Search Books

Books | [Advanced Search](#) | [Browse Subjects](#) | [New Releases](#) | [Best Sellers](#) | [The New York Times® Best Sellers](#)

[Enchantment: The Art of Changing Hearts, Minds, and Actions](#) and over one million other books are available

Click to **LOOK INSIDE!**

Author of *The Art of the Start and Quality Check*
Guy Kawasaki
"Read this book to create a company or an exciting app. —Woz"

Enchantment
The Art of Changing Hearts, Minds, and Actions

[See 1 customer image](#)
[Share your own customer images](#)
Publisher: [learn how customers can search inside this book.](#)

Start reading [Enchantment: The Art of Changing Hearts, Minds, and](#)

Enchantment: The Art of Changing Hearts, Minds, and Actions [Hardcover]
[Guy Kawasaki](#) (Author)
★★★★★ (235 customer reviews) | [Like](#) (299)

List Price: ~~\$26.95~~
Price: **\$15.83** ✓Prime
You Save: **\$11.12 (41%)**

In Stock.
Ships from and sold by **Amazon.com**. Gift-wrap available.

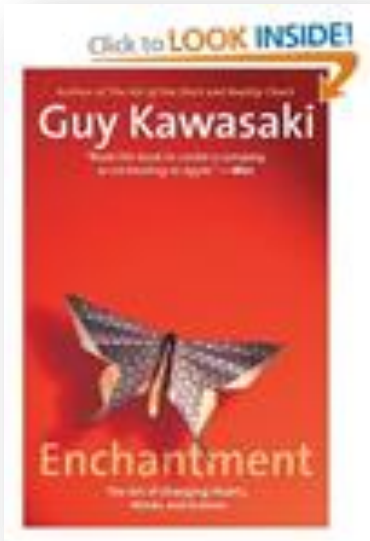
[40 new](#) from \$7.99 | [31 used](#) from \$7.98

Formats	Amazon Price	New from	Used from
Kindle Edition	--	\$12.99	--
Hardcover	\$15.83 ✓Prime	\$7.99	\$7.98
Unknown Binding	--	\$15.97	\$15.93
Audible Audio Edition, Unabridged \$23.95 or Free with Audible 30-day free trial			

Penguin Classic Tote Bags
Carry your books in the [Penguin Classic Tote Bag](#). Perfect for touting your favorite Penguin reads.

*Amazon 2006 ^e-tailing Group 2009

Upsell & cross sell works when used effectively



Penguin Classic Tote Bags

Carry your books in the [Penguin Classic Tote Bag](#). Perfect for touting your favorite Penguin reads.

Frequently Bought Together

Customers buy this book with [Yes!: 50 Scientifically Proven Ways to Be Persuasive](#) by Noah J. Goldstein



+



Price For Both: \$26.03

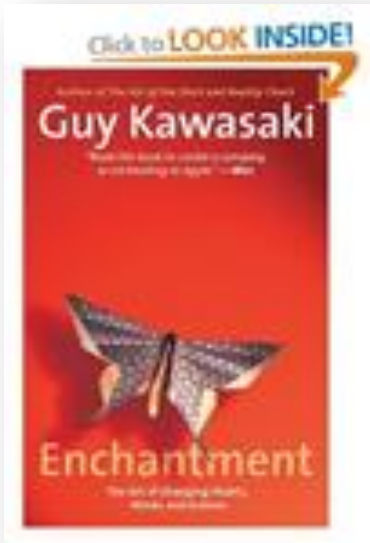
 [Add both to Cart](#)

[Add both to Wish List](#)

[Show availability and shipping details](#)

*Amazon 2006 ^e-tailing Group 2009

Upsell & cross sell works when used effectively



Penguin Classic Tote Bags

Carry your books in the [Penguin Classic Tote Bag](#). Perfect for touting your favorite Penguin reads.

Frequently Bought Together

Customers buy this book with [Yes!: 50 Scientifically Proven Ways to Be Persuasive](#) by Noah J. Goldstein



+



Price For Both: \$26.03

[Add both to Cart](#)

[Add both to Wish List](#)


[Show availability and shipping details](#)

35% of Amazon's sales
were a result of cross-sales*

50% of Retailers don't
know their conversion^

*Amazon 2006 ^e-tailing Group 2009

Home / Hosted Services / Select Your Domain / Checkout

ORDER DETAILS				
Description	Subscription Period	Subscription Fee	Setup Fee	Your Price
 Advantage Email - 5GB - 10 Users	1 Year(s)	\$ 89.50	\$ 0.00	\$ 89.50
			Sales Tax: \$ 0.00	
			Total	\$ 89.50

Subscription Period

- 1 Month(s) - \$109.50/month
- 1 Year(s) - \$1074.00/year billed monthly (\$89.50/month)

OPTIONAL SERVICES

Additional
Mailboxes

Mailbox
Options

Mobility







Communications

Archiving

SharePoint

Online
Backup


Outlook
Download

	Your Price	Additional
<input type="radio"/> Advantage Exchange Account - 5GB 	\$107.40/year billed monthly (\$8.95/month)	0   mailbox(es)
<input type="radio"/> Premier Exchange Account - 25 GB 	\$131.40/year billed monthly (\$10.95/month)	0   mailbox(es)

Next Service

Continue














Home / Hosted Services / Select Your Domain / Checkout

ORDER DETAILS				
Description	Subscription Period	Subscription Fee	Setup Fee	Your Price
 Advantage Email - 5GB - 10 Users	1 Year(s)	\$ 89.50	\$ 0.00	\$ 89.50
			Sales Tax: \$ 0.00	\$ 89.50
			Total	


Subscription Period

- 1 Month(s) - \$109.50/month
 1 Year(s) - \$1074.00/year billed monthly (\$89.50/month)

OPTIONAL SERVICES

OPTIONAL SERVICES								
Additional Mailboxes	Mailbox Options	Mobility	Communications	Archiving	SharePoint	Online Backup	Outlook Download	
						Your Price	Additional	
<input type="radio"/>	Policy Based Encryption 					\$35.40/year billed monthly (\$2.95/month)	0  	unit
<input type="radio"/>	Secure Mail 					\$83.40/year billed monthly (\$6.95/month)	0  	User
<input checked="" type="checkbox"/>	Company Disclaimers 					\$119.40/year billed monthly (\$9.95/month)		
<input type="radio"/>	Resource Mailboxes 					\$59.40/year billed monthly (\$4.95/month)	0  	unit
<input type="radio"/>	Business Continuity 					\$35.40/year billed monthly (\$2.95/month)	0  	Item

Home / Hosted Services / Select Your Domain / Checkout

ORDER DETAILS				
Description	Subscription Period	Subscription Fee	Setup Fee	Your Price
 Advantage Email - 5GB - 10 Users	1 Year(s)	\$ 89.50	\$ 0.00	\$ 89.50
			Sales Tax: \$ 0.00	
			Total	\$ 89.50

Subscription Period


- 1 Month(s) - \$109.50/month
 1 Year(s) - \$1074.00/year billed monthly (\$89.50/month)

OPTIONAL SERVICES

Additional Mailboxes	Mailbox Options	Mobility	Communications	Archiving	SharePoint	Online Backup	Outlook Download	
----------------------	-----------------	----------	----------------	-----------	------------	---------------	------------------	--

	Your Price	Additional
<input type="radio"/> Policy Based Encryption 	\$35.40/year billed monthly (\$2.95/month)	0   unit
<input type="radio"/> Secure Mail 	\$83.40/year billed monthly (\$6.95/month)	0   User
<input checked="" type="checkbox"/> Company Disclaimers 	\$119.40/year billed monthly (\$9.95/month)	
<input type="radio"/> Resource Mailboxes 	\$59.40/year billed monthly (\$4.95/month)	0   unit
<input type="radio"/> Business Continuity 	\$35.40/year billed monthly (\$2.95/month)	0   Item

Home / Hosted Services / Select Your Domain / Checkout














ORDER DETAILS				
Description	Subscription Period	Subscription Fee	Setup Fee	Your Price
 Advantage Email - 5GB - 10 Users	1 Year(s)	\$ 89.50	\$ 0.00	\$ 89.50
			Sales Tax: \$ 0.00	\$ 89.50
			Total	

Subscription Period

- 1 Month(s) - \$109.50/month
 1 Year(s) - \$1074.00/year billed monthly (\$89.50/month)

OPTIONAL SERVICES

Additional Mailboxes | Mailbox Options | Mobility | Communications | Archiving | SharePoint | Online Backup | Outlook Download

	Your Price	Additional
<input type="radio"/> Policy Based Encryption 	\$35.40/year billed monthly (\$2.95/month)	<input type="text" value="0"/>   unit
<input type="radio"/> Secure Mail 	\$83.40/year billed monthly (\$6.95/month)	<input type="text" value="0"/>   User
<input checked="" type="checkbox"/> Company Disclaimers 	\$119.40/year billed monthly (\$9.95/month)	
<input type="radio"/> Resource Mailboxes 	\$59.40/year billed monthly (\$4.95/month)	<input type="text" value="0"/>   unit
<input type="radio"/> Business Continuity 	\$35.40/year billed monthly (\$2.95/month)	<input type="text" value="0"/>   Item

Web presence and applications

Cross-Sell

Purchaser of workload is also decision maker

Project Management
CRM
Desktop Backup
Business E-mail
Collaboration



Up-Sell

Complementary to the core workload..

SEO/Web Marketing
Mobile Website
Website Security
Call Center
Website Backup
CDN



Anchor

Services you lead with.

Web Presence
CMS/Blog
Basic E-mail
eCommerce



Web presence and applications opportunity

Cross-Sell

Purchaser of workload is also decision maker

#1

Price became top-ranked purchase criteria
Value added services critical to profitability

Up-Sell

Complementary to the core workload..

50% Security concerns

50% Design sites In-house

47% Using Facebook – “Web Presence” critical

Anchor

Services you lead with.

50% Of those without websites plan to buy

31% Plan to expand spend

Source: Parallels SMB Cloud Insights™, 2012

Mobile website opportunity

Doug McDonald, Business Development, Afiliias

goMobi on Plesk 10 and Parallels Automation 5

Why offer mobilization of Websites?

Market Opportunity:

- The time for mobile is now:
 - Extend your product offering
- Grow your revenue:
 - Partners selling this successfully a price between \$5 a month and at \$50

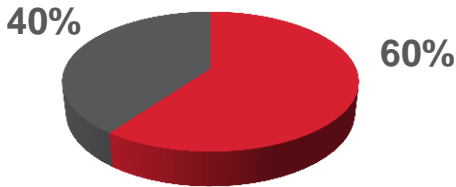
Market Drivers:

- It's a case of **Be Mobile** or **Be History**.
- The mobile web is now.
- It's no longer an optional extra.

Why goMobi on Parallels?

- Plug and play solution.
- Fast, easy and comprehensive mobile web solution for your customers.
- Up and running immediately at zero entry cost.

Take Rate



40% of companies who try the service buy goMobi



Did you know?



Web site security opportunity

Peter Jensen, CEO Stop the Hacker

The problem: Websites are not protected

- 6,000 blacklisted websites/day due to malicious code
- 2.5-5% of hosted web sites are infected & 75% of hosted web sites have vulnerabilities

The Implication

Lost revenue and reputation for customer. High cost and churn for web-hoster

The projection

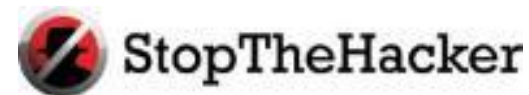
- need for website protection will become ubiquitous (“anti-virus” for your website)

The opportunity

- Protect your customers and generate **additional revenue stream**
- **Lower cost for** support and data center, more secure Infrastructure, lower churn

The way to sell:

1. Offer free complementary product to all customers & up-sell via triggers in product and predefined messaging
2. Opt-Out integration at check-out of hosting packages sees up to **39% attach** rate
3. Upsell to existing customer base via email and other campaigns.
4. Differentiated pricing related to hosting package: \$3-\$30 per month



SEO Opportunity

Troy McCasland, Co-Founder & VP of Business Development Attracta

Every Site Needs Traffic

- SEO Tools Really Work
 - Immediate Indexing
 - Increased Traffic
 - Lower Support Costs
- High Adoption Rates
 - 75% Take Rate on Free
 - 3-15% Conversion Free to Paid
- Hosts Increase Profits
 - Turbo 20 \$16.50 / month
 - Turbo 100 - \$24.95 / month
 - Pro Services \$1,000+ per year
 - \$35 / month Average Revenue Per customer



Attracta
search visibility technology

Hosted communications & collaboration

Cross-Sell

Purchaser of workload is also decision maker

Desktop Backup
Desktop Security
Video Conferencing
Financial
Hosted Desktop
CRM



Up-Sell

Complementary to the core workload..

Archiving E-mail
Hosted PBX
Conferencing
Business IM
Document Sharing
Collaboration



Anchor

Services you lead with.

E-mail
DNS
Virus Protection
Spam Filtering



Communications & collaboration opportunity

Cross-Sell

*Purchaser of workload
is also decision maker*

30% Use Online Backup

+13% Plan to Purchase

Up-Sell

*Complementary to the
core workload..*

17% Use email archiving

+6% Plan to purchase

Anchor

Services you lead with.

75% Growth in Hosted PBX

30% Growth in premium hosted email since 2010

Source: Parallels SMB Cloud Insights™, 2012

Cloud backup opportunity

Roland Sars, CCO & Founder of BackupAgent

Cloud backup - the obvious upsell:

SMB have TBs of critical data in house

- Still growing
- Only 15 % SMBs backups daily

Cloud data is secured

- on premise data needs protection
- solution for on-the-road laptops

Cloud services take away hassle

- Conventional backup is a hassle
- Low upfront investment

Bundling

- Easy packaging with other services (e.g. Hosted Exchange, DSL)

Why tap into cloud backup now?

Revenues are high

- \$50 - \$150 monthly revenues from small business customers
- High margins on server backup
- Growing recurring revenues

Customer bonding

- Strengthen bond with customers

Use existing infrastructure

- High margin on your storage platform
- Easy provisioning integrations



Email & Sharepoint archiving opportunity

Ed Grant, CEO MXSweep

Market Opportunity

- Over \$5bn globally by 2014
- Hosted Archiving for SMBs

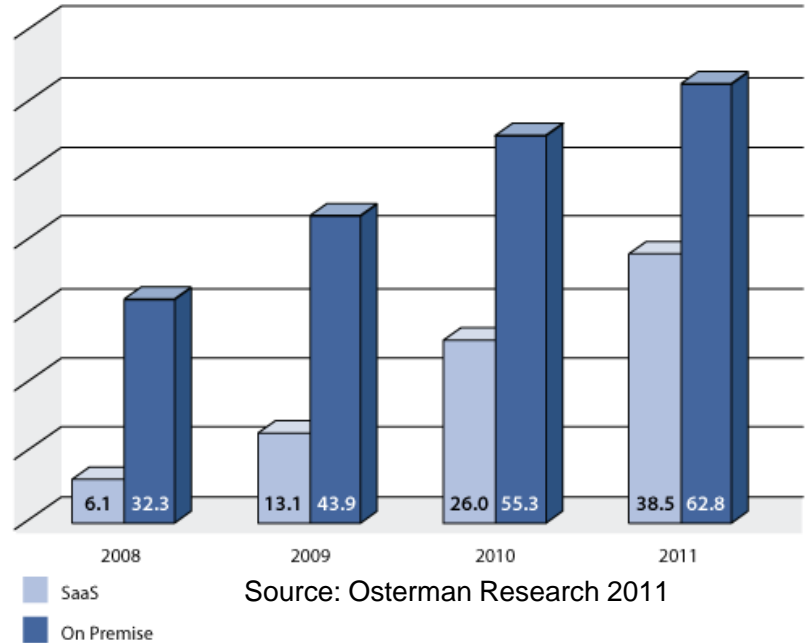
Key Drivers

- Legal compliance: FRCP, HIPAA, DPA, SBX, FOIA
- eDiscovery, Search & Retrieve
- Email Growth, Storage Costs

How to Sell & ARPU

- Educate, Target 'must have' Verticals, use our expertise
- \$5.50 per user: 10 year archiving, storage, eDiscovery
- Bundle with communication & security services

North American Archiving Market, 2008-2011
(Millions of Seats in the Installed Base)



EU eyes big fines for privacy breaches



Hosted Infrastructure (IaaS) services

Cross-Sell

Purchaser of workload is also decision maker

E-mail, Web and Communications portfolio



Up-Sell

Complementary to the core workload..

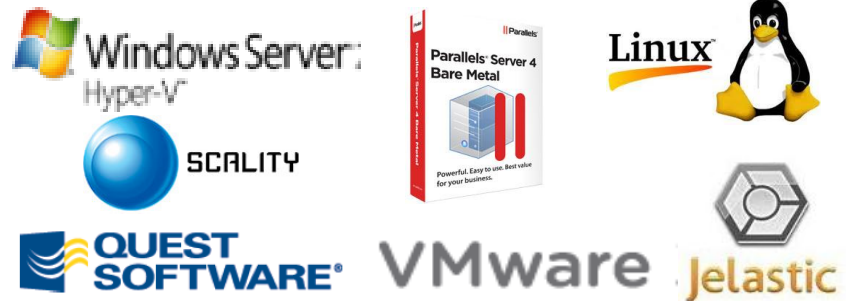
CDN
Security
Server Backup
Web Site Services



Anchor

Services you lead with.

Servers
Virtualization
Storage
Hosted Desktop



Hosted Infrastructure (IaaS) opportunity

Cross-Sell

Purchaser of workload is also decision maker

15% Desired applications not available

Up-Sell

Complementary to the core workload..

10% Stay on premises because of Bandwidth Concerns

Anchor

Services you lead with.

43% Don't have any servers

46% Plan to host in the next 3 years

Source: Parallels SMB Cloud Insights™, 2012

CDN opportunity for SMBs

Michelle Zatlyn, co-founder, CloudFlare

- Get a global presence → 14 locations around the world



- On average, a website:
 - Loads twice as fast
 - Uses 65% fewer server resources
 - Saves 60% of bandwidth
 - Web hosts generate additional revenue
 - Wholesale cost: \$7.50/month
 - Recommended sale price: \$9.99/month
- } Save money
- } An additional \$120/year/customer



CLOUDFLARE

Build a up-sell & cross-sell roadmap



Growth Up-Sell & Cross-Sell Services

Website Mobilization

Backup

SEO & Web Marketing

Website Security

CDN

Email Archiving

Hosted PBX

Collaboration

Hosted Desktop



Paper
Application
Catalog



Online
App Catalog



Monthly
Webinars

Come to the APS Theater



APSSTANDARD

Chance to
Win iPad2



Day 1	Wednesday
12:45 PM	ePages
1:00 PM	Infratel
1:15 PM	SofCloudIT - APS SI
1:30 PM	BackupAgent
1:45 PM	Scality
2:00 PM	Microsoft
2:15 PM	Google Apps
2:30 PM	Pinnacle Cart
2:45 PM	R1Soft
3:00 PM	UNITY Mobile
3:15 PM	SpamExperts
3:30 PM	StopTheHacker
3:45 PM	Open-Xchange

Day 2	Thursday
12:45 PM	Symantec.Cloud
1:00 PM	Jelastic
1:15 PM	Apptix
1:30 PM	Attracta
1:45 PM	Global Relay
2:00 PM	goMobi by Afilias
2:15 PM	Quest
2:30 PM	CloudFlare
2:45 PM	MXSweep
3:00 PM	McAfee
3:15 PM	Asigra
3:30 PM	Office Desktop
3:45 PM	Site Lock

Thursday 1:30:

SaaS 101: Grow profits by 50%



Growth Up-sell Cross-sell & Bundle Services

Website Mobilization

Backup

SEO & Web Marketing

Website Security

CDN

Email Archiving

Hosted PBX

Collaboration

Hosted Desktop

|| Parallels™

SUMMIT