Parallels

Parallels Summit 2012
Profit from the Cloud™

Latest updates from Parallels SMB Cloud Insights™ research – practical guidance for 2012

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One year of Parallels SMB Cloud Insights™

New - 2012

United States   Brasil   Mexico   Global

2011

Australia   China   France   Germany   Netherlands

Japan   India   Poland   Spain   United Kingdom

- We invested **$2M** in primary research
- We spoke to **5,200 SMBs in 13 countries**
- We were featured in **100+** blogs, print publications in APAC, EMEA, and the Americas reaching **millions** of readers

And we're just getting started…

Meet your customers

Meet your customers

Methodology: how do we characterize buyers?

Size

- **Micro** (<10 employees, US – <20 employees)
- **Small** (10-49 employees, US – 20-99 employees)
- **Medium** (50-250 employees, US – 100-999 employees)

IT audience

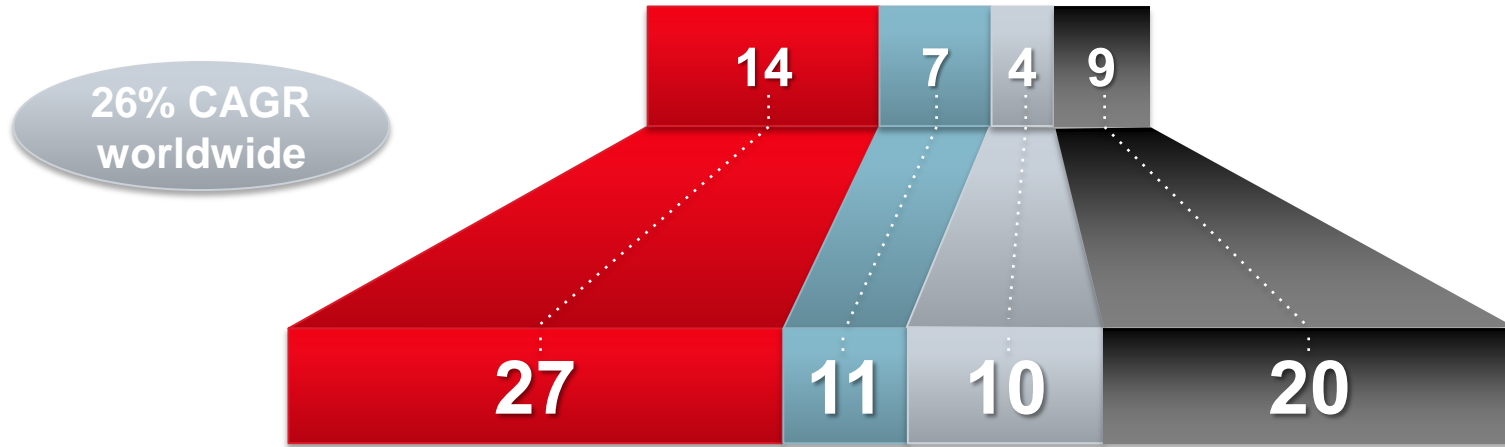- **No IT (a.k.a. "Do-it-yourselfers")**
- **IT consultants**
- **IT staff**

Opportunity

- **Cloud Converter**
- **Cloud Leaper**
- **Cloud Expanders**

Worldwide, the SMB cloud market is $34B and growing fast

Current Market (WW, 2011) = $34B

26% CAGR worldwide

14	7	4	9
27	11	10	20

Estimated WW SMB Market in 2014 = $68B

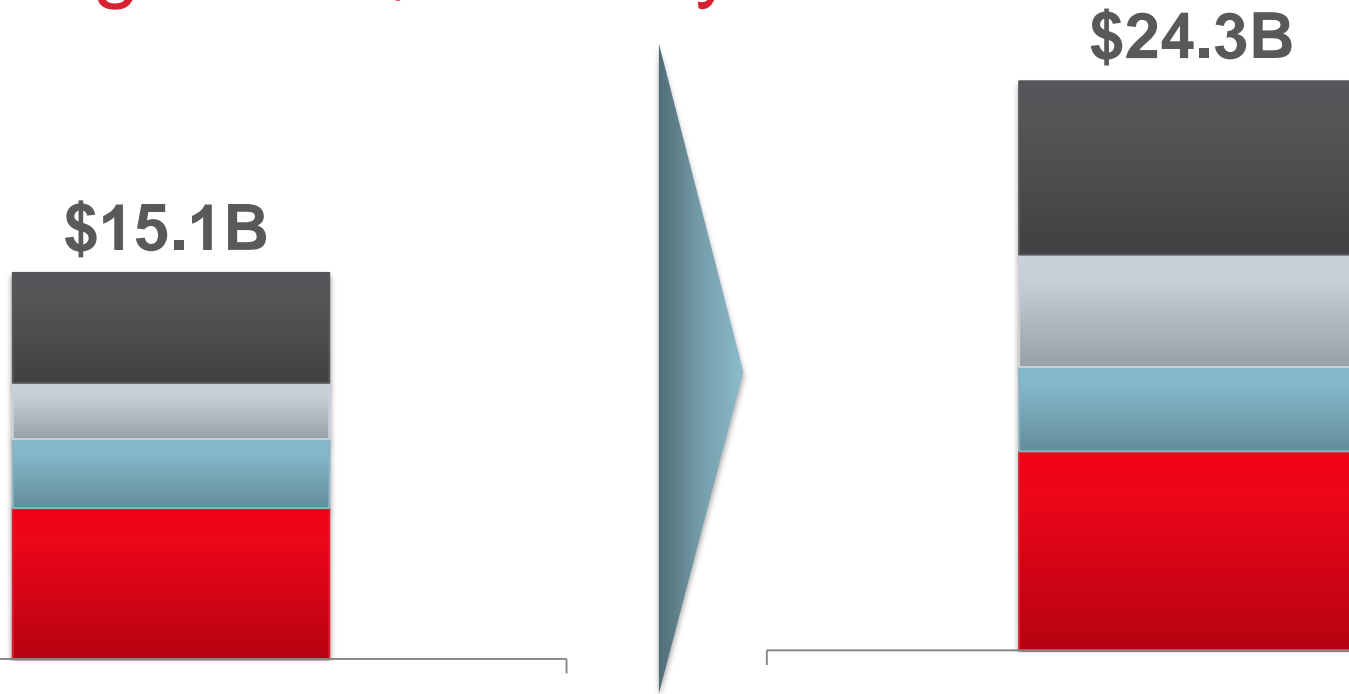■ Hosted Infrastructure   ■ Web Presence   ■ Communication and Collaboration   ■ Business Applications

Source: Parallels SMB Cloud Insights™, 2012

Highlights from 2012 SMB Cloud Insights™ for the United States

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The US SMB cloud market has reached $15.1B and will grow to $24.3B by 2014

$15.1B

$24.3B

- **Hosted Infrastructure**
- **Web Presence**
- **Communication & Collaboration**
- **Business Applications**

- Growth since 2010: 25%
- 1 million+ new SMBs entered cloud
- Top Growth: Hosted Communication & Collaboration

- 3 year CAGR: 16%
- Top growth: Hosted Infrastructure and Business Applications

Source: Parallels SMB Cloud Insights™, 2012

SMB CLOUD INSIGHTS™ DAILY

HOSTED INFRASTRUCTURE

Micro SMBs "leaping" into the cloud for servers

In 2011, 13% net new micro SMBs (<20 employees) purchased servers, and these companies were **3x more likely to choose cloud over on-premises services.** Overall, use of hosted servers grew 20% among US SMBs, driven by companies replacing in-house servers and by new users of servers.

Strong upsell opportunity among small and medium SMBs

24% of Small SMBs and 38% of medium SMBs report that they will increase their spending on hosted infrastructure in the next 3 years – especially in value-added services like security, backup, and control panels.

Source: Parallels SMB Cloud Insights™, 2012

Practical guidance for Hosted Infrastructure

| Target micro SMBs | Focus on upsell opportunities among existing customers |

Target micro SMBs

✓ Educate on business benefits of hosted servers

✓ Offer economical options to attract smaller SMBs – VPS or Cloud

Focus on upsell opportunities among existing customers

✓ Make it easy to purchase higher levels of service

✓ Offer value-added applications, like backup, security and control panels

✓ Leverage Parallels – Plesk storefront, PA for Cloud Marketplace

Learn more at Summit: Best practices for IaaS with Parallels Virtuozzo Containers – Next 2:20-2:45pm

Best Practice: Upselling VPS offerings

SMB CLOUD INSIGHTS™ DAILY
WEB PRESENCE

SMBs are becoming more social: 44% on Facebook

In the past year, **Facebook page use grew 25% among SMBs**; 44% of all SMBs are now using Facebook pages to promote their business. Even more significantly, SMBs without employees are using Facebook pages for their businesses at the same rate – indicating **growing web presence use among these 21M SMBs.** SMBs also **tweet, blog, use ratings sites and LinkedIn** to spread the word about their businesses.

Nearly 50% of US SMBs design website in-house

45% of SMBs and 77% of non-employer SMBs are designing their websites in-house – a difficult task for small businesses without IT expertise. These SMBs are looking for **low-cost tools** to help them create **sophisticated and customized websites easily and quickly.**

Source: Parallels SMB Cloud Insights™, 2012

Practical guidance for Web Presence

| Keep web hosting profitable through targeted upselling | Use demos and trials of web presence tools to attract/upsell |

✓ Site-building tools for small SMBs designing their sites in-house

✓ Integration with social media tools for SMBs – Facebook, Twitter, blogs

✓ Use tools included in Web Presence Builder, Plesk Storefront to help

✓ Acquire new customers inexpensively by letting them try out the tools they need

✓ Target SMBs without websites with Web Presence Builder trials

Learn more at Summit: Best practices for web presence and shared hosting with Parallels Plesk Panel – Today 4:20-4:45pm

Best Practice: Trials and demos

Try Google Apps for Business for free

Google Apps

Wondering how online communication and collaboration tools might help your business?

You don't even need a credit card to try Google Apps for Business. It's **free for 30 days** for up to 10 users - just fill out this quick form to create your account.

Enter a domain name for your organization

I already own this domain
I am all set! Set up Google Apps with this domain.

Submit

Don't have a domain yet?
No Problem. You can register a new domain for only $10 a year.

Find domain

Create your administrative account

This will be your email address in your new Google Apps account.

Username:		@mycompany.com
Password:		Password strength:
Confirm password:		

About your organization

Organization name: Optional	
Country/Region:	United States
Street Address:	

Talking to SMBs

SMB CLOUD INSIGHTS™ DAILY
COMMUNICATION & COLLABORATION

Medium SMBs' use of premium hosted email up 110%

Premium hosted email saw a staggering 110% growth among US medium SMBs during 2011. SMBs switching from free email providers like Gmail or upgrading from free hosted email fueled this incredible growth. And stay tuned, medium SMBs plan to add another 7M premium mailboxes in the next 3 years.

Huge growth in hosted PBX driven by micro SMBs

Nearly all of the 75% growth in hosted PBX last year was driven by micro SMBs who did not previously have PBX. Hosted PBX allows these SMBs to have enterprise-level phone systems at a reasonable monthly rate, without the hassle of installation and maintenance.

Source: Parallels SMB Cloud Insights™, 2012

Practical guidance for Hosted Communication & Collaboration

Drive email profitability through upselling premium email	Target micro SMBs with the hosted PBX value proposition
✓ Capture micro SMB business with low cost / freemium email and upsell over time	✓ Educate micro SMBs about the business benefits of enterprise-level phone system
✓ Focus on upselling premium email offerings, particularly Medium SMBs still on POP	✓ Bundle hosted PBX with domain registration and Web presence to increase ARPU
✓ Provide a variety of email options by working with Parallels (Microsoft Exchange, OX, Zimbra)	✓ Leverage Parallels turn-key voice offerings – Broadsoft, Microsoft Lync, Infratel, 4psa/VoipNow

Learn more at Summit: Hosted PBX for ~~Dummies~~ Beginners – Today 3:30-3:55pm

Best Practice: Apptix and SMB messaging

Talking to SMBs

SMB CLOUD INSIGHTS™ DAILY
BUSINESS APPLICATIONS & SAAS

Online backup & storage is the "must-have" SMB app

Across all sizes of SMBs, online backup and storage was the single most popular app to add in the next 3 years. Overall, 13% definitely plan to purchase online back up and storage by 2014, and another 33% are considering adding it. This is the one application service providers don't want to leave out of their offerings.

Types of SaaS apps SMBs want vary by size of SMB

While all SMBs want online back-up and storage, **the hottest online applications differ by SMB size.** Micro SMBs also want online accounting and file sharing. Small SMBs add e-mail archiving and phone conferencing to their most-wanted apps. Medium SMBs want to add every online application. Web conferencing, phone conferencing, and online accounting are the top three.

Source: Parallels SMB Cloud Insights™, 2012

Practical guidance for Business Applications

Create application bundles for different SMB types	Launch a rich application storefront

✓ Target SMBs with specific app bundles to suit their size and/or industry

✓ Make sure online backup and storage is included in your bundles

✓ Work with Parallels experts to create the right bundles

✓ Leverage Plesk Partner Storefront or Parallels Automation for Cloud Marketplace

✓ Add 100s of APS-enabled free and paid applications

Learn more at Summit: SaaS 101: Grow profits by 50% – Thursday 1:30-2:20pm

Best Practice: LuxCloud and PACM storefront

Parallels SMB Cloud Insights™ in 2012

- New and updated 2012 SMB Cloud Insights™ Reports

- PartnerNet's SMB Knowledge Headquarters

- Support for Parallels Business Consulting

Learn more at Summit: Grow your business: Parallels partner resources – Thursday 4:45-5:10pm

Get the SMB Cloud Insights™ reports

Find all 14 SMB reports at:

- Parallels Innovation Zone:
  - Look for the SMB Cloud Insights™ wall

- Online:
  - Parallels Partners: Go to PartnerNet
    - https://parallelsnetwork.com/
    - No registration form
  - Anyone else: Register for reports
    - www.parallels.com/SMBreport

Profit from the cloud™   **2012**

Parallels SMB Cloud Insights™
for the United States

United States

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