

## With Targeted Professional Services, SPs Can Tap SMBs' Demand for Cloud

### Service Provider FastFacts

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Cloud is no longer a nascent market. The explosive growth of public-cloud providers – coupled with the relevance of the network in the delivery of cloud and IT services – has led many service providers (SPs) to treat this game-changing transition as a natural extension of their core business. While some SP cloud efforts have fallen short in customer demand and adoption, Cisco's Internet Business Solutions Group (IBSG) believes there are [significant opportunities for SPs](#) in the cloud. To succeed, SPs need to tackle the cloud market in conjunction with a professional-services offer because many enterprises and small and medium-sized businesses (SMBs) do not have all the skills to design, build, migrate, and operate their own cloud solutions.

Based on 15 market interviews in Europe and emerging markets, as well as deep-dive project engagements, Cisco IBSG has explored why professional services are needed, what they should look like, and how they can be implemented. This FastFacts focuses on the SP opportunity to target cloud professional services to SMBs.

### SMBs Have Specific Needs for Cloud-Oriented Professional Services

SMBs are often looking for quick cost optimization of their information and communications technology (ICT) services, and increasingly cloud offers opportunities to optimize costs quickly. However, SMBs lack the time and skills needed to invest in cloud and realize these benefits. Targeting the SMB segment with professional services requires a strategy centered on standardization and scalability. Professional services for the SMB segment need to be packaged with a limited set of options. Each package should offer a well-defined service with a fixed price tag so the customer understands the cost and value up front.

Such a modular and prepackaged professional-services portfolio offering should be focused on specific workloads. For example, consider a company seeking to move its accounting platform to cloud. A professional-services package targeted to this company should include:

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1. Audit of the accounting application requirements
2. Assessment of current and future security requirements
3. Design and instantiation of the required cloud solution
4. The workload transfer itself
5. Training to explain operations procedures, including backup and disaster recovery

Another example, showing the professional-services offers for hosted voice, is illustrated in Figure 1.

**Figure 1.** Example SMB Professional-Services Offers – Hosted Voice.

Professional-Services Packages—Hosted Voice for Lower-Scale SMB					
	Audit	Design	Consult	Implement (Migrate)	Optimize
<b>Standard Package</b>  <b>Includes:</b> <ul style="list-style-type: none"> <li>• 20-50 licenses</li> <li>• Handset migration</li> <li>• Deinstallation of existing PBX</li> <li>• Gateway to PSTN</li> </ul>	Current PBX setup and dialing plans  LAN environment  WAN connections	Hosted-voice solution  LAN enhancements  WAN enhancements	On scope, business process impact, change management, and benefits	Hosted-voice solution  Provide post-implementation training and knowledge transfer	Six-month interval optimization
	1-2 days, 2 FTE; onsite activity	2- 3 days, 2 FTE; remote activity	4 hours, 2 FTE; onsite activity	2-4 days, 2 FTE; onsite activity	1-2 days, 2 FTE; onsite activity
<b>Options</b>  Scope can vary by specific requirements and complexity	Security requirements	Security solution	Proposed security solution	Agreed security solution	Quarterly optimization
	1-2 days, 1 FTE; onsite activity	1-2 days, 1 FTE; remote activity	4 hours, 1 FTE; onsite activity	1-2 days, 2 FTE; onsite activity	1 day, 1 FTE; onsite activity
	Specific integration with legacy voice	Bespoke legacy voice integration	Legacy voice integration	Perform legacy integration	1 year; deinstall legacy integration
	1-2 days, 1 FTE; onsite activity	1-2 days, 1 FTE; remote activity	4 hours, 1 FTE; onsite activity	1-2 days, 2 FTE; onsite activity	1-2 days, 2 FTE; onsite activity

Source: Cisco IBSG, 2012

Many service provider incumbents have already developed and offer professional services for their network-centric services. But cloud is different. Cloud is more IT-centric than network-centric, and cloud has not been a natural strength for major SPs. So while SPs have some existing capability in running professional services, they must carefully plan the professional-services offer for cloud.

## SPs Can Partner To Optimize Delivery

Service providers will need to select partners carefully to help those partners reach smaller-scale customers and to address customers with transformational needs. Partnering with small systems integrators or value-added resellers (VARs) makes sense for SPs who want to offer services to SMBs because these partners tend to provide simpler IT services and have a mono-vendor equipment portfolio. When it comes to providing professional services to SMBs, the factors influencing the choice of partner generally center on customer access:

- Customer reach by current footprint and segment specialization
- Financial stability, which can be a greater challenge for smaller businesses (but their smaller size also poses less risk for SPs if they fail)
- Ability to operate jointly (operating model, marketing campaigns, SLA delivery) – small systems integrators or VARs usually “own” the customer, but are reliant on support, so the SP-VAR relationship is less strained by competitive aspects

Increasingly, SPs will be compelled to focus on a differentiated offer of cloud services, and professional services will need to be a crucial part of this offer. We found the highest versatility of professional-services offers in the SMB segment, offering SPs wide opportunities to participate. For a more complete analysis of the service provider opportunity in cloud professional services, please download our white paper, “[Professional Services for Cloud: A Winning Ingredient for Service Provider Success.](#)”

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### More Information

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