

Cloud Gives IT Provider New Way of Serving SMBs



Advance Group helps customers reduce technology costs with cloud-based services

EXECUTIVE SUMMARY

Customer Name: Advance Group

Industry: IT services

Location: Spain

Number of Employees: 70

Challenge

- Create new business model for SMB IT services
- Offer greater flexibility to customers

Solution

- Cloud services delivered via Cisco UCS platform

Results

- 28 customers and 800 users signed up in first six months
- Leadership in emerging market for SMB cloud services in Spain
- Company on track to make 90 percent of revenues from cloud services by 2015

Challenge

Advance Group is a leading provider of IT consulting and services to the small and medium business (SMB) sector in Spain. Based in Barcelona, the company was formed in 2010 from the fusion of the systems specialist Grupo Anco and the enterprise resource planning software vendor Adbantis Group.

Before the merger, however, the management at Anco had become interested in the possibilities of delivering cloud-based IT services to SMBs. “We realized there was going to be a change of paradigm, and we wanted to follow it,” says Pedro Collado Alonso, division manager for the Systems Division at Advance Group. “Nobody had anything to do with the cloud in 2009.”

Specifically, the company wanted to bring to the Spanish SMB market a product called AdvanceCloud that would deliver additional savings, security, and flexibility compared to traditional LAN offerings. “The idea was to just ask our customers how many users they had and how much memory space they needed, and then let them plug into IT as if it were electricity,” Collado says.

Once the merger was complete, the business decided to press ahead with its cloud vision. The issue was the technology platform needed to support it.

Solution

As a reseller for a range of IT vendors, Advance Group had access to a number of industry-leading server options. Based on the characteristics of each vendor, the company narrowed its choice of server platforms down to just two: the Cisco Unified Computing System™ (UCS®) and one other. It then embarked on an assessment and benchmarking process, lasting six months. During this period, the two vendor offerings were subjected to a battery of tests to determine their performance in different virtualized environments.



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“Because of the nature of our business, we were looking for a vendor that was committed to the channel,” says Collado. “We also wanted one that was among the top three or four manufacturers globally, with the best benchmarking, and a proven data center track record.”

Advance Group settled on the Cisco® UCS cloud delivery platform, because it was fully integrated and proven to work from day one with Microsoft applications, NetApp storage, and Citrix and VMware virtualization solutions. In partnership with Cisco Services, the technology distributor Ingram Micro implemented the technology flawlessly within three weeks in September 2011, even though it was one of the first UCS C Series deployments in Spain. By November 2011, Advance Group had its first customer using the service.

The company’s cloud data center architecture currently comprises redundant UCS C250 Rack-Mount servers with 300GB each of extended RAM, plus two NetApp storage cabinets with network-attached storage for hot backup and tape archiving. Switching is provided via Cisco Catalyst® 3750G Series stackable switches. The data center is located within a hosting company in Barcelona, with remote backups locally and in Madrid (Spain) and Miami (United States). Advance Group monitors the entire infrastructure using a Nagios enterprise-class open source system, which detects faults in real time and takes corrective action, often before the customer is aware of a problem.

Advance Group provides cloud-based storage and Microsoft Office 365 applications. This support allows the company’s clients to work practically anywhere, anytime, using any end-point, from existing PCs and laptops to mobile devices such as smartphones and tablets. The company offers this service, called Advancecloud, as a pay-as-you-go service with different price points depending on the applications suite, level of performance, and amount of storage required by each customer. An SMB comprising five people, for example, could have all its IT requirements covered for around €300 (US\$380) a month.

Results

Compared to traditional IT implementations, Collado believes Advancecloud offers a range of attractive benefits for SMBs. To begin with, the SMB does not need to make any upfront investment in IT, and can increase its monthly spend in line with company growth. Users are also assured of a high level of IT service, including access to fully up-to-date, licensed applications and security, plus 24-hour support and 99 percent availability.

Furthermore, the cloud-based model allows SMB workers to exploit a much wider range of access devices than is the case with a traditional IT system. And because the user’s computer only has to act as a thin client, its performance and useful lifespan are increased. “We have some customers who are still able to use seven-year-old computers,” says Collado.

All this means Advancecloud customers are able to make significant savings in IT infrastructure and support, equating to between 25 percent and 40 percent of the total technology costs for a typical SMB. This compelling offer, along with the product’s potential to increase productivity and user efficiency, has made it relatively easy for Advance Group to sell the service, particularly to small professional services firms that have in the past tended to under-invest in IT.



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The company began commercializing Advancecloud in December 2011, predominantly to existing customers and new prospects through word of mouth and limited promotion on SMB portals. By May 2012, it had signed up 28 clients, representing up to approximately 800 end users and 13 percent of company billings. Of these, about 60 percent were new to Advance Group. Based on the rate of uptake, Collado expects Advancecloud customers to account for up to 30 percent of the company’s revenue by the end of 2012 and 50 percent by the end of 2013, topping 90 percent by about 2015.

Collado is confident that his company would not have been able to launch the service as successfully without Cisco UCS. “We have not had a single problem with the platform,” he says. “It is 100 percent robust, 24/7, and that is important because we know our customers often work around the clock. And it is flexible. We promise to pay everything back to our customers if they encounter an incompatibility, and we have never had to do it.”

Next Steps

Going forward, Advance Group aims to improve the platform through ISO 27001 information security management system certification and the introduction of two-factor authentication services. Collado is also interested in delivering new services and expanding the capacity of the data center. “Our next move will probably be to blade servers,” he says. “With Cisco, of course.”

For More Information

To find out more about Cisco data center technology, go to: www.cisco.com/go/datacenter

Product List

Data Center Solutions

- Cisco United Computing System (UCS)
- Cisco UCS C250 Rack-Mount Servers

Routing and Switching

- Cisco Catalyst 3750G Series stackable switches

Application List

- VMware
- Microsoft Hyper-V Server
- NetApp storage
- Citrix XenApp



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