

# White Paper

*Cloud Service Brokerage Opportunity for MSPs using BillByte*



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<https://billbyte.com/Whitepapers>

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## *Cloud Service Brokerage Opportunity for MSPs using BillByte*

Whether you are an ISP, hosting company, telecom or other service providers, reselling services of public cloud providers like Amazon AWS and Microsoft Azure is a big opportunity. Typically called 'Cloud Service Brokerage' it is about getting a partner account with major cloud providers and reselling their services to your existing customers.

As per gartner latest study, enterprises are currently spending around 20% of their IT budget on Cloud Computing Platforms and it is expected to reach 30% in four years.

<https://www.gartner.com/en/newsroom/press-releases/2018-09-18-gartner-says-28-percent-of-spending-in-key-IT-segments-will-shift-to-the-cloud-by-2022>

Major share of this spending goes to large Cloud Platform Vendors (CPVs); Amazon AWS, Microsoft Azure, Google Cloud Platform, Office 365 and others.

These major platform vendors understand the importance of 'Value Added Resellers' and are promoting a 'Partner Network'. Microsoft offers discounts starting from 7% to 20% or more off their list prices immediately to their CSP (Cloud Solution Provider) Partners. Amazon offers discounts on bulk buying that increases as the volume of purchase increases.

See the white paper at

<https://docs.google.com/document/d/1vTLenjC2mHharOfCe3tz7sXG81Dxjo6y4dFQXiUc-zl/edit> for details of what margins are currently available.

This creates excellent revenue opportunities for MSPs to join the partner networks of these major CPVs (Cloud Platform Vendors) and offer cloud computing services to their existing customers and becoming Cloud Service Brokers (CSBs).

BUT there has been a limiting factor in this possibility; it is in the way these cloud computing services are charged by these Cloud Platform Vendors. Instead of 'monthly subscriptions' for their services, they charge based on 'actual usage' of resources within a service offering. A simple virtual machine is charged based on actual usage of CPU, RAM, Disk Space, Bandwidth, Number of Snapshots, Backups, fixed IP addresses, Elastic IP addresses, load balancers etc. The subscription may cost as little as \$2 per month to as much as \$2,000 or even more depending on how extensively it is 'used'.

MSPs do not have the necessary tools to handle this situation for their Enterprise customers. Enterprise customers themselves are spending major portions of their IT budgets on cloud computing services, but are caught totally off-guard on how to correctly attribute costs incurred.

### BillByte MSP Account value

A 'Service Provider' Account with BillByte will enable an MSP become a CSB with complete lifecycle support for cloud computing platform and their usage based billing models.

## Partner Account Setup

MSPs can setup their partners' accounts with major cloud platform vendors through the portals provided. All their customers and their usage is then consolidated under these partner accounts buying them valuable discounts on bulk buying.

## Integration through APIs

BillByte provides a set of APIs for full lifecycle integration of ISPs existing OSS / BSS systems with cloud platform vendors.

## Customer Creation

Whenever you create a new customer in your legacy system, a single API call will create it in BillByte system as well. The system will give it access to the supported CPVs that you mention.

Once this is done, customer will get link to respective order management portals directly on CPV websites where they will be able to order any and all services offered by those CPVs.

## Usage Monitoring

BillByte will pull usage data from CPV systems in near real-time and charge at provided profit margins and selling prices set by MSP.

## Charging Integration

BillByte will provide APIs for MSP to download charging data in near real-time categorized as open line items in current invoices. MSP can exercise credit control using this integration.

## Invoicing Integration

As months close, BillByte will provide line items to be embedded into MSP other invoices for cloud usage charges incurred by the individual customers.

## Service Management Integration

The will enable the MSP to call simple APIs where services for different customers will be suspended / resumed / purged based on credit control department

## Help Desk Integration

This will enable simple API calls to pull data and analytics for individual customers and enable customer service representatives to answer queries.

## Value for Enterprises

An Enterprise would see value buying from a BillByte powered MSP rather purchasing direct from the cloud platform vendor for various reasons.

### Access to BillByte Cost Management Portal

An MSP Account with BillByte gives unlimited number of Enterprise Cost Management portal accounts to the MSP without any extra charges. Each Enterprise gets access to free BillByte Enterprise cost management portal. This enables the Enterprise to monitor their usage and its costs in near real-time as usage records are made available.

### Paying in local currency to their existing ISP

Enterprises would pay in their local currency to their ISP under existing contracts. They also do it within their existing invoicing and payment cycles.

### Access to Credit

MSPs may extend credit to Enterprises who they know or otherwise have a relationship with. It is difficult for Enterprises to negotiate credit from the cloud platform vendors.

### Value Added Services

MSPs may provide value added services to Enterprises helping them migrate their IT infrastructures to the cloud and do the required integrations and customizations.

### Reduced Costs

MSPs may choose to pass on some of their discounts onwards to their Enterprise customers. If they do, the Enterprise customers would get better prices than ordering directly to platform vendors.

## Further Links

### Efflux Migrator

A tool enabling MSPs to migrate their Enterprise customers' Microsoft Exchange on-premises Email to Office 365 or other Microsoft Exchange based hosted system

### Mail Migrator

A tool enabling MSPs to migrate their customers email on legacy email servers to the cloud.

### AD Connect Sync

Adconnectsync.com is a tool that enables MSPs to provide hybrid on-premises and cloud based Active Directory accounts and keep them synchronized.

### Hosting Controller CSP Panel

Enables an MSP to provide a portal to order and provision individual cloud based services.