



# *Consumption Economics: 5 Key Trends Impacting MSPs in 2016*

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Chuck Daniels, CEO, D3 Unified Communications

# How Good We Had IT!

## TECHNOLOGY VENDOR BUSINESS MODEL

1980-2008

Easy  
Terrain

Stable

Predictable

Low Risk

CapEx

Profitable

# What Happened?

2008-2012

Moderate  
Terrain

Global  
economy  
crashes

Cloud  
computing  
takes off

# Industry Predictions

2013

Difficult  
Terrain

7

DRAMATIC  
INDUSTRY  
SHIFTS



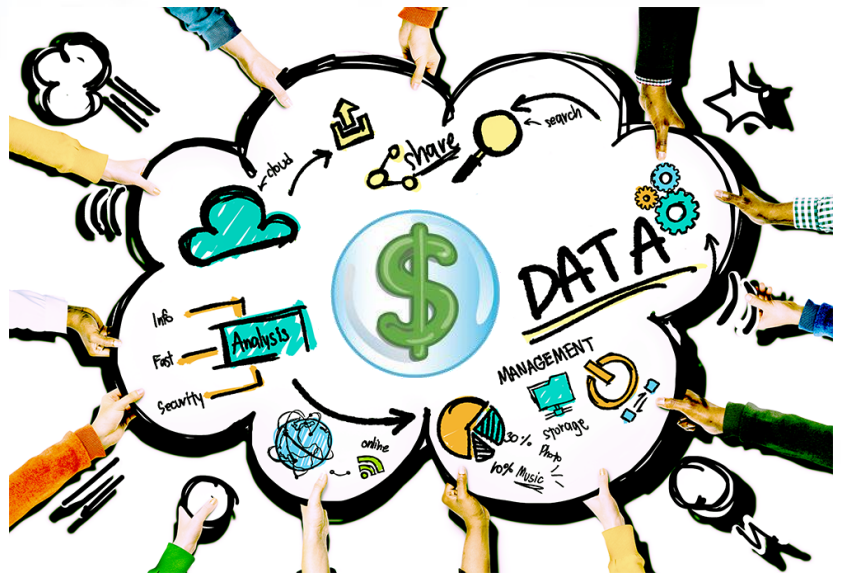
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# Dramatic Industry Shifts



Technology companies will capitalize on end-user behavior data.

# Dramatic Industry Shifts



IT departments will  
“get out of the way” of end users.

6

# Dramatic Industry Shifts

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Cheaper enterprise software will emerge.



# Dramatic Industry Shifts



Big changes will come to  
the channel ecosystem.

4



# Dramatic Industry Shifts

Competition B.C.



Competition A.C.

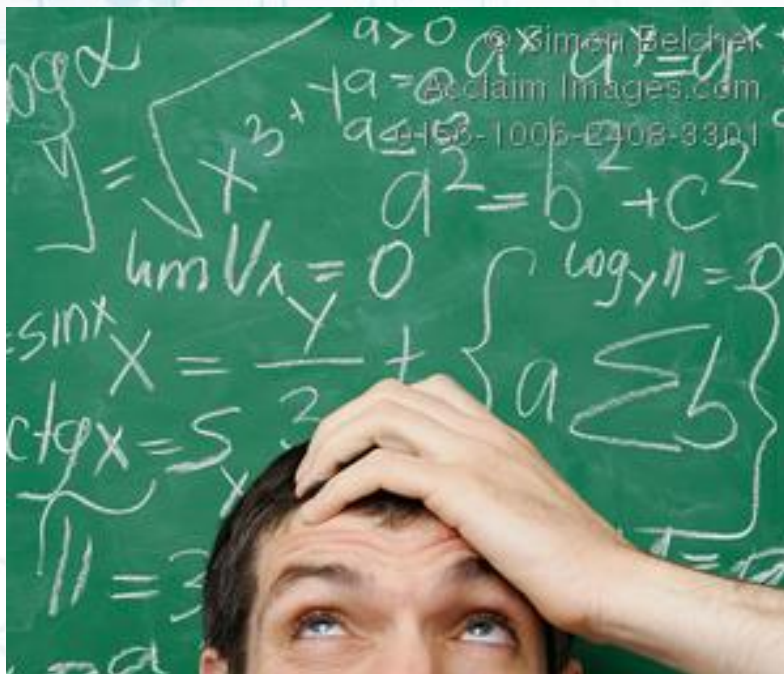


Cloud customer aggregators will shrink the direct market for tech infrastructure providers.

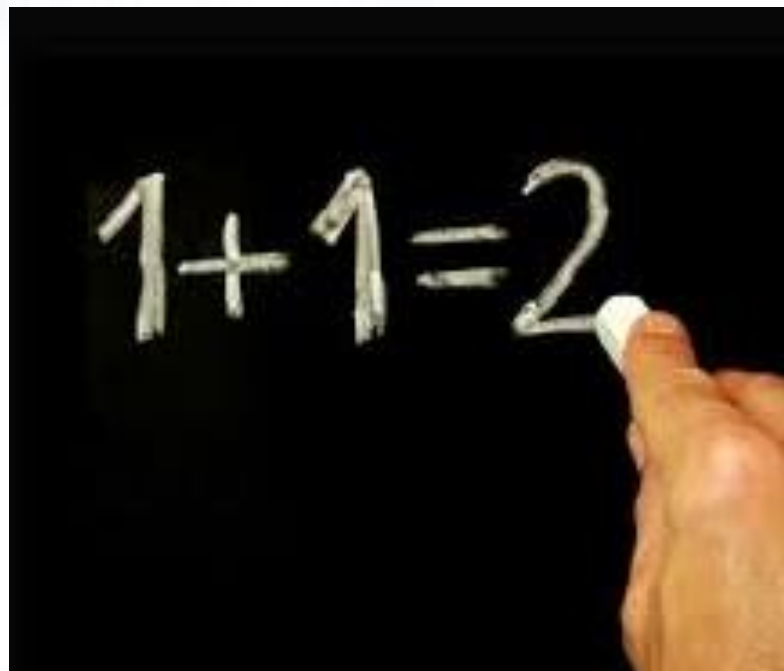
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# Dramatic Industry Shifts

Complexity



Simplicity



Complexity's long and illustrious reign will end.  
Simplicity will be king.

2

# Dramatic Industry Shifts



The risk in the purchase decision shifts from the customer toward the supplier.



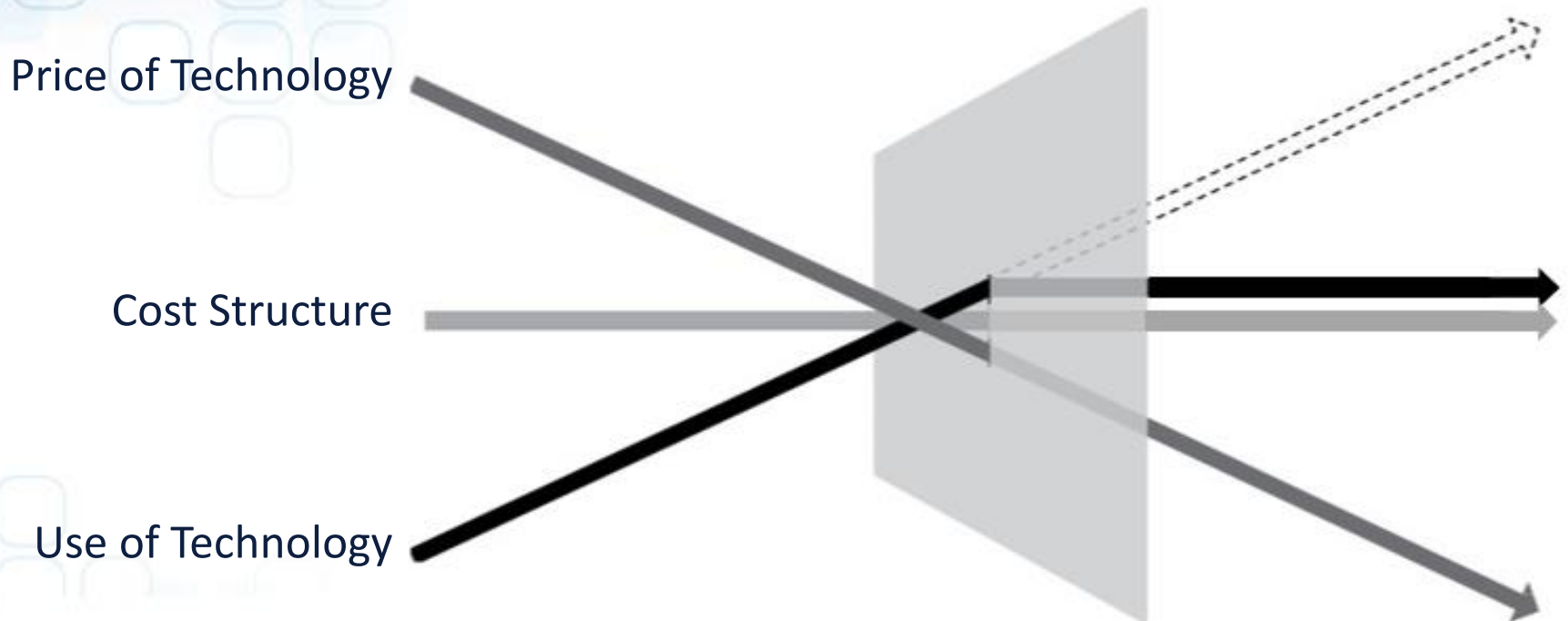
# Adjusting to the New “Normal”

## TODAY

What is the  
Reality?

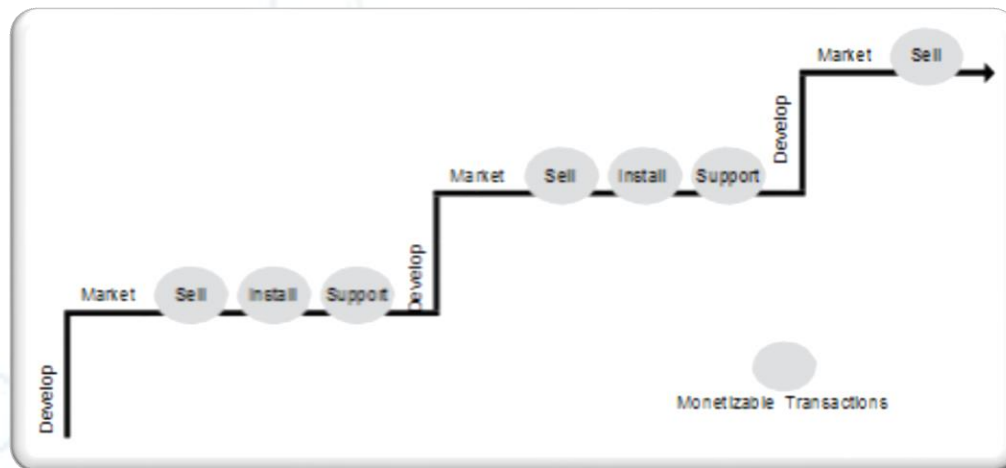
- Refuse to buy premise-based products?
- Want pay-as-you-go?
- Seek minimal complexity?
- Need to reduce costs?
- Business model alignment?
- High margin services?
- Recurring revenue streams?
- Maintenance agreements?
- High margin professional services?

# Trend #1: Hitting the Margin Wall

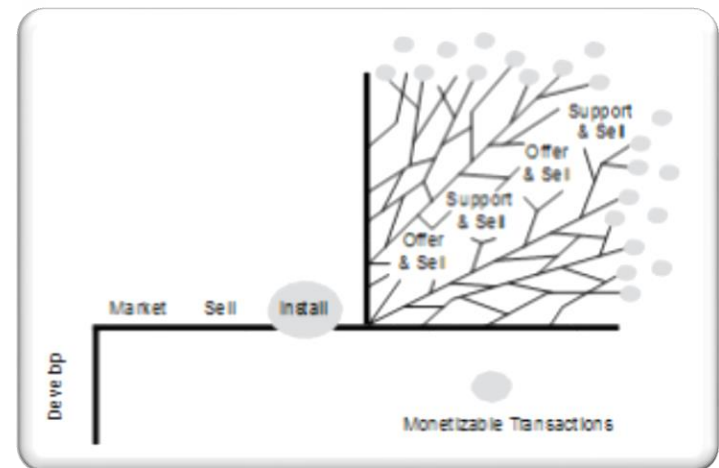


# Trend #2: Loving Micro-Transactions

Before



After





# Trend #3: Re-Engineering Departments

Before

After

Product Development  
*Market Requirement Document*

Consumption Development  
*Intelligent Listening*

General Marketing Campaign  
*Targets Decision-Maker*

Consumption Marketing  
*Targets End-User*

Classic Sales Model  
*Solution Selling*

Consumption Sales  
*Provocation-Based Selling*

# Trend #4: Redefining “Service”

Before

Customer Service Department  
*Cost Center*

Premise-based Prof. Services  
*Installation, Implementation,  
Integration, Maintenance*

Value  
*Technical Expertise*

After

Account Services Organization  
*Revenue Center*

Cloud-based Prof. Services  
*Micro-Transactions*

Value  
*Business Expertise*

# Trend #5: Transforming Your Business Model

CapEx



to

OpEx





# The Impact of the Cloud



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# Thank You!



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