



Growing your Cloud practice with Microsoft & Tech Data

Demand for Cloud based services continues to grow rapidly, accelerated by innovations in AI and powerful new technologies such as Microsoft Copilot.

Uptake of Microsoft Azure grew by 21% in the last financial year alone.ⁱ

As this demand grows, so too does the market opportunity for Cloud Solution Providers (CSPs). Small and mid-size businesses (SMBs) are now looking for trusted CSPs who can provide strategic insights, implementation assistance and ongoing support.

Growing a successful Cloud practice, however, isn't always straightforward. Deciding which customers to target, what services to focus on, and how to generate recurring revenue will all take time and expertise to discover. Maintaining certifications across a full spectrum of Cloud services can also be challenging. As a result, some CSPs end up leaving money on the table, or missing obvious opportunities for growth. Many also fail to take advantage of the full range of incentives and benefits available to CSPs through the **Microsoft AI Cloud Partner Program**.

In this guide we will examine some of the challenges of building a Cloud practice, and outline the simple steps your business can take to build your offering as a successful and profitable Microsoft Cloud Solution Provider for your SMB customers.

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SMBs account for 95% of companies worldwide, 65% of the world's employment and 40-70% of gross domestic product in their respective countries.ⁱⁱ

51%

of SMBs expect their technology partners to proactively recommend new IT solutions.ⁱⁱⁱ

12%:

The amount by which SMBs' IT spend on managed services providers and system integrators is predicted to grow annually until 2025.^{iv}

“Cloud computing has evolved beyond a mere technology solution; it has become a transformative force that empowers businesses to adapt, thrive, and innovate in the dynamic digital age.”

Forbes^v

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Forbes, *How cloud computing revolutionised business operations and what lies ahead*,
<https://www.forbes.com/sites/emilsayegh/2023/11/28/how-cloud-computing-revolutionized-business-operations-and-what-lies-ahead/>



What are the most challenging aspects of building a Cloud practice?

Tech Data has helped a broad range of CSPs to design, launch and grow their Cloud practices. Shaun Canavan, Tech Data's Microsoft Partner Chief Operating Officer, and Robbie Upcroft, Cloud Business Leader, share their insights on some of the top challenges they have seen organisations face.

Taking the first step

Building a new Cloud practice, or augmenting an existing offering, can be overwhelming. Many CSPs are unsure which steps to take, or where to 'place their bets' with services.

"One of the most common obstacles to growing a Cloud business we see is simply the challenge of getting started," says Robbie. "As the time-poor owner of a small or midsize IT business, it can be extremely hard to find capacity to embark on a new business channel or to determine a robust strategy for growth. This is a big hurdle for many organisations we work with."



Defining the business' focus

Understanding which Cloud services are an ideal fit for a particular CSP, and how this translates into a new offering, can be another key challenge.

“For a CSP, one of the most crucial yet difficult parts of the journey is working out what they will be famous for,” says Robbie. “This requires a deep understanding of the market opportunity as it relates to the business. What will be the most profitable path? What will be their key differentiator? How well-equipped are they now, and what skills do they need to build to get there?” he adds.

Keeping pace with innovation

Cloud technology moves relentlessly, making it difficult for CSPs to maintain their standing as skilled advisors. This is particularly the case as the adoption of AI grows at lightning speed. In the 2023-2024 financial year alone, the number of Microsoft Copilot customers increased by 60% quarter on quarter. Microsoft's most recent earnings report suggests Office 365 now has 400 million paid users, with growth being driven by Copilot innovation.^{vi}

“AI and cloud are very much in a symbiotic relationship – one that's driving profound change within today's businesses,” says Shaun, “Together, AI and cloud are unlocking huge potential for efficiency and innovation, and driving the development of entirely new applications. Without the right support, staying on top of this can be very difficult for a CSP,” he adds.

Broadening skills and expertise

Organisations now expect their CSPs to provide a full suite of services—from up-front strategy through to data migration security and ongoing support. Yet with the ongoing IT skills shortage, this is difficult to fulfil. It's estimated that Australia will need an additional 7,000 skilled security specialists over the next two years, with a shortfall of 16,600 by 2026.^{vii}

“Most of the CSPs we work with have some extremely talented IT people, but their skills are often limited to a handful of specific areas,” says Shaun. “Very few can confidently offer a full suite of services in-house. Cloud security is now a critical priority for most organisations – yet unfortunately, it's also the area in which many CSPs lack expertise,” he adds.

Driving profitability

While capabilities differ, many CSPs report that they don't have the resources or bandwidth to market effectively, making it difficult to attract and onboard new customers.

“Unfortunately, a lot of businesses end up leaving money on the table, simply because they don't understand how to respond to market opportunities, or how to engage and sell their services,” says Robbie.

“While Microsoft offers a huge range of benefits and incentives through its Microsoft AI Cloud Partner Program, many CSPs simply aren't utilising this program to its full potential. This is where connecting with a partner like Tech Data can be extremely valuable,” he adds.

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DXC, *The solution to cybersecurity skills shortage is in our own back yard*, <https://dxc.com/au/en/insights/perspectives/blogs/the-solution-to-the-cyber-security-shortage-is-in-our-own-backyard#:~:text=It%20needs%20an%20additional%207%2C000,by%20approximately%20250%2C000%20per%20year>.



Why are successful providers building their Cloud practice around Azure?

Azure provides a robust, scalable, secure and highly future-focused platform upon which to build your Cloud offering.



Compliance

Azure has 90+ compliance offerings – the largest in the industry.^{viii}



Security

Microsoft invests US\$1 billion every year to protect Azure customers' data from cyberattack.^{ix}



Innovation

“Microsoft continues to change its AI development and implementation strategy across Azure. There is an increasing interest in using AI to augment productivity. This is beginning to result in some level of differentiation in Azure implementations offered by MSPs and will result in an acceleration of AI integration in Microsoft Azure platforms over the next few years.”^x

**Microsoft Cloud Ecosystem
Australia report**



viii, ix Microsoft, *What is Azure?* <https://azure.microsoft.com/en-au/resources/cloud-computing-dictionary>.

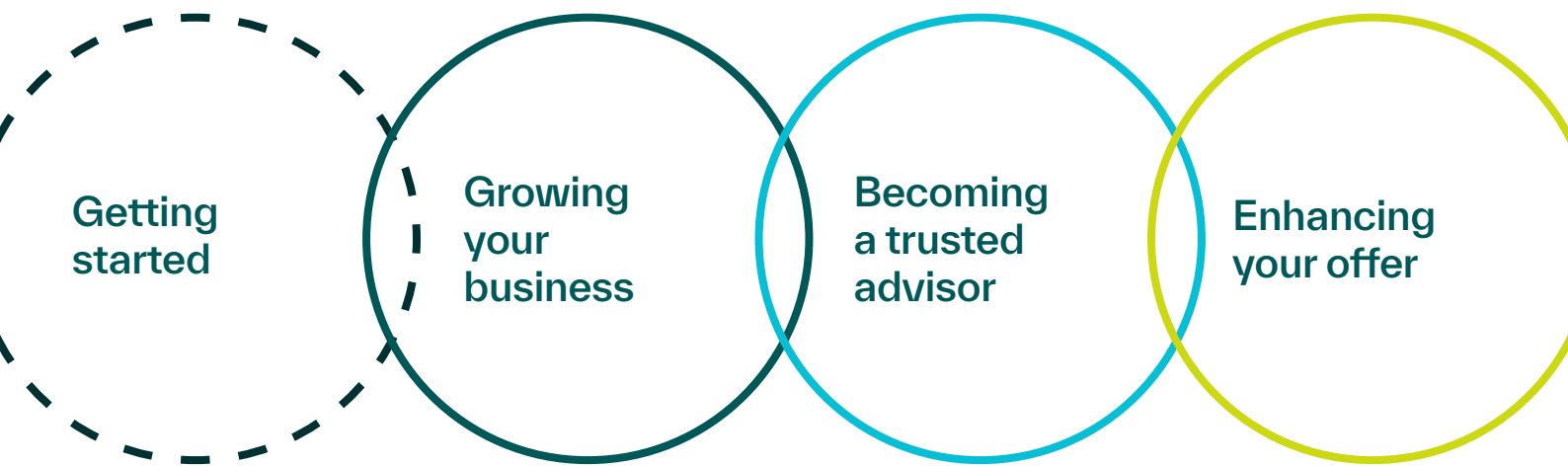
x Unisys, *Microsoft Cloud Ecosystem Australia*, <https://www.unisys.com/siteassets/collateral/analyst-report/ar-20240430-microsoft-cloud-ecosystem-australia.pdf>

“With nearly 65% of SMBs preferring to purchase a suite of software solutions that meets all their business needs, Microsoft partners have a real opportunity to help customers navigate this environment through the Microsoft platform.”

**Microsoft, Securing
the SMB Opportunity in Australia
and New Zealand^{xi}**

Steps to accelerating the growth of your Cloud business

Wherever you are in your Cloud services journey, Tech Data can help you get the most out of your Microsoft partnership. At every step, we offer tools, processes, resources and support to guide the delivery of your Cloud services—whether conducting customer assessments or migrations, providing proactive management and maintenance services, offering support, or driving continuous optimisation of your customers' infrastructure.



Step 1

Getting started

Thinking about starting a Cloud services business, or augmenting an existing service offering? Keen to tap into strong and growing demand for Azure? The first step is to join the Microsoft AI Cloud Partner Program and enrol as an indirect reseller. The team here at Tech Data can help you register for Microsoft's incentives program to unlock your potential for revenue generation.

Step 2

Growing your business

Once you're all set up and looking to grow, you can start to define how you are going to drive profit and reach more customers. We'll show you how to leverage Microsoft's commerce incentives, co-op funds, demand generation activities and solution marketing to achieve this growth.



Step 3

Becoming a trusted advisor

Increasingly, your customers will be looking to you as the CSP to provide strategic and expert support for their Cloud investments. We can help you become a trusted advisor to these customers by providing access to certification programs and extensive training to build your skills and expertise.

Step 4

Enhancing your offer

At every step, you can continue to utilise Tech Data's wide range of proven technical support services and pre-built solutions to continue to enhance your offering and capabilities. This includes professional services, solution demo centres, pre-sales support and design templates, **Click-to-Run™** solutions and more.

“The case for digital transformation has never been more urgent or clearer. Digital technology is a deflationary force in an inflationary economy.”

Satya Nadella, Microsoft CEO^{xii}

Extend your services and capabilities with Tech Data's Centre of Excellence

Tech Data's Microsoft Centre of Excellence (COE) provides a curated collection of tools, training, processes, and pre-built solutions supported by our team of Microsoft solution specialists—helping you deliver best-in-class Microsoft cloud solutions. It functions as an extension of your business, enabling you to fill skill or knowledge gaps within your own team.

Our **Click to Run™** cloud solutions have been rigorously tested to suit a wide range of use cases, enabling you to solve even the most complex problems, faster. Our COE even offers a virtual lab environment where you can host demos, develop proof of concepts, and co-innovate new cloud solutions with our team.





Why Tech Data?

We have a deep and deliberate commitment to empowering our partners in harnessing their potential. Our focus extends beyond technology to deliver tangible, lifetime business value through profitability.

Our superpower is our defined formula for success. We know how to set Microsoft partners up to thrive, and we'll show you how to confidently increase margin and profit through the lens of the **Microsoft AI Cloud Partner Program**.

We'll guide you through the Microsoft Partner Centre and provide you with access to **StreamOne**, our global cloud orchestration platform, so you can effectively manage your customers' cloud investments. All of this is underpinned with our Centre of Excellence and Cloud Services team.

We will deliver a concierge package through your **Partner Manager**, with actionable insights to optimise your growth at every step.



Close more cloud sales

Our dedicated cloud pre-sales team can help you with pricing, solutions, designs and technical know-how.



Grow your capabilities

We offer training and support so you can get the relevant certifications you need to evolve your cloud business.



Offer more to your customers

We can look after assessments and migrations for you, as well as proactively manage, monitor and support your cloud operations.

There is enormous opportunity for reliable, skilled CSPs who can help organisations do more in the Cloud. By partnering with both Microsoft and Tech Data, you can access the tools, resources and support you need to build a successful Cloud services business and become famous for your delivery.

Ready to get started?

Get in touch with Tech Data today to explore how we can help kick-start or accelerate your cloud practice.

