

# How MSPs can accelerate recurring revenue growth with Microsoft 365 data protection

The opportunity of Microsoft 365 Backup & Archive

## How MSPs Can Accelerate Revenue Growth with Microsoft 365 Data Protection

For managed service providers (MSPs), the IT support market has become a blur of digital disruption and business opportunity. Protecting ever-more-valuable data creates a constant challenge of growing data volumes, retention times, and vulnerability to bad actors and human error.

The current MSP market is a tight contest for customer attention and services that add value. A core managed service offering often provided by MSPs for their clients relates to Microsoft Office 365. Meanwhile services focused on backup, archiving, disaster recovery, and software protection are also commonplace.

In a hyper-competitive market, MSPs must regularly assess new opportunities that will allow them to deliver additional value to their customer base while accelerating their recurring revenue growth.

This paper describes how MSPs can expand on their service catalog and accelerate recurring revenue growth by offering Microsoft Office 365 data protection services to their customers.



“Microsoft’s Office 365 business is expected to have \$35.1 billion in sales for the June 2022 fiscal year, having grown between 19% and 21% over each of the past six quarters.

This presents a tremendous opportunity for MSPs, but they need to demonstrate how they can add value to their client’s SaaS deployments or they risk being left behind by the competition.”

**- Sam Meegahage, COO, Probax**

# MSPs are good at converting fast-moving changes into ongoing business value



Grab a stop-motion image of today's accelerating business and technology changes. Market trends in the cloud-based services business point to comprehensive backup and recovery services becoming a high-value addition to MSP capabilities.

These trends include:

## **A hypercompetitive and crowded cloud services market**

MSPs must provide an ever-growing range of offerings that demonstrate how they can add value to their clients, while enabling them to differentiate from the competition.

## **Backup and recovery services designed to meet modern challenges**

Advanced cloud-based services can now address the challenges created by the global pandemic, digital disruption and huge data growth.

## **Services that enable cross-cloud, software-defined networking**

More companies are using multiple and hybrid clouds in their IT operations and MSPs need to operate across different platforms and cloud facilities.

## **Leverage and recurring revenue opportunities**

MSPs who manage SaaS apps in cloud-based facilities can transform data backup and protection into tangible business value in their own operations.

So, what are the benefits of advanced data backup and protection services?

## Backup and Recovery: Vital Business Protection Tools



The current cloud-based MSP market is filled with companies vying for customer attention and dollars. Their offerings include a wide range of often powerful capabilities. Backup, archiving, disaster recovery, and software applications are all offered as a service to customers willing to delegate tasks to third parties.

As data becomes the essential resource for all businesses, protecting and controlling it—or recovering it when things go wrong—becomes an essential capability for companies wanting to stay competitive.

### **Data is the heart of modern, competitive businesses**

Data has become more valuable than ever. Smart businesses don't just manage data, they use it to maximize the value that their companies generate. With the advent of data-driven business, companies must put big data, analytics, and machine learning to work to achieve faster, more accurate decisions. Cloud-based services have liberated businesses from data storage and management constraints, but challenges remain.

Data has also become more vulnerable to damage or loss. The culprits might be cybercriminals who ransom or steal e-commerce customer data, hacktivists who destroy web content, or simply human error. Anything that causes data loss or business disruption can cause companies to lose access to and control of their data.

What happens after the cyberattack, data loss, or internet downtime?

Business impacts can range from loss of employee productivity during data recovery to fines and penalties due to non-compliance issues, and the loss of brand credibility and customer loyalty. These murky scenarios make it more important than ever to protect access to and control of business data.

Offering cloud-based backup and recovery solutions has become commonplace for MSPs and it is difficult to stand out in this crowded space.

But there is one backup and archive service that represents a pathway for MSPs to rapidly generate and accelerate recurring revenue growth.

“Recognizing that cyberattacks can happen to any workload—and choosing to use SaaS or IaaS doesn't mitigate hardly any of the myriad causes of outages.

- The average outage lasts 78 minutes,
- IT leaders estimate downtime costs \$1,467 per minute (\$88K per hour).”

[https://www.veeam.com/2022-data-protection-trends-report\\_wpp.pdf](https://www.veeam.com/2022-data-protection-trends-report_wpp.pdf)

### Expanding the MSP service catalog to offer Microsoft 365 Backup & Archive

Customers are waking up to the idea that the data within their SaaS applications should be backed up and protected, too. But customers who assume that comprehensive backup and protection services are included in the subscription fees may not have the full picture.

With SaaS solutions, the service provider is responsible for managing and maintaining everything from the underlying infrastructure to the application itself. However, the subscriber still has to take some responsibility.

As SaaS utilizes a multi-tenant architecture where multiple, independent subscribers consume a service leveraging the same infrastructure, they are responsible for providing and managing user access.

What then is the opportunity for MSPs managing Microsoft Office 365 licenses?

### Protecting Microsoft 365 data is a shared responsibility

Take Microsoft data retention policies, for example. The Microsoft 365 service provides carefully-defined continuity options. However, true backup and disaster recovery options are not standard offerings.

These critical backup and restore tasks become the responsibility of the customer organization. It comes down to the difference between availability vs recoverability.

Availability ensures that a business is capable of operating should an unplanned incident detrimentally affect your critical services.

Recoverability determines the ability to recover data lost as a result of the event.

Both are equally important in today's digitally-driven world where users and customers demand uninterrupted uptime.

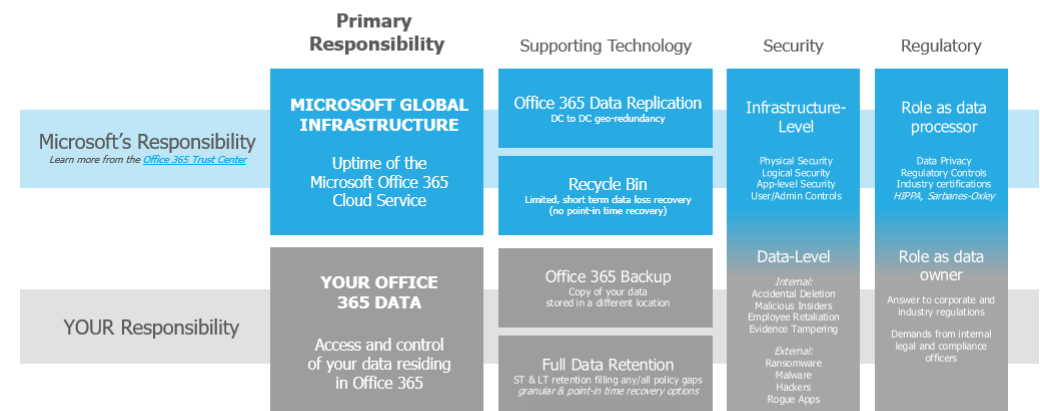
### Microsoft delivers High Availability for Microsoft 365

Microsoft is responsible for ensuring the availability of the online services they market under the Microsoft 365 brand.

Microsoft has implemented multiple redundant technologies ensuring their services remain connected and available by replicating their services across multiple servers and across various data centers in the same region, they maintain high availability.

However, Microsoft 365 outages have still occurred in recent years.

### The Office 365 Shared Responsibility Model



<https://www.veeam.com/blog/office365-shared-responsibility-model.html>

### The complexity of recoverability for Microsoft 365

Microsoft does not back up your data on Microsoft 365. While they do offer some data retention services, there is no offline, independent copy of the information you store on the platform.

When it comes to recoverability, Microsoft 365's data retention policies can recover data that has been deleted but certain risk scenarios highlight the shortcomings in the data protection capability of Microsoft 365's retention policies. Accidental or deliberate deletion is one scenario where you could have irrecoverable data loss.

If a user accidentally deletes an item and does not recover it within 14 days, Microsoft 365 will remove the item once the retention period lapses. In the case of deliberate action, such as a disgruntled employee, a deleted item can be permanently destroyed within minutes. If the user deletes the item and then erases all the content from their deleted items folder, the information is lost forever.

Retention policies also offer insufficient protection from security threats. Although Microsoft 365 does offer advanced malware and virus protection, there is still a probability that an unknown malware variant could bypass its anti-malware measures.

Should such an incident occur, all the data stored on a customer's Microsoft 365 tenant will be unrecoverable.

### Recoverability: an opportunity for MSPs to simplify the complex and fill the gaps for customers

Over and above these scenarios, Microsoft's retention policies for Microsoft 365 are complicated. As a result of this complexity, the risk exists that gaps in any retention policies could result in customers of MSPs believing the service is protecting their data when, in fact, it is not.

Being able to manage and govern this information efficiently is important because companies must:

**Comply proactively  
with industry  
regulations and  
internal policies.**

**Reduce the risk of  
a lawsuit or security  
breach.**

**Share knowledge  
effectively  
throughout their  
organizations.**

"50% of backup and SaaS admins list accidental deletions as their top motivator for protecting Microsoft 365, citing the time spent restoring user data as a pain point due to frequent accidental deletions."

<https://www.veeam.com/wp-2021-data-protectiontrends.html>

"54% of security leaders reported an increase in phishing attacks since the beginning of the COVID-19 outbreak."

<https://www.microsoft.com/security/blog/2020/08/19/microsoft-shows-pandemic-accelerating-transformation-cyber-security/>



Without a robust backup solution, companies expose themselves to many risks. These include data theft, data loss, hefty fines as a result of new laws such as Europe's GDPR, and occasionally, user mistakes.

As a result, backing up and archiving Microsoft 365 represents an opportunity for MSPs to meet an existing and important need for their customers.

### Defining value and business benefits for MSP customer

Ideally, an advanced solution such as Microsoft 365 will enable MSPs to support their customers to:

- **Eliminate the risk** of business disruption caused by lost access to company data.
- **Avoid penalties and fees** caused by failing to meet reporting and compliance requirements.
- **Avoid the costs of downtime**, lost employee productivity, and brand damage caused by lost or stolen company data.
- **Store backup data** in several locations—onsite, in a largescale, public cloud such as Microsoft Azure, or in a local cloud facility.

As discussed above, although Microsoft 365 provides some of these capabilities, gaps in backup and data protection services remain.

## That's where Probax's **Microsoft 365 Backup & Archive** solution takes center stage

### Why should MSPs offer Microsoft 365 Backup & Archive?

Selling Microsoft 365 Backup & Archive represents a compelling opportunity for MSPs.

These compelling reasons include:

- **Providing a much-needed competitive advantage** of unique data backup and protection services in a hyper-competitive market.
- **Establishing an immediate recurring revenue stream** by fulfilling a need of your existing Microsoft 365 customers.
- **Proven market opportunity** with existing and prospective Microsoft 365 customers.
- **Capture new clients** by gaining a foot in the door with a high-demand service that is easy to sell.
- **Strengthen existing customer relationships** by showing the value of Microsoft 365 Backup & Archive and de-risk a competitor moving in on client relationships using Microsoft 365 backup as their entry point.
- **Peace of mind for the MSP and its customers**, having the assurance that Microsoft 365 data is protected and readily available when needed.

In light of these compelling reasons, how does the Probox's Microsoft 365 Backup & Archive offering actually accelerate revenue growth for an MSP?

### Accelerating MSP revenue growth with Microsoft 365 Backup & Archive

Probox Microsoft 365 Backup & Archive provides MSPs with a significant opportunity to accelerate their recurring revenue growth.

Take for example a single MSP customer with 100 Microsoft 365 users.

With an RRP of USD \$6.99 per user per month for Exchange, SharePoint, OneDrive and Teams protection, MSPs can make USD \$8,388 in additional recurring revenue per annum from this client alone.

It's a proven fact that selling new services into your existing client base is far easier than selling to prospects. To gauge the size of the immediate opportunity available to MSPs, all that's required is to understand how many individuals your MSP supports – in most cases this will be in the thousands, at an RRP of USD \$6.99 per user per month.

That's only from selling the service to existing customers and doesn't include the opportunity within new business.

### Where to start with selling Microsoft 365 Protection

As discussed throughout this whitepaper, the offering fills an immediate need. But where should an MSP start?

1. Start by identifying target customers with a **focus on the 'low hanging fruit'**. These customers will already have an understanding of the value of their data. If any existing customers operate in compliance industries, these make for ideal target segments initially as well.
2. **Focus on educating prospects and customers** on the need for protecting Office 365 data. This need may not already be known within the customer's business, and it's up to the MSP to take them on the journey. Demonstrating how the solution works with a visual demo will add value, particularly when they can see how simple and effective the solution can be.
3. Know when to start small. Some target customer businesses may have budget restrictions. If that's the case, suggest protecting key staff to begin with and **use the initial small service to prove the offering and upsell over time**.
4. The key for MSPs to enabling this offering is **aligning with the right partner** who will deliver the value they need so that they can sell confidently.



# PROBAX'S MICROSOFT 365 BACKUP & ARCHIVE DELIVERS THE VALUE MSPs NEED

Probax Microsoft 365 Backup & Archive supports the capabilities of MSPs by enabling data protection services as part of their core managed services offering.

When MSPs deploy Microsoft 365 Backup & Archive, they add these capabilities to their services:



- 1. Total protection for Microsoft 365** - Protect Microsoft 365 data from accidental deletion, security threats and retention policy gaps.
- 2. Power and flexibility** - Quickly restore individual Microsoft 365 items with industry-leading recovery flexibility. Avoid the risk of lost productivity or business downtime with simple data restoration using powerful granular search. Execute fast, efficient recovery of individual items, folders or entire mailboxes and sites.
- 3. Scalability and peace of mind** - Once you enable protection you don't need to worry about a thing. With six-daily point-in-time backups, your customers' RPO is reduced and their data protection is guaranteed through the inclusion of unlimited AWS storage and archive retention.
- 4. Compliance assurance and security** - Meet legal, audit and compliance requirements for Exchange, SharePoint, OneDrive and Teams backup and recovery with our detailed (and downloadable) audit trail of all administrator actions.
- 5. Powered by Veeam Backup for Office 365** - Our solution provides a pragmatic user interface for complete control and protection of Exchange, SharePoint, OneDrive and Teams.
- 6. Six point in time backups per day** - Our solution also includes the capability to perform additional backups as needed, any time.
- 7. Price Assurance and Predictability** - A fixed monthly price per user provides unlimited storage and archive retention in AWS (your choice of region). There are no additional fees for data growth or restoration.

Centralized management and automation are the keys to efficient data protection. A centralized backup service with a multi-tenant option enables MSPs to manage all customer sites from a single console. Automation and easy scaling enable faster provisioning, maintenance, and support for a growing customer base.

And, there are added advantages to joining with experienced data protection solution providers.

## The benefits of partnering with Probax

Probax is the ideal partner for your MSP to help you unlock the value of offering Microsoft 365 Backup & Archive services to your existing customer base and net new prospects.

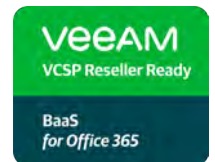
Probax specializes in solving the problems that MSPs face when they offer data protection services. Their partnership with Veeam enables Probax solution designers to make sure that final customers get the best data protection services available.

For over a decade, Probax has been recognized as an award-winning provider of MSP data protection solutions and services including data backup and retention, disaster recovery and business continuity. With unmatched partner enablement and support, together with continued innovation and integration with leading technology vendors including Veeam and Microsoft; Probax empowers businesses to protect their most valuable asset, their data.

Probax is a Platinum Veeam Cloud & Service Provider (VCSP) that was been awarded VCSP Innovation and VCSP Partner of the Year awards by Veeam Software.

The combination of Probax and Veeam enables MSPs to offer:

- A complete range of powerful, modern, online data protection services.
- Flexible backup and protection services to customers who run diverse Office 365 deployments.
- Peace of mind based on the assurance that legal and compliance requirements will be met consistently and appropriately.
- Competitive, predictable, SaaS services and pricing.



# Are you ready to go to market with solutions that help you grow your business and provide customers with total data access and control?

Discover how you can accelerate recurring revenue growth for your MSP with Microsoft 365 Backup & Archive.

Contact us today at [sales@probax.io](mailto:sales@probax.io).

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