

New Zealand telco partners with AppDirect to ship platform in half the time, at half the cost



Spark Digital makes its “fastest to market” move ever with the help of AppDirect

Spark Digital spent 18 months investigating how to develop its own online marketplace to sell Microsoft Office 365 and other SaaS applications. After exploring 40 technology, vending and sales options, the New Zealand-based telecommunications firm shut down the project, but not the idea. Tony Vodanovich, principal architect for product and capability at Spark Digital, went to his COO with a single recommendation: go with white-label partner, AppDirect.

AppDirect's cloud service and management platform makes it easy for partners to create service packages under their own branded marketplace, packaging Microsoft products like Office 365 with a range of offerings including Symantec, Mozy, Dropbox, Box and DocuSign. AppDirect provides the platform, easy user-interface, and billing options with integratable APIs. Partners can choose to invoice on their existing telco bill or also take advantage of payment gateway partners like PayPal, Beanstream, Worldpay, and Authorize.net.

Saving time and money

These options mean big savings. If these customers were to build this internally, they're looking at probably an extra \$500,000 annually, if not more. I would say close to \$1M annually, if they want billing, the store front and other ISV integrations--and they're looking at 12 to 18 months of work,” says Chris Messick, Senior Account Manager of North America at AppDirect.

Although Messick cautions that contract and legal negotiations can take months, Microsoft Cloud Solution Providers (CSPs) can get Microsoft Office 365 to market much faster with AppDirect's CSP Express (also known as CSP-in-a-box). Using stock keeping units (SKUs) that AppDirect already has in place for Microsoft, Messick says they can have storefronts up and running in a couple of weeks.

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—Tony Vodanovich, Principal Architect for Product and Capability at Spark Digital



Sparking change

Even complex marketplaces like Spark Digital's can happen fast. Historically cautious about change, the telco shed its old approach in order to dramatically shift its work culture. “For Spark Digital, this is without a doubt the fastest technology platform that we’ve ever brought to market,” says Vodanovich.

Spark Digital's Vodanovich was impressed by AppDirect's relationship with over 275 different independent software vendors (ISVs), including its strong working relationship with Microsoft. AppDirect's integrations allowed Spark Digital to accelerate its time-to-market using Office 365 as the core of its packaged offerings and to have the project up and running in only three-and-half months.

The need for speed

Spark Digital has a long history of offering customized, managed ICT solutions to their larger business partners and are now expanding to provide relevant offerings for smaller and mid-sized companies and even to self-service customers. This flexibility is allowing them to increase their penetration in the small- and mid-sized markets.

Regardless of the customer's size or the configuration of their offering, AppDirect's platform allows Spark Digital to generate a single log-in and single bill for their customers that includes the cost for using applications like Office 365 as well as other SaaS applications. Access to licences and user management can be done from any device, supporting New Zealand's mobile-work-anywhere movement.

AppDirect also handles all the technical resources needed to make an ISV compatible with the marketplace using a simple revenue-share model, even when working with ISVs like Putti (an existing Spark Digital partner). "The big benefits are in the actual speed-to-market for a pre-integrated platform," says Vodanovich. Now Putti is part of AppDirect's catalog, with the opportunity to reach a global market through AppDirect's other partners.

Setting up for success with agile marketing and sales

Customers who expect to "build it and they will come," are in for a shock says Messick. Marketing and sales efforts require serious planning. For Spark Digital, that meant marketing had to go agile. Senior Market Manager Natalie Davis explains, "Normally, the technology team would go and build something, and towards the end of the project would engage sales and marketing and tell them to go and sell it. This time we took a completely different approach."

AppDirect offers an annual summit where partners gather to share best practices. Early on, Spark Digital's team leads attended the summit and it helped shape their thinking. The summit gave them access to other telcos, Microsoft staff and meetings with ISVs, where they learned where to focus energy for success.

"With AppDirect, creating packaged offers of applications is easy."

—Natalie Davis, Senior Market Manager at Spark Digital

Best Practices for CSP Partners to consider

- Generate a single log-in and single bill for customers that includes the cost of various subscription services (including Office 365).
- Let AppDirect handle all the technical resources needed to create marketplace compatibility for your company.
- Enjoy the increased market penetration and flexibility that comes with AppDirect's easy bundling of services and applications—even for mid-size or small business.
- Get projects up and running much faster than competitors thanks to AppDirect's strong relationships with over 275 different software vendors.

Sales successes

To support the launch, Spark Digital focused on strong sales training and engagement and planned a large social media campaign that included YouTube videos posted to Spark Digital's New Zealand channel to drive traffic to its application marketplace. "Because this is inherently a digital proposition, we absolutely made the choice to drive our campaign digitally," says Davis.

Although this effort led to some surprise successes, like the fitness chain that found Spark Digital online, purchased 30 Office 365 licenses and was up and running within three days, Davis says they're still improving. She wants to revise automated emails and the site's customer journey. "We're taking a pragmatic view of continual improvement and using the flexibility of AppDirect to test and try different approaches rather than spending ages designing a fixed solution and stopping there."

Changing the conversation

Extending their Microsoft relationship to sell licences in the software-as-a-service (SaaS) world has opened the opportunity for the sales team to have different kinds of conversations with prospective customers by providing ideas as well as software solutions. Shifting to a subscription model allows them to discuss change management while considering different stages of the purchasing life cycle.

Continuing the conversation online, Spark Digital is planning their next social media campaign. They are also looking forward to crafting packages specific to industry verticals. Similarly, they are planning a variety of mobile packages and discounts. "It is very easy inside AppDirect to create packaged offers of applications with each other," Davis says. This new conversation about how services and offers are packaged and delivered is taking Spark Digital into new territory, and they are excited to see what the next steps reveal.