

Parallels® Automation

Customer Success Story

Cobweb Deploys Parallels Automation to Drive Expansion of New Hosted Services and Support White-Label Resellers

New Platform Increases Productivity and Profitability



An Introduction to Cobweb

UK-based Cobweb Solutions is a cloud services provider offering small to medium-sized businesses a range of hosted business services including Hosted Exchange e-mail, Cobweb CRM, Hosted SharePoint and managed Windows Servers. Originally launched back in 1996 as an ISP, Cobweb has recently used Parallels technology to underpin substantial growth in its Hosted Exchange business as well as its related services and now grown to a position where it now delivers its range of products and services to over 5,000 customers. The company provides its client base with a package of business applications and white label reseller business opportunities that, due to being hosted in a Software-as-a-Service (SaaS) model, are geared towards taking the stress and unreliability out of IT management.

Selling directly to customers through its Web site and dedicated sales team, Cobweb is also using the channel to drive business through its network of over 100 partners, which range from white-label resellers and ISPs to IT solutions providers that resell products and services into the UK market and abroad. Compounding upon its already high growth Hosted Exchange e-mail business, Cobweb is also now using Parallels to bring new richer SaaS services to market such as hosted Microsoft Dynamics CRM.



About Cobweb

Cobweb is a leading Cloud Services Provider of flexible SaaS and IT solutions that require little or no capital investment to help all sizes of businesses to communicate, collaborate and manage their customers effectively.

Cobweb Solutions Limited was formed in 1996 to provide managed IT services to small and medium-sized businesses. With UK data centers in London and Fareham, the company helps more than 5,000 businesses benefit from uninterrupted access to applications, e-mail and the Internet.

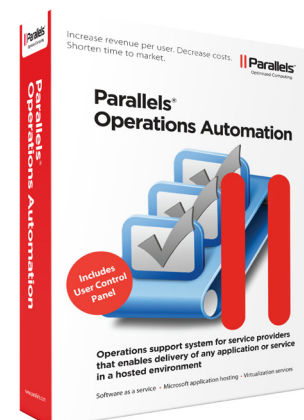
Cobweb Solution

Parallels Operations Automation with the following service modules

- Microsoft SharePoint
- Microsoft Dynamics CRM
- Windows Shared Hosting
- Microsoft Exchange with MessageLabs, and BlackBerry plug-ins

Parallels Business Automation

- Billing Services



The Business Challenge

Fundamental to its ongoing growth strategy, was Cobweb's desire to develop a range of offerings to meet growing customer demand and effectively become a one-stop-shop for hosted applications. Cobweb wanted a platform that would support this evolution while simultaneously improving the customer experience. Hosted Microsoft Exchange e-mail had become Cobweb's biggest selling and most popular product and as such, the company knew that they needed a flexible and scalable billing platform to drive its continued growth, as well as support a new breed of richer SaaS services.

Cobweb's customers are typically technically aware organizations, with quite specific requirements from industries including media, marketing, financial services and construction. With its original team of personnel dedicated to the in-house development of its sometimes cumbersome user control panel, there was only so much Cobweb could do with an aggressive go-to-market plan if they wanted to bring new SaaS services to market such as hosted Microsoft Dynamics CRM. A great deal of time was needed for coding, testing and debugging, language localization for internationalized customer support, and the corresponding integration of Microsoft technologies into Cobweb's existing billing system. The net result of these tasks was that it became particularly difficult to bring a new service to market quickly and profitably.

The Evaluation: Build vs. Buy?

Cobweb's Hosted Exchange customers would typically want the ability to make changes to their service settings and permissions, as well as add and remove users. In the past, this had been managed via the existing in-house developed control panel. The company now had to make the decision as to whether it would make a deeper investment into its own proprietary systems, or outsource this functionality and focus on its core competencies to differentiate itself in the marketplace. Cobweb's previous control panel had allowed customers to log-in and make changes comparatively easily, so a new automation solution had to offer significantly greater functionality and be able to scale for growth at the same time.

To start the decision making process off, Cobweb carried out a market-facing product analysis to examine the technology proposition offered by not only Parallels, but also Ensim and EMS-Cortex. At the same it also investigated the possibility of expanding its own in-house software capabilities. The company then analyzed the different offerings on the basis of their flexibility and growth potential over a three-year period. Finally and perhaps most crucially of all, Cobweb scrutinized each proposition in terms of the depth and richness of its technology, and selected Parallels based upon the products ability to scale and offer more services over the long term.

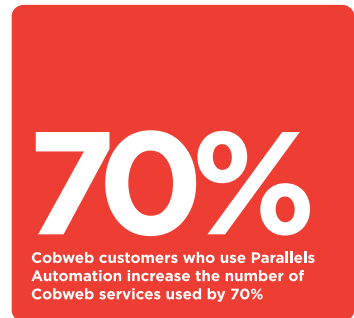
"The key difference for us with Parallels is that their optimized computing offering is both broad and wide - and therefore in many senses unique," said Dan Germain, CTO at Cobweb Solutions. "Parallels positions its technology perspective with a wide angle lens in the same way that we do. Their portfolio of applications and solutions from key technology partners very closely matched our own commercial objectives and overall style. It was critical for us to find a provider able to properly support white-label services at a modular and infrastructure level, so that our partners can resell Cobweb services under their own brand. Given these attractive benefits in the face of our specific requirements, our final choice of provider was straightforward."



3X


**TRIPLE YOUR AVERAGE
REVENUE PER CUSTOMER**

Parallels Automation Benefits



70%

Cobweb customers who use Parallels Automation increase the number of Cobweb services used by 70%



30%

Leveraging Parallels Automation, Cobweb lowered its support incidents by 30%.

- Increase revenue per user
- Decrease costs
- Shorter time to market

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CTO at Cobweb Solutions

Increasing Revenue per Customer

Cobweb views its Parallels Automation solution as a prudent investment which it will use to underpin a new era in customer-centric expansion. As Cobweb readies itself for new hosted technologies, it is safe in the knowledge that its automated billing and service management operations are running fluidly. With hosted CRM rapidly coming to the forefront as the ripest low-hanging fruit in this space, Cobweb has identified a market strategy aligned to maximize its profits in this area.

Parallels® Operations Automation will allow Cobweb and its resellers to provide multiple-vendor solutions and flexible billing and administration across its different service offerings. This will provide channel partners with a fully branded, self-service portal they can deliver to their customers, combined with advanced billing functionality. This set of developments will maximize the potential to increase revenue from each and every customer, both now and in the future.

“With Parallels on board, we aim to roughly double the amount of services each of our customers will adopt over the next eighteen months. This target is felt to be realistic based upon current customer behavior and trends. Both new and existing clients come to us because they see us as a provider of one type of service; and once satisfied with their purchase, they feel compelled to purchase more,” said Germain. To date, Cobweb has seen an increase in the attachment of multiple services per customer, resulting in an increased revenue. From a previous average of 1.3 services per customer across their customer base, customers managed by Parallels Automation now have an average of 1.8 services (70% increase).

Unmatched Support & Service

With Parallels Automation in place, Cobweb is able to take its existing technology stack and use it to build a regular monthly set of processes so that it can consistently bill its customers for services supplied. Previously, fewer of the company’s delivery mechanisms were fully automated, but with the new online shop in operation, up to a third of its customers are “No Touch” clients after the initial sales and customer support contact. Customers are also costing less to service as they make use of the service features available within the Parallels Automation control panel. The number of support incidents raised to the Cobweb 24x7 Service Desk by customers using Parallels Automation is down by 30% over previous levels.

Shortening Time to Market

Cobweb was keen to grow its range of offerings in addition to Hosted Exchange in order to meet growing customer demand. The company wanted to be able to provide more products — for example, SharePoint — to its customers, but in a way that was easy to manage both for Cobweb and the user.

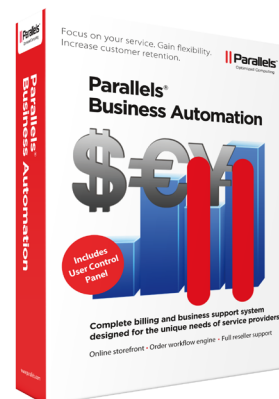
“With the phenomenal growth in popularity of hosted IT, we see the Parallels platform as the gateway to being able to offer a broader range of services with the scalability to meet increasing customer demand,” said Germain. “Parallels Automation will allow us to improve user experience whilst streamlining our internal processes and offering more flexible opportunities to resellers. This is a very important strategic move that puts Cobweb in a perfect position to maximize the interest in and growth of cloud computing and solution services. It also gives resellers an attractive alternative to Microsoft’s new Business Online Productivity Suite, giving them better overall control and branding options, not to mention advantageous profit margins.”

Parallels Automation Benefits

There were a number of reasons why the Parallels solution was particularly appealing to Cobweb:

- Cross-vendor support – Parallels’ solution is not tied to one software platform, so Cobweb can offer a range of different services quickly and easily.
- Flexible billing and administration – the Parallels Automation platform provided an end-to-end solution, making e-commerce and billing effortless.
- Reseller support and white-label functionality – with reseller support built-in, Cobweb had the potential to take its partner network to the next level and offer complex white label services.

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CTO at Cobweb Solutions

Within a few months of installation, over 100 new customers had successfully been installed on the new system. Getting the first few customers on was a fantastic culmination of six-months hard work and Cobweb had no hesitation in opening it up to all its new prospects.

Solution Design and System Integration

Cobweb started its initial analysis of the market back in March 2007. By September that year the company had completed consultation meetings and strategic planning with Parallels. Cobweb then signed the agreement to progress with the contract in January of 2008 and went to 'Go Live' status at the end of October in the same year. Although Cobweb approached its analysis carefully and methodically, once the decision was made to switch to Parallels Automation the implementation went ahead speedily.

Cobweb is justifiably proud of its new technology stack that sits with Parallels at its backbone for automation and process control management. The company likens its decision to use Parallels alongside its four other primary best-of-breed technology providers: Microsoft for applications, HP for servers, EMC for storage and finally MessageLabs for security, anti-virus and anti-spam provisioning.

Conclusion

Cobweb can now offer a wider range of service offerings to customers leveraging Parallels® Business Operations and Parallels Operations Automation. The immediate priority is to integrate Exchange with the other Microsoft products Cobweb offered, including SharePoint and Dynamics CRM. The next stage will be to integrate the Web hosting, managed server hosting and domain name services as well. The future is very exciting with a range of additional options including Microsoft Office Communications Server 2007 R2, for example.

The installation of Parallels Automation was completed in October 2008 and Cobweb is now adding new customers and resellers onto the system before it moves existing customers and partners later this year. Looking to the future, Cobweb will use the new system to:

Broaden offerings for customers and resellers - Parallels allows Cobweb to quickly add new products and services to its current range of hosted solutions. In addition to Cobweb Hosted Exchange, Hosted SharePoint, and Cobweb CRM, Cobweb plans to offer a range of non-Microsoft products from Online Backup and security services to Hosted Desktop Virtualization, which can all be white-labeled for resellers.

Streamline administration processes – Providing resellers and their customers self-service control panels, service billing and the automated provisioning of additional services. This allows partners to simplify processes across the business, from IT maintenance and updates to billing, customer service and account management.

Improved customer service - Allowing Cobweb to honor its commitment to customer service by making everything available to customers through one easy-to-use control screen with unified logins, easy account management and simple upgrades.

Technical Metrics on System Performance

- A total of 45,000 hosted Exchange mailboxes.
- 7,500 billing accounts in total to be supported on the Parallels platform.
- Large number of billing based accounts migrated to date, number still growing.
- 99.9% uptime experienced for hosted Exchange 2007.

Cobweb Fast Facts

Company Type: Cloud Services Provider

Organization Type: Privately held

Location: England, UK

Web site: <http://www.cobweb.com/>

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