

Parallels® Virtuozzo Containers

Customer Success Story

Solar VTG Practices Optimized Computing

Solar Virtualization Technologies Group Demonstrates that Parallels' Optimized Computing Delivers Value for Desktops, Servers, and Hosted Services

Business Summary

Solar VPS is a service provider that successfully turned Parallels' vision of Optimized Computing into a profitable practice which serves as the cornerstone of their business model. Started in 2005 by visionary Ross Brouse, Solar VPS started out as a provider of virtualized private servers (VPS), but quickly grew their service portfolio to include mobile messaging and hosted Exchange. Today, the company has rebranded itself as Solar Virtualization Technologies Group to adequately reflect its broad portfolio of services delivered through Parallels Virtuozzo Containers, Parallels Plesk Control Panel, and Parallels Automation products.

Starting an Optimized Computing Business as a Parallels Partner

Ross Brouse started SolarVPS with \$17,000 that he acquired with the help of friends and family to start a hosted application services company. With hardware as his biggest capital expenditure that would require the majority of his start-up funds, Brouse looked for software with the best price-to-performance ratio that would allow SolarVPS to make the largest margin per server to fund additional hardware purchases. Brouse made the decision to set-up a 100% virtualized hosting business and focus solely on selling virtual private servers (VPS) to maximize his hardware investment and get the most VPSs on a physical server as possible.

Brouse looked for a software partner that could offer virtualized desktops, file servers, and email servers to handle business operations while powering servers for the initial customer offerings. Solar VPS required a software partner that had a deep understanding of the hosting business, offered proven products for the hosting market. Provided exceptional technical support, and offered the financial flexibility he required as a start-up business.

Brouse knew of Parallels (then SWsoft) from his use of Virtuozzo for Linux and Plesk during his tenure as a web developer at a previous company. He contacted Parallels to test Virtuozzo for Windows and inquired about partnership opportunities for hosting providers. Brouse received an experienced hosting account manager that was able to work with him to understand the products and with whom he could use as a sounding board for product implementation and configuration ideas. "I knew that when I found Parallels, I had found a company that created unmatched virtualization products and provided a support team of sales, marketing, and technical support that would work closely with me and help me turn my vision of a totally virtualized company into a reality. I talk with my account manager nearly every day and our relationship is one of the biggest benefits I receive from Parallels. The time invested in me and my business is worth it because I use nearly every Parallels product offered for service providers," explained Brouse.



SOLAR VPS

Company Fast Facts:

- **Company:** Solar Virtual Technology Group
- **Industry:** Service Provider
- **Organization Type:** Private Enterprise
- **Offerings:** VPS, Mobile Messaging, SaaS
- **Founded:** 2005
- **Location:** USA
- **Website:** www.solarvps.com

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— Ross Brouse, CEO,
Solar VTG

Solar VPS Offers Virtuozzo VPS Packages as Initial Service Offering

Brouse immediately saw the benefit of VPS-based offerings from both the viewpoint of his own business, as well as that of his customers. "VPS was appealing from the standpoint of my business because it allowed me to start my business with less capital and keep my labor costs in check," stated Brouse. "From the customer's perspective, it made even more sense. Get a dedicated-like server with root access and self-service capabilities without having to pay hundreds of dollars per month. Once customers understood that this was an ideal hosting solution for SMBs due to the high levels of security and guaranteed levels of performance, it was an easy purchasing decision."

Initially standardizing on Virtuozzo for Windows, Solar VPS offered both managed and unmanaged VPS offerings starting in 2005. Solar VPS quickly grew a loyal customer base via word of mouth and through Brouse's personal network of other hosting providers who were happy to enter into referral-based relationships for customers that wanted Windows-based hosting. By customer demand, Solar VPS added Linux-based VPS and then added a dedicated server offering which bundled the Plesk control panel into each package to offer customers an easy-to-use self-management tool for their server.

Solar VPS was able to rapidly expand its hosting practice by adding physical servers to the virtual infrastructure using Virtuozzo's built-in P2V and V2V migration tools and backup capabilities. By not having to spend the day installing operating systems, patches, and performing backups, Solar VPS was able to map out and perfect the customer experience starting from service sign-up through server provisioning. As one customer wrote on a recent online forum "My account was created, invoice adjusted and once I paid it, my VPS was provisioned and delivered to me in under 4 hours on a Sunday. The whole process has been a pleasure and the correspondence between Solar and myself has been prompt and professional throughout." As Ross Brouse, CEO stated, "Parallel's virtualization and automation products have enabled us to focus our time on our relationships with customers, staff, and partners. Ensuring your customers are happy is the smartest marketing investment you can make because they talk about Solar VPS to friends and colleagues which results in new business."

With Solar VPS' initial offering launched and gaining momentum through the addition of 200 servers per month, the company began to face a new set of challenges. The customer base quickly overloaded what the two Solar VPS employees could physically handle in terms of billing, provisioning, and customer support. Solar VPS recognized that it needed to take on the next steps of investment: adding additional employees and more tools to run the business effectively.

Automation Expands the Labor Pool to Keep the Focus on the Customer

Customer service is the most important area of focus for Solar VPS. Brouse wanted a technical support team that would adhere to his customer service delivery values and standards and would have the ability to provide exceptional care to customers. In order to make the human capital investments required to put together such a team, Brouse needed a streamlined and automated datacenter that would minimize the time required for infrastructure maintenance so team members could focus on solving customer problems. Brouse knew that Parallels, could deliver an infrastructure solution that was designed to eliminate the repetitive, low-value tasks of provisioning, billing, backing up, updating, and upgrading that normally consumed the bulk of a service provider's workday.

Solution Fast Facts

- **Challenge:** Build a business based on virtualization technology
- **Parallels Solution:** Virtual Infrastructure, Commercial Hosting, SaaS
- **Parallels Products:** Virtuozzo Containers, Parallels Business Automation, Plesk Control Panel

Hardware Used

Configuration One:

- Dual Quad Core Low Voltage 50W Xeon CPUs (L5320s)
- 16GB of host RAM
- 1 TB of RAID10 disk array
- IPMI with kvm over Ethernet
- High Efficiency Power Supplies

Configuration Two:

- Single Quad Core Q6600
- 8GB of host RAM
- 1TB of RAID10 disk array
- 1TB of RAID10 disk array
- and Low wattage high efficiency Power Supplies

After hiring a US-based system administrator to manage server operations, Brouse realized that Solar VPS would require a team of technical support specialists to serve his expanding customer base. Brouse decided to purchase a Romanian company with a technical staff at a fraction of the cost of an equivalent US-based support staff. With Virtuozzo Containers as his virtualization platform, Brouse was able to quickly set up the Romanian tech support personnel with access to customer VPS installations housed in his US datacenters through the control panels offered by Virtuozzo Containers. He then connected his Romanian and US staff with live chat, remote desktop access, instant messaging, and server access through Virtuozzo's web-based control panels so that customers could be easily supported while his staff worked from any location with Internet access.

To push his philosophy of personal, relationship-based business practice, Brouse made interconnectivity a condition of working with Solar VPS. Each staff member carries a Blackberry and will respond to any issue regardless of the circumstance to ensure customer issues are dealt with as quickly and efficiently as possible. Because the office is fully virtualized, Brouse did not rent or lease office space and kept all employees working from their homes. A VPN was set up and all locations were connected through a common VoIP system that runs over local phone lines and off of every staffer's laptop. Future plans include setting up webcams at all locations to facilitate face-to-face communication to better align teams with each other and to increase the speed and effectiveness of providing solutions to customer issues.

"I think people are dead wrong when they say that business isn't personal. Business is nothing but personal because you are always trying to get individuals to work together effectively. Our main focus at Solar VPS is the customer. I will not sell anything that I do not believe in and that I am not personally excited about. It is critical that our people feel the same way and are just as enthusiastic in learning and promoting our offerings. If they can't get behind a product and aren't willing to work at a company that promotes continuous change and learning every day, then we either are looking at the wrong product or the person is not a good fit for us. I feel the same way about customers — if you want a provider based only on price, then we aren't the place for you. For people that work in a business and want a relationship with a provider that is truly built on a service-based model and not a commodity product-based model that is staffed by real people who are willing to consult with you and solve problems together, then Solar VPS is a good fit. At the end of the day, virtualization is just a technology, the people are the real business, but what virtualization does is enable us to focus on people and that is the secret to our massive growth in the three years we've been in business."

The Optimized Datacenter

Solar VPS servers were originally co-located at two datacenters in the United States to provide full redundancy. As the business grew, Solar VPS expanded its virtual infrastructure into the UK. Solar VPS chose to co-locate servers and hired the datacenter to take care of the physical welfare of the servers. Brouse's staff located in the United States and Romania took care of all of the virtual infrastructure management through Virtuozzo Containers management tools.

With the virtual infrastructure firmly established and a growing customer base, Solar VPS decided that it was time to further streamline operations through introducing automation tools to handle billing and provisioning operations. Solar VPS purchased Parallels Automation to serve as their billing and operations support platform so customers could self-register, purchase service plans, handle credit card processing, and track all usage statistics. Parallels Automation combined with Virtuozzo Containers virtualization gave Solar VPS the ability to create service templates which outlined each aspect of the service offering to automate the ordering and provisioning process. Each time a customer ordered a new service, the system would provision the service, set up the customer in the billing system and activate their service automatically.

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With the addition of Parallels Automation tools, Solar VPS completed the creation of their optimized computing business by building an automated, virtualized service delivery platform that maximized profit potential and brought their labor and service delivery overhead costs down to the absolute minimum.

Brouse summarized his operations as follows, “Parallels Automation and Virtualization products have empowered us to offer quick delivery hosted environments that are cost-effective and easily manageable. Most importantly, we are able to minimize the staff required for accepting, checking, processing, and provisioning orders, which creates a truly optimized order delivery system that lowers costs and maximizes profit.”

Beyond VPS: Solar Easily Adds New Service Offerings with Parallels Virtuozzo Containers

With their Parallels Automation system up and running, Solar VPS was able to efficiently manage provisioning and billing processes. Often automation comes at the expense of flexibility, but Solar VPS was able to easily add new services using Parallels Automation. After perfecting the Windows and Linux VPS offering, Solar VPS wanted to expand their services beyond VPS hosting. Having put their Virtuozzo Containers virtual infrastructure through the test of rapid growth where over 200 servers were added per month, Solar VPS was confident that they could continue to push new services to their market.

Microsoft Hosted Exchange, Blackberry and Telephony Services

In working closely with the customer base, Solar VPS continually heard customers struggle with hosting Exchange and Blackberry servers. Solar VPS saw a great opportunity to bundle Exchange, Blackberry and telephony services to target small and medium-sized businesses. With the Parallels Automation product, Solar VPS was able to template the services in a matter of hours and have the new offering up and ready to go. Deciding to launch this as a separate business entity from Solar VPS and name it MessageWire, Ross Brouse was able to spend his valuable time focused on the go-to-market strategy for the new company rather than on infrastructure issues and questions on service delivery possibilities.

“Parallels System Automation is the answer to a fully automated service delivery platform. It has enabled us to offer complex services such as Microsoft Exchange, Microsoft SharePoint and Blackberry Enterprise Server without the need for cumbersome new customer setup and order provisioning. PSA handles our billing, provisioning, licensing and management, which allow us the ability to focus on our customers and partners,” stated Brouse.

Virtuozzo is the Heart of Solar VPS' Green Computing Strategy

Solar VTG lives their brand name. Solar VTG has adopted many green business practices including allowing all employees to work from home to reduce fuel consumption, keeping data electronically to reduce paper waste, maximizing their hardware utilization to reduce power consumption, and minimizing equipment waste to reduce trash output. The last two initiatives are a direct result of using Virtuozzo to manage their VPS offering.

With Solar VPS' growth and service line expansion, Brouse decided that the company's name was too limited to capture their entire value proposition. The company has always believed in and adopted green computing principles, so it was critical that the “Solar” was kept in the name to reflect their green strategy. The company was recently renamed Solar Virtualization Technology Group (VTG) to reflect the common theme of virtualization that runs throughout all of their service offerings.

Solar VTG decided to invest in green hardware as their next phase of green computing, including Intel low voltage CPUs and energy efficient RAM and hard disks. With power prices on the rise, Brouse was faced with serious data rack power limitations that were inflating the cost of operation. By moving to the chosen energy efficient server configurations and utilizing Parallels Virtuozzo Containers, Solar VTG was able to maximize rack density without the need for additional power circuits, which substantially cut both costs and power consumption.

Brouse plans to extend his green business principles to his small and medium-sized business customer base through delivering more applications via SaaS. "I think green computing is the responsibility of the SMB market because we have the power to make changes much faster than big companies that are bogged down with red tape. Solar VTG plans to help support green computing efforts wherever we can." Solar VTG practices what it preaches and plans to donate a percentage of revenue to non-profit organizations that support green computing and business principles.

Results: Living Proof of Optimized Computing

Many skeptics are quick to dismiss new business philosophies as merely theoretical possibilities without substantial proof that links business results with a philosophical approach. However, once proven, philosophies tend to transition from "theoretical possibilities" to "innovative practices" and the businesses that had the vision and courage to take on a new approach to solving issues can reap the benefits of undertaking a calculated risk that has delivered the promised results.

Solar VTG is a company that has successfully shown that optimized computing is more than a philosophy. "I was confident that the virtualization space was a great business opportunity that I could capitalize on with the right partner. Parallels proved me right. The product line gives us a two-fold benefit: we can profitably exist because our automated infrastructure runs at maximum efficiency, and we can generate new revenue through launching new services using an established platform. The performance of our infrastructure is stellar, which has enabled us to spend more time on our relationships with our customer, vendors, and our staff," explained Brouse. "Parallels has enabled us to grow from a one-dimensional hosting company to that of a true service provider."

To date, Solar VTG has more than doubled in size since it began using Parallels Automation products just fifteen months ago. Solar Virtualization Technologies Group continues to plan for expansion and now has a solid customer base of over 2000 customers. Despite their healthy financial outlook and loyal customer base, Brouse views Solar VTG's success as just the starting point for what he ultimately envisions his businesses can achieve.

"We have some amazing new products and services in the works and I've never been more excited to be at the forefront of these offerings. We continue to apply our 'business is personal' methodology to the Solar VTG family and it just works. Going forward, there are limitless opportunities ahead and we plan to seize those opportunities to further not only our products and services but our business and customer service principles as well."

Results Summary:

Exponential growth since inception of VPS business has spurred rapid expansion of service portfolio to include communication offerings delivered as SaaS.



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