



Bursting into new growth – how GlassHouse Systems evolved into a managed services business with Predatar

As the traditional VAR market declines around the globe, the Toronto-based IT infrastructure company enlisted Predatar to help guide it on the journey to managed services.

GlassHouse has:

- **Built new long-term revenue streams without extra staff and new overheads**
- **Cost-effectively adapted to growing demand for managed services**
- **Created eye-catching new cloud-based offerings**
- **Expanded its market reach into the SMB sector**
- **Brought new services to existing clients**
- **Strengthened customer relationships**
- **Achieved cultural change among sales staff**

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With Predatar we now have a revenue model that makes sense. Their expertise made a real difference financially.

Eric Walker, Senior VP Technical Services
GlassHouse Systems

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Introducing GlassHouse Systems

GlassHouse Systems (GHS) is a leading Canadian IT infrastructure, security, and managed services solutions provider which develops, designs and deploys solutions for major enterprises in Canada and the US.

Based in Toronto and founded in 1993 it is renowned for its deep technical expertise and is one of the largest IBM value-added resellers (VARs) in the country with a very diverse range of clients. It now employs 75 staff and has annual revenues of \$100m.

The managed services imperative

Several years ago it became clear to GHS that the tectonic plates of the IT industry were shifting as hardware sales declined and cloud take-up increased. Companies were increasingly looking to out-source the infrastructure or management of their IT so they could focus on their core business. Infrastructure was becoming more commoditised, with costs rising as margins fell.

One option for GHS was to enter into new partnerships with more vendors – a drawn-out and complicated process. Making the transition to a cloud managed services business was a far more exciting prospect with much greater likelihood of building sustainable revenues and expanding the business.

The final decision was taken three years ago after GHS was asked by increasing numbers of clients to manage their systems for them. The aim was to create a substantial managed services business within GHS which would entwine itself into clients' day-to-day IT management, solving their challenges and building recurring monthly revenues. These new services would complement continuing core IBM hardware-related business.

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We realised that sticking with the VAR model was a recipe for shutting us down.

Customers were not buying the infrastructure we used to sell, having farmed those systems out into the cloud. The question we asked ourselves was ‘who would help us transform the business in the age of managed services?’

Eric Walker, Senior VP Technical Services
GlassHouse Systems

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Enter Predatar

This is where Predatar came in as the catalyst for business transformation. It offered GHS its business advisory expertise, a unique and tested Evolution Framework and a powerful management platform with new levels of automation and insight.

GHS could see that this would enable it to build new revenue streams in managed services, scaling up its own differentiated service offerings without the need for investment in extra headcount.

The evolving business was quickly able to deploy the power of the Predatar platform's automation and advanced, remote-management capabilities to provide co-managed or fully-managed services.

It is now focusing on the development of Backup-as-a-Service (BaaS) and Disaster-Recovery-as-a-service (DRaaS), with the aim of moving to a complete business-resilience-as-a-service offering.

The requirement for a BaaS solution was driven by the expansion of GHS' co-location data centre, as part of its cloud offering. Working with Predatar, GHS was able to craft the solution, defining its service and gaining an accurate assessment of costs across multiple platforms.

Having embarked on the Predatar Evolution Framework, GHS has already made new in-roads into the small-to-medium-sized company sector, where its managed services portfolio is attracting new business to its co-location data centre. The development of a complete cloud service that includes highly cost-effective, robust BaaS, has also made it easy to offer similar backup services to customers who want to retain their own off-site data centre.

Predatar as a unique change-agent

One of the most important attributes of the Predatar platform for GHS has been its hassle-free, out-of-the-box capabilities. As GHS worked out how to operationalize and automate managed services it was able to deploy the platform's best practice capabilities, monitoring, and ticketing, making it a perfect fit for the co-managed services part of the business.

It was a huge enabler – meaning GHS could automate the simpler, more time-consuming tasks and concentrate its own expertise on more complicated and higher value work.

Although still developing, GHS now has the necessary proof-points to take its managed services offerings out further into the market. While less than 10 per cent of businesses achieve the transformation to managed services provider, GHS by contrast, is confident it can meet any managed services requirements, whether in its co-location data or on infrastructure of the client's choosing.

The value added by Predatar

Walker said the biggest impact of Predatar had undoubtedly been in allowing the business to scale up into managed services without hiring extra staff and incurring heavy new overheads. He said:

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We can't afford to scale our people costs at the same rate as we scale our customers. We can't just take on more people every time we win a new contract.

With Predatar I think we now have a financial model that makes sense and we can see our managed services expanding into new areas.

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He said Predatar's tried-and-tested Evolution Framework had been invaluable.

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At Predatar they used their expertise to demonstrate how a managed services business could be created around our existing skillset in IT and data protection. They helped define the business model, using their expertise in pricing and packaging so we can deliver new services that have real appeal in the market.

They also helped us to see what our offerings would look like. It was a natural fit and made a real difference from a financial as well as technical perspective. This is a relationship that will continue.

Eric Walker, Senior VP Technical Services
GlassHouse Systems

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