Playing The Long Game

Known as the horse capital of the world, Lexington is the second largest city in Kentucky and is the proud home of the Kentucky bourbon trail. It's also where technology experts, Software Information Systems' (SIS) roots were firmly planted with the goal of supporting their customers with the skills and tools to embrace the rapid technology evolution. SIS CEO and Executive Vice President of Sales, Steve and Pat Sigg, also father and son, take a nostalgic look back at the last 30+ years and explain why the company's transition to an MSP business model was the biggest challenge they've faced.

PREDATAR

The 1980's v.s. now - how different does your business look?

It's changed drastically but given the very nature of the industry we're in, it's to be expected. What drives our market is technology and the pace at which our customers embrace those technologies. We started life in 1982 as a small custom application development company – particularly focused within the RPG space, writing code for what was back then, IBM's AS400s before there was an off the shelf package that could deliver this.

Through the 90s, we became an IBM business partner, reselling their full portfolio of hardware, software and services products. It was the mid-2000s where we underwent our biggest step change for the business as a result of our customers demanding that we diversify out of being just a 'true blue' IBM shop and look at supporting them with other types of technologies. This meant us having to transition to a multi-vendor VAR, focused on offering a diverse range of best of breed technologies from multiple vendors including IBM, EMC, Cisco, Microsoft and VMware. Back then, it was all about the data centre and adjacent technologies.

How significant is the cloud's role today?

It's all about cloud-based services. We embarked upon our cloud strategy eight years ago due to the noticeable market shift which brought about the development and build of our first data centre in Lexington and an additional centre in Chicago and from there, we were able to launch our hosting capabilities. This move also helped us to streamline our revenue which to date, had been centred around a model which drove big transactions – now it's more consistent and reliable. Today, we have a hybrid IT approach – that is on-premise, off-premise, public and private cloud solutions that we take to our customers.

What has been the biggest business challenge you've faced?

It has to be our transition to an MSP – for two reasons.   Firstly, we had to fund this change in our business model through our working capital which inevitably, placed immense pressure on the business. But also, this was a huge cultural shift for the business. The transition and continual support of our customers from VAR to MSP is a very different sales cycle and customer relationship. Not only is the sales cycle more challenging due to the change in business model of the customer's IT operations, but the customer relationship becomes much more involved as we have many more daily touch points and responsibilities in order to ensure we provide them exceptional support and service. Making this transition from the VAR model is challenging but also really rewarding for both our customers and us.

What are the most important attributes MSPs need to have to remain relevant and profitable?

I would say agility and tenacity. Agility because you need to be able to respond and evolve quickly to changing requirements – not just from the customer perspective but also the industry as a whole. We always need to be one step ahead of the competition and the more agile you are as a business, the more likely you are to be able to achieve this. It's also one of the reasons why the Predatar offering was so attractive as it was all about helping us to evolve as a business quickly. Tenacity is also important – when making a fundamental change to your business model, you need to have a long-term view and patience is key. You can't climb Mount Everest in one day.

What role has Predatar played in helping you transition to an MSP?

Predatar has most certainly helped us bridge a significant gap in our ability to offer our customers a truly value-added data availability as a service when it comes to disaster recovery, back-up and recovery and the data management and monitoring required to help optimise performance. Predatar is multi-tenant and by far, the most versatile and easy to use solution out there today. The great thing about the solution is that it has been built by the channel for the channel. When we were looking to develop our multi-tenant cloud solutions, we knew that we needed to create new products fast.

This meant new delivery models and processes - the Predatar framework enabled us to build a service architecture and the fact that it's all centred around rapid evolution, it reduced our time to market for our 'Tru' portfolio of solutions such as TruBACKUP – an important factor in the hyper competitive market we operate in.

The platform has also empowered our people. By automating the repetitive tasks and helping to take care of monitoring, alerting and reporting processes, it has not only improved employee and customer retention, it's allowed our team more time to focus on delivering outstanding customer service. And, we can do this because the platform is always 'learning'. Through data driven insights, including deep learning AI, it's enabling us to understand our customers better and become experts which in turn, increases customer satisfaction.

Not only does Predatar provide that speed, it also provides us with the ability to scale our service in a profitable way as more customers come on board. It does this by eliminating silos across the business. Managing a growing number of contracts where we need to track customer usage and billing, as well as continuously record time and effort can all become headaches. By connecting different business functions, i.e. back office, sales, service and support functions, Predatar eliminates those problems providing us with the best possible opportunity to maximise revenue and avoid missed payments.

Jeremy Brovage,
SIS Solutions Architect adds:

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It's also the closest solution customers can get to having their very own dedicated AI consultant - the platform is continuously watching and analysing the systems and carrying out health checks to help improve data backup quality.   Having this as part of our portfolio means that our customers can feel confident that their backup environment is being taken care of and they don't have to worry, allowing them to focus on carrying out higher value functionalities for their business.

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What does the future hold for SIS?

For us, it's all about a Hybrid IT approach. Our customers are really embracing the cloud - faster than we ever thought they would. Although we still have our traditional VAR business which is still alive and well, we're complimenting this with all of the new technologies available - we have to adapt, otherwise we'll be obsolete in the next 5-10 years. Every application has an ideal place to live and we need to help our customers get there, ensuring that we're always focused on delivering that value add.