

Microsoft Goes to War on Cloud Effort

Written by Bob Snyder
13 July 2010

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Microsoft creates a new division, putting all of its SMB resources in a single multibillion dollar division to convince SMB solution providers that it's time to be leading with cloud services like Microsoft's Business Productivity Online Suite (BPOS), the new Windows InTune systems management software/service and the Azure cloud platform.

Microsoft's annual Worldwide Partner Conference kicks off with the company's loudest message that "Microsoft partners need to be "All In" with the cloud, just like Redmond itself."

Microsoft's 640,000 WW partners generated more than 6 million jobs and approximately \$537 billion in local revenues last year. According to IDC, the cloud will drive 19% of new growth in software spending in 2013–2014 and cloud spending will grow 5X faster (26% compound annual growth rate) than all applications spending.

An internal memo points to the SMB segment as "a very competitive battleground" with competitors aiming for Microsoft.

That's why Microsoft CEO Steve Ballmer recently moved 300 to 500 direct salespeople (effective July 1) into new roles focused on helping partners sell cloud solutions.

This Redmond cloud initiative looks to duplicate the same kind of all-out attack that Microsoft used in mid-90s to displace Netscape's early lead in browsers with Navigator.

As usual Microsoft is not the first to market, but now wants to take all of their solutions and experience in software and focus it on the cloud.

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Microsoft should talk about a new, SMB-focused release of its BPOS Suite, ("BPOS Lite") during the conference. Maybe even "Project Sydney," a secure networking offering designed to connect on-premises and cloud offerings from Microsoft.

Microsoft warned partners a few years ago that Microsoft was planning to get into selling hosted services (and partners would need to "move up the stack or get out of the way or get run down").

But Microsoft partners still have a lot of questions about the cloud and their place in it. Naturally, partners first want to know more about how their compensation will change.

Next they want to more about development and deployment tools they can use to help move their customers to the cloud.

And how about Microsoft's plans for achieving feature parity between its on-premises and hosted products? Now, there's a 6 month gap between when a feature appears in a product (like Exchange 2010 or SharePoint 2010) and when it makes it into the hosted Exchange Online or SharePoint Online offerings.

They'll want also to know about Microsoft's plans for feature parity for hosted products. Right now, there's a gap of six to twelve months between when a feature appears in an on-premises product (like Exchange 2010 or SharePoint 2010), and when the same feature makes it into the hosted offerings.

Microsoft needs to clarify how it plans to include partners who specialize in selling to SMBs in its cloud strategy— and its the partner model that will see 100,000 delegates holding their breath...

The partner conference should raise discussions around new partner and pricing models for cloud services as the Cloud exerts changes on Microsoft business models, processes, and

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product portfolio.

WPC10 also will mark the official debut of Microsoft's new channel chief, Corporate VP Jon Roskill, who is taking over from Corporate VP Allison Watson after 12-years of leading Microsoft's partner organization.

Watch [Microsoft's SMB Battle Plan for Cloud](#)

Watch to [World Partner Conference](#)