Revera’s Recipe: Betting on as-a-Service Bundles
An Early Adopter Market Example

Revera is the ultimate early adopter organization in an early adopter culture and market (that of New Zealand). From the outset Revera focused on understanding and solving customer pain through simple solution bundles that include integrated security. Revera credits their bundled offer strategy success to a strong ability to read the market by teaming with SaaS ISV partners -- read on to learn how.

Challenge:

Revera originally focused on their data center business, moving into multi-tenant delivery and winning a lot of government business before branching into enterprise, healthcare, and other sectors, particularly those that are highly regulated. In the early days of cloud offerings, the classic cloud benefit of opex versus capex was a key value, but as cloud has matured, basic infrastructure commoditized, and margin opportunity moved to the top of the solution stack.

Solution Recipe:

1) Packaging offers into simple, cross-market bundles that are easy for customers to understand and for their field to sell.
2) Designing offers to appeal to specific industry markets – including vertical specific SaaS offerings through ISV partnerships -- to capture the margin at the top.
3) Provide advanced features to address digital, security, and compliance needs of customers by implementing advanced capabilities including NSX microsegmentation.

Bundled Customer Offers = Better Business

Revera’s bundled offers are driven by foundational cross-market service bundles, focused on keeping the offer simple for the customer and for the field. Revera determines which components of their offering to monetize based in part on market forces and customer confidence in the solution value. To drive confidence in the value, Revera provides a free taste of basic level components -- for example, basic networking -- with upsells to advanced capabilities such as microsegmentation / distributed firewall using NSX. Revera then designs the appropriate service bundles based on specific customer needs and goals.

Revera’s customer segmentation insures different offerings based on customer technical maturity and interest in control. For customers with the skillsets and interest in managing advanced security capabilities, there is a self-service offer. For customers who prefer a managed security solution, that is available too.

First Step to Success:

The first step to reach a place of being able to focus on specialized customer offerings was to drive internal efficiencies to enable them to focus on innovation, leveraging many elements of today’s Cloud Provider Platform such as vCloud Director and NSX.
Revera focuses their bundled offer creation where the margin is — at the top of the stack — based on their ability to read the market. Increasingly they focus on vertical customer segments and create bundles specific to each industry in partnership with a top industry-specific ISV. For example, they will create a bundle that includes the ISV partner’s application, with an option to consume it as a SaaS service inclusive of Revera’s platform.

Platform capabilities are represented as a single line item that tie networking and security into one line (per node, or other model), customized to each vertical bundle based on the ISV partner’s input, so that the entire offer is simple for the customer to understand and for the sales teams to sell. The more targeted the bundle, the simpler it is to understand and to sell. Revera and the ISV partners co-market, co-sell and co-operate the vertical-specific bundled offers so customers see a true partnership with shared risk and reward and the confidence that comes from the combined vertical expertise from a local platform partner.

An increasingly popular foundational horizontal bundle is the PAYG offering, which provides scalable pay-per-hour compute options inclusive of base level of networking and security. Advanced security and/or monitoring features can then be layered on top as uplifts based on specific workload or customer needs.

Meeting rising demand for cloud-based services, HR and payroll specialist Ascender went to ID a partner to provide a cloud launch-pad for their payroll services. Chief among their concerns was control and security: with large clients in both government and private sectors, Ascender required a cloud platform that could scale as client payroll numbers fluctuated, and keep client data safe using systems that satisfied the Department of Internal Affairs. Revera’s “All of Government IaaS” plus Ascender’s solution is helping shared clients prosper in the cloud.

Revera has seen strong success with simplified service bundles with this industry-specific approach. Already roughly 20% of offers now sold are industry-specific solutions and 20% of their networking services sold are advanced networking capabilities. Revera has seen 40% YOY growth using this model, growing from a $16M to $160M+ company in the process. Revera’s approach begins and ends with customers: identifying and targeting untapped customer segments for industry platforms that need solutions, learning customer use cases, getting vertical ISV partner recommendations from customers, and building the bundled offers simply — so that customers easily understand what’s there and see the value.