It might’ve taken some convincing for Hoj Engineering to migrate its e-mail and productivity apps to the cloud, but skeptics at the firm have been transformed into true believers.

Solution provider and MSP Wasatch IT had more than a little to do with Hoj's changed mindset. The channel partner, which specializes in managed IT and cloud services, demonstrated to its client that switching from an on-premises Exchange system to a cloud-based Office 365 solution would save money—and a lot of headaches.

“Their e-mail system was up and down,” said Spencer Ferguson, president and founder of Wasatch, Murray, Utah (2015 SMB 500 No. 332). “They had two choices—upgrade their existing on-premises solution or move to Office 365 and the cloud.”

Hoj chose the latter, and with good reason. Ferguson said the company would’ve incurred a considerable expense to upgrade its hardware and purchase the necessary software licenses to keep an on-premises solution running up to par. With Office 365, Hoj pays a fixed monthly fee for a highly reliable network and service.
CSP Lifts Engineering Firm Into the Cloud

“Microsoft provides a money-back guarantee in case of excessive outages,” Ferguson said. “They also handle backups, providing georedundancy [across many different geographies], and cloud clients are always kept up-to-date on the latest, greatest versions of the software.”

With the Wasatch solution, Hoj got all the “Exchange server pieces” it needed, as well as Skype for Business, SharePoint online for document collaboration and storage, and access to Microsoft’s Office productivity apps: Word, Excel, PowerPoint, and Outlook.

As for security, a hot-button topic for many considering ascension to the cloud, Ferguson says Microsoft has invested a lot in this area and that the cloud solution is just as secure as the on-premises installation, if not more so. “With on-premises, patches often don’t get upgraded for a while, especially when IT staff has its head down in the weeds paying attention to things other than security and firewall updates,” Ferguson said. In addition, Microsoft is more than willing to sign an agreement saying that it’s HIPAA-compliant, Ferguson said, explaining that this is a great draw for clients that hail from the healthcare arena.

For Wasatch, being a Microsoft Cloud Solution Provider (CSP) means earning both top-line and recurring revenue. Ferguson says the vendor’s previous cloud models left room for improvement. Under one, the customer paid Microsoft directly and the solution provider’s cut diminished every year, until it was whittled down to virtually nothing by year four. Under another, customers had to pay for a whole year of cloud service up-front. Microsoft’s CSP initiative offers the best of all worlds. Solution providers handle the billing and get paid a fixed monthly fee by end users, so everybody wins.

Ferguson says Hoj, a Salt Lake City-based company that provides warehouses with shelving, conveyor systems, forklifts, and other equipment, has been tremendously impressed with the reliability and stability of Office 365, and with Wasatch IT’s Level 1 and 2 support services around it.

“Most of us picked up some extra e-mail capacity, and we have easier remote access to e-mail and the network now,” said Tim Hoj, CEO of Hoj Engineering. “The most important thing, though, is the dependability of our e-mail. Having a system that’s up and running all the time has boosted company morale and confidence.”

That confidence is key for Hoj as it surges forward with its WarehouseOS software, which runs Microsoft’s SQL database on the back end and allows Hoj customers to use their Wi-Fi networks, tablets, and Bluetooth scanners to manage inventory and fulfill orders.

“Wasatch did a really good job with our transition,” said Hoj. “I knew they weren’t just selling a product; they were deploying a solution with good payback.”
CSP Lifts Engineering Firm Into the Cloud

It’s a testament to Wasatch’s extensive experience with cloud implementations. The solution provider, one of Ingram Micro’s top performers, joined Microsoft’s CSP pilot last October and was one of the first partners to push transactions through the program once it went mainstream. With compound annual growth of 29 percent from 2012 to 2014, Wasatch serves virtually every vertical market, with a concentration of customers in healthcare and real estate.

The Ingram Micro SMB 500, compiled by Ingram Micro’s Business Intelligence Center and U.S. SMB Business Unit and business strategy firm The 2112 Group, recognizes the sustained growth and business performance of SMB-focused channel partners.

This year’s fourth annual Ingram Micro SMB 500 shows the group growing at a compound rate of 42 percent, with the highest-ranking channel partner posting a three-year annual growth rate of 266 percent. The annual ranking is based on the performance of more than 20,000 small-business solution providers operating under the Ingram Micro umbrella, and shows partners growing at rates three to four times the channel industry average and well above the channel average for SMB-focused resellers.

The collective sales capacity of Ingram Micro SMB 500 members through the distributor is $505 million and, on its current trajectory, will approach $3 billion by 2018.

ABOUT the Ingram Micro SMB 500 Program

Ingram Micro SMB 500
The Ingram Micro SMB 500, facilitated by The 2112 Group, tracks and studies the performance of the top U.S. solution providers in the Ingram Micro network servicing small and midsized businesses to provide actionable intelligence for improving sales, revenue, and profit of all companies in the go-to-market value chain.

For more information about the Ingram Micro SMB 500, visit www.IM-SMB.com/smb500.

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The 2112 Group

The 2112 Group is a business strategy firm focused on improving the performance of technology companies’ direct and indirect channels through our portfolio of market-leading products and services. We leverage proprietary intelligence with qualitative research, market analysis, tools, and enablement programs. By looking at the technology market from the viewpoint of vendors, partners, and end users, 2112 is uniquely positioned to develop go-to-market strategies that are beneficial to all parties from both a channel and enterprise perspective.

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