Cobweb leverages the Parallels Automation platform to drive an 80% attach rate for Microsoft Lync

Cobweb Solutions Ltd, Europe's largest independent Hosted Exchange provider, is using its Parallels Automation cloud services platform to enhance its SMB hosting offering and drive growth with Microsoft Lync.

Partner Summary

With over 5,000 SMB customers, 500 channel partners, and 120,000 Hosted Exchange mailboxes, Cobweb Solutions Ltd is one of the longest-established Hosted Exchange providers in the world, and Europe's largest.

Cobweb began working with Parallels in 2007 with a view to replacing its proprietary hosting and billing solutions with Parallels Automation. In the six years that followed, Cobweb increased the number of Hosted Exchange mailboxes it manages from 40,000 to 120,000. But in 2013, the provider was ready to drive a new phase of expansion by adding the Microsoft Lync unified communications solution to its Parallels Automation platform.

After a successful three-month trial that resulted in 80% of participants taking up a commercial Microsoft Lync subscription, Cobweb is rolling out the solution to new and existing customers throughout the UK and the EMEA region in 2014.

Business Challenges

Cobweb was founded in 1996 as an Application Service Provider and grew its business around Microsoft Hosted Exchange successfully for over a decade. However, in 2007, the proprietary management panel and on-boarding systems it had developed over the years, as well as a 3rd-party billing solution, were reaching their limits. That's when Cobweb's management became aware of Parallels Automation. Mark Davies, Sales and Marketing Director at Cobweb explains, "At that point, we had already been looking for a single solution that could replace our old systems for two years, but there just wasn't anything on the market that met our needs. That's why discovering Parallels was very important for us."

Over the next 6 years, Cobweb worked closely with Parallels to get the maximum benefit from its investment in the Parallels Automation platform. As a result, the company grew its Hosted Exchange business from 40,000 to 120,000 mailboxes by the end of 2013. However, by that point, Cobweb and Parallels were already working on the next chapter in Cobweb's growth strategy – the addition of Microsoft Lync to the provider's Parallels Automation platform. Cobweb's Mark Davies, Sales and Marketing Director says, "We typically serve smaller businesses with up to 250 employees, and Hosted Exchange is an extremely popular email solution within that market. We realized that Microsoft Lync's unified communications functionality would complement it very well. But we had to wait until there was a version that worked within a multitenant architecture for thousands of users. When it arrived, we didn't hesitate in adding it to our Parallels Automation platform."

COBWEB
We take care of IT

Country:
UK & International

Partner Size:
Cobweb has around 100 UK-based employees and in addition to direct sales, works with around 250 channel partners across the EMEA region

Partner Profile
Cobweb Solutions is the biggest independent Hosted Exchange provider in Europe, managing around 120,000 mailboxes. It delivers a range of hosted communication tools to more than 5,000 small and medium-sized business customers.

Business Situation Summary
Cobweb wanted to leverage its Parallels Automation cloud services platform to add Microsoft Lync to its portfolio, and build it into a core offering to drive business growth.

Solution Summary
Following a successful three-month pilot that resulted in 80% of participants buying a Microsoft Lync subscription, Cobweb is now rolling out its Parallels Automation-based service to existing and new customers across Europe.

Benefits Summary
Parallels Automation is helping Cobweb:

- Rapidly scale its Microsoft Lync business revenue stream through direct and indirect channels
- Enhance the 'stickiness' of its SMB cloud services offering
- Increase sales and share of wallet (Average Revenue Per User)
- Drive growth without increasing headcount
- Expand its business internationally through built-in multi-language support

Parallels Products Used
Parallels Automation

Solution

Parallels Automation is the most comprehensive platform empowering service providers to sell and deliver great cloud services to businesses worldwide. The platform enables access to thousands of hosting and cloud services, and is backed by the expert professional services and support required to build a highly profitable cloud-based revenue stream. As such, it provides a state-of-the-art platform that is enabling Cobweb to quickly and easily roll out an expanding range of cloud services, centered around Microsoft Hosted Exchange and Microsoft Lync, to its direct customers and over 250 channel partners across Europe.

Cobweb began its Microsoft Lync implementation with a three-month trial among selected existing customers. The trial was used to assess management requirements, identify potential issues, and ensure that customer service requests could be fulfilled quickly and easily. Commenting on the outcome, Mark Davies, Sales and Marketing Director says, "The trial was a resounding success, with 80% of participants signing up for a subscription at the end of the trial. We started rolling out our full commercial service in January 2014 and we already have 800 live end-users."

Benefits

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- Increase sales and share of wallet (Average Revenue Per User)
- Drive revenue growth through the channel without increasing headcount
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A good example of the kind of SMB organization benefitting from Cobweb's Parallels Automation-powered Microsoft Exchange and Lync services is England's Lawn Tennis Association (LTA). As a long-standing Cobweb customer, the LTA already has 778 Hosted Exchange users. Managers became interested in subscribing to Microsoft Lync's instant messaging function as an add-on. But their subscription turned out to be much more extensive, as Andrew Finch, IT Managerfrom the LTA explains, "We were so impressed with Microsoft Lync that we bought 8 full enterprise voice telephony connections and 346 Instant Messaging and Presence (IM&P) licenses with a view to roll this out further throughout the business. It has transformed the way we communicate and collaborate internally."

The ability to provide this kind of value to its customers delivers big advantages for Cobweb, as Mark confirms: "Being able to add new services like Microsoft Lync to quickly and easily enables us to generate more revenue and improve customer retention. And because we use Lync ourselves and understand the value it delivers, we are always confident our customers will benefit with every deal we close."

Summarizing the importance of the partnership between Cobweb and Parallels, Mark concludes, "We have worked with Parallels since 2007 and the partnership has been key to our growth since then. I expect that to continue as we enable more and more of our reseller partners to leverage the Parallels Automation platform. Thanks to the built-in support for multiple languages, we also expect to expand our international business significantly during 2014. And of course, we are excited about leveraging Parallels-certified APS-based applications to quickly and easily add new cloud services to the platform in the future."

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— Mark Davies,
Sales and Marketing Director,
Cobweb Solutions Ltd

Parallels®

Global Headquarters
500 SW 39th Street,
Suite 200
Renton, Washington 98057
USA
main: +1 425 282 6400
HostingSales@parallels.com
www.parallels.com

EMEA
Willy-Brandt-Platz 3
81829 Munich
Germany
main: +49 89 450 80 86 -0
HostingSales.eu@parallels.com
www.parallels.com/eu/

APAC
3 Anson Road, #36-01
Springleaf Tower 079909
Singapore
main: +65 6645 3290
HostingSales.apac@parallels.com
www.parallels.com