OFFICE 365 AND HOSTED EXCHANGE: HOW TO MAKE MIGRATIONS SUCCESSFUL *AND* PROFITABLE

By Kasia Lorenc

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ABOUT
THE AUTHOR

KASIA LORENC has been working in technology and marketing for nearly a decade, most recently serving as the managing editor for Tom's IT Pro and Tom's Hardware, focusing on content strategy and development in business computing and computer hardware. In her previous roles, Lorenc pursued her passion for writing, technology and marketing, creating content for a variety of channels for the IT professional and developer audience. With strong ties to enterprise IT, she continues to write about cloud, security and mobility topics.

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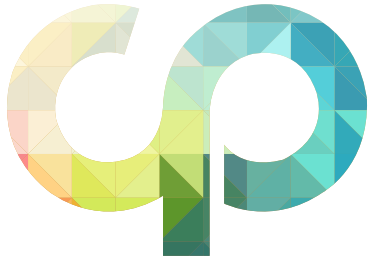
OFFICE 365 AND HOSTED EXCHANGE: HOW TO MAKE MIGRATIONS SUCCESSFUL *AND* PROFITABLE

MICROSOFT'S FULL-COURT PRESS TO MOVE CUSTOMERS INTO THE CLOUD IS YIELDING RESULTS.

Office 365 continues to gain ground in enterprises as well as small and medium-sized organizations. According to the latest numbers, Microsoft is seeing 50,000 new SMB customers migrating to Office 365 each month. In fact, Microsoft is now the second largest provider of cloud infrastructure, services and software, ahead of Google, IBM, Oracle and Salesforce, behind only Amazon Web Services. It's on track to generate $9.4 billion in annual cloud revenue for 2016, up from $5.5 billion a year ago.

Business leaders are becoming more aware of the benefits of the cloud model, with many regarding a move more as "when" than "if." Helping customers make that move to Office 365 or hosted Exchange without downtime or data loss is a huge opportunity for partners.

In fact, this is one case where selling is easy. It's delivering that's hard.

Fortunately, channel partners have a number of sources for help in migrating customers. Which you choose depends on how involved you want to be. You can outsource the entire process to a third-party service, or you can be hands-on. Even if you pass on the actual migration, there are plenty of long-term consulting and support services for which customers are willing to pay. Think pre- and post-migration

training and education for both end users and IT admins, as well as prepping the infrastructure and diagnosing potential bandwidth problems before the process even begins.

STEP 1: MAKE THE CASE

The big-picture message: Exchange Online and Office 365 are proven reliable and can deliver better security, disaster recovery, high availability, scalability, accessibility and productivity than on-premises deployments.

A less-discussed selling point is that these cloud solutions may also help customers leapfrog competitors when it comes to implementing industry best practices, while minimizing the time and resources required for maintenance, according to Rajashree Varma. Varma is founder and CEO of Arth Systems, a Microsoft partner and systems integrator professional services company, and a member of Cloud Girls, a not-for-profit community of women technology advocates dedicated to educating themselves, their organizations and customers about the cloud ecosystem.

The Partner Profit Outlook

An in-depth report from harmon.ie with input from 212 Microsoft partners shows plenty of cloud opportunity. Some findings:

31% of partners surveyed are adding new services on top of 365 Office/cloud to improve the end-user experience; top options are business process and strategy consulting, hybrid integration services and cloud management, including identity access.

30% say Office 365 setup is "time- and labor-intensive" and that this is a significant obstacle for their businesses.

24% say verticals offer the greatest revenue potential in 2016, up significantly over 2015.

Data: harmon.ie   S030916

Microsoft offers versions of Office 365 specifically tailored for education, government, nonprofit and SMB clients. There are mobility and collaboration advantages as well.

"By going with Office 365, disparate services become unified and integrated," says Varma. "You may easily store large files in your personal storage, send a link to share with others and collaborate in real time over Skype for Business. Companies are empowered."

Besides improved productivity and keeping workers organized, Varma says, small businesses in particular will find value in simpler licensing and the predictable monthly costs associated with cloud services. Additionally, Office 365 has built-in security features and offers continuous compliance, which makes it easier for small customers to secure and control access to their data.

Another advantage of migrating to the cloud — and a prime selling point for partners — is ensuring uptime for employees, even in the face of a disaster.

Evan Gillman, principal at Transit Broker, a New York-based telecom partner that has been involved in large-scale Office 365 migration projects, says that the disaster recovery scenario is the biggest driver he's seen for Office 365 and Exchange Online. For many organizations, it just doesn't make sense to build out redundant infrastructure.

"Everyone wants to have that remote accessibility and the 'work from anywhere' mentality that company information can be accessed anywhere on the planet," says Gillman. "But the two main items on the forefront of the enterprise are scalability and business continuity."

David Wallace, president of Aligned Communications, a Dallas-based master agency, says businesses are starting to realize that migrating to Office 365 is inevitable.

"Many already understand they have to have it, it's just a matter of how they're going to buy it," says Wallace, suggesting that a fully supported and managed migration is the best option.

Microsoft offers no fewer than seven versions of Office 365, ranging from $5 to $35 per user per month.

A good time to sell Office 365 and Exchange Online to customers is when their existing Exchange server needs an upgrade, says David DeCamillis, vice president of sales and marketing at Denver-based Platte River Networks, which has been involved in a number of Office 365 migrations in the SMB space. The capital expenditure is much lower for Office 365 and Exchange Online, and on-premises Exchange tends to be resource-intensive to manage, says DeCamillis.

What percentage of your business do you expect cloud migration services to account for in 2017?

- More than 50%
- 20% - 50%
- Less than 20%

Source: harmon.ie

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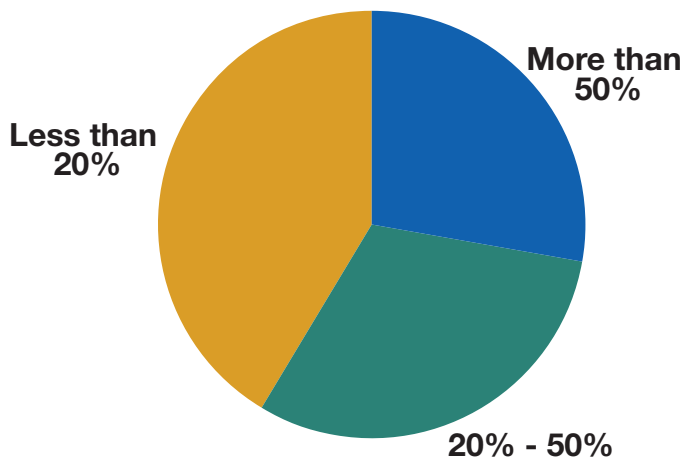
MADE THE SALE? DO YOUR DISCOVERY

A formal, structured discovery and planning phase is critical to ensure a successful migration to Office 365 or Exchange Online.
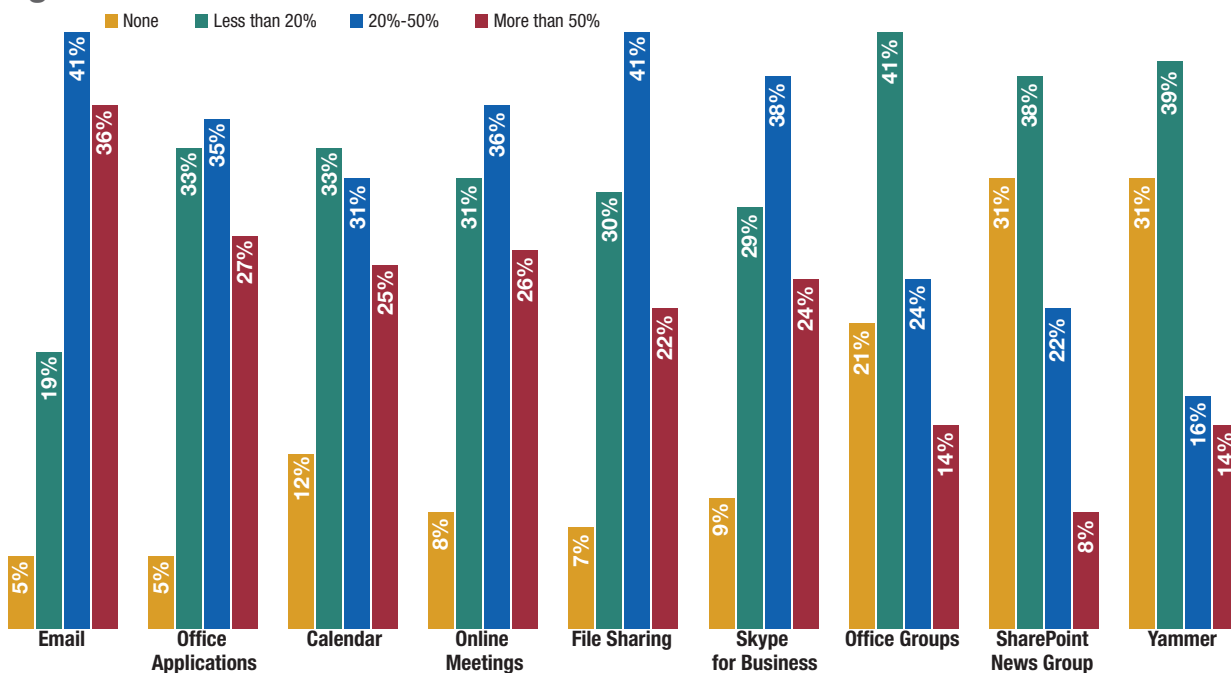
At this stage, partners have the opportunity to advise customers on appropriate migration tools and techniques, security and compliance considerations, and policy development. Planning involves prepping both on-premises systems and the cloud environment. Make sure the target host is capable of handling the number of mailboxes and amount of data to be migrated, that the domain name is set up properly and that user identity information is clean.

And, create a realistic timeline and set expectations for end users affected by the migration.

The discovery phase should start with a detailed and accurate inventory, Gillman advises. Make a list of productivity software in use and what needs to be migrated. Sit down and discuss long-term goals. Talk hardware — end-user desktops and laptops, mobile devices and even personal devices for BYOD scenarios, in addition to the current Exchange setup.

"You have to have a comprehensive understanding of what the current environment looks like, down to the granular level, so that you can properly prepare the cloud environment for what is on-premises," says Gillman. "This is where you need to look out a couple of years. You want to make sure that the environment that you're moving to has ample storage, ample horsepower, ample RAM and ample server space for the long term."

What percentage of each of the following services will your customer organizations move to cloud/Office 365 solutions in the next 12 months?

Legend: None | Less than 20% | 20%-50% | More than 50%

Service	None	Less than 20%	20%-50%	More than 50%
Email	5%	19%	41%	36%
Office Applications	5%	33%	35%	27%
Calendar	12%	33%	31%	25%
Online Meetings	8%	31%	36%	26%
File Sharing	7%	30%	41%	22%
Skype for Business	9%	29%	38%	24%
Office Groups	21%	41%	24%	14%
SharePoint News Group	31%	38%	22%	8%
Yammer	31%	39%	16%	14%

Note: Responses are rounded to the nearest whole number and therefore may not total 100 percent.
Source: harmon.ie

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Ancillary needs such as spam filtering, email continuity requirements and backups, encryption, mailbox sizes and other important details are all uncovered during the discovery phase, says DeCamillis.

Spam filtering is particularly important given the ransomware epidemic. Most successful attacks get in via phishing emails. Security provider PhishMe found that 93 percent of the phishing emails it studied in March contained ransomware.

Once planning is done, there are a number of migration options to consider. Depending on the size of the organization, the current Exchange environment and physical limitations and cost constraints, customers can select either a cutover migration that occurs all at once during a weekend or a holiday period, when the business can tolerate some downtime, or a hybrid migration that happens over time, starting with a select set of users. Partners should recommend the option that will offer the best user experience, advises Varma. Be realistic — not all organizations are candidates for a cutover migration, and some may have business reasons to keep specific user accounts on-premises, maintaining a hybrid setup.

For cutovers, prep work should be done well in advance so that the actual migration can be completed as quickly as possible, DeCamillis says. However, a third-party email continuity service can be utilized during the migration process so that email continues to flow and be stored during the cutover, he adds.

Immediately following a migration, especially for cutovers, DeCamillis recommends offering either on-site or high-touch remote support to make sure email is flowing, calendars are syncing and that everything is working properly. This can also be the time to push out training for end users.

What's Next From Microsoft?

Microsoft is continually rolling out new features for Office 365 to enhance the experience — and sell more cloud services. And, more organizations are opting to get the full Microsoft Office suite through Office 365, which allows them to manage licensing more effectively.

"Some of the recent additions are Editor for Word, which uses machine learning and processing to do advanced proofing and editing; Focused Inbox for Outlook to prioritize your important emails; and Zoom for PowerPoint to create interactive, nonlinear presentations," says Varma.

In addition to Office 365 and Exchange Online, partners are also seeing more Lync (Skype for Business) and SharePoint integrations, especially for organizations focusing more on unified communications. However, in the SMB space, Lync and SharePoint interest is not as widespread.

Partners working on their first migration projects should look for smaller projects and outsource to a third party any work where they lack expertise. This is no place to do on-the-job learning — without email and Office, most customers are dead in the water.

"It's a lot easier to jump on six or seven mailboxes and resolve the issues, especially if you have to touch each one, than if you have 100," says DeCamillis, adding that first-timers should consider working through the entire process with an experienced third party, observing and learning from the experience.

CHALLENGE: SOLVE MIGRATION SNAFUS

Spotting problems with the existing physical infrastructure is a major objective during the planning phase. Sometimes WAN or internet connections won't be able to deliver good Office 365 performance for all of the customer's end users, much less perform migration in a timely manner.

"How do you get years of mail from an on-premises environment to the cloud?" asks Gillman.

Oftentimes the answer is that some creativity — and spending — will be required to get customer data from on-premises point A to cloud site B. One example is an Ethernet Virtual Private Line (EVPL) from providers like Time Warner Cable and Level 3. These links can deliver a burst of bandwidth to get data out quickly.

The alternative for organizations faced with both physical limitations and budgets that don't allow for a bandwidth boost is a gradual migration, completed after hours, utilizing the organization's existing infrastructure.

The complexity of the current environment can also be a roadblock. Leave time and budget room to properly prepare on-premises systems. Just how much time and budget room depends on such considerations as user identities, shared and per-employee resources, whether the company uses single sign-on and more, says Varma.

Tool Time: Migration Utilities and Services

Microsoft offers a number of tools to help partners prepare for Exchange migration projects.

One popular option is the Microsoft Exchange Server Deployment Assistant, which offers a step-by-step checklist that's based on responses to a questionnaire and supports both cloud-only and hybrid scenarios utilizing either Exchange Online or Office 365.

Another helpful tool is the Microsoft Remote Connectivity Analyzer, which helps troubleshoot issues that might come up with Office 365, like authentication and credentials, network and protocol checks, updates and even licensing.

"The Remote Connectivity Analyzer assists with confirming that your on-premises Exchange server is going to be OK during the migration," says Gillman. "The Exchange Server Deployment Assistant offers best practices and suggestions on how to complete your migration."

There are also plenty of third-party tools and services that partners can leverage to plan for and complete migrations.

A third party like NeoNova can take on the whole job, from initial planning and the actual migration through Tier 1 support, says Wallace, allowing partners to focus on selling the cloud solution to their customers. Even the licensing portion can be handled by a third party like NeoNova or purchased directly from a reseller or a marketplace like Ingram Micro, says DeCamillis.

"By not having to provide that front-line support, they can turn this into a profit center rather than a cost center," says Wallace, noting that for many partners it just doesn't make sense to take on the extra cost to support a product like Office 365.

Other third-party migration tools and services that Gillman, DeCamillis and Wallace have used include AppRiver, CodeTwo, BitTitan and SkyKick. All can be great resources for partners.

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Part of the preparation work involves making sure that on-premises systems are properly decommissioned so they don't represent a security risk.

For non-Exchange environments and companies using Lotus Notes or Google for Business, there are third-party tools that can complete the migration without interfacing with the on-premises infrastructure, says Gillman.
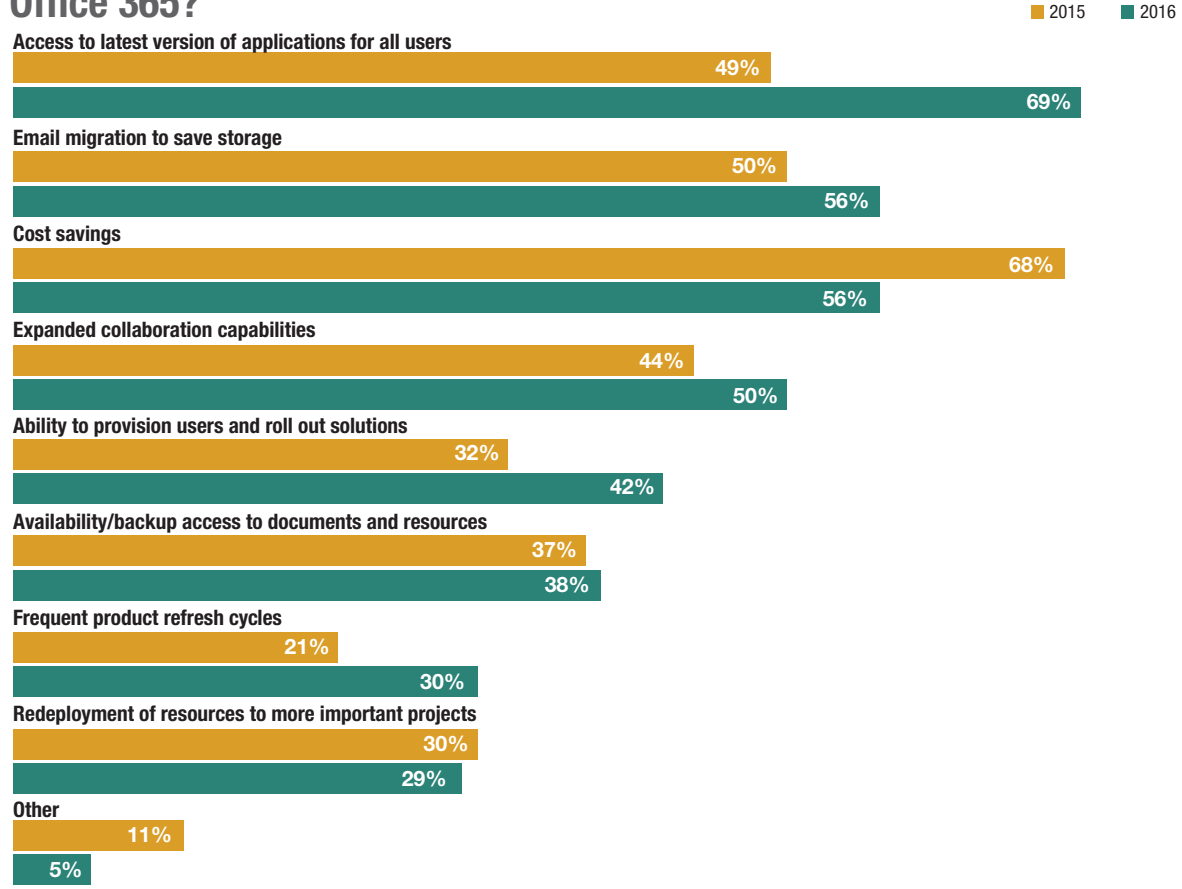
The goal: No surprises at cutover time.

TRAINING AND COMMUNICATION

The planning and preparation process also includes creating a timeline and setting expectations, especially for scheduled downtime. Varma says that communication is especially vital in hybrid migrations, where some email users will remain on-premises while others will be in the cloud.

There are definite differences between the platforms, says Gillman, meaning a fair amount of training is needed for not only end users but also any IT staff who will be managing the cloud environment.

"A formal adoption phase is crucial for project success," says Varma. "Users who are not properly trained on the changes and features available to them will not be able to take full advantage of the service."

What are the primary reasons your customers are adopting Microsoft Office 365?

■ 2015 ■ 2016

Access to latest version of applications for all users
- 2015: 49%
- 2016: 69%

Email migration to save storage
- 2015: 50%
- 2016: 56%

Cost savings
- 2015: 68%
- 2016: 56%

Expanded collaboration capabilities
- 2015: 44%
- 2016: 50%

Ability to provision users and roll out solutions
- 2015: 32%
- 2016: 42%

Availability/backup access to documents and resources
- 2015: 37%
- 2016: 38%

Frequent product refresh cycles
- 2015: 21%
- 2016: 30%

Redeployment of resources to more important projects
- 2015: 30%
- 2016: 29%

Other
- 2015: 11%
- 2016: 5%

Source: harmon.ie

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Varma suggests that partners develop recorded training sessions for both users and administrators to which they can refer, along with support packages to help keep customers up to date on new features.

As with cutovers, the training and onboarding portion can be completely outsourced through third-party solutions such as WalkMe — although this comes as an additional expense that might not be in the budget, and it removes partners from a high-touch services opportunity.

3 TIPS FOR A SMOOTH MIGRATION

Partners who are expert in Office 365 and Exchange Online migrations have three top pieces of advice: plan, communicate and get help when needed.

Plan thoroughly — this is the most important part of the migration process. Partners need to make sure they fully understand the existing environment and any special considerations or use cases. Ensure that both the on-premises and cloud environments are properly prepared, and have a checklist of technical, security and compliance requirements as well as a grasp of policies, usability requirements and the customer's long-term goals. According to our sources, a proper discovery, documentation and planning phase will typically take the most time, but it will be worth the effort.

"My biggest piece of advice for partners is to have that initial documentation and very deep discovery of what you have in place today and what this is going to look like when the dust settles," says Gillman. "You can only prepare a migration road map when you have all of the details."

Related Reports

Enterprise Applications in the Cloud: A Primer for Partners
Your clients look to you, their trusted adviser, to help them make critical decisions in migrating to the cloud. The general principles in this discussion of the design, deployment and operations of a business application on AWS are applicable to other public-cloud-based IaaS providers.

DOCSIS 3.1: Enter the Gigasphere
Clients can always use more bandwidth. And DOCSIS 3.1 technology can deliver it to them by providing gigabit internet speeds over existing cable.

Supporting Telework: A Channel Challenge
Meeting the technology needs of your clients with teleworking employees is only half of the equation. You should also be ready and able to advise them on nontechnical matters ranging from management philosophy to security policies.

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Communicate with the customer and set proper expectations. A migration can be a lengthy project that can cause confusion and frustration for both IT staff and end users. No matter how well you plan, glitches happen. End users will be much more forgiving if you've prepared them in advance. Follow-up, training and ongoing support are also key in helping customers use all the features of their new cloud applications.

Lean on third-party tools, services and professionals. Unforeseen problems will likely arise during or after the migration. Have a list of professionals who can offer advice and help resolve problems — hour three of a customer's email being down is not the time to be Googling "hosted Exchange specialists."

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