

Managed Service and Cloud Service Provider for SMBs And Large Enterprises needing IT Support



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CEOCFO: *Mr. Shaw, what is the focus at Stored Technology Solutions today?*

Mr. Shaw: It is real simple - customer delight; that is the focus of everything we do here. How do you use technology as a vehicle? You drive businesses forward with an underlying theme of delighting the customer. We want everyone who works with us to be unbelievable happy with what we do. We want them to be not just a client; but we want to hear that they are actually an evangelist for us. Therefore, at the end of the day it is really about customer delight. Using technology as a vehicle to solving business problems. As a managed service provider/cloud service provider; our basis is looking at a recurring revenue model to allow us to provide the best solutions and services to our clients.

CEOCFO: *Was the customer centric and customer delight philosophy from day one or did it develop over time?*

Mr. Shaw: No, it has always been there since day one. I myself worked in multiple industries, from competitor firms to corporate America and the one thing that was always lacking around technology was the sense that the customer should be the focus of it. I worked in technology IT departments where IT made decisions for the end users and the consumers and I worked in companies where the technology was put first and the consumer or the client was put second. For my whole world I always thought that the model was reversed. Technology and IT in general likes to think that it exists for itself and the technology that it serves up. Often, what is lost in that is the voice of the customer.

CEOCFO: *Who is using your services? What types of businesses?*

Mr. Shaw: I guess you could say that we service three major silos of customers. We have the small businesses which would have no IT support in house, nor would it be cost effective to have it. Therefore, we

will be their everything; their IT provider, their trusted advisor, that acting CIO, like a virtual CIO concept. That is who we would be to the small businesses who would not have those resources. Then if you go into the medium sized businesses you will typically find an IT person or a couple, such as an IT director and an assistant. They will often have a skill set that will allow them to do great on supporting their users day to day, but they may now be able to see what is new and what is coming down the road. Therefore, in those cases we will be that trusted advisor and we can typically help them navigate the waters of IT for their organization. You are bringing in an outsider view into what they are doing for their organization. One thing that happens to those businesses is you get pretty myopic. "This is how my business runs, this is what we have done forever, this is what is out there," and they do not really see that there is a bigger picture than themselves. Therefore, the real smart IT directors or IT assistants will try to partner with a company like ours to understand what are the peer groups, what are the similar organizations with their same business needs are doing out there. Then of course, we work with very large enterprises. We have clients that are multinational, thirty thousand plus users or endpoints. Those are the ones where we are going to be very much strategic as well as hands on, but hands on in a limited scope. These are companies that may have ten, twenty, or four hundred IT employees and they are coming to us to say, "What tools does a managed service provider, like you, use that might help us better streamline our operation?" In those cases, we become very much like a Software as a Service vendor, basically reselling the tools that we put together to do the work that we do. Then we become very strategic. We sit down and we have day or week long meetings to discussing how their organization is structured and how, if they were going to change to a much more on demand, customer centric model, just what that would look like. I have sat in meetings for three days where we did not really touch any technology. We just discussed people and functions and how that might fit into a new model. Those are those companies where we are pretty much we pretty much agree to do the heavy lifting or we could be the day to day crumb work or we could be strategic.

CEOCFO: *For the companies, the small and medium businesses, do they tend to use the full range of your services? Are they taking advantage of all you can offer, in general?*

Mr. Shaw: In our world, everybody could be buying more. However, the answer is yes. What we will typically find is that it is our story to tell. Obviously, at heart people view us as an IT company. Therefore, as we have added things on like phones and security systems and access control and camera systems, we have a narrative or a story to tell on how this all inter operates with your network. Therefore, the answer is yes. Our best customers, our most sticky clients, are ones that are taking access to what we call every bucket in our portfolio. Therefore, they are using us to do IT services, they are using us to do their data vaulting and they are using us as a virtual or outsourced CIO as well as managing or installing phone systems for them as well as handling their access controls. The best customers would be those that use all those buckets. It also gives them a single throat to choke, so to speak. If something goes wrong, in today's world when you have multiple vendors playing on the technology. If something goes wrong in the phone system world they have to call their phone guy or girl. If something goes wrong in their computers, they call their IT guy. If something goes wrong with their camera because it blinks out they call their camera guy. Many times those are all focused or running off of the same core system; the IT

networks. Therefore, what we have done is we said, “Stop calling everybody, just call us.” We hear many of our customers saying, “I do not care, just call Stored Technology. It is all theirs.”

CEOCFO: *Do you see people coming more and more to the realization that it makes sense to have one provider?*

Mr. Shaw: Absolutely! Years ago the systems were very diverse. A phone system did not touch anything on the IT network. The cameras were all running over coax and it was not touching anything on the IT network. In today’s world you are seeing a lot of consolidation, especially in the printer or copier world. They are going out and trying to be IT companies. That is because they realize that everything they are doing runs on the IT network. What really puts us in the catbird seat is that we are fundamentally starting off with the concept of, “It rides on the network.” Then everything that we have added on as a service is incorporating that. Clients really like that. What they do not get with us is the finger pointing. “It is a phone system problem.” “No, it is your network’s problem.” “Well, my network seems to be running fine so it must be your phones.” That happens a lot because they are all touching the same core services. When you start with a skill set in that foundation and you build up the rest of the house on it, it is pretty easy.

CEOCFO: *With so many different devices and so many different ways to communicate how do you stay on top of all that you need to know?*

Mr. Shaw: It is a lot of fun. First of all you have to have a bench of people that can do it. Right now, in six years we have gone from two people to around thirty five at present. What we are doing is we are constantly on the lookout for the best of the best, the A players who can be part of the team. A large part of the growth is having the right people on board. Then the other part is really truly aligning with both your customers and your vendors. Your customers are going to show you things that are hitting their world and have a real world impact for them. Then we can adjust our ship quickly and nimbly to respond to it. Then you also really align with your vendors and they are telling you where they are pushing the technology and where they are benchmarking the industry trends. I have a VP of operations and he has a phrase that he uses. He says, “You have one mouth and two ears. Use them proportionally.” Therefore, listen to your customers. Listen to your vendors. Then of course put a lot of effort and time into your employees. When they come up with something relevant and it makes good business sense, not just for your clients but for yourself, go out and get some training in those areas. Therefore, we spend a lot of time having out people go to training that is relevant to their job and to their customers’ needs. That also parlays into exactly where the organization is going. Therefore, whether it is training on phone systems or the latest virtualization software or the latest cloud offering, we are always trying to get our people engaged in those events.

CEOCFO: *How do you help with software updates, such as from Microsoft?*

Mr. Shaw: Obviously, in the Microsoft world things are changing now so fast. We always thought we had a new operating system of something you would touch every three to five years. Now it is just a blur! The cloud has made everything move at such a rapid pace. Therefore, for us, it is about helping our clients control their environment so that we have less of those scenarios. For example, Windows 10 comes out, it is a great concept, great opportunity, but it may not be compatible with all of their

line of businesses applications. It is our job to utilize managed services and maybe not allow those upgrades to happen for some machines or to methodically and purposely, upgrade when the time is right. Therefore, we use a combination of, not just control, but also account management meetings and conversations with our clients to say, "Before you just click the next, next, finish button, let us talk about it. Let us continue to be partners in your technology." In our world, it is about really being in total communication with your client as much as it is helping put some constructs or confines around what an end user can do or upgrade to. For example, somebody upgrades their office to the latest version of Microsoft Office and now their QuickBooks does not work. All those kinds of quirkiness' come into play. We understand what those are and if we can help control that up front by using a managed service product it is great. Then of course when they do want to do an upgrade, it is something that is in a controlled environment versus everyone going crazy clicking next, next, finish.

CEOCFO: *You have a number of offices. Do you do much on premise work? Is it helpful to have a more local presence? What is the business idea there?*

Mr. Shaw: The business's idea here for us it is to continue growing up and down a corridor. We are from the Canadian border to down about an hour south of Albany, the state capital. It is where we have a physical presence. We have a virtual presence, globally. However, for us it is where they highest concentration of our customers are. It is also obviously regionally within the corporate span of control, our being in Upstate New York, the Northeast Corridor. However, we have basically grown organically. Therefore, when we find a good density of our clients, which you would expect to be in your own back yard, we build offices or locations there. That is not to say that the world in front of us is much like the world behind us. We have looked at offices in North Carolina. We have looked at offices in Florida. The answer is that we believe what we have done can be reproduced and scaled where it could become regional, national and global fairly easily. Therefore, we continue to try to figure out what they next step looks like. We do currently serve clients with a global span and of course many throughout the different areas in the United States. For us, what we have done in the past might not be what we do moving forward.

CEOCFO: *How do you reach out to new potential clients both locally and globally?*

Mr. Shaw: We have multiple ways in which we do that. Obviously, we use social media as well as our website, which is a nice intro of who you are. However, many of our clients come to us, to be honest, by word of mouth. Whether they have heard about us, "We have worked with so and so who has worked with so and so." I am sure that if you do enough of these interviews you realize what a small world it is and who knows who and who knows who. For example, some of our clients were out of Tokyo. They knew us because I worked for a company in Upstate New York who had connections with them and then when they were coming into the US they said that it might makes sense to align with someone in the area in the US instead of someone in Tokyo, just to put up servers and do things for them. We have a combination of word of mouth. We also have marketing campaigns going on. We have regional sales reps at this point. Then, we also have our vendors who are also a great lead of resources. Whether Microsoft is saying, "This is a partner that really understands the cloud and they have put a lot of dedication into that, you

should reach out to them,” or there is someone like Cisco saying, “There is a large opportunity that looks like it could be good for you.” Some of them are telecomm vendors who call us up when all else has failed. They are located in Vermont, they have had a vendor out of Connecticut then they gave them a vendor out of New York City, then they gave them a vendor out of Boston and everyone has failed. “You guys are our last hope. Can you figure out what is going wrong? Can you make them a delighted client, because right now they hate our company and they hate our system because our vendors or our partners are not living up to their commitment?” That has been a way that we have grown organically. We obviously are leveraging both our vendor relationships as well as our internal resources.

CEOCFO: *Do many companies turn to you with hardware questions?*

Mr. Shaw: Hardware is typically the vehicle that brings us to where we need to be. Today, less and less people are caring about the platform. They are not concerned if it is running on an HP or a Dell or large NetApp or an EMC. They are basically concerned more with the functionality, so they do. We work with tons of different hardware vendors. As far as selling solutions they could be wrapped around them. Therefore, we are a Dell partner. We are an HP Partner. We are a NetApp partner. We are an extreme networks partner. We have all of these partnerships, but the hardware itself is becoming less and less relevant. They are not caring about what it is. They are only caring about what the net result is. They say, “We do not care what you put it in, we do not care what the server is, we do not even care if the server is here, as long as it can do X.” The conversations that we have around IT become very business focused. “What is your business trying to achieve and then we will put in technology that we believe is scalable and supportable and reputable where we can deliver your services over that platform.”

CEOCFO: *How do you get to the heart of what people really are looking to do, as often they do not really know?*

Mr. Shaw: It is a fun conversation, right? Many times they can articulate the problem, but they do not really know what the solution is. They can tell you, “My email stinks.” Great. What does that mean? Many times it is a little bit of pairing our sales and account managers with solutions architects or solution design experts. What we really want to do is understand what those pain points are. Tell us what bothers you, - when you use your email why do you think it “stinks”. Then they are going to tell you and they are going to show you. That is where, if we align our sales people with solutions architects the engineer can look in and say, “I know exactly what is going on and believe it or not - it is not a big fix. We may just have to check a configuration setting. It is that kind of concept; again, listening to their pain points, seeing their pain points and actions. Sometimes we just have to spend a little time with them. Let us watch your computer and when it does it next show me what it is doing. When you are sitting there in front of your server and you say that you were taking a long time running this report. What does that mean? For example, one of clients uses Microsoft NAV and they kept telling us, “This report runs horribly slow when I am remote.” Define what that means. “It takes fifteen minutes.” Can I see what that looks like?” We sit there and we watch it run for fifteen minutes. “Have we tried to run it locally?” “No, I only run this report when I am out remote.” Do we know if it is any faster locally? We do not really know if it is any faster locally. Let

us go and try to run it locally. We will literally log into the server and we will run it right on the server, so if anything is going to be fast it is going to be running the report on the same machine that is running the application in 15 minutes. I said, "Is it all the reports or just this one?" It is just that report. Therefore, we ended up contacting their NAV consultant and we said, "That are report, regardless of where it is running from is running slow." He looked it up and said, "Bad line of code. We are going to fix it." They fixed it and the report runs in fifteen seconds instead of fifteen minutes. Much of it is listening and providing that exceptional customer service. Do not jump to conclusions. Do not try to tell them to buy new hardware, because their first response was, "Our server is running slow, buy a new one." If I was a different type of company I might say, "Great! I will buy the fastest server I can and it is going to cost you half a million dollars, but I will tell you what, that report will run quick!" We do not know, it might make a difference, moving it from fifteen minutes to ten minutes, but how much did you increase their financial expenditure when their solution might have been just as simple as understanding it was a bad code in a report.

CEOCFO: Stored Technology Solutions is featured on the Inc List, so business is good. What is ahead for you?

Mr. Shaw: For us it is about putting a major focus on the cloud, changing the way that IT services are delivered. Therefore, we have two different things that we are really pushing in conjunction with each other. One is that cloud based Microsoft Azure. Azure, from our standpoint, is the methodology or the vehicle. There are other ones. There is AWS and SureWeb. There is a ton of different options. We have picked Azure as our champion horse to ride. We are looking at our clients and saying it makes good financial sense and good business continuity sense to perhaps not have on-premise server. That is a big change for us, from the old world of selling and delivering hardware solutions day in and day out with managed services riding over them. We are now changing that model and saying, "What makes sense is to not necessarily bring servers in house. They consume power, have cooling costs, and need to have maintenance and overhead and all that other stuff that falls into that. The Cloud world is changing the way that people are acquiring computer hardware, because the first thing that having a server in the cloud does is changes it from a CapEx to an OpEx. That is huge. The OpEx model is the future, because you used to spend a large capital expenditure. Here is \$2 million; you are going to go buy a new data center. You won't need to do that anymore. Not only do you not need to do that anymore, but of course I am in the SMB market, so I ask what does that mean for the local insurance company that has ten computers that are out of date and servers are out of date. Is there a way to change theirs from a CapEx to an OpEx? Is there a way to still have the hardware on premises, but have it in a rental contract? Therefore, they are basically buying it or renting it for the next thirty six to forty eight months and then at the end of those forty eight months or thirty six months we come in and we forklift it out and we drop all new in. Therefore, everyone at their desk does not feel like "I got the hand me down of the old computer." Everyone gets to have a refresh of the hardware, but you bundle in on top of it your managed services and unlimited support. You start to say, "For this fixed operating cost every month this is what it is going to cost you to have your entire system, be it in the cloud or their local private cloud concept, but it is something that you do not own. You do not have a big capital expense. You just pay this monthly fee, this utility computing cost and everything is there for you. We are changing the way that business

owners are consuming the technology. From this big old spend a ton of money, even for a small business like that; it is still going to be \$20,000 to \$30,000 to buy all this new hardware, change that out and say rent it. Do an OpEx model. Change your thought process.

CEOCFO: *Why choose Stored Technology Solutions, Inc?*

Mr. Shaw: If you are looking for a true, trusted partner and a trusted advisor for your technology, someone that understands or will want to understand what your unique needs are StoredTech is that company. That is because everyone's business is unique. If you can take that uniqueness and you can pair it with best in class technology solutions you can really start to come to something that will fulfill what they have always thought their technology should be. Therefore, at the end of the day listen to the customer, design a solution that fits and delights them.

