

The Market Opportunity for SMB Tech Support

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Reinventing Technology Care[™]

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- **Subject: The Market Opportunity for SMB Tech Support
– presented by Parks Associates and PlumChoice**

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Today's Speakers



Kurt Scherf
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Topics We'll Cover Today

- *Introduction to PlumChoice Business Services*
- *Parks Associates Research Overview*
- *Which SMB Support Services Matter?*
 - **Top Technology Issues**
 - **Where do SMBs Seek Help?**
 - **Importance of Server Maintenance Capabilities**
 - **A Holistic Look at Services**
- *Keys to Selling Technology Support Services*
- *Market Sizing*
- *Q&A*
- *Concluding Thoughts*

About PlumChoice Business Services

- Decade of SMB service experience
- 7 years of SMB Managed Services experience
- Over 100K SMB customers
- PlumChoice manages the largest SMB subscription program in the US
- In the 74-84% NPS range and have customer satisfaction rates in the 95% plus range
- Named to CRN's "Most innovative MSP list 2010"
- Focused on delivering national private solutions for partners

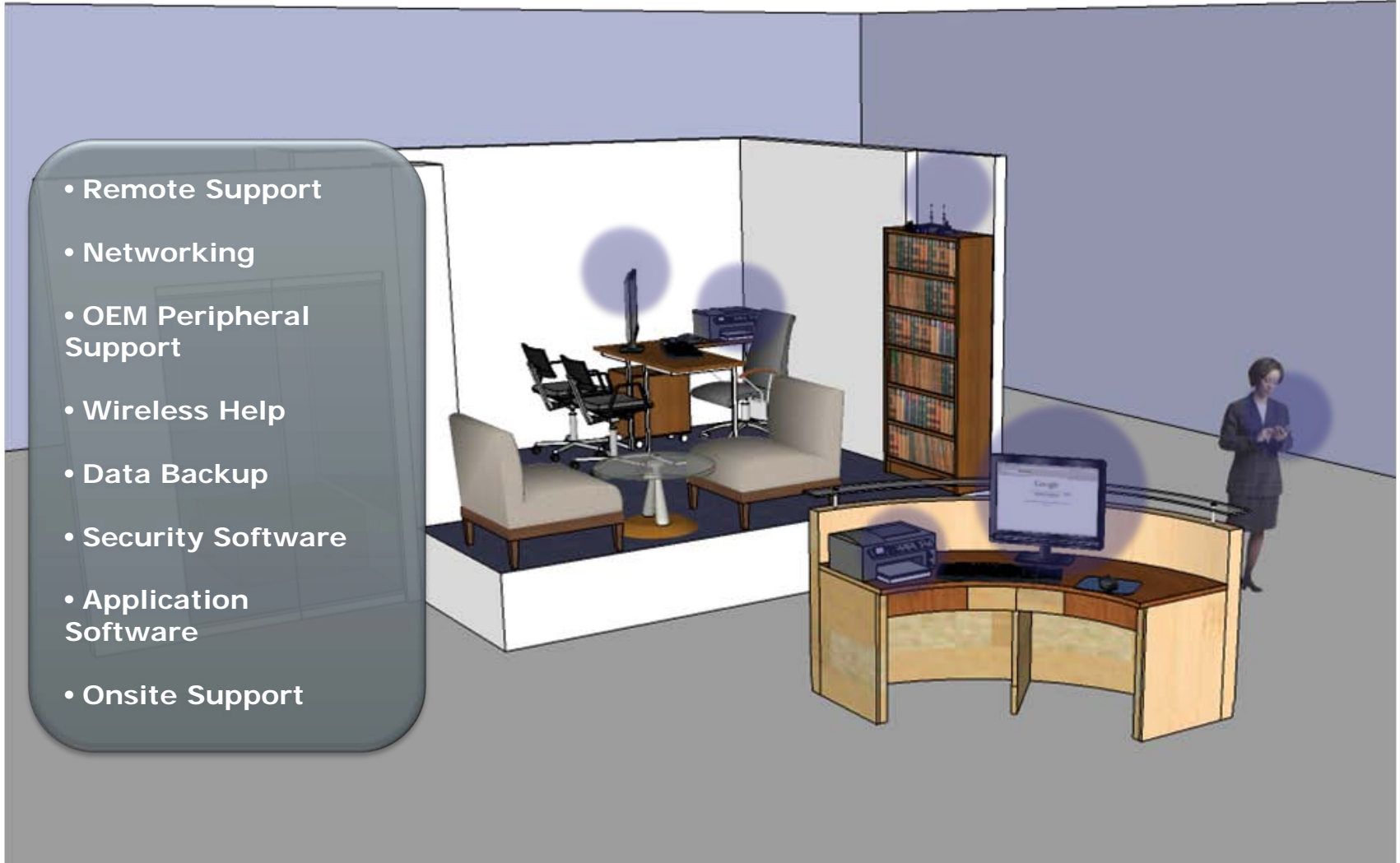


Core Competencies/Competitive Edge

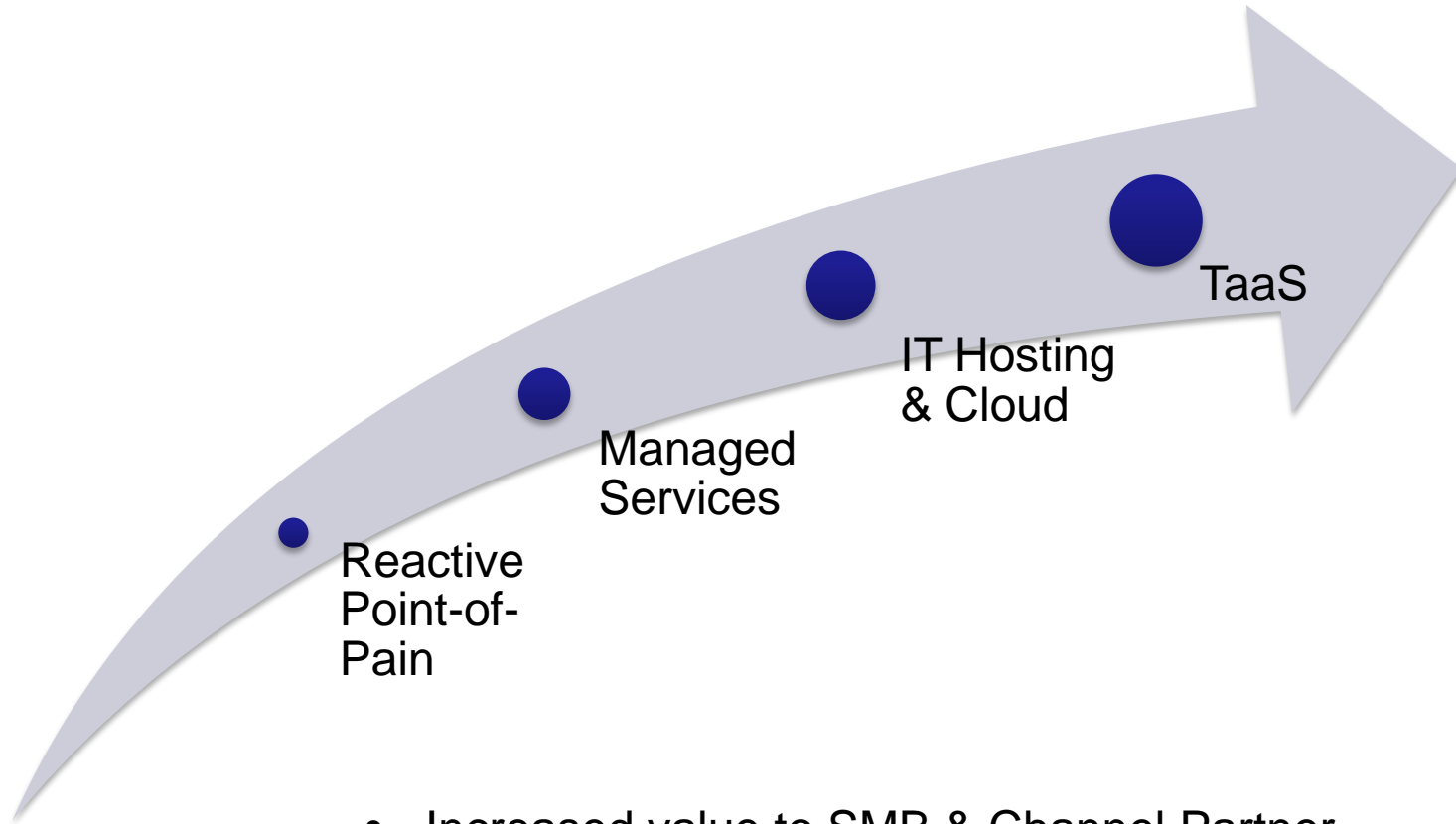
- Deep knowledge of SMB needs & service delivery
- Establishing “First Position:” creating deep customer relationships that increase value
- Experts in *Proactive Managed Services*
- Nationwide sales and service delivery
- Remote service delivery focus – 90%
- Management of field services nationwide
- Process/metric driven service delivery that is scalable

The SMB Service Nightmare

- Remote Support
- Networking
- OEM Peripheral Support
- Wireless Help
- Data Backup
- Security Software
- Application Software
- Onsite Support



Complete SMB Service Roadmap



- Increased value to SMB & Channel Partner
- Higher percentage recurring revenue
- Increased stickiness

Parks Associates Research Overview

Parks Associates Research

Primary Research

- *Profiles of PC Usage (Q4 2004);*
- *Managing the Digital Home: Installation and Support Services (Q2 2006);*
- *Broadband, Communications, and Entertainment Bundles (Q3 2009);*
- *Customer Support in the Digital Home: U.S. (Q2 2009);*
- *Customer Support in the Digital Home: Europe (Q 42009);*
- *Consumer Demand for Tech Support Services (Q1 2011);*
- *SMB Demand for Tech Support Services (Q1 2011);*
- *The Connected Consumer in Europe (Q2 2011).*

Industry Research

- *Storage and Management for the Connected Home (2005);*
- *Digital Home Services: Carriers, Retailers, and the Customer (2007);*
- *Networks in the Home: The Global Service Provider Play (2008);*
- *Digital Home Tech Support: Analysis and Forecasts (2009);*
- *Connected Home: Global Outlook (2009);*
- *Service Providers and Support Services: Analysis and Forecasts (Q2 2010);*
- *Retailers and Support Services: Analysis and Forecasts (Q2 2010);*
- *Enhancing Support to Mobile Devices (Q1 2011);*
- *The Connected Home and Services in the U.S.: A Roadmap of the Future (Q1 2011);*
- *Consumer Technical Support Solutions: Overview (Q2 2011);*
- *Opportunities for SMB Technical Support (Q2 2011).*

SMB Demand for Technical Support Services: An Overview

Scope: 500 small business respondents

Survey Goals:

- Quantify the IT environment
- Determine where the need is greatest
- Understand support delivery today
- Technology spending plans
- Identify channel opportunities

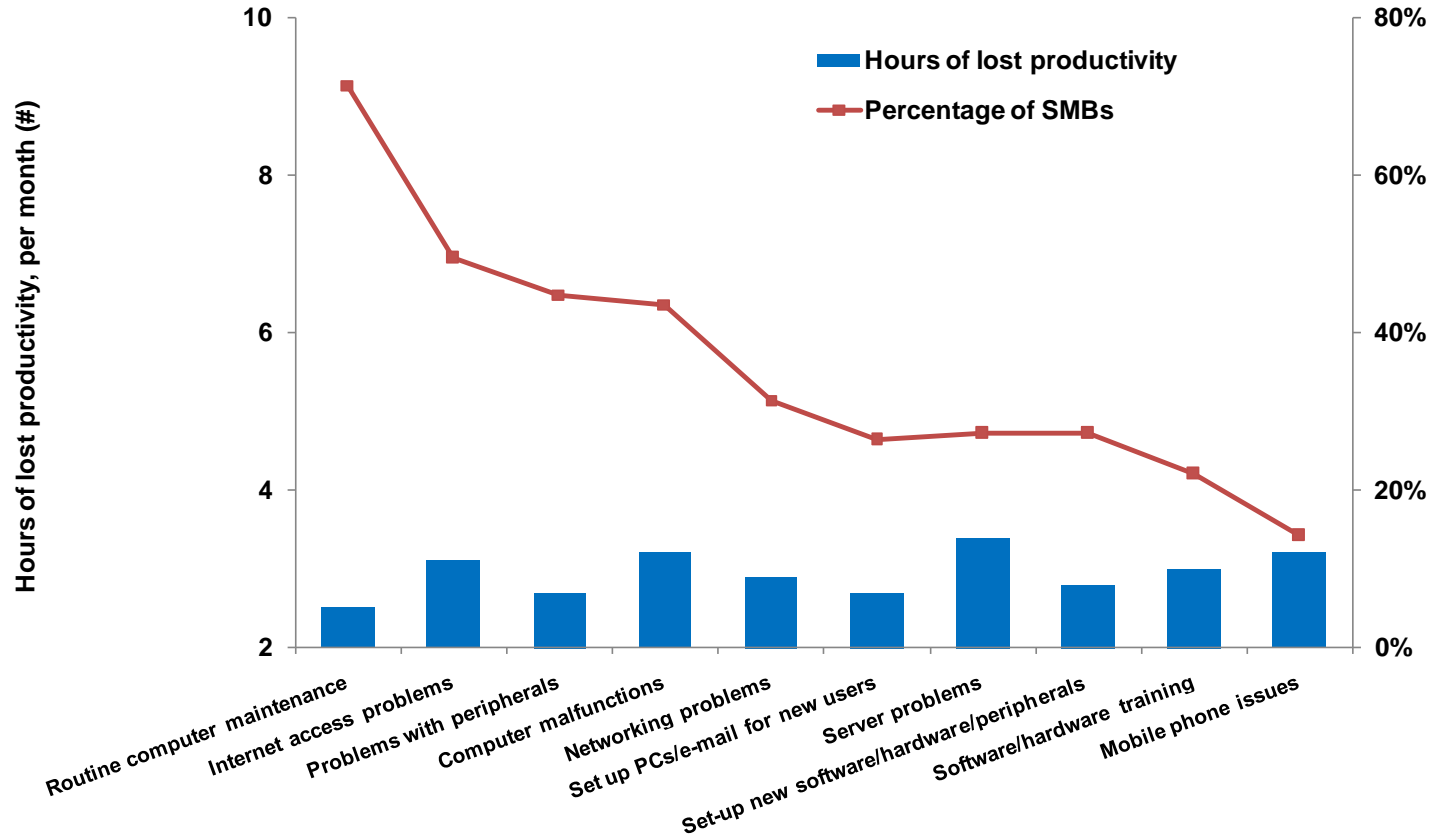
Market Size: 6.0 million, employing approx. 43 million (U.S. Census Bureau)



Pain Points in the SMB Environment

Frequency of Experiencing IT Issues

"Q3016. On average, how many times per month does your company deal with the following issues?"
 (Among all small business respondents, except where specified, n=500, +/- 4.38%)

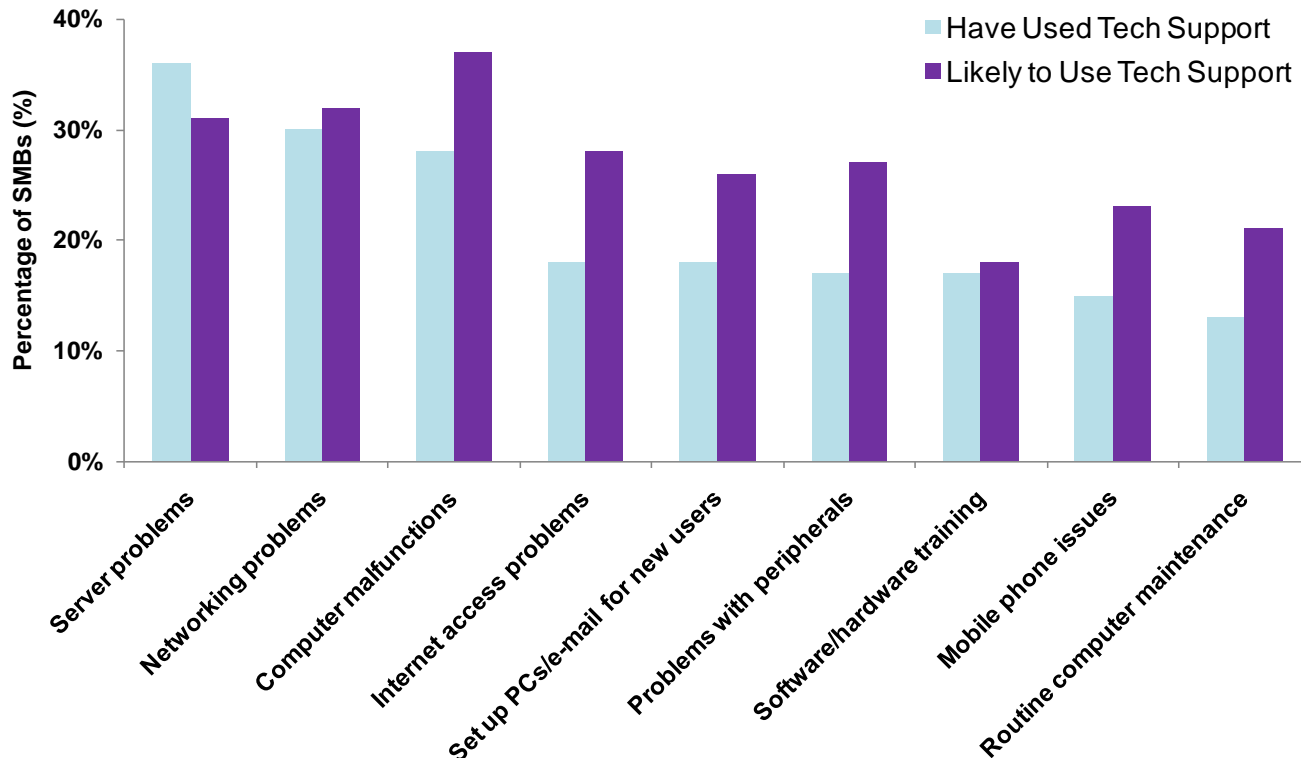


Source: SMB Demand for Technical Support Services
 Sample: 500 IT decision-makers in U.S. SMBs; +/- 4.38%
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Technology Support: Currently Used and Interested in Using

SMBs and Professional Tech Support

(Percentage of SMBs that have used professional tech support; percentage rating likelihood of using a professional tech support services as a 5-7 on a 7-point scale, where "7" means "Extremely likely" to use)

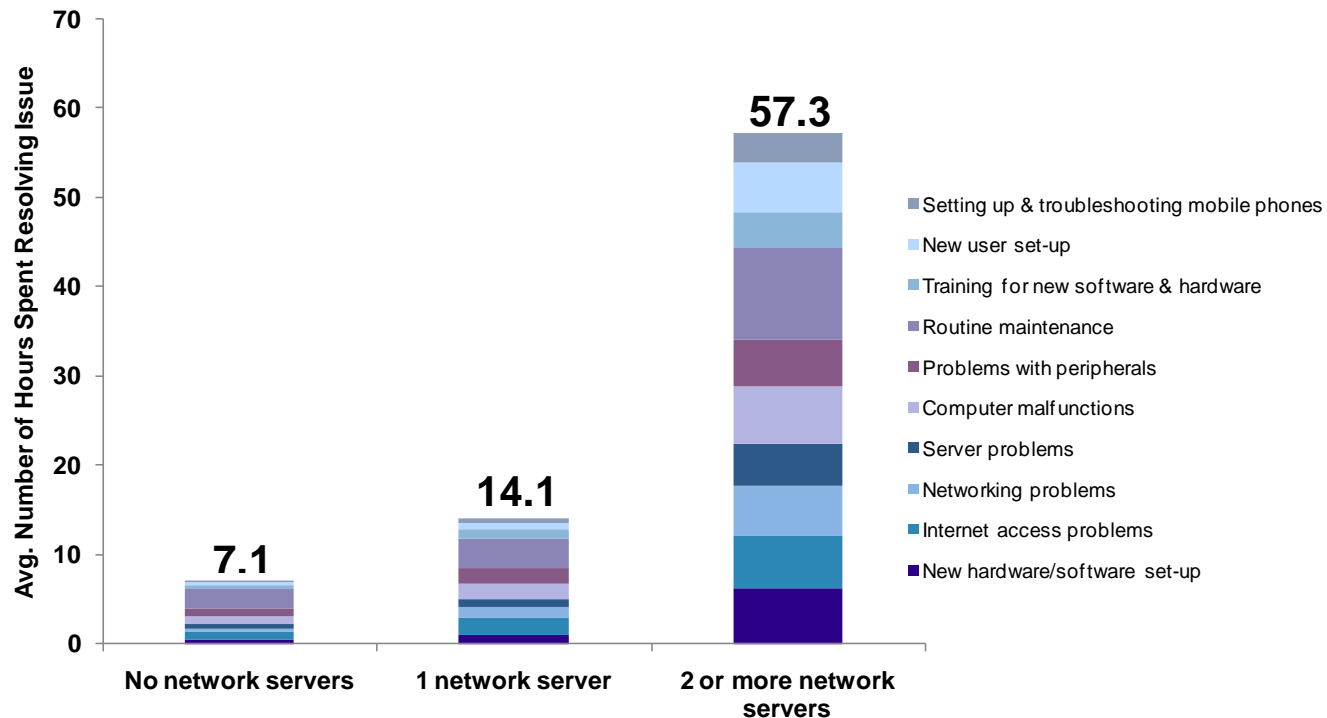


Source: *SMB Demand for Technical Support Services*
Sample: 500 IT decision-makers in U.S. SMBs; +/- 4.38%
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Server Demands

Network Servers & Time Spent Resolving IT Issues

"Q3017. Approximately how many hours per month would you estimate your company spends dealing with the following issues?"

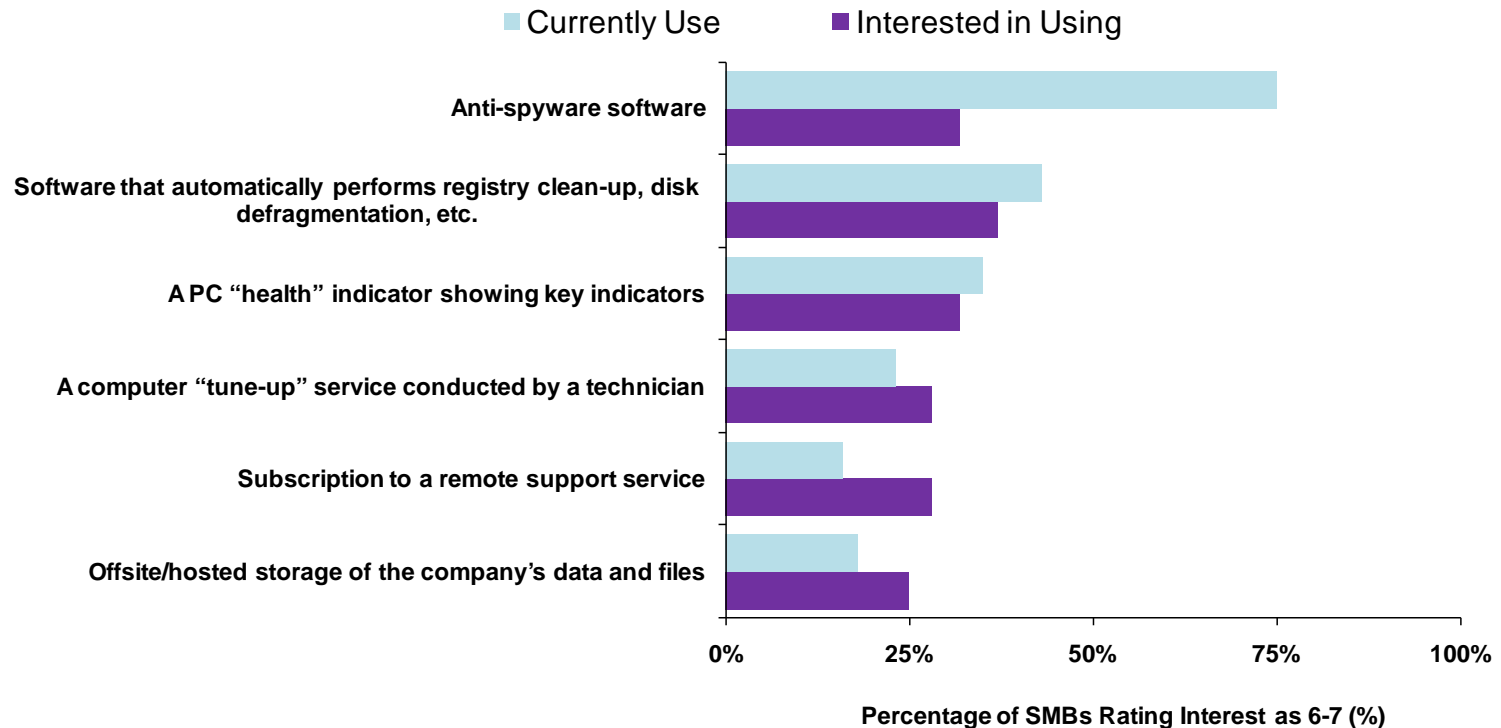


Source: *SMB Demand for Technical Support Services*
Sample: 500 IT decision-makers in U.S. SMBs; +/- 4.38%
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SMBs with Holistic Technology Needs

Use of and Interest in IT Support Features

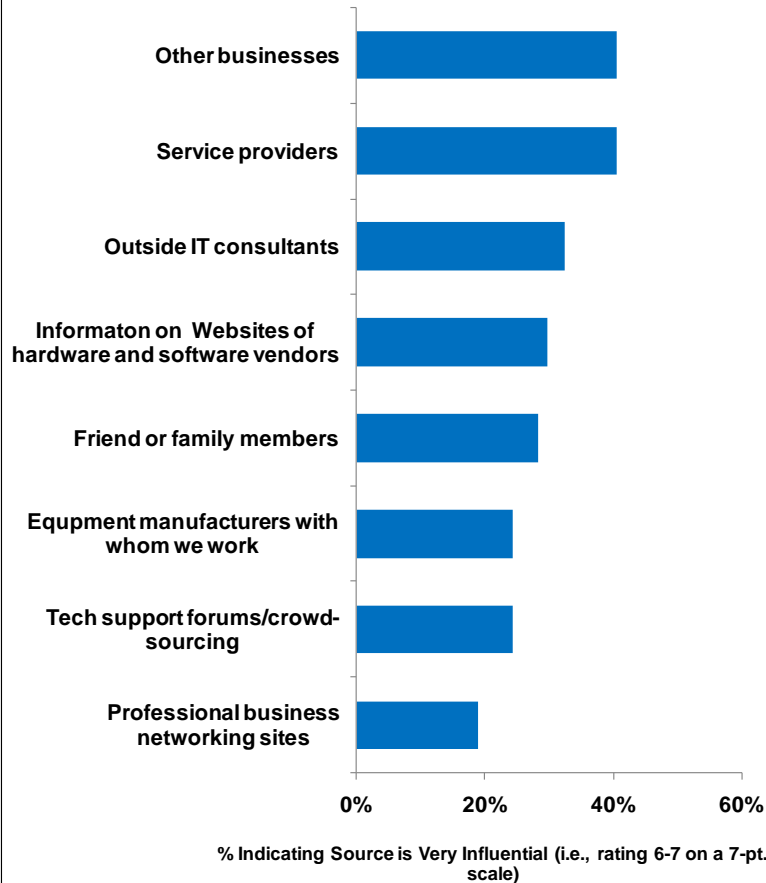
Percentage of SMB IT managers rating interest as a 5-7 on a 7-point scale, where "7" means
(Among all small business respondents, n=500, ± 4.38%)



Source: *SMB Demand for Technical Support Services*
Sample: 500 IT decision-makers in U.S. SMBs; +/- 4.38%
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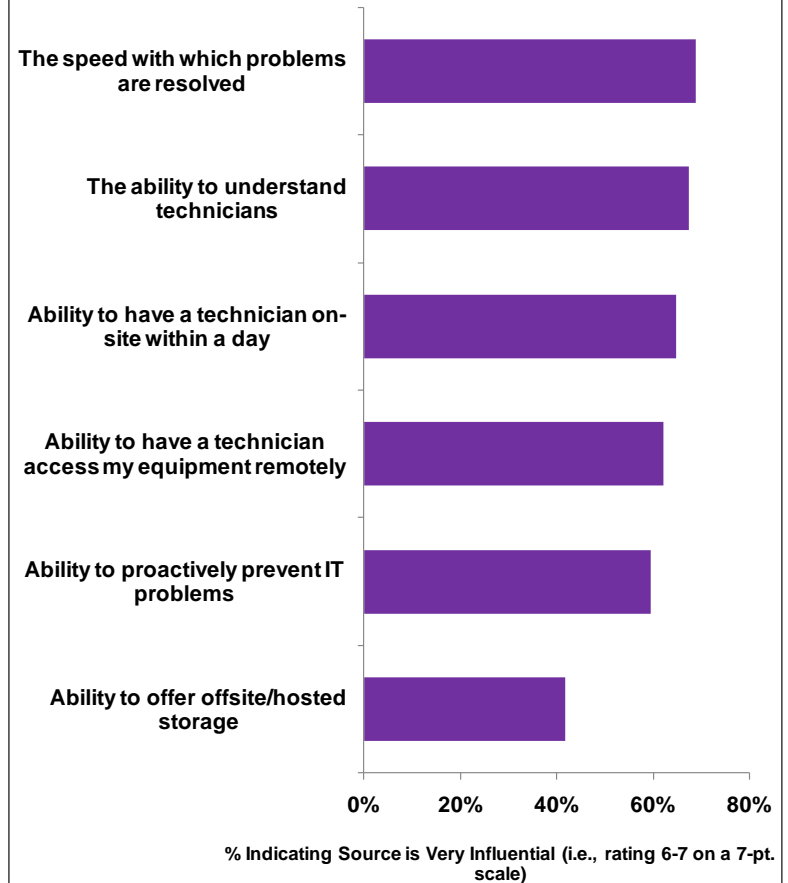
Marketing Strategies

Influences on Purchasing IT Support



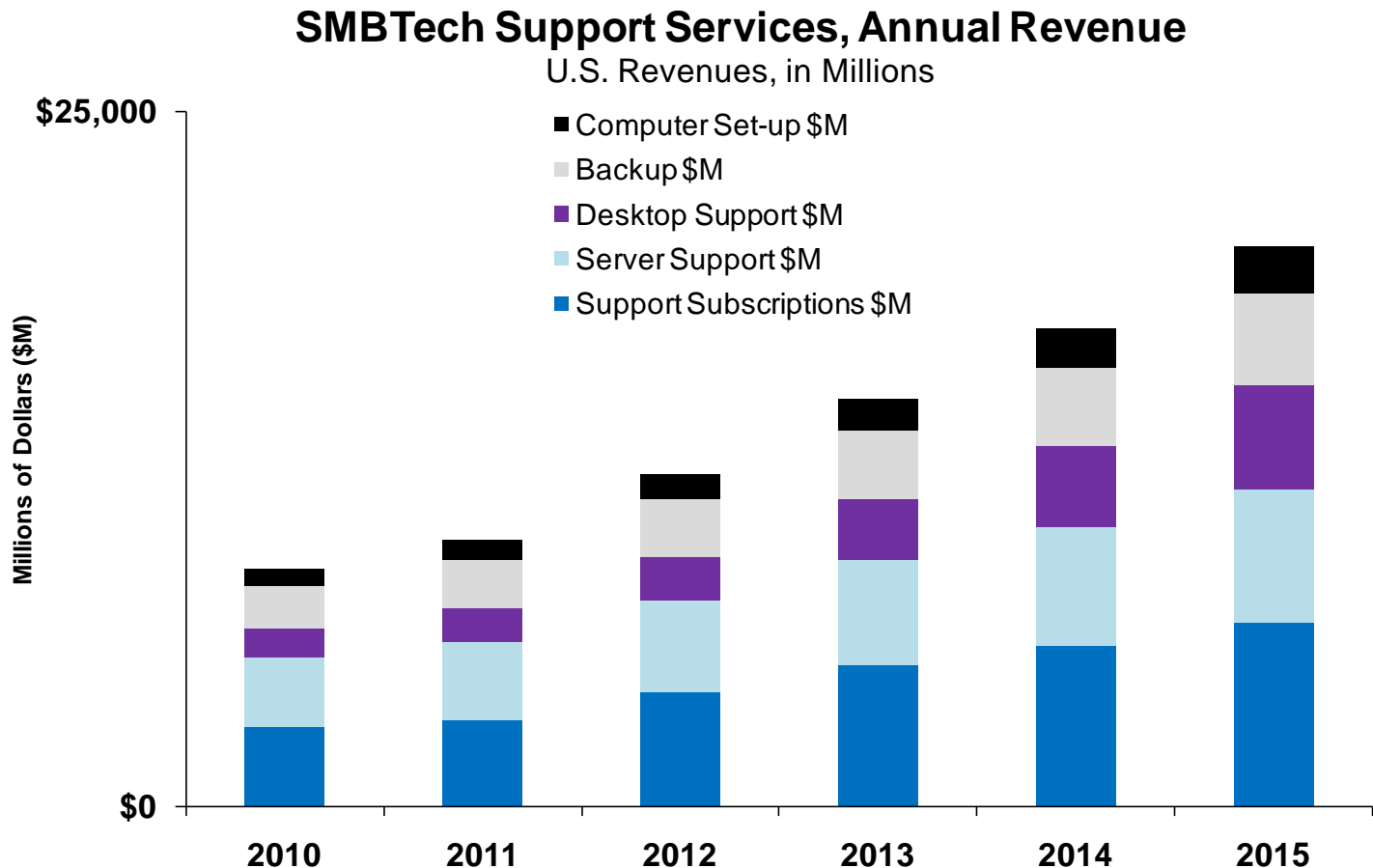
Source: SMB Demand for Technical Support Services
 Sample: 500 IT decision-makers in U.S. SMBs; +/- 4.38%
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Important Features of Support Services


















Source: SMB Demand for Technical Support Services
 Sample: 500 IT decision-makers in U.S. SMBs; +/- 4.38%
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SMB Tech Support Services, Annual Revenue



Source: *Opportunities for SMB Support Services*
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Brands

SMB Tech Support	
Category	Notable Examples
Broadband Service Providers	 at&t Tech Support 360
MSPs	 All Covered [®] <small>A division of Konica Minolta Business Solutions USA Inc.</small>  CoSentry [™] <small>Resilient Business Solutions</small>  Dataprise ^{inc.} <small>IT Services for Growing Businesses</small>  mindSHIFT [®] <small>TECHNOLOGIES</small>  netarx  NEXICORE [®] <small>TECHNOLOGY REPAIR</small>  worldwide <small>TechServices</small>
Remote Tech Vendors	 iYogi  PlumChoice [®] <small>Reinventing Technology Care[™]</small>  SUPPORT.COM [®] <small>PERSONAL TECHNOLOGY EXPERTS[™]</small>
PC OEMs	  
Retailers	

SMB Support Services



SMB Support: Key Market Takeaways

The SMB Market is large and growing.

The SMB market has different needs than the consumer space.

Today, there are few national brands.

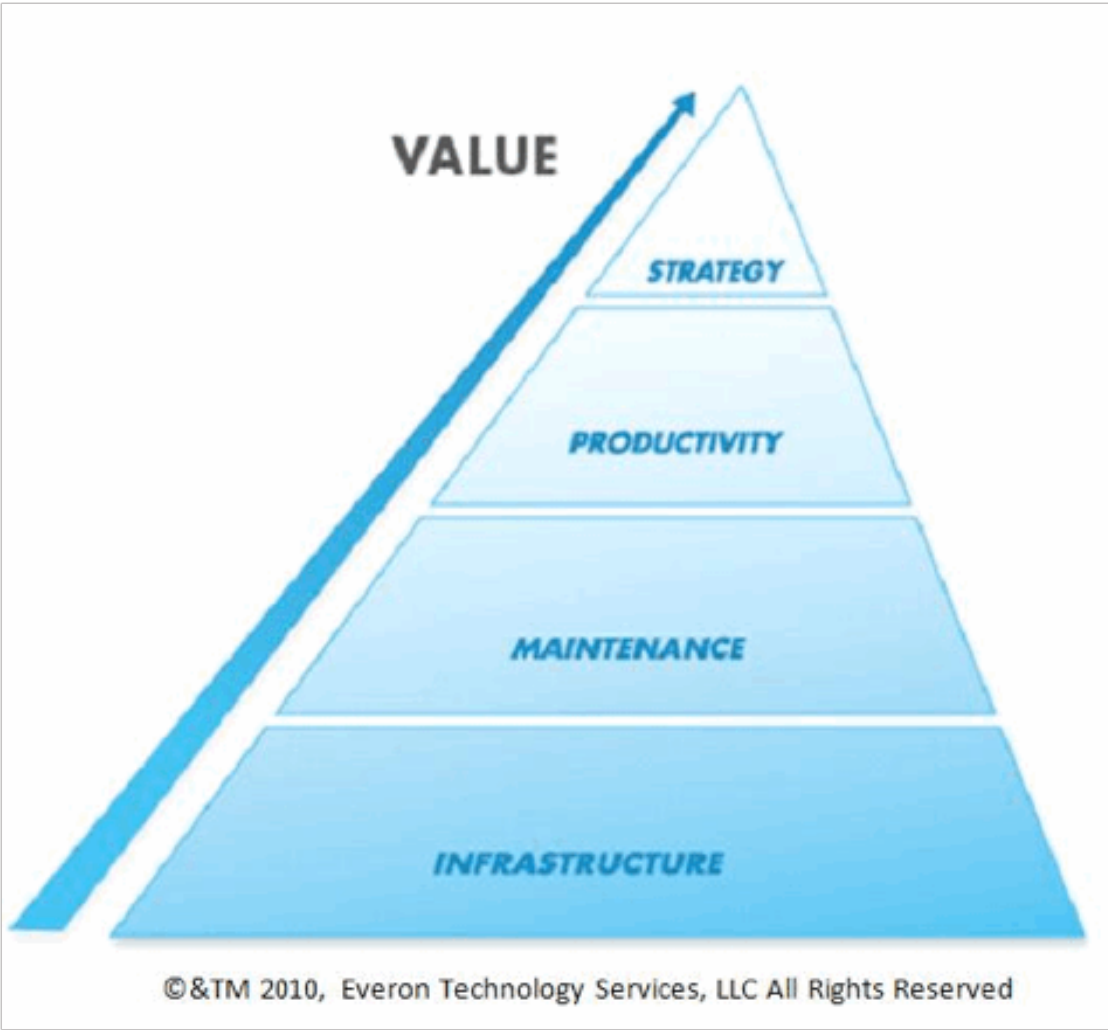
Higher ARPU in the SMB environment.

SMB IT decision-makers will rely on their peers and information such as case studies to make decisions about implementing outsourced technical support.

Emphasize network and server support services.

Comprehensive care / trusted advisor services will be critical to success with SMBs.

SMB IT Value



Q&A



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