

Managed Service Provider and Cloud Based Solutions Helping drive down the IT Spend of SMBs



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“We sit down with business owners and decision makers to find out what makes them tick and what their business vision is. Together we craft economical technology solutions, that increase productivity, to meet those needs. It all starts with a conversation.” - Rick Beckers

CEO CFO: Mr. Beckers, what is the focus for CloudTech1 today?

Mr. Beckers: It is twofold. We are a managed service provider. That means small and medium businesses outsource their IT to us. We have a better, smarter and faster way to get things done. Economically it has more bang for their buck than even hiring their own internal people, so that is very popular. Then the cloud; that nebulous technology that no one can really quite fully understand, is something that we were the early adopters of. CloudTech1 utilizes cloud based solutions to help to drive down the cost of the IT spend for those same companies. We can do that on the data side, the telephony side, Software as a Service, Platform as a Service; there is just a whole bunch of different solutions that basically cost share equipment and move the spend from the capital expense side of the equation to the operating expense side of the equation. Right now those are our two focuses; managed service provider and cloud service provider.

CEO CFO: Do you find there are still doubts about the cloud?

Mr. Beckers: I think that the consensus is that it is a matter of how and when and how fast. However, there are definitely still doubts about it, mostly on the security side. We were early adopters and are fully versed in what is going on with the cloud. We are competent and capable in terms of the installation of all of the cloud products. CloudTech1 makes sure that the installs are done in a secure manner and on that point we have no doubts. Our clients have no doubts when they enjoy the expense savings and the increase productivity that comes out of these secure cloud solutions either.

CEO CFO: Who is typically turning to you for services? Is there a common thread among your clients?

Mr. Beckers: We are in Southeast Michigan, but we have clients' worldwide. In Southeast Michigan it is primarily manufacturing. Especially in this region, people have held on to the technology that they have had over time without replacing it, because the economy kept them from doing so. This area and manufacturing in general is now experiencing a huge growth period and a transitional period from analog manufacturing techniques to digital and the Internet of Things (IoT) or the Industrial Internet of Things (IIoT) technologies. Therefore, there is a lot of technology spend going on in these areas. We are seeing a lot of activity in manufacturing. Other than that, the folks that really appreciate the level of service that we give them are the professional services people; legal, insurance, financial planners and anyone who has a high bill rate. They cannot bill their clients, or support their clients, without their technology running properly and reliably. Therefore, they are ready, willing and able to pay us to keep their equipment and their services running top notch. That has always been a good area for us to work with.

CEO CFO: What are some of the challenges? Do they need more specialized technology?

Mr. Beckers: Heretofore, it has just been a front office spend. They put together their ERP and their general CRM and typical technologies. However, the Industrial Internet of Things and the connectivity of the machines in the back of their

production facilities now gives them a dynamic view of what is going on in terms of utilization of all different kinds. They can see what is happening with their raw materials and their production numbers. They can see and maintain equipment, whereas all of that stuff was done manually with pencil and paper in the past. It would take thirty days to get it from the shop floor, up into the manager's hands and then have it entered into a spread sheet and then handed into management, before it was ever reviewed. Therefore, it took them a longer time to understand exactly where they could benefit by change. That is going away, because now today we have the ability to connect those machines up to the wired, or wireless, network and read the data right off of them as things happen. That is significantly changing their ability to manage their businesses.

CEOCFO: *Your site indicates, "We Deliver Affective Business IT Solutions." What is the general atmosphere with other MSPs or other cloud services that you are surpassing?*

Mr. Beckers: The difference between us and others is that the solutions that we put forth are managed in such a way by CloudTech1 so that there is not any additional administrative burden on the customer. With other MSPs and other value added resellers and service providers they are engaging the customer and they are providing service, but at the same time they are also putting a burden on the customer to actually manage them. In our case we are in lock step with the client. We are an extension of their organization. We are seamless to their people and actually they do not need a person, so if we remove that person in between the technology support and the technology, we become their vendor manager. Therefore, we are now managing relationships with all of their service providers and driving down their costs. Our fees are a flat fee based service, so there is no contention as to when they should call us. They can call us all the time. They can call us to the table to help them make decisions about technology and there is not fee for that. It is all inclusive. From our perspective it incentivizes us to actually make their networks run better, but at no additional cost, because the less we touch the network or the more we are able to automate the support of the network the more profitable we are in what we do. Therefore, it is a win, win.

CEOCFO: *How do you encourage your clients to contact you for everything tech?*

Mr. Beckers: That is all done through education and explaining to them the higher level of skill and management experience that we have when we are doing these things and explaining to them that even by you stepping in between us and the technology for that brief moment where you think you were saving yourself some eventual time, you are not. It is unnecessary. Typically, these things are done proactively after hours anyway, so there would not be an instance where the customer would actually have to apply things like Windows updates in order to get on with their day. They are already done.

CEOCFO: *Microsoft has a way of altering things when they do their updates!*

Mr. Beckers: Yes, they do! That is part of our management service as well. We do not just arbitrarily apply every update that comes out there. We have a national community of colleagues that we work with and known data base of which updates are successful and which ones have their pitfalls and "gotcha's" and we avoid those, unless it is specifically a need for the customer to have that update in order for one of the applications to work.

CEOCFO: *Are clients turning to you because they understand the difference in your approach and the depth?*

Mr. Beckers: Actually, they are coming to us for that reason. We are different. We hold, at least monthly, educational seminars where we invite business decision makers into our facility. We educate them on the topics at hand, prior to them ever becoming customers. Therefore, they look upon us as that source of information. Then when it becomes something that is front burner for them, they recall the conversations that we have had, the competency that we showed, and they realize that by being the educator we are giving back as much as we are taking away from the community. We are not just all about bottom line profit and revenue, but we are giving back to help everyone become more educated about the cloud and take advantage of it. We educate them so that they can make informed decisions about their business.

CEOCFO: *What has changed in your approach over time? What have you learned?*

Mr. Beckers: It is that education piece. We not only have seminars here, but we put out information online. Other organizations that are technology related tend to hold that stuff close to their vest, as though it is a value that only they know and so then people must come to them to get it. We actually feel quite the opposite, in that the more that we disperse this information, the more we educate the business decision makers, the more that we free their minds up to make an informed decision. When they do make informed decisions they come to us because they appreciate the approach that we are taking.

CEOCFO: *How else do you reach out for potential clients? How do you jump off the page?*

Mr. Beckers: I am a member of multiple associations and organizations at the local level here as well as at the national level. I am an Editorial Advisor for Channel Partners. I am a Technology Officer and an Ambassador of the Automation

Alley Manufacturing Association here in Southeast Michigan. We are active in the Michigan Associations of CPAs, so people see us as more of a community organization than they do just a selling organization. That is our differentiator. We work with our vendors. We work with our associations from marketing through all of those same venues. We have speaking engagements at their facilities. There is one coming up on Wednesday of this week in our facility and there is one on October 26th where we are actually going to the Michigan Association of CPAs to talk to their people about cyber security and inform them how to secure their practices. We have some coming up in November. On the sixteenth of November we have the President CEO of one of the most prominent Industrial Internet of Things companies coming in to talk to the manufacturing companies at Automation Alley. On the 16th, CompTIA is coming in to town to hold what they call their Training Days. This you will find really weird, but I actually pull my competitors and colleagues together to network and share information with them so that we all collectively get better at what we do. The CompTIA Training Day is an entire day of education for VARs and MSPs and my competitors about how to do things better. Then on the 17th is the Game Changing Cloud Technologies in Manufacturing with the IIoT topic. We are in their industry communities. We are talking to their members and their constituents on an ongoing basis as a method of soft marketing, if you will. Prospective clients in need do not see anything like this anywhere else, so they are immediately attracted to us like a moth to a light, if you will.

CEOCFO: *Would you tell us about your phone services, staff augmentation and placement services? Do you do much in those areas or just more of a service should your clients need it?*

Mr. Beckers: We do a lot of voice over IP. There is no question about that. A telephone is nothing more than an IP based computing device nowadays with voice over IP. Because we came from the data side today's telephony solutions are just like data solutions. We do a lot of with VoIP and Unified Communications because it's no longer a luxury. It's a business necessity.

CEOCFO: *What is next for CloudTech1?*

Mr. Beckers: Expansion! We are in a rapid expansion mode right now. Everything that we are doing appears to be working. We are hiring technicians. We are hiring sales people. We are moving out from our core and my hope is that we continue to ripple across the country and take our methodologies and expand our horizons as well as our customers.

CEOCFO: *When you are hiring new people how do you know when someone is right; when they understand your culture and client first philosophy?*

Mr. Beckers: That is true! That is true! I do one on one meetings with folks, multiple meetings and talk about, not just technical skills, but who they are as a person, what they are into and make sure that they understand the culture of our company. Even then, and there are no cut and dried ways to do this. Even then we will sometimes get people who are very, very good technically, but not necessarily very good under pressure or in talking with customers and they will lose veer from what they've been taught. We have to move people in and out of CloudTech1 for that reason, but collectively is just that. It is cool, calm and collected, because we have planned it all out so far in advance that there should not be any surprises.

CEOCFO: *Why choose CloudTech1?*

Mr. Beckers: CloudTech1 uses flat fee services to incentivize both sides of the relationship for the customer and CloudTech1 to work together for the betterment of both. In doing so we end up with a product that is far and away superior to what our competitors are offering. We do it with a level of customer service that is unmatched. We proactively take care of business and we reactively smooth things out when they do have a problem. We sit down with business owners and decision makers to find out what makes them tick and what their business vision is. Together we craft economical technology solutions, that increase productivity, to meet those needs. It all starts with a conversation.

CEOCFO: *Is there anything that people might miss when they are looking at CloudTech1 that needs to be understood?*

Mr. Beckers: What might they miss? It starts with me and in my heart and having been doing this for thirty-five years. I do not have to continue to do it anymore. However, I really, really, really enjoy what I do. I think that everyone does here as well. That desire to serve has become our culture. There is a different feeling when you are talking to our people about how we do things. That may not come across at first blush, but then once you have been doing business for a little while you realize that it is actually one of the richest features of a relationship with our company.

