

FOR IMMEDIATE RELEASE

New Egnyte Channel Program Helps Resellers Get Their Piece of the Cloud

Survey Shows Almost Three-Quarters of Resellers Displeased with Current Cloud Tech Vendor Programs; Resellers Look to Hybrid Cloud Solution Providers to Capitalize on SME Cloud Adoption

Mountain View, Calif., March 1, 2011 – Egnyte, a leading provider of [cloud file server](#) solutions, today launched a formal channel program to empower thousands of partners to sell Egnyte services and capitalize on the explosive growth in small-to-medium enterprise (SME) cloud adoption. Egnyte addresses the critical infrastructure needs of enterprises and small businesses – file storage, backup and collaboration – in one secure, centrally-managed and easy-to-use solution. Egnyte’s hybrid cloud technology combines the accessibility and flexibility of cloud storage with the security and performance of local storage to ensure reliable, convenient and fast access to files at any time and from anywhere.

In order to thrive in the evolving cloud services market, the channel is going to have to transform its business model from one built on product margins to a model based on value-added services. As the November 2010 report by Forrester Research Inc. entitled “Channel Models in The Era of Cloud” states, “Channel partners see the writing on the cloud wall and are tweaking their business models... Integration services, in particular, should stand out for partners as all but the smallest of companies are going to wind up with some type of hybrid cloud / on-premise architecture.”

In contrast to many other channel programs in the cloud storage market that have failed to attract the interest of the VARs, Egnyte’s channel program offers a unique proposition for the channel community by helping them build powerful and lasting relationships with end users and quickly bring new cloud-based services to market. Key features of Egnyte’s Channel Program include:

- **It is easy for resellers to generate recurring revenue.** Channel partners can sign up customers the same day they join the program and receive recurring commissions which increase with the growth of Egnyte adoption among their clients.
- **It addresses the key concerns of channel partners AND end users.** The Egnyte hybrid cloud solution eliminates the channel conflict inherent in pure cloud-based offerings and enables channel partners to offer additional services around cloud storage, collaboration and backup. Their customers, in turn, are able to enjoy the cost and accessibility benefits of the cloud without giving up the security, performance and manageability of on-premise solutions.
- **It enables partners to build differentiated services.** The Egnyte solution easily integrates with other cloud and on-premise offerings allowing resellers to tailor their cloud services to customer needs and differentiate their solutions. From technology-specific offerings such as NETGEAR ReadyNAS, VMware, Salesforce.com and Google Docs to industry-specific solutions such as SEC/FINRA or HIPAA compliance, Egnyte-based solutions address a wide range of business and technological needs in markets served by resellers.

Egnyte’s program also offers tiered commissions, marketing support and comprehensive training. Each partner has access to a private portal where they can manage their business, customers and commissions.



Resellers Seek to Capitalize on SME Cloud Adoption

SMEs are increasingly embracing cloud services and moving IT expenditures out of capital and into operating budgets, which creates new pressures on the channel operating on the old margin-based model. However, the channel is a powerful customer relationship vehicle, and will continue to play an important role in cloud adoption. A recent survey of resellers commissioned by Egnyte shows the current challenges and needs expressed by the channel.

- **Seizing the SME Cloud Opportunity:** Resellers reported that almost three-quarters of their SME customers (74 percent) plan to increase cloud software spending in 2011, and more than 78 percent of resellers said that hybrid cloud storage models could soon replace traditional file server infrastructures with their SME clients.
- **Getting on the Same Page:** Resellers and cloud vendors are far apart on a number of key issues that are critical to building a powerful partnership. Resellers cite integration issues (44 percent), lack of quality programs and incentives (43 percent), competition from vendors (37 percent), and a lack of growth potential (36 percent) as the major challenges to working with cloud vendors.
- **Providing the Right Incentives:** A partnership needs to be mutually advantageous. Incentives most important to resellers today include financial rewards (59 percent), ability to build relationships with end users (54 percent), and marketing support (44 percent). Interestingly, access to a collaborative ecosystem or ability to easily connect with other partners and resellers was rated last (8 percent).
- **Meeting the Needs of the Channel:** Close to three-quarters (69 percent) of resellers feel that cloud vendors do not adequately address their needs today, and only 22 percent graded existing cloud vendor channel programs higher than fair. Seventeen percent give cloud vendors the lowest satisfaction rating for meeting their needs.

“Egnyte’s hybrid cloud solution is really a game changer for the channel,” said Barry Bestpitch, SVP of professional services for Raven IT, a full-service MSP in San Francisco. “Our customers are recognizing the benefits of migrating to the cloud but don’t want to give up the security, performance and manageability provided by on-premise solutions. Partnering with Egnyte allows us to give our clients the flexibility and accessibility they need at a price point they can appreciate. In addition, we have a recurring revenue stream as long as the customer is using Egnyte. No other cloud storage vendor offers this opportunity.”

“Cloud vendors who want to succeed must give resellers the right tools and incentives,” said Filip Kesler, Egnyte VP of business development and channels. “Egnyte’s hybrid solution enables our partners to build highly differentiated offerings which incorporate Egnyte’s cloud-based and on-premise components and customers’ existing infrastructure. This gives users the best of both worlds and opens up multiple paths for our resellers to build and grow business, while benefiting from a recurring revenue stream.”

Join Egnyte and Frank Ohlhorst, awarding winning IT analyst and former executive technical editor for eWeek, on Tuesday, March 8th at 11 a.m. PT, for an in-depth look at how the Hybrid Cloud can transform your storage and file server needs. To register for the webinar or join Egnyte reseller program, please visit www.egnyte.com/resellers.



About Egnyte

Egnyte is a leading provider of [cloud file server](#) solutions for enterprises, small businesses and professionals. Egnyte was founded in 2006 and is privately financed. The company is headquartered in Mountain View, Calif. For more information, please visit www.egnyte.com or call 1-877-7EGNYTE.

Media Contact: Carolyn Adams for Egnyte
(415) 963-4174
[carolyn \(at\) bordersgratehouse.com](mailto:carolyn(at)bordersgratehouse.com)