



KEY HIGHLIGHTS

INDUSTRY: TECHNOLOGY

**CHALLENGE**

Hardware appliances and the geographical limitations and cost factors they posed prevented SpamTitan from recruiting new channel partners and reaching a broader customer base

SOLUTION

The SpamTitan for VMware virtual appliance revolutionized the company's go-to-market and channel strategy by lowering costs, speeding up sales cycles, and facilitating revenue growth

SPAMTITAN VIRTUAL APPLIANCE MANAGEMENT

- All anti spam and anti virus updates are automatically received by and installed on the virtual appliance via the company's website
- All new SpamTitan software versions get downloaded automatically via the company's website and the administrator is notified via email for installation
- New OS patches can be installed remotely via the company's website
- In the event of a new OS version, customers who want to can simply download the new virtual appliance and import their existing configuration

VMWARE AT WORK

- VMware ESX Server
- VMware Workstation
- VMware Server
- VMware Player

"Virtual appliances let our product sell itself, at minimal cost and in a way never before possible in the physical realm. Virtual technology from VMware has helped us gain market share in geographies—such as China, Japan, and New Zealand—that we wouldn't have even considered entering for years to come. Prior to the SpamTitan for VMware virtual appliance, 80 percent of SpamTitan's customers were based in the UK, with the remaining 20 percent from the rest of Europe. Since launching virtual appliances, our customer base has shifted dramatically geographically, with approximately 40 percent of customers now in North America, 10 percent in the UK, and the remainder spread across the globe. We have also seen our product turnover double, with virtual appliances now accounting for 50 percent of revenues. What's more, the rate of growth of our virtual appliance customers is twice that of our hardware appliance customers."

Ronan Kavanagh, Director of Sales, SpamTitan

SpamTitan

SpamTitan provides a comprehensive solution to email threats by enabling its customers to run a virtual email appliance using existing virtual infrastructure, offering protection from viruses, spam, malware, phishing and unwanted content. The solution uses best-of-breed technologies to provide an easily installed, easily managed and highly secure solution for anti-spam protection.

Based on constraints around stock allocation, delivery and installation, the company's historic hardware appliance based customer evaluation process was both costly and required a prolonged sales cycle. As a small company competing in a mature market, SpamTitan needed a way to gain further market penetration both geographically and within its value-added reseller channel.

"Virtual appliances enabled us to adopt an Internet-based sales model as our primary route to market," says Ronan Kavanagh, Director of Sales at SpamTitan. "Our online demo and download model costs us next to nothing and has set up a very positive initial customer experience, which has also enhanced our rate of sales closure."

The SpamTitan for VMware virtual appliance has also allowed the company to offer its customers a simple and hassle-free user experience. Many of its customers who host their equipment in data centers can now configure and deploy the virtual appliance from their desk without physically going to the data center. Customers are also now doing more with the appliances. Instead of just backing up a configuration they are now backing up the whole appliance image. If they need to relocate they can do it in a controlled fashion without downtime as opposed to hardware appliances which need to be powered off when moved from one place to another.

One of SpamTitan's customers in the US, a non-profit agency called Gateway Community Industries (GCI), was relying on Microsoft Exchange Server for tackling anti-spam. However, too much spam was getting through and there was very little functionality available to fine tune the system. They found numerous other options of which many were too expensive and some were too complex or needed to be

installed on the Exchange Server. They learnt of SpamTitan from the VMware Virtual Appliance Marketplace and had the trial appliance set up and running in under an hour. It was easy to install and immediately effective making their 200 users very happy. The filtering is extremely accurate, the web based control panel is easy to use, and there is ample opportunity to customize settings. GCI experienced a key advantage in deploying SpamTitan as a virtual appliance when they had a hardware problem on the host machine. Since they had a backup of the appliance, they moved it to another host and were back in business in a matter of minutes. Now, spam is no longer a time and resource intensive problem it once was. The virtual appliance just works and is so easy to use.

Other SpamTitan customers have redundant virtual appliances on standby eliminating the additional cost of purchasing or the additional physical footprint required in case of a second hardware appliance. All of these are seen by customers as major benefits over hardware appliances and as major competitive differentiators for SpamTitan.

Results

- Created a new revenue stream by developing the SpamTitan for VMware virtual appliance; 50 percent of revenues now come from the virtual appliance
- Experiencing a 2:1 virtual appliance to hardware appliance customer adoption rate.
- Cut sales cycle time by 50 percent and reduced cost of sales by 40 percent
- Reduced support overhead per customer by 40 percent as virtual appliances do not pose hardware compatibility and configuration issues typically experienced with hardware appliances
- Increased customer evaluation numbers by a factor of 10 at no cost, thanks to the virtual appliance being available online and quick and easy to download
- Improved market penetration with entry into North America, South America, Asia, Australia and the Middle East
- Ten fold increase in channel partners as product education and evaluation costs are virtually eliminated.
- Enabled an entirely new online sales model with the ability to provide online demonstrations, 30 day free download trials and direct purchasing of the virtual appliance via the company website. Fulfilling a complete online sales cycle was proving difficult with the hardware appliance.

**VMware, Inc. 3401 Hillview Ave., Palo Alto CA,
94304 USA Tel 877-486-9273 Fax 650-427-5001**

Copyright © 2008 VMware, Inc. All rights reserved. Protected by one or more of U.S. Patent Nos. 6,961,806, 6,961,941, 6,880,022, 6,397,242, 6,496,847, 6,704,925, 6,496,847, 6,711,672, 6,725,289, 6,735,601, 6,785,886, 6,789,156, 6,795,966, 6,944,699, 7,069,413, 7,082,598, 7,089,377, 7,111,086, 7,111,145, 7,117,481, 7,149,843, 7,155,558, 7,222,221, 7,260,815, 7,260,820, 7,268,683, 7,275,136, 7,277,998, 7,277,999, 7,278,030, 7,281,102, 7,290,253; patents pending. VMware, the VMware "boxes" logo and design, Virtual SMP and VMotion are registered trademarks or trademarks of VMware, Inc. in the United States and/or other jurisdictions. All other marks and names mentioned herein may be trademarks of their respective companies.