

Parallels® Business Automation - Standard

Customer Success Story

Service Provider Expands Business by Adding VPS Hosting and Automating with Parallels Business Automation - Standard

“Parallels Business Automation - Standard provided a fully integrated system which allowed us to expand our business into VPS hosting. The combination of proven automation technology and outstanding 24x7 customer service has allowed us to successfully deliver quality VPS hosting services.”

— Rick Smith, CEO, Carpathia Hosting, Inc.

Business Summary

Carpathia Hosting, Inc. is a leading provider of high performance Internet hosting and intelligently routed bandwidth services. Carpathia was founded in June 2003 as a provider of premium co-location and dedicated server products. In January 2004, the company expanded into shared hosting through the asset acquisition of ProHosters.

The acquisition of ProHosters allowed Carpathia to expand its product offerings and increase the size of its customer base, but also provided new challenges. Carpathia had to migrate customers from an older system and create a lower cost structure for the migrated customers.

To assist with meeting these goals, Carpathia implemented Parallels' solutions for automation and Virtual Private Servers (VPS). Beginning in August 2004, the implementation of Parallels Business Automation - Standard and Parallels Virtuozzo Containers led to a successful migration of ProHosters customers and a continued expansion of Carpathia's business.

Situation

In 2004, Carpathia had established itself as a premium provider of high quality co-location space and managed dedicated servers. By focusing on high quality servers and an extremely fast and reliable network transport layer, Carpathia was able to acquire a large number of high end business customers. These customers benefited from the Carpathia Intelligent Routing Network (CIRN) and were offered a Service Level Agreement that included provisions for packet loss, latency, and downtime.



Carpathia Hosting is a premier provider of managed co-location and managed dedicated servers to business customers that require exceptional uptime and service.

Business Situation

In January 2004, Carpathia purchased the assets of ProHosters in order to expand its existing line of premium managed hosting products. The new business served thousands of customers and required process enhancements to improve customer satisfaction and profitability.

Solution

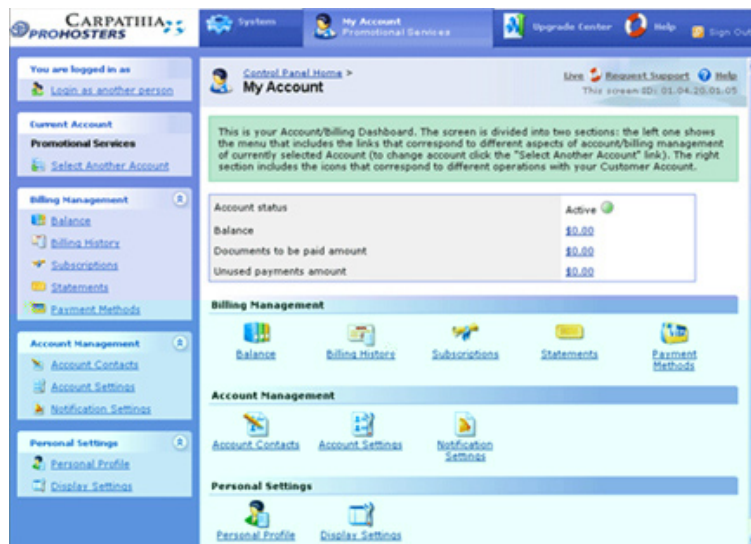
Carpathia implemented Parallels Business Automation - Standard solution for automated provisioning and billing and upgraded customers to VPS hosting using Parallels Virtuozzo Containers. Carpathia further leveraged its investment in Parallels Business Automation - Standard as it has continued to grow by adding services such as online gaming.

Expansion into VPS Hosting

Carpathia wanted to expand its business to include VPS offerings in order to provide customers with a higher level of service while maintaining a competitive price. Moving customers from shared hosting plans to VPS plans for the same price allowed Carpathia to increase customer satisfaction and attract new customers.

The expansion into VPS hosting presented several challenges. Carpathia needed to handle a much larger volume of customers, maintain a high level of support, and keep costs in line. These requirements required Carpathia to automate business processes including provisioning, billing, and customer support.

“To compete in the VPS hosting market, you cannot afford to support manual processes,” said Rick Smith, CEO for Carpathia Hosting. “You need a turnkey solution which can manage ordering, up-selling, and service delivery.”



ProHosters Purchase

In January 2004, Carpathia purchased the assets of ProHosters to acquire both a shared hosting customer base as well as an automated system for managing customers. Unfortunately, the “fully automated” system involved emailing support personnel when the customer requested system changes. The level of manual effort required would cause customer implementation delays and high support costs that would erode profits from the new business.

Carpathia needed a way to migrate thousands of customers to a fully automated platform without causing customer dissatisfaction.

Benefits

- Satisfied customers by delivering a user friendly control panel.
- Maintained profitability by automating provisioning and billing.
- Grew revenue through introduction of new products.

“Parallels Business Automation - Standard automated our business processes so our engineers could focus on delivering high quality customer service. Gone are the days that we would spend on manual billing and provisioning.”

— Scott Blust,
COO, Carpathia Hosting

True Automation

Parallels Business Automation - Standard provides complete automation from ordering to service delivery. Hosting providers should be wary of systems (such as the one Carpathia inherited from ProHosters) which claim to be fully automated, but involve manual processes such as sending email to support personnel to complete commonplace tasks.

Solution

Carpathia decided on a two pronged approach for integrating the ProHosters business.

- Migrate shared hosting customers into automated technology in order to reduce costs and improve service delivery.
- Implement VPS technology to provide shared hosting customers with an “upgrade” in order to ease migration issues.

Carpathia investigated several solutions, but decided on Parallels because it offered both automation and virtualization software through its Parallels Business Automation - Standard and Parallels Virtuozzo Containers products. The tight integration between the virtualization and hosting automation software provided a compelling reason to select Parallels.

In August 2004, Carpathia began enrolling new customers and migrating thousands of existing customers to Parallels Business Automation - Standard and Parallels Virtuozzo Containers. As with all customer migrations, there were issues, but Parallels and Carpathia worked together as partners to correct the problems with minimal disruptions to customers.

Customer and Partner

Every hosting provider has a set of unique issues and circumstances. Parallels offers solutions which meet today’s hosting needs, and supplies a team of knowledgeable professionals to help adapt and extend the solution to meet the needs of the individual hosting provider.

After the initial Parallels Business Automation - Standard deployment, Carpathia and Parallels worked closely together as business partners. Carpathia provided suggestions regarding how the billing processes could be improved and Parallels delivered point releases to meet those needs.

Benefits

By using Parallels Business Automation - Standard, Carpathia was able to migrate ProHosters customers to the Parallels Business Automation - Standard control panel which provided better automation and a more user-friendly interface.

Cost Reduction

Better automation allowed customers to perform more tasks online - reducing the amount of hands-on customer service that Carpathia needed to provide to its VPS hosting plan customers.

Customer Satisfaction

Customers who had complained about the old ProHosters control panel had better experiences with Parallels Business Automation - Standard. “The new user interface was better organized and allowed me to configure my web services faster,” said Pauline Lewis, CEO of oovoo design.

Customer Migration Tip

Carpathia provided customers with two incentives to migrate. A better control panel (supplied by Parallels Business Automation - Standard) and VPS hosting instead of shared hosting. Such incentives overcame customers’ reluctance to learn a new control panel.

Integrated Services

Parallels provided Carpathia with both automation and virtualization services. By integrating two needs into a single solution, Parallels was able to meet Carpathia’s needs for a tightly integrated solution.

Parallels Business Automation - Standard Demo

To view an online demonstration of Parallels Business Automation - Standard, visit the Parallels web site:

<http://www.parallels.com/hspcomplete/demo>

New Service Delivery / New Revenue

After the initial Parallels Business Automation - Standard deployment, Carpathia began to investigate on-line gaming as a new source of revenue. Carpathia had been selected by The United States Army to host the America's Army Honor database and Virtual Community and Carpathia now wanted to start offering game servers as well. Online gaming requires fast and reliable network and server connections – which Carpathia already delivered. Within a month, Carpathia was able to leverage their investment in Parallels Business Automation - Standard to help deliver gaming services.



Parallels Business Automation - Standard provided GameHosters with online ordering and server management. Carpathia extended Parallels Business Automation - Standard by utilizing the API (Application Programming Interface) to integrate the new class of gaming server.

Increased Revenue per Customer

The capability to deliver new services is important, but the ability to deliver an intuitive enrollment process is what helped Carpathia increase revenue per customer in the months immediately following service implementation.

Customers could enroll in the service with a few clicks and upgrade directly from the customer control panel, so purchase decisions resulted in immediate action. Following the purchase, the automated provisioning process resulted in instant customer gratification.

Conclusion

In September 2005, Carpathia welcomed the chance to turn off the old control panel that had been replaced by Parallels Business Automation - Standard.

Together, Carpathia and Parallels completed a successful migration through careful planning, sophisticated technology and personal interactions with the existing customer base. The end result was that Carpathia's shared customer base was seamlessly upgraded to more powerful VPS solutions without raising prices for its customers.

By using Parallels Business Automation - Standard to automate business processes and expand into new markets, Carpathia has continued to grow revenues and increase the size of its customer base by over 50 customers per month.

Learn more at www.parallels.com/hspcomplete

For More Information

Contact Parallels

For more information about Parallels products and services, call Parallels Hosting Sales at +1 (703) 995-4102. Outside the United States and Canada, please contact your local Parallels sales office.

Contact Carpathia

For more information about Carpathia Hosting, ProHosters, or GameHosters, call 1 (888) 200-9494.

To access information using the World Wide Web, go to:

www.carpathiahost.com

www.prohosters.com

www.gamehosters.com



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