Lewan uses monitoring as a service to open doors with new customers

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As software plays an increasingly mission-critical role in digital business initiatives, performance becomes a key driver of business outcomes. However, accessing visibility into software performance problems is a challenge for many businesses, especially as their IT environments grow more complex. One solution, especially for SMBs, but also some enterprises, is to seek monitoring help from service providers. Lewan Technology is an example of an MSP that successfully offers monitoring as a service, delivering its offering exclusively on LogicMonitor.

THE 451 TAKE

We hear from many monitoring vendors hoping to cater to MSPs that want to deliver monitoring services. While some vendors, like LogicMonitor, ScienceLogic and Zenoss, have targeted and served this market for years, other monitoring vendors are just beginning to pursue MSP customers. A strong relationship with an MSP, while tricky to establish, can result in significant revenue for a monitoring vendor, since the MSP can introduce the monitoring product to many businesses, thus reducing cost of sales. In this particular case, Lewan has found that delivering monitoring as a service not only addresses demand from businesses facing monitoring challenges, including problems that arise from juggling too many different monitoring tools, but also opens the door to delivering additional services to the customer.

Based in Denver and wholly owned by Xerox, Lewan brings in over $100m in revenue. Roughly half is generated by copier sales and services, and the rest comes from IT product sales and services.

DEPLOYMENT SUMMARY

Almost three years ago, Lewan made the decision to build a monitoring-as-a-service offering exclusively on LogicMonitor. It offers three tiers of service, starting on the low end by managing the monitoring system on behalf of customers, with alerts sent to the customer, which handles incident response itself. The second tier allows for the customer to call Lewan for help during an incident, and the premium tier handles all monitoring and management of infrastructure on behalf of the customer.

Users of the service range from small businesses to enterprises. They turn to Lewan for a couple of different reasons, some because they've grown frustrated by the amount of time required to learn a monitoring product well enough to get the most out of it. Others end up hiring Lewan as part of an effort to consolidate disparate monitoring tools, namely those provided by hardware vendors or potentially open source software like Nagios. Once customers have signed on for the monitoring service, Lewan configures monitoring for all new infrastructure that's added to the environment.

Lewan markets the offering as a dashboard service, and finds that this approach resonates with customers. It most often lands deals via IT operations staff, but it appeals to line-of-business executives, too, who increasingly appreciate dashboards that offer insight into the relationship between application performance and business KPIs. This is an emerging use case and audience that we've heard monitoring vendors try to cater to over the past few years. While we think it's a valuable application, we've observed relatively slow take-up, in part because IT operations data has traditionally been considered to have value only for IT teams.

STRATEGY

About 30% of Lewan's services customers use the monitoring-as-a-service offering. The service is important to Lewan less for its ability to bring in a significant revenue stream than as a way to establish a trusted relationship with new customers and serve as a resource to solve problems that the monitoring service may discover.

WHY LOGICMONITOR?

We speak with monitoring vendors that aspire to build partnerships with MSPs similar to Lewan, but struggle to establish the foothold required to generate solid volumes of usage and revenue. Lewan has standardized its monitoring offering on LogicMonitor. In the past, it also sold services built on SolarWinds, but concluded that building expertise around one system is more efficient. A few of the offered capabilities are table stakes, including multi-tenancy and billing capabilities that allow the MSP to securely manage infrastructure and billing for multiple customers. Additionally, LogicMonitor's ability to monitor a very wide range of infrastructure while being easy to use was key for Lewan. Finally, Lewan required pricing from its monitoring vendor that allowed it to add its own markup and still be seen as a reasonable value for its customers.

Lewan is most enthusiastic about a regular report that LogicMonitor offers to the MSP, showing usage of Logic-Monitor's features and modules. The report serves as an opportunity for Lewan to discover new features and as an opportunity for managers to discover that features that should be used aren't. In fact, Lewan gets so much out of the report that it's planning to develop similar reports for its own customers, so that they can see whether they are taking the best advantage of Lewan's services.

Lewan also cites LogicMonitor's training and certification program, which puts the burden of training Lewan's people on LogicMonitor, rather than requiring Lewan to do so, as a strong benefit. This has made it easy for Lewan to on-board new people and get them up to speed without having to invest in ensuring that they can deliver great service to customers.

LogicMonitor has also been receptive to feedback from Lewan, and has a monthly phone call with the MSP both to answer any questions Lewan managers might have about using the product and to keep Lewan apprised of new features in development.

Lewan has a wish list of capabilities it hopes LogicMonitor will add in the future. One is that Lewan would like to use LogicMonitor to offer asset management services, including to get visibility into software and hardware versions in use by customers, in order to either recommend or automate updates for customers. Since LogicMonitor is aware of the breadth of a business customer's IT environment, it's in a good position to offer asset management features, according to Lewan.

Lewan is also hopeful that LogicMonitor will develop more complex incident detection capabilities. For instance, Lewan would like LogicMonitor to be able to send an alert if, for instance, three separate trends occur – a hard drive fills up within a certain time frame, RAM increases and response times slow. This is the kind of capability that other vendors are enabling by harnessing machine learning technologies.

COMPANY NAME
Lewan

ACTIVITIES
MSP, copier sales

HEAD OFFICE
Denver

NUMBER OF EMPLOYEES
350

LY REVENUE
Approximately $100m

KEY SUPPLIERS
LogicMonitor