



Michael George is the CEO of Continuum, and has over 25 years of experience in building world-class businesses. Continuum support thousands of Managed Service Providers (MSPs) around the world. I spoke to Michael at a partner event in London.

**RT:** Tell me about what Continuum are doing in Europe at the moment?

**MG:** We have 200 partners here today, and we're going to be looking at product roadmaps, engagement model components and what we're doing at the partner base. It's designed for everyone to get together, listen and learn, with a focus on peer interaction and engagement.

We'll also be holding our first European Partner Advisory Council Meeting, a half day attended by a select group of partners who are a proxy for the European partner community, and we'll be devising a roadmap for our product, company and mission. They have the opportunity to tell us what they deal with on a daily basis, so as an organisation we can ensure we're aligned with developing exactly what they need.

There are unique aspects to the European market, as there are in all the other countries where we support partners, so we want to make sure we're addressing their needs too.

**RT:** How would you describe Continuum and what you do?

**MG:** We are 100% committed to our partners, who are among the best MSPs in the world, and we only work through the channel – we don't sell anything to the end user and make that very clear. Our success is tied to that of the partners, and we are explicit about that.

We want to make our partners successful in all aspects of business, including sales, marketing, delivery and the engagement model, which is why everything we do is geared towards that. The most successful MSPs are our partners for that symbiotic relationship and the fact that we aren't providers.

We do provide a technology platform, which we describe as a vertically-integrated service delivery platform. It includes all the revenue-generating aspects of an IT services company - remote management, backup and disaster recovery and security.

These are the corners of the IT service delivery model, and we have our own technology to provide this – we acquired a company – Zenith - in the RMM (remote monitoring and management) space which was a founder in the IT industry so we knew we could offer the best service.

We also acquired a backup and disaster recovery company, who were the leading provider in the web hosting world and built our system Continuity 24/7 on top. We wanted to make sure we had a BDR (backup disaster recovery) of our own rather than relying on someone else.

Our underlying value proposition is that this is not just a technology solution, but a combination of technology and service delivery, which many people miss out in business, meaning bad metrics and economics – labour is always the highest cost for businesses.

Our model is connected to the NOC (network operations centre), connected with the RMM and BDR and is fully integrated to make things easier for the MSP. We offer the same for security, to protect the business with threat management, anomaly detection and the ability to remotely remediate. We're engineering a SOC – a security operations centre – based in Pune and Mumbai in India.

We don't have a PSA (professional services automation) but we partner with Autotask, ConnectWise and other similar companies. We're focused on the revenue and growth-generating aspects for our IT service partners.

**RT:** What do your typical partners look like? Is Continuum a solution that's too big or too heavy for smaller partners?

**MG:** The heritage of Zenith was to help the market as it was going from the cottage industry to a more mature industry, supporting those in the break/fix business and traditional hand-work business and turn them into MSPs.

This is something we still do as Continuum, as it's a scalable model and gives business owners a large IT service delivery organisation to back them. We help people get into the industry, but we also have big hitters as partners, and we've supported them to grow and scale.

They've developed the skills to offer an elastic computing company and are able to secure large clients with confidence. They don't have to look for support staff, as they can onboard new customers and we give them the economies of scale associated with bigger businesses.

We find a lot of people joining us when they run out of headroom. They may be using another RMM tool or backup platform but find that they can't grow properly. They have to hire staff locally, and this constrains their development. Joining us gives them space to find the right people to help them scale in an industry where it's hard to find employees.

**RT:** It's always been difficult for MSPs to hire good people because there's a skills shortage, so I think business owners are finding it easier to eliminate that need. How are MSPs in the US hiring and retaining staff, and how does that differ from other parts of the world?

**MG:** It's a universal problem in all first world economies, and there's nothing unique in the US approach. In countries such as China, IT is really in demand, and the gap between those with the skills to work in these complex roles and their availability is a real problem. The labour wage inflation is off the charts, and it's not going away any time soon.

People are being forced to work in a globally-distributed service delivery model, and there's a rich labour environment which we bring to bear in first world economies through the platform. It's not like traditional outsourcing – it's more like 'smart-sourcing' – our IT partners can decide how much involvement we have and what we don't do.

They deliver the customer-facing work whatever requires a local presence, good interpersonal skills and high-value strategic work. Our partners want to do the customer interface, and what we do is the backend work – the busy, hard to fulfil and costly tasks and the things that don't make financial sense.

**RT:** During your keynote you talked about a new venture, an office in the Philippines. Tell me more about this?

**MG:** In the same way that India has been a resource for talented IT people at a much more affordable rate than we find in local economies, the Philippines is the same. The people speak English because the country was occupied by the Americans in the late 1800s.

They have a very rich IT skill base in the community, and outsourcing IT and processing business support service has become the number one export from the Philippines. We're not the first people to go there, so we're tapping into a well-established, well understood environment.

There's an area just outside Manila which is just for IT companies. The people who work there are Continuum employees rather than being outsourced, and we're building a world-class helpdesk operation for the community.

Small and medium sized businesses struggle more than the larger companies with using English-speaking Indians, because of the pronunciation. The speaking style in the Philippines is a lot softer and easier on the ear, and customers are often unaware of where the staff are from. We have over 200 people working in the helpdesk already.

It's a service that's grown really fast, because it's a well-understood problem that people in the local economies don't want to be waiting for the phone to ring only to deal with an irate customer, and nor should they. They should be doing higher-value, strategic work around cloud computing and re-platforming.

We're not in the business of eliminating jobs, it's about stratifying the work, and do all the grunt work, and we're using Manila to provide support. This is the first effort of the globalisation of the helpdesk, and we will be putting operations in Europe too, particularly where we have language differences such as Benelux, Germany France, Italy and Scandinavia. What we're doing in Manila is the first stage.

**RT:** You've been CEO since 2011, and you've got staff all over the world. How do you find managing a distributed workforce across continents and time zones? How do you do it?

**MG:** With a lot of air miles! I have a spectacular team of managers, but I get out to the other locations as much as I can. We have 1,400 employees in the company, and I make a personal commitment to go around the globe and shake hands with each of them.

We have an open book policy and we talk through our performance as a company, our growth and our strategy with all the teams on a quarterly basis, as well as at year end, and it takes me about five weeks to go around the whole company.

It's with hard work, a lot of passion and caring about people that I manage it all. When we founded the company five years ago there were two tenets that we felt would keep us true to our mission and objectives.

One was to focus on our team and talent management, and we bring lots of resources to them – training, education, growth, opportunity. We have high retention and great skills in the organisation, and have some of the most talented people in the world in our company.

The other tenet is to care about our partners, which is why we make investments in engaging with them. In 2016, we spent more than \$55m on collaboration, Continuum University and all our partner engagement tools and resources to help them be successful.

We have an office in Sydney, we have engineering in the Ukraine and Bolivia. We acquired the leading backup provider in the world, as I mentioned, who happened to be in Houston, Texas, our head office is in Boston and we have 250 employees in Pittsburgh. We're

growing our offices all the time and established ourselves as a truly global company right at the beginning, rather than as a US company.

I've worked for global businesses before, and it's a different approach than if you were starting out in the US and trying to branch out. In that situation, the other offices tend to only be for sales, which is a limiting experience for the customer.

We're very mindful of being respectful of local cultures and attributes wherever we are, but to also stitch ourselves together by a set of common values in each operation, in every location. Each of the entities has its own culture, attributes and personality, but you can still tell that they're part of Team Continuum wherever they are.

**RT:** After 25 years in the industry, on a personal level, what would you say is the one constant that still remains true today?

**MG:** That's a great question. I love technology – I love working in the field and everything about it. But it's a self-select industry, because you understand and care deeply about it, and you know it's not just technology for its own sake, it's about solving an important business challenge.

When you get your head around this, then you can be impactful for people's businesses. What we do in the IT services industry is about continuity, security, protection and allow companies to flourish, and we help them see that IT is an asset, not a liability, and that it can be used to give them a competitive advantage.

No matter what your business, IT, infrastructure and technology is your friend and an asset, so at Continuum we're always mindful of marrying the two sides together. Technology has a set of unique attributes, and people often think it will eliminate jobs and automate work, but the opposite is true - it has created opportunities and advanced society and business.

The combination of technology and people, and the engagement model, was true 25 years ago when I first joined the industry, it is today, and it will be true in 25 years. We've worked to help our partners with that.

The paradox of high technology is the sensation that there's an incentive to wait and that things will get better and cheaper. In the world of pure technology, that's fundamentally true, but the opposite is true in the IT world.

Waiting, in a world where complexity and the level of service delivery required in a complex industry, requiring more people and better skills. Wage inflation is going up and there's no incentive to wait. Things are getting more complex and expensive to serve and solve.

Instead, moving quickly and making good investments is a better idea. This applies to customers needing an IT infrastructure, and we encourage partners to look at them first – what are their requirements? Waiting doesn't make sense, as they need to make investments and secure support.

For our partners, waiting is not a good idea because of the cost to goods sold - labour costs are the biggest expense for an IT company. Continuum model gives them a fixed cost for most of that, to take the labour cost out. For the piece that's left, wages are going up and there is increased demand for talent.

**RT:** What's surprised you most since you became CEO?

**MG:** One of the biggest surprises for me, which I'd not given much thought to before it happened, is the pleasure and enjoyment I get from engaging with the small business owners we work with. The MSP industry is a cottage industry which is constantly maturing and evolving, and I spend as much time as I can out in the field with our partners to learn about the challenges they face and find ways to help them.

The enterprise world is more sterile, when you're dealing with a large corporation and the relationship is purely professional. My personal engagement with the industry has been a real surprise.

I've never had the opportunity before to travel around the globe, meet with small business owners (which most of our partners are) and have a personal and professional connection that allows me to help them.

We're not a philanthropic organisation, but there is an altruistic purpose to what we do. As I go around the world partners tell me that we've changed their lives: we've helped them with their core economics and made them successful, and that's so rewarding. To have a personal impact on so many small businesses is an unexpected benefit from my job.

**RT:** What would you say to MSPs who serve the SMB market? What should they be aware of in the next 18 months?

**MG:** Firstly, there's the idea of changing your business model around the new way of delivering services to your clients and it's about reorganising the way you go to market. We want to help our partners with that, and I encourage everybody to step back and pay attention to the macro changes in the industry.

Business owners are finding that it's hard to onboard people or their customers leave after a few months and go to a competitor, and staff retention is also getting harder. We need to support them with that, to help them understand the skills gap, so they understand why it's happening and what they can do about it.

Then, the sharp edge for our partners is going to be security. A couple of years ago, customers would say that security was a nuisance and top of mind, but now, it's an existential threat. Cyber criminals have found ways to exploit small businesses, who are vulnerable because they can't afford comprehensive protection and are easily attacked by phishing and wire transfers.

For our partners, they'll be able to find new clients, that they've never had access to before, through their ability to solve the security issue through technology, remediation and training. Continuum will give them the tools to be able to do this, including a security centre to help them respond to anomalies quickly and remediate.

We will also enable partners to deliver training to the end user on how to protect their business and educate their employees to think before they click on links or bring in their own thumb drives and so on. This will help partners win over new clients by offering something that other MSPs aren't.

**RT:** What's the best professional decision you've ever made?

**MG:** We spent a lot of time looking at all the vendors in the space, because Zenith and Kaseya were the companies that started off the MSP industry, and other businesses emerged from that. I like to think that Continuum is one of the 'godfathers' of the industry, and we considered many companies before we decided to acquire Zenith.

I was doing due diligence and research in the space and I found that people were expecting automation to take over. They didn't understand, though, that the real problem to solve for partners was around labour. Experts were saying that the Cloud was going to change the industry and we shouldn't invest, but our research showed something else.

We went out to speak to MSPs to find out about their challenges without talking about our services, what was stopping them from growing and increasing profits. Every single time, the common denominator was labour. The skills gap was an issue for businesses around the world, so we decided to focus on solving that.

So, to answer the question of 'best business decision', it was to go against what the research analysts told us and all the well-meaning advice, and to listen to our partners and commit to helping them.

**RT:** I see a lot of vendors pushing out products and services, and then they go to their customers to try to persuade them to invest in something they don't really want. Why do you think more vendors don't ask their customers what they need and what their problems are?

**MG:** Most companies we deal with are vendors, and things are changing for them very quickly. People come to us from vendors because although they're happy with the BDR and so on, their main problem isn't being solved.

They need our engagement model to help them with service delivery, sales and marketing, training and going to market. We've built our whole business around this, and I think MSPs are going to have to move over to this as soon as they can.

We have to earn our partners' business every day, and they don't have to make a commitment to us. We charge them for what they use from our services, when they use it,

and they can get rid of us at any time. I think we're ahead of the curve, and others need to catch up or fail.

**RT:** What about partners who say that their customers would never accept an outsourced service? How do you answer them?

**MG:** When a customer says they don't want to outsource, they're really saying 'lower my rates'. They want better technology, more services and they want it cheaper, and MSPs shouldn't be subsidising their customers. That doesn't work anymore.

We live in a global economy, and any company that's been built from the ground up to bring a skilled labour force to the local markets, and deliver services in a way that's invisible to the client is something you can't compete with.

Our global support team never talks the client and there's no way they would know it's outsourced. They'd just be impressed by the service you delivered in the middle of the night. IT is episodic and problems happen when they happen, not just during office hours. We offer a 24/7 global workforce and people can't compete.

I think there are different appetites for outsourcing in different parts of the world. For instance, in Australia, they don't provide any of these services themselves. They're completely used to outsourcing so there's no resistance to a company like ours. They're used to it and are engaging in this model fast, and it's making a big difference.

In the US, which is a global economy, large enterprise has been outsourcing (and smart-sourcing) to the IT labour market for a long time. There isn't a company out there which hasn't got a support team in India. The US market is also familiar with a truly global, outsourced market, and we're used to buying technology made in another country. It's the same in Scandinavia, where big telephony companies have their base, but their support staff is out in India.

If you're not tapping into the global economy, it's going to be hard to compete. We make it consumable for the MSP, because it wouldn't be affordable for them to try to build these things themselves. We have all the automation and personalisation which makes it invisible to the client, so they have no idea that the MSP is using Continuum services. Some of our partners declare it, but others don't.

**RT:** You're also the founder of the Continuum Veterans Foundation. Can you tell us what that is?

**MG:** All successful companies need a purpose beyond the economics of growth. We've been very fortunate and we wanted to have a philanthropic cause, so we decided to focus on one area.

We have a world that has military risks, and in the free world, such as in the US and the UK, we feel fortunate that we have freedoms, so we decided to get behind veteran organisations.

They support those who've served with NATO or the US armed forces, and this is independent to Continuum. We help transition veterans into IT jobs, and we fund training and education for those leaving the military in the UK, Europe and the US.

We fund any entity which is supporting veterans to transition into civilian jobs, particularly IT, to help the labour economy in the local markets. We feel that this is both philanthropic and serving our industry by training people to have the skills they need to join the community.

**RT:** What's next for Continuum in the UK and Europe?

**MG:** Security is the number one focus for us. We know that security has certain regional attributes, and we have partner advisory councils around the world to help us shape our roadmap. We ask them to share the different challenges they're dealing with so we can support them better.

It's an ongoing process, and we meet with the European council on a quarterly basis – in technology the issues change and move quickly. We want to make sure we're addressing the needs of our partners properly.