RT: Where did Harmony begin?

SD: The company Datalogic has been around for nearly 10 years, and the year before I worked for a company called Solarsoft as the UK General Manager. This was a seller of ERP (enterprise resource planning) systems, with 27 products and 10,500 customers. There were six offices around the country and a salesforce that were constantly on the road and never came into the office, so it was a hard business to be in.

We started to think about needing an order management system and the terms and conditions the salespeople were using. We used Salesforce for core reporting and so on, but as soon as someone gets near to a sale, they forget to update the system and an order comes through with the wrong information on it.

For us, it was really about getting control of the mobile salesforce, so we discussed developing an order management system. I left my job and set up a partnership, where we started out building systems for banks.

Three years later I came back to finding an order management system that matched our needs, but still couldn't find anything that worked. Harmony was not originally designed for

MSPs (managed service providers), but for ISPs (internet service providers) as an order processing system with timesheets and billing

The experiences I'd had at Solarsoft taught me about other types of contract that people need to be able to model, and Harmony has a rich and powerful product engine at its core. This can now sell in four major ways – transactionary, recurring, pre-payment and consumption. Against those four major subclasses there is an infinite variation.

RT: Can we talk about those four different types of transaction, for anyone unfamiliar with them? Most people will be familiar with recurring revenue, but perhaps you can explain the other three?

SD: Transactionary is around time, or selling a one-off item – the system can generate an invoice which can be linked to a project and delivered within it, or delivered directly. Generally, if it has time on it you need to deliver by project.

Pre-payment is often called a 'block hours contract', but when we developed it at Harmony we didn't limit it to hours - it can be broken into cash or tokens. Cash can be related to a kit fund or expenses. It's a flexible model and each choice can be applied to the same customer.

Consumption billing gives you the option to bill by device, and we automate this so you can bring in the devices from your RMM (remote monitoring and management) into Harmony and use a device-based run to query all the contracts, count the devices and automate the invoices.

Our consumption models have what's known as 'fill up' or 'look up' pricing so you can use the volume to look up a price point or sell different bands where you fill the first one before you get the second one.

RT: Where did the idea for starting off with this model come from? It's quite different to other automation tools out there, so why did you choose this rather than doing what most do and retroactively put these things in place?

SD: It was because we were targeting ISPs, and we couldn't see a system on the market that would both automate all the contract management activity, control the sales process and the project delivery, and we couldn't see that in any one place. I don't think there's even a competitor now that has that flexibility anywhere.

I didn't fall out with Solarsoft when I left, and when I went back to talk to them they were still experiencing the same problem. They'd grown to six divisions in four countries and really needed a solution. When we started the project, we made it multi-currency and multi-region from day one, which is much easier to do in the beginning than to try to implement it later on.

We didn't put the service desk in until quite late on, because as often happens with a project, our first customer wasn't Solarsoft – they were an MSP. They bought it for contract

management, because they had 1,800 contracts on various spreadsheets. They asked for the service desk because they wanted to have a relationship between the tickets and the contracts.

We wrote that as part of our development work for that client, but because we had the platform already we were able to learn from the weaknesses of other platforms. By adding the service desk later, it's given us a stronger platform. If you illustrated Harmony in a circle diagram, in the middle you would put the contract, so everything we do relates to that, including billing and measuring.

Our business architecture has proved to be very extensible and powerful, and you don't really maintain Harmony as such. You do work, and that takes time. There's no knowledge-centred keystrokes, you're just doing what you do all day, and Harmony does its best to keep the score and automate the billing.

RT: That's an intriguing approach for me, because one common complaint about many other tools out there is that when they adopt other tools they have to adopt the tools' methodology too.

If I'm understanding you correctly, with Harmony it's not the same approach. You're saying to MSPs: "Let us know how you run your business" and Harmony adopts to them instead.

SD: Our other key design principle is flexibility, so we won't version the code for anybody, but we put an immense amount of effort into configurability. Often when we talk to customers and they ask us a question; the answer is that there are three ways of doing it.

This is because we've never run an MSP, so we would never tell anyone how to run a company. What we want is to give them a platform that allows them to model their business and change it whenever they want without having to replace the software.

What we see from conversations with customers and prospects is that after years of stable break/fix work, the whole market is changing dramatically and very quickly, with the emergence of non-landed, non-local specialist MSPs attacking financial service or healthcare verticals, or growing through acquisition.

These are all trends that we see, and because we originally designed the software for companies that already had that behaviour, we've really ended up with a model that's extensible for tomorrow's MSPs by accident.

RT: Let's talk practical – in terms of the software itself, is it cloud-hosted, onsite, a hybrid? What does the product look like for MSPs?

SD: You can have it onsite or in the cloud, although the cloud is the cheaper version because it's all fully automated. On premises there is more manual work for cementing security keys, batching and so on, but we want to give clients options.

We always host in-country, and we're not a multi-tenant solution, we're a dedicated VM (virtual machine) for the customer, so the risk of data breach and so on aren't there. Often people approach us because they want an on-premise solution or they have government contracts which mean their data needs to be in a specific place.

Sometimes we start in the cloud and then move to on-premise, and in these cases, they don't have to pay the extra until everything is up and running. We're flexible so they can start when they want.

RT: What type of managed service providers have taken up the Harmony Service? What does your customer base look like at the moment?

SD: We're not a solution that suits very small businesses, because it's a big piece of software, and more than you need if you're just starting out. Our typical customer has about 35 users, which is quite a high average for MSPs, and our minimum order is 10.

The software is designed for different functions and for hand-off between them, so there are zones for sales, options and finances. It's quite an unusual menu system, with a task menu driven by the things that Harmony expects you to do.

RT: Can you give me an example of that?

SD: Yes – approvals will sit together under one menu item rather than being scattered about. There are things that come to you to do because Harmony's work flex needs you to progress it to the next stage, and those sit in the task menus within each of the three zones.

There are also activity menus for you to find things, and then there's a resources menu with a static list for customers and suppliers. It's a differently-structured menu from the usual top-level menu, because it's focused on how the business operates and gives a clean look. It hides menus that basic users don't need to have access to.

RT: Your background is working in digital and IT for the finance industry, and I think that's reflected in Harmony as well. You've talked about the product being multi-currency and multi-lingual, so tell me more about that? I think that's a game-changer.

SD: We support every multi you can imagine! We were multi-currency at the beginning, and we store every financial transaction in three currencies, which is the transaction currency, the legal entity accounting currency and the consolidation currency. We're a real-time consolidation engine as well.

Our multi-legal entity build has the tax rules and account codes integrated, as well as its own finance interface, so you can run a multinational group in a single instance of Harmony.

The two things that sit outside the legal entity are projects and customers, so whoever secures the order is the legal entity that owns the work, but other people within the instance

can work on it, and Harmony does the transfer pricing transactions for you in the background.

RT: That will be of interest to MSPs who are on the merger and acquisition trail, because that's something that springs to mind if they're buying IT companies in other countries. In that scenario, what would it look like if they were using Harmony?

SD: It's a single instance model, so if you're running through many different countries and the people in country A work on a project for someone in country B, their timesheet will be the original on the invoice, even though they work for a different legal entity. There is a secondary billing element that transfers the price and gets the cost back into the first country, and it does the same with expenses.

As the receipts appear on the main invoice, the customer doesn't know where the person was working, and this has been designed that way deliberately. With multi company builds you get the transfer price as the cost on the invoice which is wrong, so Harmony resolves that.

Our competitor platforms would force you to take their accounting system too, so you're not just buying a PSA (professional services automation) but an additional system which makes the project a lot more expensive.

We don't have an accounting system, so we interface with different systems and legal entities in a single instance. Even with different account codes, companies can run their accounting processes, because the model sits within the legal entity.

RT: I'd like to talk more about integrations in a minute, but I'm intrigued about the multi-lingual perspective. Can you share a bit more about that? As I understand it, it's throughout the product?

SD: That's right. We brought this in to support our German resellers, and it involved about 25,000 code changes. We did that properly so now we can add a language pack in about a week. Harmony is a multi-culture system as well, and leans on the Microsoft Culture 7 within the browser.

If you log into any production Harmony out there with a German culture setting in your browser, Harmony is in German – the entire system, including PDFs and everything else.

Harmony's products are self-describing, which means they understand their accounting and renewal behaviours. Our orders and quotes are described as behaviours, so it's designed for single-point execution with all the detail around how that product behaves.

Harmony is multi-currency, so at an order level everything you sell can be sold in any currency, and associates one item with any number of other purchases within a line, in any currency. These are modified after sales, so once the order is signed you can go back and

adjust suppliers, prices and so on. We try to support real-world flexibility and business processes.

It's also multi-time-zone, so we support overnight time zones so you can have a subsidiary where you can outsource to a company in India and Harmony's ticket SLAs (service level agreement) can understand the time zone.

RT: You're entering a PSA market that's dominated by a couple of major players, such as Autotask and ConnectWise. How would you give an elevator pitch to someone wanting to know how Harmony differs from them?

SD: Harmony's business architecture puts your contract at the centre of everything you do. It's powerful for analysing profitability and for moving your business into the cloud, where you rely on contracts more than break/fix.

The two major players in the market are tremendous pieces of software, but they've been around of a while and they started when the model was 'you wait for something to break and then you fix it' and that's what they do best.

Increasingly, with more RMM automation, you don't wait for things to break before you fix them, so how do you avoid them breaking? If you bill for incidents rather than things breaking and it's then avoided, you can run an incident billing model against a fund with no timesheet, so you can price the incident.

With the other systems, because they were built when things needed people's hands to fix it, you needed timesheet booking, which is now avoided by using Harmony. Our consumption billing models mean that you can move into device-based billing, which can be fully automated.

We see MSPs moving away from break/fix and into pre-payment, incident-based billing and then into device-based, and we support the whole spectrum. We've written software for where we believe the industry is moving, rather than where it was.

RT: Let's talk about integrations then. We've already looked at the accountancy and RMM tools, so what does Harmony's integration look like for the main tools on the market that MSPs are using?

SD: We have the best integration with SolarWinds MSP on the market and we're getting to the other independent vendors soon. We have a programme where we're working with Ninja RMM already. The one we're releasing next is BlueSnap, which automates your collections and payments processes, and as part of that we've also got the BACS interface built as well.

When we do these things, we use as much configuration as possible, so Harmony is all about flexibility and localisation without making code changes. Within it, you can run multiple RMMs into a single instance, and you can configure a lot of that yourself it you want to.

Some are done simply and a strong parsing engine and a completely flexible notification rules engine, so the thought process is to give MSPs a platform that they can work with and code to. We have a restful interface where you can write your own code, postdate it and pull out data.

RT: Tell me more about the email parser. I know that this is something a lot of MSPs will be interested in.

SD: We have automated region rules, and in Harmony you can have as many support mailboxes as you want – we don't artificially limit things wherever possible. Every main object has up to 60 custom fields, and those aren't simple data lookups. They can be multi-select, they can be referential, so it's a rich data model. You can build your own asset database in Harmony designed the way you want to see it.

Assets can be in subclasses, independent or hierarchic, so it's quite a rich build. It's more about how you see your asset database, so you can use it for physical assets, soft assets or mix the two.

The email parser has to understand how to limit and route things, so for example you can write regex (regular expressions) in the routing rules, it will pluck data from any inbound email and you can integrate it with any regular email server.

What we add with the RMM APIs (application programming interfaces) are a much stronger asset build and list that you can triage and accept into your database very safely. In addition to dedicated mailboxes, you can autoroute using plucking words – so if an email mentions a keyword there's a rule for where to route it to.

You can also design notifications based on those rules and define them, and we integrate with Zapier so you can turn them into SMS. This is a platform for how you want to run as a business, rather than accepting the way we want you to work – we won't tell you how to do your business.

RT: You're CEO of the business, and you've been in the role for 10 years. You originally founded it alongside Steve Powell. What is his role within the business?

SD: He's the CTO, so he runs the development team and the application architecture.

RT: How many staff do you have? You're about to move into bigger offices, so I assume the team is growing?

SD: Yes, we've run Harmony under Datalogic Solutions as a business umbrella for seven years, and at the end of this month we'll be merging the business, so we'll have Harmony Business Systems will take over the operation of Harmony as a business line, and both businesses will be moving into new, larger offices.

The demerger allows us to take in investment for the first time, as we're a bootstrap business – self-funded all the way through, mostly by doing development work for investment banking. We've come to the point now where we want to focus on Harmony and develop it as a business, and to grow it strongly we need investment in it.

RT: One of the big pieces of news is that a very well-known face in the IT industry, Alistair Forbes, is going to be joining you as Chairman. Tell me more about that – what does that mean for Harmony Business Systems?

SD: It's a very exciting development. Alistair is not only joining us as our Chairman, he's also investing in the business, and he sees strong growth potential. He's reinforcing our marketing team and we are actually having a marketing team! We've spent almost no money on it at all, although we get a lot of inbound leads, so we hope to grow that side of the business.

RT: What's next for Harmony? Where do you see the business going over the next 18 months to three years?

SD: We have a reseller and customers in Germany, and we will take on an Australian reseller. We get a fair number of leads from Australia and New Zealand, but it's quite hard to close them because of the time zone shift, so we needed a reseller in that part of the country.

In the new year, we'll open an office in the US, because it's a big market and there's a lot of demand there. Even though we have customers in California it's hard to close them. It's difficult even to engage them, because of the significant time zone difference. We have customers in 14 countries and on six continents, from New Zealand to California, and running that from London is a bit tough.

RT: Well, in Alistair you've certainly got someone who is used to growing a multinational business, so it's intriguing to see where this goes. On a personal level, what would you say is still true today that was true 10 years ago in the IT industry? What's something that hasn't changed for you in that time?

SD: It's not got any easier! We started out developing software for banks, and we tried to create solutions that are fast but also flexible. In my earlier career with Barclays it was the same thing, because it's about responding to user needs without change.
You have to allow the platform to be configurable and the data models to be flexible enough that people can ask for things and you can turn them around very quickly, or they can do it themselves.

That thinking is absolutely in Harmony's DNA, and you can query the database yourself. Earlier this year we launched Kanban (a scheduling tool often used in lean manufacturing) boards across the whole application, not simply in service desk, and our Kanban boards are as unlimited as you need them to be.

You can design your own views, you don't only get two or three, and we give you 70 columns out of the box. I think it's the first tool in the market to put Kanban thinking into finance, so it identifies things you need to do and what hasn't been done, and these queries can all be edited by the customer.

We don't close anything down, rather, we give you a launch point for you to decide how you want to look at the data and how you want to manage the sales and finance processes. In order to help people do that, we give them a lot of views already, and then you can edit from there.

RT: Let's talk about pricing for a minute. We don't have to talk specifics, but what does the pricing structure look like? Is Harmony sold on a modular basis or a flat fee?

SD: We have a dislike of what I call 'salami slice pricing', where you have a price to attract people to a website and what they find is that they have to pay the most expensive price in order to get the one key feature that actually works.

At Harmony, we don't do that – we have one version and when you buy it you get all the functionality forever at a fixed price, and what you use is up to you. Harmony is a single database, so there's no acquired software it's one model. It does the entire cycle from campaign management all the way through to collections and accounting.

You decide which pieces you want to use, and we don't have prices for different versions. When we roll out new functionality you'll get upgraded without charge – we want our customers to use the best functionality they can. Generally, our pricing compares to the lower edition pricing, or is lower than, the lower edition pricing of our competitors.