



RT: For anyone who's not familiar with Spanning as a company, what is it you do?

CS: We do cloud to cloud (or SaaS - Software as a Service) backup for three products – Office 365, G-Suite and Salesforce.

RT: And what's your role within the company?

CS: I am the general manager.

RT: What does that mean on a day to day basis?

CS: That means I'm pretty much in charge of all the departments, making sure our go-to-market is up and proper, that the sales department is running as efficiently as possible and that our marketing folks are getting the word out about Spanning to the public.

RT: Daniel, what about yourself?

DC: I have our channel, so that's all of our channel partners across all spectrums – MSPs (managed service providers), VARs (value added resellers), some independent providers as

well – and making sure that they're well-equipped to be able to present us in the market and go to market with us.

RT: I'm a Spanning Backup user myself, I'm a customer of yours and I've been using the product for seven or eight years now with Google Apps. I know what it does, but I guess the first question that's going to jump to mind for a lot of people in the market is, 'Well, Office 365, Google Apps and that type of thing – don't the providers back that up? Why do I need a security suite?'

DC: It's a great question. At a very high level, the SaaS providers do offer great applications with the nuts and bolts and have tons of redundancy in place so that question is warranted.

The fundamental reason why is, the SaaS providers like Microsoft, Google and Salesforce, though they do have all these redundancies in place, it's all built to protect the nuts and bolts and their own liability.

If lightning strikes and for whatever reason they can't meet their SLA (service level agreement), then they have procedures in place to make sure that you as a customer are never harmed by that.

But the reality of the situation is that the sheer mass of users that they're dealing with, and the nature of human beings is that they can't hold themselves liable for the end user screwing up, doing something they're not supposed to be doing and causing data loss.

We are that fail-safe, that insurance policy to make sure that the end user isn't manipulating the living, breathing data in a way that's going to be harmful or, if there are any malicious outsiders or ransomware that could cause a problem. With any issue like that, the end customer needs to have their security blanket to make sure that their organisation can be up and running.

RT: As I said, I've been a user for about eight years now. To your credit, I don't know very much about you as a company. The reason for that is because I've installed it, set it and forgotten it and it runs in the background of Google Apps.

When I've gone to do restores and things, it's been simple to use. I'm a techie by trade but no longer do any of it. I've been able to restore documents, emails and things like that. Is it a case of you've got a product that is set-and-forget-it and it's just there when you need it?

DC: That's what we strive to do, and I'm very happy to hear that that's the case for you. We want our customers not to worry about data protection and we want to do all the heavy lifting there, so if and when they need us it's quick and easy for them to bounce back and get up and running. Throughout the day they can focus on the bigger IT challenges out there.

CS: I think you hit a good point. It's not just administrators, it's a lot of their users that are empowered to use the product. The set-it-and-forget-it is definitely a theme, and the simplicity of the product I think speaks volumes.

RT: Let's talk a little bit about Spanning as a company. As I said, I'm woefully ignorant of you, if truth be told, and that's a good thing, because I've left it in the background. Tell me a little about who Spanning are, where you're based, how many employees and that kind of thing.

CS: We were born and bred in Texas in 2010. We currently have 65 employees and we are in the heart of the downtown. We've been through quite an acquisition strategy, and I think we were joking earlier about 'the prettiest girl in the bar.'

In 2014 we were acquired by EMC, and shortly thereafter Dell acquired EMC, so that was two, and then recently Kaseya. We've been through the gamut as far as acquisitions go.

It's been positive for us, because Spanning has traditionally served the midmarket to enterprise companies, with the advent of the acquisition of Dell/EMC, we were able to partner with their DPS (data protection services) Group, which allowed us exposure into a much larger, enterprise customer base.

Traditionally, Spanning had the midmarket covered up and that allowed us to get into a larger, enterprise-class customer, and now, with the Kaseya acquisition, we're able to service the SMB and MSP market. We truly have total coverage from an employee standpoint.

RT: What's that going to mean for you internally? How's the team going to change in terms of you were serving the midmarket and now being part of Kaseya, you're serving MSPs. How do you cope with those battles on different fronts?

CS: The great thing, and I think it was the strategic part of the acquisition, is the ability to maintain and operate autonomously in Austin, Texas. It's business as usual for us, although we'll make some modifications to service the MSP market a little bit better from a product standpoint.

We're not having to reinvent the wheel, we're going to tweak and modify an existing product, which is a lot easier from an engineering perspective. There really won't be a ton of changes, although we're going to have to make some small, minor tweaks to the collateral and marketing for MSPs. It's a slightly different market, but the general message of data protection and backup is the same.

RT: I was chatting with Fred Voccola, the CEO of Kaseya. I'm a big fan of this, as they've got a really interesting strategy when it comes to acquisitions. Most companies in the market, as soon as the acquisition is made, they share the news and make a lot of noise, which is then frustrating for partners as months down the road nothing has happened.

Kaseya do it slightly differently, don't they? They make the acquisition, they keep it quiet, they integrate. What's your experience been, as you've been thorough a couple of acquisitions now, but specifically with Kaseya?

CS: I've been on both sides of the acquisition strategy for many years now. This one was unique, in the fact that they do not announce until they have a fully-integrated product with

their platform. As you alluded to earlier, a lot of acquisitions are big splashes in the news to generate instant recognition or acknowledgement for the acquiring company.

In this case, it was for technology, and they wanted to make sure that they have an integrated product that works very well at the time of release. Not only is it an acquisition release from a news standpoint but they also have a product that's ready to service the market.

It's the first one I've been part of, and I can't believe it's not a strategy that's used on an ongoing basis. It makes sense, and I think it speaks volumes about how Kaseya have connected with their users in the MSP space.

They listen, they make key strategic acquisitions, they implement technologies that are a good fit and can be used by those MSPs, and then they announce when that's complete. It's a breath of fresh air.

RT: It is, and it makes absolute sense. The news came out on Monday and the Kaseya Connect conference started in Amsterdam on Tuesday, where we're recording this.

For some people, that was the first time they'd heard of Spanning. Now they're aware of it, instinctively they ask, 'When can I get my hands on the tech?' and the good news is immediately, so the frustration is out of the way.

I was on the main stage speaking yesterday about the opportunities for MSPs, and I think this is a question aimed at you, Daniel. Saturation in the Office 365 market, and to a lesser degree Google Apps, for MSPs is way up there. Pretty much anyone who can be sold Office 365 has been. I'm shocked and surprised by how few MSPs are offering services such as Spanning, archiving and other things on top of that. Why do you think that is and why do MSPs just rely on Microsoft to do the backup and security for them?

DC: I think it was the way that Microsoft and some of these SaaS applications went to market. In our infancy in the market what we would see is a lot of people fighting cloud insecurity. In order for them to effectively go to market, they wanted to make sure that that conversation was handled as directly as possible, so it was almost sold as backup proof.

I feel that the market's matured enough these days, as have the customers, and unfortunately a lot of them have run into these data loss scenarios. The market has been educated enough, to where people are really starting to ask for it rather than us needing to educate them.

We've seen a big shift globally, and I personally have seen a big shift in people coming to us and asking for our services rather than going and reaching out to them. In our infancy we focused on Google Apps and Salesforce specifically and there wasn't a huge MSP focus from those two SaaS organisations.

They traditionally have always been born in the cloud organisations that typically don't have a distribution market to address. The maturity of Office 365 and how aggressive it's picked up in the market has really swung it.

CS: It's night and day from this year to last year. Last year we had to educate a lot of customers on why it was important. The manufacturers would back up or keep some data for 30 days, and the aspect that was the problem was the restore ability.

It was extremely cumbersome and sometimes people could get their files back but it would be thousands and thousands of files to be searched through to find exactly what they're trying to restore.

Where Spanning has really made their mark on the industry is with the restore capabilities. Not only do we keep the data retention forever, but you can go back and look at a specific employee for a specific day and a specific file and in a matter of seconds be able to pull that record back up.

There was a lot of education last year, and this year, unfortunately because of the high rate of incidents, people know exactly why they need backup. They're coming to do a trial and test the product.

It's great for business, and unfortunately, I think it's indicative of the rise of malware and the malicious infractions that happen across companies of all sizes. We've seen a massive uptick in the demand for the product, not only across Office 365 but also Salesforce and G Suite.

RT: Again, I think this is a question for you, Daniel, with your salesman hat on. Being a former MSP myself, I can hear MSPs going, 'Yep, we can understand why that's necessary,' but their clients are probably going to turn to them, some of the more mealy-mouthed ones, and say, 'We pay you for security anyway, why should we pay you more for this product?'

How do you help MSPs to answer that question?

DC: One, unfortunately these hackers are incredibly smart and clever. Think of it like the barbarians at the gate – you need them there to protect the attackers, but if they break through the moat and get into the palace, you need to have a bounce-back strategy.

Every single day, we see more unique ways that these ransomware attackers get in. We have a security engineer that's constantly peppering us with, 'Hey, watch out for this now, look out for that, don't click that email'. He also sends fake emails to try to and trick us!

RT: Oh, like white-hat phishing? He must be a fun colleague!

DC: Yeah! He has a military background and used to drive submarines around. Unfortunately, these hackers are incredibly clever, so the risk is always there. At the end of the day, it doesn't matter how many security measures you have on the front end – humans are humans.

Microsoft, Google and Salesforce all provide an incredible application, with incredible uptimes. But at the end of the day, it's living, breathing data that's handled by human beings.

Say you set retention policies inside your organisation. We've had customers who've set it for seven days instead of seven years, and suddenly, 'Oh my God, all my data's gone from last week? What do I do?'

If you tell Microsoft, 'Purge my data because I've set retention policies', they're going to honour that. You don't want Microsoft holding on to the data that you told them to delete a few minutes before, you want to be able to trust them to delete it.

Especially with GDPR these days and the right to be forgotten, now there's a lot more focus on pushing for, 'Hey, if I tell you to delete something, you gotta delete it.' Whereas, sometimes when you tell these SaaS providers to delete that, it might be an accident or a malicious person making that request. It's that human element that always has to be accounted for.

RT: Let's jump into the nuts and bolts a bit. I'm a geek, a techie and a former MSP owner myself. What does it look like from the MSP's side? Multi-tenanted, they're looking after loads of different clients....

DC: As of today, what we've decided to do to address that piece is to integrate directly with Kaseya. They'll be able to go into their VSA (virtual storage appliance) environment, click on Spanning after they've downloaded the module and look at a breakdown of all of their customers, including a licencing breakdown.

Coming down the pipe, we're going to have a lot more features and functionalities focusing things like alerting and status monitoring, so that the MSPs don't have to go into every single tenant every single day to monitor and make sure the backups are healthy and errors aren't occurring.

We're also going to have licencing and provisioning features that come along, because as we all know, dealing with these sort of SaaS applications is great from a scalability model, but from an MSP perspective that's a lot of licences that you're trying to focus and provision in the right place.

We want to make that super easy and clean for all of our MSPs, to be able to turn things on and off without having to contact their rep every single time. They simply go into the VSA module, click 'yes', 'no' or whatever.

After that, we're all going to be focusing on a standalone tool for Office 365. We do have one for Google that has the same features and functionalities of the tool we want to be able to offer for 365 in the near future. Hopefully, one day, we'll have a full platform for all three of them, so MSPs can manage them all from one place.

CS: That's the goal, and I think not only for MSPs but for a partner community in general is the ability to manage a disparate group of different companies. We have a partner console in our G-Suite product which accommodates distributed environments very well, and we'll be replicating that for Office 365 as well.

RT: Security is the other thing that springs to mind. Obviously, the MSPs or individuals within client organisations have the ability to look at a lot of data if they choose to. How do you enable MSPs to keep track of who's looking at the data and doing the restores?

DC: The way you access Spanning is your OAuth - (Open Authorisation) From a security perspective, MSPs have competitors in the space where in order to run the backup jobs, they force you to have a service account with Google administrator credentials.

I understand why they would do so, because it's a lot easier to work with a SaaS application, because you get to circumvent the API (application programming interface) fidgeting. Dealing with a third party's API can be a bit fidgety, and we run them across all three platforms.

I can understand why an organisation would choose to do that from an engineering standpoint, because it kind of gives you easier access to a lot more features. From a security standpoint you're essentially giving the keys to the kingdom to a third-party application. From our perspective, it's a big security no-no.

It also allows us to really control who gets access and who sees what at the administrator level. You can choose to give access to your end users, and may allow them to run their own resource, but even in that environment it's siloed to where they can only restore their own backups and data. They can only look at their own stuff.

We also have other access and security controls to have a set of hierarchies to allow admins to view things or not to have access to things they shouldn't. Essentially, the way we layer things inside the environments, as well as how we access them and pull the data, innately makes it incredibly secure.

We are compliant with all the industry gold standards, and with our EMC background, having to focus in the enterprise space, where security is always heavily scrutinised, means we've already got that foundation there. The ease of use of our product means that it can be enjoyed by MSPs as well.

RT: We mentioned EMC earlier on. I guess this might be a tough question, but I'm intrigued to hear your answer to it: Kaseya are a channel-based company, and you have also got direct relationships with customers. How do you reconcile that, and assure MSPs that you're not going to work with them and then their customer is approached by a competitor?

CS: I think it's all about how you measure it. We have a dual registration process in place, that protects really strongly in our CRM environment. It's our job to educate the MSPs and our partners. Daniel's done a great job of that so far but he will be wearing many more hats in the future.

It's about educating the MSPs on that dual registration, but to be perfectly honest I think we've got a really good plan in place. We see very little channel conflict currently, and we don't expect a change in that philosophy moving forward. Dual registration and education are key in providing our MSPs and partner communities with as much collateral as possible.

DC: On top of that, what we've also done through the VSA module is around the way an MSP connects their customer to their module – it sort of silos it off in our system. There's a technical sense of ownership from the MSP, and some layering, which you can think of like a hierarchy: it's owned by the MSP, who's owned by Kaseya, and it's siloed off from the rest of our channel.

RT: Let's get to know you a little bit more. Daniel, what's your background in the industry? What brought you to Spanning?

DC: My only background in the industry specifically is with Spanning. I started out as a cold caller and crawled my way up. My start in the channel when we were with EMC was around the large DMRs (direct market reseller) – the CDWs, the SHIs (both US-based tech companies) - and focusing on spreading the Spanning brand around with them.

Since then, I've taken on a bit more of a channel focus globally, on our MSPs and CSPs (cloud solutions provider) on the Google side. Since Chad has joined the organisation, he's really helped me expand my wings throughout the organisation and take a big chomp to make an impact for Spanning.

RT: I can see a lot more responsibility coming your way!

CS: I think the fun thing about most of the companies I've worked for, and especially the spirit we've brought to Spanning is about promotion from within. It builds character and it also allows people to get a feel for different departments as well, so they can really embrace the whole culture of the company, as opposed to a siloed department, if you will.

Not only has Danny done a great job, he's also a big gentleman so I like to take him with me for protection purposes! He was a hell of a rugby player – played for University of Texas.

DC: I had a rugby background and played at the club level, but to cut a long story short, there was a scrum collapse and I have three slipped discs in my neck now. The medics said, 'If you keep playing, you might die or get paralysed.' So, I hung up the boots after that.

CS: So he got into software!

RT: Which can still be a vicious industry at times! For any MSPs listening, don't get into a ruck with Danny!

CS: I agree – he's my protection! The good thing is that Danny is younger in his career, so he loves to travel. I think as you progress in your career travel loses its affinity after a while.

RT: You and I were talking about this before. I've been on the road (as we're recording this) for two weeks, and I'm more than ready for my own bed at this stage.

CS: As your listeners know, we're in Amsterdam right now (October 2018), so our bodies are just adjusting and acclimating to the time change, and we get back on an airplane tomorrow, so we get to do it all over again.

It is a wreck, but Danny 'has bag and will travel', and is very excited to do so. With all the MSPs coming onboard with us, we're going to have a ton more customer visits on the horizon.

RT: What about the UK? Do you have any specific sort of plans? Kaseya has a big foothold in the UK and lots of MSPs. That's my primary market as well, and there is a huge adoption of Office 365.

I'd say the market is saturated, but I'm shocked at how few MSPs are actually offering services like Spanning. For me, this seems a perfect opportunity to clean up. Are we going to see you a lot more in the UK?

DC: Hopefully, yeah. If I can get Chad to sign off on the expense reports, of course!

RT: Let's put him on the spot now! He's not going to say no live on air!

CS: You asked me what my duties are – I report directly to Fred, the CEO! I'll push those up. The good thing is that Kaseya's headquartered out of Dublin, so we've got a big footprint in Ireland.

We plan on taking advantage of the resources there, so we'll be expanding our sales and support efforts to Ireland in the coming quarters, hopefully months. We're trying to expedite it as quickly as we can.

The great thing about our product is it's super easy to trial and download, and through the internal systems we get the updates and mail notifications when a trial has come through.

Just from the Kaseya event over the past 72 hours, we've seen a massive increase in European downloads and trials, so it's really exciting. I'm new to the MSP market, and Fred's beginning to educate me on how the MSPs used to make a living – from the services provided around Microsoft Exchange.

Through the advent of Office 365 that sounds like it's gone away, so this is a really big way for the MSP community to start to commoditise and make some money on services back under that Microsoft umbrella. We're excited to see that and the demand for the product is really ripe, especially in the EMEA.

RT: Chad, you mentioned that there's a team of 65, you've clearly got a good relationship with Danny here, and I can imagine that's similar with the other members of staff as well. What's your philosophy towards leadership and management of people? How do you get the best out of your team?

CS: Work hard, play hard. The earlier part of my career was at Solar Winds in network performance management, and I was there for seven or eight years. I get to experience internal promotion from within, being one of the first salespeople and eventually running global sales for them.

It's such a good character-builder, to have the weight of the world placed upon your shoulders. Whether you think you're ready for it or not, you're forced into that, and that type

of self-discovery is really good for growth. We try to promote that at Spanning and give multiple realms of vertical movement, and to move to other departments, to test out where your skillset is going to be best utilised.

I hate to say it, because it's a cliché, but we have a 'work hard, play hard' attitude. We really enjoy what we do, so it makes the hard work fun. We enjoy cracking out and having a good time afterwards as well.

It's truly a family unit, and it's fun to have that on the home front and the office front. When you love what you're doing, it's not really work. We truly love what we do, and it's been a fun adventure to this point. With the Kaseya acquisition, I think it's going to have much broader horizons.

RT: I can see you'll be growing as a business and adding more people. What do you look for in the people you're bringing on board?

CS: It's a great question. The next segment or phase of growth is going to be in the MSP realm, so we're going to be looking for some background from the MSP world. The great thing with Kaseya is that they're living and breathing that every day and we've got direct access into a ton of thought leaders in the industry and introductions to folks. That's where we're headed at least in the next 12 months.

RT: And what's next for Spanning? In a technical and a business perspective. What's coming down the road?

CS: We're going to be strengthening all three platforms. We're going to be adding features for our Office 365 portfolio, Salesforce as well as G-Suite. G-Suite is by far our legacy product, if you will. That was the first to market and the first that you used, I think?

We like to think of ourselves as the industry leader in that segment and we need to continue to innovate in the other two products to make sure that we get as strong a foothold as we have in the G-Suite space.

RT: Congratulations again on the acquisition. It's fantastic news, and I think you're only going to go from strength to strength off the back of the Kaseya move. I'm going to follow with interest, both as an industry observer and as a customer. Keep up the good work.

CS: Next time you're down in Austin, come see us!

RT: I've never been to Austin, and I want to get to South by SouthWest one time, so I know who to pop in on next time.