



SANGFOR

Sangfor MCS internal launch and business introduction

Vision: Build the digital infrastructure exclusive store

01

Why did we choose the MCS market

02

Sangfor MCS vision and business model

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Sangfor MCS key differentiations

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Sangfor MCS key targets in H2 2021

“By 2021, over **75%** of midsize and large organizations will have adopted a multicloud and/or hybrid IT strategy.”

— Gartner



Over 45% customer have a plan for hybrid cloud in Asia



ANSWER CHOICES	RESPONSES	
Yes, I already deployed a hybrid cloud solution	14.96%	60
Yes, I will adopt a hybrid cloud solution in 2021	14.71%	59
Yes, I will adopt a hybrid cloud solution in 2022	31.42%	126
No, I don't plan to deploy a hybrid cloud solution	38.90%	156
TOTAL		401

Answered: 401 Skipped: 0

Top use case of public cloud

ANSWER CHOICES	RESPONSES	
Critical data backup to the cloud	39.40%	158
Disaster Recovery to the cloud for application or VMs	45.14%	181
Develop applications on-premises and migrate them to the cloud to launch	25.19%	101
Workload sharing during peak traffic peak	20.95%	84
Only SaaS service	16.21%	65
Unified underlying infrastructure resource	9.98%	40
PaaS services on public cloud	10.22%	41
Deploy web server on the public cloud	23.94%	96
Deploy data base on the public cloud	14.71%	59
No requirements	22.19%	89
Total Respondents: 401		

Top use case in public cloud

- DR for application or vms
- Critical data backup
- Application migration(include cloud native apps)
- Web application running
- Workload sharing in different infrastructure

The key benefits of cloud service

Benefits:

- Improve the business availability and better disaster recovery
- Flexible to scale up or down
- Greater speed and agility for application
- Reduce the risk of digital transformation (cloud service offers many digital engines, tools, and resource)

Capabilities:

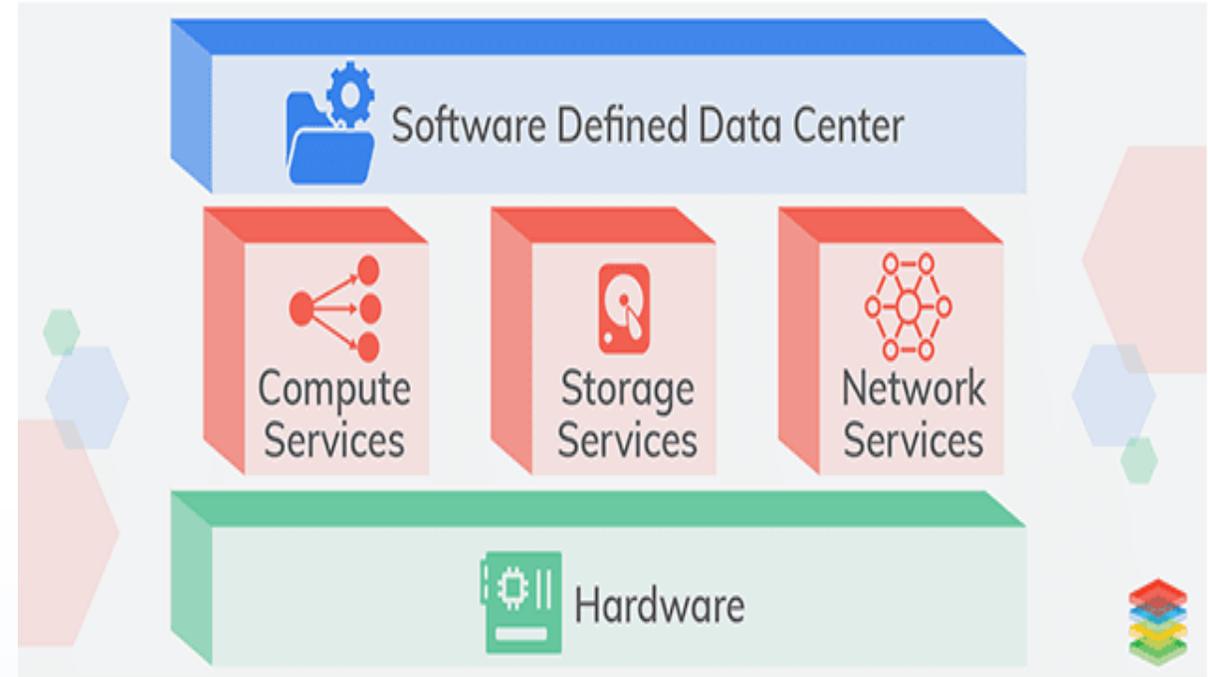
- Basic IAAS resource: cloud host, cloud storage and data base service –80%
- PaaS Capabilities: service to development team for build, test, deploy and run apps– 10%
- Business-level engine: data analytic, AI, Blockchain as well as SaaS- 10%



So, We will miss out the big market opportunity, and most customers will move to public cloud that offered by AWS, Azure, Google cloud, if we haven't the matched cloud business or solutions

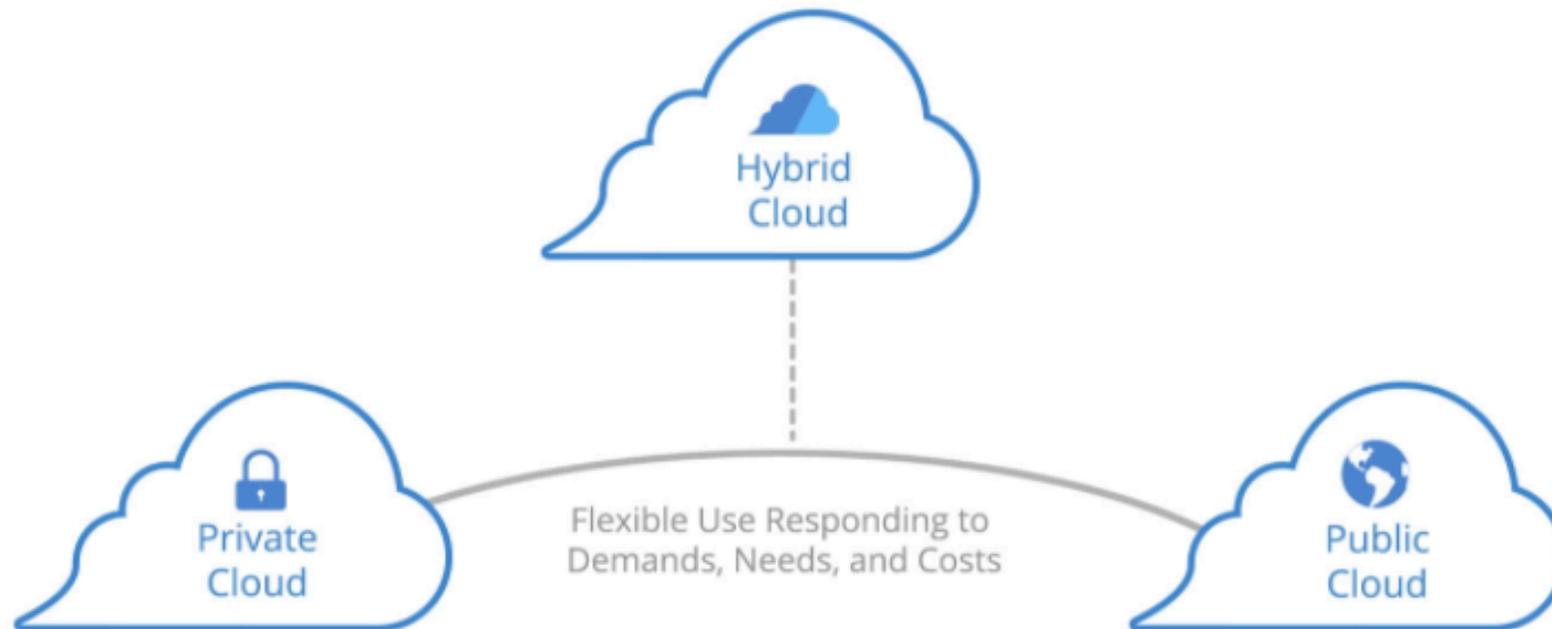
From Internal perspective

- HCI is designed for on-premise solution or the underlying infrastructure, as the customer application move to cloud, the local data center build and expand will be reduce
- HCI is niche market, and really hard to drive the **sales revenue increasing** in long term
- HCI is not equal cloud, HCI will become a underlying technical architecture and invisible to customers



So what kind of cloud service should we provide?

- **Private cloud:** actually most of local private cloud is virtualization or sddc, and this market was pretty mature
- **Public cloud :** Focus on SMB market and also need huge resource and cost investment, on top of that, The competitive landscape of the market is clear and difficult to survive for Sangfor
- **Hybrid cloud :** high depend on the first two solution capabilities and ecosystem that we are not good at



In terms of public cloud, it is Not Suited for Every Scenario



Unsuited



Security and Compliance

Sensitive applications and data have strong security and compliance requirements.

High Performance

Apps require high performance with low latency (DB, HIS, MES, PACS).

Legacy Applications

Lack of high reliability and difficulty migrating to public cloud.

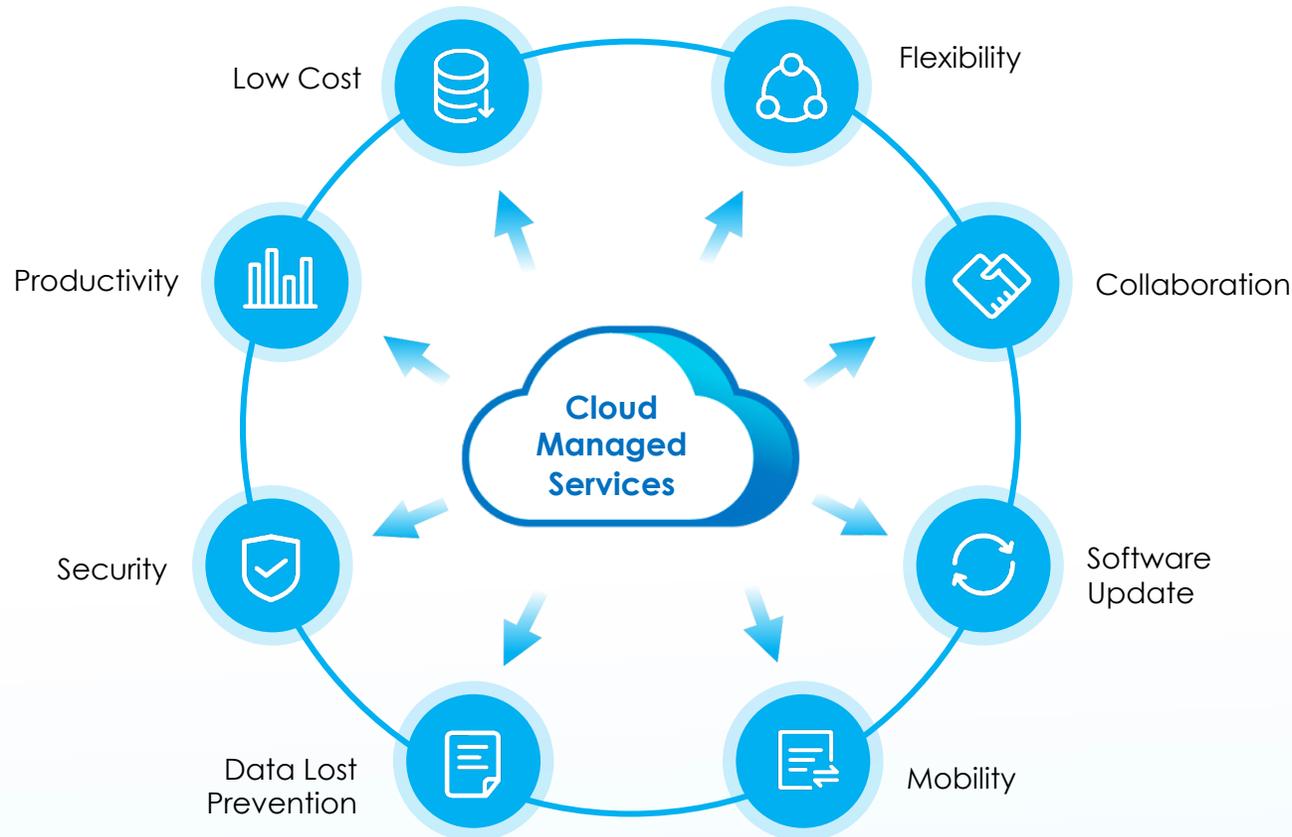
Better and Customized SLA

Fast and high-quality service response including DR, application and data migration and security services (Data Protection).

Cost

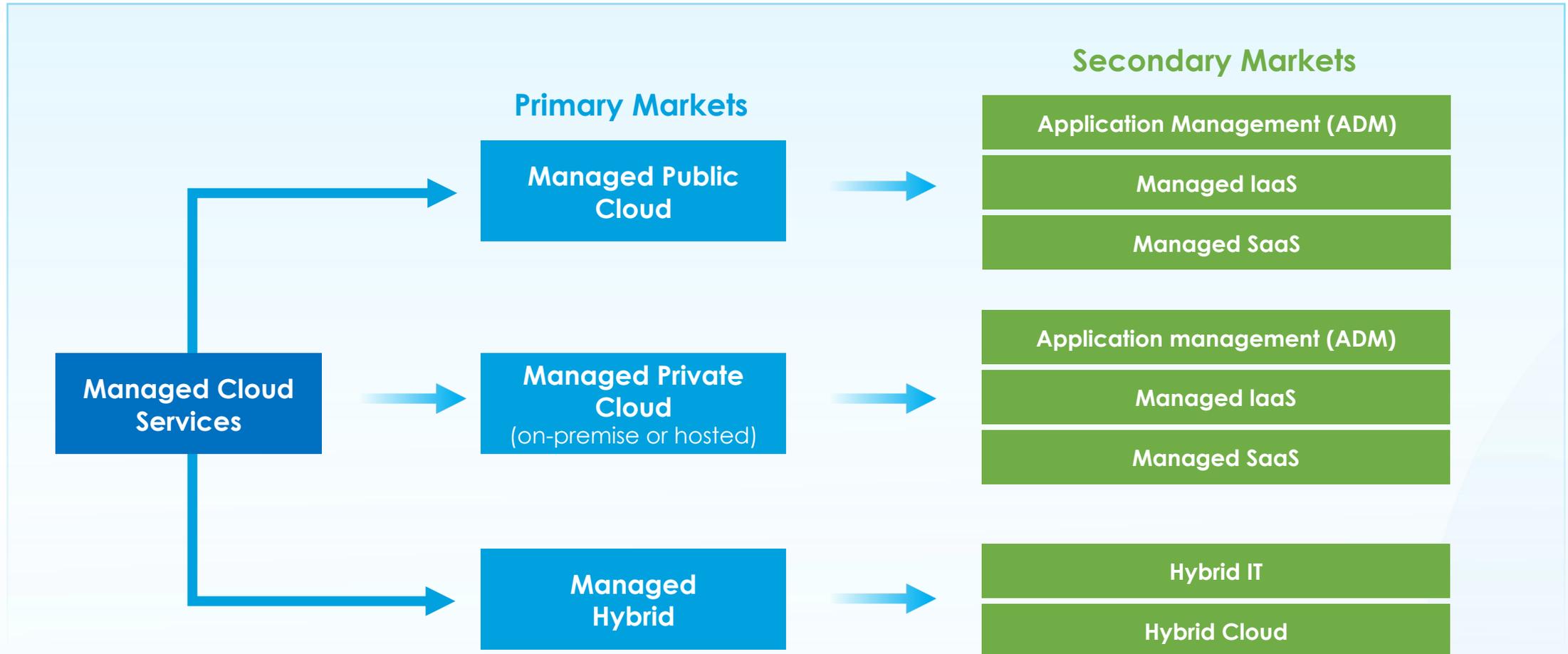
Goes well beyond expectations as business grows.

So we selected the Managed cloud service

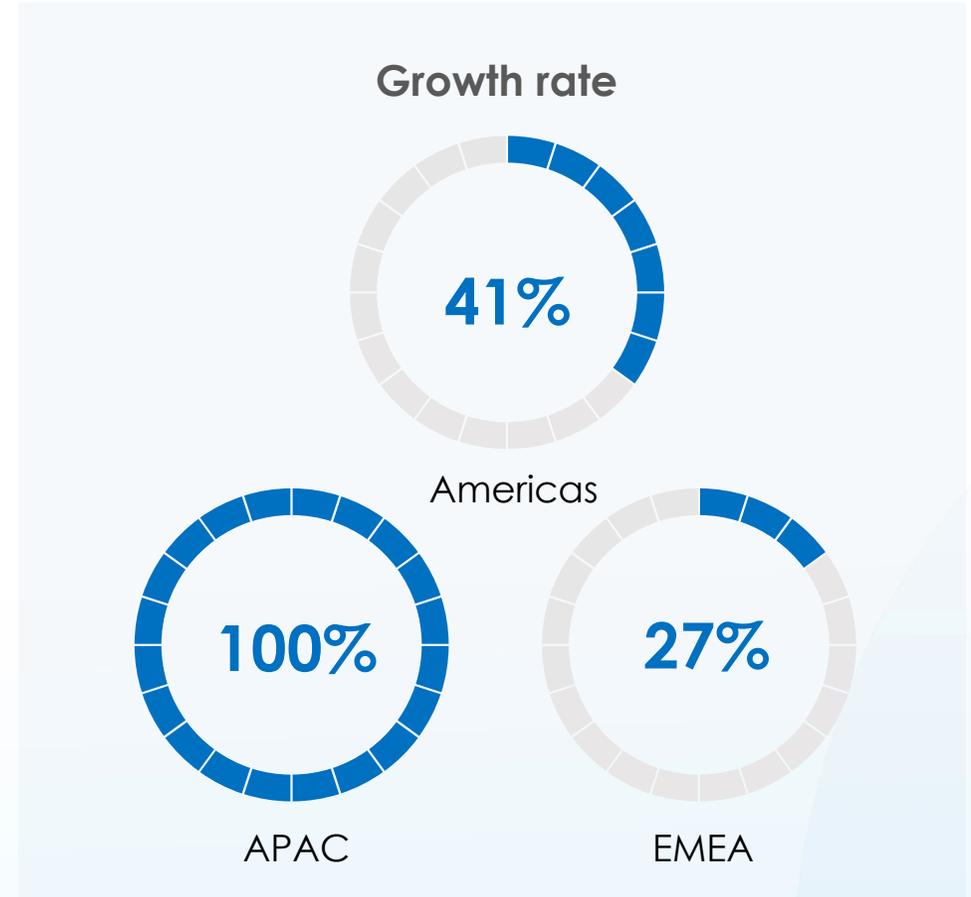
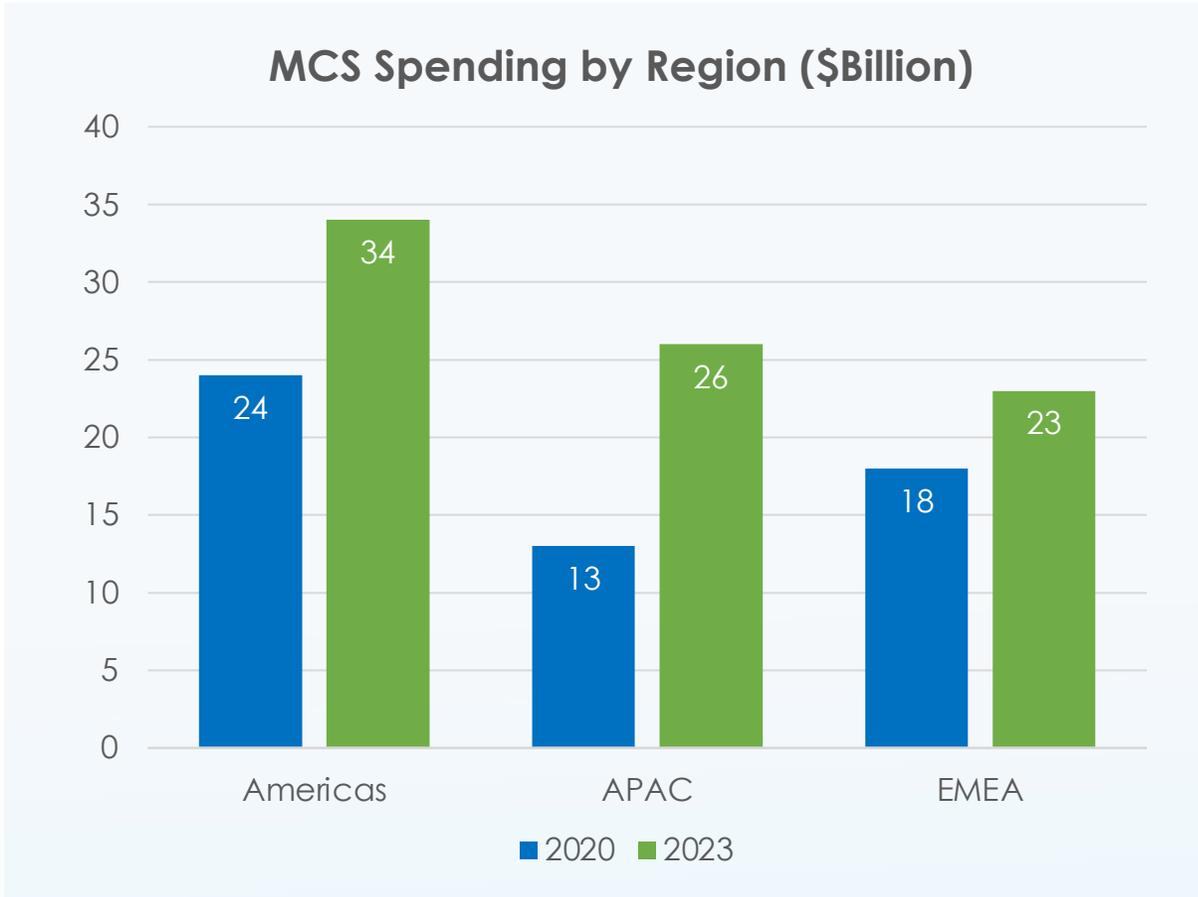


Managed cloud service gives customers the convenience and flexibility of a public cloud, **with the security, control and professional service of a private cloud**, making it the best cloud service approach for most SME customers.

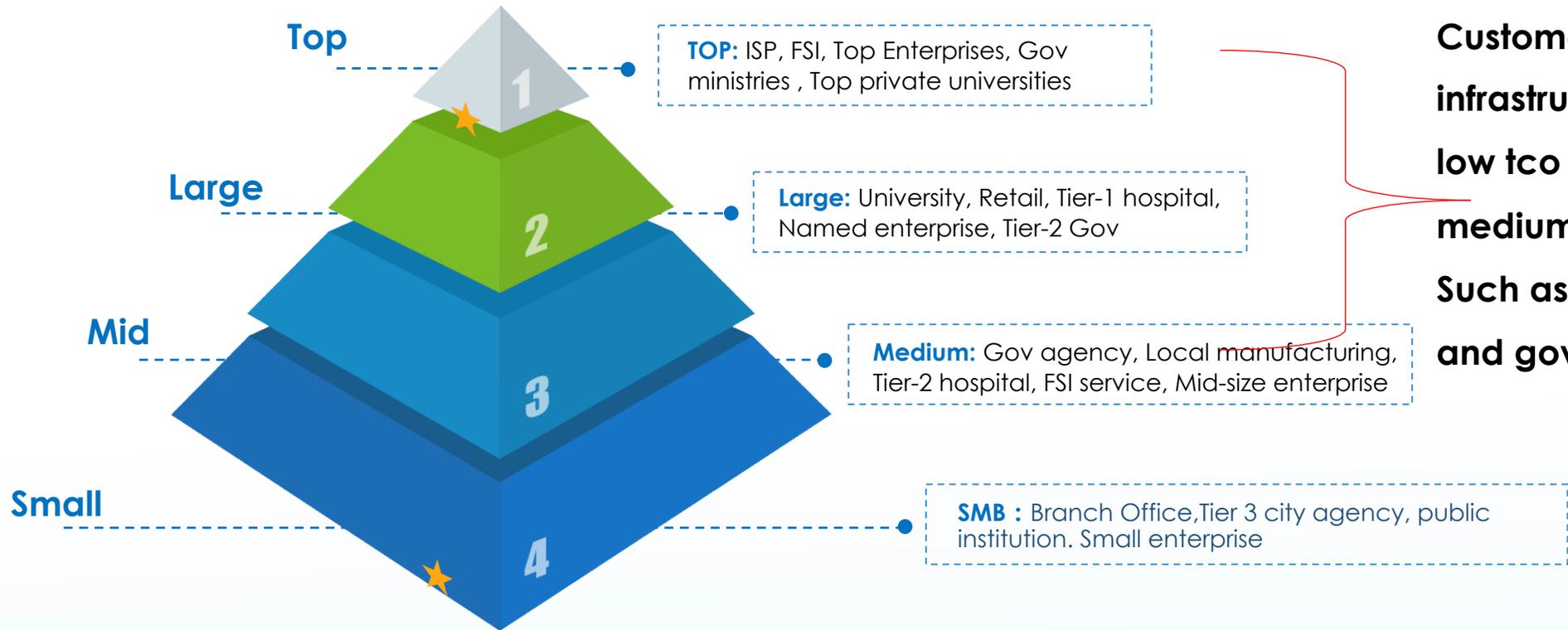
Managed Cloud Services: Primary and Secondary Market



Source: IDC, 2019



Who is our customer?



Customer who want to get a cloud infrastructure with secure and control, low tco and service worry-free in medium and larger size market

Such as: Manufacturing, FSI, healthcare and gov

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Our Vision

Building a **global-distributed** cloud data center, allow every customer to **afford and secure** enjoy the cloud service, **Building digital infrastructure exclusive store**

Our Mission

Company: Make digitalization simpler and secure for every customer

Sangfor MCS: offer the the trusted and innovative digital cloud infrastructure for every customer

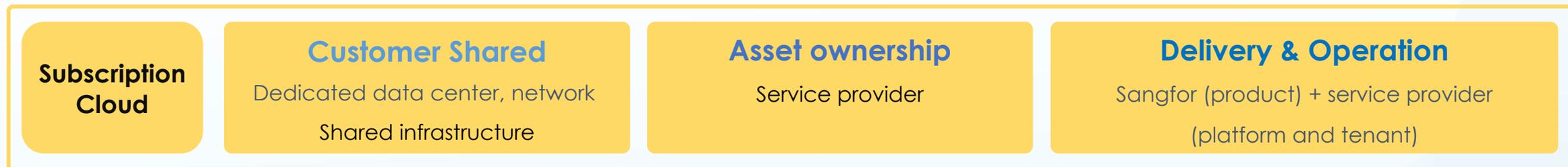
Cloud service Value Proposition

- Offering **trusted** Cloud infrastructure(**Dedicated, Reliable and secure**)
- Extremely **Professional End-to-End** Service (Worry-free service)
- **Tailored service catalog** to specific use case (incubating)

Alliance cloud: A model where Sangfor and partner **jointly invest** in the cloud infrastructure instead of partner invest their cloud datacenter by themselves, and then partner can deliver the cloud infrastructure and service to their end user on top it. The datacenter management and operation unified by Sangfor ,the alliance cloud business model is pretty suitable to traditional partners(SI,MSP,product reseller and isv)



Subscription Cloud: Partners subscribe the Sangfor cloud software to build their own cloud infrastructure and deliver managed services to their own customers, the datacenter management and operation by partner only , the subscription cloud business model is suitable to local IDC/ISP





Business Position (Alliance Partner)

- Sangfor enables partner to become a cloud service provider with low TCO and simple way

Unique Business Model (Alliance Partner)

- Joint investment, shared risk and shared revenue
- Joint operation, and end to end service support

VS Public cloud

- Partner owns IaaS assets and solution requirements
- Partner leads commerce and customer relations
- High value stickiness and profits
- Expand your business boundary from solution to managed cloud service and security

Alliance cloud triangle model



Cloud brand: xx cloud powered by Sangfor

- Sangfor: invest the cloud public management cluster ,hardware and cloud software (Server, software, cloud service)
- Operator: invest the DC physical space, Rack, bandwidth as well as cloud service operation certification(Rack, internet, idc service)
- Alliance reseller: invest work cluster resource and cloud software subscription(working server, cloud service, tenant management)

Role	Asset's ownership	Management and Maintenance	Technical Support and service delivery	Revenue
Vendor (Sangfor)	Management platform (invested by Sangfor)	Manage the whole cloud infrastructure	Working together with reseller	Resource Node fee Managed service subscription
Operator (Dist/vAD)	Data center physical space and Rack, bandwidth	Not required	Not required	Managed service revenue sharing
Reseller	Node resource	Service to Tenant	Service Tenant	Tenant resource and service subscription

Charing model between Operator and reseller



- ❑ Alliance partner pay the server to operator before they sell the cloud service :11.4k,(tax-exclusive)
 - ❑ Alliance partner pay the yearly managed cloud service of each node to operator after they get the po contract
 - ❑ Operator will share 30-40% of managed service revenue and full charge of hardware server to Sangfor (sharing proportion might different in different regions due to difference cost of dc)
 - ❑ Beside that, Operator can get offer 10%-20% profit of service catalog from Sangfor
- Pls pay attention to that the hardware server have to buy **from Dist/Partner authorized** by Sangfor

managed cloud service	Yearly managed cloud service charge	Inclusive: 1、 cloud software lic(aSV,aNET,aSAN,aCloud,Key) 2、 Public managed service per year(Hardware maintenance for 3 years, network management ,Rack and power、 Basic software upgrade and platform M*O) 3、 High availability resource and basic network Security management and trouble-shooting	1/Node	1/Y	\$6,500	#VALUE!
Alliance server	aServer-2305-M	1、 2*GOLD 5220R 2.2GHz 24C 2、 Memory 448G(DDR4 2666 , 32G*14) 3、 6*GE ,2*10G SFP+ , support IPMI 4、 2*Raid card , JBOD/RAID0/RAID1/RAID10 5、 Back end system card Raid1 : 2*128G SSD 6、 SSD : 4* 960G 2.5 SSD 7、 SATA : 8*4T 3.5 7.2K 512N 1、 Front 12*3.5in disk slots , backend 2*2.5in slots 2、 Power 618W	1/Node		\$11,400	#VALUE!

Charging model between reseller and end-user



➤ The reseller provide the subscription pricing to their customer based on the list price that offered by sangfor

For example : Saleable resources for one node resource: 200C vCPU, 400GB RAM and 10TB Hybrid Storage Yearly subscription revenue is about 19.4K (Assume offer 50% discount to UE)

Resource List Price recommended to End User

Compare to Public Cloud

云主机				
序号	规格	价格(元)		备注
		包月	包年RMB	
1	vCPU和内存			
2	1核2G	88.75	1065.00	164
3	1核4G	136.75	1641.00	252
4	2核4G	177.50	2130.00	328

Category	Investment Resource	First Year Cost (USD)	Subsequent Yearly Cost (USD)	First-Year Revenue (USD)	Subsequent Yearly Revenue (USD)
Sangfor	1*Management Cluster(5* server and 7*switches),security device	67K	0	At a loss : 3.8k BEP: over 10 +partners to join	6.5K USD/Year/node
Reseller	Start with 1 node Server And Yearly Managed service subscription cost (includes software)	17.9k (Node:11.4K + MS 6.5K)	6.5k	19.4k-17.9k=1.6K it will be more if factor in other components and service	19.4k-6.5k=12.9k Subsequent yearly gross margin will up to 66%

Notice: This model is suitable for the comparison TCO with Public cloud offer, or on-premise solutions

Reseller's Investment Summary (per Node)



Step 1: Confirm Partnership

- Free Sales/ Technical Enablement and Regional Promotion
- Joint Go To Market Activities & Pre-sales Support

Refund

Upfront USD 11.4K/Node (200C,400G,10TB) (5years lifecycle, Tax/logistic not included)

Total Refund if no first tenant during first 12 Months

Step 2: First Year Annual Subscription Fee when First Tenant Confirmed (eg, in 3 months)

USD 6.50K

(99.9%SLA Support, 24x7 NOC, Platform Software & Hosting)

Step 3: Consequent yearly Subscription Fee

USD 6.50K

USD 6.50K

USD 6.50K

USD 6.50K

Annualized Cost
(8.78K)

Annual Exit Option, yearly hardware value refund

USD 2.28/11.4K

USD 2.28/11.4K

USD 2.28/11.4K

USD 2.28/11.4K

Initial Cost
(USD 17.9K)

Annualized Cost
 $2.28+6.5=(USD 8.78K)$

Annual Revenue
USD 19.40K

Gross Profit
USD 1.50K

2nd year Cost
(USD 6.50K)

Annual Revenue
USD 19.40K

Gross Profit
USD 12.90K

3rd year Cost
(USD 6.50K)

Annual Revenue
USD 19.40K

Gross Profit
USD 12.90K

4th year Cost
(USD 6.50K)

Annual Revenue
USD 19.40K

Gross Profit
USD 12.90K

5th year Cost
(USD 6.50K)

Annual Revenue
USD 19.40K

Gross Profit
USD 12.90K

TCO Cost
(USD 43.9K)

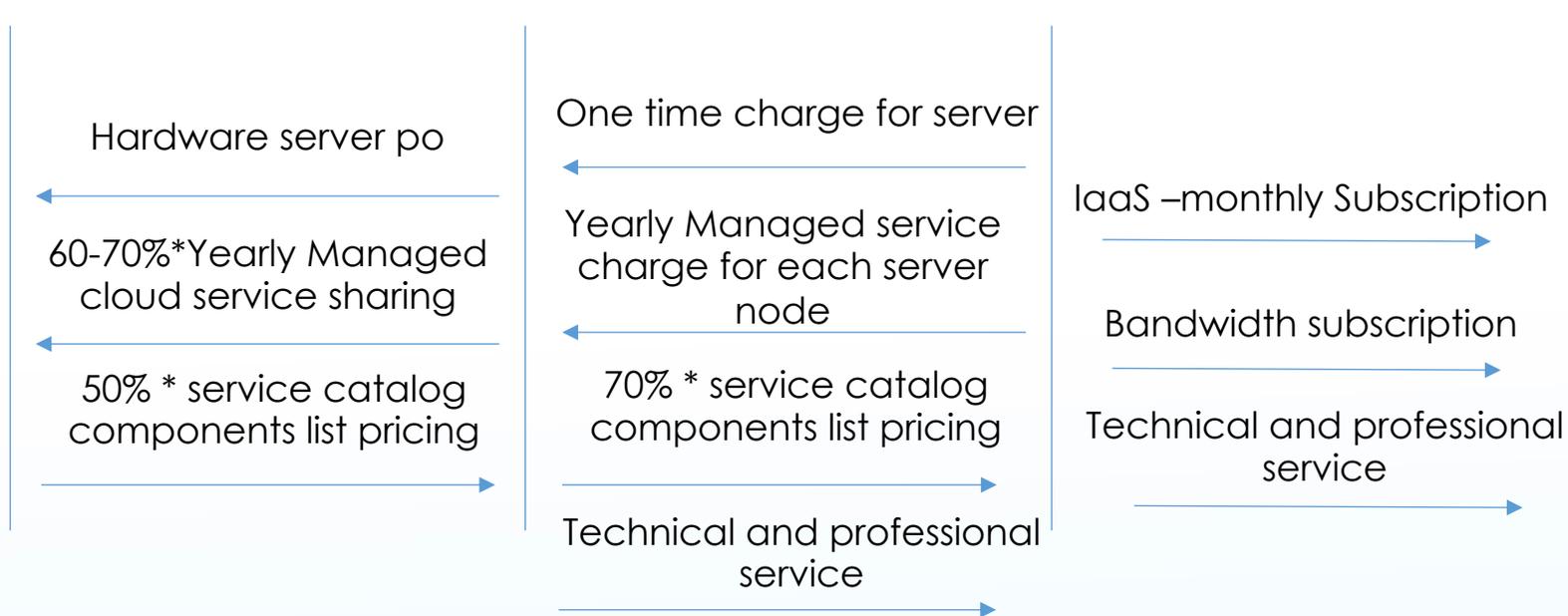
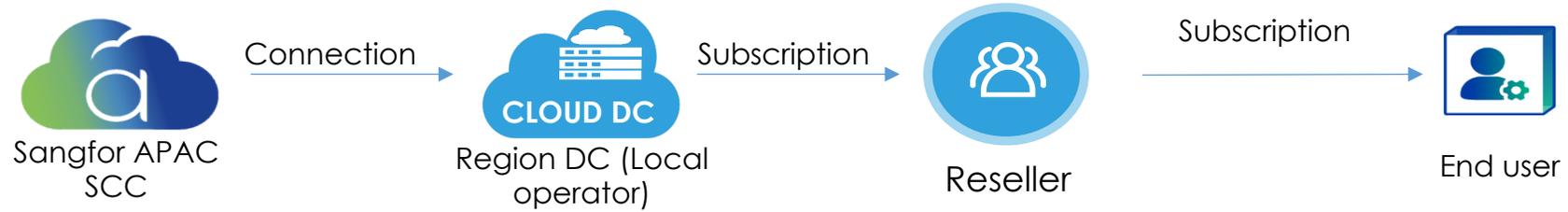
Total Revenue
USD 97.0K

**Total Gross Profit
USD 53.1K**

Alliance Cloud Partner ROI:

- Cashflow Balanced at 1st Year
- Total Refundable Start-up Support
- Metering start only when tenant aboard
- Self-owned Tenant engagement (T1)
- Localized DC O&M (T2)
- Vendor backed Cloud platform & Standby Resource (T3)
- Annual Exit Option

Charging model summaries

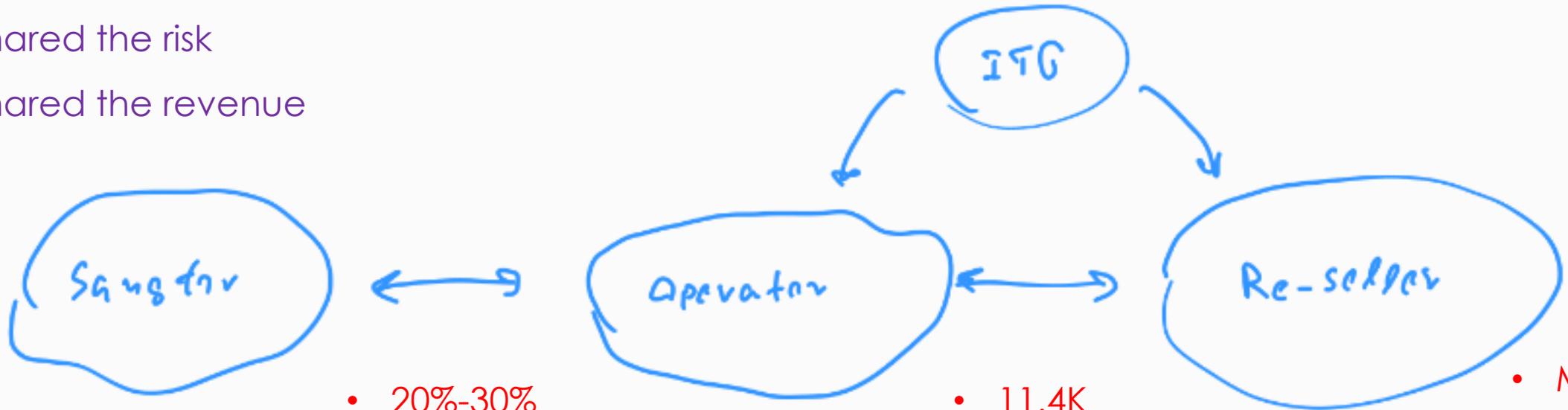


- **Significantly reduce the cost and technical threshold to partner for moving to a cloud service provider**
- **Partner earn the new money in cloud service market and offers the more value-added services to end users**
- **Partner are able to offer the traditional on-premise solution ,cloud service as well as hybrid cloud solution to their end user at the same time**
- **Alliance cloud which means Sangfor will invest more marketing resource, funds ,enablement, and GTM guidance s to work with them ensure the business success.**

Partner will get **REFUNDED** if no any subscription for the initial resource invested within 12 month



- Joint investment
- Joint operation
- Shared the risk
- Shared the revenue



• 20%-30% sharing ratio

• 11.4K
• 6.5K

• Monthly or yearly subscription

- Server
- Software
- Cloud Service

- Rack
- Colocation
- Internet
- IDC Service

- 1-Tier Support
- Tenant Mgmt
- Cloud Services

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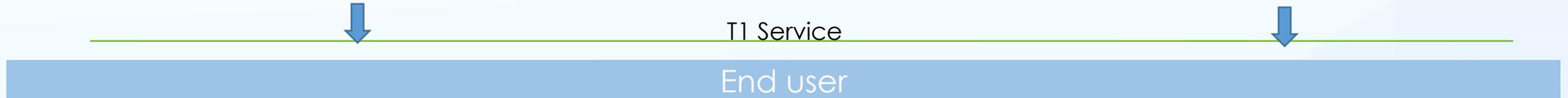
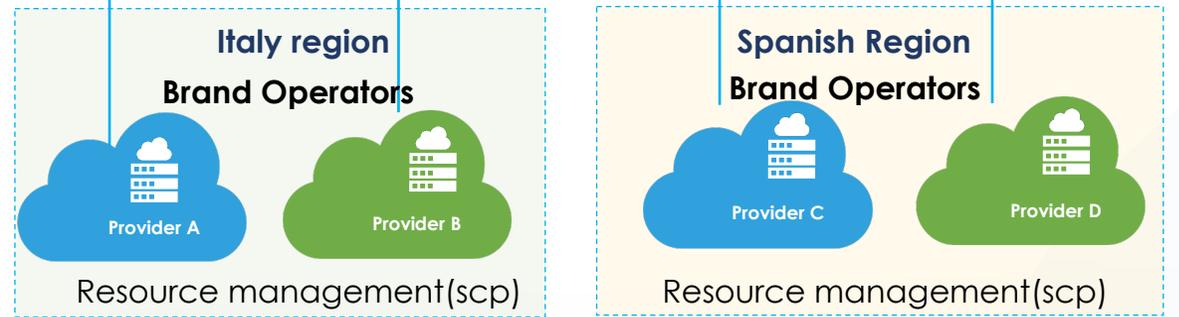
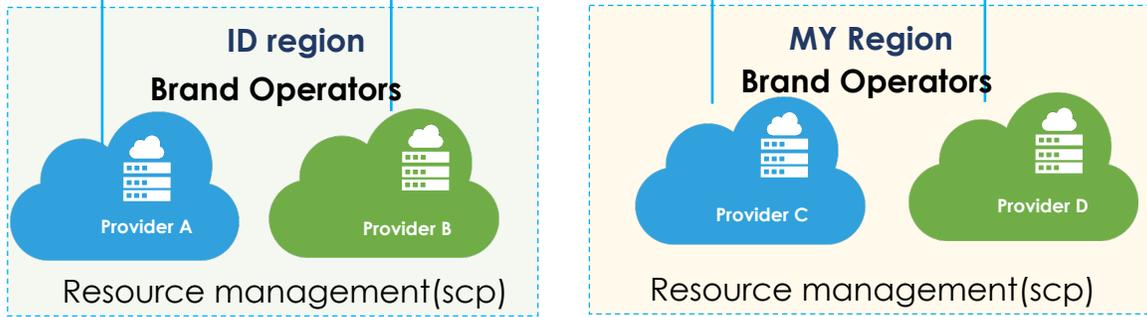
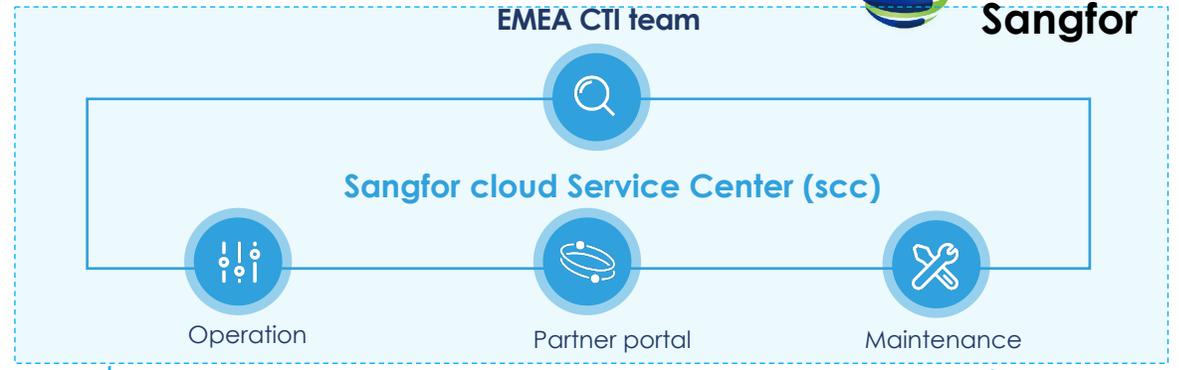
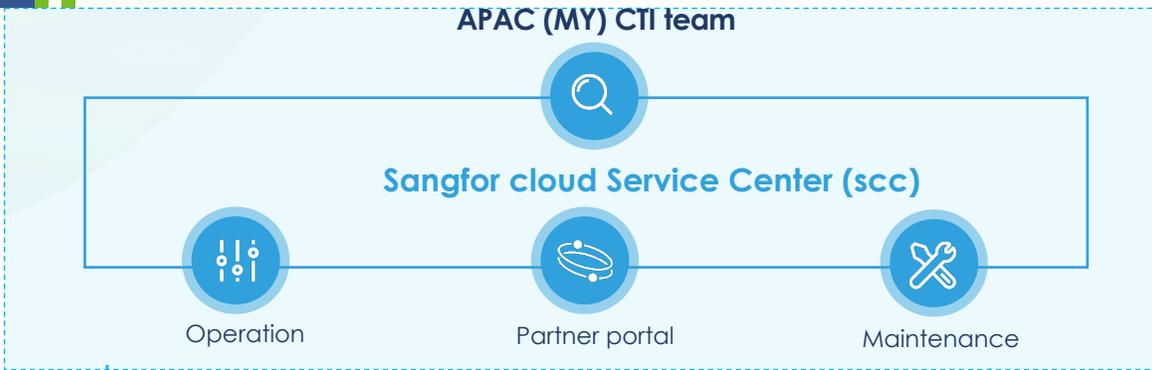
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Sangfor MCS key targets in H2 2021

Global **distributed** cloud infrastructure : over 100 pops



Easy to use and Cost-Effective Infrastructure service

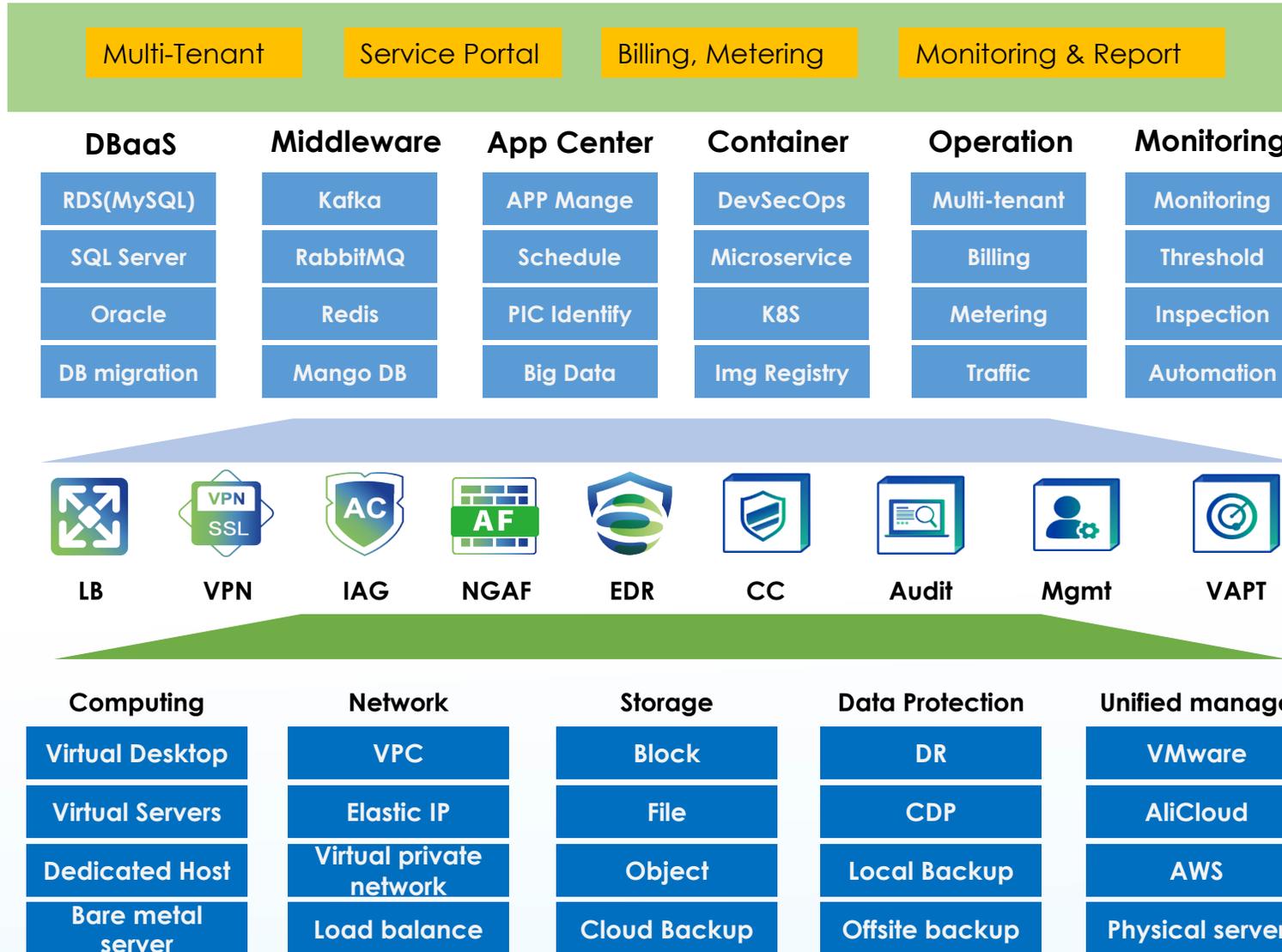


Business Operation

App Service

Security Service

IaaS



Technical Service

24/7 Online Support

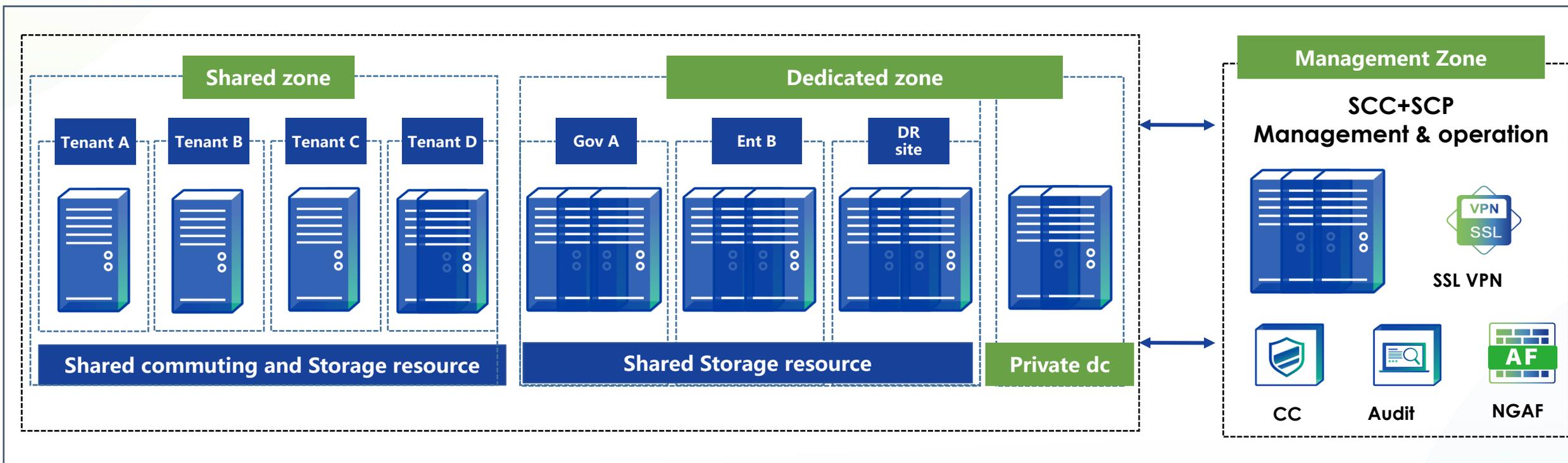
On-site Operation

Tailored Service

Advanced Service

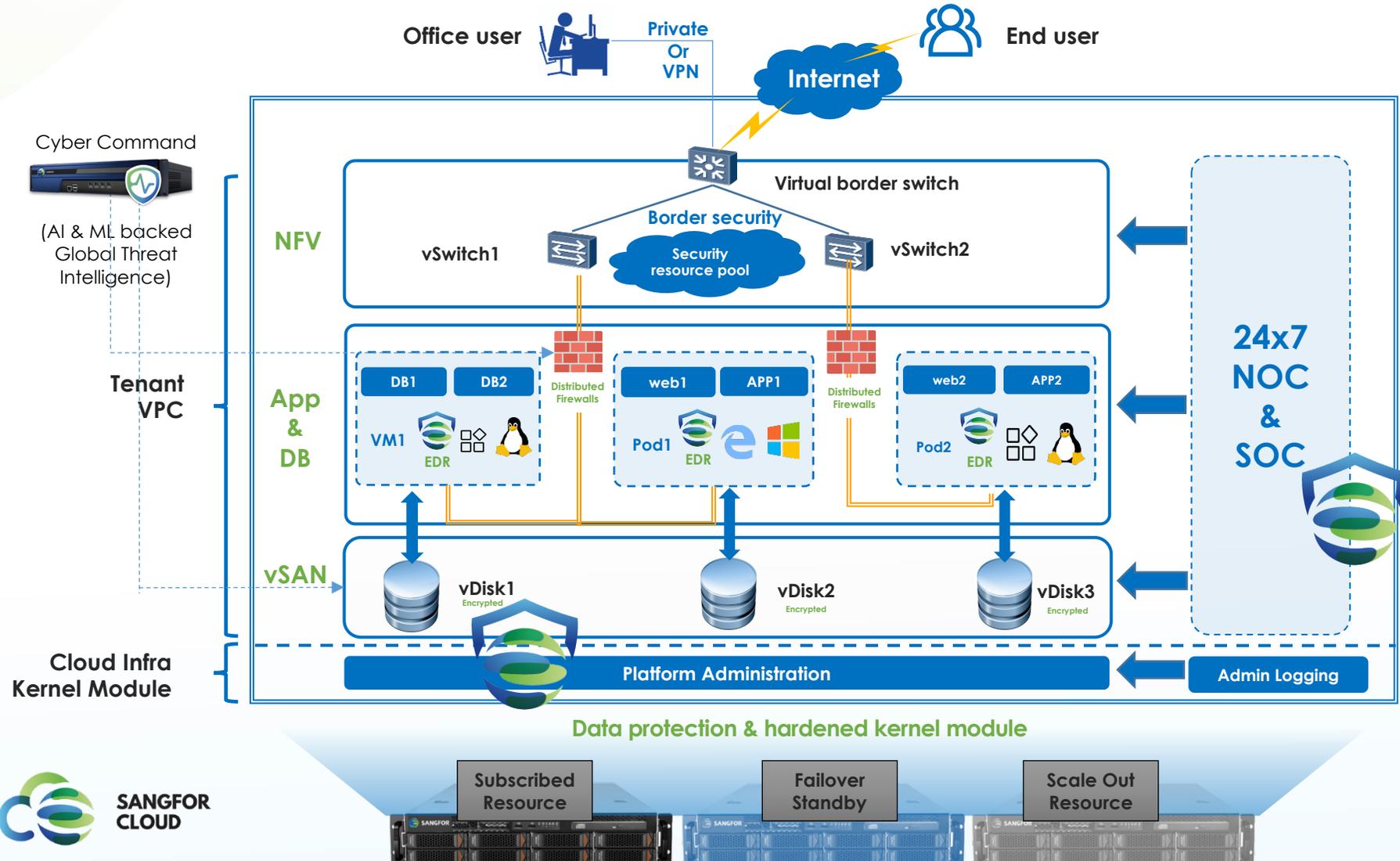
Managed Security Service

SMCS data center logic architecture: **Dedicated IaaS**



- **Shared Zone** : Offering computing or storage service based on the shared physical resource
- **Dedicated Zone** : Offering dedicated compute or dedicated private cluster resource to specific enterprise or industry
- **Management Zone** : Offering hierarchical management and access permissions whatever they are operators and end user

Maximized Security, Inside out



Platform security

- Cyber Command correlated service

Network security

- vAF
- Distributed FW

Endpoint security

- Endpoint Secure integration

Data security

- Encryption

Kernel security

- Built-in WAF



Ultimate & Professional Service(red part is not ready so far)



Advanced Service	Assessment & Consulting Service	Technical enablement & certificated Service	GTM strategies Service
Online & Onsite Service	Application & Data migration	Remotely Managed on-premise HCI data center	Monitoring and report
	7*24 Online technical support	Delivery and deployment service	Mid-level, fast response
Application Service	DBA Manage and optimize Service	Critical-Apps management	AI&ML
	Application image Service	Integrate Service	SaaS
Infrastructure as a Service	Performance optimization	Backup and DR	DaaS
	Managed Hybrid cloud	Container as Service	SASE
	Managed Private cloud	PaaS / Microservices	Database as a service
	Managed VMware cluster	Manage & Operate	Network as a Service
Security as Service	Threat detection & response	Risk & Compliance	Application protection
	Incident Response	Privacy & Data protection	



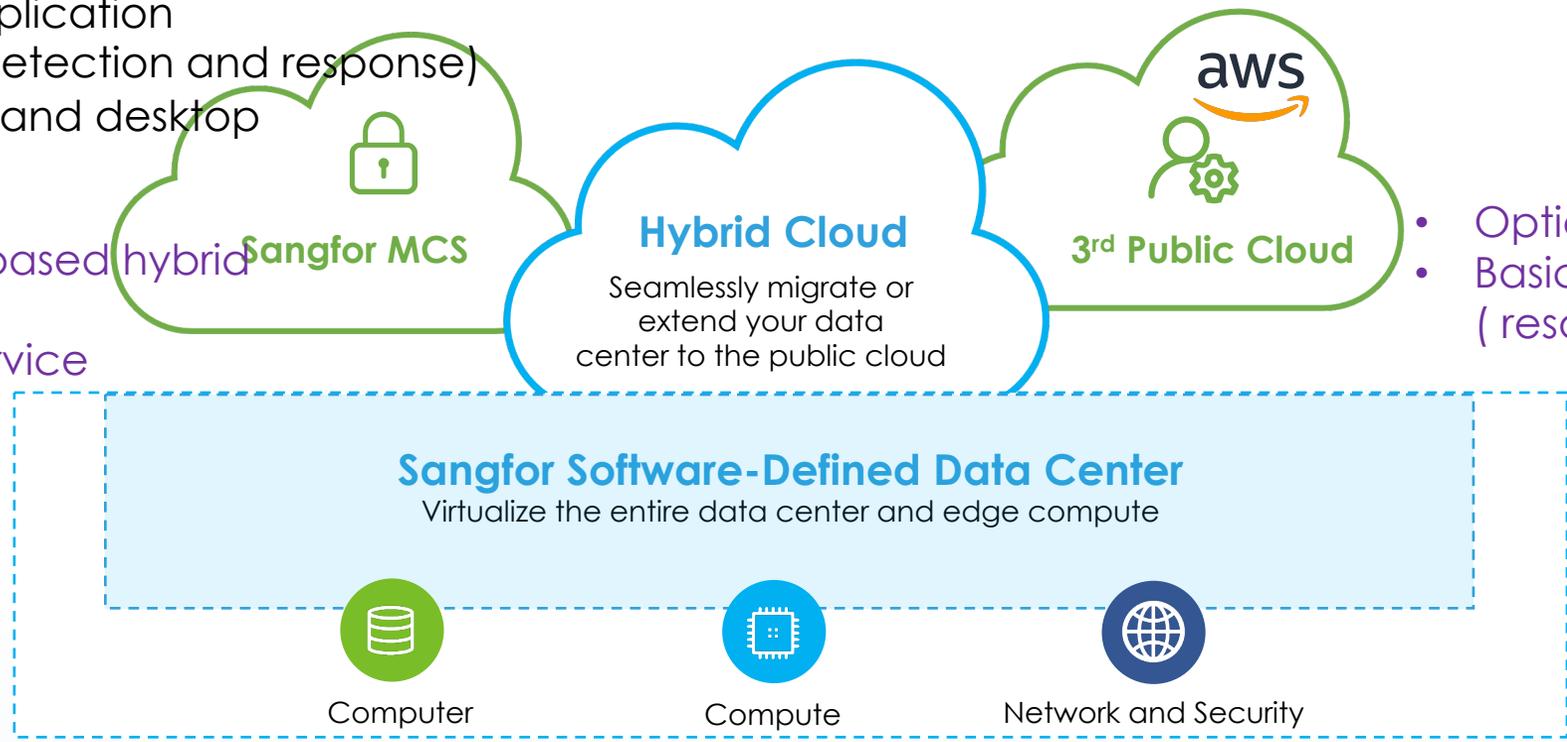
Built-in all-round Cloud Security with AI & ML empowered Global Threat Intelligence

Same architecture based Hybrid cloud: simple and low tco



Focus on infrastructure resource offering and service managed

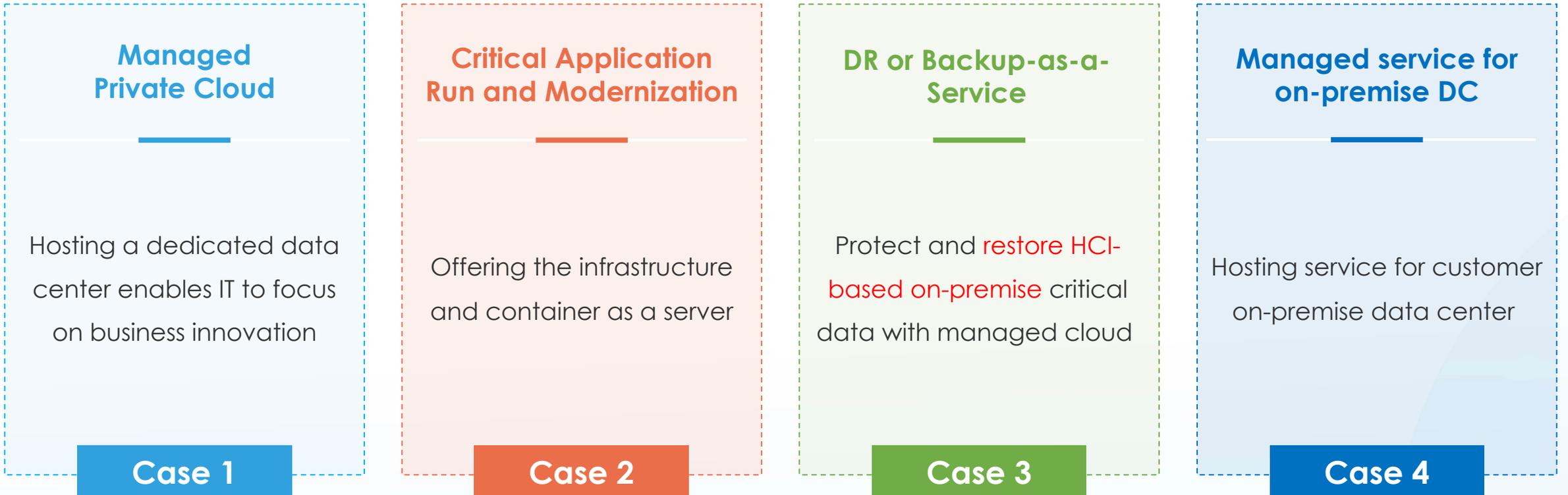
- Managed private cloud
- Managed critical application
- Managed security (detection and response)
- Managed container and desktop
- High priority
- Same architecture based hybrid cloud
- TCO & Secure & Service



- Optional (are testing now)
- Basic capabilities (resource and connect)

Sangfor Hybrid cloud : connect edge, datacenter and cloud

Top Use Cases For Managed Cloud service





An international manufacturing

Business selling more than
23 countries

Over **5** raw material
manufacturing centers

Business intention:

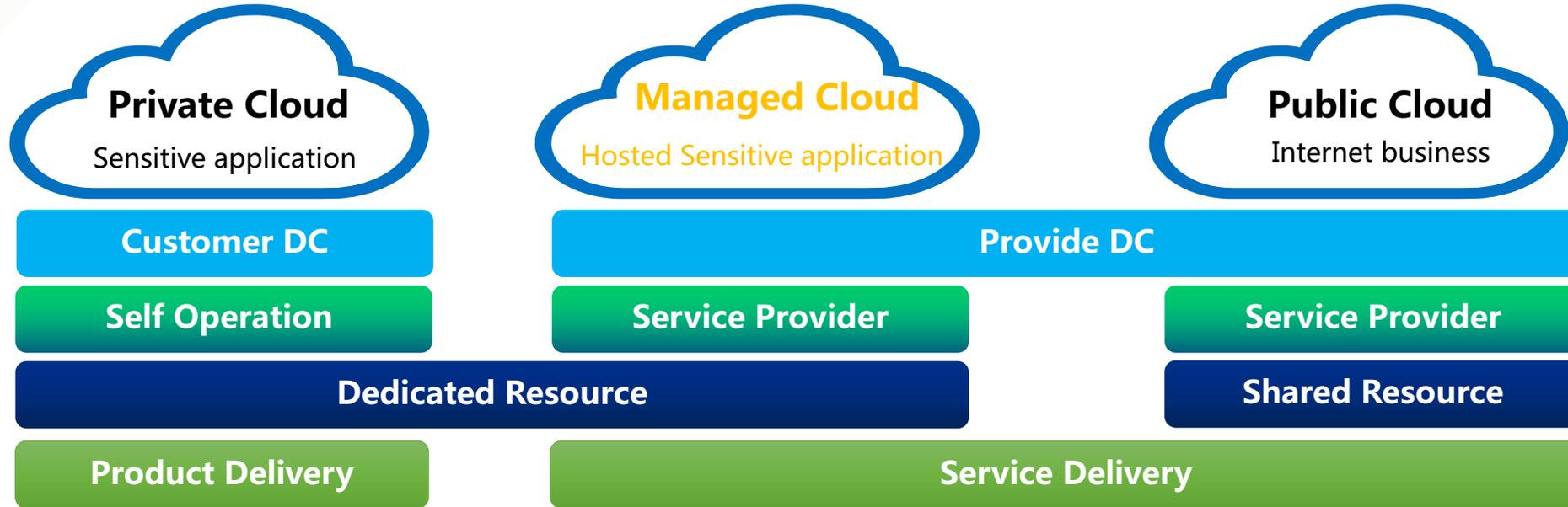
- Developing E-commerce
- Offering uninterrupted Global internet business and service
- Achieve Light-assets target for IT team

Challenges facing

- High subscription cost for web business on public cloud
- CRM and Raw materials are sensitive data and don't allowed to run in public cloud
- Limited IT resource and skills and are not able to provide the best technical service and business guarantee

Solution

- ✓ Selected Sangfor **managed dedicated cloud service** to touch their requirements
- ✓ Have the best TCO and service support (60% less compare to public cloud)
- ✓ Better to meet the internal security compliance(data secure and controllable)



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Sangfor MCS key targets in H2 2021

Business Target in H2 2021

Revenue

- 1.5M USD
- At least 3+ cloud dc operation successfully
- At least 5 alliance partners join and managed 2 critical applications with each partners for each region

Business

- Business model and value validation are effective and replicable
- Deliver a mature cloud platform, meet the customer major requirements in IAAS side and partner service portal
- Practice the standard sales process, sales methods, service delivery as well as best practice for different use case

Enablement

- All permanent employees have to pass the cloud training and drill ,and have the capabilities to sell cloud service
- Alliance partners have the capabilities to address the opportunities, can deliver the right story and values

Document readiness



Managed Cloud Service Internal FAQ.docx	2021年6月10
Sangfor Managed Cloud Service sales pitch and Channel Recruitment workflow.docx	2021年8月16
ar-idc-enterprise-cloud-solution.pdf	2021年5月20
Cloud business vision v3.pdf	2021年4月16
Gartner分布式云Webinar.pdf	2021年6月15
Planetel_Sangfor_presentation_20210511.pdf	2021年5月18
Sangfor Managed Cloud Partner Investment Cheatsheet (1).pdf	2021年8月17
Sangfor-datalink contract .pdf	2021年8月4日
SCP_BR_P_Sangfor MCP program.pdf	2021年5月15
Cloud business vision v2.pptx	2021年4月23
Cloud business vision v3.pptx	2021年4月27
Cloud business vision v4.pptx	
Cloud Service catalog .pptx	
Cloud_PP_P_Cloud infrastructure and service trends.pptx	
MCP for Partner (brief).pptx	
PP_P_Sangfor Managed Cloud Service for Enterprise_20210804.pptx	
Sangfor Managed Cloud Service Program & Business Model Introduction .pptx	
Sangfor managed cloud service to Alliance partner.pptx	
MCP hardware investment for APAC.xlsx	
Private Cloud vs Managed Cloud Investment.xlsx	
Quotation_20210729_Sangfor HK_Switch.xlsx	
[Contract]Operate-reseller 中文版.docx	
[Contract]Operator-Reseller Agreement for APAC_0822.docx	
[contract]payment covering letter (final) -手续费付款方承担.docx	
[Contract]Sangfor Alliance Cloud Partnership for EMEA.docx	
[Contract]Sangfor Alliance Cloud Partnership-template draft for EMEA	
[Contract]Sangfor-Operator Agreement for APAC_0822.docx	
[Contract]Sangfor-Operator contract 中文版.docx	

Thanks, pls attention the second technical training in next week