RT: You've worked in the industry for a long time, and you've got tons of experience with helping IT providers to meet their ambitions and goals. How long have you worked for Datto? And your job title is Vice President of Business Development?

RR: It's coming up to five years, and yes, that's my job title.

RT: The Datto and AutoTask merger – if I understand it correctly, you've got Vista Equity Partners, and they're an investment company. They owned AutoTask, purchased Datto and felt it was better for the two businesses to work together.
Am I getting that right?

RR: Yes, and it made a lot of sense. AutoTask is a tool that's designed for MSPs (Managed Service Providers) to help them move their business forward, track their tickets for remote monitoring and to manage their end users, and they were starting to move to endpoint backup and file sync and share.

Then, when you look at Datto, which has been predominantly data protection and a sell-through product for channel only, so you add in the networking piece, and when you put

it all together there's a complete option for MSPs with data protection and all the hooks, alerts and reports to make their lives easier.

You can then start adding in innovation such as SaaS (Software as a Service) protection, networking and all the other areas we're starting to get into, so it's a complementary fit, and I think that's what Vista saw and put the two together.

So far, it's been phenomenal. It's been a great merger, and while we've done a couple of acquisitions in the past, as have AutoTask, they're never easy, but this has fit like a glove.

RT: How big is the merger company?

RR: We've now got 1,400 employees as a merged company worldwide, and I think that's spread over 35 offices and 45 petabytes of cloud data, which is quite significant. It's probably the largest MSP-only company in the industry.

RT: AutoTask are a very well-known company for their professional service automation, and lots of the top MSPs use it to run their business. Datto is equally well known for the data recovery and data protection. Vista Equity Partners aren't as familiar – what can you tell me about them as a company?

RR: They've been around for some time, and they're a large equity company that tends to focus exclusively on software vendors in the marketplace. When they're looking at acquisition and mergers, such as between Datto and AutoTask, they've got a lost of experience in this realm.

The other beautiful part about Vista is they've got a good understanding of the IT channel and small/medium business IT outsourcing, which is a rapidly growing business. It's a significant investment not just into great technologies but a go-to-market strategy as well, with the MSP channel.

RT: What was the ambition behind the deal? What do you see coming out of the two businesses combining?

RR: With the technologies being very complementary, I think if you look at what an MSP needs in their business, it's single pane of glass, one bill, and making life easier. When you eat into time that eats into profitability, so what are some of the things we can do to make their lives easier, better, faster so they can bill for more hours?

That's why putting the two companies together allows us to become creative and innovative with the MSP in mind. It allows us to do very cohesive and streamlined things, but it's also equally important to say that the open ecosystem is going to be critical through this.

Open ecosystem means that if you're not a fan of Datto and you love your backup or continuity solution you can still use AutoTask to manage that. Similarly, if you're in love with

your PSA (professional services automation) and your RMM (remote monitoring and management) but you like Datto, we make sure that we integrate with those solutions.

We're not here to dominate the MSPs or force them to have an all in one solution, but we're going to try to create the best solution at the best prices and an MSP-centric company, that lets them choose what the best products are.

RT: You want to make an easy choice for them, rather than bullying them and telling them to use certain products.

RR: It's the old expression – we're going to earn your business. That's what we want to do, and we're going to do it through great technology, innovation, pushing the ball forward and making sure there's a lot of margin for the MSP to do that.

RT: There are loads of really good employees in AutoTask and Datto, and I know Austin McChord has stepped in as the CEO of the new company. What does the rest of the executive team look like at the moment?

RR: There's been very little change, and it's a combination of the sell-to product with the PSA and RMM, and the sell-through product with the data protection and networking. It's not so much that this was a merger to eliminate duplication, it was for us to be able to make a bigger company.

We've had very little done, and that includes the executive team. If anything, we're now complementing each other extremely well, with even more thought leadership, more direction and connections within that MSP industry worldwide. It's going to allow us to push it even faster.

RT: We've got a lot of products and solutions, and you mentioned some of the mergers that have taken place over the years. AutoTask have brought in RMM companies. What's it going to look like going forward, and what's the focus over the next 18 months?

RR: In my own role, I'm very tactical and look at what we're doing right now. Networking for us is only a two and half year old project, so it's going to take a few more years to take hold of the marketplace and become a mainstay product.

There's a lot of work to be done on the unification of the two products while maintaining the open ecosystem, and that's the main day to day of my work. Looking at Datto, we're an innovation company, and Austin, who you mentioned before, is a tinker - he tinkers around with different technologies.

Datto's growth over the last 10 years has been because we like to play around with stuff, to tear it down and rebuild it to make it better, faster and cheaper. When we look at that along with our go-to-market strategy, which is MSP only, there are lots of opportunities out there.

At DattoCon last year we did a real, raw, beta version of virtual desktop, to see what we can leverage there, what interest it has for the MSP and what the market looks like. This year we've been talking a lot about managed power, and we've launched that.

We're taking not so much traditional products but things that are already out there, making them cloud-based and MSP-centric, looking for recurring revenue to bring to the channel and integrate it on a single pane of glass.

We're going to continue to do that as long as there's technology out there that's not customised for the MSP market. That's a simple goal, but those are the technologies that we think MSPs are looking at.

RT: I want to give a shout-out to Austin, because before the merger was visible on all the forums, and it was refreshing to see a CEO be so open and transparent, and speaking to customers directly.

I want to look at other specific technologies and an acquisition that Datto made – Open Mesh and Networking. I got my first glimpse in London last year, and was blown away by the product, but also surprised that no one had done it before! Perhaps you can explain what it's all about?

RR: Austin is still very active on the communities and in Reddit and people can get in touch with him at any time – he's one of the best coders we have at Datto. I think it's refreshing, especially when we go to roadshows and most of the CEOs talk business, that Austin gets up and gives a technical presentation. I don't understand half of what he's saying, but the audience loves that the CEO knows more than they might.

At Datto, we looked at networking because there's no viable solution for the MSP channel, which was a surprise to me. There are a thousand networking products out there and we see them at trade shows selling to MSPs, so I found it hard to believe that there was nobody with an MSP-centric offering. We started digging in and realised there really wasn't anything. We're taking traditional technology, creating it in an MSP-centric way and going to market with managed networking services.

Open Mesh was a wonderful little company that we found that had phenomenal technology and affordable access points and switches. They were very forward-thinking and cloud-based, so it was already very innovative. What we've done is add a router to the product suite, and it closes a lot of gaps that MSPs potentially have.

One of those major gaps is connectivity, and if an MSP loses the internet connection to a site, that's a truck roll, which equals dollars and time. It eats into productivity and in essence takes away from margins, particularly if you're doing an 'all you can eat' managed services offering.

Very simply, our DNA device will fill over to 4G. It's not going to be ideal, but it at least gives you connectivity to that site so you have the ability to go in, troubleshoot, find out what the problem is and see if you can do some fixes.

Developing product in the MSP mindset, you need to think about the challenges they have in their business, they ways they can become more profitable and make more margin, especially on a recurring revenue. That was the birth of managed networking.

RT: It's incredible nobody's done it before, because there's these high-end enterprise products and the consumer-going products and I see lots of MSPs using both, but none of them very well. I was blown away by the idea.

RR: You'd think that the fact that nobody's been able to figure out the ecosystem can do it all in one, because when you look at the MSPs they use multiple products on each of those different levels. It becomes more complicated, with different panes of glass, some of which integrate with your RMM and PSA and some which don't. It's not an ideal situation.

The MSP market up to this point has been underserved. There are a ton of vendors out there, especially ones which have direct sales, and that's easy for them. They'll focus on how they can make money, and because of the negligence of the MSP market, I think they've missed a huge opportunity. We're seeing rapid growth of MSPs that we've never seen before, so this is a legitimate go-to-market strategy.

SMBs, especially with things like cloud and security, are outsourcing technology. They don't want to manage this stuff inside because it's not easy, it's more complicated than ever. Now, this massive channel is out there selling stuff, but nobody's taking advantage of it.

RT: Both AutoTask and Datto have had successful conferences and thriving communities, in Europe and the US. What are the plans for those kinds of events in future? Will they still happen?

RR: Absolutely. There's a very specific strategy around that, because we want to touch our partner base as much as possible. Face to face relationship building is still critically important, as is delivering value, education and moving the entire ball forward, not AutoTask or Datto separately, but moving the MSP business forward. We want to create these avenues where we can bring that group together, and it's important.

If you look at trade shows, some are products that you use and others are more like gatherings where you hear presentations from new vendors, and those are great, but the most value is from talking to each other. Because you've got other MSPs all with the same struggles, if you put them in the same room together, you accomplish a lot more.

We have taken AutoTask Community live and we are merging it with DattoCon, because separately they've been among the most successful user conferences in the world. By putting them together, we can make it even more MSP-centric, with training, learning and

experience. It's become more of a global event, and our DattoCon 2018 expected 2,000 MSPs from all over the world to attend.

The power of that and the learning and training opportunities, along with great content and speakers and MSP contributions, is amazing. We're not going to take advantage of that, we're just going to make sure that everyone walks out of there with very good pages of notes of things to implement.

The EMEA (Europe, Middle East and Africa) event, in Barcelona, mostly sees people attending from Europe, and we expect around 600 for that, although we do try to pull North Americans across as well. On top of that, we have roadshows across the world, where we go out to the community to tell them what's new, what the roadmap looks like and the new products we're working on.

We're constantly evolving and innovating, and there's no way an MSP can keep up – I can barely manage it and I work there! This is an opportunity for us to talk about what's next and what keeps MSPs up at night. We're trying to find ways to make MSPs' lives better.

RT: You talk to a lot of MSPs. What do you see as some of the trends for 2018 and the wider industry? What do MSPs talk to you about?

RR: We can get super simple, or super complicated! I think security is a huge thing, and we dealt with this when cloud came out a few years ago – businesses were wondering whether to migrate from being an MSP to a cloud solutions provider (CSP). We saw very little move towards that, and most of it is still in the MSP realm, but people are adding cloud services in.

I always talk about the journey of the MSP and the channel as a whole, which is that it's an evolution, not a revolution. If you're considering ripping everything out to go cloud only or become an MSSP (managed security services provider), it's worth remembering that people haven't been successful at that. It's about adding those key services in to your existing offering.

Security has been one of the bigger wins, and when you start talking about complexity around IT, the end user struggles, so they'd rather pay you to deal with it for them. That's the opportunity for the MSP.

Similarly to cloud, MSPs have been doing 80 to 90% of what's involved with security already, they just haven't packaged it up that way or communicated to the end user that they currently deal with antivirus, malware and spam. When there's new products coming out, they can plug that into their MSP offering and continue to talk about it.

I don't think it's so much a technology revolution, it's more about reframing the conversation, and making sure that the ultimate end user understands that you as an MSP are evolving or at least you are in their mind, and staying ahead of all the nasty things that are out there. We spend a lot of time and energy educating MSPs on things like a go-to-market strategy, and not so much on what the technology does.

RT: I'm intrigued about what it means longer-term for AutoTask and Datto creating this big company. Do you think you'll get yourselves onto the radar of companies such as HP and Dell? What does the long-term vision look like?

RR: That's a great question! Both organisations – AutoTask and Datto – were growing rapidly, and we continue to grow, but now we're doing it together under the Vista umbrella. Does that mean at some point we're going to sell out to HP? I don't think so. Times are different, and those are traditional businesses who haven't necessarily figured out the MSP or SMB space. They've got their happy place in the enterprise market, so they can stay there.

I don't know exactly, and I'm part of the journey as well as being one of the decision-makers, but if I had to trust my gut feeling, we're on a great run, so why would we change that? Unfortunately, when larger companies acquire a smaller one, the impression from the MSP market is that these are where good products go to die.

I use the expression that you can't be half pregnant – you either sell direct or you don't, or you're channel only or you're not. You can't talk out of one side of your mouth to tell an MSP how great their product is and you can help them make a lot of money from it, if you also sell direct to the end user. That hasn't been our way.

When you start dealing with much larger organisations, you don't have a choice, and that hasn't been part of our DNA from either company. It's not something we've been doing and that wasn't what made us successful, so why would we mess with that.

RT: You speak to so many MSPs and IT solutions providers and have done for many years. Out of all those conversations you've had, what is the single message you'd like to share with all of them?

RR: I was recently at a conference in Hong Kong which was for solution providers of all different ilk, but was focused on cloud technology. What happened was that there was a competition among all attendees, that if you had a message to give to the greater community, what would that be?

I put something together and submitted it, and I was one of the winners, along with a couple of MSPs. We had to get on stage and each deliver our inspirational message to the channel.

As I'm sitting there, I'm watching a panel, the last of the day, featuring MSPs. The audience could ask a question which would then appear on a screen behind the panellists, and other attendees could up-vote the question they liked so it got asked.

A question popped up that said: "Which vendor will not be in business in three to five years?" and all of a sudden it kept getting voted up. The guy running the panel ignored the question, because nobody wants to answer that! The vendor chosen was likely to be at the show, and because it was being recorded they'd probably see it.

When I got on stage, I said that small vendors are choosing channel only strategy and the larger ones are trying to figure out how to go back to channel-only. I think that's because the buying power of the MSP is very formidable and large, and one of the fastest-growing (if not the only growing) part of the channel community as a whole.

It's time that the MSP serving the small/medium markets stops apologising for being whatever size they are, for not hitting quotas set by large vendors, for using a lacklustre technology, and instead turn that conversation around and start demanding more from your vendors.

If your vendor sells direct, tell them to stop or find one that doesn't. If your vendor isn't giving you enough margins or cutting them, find a vendor that doesn't do that. What will happen is that the vendors will change and make the MSPs' lives easier, because resellers are shrinking. It is pure MSP play right now, and I think it's time that the channel stood up and said: "Here's my voice" and we listen to them.