

CLOUDBILLING 

eBook

Mastering Multi-Cloud Billing for MSPs

From Pitfalls to Profits



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Introduction

As Managed Service Providers (MSPs), billing can be challenging. You must handle different prices, finish projects, buy software, and watch over networks. Doing this manually takes up much of your time and can lead to several mistakes.

Therefore, **efficient billing is essential for MSPs**. It ensures you're paid on time, reduces the chance of errors, and frees your attention to more strategic tasks like business development.

Now, in 2024, it's time to take a proactive approach to simplify your billing processes. This eBook is your comprehensive guide to mastering multi-cloud billing, designed specifically for MSPs like you.

In this ebook, we'll start by explaining why effective billing is crucial, delve into the common challenges faced by MSPs, and introduce you to innovative automation solutions that can revolutionise your billing workflow.

In the upcoming sections, we will explore:



The multi-cloud landscape

The shift to multi-cloud computing means businesses rely on multiple providers, adding complexity for MSPs.



Challenges in multi-cloud billing for MSPs

As MSPs venture into the world of multi-cloud computing, the complexities of billing are increasing exponentially. Find out the challenges.



Communication is key: Setting client expectations

In multi-cloud settings, clear client communication is vital. With diverse services and pricing, misunderstandings, particularly about billing, can occur. We'll cover three key communication aspects.

Let's get started! →

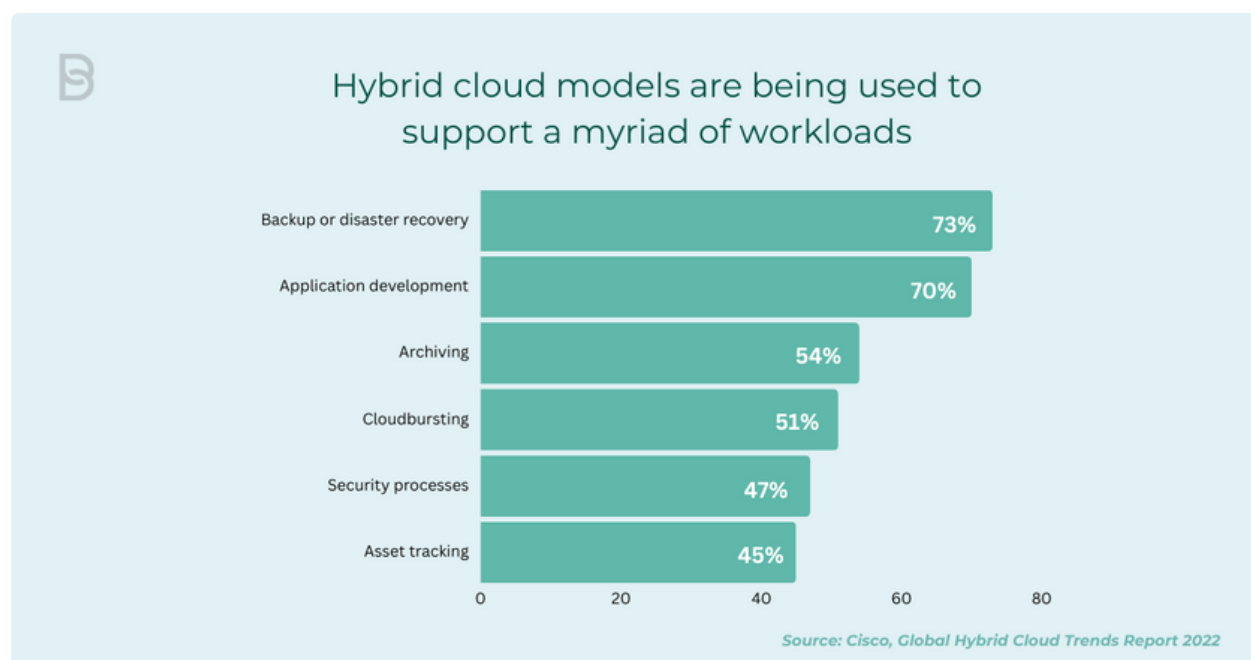
1. The Multi-Cloud Landscape

Cloud computing has undergone a transformative shift from a reliance on single providers to a multi-cloud approach. In this new paradigm, businesses use services from multiple cloud providers to perform a wide range of tasks and workloads.

While this gives businesses more flexibility and access to specialised services, it also brings complexity in managing these multi-cloud environments. Challenges such as integration, data management and security crop up when companies have to figure out the intricacies of working on multiple platforms simultaneously.

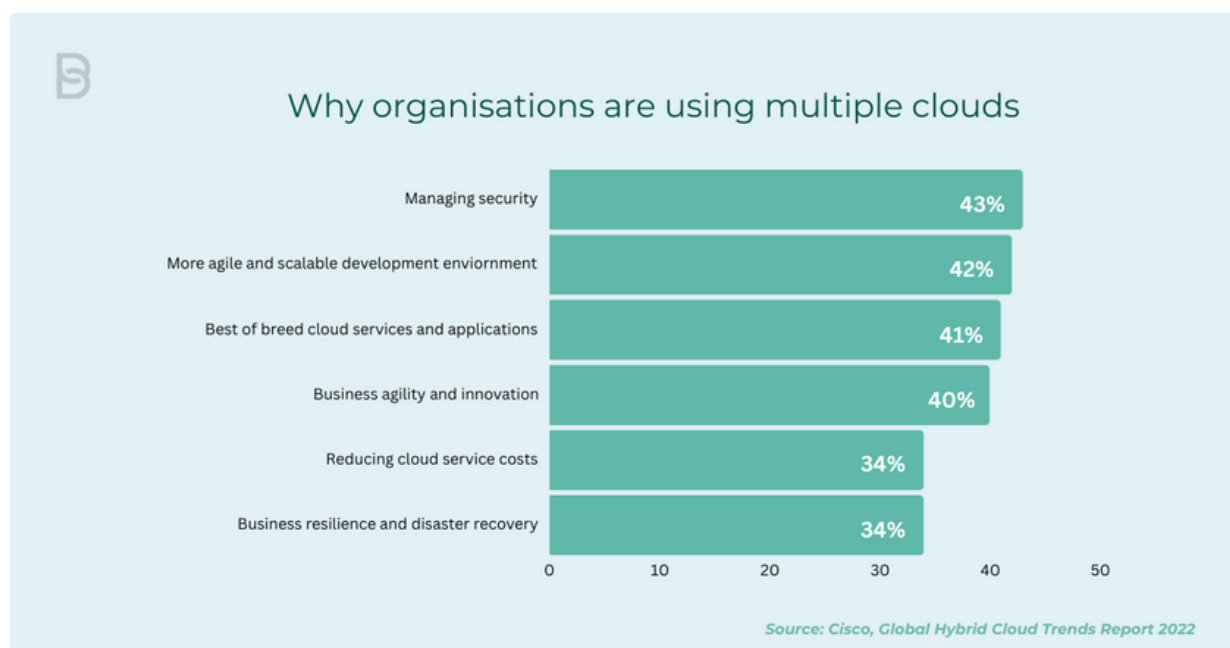
1.1. Understanding Multi-Cloud Environments

A multi-cloud environment means deploying applications across several cloud platforms. Instead of using just one provider, businesses now select services from various providers to meet their needs. The goal isn't duplication but diversification.



1.2. Why do businesses choose multi-cloud strategies?

As more businesses embrace multi-cloud solutions, it's important to understand why. They do so for several reasons, which we can verify in the graphic below.



As with any cloud business, particularly with billing and understanding the business of the cloud workloads, MSPs can add the most value by reporting on the business items listed below:

1. Managing security: Diversifying across cloud platforms minimises downtime risk. If one provider fails, another takes over, ensuring uninterrupted operations and safeguarding your business continuity.

2. Best-of-breed cloud services: Using multi-cloud providers ensures flexibility, preventing dependency on a single vendor. This strategy empowers you to adapt to new cloud service opportunities and negotiate better terms, keeping your options open and adaptable.

3. Business agility and innovation: With a multi-cloud approach, you can leverage the unique strengths of each provider – whether it's their performance, cost, or features. This helps tailor a solution that optimises your operational efficiency and cost-effectiveness.

1.3. Implications for MSPs: The Billing Challenge

For MSPs, the rise of multi-cloud brings added **billing complexity**. Creating a unified invoice for clients becomes more complex with different providers, each with their own pricing and usage metrics.

MSPs now need to track usage across providers, understand each one's cost structure, and present a straightforward invoice to clients. Traditional billing methods might be less effective in this scenario.

In short, while multi-cloud offers more business options, it presents a more complex billing scenario for MSPs.

2. Challenges in Multi-Cloud Billing for MSPs

As MSPs navigate the multi-cloud realm, billing complexities multiply over time. Let's explore the key challenges MSPs face in this landscape:

Fragmented Usage Data

In a multi-cloud environment, one of the significant challenges MSPs face is dealing with fragmented usage data. Each platform generates its data set with its unique format and metrics. This scattered nature makes it harder for MSPs to view usage patterns comprehensively.

Growth in Service Offerings

The multi-cloud landscape is rapidly growing. Several years ago, a typical multi-cloud platform offered around 5,000 Stock Keeping Units (SKUs). Today, that number has surged to over 25,000. This rapid growth adds complexity for MSPs, requiring constant updates and adaptability to evolving billing parameters with each new service or SKU.

Increased Client Usage

As businesses embrace digital transformation, their reliance on cloud platforms increases, posing challenges for MSPs. Higher usage means higher costs, with potential risks when clients are unaware of their consumption patterns. MSPs must monitor and communicate these patterns effectively to prevent surprises.

Evolving Cloud Pricing Models

Cloud providers frequently adjust their pricing models to stay competitive. This presents a challenge for MSPs who must stay updated to avoid billing discrepancies that could damage client relationships.

Balancing Overheads and Profit

Multi-cloud billing adds overheads for MSPs, such as extra workforce, time spent consolidating data, and tools for accuracy. Balancing these costs without sacrificing profitability is challenging. MSPs need to **innovate and optimise billing processes** to maintain profitability while delivering value to clients.

3. Communication is Key: Setting Client Expectations

Ensuring clarity in client interactions is essential in the world of multi-cloud environments. With numerous services, SKUs, and pricing models at play, it's easy for misunderstandings to creep in, particularly around billing.

For MSPs, effective communication goes beyond technical knowledge, it involves conveying intricate details that resonate with clients. Let's explore **three key aspects** of communication and expectation-setting:

1. Emphasizing transparent billing conversations:

Clients depend on MSPs to simplify cloud services, including billing. Open discussions about costs, especially unpredictable ones, can prevent disputes and foster a harmonious MSP-client relationship. Transparency means disclosing all charges and explaining reasons for fluctuations or unexpected fees.

2. Simplifying complex billing for clarity:

Rather than overwhelming clients with technical jargon, use analogies or simplified explanations. Visual aids like charts or infographics can clarify complex billing structures. Encouraging questions ensures comprehension and strengthens client confidence in your services.

3. Aligning cloud usage with client goals:

Cloud expenses should align with business objectives. Recognising the connection between cloud usage and business goals validates client expenditures. MSPs can highlight the tangible value of specific cloud resources, reshaping client perceptions to view cloud expenses as strategic investments, not just operational costs.



Effective communication is key for MSPs in multi-cloud environments, particularly concerning billing, as it strengthens client relationships and reinforces their position as trusted partners in the cloud journey.

4. Common pitfalls in multi-cloud billing

As MSPs struggle with multiple cloud platforms, each with its distinct pricing model and service offerings, several pitfalls can disrupt the billing process. Some of the most prevalent challenges MSPs encounter in this process are:

Underbilling and overbilling scenarios

Underbilling and overbilling are common but harmful mistakes. Underbilling, leading to revenue loss for MSPs, can occur due to overlooking or misinterpreting client's cloud usage. Overbilling damages client trust and can lead to disputes, often due to errors like double counting resources or misunderstanding pricing tiers and discounts.

Hidden costs in cloud platforms

The pricing structure of cloud platforms is not always straightforward. Besides storage and computing expenses, there are hidden fees like data retrieval charges, premium service tier fees, or region-specific costs. Missing these can cause unexpected bills and frustration for MSPs and clients.

Neglecting value-added services

Core cloud services form a major portion of the bill, but additional features like advanced security, dedicated support, or specialized analytics tools can significantly raise costs. Not accounting for these services or assuming they're part of standard packages can result in notable discrepancies between estimated and actual bills.

Failing to keep up with cloud pricing

Cloud pricing evolves with new services and adjustments to existing ones, putting MSPs at risk of misquoting clients or incurring unexpected charges if they don't keep pace. **Regularly updating billing practices is crucial** to stay aligned with the latest cloud offerings.

In conclusion, multi-cloud billing poses significant challenges and risks. Missteps can lead to revenue loss for MSPs or strained client relationships. However, by recognising these pitfalls and addressing them proactively, MSPs can streamline their billing processes, ensuring:

- Billing precision
- Transparency
- Timely invoicing
- Flexible billing options

5. Lessons from the Frontlines: Real MSP Stories

While theory and guidelines provide a foundation, real-world experiences often resonate most deeply. Over the years, numerous MSPs have struggled with multi-cloud billing complexities. In this section, we share practical examples of how MSPs have addressed these challenges.

We will dive into two compelling use cases: Xarios and Basecone:

1) Xarios: The Challenge of Granular Insight

[Xarios](#) is deeply rooted in the telecommunication sector, providing VoIP solutions to clients. As their service evolved, they transitioned to cloud platforms. With this transition came the challenge of offering granular insight into cloud usage for their clientele, which became particularly pressing in the face of complex, multi-cloud environments.

They recognised that their existing billing methods were inadequate and sometimes contained errors, leading to potential disputes and a lack of transparency.

Xarios needed a platform to gather, process, and present data from various sources to their clients in a clear format. This initiative not only fixed billing inconsistencies but also improved **client relationships with detailed invoices**. Additionally, it enabled proactive cost management, helping clients anticipate and control expenses better.

Here's a quick overview on how Xarios benefited from their new approach:

- **Improved billing accuracy:** Xarios' new platform provided transparency, reducing disputes.
- **Improved customer relations:** Clear invoices strengthened collaboration with customers.
- **Proactive cost management:** Detailed insights enabled better planning.
- **Streamlined operations:** The new process increased efficiency.
- **Competitive advantage:** Transparent billing practices positioned Xarios as a preferred company.



Chris Rawlinson, Commercial Director - Xarios

"We are very satisfied with CloudBilling's solutions and customer services. We never encounter any performance or availability issues. Their customer services has a very professional approach and they always respond in a timely manner"

2) Basecone: Navigating Complexity with Scale

[Basecone](#), a leader in document management solutions, faced the challenge of managing huge amounts of data as their customer base and cloud usage increased. With operations in multiple countries with different cost structures, they struggled to effectively track complex cloud usage.

The initial billing system struggled to keep pace with their rapid growth, resulting in inconsistencies and a lack of real-time insights. This complexity not only created internal challenges but also put pressure on customer relationships due to the difficulty of maintaining transparent billing practices.

Basecone chose a comprehensive billing solution, which gave them detailed insight into their cloud usage and streamlined billing processes for different regions and cost structures. This allowed them to provide their customers with transparent, detailed billing information, **improving trust and clarity**.

By addressing their billing challenges proactively and leveraging the right tools, Basecone ensured they could scale while maintaining clarity and accuracy. This optimisation of internal processes solidified their reputation as a transparent, client-focused provider in the document management sector.

Below are the benefits Basecone has achieved with its new approach:

- Improved billing accuracy and transparency
- Enhanced client trust and satisfaction
- Streamlined billing processes across regions and cost structures
- Strengthened reputation as a transparent, client-focused provider
- Optimised internal processes for scalability and efficiency



The MSP landscape includes examples of challenges met, mistakes made, and solutions forged. For those active with multi-cloud billing, the key lies in diligence, continuous learning, and adaptability.

*By being aware of potential pitfalls and staying informed, MSPs can avoid the common traps that befell others, ensuring **smoother billing operations** and better **client relationships**.*

6. Introducing CloudBilling: Your multi-cloud billing partner

When delivering multi-cloud services, billing is one of the most complex threads. The modern MSP, faced with thousands of SKUs, diverse pricing models, and evolving cloud platforms, requires more than just a generic tool, it needs a **robust, tailored solution**. With CloudBilling, MSPs can use a designed platform to help with daily multi-cloud challenges.

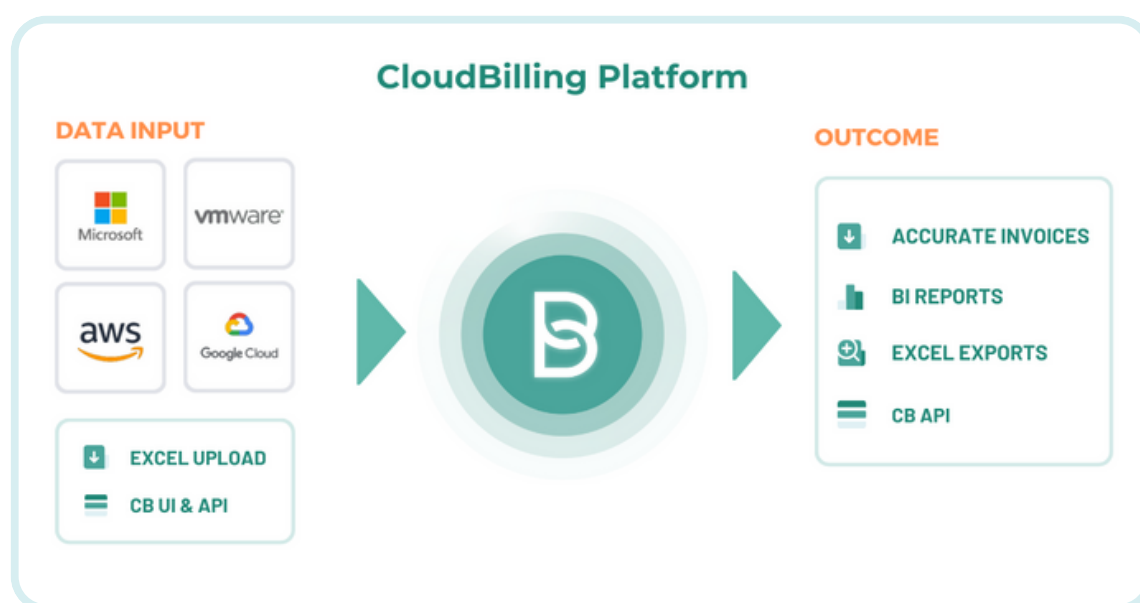
6.1. A seamless solution for the modern MSP's challenges

Modern challenges require modern solutions. CloudBilling bridges the vast expanse of multi-cloud services and MSPs, translating convoluted data into digestible insights. With CloudBilling, MSPs are not only equipped to handle today's challenges but are also prepared for the uncertainties of tomorrow.

6.2. Simplifying the billing process

CloudBilling's primary mission is to simplify the billing process. Our intuitive interface enables MSPs to effortlessly collect usage data from different platforms. The true power of CloudBilling, however, lies in its advanced backend.

By processing and decoding this data, CloudBilling delivers clear and concise insights, eliminating common billing problems such as underbilling or missed charges. Through automated billing processes, CloudBilling enables MSPs to prioritise their strengths: **serving customers effectively**.



7. Features that set CloudBilling apart

What distinguishes CloudBilling from its competitors? It's a blend of three core attributes:

Automation:

The sheer volume of data and the dynamic nature of cloud services make manual billing a considerable task. CloudBilling's automated features ensure **data is collected and analysed in real-time**, offering MSPs an up-to-date view of their billing landscape.

Accuracy:

In the world of billing, accuracy is non-negotiable. CloudBilling's precision-driven approach ensures that every invoice generated is an exact reflection of the services rendered, **building trust with clients and reducing potential disputes**.

Clarity:

An accurate invoice can still be a confusing one. CloudBilling prioritises clarity. It translates complex cloud usage data into **straightforward invoices**, making it easier for clients to understand what they're paying for and why.

CloudBilling's focus on simplicity, accuracy and clarity makes it an indispensable partner for modern MSPs.



CloudBilling is an essential tool for MSPs managing multi-cloud billing. Its straightforward approach and commitment to precision and clear billing make it a valuable asset for today's MSPs.

8. The road ahead for MSPs

The multi-cloud ecosystem presents opportunities and challenges for MSPs. In this environment, billing is more than just an administrative task.

With the increasing adoption of multi-cloud strategies by companies, the billing process is more complex than ever before. The slightest oversight in billing details can strain customer relationships and cast doubt on an MSP's credibility, potentially jeopardising long-term partnerships.

It is time for MSPs to move away from outdated methods that no longer meet their dynamic needs. Embracing a modern solution tailored to the complexities of the multi-cloud environment is imperative for success. CloudBilling emerges not just as a tool, but as a comprehensive strategy designed to seamlessly navigate the challenges of the multi-cloud era.

CloudBilling transcends traditional billing solutions by increasing customer confidence and optimising operational efficiency. When integrated into their workflows, MSPs can streamline billing processes, reduce errors and ultimately build stronger relationships with their customers.

Experience the transformative power of CloudBilling for yourself. Contact us to schedule a demo or get more insight into how CloudBilling can **redefine your billing process**.



CloudBilling simplifies multi cloud billing for you with standard integrations for **Microsoft CSP, Azure, AWS, Google Cloud**, and **VMware**. Our user-friendly API documentation and hassle-free implementation makes onboarding quick and easy.

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Thank you for reading

Ready to take the next step in improving
your **multi-cloud pricing strategy?**

CONTACT US

Easy integration with your cloud provider:



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