plesk

the power. controlled.-->

<div class="the-synergy-of-WebOps">



How Managed WordPress Hosting can

Grow your Revenue

Managed services, the Future.

Why WordPress?

WordPress is the most widely deployed application on the infrastructure of most Hosting service providers (HSPs) by a significant margin. However, because the software is free and open source, it doesn't necessarily translate to revenue for most of those providers, outside of broadly driving usage of their infrastructure. A small but growing group of specialist service providers is offering managed hosting services based specifically on the WordPress platform. The success of this group in serving Web designers and developers, along with other user types, is leading more traditional hosting providers to develop managed WordPress products of their own.

Plesk can help HSPs attain a competitive advantage. Plesk's tools and capabilities potentially reduce costs by lowering administration and management overhead. With Plesk, an HSP can provide many levels of services that step customers up from shared hosting, and provide a toolkit to improve managed WordPress hosting to make it much more profitable.

Key findings

According to 451 Research's recent comprehensive <u>report</u>, Web and application hosting is a mature market, and one that deals in a fairly commoditized set of basic infrastructure building blocks. The market continues to grow.

However, the rate of growth is slowing. A trend we expect to continue as workloads, as well as some products, move out of the category. Estimated CAGR for Web and application hosting is 9.4% through 2019.

Market and segmentation

North America remains the largest market for hosting and cloud (59% share of revenue in 2015), followed by EMEA (27% in 2015).

While both of these larger markets continue to grow (12% and 14% CAGR through 2019, respectively), their overall share of the hosting market is shrinking.

The smaller APAC and Latin American markets (11% and 3% share, respectively) are growing at considerably higher rates (29% and 30% CAGR through 2019, respectively).

These trends are being reflected within the largest Web and application hosting providers, which are increasingly targeting expansion into emerging markets.

'Best execution venue' trends continue to see workloads (including developer and small business workloads) moving away from the traditional hosting resources toward more specialized laaS and SaaS environments. This has contributed to the slowing growth in Web and application hosting, but also to opportunities for incumbent providers to address those emerging use cases.

Managed services, the Future

According to 451 Research analysts, managed services are becoming an increasingly modular component of infrastructure services, and are being applied more and more by service providers across a wider range of infrastructure and application environments.

Web hosts are launching managed services designed around WordPress and third-party





Managed services, the Future.

services, as well as public cloud infrastructure. In the face of market and customer segmentation, hosts in the Web and application sector are seeing success by targeting specific customer types, and building products around relevant business outcomes rather than infrastructure building blocks.

From Generalists to Specialists

Google Trends shows that searches for hosting terms such as "web hosting," "dedicated server," and "PHP hosting" have all dropped off a cliff in the last 5-10 years. Whereas terms like "WordPress hosting," "Linode," and "web app hosting" have skyrocketed.

The trend is to move from generalists to specialists.

As a result, end-users are looking for help managing more aspects of their IT environment. These companies aren't in the IT business. They don't want the hassle or the distraction, but merely want things to work smoothly.

They are looking for higher value and more managed services from a web professional such as a web designer, web developer, or digital agency – commonly named "web professionals".

Plesk is committed to getting HSPs and web professionals out in front of change. We're confident that we can help you be among the first to capture emerging opportunities. Why linger at the back of the pack? Today's question is: could managed services be your new offering?

Plesk is ready!

At Plesk, we have spent the last 24 months researching the market, talking to partners and interviewing Plesk users.

With this data, we identified several ways Plesk could innovate to be better aligned with how web servers, websites and web apps are being deployed and managed today.

Plesk includes core features and Plesk Extensions that are designed to enhance web management tasks for today's small and medium sized businesses (SMBs).

We also took a long hard look at how we could enhance security for our customers, developing a new, built-in and ready-to-go security core that protects the server and all sites on the server. No more command line required to set up and configure your web application firewall.

Multiple mail improvements, usability improvements, and strong performance improvements round out what you can expect from the new Plesk.

Plesk will guide you along the transition from generalist to specialist. If you're ready, Plesk is ready.





Why provide managed hosting?

Managed WordPress hosting as a concept promises a coordinated and comprehensive solution to address time-consuming tasks that affect SMBs. Particularly those looking for web presence and web architecture —but lack the necessary expertise or in-house resources to maintain and optimize their own shared web servers.

The cost and complexity of shared web hosting keeps rising; domain management, expanding server loads, ongoing software updates and security monitoring, along with increasing demands for archiving and reliability. In addition, site owners must address the critical nature of backups and data protection/ restoration in the event of power outages and other disruptions, natural or man-made. Shared services are typically the first hosting service that a customer buys. On the surface they are highly profitable, but there are some limitations with the service.

 As the hardware is shared, there is a security risk for the websites sharing the same host. You can be faced with severe brute force attacks.

- Content management systems such as WordPress take longer to load than simple HTML sites. So called "noisy neighbours" in those environments are creating additional performance issues.
- Software patch management to minimize exposure/vulnerabilities, controlling and managing software and security updates is time consuming.
- In spite of WordPress plugins, the speed is still slower than that of a managed host.
- Vulnerability to hacking, downtime as well as loading time are increased compared to managed hosting.
- As shared hosts run any application and platform, WordPress-specific tweaking isn't there.

On the next page we outline the main advantages that a managed WordPress hosting plan has vs. its shared hosting counterpart:

Backups & Updates

Security

Speed

Perfectly Managed



plesk







Benefits of managed WordPress hosting

Plesk facts



OVER

26% of the web runs on WordPress

MANAGED WORDPRESS HOSTING

- Speed optimization is built-in via caching and CDN networks.
- Site/WordPress updates are automatic.
- Daily/weekly backups are automatic.
- Database optimization for WordPress is built-in.
- Security mechanisms are built-in and optimized for WordPress.
- Servers are optimized for scalability to handling more traffic if required.
- Server settings are optimized for WordPress software.
- Designed specifically to support a single application with Plesk as WebOps, providing maximized scalability and flexibility.

SHARED WORDPRESS HOSTING

- Speed optimization is carried out through third-party plugins only.
- Updates must be done manually with most hosts.
- Backups are available through thirdparty plugins only.
- Additional database optimization is non-existent.
- Added security is through thirdparty plugins.
- Limitation to a set number of visits. If you go over the limit you may experience downtime.
- Server set to handle a variety of platforms and/or website scripts.
- As the hardware is shared, several websites are drawing on the same resources, hindering scalability.

Start your managed WordPress hosting

Step1: Get A Powerful Back-end

The most important aspects to keep in mind when creating a managed WordPress hosting business are your expenses and the time you request to spend on each client.

- You need to have a back-end that will allow you plenty of room for markup and profit.
 Consider having a back-end that will allow easy client sign-up, with minimal work on your part.
- Plesk provides a ready-to-code environment in an intuitive interface. This lets you do what you're best at: creating cloud-scaled web applications and websites for SMB's.
- Secure your applications and websites automatically using the right tools. Then, you do not need to monitor them for down-time. This reduces the risk of losing all your clients if something on your server breaks on Friday night and you cannot fix it until the following Monday or Tuesday.

SAVE CRUCIAL TIME

Focus your skills not on infrastructure management but on coding. Save crucial time by automating all server related tasks and components to run and scale your web applications and websites.

FAST FACTS

70M+

WordPress sites exist in the world.











Managed WordPress hosting at a glance

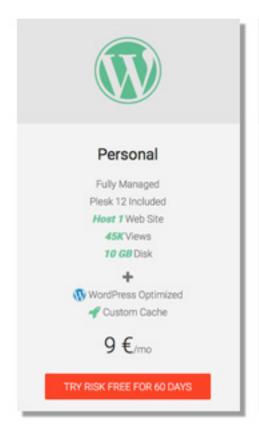
Step 2: Create A Converting Sales Page

What is a state-of-the-art back-end without a full-flavored front-end, right? This is why you need to create a very well converting and optimized sales page.

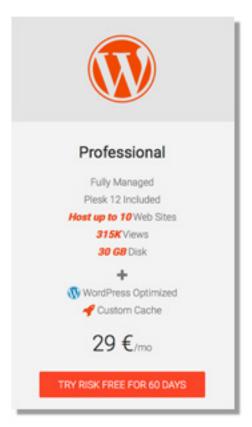
Things to keep in mind:

- **Price.** Make sure you set a price that is affordable and competitive.
- Put forth the benefits of hosting with you.
- Hosting duration do you want to lock people into a contract, or give them the freedom to pay month by month?

- Free-trial and special offers: Provide a free-trial and/or incentives to host with you as opposed to another company.
- The two most important considerations for people buying hosting are price and reliability.
 Make sure you touch and expand on those points throughout your sales page.
- You will want to offer 2-3 hosting plans to your clients at least. People always like to have a choice, so offer several plans.







Step 3: Plan out your Client Handling Mechanism

WHMCS is the most famous web hosting billing and automation destination in the world. They provide everything you need to sell web hosting and related services. This platform is well suited for small as well as medium sized businesses. WHMCS offers customizable requirements to generate invoices and billing features that are set up for Hosting, Cloud, VPS, SSL and Servers. WHMCS is well integrated into Plesk directly or over a 3rd party module to be found here.

Odin is a cloud automation platform standard widely used by telco's, hosting providers and Ingram Micro Cloud that supports management of all the business aspects of a web hosting service.

The platform helps you maximize your revenues and lets you offer a full range of hosting services, including email hosting, shared hosting, VPS, hypervisor-based virtual machines, dedicated servers, domain registration, SSL certificates and SaaS services.

It also enables you to build your reseller channels and manage your affiliates.

Below is a list of additional substitutes:

- ClientExec - Blesta
- Ubersmith - HostBill
- BoxBilling Nukren

Step 4: Market Your Web Hosting Company

What good are a state-of-the-art back-end and full-flavored front-end when you don't have clients?

- Put a link in your signature and post on relevant forums (Web Hosting Talk is the #1 hosting forum).
- Write relevant articles and do active content marketing to promote your leadership in your niche market.
- Take a deep dive into SEO and build links to your web hosting site.
- Market yourself on Twitter, LinkedIn and Facebook.







Step 5. Package your services as managed WordPress hosting.

Over 26.4 percent of websites and web apps worldwide are built on WordPress. This means an ever-growing community of developers and designers will continue to need your services. How to best package them is key.

Capitalize on this flourishing niche by moving up a level and offering managed WordPress hosting on your own infrastructure.

Features like 1-click WordPress installations, multiple WordPress sites on the same domain and built-in caching are already making some companies a killing.

WPENGINE

WPEngine is WordPress hosting at its finest. Fast and robust servers, security and customer support make up their focus. Offering their own Evercache automatic caching, daily backups, one-click restore points, top-tier security and one-click staging area, it's no surprise brands like HTC, FourSquare, SoundCloud and Balsamiq work with them.

SITEGROUND

SiteGround provide unique in-house WordPress speed and security solutions. As one of the most popular WordPress hosting sites, they're renowned for 24/7 support, offer automatic upgrades, built-in WP caching, CDN, one-click staging and GIT version control. Location specific hosting with data centers in USA, Europe, and Singapore plus a free domain name further consolidates their attractive offer.

FLYWHEEL

Albeit a new player in the managed WordPress hosting space, Flywheel have made a name for themselves very quickly. They're a great choice for non-developers who want to launch a WordPress site and make sure that it's going to work with no interruptions. Potentially great for designers, small business owners, freelancers, bloggers, and all non-technical people in general.

PANTHEON

Developer dashboards to manage multiple websites and automated DevOps for all server maintenence are part of what makes these contenders different. Additionally, their scalable resources use a container-based infrastructure instead of virtual machines or clusters. Git-based development deployments plus test and live environments are superb features Pantheon have come up with.

FAST FACTS

Monthly pageviews for WordPress



Step 6. Managed WordPress on Amazon Web Services

We're not presenting the Cloud mogul as *el diablo*, but rather urging you to trade in your generalist *sombrero* as a hosting company. When IT is not a core component of a company's revenue, taking on the expense of hiring professionals to handle Cloud infrastructure environments is often too costly.

Managed services on top of public clouds will be critical as the demand to migrate, architect and manage their infrastructure to Cloud offerings grows among smaller organizations.

Relinquishing your infrastructure to become a specialist means the more your managed WordPress business grows, the cheaper AWS might work out for you.

The services built around AWS infrastructure can generate hefty revenue.

The next level offering would thus be managed WordPress hosting migrated to AWS cloud based hosting. We highlight 3 examples of WP hosting on AWS:

MEDIA TEMPLE

With over 17 years in the game, Media Temple is famed for managed Cloud hosting. They provide highly specialized WordPress hosting plans that come with a quick setup wizard, automated daily backups, automated WordPress updates, DDoS protection, staging sites, Git integration, and their renowned server performance with 24/7 uptime monitoring. Some of the world's biggest brands including Adobe, jQuery, CBS, and Samsung use Media Temple for their hosting.

PAGELY

The first and largest managed WordPress hosting platform whose robust server architecture is powered by Amazon Cloud. This guarantees best-in-class performance, redundancy, and scalability. Pagely handles all technical jobs like automatic updates, PressArmor security and daily backups. They also include top support provided by WordPress experts. Brands like Microsoft, Facebook, Twitter and thousands of others trust them

RACKSPACE

Leading the managed services trend, their offering not only centers around Fanatical AWS Support® but award winning managed Microsoft services too.

Their scalable Cloud Sites web hosting claim to be the #1 WP hosting provider with five-minute deployment, unlimited domains, single sign on and branded support and continuous monitoring.

"Working with cloud pioneer AWS was an obvious choice and allowed us to focus on developing premium cloud architecture and SysAdmin services that were highly successfully when put to the test in the pilot program we conducted a few months ago," said Brendan Fortune, Product Director, Cloud Solutions at Media Temple."

Step 7. The tool to aid your smooth path to WordPress offering - Plesk

Bringing our own globally acclaimed solution on board as the added perk to your hosting offering is a decision you won't regret.

No longer just a type of hosting, "managed" has become a service that can be applied specifically to a wide variety of products.

So in addition to offering products, you could add relevant managed services to reinforce your value to current and prospective customers.

Almost any type of hosted service can be offered as a managed service. You could help customers manage their current infrastructure products as well as other products your company provides.

It's an opportunity to work with each customer to mix and match options, designing a uniquely-tailored package of products and services which result in **much higher margins** than generic services.





Of course also Plesk is available for you on the Amazon AWS marketplace for you! Click here

- Offer a menu of a-la-carte managed services, but beware of offering too many different packages for each type of hosting service.
- Offer tariffs as per your clients' requirements and balance managed VPS, Dedicated, and Cloud hosting businesses for them.

Depending on your business goals and clientele, you could develop the following offerings:

Package 1: Virtual easy-entry managed environments for 1 Domain (VIP WP Hosting) with basic security, monitoring, updates and more.

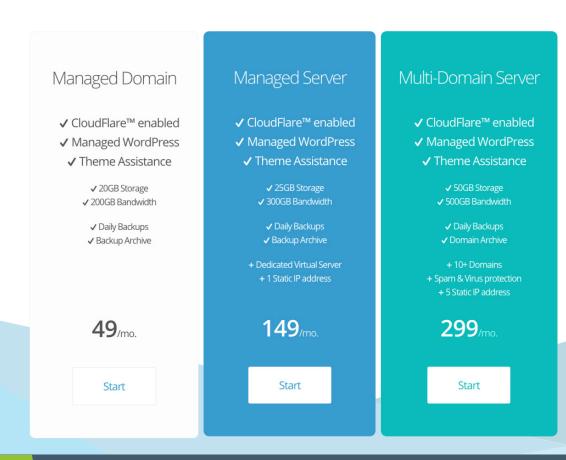
- Package 2: Dedicated resources with advanced support for additional applications like WooCommerce with daily full-site backups, Git-hub, and docker support.
- Package 3: Premium multiple website "turnkey" WP Hosting packages which include all services as well as WordPress maintenance packages.

You can bundle many types of services when you're selling WordPress maintenance. Put together a package that works. It all depends on what you're comfortable with and what you think your clients need.

Keep the order-flow as simple as possible.

We recommend (<= 5 steps):

- Package selection
- Options/add-ons/up-sales
- Account information
- Payment information
- Order completed message











Source:

https://www.conetix.com.au

Step 8. Taxation for online-sales

Just because tax laws can be complicated doesn't mean you should get overwhelmed. Here are some tips on how to manage your taxes year-round.

Think about taxes all year long.

Small business owners should not treat taxes as a once-a-year event. Rather, tax planning should be a year-round activity. Waiting until the last minute makes tax preparation more complicated, and it limits your money-saving options.

- **Hire a pro**. A knowledgeable tax attorney or accountant is well worth the expense, experts say. Tax laws are complex, and they're difficult for many busy small business owners to weed through. A professional can identify tax breaks and deductions you might otherwise miss.
- **Be aware**. Even with the help of a skilled professional, a small Business owner must keep up with news related to laws. Read the business papers and keep up with Congress' work on tax laws.
- Don't make assumptions. Tax planning, to some extent, is a gamble. Although historically, Congress has always passed the tax-extender bill at the last minute, there are no guarantees. Never make business decisions assuming that tax breaks will pass.

For additional help with your small business taxes, here are some resources:

- The U.S. Small Business Administration maintains a guide on navigating the tax code and staying up to date on your tax responsibilities as a business owner.
 Click here for more information.
- The IRS website has more information about how the ACA affects small business owners' taxes here.

The IRS also maintains its own information center on self-employed and small business taxes. You can find the guide here.

MAX DEPRECIATION DEDUCTIONS

Small businesses can get an immediate tax deduction for nearly all individual assets purchased by 30 June 2016 which cost less than \$20,000. It is utilized for income producing purposes and is installed ready for use by the end of the financial year. This measure is due to expire 30 June 2017.

Step 9. WordPress stack

Do you remember when you could run a fast WordPress website with just an Apache server and PHP? Yeah, those were the days! Things were a lot less complicated back then.

Now, everything has to load lightning-fast! Visitors don't have the same expectations about loading times as they used to. A slow website can have serious implications for you or your client.

The WordPress stack is more than just focusing on the minimal WordPress requirements, namely PHP 5.2.4 and MySQL 5.0. To stand out from the crowd, you really need to have PHP 5.6 and MySQL 5.6.

Relying on the latest technology is what will get you the most out of WordPress. PHP 7.0 speeds up the page generation so your site works much snappier. This is valid for the majority of the WordPress site.

In addition, having the latest versions helps you serve up to twice as many pages on a single server.

Another huge part of the stack is the webserver. Where Apache has been the standard for a long time there are many new players that have alternative solutions.

NGINX for a start will result in a much lower memory print, thus speeding up your site. The downside is that .htaccess files aren't supported anymore.

For WordPress though this is something you, as a managed host, can look after.

A big factor to look at is having HTTP/2 support, which NGINX already has. If Apache

is needed, NGINX still handles SSL and Apache will do the rest.

Now that you have the basics under way, draw your focus on having the right features available.

This could mean object cache support through **Memcache** or **Redis** which allows most used data to stay in memory.

In turn the database has much less work to do. Run it on the same server, or an additional server. What you need to get right is how to secure it. You also have to deal with page caching.

For most cases using a WordPress plugin like **WP Super Cache** is more than enough. Part of the processing still happens in PHP but you'll notice an improvement in site

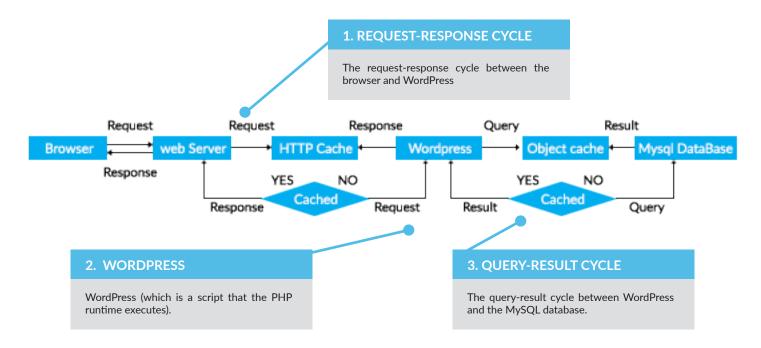
performance.

The next step would be using NGINX or **Varnish** for page caching since PHP will never be called. When doing this, our recommendation would be that you as a managed services host, supply your own caching plugin for clients to use.

The last item could be having additional features supplied like **Elasticsearch** support to enable better search within WordPress.

MySQL has limitations when it comes to search options but with Elasticsearch complicated queries can be easily handled without losing much performance.

It's all about giving your customers the kick-ass geeky features they want.



Step 10. Making the case for your SMB customers

As web operating systems, web browsers and web standards evolve, your business model should also evolve.

Adaptive engineering simply costs less to own and operate. The key is to use web standards to reduce your total cost of ownership (TCO).

In this section we want to compare the TCO for three hosting options — Outsourcing to a

generic host, self-hosting (on-premise), and — using a managed host.

1. Needs Analysis and Preparation

Over the last twenty years, the definition of an IT environment has radically shifted and now could be described simply as a business platform – this is exactly what Plesk provides.

Focus on your business, not on infrastructure management. Save tremendous time by automating all server related tasks and



components to run and scale your web application and websites.

Self-hosting costs can skyrocket here when additional hardware is required. On top of that, a well-designed hosting solution will include at least two or three servers to separate the database server from web servers.

Now imagine replicating it four times over (for developing, testing and staging).

If you think about hosting WordPress sites onpremises you must make sure your IT staff has top-notch security skills, as well as experience with the specific open source components of this technology stack and knowledge of what it means to optimize a WordPress site's performance. Because these skills are specific to the platform and its architecture, it can easily mean hiring consultants or adding costly staff to an organization.

Generic hosting providers bring equal or slightly better skills to the table, depending on the core competencies. They add the security expertise and some of the performance optimization experience that may be required to support WordPress sites.

They'll also provide patches at the operating system level (often for a fee).

On the other hand, as a managed WordPress host, you could provide monitoring, security remediation, and patching to every part of the platform, including WordPress itself.

Lower TCO = Managed WordPress Host

Software Purchases and License Support

WordPress is an open source software product, which means that there's no cost to license the software.

The cost of licensing WordPress is always zero, whether it's hosting WordPress on-premises or outsourcing it to generic or managed hosts. This makes all options equal when comparing TCO in terms of software purchase or license support.

Lower TCO = Same for all

Implementation and deployment hardware costs

Consider the following: your customers could not only require a production environment, but potentially ask for several copies that function as staging, testing, and development environments.

On-premises costs can skyrocket here when extra hardware is needed.

In addition, a well-designed hosting solution will include at least two or three servers to separate the database server from web servers. Now imagine replicating it four times over (for developing, testing and staging). Unfortunately, most generic hosts work the same way when it comes to multiple environments.

Whether you're talking to key hosting players like Hosting.com or Rackspace, you'll discover that these providers function as Infrastructure as a Service. To that end, your multiple environments are simply requests for further infrastructure.

You, as a managed WordPress host, can provide staging environments automatically as part of your offering.

Your customers will be very thankful if you make one-touch cloning of a site to a separate instance available for use as a staging or testing environment.

Lower TCO = Managed WordPress Host

Business Continuity and Disaster Recovery

As a managed WordPress host, you could provide full-site backups automatically as part of your offering, making you a better deal than generic hosts who often charge for the backups or storage of the backups.

Lower TCO = Managed WordPress Host



Hosting Costs In order to compare hosting costs, the following assumptions have been made:

Lower TCO = Managed WordPress Host

Hosting Costs

5 YR Cost

\$ 279.800

In order to compare hosting costs, the following assumptions have been made:

\$ 166,165

Five year TCO Summary TCO On-Premise Generic Hosting Managed Wordpress Hosting

\$71.365

ASSUMPTIONS

For an on-premises server, two Dell PowerEdge R820s were priced to support four virtualized server instances (two production and two staging). This infrastructure could host several sites, not just one.

For generic hosting, Hosting.com prices for 4 of their Linux Web Cloud VMs (again two for production and two for staging). This infrastructure could host multiple sites, not just one.

For managed hosting, the comparison was made with WP Engine's 25-site account, which includes 25 additional staging environments.

Hosting Costs			
Cost Driver	On-Premise	Generic Hosting	Managed Wordpress Hosting
Servers	\$ 12,000	\$ 884/month	\$249/month
Firewall	\$ 300	\$ 120/month	included
Set-Up	\$0	\$ 5,800	included

Plesk's expert team of marketers, developers and product specialists have worked hard to put all of this information together for you. On top of that, our finance team have designed a valuable financial plan template with respective instructions to get you started on all levels and reap benefits straight away.

If done right managed WordPress hosting can allow unprecedented growth. Now is the time to complete your research and develop your business as a specialist in a fast growing niche.

Transitioning to become independent of infrastructure as your main source of revenue has never been so appealing and you can even consider the options of offering managed services on AWS or another cloud based hosting provider.

At Plesk we want to see you do well. Spreading the word through this white paper and its annexed guides is our way of saying thank you for giving so much to the hosting industry. Now let's focus on celebrating your returns. By following our step by step guide you have the tools to get going and **start making more money NOW**.

