

# Parallels® Plesk Panel and Parallels Virtuozzo Containers

Service Provider Case Study

## Leading Australian web hosting provider Net Logistics builds up new revenue streams with Parallels Plesk Panel and Parallels Virtuozzo Containers

### Partner Summary

Net Logistics is a leading web hosting service provider in Australia with over 6,000 customers. It offers flexible, easy-to-use and affordable solutions tailored to companies ranging from small businesses to large enterprises.

Net Logistics started out by providing shared hosting services, then organically expanded into reseller hosting and then to Virtual Private Server (VPS) and dedicated server hosting as customers demanded more of such services. Today, 60 per cent of its revenues come from VPS/dedicated servers. Another key segment is the developer and reseller market for white label offerings, which today makes up about 30 per cent of its customer base.

Customer support, both pre-sales and post-sales, is a key focus for Net Logistics, said Joseph Salim, Business Development Manager. The company has about 50 employees, with over 20 involved in back-end support. One of its core value propositions is the fact that it has its “hands on the ground”, providing customers with direct access to technical expertise within the company. This has helped strengthen the company’s reputation for customer support excellence, with high positive ratings in forums such as Whirlpool.

### Business Situation

In 2008, the commoditization of shared hosting led to lower profitability for this segment of the business and presented a significant business challenge to Net Logistics. In response to this, the company began looking into opportunities in the reseller hosting market as well as the VPS and dedicated server hosting market where it could differentiate itself with customized managed services. At the same time, the company also sought to increase its average revenue per user (ARPU) by providing scalable solutions to its customer base.

“VPS was identified as a key part of Net Logistics’ strategy to move upstream. As we moved up the hosting value chain, it was also imperative for us to maintain or even enhance our customer support standards, and continue to provide customers with fast resolution of any issues that they may encounter,” said Karthick Rajendran, Managing Director, Net Logistics.

Net Logistics also had to rein in operating costs and to adopt a more environmentally-friendly approach to doing business. In particular, it was looking to optimize the use of its infrastructure in order to reduce power consumption, which is a relatively high cost component from both the monetary as well as the environmental perspective.

### Solution

To address these business challenges, Net Logistics was looking to deploy a server control panel and automation solution together with a virtualization tool that would enable it to manage its infrastructure and provision upstream services more efficiently. After evaluating several options, it decided to go with Parallels Plesk Panel and Parallels Virtuozzo Containers (PVC).

“We chose Parallels for its depth of experience in delivering solutions finely tuned to the needs of a hosting business model,” said Salim.

While Net Logistics also evaluated virtualization solutions such as Xen and VMware, it decided on PVC because of its seamless integration with Parallels Plesk Panel. This integration would make it easier for Net Logistics to manage and monetize its infrastructure. Said Salim, “One of the best reasons for working with Parallels is the total



### Business Situation Summary

Commoditization of shared hosted led to lower profitability. Net Logistics needed new opportunities, to increase ARPU and lower costs.

### Solution Summary

Net Logistics chose Parallels Plesk Panel and Parallels Virtuozzo Containers as a means to manage its infrastructure, provision upstream services more efficiently and offer new services to customers that became new revenue streams.

### Benefits Summary

- Introduction of new revenue streams
- Enhanced customer support
- Reduced costs

### Parallels Products Used

Parallels Plesk Panel  
Parallels Virtuozzo Containers

stack of products that helps us to configure and bundle products. There is one vendor to work with unlike with Xen or VMware. This makes it simpler and easier to do business.”

Parallels Plesk Panel is a sophisticated control panel tool which assists Net Logistics in web hosting account and server management. It includes complete, cost-effective control panel technologies designed for hosting accounts as well as for reseller, VPS and dedicated server platforms. Complementing the deployment of Parallels Plesk Panel is the PVC virtualization software which enables Net Logistics to offer greater support efficiency and implement effective backup solutions in mission-critical environments.

In Parallels, Net Logistics also found a partner with a common approach towards customer service and support. This synergy gave Net Logistics added confidence in going with Parallels Plesk Panel and PVC. “We need to be able to trust the vendor to provide support when needed,” said Salim. “With Parallels, support becomes much easier. We know that we can escalate any issue and have it resolved very quickly.”

## Benefits

The deployment of the Parallels Plesk Panel and PVC has enabled Net Logistics to deliver intuitive hosting services to the Australian market efficiently and cost-effectively.

### Introduction of new revenue streams

With the deployment of Parallels Plesk Panel, Net Logistics is now able to deliver profitable services easily and offer its customers a quick and easy way to create and manage web sites as well as server resources. It has enabled Net Logistics to grow its VPS business from scratch three years ago, to make up 40 per cent of its customer base today.

“Over the past 12 months, 60 per cent of all new customers have been buying VPS,” said Salim. Parallels has also helped Net Logistics to create greater awareness of its offerings, by providing it with opportunities to participate in events such as the Parallels APAC Summit and the global Parallels Summit.

### Enhanced customer support

With Parallels Plesk Panel providing reliable administrative support for wide range of web hosting scenarios, Net Logistics has been able to provide better customer support without having to incur high manpower overhead.

“Parallels Plesk Panel provides a powerful, impressive solution to ease hosting account administration across the full range of shared, reseller, VPS and even dedicated solutions. We are now able to offer our current and prospective customers better management and higher reliability as well as being cost effective and highly profitable,” said Salim.

### Reduced costs

Net Logistics has deployed PVC to virtualize its entire infrastructure, including its dedicated servers. This has resulted in an estimated 30 per cent savings in power consumption.

“Power consumption is a significant cost component in our operations. The deployment of PVC to virtualize our infrastructure addresses this by allowing us to make more efficient use of our infrastructure resources, thereby reducing power consumption and enabling us to adopt a more environmentally sustainable approach to doing business,” said Trung Nguyen, Finance Director, Net Logistics.

At the same time, Parallels Plesk Panel comes with an easy-to-use and powerful management tool that reduces the need for Net Logistics to deploy costly manpower to optimize and manage its IT infrastructure, for example, to handle tasks such as patch management.

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Global Headquarters  
500 SW 39th Street,  
Suite 200  
Renton, Washington 98057  
USA  
main: +1 425 282 6400  
HostingSales@parallels.com  
www.parallels.com

EMEA  
Willy-Brandt-Platz 3  
81829 Munich  
Germany  
main: +49 89 450 80 86 -0  
HostingSales.eu@parallels.com  
www.parallels.com/eu/

APAC  
3 Anson Road, #36-01  
Springleaf Tower 079909  
Singapore  
main: +65 6645 3290  
HostingSales.apac@parallels.com  
www.parallels.com