

2016 / 2017

TECHNOLOGY

# *The Parliamentary Review*

A YEAR IN PERSPECTIVE

## ■ FOREWORDS

The Rt Hon Theresa May MP

The Rt Hon Greg Clark MP

Julian David

## ■ BUSINESS TECHNOLOGY & SOFTWARE REPRESENTATIVES

MDSL

GES

Transalis

SALONGENIUS

Fourth

Bluecoat Software

Optima Diagnostics

YourDMS

CCube Solutions

Aeromark

RAP International

Practice Engine

ClubWise

Nasstar

Bitwise

## ■ FEATURES

Review of the Year

Review of Parliament

# Nasstar



Nigel Redwood, CEO



Managed IT specialist,  
Nasstar PLC

## FACTS ABOUT NASSTAR

- » Managed IT specialist providing tailored cloud-hosted desktop solutions for businesses
- » Founded in 1999 as e-know.net before becoming Nasstar as part of a reverse merger in 2014
- » Headquartered in Telford, Shropshire
- » Year-on-year revenue up 36% in 2016 to £18.7 million
- » Accredited to ISO 27001 security standard certification, Cyber Essentials certification and Microsoft Gold partner status

Founded at the end of the 20th century, Nasstar PLC is considered one of the early pioneers of cloud computing. As the technology increasingly becomes part of everyday life with more companies and individuals consuming applications and storing data in the cloud, Nasstar CEO Nigel Redwood shares how the company has grown over the years and placed itself at the forefront of its sector.

Starting out life as e-know.net, a family business that eventually came to be known as Nasstar through a series of mergers, the company has spent much of its 18-year existence building and developing a comprehensive end-to-end cloud-based IT managed services business. In its formative years, the intent was to remove the barriers of integrating transformative IT systems into businesses. These barriers included the high cost of hardware and software, along with investing in the necessary skilled professionals to operate them.

The thinking was that if the business could deliver applications to clients on a price per user per month basis over the internet, then the aforementioned barriers would be broken down. Such thinking was radical in 1999. Given the relative immaturity of the internet, Nasstar began operating in a very early adoption market, having been an early UK specialist of Citrix solutions. Over time, it was decided that delivering one application on a price per user per month basis still didn't sufficiently address the three main barriers, no matter how business critical.

## A different approach

As the market matured, Nasstar made two very important decisions in 2002 and then 2005. First realising it was essential to deliver the entire application portfolio for the client in order to address the barriers and deliver maximum return on investment (ROI) for the customer. This was achieved by hosting and managing all applications and business data and delivering that on a fully OPEX per user per month model whilst directly supporting the end user, and not just the IT team. Secondly the company decided to target vertical markets, because, without fully knowing the end-user, then it wouldn't be possible to deliver the end user support needed. Partnerships with the software vendors operating within these vertical markets were also sought as a result, in order to assume end-to-end responsibility for the delivery and support of all aspects of a client's IT. The introduction of these sector specialisms ensured that the business understood more clearly how best to technically support customers and their IT needs.

Attentions were then turned towards the legal, financial services and recruitment industries as three key client bases ripe for a secure, agile IT platform aimed at automated processes and making them more efficient.

All of these industries are subject to heavy regulation, continuing pressure over business continuity and disaster recovery and cost burdens associated with compliance, therefore making them a strong target audience. Over time, through this process, Nasstar discovered that an end-to-end service was essential in order to deliver all functions required for a modern-day business.

## Building up Nasstar

Acquisitions have also been a common element of the Nasstar growth trajectory and have continued in the past few years

delivering both organic and acquisitive growth as a result. In 2014 e-know.net reversed into Nasstar and then, in the same year, acquired Kamanchi. As a result, Nasstar took on the recruitment industry expertise of Kamanchi's highly-regarded professional services team, which sells systems integration to hundreds of recruitment consultants worldwide. The addition of these services would add to Nasstar's value proposition – going further beyond just providing IT.

The following year Nasstar acquired VESK, taking on their expansive Singapore-based data centre to meet the demand coming out of Asia-Pacific for its services. As an added bonus, VESK also held G-Cloud accreditation, which presented an additional sales opportunity.

## Acquiring Modrus

Completing the acquisition journey last year was the buyout of cloud-hosted and managed services provider Modrus. Carried out to the tune of £13 million, Modrus represented a larger acquisition than the previous two, both financially and in terms of its breadth of scale. While a long-time competitor in the hosted services space, Modrus also operated in a number of different vertical markets related to property services and media, adding to the already established sector specialisms of legal, recruitment and finance.

“Over time Nasstar discovered that an end-to-end service was essential in order to deliver all functions required for a modern-day business”

Nasstar's £5 million private Tier 3 data centre





Nasstar's data centre is one of the most eco-friendly and advanced facilities in the UK

“This approach to Hybrid cloud is seeing Nasstar lead the way in cloud-based services and continue to push the technology boundaries”

Similar to the VESK buyout, it also brought about a further opportunity to build a presence overseas by acquiring its 24/7 client support centre in New Zealand. Given the vastly different timescales, this presence in Auckland will allow Nasstar to further its support function around the clock for the whole business, complementing its primary data centre in Telford and regional offices in Northampton, London and Bournemouth.

#### Public and private cloud integration

Looking at performance in 2016, there are strong signs that Nasstar's measured acquisition strategy is bearing fruit. Based on growth of the past year, which saw a year-on-year revenue rise of 36% to £18.7 million, the business continues to see an organic growth opportunity within the market place for managed service solutions based on public and private cloud hybrid technologies.

The wider industry will continue to change with more providers of scale, such as Microsoft coming into play in cloud services. Companies successfully establishing their own strong footing like Nasstar can't view these as threats but, instead, as opportunities. Using the services they offer and deliver to clients will provide greater benefits for all concerned. This is one of the primary factors as to why the business has spent the past 18 months forming a sound strategy regarding how to integrate its public cloud offering with the private one. As in 1999, this approach to Hybrid cloud is seeing Nasstar lead the way in cloud-based services.

With the right service portfolio and capabilities for end-to-end client delivery firmly in place, Nasstar will continue to target vertical markets and stay true to its innovative routes as the market continues to mature. Technology moves at such a fast pace and Nasstar will continue to push the boundaries.