SOFtCat

Two-decade Mimecast partnership drives IT reseller Softcat's growth and profitability

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William Day, Softcat Cyber Security Alliances Lead

Business Case

One of the first cybersecurity vendors with a platform solution to manage email and cyberthreats, Mimecast was a perfect fit for Softcat's mid-market customers — and for Softcat itself.

Results

Today, Softcat is the U.K.'s biggest IT reseller, and Mimecast is Softcat's biggest cybersecurity partner. Mimecast sales fuel consistent revenue and profitability growth, thanks to the vendor's platform approach, innovative capabilities, technology-partner integrations and channelfocused sales model.

Data Points

- Softcat's cybersecurity revenue has grown annually by double digits percentagewise over the past two years.
- 56% of Softcat customers say cybersecurity will be a top three investment priority for the year ahead, more than any other category of spending.
- Softcat has been named Mimecast's U.K. Partner of the Year for 17 years.

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From its start as a Microsoft reseller business in 1993, Softcat has steadily amassed a much broader portfolio of business technology solutions over the past two decades. Along the way, it has racked up 72 straight quarters of revenue and profit growth and built a customer base of 10,000 customers, of which over a third purchase networking and security solutions.

Mimecast became Softcat's first new partner in 2003, and the timing could not have been better.

"The team had identified the resale of security solutions as a great opportunity around the same time Mimecast entered the U.K. market," said William Day, Softcat's cybersecurity Alliances Manager. Email was in its relative infancy, and customers needed help managing the risks. The reason for its success is simple: Mimecast's products are a perfect fit for Softcat's midmarket customers, Day said. The solution provider — which has been named Mimecast's U.K. Partner of the Year for 17 years straight — continues to sell more Mimecast products to existing and new customers. To be sure, demand for cybersecurity solutions continues unabated. More customers (56%) ranked cybersecurity as a top three spending priority for 2024 than any other investment, well ahead of devices and end user computing (39%) and harnessing data (28%), according to Softcat's Business Tech Priorities Report 2023.

"The industry is accelerating at an immense pace, driven not only by technology advancements but by the nature of threat actors and the need to out-maneuver them," said Day.



Explore the Mimecast Partner ONE program. <u>mimecast.com/partners</u>

The Power of the Platform

Not long after Softcat signed on as a Mimecast partner, it signed on as a Mimecast customer. Softcat had been taking a best-of-breed approach to cybersecurity, but consolidation had significant appeal. "Mimecast was the original platform play," said Day.

Years later, companies at large are struggling even more with a diversity of cybersecurity vendors. "Things have reached a tipping point where control is harder to maintain, and the costs associated with managing multiple solutions are spiralling out of control," said Day.

Mimecast's Technology Alliance Partners program helps to ease that reality.

"A lot of cybersecurity vendors talk about integration, but Mimecast actually has it with best-of-breed partners," said Day. "That addresses an additional pain point for customers with the sharing of threat information and constant communication. It provides more value back to customers' IT teams, [who don't have to] to manage [different] sets of incoming logs or data points."

Mimecast's platform and partnerships have been valuable to Softcat as a customer as well.

"There's a reason we've carried on that investment. It's still delivering what we need," said Day, whose team shares insights about the company's own Mimecast experience for use in sales discussions.

Where Mimecast Wins

Softcat sells a variety of Mimecast products, including its <u>Security Email Gateway</u>, with customers particularly interested in capabilities like Large File Send, Secure Messaging, Sync & Recover and Email Archiving.

For mid-market buyers, Mimecast <u>Email Security</u> <u>Cloud Integrated</u> is a popular option. "They often have small, overworked IT teams," Day explained. "Cloud Integrated is a straightforward, plug-andplay solution."

One recent Mimecast win was a Softcat customer whose previous email gateway missed 80% of malware — a classic customer problem. Mimecast outperformed in simulation. Another Softcat customer wanted additional protection against QR code attacks, impersonation attempts, credential harvesting and URL attacks getting past Microsoft Defender.

"We identified Mimecast as the most suitable fit due to superior integrations with CrowdStrike and Netskope," Day said. After a proof of concept, the customer made a two-year upfront Mimecast purchase.

Of late, Softcat has seen the biggest upsell opportunities with Mimecast **DMARC Analyzer**, as U.K. companies prepare for mandatory compliance with the PCI DSS v4.0 standard.

Mimecast's **CyberGraph**, which uses artificial Al to alert users to sophisticated phishing and impersonation attacks, is another increasingly attractive product, as customers are curious about how Al might cut costs, increase efficiency and boost cyber resilience.

Why the Mimecast-Softcat Relationship Work

Softcat has no shortage of potential cybersecurity partners, and the company needs a diverse portfolio to meet the needs of its diverse customer base. Still, it can't sell everything to everyone.

Softcat's vendor council conducts monthly reviews to assess partner opportunities based on customer demand and whether the vendor has a UK distributor. And — critically — to assess whether they have processes in place to work well with Softcat, which prides itself on customer service as a key differentiator amid a crowded IT reseller marketplace, Day explained.

Working with a partner like Mimecast is additive to Softcat's customer focus. But, in addition to top-notch technology solutions, Mimecast's channel strategy and cultural alignment with Softcat takes the partnership to the next level.

"We're two great teams of individuals focused on growth and heading in the same direction," said Day, who can pick up the phone to talk to the Mimecast channel team. "They're never afraid to take on a challenge or say yes to an opportunity."

Charting a Course for Growth

When it comes to success metrics for the Mimecast partnership, revenue matters, but so does customer growth, average deal size and customer spend. Softcat is currently selling cybersecurity solutions to 40% of its customer base, so there's untapped opportunity.

Softcat is also expanding globally. While 99% of its customers are in the U.K., the company opened a U.S. office in 2022, an Asia-Pacific office and a virtual European office, with plans to open a physical European office next. Softcat has been working with Mimecast over the past year to ensure the partnership is well-positioned to hit the ground running in new geographies.

"Our Mimecast partnership was a pioneering one, setting the benchmark for what true partnership looks like," Day said. "We've gone through this journey together and learned together. They set the gold standard for us, and I don't see that changing anytime soon."