

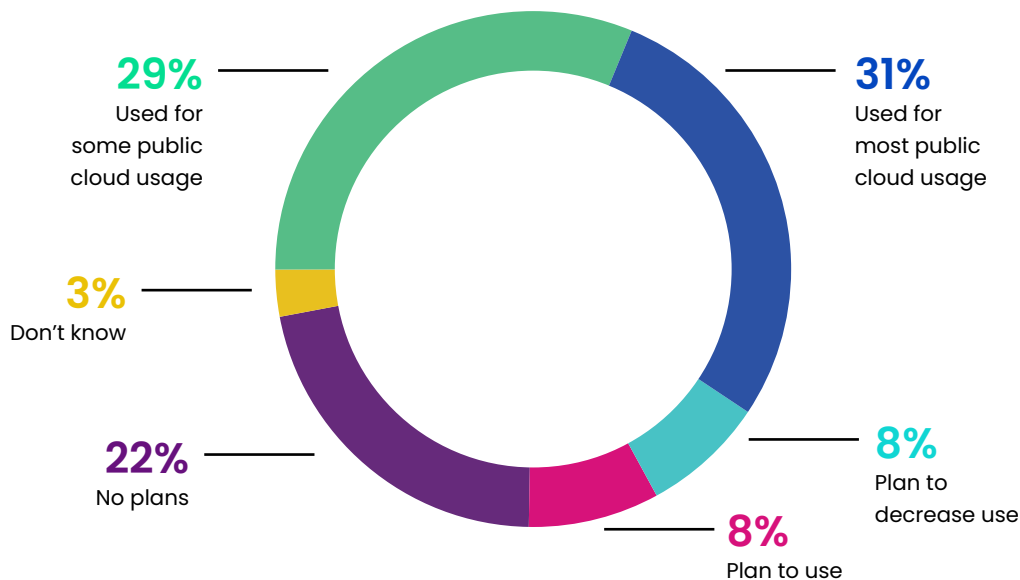


Unlocking the Revenue Potential of IaaS

The IaaS Profit Potential

Cloud is foundational to modern business, but profitability in the cloud isn't automatic. Today, **60% of organizations rely on MSPs to manage public cloud environments**, but as cloud environments mature, so do the challenges, including maintaining consistent margins.¹

Utilization of MSPs for managing public cloud for all organizations



Infrastructure is no longer just about migrating servers. It's about the complexity of managing multi-cloud environments, optimizing costs, integrating AI workloads and delivering strategic value. Without proper guidance on ways to maximize infrastructure and meet the rising market demands, margins shrink and unpredictability grows.

This guide puts you in the driver's seat to leverage infrastructure as a strategic profit engine. Discover how to monetize, build AI-ready environments and drive scalable, long-term growth for you and your clients.

Engineering Profitable Usage in the Cloud Era

02

Cloud infrastructure is no longer a cut-and-dry product you resell. As hybrid and multi-cloud environments drive demand, MSPs must continuously monitor these cloud landscapes to avoid shrinking margins.

Today, hybrid environments (private and public cloud use) are most popular for their scaling, flexibility and enhanced security. A business can run core operations on private infrastructure, while public infrastructure handles spikes in workload, such as tasks that increase AI use.

According to a 2026 infrastructure report, **51% of organizations are prioritizing hybrid or dynamic scaling strategies to keep up with computing needs.**²

That means billing can't sit in the background. It's part of the strategy.

Billing and cost governance protect MSP margins and client budgets, while building trust. And leading MSPs treat usage as something they engineer, allowing them to:

- Blend predictable recurring revenue with managed usage
- Monitor consumption in real time instead of chasing invoices
- Set smart thresholds and alerts to avoid surprise billing
- Turn financial operations (FinOps) and cost optimization into recurring suggested services

SaaS-ify Your Infrastructure: Predictability with Built-In Governance

03

Fixed-rate, bill-ahead infrastructure models provide clients with predictability and stable, recurring revenue for MSPs. But flat pricing alone isn't enough anymore. In 2026, predictability must be paired with governance.

Modern infrastructure packaging should include:

**1 A Predictable
Recurring Service Tier**

Example: A bundled monthly infrastructure plan covering core compute, storage, backup, monitoring and advisory hours.

**2 Usage Monitoring and
Optimization Reviews**

Example: Monthly or quarterly cloud usage reviews identifying idle resources, right-sizing opportunities and cost-saving adjustments before invoices escalate.

**3 AI Workload
Guardrails**

Example: GPU (Graphics Processing Unit—AI's processing power) caps, usage limits or auto-scaling controls that prevent AI experimentation from inflating the budget.

4 Performance Sizing

Example: Ongoing adjustments to right-size Virtual Machines (VMs), optimizing storage and scaling to performance needs.

5 FinOps Oversight

Example: Real-time spend tracking, cost anomaly detection and savings plan optimization as an ongoing managed service. This is how MSPs can create predictable margin structures. Next, we break down how FinOps turns cost control into a competitive advantage.

FinOps: What Is It and How Does It Multiply Margins?

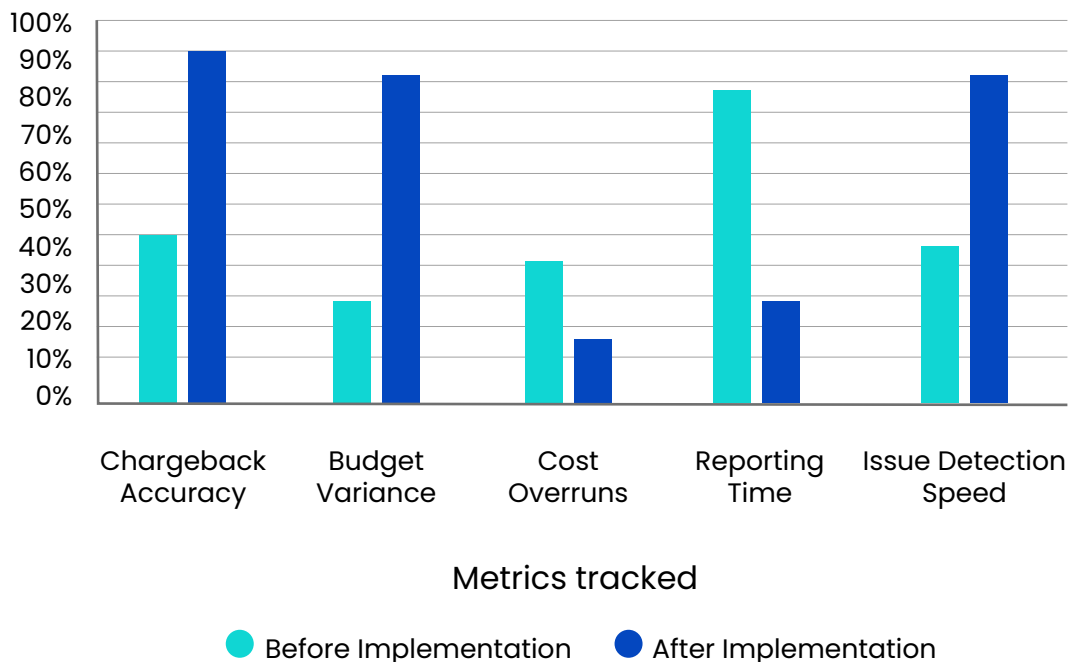
04

FinOps is the framework where cloud cost management meets strategy. It is a set of tools, principles and processes that enable organizations to better track and monitor their cloud spending.

Unlike a cloud cost management team that focuses on reactive costs like identifying wasted resources, FinOps fosters proactive collaboration across finance, engineering and business teams to ensure cloud spending aligns with business growth goals.

Impact of Granular Cost Allocation on Financial Governance

Companies using granular cost allocation tagging have improved resource chargeback accuracy, leading to better financial governance.



Source: [CloudKeeper Cloud Cost Optimization 2025 Report](#) ³

FinOps allows MSPs to:

- Make data-driven decisions
- Optimize cloud costs
- Minimize resource waste
- Manage AI and workload surges
- Avoid surprise costs with billing alerts
- Deliver accurate usage reports
- Monetize ongoing expansion and performance sizing

According to the Flexera 2025 State of the Cloud Report, **59% of organizations now have a FinOps team in place.**¹

Contact your Pax8 Infrastructure Consultant to learn more about cloud cost management services.

Unlocking the Revenue Potential of IaaS

AI-Ready Infrastructure

05

AI influences how MSPs and SMBs compete, automate and grow.

Businesses now expect intelligent workflows, real-time insights, automation and personalized customer experiences. Delivering on those expectations requires infrastructure that is flexible, scalable and secure.

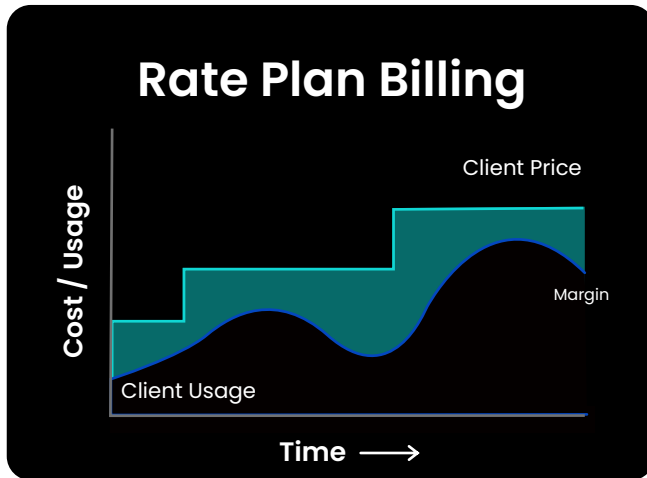
Building AI infrastructure from scratch is expensive, complex and unrealistic for most SMBs. Cloud platforms provide access to enterprise-grade AI capabilities without the capital investment or hardware burden.

For MSPs, the opportunity is to design AI-ready environments with secure data pipelines and governance controls so clients can implement, experiment and scale efficiently.

85% of companies spend 10% or more of their IT budget on AI, while 24% spend more than 25% of their budget on AI initiatives that require scalable compute, real-time processing and optimized data infrastructure.⁴

Infrastructure enables intelligence. Intelligence drives growth.

Overages



One of the primary concerns with charging a flat rate is the fear that a client may use far more services than anticipated and leave the partner (you) liable for charges. With the margins in IaaS, you could blow through your entire revenue potential with a single significant overage. By billing the expected usage in advance, any overages are just a portion of the overall bill.

“Overages are an opportunity.”

For instance, if a client has \$1,000 USD in standard infrastructure usage and a \$250 USD overage, by billing in advance for expected usage, the client has an unexpected bill of \$250 USD, instead of an unexpected \$1,250 USD bill. Essentially, it is the same math but different psychology.

How Overage Become Opportunities

When setting up the agreement with the client, establish that their flat fee includes caps, just like a cellphone data plan. If the client uses more than they are allotted, you then charge a one-time overage fee to recoup those costs.

More importantly, overages provide an opportunity to move them into a more substantial service that better fits the client’s future needs. Waiving overage charges when moving to a higher price tier can be an opportunity to strengthen the client relationship and grow long-term revenue.

Think of IaaS billing as an environment where the client’s usage fluctuates, but each spike provides the MSP an opportunity to raise the level of service offered.

Design Your Service Plans

07

Building out your service plans and deciding what to charge can be intimidating with usage-based services.

The good news is that IaaS charges are actually very predictable. In general, the primary area that the end client can influence is bandwidth.

Try to approach your plans in three steps:

1. Design the servers required for your client's business case.
2. Add in your margin in the form of a service fee.
3. Identify one bandwidth tier that covers the current projected client bandwidth, including backup traffic, and then two to three more tiers they could grow into. Once you attach the bandwidth costs to the server and service fees, you have your tiered plans.



Infrastructure costs are manageable and optimizable when designed correctly.

Add Your Unique Value to Productize Your Plan

Infrastructure can be a competitive space to sell, and risks becoming a commodity play if you sell it as a standalone line. Instead, incorporate your tiers into a comprehensive service description of what you do. Sell your unique value as an overall service package, with infrastructure as a component.

Step-by-Step to Convert IaaS to SaaS-Style Offering

Here is the step-by-step plan for success:

1. Determine the projection of client use.
2. Design your “good, better, best” tiered service offerings, including data caps.
3. Wrap up your infrastructure service tier as part of an overall value offering.
4. Establish a recurring contract with the client and an expectation of what happens if they exceed bundled usage.
5. Configure virtual servers to take advantage of low usage periods.
6. Monitor client usage.
7. Charge overage fees as required and use overages as an opportunity to increase the level of service.

How Pax8 Helps You Establish Scalable Infrastructure

08

Pax8 helps partners to design, modernize and monetize their infrastructure strategy.

We know that every partner prioritizes growing their business, gaining efficiencies and reducing risk. As a result, we are focused on helping our partners discover what's possible, design what's required and deliver a phenomenal customer experience.

Here's how we do that:

Discover

Technical consultants identify more complex infrastructure workloads.

Teach partners how to scale in Azure/AWS to find more opportunities with customers.

Pax8 Marketplace services to increase project capacity for the partner.

Expertise in solutions that enable growth in Azure/AWS.

Design

Educate about infrastructure capabilities to open new revenue streams.

Provide insight on how other partners are growing their infrastructure business.

Technical training to expedite the learning curve of engineers.

Access to MDF/POC funds to accelerate growth in consumption.

Deliver

Pax8 Marketplace services to offload complex projects to a team of certified engineers.

Direct to vendor escalations to ensure timely resolutions when issues arise.

Technical trainings to ensure partners are following best practices.

Access to self-paced, instructor-led and peer group interactions to learn innovative approaches.



Pax8 simplifies the way organizations buy, sell and manage cloud solutions, empowering our partners to achieve more with cloud technology.

Our born-in-the-cloud Marketplace modernizes the channel's cloud journey with consolidated billing, automated provisioning and industry-leading PSA integrations. Our technology is backed by our world-class partner experience that provides responsive support alongside the education and resources you need to grow your cloud business.

1. [Flexera 2025 State of the Cloud Report](#)

2. [State of AI and Infrastructure 2026 Report](#)

3. [CloudKeeper Cloud Cost Optimization 2025 Report](#)

4. [Cockroach Labs, The State of Infrastructure 2026 report](#)