Positioning your MSP for success

OVERVIEW

There are many components needed for managed service providers to successfully grow their businesses. With over 10 years of experience working with MSPs, we have consistently seen positive results for companies that focus on the following three areas:

- Selling the stack
- Scaling your MSP
- Becoming a trusted advisor

Selling the Stack means bringing a total end-to-end solution to your customers. **Scaling your MSP** requires a strategy to move from your current state to your desired growth rate. **Becoming a Trusted Advisor** calls for strong relationships with your customers, so they look to you for guidance and trust your decisions on technology for their businesses.

SELLING THE STACK

Today, businesses need end-to-end solution strategies from their managed service providers. This means that when you walk in to meet with your customers, you need to bring the whole "stack." Four primary technology areas form the backbone of a managed services portfolio:

- **Managed IT** - Managed IT entails 24x7 monitoring, support, and problem resolution for businesses. Many small businesses today do not have the staff or expertise to manage their own IT. This provides an opportunity for MSPs to become a trusted advisor for IT services and to develop a long-term relationship with customers needing their expertise.

- **Business Continuity** - Backup plans for data, email, and voice are critical in the event of a man-made or natural disaster. Whether a business has premises-based servers, cloud-based applications, or most likely, a hybrid of the two, it is critical to have a comprehensive plan in place in the event of a failure.

- **Security** - Security is a paramount concern in today's business environment. Every day in the news, you hear about hacking, network breaches, ransomware and other security challenges. Businesses need MSPs to provide guidance and a clear strategy so they can avoid these issues. More than just setting up a secure network and creating strong passwords, a security strategy involves educating businesses on how to avoid breaches through initiatives such as employee training.

- **Voice Services** - VoIP market share is growing as more businesses make the transition from legacy PBXs to cloud-based voice technologies. Today's VoIP is feature rich and is a key part of the network infrastructure of a business. As other IT solutions move to the cloud, VoIP is a natural fit for this migration.

Selling the whole stack provides "stickiness" with your customer. Stickiness locks the customer in with you and entices them to stay for the long haul. Of course, you need to provide outstanding service and support to maintain the relationship. Taking care of your customers and selling a complete portfolio also raises the barrier of entry for the competition. By offering only select or specialized IT services—rather than a complete portfolio—you leave your customer relationship exposed to the competition.

SCALING YOUR MSP

Having the stack in place is a critical first step for your business, but it takes more than just a technology offering to be successful. What is your go-to-market strategy? What makes your business different (and better) than the other MSPs? Beyond just selling boxes, what are you doing to take your business to the next level? Scaling is a difficult transition for many technical people who start and run MSPs. While great at dealing with technology and fixing problems, you may not excel at the sales and marketing aspects or the operational details. All businesses, not just MSPs, face these challenges, and see different challenges at each stage of revenue growth - from $100K to $1M and more.

Strategically, what is your focus? Are you servicing specific verticals (healthcare, auto dealers, etc)? Understanding the markets you plan to serve and developing the plan to address these markets is the beginning. Trying to be all things to all people is usually not a successful strategy.

Once you narrow your target market, consider how you might adjust your people and processes. If you are a small MSP shop, one big challenge is that you have to wear many hats. But as you grow and add more people, focus on getting the right people at each stage. As part of the strategy, map out your growth plan and staffing to support your business. If you are focused on sales growth, look at adding a sales/marketing resource. As your managed endpoints scale, make plans for additional tier 1 and 2 techs to support those new clients. Most importantly, develop a consistent process to screen and verify new candidates to ensure both a cultural and technical fit.

We recently saw Verne Harnish, author of *Scaling Up: How a Few Companies Make It...and Why the Rest Don't*, present at an industry event. It was very thought provoking and insightful about elements you need to scale your business. In his book, he highlights the keys things a company must get right: **people**, **strategy**, **execution**, and **cash**. There are many resources out there that you can use to provide guidance on taking your business to the next level—Harnish's work is just one example.

BECOMING A TRUSTED ADVISOR

If running and growing a business was easy, everyone would do it. The MSPs that "make it" will be the ones that truly move beyond break-fix services to trusted advisors. SMBs are not experts on IT, but need the tools, support, and guidance from MSPs to make sure they can operate successfully. Below are three strategies you can use from the initial meeting throughout the customer lifecycle to provide value and earn the status of "trusted advisor."

- Initial solution selling
- Business continuity plan
- Quarterly business review (QBR)

Initial solution selling - when you first meet with the customer, get to know them. Focus on understanding their pain points and what is holding them back. Through this process, you will gain an understanding of the solutions needed to help that customer achieve their business goals. Although they may not initially need the whole stack, you can review your offering with them and note opportunities where you can upsell later.

Business continuity planning - business continuity planning is a key topic that businesses from small to large need to embrace and strategize. Simply stated, business continuity is the ability for a business to continue operating in the event of a disruption. What is a disruption? It could be anything ranging from a power outage, loss of Internet connectivity, or even an employee spilling a cup of coffee on a server with all the company data! It could also be a major event like a hurricane, a blizzard, or another act of God. According to the SBA, 25% of businesses do not re-open after a major disaster. It is imperative that a business has a plan in place in the event anything does happen. Data, email, and phone service are key considerations when putting the plan together with your customer.

Quarterly business review (QBR) - a quarterly business review (QBR) is a focused one-to two-hour meeting each quarter with clients to review key business objectives, measure past accomplishments, and identify new priorities. QBRs are all about customer satisfaction and upsell opportunities. By having these meetings on a quarterly basis, you are able to show value and become more of a trusted adviser to your clients. Beyond just a technical or sales conversation, QBRs should facilitate a business discussion. The goal is to understand the business challenges faced by your client and lay out a comprehensive plan to help them successfully overcome these challenges. This is a great opportunity to cross-sell and upsell products and solutions in your portfolio.

CYTRACOM MAKES IT SIMPLE FOR MSPS TO SELL VOIP

Cytracom is a channel-only Voice over IP (VoIP) provider focused on enabling businesses with advanced voice services. As customers increasingly look to MSPs to provide end-to-end business continuity solutions, Cytracom enables partners to easily add voice into the conversation. Voice Continuity from Cytracom protects customers' voice services from outages, interruptions and even poor quality with automated failover policies and quality monitoring.

More affordable and scalable than a traditional phone system, Cytracom's hosted VoIP delivers big-business phone features fit for any size SMB. Straightforward, subscription-based billing and free, fully warrantied hardware means customers can say goodbye to long-term investments and contracts for good.

Cytracom goes the extra mile to simplify VoIP for MSPs with dedicated channel managers, in-depth training and impactful sales tools.

WHY CYTRACOM

Cytracom was founded by an MSP that saw the need for a full-featured VoIP system to complement the other IT portfolio offerings. VoIP is part of the network and is a natural addition to backup and data recovery, help desk, and security solutions. Customers get the benefit of working with a local expert that understands their network. Cytracom focuses on making the process of buying, installing and using VoIP as simple as possible. Below are some ways that we make that possible:

No contracts
No long-term commitments.

Full warranties
Eliminate maintenance fees with lifetime warranties.

Free phones
Get free business phones for all of your users.

36-month upgrades
Stay up-to-date with the latest phones.

CYTRACOM