



Cloud Services Community

Most Successful MSPs

Key Trends



MSPs

Key business trends

- The Business model
- Specialization
- Offering consolidation
- Technical Challenges
- Approach to their clients
- The hidden influence
- The right vendor approach



MSPs

Key business trends

- The Business model - charging
 - As much MRR (monthly Recurring Revenue) as possible
 - Bundling technology and services on a per seat per month charge

‘MRR is the key to the valuation of a business’

‘Time and Materials is dying clients want a fee they can quantify each month’



MSPs

Key business trends

- The Business model - Specialization
 - By vertical market(s)
 - By technology

‘Being a generalist is a fabulous way to drive down your profitability’

‘Understanding and leveraging what makes you special is the key to success’



MSPs

Key business trends

- The business model - consolidation
 - As close as possible to the same set of technology and services to each client
 - Made easier by specialization

‘The only way to provide awesome support and make money is to consolidate the technology you will support’

‘Rinse and repeat is the most effective way to make money’

‘Supporting anything and everything is a mugs game’



MSPs

Key business trends

- The business customer – Many MSPs handling larger clients
 - Specialist business expertise more important than size
 - Cloud hosting makes this easier
 - Sometimes supplementing not replacing the IT dept

‘Customers are much more concerned about our industry knowledge than our size’

‘In the bigger customers we supplement their own IT department’



MSPs

Key business trends

- **Biggest Technical Challenge - SECURITY**
 - Insurance issues
 - The rise of the super security MSP

‘If clients won’t pay for the right security, we send them letters saying we cannot be liable for any breaches’

‘Security is no longer optional if I don’t provide the right security my Insurance will be withdrawn’

‘Very shortly we will have to fire clients who won’t pay for appropriate security’



MSPs

Key business trends

- Approach to their clients
 - Business led

‘I lead with business consultancy and bolt the technology on the back of it’

‘My team can talk to anyone in a mid-sized hospital and know exactly what their role is’

‘If I can’t discuss his business with the CEO what value do I bring to the table?’



MSPs

Key business trends

- The hidden influence

‘I support a given product set which I purchase but we influence about another \$3m which is purchased on client paper’

‘I advise the client on what to buy and where to buy it – the few points I might make are not worth the risk of the client questioning my other costs as there is always somewhere cheaper to buy it’



MSPs

Key business trends

- The right vendor approach
 - The MSPs often see themselves as the customer
 - They don't want to sell technology on a select customer basis
 - Sell the benefits of being part of their stack

'I've yet to see a vendor come in and ask what do you need and what does it take to be part of the technology/services stack I sell to my clients'

'I provide a service including strategy, support and technology I do not buy and sell technology'

'Vendors need to teach their CAMs at least business 101'